

Why should I pay more?

The main issue surrounding the formation of a CID is the question:
“Why should I pay more on top of already high rates?”

Improved services for the same or lower rates would be the ideal. Unfortunately, there is no viable process to achieve this; and given our current socio-economic situation, it is unlikely to ever become a reality. We already find ourselves in the position of needing to supplement existing government provided infrastructure and services e.g. private security, medical, schooling, retirement saving, electricity, water etc.

To break it down, the estimated additional monthly cost per R10m of property value is roughly **R320 monthly or R10 a day.**

A CID provides a clear, well-tested mechanism to improve municipal services by applying **100% of the additional monies raised within the neighbourhood** at the neighbourhood’s discretion. The CID is bound by strict regulatory and audit requirements and there is full transparency to any resident of the neighbourhood at any time. By pooling our resources in a CID, individual property owners can enjoy the collective benefits of a well-managed area.

When weighing the cost of any additional monthly spend, it is important to consider both the direct and indirect benefits:

Direct benefits

Improved services, including:

- Security
- Cleaning
- Greening/infrastructure
- Social development

Indirect benefits

- Improved risk/desirability profile of the neighbourhood
- Potential decrease in insurance premiums
- Potential decrease in individual security spend
- Potential increase in property values

The cost/benefit calculation can be thought of as:

$$\begin{aligned} \text{Monthly CID Cost} &= \text{Direct Benefits (improved services)} \\ &+ \text{Indirect Benefits (potential for reduced insurance premiums, individual security spend and an increase in property value)} \end{aligned}$$

It is conceivable that the introduction of a CID may in fact result in a NET REDUCTION in overall individual monthly costs.

For more information or to read some frequently asked questions, please visit http://cityimprovement.co.za/wordpress/?page_id=42