Using Technology in Real Property Practices and Sustainable Cities. The Cape Town Case Study (7459)

Gasant Jacobs (South Africa)
Agenda

• Introduction and Overview
• Background – The City of Cape Town
• The Valuation Process
• The framework for success: Sustainability, Scalability and Security
• Outcome and achievements
• Conclusion and Questions

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• Thomson Reuters is the world’s leading source of intelligent information for businesses and professionals
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• We serve professionals in the financial and risk, legal, tax and accounting, intellectual property and science and media markets

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We employ approximately 60,000 people and operate in over 100 countries
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- 500,000 photos & images are captured and published by Reuters every year.
- 65 million land parcels around the world are managed by local governments using Thomson Reuters Government Revenue Management (Aumentum) software.

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- We generally partner with local firms in country with local knowledge and project management support. Our aim is that our local partners become certified Thomson Reuters Aumentum Implementation Partners (AIP).
- Together we work with the clients to improve the process, enhance the institutional framework, and provide a streamlined solution in a short period of time.
Stress partnerships with localities
U0094360; 25-11-2014
In FY 2014/2015, 21% of municipal revenues are derived from property taxes.

The Role Of Valuation In the City of Cape Town

**BACKGROUND**

- Housing, sundries, rates, clearances, building developments by Town Planning
- Valuation of properties by Valuations
- Leases, acquisitions, disposals by Property Management
- Council Housing Developments by Housing
- Sales clearance by Revenue
- Planning and BDM applications
- Valuations (ORR)

**Data & Information**

- Property Base Data & Info (Cadstral & Ownership)
  - Capturing of Cadstral data - Property boundaries by Corporate GIS
  - Capturing of Deeds info (ownership details by Valuations)

**Business Processes**

- Value Adding Information & Activities (New Properties, Building Work, Coasbnies, Leases, Clearances, Houses)
  - Planning & BDM Applications
  - Valuations (ORR)
  - Property Management
  - Housing
  - Rates clearance
  - GIS portal & viewers

**Integrated Spatial Information System (ISIS)**

Bringing Property Data, Processes & Information Systems together through the Property Value Chain

**SAP ISU**

- Billing & Income (Revenue)
  - Billing of Services & Property Rates, etc by Revenue

**ISIS**

- SAP ISU & SAP-LUM
  - SAP-RE & SAP-LUM

**This City Works For You**
The 2014/2015 Operating Budget is based on generating R 5.93 billion from Property Tax.

### Budget at a glance

The operating budget is dedicated to day-to-day operations, which include the provision of services such as health, transport and roads, libraries, parks, early childhood development, policing, traffic management, water, electricity and refuse removal.

**2014/15 operating budget:** R218,655 billion

The capital budget is dedicated to the provision of new infrastructure projects and the renewal or capital maintenance of existing assets.

**2014/15 capital budget:** R6,211 billion

### How is this funded?

- **Operating Budget**
  - Government grants: 1%
  - Property rates: 12%
  - Service charges: 21%
  - Other own revenue: 54%
  - Investment revenue: 1%

- **Capital Budget**
  - Internally generated funds: 16%
  - National government: 38%
  - Contributions and donations: 40%
  - Borrowing: 5%
  - Provincial government: 1%

### Tax Base in the City of Cape Town

<table>
<thead>
<tr>
<th>Description</th>
<th>No of Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Freehold</td>
<td>571 454</td>
</tr>
<tr>
<td>Non Residential Freehold</td>
<td>25 446</td>
</tr>
<tr>
<td>Sectional Title</td>
<td>168 605</td>
</tr>
<tr>
<td>Vacant Land &amp; Informal</td>
<td>58 003</td>
</tr>
<tr>
<td>Agricultural</td>
<td>3 731</td>
</tr>
<tr>
<td>Public Service Infrastructure</td>
<td>896</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>828 135</strong></td>
</tr>
</tbody>
</table>
ORGANISATIONAL STRUCTURE

MANAGERIAL SECTIONS WITHIN VALUATIONS

Data Survey and Quality (VSQ)
Purpose: Responsible to ensure that current valuation attribute data for all registered properties is reflected in the valuation database.

