



A busy few months for Rates Watch

The past few months have been a buzz of activity in the Rates Watch office with general valuation rolls open for inspections and objections in 33 municipalities. The list included three metros, namely Buffalo City, Cape Town and Johannesburg.

It was an early bonus to the ratepayers when the City of Johannesburg extended the objection period to 5 May 2023. It offered us the opportunity to assist many more ratepayers with objections.

There was a sigh of relief when the last objection for Johannesburg was submitted just after 15:00 on the 5th of May. We all looked forward to a weekend without screenings and objections!

The first batch of objection results are expected before the end of July.



Image Credit: Tumisu from Pixabay

You have submitted an objection, what now?

Please note: The property rates levy for the July account will most probably reflect the original property value because the objection has not yet been considered by the municipal valuer.

We received several frantic calls about this from our clients when they received their July accounts. There is no cause for concern – your account will be adjusted if the value of your property is reduced.

The objection forms must be handed over to the municipal valuer within 14 days after the closing date for the submission of objections.

The objections should be dealt with as quickly as possible as the municipality will levy rates on the new values from 1 July in the case of a general valuation.

Many clients have asked us whether they should pay the rates levied on the 'incorrect' value, or continue paying what they paid in June, or pay an amount based on the objection value. What is the correct course of action?

This extract from *Practical Guide on Municipal Property Rates* may help. [Click here to read the full article.](#)

Inspection by the municipal valuer

We had a few requests from the municipal valuer to inspect properties for which objections had been lodged, and also for additional information such as a rent roll or a site development plan. These are not strange or abnormal requests. The physical inspection of properties is optional (Section 45(2)(a) of the Municipal Property Rates Act, No 6 of 2004 ("MPRA")) and the municipal valuer may need to verify the value forming attributes of the property. Section 42 of the MPRA provides for access to information that the valuer may require to value the property.



Image Credit: Peggy und Marco Lachmann-Anke from Pixabay

You were too late to submit an objection – what now?

If a property is substantially incorrectly valued, section 78(1)(e) of the MPRA allows the municipal valuer to make a supplementary valuation to correct the value. This is often referred to as a section 78 query.

The effective date in this case will be:

- The date the mistake was made if the value is reduced.
 - The correction is backdated, and the incorrect levies must be credited.
- The first of the month following the notice of the supplementary valuation where the value is increased.
 - The correction is not backdated, and the increased rates will be levied going forward.

The process is similar to an objection as there is usually a form that must be completed and a motivation to substantiate the value that is suggested.

If you have missed the objection boat, contact us for assistance.



Image Credit: Sean Pollock on Unsplash

The S52 review dilemma

If the municipal valuer adjusts the property valuation by more than 10% upwards or downwards, the MPRA requires a compulsory review of the decision by the appeal board – the section 52 review.

It is important to be aware of the compulsory review process as it may change the original outcome of the objection. If the objector is satisfied with the objection result, there is no need to submit an appeal. Technically, it is correct, but to prevent the risk of a higher value you should consider a *locus standi* appearance if the decision of the municipal valuer is subject to a section 52 review.

Why is a *locus standi* appeal recommended?

The objector is not invited to the review proceedings. If the decision of the municipal valuer is confirmed by the appeal board, monthly rates will not be affected, and if the value is reduced, consider it a bonus.

The challenge is if the appeal board decides to increase the value. The effective date of the change is the date on which the new valuation roll was implemented, which could be 18 to 24 months prior, or even longer. Ratepayers in this instance have been and will be surprised by a sudden increase in the monthly property rates on top of a nasty debit dating back to the beginning of the valuation roll.

The court case of [Supaluck Investments \(Pty\) Ltd v The Valuations \(sic\) Appeals \(sic\) Board: the City of Johannesburg and City of Johannesburg Metropolitan Municipality \(Case No: 34752/2019\) \(Click Here to Read the Judgement\)](#) in the High Court of Gauteng, Johannesburg is an example of the effect of a section 52 review.

Another example is the section 52 reviews of unserved erven in Newlands, Johannesburg.

Submitting a *locus standi* appeal where the objection result is acceptable, but the value was changed by more than 10% will ensure that you are present and able to make a submission when the appeal board considers the decision of the municipal valuer.

Our website is a great resource!

A reminder to readers that our **new and improved website** is an excellent resource for checking on the status of valuation rolls, finding pertinent information, and keeping up with any **valuation-related news**.