

**REAL ESTATE ADVISORY COUNCIL
FIFTH SCHEDULE
SCALE OF FEES**
(reg. 16(1)(h))

1.0 PROFESSIONAL FEES FOR OPEN MARKET VALUATIONS IN RESPECT OF RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND AGRICULTURAL PROPERTIES

(A) Residential, Commercial and Industrial Properties

Market Value of Property	Basic Tariff	Additional to Basic Tariff
Up to P50 000	P750	
From P50 001 to P150 000	P750	P3,50 per P1 000 over P50 000
From P150 001 to P400 000	P1 100	P2,50 per P1 000 over P150 000
From P400 001 to P1 000 000	P1 725	P2,00 per P1 000 over P400 000
From P1 000 001 to P2 000 000	P2 925	P1,50 per P1 000 over P1 000 000
From P2 000 001 to P3 000 000	P4 425	P1,00 per P1 000 over P2 000 000
From P3 000 001 to P4 000 000	P5 425	P0,75 per P1 000 over P3 000 000
From P4 000 001 to P5 000 000	P6 175	P0,50 per P1 000 over P4 000 000
Over P5 000 000	P6 625	P0,25 per P1 000 over P5 000 000

(B) Agricultural Properties (for farms bigger than 50 Hectares – minimum fee of P1000)

Value of Property	Basic Tariff	Additional to Basic Tariff
Up to P50 000	P1 000	
From P50 001 to P100 000	P1 000	P5,00 per P1 000 over P50 000
From P100 001 to P250 000	P1 250	P3,50 per P1 000 over P100 000
Over 250 000	P1 775	P2,50 per P1 000 over P400 000

1.2 WHERE MORE THAN ONE VALUATION IS REQUIRED

1.2.1 The fee in respect of more than one valuation for the same property shall be, with respect to the second valuation, 5% of the fee for the first valuation: Provided that a normal valuation shall indicate the forced sale value in addition to open market value and this does not constitute more than one valuation.

1.3 WHERE PRESCRIBED FORMS ARE REQUIRED

Completion of specific forms in addition to the valuation, the applicable fee may be increased by 25%, subject to a maximum increase of P250. 00 per property.

1.4 CONTINUOUS AND SEPARATE VALUATIONS

Continuous and valuations a fee based upon the total of the continuous valuation at the relevant tariff fee.

“Continuous valuation” means the valuation of two or more properties having similar attributes.

1.5 REVALUATIONS

Revalue of property by the same registered professional within the preceding period of 12 months, and the property or the interest therein has not changed materially since the first valuation, the fee shall be reduced by 50% of the first valuation.

1.7 VALUATIONS FOR EXISTING AND PROPOSED IMPROVEMENTS

When instructed to prepare two valuations, such as "as is", of a single property, a registered professional may charge for each of the valuations separately in terms of 1.0, provided that where the work involved in preparing the second valuation does not amount to performance of a completely separate valuation, the registered professional should charge in terms of 1.0 on the higher of the two valuations only.

1.8 VALUATION OF PART OF A PROPERTY

Where a registered professional is required to value a portion of, or an undivided share in, a property and it is necessary to value the whole property in order to determine the value of the part, or the share, the fee may be based on the value of the whole property.

2.0 TIME CHARGE

2.1 Time charger per hour for market research, Deeds Registry searches or other investigations are as follows:

Membership of Institute	Years of Experience	Fee per hour
Fellow	15 years or more	P750.00
Fellow	14 years or less	P600.00
Full	10 years or more	P500.00
Full	9 years or less	P350.00
Probationer	3 years or less	P150.00
Probationer	3 years or more	P200.00

3.0 RENTAL VALUATIONS

Gross Annual Rental (GAR)	Tariff
Up to P12 000	P100 per P1 000 of GAR

P12 001 to P24 000	P500 plus P10 per P1 000 of GAR over P12 000
P24 001 to P36 000	P750 plus P7,50 per P1 000 of GAR over P24 000
P36 001 to P48 000	P1 000 plus P5,00 per P1 000 of GAR over P36 000
P48 001 to P60 000	P1 250 plus P2,50 per P1 000 of GAR over P48 000
Over P60 000	P1 500 plus P1,25 per P1 000 of GAR over P60 000

Notes:

- The tariff excludes preparation of a lease agreement (if required) for a fee not exceeding 10% of the monthly rent to be paid by the lessee.
- The fee per rental determination should not be less than P500.

