

# The Property Handbook

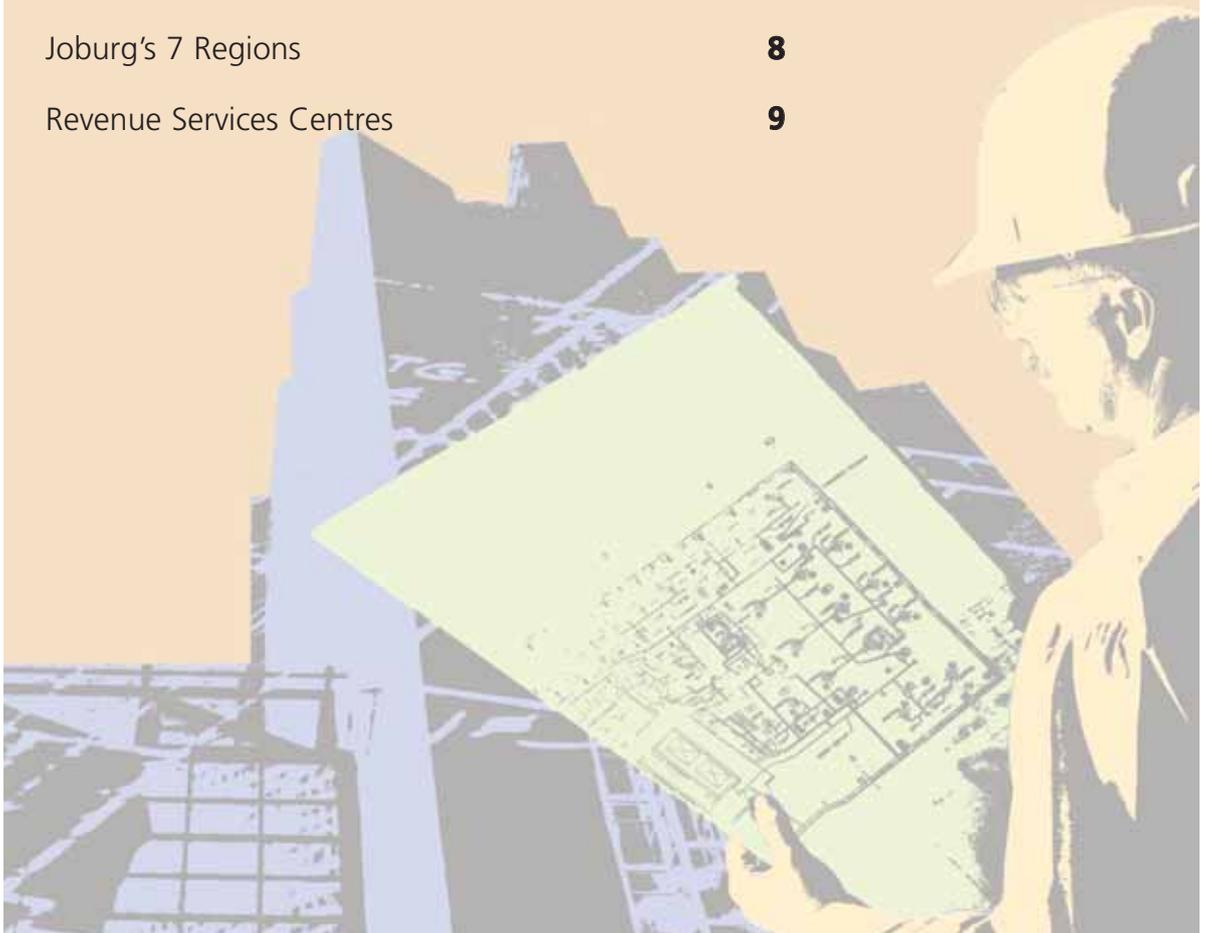
## For Developers, Buyers and Sellers of Sectional Titles



a world class African city

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# Introduction

This handbook is the second in a series aimed at informing you about the role of the City of Johannesburg municipality in the property transaction process.

The City has been experiencing huge growth in sectional title property development over the past few years. While this is a positive reflection on our economy, it does present the City with certain issues.

The most common problems experienced by developers occur when:

- Developers try to get services (water and power) to the property they want to develop;
- Developers want to transfer a developed piece of property into the names of individual owners (ie cluster developments or sectional-title developments) and require a Clearance Certificate;
- Owners want to sell their sectional titles and encounter various challenges with regard to clearance certificates.

## Steps in the Process

### • Step 1: Purchasing Property For Development

When a developer plans a sectional title development, the first step is to identify development property. When suitable property is found, the developer enters into a deed of sale and approaches a financial institution to finance the project.

### • Step 2: Provisional Approval by the Local Authority

The developer then has to apply to the City of Johannesburg's Department of Urban Planning and Development Facilitation for all the required building and building plan approvals.

The local authority considers various factors, for example, the zoning of the land, existing or required servitudes and whether there are other limitations relating to the specific erf, etc; and then compares these factors to building plans and terrain plans.

