

Colleagues , The objection form can be downloaded from the CoJ website. There is a link in the text below (at the bottom). The website will also allow you to download comparative property values in you area. I chose to get all of them. Key to the thing is that values have gone up on average by 30%. Business values have gone up by 40%. I have heard of some being 15% up. So some will therefore be more than 30%. There is quite a bit of valuable info in this document. Digest it slowly !!

Denis

EDITED EXTRACTS

Property Valuations for the General Valuation Roll 2018

Over the past few days, many residents would have received their new property valuation notice by email and/or post. If you haven't, then don't panic, you can view it at this link: <https://coj2018.evaluations.co.za/eServices/>

If you have received your notice, then you may be shocked by how much it has gone up (note that for every R100 000 increase it represents about R60 extra on your rates bill). I deal with this below, but it is important to point out that property valuations may have traditionally always been lower than the actual value.

The City started to address this in the last valuation roll, but many were still undervalued.

Some residents who's valuations were too low, are now about right. Others, who were correctly valued or live in areas where the market is stagnant, may have received a valuation that is too high.

The standard knee jerk reaction is that it is WRONG and TOO HIGH!!! While this may be the case for some households, for others it is actually close to the real value of the house - ie how much you would sell it for if you were selling it. If the valuation is correct then you can't object. If it is within a couple of R100 000 of the approximate value, then it is a judgment call as to whether you object. If your valuation is too high (or too low) then objections open on 20 February to 3pm on 6 April 2018, both for physical walk-ins at the Revenue Walk In Centers like Randburg, but also the online portal.

Frequently Asked Questions: General Valuations Roll

What is a General Valuation Roll?

A General Valuation Roll (GV) is a legal document that consists of property information of all ratable properties within the boundaries of a municipality. It is produced according to The Municipal Property Rates Act 6 of 2004 (MPRA).

- *Every property is supposed to have a municipal valuation. You should see a*

value on your municipal statement. This is the property valuation that the municipality has ascribed to your property.

- The municipal valuation is a value ascribed to your property by the Valuations Department and is determined based on a number of factors and the precise value is calculated according to formulae determined by the municipality's Valuations Policy and the Local Government: Municipal Property Rates Act 6 of 2004.
- The municipal valuation is based on a number of factors and the precise value is calculated according to formulae determined by the municipality's Valuations Policy and the Local Government: Municipal Property Rates Act 6 of 2004.
- The municipal value is not necessarily equivalent to market value, but according to law, it should be.
- For each General Valuation Roll, the date at which your property should be valued, is 1 year before the commencement of the General Valuation Roll (in this case, 1 July 2017).
- The amount that the municipality charges you for rates each month, is based on your municipal valuation. If the municipal valuation increases, then the amount you pay each month for rates will also increase.
- A Valuation Roll is a database in which the municipal valuations of all properties are recorded on that particular roll.
- Each roll is re-published once every 4 or 5 years and the property values (and categorisations) are updated at the same time. Depending on a number of factors, your property value may have stayed the same, or increased, or decreased, from the value contained on the last roll.
- The municipality should give you notice if your property is appearing on a roll that is being published in the near future.
- These rolls contain only property information like descriptions, valuations and categorisations; they do not contain reasons for why the municipality has chosen these.
- If you have received notice that your property is on a roll that is soon to be published, you should determine immediately whether you are satisfied with the municipal valuation. If you are not, you will have to object.
- Not receiving notice does not absolve a property owner from the responsibility for inspecting the roll and objecting on time.

What is the purpose of a General Valuation Roll?

The General Valuation Roll assigns a value to all properties in a municipality with the objective of generating rates on an equitable basis.

Why a new Valuation Roll?

The last COJ valuation roll was implemented with effect from 1 July 2013, and by law the City of Johannesburg needs to review its GV every four years. In the case of the city of Johannesburg, the MEC for local Government granted the City a 12 month extension and therefore Joburg residents will see the GV implemented on 1 July 2018.

