

Swakopmund Municipality



CONDITIONS OF SALE

for Sale of Erven in Extension 10:

(2 x Erven zoned “Light Industrial”)
(7 x Erven zoned “General Industrial”)

**Friday, 06 August 2021 at 07:00
at the Multi-Purpose Centre in Mondesa**

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Enquiries:

•Ms E Nakale	☎ 064-4104217	✉ enakale@swkmun.com.na
•Ms A Uushona	☎ 064-4104216	✉ auushona@swkmun.com.na
•Ms N Gustaf	☎ 064-4104214	✉ ngustaf@swkmun.com.na
•Ms M Sheehama	☎ 064-4104213	✉ msheehama@swkmun.com.na

AT A GLANCE

Important information and tips:

Please read this entire document thoroughly and ask questions if anything is unclear.

① **Financing**

Ensure that you visit your bank prior to the sale to determine the maximum amount you qualify for, the documents they require and how long it will take to process your loan / mortgage once you provide all the necessary documents to the bank.

It is a compulsory condition that proof of financing is provided on the date of sale at registration.

② **Building Plans**

Your bank will require building plans to approve a loan.

Visit an architect / engineer before you participate to get an idea what they need and how long they take to complete your design.

Get quotations from bank approved contractors to build.

The bank will usually accept draft plans as long as these show the coverage, it does not have to be the final plans. This may differ from bank to bank so get as much information as possible.

③ **Transfer Costs**

The purchaser is responsible for the payment of the transfer cost. Prior to registering as a bidder, please acquaint yourself with the different amounts payable for transfer and bond registration in terms of a natural person and a legal person (e.g. company / trust).

④ **On the day of the Sale**

4.1 The original municipal receipt for the registration fee must be presented on the day of the sale.

4.2 Please have **3 copies of the following documents** available which must be attached to the bid forms:

- Original Municipal Receipt
 - ID and ID of spouse if applicable
 - Marriage Certificate (if applicable)
 - Registration Document of Entity (if bid is submitted in the name of an entity)
 - Proof of Financing from a registered bank to acquire an erf such as “pre-approval”
-

4.3 **In case you are not allocated an erf:**

- ✓ Complete and hand in the refund form in order to promptly finalize your refund of the registration fee (**Annexure “C”**).

⑤ **Monthly Rates and Taxes**

In terms of Section 73 of the Local Authorities Act 23 of 1992, availability services and property taxes on a property purchased at the Closed Bid Sale will be payable by a purchaser as from the month following the allocation of the erf and be so calculated on the municipal valuation of the erf. Council may apply to the Minister of Urban and Rural Development to consider favourable terms in terms of Section 75A.

⑥ **Communication**

You are welcome to communicate with the Property Section at any time. Do not remain quiet for 90 days and then request and extension of time, information etc.



MUNICIPALITY OF SWAKOPMUND

Sale on Friday, 06 August 2021

**2 x Erven zoned "Light Industrial"
7 x Erven zoned "General Industrial"**

Notice is hereby given in terms of Section 63 of the Local Authorities Act 23 of 1992, as amended that the Municipal Council of Swakopmund offers the following erven for sale by means of a closed bid to the highest qualifying bidder:

	Erf No	Zoning	m²	Upset Price @ N\$236.00/m² (excl 15% VAT)
1	4813 Re	Light Industrial	2 810	663 160.00
2	4843 Re	Light Industrial	1 558	367 688.00
3	4869	General Industrial	6 428	1 517 008.00
4	4895	General Industrial	5 615	1 325 140.00
5	4899	General Industrial	20 035	4 728 260.00
6	4901	General Industrial	13 298	3 138 328.00
7	4873	General Industrial	7 403	1 747 108.00
8	4874	General Industrial	15 140	3 573 040.00
9	4889	General Industrial	10 782	2 544 552.00

⇒ **The erven are sold "as is". Purchasers must acquaint themselves with the location of the erven on offer. Council will not enter into negotiations after the sale and purchasers accept responsibility for earthworks required and / cost in order to make the erf suitable for use.**

The Conditions of Sale and a site plans must be obtained from Room BO-22 A, Ground Floor, at the Municipal Office Building.

