



Understanding Property Rates

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City of Johannesburg Property Rates 2022/2023

Effective 1 July - 30 June 2023

Rates are levied in accordance with the Municipal Property Rates Act (MPRA) as an amount (cent) in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in Chapters 6 and 8, respectively of the Act.

The Council levies different rates for different categories of rateable property in terms of section 8 of the Act. All rateable property will be classified in a category and will be rated based on the category of the property from the valuation roll which is based on the highest permitted use of the property, unless otherwise stated.

The City of Johannesburg may, in terms of the criteria set out in the City's Rates Policy exempt a specific category of owners of properties or owners of a specific category of properties, from the payment of a rate levied on their property; or grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties, as determined in the City's Rates Policy.

The City will not levy a rate on the first part of the market value of residential property up to R350 000 of market value as per the Valuation Roll.

The amount due for the property rate by customer will be calculated as follows:

Scenario

Market value R 1000 000; tariff = 0.008619; threshold rebate = R 350 000

Calculation

(Market value – threshold rebate) x tariff (cent in the Rand) = Annual rates payable.

Annual rates payable / 12 = monthly rates

Result

(R 1000 000 – R 350 000) x 0.008619 = R 5 602.35 annual rates

R 5 602.35 / 12 = R466.86 monthly rates.

To view your property's value, visit the City's General Valuation Roll on www.joburg.org.za

Penalty tariff for unauthorised use of property.

This penalty tariff is charged on all properties that are used for a purpose (Land use) not permitted by the zoning thereof in terms of any applicable Town Planning Scheme or Land Use Scheme; abandoned properties and properties used in contravention of any of the Council's By-laws and regulations, which include the National Building Regulations and Building Standards Act, 103 of 1977, and any Regulations made in terms thereof. This penalty tariff also covers illegal advertising as regulated by the City of Johannesburg advertising by law.

What constitutes unauthorised use?

- An unauthorised use occurs when the property is not being used in accordance with the current zoning. For example, if a property is zoned Residential 1 and is being used for a motor vehicle repair workshop without the approval from the City.
- An unauthorised use occurs when the property is not being used in accordance with the issued certificate of occupancy. For example, when making a building plan application, you include that category for which that building will be for in accordance with the zoning of the area and that is also reflected in the certificate of occupancy.

When is it charged?

Rates and Taxes penalties are imposed on the property after the expiry of the notice if the unauthorised use of property is still found to be continuing unabated.

What is the process?

After confirming that the unauthorised use continues unabated, a memo will be emailed to the Deputy Director: Policy & Revenue Enhancement (Rates & Taxes) signed by Ops manager/Assistant Director to impose penalties on the property from the date of last inspection.

How is it implemented?

The City's Rates Policy deals with those categories of properties that are used for a purpose not permitted by the zoning thereof; abandoned properties and properties used in contravention of the City's By-Laws and Regulations. The rate that will be applied to such properties is 6 times the residential tariff/rate. Example: A residential property with a value of R 1 000 000 not being used in accordance with its current zoning / occupancy certificate will be charged as follows:

$[(R\ 1\ 000\ 000 \times 0.008619) \times 6] / 12 = R\ 4\ 309.50\ p/m.$

Can the charge be reversed? What should the property owner do to get it reversed?

Charges cannot be reversed if the unauthorised use is still operational. Property owners should terminate the unauthorised use and immediately inform Development Planning to confirm termination. Rate penalty charges will stop from the date of last inspection.



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Customer Categories

The Rates Income Calculations for Financial Year 2022/2023

NO	CATEGORY	RATIO 2021/2022	RATES TARIFF FOR 2021/2022	RATIO 2022/2023	RATES TARIFF FOR 2022/2023	% INCREASE
1	Business & Commercial	1:2:5	0.020550	1:2:5	0.021547	4.85%
2	Agricultural	1:0:25	0.0020550	1:0:25	0.002155	4.85%
3	Industrial			1:2:5	0.021547	4.85%
4	Mining Land	1:2:5	0.020550	1:2:5	0.021547	4.85%
5	Multipurpose					
6	Municipal Property	0	0	0	0	4.85%
7	Private Open Space	1:0:25	0.0020550	1:0:25	0.002155	4.85%
8	Public Benefit Organisation	1:0:25	0.0020550	1:0:25	0.002155	4.85%
9	Public Open Space	1:0:25	0.0020550	1:0:25	0.002155	4.85%
10	PSI	0	0	0	0	4.85%
11	PSI Privately Owned	1:0:25	0.0020550	1:0:25	0.002155	4.85%
12	Public Service Purpose			1:1:5	0.012928	4.85%
13	Religious	0	0	0	0	4.85%
14	Residential Property	1:1	0.008220	1:1	0.008619	4.85%
15	Residential Consent Use	1:2	0.016440	1:2	0.017237	4.85%
16	Township Development			1:2:5	0.021547	4.85%
17	Vacant Land	1:4	0.032881	1:4	0.034475	4.85%

Unauthorised/Penalty tariff (Not a category of property)

NO	CATEGORY	RATIO 2021/2022	RATES TARIFF FOR 2021/2022	RATIO 2022/2023	RATES TARIFF FOR 2022/2023	% INCREASE
1	Unauthorised Use	1:6	0.049321	1:6	0.051713	4.85%

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 charge will follow the split that will be allocated to a property.

