

**NOTICE 328 OF 2007****DEPARTMENT OF TRADE AND INDUSTRY  
HOUSING DEVELOPMENT SCHEMES FOR RETIRED PERSONS ACT,  
(ACT NO. 65 OF 1988)**

I, Mandisi Mpahlwa, Minister of Trade and Industry ~~do~~ hereby publish for comment, an application for exemption from sections 6 and 7 of the Housing Development Schemes For Retired Persons Act, (Act No. 65 of 1988) as well as from the provisions of regulations 7 to 14 as promulgated under the Act and as contained in Notice No R.1351 of 1989.

The said application has been made by the Methodist Home for the Aged in respect it's facility situated in Port Elizabeth.

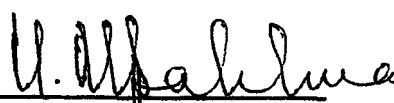
Further take note that application ~~for~~ exemption has been made subject to the conditions as set out in the schedule

Interested persons are hereby invited to comment on the aforementioned application within twenty- one (21) days from the date of this publication. All comments should be directed to:

The Chief Director: Office of Consumer Protection  
Consumer and Corporate Regulations Division  
Private Bag X84  
0001

Attention: Jeremiah Modiba

Tel No: **(012) 394 1066**  
Fax No: **(012) 394 2066**  
Email: [jmodiba@thedti.gov.za](mailto:jmodiba@thedti.gov.za)

  
**Mandisi Mpahlwa, MP**  
Minister of Trade and Industry

**Schedule**

**APPLICATION BY THE METHODIST HOME FOR THE AGED FROM THE PROVISIONS OF SECTION 6 AND 7 OF THE HOUSING DEVELOPMENT SCHEMES FOR RETIRED PERSONS ACT, (ACT NO. 65 OF 1988) AS WELL AS FROM THE PROVISIONS OF REGULATIONS 7 TO 14 AS PROMULGATED UNDER THE ACT AND AS CONTAINED IN NOTICE NO R.1351 OF 1989.**

**Conditions in relation to Sections 6 and 7 of Act No. 65 Of 1988**

- a. The exemptions shall only be valid for a period of three (3) years from the date of alienation of the first right of occupation. Applicants shall thereafter and if necessary, apply for exemptions to extend the period subject to a further condition that residents of the respective housing development schemes approve such applications.
- b. Progress payments by the purchaser of rights of occupation shall be made on the basis that the entire purchase price, if payable upon signature of the life right agreement, shall be paid into a nominated attorney's trust account and invested for the benefit of the purchaser in terms of section 78 (2A) of the Attorney's Act 53 of 1979 as amended.
- c. Subsequent payments to the developer in reduction of the purchase price shall be proportionate to the value of the work completed as certified by the appointed architect as the developer progresses until the building is complete and complies in all respect with the project specification.
- d. The applicant shall give an irrevocable guarantee to the buyer that suitable alternative accommodation will be provided by the applicant or that all payments made will be refunded to the buyer, **if**, for any reason whatsoever, a unit is not completed as agreed.
- e. The applicant will not allow any bonds to be registered over the **property**.

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**Conditions In Relation To Regulations 7 – 14 as Contained in Notice No R.1351 of 1989.**

- a. The applicant must be solely in control of the management of the scheme in so far as the day-to-day activities are concerned, such as the appointment of personnel and dealing with levies;
  - b. Two persons will be elected by the purchasers of occupation rights who will represent them on the management body in an advisory capacity;
  - c. The conditions for exemptions shall, from the date of the exemption being granted (if the Minister eventually grants same) be brought to the attention of all prospective buyers in the relevant schemes by way of either a letter as an annexure or as a clause in the sales agreement;
  - d. Any party with an interest in any of the housing development schemes would, after a period from the date of this exemption, not be at liberty to request that the exemption be reconsidered;
  - e. The proposed new development scheme shall only proceed if it is economically feasible for the development scheme;
  - f. The title deed of the land on which the housing development scheme is to be developed shall be endorsed in terms of section 4C of the Act to the effect that such land is in a housing development scheme.
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