

BOARD NOTICE 77 OF 2009**Publication of Professional fees in terms of section 35 (2) of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000).**

In terms of section 35 (2) of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000), the Council must, annually after consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, determine professional fees and publish those fees in the *Gazette*.

The Council hereby invites interested persons to submit any written substantiated comments or submissions on the proposed draft document **on or before 24 August 2009**. Submissions should be addressed to the Registrar: Mr M C Seota and may be forwarded in any of the following ways:

1. delivered by hand to the SA Council for the Property Valuers Profession at 77 Kariba Street, Lynnwood Glen, Pretoria;
2. mailed to P.O. Box 114, Menlyn, 0063
3. faxed to 012 348-7528
4. emailed to registrar@sacpvp.co.za or avhatakali@sacpvp.co.za

Any enquiries should be directed to Mr M C Seota or Avhatakali Khorommbi at (012) 348-8643



M C Seota
Registrar

PROPERTY VALUERS PROFESSION ACT, 2000 (ACT NO. 47 OF 2000)

Guideline Professional Fees determined in terms of Section 35(2) of the Act.

NOTES:

- (i) The fees that a registered person may charge, include an *ad valorem* fee, as well as charges for time, travelling, accommodation costs and other actual expenditure.
- (ii) All valuations must be fully motivated unless specifically otherwise instructed by the client and the time spent drafting such report should be charged in terms of paragraph 2.0.
- (iii) The fees do not include value added tax or any other tax which may be imposed by the Government.
- (iv) Registered persons must ensure that their instructions regarding valuations are clearly defined.

1.0 PROFESSIONAL FEES FOR VALUATIONS

1.1 AD VALOREM TARIFF- Proposed figures

NOTE: The *ad valorem* fees include time spent inspecting the subject property.

| Value of Property | Basic Tariff | Additional to Basic Tariff |
|----------------------------------|--------------|------------------------------------|
| Up to R50 000 | R500 | |
| From R50 000 to R150 000 | R500 | R12 per R1 000 over R50 000 |
| From R150 000 to R350 000 | R1 700 | R8,00 per R1 000 over R150 000 |
| From R350 000 to R500 000 | R3 300 | R6,00 per R1 000 over R350 000 |
| From R500 000 to R750 000 | R4 200 | R4,80 per R1 000 over R500 000 |
| From R750 000 to R1 000 000 | R5 400 | R3,60 per R1 000 over R750 000 |
| From R1 000 000 to R5 000 000 | R6 300 | R1,50 per R1 000 over R1 000 000 |
| From R5 000 000 to R10 000 000 | R12 300 | R1,34 per R1 000 over R5 000 000 |
| From R10 000 000 to R25 000 000 | R19 000 | R0,80 per R1 000 over R10 000 000 |
| From R25 000 000 to R50 000 000 | R31 000 | R0,60 per R1 000 over R25 000 000 |
| From R50 000 000 to R100 000 000 | R46 000 | R0,30 per R1 000 over R50 000 000 |
| Over R100 000 000 | R61 000 | R0,15 per R1 000 over R100 000 000 |

1.2 WHERE MORE THAN ONE VALUATION IS REQUIRED

Where a client requires more than one value for a property (eg market value and insurance value) an additional charge of 30% of the fee for the first valuation is suggested in respect of the second valuation.

1.3 WHERE PRESCRIBED FORMS ARE REQUIRED

Where a client requires the completion of specific forms in addition to the valuation, the applicable fee may be increased by 25%, subject to a maximum increase of R250,00 per property.

1.4 CONTINUOUS AND SEPARATE VALUATIONS

Where a client instructs a registered person, in one instruction, to prepare continuous valuations, the registered person may charge a fee based upon the total of the continuous valuation at the relevant tariff fee.

Continuous valuation means the valuation of two or more properties having similar attributes.

1.5 REVALUATIONS

Where a registered person is instructed to revalue a property which he or she has valued within the preceding period of 12 months, and the property or the interest therein has not changed materially since the first valuation, the fee should be reduced by 50%.

