

CITY OF JOHANNESBURG

2026/27 PROPERTY RATES POLICY

This Municipal Property Rates Policy for the City of Johannesburg was approved by Council on the 28th May of 2026 as set out here below.

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Preamble

This Rates Policy explains the basis for the exercise of the powers of the City of Johannesburg Metropolitan Municipality in relation to the levying of rates on properties within its jurisdiction.

The aim of the Rates Policy is to enable those affected by the Rates Policy to understand the policy choices which are made by the City on levying rates on rateable properties including exemptions, reductions and rebates which are available in respect of specified properties.

This Rates Policy does not deal with the valuation of properties.

1 **Introduction**

- 1.1 The City of Johannesburg Metropolitan Municipality is empowered by section 229(1)(a) of the Constitution of the Republic of South Africa, 1996 to impose rates on property within its jurisdiction. The revenue from rates constitutes a dominant source of the City's revenue.
- 1.2 The revenue-raising power which is vested in the City to impose rates is further regulated by the following pieces of national legislation:
 - 1.2.1 Local Government: Municipal Property Rates Act, No. 6 of 2004 ("the MPRA");
 - 1.2.2 Local Government: Municipal Finance Management Act, No. 56 of 2003 ("the MFMA"); and
 - 1.2.3 Local Government: Municipal Systems Act, No. 32 of 2000 ("the Municipal Systems Act").
- 1.3 The definitions of words and expressions used in this Policy are to be read consistently with those in the MPRA, MFMA and the Municipal Systems Act.
- 1.4 The statutory provisions of the MPRA, MFMA and the Municipal Systems Act require three legal instruments, that is, the Rates Policy, the Rates By-law, and the Rates Resolution, to give effect to the rating powers of the City.
- 1.5 Property rate is determined for each financial year in accordance with section 13(1)(a) of the MPRA. A rate becomes payable as from the start of a financial year. The collection of rates forms part of a City's budget, which must be determined before the financial year commences.

Rates Policy

- 1.6 The MPRA requires the Council of the City to "adopt a policy consistent with this Act on the levying of rates on rateable property in the municipality".
- 1.7 The Rates Policy must be tabled with the Budget of the City in accordance with the provisions of section 16 (2) of the MFMA.
- 1.8 This Rates Policy addresses:
 - 1.8.1 The criteria to be applied in the determination of categories of properties and the levies on those categories determined by the City, to exemptions, rebates, and reductions, and to increases or decreases in rates.
 - 1.8.2 The identification and provides reasons for exemptions, reductions, and rebates.
 - 1.8.3 The City's powers in relation to properties used for multiple purposes.
 - 1.8.4 The factors to be taken into account on the effect of rates on the poor, on public benefit organisations and on public service infrastructure.
 - 1.8.5 Identifies the rateable properties that are not rated in terms of section 7 (2) (a) of the MPRA.
 - 1.8.6 How the City can assist to promote local, social and economic development.

- 1.9 This Rates Policy is a “budget-related policy” as defined in the MFMA. In terms of the MFMA: “**budget-related policy**” means a policy of a municipality affecting or affected by the annual budget of the municipality, including-
- (a) the tariff policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
 - (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
 - (c) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;”
- 1.10 This Rates Policy provides for the policy choices of the Council as well as the justifications for them.

Rates By-law

- 1.11 The MPRA requires that the Council of the City must adopt and publish By-laws to give effect to the implementation of its rates policy.
- 1.12 The adoption and publishing of the Rates By-laws must be in terms of sections 12 and 13 of the Municipal Systems Act.
- 1.13 The Rates By-law may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

Rates Resolution

- 1.14 The MPRA requires that the Council of the City must annually pass a resolution on rates which must be published, within 60 days of the date of the resolution, in the *Provincial Gazette*.
- 1.15 The rates resolution must—
- 1.15.1 contain the date on which the resolution levying rates was passed;
 - 1.15.2 differentiate between categories of properties; and
 - 1.15.3 reflect the cent amount in the Rand rate for each category of property.

Tariff Determination

- 1.16 Section 14(1) of the MPRA, on the Rates resolution, must be read with section 17(3)(a)(ii) of the MFMA which prescribes that the annual tariffs of charges which are imposed or levied by the City forms part of its annual budget as approved by Council Resolution approving the specific year's Budget.

Rates Implementation Principles

- 1.17 Imposition of rates is part of the Budget process.
- 1.18 The general power of the City to levy and recover fees, charges, and tariffs in respect of any service is sourced in section 75A(1) of the Systems Act. Section 75A(2) provides that fees, charges, or tariffs are levied by the City through a Council resolution.
- 1.19 Section 24(1) of the MPRA provides that a rate levied by a municipality on a property must be paid by the owner of the property, subject to Chapter 9 of the Municipal Systems Act.
- 1.20 The City is obliged by section 96(b) of the Municipal Systems Act, for the purposes of the collection of all money due and payable to it, to provide for a credit control and debt collection policy. The City's Credit Control and Debt Collection Policy provides for accurate monthly billing with the application of appropriate correct tariffs and service charges.
- 1.21 Section 97 of the Municipal Systems Act determines the contents of the City's credit control and debt collection policy.
- 1.22 Section 98 of the Municipal Systems Act obliges the City to adopt by-laws to give effect to its credit control and debt collection policy, its implementation and enforcement. Section 62(1)(f)(iii) of the MFMA obliges the City to implement its credit control and debt collection policy.
- 1.23 Section 5(2)(a) of the Municipal Systems Act places a duty on members of the local community including the ratepayers, when exercising their rights, to observe the mechanisms, processes, and procedures of the City.
- 1.24 Section 5(2)(b) of the Municipal Systems Act places upon members of the local community, where applicable, and subject to section 97(1)(c), the obligation to pay promptly service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality.
- 1.25 Section 5(2)(e) of the Municipal Systems Act places a duty on members of the local community to comply with by-laws of the municipality applicable to them.
- 1.26 In terms of the MFMA, the Credit Control and Debt Collection Policy is a **“budget-related policy”** affecting or affected by its annual budget.
- 1.27 This Rates Policy of the City must be read together with the Rates By-law, the approved tariff, and the relevant provisions of the MPRA, MFMA and the Municipal Systems Act. The different roles of each of these legal instruments must however be kept distinct.

The Rating Processes

- 1.28 Rateable property must be valued before the imposition of a rate.
- 1.29 The following steps are required for the City to implement this Rates Policy:
 - 1.29.1 The existence of a valuation roll;
 - 1.29.2 The adoption of a rates policy and By-law; and
 - 1.29.3 The determination of a tariff.
- 1.30 The applicable tariff to the categories of property is determined by the Council in accordance with the MFMA and the Municipal Systems Act as part of the annual budget.

2 Categories of Property and Other Categories

- 2.1 In accordance with subsection (2) of section 8 of the MPRA, the Council of the City determines the following categories of properties which exists within its jurisdiction:
 - 2.1.1 Residential properties;
 - 2.1.2 Industrial properties;
 - 2.1.3 Business and commercial properties;
 - 2.1.4 Agricultural properties;
 - 2.1.5 Mining properties;
 - 2.1.6 Properties owned by an organ of state and used for public service purposes;
 - 2.1.7 Public service infrastructure properties;
 - 2.1.8 Properties owned by public benefit organisations and used for specified public benefit activities; and
 - 2.1.9 Properties used for multiple purposes.
- 2.2 In accordance with subsection (3) of section 8 of the MPRA, the Council of the City determines the following categories of owners of properties and owners of a specific category of properties:
 - 2.2.1 Municipal;
 - 2.2.2 Private open space;
 - 2.2.3 Public open space;
 - 2.2.4 Private Service Infrastructure;
 - 2.2.5 Residential with consent use;
 - 2.2.6 Religious;
 - 2.2.7 Township development; and
 - 2.2.8 Vacant land.