The general valuation is tied to a specific date for the entire period of the valuation roll, and must be at most one year from the date of implementation. This is referred to as ***Date of Valuation, at which all property values are "pegged" or "fixed" and will be 1***

July 2017. The values must reflect the market value of the properties in accordance with the market conditions which applied at that date.

When can I inspect the GV18?

The 2018 valuation roll must be handed to the Municipal Manager by 31 January 2018 [done]. The Municipality will thereafter publish the Valuation Roll and open it for inspection at the municipal offices and on its website by a date to be confirmed. All property owners will also be notified of their new values in writing.

The roll will be made available for public inspection for a period of no less than 30 days, when property owners can exercise their rights, in terms of section 50 of the MPRA and object to their values or any other property value that is deemed to be incorrect. Objections can only be lodged against a specific individual property and not against the valuation roll.

Notes:

Property Searches can be done without registering for e-services [use the specific link above/below]

You need to be registered for e-services to lodge an objection.

You can fill in the objection form online (and upload supporting documents) or download the form to hand in at a COJ walk-in Center like Randburg Walk in Centre, Jan Smuts Avenue corner Bram Fischer Drive, Randburg CBD

You can compare suburb property values online on the Valuation e-services

You can click on comparative sales in the area and the date of sale

Good sales = willing buyer / willing selling. No auctions, family transfers, no auctions etc.

If you don't receive the Sect 49 notice it is be available online once you have searched your property attributes

GV 2018 - Average is 30% increase on residential properties, 40% on businesses properties. Total average is 44%

If you are thinking of buying a property, or in the process of buying a property, you should view the value now and object if necessary.

Anyone can object to a property on the valuation roll

You can use an online computer mass appraisal system to help your objection. Examples include Lightstone and PropIQ.

What is the date of valuation and why is this important?

The date of valuation refers to the date at which property values are determined and fixed for the purpose of the General Valuation Roll. For the purpose of the new **GV 2018, 1st July 2017** has been set as the valuation date. It is also the date that will be used for all future calculations for the purposes of supplementary valuations up until a new general valuation roll replaces the General Valuation Roll 2018.

What is the meaning of effective date of valuation?

The effective date of valuation refers to the implementation of the General Valuation Roll. This is usually coincides with the date of the new financial year of the municipality. It means that a person may be levied rates according to the new general valuation roll from the effective date. The effective date of the General Valuation Roll 2018 is 1 July

2018.

How does the City Value your property?

The purpose of the valuation project is to determine a market value of all properties, which implies the most probable price that a property would realise on the date of valuation, if sold on the open market by a willing seller to a willing buyer.

There are several types of properties in the municipality – residential, sectional title, non-residential and agriculture. Each is valued on different basis, although they all relate to the market value. For example, residential property (including sectional titles) is valued on a comparable sales method. Most commercial property (including retail, offices, warehousing) are valued on an income basis, while institutional properties such as schools, hospitals and clinics are valued on a cost basis.

When valuing the properties, the Municipal Valuer establishes the market conditions, and this is based on recent sales and market information activity in the various areas. Therefore this will take into consideration areas where values have declined, increased or remained stagnant due to the current state of the economy as on the Valuation date.

Two kinds of notes you may find on the valuation roll

**vacant stand (stand was vacant at time of valuation)*

***registered after 2017 (property was in the sale / transfer process, or new development)*

Did You Inspect my property?

As this is a mass valuation, the Municipal Valuer uses a computer aided mass appraisal (CAMA) system to determine the values of all properties. This is based on statistical analysis and geographical information systems (GIS), and therefore requires reliable and accurate data.

