



## CHECKLIST FOR DEVELOPERS BEFORE YOU BUY PROPERTY

### 1.1 Services

Availability of necessary services, such as:

- water
- electricity
- sewerage
- storm water
- roads/ access roads

CHECK:

- Services scheme reports from Engineers
- Letter from ESCOM or Local Authority to confirm the availability of services.



## ALSO CHECK:

### Bulk services available and / and site for external and internal works to be done

- The “develop- ability” of the site; level sloping, rocky, accessibility etc.
- Availability of bulk and link services for Water.
- Requirements for storm water attenuation and run off.
- Availability of bulk and link services for Sewer.
- Availability of bulk and link services for Electricity.
- Traffic Impact Study. What Road upgrades, bridges and intersection requirements are anticipated?
- Availability of Telkom lines in the area.
- Will Local Authority enter into Services Agreements with the developer, on which terms?
- Has bulk contributions been paid? Is an off-set option for external services to be built available / feasible/ negotiable with the Local Authority?
- Expected date of bulk services in place?
- Who will build which portion of the bulk, link and internal services – the Local Authority VS the Developer
- Service outline scheme reports –Engineers
- Current availability of services and future upgrades and possibilities
- Availability of Bulk services from Council and Province –Letters from council and Engineers
- Cost and upgrade of link services-Engineers



- Service contributions payable to the council and extra contributions such as new roads which must be built by the Developer- Engineer and town planner.
- Does Developer have to build new bulk or link services? Cost?

What are the "develop- ability" possibilities of the property and how much infrastructure will the developer vis a vi the government contribute?

## 1.2 Urban Edge

Is the property within the urban edge of a municipality? (If not, will you be able to Develop?)

**CHECK: RSDF and SDP**

- RSDF (Regional Spatial Development Framework) –TP
- Municipality will not provide services outside urban Edge.



### 1.3 Environmental Impact Assessment

Environmental sensitivity of the area and the land, and the environmental impact of the Development on the property. Report of environmental consultant and or ROD.

- Has an environmental impact study been completed? If not what studies have been completed to date? Are there any known impediments to development on the property or surrounding area?
- Has approval been obtained for development under the Environmental Impact Assessment process?

#### CHECK:

- ROD and SDP or Layout Plans (National Environmental Management Act) approval and GDACE if applicable:
  - Flood lines
  - Fauna and Flora
  - Ridges
  - Wetlands
  - Rivers
  - Geotechnical Report
  - Sensitivity of land
  - Dolomite



## 1.4 Zoning Possibilities

Existing and future developments currently in the surrounding area and the zoning of developments in the surrounding area. Zoning possibilities of the greater town planning scheme of the local authority.

### CHECK:

- RSDF
  - MAP 3's
  - Current Zoning Certificates/ Farm Portion
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- Location of Project in a Municipal area or within the Urban Edge?
  - Has company instituted a township establishment process leading up to proclamation? Township Ordinance ofr DFA?
  - Have township layout plans been prepared?
  - Have conditions of establishment been complied with?
  - Expected date of township establishment?
  - What is the current zoning of the land?
  - Does the local authority support the project? Who are the key contact people?



## 1.5 Physical Site/ Land constrains

### CHECK:

- SDP AND ROD
  - Surface right permits and mining and prospecting rights and DME. (Department of Mineral and Energy affairs).
  - Sewer, water outfall
  - Topography of the property ( Can sewer water flow without any pumps expensive systems?)
  - Title Deeds
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- Flood line, namely the 1: 100 flood lines in terms of the Water Act.
  - Any rivers, streams, dams or underground water that may be situated on the property.
  - Restrictive title conditions and servitudes.
  - Mineral rights, building lines, zoning, coverage FAR, and geotechnical report.
  - Building constraints –Servitudes, Flood lines, Ridges, Mining activities on surface and below.



## 1.6 Title Conditions

### CHECK:

- Title Deed
  - Surveyor Plans and Comments on rights
  - Conveyancer Certificate
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- Restrictive Title conditions and servitudes contained in the title deed of the land. Check if the removal will have to be done by court order.
  - Which rights such as servitudes are registered against the Property and which rights diminish the rights of the Property.
  - Are there any mineral rights on the Property and whom do they belong to and will the developer require consent from the Department of Mineral and Energy Affairs to develop the property?
  - Does Property "belong" to Developer?
  - Does the jockey have a good relationship with the horse?
  - What are the current endowments on the Property/ who do they belong to?
  - Are there interdicts against the property?
  - Are the lease agreements against the property?
  - Are there any endorsements registered against the Property?



