KNYSNA HUMAN SETTLEMENT PLAN

FINAL DRAFT
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I. CONTENTS

1 INTRODUCTION .......................................................................................................................... 1-10
   1.1 MANDATE AND RELATIONSHIP WITH THE IDP .............................................................. 1-10
   1.2 PROJECT BRIEF ....................................................................................................................... 1-11
   1.3 LEGISLATIVE CONTEXT ........................................................................................................... 1-14
       1.3.1 Spatial Planning and Land-Use Management Act (Act 16 of 2013) (SPLUMA) ............. 1-14
       1.3.2 National Development Plan (NDP), (2011) ..................................................................... 1-15
       1.3.3 National Spatial Development Perspective (NSDP), (2013) .......................................... 1-17
       1.3.4 Western Cape Provincial Spatial Development Framework (PSDF), (2013) ............... 1-18
       1.3.5 Draft WC Provincial Growth Potential Study (2013) ..................................................... 1-20
   1.4 SUMMARY OF LEGISLATIVE REVIEW: .................................................................................. 1-20

2 OVERVIEW OF KNYSNA MUNICIPAL AREA ........................................................................... 1-22
   2.1 STUDY AREA ......................................................................................................................... 1-22
   2.2 SOCIO-ECONOMIC ASSESSMENT ....................................................................................... 1-25
       2.2.1 Current Population and Projected Future Population ..................................................... 1-26
       2.2.2 Housing and Services Requirements Based on Population Growth ......................... 1-28
       2.2.3 Education Structure and Growth Rate ............................................................................. 1-29
       2.2.4 Employment Levels ......................................................................................................... 1-30
       2.2.5 Income Distribution ......................................................................................................... 1-34
   2.3 KEY ECONOMIC SECTORS .................................................................................................. 1-35
   2.4 INFRASTRUCTURE ............................................................................................................... 1-36
       2.4.1 ROAD TRANSPORT .......................................................................................................... 1-36
       2.4.2 BULK SERVICES - ELECTRICITY .................................................................................... 1-39
       2.4.3 BULK SERVICES - WATER AND WASTE WATER ....................................................... 1-39
   2.5 HOUSING NEED .................................................................................................................... 1-41
       2.5.1 Tenure ............................................................................................................................... 1-41
       2.5.2 Informal Settlement Profiles ............................................................................................ 1-41
       2.5.3 Current Housing Need ..................................................................................................... 1-45
       2.5.4 Projected Future Housing Need and Land Requirements ........................................... 1-49

3 SUMMARY OF CURRENT STATUS ......................................................................................... 1-51
   3.1 KNYSNA ............................................................................................................................... 1-52
   3.2 SEDGEFIELD ......................................................................................................................... 1-54
   3.3 RHEENENDAL ....................................................................................................................... 1-54
   3.4 KARATARA ............................................................................................................................ 1-55
   3.5 RURAL AREAS AND RURAL SETTLEMENTS ..................................................................... 1-56

4 VISION AND PRINCIPLES ................................................................................................. 1-58
   4.1 VISION ................................................................................................................................. 1-58
   4.2 HOUSING PRINCIPLES ......................................................................................................... 1-58
       4.2.1 Spatial Justice ...................................................................................................................... 1-58
       4.2.2 Spatial Sustainability and Resilience .................................................................................. 1-58
       4.2.3 Spatial Efficiency ............................................................................................................... 1-58
       4.2.4 Accessibility ...................................................................................................................... 1-59
       4.2.5 Quality and Liveability ..................................................................................................... 1-59
       4.2.6 Experiences and Choice .................................................................................................... 1-59
5. KNYSNA HUMAN SETTLEMENTS STRATEGY ......................................................... 1-60

5.1 HOUSING DELIVERY AND IMPLEMENTATION STRATEGY ................................ 1-60
5.1.1 Identifying and freeing up land within well located potential growth areas .................. 1-60
5.1.2 Create optimal neighbourhood structures .......................................................... 1-65
5.1.3 Densification ......................................................................................................... 1-72
5.1.4 Create a housing ladder ........................................................................................ 1-75
5.2 INFORMAL SETTLEMENT STRATEGY ................................................................. 1-77
5.3 BACKYARD DWELLERS STRATEGY ...................................................................... 1-78
5.3.1 Current situation in the Knysna Municipal Area .................................................... 1-79
5.3.2 Backyard Dwellers Strategy ................................................................................. 1-79
5.4 ALLOCATION POLICY ............................................................................................ 1-80

6. HOUSING PIPELINE: KNYSNA ............................................................................ 1-81

6.1 KNYSNA; APPROVED HOUSING PROJECTS ..................................................... 1-81
6.2 KNYSNA; PROPOSED HOUSING PROJECTS ...................................................... 1-82
6.2.1 Witlokasie ............................................................................................................. 1-82
6.2.2 Hornlee Lagoon View 1 and 2 .............................................................................. 1-83
6.2.3 Hornlee Densification .......................................................................................... 1-84
6.2.4 Knysna Northern Areas Densification .................................................................. 1-85
6.2.5 Heidevallei ............................................................................................................ 1-86
6.2.6 Windheuwel ......................................................................................................... 1-88
6.2.7 Kruisfontein ......................................................................................................... 1-89
6.2.8 Middle Income ..................................................................................................... 1-90
6.2.9 High Income ........................................................................................................ 1-90
6.3 KNYSNA PROPOSED AMENITIES ....................................................................... 1-91
6.3.1 Knysna Central Park ............................................................................................ 1-91
6.3.2 Knysna Multipurpose Learning Hub .................................................................... 1-92
6.3.3 Knysna CBD Transport Interchange ..................................................................... 1-93
6.3.4 Hornlee Revitalisation ........................................................................................ 1-94

7 HOUSING PIPELINE : SEDGEFIELD .................................................................. 1-96

7.1 SEDGEFIELD APPROVED HOUSING PROJECTS .............................................. 1-96
7.2 SEDGEFIELD PROPOSED HOUSING PROJECTS .............................................. 1-96
7.2.1 Sedgefield Remainder School Site ........................................................................ 1-96
7.2.2 Erf 1672, Sedgefield ............................................................................................ 1-98
7.2.3 Sedgefield FLISP and CRUs ................................................................................ 1-99
7.2.4 Brickyard Site ...................................................................................................... 1-100
7.2.5 Middle Income Housing ...................................................................................... 1-100
7.2.6 High Income Housing ........................................................................................ 1-100
7.3 SEDGEFIELD PROPOSED AMENITIES ............................................................... 1-101
7.3.1 Sedgefield Secondary School .............................................................................. 1-101

8 HOUSING PIPELINE : RHEENENDAL ................................................................. 1-103

8.1 RHEENENDAL APPROVED HOUSING PROJECTS ......................................... 1-103
8.2 RHEENENDAL PROPOSED HOUSING PROJECTS ........................................... 1-103
8.2.1 Rhenendal Infill Housing ..................................................................................... 1-103
8.2.2 Lapland ................................................................................................................ 1-104
8.2.3 Rhenendal Agricultural Node .............................................................................. 1-105
8.2.4 Middle Income Housing ...................................................................................... 1-107
8.2.5 High Income Housing ................................................................. 1-107
8.3 RHEENENDAL PROPOSED AMENITIES ........................................ 1-107

9 HOUSING PIPELINE : KARATARA ................................................. 1-109
9.1 KARATARA APPROVED HOUSING PROJECTS ................................ 1-109
9.2 KARATARA PROPOSED HOUSING PROJECTS ................................ 1-109
  9.2.1 Bosdorp .............................................................................. 1-109
  9.2.2 Karatara Agriculture Node .................................................. 1-110
  9.2.3 Middle and High Income Housing ........................................ 1-111
9.3 SOCIAL FACILITIES .................................................................. 1-111

10 SUMMARY OF HOUSING PROPOSALS .......................................... 1-112

11 IMPLEMENTATION STRATEGY ...................................................... 114
  11.1 COMPLEMENTARY ENGINEERING SERVICES ............................. 115
  11.2 THE SOURCE OF WATER ...................................................... 115
  11.3 THE SUPPLY OF POTABLE WATER TO USERS ............................ 116
  11.4 SANITATION ......................................................................... 117

12. MONITORING AND EVALUATION .................................................. 122

II. LIST OF PLANS

PLAN 1 – Local Context
PLAN 2 – Knysna Municipal SDF
PLAN 3 – Knysna Ownership
PLAN 4 – Knysna Densification
PLAN 5 – Knysna Housing Pipeline
PLAN 6 – Knysna Housing Strategy
PLAN 7 – Knysna SDF
PLAN 8 – Sedgefield Ownership
PLAN 9 – Sedgefield Densification
PLAN 10 – Sedgefield Housing Pipeline
PLAN 11 – Sedgefield Housing Strategy
PLAN 12 – Sedgefield SDF
PLAN 13 – Rheenendal Ownership
PLAN 14 – Rheenendal Densification
PLAN 15 – Rheenendal Housing Pipeline
PLAN 16 – Rheenendal Housing Strategy
PLAN 17 – Rheenendal SDF
PLAN 18 – Karatara Ownership
PLAN 19 – Karatara Densification
PLAN 20 – Karatara Housing Pipeline
PLAN 21 – Karatara Housing Strategy
PLAN 22 – Karatara SDF
III. LIST OF FIGURES

FIGURE 1: RELATIONSHIP OF THE HSP WITH THE IDP .............................................. 1-10
FIGURE 2: VISION AND MISSION OF THE IDP (P.139, KNYSNA MUNICIPALITY 2014-
2015 IDP REVIEW, 29 MAY 2014) .............................................................................. 1-11
FIGURE 3: WHAT IS THE HSP IN THE CONTEXT OF THE ISDF? ................................. 1-12
FIGURE 4: THE NSDP APPROACH ............................................................................. 1-17
FIGURE 5: KNYSNA MUNICIPALITY LOCAL CONTEXT ............................................. 1-23
FIGURE 6: GREATER KNYSNA TOWN ....................................................................... 1-26
FIGURE 7: POPULATION CHANGE IN KNYSNA BETWEEN 2001 AND 2011 .......... 1-28
FIGURE 8: SPATIAL DISTRIBUTION OF UNEMPLOYMENT WITHIN THE KMA........ 1-33
FIGURE 9: SPATIAL DISTRIBUTION OF INCOME WITHIN THE KMA ...................... 1-34
FIGURE 10: MAIN TAXI ROUTES FOR THE KMA ...................................................... 1-38
FIGURE 11: INFORMAL SETTLEMENTS IN KNYSNA TOWN (KNYSNA NORTHERN
AREAS) ...................................................................................................................... 1-42
FIGURE 12: INFORMAL SETTLEMENTS IN SEDGEFIELD .......................................... 1-44
FIGURE 13: INFORMAL SETTLEMENTS IN RHEENENDAL ....................................... 1-45
FIGURE 14: CURRENT SPATIAL REALITY: KNYSNA .............................................. 1-53
FIGURE 15: CURRENT SPATIAL REALITY: SEDGEFIELD ........................................ 1-54
FIGURE 16: CURRENT SPATIAL REALITY: RHEENENDAL ...................................... 1-55
FIGURE 17: CURRENT SPATIAL REALITY: KARATARA ........................................... 1-56
FIGURE 18: KNYSNA SUITABLE STATE-OWNED LAND WITHIN POTENTIAL GROWTH
AREAS ...................................................................................................................... 1-61
FIGURE 19: SEDGEFIELD SUITABLE LAND WITHIN POTENTIAL GROWTH AREAS 1-62
FIGURE 20: RHEENENDAL SUITABLE LAND WITHIN POTENTIAL GROWTH AREAS 1-63
FIGURE 21: KARATARA SUITABLE LAND WITHIN POTENTIAL GROWTH AREAS 1-64
FIGURE 23: SEDGEFIELD OPTIMAL NEIGHBOURHOOD STRUCTURE .................... 1-67
FIGURE 24: RHEENENDAL OPTIMAL NEIGHBOURHOOD STRUCTURES ............. 1-68
FIGURE 25: KARATARA OPTIMAL NEIGHBOURHOOD STRUCTURES .................... 1-69
FIGURE 26: AVERAGE DENSITIES WITHIN THE KNYSNA MUNICIPAL AREAS (KSDF,
2015) ...................................................................................................................... 1-73
IV. LIST OF TABLES

TABLE 2: SUMMARY OF SOCIO-ECONOMIC INFORMATION FOR KNYSNA LOCAL MUNICIPALITY (2011) .......................................................... 1-26
TABLE 3: POPULATION PROJECTIONS PER SETTLEMENT ........................................ 1-27
TABLE 4: HOUSING PROJECTIONS PER SETTLEMENT ........................................ 1-29
TABLE 5: BULK SERVICE CAPACITY .................................................................. 1-40
TABLE 6: NUMBER OF INFORMAL STRUCTURES IN INFORMAL SETTLEMENT AREA 1-42
TABLE 7: APPROVED NUMBER OF SERVICED SITES ........................................ 1-43
TABLE 8: HOUSING GAP (2011 & 2013) FOR DIFFERENT INCOME BRACKETS .... 1-46
TABLE 9: NUMBER OF APPLICANTS CURRENTLY REGISTERED ON THE WCDDDB 1-47
TABLE 10: THE ESTIMATED CALCULATED FUTURE HOUSING AND LAND REQUIREMENTS BASED ON THE CURRENT HOUSING WAITING LIST ........... 1-50
TABLE 11: MOVEMENT NETWORK CATEGORIES .............................................. 1-71
TABLE 12: NEIGHBOURHOOD STRUCTURE CATEGORIES .................................. 1-72
TABLE 13: AVERAGE BUILDING DENSITY PER SETTLEMENT ............................ 1-74
TABLE 14: AVERAGE BUILDING DENSITY PER SETTLEMENT ............................ 1-76
TABLE 15: NORTHERN AREAS, APPROVED SERVICES AND TOP STRUCTURES ... 1-81
TABLE 16: SUMMARY OF HOUSING PROPOSALS FOR THE KNYSNA MUNICIPAL AREAS FOR THE SHORT, MEDIUM AND LONG TERM .......................... 1-113
TABLE 17.A: PHASED BUDGET REQUIREMENT FOR WATER AND SANITATION BULK SUPPLY INFRASTRUCTURE .................................................. 118
TABLE 17.B: CAPITAL EXPENDITURE REQUIRED TO SECURE A SUFFICIENT SOURCE OF WATER ........................................................................... 118
TABLE 17.C: CAPITAL EXPENDITURE REQUIRED TO SUPPLY POTABLE WATER (118
TABLE 17.D: CAPITAL EXPENDITURE REQUIRED TO SUPPLY AN EFFICIENT AND EFFECTIVE SANITATION SYSTEM .................................................... 119
TABLE 18: NOTES TO WATER AND SANITATION INFRASTRUCTURE IMPLEMENTATION STRATEGY ............................................................................. 121
V. ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNG</td>
<td>Breaking New Ground</td>
</tr>
<tr>
<td>CRU</td>
<td>Community Rental Units</td>
</tr>
<tr>
<td>DEA&amp;DP</td>
<td>Department of Environmental Affairs &amp; Development Planning</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>EDM</td>
<td>Eden District Municipality</td>
</tr>
<tr>
<td>EDS</td>
<td>Economic Development Strategy</td>
</tr>
<tr>
<td>EMF</td>
<td>Environmental Management Framework</td>
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<tr>
<td>FLISP</td>
<td>Finance Linked Individual Subsidy Programme</td>
</tr>
<tr>
<td>GDP-R</td>
<td>Gross Domestic Product-Region</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
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<tr>
<td>IHSP</td>
<td>Integrated Human Settlement Plan</td>
</tr>
<tr>
<td>ISDF</td>
<td>Integrated Strategic Development Framework</td>
</tr>
<tr>
<td>KLM</td>
<td>Knysna Local Municipality</td>
</tr>
<tr>
<td>KMA</td>
<td>Knysna Municipal Area</td>
</tr>
<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NDPG</td>
<td>Neighbourhood Development Plan Grant</td>
</tr>
<tr>
<td>NMT</td>
<td>Non-Motorised Transport</td>
</tr>
<tr>
<td>PSDF</td>
<td>Provincial Spatial Development Framework</td>
</tr>
<tr>
<td>SDF</td>
<td>Spatial Development Framework</td>
</tr>
<tr>
<td>SEA</td>
<td>Strategic Environmental Assessment</td>
</tr>
<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>SPC</td>
<td>Spatial Planning Category</td>
</tr>
</tbody>
</table>
VI. ANNEXURES

Annexure A: Glossary of Key Terms
Annexure B: Legislative and Policy Review
Annexure C: Allocation Policy
1 INTRODUCTION

1.1 MANDATE AND RELATIONSHIP WITH THE IDP

In terms of the Municipal Systems Act 2000 (Act 32 of 2000), every local municipality must prepare its own Integrated Development Plan (IDP) to guide development planning and management for the next five-year period. As the IDP is a legislative requirement, it has a legal status and therefore supersedes all other plans that guide development at local government level.

![Diagram of IDP and its components]

**FIGURE 1: RELATIONSHIP OF THE HSP WITH THE IDP**

The IDP includes various sector plans, of which the Human Settlement Plan (HSP) is one. The Knysna Human Settlement Plan is therefore a core component of the Knysna IDP. Whereas the IDP is the overall strategic development plan to guide decision making, budgeting and development in the municipality, the HSP informs the IDP of the current and future housing need and identifies strategies of how this should be addressed, in terms of timeframe (when the projects should happen), space (where housing developments should be focused) and budget (the cost involved and timeframe).

The proposals made in this HSP support and assist in achieving the objectives, priorities and strategies of the IDP with the ultimate goal of fulfilling the Vision and Mission of the Knysna Municipality as defined in Figure 2 below:
1.2 PROJECT BRIEF

One of the shortcomings of municipal sector plans, in general, is the lack of integration between the various sector plans and a combined long-term vision that is derived from these sector plans. The Knysna Municipality has therefore decided to develop an Integrated Strategic Development Framework (ISDF), which will be the overarching strategic document that informs the 30-year focus of its component sector plans. The ISDF provides the strategic direction to all the plans, and in return the sector plans (such as the HSP) provide specialist information that, once interpreted with a strategic focus, is used to formulate the ISDF. This HSP, which is the review of the current HSP (2008), forms the housing component of the ISDF.

The diagram below attempts to clarify the relationship between the HSP, ISDF and other sector plans prepared as part of the ISDF planning process. The diagram shows the transfer of knowledge and information between the plans that is necessary to ensure that the documents are integrated and aligned.

The Spatial Development Framework (SDF) is the spatial representation of all the plans, including the ISDF and the HSP. The sector plans benefit from spatial feedback from the SDF, which allows them to formulate proposals and policies that function on a spatial level.
With the above structure as reference, The Knysna Creative Heads Consortium was appointed by the Knysna Municipality to prepare the ISDF, including the Knysna HSP. The objectives of the HSP, as set out in the Terms of Reverence of Tender Document T03213, are as follows:

i. To develop a holistic approach towards housing development inclusive of the municipality’s in situ upgrading plans;
ii. To develop a comprehensive strategy for the transfer of existing rental stock as well as a proposal for the development of innovative rental options;
iii. To develop a strategy for the provision of Breaking New Ground (BNG) and entry-level bonded housing products as well as all other housing opportunities;
iv. To develop a strategy for housing-project linked homes and other forms of housing provision considered appropriate to address the housing needs of the communities in the Knysna Municipality;

VII. To develop a strategy for densification and alternative development methods;

VIII. To align the bulk infrastructure (water, sewerage and electricity) with the Integrated Human Settlement Strategy;

IX. To incorporate effective participation from public sector, government departments, municipal officials, organised interest groups, ward committees and other community representatives;

X. And most important, to ensure the integration of the HSP with all other sector plans, including the SDF, EDS and the SEA.

This HSP document will be presented to Council for their approval and once it is approved it will replace the 2008 Knysna HSP. There have been quite a number of significant changes in the housing environment since the approval of the previous HSP in 2008, which now need to be taken into consideration. The following are the main changes in the housing environment since the preparation and approval of the previous HSP:

i. The previous HSP was prepared in a buoyant property market. The 2008 global financial crisis fundamentally changed the economic context, and the resultant depressed market conditions still prevail and are forecast by the Reserve Bank to endure.

ii. New legislation which will have an effect on housing provision, including the Spatial Land Use Management Act (Act No. 16 of 2013), which was signed into law but not yet brought into effect, and the gazetted Western Cape Land Use Planning Act (Act 3 of 2014), which is scheduled to be enacted in 2014.

iii. New policies and frameworks which will have an effect on the provision of and planning for housing, including the National Development Plan (NDP), 2011, the National Spatial Development Perspective, 2013, Draft Western Cape Provincial Growth Potential Study, 2013 and the recently approved Western Cape Provincial Spatial Development Framework (PSDF 2014);

iv. The release of the 2011 Census data which forms the basis for the socio-economic aspects;

v. Updated information of the Knysna Housing Waiting List.
1.3 LEGISLATIVE CONTEXT

As part of the HSP, a detailed legislative and policy review was conducted of all current and applicable national, provincial, district and municipal legislation, policies and frameworks which have an impact on and/or guide housing proposals made in this document. This review identified all the key proposals in each of the legislation and policy documents which should be considered and adhered to when making housing proposals for the Knysna Municipal Area. Set out below are the most recent legislation and policies, which have been in effect since the previous HSP (2008) was established, and a brief summary of the applicability of the proposals made in these documents to the KMA and its housing proposals. Please refer to Annexure A for a detailed breakdown of all the other documents reviewed.

1.3.1 Spatial Planning and Land-Use Management Act (Act 16 of 2013) (SPLUMA)

One of the main objectives of this act is to provide a framework for spatial planning and land-use management to address past spatial and regulatory imbalances. The act sets out the following five main development principles applicable to spatial planning, land-use management and land development:

1. **Spatial justice** (improved access to and use of land with an emphasis on informal settlements and disadvantaged communities);
2. **Spatial sustainability** (protection of prime and unique agricultural land, development in locations that are sustainable, limitation of urban sprawl and creation of viable communities);
3. **Efficiency** (optimising the use of existing resources and infrastructure)
4. **Spatial resilience** (allowing for flexibility in spatial plans)
5. **Good administration.**

What this means for the KMA:

Over the last few years, from 2007 to 2012, the focus of the KMA has been on the upgrading of informal settlements, rightly so if one considers that the Socio-Economic Survey for the Eden District Municipality (2006) indicated that almost 50% of the housing stock in the Northern Loop areas of Knysna was (at that stage) informal housing. Though a lot has been done since 2006, there are still approximately 4178 informal dwellings (as per the findings of the Social Economic Survey and Analysis: Knysna Northern Suburbs Report, 2014) in the KMA. Some of the informal settlements lie in areas where environmental constraints, geological conditions and the availability of land make it increasingly difficult to comply with the SPLUMA development principles. Any vacant land (i.e. Heidevallei) which is centrally located is therefore considered extremely valuable and should be
carefully assessed to ensure that proposals made comply with the five main development principles of SPLUMA.

Spatial implications of SPLUMA for Knysna include:
- Locating new development for the poor places that are accessible to municipal services, facilities and amenities;
- Protecting prime agricultural land
- Limiting urban sprawl
- Creating viable communities through accessibility and provision of social infrastructure and amenities.

1.3.2 National Development Plan (NDP), (2011)

The two key objectives of the NDP are to eliminate income poverty and reduce inequality by 2030. According to the NDP, the main challenges to national development include unemployment, inadequate infrastructure, exclusive spatial patterns, resource-consumptive economy, poor quality of education, disease and poor services, poor quality of public service and corruption. The proposed responses to these challenges are:

- Create jobs and livelihoods
- Expand infrastructure
- Transform urban and rural spaces
- Transition to a low-carbon economy
- Improve education and training
- Provide quality healthcare
- Build a capable state
- Fight corruption and increase accountability
- Nation building

Of particular relevance to the Knysna Municipal Area are the NDP’s spatial priorities for building the required national capabilities. These are:

1. Urban and Rural Transformation

The NPC proposes a national focus on spatial transformation, given the enormous costs imposed by existing spatial divides. It recognises that achieving this is a complex, long-term process. The NDP’s human settlement targets are: more people living closer to their places of work; better quality public transport; and more jobs in proximity to townships. To achieve these targets, it advocates strong measures to prevent further development of housing in marginal places, increased urban densities to
support public transport, incentivising economic activity in and adjacent to townships; and engaging the private sector in the GAP Housing market. The NDP also targets the development of a more inclusive and integrated rural economy. Its rural strategy is based on land reform, agrarian transformation, livelihood and employment creation, and strong environmental safeguards.

2. Improving Infrastructure
The NDP identifies infrastructure as essential for development and prioritises: upgrading informal settlements on suitably located land; rolling out public transport systems; improving freight logistics; augmenting water supplies; diversifying the energy mix towards gas (i.e. imported liquid natural gas and finding domestic gas reserves) and renewables; and rolling out broadband access.

3. Building Environmental Sustainability and Resilience
“South Africa’s primary approach to adapting to the impact of climate change is to strengthen the nation’s resilience. This involves decreasing poverty and inequality, increasing levels of education, improving healthcare, creating employment, promoting skills development and enhancing the integrity of ecosystems” [NDP 2011, p180]. The long-term strategy is to move towards a low-carbon economy.

What this means for the KMA:

For the KMA to achieve urban and rural transformation the focus of the spatial priorities should be:

- Densification;
- Improved access to services and public transport, and
- Job creation in areas with greatest need, to name but a few.

It is also important that the provision of services and housing should not be a response to already established informal areas, but should still consider and assess the sustainability of the provision of these services.

In practice, this would mean that where informal settlements are established in areas not suitable for development, e.g. floodplains, sensitive environmental areas, areas where development would result in urban sprawl, the people within these settlements should be re-established in areas suitable for development. This seems to be one of the biggest challenges in Knysna.
1.3.3 National Spatial Development Perspective (NSDP), (2013)

The NSDP is a government policy that recognises the importance of the space economy in addressing the legacy of Apartheid and poverty, and provides principles for guiding the space economy as follows:

- All people have a right to basic services (wherever they reside);
- Fixed investment should be directed to areas with economic and employment growth potential;
- Social inequalities should be addressed through investment in people rather than places;
- Future settlement and development opportunities should be channelled to nodes and corridors related to major growth centres.

