

KNYSNA LOCAL MUNICIPALITY

Notice is hereby given of a

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING

which will be held on

Thursday, 19 February 2026

at

09:00

in the Council Chamber
to consider the following items

MUNICIPAL OFFICES
KNYSNA

DR. RICHARD MARTIN
ACTING MUNICIPAL MANAGER

A G E N D A

Chairperson: Cllr N Louw
Members: Cllr M Khumelwana
Cllr B Charlie
Cllr R Arends
Cllr M Willemse
Cllr L Davis
Cllr H Stroebel

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A G E N D A

1. Opening and Welcome
2. Attendance (as per attendance register)
 - 2.1 Members: Present
 - 2.2 Members: Absent with Leave
 - 2.3 Members: Absent Without Leave
 - 2.4 Other Councillors Present
 - 2.5 Officials Present
 - 2.6 Members of the Audit Committee Present
 - 2.7 Members of the Public Present
3. Noting the Provisions of Schedule 1 (Code of Conduct for Councillors) of the Local Government Municipal Systems act, 32 of 2000 and Code for Ethical Leadership as adopted by Council

4. **MINUTES OF THE PREVIOUS MEETING**

4.1 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 17
NOVEMBER 2025**

RECOMMENDATION

That the minutes of the Integrated Human Settlements Committee meeting held on 17 November 2025, be confirmed.

A

KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

INTEGRATED HUMAN SETTLEMENTS COMMITTEE

held in the Council Chamber on

Monday, 17 November 2025

at

10:30

1. Opening and Welcoming

The Chairperson welcomed Councillors and officials to the meeting.

2. Attendance of Members:

2.1 Members Present

Cllr Cllr N Louw Chairperson
Cllr M Khumelwana
Cllr B Charlie (*from 11:55*)
Cllr R Arends
Cllr L Davis (*on MSTeams*)
Cllr H Stroebel (*on MSTeams*)

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr N Tsengwa
Cllr M Gericke (*from 10:42*)
Cllr P Petros (*on MSTeams*)

2.5 Officials Present

Ms M Boyce	Director: Corporate Services
Ms A Dunywa	Director: Planning, Economic Development & Tourism
Dr R Martin	Director: Integrated Human Settlements
Mr X Frans	Acting Director: Community Services
Mr C Botha	Acting Senior Manager: PMS/IDP/IGR (<i>from 11:09</i>)
Mr S Maree	Manager: Roads and Storm Water (<i>on MS Teams</i>)
Mr L Petuna	Manager IHS
Mr H Daries	Project Co-Ordinator: Integrated Human Settlements
Ms C Dalene	Senior Human Settlement Officer
Ms P Lindi	IHS
Ms M Mathatho	Senior Clerk: Integrated Human Settlement
Ms S Kilimani	Senior Clerk: Records (Assisting Committee Officer)
Mr Z Gwayi	Senior Clerk: Committee Officer
Mr S Mpahla	IT Technician

2.6 Members of the Audit Committee Present

The meeting was live streamed on Youtube.

2.7 Members of the Public Present

The meeting was live streamed on Youtube.

3. **NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 32 OF 2000 AND CODE FOR ETHICAL LEADERSHIP AS ADOPTED BY COUNCIL**

RESOLVED

- [a] That the Noting the Provisions of Schedule 1 (Code of Conduct for Councillors) of the Local Government Municipal Systems act, 32 of 2000 and Code for Ethical Leadership as adopted by Council be noted; and
- [b] That it be noted that no Councillor declared any interest in any matter on the agenda.

4. **MINUTES OF THE PREVIOUS MEETING**

4.1 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 2 SEPTEMBER 2025**

RESOLVED

That the minutes of the Integrated Human Settlements Committee meeting held on 2 September 2025, be confirmed.

5. **MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

IHS01/11/25 PROGRESS REPORT ON THE SOCIAL HOUSING PROGRAMME

UNANIMOUSLY RECOMMENDED

- [a] Notes the progress made in the implementation of the Social Housing Programme in partnership with the Social Housing Regulatory Authority (SHRA).
- [b] Acknowledges the approval of the Municipal Support Programme (MSP) Work Plan for 2025/26, facilitated by Cadre Connect; and
- [c] Supports continued participation in the SHRA programme to finalise the Social and Rental Housing Strategy and establish partnerships with accredited Social Housing Institutions

File Number: 9/1/2/15
Execution: Director: IHS
Manager: Human Settlements

Cllr Gericke stepped in at 10:42
Cllr Gericke stepped out at 10:43

Committee Service informed the Chairperson of the meeting after the presentation that 5-minute break due to connectivity issues.

Break from 11:31 to 11:42

IHS02/11/25 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR: SEPTEMBER 2025

UNANIMOUSLY RECOMMENDED

That Council take note of the business plan for the 2025/26 financial year and submitted claims to the Department of Infrastructure till end of September 2025.

File Number: 9/1/2/15

Execution: Manager Integrated Human Settlements
Project Coordinator: Human Settlements

IHS03/11/25 INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT ON PROJECT IMPLEMENTATION: FOR THE PERIOD END SEPTEMBER 2025

UNANIMOUSLY RECOMMENDED

That the contents of the report are noted in respect of related project implementation for the period end September 2025 relative to the approved WCDoHS Business Plan 2025/26 financial year.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlement
Project Coordinator: Human Settlements.

IHS04/11/25 ELECTRIFICATION OF RHEENENDAL INFORMAL AREAS (WARD 5) BY ESKOM

UNANIMOUSLY RECOMMENDED

- [a] Notes Eskom's intention to electrify informal settlements within the municipal boundaries, specifically in Rheenendal (Ward 5).
- [b] Authorises the administration to engage formally with Eskom to clarify the scope, funding, and timelines of the intended projects.
- [c] Directs the administration to coordinate with the Ward Councilor and community structures to ensure meaningful participation and information sharing; and
- [d] Directs that an implementation plan to be submitted to the Human Settlements Portfolio Committee on the delivery programme.

