

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

Department of Public Works l Central Government Offices l 256 Madiba Street l Pretoria l Contact: +27 (0)12 406 2034 l +27 (0)12 406 1224

Private Bag X9155 l CAPE TOWN, 8001 l RSA 4th Floor Parliament Building l 120 Plain Street l CAPE TOWN l Tel: +27 21 468 6900 Fax: +27 21 462 4592

[www.publicworks.gov.za](http://www.publicworks.gov.za)

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1757 [NW1914E]**

**INTERNAL QUESTION PAPER NO.: No. 19 of 2018**

**DATE OF PUBLICATION: 01 JUNE 2018**

**DATE OF REPLY: 03 SEPTEMBER 2018**

**1757. Mr D R Ryder (DA) asked the Minister of Public Works:**

What (a) number of properties owned and managed by his department were leased in each province (i) in each of the past three financial years and (ii) since 1 April 2018, (b)(i) was the annual income and (ii) were the annual costs (aa) in total and (bb) per square metre and (c) how many square metres were leased in each case? **NW1914E**

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**The Minister of Public Works**

**REPLY:**

(a) (i) and (ii), (b) (i) and (ii) (aa) and (bb), and (c)

Attached to this reply is an Excel spreadsheet, marked as Annexure A, which provides details on what has been asked in the question above. But, to put matters into context the Honourable Member should note the following:

1. **Annual income lower than annual costs**

We acknowledge that rental income is significantly low in many instances. However, we are committed to rectifying the matter through the renegotiation of all existing leases with private parties.

In 2015, the Department launched a pilot project on coastal State-owned properties leased out to private persons and or companies. During the pilot project, the department renegotiated expired leases on coastal properties and succeeded in increasing rental rates of individual leases as an interim measure.

The Department is currently working with National Treasury to finalise an Acquisition and Disposal Framework, which in addition to other processes, will allow the Department to negotiate all existing and active leases with private persons and or companies. This will enable the Department to charge fair rental prices not less that property rates and taxes payable on the required property.

In cases where the tenant is not willing to renegotiate rental rates, the Department will approach the courts for the lease to be set aside, as it will not be serving the public interest to maintain the status quo.

1. **No annual costs recorded for the period 1st April 2018 to date for the following regional offices:**
   1. Mpumalanga
   2. Free State

Costs in these regional offices are currently being processed and will be recorded before the end of the financial year (2018/19).

1. **No income recorded for the period 1st April 2018 to date for the following regional offices:**
   1. Northern Cape
   2. Mpumalanga

Payments in these regional offices are being processed and will be recorded before the end of the financial year (2018/19).