### • Step 3: Marketing and selling sectional title schemes off-plan

The next step in the process is the advertising of the development to potential buyers. Appointed real estate agents usually sell units directly from building plans. The contract that is signed at this stage between the purchaser and the developer contains various provisions that establish the legal relationship between the parties from the date of signature for the duration of construction until the eventual transfer of the property in the name of the purchaser.

The deed of sale, signed by the purchaser and the developer, is sent to the conveyancer.



- **Step 4: Building and Construction**

At this stage, the building and construction start off an architect's plans. The sectional title plans are only drafted by the surveyor when building reaches a certain height. It is therefore not necessary to obtain approval of sectional title plans before construction starts.

- **Step 5: Sectional Title Plans**

A surveyor is appointed by the developer to draft the sectional title plans in terms of the provisions of the Sectional Titles Act in accordance with the terrain plans and building plans drafted by an architect as well as the physical structures constructed on the terrain. The Act contains various provisions with which the sectional plans must comply.

Draft sectional title plans are drawn at first. These are then submitted to the local authority. If all requirements are met, final approval for the opening of a sectional title register is granted. This process takes four to six weeks.

After approval by the local authority, final plans are lodged at the Surveyor General's office to obtain final approval. This process can take six to eight weeks.

- **Step 6: Registration of Sectional Plans and Opening of the Sectional Title Register**

Registration can now take place. On registration of the sectional title scheme, the sectional title register is opened after which all actions in terms of the scheme is recorded in the register. From the date on which the sectional title scheme is submitted to the Deeds Office, up to registration thereof takes ten to twelve working days. Transfers of the units take place simultaneously with the opening of the sectional title register.

Before any transfer of the individual units can occur, bank officials and officials of the City Of Johannesburg inspect the buildings to ensure that the Sectional Titles Act has been complied with.

City officials inspect the buildings to ensure that they are ready for occupation. A certificate to such effect is issued for submission to the Deeds Office. This is a safety mechanism for the purchaser since the municipality acts in the interests of the purchaser. If the buildings are not sufficiently completed, such certificate is not issued.

- **Step 7: Institution of the Body Corporate**

On transfer of the first sectional title unit to a person other than the developer, a Body Corporate comes into being of which all owners are members. The Body Corporate is responsible for the application of the rules of the scheme as well as for the control, administration and maintenance to the advantage of all the owners.

# For Developers of Sectional Titles

## Getting Connected – Getting services for a new development

- **Rates**

When the sectional title scheme is registered at the deeds office, the rates account is automatically opened at the City of Johannesburg.

- **Water**

To install new water or sewer connections, contact Johannesburg Water at 688-1400 or go to 58 Frederick Street, corner Rissik Street, in the CBD. Once again, an official will need to visit the property before giving a quote on a connection fee.

Connection fees are payable at Joburg Water. Only after a connection fee is paid will Joburg Water effect connectivity. A deposit is required once the connection fee has been paid, and deposits can be made at any municipal office.

- **Power**

To install electrical cables and new meter boxes, contact City Power at 490-7000, or go to 40 Heronmere Road, Reuven, in the south of Johannesburg. An official will need to visit the property before giving you a quote on a connection fee.

Generally, 21 days from date of payment should be allowed for installation work to be completed. Connection fees are payable at City Power. Only after the connection fee is paid will City Power effect connectivity. A deposit is required once the connection fee has been paid, and deposits can be made at any municipal office.

## Getting a Clearance Certificate for a new development

On the purchase of the property site for development, a developer has to get a Council rates clearance certificate and this is usually done through a conveyancer. At this point, the clearance certificate is based on the undeveloped value of the property.

However, on completion of the development project, the city will re-evaluate the property and a new assessment rate will be levied and sent to the property owners.

In most cases, the city's revaluation takes place when developers have already sold off the development. The law requires that it be sent to the erf owners who, by now are the body corporate and the units' buyers

A clearance certificate is a legally required document that must be issued by a municipality when any property is transferred from one owner to another.

# Developers checklist for a smooth transaction

A large number of developer's applications are returned because the City has no notification of the existence of the new development. Use the following checklist as a guide to the information we will require in various cases. Remember, you should provide proof in writing of the actions.

## For Clearance Certificates for Less Formal Townships (Section 64 and 82); and Clearance Certificate for Development Facilitation

- Has building started? (yes or no)
- Have building plans been submitted to the Council's Building Plans Department for approval? (yes or no)
- Has the building plans been approved?
- Do you have a water connection on your site? (yes or no)
- Provide proof of payment for the installation of the water connection
- Provide the water account number
- Do you have an electricity connection on your site? (yes or no)
- Provide proof of payments for installation of the electricity connection – Provide the electricity account number and provide the date of submission of building plans.

## For Clearance Certificates for Less Formal Townships (Act 113 of 1991)

- Has there been an official Provincial Government Notice proclaiming that erven may be sold? (yes or no)
- What was the date of the Government notice?
- Date of submission of building plans
- Date of approval of building plans

## For a Clearance Certificate (provided in terms of Development Facilitation Act 64 of 1995):

- Proclamation notice
- Section 38 Certificate
- Date of submission of the building plans
- Date of approval for building plans

## Questions?

If you have any questions regarding the processes to be followed to get Clearance Certificates for new developments (or post-approvals for new developments) then contact the Deputy Director: Town Planning Mr Dick Hallet at [dickh@joburg.org.za](mailto:dickh@joburg.org.za) or visit the Planning Department, 12 Floor, Block A, Metro Centre 158 Loveday Street, Braamfontein.