**FIGURE 4: THE NSDP APPROACH**

What this means for the KMA:

It is important to stimulate and create employment opportunities in the KMA. The focus should not only be to create opportunities for the unskilled market (where the need seems to be the highest), but also to utilise and keep skilled expertise and experience in the area. People tend to move to areas of greatest opportunity, especially when they have skills. It is important to provide opportunities for these
people to keep their expertise and also spending power/income in the KMA, which will in turn help to stimulate the economy.

People in areas with low or no growth potential will move to areas of higher economic growth potential and therefore investment in infrastructure in these low growth potential areas will have been wasted. It is more beneficial to invest in people, who can take their skills with them, rather than infrastructure. Alternatively, the people may improve their current living conditions and standards in areas of low growth potential which may eventually result in the improvement of the area’s economic potential. According to the NSDP, development potential tends to be greatest along linear corridors or axes. The SDF should identify linear corridors in the KMA where development should be supported and stimulated.

Please refer to Section 1.3.5 below for the classification of towns within the municipal area as per the Western Cape Provincial Growth Potential Study.

1.3.4 Western Cape Provincial Spatial Development Framework (PSDF), (2013)

The purpose of the Western PSDF is to:

- Give a spatial expression of the Provincial Strategic Plan;
- Guide municipal IDPs and SDFs. Help prioritise and align investment and infrastructure plans of other provincial departments, as well as national departments’ and parastatals’ plans and programmes in the province;
- Increase predictability in the development environment, for example by establishing “no go”, “maybe” and “go” areas for development;
- Redress the spatial legacy of Apartheid.

The PSDF is also based on the SPLUMA principles, and further states that the provincial spatial agenda needs to focus on growing the economy, building greater environmental resilience and much better inclusion by the following. The logic underpinning this agenda is to:

1. **CAPITALISE** and build on the Western Cape’s comparative strengths (e.g. gateway status, knowledge economy, lifestyle offering) and leverage the sustainable use of its unique spatial assets.
2. **CONSOLIDATE** existing and emerging regional economic nodes as they offer the best prospects to generate jobs and stimulate innovation.

3. **CONNECT** urban and rural markets and consumers, fragmented settlements and (i.e. freight logistics, public transport, broadband, priority climate change, ecological corridors, etc.)

4. **CLUSTER** economic infrastructure and facilities along public transport routes (to maximise the coverage of these public investments) and respond to unique regional identities within the Western Cape.

The draft PSDF includes various studies to establish the economic and fiscal cost of inefficient land-use patterns, which conclude that urban sprawl leads to vast increases in transport cost, cost of carbon emissions, and increased costs in housing subsidy funding and municipal operation.

**What this means for the KMA:**

On a provincial level, the Knysna Municipality has been identified as an area for:

- Agri-Industrial Investment
- Eastern Tourism Gateway

Hence the SDF has to strive to support the tourism and agricultural sector.

Key principles for Knysna to follow as a result of the PSDF include:

- Protect the municipal area’s sense of place by avoiding inappropriate development.
- Avoid inappropriate development in rural villages and hamlets in order to retain their sense of scale and rootedness.
- Align land-use planning with transport planning at all scales and move towards transit-orientated development offering optimal levels of pedestrian and public transport accessibility and safety, while also reinforcing urban street hierarchies through transport connectivity and diversity.
- Shift towards more compact, mixed-use settlements, where it is easy to get around on foot, bicycle, or by vehicle.
- Clarify the economic role and function of towns within a municipality or region to establish a clear settlement hierarchy to guide investment and planning decisions.
- Shift from a uniform model of “housing delivery” to support for delivering housing opportunities and sustainable communities. Proactive responses to the realities of informal housing must ensure that settlements are made as accessible, safe and
liveable as possible. This includes finding constructive and sustainable solutions to informal settlements, the risks associated with backyard dwellers and new migrants.

### 1.3.5 Draft WC Provincial Growth Potential Study (2013)

The NSDF suggests that each province determines the potential for economic growth and human need in towns in the province. Where potential for economic growth is found, infrastructure investment is required and where human need is great but economic potential low, social investment in enabling people to participate in alternative labour markets is essential. This study classifies towns within the Western Cape in terms of their development potential and social needs to guide future government investment in these towns (also see NSDF above).

**What this means for the KMA:**

According to this study, the towns within the KMA have been classified as follows:

- Knysna (tourism settlement): High development potential, medium social needs;
- Brenton-on-Sea (tourism settlement): High development potential, very low social needs;
- Buffalo Bay (tourism settlement): Medium development potential, low social needs;
- Sedgefield (residential/tourism settlement): Medium development potential, low social needs;
- Rheenendal (residential settlement): Medium development potential, high social needs.
- Karatara has not been included in this study but from other studies undertaken, it is clear that this settlement has high social needs and limited development potential.

### 1.4 SUMMARY OF LEGISLATIVE REVIEW:

The main issues to address in order for the Knysna HSP to be in line with all national and provincial legislation and policies can be summarised as follows:

- Development, including housing and associated infrastructure, should stimulate and support economic growth;
- Integration of land uses;
- Socio-economic integration;
- Sustainability – compact settlements created through densification;
- Improved access to services and employment opportunities;
- Focus on creating sustainable human settlement rather than on the provision of housing/infrastructure;
- Investment to be directed to areas with economic and employment growth potential;
- Settlement and development opportunities to be channelled to nodes and corridors related to major growth centres;
- Development in rural and urban areas in support of each other;
- Supporting the implementation of a non-motorised transport system.
2 OVERVIEW OF KNYSNA MUNICIPAL AREA

2.1 STUDY AREA

The Knysna Municipality falls within the Western Cape Province, in the Eden District Municipality, between the George and Bitou Municipal Areas. The Knysna Municipal Area (KMA) covers a total surface of 1 059 km² and stretches from Swartvlei in Sedgefield in the west to Harkerville in the east. The municipal area is bordered by the Outeniqua Mountains in the north and the Indian Ocean in the south. The national road, the N2, runs in an east-west direction through the southern part of the municipality, connecting the KMA to George in the west and Plettenberg Bay in the east. The Uniondale road, the R339, is the only road that provides a north-south connection, which is considered to be a poor link between the KMA and the areas north of the municipal area.

The municipal area, which is divided into 10 local wards, includes the settlements of Knysna, Sedgefield, Brenton, Belvedere, Rheenendal, Karatara, Knoetzie and Buffalo Bay. These settlements within the KMA are connected via the N2, which forms the east west connection between Sedgefield and Knysna. Rheenendal is situated approximately 22km north-west of Knysna along the Rheenendal road and 31km north-east of Sedgefield. The closest settlement to Karatara is Rheenendal, which is situated approximately 17km towards the east. Although branch offices exist in the surrounding areas, the main municipal activities take place in Knysna. For the purposes of this document, reference to Knysna will include Brenton, Belvedere, Buffalo Bay and Knoetzie. Please refer to Plan 1 for the Local Context Plan.
The main settlements within the municipality are classified by the Western Cape Growth Potential Study (2013 (WCGPS) and the PSDF (2013) as follows:

<table>
<thead>
<tr>
<th>Town</th>
<th>WCGPS (2013)</th>
<th>PSDF (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Classification</td>
<td>Development Potential</td>
</tr>
<tr>
<td>Knysna</td>
<td>Tourism Settlement</td>
<td>High</td>
</tr>
<tr>
<td>Brenton-on-Sea</td>
<td>Tourism Settlement</td>
<td>High</td>
</tr>
<tr>
<td>Buffalo Bay</td>
<td>Tourism Settlement</td>
<td>High</td>
</tr>
<tr>
<td>Sedgefield</td>
<td>Residential/Tourism Settlement</td>
<td>Medium</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>Residential/Tourism Settlement</td>
<td>Medium</td>
</tr>
<tr>
<td>Karatara</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the NSDP, government investment should be targeted at settlements with high development potential, which in terms of the KMA means Knysna, and in areas with low economic growth potential, like Rheenendal and Karatara. The focus should be on investing in people, education and uplifting the communities to enable them to move to areas of higher economic potential.

Karatara has not been included in the WCGPS study, but from an analysis of the available date for the settlement, it can be concluded that this settlement has high social needs and limited development potential.

It is interesting to note that the draft PSDF classifies Rheenendal and Karatara as settlements without the required threshold to support permanent social facilities. Though the number of people living in these settlements might not justify a wide range of social facilities, it is argued that where social facilities are not provided, facilities should be easily accessible. In the past, accessibility has mostly been considered in terms of travel time in private vehicles. However, this measurement is not only environmentally unsustainable, as it is mostly dependent on access to private motor vehicles, but also reflects a denial of the reality that the majority of South Africans do not have private vehicles, may not always be able to afford public transport and thus have to spend significant time and energy walking to fulfil their needs. In the South African context, appropriate walking distance should always be used as a measure for accessibility. For the purposes of this document, 20 minutes or 1km will be regarded as an acceptable distance to walk (in urban settlements) and will be used as a basis for settlement design. As Karatara and Rheenendal are classified as rural settlements, the same walking-distance measure can obviously not be applied; however these communities should still have easy access to the basic social facilities. Please refer to Section 5 below for a detailed breakdown of the current and future needs for social facilities in each of the above-mentioned settlements.

Please refer to Section 5.1.1, pg. 82 of the Knysna Spatial Development Framework (KSDF) for a detailed description of each of the main settlements within the KMA. For purposes of the Human Settlement Plan, the findings of the KSDF and the socio-economic assessment (see Section 2.2 below) has been assessed to provide the core issues in terms of the current reality in each of these settlements. Please refer to Chapter 3 below for a summary of the current reality of the settlements within the KMA.
2.2   SOCIO-ECONOMIC ASSESSMENT

The following section is a summary of the findings of the Knysna Economic Development Strategy (KEDS) (dated December 2014). Please refer to the KEDS for a more detailed discussion on the socio-economic profile of the KMA.

Table 2 below illustrates a summary of the key socio-economic and demographic characteristics for the Knysna Local Municipality as well as for each settlement based on the 2011 census data.

<table>
<thead>
<tr>
<th></th>
<th>GREATER KNYSNA</th>
<th>KARATARA</th>
<th>KNYSNA NON-URBAN</th>
<th>RHEENENDAL</th>
<th>SEDGEFIELD</th>
<th>KNYSNA LOCAL MUNICIPALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>50 097</td>
<td>879</td>
<td>5 338</td>
<td>3 938</td>
<td>8 405</td>
<td>68 657</td>
</tr>
<tr>
<td>Population growth (2001 – 2011)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.5%</td>
</tr>
<tr>
<td>Age and Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 – 14 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>26.3%</td>
<td>22.3%</td>
<td>23.1%</td>
<td>30.5%</td>
<td>20.4%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Female</td>
<td>24.8%</td>
<td>22.1%</td>
<td>22.0%</td>
<td>30.2%</td>
<td>19.8%</td>
<td>24.3%</td>
</tr>
<tr>
<td>15 – 64 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67.2%</td>
<td>67.8%</td>
<td>66.0%</td>
<td>66.0%</td>
<td>63.7%</td>
<td>66.6%</td>
</tr>
<tr>
<td>Female</td>
<td>67.3%</td>
<td>66.4%</td>
<td>68.8%</td>
<td>65.5%</td>
<td>64.3%</td>
<td>66.9%</td>
</tr>
<tr>
<td>65+ years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6.4%</td>
<td>10.0%</td>
<td>10.9%</td>
<td>3.4%</td>
<td>15.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Female</td>
<td>7.9%</td>
<td>11.5%</td>
<td>9.2%</td>
<td>4.3%</td>
<td>15.9%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>43.4%</td>
<td>4.6%</td>
<td>10.2%</td>
<td>9.4%</td>
<td>24.7%</td>
<td>36.1%</td>
</tr>
<tr>
<td>Coloured</td>
<td>37.7%</td>
<td>54.9%</td>
<td>50.1%</td>
<td>90.2%</td>
<td>29.7%</td>
<td>40.9%</td>
</tr>
<tr>
<td>Indian or Asian</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>White</td>
<td>16.6%</td>
<td>39.8%</td>
<td>38.3%</td>
<td>0.0%</td>
<td>42.4%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Other</td>
<td>1.7%</td>
<td>0.7%</td>
<td>1.1%</td>
<td>0.4%</td>
<td>2.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Households</td>
<td>15 955</td>
<td>256</td>
<td>1 612</td>
<td>908</td>
<td>3 163</td>
<td>21 893</td>
</tr>
<tr>
<td>Average people per household</td>
<td>3.1</td>
<td>3.4</td>
<td>3.3</td>
<td>4.3</td>
<td>2.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Average household income</td>
<td>R 139 089</td>
<td>R 58 838</td>
<td>R 154 857</td>
<td>R 41 601</td>
<td>R 134 995</td>
<td>R 134 671</td>
</tr>
<tr>
<td>Educational attainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Schooling</td>
<td>2.7%</td>
<td>4.7%</td>
<td>3.9%</td>
<td>4.5%</td>
<td>1.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Some Primary</td>
<td>12.0%</td>
<td>18.2%</td>
<td>15.5%</td>
<td>30.9%</td>
<td>10.0%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Complete Primary</td>
<td>5.4%</td>
<td>10.6%</td>
<td>7.5%</td>
<td>8.2%</td>
<td>4.3%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>
Some Secondary | 37.2% | 48.4% | 29.5% | 40.6% | 31.7% | 36.1%
Matric        | 30.3% | 18.1% | 26.2% | 14.7% | 35.1% | 29.6%
Higher        | 12.4% | 0.0%  | 17.4% | 1.1%  | 17.0% | 12.7%

| Employment profile | Formal | 88.7% | 46.3% | 72.9% | 90.2% | 85.9% | 86.4%
|                   | Informal | 11.3% | 53.7% | 27.1% | 9.8%  | 14.1% | 13.6%
| Employment rate   | 72.2% | 100.0% | 94.1% | 68.9% | 84.4% | 75.3%
| Unemployment rate | 18.0% | 0.0%  | 3.5%  | 20.5% | 9.5%  | 15.8%

TABLE 2: SUMMARY OF SOCIO-ECONOMIC INFORMATION FOR KNYSNA LOCAL MUNICIPALITY (2011)

2.2.1 Current Population and Projected Future Population

From the projections made in the KEDS, it is estimated that Knysna’s population is likely to reach 86 439 by 2030, equating to an average annual population growth rate of 1.2% between 2011 and 2030. Based on this projection, the KMA has a current (2015) estimated population of 71 806 spread throughout the settlements and non-urban areas as follows:

- Greater Knysna Town: 52 395
- Sedgefield: 8 791
- Rheenendal: 4 119
- Karatara: 919
- Knysna non-urban: 5 583

Please see Figure 6 below for a breakdown of the areas which fall under Greater Knysna Town:
From the EDS, it is interesting to note that the majority of the KMA’s population (almost 73%) resides in Knysna Town and only approximately 8% of the total population lives in areas classified as non-urban. More than half of the Greater Knysna Town’s population is situated in the northern areas, with a total estimated population of 26 575 (just over 37% of the total KMA’s population) followed by Hornlee, with a total estimated population of 13 382. In Sedgefield, the area with the highest population is Smutsville, with a current estimated population of 4 596, which is more than half of the total population of Sedgefield.

Table 3 below provides a breakdown of this projected population figure, per settlement, between 2011 and 2030.

<table>
<thead>
<tr>
<th>SETTLEMENT</th>
<th>2011</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>PERCENTAGE SHARE OF GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Knysna</td>
<td>50 097</td>
<td>52 395</td>
<td>55 696</td>
<td>59 225</td>
<td>63 072</td>
<td>73.0%</td>
</tr>
<tr>
<td>Karatara</td>
<td>879</td>
<td>919</td>
<td>977</td>
<td>1 039</td>
<td>1 107</td>
<td>1.3%</td>
</tr>
<tr>
<td>Knysna Non-Urban</td>
<td>5 338</td>
<td>5 583</td>
<td>5 935</td>
<td>6 311</td>
<td>6 721</td>
<td>7.8%</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>3 938</td>
<td>4 119</td>
<td>4 378</td>
<td>4 656</td>
<td>4 958</td>
<td>5.7%</td>
</tr>
<tr>
<td>Sedgefield</td>
<td>8 405</td>
<td>8 791</td>
<td>9 344</td>
<td>9 937</td>
<td>10 582</td>
<td>12.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68 657</td>
<td>71 806</td>
<td>76 330</td>
<td>81 167</td>
<td>86 439</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 3: POPULATION PROJECTIONS PER SETTLEMENT** (CALCULATED AT A GROWTH RATE OF 1.2%)

Projected population, as illustrated in Table 3 above, and the growth and density figures, suggest that the majority (73.0%) of this increase in population will occur in Knysna, predominantly in eastern and north-western parts of the town. Sedgefield is forecasted to account for a further 12.2% of this increase, followed by the non-urban areas of the local municipality (7.8%).

As part of assessing future population growth, it is beneficial to assess where population growth has historically occurred. Figure 2 shows that population change between 2001 and 2011 has clearly been centred on the urban areas of the Knysna Municipal Area, particularly the towns of Knysna and Sedgefield. The greatest change in population within the town of Knysna has occurred in the eastern and north-western portion of the town. Figure 15 also suggests an urbanisation trend in this period, with rural parts of the municipality exhibiting negative population growth compared to the positive growth exhibited by urban centres. It is likely that this urbanisation trend, if there are no major interventions, will continue in the future. The spatial proposals made in Chapter 12 for Knysna, react to the anticipated population growth by proposing that developments (such as the Heidevallei and Hornlee proposals) should occur in the areas where development would benefit the most people.

---

1 The absence of comparable statistics for settlements in Knysna as well as the change in the demarcation of subplace boundaries (e.g. under the 2006 demarcation Karatara was included under Knysna Non-Urban) means that it is not possible to establish individual settlement growth patterns between 2001 and 2011. The analysis presented in this document therefore focuses on the application of municipal wide population growth figures and applies these rates to the population per settlement as obtained from the 2011 Census.
Although Karatara and Rheenendal are anticipated to have the lowest population growth for the next 16 years, the KISDF propose major interventions which could potentially alter the current projections. Part of the proposal is to create a considerable amount of agriculture-related employment opportunities in these two towns, which will attract more people. Please refer to these chapters for more information.

![Image](image.png)

**FIGURE 7: POPULATION CHANGE IN KNYSNA BETWEEN 2001 AND 2011**

### 2.2.2 Housing and Services Requirements Based on Population Growth

The demand for housing is integrally linked to the size of the population and therefore any increase in the Knysna Local Municipality’s population over the 2011 to 2030 period is likely to lead to a corresponding increase in the demand for housing. The impact of the above projected population growth on housing requirements can be summarised as follows:

- At a minimum, over the 2011 to 2030 period, the Knysna economy will need to create an estimated 15,012 jobs (an average of 790 jobs per year) in order to absorb the natural increase in the working-age population. Approximately 10,785 of these new jobs (71.8%) will have to be created within the town of Knysna, followed by Sedgefield (10.2%) and Rheenendal (8.5%). Future housing provision will therefore target these areas.

- According to the 2011 Census, there were approximately 68,657 people living in the Knysna Municipality accommodated in an estimated 21,893 residential units, equating to an average household size of 3.1. Using this average household size, and assuming that this figure remains constant over the period, it is estimated that, by 2030, the number of residential units...

---

2 It is important to note that between 2001 and 2011 the demarcation of municipal subplaces was changed. Quantec (2013) redistributed population figures from the 2001 Census using the new 2011 boundaries and it is these results that were used to develop Figure 2.2.
will have to increase by 25.9% to 27 568 units in order to accommodate the rising population. This means that between 2011 and 2030, 5 675 new residential housing units will have to be built at an average of 298 units per year. Please refer to Table 4 below for the projected number of housing units per settlement.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Knysna</td>
<td>15 955</td>
<td>16 689</td>
<td>17 741</td>
<td>18 865</td>
<td>20 090</td>
<td><strong>4 136</strong></td>
</tr>
<tr>
<td>Karatara</td>
<td>256</td>
<td>268</td>
<td>285</td>
<td>303</td>
<td>322</td>
<td><strong>66</strong></td>
</tr>
<tr>
<td>Knysna Non-Urban</td>
<td>1 612</td>
<td>1 686</td>
<td>1 792</td>
<td>1 906</td>
<td>2 030</td>
<td><strong>418</strong></td>
</tr>
<tr>
<td>Rheenendal</td>
<td>908</td>
<td>950</td>
<td>1 010</td>
<td>1 073</td>
<td>1 143</td>
<td><strong>235</strong></td>
</tr>
<tr>
<td>Sedgefield</td>
<td>3 163</td>
<td>3 308</td>
<td>3 517</td>
<td>3 739</td>
<td>3 982</td>
<td><strong>820</strong></td>
</tr>
<tr>
<td><strong>TOTAL housing units</strong></td>
<td><strong>21 893</strong></td>
<td><strong>22 901</strong></td>
<td><strong>24 344</strong></td>
<td><strong>25 887</strong></td>
<td><strong>27 568</strong></td>
<td><strong>5 675</strong></td>
</tr>
</tbody>
</table>

**TABLE 4: HOUSING PROJECTIONS PER SETTLEMENT (BASED ON 2011 CENSUS DATA)**

The increase in the number of residential units required to accommodate the growing population also has a direct bearing on municipal infrastructure. The introduction of an estimated average 298 residential units per year between 2011 and 2030 will lead to an increase in the demand for water and electricity, sewerage management and hard infrastructure like roads. These aspects are explored in greater detail in the Housing Pipeline Chapters of this document as well as the Implementation and Budget Chapters (please refer to Chapters 6 – 11).

It should be noted that these figures only consider the increase in housing need based on projected population growth and does not take the current housing need (or backlog) into consideration. To fully address the housing need, current housing need/backlog should be addressed while at the same time providing for the future anticipated need based on population growth. Please refer to Section 2.5 below for a more detailed interpretation of the housing figures as well as Chapters 6 - 9 for proposed ways to address the total housing need.

**2.2.3 Education Structure and Growth Rate**

The level of education provision within a particular location is one of the main determinants of an area’s ability to achieve long-term, positive economic growth. The provision of education alone, however, does not ensure that this growth will occur. Equally important is ensuring that this education provision is of sufficient quantity and quality to meet both the communities and the broader economy’s needs.

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Economic research also shows that there is a positive relationship between educational attainment and individual income, that is, higher educational levels tend to result in higher individual incomes. Higher incomes in turn drive greater consumption spending, which has a positive impact on an area’s overall economic growth. Increased access to education also improves the ability of low-income earners to access economic opportunities and thereby participate in the broader economy. In terms of housing, higher income levels would result in less pressure on the government to provide housing for those people with no, or less than R3 500, monthly household income. It is therefore important that one of the main considerations when determining the location of housing projects should be access to education.

Based on the findings of the KEDS, it is estimated that by 2030 there will be approximately 16 976 people eligible for primary and secondary education, of which 1 392 would be eligible for Grade R. This equates to between 5 (under the Draft national standard) and 7 (under the current Knysna average) new schools which have to be built by 2030 to cater for pupils between Grade R and Grade 12. Development proposals therefore need to ensure that enough land is made available to provide for the schools required. Please refer to the KSDF for town-specific proposals with regards to school sites as well as other social amenities which will be required to accommodate population growth over the next 16 years.

Given the absence of any major tertiary institutions within the Knysna Local Municipality, it is likely that there is a strong demand for such and an FET facility. In terms of postgraduate studies, it is likely that such a tertiary institution would attract students from outside of the municipality. Multi-Purpose Learning Hub.

### 2.2.4 Employment Levels

The labour force is defined as the actual number of people available for work and comprises both those that are employed and unemployed. The working-age population (15 to 64 years old) in contrast includes both the labour force and those individuals classified as “Not Economically Active”. As of 2011, the Knysna Local Municipality had a labour force of 26 742 and a working-age population of 41 973. In terms of the official definition, the unemployment rate in the municipality in 2011 was approximately 15.8%, with a further 36.2% of the working-age population being classified as “Not Economically Active”. This 36.2% would include those individuals classified as discouraged work seekers.

Based on the population forecasts presented in the previous sections, at a minimum, over the 2011 to 2030 period the Knysna economy will need to create an estimated 15 012 jobs (an average of 790 jobs per year) in order to absorb the natural increase in the working-age population.
The ability of the Knysna Municipal Area to create these 15 012 jobs between 2011 and 2030 would mean that the rate of unemployment would decline by 36.0% from 15.8% in 2011 to 10.1% in 2030. This target, however, is subject to the fact that no significant structural changes occur in the unemployment or not economically active environment (i.e. the closure of a large business that employs a significant number of people).

Should the KMA pursue a strategy whereby they seek to ensure that the relative percentages of employed, unemployed and not economically active remain unchanged between 2011 and 2030, the local economy would need to generate an estimated 8 408 jobs. This equates to approximately 442 jobs per year. It should be noted that in terms of this scenario, the municipality and the various settlements’ unemployment rates would remain at between 0% and 20.5%.

Under both scenarios the current (2011) underlying unemployment and not economically active population is not reduced.

The setting of an optimal level for unemployment and not economically active is exceptionally difficult. Conventionally economic theory suggests that the natural rate of unemployment is between 4% and 6% of the labour force. This figure, however, assumes that there are no discouraged workers or individuals unable to find work within the not economically active population.

**Figure 11** shows the spatial distribution of unemployment in the KMA. From this figure it is clear that the highest unemployment is in:

- Knysna Northern Areas
- Knysna Hornlee
- Rheenendal
- Sedgefield Smutsville / Sizamile

The spatial implications of the analysis of the KMA’s labour force can be summarised as follows:

- New employment opportunities should be created either within or closest to the areas with the highest unemployment rates.
- Employment opportunities should be easily accessible, within walking distance or by public transport.
- Land should be made available or set aside for employment-generating land uses in these areas and there should be adequate transport routes linking these areas of opportunity.
Housing provision should take the spatial implications into consideration by targeting housing projects in areas within close proximity or easy access to employment opportunities. As unemployment levels decrease, the pressure on the government to provide housing for the less fortunate would decrease.

