

## IMPACT OF PROPERTY RATES TARIFF INCREASE ON JOBURG RESIDENTS

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 amount in the Rand that the City has determined (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 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 200,000 of the property's municipal valuation.

To view your property's value, check the **City's Valuation Roll** on [www.joburg.org.za](http://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 R0.007345, then

### Amount due for property rates

R500 000 - R200 000 = R300 000

The rates payable by the homeowner will then be = R300 000 x 0.007345 = R2203.50 for the whole year, which means that every month the property owner will pay R183.63 (this is calculated by dividing R2203.50 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.

## THE RATES INCOME CALCULATIONS FOR 2017/2018:

Category	Ratio 2016/20 17	Rates for 2016/2017 (Cents in the Rand)	Ratio 2017/20 18	Rates for 2017/2018 (Cents in the Rand)	% Increase For 2017/2018
Agricultural Residential	1:0.9	0.006225	1:0.9	0.006610	6.2%
Agricultural Business	1:2.6	0.017982	1:2.6	0.019096	6.2%
Agricultural other	1:0.9	0.006225	1:0.9	0.006610	6.2%
Residential	1:1	0.006916	1:1	0.007345	6.2%
Consent use	1:2	0.013833	1:2	0.014690	6.2%
Business and Commercial	1:2.6	0.017982	1:2.6	0.019096	6.2%
Sectional title business	1:2.6	0.017982	1:2.6	0.019096	6.2%
Sectional title residential	1:1	0.006916	1:1	0.007345	6.2%
Sectional title other	1:1	0.006916	1:1	0.007345	6.2%
Municipal property	1:0	0	1:0	0	0%
Farming	1:0.25	0.001729	1:0.25	0.001836	6.2%
Mining land	1:2.6	0.017982	1:2.6	0.019096	6.2%
Vacant land	1:4	0.027665	1:4	0.029379	6.2%
PSI	1:0.25	0.001729	1:0.25	0.001836	6.2%
PSI privately owned	1:0.25	0.001729	1:0.25	0.001836	6.2%
Private open spaces	1:0.25	0.001729	1:0.25	0.001836	6.2%
State	1:1.5	0.010374	1:1.5	0.011017	6.2%
Public benefit	1:0.25	0.001729	1:0.25	0.001836	6.2%
Education	1:0.25	0.001729	1:0.25	0.001836	6.2%
Religious	1:0	0	1:0	0	0%
Multipurpose Residential	1:1	0.006916	1:1	0.007345	6.2%
Multipurpose Business	1:2.6	0.017982	1:2.6	0.019096	6.2%
<b>Penalty Tariff</b>					6.2%
Unauthorized use	1:4	0.027665	1:4	0.029379	6.2%



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Group Finance: Communications & Stakeholder Management

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## REBATES ON RATES TARIFFS FOR 2017/2018:

Residential Value Exclusion	First R200 000 of value of all residential property to be excluded from rating
Other rebates :	
Pensioner owners whose gross monthly household income is lower than R8,745 Property value not more than R2 million	100%
Pensioner owners whose gross monthly income higher than R8,234 but lower that R14,991 in a property value not more than R2 million	50%
Pensioners owners who are seventy and above irrespective of income in a property value not more than R2 million	100%
Sectional Title Residential	5%
Extended social Package pensioners who leave in a property not more than R2 000 000	100%
People who are on Extended social package who are not pensioners who's property value does not exceed R450 000	100%
Heritage Sites	20%
Organizations with purpose of Animal Protection	100%
Property Owned by Organizations in terms of the Housing Development Schemes For Retired Persons Act	50%
Vacant Land subject to conditions	50%
Private Sports Clubs	40%
Child headed family with a property value not exceeding R2 million	100%
Residential Value Exclusion	First R200 000 of value of all residential property to be excluded from rating
People who are on pension because of disability whose gross monthly household income which is lower than R8, 736. Property value not more than R2 million	100%
People who are on pension because of disability whose gross monthly income higher than R7000 but lower that R14, 977 in a property value not more than R2 million	50%



### The pensioner and child headed families property rebate principle criteria are:

- (a) Minimum age: 60 years
- (b) Maximum property value: R2 000 000 (Market Value per the 2013 Valuation Roll)
- (c) Gross monthly income for 100% rebate is R8 745
- (d) Gross Monthly income for 50% rebate is R8 745 to R14 991
- (e) Pensioners over the age of seventy are exempt if the property value is not more than R2 million
- (f) Child headed family 100% rebate (pensioner property threshold will apply)
  - Maximum property value: R2 000 000 (Market Value per the 2013 Valuation Roll)
- (g) People who are on pensioner because of disability (Same principles as pensioners apply)
  - Maximum property value: R2 000 000 (Market Value per the 2013 Valuation Roll)
  - Gross monthly income for 100% rebate is R8 745

Child headed families and Military veterans will receive a 100% Rates rebates.  
The increase to the income levels for this category of rebates is inflationary related.



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