File Number: 9/1/2/15

Execution: Director: IHS

Directorate Infrastructure
Directorate Finance
Senior Human Settlements Officer

IHS05/11/25 RETROFITTING SOLAR WATER GEYSER SYSTEMS FOR THE GREATER KNYSNA

UNANIMOUSLY RECOMMENDED

- [a] Approve the development of a programme to retrofit circa 5,000 low-cost houses with solar geysers in a phased delivery programme;
- [b] Approve the development of a business plan and technical feasibility plan.
- [c] Engage funding agencies, amongst other DMRE, DHS, DBSA, IDC, Western Cape Government.
- [d] Implement a phased rollout starting with 150 units as pilot.
- [e] That an internal technical steering committee be established between IHS, Infrastructure and Finance to develop the business case and delivery plan.
- [f] Directs that a business case and programme be submitted to the Human Settlements Portfolio Committee on the delivery plan.
- [g] Embed EPWP-linked employment and training in all contracts; and
- [h] Integrate the project into the IDP and Climate Response Strategy.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements

IHS06/11/25 SEDGEFIELD INFIL DEVELOPMENT PROJECT DEVELOPMENT REPORT

UNANIMOUSLY RECOMMENDED

Council Notes the report on the implementation of the Sedgefield infill Project

File Number: 9/1/2/15

Execution: Manager: Integrated Human Settlements
Project Coordinator: Integrated Humna Settlements
Director IHS

IHS07/11/25 WATER EFFICIENT SANITATION SYSTEMS (WESS) AND HUMAN SETTLEMENTS

UNANIMOUSLY RECOMMENDED

- [a] Notes the attendance and outcomes of the WESS training by the Directors of Infrastructure Services, Integrated Human Settlements, and Community Services.
- [b] Supports the continued development of the Knysna WESS concept note for pilot funding and other suitable settlements.
- [c] Mandates the Directorate of Human Settlements to collaborate with Infrastructure Services, Community Services and Asivikelane to assess appropriate sites and developments; and
- [d] Requests progress reports to the Human Settlements Portfolio Committee on the integration of WESS principles in the sanitation delivery strategy.

File Number: 9/1/2/15
Execution: Director: IHS
Director Community Services
Director Infrastructure

6. CLOSURE

The Chairperson thanked everybody present for their contribution and the meeting ended at 12:55.

Approved

.....
Chairperson: Cllr N Louw

.....
Date

-oOo-

4.2 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 02
SEPTEMBER 2025**

RECOMMENDATION

That the minutes of the Integrated Human Settlements Committee meeting held on 02 September 2025, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

INTEGRATED HUMAN SETTLEMENTS COMMITTEE

held in the Council Chamber on

Tuesday, 2 September 2025

at

09:03

7. Opening and Welcoming

The Chairperson welcomed Councillors and officials to the meeting.

8. Attendance of Members:

2.1 Members Present

Cllr Cllr N Louw Chairperson
Cllr M Khumelwana (from 09:05)
Cllr R Arends
Cllr P Petros
Cllr L Davis (*on MSTeams*)
Cllr H Stroebel
Cllr B Charlie (*from 10:03*)

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr A Tsengwa
Cllr J White
Cllr L Tyokolo
Cllr C Vanston (*on MSTeams*)
Cllr K Andrews (*from 09:28*)
Cllr T Matika (*from 10:04*)
Cllr L Nohana (*from 10:52*)

2.5 Officials Present

Mr L Mapholoba	Municipal Manager (from 09:57)
Ms M Boyce	Director: Corporate Services
Ms A Dunywa	Director: Planning, Economic Development & Tourism
Dr R Martin	Director: Integrated Human Settlements
Mr J Douglas	Director: Community Services
Mr C Julies	Director: Financial Services
Mr R Wesso	Director: Infrastructure Services
Mr H Daries	Project Co-ordinator: Integrated Human Settlements
Mr C Botha	Manager: Administration Services
Mr A Morgan	Accountant Assets & Liabilities
Ms P Lindi	Acting Manager: Rental Programmes
Ms M Mathatho	Senior Clerk: Integrated Human Settlements
Ms S Booi	Integrated Human Settlements Officer
Ms J Lakay	Head: Council Committees and Councillor Support
Ms T Burger	Committee Officer
Apology:	

Mr L Petuna Manager: Integrated Human Settlements

2.6 Members of the Audit Committee Present

The meeting was live streamed on Youtube.

2.7 Members of the Public Present

The meeting was live streamed on Youtube.

9. **NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 32 OF 2000 AND CODE FOR ETHICAL LEADERSHIP AS ADOPTED BY COUNCIL**

RESOLVED

- [a] That the Noting the Provisions of Schedule 1 (Code of Conduct for Councillors) of the Local Government Municipal Systems act, 32 of 2000 and Code for Ethical Leadership as adopted by Council be noted; and
- [b] That it be noted that no Councillor declared any interest in any matter on the agenda.

10. **MINUTES OF THE PREVIOUS MEETING**

4.1 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 3 JULY 2025**

RESOLVED

That the minutes of the Integrated Human Settlements Committee meeting held on 3 July 2025, be confirmed.

4.2 **SPECIAL INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 6 AUGUST 2025**

RESOLVED

That the minutes of the Special Integrated Human Settlements Committee meeting held on 6 August 2025, be confirmed.

11. MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

**IHS01/09/25 SUBMISSION OF THE BUSINESS PLAN FOR 2024/25 FINANCIAL YEAR:
JUNE 2025**

UNANIMOUSLY RECOMMENDED

- [a] That the claims submitted and funds received based on the 2024/25 Housing Business Plan as approved by the Western Cape Department of Infrastructure, be noted; and
- [b] That a comprehensive report on the reasons for not spending the grant funding for projects related to Sedgefield, be submitted to the next Integrated Human Settlements Committee Meeting.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Project Coordinator

Cllr Petros stepped out at 09:56

Cllr Arends stepped out at 09:59

Cllr Arends returned at 10:04

Cllr Petros returned at 10:06

Cllr H Stroebel left the meeting at 10:29 with permission from the Chairperson.