- 2.3 In accordance with subsection (1) of section 8 of the MPRA, the Council of the City determines that a rateable property will be allocated into a category, and subject to the provisions of this Policy, will be rated based on the category.
- 2.4 A rateable property will attract a rate which is based on the highest permitted use of the property, unless otherwise stated.
- 2.5 The Municipal Valuer allocates a property into a category determined by the City.

3 Criteria for Differential Rates

- 3.1 In accordance with sections 3(3)(a), (b) and (c) read with 8(1) and 9 of the MPRA, the following criteria apply to the levying of rates on properties described below.

3.2 Residential Properties

- 3.2.1 Residential property means a property that is used exclusively for human habitation and included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the MPRA.

“primary use” means any use specified in the land use scheme as primary use, being use that is permitted without the need to first obtain the Council’s consent (written or otherwise)

- 3.2.2 Residential property includes a property zoned “residential” or “special for residential purpose”.

- 3.2.3 Residential property does not include:

- 3.2.3.1 Communes, old age homes, guesthouses, bed and breakfast establishments, any premises for human habitation for which the main or primary purpose is short-term rentals;

- 3.2.3.2 property zoned industrial, business, or commercial with a residential component or property zoned residential with an industrial, business or commercial consent use;

- 3.2.3.3 any vacant land irrespective of its zoning or intended usage.

3.3 Industrial Properties

- 3.3.1 Industrial property means property zoned for a branch of trade or manufacturing, production, assembly, or processing of finished or partially finished products from raw material or fabricated parts or the holding thereof in respect of which capital and labour are involved, and includes—

- 3.3.1.1 The processing of raw products on the property;

- 3.3.1.2 The storage and warehousing of products on the property; and

- 3.3.1.3 Any office or other similar facility on the same property, the use of which is incidental to such activity.

3.3.1.4 Agricultural holdings, small holdings, or vacant land.

3.3.1.5 Farming property used for personal fulfillment, often part time, with focus on self-sufficiency.

3.4 Business and Commercial Properties

3.4.1 Business and Commercial property means:

3.4.1.1 property used for the activity of buying, selling, or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity.

3.4.1.2 property used for the object of the acquisition of gain or profit by a natural or juristic person and the revenue which it derived thereby goes to the proprietary members as the proprietors of the concern.

3.4.2 Unless it qualifies in terms of another category in terms of this Policy, a property which is used for business or commercial purpose falls within this category, and includes property:

3.4.2.1 zoned for business and commercial, general, special, undetermined, aerodrome, amusement or unresolved zoning;

3.4.2.2 used for game farming and/or eco-tourism;

3.4.2.3 used as a racecourse for any racing in connection with which betting is carried on by means of a totalizator or otherwise;

3.4.2.4 on which the administration of the business of private or public entities takes place;

3.4.2.5 used for the provision of commercial accommodation;

3.4.2.6 used for the provision of education;

3.4.2.7 used by the State or any organ of State;

3.4.2.8 owned by a PBO that is not used for a specified public benefit activity;
and

3.4.2.9 that does not fall into any other category of property.

3.5 Agricultural Properties

3.5.1 Agricultural property means property that is used primarily for agricultural purposes.

3.5.2 Agricultural property includes a property zoned as agricultural and used primarily for agricultural purposes.

3.5.3 Notwithstanding its zoning, agricultural property excludes:

3.5.3.1 property used for purposes of eco-tourism, game farms or equestrian estates;

- 3.5.3.2 property used for the production of non-edible farm produce;
- 3.5.3.3 property or a portion of a property any portion that is used commercially for the hospitality of guests;
- 3.5.3.4 agricultural holdings, small holdings, or vacant land.
- 3.5.3.5 farming property used for personal fulfilment, often part-time, with focus on self- sufficiency.

3.6 Mining Properties

- 3.6.1 Mining property means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
- 3.6.2 To be classified as a Mining Property, a mining certificate must be provided to the City.

3.7 Properties owned by an organ of state and used for public service purposes

- 3.7.1 Public service purposes (PSP) in relation to the use of a property, means property owned and used by an organ of state as-
 - 3.7.1.1 Hospital and clinics;
 - 3.7.1.2 Schools, pre-schools, early childhood development centres or further education and training colleges;
 - 3.7.1.3 National and provincial libraries and archives;
 - 3.7.1.4 Police Stations;
 - 3.7.1.5 Correctional Facilities;
 - 3.7.1.6 Courts of Law.
- 3.7.2 A public service purposes property does not include a property contemplated in the definition of 'public service infrastructure' in terms of the MPRA read with this Policy.

3.8 Public Service Infrastructure Properties

- 3.8.1 Public service infrastructure means publicly controlled infrastructure of the following kinds:
 - 3.8.1.1 national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
 - 3.8.1.2 water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
 - 3.8.1.3 power stations, power substations or power lines forming part of an electricity scheme serving the public;

- 3.8.1.4 gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- 3.8.1.5 railway lines forming part of a national railway system;
- 3.8.1.6 communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- 3.8.1.7 runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- 3.8.1.8 breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- 3.8.1.9 any other publicly controlled infrastructure as may be prescribed; or
- 3.8.1.10 a right registered against immovable property in connection with infrastructure mentioned in paragraphs (3.8.1.1) to (3.8.1.9).

3.9 Properties owned by Public Benefit Organisations and used for Specified Public Benefit Activities

3.9.1 A “Public Benefit Organisation” (PBO) means a public benefit organisation as defined in Section 30(1) of the Income Tax Act. No 58 of 1962 as amended, with reference to the following categories: item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development).

3.9.2 A PBO Property is recognised for the purpose of property rates if:

3.9.2.1 proof is submitted to the satisfaction of the City of the:

- (i) actual use of the property;
- (ii) any lease or use of the property by any person or entity other than the organisation;
- (iii) any short term or long term rental of the property, including the duration of use, costs recovered or recoverable for such use;
- (iv) any information that the City may consider relevant to the determination of the use of such property including an exemption letter from SARS confirming registration as a PBO, a valid tax clearance certificate or confirmation of tax compliance status, a copy of the organisation's memorandum of incorporation or other founding documents, and financial statements or management accounts.
- (v) audited financial statements.

3.9.2.2 the City is satisfied that the PBO conducts a “specified public benefit activity” listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act; and

3.9.2.3 the City is satisfied that the property is owned and in fact used by such organisation for those specified public benefit activity.

3.9.3 Recognition of as a PBO property may be granted in respect of the whole or a portion of a property owned by a PBO.

3.9.4 The owner must complete an application form and attach documents specified in 3.9.2.1.

3.9.5 The application will remain valid for duration of the valuation roll.

3.9.6 The rebate will be granted from the date of application. No retrospective rebates will be granted.

3.10 Properties used for Multiple Purposes

3.10.1 Multiple purposes, in relation to a property, means the use of a property for more than one purpose, subject to section 9.

3.10.2 Properties used for multiple purposes which do not fall within the definition of a single category and accordingly do not qualify entirely for a rate in that single category maybe included into a combination of categories of multiple use properties.

3.10.3 The tariff to be applied to multiple purposes will follow the split that will be allocated to a property.

3.11 Municipal

3.11.1 Municipal property means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;

3.11.2 If the property is zoned Municipal but belongs to a private owner, the use will determine property category.

3.12 Private open space

3.12.1 Private Open Space means:

3.12.1.1 land that is privately owned and used primarily as a private site for sports, play or leisure facilities, recreation, park, garden, or play area, or for nature conservation;

3.12.1.2 an open space to which the public has no general right of access;

3.12.1.3 adjacent and directly accessible to a single dwelling unit or dwelling units in a single land development area;

3.12.1.4 reserved for the exclusive use of the residents of the dwelling units or dwelling units in a single land development area and their guests;

3.12.1.5 in relation to a land area, means land set aside or to be set aside for the use by a community as a recreation area and included in the conditions of establishment and approved by the City as such.