In order to take part in the bid a registration fee in the amount of **N\$ 27 000.00** is payable as set-out in the Conditions of Sale document. The last day for the payment of the registration fee for the sale of **Friday, 30 July 2021** before 15:00 in cash at the Cashiers. EFT payment or direct bank deposits must indicate that it was paid to Council on/before **Friday, 30 July 2021** and subsequently reflect on Council's bank account.

After payment of the registration fee, the pre-registration of bidders commences on **Tuesday, 29 June 2021 until Friday, 30 July 2021**. For this purpose you need to visit the Property Section.

The sale will take place on Friday, **06 August 2021** in the **Multi-Purpose Centre**, Mondesa; subject to the Covid-19 regulations at the time. Door open for registration at 07:00 and will continue until 09:00. All bids must be placed in the respective boxes before 09:15.

The submission of bids must comply with the process prescribed in the Conditions of Sale document and erven are allocated on the basis of 1 erf per person (married couples are regarded as one person irrespective of the marital regime) / entity.

✓ **Compulsory Condition:** Proof of financing from a banking institution must be provided on Friday, **06 August 2021** when attending the sale.

The prospective purchaser or duly appointed proxy must attend the registration for the sale in person on **06 August 2021**, with the necessary documents and proof of financing.

Enquiries:

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Ms M Sheehama	064-4104213	msheehama@swkmun.com.na

The Municipality of Swakopmund is not obliged to accept the highest, or in fact, any closed bid offer received in respect of any of the erven and reserves the right to withdraw any or all the erven from the closed bid sale.

NOTICE NO: 30/2021

Mr A Benjamin, Chief Executive Officer

1. **INTRODUCTION**

The Swakopmund Municipality intends to sell 9 erven located in Extension 10, Swakopmund. These erven are zoned “light industrial” and “general industrial” respectively.

2. **PROPERTY DESCRIPTION**

Erven available for sale are listed as per Notice 30/2021 on page 3. **Annexure “B”** hereof prescribes the land usage for erven zoned “light industrial” and “general industrial”.

The prospective bidder must ascertain the proposed final level of all roads which border on the erf and the Swakopmund Municipal Council accepts no responsibility for any costs or loss arising from any innocent or negligent misrepresentation on the part of the purchaser in this respect.

Also refer to the voetstoots clause, Clause 5.5 below.

3. **PAYMENT OF REGISTRATION FEE**

In order to take part in the closed bid sale, the bid procedure is summarized herein below and must be complied with:

- 3.1 A refundable registration fee in the amount of **N\$ 27 000.00** per bidder is payable to the Swakopmund Municipality in order to participate. The last date for the payment of the registration fee is Friday, **30 July 2021** before **15:00** at the Cashiers. EFT payment or direct bank deposits must indicate that it was paid to Council on/before Friday, **30 July 2021** and reflect on the Municipality’s bank account.

Payment can be done at the Cashiers or by way of EFT or direct bank deposit into Municipality’s bank account:

Beneficiary	:	Swakopmund Municipality
Bank	:	First National Bank
Account No	:	622 4960 3300
Branch	:	Swakopmund
Branch Code	:	280472
Account Type	:	Cheque
Reference	:	Your initials and surname (or name of the entity)

Please e-mail proof of payment whether by EFT or direct deposit to payments@swkmun.com.na and ngustaf@swkmun.com.na clearly stating the entity / name and surname of the prospective bidder. Also provide contact details for the collection of the original municipal receipt at the cashiers. A receipt will be issued in the name of the entity / the name & surname provided and the refund (if required) will only be made in the said name.

