

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER PQ2017/875**

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**Mr S Esau (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Whether his department intends to investigate the price of R12,1 million that the Ekurhuleni Metropolitan Municipality paid for purchasing Farm 87 Portion 230 Driefontein from Living Africa Development (Pty) Ltd, which paid a mere R112 074 for the specified land; if not, why not; if so, what are the relevant details? NW941E

**Reply:**

The Gauteng Department of Human Settlements responded that the department does not intend to investigate the price of R12,1 million that the Ekurhuleni Metropolitan Municipality paid for purchasing Farm 87 Portion of 230 Driefontein from Living Africa Development (Pty) Ltd. The Gauteng Department of Human Settlements indicated that, all acquisitions were done from the basis of a market valuation based on the value of the property as per legal requirements, which are done by a registered valuer to determine the value at the time of the transaction.

According to the department, Living Africa made Ekurhuleni Metropolitan Municipality an offer for the land on 21 October 2015. They offered the land to Ekurhuleni Metropolitan Municipality for R16,5 million and at the time, the land was valued at R28 million as per Living Africa valuation. The Ekurhuleni Metropolitan Municipality further conducted its own valuation which determined the value at R22 million and the municipality started its negotiations at a value of R7,7 million which were not acceptable to the owner. The Property Acquisition Task Team led the negotiations that closed the deal with both parties accepting a sale price of R12,1 million subject to Ekurhuleni Metropolitan Municipality Council approval. According to Gauteng Department of Human Settlements, this transaction is therefore deemed to be above board and was done with Councils best interest at heart.