

# Many Joburg homes might have been undervalued five years ago

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Johannesburg mayor Herman Mashaba has blamed the city's previous management for the municipal rates crisis, which is poised to cause havoc for many property owners.



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Rates bills, which are based on new valuations done every four years, kick in on 1 July. The city recently revalued all residential and commercial properties and sent letters to owners informing them of the value of their asset as at 1 July 2017. Owners can object to the new values by 6 April.

Business associations have requested an audience with the mayor to voice their concerns over what they say is the gross overvaluation of their members' properties, some allegedly by as much as 700%, which means their municipal rates could increase by a similar amount.

"The current narrative seems to suggest that the city, through the 2018 General Valuation (GV) Roll, is forcing residents out of their hard-earned money and to address a revenue crunch. Nothing could be further from the truth. This process is run independently from the city, and cannot be influenced by the city," Mashaba said in a statement on Thursday, 1 March.

"The implementation of the GV is a legislated process, taking place every four years, with prescribed steps that need to be followed. In the case of the City of Johannesburg, a one-year extension was granted to implement the GV on July 1, 2018," he said.

He said the 2012-13 general valuation roll was flawed and that many properties could have been undervalued during that process.

"It is important to note that a number of other factors could lead to increases in property value. " There is a five-year difference between the two dates in which the market has changed significantly. The property may have been substantially improved since the last valuation or the property could have been undervalued in the previous valuation roll," he said.

"This last point is critical, given the 2013 GV which has proved to be flawed. At the time, many objections were received, but thousands of cases of undervaluations were not addressed.

"The correction of these valuations in the 2018 GV is a necessity and had led to some reports of massive increases." Mashaba added: "Where errors have been made in the process, I will see to it that the city works to be responsive and caring in our approach to correct the problem."

Measures were taken to ensure that the current general valuation roll process was improved from that of 2013. The improvements included the appointment of additional valuers while a service provider was in the process of being appointed to certify the quality of the overall process.

Furthermore, residents were provided with 45 days to lodge objections to their valuations, 15 days more than the legal requirement of 30 days. A supplementary valuation panel was appointed to assist with objections while a supplementary valuation roll was compiled to update the main valuation roll.

According to Mashaba: "The aim of it is to correct errors, omissions, subdivisions, consolidations, re-zoning, township development, building alterations, the construction of new buildings and any other exceptional reason that may change or affect the value of a property. Supplementary valuations are performed during each financial year."

The Gauteng provincial government has also appointed an independent appeals board to process objections not agreed to by the city so as to improve transparency and oversight.

An online platform has also been created for the first time to ensure that the objection process is seamless, and that residents do not have to deal with the inconveniences of walk-in centres.

*Source: BDpro*