**MINISTRY FOR HUMAN SETTLEMENTS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 3143**

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**Ms S P Kopane (DA) to ask the Minister of Human Settlements:**

(1) (a) When was a certain company (name furnished) appointed to manage the Masimong 4 Estate in Welkom and (b) what is the (i) duration of the contract awarded, (ii) value of the contract awarded to the company and (iii) exact nature of the services expected from the contract;

(2) whether the management of the estate will be transferred to either the (a) Free State provincial Department of Human Settlements or (b) Matjhabeng Local Municipality; if not, why not, in each case; if so, (i) when will the transfer take place and (ii) what are the motivating reasons for the delay in the transfer? **NW3686E**

**REPLY:**

(1) (a) The appointment of the company referred to in the question, as the property manager of Masimong 4 Estate emanated from the Tripartite Agreement which was concluded in November 2010 by Matjhabeng Local Municipality, the Free State Provincial Department of Human Settlements and Harmony Gold Mining Company.

(b) (i) The contracted period was for two (2) years. During this period it was agreed that the Matjhabeng Local Municipality Human Settlements functionaries will work with the company to allow transfer property management skills between the two parties.

 (ii) The appointed company was to be paid for services for management of the Masimong Estate, from a portion of the rentals collected every month and this amounted to R 35 000 – 00 per month.

 (iii) The appointed company provides management services which included:

**Administrative and Management Functions:**

Keeping of records of all documentation including; application forms; lease agreements; individual files for each tenant; orientation/capacitation of tenants.

**Technical and Infrastructural Services:**

Making arrangements and co-ordinating the provision of Municipal Services; initialising of municipal utility accounts for all tenants; maintain and repair breakages to the units; reactive and planned maintenance of the units.

**Maintenance and cleaning services:**

General maintenance of complex grounds and gardens; facilitate the collection of waste and refuse removal; management of the dedicated refuse areas.

**Financial services:**

 Issuing of monthly invoices and statements; issuing of payment reminder letters; delivery of monthly invoices and statements; receipt of payments from tenants; reconciliation of tenant accounts, coordination with municipal departments in respect of water meter readings; payment for services; discontinuation of services; evictions.

(2) (a) The management of Masimong 4 Estate in terms of the Community Residential Units (CRU) Programme guidelines be transferred to Matjhabeng Local Municipality as the lawful owner. The Municipality may choose to manage Masimong 4 Estate internally or may choose to outsource the property management.

(b) The Free State Provincial Department of Human Settlements is currently rendering support to Matjhabeng Local Municipality in order to ensure that:

* Masimong 4 Estate is well managed and governed:
* Matjhabeng Local Municipality Human Settlements officials gain property management skills from the caretaker entity that will, with the concurrence of Matjhabeng Local Municipality, manage the property for two to three years whilst transferring skills to the said officials; and
* The government investment in Masimong 4 Estate is protected and serves the purpose for which it was developed.

(i) In a period of two to three years the Matjhabeng Local Municipality Human Settlements Officials shall have gained sufficient property management skills, to allow the Municipality to opt to manage Masimong 4 Estate internally or to outsource the property management.

(ii) During Masimong 4 Project Steering Committee meetings, the Matjhabeng Local Municipality representatives informed the Committee that they do not have the capacity to manage a property portfolio the size of Masimong 4 and that the Municipality would rather outsource this function. It is on that basis that a clause in the Tripartite Agreement was inserted to make provision for the outsourcing of Masimong Estate for two (2) years after its completion whilst Municipal Human Settlements officials underwent training hence the Free State Department of Human Settlements, in an effort to protect the investment made in Masimong 4 Estate opted to assist the municipality, by appointing a property management company to manage the Estate and at the same time ensure the capacitation of Municipal Human Settlements Officials in property management skills.

The matter was then delayed by the residents of Masimong 4 Estate who opposed payment of rentals and appointment of the property management company.