1.6 SECTIONAL TITLE UNITS

For the valuation of sectional title units, the rate set out in 2.1 for investigation should be charged in addition to the *ad valorem* tariff fee.

1.7 "BEFORE AND AFTER" VALUATIONS

When instructed to prepare two valuations, such as "before and after", of a single property, a registered person may charge for each of the valuations separately in terms of 1.1, provided that where the work involved in preparing the second valuation does not amount to performance of a completely separate valuation, the registered person should charge in terms of 1.1 on the higher of the two valuations only.

1.8 VALUATION OF PART OF A PROPERTY

Where a registered person is required to value a portion of, or an undivided share in, a property and it is necessary to value the whole property in order to determine the value of the part, or the share, the fee may be based on the value of the whole property.

2.0 TIME CHARGE

2.1 The guideline charges per hour, or part thereof, are as follows:

2.1.1 Professional Valuer

With more than 10 years experience: R1 500

With less than 10 years experience: R1 200

2.1.2 Professional Associated Valuer

With more than 10 years experience: R 1 200

With less than 10 years experience: R 1 000

2.1.3 Candidate Valuer

With the prescribed or a recognised academic qualification: R 600

Without the prescribed or a recognised academic qualification

More than 3 years practical experience: R 500

1-3 years practical experience: R 400

2.2 ALTERNATIVE TO AD VALOREM TARIFF

A registered person may charge for a valuation at the fee as set out in 2.1, provided that the resultant fee should not be less than the fee calculated in terms of 1.1.

2.3 ADDITIONAL TO AD VALOREM TARIFF

For market research, Deeds Office searches or other investigations, a registered person may charge an additional fee based on the rate set out in 2.1 .

3.0 RENTAL VALUATIONS

| Gross Annual Rental (GAR) | Tariff |
|---------------------------|--------------------------------------------------|
| Up to R15 000 | R250 per R1 000 of GAR |
| R15 000 to R50 000 | R3 750 plus R35 per R1 000 of GAR over R15 000 |
| Over R50 000 | R5 000 plus R7.50 per R1 000 of GAR over R50 000 |

Notes:

1. In addition to the above tariff a fee based on the rate set out in 2.1 may be charged for necessary investigations and research.
2. The fee per rental determination should not be less than R1 500.
3. Any additional work done at the time of valuation on instruction of the client to establish future rentals should be charged at the rate set out in 2.1.

4.0 FEES FOR ATTENDING COURT, ARBITRATION OR OTHER PROCEEDINGS, ENQUIRIES OR MEETINGS TO GIVE EVIDENCE OR FOR CONSULTATIONS AND WHEN APPOINTED AS A MEMBER OF ANY SUCH COURT OR PROCEEDINGS.

- 4.1 A fee of one and a half times the scale set out in 2.1 may be charged for preparing for and attending any court, arbitration or other proceedings, enquiries or meetings or to give evidence and for consultation and attending on attorneys and counsel, time taken in research, making enquiries and preparing evidence.
- 4.2 In the event of such attendance at courts, arbitrations or other proceedings, enquiries or meetings being postponed, cancelled, settled by mutual consent or by legal process at any time during any day, fees for a minimum of eight hours should be charged for that day, even if no hearing is attended.