3.12.2 Private Open Space includes associated change rooms, sporting facilities and any similar facility used in conjunction with a private open space activity.

3.12.3 Private Open Space excludes:

3.12.3.1 parking and driveways for vehicles;

3.12.3.2 land designated as a public open space.

3.13 Public open space

3.13.1 Public open space means property owned by the City or other organ of state, with or without access control, and which is set aside for the public as an open space for recreation, games, sport or cultural activity; including a park, playground, public square, picnic area, public garden, nature reserve, outdoor or indoor sports stadium.

3.13.2 Public open space includes associated buildings and uses as permitted by the Council, including restaurants, cafés, golf course, and any apparatus, facility, structure or building which in the opinion of the Council is necessary or expedient for the purposes of such open space.

3.13.3 Public open space property excludes property which is privately owned or used for commercial purposes.

3.14 Private Service Infrastructure

3.14.1 Private service infrastructure property includes:

3.14.1.1 Privately own land comprising a developed internal roadways network;

3.14.1.2 Storm-water measures within a land development;

3.14.1.3 an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the home owners association; and

3.14.1.4 access control that cannot be separately sold within a development.

3.14.2 Private service infrastructure property excludes a property which qualifies as a Public Service Infrastructure.

3.15 Residential with content use

- 3.15.1 Residential with consent use property is a property zoned residential with a consent use for business, commercial or industrial purpose.
- 3.15.2 If consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of the property concerned may apply to the City for the re-instatement of the residential category. If approved, the residential category shall be re-instated as from the date that the City is satisfied that the property is being used for residential purposes only in terms of the zoning thereof.
- 3.15.3 Where a residential property with a market value less than that specified in the threshold is partially used for non-residential consent purposes, such property will remain in the category of residential.

3.16 Religious

- 3.16.1 Religious property means a place of public worship as defined in the MPRA and includes:
 - 3.16.1.1 property used primarily for the purposes of congregation by a religious community; and
 - 3.16.1.2 that is registered in the name of the religious community; or
 - 3.16.1.3 that is registered in the name of a trust established for the sole benefit of a religious community.
- 3.16.2 Religious property includes:
 - 3.16.2.1 the official residence of an office bearer of a religious community within the place of public worship; or
 - 3.16.2.2 one residential property, if the residential property is not located on the same property as the place of public worship; and
 - 3.16.2.3 such residential property is registered in the name of the religious community or in the name of a trust established for the sole benefit of a religious community.

3.17 Township development

- 3.17.1 Township development property includes:
 - 3.17.1.1 a property under deed of title (Township Title) in respect of which a township register was opened; and
 - 3.17.1.2 remaining extent/extensions of a township which includes one or more unsold stands;
- 3.17.2 Township development property excludes:
 - 3.17.2.1 those portions in respect of which a Certificate of Registered Title was issued by the Registrar of Deeds Office;

3.17.2.2 a remaining portion which qualifies as private service infrastructure property;

3.18 Vacant Land

- 3.18.1 “Vacant” means land which is devoid of habitable structures, is unoccupied and has no predominant use.
- 3.18.2 Vacant land includes land within the City with unresolved zoning, de-proclaimed mining land and any undeveloped land / erf.
- 3.18.3 Vacant land shall not benefit from any exemption, reduction, or rebate.
- 3.18.4 The rate applicable to vacant land will take place precedence over the rate applicable to the category in which the property would have fallen had it not been vacant land.

3.19 Parent and Child Properties

- 3.19.1 In the instance that the Municipal Valuer has elected to treat more than one property as the subject of single valuation so as to record a nil value for one on the valuation roll, and recording the value of both properties on another due to the legal and factual relationships between the two or more properties (“parent and child” method of valuation), the City will levy the rates payable on those properties as if the properties are one.
- 3.19.2 The City recognised that the “parent and child” approach is sanctioned by section 46 of the MPRA as valuation method, and accordingly for rating purposes.

3.20 Unauthorised Uses

- 3.20.1 Notwithstanding the category of a property, the unauthorised use of a property for a purpose not authorised by the City's land use scheme or contrary to any law including the National Building Regulations and Building Standards Act, 103 of 1977, may attract a penalty charge in addition to or as a substitute for the rate levied on the category of the property.
- 3.20.2 The tariff for such unauthorised use will be determined by the Council on an annual basis. The penalty tariff will be higher than tariffs applicable to the category of the property which is used for an unauthorised purpose.
- 3.20.3 Once the account is flagged for unauthorised use, all other rebates linked to the account will be suspended during the period and will not be reinstated once compliance has been restored.

4 RATES TO BE LEVIED ON ALL RATEABLE PROPERTY

- 4.1 In terms of section 7(2) of the MPRA, the City is not obliged to levy rates on the following properties:
 - 4.1.1 properties of which the City itself is the owner;
 - 4.1.2 public service infrastructure;
 - 4.1.3 those referred to in paragraph (b) of the definition of “property”. That is, a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
 - 4.1.4 properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.
- 4.2 Though the City is not obliged in terms of section 7(2) of the MPRA to levy rates on the four classes of property, it intends to levy rates on registered rights such as registered long-term leases over properties within its jurisdiction.
- 4.3 A “right registered against immovable property” is a “property” separate from the “immovable property” against which it is registered even where the ownership of both is vested in one person, they constitute separate properties for rating purposes.
- 4.4 Subject to items 4.5 to 4.8 below, the value of a registered long-term lease cannot be separately calculated and added to the value of the land on the authority of section 46(2)(a) of the MPRA, because it constitutes a property in itself and its separate value must be entered into the roll.
- 4.5 In any case where there is a registered long-term lease over a property, and the lease agreement imposes on the lessee the obligation to pay rates of the property, it shall be the duty and responsibility of the owner of such property and lessee to inform the City of the existence of and submit to the city the documentation supporting the lessee’s obligation to pay rates.
- 4.5 In any case where there is a registered long-term lease over a property, and the lease agreement imposes on the lessee the obligation to pay rates of the property, it shall be the duty and responsibility of the owner of such property to inform the City of the existence of and submit to the City the documentation supporting the lessee's obligation to pay the rates.
- 4.6 The valuation of such registered right is the duty of the Municipal Valuer.
- 4.7 Submission to the City of the particulars of a registered right in land/long term leases will be processed from the date of receipt and the account will be adjusted going forward.
- 4.8 No retrospective adjustment will be done. Pensioners who own property that are on a registered long-term lease may apply for the pensioner rebate.

5 Criteria for applying different levies to Different Categories of Properties

- 5.1 The rate charged as an amount-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the residential rate.
 - 5.2 A “ratio”, in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and other categories of non-residential properties.
 - 5.3 The City may determine a ratio in terms of section 19, for the purposes of granting exemptions, reductions, and rebates.
 - 5.4 The City may not levy a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1) (a) of the Rates Act read with the Rates Regulations published in Government Gazette No. 32061, GNR.363 of 27 March 2009 as amended by R.195 Government Gazette 33016 of 12 March 2010 (the Rates Regulations).
- 5 The additional criteria for applying different ratios are:

No	Category	Ratio	Basis
1.	Residential	1.1	The residential rate is the base rate, and the other rates are determined in relation to the residential rate, calculated on the ratios between the categories.
2.	Industrial	1:2.5	The owners can recover costs from users and consumers.
3.	Business and commercial	1:2.5	The Income Tax Act and other fiscal legislation regulate these business and commercial operations.
4.	Agricultural	1:0.25	The Rates Regulations prescribes that these properties are to be rated at no more than 25% of the residential property rate-in-the-rand. The Rates Act and the Regulations grants specific recognition to these properties in relation to relief from rates.

