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INFORMATION STATEMENT IN RELATION TO A LONG-TERM LEASE (30 YEARS) OF PORTIONS OF THE TRANSVALIA COMPLEX (ERVEN 825, 1123, 1128, 1133, 1134 AND 1142, STELLENBOSCH)

1. PURPOSE

The purpose of this Information Statement is to provide the information prescribed in Regulations 34 and 35 of the Municipal Asset Transfer Regulations, 2008, issued in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), to enable the public to participate in the statutory public participation process.

Council intends granting a 30-year lease over portions of the Transvalia Complex (Erven 825, 1123, 1128, 1133, 1134 and 1142, Stellenbosch) to Middedorp Properties (Pty) Ltd for redevelopment into a boutique hotel, tourism facilities, public parking and associated amenities.

Following Council's approval of the negotiation framework, negotiations have been concluded and the negotiated commercial terms have been agreed in principle, subject to Council approval and completion of the statutory public participation process.

2. BACKGROUND

The Municipality owns the Transvalia Complex and has identified the property as a strategic opportunity to stimulate economic development while preserving the historic character of the precinct. Following a competitive process Middedorp Properties (Pty) Ltd was identified as the preferred bidder.

3. DISCUSSION

The proposed development includes the restoration of heritage buildings, a boutique hotel, restaurant, tourism facilities, upgraded public amenities and improved public parking. All development remains subject to heritage and planning approvals.

3.1 PUBLIC PARTICIPATION

The Negotiation Team concluded negotiations in accordance with Council's mandate. Middedorp Properties accepted the Municipality's negotiated proposal on 20 July 2026. This Information Statement is published to invite public comment before Council considers the transaction for final approval.

3.2 INFORMATION REQUIRED BY REGULATION 34

3.2.1 Reasons

The proposal will preserve an important heritage precinct while promoting tourism, investment and economic development. Ownership of the property remains vested in the Municipality.

3.2.2 Expected Benefits

The project will generate employment, improve public amenities, preserve heritage buildings, enhance tourism, upgrade public parking and stimulate economic activity within the town centre.

3.2.3 Expected Proceeds

The Municipality will retain ownership of the property.
Planning and construction phase (maximum three years):

- Office accommodation (approximately 1 691 m²): R120.00/m²/month with annual CPI escalation.
- Storage and garage: R14 400.00 per month with annual CPI escalation.
- 143 public parking bays at the Municipality's approved parking tariff

Rental accrues from occupation, but payment is deferred until operations commence. The accrued rental will be repaid over three years without interest.

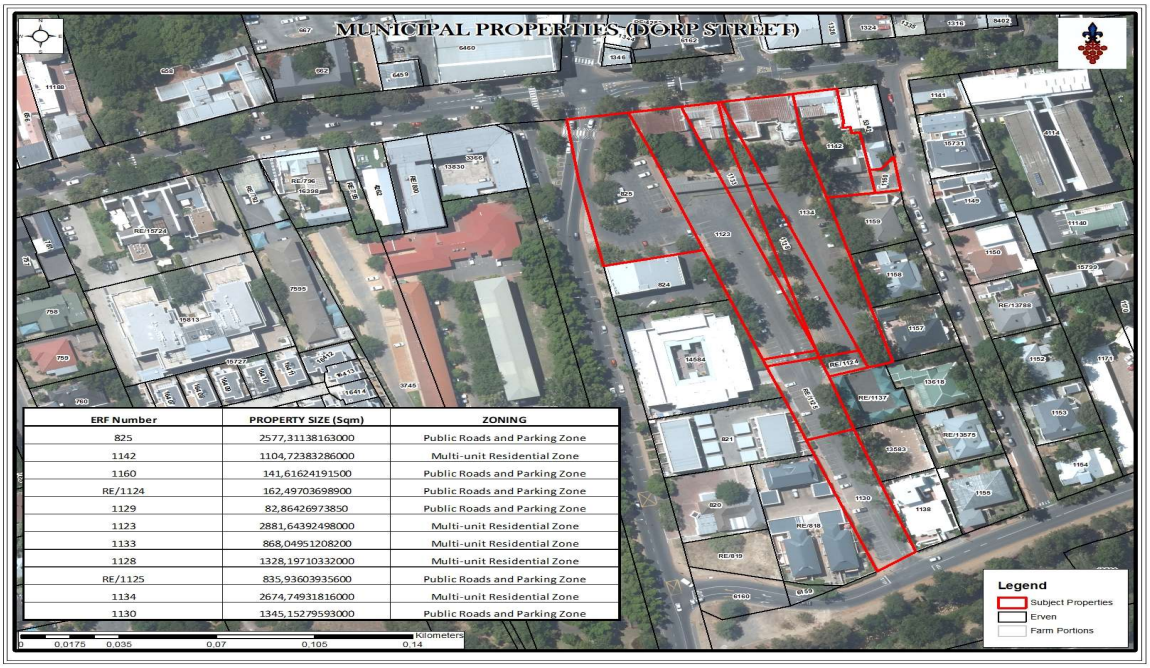
Once operational, the negotiated monthly rental becomes payable in terms of the lease agreement. The Municipality will also benefit from an estimated capital investment of approximately R22 028 250. All permanent improvements remain attached to the municipal property.

3.2.4 Expected Gain or Loss

Rental is deferred during construction but not waived. The Municipality will recover the full negotiated rental while benefiting from significant private investment, heritage restoration and avoiding maintenance costs during the lease period.

3.3 LOCATION AND CONTEXT

The lease area is situated within the historic Dorp Street precinct in central Stellenbosch.



ERF Number	PROPERTY SIZE (Sqm)	ZONING
825	2577,31138163000	Public Roads and Parking Zone
1142	1104,72383286000	Multi-unit Residential Zone
1160	141,61624191500	Public Roads and Parking Zone
RE/1124	162,49703698900	Public Roads and Parking Zone
1129	82,86426973850	Public Roads and Parking Zone
1123	2881,64392498000	Multi-unit Residential Zone
1133	868,04951208200	Multi-unit Residential Zone
1128	1328,19710332000	Multi-unit Residential Zone
RE/1125	835,93603935600	Public Roads and Parking Zone
1134	2674,74931816000	Multi-unit Residential Zone
1130	1345,15279593000	Public Roads and Parking Zone

3.4 PUBLIC COMMENT INVITED

Members of the public are invited to submit written comments, objections or alternative proposals regarding the proposed 30-year lease.

This Information Statement includes the negotiated commercial terms, including the proposed rental arrangements, deferred rental mechanism, expected proceeds and anticipated municipal benefits.

Comment must reach the offices of the Municipality on or before 30 September 2026 and must be addressed to the Municipal Manager via email at Municipal.Manager@stellenbosch.gov.za.

Enquiries may be directed to Ms. Yolande Van Den Berg at (021) 808 8073 or Yolande.VanDenBerg@stellenbosch.gov.za.

3.5 PERSONS WITH DISABILITIES

Notice is further given, in accordance with section 21 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), that any person with a disability or who is unable to read or write, but wishes to participate in this public participation process, may present themselves during official office hours at the Property Management Office. A designated municipal official will provide assistance by recording and transcribing that person's comments, representations, objections, or alternative proposals for submission as part of the process.

Geraldine Mettler
Municipal Manager