5.0 FEES FOR ACTING AS AN ARBITRATOR, MEDIATOR, MEMBER OF A TRIBUNAL OR ASSESSOR IN COURT PROCEEDINGS

- 5.1 Registered persons may charge a minimum fee of R12 000 per day, or part thereof, when acting as an arbitrator, mediator, member of a revision court/board, valuation court/board for rating purposes or as an assessor in any court/board proceedings.
- 5.2 In addition to the remuneration set out above, the following services may be charged based on one and a half times the hourly rate in terms of 2.1:
 - 5.2.1 Attendance at preliminary hearings
 - 5.2.2 Inspections *in loco*
 - 5.2.3 Perusal of documentation and attendance thereon
 - 5.2.4 Preparation for hearings, and
 - 5.2.5 Preparing and presenting the awards.
- 5.3 In the event of a registered person accepting any of the foregoing appointments at a venue other than in his or her usual residential or business area, he or she may charge the necessary travelling and accommodation expenses in terms of 8.0.
- 5.4 In the event of any arbitration hearing, mediation, revision court/board, valuation court/board, or other relevant hearing being postponed, cancelled, settled by mutual consent or legal process at any time during any day, the following minimum fees may be charged:
 - 5.4.1 Within 7 working days of the day set down for the hearing - 4 hours
 - 5.4.2 Within 3-6 working days of the day set down for the hearing - 8 hours; and

5.4.3 Within 1-2 working days of the day set down for the hearing – R8 000

- 5.5 When fees dealing with valuation courts/boards or committees are laid down by statute, then registered persons may accept such fees.

Any costs incurred by registered persons for the hiring of venues for hearings, secretarial and recording services and other related costs may be charged in addition to the foregoing.

6.0 ALLOWANCES

- 6.1 In addition to the remuneration set out above, the following transport allowance may be claimed in all cases in which the valuation (including court, arbitration or other proceedings, enquiries or meetings to give evidence, or for consultations and inspections *in loco*) has to be performed at a place other than the place of business of a registered person:

8.1.1 When own transport is used – R4,50 per kilometre

8.1.2 When public transport is used – the actual cost

8.1.3 When conveyance is hired – the actual cost.

- 6.2 Where, in the course of one journey, valuations are performed on the instruction of two or more persons, the transport allowance claimed in respect of that journey should be recovered *pro rata* from the persons concerned.

- 6.3 No transport allowance should be claimed when the person requiring the valuation provides suitable and safe transport; provided that where transport which is uninsured in respect of third party risk is offered, the registered person need not accept such conveyance but shall be free to proceed as if no transport facilities have been offered.

- 6.4 In addition to the remuneration and transport allowance set out above, the following may be claimed:

6.4.1 For the time spent travelling to and from the place of valuation and necessary detention while not engaged in the valuation, the time charge as set out in 2.1

6.4.2 Hotel expenses, meals, and refreshments at cost.

7.0 DISBURSEMENTS AND COSTS

Disbursements and costs incurred by registered persons may be charged as follows:

- 7.1 Purchase and preparation of plans and drawings – at cost
- 7.2 Obtaining expert advice and assistance – at cost
- 7.3 Typing and secretarial fees – at 15% of the applicable time charge set out in 2.0
- 7.4 Postage, telephone calls, photocopies, photographs and other incidentals – at cost
- 7.5 All other necessary expenses not specifically listed – at cost.

8.0 INTEREST ON OVERDUE ACCOUNTS

Registered persons are entitled to charge interest on overdue accounts at a rate of 3% above prime bank lending rates, subject to the maximum laid down by law.

9.0 CONSULTATION

Registered persons may charge fees at an hourly rate for consultation (excluding consultation as envisaged in 4.0) when consulted in a professional capacity either in person, by telephone or in writing, when such consultation does not lead to instructions to effect a valuation.

10.0 INTERIM ACCOUNTS

Registered persons may submit interim accounts for progress payments during the course of an assignment.

11.0 DEPOSITS

Registered persons may, at their discretion, require a client, or the representative of the client, to pay an agreed sum as deposit against payment of fees prior to commencement of an assignment.

12.0 INVESTIGATION OF ACCOUNTS

For an account to be investigated the complainant must pay an amount of R500 plus VAT, which will be refunded if an adjustment to the account is made.

Investigations into accounts are to be undertaken by a person appointed by the President of the Council.

Bill of costs

10% of the adjusted account allowed, with a minimum of R500 plus VAT per account, payable by the registered person to the Council.

If a hearing is held, a further 5% of the adjusted account will be payable.

Adjustment of account

If the original account has not been paid by the complainant the registered person must issue an adjusted account.

In a case where the complainant has paid the original account the registered person must issue an adjusted account and repay the due amount to the complainant within 30 day of the date of the decision of the investigator.