For residential property, obtaining access to all properties is not possible, and as such, the Municipal Valuer makes use of advanced technology that allows the collection of data. This includes the use of building plans and Pictometry, which is the state of the art 3D aerial photography that allows the valuers to see the properties from all angles, and be able to measure the extents and heights of the buildings, as well as other information relating to quality, condition and other improvements. This is augmented by the use of street level video footage which is collected by driving down each street and recording the street frontages. This method is acceptable in terms of the MPRA, and endorsed by the International Association of Assessing Officers (IAAO) the international body that sets standards to mass appraisal importantly endorses more.

However, in cases where the aerial photography and other imagery is not useable, usually in the cases where properties have a lot of foliage, or high security walls, then physical inspection of the site is undertaken.

The data collection process is independently reviewed for quality assurance purposes to ensure the data collectors are consistent in their approach and the data they record is correct for the subject property.

For non-residential properties, field visits are undertaken to obtain data such as the property use, rentals and financial records of businesses. Remember that the City has

over 800 000 properties!

What do I do if I disagree with my property valuation?

Legislation makes ample provision for any person to object to an entry in a General Valuation roll, provided that such objection takes place in the prescribed manner and within the prescribed objection period. An objection will be considered by the Municipal Valuer and a Valuation Appeal Board, should a property owner wish to appeal against the findings of the former. Each new valuation roll must be advertised in a prescribed manner, and such roll must be made available to the public for inspection and objection. **Once the inspection period has closed no more objections will be accepted.**

Specific details on the objection dates and venues will be advised in the individual notices to owners regarding their property valuations (sect 49 notices).

There is a very useful article on the SA Property Valuations website entitled "Things to Consider When Objecting to Municipal Valuations." They say that there are a few things to remember when objecting:

Only object to a specific property, not to the valuation roll in general or in part.

There is no cost to lodging an objection.

Employing a service provider to provide evidence is discretionary and for the owners account

You cannot object based on the value of other property values in the valuation roll (they may also be incorrect).

Do not object based on rates increases. Municipal valuations are based entirely on current market value at the date of valuation and are entirely independent of rates.

Though the valuation amount is used to calculate the rates it is the annual budget that determines the fee you pay and the annual increase.

Use recent comparable sales (that are genuinely comparable) in the area.

If your property is currently for sale or has recently been on the market, this information should be provided, together with any offers received.

You can also object based on quality, size, restrictions, servitudes or other things that materially affect the value of your property in relation to the comparable sales in the area. Bear in mind that these may already have been taken into account. As mentioned, there could be errors, and there will obviously be issues that the Municipal Valuer is not aware of due to the nature of mass valuations.

Be sure to provide details and all relevant documentation, without which your value cannot be changed.

A valuation by a professional valuer or from an estate agent may be attached, but ensure that comparable sales are included in the valuation.

Do not object if your valuation is correct. There are cases where on closer inspection an increase in the value is justified. Also if taken on appeal and it is found that the objection is frivolous, the objector may be liable for costs.

If your value is too low, you should object. It is up to each individual's conscience, but remember when you want to sell or need a bond, the municipal valuation will be considered.

There is space to write a motivation - you can include things like erf size/shape, defects, anything that you think should reduce or increase your value.

Take pics of defects etc to support, upload or submit

Estate agents valuation is only an opinion, but will be considered. Estate agents must date their valuation estimate for 1 July 2017

Each sectional title unit must do their own objection form

Neighbours have rights to object to another property. Especially if there is illegal use - they will value it at the higher use.

Roads / servitudes etc should be zero rated.

What can't I object against?

Legislation allows you to object to any entry or omission from the General Valuation Roll but not the roll in total. A property owner can also not object to the rates that you are paying or are due to pay; The Valuation Services directorate does not determine rates. They are responsible for the determination of property values, which are used as the City's rates base by the Rates & Taxes directorate to calculate your rates.

