

Comparisons of Living Costs Relating to L'Agulhas Nature Reserve (LNR)

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1. General

Property ownership in LNR is a lifestyle investment offering magnificent north facing panoramic sea, mountain, and lake views. Given that elevations in LNR are higher than any other development in the area, the views are arguably the best in the Struisbaai/L'Agulhas vicinity.

The north facing aspects enhance energy efficiency, enabling the sun to warm living areas in the winter months. The option of building houses with Agulhas stone cladding on the brick walls also provides additional insulating properties. All new buildings and refurbishments in South Africa have had to comply as from 9 November 2011 to minimum standards of energy efficiency, for which the SABS have developed SANS 10400 part XA - the first of a set of minimum standards for environmental sustainability in new and refurbished buildings, viz SANS 10400 PART XA: ENERGY USAGE which goes hand in hand with SANS 204: ENERGY EFFICIENCY IN BUILDINGS.

Underground electricity and water services are available to all plots thus avoiding unsightly overhead connections as in many parts of the neighboring towns.

LNR provides an utterly amazing quality of life. In an access controlled Reserve, residents enjoy a tranquil environment living in close proximity to nature in the unique limestone fynbos - some red data species grow naturally in LNR. There is magnificent bird life and farm animals have been introduced as well for residents to enjoy. A limited number of horse stables are available for renting. Many trails are available for walking and serious mountain biking.

HOA Members have a 1/81 share in the common property equating to about 3.6 hectares each. This common property totals ± 291 hectares and needs to be maintained along the lines of a farm, so provision for this is included in a monthly levy. Roads, firebreaks, fences, barn complex and gates need to be maintained as well. *All property owners in LNR are members of the Home Owners' Association (HOA) and a monthly levy is payable through the Managing Agent, Martinique.*

However, some HOA Members and many prospective property owners are not fully aware of the services that are included in the monthly levy. The intention of this document is to explain the good value-for-money provided by living in LNR and how the levy is applied.

2. Lower living costs/m² in LNR than in neighboring towns

The erf sizes in LNR measure 300 m² and there is common property between erven. Owners are entitled to build over their entire erven - there are no building line restrictions. Thus Cape Agulhas Municipality (CAM) rates are paid only on fully utilized built on areas. Lower rates are levied for undeveloped erven (R1500 per year as at early 2016) than for developed erven (rates paid for erf plus value of buildings).

In addition, in LNR owners utilize the area around their houses for access driveways, parking areas, turning shunts, pathways and indigenous gardens which are maintained by the HOA since it is part of the common property. No further rates are payable by owners or LNR for the use of this land as CAM regards this as farm land where there is a lower tariff for rates applicable and this is included in the monthly levy.

Thus by comparison, a typical erf size in Struisbaai may be 600 m² with a building of 300 m² on which CAM rates would be levied for the land on 600 m², whereas a LNR property with the equivalent (or even larger) living area would only incur rates on 300 m². Both properties would incur the same additional rates for the buildings.

At early 2016 pricing, the annual savings here for LNR residents would be R1500.

3. Availability Charges

CAM levies monthly water, electricity, refuse removal and sanitation availability charges for Struisbaai houses whether or not such services are used.

At early 2016 pricing, such CAM monthly charges for houses in Struisbaai are:

- Water - R108.53 (first m³)
- Electricity - R184.68 (first 30 units)
- Refuse - R118.56
- Sanitation - R81.23

Total = R493.00 per month or R5,916 per year

In the case of LNR, both the electricity and refuse availability charges are incorporated into the monthly levy. There is no water availability charge in LNR as it has its own boreholes, neither is there a separate sanitation availability charge.

4. Water & electricity consumption costs

In the case of CAM, unit consumption costs for water and electricity are adjusted annually by the Council, whereas for LNR, unit consumption costs are determined annually by the Managing Agent, Martinique.

Martinique passes on the same CAM electricity input costs to residents paying for their metered electricity consumption without any additional markup as done by municipalities. LNR has a very favourable bulk electricity tariff as supply for the Reserve is from an 11 kV line.

As at early 2016, electricity charges were R0.668/kWh whereas CAM charges R1.144/kWh (including VAT). Thus the saving on a 500 kWh per month electricity bill (typical during winter) would be $500 \times (1.144 - 0.668) = R238$ or R2,856 per year.

In early 2016, the LNR water tariff was R6.44/m³. For CAM it was R6.49/m³ (including VAT), ie much the same other than the first m³ costing R108.53 as mentioned in Section 3.

5. Sanitation charges

For houses in Struisbaai, owners pay a sewage pumpout fee of R290 per 5,000ℓ pumpout from their conservancy tanks (if this is paid for directly and not on account).

In the case of LNR, 4 of the houses have soakaways and thus incur no sewage pumpout fees. Thus a LNR owner from one of these houses electing to live in Struisbaai rather than LNR would pay at least R290 more or even double this per month for sanitation depending on usage. This should be a favourable selling point for these houses.

In LNR some of the houses have conservancy tanks incurring the same pumpout charges as Struisbaai houses. All new houses are required to have conservancy tanks.

6. Garden maintenance

In Struisbaai, property owners are responsible for paying for the maintenance of their gardens and surrounding land utilised. In the case of LNR, the monthly levy includes maintenance of their surrounding indigenous limestone fynbos gardens as this is common property.

7. Lock up and Go Facility

Since LNR has motorized main gate access control and is managed by a Site Committee together with a full-time Site Supervisor with 2 other general workers, this enables home owners to leave their houses as they may please on a lock up and go basis.

As a precautionary measure, all houses that have been built have nevertheless been connected by the owners to armed response security companies in the area as a further safety/security precaution.

8. Value for money offered in CAM environment

Living in a CAM environment offers good value for money as opposed to many other coastal developments in the Cape where owners can pay 2.5 times more annually to local authorities or HOAs for total services rendered based on information received from rate payers in such areas.

This should be an important selling point for property in the CAM environment as discerning rate payers frequently consider the total cost of living as an important factor.