Please Note:

- (a) *If you are bidding on behalf of an entity, ensure that your entity’s name is reflected as it appears on the registration documents and if you are bidding in your personal name that your initials and surname matches your names and surname as it appears on your ID.*
- (b) *Should the registration fee not be paid and the original municipal receipt not be provided on the date of sale you will not be allowed to take part in the closed bid sale.*
- (c) *The Cashiers close at 15:00 on Friday, **30 July 2021**.*
- ⇒ (d) *After obtaining your original municipal receipt from the cashier please visit the Property Section in order to be listed for the sale.*
- (e) *Should you bid in the name of an entity, such entity must legally exist on the date of the sale.*

3.2 **Registration Fee - Successful Bids**

Should an erf be allocated to a bidder, the registration fee paid by that bidder will be refunded as soon as possible after transfer of the erf to the bidder.

In cases where the sale is cancelled for whatever reason after the erf is allocated, all moneys paid to the Municipality of Swakopmund shall be forfeited, including the **N\$ 27 000.00** registration fee.

3.3 **Unsuccessful Bids**

Should your bid be unsuccessful, the registration fee must be claimed by completing the refund form attached as **Annexure “C”** and attaching the proof of payment thereto. This form should be handed in after the finalisation of the Closed Bid Sale.

No refund for an unsuccessful bid can be made without an original municipal receipt if payment was done directly at the Cashiers. Refunds can only be made to an account reflecting the name appearing on the receipt (bank confirmation in this regard is required). No cash refunds will be done.

4. **BID PROCEDURE ON DAY OF SALE**

4.1 **Registration of Bidders**

Registration of bidders starts at 07:00 on Friday, **06 August 2021** at the **Multi-Purpose Centre** located in Mondesa. The doors close at 08:30. All persons in the queue at 08:30 will be accommodated.

For this purpose, please provide:

- ① your entity's registration document / Identity Document (or certified copy),
- ② marriage certificate (if applicable),
- ③ proof of financing from a registered bank,
- ④ proxy (if applicable); and
- ④ original municipal receipt of the N\$27 000.00 registration fee.

The original receipt and proof of financing must be available for verification purposes. Whereafter **3 blank bid forms** will be issued. Please have **3 copies of the following documents** available which must be attached to the bid forms:

- Original Municipal Receipt
- ID and ID of spouse if applicable
- Marriage Certificate (if applicable)
- Registration Document of Entity (if bid is submitted in the name of an entity)
- Proof of Financing from a registered bank to acquire an erf such as “pre-approval”

Depending on attendance and the finalization of the registration process the last bids will be accepted at approximately 09:15.

*No more than 10 persons will be allowed in the venue, depending on the **Covid-19 rules and regulations** in place at the time of the closed bid sale.*

After registration, bidders may submit 1 bid on a maximum of 3 erven per bidder (the name on the bid form must be the same as the name appearing on the original receipt) and can leave the venue in compliance with **Covid-19 rules and regulations**.

The submission of bids is detailed in point 4.3 below.

4.2 **Closing Date and Time**

The closing date and time for submitting the bids is **Friday, 06 August 2021** at **09:15**. No late submissions of bids will be accepted and only bids on the municipal bid forms will be considered.

4.3 **Submission of Bids**

All bidders or their duly appointed proxies must be present at the **Multi-Purpose Centre** at 07:00 on Friday, **06 August 2021**. **Access to the venue will be controlled in compliance with the relevant Covid 19 protocols and legislations.**

Bidders must place their completed municipal bid forms in **3 separate boxes** provided for the erven. The Municipality does not accept any responsibility for bids placed in incorrect boxes, and bids found in the incorrect boxes after allocation has started will be disqualified.

4.3.1 The upset price for the respective erven is indicated in Notice 30/2021, page 3 of this document. Bids for an amount less than the upset price will be **disqualified**.

4.3.2 **Nominees** The purchaser will not be permitted to nominate a nominee, therefore all prospective purchasers must ensure that the **Bid Form** is completed in the personal name / name of the entity into which the property will be transferred as indicated on the official receipt. **No changes to the name will be permitted.**

Therefore clearly state the correct entity name or names and surname on the 3 bid forms.

