

FARM SALE

R100 farm price not to be taken at face value

One could have been forgiven for believing that the R100 price tag for a 36ha KwaZulu-Natal farm meant that the bottom had fallen out of the agricultural property market. However, according to the parties involved in the transaction all was not as it seemed.

The 'Farms Sold' section of the 18 May 2012 edition of *Farmer's Weekly* reported that the 36ha Rietvallei Farm, situated at Inchanga between Pietermaritzburg and Durban, was sold by ArcelorMittal South Africa (AMSA) Steel Service Centre (SCC) to Afro-Prop Natal for the incredible bargain of R100.

However, the sale was simply part of an above-board business transaction between the two companies.

'THE REMAINING LAND IS INDIGENOUS BUSH UNDER CONSERVATION PROTECTION.'

Riaz Khan, from Afro-Prop Natal, explained that AMSA needed land to build a 50 000m² warehouse on the original 41ha Rietvallei Farm that has since been rezoned into both industrial and conservation land.

Rather than wait through a lengthy legal process of subdividing the 50 000m² from the remainder of the 41ha before building could begin, AMSA SCC took temporary possession of the property and built the warehouse.

The subdivision was subsequently approved and AMSA SCC returned the remaining 36ha to Afro-Prop Natal for R100 as part of the legal transfer process.

"We're going to subdivide 15ha of the 36ha approved for industrial development and market it.

"The remaining 21ha, valued at R35 million as industrial land, is actually indigenous bush under conservation protection," Khan added.

AMSA SCC declined to comment. – *Lloyd Phillips*