Functions:
- Plan and prepare for data collection:
  - Work density analysis, resource balancing & workflow routing;
- Data collection and capturing:
  - Remote data survey;
  - Field data survey; and
- Data quality assurance:
  - Quality control sample methodology & planning;
  - Quality control surveys;
  - Root cause analysis;
Managers Sections Within Valuations

Valuations Operations (ValOps)
Purpose: Responsible for the execution of General and Supplementary Valuations, Objection Resolution and attending to Appeals

Functions:
- Prepare for valuations:
  - Review methodologies and specifications for GV’s;
  - Neighbourhood delineation;
  - Market Analysis and market reports (non-residential);
  - Sales Review; and
- Manual Valuation of Property:
  - Valuation of Property; and
  - Quality Control and Capturing of Values.
- Value Review and Finalisation:
  - Value Review CAMA model candidates;
  - Capture amended values; and
  - Finalisation of values.
- Resolution of objections and appeals

Data and Systems (IT&S)
Purpose: Responsible to provide a CAMA Service and specialist IT support to the Directorate.

Functions:
- Managing Data & Systems Interfaces for Valuations base data
  - Importing of base data;
  - Export of valuation output; and
  - Provide Valuation layer information (GIS);
- Maintaining Systems and Infrastructure
  - Evaluate Systems;
  - Technical Systems Support; and
  - Data Analysis and reporting.
- Build and application of CAMA models
  - Region delineation;
  - Data analysis/sales analysis;
  - Constructing of models; and
  - CAMA model application.
MANAGERIAL SECTIONS WITHIN VALUATIONS

Business Environment (BE)

Purpose: Responsible to provide specialised support to the valuation processes and general support to the Directorate.

Functions:

- Communication with regards to the Valuations roll.
- Compliance with legislative requirements in terms of official valuation notices;
- Provide the administrative support function to the objection process
  - Capturing of objection forms in system;
  - Administer board hearings; and
- Managing the General enquiries with regards to Valuations (C3)

Functions Continued:

- HR Support
  - Provide a support function with regards to recruitment and selection and grievance issues;
  - Co-ordinate and facilitate WPSP and OH&S;
- Finance Support
  - Compile and administer annual operating and capital budget;
  - Prepare operational tariffs;
  - Administer the payment of all CVO expenditure;
  - Asset Management;
- Co-ordination of Performance Management Framework
- Project Management
  - Business & Process Improvement Projects; and
  - GV & SV project management
- Procurement of Vendors and Contract Management.
Valuation Processes
Rework and bring into alignment with other graphics
U094360; 03-12-2014
INTEROPERABILITY • STANDARDS • BUSINESS MODELLING • TRAINING • TECHNOLOGY PATH • MANAGING INCREMENTAL DATA • EXTENDING FUNCTIONALITY • ADAPTING TO NEW TECHNOLOGY

SECURITY SCREENING PERSONNEL • SECURE TRANSACTION SYSTEM • STANDARDS • SECURED BUSINESS PROCESS • PROTECTION FROM CYBER ATTACKS • REFLECTS LEGAL FRAMEWORK • PROTOCOLS FOR PRIVATE ACCESS
Slide 21

U10  Too much copy on the image limit it to the main graphic and image that supports it
U0094360; 25-11-2014

U11  Change background picture - Something that highlight the transformation between old to new technology. Maybe an African person (traditional dress) using a state-of-the-art equipment (intelligent phone, transforming an old computer to a new ICT system)
U0094360; 03-12-2014

Slide 22

U12  U0094360  11/25/2014
Too much copy on the image limit it to the main graphic and image that supports it
U0094360; 03-12-2014
PEER GROUPS • REVENUE GENERATION • STANDARDS • BUSINESS MODELLING • USER FRIENDLY • RESEARCH & DEVELOPMENT • SYSTEMS SUPPORT • CAPACITY DEVELOPMENT

3S DELIVERED

- Reduced registry cost and time for the people
- Improved morale from...
  - Skills adaption from training
  - Workplace upgrades
  - Clear processes and procedures
  - Happier customers

- Fast technology implementation
  - Office managing 10x the registration volume
  - An exponential revenue increase...
Too much copy on the image limit it to the main graphic and image that supports it.

U0094360; 11/25/2014
“It took us almost 5 months to start processing the Objections that property owners lodged. Now, we can resolve Objections within 30 days.”

Christopher Gavor.
Ghanian National working as the Director for Valuations in Cape Town.

Thank You

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