No	Category	Ratio	Basis
			The contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the City, and the contribution of agriculture to the social and economic welfare of agricultural workers
5.	Mining	1:2.5	The owners can recover costs from users and consumers. The Income Tax Act and other fiscal legislation regulate these business and commercial operations.
6.	Properties owned by an organ of state and used for public service purposes	1:1.5	The Act provides relief in respect of public service infrastructure
7.	Public service infrastructure properties	1:0.25	The Rates Regulations prescribes that these properties are to be rated at no more than 25% of the residential property rate-in-the-rand. The Rates Act and the Regulations grants specific recognition to these properties in relation to relief from rates.
8.	Properties owned by public benefit organisations and used for specified public benefit activities	1:0.25	The Rates Regulations prescribes that these properties are to be rated at no more than 25% of the residential property rate-in-the-rand. These organisations perform recognised public benefit activities, and properties used for such are not to be unduly taxed. The Rates Act and the Regulations grant specific recognition to these properties in relation to relief from rates.
9.	* Properties used for multiple purposes		These properties will be rated according to the multiple purposes in terms of the other categories determined in terms of this Policy
10.	Municipal	0	The Rates Act does not oblige the City to levy rates on its own property.

No	Category	Ratio	Basis
11.	Private open space	1:0.25	These properties are used for activities which serve a definite but limited public purpose, and properties used for such are not to be unduly taxed.
12.	Public open space	1:0.25	These properties are used for defined public purpose, and properties used for such are not to be unduly taxed.
13.	Private Service Infrastructure	1:0.25	These properties are used for activities which serve a definite but limited public purpose, and properties used for such are not to be unduly taxed.
14.	Residential with consent Use	1:2	The owners can recover partial costs from users and consumers.
15.	Religious	0	The Rates Act and the Regulations grants specific recognition to these properties in relation to relief from rates.
16.	Township development	1:2.5	The owners can recover costs from users and consumers.
17.	Vacant land	1:4	To discourage land hoarding. To promote utilisation of land in accordance with national, provincial, and Municipal policies

** Multipurpose properties will be rated according to the multiple purposes as defined in the Act. This can be defined as properties that have multiple categories; however, all the categories will be billed on the same stand and account. The tariff to be charged will follow the split that will be allocated to a property.*

5.6 A rate levied by the City on property will be an amount (cent in the Rand) on the market value of the property as determined by Council during the annual budget preparations and is dealt with in a separate report in line with section 14 of the Rates Act.

Change of rating

- 5.7 Property owners are to apply for the change in property rating once at the start of a General Valuation and in the event of changes to the Rates Policy, every financial year.
- 5.8 The City reserves the right to request additional documentation if so required in the event of an application for a recognition or change of property rating.
- 5.9 The application forms for the change in property rating can be found on the website of the City.

6 Criteria for Exemptions, Reductions and rebates

- 6.1 The following categories of owners of properties, or categories of properties, are identified for the purpose of granting exemptions, reductions, and rebates:
 - 6.1.1 Residential property;
 - 6.1.2 Expanded Social Package (ESP);
 - 6.1.3 Owners dependent on pensions;
 - 6.1.4 Owners dependent on pensions due to work-related injuries;
 - 6.1.5 Owners rebate for people with disability;
 - 6.1.6 Heritage properties;
 - 6.1.7 High-density developments;
 - 6.1.8 Properties used for sports;
 - 6.1.9 Properties used for protection of animals;
 - 6.1.10 Properties within declared Disaster Areas;
 - 6.1.11 Private Open Space;
 - 6.1.12 Vacant land;
 - 6.1.13 Undevelopable vacant land;
 - 6.1.14 Housing Development Schemes for Retired Persons;
 - 6.1.15 Properties owned by a SHRA-accredited Social Housing Institution and used for social housing;
 - 6.1.16 Child headed household;
 - 6.1.17 Properties within designated corridors and nodes;

- 6.1.18 Township industrial developments;
- 6.1.19 Rejuvenation of central business district (CBD);
- 6.1.20 Properties used for religious purposes;
- 6.1.21 Nature reserve;
- 6.1.22 Municipal property.

6.2 The following factors are to be considered in granting exemptions, reductions, and rebates:

- 6.2.1 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they provide;
- 6.2.2 The need to accommodate indigents and less affluent pensioners and persons dependent on a nominal income due to medical incapacitation or other factors as may be determined by Council from time to time;
- 6.2.3 The services provided to the community by public benefit organisations;
- 6.2.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities;
- 6.2.5 The need to preserve the cultural heritage of the local community;
- 6.2.6 The need to encourage the expansion of public service infrastructure;
- 6.2.7 The indispensable contribution which property developers (especially in the townships) make towards local economic development, and the continuing need to encourage such development; and
- 6.2.8 The requirements of the MPRA.
- 6.2.9 Rebate applications will only be processed if the account is not in arrears unless there is a payment arrangement or dispute. Should the customer default on payment arrangement, the City reserves the right to withdraw the rebate.
- 6.2.10 The rebate will be granted from the date of application. Non-compliance of the initial rebate will result in a new application which would need to be processed from the date of the new application. There shall be no retrospective adjustment
- 6.2.11 The rebate will be applicable for the date of application and will be valid for the duration of the valuation roll excluding Section: 6.4 6.12, 6.13, 6.14. 6.15, 6.19, 6.20,6.21 6,23 and 6.25 of this Rates Policy.

6.2.12 Rebate for Advance Settlement of Municipal Property Rates Account

- 6.2.12.1 In line with the provisions of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004), Section 26(2)(a), the City of Johannesburg Council proposes an incentive scheme for property owners who elect to settle their rates accounts twelve (12) months in advance.
- 6.2.12.2 Property owners wishing to exercise this option must submit a completed application at least three (3) months prior to the commencement of the new financial year.
- 6.2.12.3 Property owners who settle their rates accounts in full for the twelve-month period will be granted a 10% rebate on the total annual rates amount due.
- 6.2.12.4 The rebate granted for advance payment of rates shall be reviewed and approved annually by Council.
- 6.2.12.5 Account holders with arrears will be required to make payment arrangements.

6.2.13 Rebate for public schools

- 6.2.13.1 In support of the National Government's initiative to provide free education from Grade 1 to Grade 12 in public schools, the City of Johannesburg proposes the following measures:
- 6.2.13.2 Public schools classified under Quintiles 1 to 3 shall qualify for a rates rebate.
- 6.2.13.3 Eligible public schools shall receive a **50% rebate on property rates**.
- 6.2.13.4 Schools seeking to benefit from the rebate must complete the prescribed application form and submit it to the City before the commencement of the financial year.
- 6.2.13.5 Applications must be submitted between 1 July and 30 September of each year. Late applications will not be considered.
- 6.2.13.6 The Council will annually review and approve the percentage of the rebate granted to public schools classified under Quintiles 1 to 3.
- 6.2.13.7 Account holders with arrears will be required to make payment arrangements.

Residential Properties

- 6.3 The City will not levy a rate on the first part of the value up to R300 000 of the market value as per the Valuation Roll:
- 6.3.1 on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
 - 6.3.2 on the balance of the market value up to R285 000 in terms of section 15 of the Act in respect of residential properties:
 - 6.3.3 Provided that the Council may from time to time during its annual budget process contemplated in section 12 (2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.
 - 6.3.4 Provided further that this threshold rebate does not apply to property previously categorised as 'sectional title other' including but not limited to garages, maids' quarters, or security houses.
 - 6.3.5 Provided further that this threshold rebate referred to at 6.3.2 does not apply to the second and every other property owned by a single owner within the City.
 - 6.3.6 For residential property owners with multiple properties, the property with the highest value will receive the full residential threshold rebate. For additional properties, the rebate will be capped at R15000.

