

IMPACT OF PROPERTY RATES TARIFF INCREASE ON JOBURG RESIDENTS

Property Rates 2020/2021 Effective 1 July 2020 - 30 June 2021

PROPERTY rates are calculated on the value of the property plus the value of any buildings or improvements.

The rates are calculated by multiplying the market value of immovable property (for example, land and buildings) by a rate in the Rand amount that has been determined by the City (this is a requirement of law through the Municipal Property Rates Act).

This value is based on the property's market value – the price you would realistically get for a property on the open market, between a willing buyer and a willing seller.

Different rates are apportioned to different categories of property, e.g. residential, vacant, business and commercial, mining land, religious, farming, sectional title business or residential, agricultural business or residential, multipurpose business, and others. This classification will influence how much you are charged for property rates. The higher your municipal property rates value, the more rates you pay.

Each category of property has its own tariff or rate in the rand. The City has 23 categories that can be identified and are detailed in the City's approved Rates Policy.

The City's current Rates Policy provides for certain exemptions and rebates to be applied to certain classes of properties and/or property owners. For example, all owners of residential property are entitled to a rebate exclusion on property rates on the first R 350 000 of the property's municipal valuation.

To view your property's value, check the City's Valuation Roll on www.joburg.org.za

If the market value of immovable property (land and buildings) is R500 000, and the rate amount in the Rand is R0.008059, then

Amount due for property rates

$R500\,000 - R350\,000 = R150\,000$

The rates payable by the homeowner will then be = $R150\,000 \times 0.008059 = 1208,85$ for the whole year, which means that every month the property owner will pay R100,74 (this is calculated by dividing R1208,85 by 12 as the year has 12 months) to the City.

The rate amount in the Rand is decided by the City council taking into account public comments/submissions/inputs on the municipal council's draft rates policy and budget that is subjected to the process of community participation in line with Chapter 4 of the Municipal Systems Act and the Municipal Finance Management Act.



A message brought to you by: City of Johannesburg
Group Finance: Communication and Stakeholder Management



The Rates Income Calculations for 2020/2021 Effective 1 July 2020 - 30 June 2021

No	Category	Ratio 2019/2020	Rates for 2019/2020 (Cents in the Rand)	Ratio 2020/2021	Rates for 2020/2021 (Cents in the Rand)	% Increase
1	Agricultural Residential	1:1	0.007749	1:1	0.008059	4%
2	Agricultural Business	1:2.6	0.020147	1:2.5	0.020147	4%
3	Agricultural other	1:1	0.007749	1:1	0.008059	4%
4	Residential	1:1	0.007749	1:1	0.008059	4%
5	Residential Consent use	1:2	0.015499	1:2	0.016118	0%
6	Business and Commercial	1:2.6	0.020147	1:2.5	0.020147	4%
7	Sectional title business	1:2.6	0.020147	1:2.5	0.020147	4%
8	Sectional title residential	1:1	0.007749	1:1	0.008059	4%
9	Sectional title other	1:1	0.007749	1:1	0.008059	4%
10	Municipal property	0	0	0	0.000000	0%
11	Farming	1:0.25	0.001937	1:0.25	0.002015	4%
12	Mining land	1:2.6	0.020147	1:2.5	0.020147	4%
13	Vacant land	1:4	0.030996	1:4	0.032236	4%
14	PSI	1:0.25	0.000193	1:0.25	0.000000	4%
15	PSI privately owned	1:0.25	0.001937	1:0.25	0.002015	4%
16	Private open spaces	1:0.25	0.001937	1:0.25	0.002015	4%
17	Public open spaces	1:0.25	0.001937	1:0.25	0.002015	4%
18	State	1:1.5	0.011623	1:1.5	0.012088	4%
19	Education	1:0.25	0.001937	1:0.25	0.002015	4%
20	Religious	1:0	0	0	0.000000	0%
21	Multipurpose Residential	1:1	0.007749	1:1	0.008059	4%
22	Multipurpose Business	1:2.26	0.020147	1:2.5	0.020147	4%
23	R E of a township	1:2.26	0.020147	1:2.5	0.020147	4%
Category of ownership						
1	Public Benefit Organisation	1:025	0.001937	1:0.25	0.002015	4%
Penalty Tariff						
1	Unauthorized use	1:6	0.046494	1:6	0.048354	4%