IHS02/09/25 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR

UNANIMOUSLY RESOLVED

That the Business Plan for the 2025/26 financial year and claims submitted to the Department of Integrated Human Settlements, be noted; and

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Project Coordinator

Cllr Khumelwana stepped out at 10:48

Cllr Khumelwana returned at 10:50

Body break from 11:04 until 11:11

Cllr Petros returned at 11:19

IHS03/09/25 INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT: FOR THE PERIOD JUNE 2025

UNANIMOUSLY RESOLVED

- [a] That the Report in respect of related project implementation for the period end June 2025 relative to the approved WCDoHS Business Plan 2024/25FY, be noted; and
- [b] That a comprehensive report including timelines on the pipeline projects identified below, be submitted to the next Integrated Human Settlements Committee Meeting:
- Sedgefield
 - Karatara
 - Rheenendal.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Project Coordinator

Cllr Khumelwana stepped out at 11:27

Cllr Khumelwana returned at 11:29

Cllr Petros stepped out at 11:53

IHS04/09/25 INTEGRATED HUMAN SETTLEMENTS ECONOMIC IMPACT OF TENDER 53/2024/25

UNANIMOUSLY RECOMMENDED

That Report in respect of the Economic Impact of T53/2024/25, be noted.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Project Coordinator

Cllr Arends stepped out at 11:59

IHS05/09/25 IMPLEMENTATION OF SOCIAL HOUSING PROGRAM IN GREATER KNYSNA

UNANIMOUSLY RECOMMENDED

- [a] That the report on the Implementation of Social Housing within Knysna Municipality, be noted.
- [b] That Council approves the identified sites for potential social housing development and that the Directorate submits regular progress reports to the Committee; and

- [c] That the report on the Implementation of Social Housing Program in Greater Knysna, be referred to a Workshop on a date to be determined by the Speaker.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Manager: Human Settlements

IHS06/09/25 KNYSNA HOUSING SELECTION AND ALLOCATION POLICY

UNANIMOUSLY RECOMMENDED

- [a] That Council notes the content of the revised Housing Selection and Allocation Policy; and
- [b] That the Knysna Housing Selection and Allocation Policy be referred to a Compulsory Workshop for Ward Councillors on a date to be determined by the Speaker.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Manager: Human Settlements

Cllr Arends returned at 12:09

Cllr Khumelwana stepped out at 12:11

Cllr Khumelwana returned at 12:15

Cllr Petros returned at 12:18

IHS07/09/25 BUDGET 2025/26 WARD BASED ALLOCATIONS: RECTIFICATION, RETAINING WALLS AND WHEELCHAIR RAMPS

UNANIMOUSLY RECOMMENDED

- [a] That Council notes the progress made in identifying the Ward-based projects in Wards 1, 4, 6, 7, and 8.
- [b] That Ward Councillors from Wards 3, 5, and 11 be requested to submit their outstanding priorities to enable project scoping and implementation; and
- [c] That the Directorate continue to engage with Ward Councillors and communities to ensure responsive and need-based service delivery.

File Number: 9/1/2/15

Execution: Director: Integrated Humans Settlements
Senior Human Settlements Officer: IHS

Cllr Khumelwana stepped out at 12:50

Cllr Khumelwana returned at 12:57

Cllr Charlie stepped out at 12:57

Cllr Charlie returned at 13:03

Cllr Petros stepped out at 13:07

IHS08/09/25 PROVISION OF LAND FOR A TEMPORARY HOMELESS SHELTER

UNANIMOUSLY RECOMMENDED

- [a] That the Report on the Provision of Land for a temporary homeless shelter, be noted.
- [b] That Council initiates a public participation process on its intention to allocate a portion of Municipal land in Heidevallei/Nekkies for the establishment of a temporary homeless shelter at the conclusion of a Memorandum of Understanding (MOU) with the Greater Knysna Business Chamber; and
- [c] That Council supports the launch of a public awareness campaign to combat the stigma and promote rights-based responses to homelessness.

File Number: 9/1/2/15

Execution: Director: Integrated Human Settlements
Manager: Human Settlements

Cllr Petros returned at 13:26

IHS09/09/25 TITLE DEED RESTORATION PROGRAMME (TDRP) FUNDING EXPENDITURE

UNANIMOUSLY RECOMMENDED

- [a] That the Report on the Title Deed Restoration Programme (TDRP) Funding Expenditure, be noted;
- [b] That the total expenditure to date of R3,514,628.70 and the funding shortfall of R6,024,371.30, be noted.
- [c] That Council approves the submission of all required templates and monthly status updates to the Department of Human Settlements.
- [d] That Council ring-fence future TRP funding through dedicated cost centres and apply strict project accounting controls.
- [e] That MPAC be mandated to investigate the funding shortfall of R6,024,371.30 and submit a comprehensive report to Council.
- [f] That all necessary steps be taken with regard to consequence management in relation to the shortfall mentioned in [e] above and that a report be submitted to Council, for consideration; and
- [g] That Council approves to repay the shortfall of R6,024,371.30 to Province and that the Director IHS and CFO agree the payment structure

File Number: 9/1/2/15
Execution: Director: Integrated Human Settlements
Manager: Human Settlements

IHS10/09/25 DISPOSAL OF ERF 109, KARATARA FOR HUMAN SETTLEMENTS PURPOSES: MR. BENJAMIN DANIELS

UNANIMOUSLY RECOMMENDED

- [a] That the report and annexure's regarding the alienation of Erf 109, Karatara, be noted;
- [b] That in terms of Section 14(6) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Council confirms that Erf 109, Karatara, applied for is a non-exempted capital asset;
- [c] That in terms of Regulation 5(2) of the Local Government: Municipal Finance Management Act, 56/2003: Municipal Asset Transfer Regulations, 2008, the Municipal Council confirms that Erf 109, Karatara is not a "high value" asset and that a public participation should be followed although not mandatory;
- [d] That the Municipal Council approves the advertising of the intended alienation of Erf 109, Karatara;
- [e] That due to the provisions of the Housing Act, Council Waive disposal of Erf 109, Karatara through competitive process (fair market value);
- [f] That after the advertising period the matter must be resubmitted to the next section 80 (Integrated Human Settlements); and
- [g] That on completion of the public participation process, accounting officer be authorised to finalise transfer of Erf 109, Karatara from Knysna Municipality to Mr. Benjamin Daniels (ID: 740015630084).