Expanded Social Package (ESP)

- 6.4 Under the Expanded Social Package (ESP), the following criteria are applied:
- 6.4.1 This category consists of residential properties owned and occupied by natural persons who reside within the municipal boundaries, are South African Citizens with valid identification document, have limited income and can prove that his or her annual income falls within the limit determined by Council and who are vulnerable such as pensioners, persons with disabilities (PWDs), un-employed, child headed households & the youth.
 - 6.4.2 The indigent rebate for Rates is applicable to homeowners and not tenants.
 - 6.4.3 Only one (1) property can be considered for the rebate.
 - 6.4.4 The owner must apply every six (6) months for Council's approval for access to the Expanded Social Package (ESP) on an application prescribed by the Council, at the nearest Customer Service Centre ESP unit, accompanied by such proof as the Council may reasonably require substantiating any entitlement to a rebate contemplated in this category.
 - 6.4.5 Pensioners who applied for ESP, must also apply separately for the pensioner rebate on property rates on a form prescribed by Council at the Customer Service Centre and a reference number must be attached to the application form. The pensioner rebate (for rates) is valid for the duration of a Valuation Roll (every 4 – 5 years).
 - 6.4.6 The owners must achieve a score on the City of Johannesburg Poverty Index.

- 6.4.7 The value of the property may not exceed R500 000.
- 6.4.8 The extent of the rebate will depend on the applicant's score on the City of Johannesburg Poverty Index:
- 6.4.8.1 Greater than zero but not exceeding 34 points: 70% of the current monthly rate;
 - 6.4.8.2 Greater than 35 points: 100% of the current monthly rate.
- 6.4.9 The property owner must inform and request de-registration if his/her conditions have improved especially if the application no longer conforms with the requirements set out in the Policy.

Owners dependent on pensions

- 6.5 The following criteria apply to rebates for the owners of properties who are dependent on pensions:
- 6.5.1 This category consists of residential properties owned and occupied by pensioners. This rebate is applicable to property rates only.
 - 6.5.2 The residential property must consist of one dwelling. Where there is more than one dwelling and the other dwellings can be rented out, the applicant would not qualify for pensioner rebate;
 - 6.5.3 The owner must have reached the age of 60 years;
 - 6.5.4 The owner must own and occupy the property;
 - 6.5.5 This rebate also applies to property owners who have become pensioners due to injury on duty;
 - 6.5.6 Ownership of property under this category includes the holder of a registered long-term lease;
 - 6.5.7 A rebate shall be granted for a maximum duration of the Valuation Roll provided that:
 - 6.5.7.1 it shall be necessary to reapply if the status of the beneficiary changes within the period; and
 - 6.5.7.2 the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate.
 - 6.5.8 The rebate under this category of owners will be granted from the date of application unless otherwise stated.
 - 6.5.9 An application to renew a pensioner rebate must be done before the beginning of a new Valuation Roll (every 4-5 years).
 - 6.5.10 The rebate under this category of owners shall be as sub-classified follows:
 - 6.5.10.1 pensioners aged 60-69 years; and
 - 6.5.10.2 pensioners aged 70 years and above.

6.5.11 In the case of a pensioner who is between the ages of 60 and 69 years, the additional criteria shall apply:

6.5.11.1 The market value threshold is R1.5million (inclusive of the residential threshold value). Rates will be levied on the market value in excess of R1. 5million. This is subject to the income criteria as follows:

6.5.11.2 If a pensioner has a gross monthly income below and equal to R13,519, the pensioner will qualify for a 100% rebate up to a market value of R1. 5million. Rates will be levied on the market value in excess of R1.5million.

6.5.11.3 If a pensioner has a gross monthly income above R13,519 less than or equal to R23,172 the pensioner will qualify for a 50% rebate up to a market value of R1.5million. Rates will be levied on the market value in excess of R1.5million.

6.5.11.4 If a pensioner monthly income is above R23,172, the pensioner will not qualify for a rebate.

6.5.11.5 The application should include a certified copy of ID, 3 months recent bank statements, proof of income or copy of certified SAASA card or other proof of income acceptable to the Council and their most recent income tax assessment issued by the South African Revenue Service;

6.5.11.6 If a pensioner receives a National Security Grant, they will qualify for a 100% rebate subject to the market value threshold and conditions.

6.5.12 In the case of a pensioner who is of the age of 70 years and over, the additional criteria shall apply:

6.5.12.1 The market value threshold is R2million (inclusive of the residential threshold value). Rates will be levied on the market value in excess of R2million.

6.5.12.2 The pensioner will qualify for a 100% rebate on rates, irrespective of income up to a market value of R2million. Rates will be levied on the market value in excess of R2million.

6.5.12.3 The application should include a certified copy of ID.

Owners dependent on pension due to work related injuries

6.6 The following criteria apply to rebates for the owners of properties who are dependent on pensions due to injury sustained on duty:

6.6.1 The residential property must consist of one dwelling. Where there is more than one dwelling and the other dwellings can be rented out the applicant would not qualify for pensioner rebate.

6.6.2 The owner must have been injured on duty serving in the following services:

6.6.2.1 South African National Defence Force;

- 6.6.2.2 South African Police Service;
 - 6.6.2.3 Emergency services; and
 - 6.6.2.4 Johannesburg Metropolitan Police.
- 6.6.3 The owner must own and occupy the property;
- 6.6.4 The market value threshold is R1.5million (inclusive of the residential threshold value). Rates will be levied on the market value in excess of R1.5million;
- 6.6.5 An owner of a property in this segment must apply at the Customer Service Centre on a form prescribed by the Council and a reference number must be attached to the application form for approval of a rebate by the Property Branch, accompanied by the following documents:
- 6.6.5.1 confirmation from the employer that the employee was injured on duty and due to the injuries he or she can no longer serve in any capacity;
 - 6.6.5.2 medical records that confirms the injuries;
 - 6.6.5.3 proof of current income;
 - 6.6.5.4 where the applicant is married, the spouse proof of income is required.
- 6.6.6 A rebate shall be granted for a maximum duration of the Valuation roll provided that:
- 6.6.6.1 It shall be necessary to reapply if the status of the beneficiary changes within the period;
 - 6.6.6.2 the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate;
- 6.6.7 The rebate will be granted from the date of application. No retrospective rebates will be granted.
- 6.6.8 An application to renew this rebate must be done before the beginning of a new Valuation Roll (every 4-5 years).

Owners rebate for people with disability

- 6.7 The following criteria apply to rebates for the owners who is disable:
- 6.7.1 The residential property must consist of one dwelling. Where there is more than one dwelling and the other dwellings can be rented out the applicant would not qualify for pensioner rebate.
 - 6.7.2 The owner must be permanently disabled and not older than 59 years of age:
 - 6.7.3 The owner must own and occupy the property;
 - 6.7.4 The market value threshold is R1.5million (inclusive of the residential threshold value). Rates will be levied on the market value in excess of R1.5million.

- 6.7.5 An owner of a property in this segment must apply at the Customer Service Centre on a form prescribed by the Council and a reference number must be attached to the application form for approval of a rebate by the Property Branch, accompanied by the following documents;
- 6.7.5.1 medical records that confirms disability.
 - 6.7.5.2 proof of current income;
 - 6.7.5.3 where the applicant is married, the spouse proof of income is required.
- 6.7.6 A rebate shall be granted for a maximum duration of the Valuation roll provided that:
- 6.7.6.1 It shall be necessary to reapply if the status of the beneficiary changes within the period;
 - 6.7.6.2 the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate;
- 6.7.7 The rebate will be granted from the date of application. No retrospective rebates will be granted.
- 6.7.8 An application to renew this rebate must be done before the beginning of a new Valuation Roll (every 4-5 years).

Heritage properties

- 6.8 The following criteria apply to rebates in respect of properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply, or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act No. 119 of 1998),:
- 6.8.1 declared as heritage sites in terms of Section 27 of the National Heritage Resources Act, 25 of 1999;
 - 6.8.2 designated as protected areas in terms of section 28 of the National Heritage Resources Act; and
 - 6.8.3 designated as heritage areas in terms of section 31 of the National Heritage Resources Act;
 - 6.8.4 Application for a rebate must be made annually on a form prescribed by the Council at the Customer Service Centre and a reference number must be attached to the application form. The application will be assessed by the Property Branch for approval.
 - 6.8.5 The rebate contemplated in this section shall be subject to any limitations that may be placed on financial incentives for the conservation of heritage resources in terms of section 43 of the National Heritage Resources Act.
 - 6.8.6 The rebate shall be a maximum of 20% of the rate applicable to category in which the property is allocated.