## 1.7 Soil Restrictions

What does the geotechnical report say?

**CHECK :**

- Geotechnical Investigation Report
- ROD

## 1.8 Market Survey

- Does the project respond to demand for development in the particular area as well as comply with development parameters set by the municipality?
- Has a market survey been done?

## 1.9 Socio-economic Survey

- Has a socio-economic Survey been completed?
- Well located in terms of educational facilities?
- Well located in terms of social facilities?
- Well located in terms of community facilities?
- Well located in terms of transportation routes in terms of employment?





**1.10 Loan Funding and Commitment or letters of intent**

- Are there any loan funding agreements in place?
- Is the Local Authority or anyone else providing bridging finance to the project?

**1.11 Unit sizes and Mix, social amenities and retail areas if applicable**

- Provide a detailed schedule which details unit size mix and any social or retail components.

**1.12 What will the phasing of the Development Entail?**

- Provide a schedule of any work that has commenced and what the phasing of the same is?



## 2. Document checklist to ensure for Development:

- 2.1 Application by Town planner to Establish Township.
- 2.2 Locality Plan
- 2.3 Layout Plan and proposed access routes to property.
- 2.4 Proposed density and layout of Development vis an vi Res 1 and Res 2, 3 and commercial and industrial stands.
- 2.5 Explanation of incorporating property into greater town planning scheme. RSDF.
- 2.6 Arial Contour Survey
- 2.7 Land Surveyors' Certificate
- 2.8 Title Deed and Conveyancer Certificate
- 2.9 Arial Photo – existing land uses of surrounding properties
- 2.10 Geotechnical study and report
- 2.11 Positive ROD by Departments of Agriculture and Environmental and Economic affairs in terms of NEMA.
- 2.12 Civil Services Outline Scheme Report
- 2.13 Electrical Services Outline Scheme Report
- 2.14 Road Alignment and Access (External & Internal)
- 2.15 Letters from Engineers or council to confirm availability of services.
- 2.16 Noise Zones Reports
- 2.17 Traffic Impact Study
- 2.18 Surveyor General Diagram or small scale diagram **of farm** portions.
- 2.19 Current Zoning Certificate/ Farm portion
- 2.20 Rates & Taxes account
- 2.21 Flood line Surveyor General Plans and or Reports



- 2.22 Mineral Rights Holders consent and encumbrances.
- 2.23 Valuation Certificate
- 2.24 "Approval in Principle" of township letter from Council
- 2.25 Site Development Plans-not approved at this stage
- 2.26 Agreement of sale
- 2.27 Developer and Professional team CV.

### **3. Document checklist to obtain a Bond from Commercial Bank:**

- 3.1 Original Deeds/ Mortgage bond
- 3.2 Consent of Bondholder to open township register
- 3.3 Approved General Plan
- 3.4 Section 101 Certificates or Similar (DFA Application)
- 3.5 Final Conditions of Establishment signed by council.
- 3.6 Application to open a township register.
- 3.7 Proclamation Conditions of Establishment (COE).
- 3.8 Approved and signed SG diagram.
- 3.9 Approval by department of agriculture.
- 3.10 Letters from the following departments to confirm availability of services:
  - Water
  - Sewer
  - Storm Water



- Provincial and national roads
- ESCOM or Local Authority providing the electricity

3.11 Once the township register has been opened, the Deeds Office issues a letter confirming same. The original letter is handed to the Council, who can now forward a Notice to proclaim the township in the government gazette.

3.12 The Development bond should be registered at least against the new township and not against the Farm portion.

3.12 The township can now be proclaimed in the government gazette. Once the notice has appeared in the government gazette, the township is a proclaimed township.

#### **4 Document checklist before Bank will release Money on Bond:**

- 4.1 Property Proclaimed in Government Gazette (Gazette notice).
- 4.2 Signed Services agreement between Developer and Council.
- 4.3 Confirmation of payment of services contributions to council
- 4.4 Approval of SDP (If sectional title)
- 4.5 Installation and connection of external services to property. (Engineers report)
- 4.6 Services Certificate of External and or Internal Services.