Please refer to Section 5.1.2 for proposals on the neighbourhood structure for each settlement in the municipal area. Identification of the neighbourhood structure took into account the economic potential of the relevant nodes.
Figure 8: Spatial distribution of unemployment within the KMA.
2.2.5 Income Distribution

Figure 9 shows the income distribution for the Knysna Municipal Area.
The figure clearly indicates that the areas with the lowest income within the Knysna Municipal Area are:

- Rheenendal
- Karatara
- Knysna: Northern Areas
- Knysna: Hornlee

As can be expected, most of these areas are also the areas with the highest unemployment rates as discussed above. And the same strategy as discussed above applies, where new employment opportunities should be created either within or closest to the areas with the lowest incomes, to stimulate the economy.

### 2.3 KEY ECONOMIC SECTORS

The State of the Knysna Economy chapter in the Knysna Economic Development Strategy (October 2014) analysed the Knysna Local Municipality's economic environment. The aim of this process was to identify economic sectors that have historically driven the Knysna economy and sectors which have the capacity to drive the economy in the future. The following factors were identified relating to the key economic sectors within the KMA:

- **Construction**: The Knysna construction sector experienced a significant boom between 2001 and 2007, which drove the construction of a number of new developments, the majority of which were residential. The subsequent economic downturn significantly impacted on the sector and it is likely to exhibit slow growth over the short to medium term. It still, however, remains an important employer and has the ability to absorb low-skilled workers.

- **Wholesale and Retail Trade**: The performance of the wholesale and retail sector is strongly correlated with consumer consumption expenditure, which has been adversely impacted by the economic recession. The boom period pre-2008 led to an increase in the supply of retail space, a large portion of which is currently vacant. There however remains a need for retail space in certain locations (i.e. Belvidere) over the medium to long term.

- **Tourism**: The tourism industry is a key driver of the Knysna economy and is likely to remain so for the foreseeable future. The majority of tourist activities within the Knysna Local Municipality are linked to the natural environment (i.e. mountain biking, hiking etc.). This, along with the area’s unique festivals, provides the area with a competitive advantage over other areas. Care should therefore be taken that housing developments be done in such a way that it will not jeopardise the tourism industry.

- **Financial and Business Services**: This sector is closely linked to the construction sector through its architectural, engineering and town-planning services. An important component of
this sector is also the real-estate industry. Given this close link, the slowdown in the construction sector is likely to adversely affect this sector over the short to medium term.

- **Agriculture, Forestry and Fisheries:** The agricultural sector within the Knysna Local Municipality is comparatively small and has historically been driven by the forestry sub-sector. The collapse of the local forestry sector has led to the development of a timber cluster, which will seek to address this decline. Other opportunities in high-value niche crops are also being explored across the municipality.

- **Manufacturing:** Traditionally, manufacturing in the Knysna Local Municipality has been driven by the timber industry (i.e. sawmilling, furniture production etc.). The decline in the forestry sub-sector has resulted in the closure of a number of timber related businesses. This has seen a rise in the amount of vacant industrial space throughout the municipality. Although the timber cluster seeks to address this problem, industrial vacancy rates remain high.

- **Government and Community Services Sector:** Government and community services, although an important sector within the Knysna Local Municipality, are not considered a vehicle for future growth. Budgetary expenditure by entities within this sector, however, have the potential to inject significant funds into the local economy as well as facilitate future development.

### 2.4 INFRASTRUCTURE

Please refer to Section 10, p.231-272 of the KSDF Draft Status Quo, dated October 2014, for a detailed analysis of the infrastructure. Also please refer to Final Draft EDS, October 2014, for a discussion on the economic impacts associated with the infrastructure. The following section provides a brief summary of the findings of above-mentioned documents relating to infrastructure.

#### 2.4.1 ROAD TRANSPORT

The average condition of the surfaced roads in the KMA is rated poor (11%) to very good (55%). The unsurfaced roads are rated fair to good. Many roads in the informal settlements such as Dam-se-Bos, Edameni, Hlalani, Sizamile and Ethembeni are poor and relatively inaccessible, especially for medical and rescue services. The municipality has made provision for resealing, graveling and rehabilitation of roads in some of the more seriously affected areas, but these are greatly hampered by budgetary constraints.

The two most critical road networks within the municipality from an economic development perspective are:

- **N2**
As the principal route connecting the Knysna Local Municipality with major consumer markets (e.g. Cape Town, Port Elizabeth and George) the ongoing maintenance of the N2 is critical to the current and future economic development of the area. The continued importance of the route is highlighted by the fact that total road freight travelling along the N2 between Port Elizabeth and Cape Town is anticipated to increase over the next ten years.

- **MR355**
  Although currently not a highly trafficked route, the MR355 serves an important economic function as it connects consumers and employees in Karatara and Rheenendal with the town of Knysna. In addition, the MR355’s connection with the MR351, which permits vehicles from Karatara to access the N2 via Sedgefield, is likely to serve as an important road freight route once the planned Karatara hydroponics development occurs.

There are no public bus services, however there are currently three taxi associations based in the Knysna Local Municipality, running along five different routes (please refer to Figure 10 below). Collectively, these three taxi associations transport an estimated 6,714 people per day during weekdays and 5,231 people per day over the weekends. As highlighted in the infrastructure section of the ISDF Status Quo document, there are only taxi services to Rheenendal and not to Karatara. This means that Karatara does not have access to any form of public transport services.

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4 SOURCE: Knysna Local Municipality. 2012. UPDATE TO CHAPTERS 3, 6 AND 8 OF THE INTEGRATED TRANSPORT PLAN FOR KNYSNA LOCAL MUNICIPALITY.
FIGURE 10: MAIN TAXI ROUTES FOR THE KMA
2.4.2 BULK SERVICES - ELECTRICITY

Eskom is the sole electricity supplier in the Knysna Local Municipality, via means of six supply points. These supply points provide bulk electricity to the municipality at high (66 kV), medium (11 kV) and low (400/230 volt) voltage. In addition, Eskom also supplies certain pump stations as well as 600 low-cost houses in Rheenendal.

Recently Eskom experienced major difficulties in providing extra supply capacity at certain municipal bulk supply points due to capacity constraints in their 132 kV overhead line feeding the Knysna 132/66kV Substation. In addition to the worsening economic climate, this placed a significant damper on new developments in the area where the municipality had to place certain restrictions on the supply capacity to new developments, particularly in the Knysna area.

Eskom has now, however, completed a second 132kV overhead line feeder between their Schaapkop (at George) and Knysna substations. This makes available an extra 80 MVA to the area, which should eliminate any restrictions on new developments that utilise the Eskom network in the Knysna Local Municipality.

2.4.3 BULK SERVICES - WATER AND WASTE WATER

<table>
<thead>
<tr>
<th>INFRASTRUCTURE:</th>
<th>KNYSNA</th>
<th>SEDGEFIELD</th>
<th>RHEENENDAL</th>
<th>KARATARA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Source</td>
<td>80% from Knysna and Gouna Rivers, Glebe Dam, and Bigai Springs</td>
<td>57% from Karatara River and 42% from desalination plant and remainder from boreholes</td>
<td>Homtini River</td>
<td>Karatara River</td>
</tr>
<tr>
<td>Current Capacity</td>
<td>Y, but not during peak seasons and drought</td>
<td>Y, but not during drought</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Future Capacity</td>
<td>N - requires additional raw water source and storage dam</td>
<td>Y (if desalination plant is used)</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Water Treatment Works (WTW)</td>
<td>Knysna WWTW</td>
<td>Sedgefield WTW and desalination plant</td>
<td>Keurhoek WTW</td>
<td>Karatara WTW</td>
</tr>
<tr>
<td>Current Capacity</td>
<td>Y</td>
<td>Y</td>
<td>Y, 85%</td>
<td>Y, 85%</td>
</tr>
<tr>
<td>Future Capacity</td>
<td>N</td>
<td>N</td>
<td>Y, 15%</td>
<td>N</td>
</tr>
<tr>
<td>Water Storage/Reservoirs</td>
<td>3</td>
<td>2 (Rheenendal Res, Rheenendal Tower)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Current Capacity</td>
<td>N (Eastford Lower, Concordia, East Heuweilkrui Lower, Thessen Hill, Bongani, Dam-se-Bos, Old Place Low Level, Corlet Drive and The Heads)</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
Please refer to Table 4 above for a summary of the current bulk services capacity.

From the table above it is clear that the majority of the current bulk services in the Knysna Municipal Area are only sufficient to provide for the current need.

The Waste Water Treatment Works (WWTW) in Knysna is functioning at full capacity at approximately 11 ML/day. The housing projects (currently approved and in planning phase) in the Northern Areas will add approximately 3.72ML/day, the Hornlee densification proposal 2.5ML/day and the proposed Heidevallei intervention a further 4ML/day, which will require additional capacity of approximately 10.2ML/day. The capacity at the WWTW would therefore need to be increased before any of the above housing developments or any of the densification proposals can commence. The capacity can be increased by upgrading the existing WWTW, constructing a new WWTW or by using alternative solutions to waste treatment. There are proposals for constructing a new WWTW at Windheuwel to accommodate all existing and proposed developments in the Northern Areas in order to free up capacity at the existing plot on George Rex Drive.

The Water Treatment Works in Knysna is also functioning at full capacity and will not be able to accommodate further developments. 80% of the water in Knysna Town is from Knysna and Gouna Rivers, Glebe Dam, and Bigai Springs, which can accommodate the current need. The Akkerkloof
Dam 2 will provide water for the future needs; however, due to financial constraints the construction of the dam is being delayed.

In Sedgefield the current water requirements can be met (not during drought seasons) and it is considered that if the desalination plant is fully functional, there will be enough water to accommodate the current need and future developments. The WWTW is currently operating at full capacity and will not be able to accommodate any new developments.

In Karatara and Rheenendal, as they are small rural-type settlements, the bulk services were not designed for major developments and therefore any new major developments, like the proposals in Section x below, will required the upgrade of all bulk services to increase capacity. It is considered that there is enough ground water in Karatara to accommodate future developments.

It is clear from the above that any new major developments would require the upgrading of bulk services. It is proposed that services should follow strategy. Section x below will identify areas which are considered focus areas for housing developments, where services capacity should be upgraded as priority.

### 2.5 HOUSING NEED

#### 2.5.1 Tenure

The majority of houses in the higher and middle income groups are full title ownership, with a lower percentage rental options, thus there are different ownership options available for these income groups. However, within the lower income market, there are very few formal rental options, though it is expected that there is a strong informal rental market for backyard dwellers. Subsidised housing provides mainly for full title ownership.

#### 2.5.2 Informal Settlement Profiles

The following section on the informal settlement profiles are based on the Northern Areas Study (2014), the Western Cape Department of Human Settlements ‘shack count’ desktop analysis (2014) and information provided by the Knysna Municipality (October 2015). Please see Table 6 below for a breakdown of the number of informal structures per town.
An informal dwelling is defined as a privately built informal shelter that is constructed of any material whatsoever and which does not comply with the standards of the National Building Regulations. Hornlee is not an informal settlement, but the structures of the backyard dwellers in Hornlee are regarded as informal structures. A backyard dweller is regarded as an independent household living in an informal dwelling on a formal property that already has a main dwelling.

Please refer to Figures 11-13 below for the location of each of the informal settlements.
The northern areas of Knysna are characterized by very steep slopes (1:3 and steeper) which make development costly, especially subsidized housing developments where developments are funded by housing subsidies with limited budgets. The majority of informal structures are on municipal owned land however; there are already informal structures erected within the Eskom servitude and the N2-bypass servitude which is owned by Eskom and SANRAL.

According to the Northern Area Study (2014) there are currently 4 178 informal dwellings in the northern areas of which 1 309 are erected in formal areas (areas for which there are formal township layouts confirmed by a General Plan (GP) and 2 869 number of informal dwellings are erected in informal areas (areas without a GP). The informal dwellings in formal areas could either be back yard dwellers or informal dwellings on formal erven.

The municipality has recently received approvals (from the Western Cape Department of Human Settlements) for the upgrading of informal settlements to provide services to 1 191 erven within the suburbs of the Knysna Northern Areas. Please refer to table 7 below for details on the location of these upgrades. The Municipality has also applied for funding for top structures and are hoping to receive approval within the next year. If these top structure applications are approved, 1 191 dwelling units can be provided within the next 3 years through the UISP. This means that a total of 2 987 formal dwellings are needed to replace all informal structures in the northern areas. It is important to note that it is unlikely that all of the households currently living in informal structures will qualify for housing subsidies and the municipality would therefore not be able to eradicate all informal structures through subsidized housing developments.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Serviced Sites Approved</th>
<th>Housing Type</th>
<th>Earliest Year of Implementation (top structures)</th>
<th>Housing Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nekkies East (top structures approved)</td>
<td>104</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Dam-se-Bos South (top structures approved)</td>
<td>124</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Oupad (top structures approved)</td>
<td>81</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Happy Valley (awaiting approval for top structures)</td>
<td>120</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>Ethembeni (awaiting approval for top structures)</td>
<td>200</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>Hlalani (phase 1) (awaiting approval for top structures)</td>
<td>166</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>Edameni (awaiting approval for top structures)</td>
<td>25</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Bloemfontein (awaiting approval for top structures)</td>
<td>151</td>
<td>BNG</td>
<td>2017-2018</td>
<td>UISP</td>
</tr>
<tr>
<td>Xolweni (awaiting approval for top structures)</td>
<td>220</td>
<td>BNG</td>
<td>2017-2018</td>
<td>UISP</td>
</tr>
<tr>
<td>Total number of serviced sites approved</td>
<td>1 191</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TABLE 7: APPROVED NUMBER OF SERVICED SITES (KNYSNA MUNICIPALITY DEPARTMENT OF HUMAN SETTLEMENTS, SEPTEMBER 2015)
The main informal settlement areas in **Sedgefield** (please refer to figure 12 below) are Beverley Hills and Slangpark which are situated on sensitive and unstable dune areas. Specialist studies needs to be undertaken to determine which areas in Beverly Hills and Slangpark, if any, are suitable for housing development to determine the number of households which could possibly be accommodated in this area. It is anticipated that a number of families will have to be re-located to other areas suitable for housing development. Please refer to Chapters 6 to 9 for details on the housing proposals.

Onderste Gaaitjie is situated on an old dump site which is not considered suitable for housing development. As with Beverley Hills, specialist studies needs to be undertaken to determine the area suitable for housing development, if any, to determine the number of households which could be accommodated on this site.

The informal area in Rheenendal is situated on the western boundary of town and known as Die Plakkers with a few informal structures (possibly back yard dwellers) in Lapland.
It is important to note that the number of informal structures does not reflect the total number of dwelling units required to address the current housing need as, in many cases, more than one household share an informal structure. It is therefore motivated that the current housing need is much higher than the number of informal structures in each area, as is evident from the number of people registered on the Western Cape Housing Demand Data Base as disused in the following section.

2.5.3 Current Housing Need

2.5.3.1 Housing Need: Based on Affordability

Please refer to the Knysna HSP Status Quo, dated May 2014, for a more detailed discussion on the housing need. Set out below is a summary of the findings. In terms of the housing market in general, it seems that the high-income market segment has not yet recovered from the recession and the demand is still comparatively low with an oversupply of properties.

There is currently a high demand for housing for the middle-income market segment, entry-level/first-time homeowners, who can afford to buy property between R450 000 and R900 000. Entry-level property on the current market starts at ± R900 000 with average house prices ranging between R1.2 million and R2 million, thus unaffordable for the middle income market segment. It is therefore considered that there is a high need for the middle-income market.
According to the Household Affordability Gap Analysis (dated 2013) which was done by Urban Econ and included in the HSP Status Quo Document, it seems that, in 2013, there was a gap (a calculated demand) of approximately 1 271 houses in the affordable housing market, houses for those with a monthly income of between R3 501 and R20 000, who could afford properties between R194 500 and R300 487. Please refer to Table 8 below for a summary of the findings of the affordability study.

<table>
<thead>
<tr>
<th>Income Brackets (monthly household income)</th>
<th>Demand</th>
<th>Supply</th>
<th>Housing Gap (2011)</th>
<th>Housing Gap (2013)</th>
<th>Total (%)</th>
<th>*Housing Development Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 - R1 500</td>
<td>7 891</td>
<td>5 283</td>
<td>2 608</td>
<td>2 668</td>
<td>58,6%</td>
<td>Breaking New Ground</td>
</tr>
<tr>
<td>R1 501 - R3 500</td>
<td>3 723</td>
<td>3 119</td>
<td>604</td>
<td>618</td>
<td>13,6%</td>
<td>CRU and Social Housing</td>
</tr>
<tr>
<td>R3 501 - R 7 500</td>
<td>3 349</td>
<td>2 806</td>
<td>543</td>
<td>556</td>
<td>12,2%</td>
<td>Social Housing</td>
</tr>
<tr>
<td>R7 501 - R15 000</td>
<td>3 046</td>
<td>2 552</td>
<td>494</td>
<td>505</td>
<td>11,1%</td>
<td>Financial Linked Individual Subsidy Programme (FLSIP)</td>
</tr>
<tr>
<td>R15 001 - R20 000</td>
<td>1 264</td>
<td>1 059</td>
<td>205</td>
<td>210</td>
<td>4,6%</td>
<td>Open Market (no subsidy)</td>
</tr>
<tr>
<td>Total</td>
<td>19 273</td>
<td>14 819</td>
<td>4 454</td>
<td>4 557</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

TABLE 8: HOUSING GAP (2011 & 2013) FOR DIFFERENT INCOME BRACKETS

According to the table, there was an estimated housing gap (in 2013) for approximately 4 557 units affordable to those households earning below R20 000. The housing gap includes households who are currently renting, as it is the assumption that people would buy property if possible; however some of these households may be renting as part of a Social Housing programme.

The table proposes different housing development programmes to be used to target the identified gaps. Though BNG subsidy is available to qualifying beneficiaries earning a monthly household income of between R0 and R3 500, the PSDF motivates for higher densities and the prioritisation of the rental market for households with monthly incomes of between R1 500 and R7 500. It is therefore proposed to use CRU and Social Housing programmes for all the income groups where these programmes could be utilised. CRUs and Social Housing can be provided at much higher densities than the standard BNG units, which is normally a 40m² house on an erf of 100m². The FLSIP subsidy is in theory available to those households earning a monthly income of between R3 501 and R15 000. It is argued that in practice it is more likely that the higher end of this income bracket, from R7 500 to R15 000, would be able to qualify for a bond, which is a prerequisite of this housing programme and therefore the FLSIP housing programme is only proposed for those households with a monthly income of between R7 500 and R15 000.

There are no housing programmes available to those households earning above R15 000. Based on the affordability levels, the current number of households who would therefore require state
assistance to obtain access to housing equates to 4 347, of which the highest demand, approximately 59%, comes from those households earning between R0 and R1 500 per month.

The information above, in terms of establishing housing demand, differs quite considerably from the demand identified in terms of the Western Cape Housing Demand Database. It is however clear that the majority of households in the lower income groups will only be able to access formal housing if they receive state assistance through one of the state subsidy programmes. The affordability study should therefore be used as guidance as to which housing programmes should be used for the different income groups.

2.5.3.2 Housing Need: Based on the Western Cape Housing Demand Database

The recently updated Western Cape Housing Demand Database (WCHDDB) (October 2015) is used to determine the current housing need for the low-income market. It is important to note that the housing need for the lower income market cannot purely be based on the number of households registered on the housing waiting list, as some of the data, especially the data on monthly household income, might be out-dated. Another shortcoming of this information is that although people might be registered on the WCHDDB, they might have moved to another town or city and no longer require a house in the KMA. However, as there is no reliable information available on household income of the people registered on the housing waiting list and as the current residences of the people on the WCHDDB could not be verified, it has been decided that the number of applications currently registered on the WCHDDB is the current housing need (for the low-income market) in the KMA.

According to the PWCHDDB (extracted in September 2015) there is a current need for 9 748 state subsidised housing, broken down as follows:

<table>
<thead>
<tr>
<th>Town/Suburb</th>
<th>Total for KMA</th>
<th>Greater Knysna</th>
<th>Sedgefield</th>
<th>Rheenendal</th>
<th>Karatara</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awaiting</td>
<td>9 748</td>
<td>8 620</td>
<td>391</td>
<td>603</td>
<td>134</td>
</tr>
<tr>
<td>Age Classification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61+</td>
<td>548</td>
<td>505</td>
<td>14</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>41-60</td>
<td>3 302</td>
<td>2 928</td>
<td>110</td>
<td>212</td>
<td>52</td>
</tr>
<tr>
<td>31-40</td>
<td>3 085</td>
<td>2 649</td>
<td>154</td>
<td>242</td>
<td>40</td>
</tr>
<tr>
<td>≤30</td>
<td>1 317</td>
<td>1 086</td>
<td>106</td>
<td>100</td>
<td>25</td>
</tr>
<tr>
<td>No valid ID</td>
<td>1 496</td>
<td>1 452</td>
<td>7</td>
<td>37</td>
<td>None</td>
</tr>
<tr>
<td>Number dependants of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;2</td>
<td>7 492</td>
<td>6 604</td>
<td>315</td>
<td>448</td>
<td>125</td>
</tr>
<tr>
<td>3-5</td>
<td>1 367</td>
<td>1 132</td>
<td>73</td>
<td>154</td>
<td>8</td>
</tr>
<tr>
<td>5+</td>
<td>50</td>
<td>46</td>
<td>2</td>
<td>2</td>
<td>None</td>
</tr>
</tbody>
</table>

TABLE 9: NUMBER OF APPLICANTS CURRENTLY REGISTERED ON THE WCHDDB (EXTRACTED IN SEPTEMBER 2015)
The highest need for housing is in Knysna Town and according to the WCHDDB, there is a housing need for 5 692 houses in the Northern Areas and 2 145 in Hornlee.

It could be argued that not all of the people living within the informal areas in the KMA are registered on the waiting list, either because they do not qualify or they might have already received a subsidy, and it could therefore be argued that the number of applicants should be more than 9 748. One could also argue that the information on the waiting list is out-dated (the income of the applicants might have increased to above R 3 500, the applicants might have moved to other areas and do not require a house in the KMA, or applicants might have got married to someone who has received a subsidy) and the number should be less than 9 748. Due to the lack of more detailed information, the 9 748 will be regarded as the current housing need.

The majority of the people (34%) on the waiting list are between the ages of 41 and 60 years, followed by 32% between the ages of 31 and 40 years and 14% between the ages of 18 and 30 years. Thus, almost 50% of the applicants currently registered on the WCHDDB fall within the age bracket considered to be most employable. This age group, 18 to 40 years, is considered most likely to benefit from increased employment and the proposals made in the KEDS, with regards to reducing the unemployment rate and increasing the income levels through economic development, could potentially have a major effect on the number of households currently registered on the housing waiting list, especially if one considers the proposed job creation through niche agriculture initiatives for the Karatara and Rheenendal areas (please refer to Chapters 8 and 9 for more details). If the income levels of households increase to above a monthly household income of R 3 500, these households would no longer be reliant on fully-funded state-subsidised housing.

It is interesting to note that almost 15% of those registered on the housing waiting list do not have a valid ID document, which is a prerequisite for receiving a housing subsidy. This could account for non-RSA citizens and/or incorrect data capturing.

The majority of applicants on the waiting list have less than 2 dependants. This correlates with the SES&A study (2014) which found that approximately 55% of the people currently living in the Northern Areas are single with dependants. Subsidised housing typologies should respond to this by providing high-density units within close proximity to amenities and shared public facilities as well as being located close to employment opportunities or located on public transport routes.
2.5.4 Projected Future Housing Need and Land Requirements

The housing need based on the housing waiting list and the affordability analysis, both only consider the current housing need. The recently approved Spatial Planning and Land-Use Management Act (Act 16 of 2013) requires that all SDFs include five- (short-term), ten- (medium-term) and twenty-year (long-term) spatial visions, which includes spatial requirements for housing developments. The HSP, which is a five-year plan, also needs to consider the longer term impact of housing need and provision. Population growth, which will have a direct effect on the number of household, needs to be accounted for and needs to be considered.

If the average estimated population growth rate of 1.2%\(^5\) is applied to the current housing waiting list, it seems that the housing need for the lower income segment will increase with an additional 1 910 dwelling units by 2030. To determine the land requirement for the current and future housing need, we have used high densities (60units/ha) for the Greater Knysna area and Sedgefield and densities of 40units/ha for Rheenendal and Karatara (which have a more rural character). This equates to a land requirement of 169 ha to accommodate the current housing need and approximately an additional 33 ha land by 2030 to accommodate population growth.

Please note that the below-calculated land requirements only include land needed for subsidised housing. It does not include projected need for middle- and high-income housing or any social facilities which have to form part of any sustainable human settlement. Please refer to Section 5 of the KHSP Status Quo, dated May 2014, for a detailed analysis of the current and future need for social facilities (For ease of reference, this section of the Status Quo report has been extracted from the document and added here too, as Annexure B).

Please refer to Section 5.1.1 below for a detailed discussion and locality of all available municipal-owned land.

\(^5\) As calculated in the KEDS, November 2014
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Housing Need</td>
<td>Land Requirement (ha)</td>
<td>Housing Need</td>
<td>Land Requirement (ha)</td>
</tr>
<tr>
<td>Greater Knysna</td>
<td>8 620</td>
<td>143.7</td>
<td>9 150</td>
<td>152.5</td>
</tr>
<tr>
<td>Sedgefield</td>
<td>391</td>
<td>6.5</td>
<td>415</td>
<td>6.9</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>603</td>
<td>15.1</td>
<td>640</td>
<td>16.0</td>
</tr>
<tr>
<td>Karatara</td>
<td>134</td>
<td>3.4</td>
<td>142</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9 748</strong></td>
<td><strong>168.6</strong></td>
<td><strong>9 483</strong></td>
<td><strong>371.4</strong></td>
</tr>
</tbody>
</table>

**TABLE 10: THE ESTIMATED CALCULATED FUTURE HOUSING AND LAND REQUIREMENTS BASED ON THE CURRENT HOUSING WAITING LIST**

6 Required Land based on 60 units/ha for Greater Knysna and Sedgefield and 40 units/ha for Karatara and Rheenendal
3 SUMMARY OF CURRENT STATUS

The following section provides a summary of the current status of the KMA. The following core issues are identified as the current reality experienced within the KMA:

I. **High need for low-income housing and lack of well-located developable land:** There is a severe lack of developable land (please refer to Section 5.1.1.). Knysna and Sedgefield have little place for expansion due to topography and physical constraints and even if all the public and privately owned greenfield sites are used for subsidised-housing development, there would still be a shortfall of land (refer to Section 4 and below for more information). The land identified in Rheenendal for low-cost housing development falls within 500m of the existing cemetery, which according to new legislation is not suitable for residential development. Due to bad planning and politically motivated policy, urban sprawl is the result.