High-density developments

- 6.9 The following criteria apply to rebates for residential properties that are developed with a minimum density of 80 dwelling units per hectare, including sectional title units:
- 6.9.1 proof is submitted to the satisfaction of the land use rights and the development of such a property with a minimum density of 80 dwelling units per hectare, including sectional title units;
 - 6.9.2 the City is satisfied that the developer is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA;
 - 6.9.3 The rebate shall be a maximum of 5% of the rate applicable to category in which the property is allocated;
 - 6.9.4 The rebate applies only to developments which were approved and completed within a period of three (3) years from the date of the application for a rebate, provided that the development was three (3) years from the date of issuance of certificate of occupancy.
 - 6.9.5 Provided the minimum size of the land for development is half a hectare.

Property used for sports

- 6.10 The following criteria apply to rebates for properties for owned by Sports Clubs and used for sporting activities:
- 6.10.1 proof is submitted to the satisfaction of the City of the:
 - (i) actual use of the property;
 - (ii) any lease or use of the property by any person or entity other than the organisation;
 - (iii) any short term or long term rental of the property, including the duration of use, costs recovered or recoverable for such use;
 - (iv) any information that the City may consider relevant to the determination of the use of such property including a copy of the organisation's memorandum of incorporation or other founding documents, and financial statements or management accounts.
 - 6.10.2 the City is satisfied that the Sports Club conducts sporting activities on the property;
 - 6.10.3 rebate may be granted in respect of the whole or a portion of a property owned by a Sports Club;
 - 6.10.4 the membership of the Club is open to previously disadvantaged persons and the Club is actively involved in sports development programmes for previously disadvantaged communities;
 - 6.10.5 subject to a determination by the City that the Club is unable to pay the property rates, the rebate may be up to a maximum of 40% of the rate applicable to category in which the property is allocated;

6.10.6 the City is satisfied that the Sports Club is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.

6.10.7 The grant of a rebate lapses at the end of the financial year of the City in which such recognition was granted.

Property used for protection of animals

6.11 The following criteria apply to rebates for properties for owned by institution or organisation which has as its exclusive objective for the protection of animals and used for the protection of animals:

6.11.1 proof is submitted to the satisfaction of the City of the:

(i) actual use of the property

(ii) any lease or use of the property by any person or entity other than the organisation

(iii) any short term or long term rental of the property, including the duration of use, costs recovered or recoverable for such use

(iv) any information that the City may consider relevant to the determination of the use of such property including a copy of the organisation's memorandum of incorporation or other founding documents, and financial statements or management accounts;

6.11.1.2 the City is satisfied that the property is used for the protection of animals;

6.11.1.3 rebate may be granted in respect of the whole or a portion of a property owned by a such institution or organisation;

6.11.1.4 the membership of such institution or organisation is open to previously disadvantaged persons and the institution or organisation is actively involved in outreach programmes for previously disadvantaged communities;

6.11.1.5 the City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.

6.11.1.6 subject to a determination by the City that such institution or organisation is unable to pay the property rates, the rebate may be up to a maximum of 100% of the rate applicable to category in which the property is allocated.

6.11.2 The grant of a rebate lapses at the end of the financial year of the City in which such recognition was granted.

Properties within declared Disaster Areas

6.12 The following criteria apply to rebates for properties situated within an area affected by a disaster within the meaning of the Disaster Management Act, Act 57 of 2002:

6.12.1 The owner must apply to the City for a rebate on the prescribed form accompanied by such proof as the Council may require, substantiating the application.

6.12.2 The affected land or buildings on the property must have suffered damage or been rendered incapable of occupation or habitation.

6.12.3 If more than 60% of a property is certified by the City's Building Inspectorate as capable of occupation/habitation in terms of the National Building Regulations, then the owner may, at the discretion of the City, not qualify for the rebate.

6.12.4 In lieu of a report from the City's Building Inspectorate, the owner, may, lodge a report from a registered Structural Engineer on the nature of the damage and the extent to which it is capable of occupation/habitation in terms of the National Building Regulations.

6.12.5 An application must be made within sixty (60) days from the date of the disaster.

6.12.6 Where a disaster has been classified either as a national or local disaster in terms of the Disaster Management Act, an owner may elect to rely on either the date of the event or the date of declaration of the disaster, by notice, in the Gazette.

6.12.7 The City may grant a further extension of the rebate, beyond the financial year in which the application is granted, on application.

6.12.8 An exemption from the payment of rates may be subject to a fixed duration and such duration shall not exceed two years.

6.12.9 A property situated within an area affected by a disaster may be revalued for the purposes of a reduction in the value of such property.

6.12.10 The rebate applicable to rate on a property situated within an area affected by a disaster shall be determined by Council up to a maximum of 100% of the rate applicable to category in which the property is allocated.

Private Open Space

6.13 The public service infrastructure tariff will apply to qualifying private open spaces properties from the date of application without the 30% value reduction as set out in Section 17(1)(a) of the MPRA.

Vacant Land

- 6.14 The following criteria apply to rebates for vacant land:
- 6.14.1 Vacant land owned by an individual for development of residential property, where the construction of the property is completed within two years, the residential tariff charge will be backdated to year one.
 - 6.14.2 Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Temporary or Final Certificate of Occupancy or final inspection or an affidavit from a Council building inspector proving the date of occupation.

Undevelopable vacant land

- 6.15 The following criteria apply to rebates for vacant land which is undevelopable:
- 6.15.1 Property is outside the Urban Development Boundary (“UDB”) and as may by Council resolution be approved to amend the UDB;
 - 6.15.2 Unavailability of bulk infrastructure despite a policy or legislative basis for the provision of engineering services by the City;
 - 6.15.3 The owner of the property acquired the property or remained the owner of the property on the basis of an objective and reasonable belief that the City is obliged to provide engineering services on the property;
 - 6.15.4 Development of the entire property is prohibited or substantially constrained by environmental factors; and
 - 6.15.5 The owner of the property must apply in writing to the City for a rebate including proof of:
 - 6.15.5.1 A letter from the Department Development Planning confirming that the property is outside the Urban Development Boundary, must accompany the application; and
 - 6.15.5.2 A letter from the Municipal Entity/entities or its/their delegate, must accompany the application confirming that the property cannot be developed due to unavailability of infrastructure and services.
 - 6.15.6 The rebate shall be a maximum of 50% of the rate applicable to category in which the property is allocated.

Housing Development Schemes for Retired Persons

- 6.16 The following criteria apply to rebates for properties owned by juristic persons that fall under the Housing Development Schemes for Retired Persons Act, 65 of 1988:
- 6.16.1 It is required that the owner of property shall pass on the benefit of the rates rebate to the registered holder/s of a right of occupation in the Scheme;

- 6.16.2 Save for the ownership of the property, the criteria applicable to owners dependent on pensions shall apply to these properties;
- 6.16.3 proof is submitted to the satisfaction of the City of the
- (i) actual use of the property
 - (ii) any lease or use of the property by any person or entity other than a retired person or a person with life rights
 - (iii) any short term or long term rental of the property, including the duration of use, costs recovered or recoverable for such use (iv) any information that the City may consider relevant to the determination of the use of such property including a copy of the organisation's memorandum of incorporation or other founding documents, and financial statements or management accounts; and
 - (v) proof that the owner passes the benefit of the rates rebate on to the registered holder/s in terms of the Housing Development Schemes for Retired Persons Act;
- 6.16.4 the City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.

