



PO BOX 3174  
Pietermaritzburg  
3201

UMEDA House, Umeda Show Grounds  
Chief Albert Luthuli St  
Pietermaritzburg  
3201

T: 033 342 3396  
F: 033 342 0312  
E: [info@umeda.co.za](mailto:info@umeda.co.za)  
W: [www.umeda.co.za](http://www.umeda.co.za)

---

File Reference: 001-20/03/26 Public Notice  
Report Number: 1  
**SUBJECT: PROPOSED ACQUISITION OF IMMOVABLE PROPERTY AND LONG-TERM DEBT FINANCING**  
**DATE : 20 MARCH 2026**

---

## **PUBLIC NOTICE**

### **NOTICE IN TERMS OF SECTION 46 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003)**

#### **PROPOSED ACQUISITION OF IMMOVABLE PROPERTY AND LONG-TERM DEBT FINANCING**

Notice is hereby given in terms of Section 46(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("MFMA"), that the uMgungundlovu Economic Development Agency (UMEDA) intends acquiring the immovable property situated at 284 Boshoff Street, Pietermaritzburg.

The property will be acquired at a purchase price of R6,150,000 (Six Million One Hundred and Fifty Thousand Rand). The acquisition forms part of UMEDA's long-term strategy to establish a permanent asset base, enhance operational sustainability, and create opportunities for revenue generation through the leasing of available office space.

To finance the acquisition, UMEDA proposes entering into a long-term loan agreement with First National Bank (FNB) in the amount of R4,000,000 (Four Million Rand), with the balance of the purchase price and associated transaction costs to be funded from the Agency's own resources.

The proposed debt financing is subject to the following key terms:

- Loan Amount: R4,000,000.00
- Lender: First National Bank (FNB)
- Interest Rate: 10.5% per annum
- Repayment Period: 10 Years (120 Months)
- Estimated Monthly Instalment: R53,980.00

**Dr. Sihle Ndlovu (Chairperson), Mrs. Sokhela (Deputy Chairperson), Prof. Albert Modi,  
Mr. Mpumelelo Zikalala, Ms Portia Nzimakwe, Ms Mbali Myeni, Mr Bongani Hlomuka,  
Mr. Michael Newton (CEO),**

-INVEST - EMPOWER - SUSTAIN -

- Estimated Annual Debt Servicing Cost: R647,760.00
- Estimated Total Repayment over Loan Term: R6,477,600.00

The estimated repayment schedule is as follows:

<b>Financial Year</b>	<b>Estimated Annual Repayment</b>
<b>Year 1</b>	R647,760
<b>Year 2</b>	R647,760
<b>Year 3</b>	R647,760
<b>Year 4</b>	R647,760
<b>Year 5</b>	R647,760
<b>Year 6</b>	R647,760
<b>Year 7</b>	R647,760
<b>Year 8</b>	R647,760
<b>Year 9</b>	R647,760
<b>Year 10</b>	R647,760
<b>Total</b>	<b>R6,477,600</b>

The acquisition of the property is expected to provide the following benefits:

- Establishment of a strategic fixed asset for the Agency;
- Long-term reduction in accommodation expenditure;
- Creation of a sustainable revenue stream through rental income;
- Enhancement of the Agency's balance sheet and financial sustainability;
- Provision of suitable office accommodation for UMEDA and potential tenants; and
- Support for economic development and investment promotion initiatives within the uMgungundlovu District Municipality.

In terms of Section 46 of the MFMA, UMEDA has considered the affordability of the proposed debt, the financial obligations arising from the loan agreement, and the anticipated benefits associated with the acquisition of the property.

**Dr. Sihle Ndlovu (Chairperson), Mrs. Sokhela (Deputy Chairperson), Prof. Albert Modi,  
Mr. Mpumelelo Zikalala, Ms Portia Nzimakwe, Ms Mbali Myeni, Mr Bongani Hlomuka,  
Mr. Michael Newton (CEO),**

-INVEST - EMPOWER - SUSTAIN -

Members of the public, interested parties, and stakeholders are hereby invited to submit written comments, representations, or objections regarding the proposed acquisition and associated debt financing.

Written submissions must be received within 21 days of publication of this notice and may be addressed to:

The Chief Executive Officer  
uMgungundlovu Economic Development Agency (UMEDA)  
UMEDA House, UMEDA Showgrounds  
Chief Albert Luthuli Street  
Pietermaritzburg  
Email: [info@umeda.co.za](mailto:info@umeda.co.za)  
Telephone: 033 342 3396

Relevant information regarding the proposed transaction is available for inspection at the offices of UMEDA during normal business hours.

Issued by:  
Chief Executive Officer  
uMgungundlovu Economic Development Agency (UMEDA)  
Date of Publication: 20 March 2026  
Closing Date for Comments: 30 April 2026

**Dr. Sihle Ndlovu (Chairperson), Mrs. Sokhela (Deputy Chairperson), Prof. Albert Modi,  
Mr. Mpumelelo Zikalala, Ms Portia Nzimakwe, Ms Mbali Myeni, Mr Bongani Hlomuka,  
Mr. Michael Newton (CEO),**

-INVEST - EMPOWER - SUSTAIN -