File Number: 9/1/2/15
Execution: Municipal Manager
Director: integrated Human Settlements

12. CLOSURE

The Chairperson thanked everybody present for their contribution and the meeting terminated at 13:48.

Approved

.....
Chairperson: Cllr N Louw

-oOo-

.....
Date

MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

5.1

**IHS01/02/26 INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT ON
PROJECT IMPLEMENTATION: FOR THE PERIOD OCTOBER 2025-
DECEMBER 2025**

REPORT FROM THE DIRECTOR Integrated Human Settlements

PURPOSE OF THE REPORT

The purpose of this document is to provide progress on housing project deliverables for the 2025/26 Financial Year (FY).

BACKGROUND

Twenty-one (21) contractors were appointed under T53/2023/24 for the construction of houses for a period of three (3) years:

1. PROGRESS ON HOUSES

PROGRESS ON HOUSES UNDER T53/2023/2024:

Area	Type		Earthworks	foundation	brickwork	Roofing	Plastering	Hand Over
	TYPE	NO						
Dam se Bos	40m ²	16	16	7	7	4	4	1
Khayaletu Bungalows	40m ²	30	27	25	25	25	21	18
Hlalani	40m ²	7	3	4	4	1	1	
Concordia	40m ²	1	1	1	1	1	1	1
Happy Valley	24m ²	1	1	1	1	1	1	1
Flenters	40m ²	6	6	6	6	6	4	4
Oupad	48m ²	2	2	2				
Nekkies East	40m ²	5	4	4	4	4	3	3
Bongani	40m ²	1	1	1	1			
Ethembeni	24m ²	3	3	3	3	3	3	3
<u>TOTAL</u>		72	64	54	52	45	38	31

Letters of non-performance were issued to 11 of the contractors on site. Contractors were given 14 days to remedy the situation on site.

PIPELINE PROJECTS

PROJECT	COMMENT
Sedgefield	Tender at the BEC for finalization
Karatara:	Awaiting pre-appraisal from MIG
Rheenendal:	<i>On construction phase</i>

FINANCIAL IMPLICATIONS

All the projects mentioned in this report are funded by Grant funding from the Western Cape Department of Infrastructure.

RELEVANT LEGISLATION

The implementation of these projects is guided by the following legislation:

- Constitution of the Republic of South Africa
- Municipal Finance Management Act
- Public Finance Management Act
- Municipal Systems Act
- Municipal Structures Act
- Environmental Management Act.

RECOMMENDATION OF THE MUNICIPAL MANAGER

- a) That the contents of the report be noted in respect of related project implementation for the period October 2025 till December 2025 relative to the approved WCDHS Business Plan 2025/26 financial year.

APPENDIX / ADDENDUM

File Number: 9/1/2/15
Execution: Director: Integrated Human
Settlement
Manager: Human Settlements.

5.2

IHS02/02/26 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR: DECEMBER 2025
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REPORT FROM THE DIRECTOR INTEGRATED HUMAN SETTLEMENTS

To notify Council of the allocation for housing projects for 2025/26 received from the Western Cape Department of Infrastructure.

BACKGROUND:

The Western Cape: Department of Infrastructure allocated an amount of R33 212 000.00 (Human Settlement Development Grant) to Knysna Municipality for housing projects.

The council resolved that the allocation be divided between the following projects:

NAME OF PROJECT	AMOUNT OF FUNDING
Vision 2002: 459 Units	R 5 507 000.00
Hlalani	2 070 000.00
Khayaletu Bungalows	16 000 000.00
Sedgefield	8 000 000,00
Flenters	1 635 000,00
TOTAL	R 33 312 000,00

CLAIMS SUBMITTED TO WC DoHS FROM 1 JULY 2025

NAME OF PROJECT	AMOUNT OF CLAIM SUBMITTED	AMOUNT OF FUNDING RECEIVED
Khayaletu Bungalows	R2 459 958,80	R2 459 958,80
Khayaletu Bungalows	R1 155 000,00	R1 155 000.00
Vision 2002: 459 Units	R 996 127,21	996 127.21
Flenters	R 332 200.00	332 200.00
Khayaletu Bungalows	R1 440 000,00	1 440 000.00
Flenters Housing Project	R 452 829.00	452 829.00
Hlalani Housing	R 332 400,00	332 400.00
Khayaletu Bungalows	R 900 000.00	900 000.00
Flenters	R 409 286.00	409 286.00
Khayaletu Bungalows	R1 227 324,00	R1 227 324,00
Khayaletu Bungalows	R2 599 114,00	R2 599 114.00
TOTAL	R12 304 239.01	R12 304 239.01

SUMMARY OF CLAIMS SUBMITTED FROM 1 JULY 2025 TILL DECEMBER 2025

NAME OF PROJECT	AMOUNT OF FUNDING	CLAIMED FROM JULY 2025 TILL DECEMBER 2025
Vision 2002: 459 Units	R 5 507 000.00	R 996 127.21
Hlalani	2 070 000.00	R 332 400.00
Khayaletu Bungalows	16 000 000.00	R9 781 396.80
Sedgefield	8 000 000,00	
Flenters	1 635 000,00	R 1 194 315.00
TOTAL	R 33 312 000,00	R12 304 239.01

During discussion with the Department of Infrastructure, they indicated that the allocation of Knysna will be reduce to R26 232 000,00 due the reduction of funds from National Department to the Provincial Department.