Rebates on rates tariffs for 2020/2021

Residential Value Exclusion	First R350 000 of value of all residential property to be excluded from rating.
Other rebates :	
Pensioner owners whose gross monthly household income is lower than R10 338 with a property value not more than R2,5 million.	100%
Pensioner owners whose gross monthly income higher than R10 338 but lower than R17 719 with a property value not more than R2,5 million.	50%
Pensioners owners who are seventy and above irrespective of income with a property value not more than R2,5 million	100%
Extended social package pensioners who leave with a property value not more than R2,5 million.	100%
People who are on extended social package who are not pensioners who's property value does not exceed R500 000.	100%
Residential property which is occupied by a household headed by a minor or minors whose parents have passed on while they were owners of the property. Child headed family with the property value not exceeding R2,5 million; or	100%
Residential property owned and occupied by natural persons who are dependent on a State social security grant in terms of the Social Assistance Act 59 of 1992 as their sole source of income.	100%
People who are on pension because of disability whose gross monthly income is higher than R10 388 but lower than R17 719 in a property value not more than R2,5 million.	50%
Organisations with purpose of animal protection.	100%
Property owned by organisations in terms of the Housing Development Schemes for retired persons Act.	50%
Vacant land subject to conditions.	50%
Private sports clubs.	40%
Heritage sites.	20%
Sectional title residential.	5%
Residential value exclusion.	First R350 000 of value of all residential property to be excluded from rating.
The property owner must personally occupy the property to qualify for the rebate.	First R350 000 of value of all residential property to be excluded from rating.
Child headed family with a property value not exceeding R2,5 million.	100%
If a pensioner has a gross monthly income below and equal to R10 338, provided the pensioner is at least 60 years of age.	100%
Residential value exclusion.	First R350 000 of value of all residential property to be excluded from rating.
A pensioner rebate will be applied to one property per pensioner or pensioner per spouse only.	First R350 000 of value of all residential

The pensioner and child headed families property rebate principle criteria are

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| (a) Minimum age: | 60 years |
| (b) Maximum property value:
(Market value per the 2018 valuation roll) | R2,5 million |
| (c) Gross monthly income for 100% rebate: | R10 338 |
| (d) Gross monthly income for 50% rebate: | R10 338 to R17 719 |
| (e) Pensioners over the age of seventy are exempt if the property value is not more than: | R2,5 million |
| (f) Child headed family 100% rebate (pensioner property threshold will apply)
* Maximum property value:
* (Market value per the 2018 Valuation Roll) | R2,5 million |
| (g) People who are on pension because of disability (100% rebate, property value should not be more than R2,5 million)
* Maximum property value: R2,5 million (100%)
* Gross monthly income for 100% rebate:
* Gross monthly income for 50% rebate: | R10 338
R10 338 to R17 719 |

Child headed families and military veterans will receive a 100% rates rebates, provided property value does not exceed R2,5million.

Pensioners must apply to qualify for the rebate by completing a form

Application forms can be obtained from:

- Any of the City's Customer Service Centres; or
- The City's website (www.joburg.org.za);
- It can be e-mailed to you upon you providing your e-mail address.

Application forms can be submitted as follows:

- At your nearest Customer Service Centre (please ensure that a reference number is obtained), or
- E-mailed to: rebates@joburg.org.za or ratescomments@joburg.org.za;
- Mailed to: Rates & Taxes (Rebates), P.O. Box 5000, Johannesburg, 2000.

The form should then be submitted along with the following documentation:

- Certified copy of you South African ID;
- Certified copy of your pension card;
- Proof of income / bank statement; and
- Certified application form by Commissioner of Oaths.



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