II. **Unachievable expectations from communities:** The majority of people reliant on government housing expect single free-standing housing units. This is unachievable as there is not enough strategically located publicly owned land available.

III. **Lack of different housing typologies for the low-income market:** The majority of subsidised housing developments in the KMA are single-storey, free-standing units.

IV. **Lack of affordable housing:** The public sector has been focusing on provision of housing for the low-income groups, while the private sector has been focusing on developments aimed at the higher income groups. There is a severe lack of affordable housing options available for households earning a monthly income of between R3 501 and R20 000.

V. **Badly structured inherited neighbourhoods:** There is no structure in the neighbourhoods to promote social well-being, encourage economic development and to sustain the environment.

VI. **Lack of service capacity:** There is a lack of bulk service capacities and internal reticulation capacities (to support new developments and/or densification).

VII. **Informal Settlements:** There is currently an estimated number of 5 251 informal structures in the KMA, of which an approximate 4 178 are situated within the Northern Areas in Knysna (draft Socio Economic Survey and Analysis: Knysna Northern Areas, 2014). The extent of the number of informal settlements provides a clear indication that the municipality has been unable to make provision for the necessary land, services and housing to be set aside at the scale required to prevent the development of such areas.

VIII. **Extent of Housing Delivery Requirement:** It is estimated that the projected housing need for subsidised houses in 2030 will rise to 9 483. The municipality’s ability to provide housing, which based on the housing provision over the last 4 years, is considered to be very good, but the
lack of available municipal-owned land and the lack of bulk service capacity could possibly delay future housing projects.

IX. **Backyard Rental**: According to the draft Socio-Economic Survey and Analysis: Knysna Northern Areas (2014), there are currently 921 backyard dwellers within the Knysna Northern Areas. No information on the number of backyard dwellers for the other settlements is currently available. It is, however, clear that this phenomenon plays an important role in addressing the housing need for the affordable rental market.

X. **Relative low densities of current subsidised housing projects**: Based on a desktop study of the erf sizes in the subsidised housing project in the KMA, it was found that the average erf sizes are 250m², which seems quite big considering that the Isidima Policy recommends average erf sizes of 100m² for low-cost housing projects. High-density housing developments, which are focused around economic nodes or within access to employment opportunities and amenities, need to be prioritised.

Each town also has its unique challenges, as set out below:

### 3.1 KNYSNA

The current reality for Knysna is shown in Figure 6 below and can be summarised as follows:

- Severe lack of integration between the Northern Areas, Hornlee and the rest of town.
- Lack of social facilities and employment opportunities in the northern areas where approximately 50% of the town’s population resides.
- Low to very low densities in most parts of the town.
- Approximately 147 ha of land needs to be made available to address the current housing demand in Knysna (based on a gross density of 60 units per ha), with an additional 21 ha to provide for the social facilities currently lacking in the Northern Areas. Thus a total of 168 ha of land is required to address the current need. This figure excludes land for the establishment of employment opportunities; it is therefore clear that there is not enough public land available to address the current housing need.
- Low-cost housing provision has focused too much on BNG housing, with almost no provision made for rental or social housing.
- Low-cost housing provision has mainly been dealt with through the UISP, which focuses on the servicing of sites and provision of top structures to replace and formalise existing informal settlements. There is not enough strategically placed public-owned land available in the KMA to provide serviced sites to everyone who qualifies for a subsidy. Housing developments have to include 2- to 3-storey walk-ups, including rental options for those who do not qualify for a subsidy.
Kruisfontein, which is not municipal-owned land, has been identified as one of the main areas for future housing development. Though there are discussions with the current land owners to obtain the land it seems that it is not certain whether or not this land will become available for housing development.

Heidevallei, which is municipal-owned land and considered to be ideally situated for an integrated mixed-use development, a possible catalyst in the upliftment of the Knysna population, is included in the medium-term housing pipeline. This document strongly motivates that the Heidevallei project should be considered as the priority project in terms of housing provision. Please refer to Chapter 6 below for more details on the proposed Heidevallei project.

- Shortage of middle-income housing opportunities.
- Shortage of existing bulk services and service distribution capacity.
- Insufficient and/or lack of taxi stops.
- Though there seems to be enough public open space in terms of area (m²) it seems that many of these areas are either not maintained or not considered to be functional open space. Any development proposal should be tested against the impact on the provision of public open space.

FIGURE 14: CURRENT SPATIAL REALITY: KNYSNA
3.2 SEDGEFIELD

The current reality for Sedgefield is shown in Figure 15 below and can be summarised as follows:

- Lack of integration between Smutsville and Sedgefield town.
- To address the current housing demand in Sedgefield, a total of approximately 5.2 ha of land needs to be made available and also 3 ha for a secondary school. There are only two municipal-owned erven available for development with a total area of 3.45 ha, which is not even enough to accommodate the current housing need.
- Lack of bulk services capacity.

![Figure 15: Current Spatial Reality: Sedgefield](image)

3.3 RHEENENDAL

The current reality for Rheenendal is shown in Figure 16 below and can be summarised as follows:

- The Rheenendal Village is a dormitory town with limited community facilities.
- If there are no clear boundaries for especially the southern rural node, there is a threat of undesirable ribbon development along the Rheenendal Road.
- Limited bulk service infrastructure currently limits urban growth.
The form and growth potential of the Rheenendal Village is limited by indigenous forest and the Rheenendal Road.

To address the current housing demand in Rheenendal, a total of approximately 10 ha of land needs to be made available and another 3 ha for a secondary school (in future). According to the high number of existing churches, there seems to be a high demand for church sites, which should also be accommodated as part of any new housing developments.

Though the municipality currently owns quite a number of erven in Rheenendal, the majority of these erven are not suitable for housing development due to the close proximity to the existing cemetery and the steep slopes (with specific reference made to Erven 387 and Erf 35).

Rheenendal’s current contribution to economic growth is limited.

There are industrial development opportunities at the Van Rheenen node that could benefit the Rheenendal community.

There is a need for public transport facilities in Rheenendal. Improved public transport could unlock economic development opportunities.

**FIGURE 16: CURRENT SPATIAL REALITY: RHEENENDAL**

### 3.4 KARATARA

The current reality for Karatara is shown in Figure below and can be summarised as follows:
• Lack of service capacity.
• No current sustainable local economy. However, the recently approved hydroponics project may act as an enabler for future economic development.
• According to various studies, Karatara has limited development potential and according to national and provincial policies, the focus should be to address the needs of the current population and if housing opportunities are provided, they should not be more than the existing need. Based on the current local economy, no more that the current housing need (134 housing units) should be provided for. However, the ISDF makes proposals to establish Karatara as an area for agriculture projects with the aim to create considerable employment opportunities. Please refer to Section x below for more details on the proposed major intervention for Karatara and the housing proposals to support this.

FIGURE 17: CURRENT SPATIAL REALITY: KARATARA

3.5 RURAL AREAS AND RURAL SETTLEMENTS

The successful marketing of Knysna as the “jewel of the Garden Route” has raised the profile of the town both nationally and internationally. Knysna’s unique attraction arises from a number of characteristics, largely its association with the natural environment, including the Garden Route
National Park, the Outeniqua Hiking Trail, the Knysna Lagoon and the Heads, the indigenous forests and the juxtaposition of mountain splendour and water-based recreation. It is, however, no longer a small, secret hide-away for the retiree, the holiday camper and the nature lover. It has become a bustling centre of commerce for a district and a centre for tourism and investment. The international community, as well as national investors, have identified Knysna’s unique natural (and cultural) environment as an attractive option for investment. This investment attraction led to a short-term construction boom which, while providing short-term employment, led to urbanisation, a decline in the agricultural sector and a loss of the attractive qualities of the town itself.

Continuing development places a strain not only on services and infrastructure, including water supply, roads and electricity supply, but also on the natural environment, as flora and fauna are pushed out of existing habitats by encroaching human settlement with its accompanying intrusion of domestic animals, exotic planting, hardened surfaces and removal of vegetation (for views). The loss of natural habitat must obviously be viewed in context, and in certain cases ‘gains’ have been made where exotic plantations and grazing lands are rehabilitated to indigenous vegetation, socio-economic opportunities are created where settlement has replaced fallow land, and permanent residents have replaced seasonal holiday-makers. Nevertheless, ‘wall-to-wall’ development such as on the Natal coastal areas in South Africa, and in several cases internationally, has led to a decline in the very environmental qualities which made them attractive in the first place.

Very strict application of spatial planning policies and environmental conservation, historical of the past two decades, also resulted in urbanisation and economically unviable rural areas. The current reality for the rural areas and rural settlements can be summarised as follows:

- Declining economic growth for the rural areas.
- Declining timber industry and declining plantation areas.
- Conflict between biodiversity, agriculture and economic development outside urban areas.
- Prospects for private tourism ventures in buffer areas not utilised.
- Inaccessible protected areas.
-Disconnected rural and urban areas.
- Lack of opportunities in rural areas.
- SANPARKS’ new policy of not providing any additional tourist accommodation in any of their parks could potentially hold great opportunities for the buffer areas surrounding the parks if, for instance, policy allows tourist facilities and accommodation in buffer areas. The strategies document should investigate this proposal.
- Development pressure on the urban periphery of the existing coastal settlements.
- Brackenhill, Middelerf and Springveld: unviable settlements on private land.
4 VISION AND PRINCIPLES

4.1 VISION

Knysna’s vision is “Knysna Municipality: where People and Nature Prosper”. Since this vision encapsulates the aims of the ISDF and furthermore is well known to the public, it was decided to adopt this vision for the purposes of the ISDF and all the supporting sector plans, including the IHSP.

4.2 HOUSING PRINCIPLES

In order to reach the above defined vision, it is proposed to apply the same guiding principles as the spatial planning principles in the Knysna Spatial Development Framework (KSDF). These principles, as extracted from Section 1.5 of the Western Cape PSDF, October 2013, are based on the development principles of the SPLUMA and can be defined as follows:

4.2.1 Spatial Justice

A socially just society is based on the principles of equality, solidarity and inclusion. While equal opportunity targets everyone in the community, social justice targets the marginalised and disadvantaged groups in society. Inclusionary settlements focus on the public realm rather than on private enclaves; support civic interaction and equitable access throughout the public environment; and make urban opportunities accessible to all – especially the poor. Past spatial and other development imbalances should be redressed through improved access to and use of land by disadvantaged communities.

4.2.1 Spatial Sustainability and Resilience

Land development should be spatially compact, resource-frugal, compatible with cultural and scenic landscapes, and should not involve the conversion of high-potential agricultural land or compromising of eco-systems.

Resilience is about the capacity to withstand shocks and disturbances such as climate change or economic crises, and to use such events to catalyse renewal, novelty and innovation. The focus should be on creating complex, diverse and resilient spatial systems that are sustainable in all contexts.

4.2.2 Spatial Efficiency

Efficiency relates to the form of settlements and use of resources - compaction as opposed to sprawl; mixed-use as opposed to mono-functional land uses; and prioritisation of public transport over private car use. When a settlement is compact, higher densities provide thresholds to support viable public
transport, reduce overall energy use, and lower user costs, as travel distances are shorter and cheaper.

### 4.2.3 Accessibility

Improving access to services, facilities, employment, training and recreation, including improving the choice of safe and efficient transport modes (e.g. public transport, private vehicle, bicycle, walking and wheelchair) is essential to achieving the stated settlement transitions of the NDP. Accessibility is also defined by convenient and dignified access to private and public spaces for people with impaired mobility. Good and equitable access systems must prioritise the pedestrian, as well as provide routes for bikes, prams, wheelchairs and public transport. An accessible system will offer a choice of routes supporting these modes and safe connections between places and communities. Visual access implies direct sight lines or unfolding views, signs or other visual cues, and being able to see other people - all of which help in negotiating places.

### 4.2.4 Quality and Liveability

The quality of an environment directly contributes to its liveability. A good environment is one that is legible, diverse, varied and unique. The legibility of a place is contributed to by the existence of landmarks such as notable buildings and landscaping or well-defined public space as well as the legibility and structure of its street networks. Diverse environments provide a variety of opportunities.

### 4.2.5 Experiences and Choice

The more varied the place, the more valued, because of the individual qualities that make it distinctive from other places. Liveable settlements feature balance between individual and community, of logic and feeling, of order and random incident. In many cases, a town’s public realm provides coherence and order while countless private ventures introduce variety and interest.

One condition benefits from the other. The quality of public space can define the liveability of a place. Public spaces are the living rooms to settlements where people meet, play and relax. They need to be safe and attractive – features enabled by activity and surveillance.
5. KNYSNA HUMAN SETTLEMENTS STRATEGY

In order to ensure that the proposed strategies are in line with national and provincial legislation and policies, the strategies are in line with the proposals made in the Knysna SDF (2015) and the Knysna EDS (2015). These strategies also support economic development within the KMA by supporting the key objectives of the NDP, which are to eliminate income poverty and reduce inequality by 2030. The NDP’s human settlement targets are: more people living closer to their places of work; better quality public transport; and more jobs in proximity to townships. To achieve these targets, it advocates strong measures to prevent further development of housing in marginal places, increased urban densities to support public transport, incentivising economic activity in townships; and engaging the private sector in the GAP Housing market.

The sections below will describe each proposed strategy and also indicate how these strategies align with proposals made in the Knysna EDS and SDF as well as support the human settlement targets of the NDP.

5.1 HOUSING DELIVERY AND IMPLEMENTATION STRATEGY

In order to reach the vision, “Knysna, where people and nature prosper”, housing delivery should focus on the following key strategies:

- Identifying and freeing up land within well-located potential growth areas
- Creating optimal neighborhood structures
- Densification
- Creating a housing ladder

5.1.1 Identifying and freeing up land within well-located potential growth areas

One of the main challenges for the Knysna Municipality is the shortage of well-located, municipally-owned developable urban land to accommodate the growing need for housing, social facilities and amenities. Where the municipality does have land within potential growth areas, this land should be identified and set aside for priority housing developments. The Knysna EDS (2015) identified development nodes with high economic. This information was assessed in the KSDF (2015) to identify areas with high growth potential. From this information, the following areas have been identified as land within well-located potential growth areas suitable for public housing developments (please refer to Figure x below):
Suitable located state-owned land within the Greater Knysna Area for Greenfields and infill public housing developments:

1. Windheuwel
2. Heidevallei
3. Hornlee
4. Kruisfontein (owned by National Government)

Please refer to Chapter 6 for detailed proposals on these areas.
Suitable located land within Sedgefield for Greenfields and infill public housing developments:

1. Erf 1672, Sedgefield (municipal land)
2. Erven 3922 to 3927, and 3860, Sedgefield (privately owned land)
3. Proposed school site (privately owned land)
4. Remainder Portion 3818, Sedgefield (provincial land)
5. Portion 134 of Farm 205, Sedgefield (municipal land)

Please refer to Chapter 7 for detailed proposals on these areas.
Suitable located land within Rheenendal for Greenfields public housing developments:

1. Erf 367, Rheenendal (municipal land)
2. Portion 4 of Farm 185 (privately owned land)
3. Portion 13 of Farm 185 (privately owned land)
4. Portion 35 of Farm 185 (privately owned land)
5. Erf 387, Rheenendal (municipal land)
Please refer to Chapter 8 for detailed proposals on these areas.

FIGURE 21: KARATARA SUITABLE LAND WITHIN POTENTIAL GROWTH AREAS

Suitable located land within Karatara for Greenfields public housing developments:

1. Portion 120 of Farm 182 (provincial land)

Please refer to Chapter 9 for detailed proposals on these areas.

Where this land is not owned by the municipality, the municipality should start with negotiations to acquire the land through either land swop or purchase agreements or alternatively support and assist other public entities (social housing companies) or the private sector to develop these areas for the required housing purposes.
5.1.2 Create optimal neighbourhood structures

The municipality should promote, support and enable neighbourhoods where people can live, work and play within their neighbourhood. This can be achieved through promoting good access to economic opportunities, public institutions, social facilities, public transport and developments which provide for a range of housing options aimed at different income groups. Housing opportunities, especially housing for the lower income market, should be located close to or within easy access to economic opportunities. In the Knysna Municipality, where land is too scarce to accommodate all amenity requirements, fewer facilities, but of better quality and accessibility, should be provided.

The KEDS (2015) identified the economic nodes within each settlement of the KMA and analysed the economic potential of each of these nodes. From this, the areas with high or medium economic potential were identified. The KSDF (2015) identified the movement networks and neighbourhood structures of the settlements and overlaid this information on the economic nodes identified in the KEDS (2015). From this combined information, optimal neighbourhood structures were determined and mapped for each settlement. Please see Figures 22 to 25 below for these optimal neighbourhood structures.

Chapters 6 - 9 identify specific areas where housing developments will tie in with and support the optimal neighbourhood structures with the optimal aim to achieve neighbourhood structures where “people and nature prosper”.
FIGURE 22: KNYSNA OPTIMAL NEIGHBOURHOOD STRUCTURE
FIGURE 23: SEDGEFIELD OPTIMAL NEIGHBOURHOOD STRUCTURE
FIGURE 24: RHEENENDAL OPTIMAL NEIGHBOURHOOD STRUCTURES
FIGURE 25: KARATARA OPTIMAL NEIGHBOURHOOD STRUCTURES
The following tables set out the different Movement Network and Neighbourhood Structure Categories and descriptions of the type of activities and developments which should happen within these areas:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBD Terminal</td>
<td>A proposed intensification and redevelopment of the central urban node located at the existing Knysna Taxi Rank into a multi-functional, multi-nodal regional transport hub with corresponding formal and informal commercial activities.</td>
</tr>
<tr>
<td>Primary Node</td>
<td>Primary urban nodes that correlate with the proposed IRT routes. These nodes are typified by transit-interchange stops that have well-defined civic spaces (&quot;place making&quot;) and a clustering of urban activities.</td>
</tr>
<tr>
<td>Secondary Node</td>
<td>Secondary urban nodes that correlate with the proposed IRT routes. These nodes are typified by transit-interchange stops that have well-defined public spaces and a clustering of urban activities and that serve as neighbourhood centres.</td>
</tr>
<tr>
<td>Special Growth Node</td>
<td>A node that only serves as a drop-off and pick-up point. These nodes may typically have limited and tourist-orientated commercial development.</td>
</tr>
<tr>
<td>Primary Route</td>
<td>The primary identified IRT route that forms the basis for the public transport system. The stations identified on these routes are primary points of accessibility and have the potential to support intense concentrations of activity and medium to high land-use density. These stations will be serviced by a regulated public transport system. Typically these routes are characterised by strip and/or nodal development by a variety of land uses and higher-density urban developments.</td>
</tr>
<tr>
<td>Feeder Route</td>
<td>These are secondary routes that typically feed into the main public transport system. These routes may have limited activity and development around the node. They otherwise have a greater mobility function than the identified primary routes that are more activity based.</td>
</tr>
<tr>
<td>Intermediate Feeder Route</td>
<td></td>
</tr>
</tbody>
</table>
### MOVEMENT NETWORK CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connector Route</td>
<td>Routes that connect major areas within the urban environment.</td>
</tr>
<tr>
<td>Non-Motorised Transport</td>
<td>Proposed route for non-motorised transport linkages.</td>
</tr>
<tr>
<td>New Movement Route</td>
<td>Proposed identified movement connections to increase integration and connectivity throughout the towns. These include both public transport and non-motorised routes (NMT).</td>
</tr>
<tr>
<td>Potential N2 Bypass Route</td>
<td>Land expropriated by SANRAL in order to construct the new N2 Bypass. Whether or not this will go ahead remains as yet unknown.</td>
</tr>
</tbody>
</table>

#### TABLE 11: MOVEMENT NETWORK CATEGORIES

### NEIGHBOURHOOD STRUCTURE CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infill Area</td>
<td>Infill Areas are Greenfield sites within the urban fabric identified as intensification and development zones for building and infrastructure with a residential purpose as well as offices, shops, community facilities and other associated buildings. These areas must be typified by neighbourhood structure development, with infrastructure and public open space necessary to provide proper functioning urban areas, amenities, and recreation. Further consideration must also be given to the positive creation of defendable urban edges through a place-making mechanism.</td>
</tr>
<tr>
<td>Densification Area</td>
<td>Low-density suburban areas where additions to existing buildings, second dwellings, subdivision and site redevelopment can be accommodated and</td>
</tr>
</tbody>
</table>
Knysna Municipality
Integrated Strategic Development Framework
Sustainable Human Settlement Plan

### NEIGHBOURHOOD STRUCTURE CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td></td>
<td>which have been identified with regard to their proximity to major development areas for densification. Typically these areas have less than 50% coverage and can easily accommodate a second dwelling. Identified sites will need to comply with identified minimum criteria. Densification can occur through the process of sub-division or an increase in bulk and use rights.</td>
</tr>
<tr>
<td>Edge Vitalisation</td>
<td>Demarcated areas that relate to both the lagoon and coastal edges that have been identified for place making with limited urban development to increase the utilisation of these edges and promote user activity. Special attention must be paid to environmental legislation, sea-level rise and localised flooding before development commences.</td>
</tr>
<tr>
<td>Restructuring Zone</td>
<td>A restructuring zone is a geographical area identified by a municipality and which is supported by the relevant provincial government for targeted capital investment in higher density residential developments (excluding detached dwellings) managed by approved housing institutions, where spatial, social and economic restructuring will be achieved. These areas are proclaimed by the Minister of Human Settlements in the Government Gazette. Spatially, a restructuring zone consists of higher residential densities in close proximity to economic opportunities and growth areas.</td>
</tr>
<tr>
<td>Growth Nodes</td>
<td>Tertiary and secondary urban nodes that correlate with the proposed IRT routes and Transport Orientated Development (T.O.D) concept. These nodes are characterised by the intensity, mix and clustering of urban activities or land use at points of maximum accessibility, exposure, convenience, and urban opportunity. The role and function of these nodes are differentiated in terms of scale and hierarchy.</td>
</tr>
</tbody>
</table>

**TABLE 12: NEIGHBOURHOOD STRUCTURE CATEGORIES**

Please refer to Chapters 9 to 12 of the KSDF (2015) for a detailed description of how these categories were identified and more proposals on development proposals for specific nodes (other than housing proposals).

### 5.1.3 Densification

As highlighted in the legislative overview in Section 1.3 above, the two key objectives of the NDP are to eliminate income poverty and reduce inequality by 2030. It is considered that densification is one of the main land-use tools to help to achieve both of these objectives. Densification can help to **eliminate income poverty**, as it increases thresholds, which in effect supports the provision of
affordable public transport, increases access to facilities and services and can bring people closer to areas with employment opportunities. It will help to reduce inequality by increasing access to services and employment opportunities and it will support restructuring and integration of urban systems. Densification will support and help to achieve Knysna’s vision, “where people and nature prosper.”

Figure 26 and Table 13 below show a survey of residential structures within the Knysna municipality using latest available aerial photography, divided per suburb and its area (physical extent of transformed land) used to calculate the residential density (dwelling units per hectare).

![Map of Average Densities within the Knysna Municipal Areas (KSDF, 2015)](image)

**FIGURE 26:** AVERAGE DENSITIES WITHIN THE KNYSNA MUNICIPAL AREAS (KSDF, 2015)

The table below shows the average density based on dwelling units per area for the main settlements in the KMA.
TABLE 13: AVERAGE BUILDING DENSITY PER SETTLEMENT

From this table it is clear that the settlements within the KMA have very low densities where the majority of settlements have densities of below 20 units/ha. It is only the informal areas of the Knysna Northern Areas and Sedgefield (Smutsville/Sizamile) which have densities of 20 units/ha and above.

Densification should be encouraged in urban areas throughout the municipality, specifically along activity streets and primary and feeder roads and around urban nodes. If existing capacity of bulk services does not allow for this, upgrading of bulk infrastructure (water reticulation, electricity, sewerage) must occur, as opposed to providing more bulk infrastructure further and further from existing urban areas, which will inevitably prove more costly in the long term.

Infill development should be pursued on fairly large vacant land parcels that are well located in terms of access within the urban fabric. Key issues in terms of infill development in the municipality relate to appropriate housing and infrastructure. It should as a first port of call be pursued on well-located publicly owned land. Where there is a lack of publicly owned land in an area designated for infill development, the municipality should support private sector initiatives to stimulate new developments and, where deemed appropriate, should provide incentives, such as a reduction in development contributions or a delayed payment agreements to encourage private developers to develop these areas.

Care should be taken to not allow for infill development on strategically located and well-functioning public open space. Where public open space is made available for infill developments, the developer (public/private) should clearly demonstrate how the loss of the public open space will impact on the existing open space requirements. Any infill development on public open space should contribute to

<table>
<thead>
<tr>
<th>AREA</th>
<th>AVERAGE DENSITY (UNITS/HA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knysna Town</td>
<td>10</td>
</tr>
<tr>
<td>Knysna Western Areas</td>
<td>3</td>
</tr>
<tr>
<td>Knysna Northern Areas</td>
<td>20</td>
</tr>
<tr>
<td>Hornlee</td>
<td>12</td>
</tr>
<tr>
<td>Sedgefield Central</td>
<td>9</td>
</tr>
<tr>
<td>Smutsville/ Sizamile</td>
<td>26</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>18</td>
</tr>
<tr>
<td>*Karatara</td>
<td>3</td>
</tr>
</tbody>
</table>

7 Density figures are determined by dividing the current population figures by 3.1 persons per household.
the upgrading or enhancement of functionality of another public open space in the immediate area to ensure the quality of public open space areas is improved.

Subsidised housing projects in densification and infill areas (as identified in the Neighbourhood Structure Plans) falling within or abutting Primary Growth/Intensification Nodes should have a minimum density of 60 units/ha with a height of minimum 3 storeys (where environmental constraints allow).

Please refer to Chapters 6 – 9 below for detailed densification and infill proposals.

To conclude, from discussions with local role players, the demand for land within the towns of Knysna and Sedgefield is such that there will undoubtedly be uptake within the urban edge should this be made available (through allowing increased densities or infill development), provided that services such as water and electricity can be provided. Urban densification and infill should not be seen only as ‘compaction’ of the existing fabric, compromising the quality of environments. Rather, concern for the quality of urban environments must be demonstrated in areas where densification is promoted.