EXPENDITURE ON GRANT VOTE SINCE 1 JULY 2024 TILL END DECEMBER 2025

MONTH	EXPENDITURE	INCOME
July 2025	R 00,00	R 2 459 958.80
August 2025	R 4 184 186.10	R 2 151 127.21
September 2025	R 2 261 908.72	
October 2025	R 2 098 143.01	R 1 440 000.00
November 2025	R 5 382 697.86	
December 2025	R4 371 255.51	R5 588 585.00
TOTAL	R18 298 191.20	R11 639 668.01

RECOMMENDATION THE MUNICIPAL MANAGER:

- a) That Council take note of the business plan for the 2025/26 financial year and submitted claims to the Department of Infrastructure till end of December 2025.

APPENDIX / ADDENDUM

None

File Number: 9/1/2/15

Execution: Manager Integrated Human Settlements

INTEGRATED HUMAN SETTLEMENTS COMMITTEE

5.3

IHS03/02/26 EARLY FIRE INTERVENTION PRODUCT FOR INFORMAL SETTLEMENTS

REPORT FROM THE DIRECTOR Integrated Human Settlements

PURPOSE OF THE REPORT

The purpose of this report is to inform Council of a **Fire Intervention product** for municipal use in high-risk residential areas, as part of Knysna Municipality's disaster risk reduction and community safety interventions.

BACKGROUND

Knysna Municipality experiences recurring residential fire incidents, particularly within high-density and vulnerable residential environments, where rapid fire spread poses a significant risk to life, property, and municipal infrastructure.

Existing municipal fire-risk management approaches focus primarily on:

- fire prevention and awareness programmes;
- professional Fire & Rescue response; and
- post-incident recovery and relief.

However, an identified gap exists at the earliest stage of fire ignition, prior to the arrival of professional firefighting services. A product **FT JN1010** is available on the market as a potential early-intervention aid to complement existing municipal response capacity by suppressing or slowing fires during the critical initial minutes of an incident

2.1 DESCRIPTION OF THE PRODUCT

The FT JN1010 is an early fire-intervention solution designed to:

- rapidly suppress fires at the ignition stage;
- reduce fire escalation beyond the initial ignition point; and
- support safer evacuation outcomes in residential environments.

The product:

- is not positioned as a replacement for professional firefighting equipment;
- does not replace regulated firefighting standards or Fire & Rescue Services; and
- is intended strictly as a supplementary early-intervention tool within a broader disaster risk management framework

2.2 MOTIVATION FOR PRODUCT CONSIDERATION OR SIMILAR

Council is requested to consider this type of intervention based on the following considerations:

Risk Mitigation

- Informal and high-density residential fires account for a disproportionate share of fire-related fatalities and losses.
- Early intervention during the first minutes of a fire significantly improves safety outcomes.
- The product provides a practical tool to bridge the time gap between ignition and Fire & Rescue arrival.

Alignment with Municipal Mandate

- Supports the Municipality's obligations in terms of Disaster Risk Management and Community Safety.
- Aligns with preventative and mitigation objectives rather than reactive-only responses.

Complementary, Not Substitution

- The product complements existing Fire & Rescue capacity.
- It does not create regulatory or compliance conflicts, as it is deployed only as an early-intervention aid and not as certified firefighting infrastructure.

Controlled and Accountable Deployment

- Procurement in future may be structured for targeted deployment in high-risk areas
- Oversight, usage protocols, training, and monitoring can be implemented through existing municipal disaster management structures

FINANCIAL IMPLICATIONS

The FT JN1010 Early Fire Intervention product is priced at R450 per unit, representing a low-cost preventative investment when measured against the direct and indirect costs of residential fire damage.

The total financial implication will depend on the number of units procured for targeted deployment in identified high-risk residential areas. By way of illustration:

- 100 units × R450 = R45,000
- 250 units × R450 = R112,500
- 500 units × R450 = R225,000

Final costs to be confirmed through the SCM process.

A common and recurring consequence of shack and residential fires is damage to domestic infrastructure, with the average replacement cost estimated at approximately R20,000 per unit, excluding associated plumbing, electrical repairs, and labour.

On a direct cost comparison:

- The replacement cost of one damaged house (±R20,000) is equivalent to the cost of approximately 44 FT JN1010 units at R450 each.
- The successful early suppression or slowing of a single fire incident has the potential to prevent damage far exceeding the total cost of multiple early-intervention units.

In addition to avoided infrastructure replacement costs, early fire intervention reduces:

- escalation of fire damage to adjacent structures;
- emergency response and relief expenditure;
- displacement of households and associated humanitarian costs; and
- risk of injury or loss of life.

The procurement therefore represents high value for money, as a relatively modest upfront investment of an early intervention cylinder prevent significantly higher downstream costs to both affected households and the Municipality. The intervention is preventative in nature, cost-efficient, and aligned with prudent financial management and disaster risk mitigation principles

2. RELEVANT REGULATORY, GOVERNANCE AND LEGISLATION

- The product FT JN1010 does not constitute compliance with SANS, SABS, or National Building Regulations, and is not presented as such.
- Procurement and deployment of FT JN1010 or similar product will comply fully with the MFMA, SCM Regulations, and municipal policies.
- A physical demonisation of FT JN1010 does not waive any statutory procurement or governance requirements

RECOMMENDATION OF THE MUNICIPAL MANAGER

- a) That the contents of the report be noted
- b) That the Directorate IHS and Community Services (Fire Dept) arrange a live demonstration of the early fire intervention product for all Councillors
- c) That depending on the outcome of the live demonstration the administration initiate a pilot project to understand functionality and user interface.