## 5 Document checklist before releasing money on last draw:

- 5.1 Rates Clearance Certificate
- 5.2 NHBRC Enrolment and Registration Certificate from Developer
- 5.3 Approved Plans
  - Confirmation of top structure building Plan Approval or Submission:
    - 5.3.1 Has the Site Development Plan been approved?
    - 5.3.2 Have building plans been approved?
- 5.4 NHBRC Registration and Enrolment
  - Will the project be enrolled with the NHBRC?
  - Has the project been enrolled with the NHBRC
- 5.5 Electrical Compliance Certificate
- 5.6 Occupation Certificate
- 5.7 Insurance Certificate
- 5.8 Stormwater and Drainage Certificate
- 5.9 Structural Completion Certificate



## 6. Opening of a sectional title register

Once all the units in the development have been built, a sectional plan will be drafted by a Land Surveyor. The plan will be lodged at the Surveyor General's Office for approval.

After the sectional plan has been approved by the Surveyor General, the sectional title register can be opened at the Deeds Office.

Documents lodged at the Deeds Office:

- Original title deed / Mortgage bond.
- Bondholder's consent.
- Approved sectional plan.
- Application for opening of sectional title register, and annexure.
- Rules of the Body Corporate.

Once the sectional title register has been opened, a certificate of registered sectional title is issued for each unit in the development, and transfer of the units to the respective owners can now be affected.

Exclusive Use Areas:

Right of Extension:

Phasing of Scheme:



## 7. Two land development application procedures: GAUTENG

### 4.1 The Townships and Town Planning Ordinance 15 of 1986

#### THE ORDINANCE

- An application to establish a township is lodged with the City Council. Simultaneously with this application, a similar application is lodged with the Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) for their comments and response. With the lodgement of the Application, a notice is placed in two local newspapers that an application is available for inspection at the Council.
- A copy of the application is sent to all the relevant service departments, as well as all the neighbouring councils for comment.
- A notice must be placed on the land on which a Township is to be established to enable all interested parties to comment on the establishment of the township.
- The Council further sends a letter to all the owners of the adjoining erven / land informing them of the proposed application, and providing them with an opportunity to comment on the proposed township.
- It is not possible to establish a township on an Agricultural holding (plot). Once the township has been approved, and application for excision is brought in the Deeds



- Office, in order to have the plot excised from Agricultural Holding to Farm land. The excision application can be done simultaneously with the application for opening of the Township Register.

#### **Approval of township**

- Once all the comments have been received from the various departments, and no objections have been raised to the establishment of the Township, the township is provisionally approved, subject to the township conditions to be complied with (Conditions Establishment). One of the important departments, whose comment is required at this stage, is DACEL.
- If objections have been raised, a tribunal hearing will be held. Depending on the tribunal's decision, the township will either be approved or disapproved. If the township has been disapproved, the applicant is entitled to appeal to the Provincial Government.

#### **Conditions of Establishment and section 101 certificate.**

- Once the council has provisionally approved the township, Conditions of Establishment are issued by the legal department of the council.
- Certain pre-proclamation conditions must be complied with, prior to the proclamation of the township.
- Once all the conditions have been complied with, the final layout plan is approved:
  - The final township conditions are issued by the council, with the final layout plan annexed thereto, to allow the land surveyor to lodge the general plan for approval by the Surveyor's General Office. If the land is zoned Res.2, the





- developer must decide whether he is going to build cluster or sectional title houses. The layout plan will then be amended accordingly.
  
- One the general plan has been approved by the Surveyor General, and proof thereof is submitted to the Council, a section 101 certificate is issued by the council.

#### **Issuing of Section 82 Certificate or other Services Certificates**

No stand in a new township can be transferred in the Deeds Office until a section 82 certificate has been issued by the council in terms of the Town Planning and Township Ordinance of 1986. The council will issue a section 82 certificate if:

- Confirmation that the service contributions and / or endowments have been paid, and all necessary guarantees in respect of the service contributions have been delivered.
- Confirmation from the various service departments that a Section 82 certificate may be issued, these departments are:
  - Roads department
  - Department of water
  - Department of Electricity / Eskom



## 8. Rezoning of Property

- 9.1 A rezoning application is lodged with the Council in order to rezone the property subject to conditions.
- 9.2 An application of this nature requires the preparation of a motivating memorandum with certain supporting documents.
- 9.3 The application will then be advertised in the English and Afrikaans press as well as in the Provincial Gazette, and a period of 4 weeks for objections is required. A site notice will also be placed on site for a period of two weeks.
- 9.4 The application will then be circulated to the Council's internal engineering departments together with various other authorities (eg Department of Transport and Roads, Eskom, and Rand Water etc.) for comments to assess and finalise their report in respect of the application.
- 9.5 If any objections are received, a Planning Committee Hearing will be held in order to hear both the objectors and the Applicant's views. Thereafter a decision on the application will be made. If there are no objections and the Council's Town Planning Department are supporting the application, the application will be handled as an unopposed item.
- 9.6 "Map 3" documents (i.e. new zoning documents) will be prepared and submitted.
- 9.7 The Council will then be responsible for promulgating the application in the Provincial Gazette.
- 9.8 The Council then notifies the applicant within 28 days after the date of proclamation of the external engineering services contributions payable.



