



17 August 2022

PRESS RELEASE!!!!

31% INCREASE IN RATES FOR PRIVATE RESIDENTIAL ESTATES

Residents in these Estates were shocked when they received their Rates Accounts to find out there was a 31% increase from the previous year. Both the Kouga Business Forum (KBF) and several HOA's contacted the Kouga Local Municipality (KLM) for an explanation and a meeting took place between 12 of the Estates and KLM officials on 15 August '22. Dries du Preez, chairperson of the KBF was asked by the Estates to act as spokesperson.

At this meeting, the Municipal Manager (MM) gave a presentation stating that the Municipal Property Rates Act (MPRA) was amended in 2014 (see the presentation) prescribing only nine Categories of Property which excluded a category for Private owned towns. That means that Private owned towns now fall under the "Residential Property" category and no rebates were approved for the 22/23 financial year which resulted in the 31% increase in rates for the owners of property in the Private owned towns.

The MM apologised for the fact that these Estates did not receive notices and the Public Participation process was incomplete due to the poor Post Office service. The MM is of the opinion that there are ways and means to give relieve to owners within these Estates. After lengthy discussions, it was decided to schedule individual meetings with representatives of each Private Township to discuss the following:

1. Asses any Agreement that might be in place between KLM and the Developer and/or HOA.
2. Identify areas where services privately undertaken, could be subsidised.
3. Identify recommended rebates for consideration.

The CFO, Mr Lorgat, promised to provide a schedule of individual meetings with all relevant Private Townships before end of day on 17 August '22 and this schedule will be published on this website.

The KBF will schedule a meeting before the start of the individual meetings for all interested representatives from the Private townships to discuss strategy. A lot of preparation will be involved in preparing for the individual meetings and it is important



that it be discussed in depth and that this action be consolidated as a class action, although individual meetings will be held with KLM to reach an outcome to each Private Town.

In the meantime, we would advise property owners in these Private townships, not to pay their full Rate accounts, but to pay the amount that they paid in the previous financial year plus 5,25% until such time that there is clarity on all the issues. The worst that can happen is that individual owners will get a notice that their Rates payment was not paid in full and then after a while a final notice that the outstanding amount will be handed over for collection. By that stage we should have a good idea of where the negotiations are going to make an informed decision on the next step.

Regular news updates will be communicated by the KBF on this matter on our website and Facebook Page.

In the mean time we invite owners in these Private townships with excessive Rate accounts to communicate with their HOA's and/or the KBF so that we can address the issues as a group with KLM .

Regards

A handwritten signature in black ink, appearing to be 'Dries du Preez'.

Dries du Preez
Chairperson: KBF