APPENDIX / ADDENDUM

None

File Number:

Execution:

Director: I.H.S
Fire Chief

5.4

IHS04/02/26 INTEGRATED HUMAN SETTLEMENTS: DIRECTORATE REPORT

REPORT FROM THE DIRECTOR Integrated Human Settlements

PURPOSE OF THE REPORT

The purpose of this mid-year report is to submit to Council, a concise assessment of the progress of the directorate Integrated Human Settlements,

PREVIOUS RESOLUTIONS

- CMP04/08/19 - MP04/08/19 HEIDEVALEI PRECINCT PLAN
- IHS05/05/25 - REPORT ON THE DEVELOPMENT OF ERF 3339, FISHERHAVEN, KNYSNA
- IHS03/05/25 - PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS
- IHS06/02/25 - INTEGRATED HUMAN SETTLEMENTS: EMERGENCY MATERIAL
- IHS06/05/25 - TITLE DEEDS PROGRAMME, KNYSNA MUNICIPALITY
- IHS04/07/25 - INTEGRATED HUMAN SETTLEMENTS: PREPARATION OF A HUMAN SETTLEMENTS SECTOR PLAN
- IHS04/11/25 - ELECTRIFICATION OF RHEENENDAL INFORMAL AREAS (WARD 5) BY ESKOM
- M12/12/25 - EMERGENCY HOUSING MATERIAL: FUNDING REQUIREMENT AND SEASON PREPAREDNESS

BACKGROUND

Housing Services plays a critical role in supporting the Municipality's mandate in respect of integrated human settlements, housing administration, and project planning. Over the last year the S80 Committee, Mayoral Committee and Council have resolved on strategic issues to guide the direction of the directorate

PROGRESS STATEMENT

Progress on Housing Delivery

Area	Type		Earthworks	Foundation	Brickwork	Roofing	Plastering	Hand Over
	TYPE	NO						
Dam se Bos	40m ²	16	16	7	7	4	4	1
Khayaletu Bungalows	40m ²	30	27	25	25	25	21	18
Hlalani	40m ²	7	3	4	4	1	1	0
Concordia	40m ²	1	1	1	1	1	1	1
Happy Valley	24m ²	1	1	1	1	1	1	1
Flenters	40m ²	6	6	6	6	6	4	4
Oupad	48m ²	2	2	2				0
Nekkies East	40m ²	5	4	4	4	4	3	3
Bongani	40m ²	1	1	1	1			0
Ethembeni	24m ²	3	3	3	3	3	3	3
<u>TOTAL</u>		72	64	54	52	45	38	38

A total of 38 units have been completed. The remaining units are in progress as indicated in the table above. The construction programme is underpinned by an efficient and effective Contract Administration process. We had several non-performing contractors, and 11 non-performance letters were issued. In accordance with GCC contract, contractors are given 14 days to remedy the situation. In 2 cases allocations have been withdrawn and a competent contractor was appointed to complete the works.

GRANT FUNDING

NAME OF PROJECT	ALLOCATION AMOUNT	FUNDS CLAIMED / RECEIVED
Vision 2002	R 5 507 000,00	R2 828 452.21
Hlalani	R2 070 000.00	R 332 400.00
Khayaletu Bungalows	R16 000 000.00	R12 904 981.10
Flenters Housing Project	R 1 635 000.00	R 775 029.00
TOTAL	R25 212 000.00	R17 840 861.31

An amount of R25.2m was allocated to Knysna for the Housing programme, R17 840m was claimed for works completed in December 2025. A further amount of **R1,436 482.00** has been submitted for January 2026. Meaning that a total amount of R19 277 343.31 of the R25 212 000.00 has been claimed for the 2025/26 from our grant funding.

WARD BASED PROJECTS

WARD	BUDGET	ACTUAL SP	COMMITTED
Housing Rectification1	175 000,00	78 851,00	-
Retaining walls and Wheelchair ramps 1	125 000,00	21 252,60	11 909,99
Retaining walls and Wheelchair ramps 3	125 000,00	122 852,00	108 695,65
Housing Rectification - Ward 3	175 000,00	909,68	3 094,51
housing Rectification 4	175 000,00	-	145 147,83
Retaining walls and Wheelchair ramps 4	125 000,00	103 400,00	102 572,17
Housing Rectification 5	175 000,00	98 824,00	163 347,48
Retaining walls and Wheelchair ramps 5	125 000,00	11 828,00	125 000,00
Housing Rectification 6	175 000,00	19 861,50	54 713,50
Retaining walls and Wheelchair ramps 6	125 000,00	-	23 050,65
Housing Rectification 7	175 000,00	44 533,00	5 814,35
Retaining walls and Wheelchair ramps 7	125 000,00	115 748,00	108 695,65
Housing Rectification 8	175 000,00	-	-
Retaining walls and Wheelchair ramps 8	125 000,00	30 153,91	13 240,00
Housing Rectification 11	175 000,00	-	151 672,83
Retaining walls and Wheelchair ramps 11	175 000,00	15 656,50	52 988,78
	2 450 000,00	624 147,19	1 069 943,39

An amount of R2,450m was allocated to Ward-based projects. The total spends and committed funds to date totals R1,694m leaving circa R756K to be allocated.

TITLE DEEDS

The Knysna Municipality Title Deed partnership with Khayalam is progressing and a total of 155 Title Deeds have been registered since the start of the partnership.

WARD/AREA	NUMBER REGISTERED
Nekkies West	16
Greenfield	15
Concordia West	11
Bonganie	28
Hornlee	22
White Location	11
Concordia	30

In addition to the above the directorate handed over 128vTitle Deeds in November 2025 as part of the legacy instructions. A further 208 applications are with the Khayalam Conveyancer for registration.

For this financial year 617 applications have been verified and will be delivered to the Conveyancer for registration over the year. In addition to this there are legacy instructions with Conveyancers in the district.

DEVELOPMENT PROJECTS

ERF 3339. Hornlee

A new planning application has been submitted for the site that represents a comprehensive redevelopment. The proposal extends beyond the earlier single-residential layout to include:

- Single residential erven of varying sizes to accommodate incremental housing; and
- Multiple residential components, including townhouses and flats, enabling higher densities consistent with sustainable urban growth principles.