5.1.4 Create a housing ladder

By providing different housing options for each income group within the same neighbourhood, people can have realistic aspirations to move up (or down) in the housing ladder. A BNG house should not be seen as the highest aim. Instead, a CRU or BNG house should be seen as the first step in the housing ladder followed by a FLISP unit, social housing and then free market units. If the full range of housing options (from CRU, BNG, FLISP, Social Housing and free market units) are provided, aspirations of moving up in the housing ladder are achievable and people could be motivate to improve their current financial situation through education, which could lead to higher income and being able to afford the next level of housing. Each housing typology on the housing ladder should be slightly better than the previous typology, to justify the increased cost. Projects should provide for socio-economically integrated communities with a ration of income distribution similar to that of the municipality as a whole. It is important that housing should be made available on both a freehold and a rental basis.

Please refer to Table 14 for the percentage of housing to be aimed at the different income groups and the proposed housing development programs to be implemented to start creating this housing ladder. To summarise this table, it is proposed that subsidised housing projects should provide the following percentage split between the various income groups (based on affordability levels with the KMA):
<table>
<thead>
<tr>
<th>Income brackets (monthly household income)</th>
<th>Total (%)</th>
<th>Housing Development Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 - R1 500</td>
<td>58,60%</td>
<td>Breaking New Ground</td>
</tr>
<tr>
<td>R 1 501 - R3 500</td>
<td>13,60%</td>
<td>CRU and Social Housing</td>
</tr>
<tr>
<td>R3 501 - R 7 500</td>
<td>12,20%</td>
<td>Social Housing</td>
</tr>
<tr>
<td>R7 501 - R15 000</td>
<td>11,10%</td>
<td>Financial Linked Individual Subsidy Programme (FLSIP)</td>
</tr>
<tr>
<td>R15 001 - R20 000</td>
<td>4,60%</td>
<td>Open Market (no subsidy)</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

TABLE 14: AVERAGE BUILDING DENSITY PER SETTLEMENT

Figure 27 below provides an indication of how, by providing a range of housing through a combination of housing programmes aimed at different income groups, a housing ladder can be created for people to move up or down as their financial and/or social situations changes over time.

FIGURE 27: CREATING A HOUSING LADDER (SOURCE: GM SOUTH AFRICA FOUNDATION 2013)
5.2 INFORMAL SETTLEMENT STRATEGY

Informal settlements usually have very high densities and a lack of infrastructure services. Some of the main problems with the upgrading of informal settlements are that, not everyone in informal settlements will qualify for a housing/serviced site subsidy, the densities of informal settlements are very high and with the UISP, and provision of serviced sites, it is unlikely that all households within the informal settlement will get a serviced site due to the lack of land. Alternative accommodation needs to be available for those households living within an informal settlement who cannot be accommodated within a specific UISP.

There are currently no (or very limited) housing options available to those households within the low-income market which leads to people settling within informal settlements.

As indicated in Section 2.5.2 above, the KMA currently has a total of 5251 informal structures. Current upgrading proposals will deliver 1191 formal housing units planned for the next two years. The municipality aims to upgrade (where possible and where within environmental and land-use constraints) and/or eradicate all informal settlements by 2030. It can be argued that some of the informal structures could be formalised in the same location where the informal structure is (through the UISP). However, it is not possible to say how many units can be upgraded in their current location and the housing proposals do therefore not take the land areas into account when addressing to housing need and available land. It is expected that some of the informal structures, especially those within the northern areas of Knysna, can be accommodated on site and the land requirements indicated in Section 2.5.4 will therefore be less than indicated, however the KISDF and HSP have a “no regret policy” and the proposals made will be aimed at addressing the maximum need.

Most of the informal settlement areas are on very steep areas or even dune areas (as in Sedgefield) which pose geological constraints, adding to development costs. The majority of dwelling units provided through the UISP to date are single-storey and/or free-standing units. Where environmental and geological constraints allow, densities should be increased to a minimum of two-storey, semi-detached units, which will help to support the optimal use of the very scarce land.

All new subsidised housing developments planned for the informal settlement areas in Knysna and Sedgefield should be based on the densification proposals made in Chapters 6 to 9.

High-density housing proposals should be supported and prioritised around the identified economic and neighbourhood nodes to ensure that an increased number of people have access to opportunities and amenities. Where environmental and geological constraints allow, a minimum of three-storey developments should be supported at all identified nodes. For the remainder, two-storey, semi-detached/row housing should be supported. As there are such a high number of single people without dependants, smaller units of higher densities should be considered.
Heidevallei is proposed as the first Greenfields development to be implemented, which could absorb a substantial number of people currently living in informal settlements (please refer to proposals made in Section 6.2.5). This could potentially free up land which could either be sold to the private market (please refer to Section 6.3.1 for the proposal on the Heidevallei Central Park), or where deemed suitable, could be developed for new housing projects.

5.3 BACKYARD DWELLERS STRATEGY

Backyard dwellings are one of the largest and fastest growing housing sub-sectors in South Africa and make a significant contribution to the provision of rental housing to households whose needs are not addressed by government subsidy programmes or the private market. Largely without any government intervention/support, the sector successfully provides accommodation to non-qualifiers, migrants or temporary workers not seeking home ownership, and any other households wishing to rent but who cannot afford formal rental accommodation available.

Backyard accommodation can include any of the following types of residential units:

- Room sharing, generally within the primary dwelling, by a separate household,
- Secondary shacks (constructed from temporary materials, such as corrugated iron, wood, cardboard, plastic, etc.) and rooms (constructed from conventional materials such as brick or block and mortar, as well as by less conventional means such as concrete panels and prefabricated systems), having access to external, generally shared ablutions.
- Self-contained units (basic living units having private access to basic services such as toilet and basin).
- Second dwelling units, such as the “garden cottage” and “granny cottage” often associated with middle- and upper-income neighbourhoods, workers’ quarters, converted garages.
- Small-scale tenements (multi-room structures, generally comprising rooms with shared ablutions, either single- or multi-storey constructions, and at times replacing the primary structure on the site, but still controlled and maintained by private individuals).
- Backyard structures may also be used as commercial and retail spaces, housing a wide range of activities including shops, salons, service providers and small-scale commercial operations.
5.3.1 Current situation in the Knysna Municipal Area

There are currently 921 backyard dwellers\(^1\) within the Knysna Northern Areas and an expected 400 in Hornlee. No information on the number of backyard dwellers for the other settlements is currently available. It is, however, clear that this phenomenon plays an important role in addressing the housing need for the affordable rental market.

The municipality is currently undertaking a study to determine the numbers of backyard dwellers in other areas of the KMA. This section needs to be updated as and when the information from these studies becomes available.

5.3.2 Backyard Dwellers Strategy

The two key objectives of the NDP (2011) are to eliminate income poverty and reduce inequality by 2030. The overarching aim of housing strategies, including the backyard dwellers strategy, should thus also be to eliminate income poverty and reduce inequality. It is considered that promoting and enabling the establishment of backyard accommodation will encourage small-scale landlords and household entrepreneurs to take part in this potential housing market, which could contribute to local economic development and help to eliminate income poverty.

The Knysna Municipality will therefore support and enable housing provision for all people within the KMA, including the backyard dwellers. As backyard dwellings plays such a big role in providing housing options for the rental market, one of the main strategies is to enable and effectively manage the provision of backyard dwellings to provide for much-needed affordable rental housing.

Hornlee has been identified as one of the main intervention areas (please refer to section x below as well as the ISDF for more details) where service capacity should be increased as a priority to accommodate densification. It is proposed that Hornlee should be used as a pilot project to test and develop the backyardee strategy. Once the proposed service upgrades for Hornlee are confirmed, the municipality should engage with the Hornlee community to promote the formalisation of backyarders by subdivision and/or applications for the provision of additional service connections to relevant erven.

The municipality should streamline and simplify the application processes for the Hornlee community and should waive application fees payable to the municipality to make the process affordable. This will ensure that when the bulk services are upgraded and in place, the municipality would already have an understanding of the number of additional service connections required and they would be in a position to plan for the role of distribution services. It is considered that if the pilot project proves

\(^1\) According to the Draft Socio-Economic Survey and Analysis: Knysna Northern Areas (2014)
successful, it could create a formal affordable rental market provided by the private sector, which would help to elevate pressure from the municipality to deliver housing.

It is proposed that if agreed to in principle, the Hornlee pilot project should be further developed between the relevant role players in the municipality and the Provincial Department of Human Settlements.

5.4 ALLOCATION POLICY

As the majority of housing projects over the last few years have been implemented through the Upgrading of Informal Settlements Programme (UISP), the municipality was not able to test their allocation policy. The municipality’s allocation policy has recently been revised; however it is still in draft format.

The main objective of the Knysna Draft Selection Policy, 2013, is to set out the relevant processes and procedures that have to be followed when selecting beneficiaries for new housing projects, which result in the beneficiary receiving ownership of a subsidised opportunity.

A single project site or set of sites can have a number of project components. Each of the components is dealt with differently in the policy in terms of the selection of beneficiaries. The policy covers the following project component types, each with its own selection mechanisms:

   a) Greenfield, non-relocation project components for the households eligible for full housing subsidies or serviced site subsidies;
   b) Relocation project components linked to informal settlement upgrade projects;
   c) Institutional and housing project components that result in ownership (including “rent-to-buy” options).

Please refer to Annexure D for a copy of the Knysna Draft Selection Policy, 2013.

It is suggested that where Greenfield developments are being implemented, the first beneficiaries to be considered should ideally be those who have been registered on the waiting list the longest, followed by people above 40 years of age.
6. HOUSING PIPELINE: KNYSNA

6.1 KNYSNA; APPROVED HOUSING PROJECTS

6.1.1 Northern Areas

The municipality has got approval for funding for the provision of 1,191 serviced sites and 309 top structures spread throughout the Northern Areas. Submission was made for funding for a further 882 top structures and approval is expected within 2016. Please refer to Table 15 for a detailed breakdown of the number of units per sub-place in the Northern Areas.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Houses</th>
<th>Housing Type</th>
<th>Earliest Year of Implementation</th>
<th>Housing Programme/ Responsible Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nekkies East (top structures approved)</td>
<td>104</td>
<td>BNG</td>
<td>2014-2015</td>
<td>UISP</td>
</tr>
<tr>
<td>Dam-se-Bos South (top structures approved)</td>
<td>124</td>
<td>BNG</td>
<td>2014-2015</td>
<td>UISP</td>
</tr>
<tr>
<td>Oupad (top structures approved)</td>
<td>81</td>
<td>BNG</td>
<td>2014-2015</td>
<td>UISP</td>
</tr>
<tr>
<td>Happy Valley (awaiting top structure approval)</td>
<td>120</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Ethembeni (awaiting top structure approval)</td>
<td>200</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Hialani (phase 1) (awaiting top structure approval)</td>
<td>166</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Edameni (awaiting top structure approval)</td>
<td>25</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Bloemfontein (awaiting top structure approval)</td>
<td>151</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Xolweni (awaiting top structure approval)</td>
<td>220</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td><strong>Total number of houses approved or awaiting approval</strong></td>
<td><strong>1,191</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 15: NORTHERN AREAS, APPROVED SERVICES AND TOP STRUCTURES**

6.1.2 Hornlee

ABSA Devco has recently obtained approval for the construction of 92 BNG houses and 352 FLSIP units and various erven in Hornlee (please refer to Figure x below for the location of these erven). Construction is to commence 1 February 2016.

**FIGURE 28: ABSA DEVCO APPROVED FLISP AND BNG HOUSES IN HORNLEE**
6.2 KNYSNA;

PROPOSED HOUSING PROJECTS

6.2.1 Witlokasie

**Property Description:** Erf 14076 and 9894, Knysna

**Size:** 0.7964 ha

**Ownership:** Knysna Municipality

**Current Use:** Informal structures

**Zoning:** Public Open Space

**External Access:** Concordia Road

**Buildings:** Informal housing

**Community Facilities:** 1km van Tonder Node

**Schools:** 280m

**Retail Facilities:** 1-1.8km (van Tonder and Masifunde Nodes)

**Services:** Available service capacity (bulk and internal services to accommodate this proposal)

**Number of Units:** 50 units

**Housing Type:** CRUs 3-storey walk-ups

**Housing Programme:** IRDP

**Year of Implementation:** 2016-2017

**Who:** Knysna Municipality

**Motivation:**

Erven 14076 and 9894 are currently zoned public open space but from aerial photos it is clear that there are already housing structures encroaching on these erven. These erven are currently not being used for open space purposes and it is considered a matter of time before they are fully occupied. The new sport complex to be constructed north of these erven will be able to provide for some of the need for open space and recreational areas in the surrounding area. As these erven form the entrance to the Northern Areas from Knysna Town, it is important that the area should be formalised to enhance the entrance towards the Northern Areas. CRU should be constructed with a minimum height of 3-storeys, which could possibly yield 50 rental units. It is also considered that these erven are ideally situated for densification, as they are right opposite the new sport complex, on a public transport route and within walking distance from social facilities and possible employment opportunities along Concordia Road, which also links with Knysna Town. These units could provide rental options for those households who do not qualify for housing subsidies and who cannot afford to buy property in the current private property market.
6.2.2 Hornlee Lagoon View 1 and 2

**Property Description**: Remainder Erf 3409 and 17301, Knysna

**Size**: N/A

**Ownership**: Knysna Municipality

**Current Use**: Vacant and rental units

**Zoning**: Split Zoning

**External Access**: Existing roads

**Buildings**: Rental Units

**Community Facilities**: 100m

**Schools**: 220m

**Retail Facilities**: max. distance of 1km

**Service Capacity**: available capacity

**Number of Units**: 169

**Housing Type**: Social Housing (three storeys)

**Housing Programme**: Social Housing Institution

**Year of Implementation**: 2016-2017

**Who**: Social Housing Institution

**Motivation**:

This location is ideally located for high-density rental accommodation, as it is located on the main public transport routes and within walking distance of existing and proposed amenities (please refer to Section 6.3.4 below for details on the proposed Hornlee Revitalisation and Urban Gateway Proposal). As there is such a high need for rental accommodation, this project should be prioritised, as it could help to absorb some of the households currently living in informal areas who do not qualify for a housing subsidy and also those who do receive an income (below R 7 500), but for whom there are no housing options available.
6.2.3 Hornlee Densification

Property Description: Hornlee, Knoetzie and Sunridge

Size: N/A
Ownership: Private
Current Use: Mixed Use
Zoning: Mixed Zoning
External Access: Existing roads
Buildings: N/A
Community Facilities: max. distance of 1.8km
Schools: max. distance of 1.8km
Retail Facilities: max. distance of 1.8km
Service Capacity: Available bulk services, no internal service capacity
Number of Units: 1 116
Housing Type: BNG, FLISP and private sector rentals
Housing Programme: Individual Subsidy Programme
Year of Implementation: 2019-2030
Who: Private Sector

MOTIVATION:

The proposed densification would involve formalising the existing front- and backyard dwellers, typically inhabited by family and extended family of the primary dwelling and land owner, but also providing a form of rental income to third parties. The intention is to create small (parking) courts shared by 6 units, 2 erven subdivided into 3 each along Stroebel Street and allow subdivision of existing erven in the other parts of Hornlee, Knoetzie and Sunridge. This would allow for densification within an existing area, close to amenities and employment opportunities. A subdivision like the proposed model is really the basic and core principle of property development, which could certainly be a wealth creator in a sector that has proven to be effective.

The main constraint to the above proposal is the lack of service capacity. Internal and external service capacities should be upgraded to allow for the proposed densification. It is considered that if the service capacity allows for densification, the private sector will react to the opportunity and drive the densification developments. Please refer to Sections 11 and 12 below for implementation strategies.
6.2.4 Knysna Northern Areas Densification

From the density table in Section above, it is clear that the densities in the Northern Areas are relatively low (20 units/ha). The topography in the Northern Areas does play a role in the lower than expected densities, however, there is a substantial number of erven which were created in the past through subsidised housing programmes that vary between 150 and 250m². Where topography and soil conditions allow, densification should be allowed. Individual owners should be allowed to subdivide their erven to be sold on the open market to create a low-income housing market while at the same time enabling wealth creation. It is considered that an additional 500 housing units of various sizes could be provided by the private sector over the next 15 years. Qualifying households can apply for housing subsidies through the Individual Subsidy Process to acquire the erven and to construct their houses. The proposed densification will also provide affordable housing opportunities for those individuals who do not qualify for government-funded housing. As is motivated for in the Hornlee densification proposal, subdivisions like the proposed model are really the basic and core principle of property.

No new single-storey and free-standing units will be supported along Concordia Road or abutting Van Tonder’s Land, the Masifunde Node and the Sanlam Node (within a radius of 200m) and densities of 60 units/ha should be supported (where environmental and engineering constraints allow for this).

The main constraint to the above proposal is the lack of internal service capacity. Internal service capacities should be upgraded to allow for the proposed densification. It is considered that if the service capacity allows for densification, the private sector will react to the opportunity and drive the densification developments. Please refer to Sections 11 and 12 below for implementation and budget strategies.
### 6.2.5 Heidevallei

<table>
<thead>
<tr>
<th>Property Description</th>
<th>: Heidevallei, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>: 41.9 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>: Municipal</td>
</tr>
<tr>
<td>Current Use</td>
<td>: Vacant</td>
</tr>
<tr>
<td>Zoning</td>
<td>: Public Open Space and Undetermined</td>
</tr>
<tr>
<td>External Access</td>
<td>: N2 and Lower Old Place</td>
</tr>
<tr>
<td>Buildings</td>
<td>: None</td>
</tr>
<tr>
<td>Service Capacity</td>
<td>: No capacity/services</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>: Proposed on site</td>
</tr>
<tr>
<td>Schools</td>
<td>: Proposed on site</td>
</tr>
<tr>
<td>Retail Facilities</td>
<td>: Proposed on site</td>
</tr>
<tr>
<td>Number of Units</td>
<td>: 1 167 (total 2334)</td>
</tr>
<tr>
<td>Housing Type</td>
<td>: 265 BNG (2-storey row houses/ semi-detached) CRUs, Social Housing, BNG and FLISP (row housing, 3-4-storey walk-ups)</td>
</tr>
</tbody>
</table>

| Housing Programme | : IRDP |
| Year of Implementation | : 2017-2020 |
| Who | : Public-Private Initiative |

**Motivation:**

Heidevallei is the most strategically located municipal-owned land within the KMA. The proposed Heidevallei Greenfields development should be prioritised and planning should commence immediately. This mixed-use development could potentially accommodate a total of 2 334 residential units as well as commercial uses and educational facilities (primary and secondary school). In order to create a high density integrated development, it is proposed to allocate approximately 1 167 dwelling units to the low-income market, of which only 265 will be fully subsidised BNG houses and the remainder will be units provided for those with a monthly income between R800 and R 3 500 and will be a mixture of rental and free-hold units (3 – 4 storey walk-ups). The remainder of the 2 334 units should be available to the affordable housing market, those with incomes between R 3 500 and R20 000. This range of housing opportunities with different tenure types targeted at different income groups will help to establish a housing ladder and will help to provide affordable housing opportunities.
for those who do not qualify for subsidised housing. By providing direct access to the Northern Areas, the Heidevallei development will increase connectivity and support integration. The proposed development is close to all amenities and employment opportunities.

The main constraint to this proposal is the lack of internal and bulk series, please refer to Section 11 for the series implementation strategy,

Please refer to Section 6.3.1 below for details on the Knysna Central Park proposal which links with the Heidevallei proposal.
### Windheuwel

<table>
<thead>
<tr>
<th>Property Description</th>
<th>Erven 1551, 1552, 1553, 1554 and Portion of Remainder Erf 1533, Knysna Windheuwel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>36.4 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>Knysna Municipality</td>
</tr>
<tr>
<td>Current Use</td>
<td>Forestry Training Centre</td>
</tr>
<tr>
<td>Zoning</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Services</td>
<td>None</td>
</tr>
<tr>
<td>External access</td>
<td>Concordia Road extension</td>
</tr>
<tr>
<td>Buildings</td>
<td>Forestry and Training related</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>1.8km (Masifunde node), 1.4 from existing settlement</td>
</tr>
<tr>
<td>Schools</td>
<td>Approx. 2km (Thembelitsha Primary)</td>
</tr>
<tr>
<td>Retail Facilities</td>
<td>1.8km</td>
</tr>
<tr>
<td>Number of Units</td>
<td>1,456</td>
</tr>
<tr>
<td>Housing Type</td>
<td>Social Housing, FLISP and BNG</td>
</tr>
<tr>
<td>Housing Programme</td>
<td>IRDP</td>
</tr>
<tr>
<td>Year of Implementation</td>
<td>2020-2025</td>
</tr>
<tr>
<td>Who</td>
<td>Knysna Municipality</td>
</tr>
</tbody>
</table>

**Motivation:**

Apart from Heidevallei, Windheuwel is the only current municipal-owned land within Knysna which could be used for a relatively large-scale Greenfields housing development. While there is limited development within the immediate vicinity of the site, Windheuwel lies within the future growth area/direction of Knysna Town and could provide an option for housing development for the medium to long term. The site lies relatively close to existing community and retail facilities. It is considered that a total number of 1,456 housing units (developed at a density of 50 units/ha) could be accommodated on the potential developable areas of these sites. The proposed housing development should consist of a mixture of housing typologies aimed at different income groups and ownership types.

There are currently no services available and service installation would be costly (please refer to Sections 11 and 12 below for the proposed budget and implementation programs). However, as this is the future growth direction of Knysna, the municipality has to plan for service provision to these areas to allow for private sector investment and developments which will unlock development in the area and help to fund part of the service costs for Windheuwel.
6.2.7 Kruisfontein

Property Description: Portion of Remainder Erf 523, Kruisfontein, Knysna

Size: 41.9 ha

Ownership: Cape Pine

Current Use: Plantations

Zoning: Agriculture

External access: N2 and thought Dam-se-Bos

Buildings: Informal Structures

Community Facilities: 0.8km sports field, churches

Schools: 2km

Retail Facilities: 1.5km Sanlam Node, 3.5km Heidevallei

Services: None

Number of Units: 2 732

Housing Type: BNG, CRUs, Social Housing, FLISP

Housing Programme: IRDP

Year of Implementation: Beyond 2025

Who: Private Public Partnership

Motivation:

Kruisfontein has been identified as a long-term (2025 – 2030) housing option, as the land is currently not owned by the municipality and the acquisition of the land could be a lengthy process. Windheuwel, which is currently owned by the municipality, should be developed first. In the case where all the short- and medium-term proposed housing projects are implemented and there is still a need for housing, this need should be accommodated at Kruisfontein. In the interim, the municipality should start with negotiations to obtain the site to ensure that the land does become available for future development. Should this site become available for housing, the development should be a fully integrated development which provides housing opportunities with different tenure options and for a wide range of income groups.

There are currently no services available. Please refer to Sections 11 and 12 below for the proposed budget and implementation programs.
6.2.8 Middle Income

From discussions with local estate agents in the area, it seems that the highest demand currently experienced in the open market, is housing for the middle-income market segment, entry-level/first-time homeowners, who can afford to buy property between R450 000 and R900 000. Entry-level property currently available on the market starts at ± R900 000, with average house prices ranging between R1.2 million and R2 million, thus unaffordable for the middle-income market segment. The municipality will support and promote middle-income housing in the densifications zones identified in the KSDF (2015). Please refer to Section x of the KSDF for more details on the densification zones.

Section x below provides information on the Knysna Central Park Initiative which could also open up areas for middle-income residential development. Please refer to Figure x for the location of these residential opportunities.

It is also proposed that 50% of all units provided at Heidevallei should be targeted at the affordable and middle-income markets.

6.2.9 High Income

In terms of the current housing status of the high-income market segment, it seems that the market has not yet recovered from the recession and the demand is still comparatively low, with an oversupply of properties. The provision of and location of high-income housing will be driven by private developers and should ideally not form part of primary and secondary nodes, as this income group generally has access to private transport and are not reliant on public transport and being situated within walking distance of social facilities and employment opportunities.

The municipality will support and promote high-income housing in the densifications zones and areas identified in the KSDF (2015). Please refer to the KSDF for more details on the densification zones.
6.3 KNYSNA PROPOSED AMENITIES

This section will provide a brief description of the main amenities proposed for Knysna, as fully described and motivated for in the KISDF (2015). Please refer to Section x – y, p of this document for more details.

It is important to understand which amenities will be provided to support the housing proposals, as housing should not be provided in isolation. By ensuring that the housing proposals coincide with amenity proposals and access to employment opportunities, the optimal neighbourhood structure, as described in Section x above, starts taking form.

6.3.1 Knysna Central Park

This initiative consists of the creation of a safe and secure central forested park in the centre of Knysna, accessible to all of Knysna. The park will include trails that connect the points of interest identified, and will be managed to maintain the recreation facilities and municipal forest. Three main access routes between Knysna Town and the Northern Areas are proposed. The first one from Town Centre via the Fort up to Witlokasie. The second linking Heidevallei with Masifunde / Van Tonder node. The third from Heidevallei along Old Toll Road to Concordia East. The links should work towards bringing Knysna Town and the Northern Areas together to form a single community.

![FIGURE 37: KNYSNA CENTRAL PARK INTERVENTION](image-url)

The park will create a ‘hard edge’ to the existing settlement areas within the Northern Areas through the creation of a ‘corniche road’ along the boundary of the park. Any remaining land that is suitable for development (i.e. that is not too steep for development) will be identified through the routing of this...
road. Preliminary scoping has identified that there are some limited areas remaining that could be developed at the edge of the park – these areas can be used to provide additional residential opportunities for the Northern Areas. Figure 12 below shows the potential areas for residential development in yellow.

The proposed Central Park Initiative will help to unlock additional housing options and provision of a “housing ladder” within the Northern Areas – good quality residential options with good views and open space to introduce residential aspiration and therefore a housing ladder within the Northern Areas. Residential densification should be focused along the Mobility Loop surrounding the park. Lower Old Place, Upper Old Place, Heidevallei Node, Hornlee Lamco and along the edge in the Northern Areas.

The park will also greatly increase connectivity from the disadvantaged, poorer communities to employment opportunities.