4.0 RATING VALUATIONS

4.1 The minimum Fee shall not be less than 0.10% of the Total Gross Rateable Value in the Valuation Roll prepared by the registered professional.

4.2 In the case of individual valuations for rating purpose, the minimum fee shall be 0.30% of the rateable value of such property.

4.2 The registered professional may allow a discount for any revaluation carried out within a two-year period.

5.0 OTHER VALUATIONS

includes fees in respect of the following:

- Portfolio Valuation – minimum fee of not less than 0.15% of the value of the property
- Tendered Valuation – minimum fee of not less than 0.15% of the value of the property
- Insurance Valuation (as per Table below)

Value of Property	Basic Tariff	Additional to Basic Tariff
Up to P50 000	P500	
From P50 001 to P150 000	P500	P1.75 per P1 000 over P50 000
From P150 001 to P400 000	P750	P1,50 per P1 000 over P150 000
From P400 001 to P1 000 000	P1000	P1.25 per P1 000 over P400 000
From P1 000 001 to P2 000 000	P1250	P1,00 per P1 000 over P1 000 000
From P2 000 001 to P3 000 000	P1500	P0,75 per P1 000 over P2 000 000
From P3 000 001 to P4 000 000	P1750	P0,50 per P1 000 over P3 000 000
From P4 000 001 to P5 000 000	P2000	P0,25 per P1 000 over P4 000 000
Over P5 000 000	P2250	P0,10 per P1 000 over P5 000 000

6.0 BROKERAGE, AGENCY, MANAGEMENT AND AUCTIONEERING FEES

6.1 Sale of Land and buildings

- Sole Agency: Minimum fee P3,000

Up to P1 000 000 – 5% of the sale value

Over P1 000 000 – 4% of the remainder

b) Multiple Agency – Minimum Fee P3,000

Up to P1 000 000 – 7.5% of the sale value

Over P1 000 000 – 5% of the remainder

6.2 Joint Agency – Fees to be split on 60%/40% basis

6.3 Mergers, Purchases and Acquisitions – Fees chargeable at 5% of the purchase price

6.4 Lettings – a fee of 8.33% of the annual rent which is the equivalent of one month's rent for all classes of property for leases less than three years and 12.5% of the annual rent for leases over three years.

6.5 Lease Renewals – 50% of letting fees.

6.6 Management - Registered professionals may charge

a) i) Residential 10% of Gross monthly rental

ii) Commercial 5% of Gross monthly rental

iii) Industrial 5% of Gross monthly rental

b) Lettings for managed properties - $\frac{2}{3}$ of basic letting fee

c) Lease renewals - $\frac{1}{3}$ of basic letting fee or 5% of the monthly rent whichever is the lesser.

6.7 Project Management

A fee of 4% of the development cost may be levied.

6.8 Auctioneering – Registered professionals may charge as follows:-

i) Chattels at 15% of sale price, and

ii) Immovable Property at 7.5% of sale price.

7.0 OTHER CHARGES

7.1 Registered professionals may charge as follows:

i) Feasibility Studies or Search for Funding – 1% of the funds secured

ii) Building inspections – P350 per site visit including the inspection report

8.0 FEES FOR ATTENDING COURT, ARBITRATION OR OTHER PROCEEDINGS, ENQUIRIES OR MEETINGS TO GIVE EVIDENCE OR FOR CONSULTATIONS AND WHEN APPOINTED AS A MEMBER OF ANY SUCH COURT

OR PROCEEDINGS.