This revised approach will facilitate a mixed-income, compact, and inclusive neighbourhood, contributing meaningfully to Hornlee's spatial restructuring and housing delivery priorities.

A tender was issued for a Developer and three companies responded. The Bid is now with the BEC. It's important to note that this is a PPP project registered with National Treasury and the procurement is a two-stage process. In stage 1 a preferred bidder is agreed followed by a negotiated process in stage 2 when the final cost will be agreed. The current water scarcity and lack of infrastructure presents a risk to this development.

HEIDEVALLEI PRECINCT

Council approved a Precinct Plan in 2018. Knysna Municipality co-hosted a development workshop in September 2025 with the Provincial Department of Planning with national departments and Knysna Chamber of Business in attendance. A transactional advisor (KRMS Consulting) was appointed, and the pre-feasibility assessment is in progress. This will be presented to the S80 Committee once substantive progress has been achieved. This development can potentially yield 2051 housing units as part of a mixed use development. The current water scarcity and lack of infrastructure presents a risk to this development.

SEDGEFIELD INFILL

The proposed site for this development has been occupied which presents a risk for this project. Despite an interim court interdict, we have not been able to get any help from the local SAPS to remove occupiers. At the latest court hearing on 28 January

2026 the case has been postponed till end April 2026. The court also ruled that the parties must seek an alternative dispute resolution route to see if the matter cannot be resolved. The first meeting of the ADR is scheduled for Monday 9 February 2026, the Director will provide verbal update at the S80 meeting. Knysna Municipality position is that the occupiers must leave the site to allow the works to commence in April and that they must register on the Housing Demand list. The occupation continues to be a drain on Council financial resources for security services, circa R850k of the directorate budget has been used for security onsite.

Bio Separator Toilets

As per Council resolution and following a RFQ process, six pilot units have been installed in Wards: 1, 3, 5, 6, 7, 8. Asivikelani is supporting this pilot by providing weekly maintenance inspections. Early indications are that the project is well received by residents and the functionality and user interface looks good. The pilot will run for 3-months.

SUBDIVISION PLANS

After the cancellation of the professional services tender an RFQ was issued and returned for planning and land surveying services. The immediate focus is to prepare a subdivision plan for Hornlee erf 4712 and Karata development sites and peg the erven. This will help with Knysna's submission of development proposals to Province.

SOCIAL HOUSING

With the financial support of the Social Housing Regulatory Authority (SHRA) a KNYSNA SOCIAL AND RENTAL HOUSING STRATEGY has been developed by CADRE CONNECT (Pty) Ltd consultants. The strategy is the subject of **ITEM 5** for this S80 Committee meeting. Seven sites are nominated for social housing purposes. A tender was issued to appoint a social housing panel, this must still be presented to BEC for evaluation.

PARTNERSHIP AGREEMENTS

Council resolved last year to enter into a partnership agreement with Asivikelani, a NGO active in the water and sanitation space in informal areas. The Municipal Manager and Mayor signed a community partnership agreement with Asivikelani in early December 2025. Since January 2026 Asivikelani has been actively involved in repairing water leaks in the informal areas as part of the water demand management working group of the JOC. With the help of the Stores dept Circa 50 leaks have been repaired.

DISASTER MANAGEMENT - EMERGENCY KIT

Council approved on 11 December 2025 an “interim figure of R2,5 million to purchase material until the adjustment budget is agreed”. Unfortunately, this didn’t result in ‘new money’ and the directorate had fund from its own resources (professional services budget) the purchasing of 28 units as part of its season readiness programme. This amounted to circa R549k. There was a delay in issuing the emergency material to beneficiaries due to the holiday period. Seventeen units have been distributed and the remainder will be distributed in the next week after further consultation with the beneficiaries and Cllr. There is a need of circa 170 units to deal with the backlog of request.(see Annexure)

INFORMAL SETTLEMENTS

IHS and Electrical Dept is undertaking surveys of the informal areas to identify areas for connection. Wards 3, 4, 6 & 8 has been surveyed already. The next step is to instruct the works. This will be financed by the Electrical Dept