4.4 **Opening of Bids**

4.4.1 **In compliance with Covid-19 rules and regulations and to ensure transparency, only a number of bidders will be allowed to witness the opening of the closed bids on Friday, 06 August 2021 at the Multi-Purpose Centre.**

The first successful bid of a bidder will automatically be accepted. If the bidder cancels the allocation of the erf that bidder will forfeit the registration fee.

4.4.2 **Allocation**: The erven will be allocated to the highest qualifying bidder on each erf based on one erf per person / entity. A bidder will not be permitted an opportunity to consider whether to accept or to decline as we did in the past. **Therefore bidders must ensure that the bids submitted on the 3 erven are their final offer.**

4.4.3 **Deadlock**: In the event that a deadlock arises, i.e. two or more successful bidders offer the same price for an erf, a lucky draw will be conducted and the successful drawer will be allocated the erf.

4.4.4 No negotiations will be entered into after the bids have been opened and prospective purchasers are cautioned to make adequate provision with their registered bank prior to the proceedings, as no other arrangement will be accepted than indicated herein.

4.4.5 If a bidder submits multiple bids on one erf, only the highest offer will be considered and all subsequent bids from the same bidder will be disqualified.

↳ a person or married couple may not bid on the **same property** in their personal name as well as in the name of legal entities in which they hold an interest, share or equity (also see clause 6.1 below).

4.4.6 Should any erven remain unsold after all bids have been processed, the erven will be sold at a subsequent sale.

4.5 **Disqualification of Bids**

The following will result in bids being disqualified:

- 4.5.1 Bids not submitted on a duly completed bid form.
- 4.5.2 Bids not placed in the correct boxes marked with the erf number on **06 August 2021** during the bidding process.
- 4.5.3 Bids for amounts lower than the upset price.
- 4.5.4 If attending the closed bid sale on behalf of a bidder and no written proof of authorization / power of attorney can be presented by the proxy on behalf of a successful bidder.
- 4.5.5 In the discretion of the Municipality; if it is found that false and or incorrect and or incomplete information was provided on the bid form.
- 4.5.6 Non-compliance with any other condition contained in the Conditions of Sale document.
- 4.5.7 If bidding is done in the name of a legal entity (Close Corporation, Company, Trust, etc.) and no Power of Attorney is presented by the representative.
- 4.5.8 If the entity must still be incorporated

4.6 **Signing of the Deed of Sale**

Council's standard Deed of Sale will be drawn up and forwarded to the purchaser. The purchaser must sign and return the Deed of Sale to the Swakopmund Municipality within 21 days from date of receipt thereof. (The contract is deemed to have been received 2 days after it was posted or e-mailed to the postal address or e-mail address). **Failure to do so shall entitle (but not oblige) the Municipality to cancel the sale of the property, in which event all and any payments made to the Municipality on account of the sale may be forfeited in favour of the Municipality.**

The bidder / purchaser is responsible to pay for all costs of transfer.

5. **GENERAL CONDITIONS OF SALE**

5.1 The conditions of the Swakopmund Municipality's **Standard Deed of Sale, Property Policy, Conditions of Establishment as well as the conditions as set out in this document** are applicable to this transaction. Should the purchaser not fulfil any or all of the conditions required in terms hereof, the Swakopmund Municipality reserves the right to cancel the transaction without the need to place the purchaser on terms.

5.2 **Date of Sale**

The date of sale is the date for submitting of bids, i.e. Friday, **06 August 2021**.

5.3 **Minimum Building Value**

The minimum building value requires structural improvements worth at least 1 times the Municipal valuation of the property. Structural improvements shall not include the construction of boundary walls or any changes to the subterranean composition of the property.

5.4 **Building Period**

The purchaser is required to improve the property as aforesaid, within a period of 24 months from the date of transfer of the property to the successful purchaser. The improvement of the property shall be deemed to be completed once the Swakopmund Municipality has issued a certificate of completion for the buildings erected on the property.

In this regard please see the special condition of sale listed under point 7.3 below.