### 6.3.2 Knysna Multipurpose Learning Hub

Presently the Knysna Local Municipality lacks sufficient tertiary educational facilities. Economic research shows that there is a strong positive relationship between tertiary education and individual income. The proposed multipurpose hub will provide a space for a learning facility (primarily tertiary); exhibition space for trade shows/indabas; and a location where the community can meet and interact.
6.3.3 Knysna CBD Transport Interchange

The existing Main Street and Taxi Rank are losing importance and impetus as key economic and urban structuring elements in the Knysna context. What was once an urban street bustling with activity, unique craft and commercial services has now become a street laden with empty shops, dead street edges and is in need of an urban upgrade. The ISDF proposes to redevelop the existing Taxi Rank area into a transport interchange which will include the following:

2. Local minibus terminal.
3. Link down Gray St to Rail and perhaps Long Haul and Water Taxi in season.
4. Revitalised and managed informal trading and commercial opportunities.
5. Long-haul bus stop. Cape Town, Port Elizabeth & Eastern Cape, Johannesburg and the North of the country (perhaps on main road).

The transport interchange combined with a new public transport system (following on the Bus Mobility system being introduced in George) will act as a generator for development and redevelopment in line with the focus on Transport Oriented Development (TOD). In addition to revitalising the centre of Knysna, it should also act as a link between the Gray, St George’s and Long St.
6.3.4 Hornlee Revitalisation

The Hornlee Revitalisation Project consists of the following:

1. Redevelopment of existing Taxi Rank into a commercial node
2. Development of new transit point at Hornlee gateway
3. Improving N2 entrance to Hornlee
4. Upgrading library and community hall
5. Upgrading Vigilance Drive
6. Refurbishment of sports facility
7. Proposed children's home on Erf 4162
8. Densification in Stroebel Street

The revitalisation project will improve the quality of life of the Hornlee residents and will enable densification of existing residential neighbourhoods. Densification of Stroebel Street will result in the strengthening of the neighbourhood fabric, with the families that grew up in the neighbourhood offered the opportunity of staying there in a place - with a title - of their own in which they can invest.
FIGURE 41: HORNLEE REVITALISATION –URBAN GATEWAY (SOURCE: THE MATRIX)
7 HOUSING PIPELINE : SEDGEFIELD

7.1 SEDGEFIELD APPROVED HOUSING PROJECTS

There are currently no approved state-funded housing projects for Sedgefield.

7.2 SEDGEFIELD PROPOSED HOUSING PROJECTS

As there is very little strategically municipally-owned land available in Sedgefield, it is proposed that where subsidised housing developments are proposed, it should be high-density developments with a minimum height of two storeys (where environmental constraints allow) and semi-detached units. The informal settlements in Sedgefield are on areas which are not considered suitable for residential development. There are limited areas that could be upgraded through the UISP; however the majority of the households in the informal settlements should be accommodated on other sites. Not all of the current housing need in Sedgefield will be met with the below-mentioned proposals, however it is considered that the Rheenendal and Karatara Interventions (see Sections x and y below) would be able to address part of the housing need in Sedgefield.

7.2.1 Sedgefield Remainder School Site

<table>
<thead>
<tr>
<th>Property Description</th>
<th>Remainder Portion 3813, Sedgefield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>1.4 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>PGWC: Department of Public Works</td>
</tr>
<tr>
<td>Current Use</td>
<td>Vacant and informal structures</td>
</tr>
<tr>
<td>Zoning</td>
<td>Educational</td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>Informal structures</td>
</tr>
<tr>
<td>Number of Units</td>
<td>84 units (60 units/ha)</td>
</tr>
<tr>
<td>Housing Type</td>
<td>BNG 2-storey, semi-detached</td>
</tr>
<tr>
<td>Housing Programme</td>
<td>UISP</td>
</tr>
<tr>
<td>Year of Implementation</td>
<td>2016-2018</td>
</tr>
<tr>
<td>Who</td>
<td>Knysna Municipality</td>
</tr>
</tbody>
</table>

FIGURE 42: REMAINDER PORTION 3813, SEDGEFIELD
Motivation:

Though the site forms part of the primary school site, it is clear that the site is not used for purposes relating to the school and a number of informal structures have already been established on the site. As there is such a shortage of municipal-owned land within Sedgefield, it is considered that the municipality should start negotiations with the PGWC to acquire this land to provide housing. It is motivated that existing facilities, such as sports facilities, should be shared to ensure optimal use of facilities and the newly constructed sport complex on Erf 2637, in Rooikrans Avenue should be made available to the primary school. This, together with the existing sport fields and the sport fields as part of the Secondary School proposal, will be sufficient to provide for the sports facility need of the primary school.
7.2.2 Erf 1672, Sedgefield

**Property Description**: Erf 1672, Sedgefield

**Size**: 2.2 ha

**Ownership**: Knysna Municipality

**Current Use**: Vacant

**Zoning**: Undetermined

**Services**: no service constrain

**Buildings**: None

**Number of Units**: 60 units

**Housing Type**: BNG 2-storey, semi-detached

**Housing Programme**: IRDP

**Year of Implementation**: 2016-2017

**Who**: Knysna Municipality

**Motivation:**

This is one of the few municipal-owned sites suitable for low-cost housing. Due to environmental constraints, not all of the site can be used for housing and it is considered that approximately 60 units could be provided on the site. This project should be prioritised and commenced immediately.
7.2.3 Sedgefield FLISP and CRUs

**Property Description**: Erf 3922–3927 and 3860, Sedgefield

**Size**: 0.86 ha

**Ownership**: Private

**Current Use**: Vacant

**Zoning**: Single Res and Local Business

**Number of Units**: 75 units

**Service Capacity**: no constraints

**Housing Type**: FLISP and CRUs, minimum of 2 storeys

**Housing Programme**: IRDP

**Year of Implementation**: 2016-2017

**Who**: Knysna Municipality

**Motivation**:

This land is strategically located to provide integration between the lower income areas of Smutsville and the higher income areas towards the west. There are currently very few rental options and affordable housing available to the lower income groups and by providing CRUs and FLISP housing, a wider range of housing opportunities can be provided. The CRUs can help to accommodate the current informal households in Onderste Gaaitjie, Slangpark, School Gaaitjie or Beverley Hills who do not qualify for full housing subsidies or those waiting for housing through subsidised housing projects. This area is also within walking distance of the existing primary school and the proposed secondary school and craftsmanship centre (refer to Section x below) and is on the main taxi routes. The land is privately owned and the municipality should commence with negotiations on land-swap or land-purchase agreements with the current land owner.
7.2.4 Brickyard Site

**Property Description**: Portion 134 of Farm 205, Sedgefield

**Size**: 0.1 ha

**Ownership**: Unknown

**Current Use**: Brickyard

**Zoning**: Undetermined

**Number of Units**: 18 units

**Housing Type**: BNG 2-storey, row houses

**Housing Programme**: IRDP

**Year of Implementation**: 2016-2017

**Who**: Knysna Municipality

**Motivation:**
This is one of the few municipal-owned sites suitable for low-cost housing. Due to environmental constraints, not all of the site can be used for housing and it is considered that approximately 18 units could be provided on the site. This project should be prioritised and commenced immediately.

7.2.5 Middle Income Housing

As within Knysna, there is a lack of housing for the middle-income market segment, where entry-level housing is unaffordable for the middle-income market segment.

The municipality will support and promote middle-income housing in the densification zones identified in the KSDF (2015). Please refer to Section x of the KSDF for more details on the densification zones.

7.2.6 High Income Housing

The provision of and location of high-income housing should be driven by private developers and should ideally not form part of primary and secondary nodes, as this income group generally has access to private transport and are not reliant on public transport and being situated within walking distance of social facilities and employment opportunities.
## 7.3 SEDGEFIELD PROPOSED AMENITIES

### 7.3.1 Sedgefield Secondary School

<table>
<thead>
<tr>
<th>Property Description</th>
<th>: Sedgefield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>: 2.5 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>: Private</td>
</tr>
<tr>
<td>Current Use</td>
<td>: Vacant</td>
</tr>
<tr>
<td>Zoning</td>
<td>: Commercial, Local Business, Group Housing</td>
</tr>
<tr>
<td>Proposed Facility</td>
<td>: Secondary School</td>
</tr>
<tr>
<td>Year of Implementation</td>
<td>: 2020 - 2025</td>
</tr>
<tr>
<td>Who</td>
<td>: Department of Education, Knysna Municipality and Private Land Owner</td>
</tr>
</tbody>
</table>

As with Knysna, if one considers the need for social facilities purely based on population numbers, it would appear that Sedgefield generally has sufficient social facilities. However, if one looks at the distribution thereof, it is clear that these facilities are not necessarily accessible to the communities of Smutsville and Sizamile, where the majority of Sedgefield's population resides (please refer to Annexure B for details on the social facilities. One can therefore argue that there is a lack of social facilities in Smutsville and Sizamile.

One of the major shortcomings in terms of social facilities is a secondary school. Other identified facilities include a crèche, a church and sport facilities.

As can be seen from Figure 19, there is a severe lack of developable land in Sedgefield, especially public land. As one of the focus points of the ISDF and the Knysna Municipality is creating a knowledge-based community, it is motivated that the provision of a high school to Sedgefield should be a priority. As there is no public-owned land available, it is proposed that erven 4953 to 4969, 4939, 4938 and 3919 to 3921 (green area indicated in Figure 20 above) be acquired through a land-swap or purchase agreement to establish a secondary school. Apart from addressing the need for a secondary school, the location of the school will also support integration of different communities and will be within walking distance of the communities that in general do not have access to private transport. The sport complex currently underway on erf 2637 should be made available to the primary and proposed secondary school. The sport fields of the primary school should be upgraded. The sport
fields and facilities of the primary school, sport complex and the proposed secondary school should be shared by these entities to ensure optimal use of land.

As there is no additional land available for a church in Sizamile or Smutsville, the school hall and facilities to be established at the sport complex should be made available for church functions and community meetings as and when required.
8 HOUSING PIPELINE: RHEENENDAL

8.1 RHEENENDAL APPROVED HOUSING PROJECTS

There are currently no approved housing projects for Rheenendal.

8.2 RHEENENDAL PROPOSED HOUSING PROJECTS

8.2.1 Rheenendal Infill Housing

Property description: Erven 181 and 54, Rheenendal
Size: 1742m²
Ownership: Knysna Municipality
Zoning: Single Res, Open Space
Community Facilities: 0.1-0.3km
Schools: 0.2km
Retail Facilities: 0.3km
Number of Units: 32
Service Capacity: No capacity constraints
Housing Type: CRUs
Housing Programme: IRDP
Year of Implementation: 2016-2017
Who: Municipality
Motivation:
Erven 181 and 54, Rheenendal are currently zoned public open space and single residential but from aerial photos it is clear that there are already housing structures encroaching on these erven. These erven are currently not being used for open space purposes and it is considered a matter of time before they are fully occupied. It is also considered that these erven are ideally situated for densification as they are in the centre of Rheenendal and within walking distance from social facilities and amenities. These units could provide rental options for those households who do not qualify for housing subsidies and who cannot afford to buy property in the current private property market. CRU should be constructed with a minimum height of 3 storeys which could possibly yield 32 rental options.
### 8.2.2 Lapland

<table>
<thead>
<tr>
<th>Property description</th>
<th>Erf 387, Rheenendal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>6.06 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>Knysna Municipality</td>
</tr>
<tr>
<td>Zoning</td>
<td>Open Space</td>
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<tr>
<td>Buildings</td>
<td>None</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>0.5 – 1km</td>
</tr>
<tr>
<td>Schools</td>
<td>0.5 – 1km</td>
</tr>
<tr>
<td>Retail Facilities</td>
<td>0.3km</td>
</tr>
<tr>
<td>Service Capacity</td>
<td>No capacity constraints</td>
</tr>
<tr>
<td>Number of Units</td>
<td>200</td>
</tr>
<tr>
<td>Housing Type</td>
<td>BNG</td>
</tr>
<tr>
<td>Housing Programme</td>
<td>IRDP</td>
</tr>
<tr>
<td>Year of Implementation</td>
<td>2018-2019</td>
</tr>
<tr>
<td>Who</td>
<td>Knysna Municipality</td>
</tr>
</tbody>
</table>

#### Motivation

The Knysna Municipality recently received a letter from the Western Cape Government Department of Human Settlements to confirm that they conditionally support this project for pre-planning funding. The number of possible housing opportunities was indicated as 322 units, which also included Erf 35 and Portion 4 of Farm 185, Rheenendal. However, the PRT appointed to compile the housing pipeline for the KM has indicated that the cost of specialist studies, decommissioning and removal of hazardous waste would potentially be too costly to justify the development of Erf 35, Rheenendal. A new community sport complex is currently being constructed on Portion 4 of Farm 185, Rheenendal and very limited, if any, land is available for housing development. These two erven has therefore not been included in the housing proposal.

There is very little strategically located municipal owned land available in Rheenendal and it is considered that this housing proposal would help to alleviate the short term housing demand.
8.2.3 Rheenendal Agricultural Node

**FIGURE 49: RHEENENDAL AGRICULTURAL NODE**

- **Property description**: Various farms
- **Size**: N/A
- **Ownership**: Private owned land
- **Zoning**: Mixed zonings (including Agriculture, Industrial, Commercial)
- **Buildings**: Various
- **Community Facilities**: 1km
- **Schools**: 1km
- **Retail Facilities**: 0.3km
- **Service Capacity**: No internal or bulk services available
- **Number of Units**: 800 units
- **Housing Type**: mixed housing (BNG, FLISP, CRUs)
- **Housing Programme**: IRDP
- **Year of Implementation**: 2025-2030
- **Who**: Public-Private Partnership
Motivation

The KISDF has identified Rheenendal as one of the rural areas which have the potential to contribute significantly to the economy of the municipal area. The proposal in the KISDF\(^8\) entails establishing large scale concentrated value-add agriculture in the Rheenendal, Karatara and Sedgefield areas. It is also motivated that the current timber industries can build onto the current activities to produce higher value products which could create, together with the value-add agriculture, in the order of 5 000 permanent jobs in these areas. If this can be achieved, there will be an increased demand for housing which should be provided for.

It is proposed that the agricultural node should establish in the area between the sport centre and the Totties area (south and west of the Rheenendal Road) which has existing industrial and business rights but which are not currently being used to their full potential due to the closure of the sawmill on the site. As per the figure above, two new connections between this area and the existing Rheenendal town are proposed which will link these areas. It is strongly motivated that this housing proposal, establishing 800 new housing opportunities for the lower income market, should only be implemented once the agricultural node has successfully been established, therefore, housing to follow employment opportunities. The housing development should provide for a range of housing typologies targeted at different income levels to ensure that a range of housing opportunities are available.

The main constraints to this proposal are the availability of public owned land and the lack of bulk services. The municipality should start with negotiations to form public-private partnerships to unlock land for the housing proposals. Please refer to Section x below for a detailed implementation and budget plan to be able to provide these services by 2025 for the project to be implemented.

In the short term it is proposed that the Totties node (private owned land) should be supported as a development node to allow for mixed use development to include integrated housing which should provide for fully subsidized housing (BNG), FLISP housing and affordable to high income market driven housing. This could help to alleviate the immediate housing shortage and stimulate the local economy while the municipality enter into negotiations regarding acquiring additional land.

To support the rural character of Rheenendal, it is proposed that fully subsidized erven should not be less than 150m\(^2\). However, as such a high percentage of beneficiaries on the waiting list have less than 2 dependants, it is proposed that along main and feeder routes, housing developments should be more dense, and a minimum of two storey housing units to be supported along the Rheenendal Road.

\(^8\) P.35, Section 4.2 of the KISDF dated December 2015
8.2.4 Middle Income Housing

The average erf size in Rheenendal is approximately 300m². It is proposed that subdivision of erven should be supported (where service capacities will support this) to allow for lower to middle income housing.

The number of backyard dwellers in Rheenendal has not been confirmed (await conclusion of study currently being conducted), though from aerial photos it seems that there are quite a number of backyard dwellers which provides for the affordable rental market.

To support integration, the Totties node should also provide for middle income housing. As the agricultural node establishes over time, the private sector will provide for middle income housing as the demand increases.

8.2.5 High Income Housing

As the agricultural node establishes over time, the private sector will provide for high income housing as the demand increases. High income housing should ideally be situated along the edges of the proposed development area as this income group is not reliant on public transport or being located within walking distance from employment opportunities and amenities.

8.3 RHEENENDAL PROPOSED AMENITIES

There is currently one primary school (from grade 1 to 7) in Rheenendal but no secondary school. The high number of home churches suggests that there is a need for church sites. There is also a need for a post office and a community or functional play park.

It is proposed that the existing cemetery at Rheenendal be extended towards the north (keeping a buffer between the cemetery and the residential area and towards the south and west towards the WWTW, away from the residential area. Apart from helping to relive the need for a cemetery it could help to stimulate the local economy by creating opportunities for coffin making, which ties in with the school desk manufacturing in Karatara.

It is proposed that the short term need for a secondary school should be addressed by improving public access to the proposed secondary school in Sedgefield. In the long term the municipality should consider land swap or purchase agreements to acquire land within close proximity to the new
sport complex, ideally situated south of the Rheenendal road to ensure easy access between the proposed secondary school and the sport complex to support the sharing of facilities. It is proposed that Portion 35 of Farm 185 should be considered for this purpose.

Additional church sites should only be provided if there are no more vacant church sites. A portion of either erf 69 or erf 553 could be made available for a church site. The municipality should promote the sharing of facilities through discussions with community leaders and should ensure that the proposed multi-purpose and community centre at the sport complex as well as the existing community centre situate along Main Road is also made available for church functions.
9 HOUSING PIPELINE : KARATARA

9.1 KARATARA APPROVED HOUSING PROJECTS

There are currently no housing projects approved for Karatara.

9.2 KARATARA PROPOSED HOUSING PROJECTS

9.2.1 Bosdorp

<table>
<thead>
<tr>
<th>Property description</th>
<th>Bosdorp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>32 ha</td>
</tr>
<tr>
<td>Ownership</td>
<td>Municipal</td>
</tr>
<tr>
<td>Current Use</td>
<td>Vacant and Residential</td>
</tr>
<tr>
<td>Zoning</td>
<td>Single Res, Open Space, Authority</td>
</tr>
<tr>
<td>Buildings</td>
<td>Residential</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>1.3km</td>
</tr>
<tr>
<td>Schools</td>
<td>1.7km</td>
</tr>
<tr>
<td>Retail Facilities</td>
<td>1.3km</td>
</tr>
<tr>
<td>Number of Units</td>
<td>188</td>
</tr>
<tr>
<td>Housing Type</td>
<td>BNG</td>
</tr>
<tr>
<td>Housing Programme</td>
<td>IRDP</td>
</tr>
<tr>
<td>Year of Implementation</td>
<td>2016-2017</td>
</tr>
<tr>
<td>Who</td>
<td>Municipality</td>
</tr>
</tbody>
</table>

FIGURE 50: KARATARA BOSDORP
9.2.2 Karatara Agriculture Node

Property description: Welsynsdorp, Karatara
Size: N/A
Ownership: Knysna Municipality and State Owned
Current Use: Vacant and Agriculture
Zoning: Single Res, Open Space, Agriculture
Buildings: None
Community Facilities: Appr. 0.5km
Schools: Appr. 0.5km
Retail Facilities: Appr. 0.5km
Number of Units: 1,000
Service Capacity: No services available
Housing Type: FLISP, Social Housing and CRUs
Housing Programme: IRDP
Year of Implementation: 2020-2022
Who: Public – Private Partnership

Motivation:
As mentioned above, one of the key spatial interventions for the Knysna Municipality, as proposed in the KISDF document is the establishment of Karatara as an Agriculture hub for nice-farming. The land directly west of Welsynsdorp, Eastbrook 183, is state owned land and comprises approximately 260ha, and has been identified as having a high potential for the proposed nice-agriculture farming. If this project realizes, Karatara will become more viable for the establishment of a sustainable human settlement and would be able to accommodate more housing developments. It is proposed that, if the employment opportunities realizes to the extent proposed, a possible 1,000 additional housing units could be accommodated on the western and northern edges of Welsynsdorp. This ‘sliver’ of land belongs to the Knysna Municipality and could be made available for high density residential development. It is however strongly motivated that this housing proposal should only be implemented once the agricultural node has successfully been established, therefore, housing to follow employment opportunities. It is also proposed that the housing opportunities should only be targeted at households with a minimum income of R1 500 per month to ensure that the households relocated to Karatara will be able to contribute to the local economy and stimulate economic growth in the area.
The main constraint to this proposal is the lack of bulk services. Please refer to Section x below for a
detailed implementation and budget plan to be able to provide the required services by 2025 for the
project to be implemented.

9.2.3 Middle and High Income Housing

The area know as Weslynsdorp mainly consists of large
residential erven with small single residential units. It is
considered that if the Karatara Agricultural Node realizes,
the demand for middle to high income housing will
increase. Subdivision and redevelopment of these erven
should be supported to allow for middle income housing.
It is considered that the private sector will respond to an
anticipated increase in the demand for high income
housing. Please refer to the KSDF, Section 12 for details
on spatial proposals to accommodate the future growth of
Karatara.

9.3 SOCIAL FACILITIES

Based on the information contained in the draft KSHP Status Quo (2014) document (please see
Attached Annexure B), there are sufficient social facilities to address the need of the current
population in Karatara. The provision of social facilities in the medium to long term should be
focussed around the secondary school indicated Welsynsdorp to ensure the clustering of social
facilities. In the interim, where the need arises, the municipality should facilitate for the shared use of
the existing facilities, such as the school and church halls. Please refer to Section 12 of the KSDF
(2015) for more details on future land use proposals (relating to amenities and commercial sites) for
Karatara.
10 SUMMARY OF HOUSING PROPOSALS

The following provides a summary of the housing proposals made in the previous sections.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of houses</th>
<th>Housing Type</th>
<th>Earliest Year of Implementation (top structures)</th>
<th>Housing Programme/ Responsible Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current number of housing applications on Western Cape Housing Demand Data Base (WCHDDB), extracted September 2015</td>
<td>9748</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nekkies East (approved)</td>
<td>104</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Damsebos South (approved)</td>
<td>124</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Oupad (approved)</td>
<td>81</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>*Happy Valley (awaiting approval for top structures)</td>
<td>120</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>*Ethembeni (awaiting approval for top structures)</td>
<td>200</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>*Hlalani (phase 1) (awaiting approval for top structures)</td>
<td>166</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>Edameni (awaiting approval for top structures)</td>
<td>25</td>
<td>BNG</td>
<td>2015-2016</td>
<td>UISP</td>
</tr>
<tr>
<td>Bloemfontein (awaiting approval for top structures)</td>
<td>151</td>
<td>BNG</td>
<td>2017-2018</td>
<td>UISP</td>
</tr>
<tr>
<td>Xolweni (awaiting approval for top structures)</td>
<td>220</td>
<td>BNG</td>
<td>2017-2018</td>
<td>UISP</td>
</tr>
<tr>
<td>Rheenenandal (awaiting approval)</td>
<td>322</td>
<td></td>
<td>2018-2019</td>
<td></td>
</tr>
<tr>
<td>Karatara (awaiting approval)</td>
<td>188</td>
<td>BNG</td>
<td>2016-2017</td>
<td>UISP</td>
</tr>
<tr>
<td>ABSA/Hornlee (approved, construction to commence 1 February 2016)</td>
<td>352</td>
<td>FLISP</td>
<td>2016-2017</td>
<td>Public-Private Initiative</td>
</tr>
<tr>
<td>ABSA/Hornlee (approved, construction to commence 1 February 2016)</td>
<td>92</td>
<td>BNG</td>
<td>2016-2017</td>
<td>Public-Private Initiative</td>
</tr>
<tr>
<td>Total number of houses approved or awaiting approval</td>
<td>2145</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remainder number of houses to be provided to accommodate all households on the current HDDB</td>
<td>7603</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ISDF Housing Proposals for

**Knysna**

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of houses</th>
<th>Housing Type</th>
<th>Earliest Year of Implementation (top structures)</th>
<th>Housing Programme/ Responsible Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knysna Northern Area, Witlokasie Erf 14076 and Erf 9894</td>
<td>50</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2015-2016</td>
<td>Social Housing Institution</td>
</tr>
<tr>
<td>Hornlee, Lagoon View 1 and 2</td>
<td>169</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2016-2017</td>
<td>Social Housing Institution</td>
</tr>
<tr>
<td>Knysna Northern Area : Number of additional erven through infill densification:</td>
<td>500</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2015-2025</td>
<td>Individual Subsidy Process</td>
</tr>
<tr>
<td>Hornlee: Number of additional erven through infill densification:</td>
<td>1116</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2015-2025</td>
<td>Individual Subsidy Process</td>
</tr>
<tr>
<td>Heidevallei</td>
<td>1167</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2015-2019</td>
<td>Public-Private Initiative</td>
</tr>
<tr>
<td>Erven 1551, 1552,1553,1554 and Portion of Remainder Erf 1533, Knysna Windheuwel</td>
<td>1456</td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td>2020</td>
<td>IRDP</td>
</tr>
<tr>
<td><strong>Sedgefield</strong></td>
<td><strong>237</strong></td>
<td>BNG, CRUs, Social Housing and FLISP</td>
<td><strong>2016-2020</strong></td>
<td>Public-Private Initiative</td>
</tr>
<tr>
<td>Erf 1672, Sedgefield</td>
<td>60</td>
<td>BNG</td>
<td>2016-2017</td>
<td>IRDP</td>
</tr>
<tr>
<td>Remainder Portion 3813, Sedgefield (school site)</td>
<td>84</td>
<td>BNG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erven 3922-3927 and 3860 Sedgefield</td>
<td>75</td>
<td>FLISP and CRUs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portion 134 of Farm 205, Sedgefield (Brick Yard)</td>
<td>18</td>
<td>BNG</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rheenendal</strong></td>
<td><strong>232</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erf 387, Rheenendal</td>
<td>200</td>
<td>BNG</td>
<td>2018-2019</td>
<td>IRDP</td>
</tr>
<tr>
<td>Erven 181 and 54, Rheenendal</td>
<td>32</td>
<td>CRUs</td>
<td>2016-2017</td>
<td>IRDP</td>
</tr>
<tr>
<td>Remainder number of houses to be provided to accommodate all households on the current housing waiting list (figure does not take population growth into account) :</td>
<td></td>
<td></td>
<td><strong>2676</strong></td>
<td></td>
</tr>
<tr>
<td>Remaining housing demand including estimated increase of 1 856 housing units required by 2030 :</td>
<td></td>
<td></td>
<td><strong>4532</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Marjory Intervention:</strong> To establish Karatara/Rheenendal as rural growth nodes and acquire land through land swaps/purchase agreements.</td>
<td>1800</td>
<td>CRUs, Social Housing and FLISP</td>
<td>2020</td>
<td>Public-Private Initiative</td>
</tr>
<tr>
<td>Kruisfontein Mixed Use Development</td>
<td>2732</td>
<td>BNG, FLSIP, CRUs</td>
<td>2020-2030</td>
<td>Public-Private Initiative</td>
</tr>
</tbody>
</table>

**TABLE 16: SUMMARY OF HOUSING PROPOSALS FOR THE KNYSNA MUNICIPAL AREAS FOR THE SHORT, MEDIUM AND LONG TERM**
11 IMPLEMENTATION STRATEGY

With the focus on creating an enabling environment for meeting the housing needs of the people of the Greater Knysna Municipality, this section presents the implementation strategy for the water and sanitation infrastructure for the periods up to June 2017 as the first (short term) period, from July 2017 to June 2020 as a medium-term period and the long-term seen as up to July 2025 and beyond. This done because it has become clear through the KISDF analysis process that the water and sanitation infrastructure required are key to the successful realisation of the KISDF vision. It is important to note that the KISDF and HSP have the principles of ‘Infrastructure follows Strategy’ at its core. This means that the strategic framework outlined in this document (and for which details are presented in the SDF and the KISDF reports), informs the priorities, budget and timeframe for establishing the required infrastructure to enable the implementation of the economic interventions proposed by the KISDF.