- *Only object to a specific property, not to the valuation roll in general or in part.*
- *You cannot object based on the value of other property values in the valuation roll (they may also be incorrect).*
- *Do not object based on rates increases. Municipal valuations are based entirely on current market value at the date of valuation and are entirely independent of rates. Though the valuation amount is used to calculate the rates it is the annual budget that determines the fee you pay and the annual increase.*

Do I need a Lawyer to represent me at the Appeal Board?

The Appeal Board is not a court of law, and you do not need to bring a lawyer, unless you wish to do so. You may also bring any other expert to assist you during your appeal hearing. However this will be for your own account. The Valuation Appeal Board will consist of a Chairperson with legal qualifications and sufficient experience in the administration of justice. The remaining members will be made up of not fewer than two and not more than four other members with sufficient knowledge of, or experience in, the valuation of property. At least one must be a professional valuer registered in terms of the Property Valuers Profession Act 47 of 2000. The Appeal Board is an independent Body appointed by the MEC Local Government.

How long will an objection take to be resolved?

The number of objections received will have an effect on the process period. The Municipal Valuer will review the objections taking in consideration the information that was provided on the objection form.

The outcome of the Municipal Valuer decisions will be mailed to objectors in phases as per completion. The objection period varies, and no specific timeframe can be given.

To what extent is the Municipal decision final?

Section 52(2) of the MPRA states that if the Municipal Valuer changes the value of a property that was objected to by more than 10% upwards or downwards the Appeal Board must review the objection, confirm, amend or revoke the decision of the Municipal Valuer.

I have objected to the new value of my property. Must I continue to pay my rates

even though I think I am paying too much?

The MPRA Section 50 (6) states:

"The lodging of an objection does not defer liability for payment of rates beyond the date determined for payment".

Therefore the account must still be paid until the objection process has been finalised.

The MPRA Section 55 (2) states :

"If an adjustment in the valuation of a property affects the amount due for rates payable on that property, the municipal manager must :

1.calculate -

1. the amount actually paid on the property since the effective date; and

2. the amount payable in terms of the adjustment on the property since the effective date ; and

2. recover from, or repay to, the person liable for the payment of the rate the difference determined in terms of paragraph

3. plus interest at a prescribed rates.

What is a supplementary valuation?

The City is compelled by legislation to reflect all changes on properties in a Supplementary Valuation Roll. Supplementary valuations are performed during each financial year, according to the relevant legislation, to supplement the current general valuation roll with any new properties and/or changes to property values contained in the current general valuation roll.

Note on Pensioner Rebates

The threshold for determining the rates rebates for pensioners is currently a valuation of R2 million or under. If your property valuation is now over that, don't panic as this threshold may [not confirmed] be adjusted in line with the increases we are seeing now. The figure will be confirmed before 1 July 2018, and be published in the draft tariffs for 2018/2019.

OK, I Have My Valuation. What Now?

In many cases, your property valuation will increase. In some cases, by quite a bit. You have to ask yourself whether it is a true reflection of the value of your property (both the land and the buildings). If it is, then there is no point in objecting. If it is undervalued or overvalued then you can object. You have until 3pm on 6 April 2018 to object.

This is the monthly rates charge that you will be paying for the next 4 or 5 years, so it is worth objecting to the new value if it is not correct.

Objection Timeline

- **1 July 2017** - Day Zero: the date that your valuation was done;
- **Tuesday 20 Feb 2018 - Opening Day:** the day you should be able to access your valuation online or at a Revenue Walk-In Centre (ie Randburg); Also the day from

which you can object;

- **Friday 3pm 6 April 2018 - Closing Day:** the day that objections close. No objections will be allowed after this day unless an extension is granted;
- **1 July 2018 - Charge Day:** the day the new rates will be charged from.

Objections will be processed by the City and the Appeals Board after the deadline day of 6 April 2018.

The above detail is provided purely for information purposes. Please use your discretion with regards to the viewing of the Valuation roll and submission of any objection(s).

Link to Valuation E-Services: <https://coj2018.evaluations.co.za/eServices/>