5.5 **Payment of Availability Services and Property Taxes**

In terms of Section 73 of the Local Authorities Act 23 of 1992, availability services and property taxes on a property purchased at the Closed Bid Sale will be payable by a purchaser as from the month following the allocation of the erf and be so calculated on the municipal valuation of the erf. Council may apply to the Minister of Urban and Rural Development to consider favourable terms in terms of Section 75A.

5.6 **Voetstoots**

The properties are sold "voetstoots" or "as is" and in the condition it presently is or shall be at the date of sale. The Municipality gives no warranty or guarantee, whether express or implied, oral or tacit, as to the suitability of the lay-out or situation or subterranean composition of the property or any improvements thereon. The Municipality also does not warrant that the services installed at the property are suitable for the use intended by the purchaser. It is therefore the obligation of the purchaser to verify that the installed electricity, sewage and water connections are suitable for the intended use of the property; and that the ground levels of the erf is capable of dealing with storm water from the erf and surrounding area. The Municipality does not accept any responsibility for any work required to make the erf suitable for the purchasers' use or needs.

5.7 **Method of Payment**

No negotiations will be entered into after the bids have been opened and prospective purchasers are cautioned to make adequate provision with their financial institutions prior to the proceedings, as no other arrangement will be accepted than indicated herein.

⇒ Due to the zoning of these erven, 15% VAT is applicable and will be added to the bid amount. Therefore the bid amount excludes the 15% VAT.

The purchase price shall become due and payable to the Swakopmund Municipality within 90 calendar days from the date of the closed bid procedure, i.e. by Thursday, **04 November 2021**.

5.7.1 **Cash:**

To be received by the Municipality not later than **15:00 on Thursday, 04 November 2021**.

Instruction to transfer will only be given once the funds reflect as available funds on the bank account of the Swakopmund Municipality.

Only one card swipe per person to a maximum amount of N\$500 000.00 per drawer per day can be accepted by the Municipality's cashiers.

5.7.2 **Electronic Fund Transfer:**

Purchasers may make payment by way of EFT bearing in mind that funds do not always reflect on the bank account immediately. Payment must be done in time to reflect as available funds in the bank account of the Swakopmund Municipality, not later than 23:59 on **Thursday, 04 November 2021**. Please quote the erf number and the name of the purchaser of the property as reference. Instruction to transfer will only be given once the funds reflect as available funds on the bank account of the Swakopmund Municipality.

5.7.3 **Cancellation:**

Should the purchase price and 15% VAT not be received by the Municipality or not reflect on its bank account on the said date and time, the transaction is cancelled without further notice.

The erf will then be offered for sale to the next qualifying bidder in terms of Clause 5.8, at the Municipality's discretion.

Should either of the options in 5.7.1 or 2 above be used, proof of payment must be e-mailed to: Ms N Gustaf at ngustaf@swkmun.com.na and to payments@swkmun.com.na. The Municipal Bank Details are quoted under point 3.1 of this document. Please quote the erf number and name of the purchaser as reference.

5.7.4 **Bank Guarantee issued by a Registered Bank only**

An acceptable written bank guarantee must be provided to the attorneys of the Swakopmund Municipality as soon as possible in order to register transfer in the name of the purchaser on or **before Thursday, 04 November 2021**.

The guarantee must be issued in favour of the Swakopmund Municipality and be payable upon registration of the transfer of the erf and is to be worded in accordance with the wording quoted in (b) below.

- 5.7.4.1 Prior written permission must be obtained from the Swakopmund Municipality should the wording or conditions of the guarantee be amended in any way including any additions thereto or omissions therefrom. The wording of the guarantee required is as follows:

*The Guarantee is issued in favour of the Municipal Council of Swakopmund (for credit: PURCHASER) for payment in the amount of N\$... (purchase price) (in words:...) plus 15% VAT in the amount of N\$... (in words:...) plus interest on the purchase price in the event of transfer being registered after **Thursday, 04 November 2021** at the prime lending rate of the Swakopmund Municipal Council's bank as at **Friday, 06 August 2021** and so calculated from **Friday, 06 August 2021** until date of transfer, both dates included; to be paid by electronic fund transfer into the bank account held by the Swakopmund Municipal Council."*

Should the wording be incorrect or differ and the staff accept the guarantee and or act on it, the transaction remains voidable at the election of the Swakopmund Municipality.