Properties owned by a SHRA-accredited Social Housing Institution and used for social housing

- 6.17 The following criteria apply to rebates for properties owned by a Social Housing Regulatory Authority accredited Social Housing Institution and used for social housing:
- 6.17.1 Properties registered in the name of a SHRA-accredited Social Housing Institution must provide at least 60% of the residential units on the property to house tenants whose gross monthly income is less than the maximum and it is spread within the income bands range (R1,850-R22,000/month) determined by SHRA guidelines and regulations.
- 6.17.2 The Social Housing Institutions must submit a standard application form, which will remain valid for the duration of the valuation roll and provide the income bands of all their tenants to the satisfaction of the City”.
- 6.17.3 If more than 40% of a property houses tenants whose gross monthly household income exceeds the aforementioned income limit, then such property will not qualify for rebate under this category .
- 6.17.4 In order to be categorised as Properties owned by a SHRA-accredited Social Housing Institution and used for social housing, application for a change in property rating category must be made and the following information/documentation must be provided: Latest financial statements; Proof of SHRA accreditation; Copy of each tenant's lease agreement; and Tenant information and income captured in an excel spreadsheet containing the following information: Name of housing development, Erf/unit number, Suburb or scheme name, Account number if applicable, Tenant's name and surname, Tenant's ID number; and proof of tenant's income; tenant's contact details including cell / tel. number and email address.

- 6.17.5 If a Public Benefit Organisation, registered as a non-profit organisation in terms of Section 30 of the Income Tax Act, provides services on a property which meet the requirements of welfare and humanitarian services as defined in the Schedule of the Act and is designated as a registered social landlord, the rate applicable to a Public Benefit Organisation shall apply.
- 6.17.6 The City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.
- 6.17.7 The rebate applicable to rate on a property for social housing is 40% of the rate applicable to category in which the property is allocated.

Child Headed Households

- 6.18 The following criteria apply to rebates for properties occupied by a household headed by a minor:
- 6.18.1 The market value threshold is R1.5million (inclusive of the residential threshold value). Rates will be levied on the market value in excess of R1.5million
- 6.18.2 The property must be owned by a terminally ill parent or the child or deceased estate of the parent;
- 6.18.3 The terminally ill parent or their children must annually apply for the rebate.
- 6.18.4 The application must include the following:
- 6.18.4.1 confirmation from the Social worker appointed by Council that has investigated the minors of the household and found that the permanent occupants are minors and the household is headed by a minor;
- 6.18.4.2 if the parent is deceased, a copy of the Letter of Executorship of administration of the deceased estate; a copy of the liquidation and distribution account showing transfer of the property to the minor; and the death certificate of the parent;
- 6.18.4.3 if the parent is terminally ill, a certified copy of a medical report confirming his/her status;
- 6.18.4.4 birth certificates of all minors residing on the property.
- 6.18.5 The rebate will lapse in any of the following events:
- 6.18.5.1 when the child head of the household reaches the age of majority;
- 6.18.5.2 on alienation of the property;
- 6.18.5.3 when the child head of the household ceases to reside permanently on the property;
- 6.18.5.4 when the City's Department of Social Development no longer regards the household as being child headed; or

6.18.5.5 when applications are not submitted annually (late applications may be reinstated with effect from the next practical billing cycle).

6.18.6 The applicable rate shall be granted up to a maximum of 100% of the rebate applicable to the category in which the property is allocated.

Properties within designated corridors and nodes

6.19 The following criteria apply to rebates for properties developed within the designated transport corridors connecting strategic nodes within the City:

6.19.1 includes:

6.19.1.1 designated transport corridors connecting strategic nodes through an affordable and accessible mass public transit that includes both bus and passenger rail. Along these corridors we will locate mixed income housing, schools, offices, community facilities, cultural centres, parks, public squares, clinics and libraries;

6.19.1.2 transit-oriented development such as the Rea Vaya bus rapid transit (BRT) system and associated pedestrian and cycling infrastructure that would connect historically underserved townships in Johannesburg to other parts of the city.

6.19.1.3 the development of mixed-income and mixed-use housing along the corridors, which was intended to foster economic opportunities for residents by creating spaces that could also host commercial enterprises.

6.19.2 A property which is entitled to a rates rebate under this category must be within an area designated by the Council, and may qualify:

6.19.2.1 During construction, to a rebate of 25% of the rate as per the category of land for a period not exceeding two years, and

6.19.2.2 Post construction, a rebate of 50% of the rates payable as per the category assigned in the General Valuation Roll for a period not exceeding one year.

6.19.3 The City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.

Township industrial developments

6.20 The following criteria apply to rebates for properties developed within the identified townships:

6.20.1 The rebate under this category applies to new industrial developments that would be developed within the identified townships in line with the City's priorities.

- 6.20.2 The industrial development must be planned and implemented for the identified townships.
- 6.20.3 The rebate applicant would have to satisfy the industrial investment that would be approved by the Council.
- 6.20.4 The application for this rebate will be made at the Property Branch
- 6.20.5 The rebate will be granted in in two phases:
 - 6.20.5.1 The first phase of the rebate would be granted during construction.
 - 6.20.5.2 The second phase of the rebate will be granted during the first and second year of the industrial operations.
- 6.20.6 The industrial property owner will pay 25% of the rate as per the category of property for a period not exceeding two years during the construction phase.
- 6.20.7 The industrial property owner will pay 50% rate charged for the first and second year of the industry being operational.
- 6.20.8 The industrial property owner will be charged full rates under category industrial from year three of the industry being operational.
- 6.20.9 This rebate will also be afforded to refurbishment of dilapidated township industrial properties.
- 6.20.10 The City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.

Rejuvenation of central business district (CBD)

- 6.21 The following criteria apply to rebates for properties developed or refurbished within all the City's CBD areas:
 - 6.21.1 The rebate under this category applies to rejuvenation of all CBD's properties within the City that would be developed or refurbished within the identified CBDs in line with the City's priorities.
 - 6.21.2 The refurbishment or development must be planned and implemented for the identified CBDs.
 - 6.21.3 The rebate applicant would have to satisfy the investment that would be approved by the Council.
 - 6.21.4 The application for this rebate will be made at the Property Branch
 - 6.21.5 The rebate will be granted in in two phases:
 - 6.21.5.1 The first phase of the rebate would be granted during construction/refurbishment.
 - 6.21.5.2 The second phase of the rebate will be granted during the first year of the rejuvenated property/building operations.

- 6.21.6 The property owner will pay 25% of the rate as per the category of property for a period not exceeding two years during the construction phase.
- 6.21.7 The property owner will pay 50% rate charged for the first and second year of the rejuvenated building/property being operational.
- 6.21.8 The property owner will be charged full rates under category business and commercial from year three of the industry being operational.
- 6.21.9 This rebate will also be afforded to refurbishment of dilapidated CBD properties.
- 6.21.10 The City is satisfied that the institution or organisation is not entitled to or approved for any other exemptions, reductions, or rebates in terms of this Policy or the MPRA.
- 6.21.11 Service sector will be regarded as a priority key sector in the rejuvenation of CBD area, recognising its potential to drive economic growth, create jobs and enhance the overall quality of life for residents. The sector encompasses a wide range of industries, including:
- Office property market
 - Culture and heritage and tourism
 - Small businesses and entrepreneurship
 - Residential property market
 - Retail
 - Industrial townships
 - Education
 - Service sector
 - Information technology
 - Professional services
 - Financial services
 - Hospitality

The intention of this rebate is to create a vibrant City.

Properties used for religious purposes

- 6.22 The following criteria apply to exception for properties registered in the name of the religious community and used primarily as a place of public worship by a religious community:
- 6.22.1 The City does not levy a rate on a property registered in the name of, and used primarily as a place of public worship by a religious community.
- 6.22.2 The official residence registered in the name of that community which is occupied by the office bearer of that community who officiates at services at that place of worship.
- 6.22.3 The category religious will exclude other structures that are primarily used for educational instruction in which secular or religious education is the primary instructive medium.

