

## BOARD NOTICES RAADSKENNISGEWINGS

### BOARD NOTICE 75 OF 2005 PROPERTY VALUERS PROFESSION ACT, 2000

GUIDELINE PROFESSIONAL FEES FOR REGISTERED PERSONS  
EFFECTIVE DATE : 1 SEPTEMBER 2005

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The South African Council for the Property Valuers Profession hereby publish the guideline fees determined in terms of section 35(2) of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000).

### SCHEDULE

#### **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**

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	R10 per R1 000 over R50 000
From R150 000 to R350 000	R1 500	R4,50 per R1 000 over R150 000
From R350 000 to R500 000	R2 400	R4,00 per R1 000 over R350 000
From R500 000 to R750 000	R3 000	R3,20 per R1 000 over R500 000
From R750 000 to R1 000 000	R3 800	R2,80 per R1 000 over R750 000
From R1 000 000 to R5 000 000	R4 500	R2,00 per R1 000 over R1 000 000
From R5 000 000 to R10 000 000	R12 500	R1,10 per R1 000 over R5 000 000
From R10 000 000 to R25 000 000	R18 000	R0,80 per R1 000 over R10 000 000

From R25 000 000 to R50 000 000	R30 000	R0,40 per R1 000 over R25 000 000
From R50 000 000 to R100 000 000	<b>R40 000</b>	R0,20 per R1 000 over R50 000 000
Over R100 000 000	R50 000	R0,10 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:	<b>R850,00</b>
With less than 10 years experience:	<b>R650,00</b>

**2.1.2 Professional Associated Valuer**

With more than 10 years experience: R650,00

With less than 10 years experience: R550,00

**2.1.3 Candidate Valuer**

Without **the prescribed or a recognised academic qualification**

**1-3** years practical experience: R120,00

More than 3 years practical experience: **R200,00**

**With the prescribed or a recognised academic qualification:** R300,00

**2.2 ALTERNATIVE TO AD VALOREMTARIFF**

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 VALOREMTARIFF**

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	R100 per R1 000 of GAR
R 15 000 to R50 000	R1 500 plus R10 per R1 000 of GAR over R15 000
Over R50 000	R1 850 plus <b>R5</b> per R1 000 of GAR over R50 000

4.0

4.1

4.2

5.0

- 5.1 Registered persons may charge a minimum fee of **R7 000** per day, or part thereof, when acting as an arbitrator, mediator, member of a revision court/board, valuation coudboard 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 **6.0**.
- 5.4 In the event of any arbitration hearing, mediation, revision court/board, valuation coudboard, 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 - **R7 000**
- 5.5 When fees dealing with valuation courts/boards or committees are laid down by statute, then registered persons may accept such fees.
- 5.6 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:
- 6.1.1 When own transport is used - **R3,50** per kilometre
  - 6.1.2 When public transport is used - the actual cost
  - 6.1.3 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 days of the date of the decision of the investigator.