Furthermore a ‘No Regret Policy’ is followed in that there should be ‘No Regrets’ in taking a specific action at a specific time (or NOT taking an action at the time) so-as to ensure that strategic priorities are addressed in time and in the correct sequence without foreclosing on future opportunities or resulting in unnecessary expenses.

The elements of the water and sanitation system at each of the settlements of Karatara, Rheenendal, Sedgefield and Knysna were evaluated to determine the current and future constraints in the municipal water and sanitation system to be able to meet the current and future development demands. Use was made of the engineering models that form part of the Water and Sewage Infrastructure Master Plans that became available from the Knysna Municipality’s Consultant Engineers in November 2015.

A summary of the strategic infrastructure development required at each of the towns in the Greater Knysna Municipality is presented in Tables 17. High level details of the required basic interventions, associated cost estimates and the timeframe can be seen and the assessment results are discussed in the next section for each system element at each town. This information will enable the municipality to budget for and invest scarce funding resources in a tactically astute manner following the ‘No Regrets Policy’.

As detailed in subsequent sections of this report, the phased budget requirement for water and sanitation bulk supply infrastructure is shown in Table 17A.
In all cases discussed, it is assumed that the implementation actions carried out in the preceding years will result in the outcome by the specified year. For example if a particular defined outcome (say the availability of a new 3MI water storage reservoir) with the associated investment requirement (say R8 million) is targeted as 2020, it means that the investment has to have happened in the preceding years so as to have the said infrastructure operational by 2020.

11.1 COMPLEMENTARY ENGINEERING SERVICES

A sufficient and functioning electricity supply and distribution network underpins the ability of the Local Authority to deliver the required basic services so important to the quality of life of its citizens. In addition to these engineering services, the management of road infrastructure, storm water, solid waste, air quality, traffic safety, transport and health safety.

Following the principle of “Infrastructure follows Strategy” an assessment of these important engineering services show that they can easily be addressed as part of the strategic interventions proposed in the KISDF. Specific intervention actions to meet these needs are discussed in the relevant technical engineering reports.

The following section provide detail of only the water and sanitation engineering infrastructure requirements as illustrated and discussed in Section 7.1.

11.2 THE SOURCE OF WATER

The investigation of the current and required water resource shows that the issue of securing a sustainable water source to provide for the current and future water needs of the people and industries of the Greater Knysna Municipality is strategically key. It becomes even more important as the effects of climate change is felt. Following the ‘No Regret Policy’ means that it is important to consider practical and innovative means of managing the quantity and quality of the water source, as well as managing the effective and efficient distribution and demand components of the water supply system.

Table 17.B below shows a summary of the capital expenditure required to secure a sufficient water source to realise the strategic interventions described under the SDF, IHSP and ISDF at each of Karatara, Rheenendal, Sedgefield and Knysna for milestone years 2017, 2020 and 2025 and beyond.

Proposed actions:

- Referring to Table 17.B and the word ‘pipe’ with superscript 1 under Knysna, the strategic priority is to increase the capacity of the pump and delivery pipe that delivers water from the Knysna River to the existing balancing dam. It is a significant constraint for current water source security
(to manage drought conditions) and should be completed by 2017. The cost is estimated at R85 million.

- Complimentary to this is the installation of pre-paid water meters that will assist water demand management with the goal of reducing water losses from the current level of 14% to less than 12%. This is estimated at a capital cost of R2million and should be completed by 2017 (See Note 2 under the Knysna column in Table 18).

- By 2020 the construction of a new storage dam in the Knysna River at a current cost estimate of R100million should be completed (Note 3 under Knysna in Table 18).

- For both Karatara and Rheenendal the recommendation is to install a suitable Water Recovery System at both WWTWs to supplement the water source by 2017 (See Notes Table 18).

- The only critically important water source related action at Sedgefield is to complete the Integrated Water Use Licence application (IWULA) process for the boreholes.

- For the 2020 and 2025 time period a suitable water supply scheme has to be established at Karatara to enable the realisation of the recommended ISDF-driven economic stimulus intervention at Karatara (see Notes 2 and 3 for Karatara in Table 18). The capital costs for each of two phases is estimated at R25million.

- To ensure a secure water source for the demand anticipated by 2025 in Rheenendal, a new off-channel dam for raw water sourced from the Homtini River is recommended. The anticipated cost is R25million.

### 11.3 THE SUPPLY OF POTABLE WATER TO USERS

Closely associated with the water source is the ability of the Local Authority to provide clean water of sufficient quantity at all times. Following the ‘No Regret Policy’, the actions listed in Table 17.C summarise the capital expenditure required to establish the infrastructure to realise the strategic interventions described under the SDF, IHSP and ISDF at each of Karatara, Rheenendal, Sedgefield and Knysna for milestone years 2017, 2020 and 2025 and beyond.
11.4 SANITATION

The ability of the municipal infrastructure to manage the domestic effluent to meet national human health and environmental standards is another important necessary condition of service provision at Local Government level. The actions listed in Table 17.D summarise the capital expenditure required to establish the infrastructure to realise the strategic interventions described under the SDF, IHSP and ISDF at each of Karatara, Rheenendal, Sedgefield and Knysna for milestone years 2017, 2020 and 2025 and beyond.
### TIMEFRAME KARATARA RHEENENDAL SEDGEFIELD KNYSNA TOTAL 2017 2020 2025

<table>
<thead>
<tr>
<th>TOTALS</th>
<th>2016/17</th>
<th>5</th>
<th>4</th>
<th>8</th>
<th>131</th>
<th>160</th>
<th>160</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>58</td>
<td>48</td>
<td>36</td>
<td>113</td>
<td>309</td>
<td>0</td>
<td>309</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2025</td>
<td>35</td>
<td>35</td>
<td>60</td>
<td>175</td>
<td>305</td>
<td>0</td>
<td>305</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### TABLE 17.A: PHASED BUDGET REQUIREMENT FOR WATER AND SANITATION BULK SUPPLY INFRASTRUCTURE (R x 1,000,000) Note: Figures are shown in R millions

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>TIMEFRAME</th>
<th>KARATARA</th>
<th>RHEENENDAL</th>
<th>SEDGEFIELD</th>
<th>KNYSNA</th>
<th>TOTAL</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER SOURCE</td>
<td>2016/17</td>
<td>Water Recovery S¹</td>
<td>2</td>
<td>Water Recovery S¹</td>
<td>2</td>
<td>Cap: 1.5 Ml/d²</td>
<td>Pipe³ Pre-paid meters²</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>Supply scheme²</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td>New dam³ Water Recovery S⁴</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>Supply scheme³</td>
<td>25</td>
<td>Supply scheme²</td>
<td>25</td>
<td></td>
<td></td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

### TABLE 17.B: CAPITAL EXPENDITURE REQUIRED TO SECURE A SUFFICIENT SOURCE OF WATER (R x 1,000,000)

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>TIMEFRAME</th>
<th>KARATARA</th>
<th>RHEENENDAL</th>
<th>SEDGEFIELD</th>
<th>KNYSNA</th>
<th>TOTAL</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER TREATMENT</td>
<td>2016/17</td>
<td>Filter Gallery, Pump Station &amp; pipe⁵</td>
<td>14</td>
<td></td>
<td></td>
<td>14</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>Increase to 2 Ml/d⁶</td>
<td>12</td>
<td>Increase to 2.7 Ml/d³</td>
<td>20</td>
<td>WRS⁶</td>
<td>2</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>Cap: 23 Ml/d⁷</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>STORAGE</td>
<td>2016/17</td>
<td>Reservoir⁸</td>
<td>10</td>
<td></td>
<td></td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>Reservoir &amp; Pump⁵</td>
<td>5</td>
<td>New 3 Ml reservoir⁴</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BULK DISTRIBUTION NETWORK</td>
<td>2016/17</td>
<td>Enlarge pipe dia.⁶</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>New network⁷</td>
<td>2</td>
<td>Pump &amp; pipe⁵</td>
<td>5</td>
<td>Pump &amp; Pipe⁹</td>
<td>14</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TABLE 17.C: CAPITAL EXPENDITURE REQUIRED TO SUPPLY POTABLE WATER (R x 1,000,000)
<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>TIMEFRAME</th>
<th>KARATARA</th>
<th>RHEENENDAL</th>
<th>SEDGEFIELD</th>
<th>KNYSNA</th>
<th>TOT</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>WWT</td>
<td>2016/17</td>
<td>Polishing system⁸</td>
<td>2</td>
<td>Polishing system⁶</td>
<td>2</td>
<td>Polishing system⁴</td>
<td>5</td>
<td>SWM¹¹</td>
<td>Polishing¹²</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>New system⁹</td>
<td>10</td>
<td>New system⁷</td>
<td>10</td>
<td>New system⁵</td>
<td>20</td>
<td>Algae system¹³</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>Upgrade¹⁰</td>
<td>10</td>
<td>Upgrade⁸</td>
<td>10</td>
<td>Upgrade⁶</td>
<td>25</td>
<td>Algae system¹⁴</td>
<td>20</td>
</tr>
<tr>
<td>SEWAGE NETWORK</td>
<td>2016/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Redirect¹⁵</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>New network¹¹</td>
<td>4</td>
<td>New network⁹</td>
<td>5</td>
<td>New network⁷,⁸,⁹</td>
<td>16</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>New network¹⁰</td>
<td>25</td>
<td>Extended network¹⁷</td>
<td>30</td>
</tr>
</tbody>
</table>

**TABLE 17.D: CAPITAL EXPENDITURE REQUIRED TO SUPPLY AN EFFICIENT AND EFFECTIVE SANITATION SYSTEM (R x 1 000 000) NOTE: THE SUPERSCRIPTS REFER TO A SHORT DESCRIPTION OF THE SPECIFIC ACTION AS LISTED IN TABLE 18**
<table>
<thead>
<tr>
<th>KARATARA</th>
<th>RHEENENDAL</th>
<th>SEDGEFIELD</th>
<th>KNYSNA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water Recovery System to complement / extend water supply</td>
<td>Water Recovery System to complement / extend water supply. Need for new pump and pipeline</td>
<td>Existing right to 4 ML/d from resources including Karatara River, boreholes &amp; RO plant. Boreholes need IWULA. Only extract 1.5 ML/d. Need for 8ML/d peak. Potential for 1.5 ML/d recovery (see Notes 5 &amp; 9)</td>
</tr>
<tr>
<td>2</td>
<td>Phase 1: New water resource scheme e.g. groundwater. Need IWULA for complete scheme.</td>
<td>Off-channel dam from Homtini River</td>
<td>New 4 ML storage reservoir</td>
</tr>
<tr>
<td>3</td>
<td>Existing capacity = 1ML/d. Need 2.7 ML/d by 2020</td>
<td>Link between reservoir to overcome restriction</td>
<td>Dam in Knysna River. (R100m) [or Concordia R28m, or Kruisfontein R70m] Need IWULA</td>
</tr>
<tr>
<td>4</td>
<td>Existing capacity = 0.79 ML/d, increase to 2 ML/d</td>
<td>New storage reservoir</td>
<td>Algae &amp; wetland WT technology to standard water quality at existing WWTW</td>
</tr>
<tr>
<td>5</td>
<td>New storage reservoir and booster pump Existing capacity = 0.9 ML, increase to 2 ML</td>
<td>New booster pump and pipe to reservoir</td>
<td>First phase of new 1.5 ML/d treatment works; algae &amp; wetland WT technology to standard water quality as new WWTW</td>
</tr>
<tr>
<td>6</td>
<td>Pipe network needs larger diameter pipes to enable fire–fighting (‘Fire–Flow’)</td>
<td>Algae &amp; wetland WT technology to standard water quality</td>
<td>2nd phase to upgrade with extra 1.5 ML/d capacity</td>
</tr>
<tr>
<td>7</td>
<td>Extend the main water supply network</td>
<td>First phase of new 0.5 ML/d treatment works</td>
<td>New / extended main sewer network and pump station</td>
</tr>
<tr>
<td>8</td>
<td>Algae &amp; wetland WT technology to standard water quality</td>
<td>2nd phase to upgrade with extra 0.5 ML/d capacity</td>
<td>1st phase septic tank system into main network</td>
</tr>
<tr>
<td>9</td>
<td>First phase of new 0.5 ML/d treatment works</td>
<td>New / extended main sewer network</td>
<td>Water Recovery of 1.5ML/d (pipeline)</td>
</tr>
<tr>
<td>10</td>
<td>2nd phase to upgrade by a further 0.5 ML/d capacity, total 1ML/d</td>
<td>2nd phase septic tank system into main network. Re-assess need ito actual Climate Change (Flooding &amp; Sea Level)</td>
<td>New pump station and pipeline to supply Kruisfontein</td>
</tr>
<tr>
<td>KARATARA</td>
<td>RHEENENDAL</td>
<td>SEDGEFIELD</td>
<td>KNYSNA</td>
</tr>
<tr>
<td>----------</td>
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<td>--------</td>
</tr>
<tr>
<td>11</td>
<td>New / extended main sewer network</td>
<td></td>
<td>Prevention of stormwater intrusion into sewage system (education and house-to-house policing)</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>Algae &amp; wetland WT technology to standard water quality</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td>1st Stage: Algae &amp; wetland WT and water recovery technology</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td>2nd Stage: Algae &amp; wetland WT and water recovery technology</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td>1st phase: Construct infrastructure to enable redirection of sewage from northern areas to a new WWTW at Windheuwel</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td>2nd phase: Complete infrastructure and redirect sewage from northern areas to a new WWTW at Windheuwel</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
<td>Extend sewage network to cater for expansion (e.g. Kruisfontein)</td>
</tr>
</tbody>
</table>

**TABLE 18: NOTES TO WATER AND SANITATION INFRASTRUCTURE IMPLEMENTATION STRATEGY**
12. MONITORING AND EVALUATION

This section will incorporate the scorecard to track progress of the KISDF which can only be finalised after the final round of the public engagement process.

The HSP will need to be revised and adjusted on an annual basis to maintain the five-year focus and to ensure the necessary attention is given to the incorporation of the outer planning year in the five-year cycle.

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The HSP will need to be revised and adjusted on an annual basis to maintain the five-year focus and to ensure the necessary attention is given to the incorporation of the outer planning year in the five-year cycle.
Annexure A: Glossary of Key Terms
Affordable Housing/GAP Housing:
Affordable housing or “Gap housing” is a term that describes the shortfall, or “gap” in the market between residential units supplied by the State and houses delivered by the private sector. The gap housing market comprises people who typically earn between R3 501 and R15 000 per month, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance.

Aquaponics:
A food production method that combines conventional aquaculture (raising aquatic animals in tanks) with hydroponics (cultivating plants in water) in a symbiotic environment. In normal aquaculture, waste generated by the animals being raised can accumulate in the water, increasing toxicity. In an aquaponic system, water from an aquaculture system is fed to a hydroponic system where the by-products are broken down by bacteria, which are utilised by the plants as nutrients. The water is then recirculated back to the aquaculture system.

Biodiversity:
The biological wealth of a specified geographic region: including the marine, aquatic and terrestrial ecosystems, communities of organisms within these, and their component species, number and genetic variation.

Biomimicry:
The imitation of the models, systems, and elements of nature for the purpose of solving complex human problems.

Blue Economy:
The Blue Economy seeks to identify examples in nature where organic recycling or upcycling occurs and mimic these processes to find out where and how the waste that we generate can be innovatively used again. The Blue Economy aims to analyse natural environmental systems and incorporate these processes into all aspects of development.

The Blue Economy also seeks to alter the way in which industrial processes function and thereby tackle persistent environmental problems, moving away from the use of rare and high-energy cost resources towards solutions based upon simpler and cleaner technologies.

Breaking New Ground(BNG) Housing:
A dwelling unit provided free of charge to an individual who currently earns less than R800 per month and qualifies for a full housing subsidy from the government. This entails one free standing/detached house on an individual, freehold erf.

Brownfield Development:
The reuse of previously developed land.
Civic Precinct:
A concentration of public facilities (e.g. schools, clinics, hospitals, parks, city hall, courthouses, post offices, etc.) located in close proximity to one another.

Coastal Edge:
A demarcated area around the coast, primarily to protect coastal resources, and to avoid hazards and financial risks pertaining to areas at risk of flooding.

Communal Land:
Land which is, or is to be, occupied or used by members of a community subject to the rules or custom of that community (Communal Land Rights Act 11 of 2004).

Community:
A group of people forming a social unit of any size that shares a common identity that may be based on common locational qualities (like place of work or residence) or other reasons based on social or cultural identity.

Community Rental Units (CRU):
A housing programme that targets low income households (currently with a household income of R800 - R1500 per month) who are not able to be accommodated in the formal private rental and social housing market. The programme seeks to bridge the divide between social housing and lower markets.

Corridor:
Links between nodes, along which an increased intensity of development may be encouraged. Corridors provide efficient access to a higher level of economic opportunities than would generally be the case in less structured space. They typically include public transport routes.

Critical Biodiversity Area:
Terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functionality, and that are required to meet biodiversity targets (for biodiversity patterns and ecological process features).

Credible [Spatial Development Framework (SDF)]:
The definition credible includes the following meanings - plausible, believable, apparently reasonable and valid. It further means capable of being conceived. A credible SDF is therefore, one which has adequately analysed the state of the municipality and details the drivers for change and effectively gives direction for the future growth and development of the municipality in alignment with government policies. It should also be equipped with a thorough implementation plan, comprising costs, responsible persons, and lists of actions both short and long term.
**Cultural Landscape:**
Sites and landscapes of historical significance, areas of scenic beauty and places of spiritual and/or cultural importance.

**Density:**
The number of units (e.g. people, dwelling units, floor area) per unit of land area, e.g. dwelling units/hectare.
There are five measures of density:

i. population density: people/hectare
ii. gross dwelling unit density: dwelling units/total land area of a project or suburb including roads, public open space and non-residential land uses.
iii. net dwelling unit density: dwelling units/land occupied by residential plots only.
iv. building density: floor area of buildings or footprints/land area.
v. settlement density: dwelling units total land occupied by settlement also known as average gross dwelling unit's density.

**Densification:**
Densification is the increased use of space both horizontally and vertically within existing areas/properties or new developments, accompanied by an increased number of units and/or population.

**Development Contributions:**
Contributions, usually financial, levied from a developer by the supply authority for the external provision of services (e.g. water, sewer, electrical) to the development site. Also known as augmentation levy.

**Development Corridor:**
Broad areas of high-intensity urban development focused predominantly on activity/development routes serviced by mass rapid public transport services (i.e. rail or BRT).

**Development Services Line:**
A line located within the development corridor or node indicating the limit to infrastructure availability and capacity. This line may coincide with the Urban Development Line (UDL) or may fall within the UDL boundary. The urban area may have a number of development services phasing lines related to future servicing capacity and infrastructure indicating where and when future development can be serviced.

**Ecological Services:**
Services that indirectly accrue from the natural environment, and do not have direct market values, such as flood attenuation, natural drainage and erosion prevention, wastewater management through biological treatment, air quality management and filtration, carbon sequestration, and biodegradable waste disposal.

**Efficiency:**
Maximisation of development goals such as sustainability, integration, accessibility, affordability, and quality of living, relative to financial, environmental, and social costs, including ongoing and future costs.
Environmental Management Framework (EMF):
An EMF provides a study of the biophysical and socio-cultural systems of a geographically defined area to reveal where specific land uses may best be practiced. Offers performance standards for maintaining appropriate use of such land.

Finance Linked Individual Subsidy Programme (FLISP):
A housing program that provides individual subsidies linked to the household income of the applicant to enable the applicant to acquire a residential property or to construct a house. This subsidy is subject to the approval of a mortgage loan and targets the low and middle income households (currently household income of R3501 - R15000 per month).

Food Security:
Physical and economic access, at all times, to sufficient, safe and nutritious food to meet dietary needs and food preferences for an active and healthy life.

Gap Housing:
Housing for households with a current monthly income of between R3 500 and R10 000, that fall outside the government housing subsidy income limit of R3500 per month, and find it difficult to access housing in the private market.

Greenfield Development:
Development of land that has not previously been used for urban uses. The development of virgin or agricultural land.

Green Economy:
An economy that results in reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment.

Gross Domestic Product-Region:
GDP-R measures the real economic output of a specific geographic area for a particular time period, usually one year.

Hamlet:
A settlement too small to support a church or school.

Heritage Resource:
Any place or object of cultural significance; according to the National Heritage Resources Act (Act 25 of 1999) NHRA Unique, non-renewable and precious locations; including sites and landscapes of historical significance, areas of scenic beauty, and places of spiritual and/or cultural importance.
High Income Housing:

Housing which is affordable to households who earn a combined householder income of above R40 000 and who would qualify for a housing bond.

Hydroponics:

Hydroponics refers to the cultivation of plants by placing their roots in liquid nutrient solutions rather than in soil. Hydroponics is effectively the soilless growth of plants and is therefore not hampered by poor soil quality or unsuitable climates.

Incremental Densification:

Small-scale densification that is almost invisible, e.g. subdivision of single plots into two and the addition of second dwellings (granny flats) on single Erven

Infill Development:

Development of vacant or under-utilised land within existing settlements in order to optimise the use of infrastructure, increase urban densities and promote integration.

Informal Settlement:

An unplanned settlement or portion of settlement that has not been constructed according to an approved general plan. Dwellings have often been constructed in an ad hoc manner and without reference to National Building Regulations. Informal settlements also often lack basic services infrastructure or social services.

Integrated Development Plan (IDP):

The Strategic Municipal Development Plan, reviewed on an annual basis, required by the Municipal Systems Act (MSA) (Act 32 of 2000) which guides municipal decisions and budgets as well as the development programs of State Owned Enterprises (SoEs) and the private sector.

Land Redistribution:

Redistribution of land to the landless poor, labour tenants, farm workers, and emerging farmers for residential and productive uses to increase livelihoods and improve quality of life.

Land Use Intensification:

The act of providing an increased spectrum of mixed uses (commercial, industrial and residential) through the increased use of space, both horizontally and vertically, within existing areas or properties or new developments, often accompanied by densification.

Land Use Management:

Establishing or implementing any measure to regulate the use or a change in the form or function of land. It includes land development (S1, Land Use Management Bill, 2008).
Land Use Management System:
A system used to regulate land use in a municipality, including a town planning or zoning scheme, or policies related to how land is used on an Erf by Erf basis.

Low cost housing:
Housing available to households earning a combined monthly income of between R0 – R 3500 and who qualify for a housing subsidy (maximum subsidy of R 160 573).

Middle Income Housing:
Housing which is affordable to households who earn a combined householder income of between R15 000 – R40 000 and who would qualify for a housing bond.

Mixed Land Use:
Development that combines two or more different types of land use, such as residential, commercial, employment, and entertainment uses, in close proximity.

Mobility Route:
Routes of national significance that connect the Municipality at a national and provincial scale, e.g. The N2.

Municipal Open Space System:
An interconnected and managed open space network that supports interactions between social, economic and ecological activities, sustaining and enhancing both ecological processes and human settlements; includes natural areas and active and passive recreation areas such as sports fields, parks, and squares but also cemeteries, detention ponds, servitudes, river corridors and road reserves.

New Development Area:
An area earmarked for future development.

Nodal Development:
Significant and concentrated development in terms of scale, location, impact, diversity and agglomeration of functions (facilities, services and economic activities).

Node:
Area where a higher intensity of land uses and activities are supported and promoted. Typically any given municipal area would accommodate a hierarchy of nodes that indicates the relative intensity of development anticipated for the various nodes, their varying sizes, and their dominant nature.

Non-Motorised Transport (NMT):
Transport modes that are not motorised, e.g. walking and cycling.
**Permaculture:**
The conscious design and maintenance of agricultural productive systems which have the diversity, stability, and resilience of natural ecosystems. It is similar to the Blue Economy concept, but is more specific to agricultural production.

**Priority Intervention Zones:**
A location identified for intervention/action by the Municipality, other spheres of government or state owned enterprises. The interventions may take a variety of forms e.g. dealing with “crime and grime”, investing in bulk infrastructure and social facilities, improvements to the quality of the built environment and the introduction of development incentives.

**Public Transport Interchange:**
Supports the transfer of public transport users between modes (rail/bus/taxi) but also functions to support economic activity.

**Restructuring Zone:**
A restructuring Zone is a geographical area identified by a municipality and which is supported by the relevant provincial government for targeted capital investment in higher density residential developments (excluding detached dwellings) managed by approved housing institutions, where spatial, social and economic restructuring will be achieved. These areas are proclaimed by the Minister of Human Settlements in the Government Gazette.

**Rural Area:**
Area/s outside urban settlements where population densities are less than 150 people / km²; and dwelling densities are less than 1 dwelling unit per hectare.