The following parameters have not changed:

- A. Business ratio has been maintained at 1:2.5;
- B. Residential threshold rebate has been maintained at R350 000;
- C. The property value threshold for pensioner rebates has been retained at R2 500 000;
- D. The property value threshold for ESP has been retained at R500 000; and
- E. The ratio for unauthorized use properties will remain at 1:6.



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Rebates on Property Rates Tariffs for 2022/2023

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In line with the provision of Municipal Property Rates Act 6 of 2004 the City grants rebates to specific categories of properties. The City's Property Rates Policy covers extensively the rebates and the process of application. Below is the content containing all the rebates:

Residential Value Exclusion:	First R350 000 of value of all residential property to be excluded from rating
Pensioner owners whose gross monthly household income is lower than R11 305 and the property value not more than R2.5 million	100%
Pensioner owners whose gross monthly income is higher than R11 305 but lower than R19 377 and the property value not more than R2.5 million	50%
Pensioner owners who are seventy years old and above irrespective of income with a property value equal to or less R2.5 million	100%
High density rebate	5%
Expanded social package pensioners, who live in a property valued not more than R2.5 million subject to pensioners qualifying criteria as stated in the City's 2022/23 Rates Policy	100%
People who are on expanded social package who are not pensioners, whose property value does not exceed R500 000	100%
Heritage Sites	20%
Organizations with the purpose of Animal Protection	100%
Property Owned by Organizations in terms of the Housing Development Schemes for Retired Persons Act	50%
Vacant Land subject to conditions	50%
Private Sports Clubs	40%
Child headed family/household with a property value not exceeding R2.5 million	100%
People who are on a government grant because of disability whose gross monthly household income is lower than R11 305 with a property value not more than R2.5 million	100%
People who receive disability pension with a gross monthly income higher than R11 305 but lower than R19 377 in a property value not more than R2.5 million	50%
Township industrial development rebate. Property owners who qualify will receive 75% rebate of the rate for a period not exceeding two years and they will receive 50% rebate of the rate for the first two years of the industry being operational. This rebate will also be afforded to refurbishment of dilapidated township industrial properties	First Phase of the rebate 75%. Second phase of the rebate 50%.



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Rebates on Property Rates Tariffs for 2022/2023

Other rebates:

The City may in terms of the criteria set out in the Property Rates Policy, exempt a specific category of owners of properties or owners of a specific category of property, from the payment of a rates levied on their property or grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties, as determined in this policy. All exemption, reduction and rebates must be done on a prescribed application form.

The City also grants exemptions reductions and rebates as stipulated below:

- That the properties situated within an area affected by a disaster, within the ambit of the Disaster Management act 57 of 2002, be granted (for a limited period) as prescribed by Council, a rebate up to 100% of the monthly charge for rates. Property owners must apply to the Property Branch for such a rebate once granted by Council. The Property Branch may require proof before the rebate is granted.
- Those properties developed within the identified Corridors of Freedom qualifies for the following rebates:
 - During construction, a rebate of 75% of the rate as per the category of land for a period not exceeding two years during construction, and
 - 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.
- Township industrial properties developed within the identified townships qualifies for the following:
 - During construction rebate 75% of the rate as per the category of land for period not exceeding two years during construction, and
 - Post construction, the industrial property owner qualifies for 50% of the rates payable as per the category assigned in the General Valuation Roll for a period not exceeding two years.

The above rebate also applies to refurbishment of township industrial properties
- Schools, Colleges, and Universities privately owned qualifies for an education rebate of up to 25% on application.

Qualifying Criteria

Application forms can be obtained from:

- Any of the City's Customer Service Centres; or
- The City's website (www.joburg.org.za);
- It can be emailed to you upon providing your e-mail address.

Application forms can be submitted as follows:

- At your nearest Customer Service Centre (please ensure that a reference number is obtained) or
- Email to: rebates@joburg.org.za or rates.comments@joburg.org.za;

The form should then be submitted along with the following documentation:

- Certified copy of your South African ID;
- Certified copy of your pension card;
- Proof of income / bank statement; and
- Certified application form by commissioner of oaths.

Please note: Pensioners who apply for ESP must also apply separately for pensioner rebate.