

**18 SEPTEMBER 2009  
JO'BURG THEATRE,  
LOVEDAY STREET,  
BRAAMFONTEIN,  
JOHANNESBURG**



## **INCLUSIVE CITIES SEMINAR ON PRO-POOR PROPERTY RATING POLICIES**

### **Background**

On 9 July 2009, SACN and Urban LandMark held a roundtable discussion on the impact of municipal property rates policies on the poor. While recognizing that the chief purpose of rates policy is revenue generation, we asked whether rates policies could be designed in such a way that also helped to enable the poor to gain access to well-located land in urban areas. How can rates policies be designed to provide direct tax relief to poor property-owners in a targeted and efficient manner? Could rates policies include incentives which prompt developers and property owners to release unutilized land back into the market, or to develop affordable housing in urban areas?

Based on the questions and issues raised at the 9 July roundtable, the project team undertook research in this area which included interviews with stakeholders and case studies of Buffalo City Municipality and the City of Johannesburg. One of the reasons for selecting these two municipalities is that BCM's rates policy includes a residential exclusion of R15 000 while Johannesburg offers a much higher threshold which provides a 100% rebate for all properties which are valued R150 000 or below. How do municipalities set the residential exclusion (required by the MPRA to be at least R15 000)? What impact does this amount have on the secondary property market in low-income urban areas?

On 18 September SACN and Urban LandMark will convene a seminar to explore these questions and others as part of a presentation and discussion on the research.

### **Purpose**

The purpose of the 18 September seminar is to:

- Share the results of research and analysis carried out by Isandla Institute and PDG for the project partners on the extent to which property rating policies benefit poor home-owners in the cities in SA.
- Share the experiences of SACN member cities in developing and applying property rating policies since 2004.
- Discuss key recommendations about how cities can apply rating policies to achieve urban land market outcomes that benefit the poor.
- Define questions for further investigation.



**Urban LandMark**



South African

**CitiesNetwork**

## Draft agenda

1.	<i>Registration</i>	08:30	
2.	Welcome and introductions	09:00	Ahmedi Vawda, Urban LandMark
3.	Presentation of research on property rates policies and the urban poor	09:15	Alison Hickey Tshangana, PDG
4.	Property Rating experience in Johannesburg and Buffalo City	10:15	BCM and CoJ officials
5.	<i>Tea</i>	11:00	
6.	Panel of respondents	11:30	Veronica Mafoko, Directorate: Municipal Finance Policy, Department of Cooperative Governance and Traditional Affairs  Prof RCD Franzsen, Director: African Tax Institute, Department of Economics, University of Pretoria  Roland Hunter, Director, Hunter Van Ryneveld (Pty) Ltd.
7.	Summary of issues and research and policy recommendations	12:30	Stephen Berrisford, Urban LandMark
8.	Closing	13:15	
9.	<i>Lunch</i>	13:30	