These contributions are calculated based on the approved rights and are payable once the rights are actually utilized or just prior to development.

- 9.9 Any restrictions in the Title Deed can be simultaneously removed, with the rezoning application if necessary.

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## 10. Property Jargon

### 10.1 Coverage:

This is the building footprint on the ground. It is the area of land which may be covered with buildings at ground level expressed as a percentage of the site area. E.g.  $A * B = 40\%$

### 10.2 Floor Area Ratio:

FAR or Bulk. This is the total allowable floor area of buildings expressed as a ratio of the site area. E.g.  $A*B*C = 60\%$

### 10.3 Floors:

Maximum number of floors permissible by the municipality town planners.

### 10.4 Density:

A town planning term expressing the number of residential units that can be erected per hectare.



### **Residential 1**

1000 sq.m  
40% = 400 sq.m max  
1.2 = 1200 sq.m  
3 Storey max  
1 House per 1000  
sq.m stand

A developer of this site could typically build a single storey house not exceeding 400 sq.m or a double storey house not exceeding 800 sq.m est. or a triple story house of 1200sq.m. Including garages and outbuildings.

### **Residential 3**

26 000 sq.m (2.5 Ha)  
40% = 10 400 sq.m  
max 0.4 =  
10 400 sq.m max  
2 Storey max  
25 Houses / hectare,  
65 units

A developer on this site could typically build 65 townhouses of 160 sq.m (i.e. 10400/65) each over 2 floors i.e. 100 sq.m 100 sq.m ground floor with double garages and a 60 sq.m upstairs floor.

### **Business 4**

4000 sq.m  
40% = 1600 sq.m max  
0.4 = 1600 sq.m max  
3 Storey max

A developer of this site would typically build 3 storey office blocks of 530 sq. (i.e. 1600/3) each.

### **Industrial**

3100 sq.m  
70% = 2170 sq.m max  
20 m max

A developer of this site would typically build a single storey factory warehouse unit of 2170 sq.m with a high roof for a gantry crane or pallet storage est.



## 11. Normal Program for Developments

### 11.1 Pre-Submission Studies (4 months)

- Base Plan: Aerial contour survey, flood line calculation; Land Surveyor's Certificate
- Geotechnical Study
- Civil Services Outline Scheme Report
- Electrical Services Outline Scheme Report
- Road Alignment & Access (external to the development)
- Noise Zones
- Traffic Impact Study
- Legal: Conveyancers certificate, Mineral Right Holder's Consent, Encumbrances, legal aspects etc.
- Prepare Layout Plan and discussion with client
- Preparation of Township application
- Preparation of EIA application, processing & approval

### 11.2 Expropriation Actions (2 months)

- Acceptance of amended layout Plan in principle
- Valuation of property / Determine market value after rezoning
- Entering into legal agreements
- Transfer of Land



### 11.3 Advertisement phase (5 months)

- Submission / Pre-evaluation of application by the Local Authority
- Advertisement of application (30 days objection period)
- Circulation (internal / External Debt's) (60 days)
- Obtain comments received and reply to same

### 11.4 Approval Phase (4 months)

- Evaluation of application
- Townships board – approval of application (1 year validity)
- Final Erf numbers
- Final conditions of establishment

### 11.5 Survey Phase (3 months)

- Survey of Site
- Submission and approval of S.G. Plan
- Approval of final Site Development Plan at Council.



#### **11.6 Legal Phase (2 months)**

- Comply pre-proclamation conditions (3 months) / Section 101 and 82
- Opening of Township Register (within 6 months)
- Proclamation of Property
- Pay contributions and issue guarantees to council.
- Sign Services Agreement with Council.

#### **11.7 Installation of Services**

- Preparation / Submission of Services Agreements and design
- Approval of Services Agreements
- Installation of Services

#### **11.8 Building of Units**

- Submit building plans of units
- Approval of Building Plans
- Build units