- 5.7.4.2 Irrespective of the method of payment, in the case of cancellation for whatever reason by either party, all moneys paid to the Swakopmund Municipality shall be forfeited (including the applicable registration fee).

5.7.5 Cancellation:

Should an acceptable written bank guarantee not be received by the Municipality's attorneys by **Thursday, 04 November 2021**, the transaction is cancelled without the need to demand performance from the purchaser. **The erf will then be offered for sale to the next qualifying bidder in terms of Clause 5.8, at the Municipality's discretion.**

5.7.6 Penalty Interest:

Should an acceptable written bank guarantee have been received by **Thursday, 04 November 2021** but the transfer of the property has not been registered by **Thursday, 04 November 2021**, the transaction will proceed but the purchase price shall attract interest with effect from **Thursday, 04 November 2021**, calculated at a rate per annum equal to the prime lending rate of the Municipality's bank as on **Friday, 06 August 2021** and calculated so until the date of transfer.

- 5.7.7 The purchaser may only take possession of the property once it has been transferred into the name of the purchaser.

5.8 Allocation of an Erf to the Next Qualifying Bidder

In the event of the cancellation of a transaction, the following will apply:

- 5.8.1 The erf will be offered to the next qualifying bidders in sequence. The first to accept the offer, must confirm in writing that he/she/it wants to purchase the property within 10 days from the date that the offer was sent failing which the property will be offered to the following qualifying bidder.

- 5.8.2 A new 'Declaration of Purchase' will be forwarded to the next qualifying bidder which must be signed and returned to the Swakopmund Municipality together with proof of the payment of the applicable refundable registration fee within 10 days from the date the offer was made (in case the registration fee was refunded).
- 5.8.3 The 90 day period within which the purchase price must be secured is calculated from the date of sale, which is the day following the expiry of the 10 day period in point (b) above.
- 5.8.4 Only the next 3 qualifying bidders will be considered, whereafter the property will be submitted to Council to determine the way forward.

6. **FURTHER CONDITIONS OF SALE**

6.1 **The erven are sold on the basis of one erf per individual / entity.**

A bidder may **not** purchase an erf in his / her personal name as well as an additional erf in the name of an entity.

It shall not be permissible for any bidder to purchase another property at the same closed bidding process through another person or through the vehicle of a corporate entity, partnership or trust in which the bidder or another person to which the bidder is related to within the third degree of consanguinity (blood) or affinity (by marriage) or hold an interest *qua* member, shareholder, director, trustee or beneficiary (irrespective of the size of the interest or whether it is a vested interest or not); unless such person is *bona fide* doing business for own account.

E.g. a person may not bid on the same property in their personal name as well as in the name of legal entities in which they hold an interest, share or equity, or spouses may not both bid on the same property in their personal names and / or in the name of an entity in which either or both of them hold an interest, share or equity.

- 6.2 The Swakopmund Municipality shall not accept under any circumstances any process whereby the purchaser of the property will be allowed to nominate a third party as the eventual purchaser of the property. To be more specific, the Council shall not entertain any agent bidding on behalf of a principal or any nominee acting on behalf of a legal entity still to be incorporated.

7. **SPECIAL CONDITIONS OF SALE**

- 7.1 The properties may not be alienated unless a completion certificate has been issued in respect of the structural improvements referred to in 5.3 above. This restraint of alienation will be registered against the title deed of the respective properties.
- 7.2 In the event that the purchaser of a property is a close corporation, a company or a trust, then, the members' interest in the close corporation or shareholding in the company or interest in the trust, as the case may be, may not be changed without the prior written approval of Council. Such caveat will be registered against the title deeds of the properties to prevent any contravention of this condition.
- 7.3 That an incentive of 15% on purchase price (excluding VAT) discount be offered to developers who develop the erven within a period of 2 years from date of transfer.

~>*<~