8.1 The time charge schedule set out in paragraph 2.1 shall apply for fees under this paragraph

8.2 In the event of such attendance at courts, arbitrations or other proceedings, enquiries or meetings being postponed or cancelled on account of the client or settled by mutual consent or by legal process at any time during any day, fees for a minimum of eight hours should be charged for that day, even if no hearing is attended.

9.0 FEES FOR ACTING AS AN ARBITRATOR, MEDIATOR, MEMBER OF A TRIBUNAL OR ASSESSOR IN COURT PROCEEDINGS

9.1 Registered professionals may charge a minimum fee of P3 500 per day, when acting as an arbitrator, mediator and/or member of a revision court/board, land/rent tribunal, valuation court/board for rating purposes or as an assessor in any court/board proceedings.

9.2 In addition to the remuneration set out above, the following services may be charged based on one and a half times the hourly rate in terms of 2.1:

- 9.2.1 Attendance at preliminary hearings
- 9.2.2 Inspections *in loco*
- 9.2.3 Perusal of documentation and attendance thereon
- 9.2.4 Preparation for hearings, and
- 9.2.5 Preparing and presenting the awards.

9.3 In the event of a registered professional accepting any of the foregoing appointments at a venue other than in his usual residential or business area, he may charge the necessary traveling and accommodation expenses in terms of 10.0.

9.4 In the event of any arbitration hearing, mediation, revision court/board, land/rent tribunal, valuation court/board, or other relevant hearing being postponed, cancelled, settled by mutual consent or legal process at any time during any day, the following minimum fees may be charged:

- 9.4.1 Within 7 working days of the day set down for the hearing - 4 hours
- 9.4.2 Within 3-6 working days of the day set down for the hearing - 8 hours; and
- 9.4.3 Within 1-2 working days of the day set down for the hearing – P3 500

9.5 When fees dealing with valuation courts/boards, land/rent tribunals, or committees are laid down by statute, then registered professionals may accept such fees.

- Any costs incurred by registered professionals for the hiring of venues for hearings, secretarial and recording services and other related costs may be charged in addition to the foregoing.

10.0 ALLOWANCES

10.1 Transport allowance may be claimed for service rendered at a place other than the place of business of a

registered professional:

10.1.1 When own transport is used – adopt current Botswana Government rates

10.1.2 When public transport is used – the actual cost

10.1.3 When conveyance is hired – the actual cost.

10.2 Where, in the course of one journey, professional work is performed on the instruction of two or more client, the transport allowance claimed in respect of that journey should be recovered *pro rata* from the clients concerned.

10.3 No transport allowance should be claimed when the client provides suitable and safe transport; provided that where transport which is uninsured in respect of third party risk is offered, the registered professional need not accept such conveyance but shall be free to proceed as if no transport facilities have been offered.

10.4 Hotel expenses, meals, and refreshments at shall be at cost.

11.0 DISBURSEMENTS AND COSTS

Disbursements and costs incurred by registered professionals may be charged as follows:

11.1 Purchase and preparation of plans and drawings – at cost

11.2 Obtaining external expert advice and assistance – at cost

11.3 Typing and secretarial fees – at 15% of the applicable time charge set out in 2.0

11.4 Postage, telephone calls, photocopies, photographs and other incidentals – at cost

11.5 All other necessary expenses not specifically listed – at cost.

12.0 INTEREST ON OVERDUE ACCOUNTS

Interest on overdue accounts at a rate of 3% above prime bank lending rates, on the balance.

13.0 CONSULTATION

A fee at an hourly rate for consultation when consulted in a professional capacity either in person, by telephone or in writing, when such consultation does not lead to instructions for work.

14.0 INTERIM ACCOUNTS

Registered professionals may submit interim accounts for progress payments during the course of an assignment.

15.0 DEPOSITS

Registered professionals may, at their discretion, require a client, or the representative of the client, to pay an agreed sum as deposit against payment of fees prior to commencement of an assignment.