**Rural Residential:**
Extensive land units (ranging in size) located outside an urban area.

**Scenario:**
A plausible and often simplified model of how the future may develop, based on a coherent and internally consistent set of assumptions about driving forces and key relationships (IPCC, 2007). Often a set of different scenarios are considered as part of the process of agreeing a way forward.

**Strategic Environmental Assessment (SEA):**
A system of incorporating environmental considerations into policies plans and programmes.

**Sector Plan:**
Municipal plan/s that fulfil different functions such as bio-diversity, conservation, housing, transport, local economic development and disaster management. They may also be geographically based, for example a sub-region, settlement within a local Municipality or a component of a settlement.
Settlement:
A physical space in which people reside.

Social Housing:
Rental or co-operative housing for low to middle income persons with a current monthly household income of R1 501 - R7 500. These units are provided and managed by social housing institutions.

Spatial Planning:
A planning process that is inherently integrative and strategic, takes into account a wide range of factors and concerns and addresses how those aspects should be arranged on the land.

Spatial Development Framework (SDF):
A core component of a Municipality's economic, sectoral, spatial, social, institutional, and environmental vision. An SDF is a tool to achieve the desired spatial form of the Municipality by providing a framework that seeks to guide, overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP). The aims of a spatial development framework are to promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance regional identity.

Special Economic Zone (SEZ):
An economic development tool to promote economic growth and exports in a specific geographic, using support measures (i.e. tax incentives, lower tariffs etc.) to attract targeted domestic and foreign direct investment.

Stakeholders:
Agencies, organisations, groups or individuals who have a direct or indirect interest in a development intervention or its evaluation (African Development Bank, et al, undated.

Standard Industry Classification (SIC):
Standard Industrial Classification codes (SIC Codes), are an internationally accepted set of codes for the standard classification of all economic activities. The SIC codes are designed for the classification of establishments according to the kind of economic activity, and provides a standardised framework for the collection, tabulation, analysis and presentation of statistical data on establishments.

Strategy:
The pattern of decisions in an organisation that:

- determines and reveals its objectives, purposes, or goals,
- produces the principal policies and plans for achieving those goals, and
- defines the range of business the organisation is to pursue, or
- the kind of economic and human organisation it is or intends to be, and
- the nature of the economic or non-economic contribution it intends to make to its shareholders, employees, customers and communities.
**Subsidised Housing:**
Housing supplied in terms of the National Department of Housing’s housing subsidy scheme which can be fully or partially state subsidised provided to qualifying beneficiaries;

**Sustainable Development:**
Development that requires the integration of social, economic and environmental factors in the planning, implementation and evaluation of decisions to ensure that development serves present and future generations (NEMA, 107. of 1998).

**Top Structure:**
The building on an Erf.

**Town Planning Scheme or Zoning Scheme:**
A legal instrument for regulating the use of land in terms of provincial or national legislation, Land Use Management.

**Traditional Neighbourhood Development (TND):**
The development of a complete neighbourhood or town using traditional planning principles. TND may occur in infill settings and involve adaptive reuse of existing buildings, but often involves all-new construction on previously undeveloped land. To qualify as a TND, a project should include a range of housing types, a network of well-connected streets and blocks, humane public spaces, and have amenities such as stores, schools, and places of worship within walking distance of residences.

**Transport Orientated Development (TOD):**
A mixed-use residential and commercial area designed to maximize access to public transport. A TOD neighbourhood typically has a centre with a train station, bus stop, or taxi stop, surrounded by relatively high-density development and progressively lower-density development spreading outward from the centre. TODs generally are located within walking distance (500m) from stations.

**Urban Areas and Urban Development:**
Areas that generally conform to the following parameters:

- places where population densities are greater than 150 people / km²
- dwelling unit densities greater than 1 per hectare- settlement contained within an Urban Edge
- services are provided on a centralised on-grid reticulation system
- some primary sector activities and urban agriculture, building materials, resource extraction but mainly secondary and tertiary economic activity

**Urban Core:**
The urban core consists of the inner core areas of the Municipality including the traditional Central Business District (CBD) area and surrounds. The planning within the urban core mainly focuses on redevelopment and
regeneration where land uses are unlikely to change significantly but will increase densities and provide an increase in residential opportunities

**Urban Development Line:**
The SDF uses the term Urban Development Line and not Urban Edge or Development Edge. The UDL is a line demarcating the extent to which urban development will be permitted to be established within an urban Development Corridor or urban node. It is a line that will promote efficient, equitable and sustainable settlement form. The line indicates the outer limit of urban development within a corridor or node. The UDL implies that there is a rural hinterland different in character and servicing needs, and which supports different lifestyles and densities.

**Urban Development Zone (UDZ):**
In an effort to reverse inner city urban decay and revitalise CBD’s, the South African government has sought to introduce an economic incentive to encourage reinvestment in these areas. The Urban Renewal Tax Incentive aims to promote private sector investment in property with the aim of rejuvenating inner city economies. This incentive takes the form of an accelerated depreciation allowance for construction, extensions, additions, improvements and/or refurbishments of buildings undertaken by the private sector within a specified Urban Development Zone.

**Urban Restructuring Zone:**
A well located area where the National Housing Department subsidy, as defined in terms of the Social Housing Act (No 16 of 2008) applies.

**Urban Sprawl:**
The usually uncontrolled and poorly managed expansion of areas across the landscape and the conversion of natural and agricultural areas to urban areas. Urban sprawl includes the expansion of major roadways, not just housing and commercial areas. It is usually associated with increased automobile usage, water and air pollution and inefficient use of infrastructure.

**Village:**
A clustered human settlement, larger than a hamlet and usually smaller than a town, with the population ranging from a few hundred; often located in a rural area.

**Water Security:**
The reliable availability of an acceptable quantity and quality of water for health, livelihoods and production, coupled with an acceptable level of water-related risks.
Annexure B: Legislative and Policy Review
Annexure C: Allocation Policy
KNYSNA

DRAFT HOUSING BENEFICIARY SELECTION POLICY

April 2013
6. DEFINITIONS

Affordable housing project component: A project component providing subsidised opportunities to households by means of the Financed Linked Individual Subsidy Programme (FLISP) subsidies.

Catchment area: The geographic area surrounding a project town designated by the municipality for the purposes of selection. Each town has a catchment area inclusive of the town’s area itself. Catchment areas are non-overlapping, but two or more towns may have the same catchment area. All areas in the municipality will fall into a catchment area.

Core household: The minimum-sized household eligible for a housing subsidy, depending on the age and marital status of applicant members of the household as prescribed by the National Housing Code.

Farm resident: Person whose ordinary residence is a farm, including a farm worker with ordinary residence on the farm.

Greenfield, non-relocation project component: A project component occupying a Greenfield site on which there are no pre-existing legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for the subsidy.

Housing demand database: A database created by a municipality to store information collected from individuals and households, required to select beneficiaries for subsidy housing projects.

Institutional housing component: A project component that uses the Institutional Housing Subsidy to provide “rent-to-buy” housing units.

Location preference: A data field on the database indicating the area/location in which the individual or household prefers to reside.

People living in overcrowded formal conditions: “Backyarders” in formal housing areas and people living in overcrowded conditions in formal structures in formal housing areas.
**Preliminary list of beneficiaries:** List of households drawn from the municipal database by following the municipal selection policy, prior to the checking of the eligibility of the households by the appropriate authority (usually the Department).

**Pre-screening:** A rapid assessment of households’ eligibility for housing subsidy programmes, undertaken by the municipality itself and/or the Department upon submission by the municipality, prior to the assessment of subsidy applications by the Department. Pre-screening done by the Department excludes the checking of prospective beneficiaries against the Deeds Office record, but includes the checking of ID numbers, marital status, income and whether members of the selected households have received a housing subsidy. Pre-screening by the municipality may include checking selected database entries against the municipality’s property register.

**Project:** A project is a government-subsidised human settlement intervention that occurs on a single site or set of related sites.

**Project component:** Each section of the project that has a different mechanism for selecting beneficiaries.

**Project town:** A town in the municipal area in which the municipality has decided to place subsidised housing projects.

**Project town:** An urban agglomeration in which subsidised housing opportunities will be located.

**Quota:** A portion of the opportunities available in a project component, reserved for households with particular characteristics.

**Regional Town:** A project town designated by the municipality as having a significant economic base and being one in which households outside of its catchment area will be selected for and offered subsidised housing opportunities.

**Registration date ordering:** The ordering of database entries (eligible for the subsidy in question) from earliest to latest registration date for the purposes of selecting beneficiaries for a project.

**Relocation project component:** A project component in which the beneficiaries are relocated from an informal settlement or part of an informal settlement to a Greenfield site.

**The Department:** The Western Cape Department of Human Settlements.
Town-based extract: The entries on the municipality’s housing-demand database residing within the catchment area of the town in question and/or having preference for being located in the catchment area of the town, whichever is specified in the Policy.

Updating: The process whereby individuals or households provide information about their current status to the municipality in relation to the characteristics captured on the database for the purpose of updating their information on the database.

Verification: The process whereby the municipality checks that the claims made by individuals and households about their status when registering on the database or updating their status are true.

1. POLICY INTENT

The main objective of the policy is to set out the relevant processes and procedures that have to be followed when selecting beneficiaries for new housing projects that result in the beneficiary receiving ownership of a subsidised opportunity.

A single project site or set of sites can have a number of project components. Each of the components will be dealt with differently in terms of the selection of beneficiaries. The Policy covers the following project component types, each with its own selection mechanisms:

a) Greenfield, non-relocation project components for the households eligible for full housing subsidies or serviced-site subsidies;

b) relocation project components linked to informal settlement upgrade projects;

c) institutional and housing project components that result in ownership (including “rent-to-buy” options).

The elements and mechanisms provided for below will be used in each component type as indicated.

2. POLICY FRAMEWORK

This Policy has been informed by relevant clauses of the Housing Act, 1997 (Act 107 of 1997), the amended National Housing Code, the municipality’s Integrated Development Plan, the National “Strategy for the Allocation of Housing Opportunities Created through the National Housing Programmes”, the “Framework Policy for the Selection of Housing Beneficiaries in Owner-Based Housing Projects”, approved by the Provincial Minister for Human Settlements in September 2012 and “Municipal Selection Policy Template” developed by the Provincial Department of Human Settlements.
The above prescripts confer certain roles, responsibilities and obligations on the municipality that enable it to fulfil out its Constitutional mandate at the local sphere.

3. OVERALL POLICY PRINCIPLES

The following guiding principles are applicable to the policy:

**Equity:** all persons must have an equal opportunity in applying for housing assistance.

**Transparency:** any person must be able to have reasonable access to the Beneficiary Selection Policy and the process of selecting and ranking database entries for a housing opportunity.

**Functionality:** the policy must be practical and understandable.

**Social cohesion:** the spirit of this policy is to minimise social conflict and optimise development progress.

**Access:** the Beneficiary Selection Policy must be applied to enhance easier access to housing opportunities.

**Integration:** the Beneficiary Selection Policy should be implemented in a manner that promotes integration within the municipality.

4. MUNICIPAL HOUSING DEMAND DATABASE

4.1 Assigning registration dates to new entries on the database

A registration date will be given to each individual who completes the necessary documentation required to be entered into the database, provided that the individual:

- does not own fixed property in the municipality
- is a minimum of 18 years old
- is an SA citizen or has permanent residence in South Africa

The registration date is the date at which the municipality accepts the documentation submitted for registration in the database as being complete. The municipality will communicate the registration date to the individual and provide him/her with documentary proof of that date. The registration date will remain constant until the individual receives an ownership-based housing opportunity.
4.2 Data fields on the database

The municipality will populate at a minimum the following data fields in its database.

For households with one adult in the household core:

- Name and ID number of the adult
- Registration date
- Residential address (according to the standardised naming convention operational in the municipality)
- Location preference (in terms of project towns recorded in the housing demand database)
- The names and ID numbers of all permanently disabled members in the household, where permanent disability is defined and determined by the South African Social Security Agency (SASSA)
- Number of dependants within the household, and their ID numbers
- Whether currently or used to be a farm resident, address of farm and, if so, employer/farmer where applicable
- Income
- Marital status
- Whether owns property or not
- Whether will apply for a mortgage and a FLISP subsidy

For households with two adults in the household core, in addition to the information above:

- Relationship between the two adults
- Joint monthly income of the two adults

Individuals and households registered on the database may change their town of preference at any time without notice and without any impact on their dates of registration, provided that requests to change the town of preference occur within a format determined by the municipality and at least 10 days before the database is used for selection.

4.3 Supporting documentation for registration and updating

The municipality will collect the following documentation during registration and updating.
4.3.1 **Information to check eligibility for the range of subsidy instruments available in National Housing Code**

The following information should be collected: payslips, certified copy of own ID book, other adult and minor dependants (under age of 18) in the household, marriage certificates.

4.3.2 **Information to verify claims by individuals/households about selection status**

The municipality will make use of the following means of verification to verify claims made by individuals that they have permanent disabilities (refer to section 5.2 below).

<table>
<thead>
<tr>
<th>Group</th>
<th>Interim source of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible household with at least one adult having a permanent disability (according to SASSA’s definition)</td>
<td>Original or certified copy of permanent disability grant approval and latest review outcome letter from SASSA (not older than 5 years)</td>
</tr>
<tr>
<td>Household with an adult caregiver of a permanently disabled minor or financial dependant receiving Care Dependency Grant</td>
<td>Original or certified copy of Care Dependency Grant approval and latest review outcome letter from SASSA (not older than 5 years)</td>
</tr>
</tbody>
</table>

4.3.3 **Farm resident**

Evidence confirming the farm/s and its/their location/s on which the farm resident is/has been resident and the length of residence will be collected.

Where the resident is a farmworker, the evidence should include a letter from the employer/s indicating the location and length of residence and proof of the length of residence on the farm.

The following can be submitted as evidence: employment contract with date of start of employment, current or last pay slip for the employee, payslip indicating rental charged for accommodation on the farm.
5 APPLICATION OF POLICY

This Policy applies to the selection of beneficiaries for certain state-subsidised new housing projects.

A single project site or set of sites can have a number of project components. Each of the components will be dealt with differently in terms of the selection of beneficiaries. The Policy covers the following project component types, each with its own selection mechanisms:

a) Greenfield, non-relocation project components for the R0-3500 household monthly income sector;

b) relocation project components linked to informal settlement upgrade projects;

c) institutional and affordable housing project components that result in ownership (including “rent-to-buy” options).

The elements and mechanisms provided for below will be used in each component type as indicated.

5.1 Mechanisms that apply to more than one project component type

The elements and mechanisms provided for below will be used in each component type as indicated.

5.1.1 Balancing of people in overcrowded conditions and informal settlement dwellers across portfolio of projects.

For all project components the number of people in formal overcrowded conditions and informal settlement dwellers receiving subsidised housing opportunities will be balanced against each other. The balancing across the two groups will occur over each successive 5-year period linked to the strategic planning cycle and over the portfolio of housing projects planned and executed in the municipality.

The balancing will seek to equalise the relative access each group enjoys to basic, on-site municipal services. To equalise, the distribution opportunities provided over the period across each of the two groups will be in proportion to the number of households without access to
basic, on-site service within each group. The municipality will determine the level of service threshold for “acceptable access” for people living in formal overcrowded conditions to enable this balancing.

Realistic delivery targets for each of the categories and for the corresponding number and size of project components will be set out in municipal plans (IDP, Human Settlement Plan [HSP]) and reported upon in the corresponding annual and multi-year reports.

5.1.2 Use of the municipal demand database and link between selection and subsidy approval

For the project components where the database is used in selection, except relocation components, only the database entries of the municipal database indicated as eligible for the relevant subsidy instrument based on information in the database will be considered for selection.

The selection status of an entry selected from the database is preliminary until its subsidy application is approved by the Department or appropriate authority. Before submitting subsidy applications for approval, the municipal will undertake pre-screening. After pre-screening and before subsidy approval, the list of successfully pre-screened entries will be posted for public comment and the municipality’s administration will respond to any queries from the public.

5.1.3 Registration-date ordering

Registration-date ordering refers to the process whereby all database entries considered eligible for the project component are arranged from the earliest registration date to the latest registration date, and households selected as beneficiaries in that order.

5.2 Greenfield, non-relocation project components

a) General Mechanisms

For each project town, the municipality will define a catchment area. Each project town will have a catchment area which will be clearly defined on a map of the municipality. Catchment areas will be non-overlapping, and two or more towns can have the same catchment area. Every area in a municipality will fall within a catchment area.
From its list of project towns, the municipality will designate regional towns and non-regional towns.

**Regional towns**

In a regional town, the municipality will use the entire database not exclusively registered for affordable housing opportunities to select beneficiaries for the project component, provided that 90% of opportunities in the project component are reserved for households/individuals who are both resident in the catchment area of town in which the project is located and indicate location preference for the catchment area. The remaining 10% of the opportunities will be allocated to the entire database for the municipality indicating a location preference for the regional town or its catchment area.

90% of the quotas listed in 5.2b will apply to the households/individuals who are both resident in the catchment area for the regional town in question and indicate location preference for the regional town or its catchment area.

10% of the quotas listed in 5.2b will apply to the entire database.

**Non-regional towns**

In a non-regional town, an extract of the database containing entries resident and indicating a location preference for the catchment area of the non-regional town in question will be considered for selection.

The quotas listed in 5.2b will apply to database entries resident and indicating a location preference for the non-regional town in question or its catchment area.

Appendix 1 of this Policy contains a list of all project towns (where applicable the suburbs and townships identified as residential areas on the database that are considered part of the town), and a definition of their catchment areas and which of the towns are regional towns.

**b) Quotas**

**Quota for farm residents including farm workers**

A quota of 5% of opportunities in the project component will be set aside for farmworkers and farm residents who are ordinarily resident in the municipal area in all projects, provided that:

- they have in the past or they continue to reside on farms outside of the towns in the municipality for at least 10 years out of the last 13 years
they are 55 years or older

**Quota for households containing adults of 60 years and more in the core**

A quota 15% of opportunities will be set aside to prioritise households containing at least 1 non-dependent adult of 60 years or older in the core of the household.

**Quota for households affected by permanent disability**

A quota of 5% of the opportunities in the project component will be set aside to prioritise households “affected by permanent disability”.

The municipality will classify households with the following characteristics as being “households affected by permanent disability”:

i. A household with at least:
   - one adult member (in the core household) having a permanent disability or
   - a financial dependant with a permanent disability

   such that he/she receives a permanent disability grant or would receive a permanent disability if his/her income fell within the income threshold for the permanent disability grant. If the adult member is older than the threshold age for the Older Person’s Grant and did receive a permanent disability grant before reaching the threshold age for the Older Person’s Grant, the household will also fall into category i.

ii. A household with an adult caregiver of a permanent disabled minor who is in the core of the household or financially dependent on the core and who receives a Care Dependency Grant.

### 5.3 Relocation project component type

#### 5.3.1 Basic methods for selecting beneficiaries for relocation or remaining in an informal settlement

Municipalities will use one of four methods or some combination of them for identifying households for either relocation or remaining in an informal settlement which is targeted for upgrade:

a) ordering according to the duration of residence in the informal settlement

b) ordering according to the registration date of households in the informal settlement
c) selection of households who are in “desperate need”

d) selection of households according to their relative location to public infrastructure and public facilities planned for informal-settlement upgrade

5.3.2 Certain methods used where there is difference in level of service between beneficiaries remaining on site and those relocated

In a relocation situation, where there is a significant time difference between when those households remaining on the upgraded site and those being relocated will receive housing opportunities, or where there is a difference in the level of service for each group, the municipality will try to use methods a), b), or c) or some combination of them. Those who have been residing for the longest period in the informal settlement, have the earliest registration dates or are in desperate need will be selected for the most favourable subsidy opportunities within the upgrade project.

5.4 Institutional and affordable housing project component type

5.4.1 Institutions and developers use their own selection processes

Housing institutions and developers making use of government subsidies must be allowed to run their own selection processes provided these processes are reasonable.

5.4.2 Projects open to all qualifying across the municipality

The municipality should ascertain that the selection processes run by housing institutions or developers are adequately understood by the citizens of the municipality and uniformly applied across the municipality by the housing institution or developer. All the citizens in the municipality who meet the housing institution’s or developer’s entry requirements should potentially be able to benefit.

5.4.3 Registration date ordering applied by municipality on developer’s list where effective demand is greater than supply

Where the number of the individuals/households meeting the housing institution’s or the developer’s minimum selection criteria is greater than the number of units supplied in the project component in question, further selection of individuals/households on the housing institution’s or developer’s list should occur in order of registration date.

6. INSTITUTIONAL ARRANGEMENTS
The responsibilities laid out below pertain to all project component types, except where indicated.

6.1 Council

The Council is responsible for:

- adopting and reviewing, by resolution, the municipality’s Selection Policy.
- monitoring the implementation of the Selection Policy.
- determining the selection method for relocation project components.

6.2 Municipal Manager

The Municipal Manager is responsible for implementing this Selection Policy.

To enable implementation, the municipal manager delegates the required roles and responsibilities as follows:

6.2.1 Director: Planning and Development

The Director: Planning and Development has the following roles:

- Ensuring that the Selection Policy is being implemented in each project component by requesting information from the Manager Integrated Human Settlements on how the Selection Policy is being applied in each project component, vetting such information before making a determination.
- Recommending the method for selecting beneficiaries for relocation in relocation project components to the council for decision making.
- Issuing written instructions to the Database Unit about how the Selection Policy will be implemented for each project component.
- Reporting to the Council on a quarterly basis on how selection broadly occurred within the affected housing projects i.e. the number of opportunities in the project, the quotas used and the number of opportunities within each quota.

6.2.2 Manager: Integrated Human Settlements

Manager: Integrated Human Settlements has the following general roles:
• Generally ensure that all processes required for selection in the project component as laid out in policy occur.

• Make recommendations to the Director Planning and Development on how the Selection Policy should be implemented in the project component, and submit these recommendations to the Director Planning and Development.

• Submit other information about the project to the Director Planning and Development as deemed necessary by the latter to enable decision-making.

• Establish the Project Steering Committee, where applicable.

• With his/her support staff, manage the process of public comment on preliminary lists (refer to 6.4), deal with queries of the public directed toward him/her, where possible by referring any queries to the appropriate officials, and informing members of the public about the responses.

• Inform database unit about subsidy recipient to enable the database unit to keep track of the status of entries on the database. Inter alia the names of the adults in the household core, the erf number and handover date should be provided.

In institutional and affordable housing project components, the Manager Integrated Human Settlements will manage the process of providing lists of possible beneficiaries to housing institutions/developers and/or ordering applicants according to date of registration on the municipal database should the housing institution or the developer require this. Should registration-date ordering be required, the institution or developer will submit the names and ID numbers of the individuals or households on its list to the Manager Integrated Human Settlements for ordering according to registration date and receive the list back from the Manager Integrated Human Settlements.

6.2.3 Project Steering Committee/Social Compact

The Steering Committee/Social Compact will only be directly involved in the selection of beneficiaries in relocation project components. For relocation project components, the Steering Committee will develop recommendations for how selection within the relocation project will occur, and submit these to the Manager Integrated Human Settlements who will in turn make a recommendation to the Director Planning and Development.

For relocation project components, the municipality will establish the Steering Committee/Social Compact by placing an advert in the local community newspapers and municipal offices calling on interested parties to be part of the establishment of a Project Steering Committee/Social Compact. The Steering Committee/Social Compact will be elected at a public meeting called by the municipality and will comprise representatives from the following stakeholders:
• Officials from the municipality, including the Manager Integrated Human Settlements or official delegated for the project concerned.

• Representatives from communities in the vicinity of the project site.

• Councillors, both ward and proportional representation councillors.

• Project consultants.

6.2.4 Database unit

The Director Planning and Development will establish a separate unit for managing the “Housing Demand Database”, although such a unit may consist of one or more officials who may have other responsibilities in the municipality, but must not be the Manager Integrated Human Settlements. The role of the unit is to:

• Process forms from individuals and households for entry onto the database.

• Verify and update information (refer to sections 4.2 and 4.3).

• Store the information contained on the forms securely.

• Apply the Selection Policy to the database to select beneficiaries for the project by order of the Director Planning and Development.

• Answer formal queries in writing about any preliminary selection lists that may be referred by the Manager Integrated Human Settlements, and make these answers available to the Manager Integrated Human Settlements (see Section 6.4).

• Keep track of the status of entries on the database, including whether and when database entries have received a subsidy, and the location of the subsidy property.

• Preserve and file all preliminary lists, before and after pre-screening, and all written instructions from the Director Planning and Development about how entries should be drawn off the database for a particular project (and project component).

6.3 Contractor or implementing agents

Contractors or implementing agents will play no role in the selection, except, at the request of the municipality, to contact individuals or households who have been selected in any primarily selection processes.

6.4 Channel for queries about preliminary selection

After the municipality has undertaken pre-screening of the preliminary list and before the submission of the successful entries on the list to the Department for approval, the municipality will post the list for public comment. The details of selected beneficiaries must also appear on the Provincial Department of Human Settlement’s Housing Demand Database.
The list will be posted for a period of 2 weeks. The municipality will have 3 weeks to respond to the queries raised by the public.

### 6.5 Communication of the Policy

The municipality will communicate the Selection Policy to the residents of the municipality at least twice per year via publishing information in local newspapers and the notice boards of public buildings. Each housing office will display information explaining the policy. The full policy will be available on request for reading in all municipal buildings in which the officials of the municipality interact with the public in a face-to-face manner. The responsibilities of the residents to register and update information will be made clear, and the consequences of not fulfilling these responsibilities will be explained.

### Annexure 1 – Project Towns, associated suburbs, regional towns and catchment areas

<table>
<thead>
<tr>
<th>Project Town</th>
<th>Suburbs/other urban areas included in project town</th>
<th>Regional town or non-regional town</th>
<th>Description of catchment area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knysna</td>
<td>Belvedere, Brenton, Buffalo Bay, Concordia, Hornlee, Khayalethu, Witlokasie</td>
<td>Regional town</td>
<td>See Map attached</td>
</tr>
<tr>
<td>Rheenendal</td>
<td></td>
<td>Non-regional town</td>
<td></td>
</tr>
<tr>
<td>Sedgefield</td>
<td>Karatara</td>
<td>Non-regional town</td>
<td></td>
</tr>
</tbody>
</table>