- 6.22.4 Other dwellings or structures within the same property, even though they are registered in the name of the religious community but are not used for public worship will be charged at a rate according to permitted use.
- 6.22.5 Proof is submitted to the satisfaction of the City of the:
- (i) actual use of the property;
 - (ii) any lease or use of the property by any person or entity other than the office bearer of that community or use other than as a place of public worship;
 - (iii) any short term or long term rental of the property, including the duration of use, costs recovered or recoverable for such use
 - (iv) any information that the City may consider relevant to the determination of the use of such property including a copy of the organisation's memorandum of incorporation or other founding documents, and financial statements or management accounts.
- 6.22.6 The City reserves the right to request additional information/documentation, if so required.

Nature reserve

- 6.23 The exclusion from rates of a property referred to in subsection (1) (e) of the MPRA lapses if the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such a reserve, park, or botanical garden, is withdrawn in terms of the applicable Act mentioned in that subsection.

Municipal Property

- 6.24 The Council determines that a property owned, vested or under the control and management of the City or its service provider in terms of any applicable legislation will not be levied rates in terms of Section 7(2)(a)(1) of the MPRA, provided that such property is leased to a third party, the rating shall be as per the category allocated in the Valuation Roll. The City may recover such rates from the tenant, subject to the provision set out in the lease agreement.

Phasing-in of rates in respect of certain properties

- 6.25 Phasing-in of rates in respect of certain properties
- 6.25.1 In terms of section 93B of the Rates Act, which was inserted by section 10 Act 29 of 2014, the provisions of section 8 must be applied by a municipality within seven years from 1 July 2015 when the Amendment Act came into operation. The amendments came into operation in the City on 1 July 2022.
- 6.25.2 In the 2021/2022 financial year of the City, the applicable Rates Policy reflected under the “education” category the “properties zoned and used for educational purpose but privately owned”, and which then attracted a ratio of 1:0.25 and rates tariff of 0.002155. However, in the 2022/2023 Rates Policy, the same properties fell

under the “Business and Commercial” category, and attracted, instead, a ratio of 1:2.5 and rates tariff of 0.021547. These changes formed the basis of the three court applications challenging the 2022/2023 Rates Policy and which resulted in a Court Judgment.

6.25.3 The Council determines that rates to be levied on properties zoned and used for educational purpose but privately owned and which falls to be allocated in the Business and Commercial category will be as follows:

6.25.3.1 Year 1 - 25% of the tariff for this category (2023/2024)

6.25.3.2 Year 2 - 50% of the tariff for this category (2024/2025)

6.25.3.3 Year 3 - 75% of the tariff for this category (2025/2026)

6.25.3.4 Year 4 - 100% of the tariff for this category (2026/2027).

6.25.4 The Council determines that rates to be levied on Properties owned by an organ of state and used for public service purposes will be as follows:

6.25.4.1 Year 1 - 25% of the tariff for this category (2023/2024)

6.25.4.2 Year 2 - 50% of the tariff for this category (2024/2025)

6.25.4.3 Year 3 - 75% of the tariff for this category (2025/2026)

6.25.4.4 Year 4 - 100% of the tariff for this category (2026/2027).

Compliance with conditions

6.26 A person liable to pay rates in terms of this Policy:

6.26.1 has the obligation to ensure that the conditions applicable to a property are complied with;

6.26.2 must promptly inform the City, and furnish the details, of and changes to the property which may affect the category or entitlement to exemptions, reductions, and rebates on the property.

Application for Exemptions, reductions, and rebates

6.27 All exemptions, reductions and rebates must be done on a prescribed application form, which is available:

6.27.1 on the COJ website;

6.27.2 at the Customer Service Centres;

6.27.3 from the Property Branch;

6.27.4 upon request made to e-mail address: ratescomments@joburg.org.za.

6.28 Application forms must be delivered to any Customer Service Centre and a reference number must be attached to the application form. Approved applications will be considered from the date of application unless otherwise stated.

6.29 Unless indicated to the contrary in this Policy, the existing rebates, reductions, and exemptions will lapse at the end of the General Valuation Roll.

7 Special Rating Areas

- 7.1 The Council may, on own initiative or upon the receipt of an application to that effect from an interested party, by resolution determine special rating areas in accordance with the provisions of section 22 of the Property Rates Act, for which it may adopt a By-law and policy to regulate the implementation of such special rating areas.
- 7.2 The determination of a special rating area must be consistent with the objectives of the Integrated Development Plan of the Council.

8 Liability For Rates

- 8.1 A property rate is a debt in respect of taxation in terms of section 11 of the Prescription Act, 68 of 1969, and the Council can recover rates in arrears for a period of up to 30 years.
- 8.2 On the basis that rates constitute taxation, there is no specific counter-performance due by the Council in exchange for the receipt of the rates
- 8.3 Rates -
 - 8.3.1 which are recovered by the Council on an annual or a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer;
 - 8.3.2 are payable in full on or before the due date and interest will be charged on rates that are in arrears;
 - 8.3.3 interest be charged on rates not paid on or before the fixed days, at the rate determined by the Council from time to time;
 - 8.3.4 a ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the onus shall be on the ratepayer concerned to establish the amount due for the rates and to pay that amount to the Council;
 - 8.3.5 liability for, and payment of, rates is governed by the Act and the City's Credit Control and Debt Collection By-Law and Policy;
 - 8.3.6 section 27(1)(a) provides that property owner who is liable for rate must furnish the City with an address where correspondence can be directed to.
- 8.4 In the case of joint ownership of property, all the property owners are jointly and severally liable for the payment of rates and any interest charges thereon.
- 8.5 In respect of property that has been let by a ratepayer, the Council may recover unpaid rates from the tenant to the extent of any unpaid rental due to the ratepayer.
- 8.6 The Council may recover unpaid rates from the agent of the ratepayer but only to the extent of the rental in respect of the property concerned received by the agent, less any commission due to the agent by the ratepayer.
- 8.7 A ratepayer that wishes to dispose of a property must comply with the provisions of section 118 of the Systems Act, which requires an advance payment of an amount to cover, inter alia, the rates due before a certificate as contemplated in the said section is issued, such payment to be calculated to cover a lead time as specified in the Systems Act.

8.8 A rate levied by the Council on a sectional title unit is payable by the owner of the unit.

9 *Commencement*

This Policy is effective from 1 July 2026.

10 Tariffs & Ratios for Differential Rating

No	Category	Ratio for 2025/26	Rates tariffs for 2025/26	Ratio for 2026/27	Ratio for 2027/27	Rates tariffs for 2026/27
1.	Agricultural	1:0.25	0.002387	1:0.25	0.002473	3.6%
2.	Business and commercial	1:2.5	0.023862	1:2.5	0.024721	3.6%
3.	Industrial	1:2.5	0.023862	1:2.5	0.024721	3.6%
4.	Mining	1:2.5	0.023862	1:2.5	0.024721	3.6%
5.	Multipurpose*1					
6.	Municipal property	0	0	0	0	3.6%
7.	Private open space	1:0.25	0.002387	1:0.25	0.002473	3.6%
8.	Public benefit organization	1:0.25	0.002387	1:0.25	0.002473	3.6%
9..	Public open space	1:0.25	0.002387	1:0.25	0.002473	3.6%
10.	Public service infrastructure	0	0	0	0	3.6%
11.	Public service infrastructure - private	1:0.25	0.002387	1:0.25	0.002473	3.6%
12.	Public service purpose	1:1.5	0.014318		0.014833	3.6%
13.	Religious	0	0	0	0	3.6%
14.	Residential	1:1	0.009545	1:1	0.009889	3.6%
15.	Residential Consent use	1:2	0.01909	1:2	0.019777	3.6%
16.	Township Development	1:2.5	0.023862	1:2.5	0.024721	3.6%
17.	Vacant land	1:4	0.03818	1:4	0.039554	3.6%

Penalty tariff

1.	Unauthorised usage	1:12	0.114542	1:12	0.118665	3.6%
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***CITY OF JOHANNESBURG
PROPERTY BRANCH***

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