To find out more about the submission of building plans and approval of building plans, visit the Ground Floor Metro Centre, 158 Loveday Street, Braamfontein.

If you have any questions about the process to be followed to apply for your Clearance Certificate for residential properties, contact the Manager: Clearances Mr Jacques Maart at [jacquesm@joburg.org.za](mailto:jacquesm@joburg.org.za); or visit the Customer Service Centre at Thuso House, 61 Jorissen Street, Braamfontein.

## For Consumers Buying into New Developments

### How to get a municipal account for your new property

A bill for rates, sanitation and waste collection charges are automatically opened when the registration of your property is completed by the Deeds Office and the information provided to the City's Geo-GIS Information Department where the information is registered on the City's cadastre. The information is then provided to the Rates & Taxes Department that then automatically opens an account in the name of the new owner.

Opening a new services (water and power) account for a sectional title is the responsibility of the Body Corporate or Managing Agent.

The Body Corporate or Managing Agent representative (as a juristic person) must present themselves at one of our regional offices. The 'person' in whose name the account is going to be issued must sign the application forms and present their ID and other required documents to any customer service center.

### What to do when selling your Sectional Title

Because a sectional title is governed by a body corporate or managing agent, a seller will require the body corporate to apply for a clearance certificate from the municipality. If the account is in arrears, the outstanding amounts will first need to be settled before a clearance certificate can be issued.

It is therefore important for owners of sectional titles to request a copy of the municipal account on a monthly basis to ensure that it is up-to-date and paid in full.

## Buyers checklist for a smooth transaction

- Have the planning rights been approved by the City Of Johannesburg's Development Planning, Transportation and Environment Department?
- Did the Surveyor General approve your diagrams for your development?
- If it is a township development has the township register been opened?
- Does the developer have permission to sell even out of the township development from the City of Johannesburg?
- Is the township a proclaimed township?
- If it is not proclaimed are the clauses that protect the buyer in terms of the relevant legislation included in the contract?
- Are all the services for the development installed?
- Has the City of Johannesburg approved and granted clearances for the services?
- Has the developer paid all the contributions outstanding on the township?
- Has the developer complied with all the conditions relating to the development?
- Has the City of Johannesburg granted clearance for the transfer of even from the township?
- Have building plans been approved for the development?
- If building plans have been approved and the building has been built, has the City of Johannesburg issued occupation certificates?

## Where to get help if you need assistance

Contact the 24-hour call centre on 011 375 5555

You can also visit a Customer Service centre in your region. Ask for a revenue customer agent to assist you. Make sure you obtain a reference number if your query could not be resolved immediately.

Office hours for Customer service centre are:

- Office hours during weekdays: 07:30 to 16:00.
- Although the doors might be closed at 15:30, staff will be available until such time as customers seated in the office have been assisted.
- Office hours on the first and last Saturday of the month: 07:30 to 11:00. Exceptions: Midrand and Alexandra.



# Joburg's 7 Regions

(The regions are now consolidated into seven and the boundaries are now labelled alphabetically)



# Revenue Services Centres

## **Thuso House HEADQUARTERS**

*NB: Clearance and Refunds only done here*

61 Jorissen Street  
Braamfontein

## **Sandton Civic Centre**

Cnr West & Rivonia Road  
Sandton

## **Roodepoort City Hall**

Cnr Dieperink & Berlandina Street  
Stand no. 1762  
Roodepoort

## **Jabulani Civic Centre**

1 Koma Street  
Jabulani

## **Rabie Ridge Community Centre**

Cnr Kraai & Korhaan Street  
Rabie Ridge

## **Dobsonville**

Administration Office  
Luthuli Street  
Dobsonville

## **Midrand Rates Office**

300 15th Road  
Randjespark  
Midrand

## **Randburg Rates Hall**

Randburg Civic Centre  
Cnr Hendrik Verwoerd Drive  
& Jan Smuts Avenue  
Ferndale

## **Ennerdale Civic Centre**

Cnr Katz Road & Smith Walk  
Ennerdale Ext. 9

## **Eureka House/Pioneer**

92 Marlborough Road  
Cnr Rosettenville Road  
Springfield (Rosettenville)

## **Roodepoort Civic Centre**

100 Christiaan De Wet Road  
Florida Park

## **Eldorado Park Rates Hall at Civic**

Centre in Eldorado Park  
4064 Link Crescent  
Eldorado Park

## **Meadowlands 47**

Administration Office  
Stand no. 293/7 Hekpoort Circle  
Meadowlands Zone 2



**City of Joburg**

Revenue and Customer Relations Management Department

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Thuso House  
61 Jorrisen Street, Braamfontein  
Call Joburg Connect on 011 375 5555  
[www.joburg.org.za](http://www.joburg.org.za)