RECOMMENDATION OF THE MUNICIPAL MANAGER

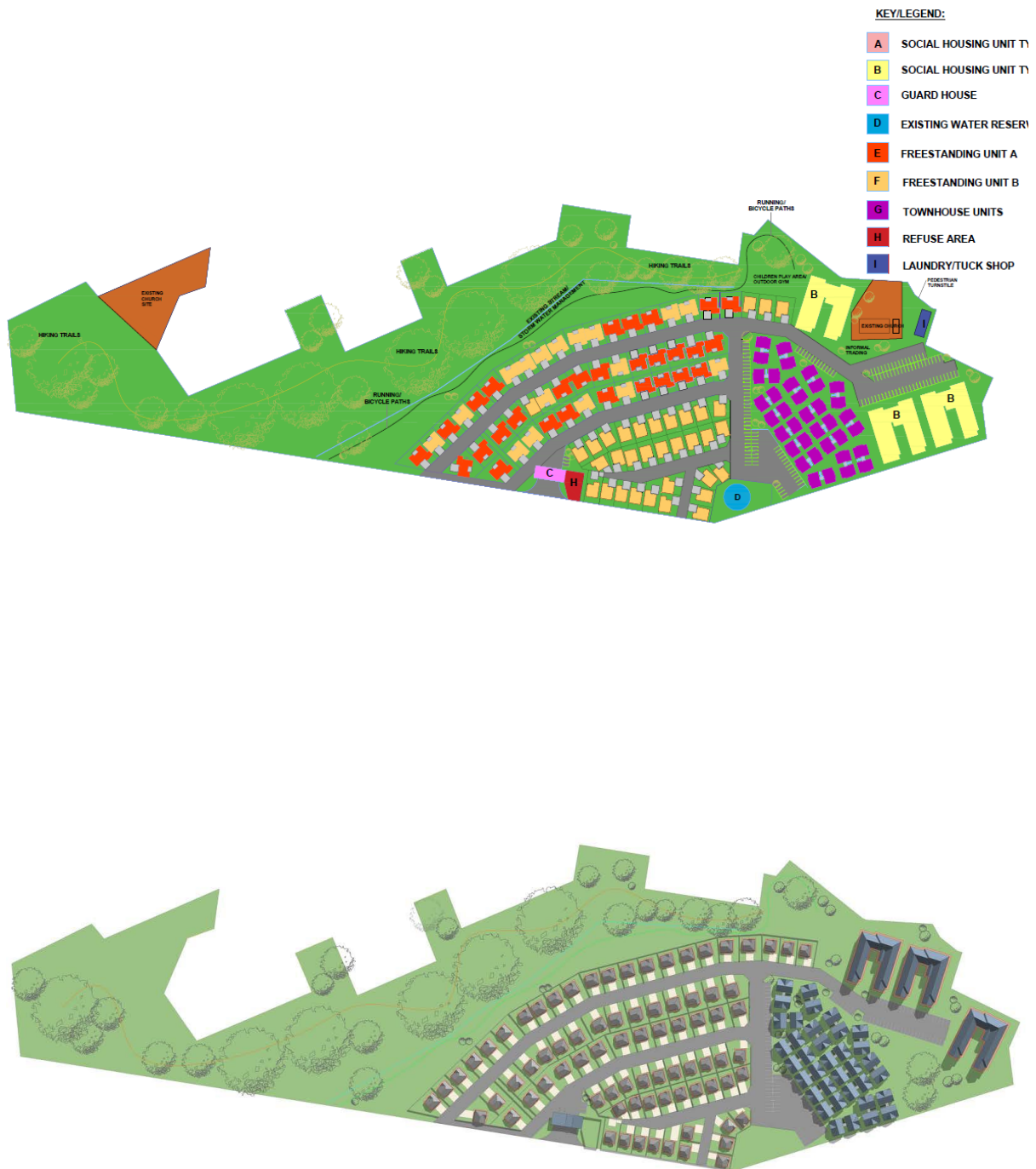
- a) That Council notes the report

APPENDIX / ADDENDUM

ERF 3339 MASTER PLAN IMAGES

HEIDEVALLEI DEVELOPMENT

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
19 FEBRUARY 2026



STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
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LIST OF AFFECTED HOUSEHOLDS					
Ward	Physical Address/Area/Location/Township	Municipality	Type of Dwelling (example formal brick and mortar; informal settlement; shack; mud house)	Nature of Emergency/Disaster (example fire, floods, gale force wind, storms, hail, heavy rainfall)	Date of Emergency/Disaster
11	Honlee 3225 taloesie str	Knysna	informal sttlmnt	Fire	05-Feb-25
3	1 Oupad	Knysna	informal sttlmnt	Fire	04-Apr-24
4	10 Rholihlahla	Knysna	informal sttlmnt	Fire	30-May-24
	Slanger prk 4321 Sedgfield	Knysna	informal sttlmnt	Fire	31-Oct-24
3	624 Oupad	Knysna	informal sttlmnt	Fire	24-Apr-17
11	661 Hamilton Street	Knysna	informal sttlmnt	Homeless	16-Apr-18
	Honlee 779 Katrina str	Knysna	informal sttlmnt	Fire	03-Feb-25
	Shamrock str 208 Hornlee	Knysna	informal sttlmnt	Fire	06-May-19
	Tyityityi str 03 Khayaletu	Knysna	informal sttlmnt	Fire	26-Nov-23
	Concordia West 119	Knysna	informal sttlmnt	Fire	
	Damse Bos 179	Knysna	informal sttlmnt	Fire	06-May-21
	Concordia 04	Knysna	informal sttlmnt	Fire	17-Jul-23
	Joodse kamp 22 Ngqube str	Knysna	informal sttlmnt	Fire	10-Jul-23
	Damse Bos 421D	Knysna	informal sttlmnt	Fire	13-Jul-23
	Nekkies East 2104	Knysna	informal sttlmnt	Fire	03-Jul-23

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
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	Damse Bos 422A/Nekkies	Knysna	informal sttlmnt	Fire	12-Jul-23
	84281 Hornlee	Knysna	informal sttlmnt	Fire	23-Sep-24
	11 Greenfield	Knysna	informal sttlmnt	Fire	03-Feb-23
	DamseBos south 1838	Knysna	informal sttlmnt	Fire	15-Apr-19
	NR 145 Sundridge str Hornlee	Knysna	informal sttlmnt	Fire	15-Feb-22
	Nr 1546 Nekkies	Knysna	informal sttlmnt	Fire	08-Feb-22
	2121 Nekkies	Knysna	informal sttlmnt	Fire	03-Jul-23
	B32 Bongani	Knysna	informal sttlmnt	Fire	20-Mar-23
	Nzimeni str 32 Bongani	Knysna	informal sttlmnt	Fire	30-Oct-23
	Oupad 80	Knysna	informal sttlmnt	Fire	19-Jun-23
	KKN 48,Concordia	Knysna	informal sttlmnt	Fire	03-Oct-23
	Nekkies 313D	Knysna	informal sttlmnt	Fire	11-Sep-23
	551 Charlie lavack str hornlee	Knysna	informal sttlmnt	Fire	23-Aug-23
	Oupad 225	Knysna	informal sttlmnt	Fire	19-Jul-23
	B94 Khayaletu valley	Knysna	informal sttlmnt	Fire	07-Mar-23
	Oupad 18589	Knysna	informal sttlmnt	Fire	04-Sep-23
	13 Khayaletu valley	Knysna	informal sttlmnt	Fire	17-Oct-23
	A35 Mbelani str Khayaletu	Knysna	informal sttlmnt	Fire	02-Oct-23
	A10 Agter str Hornlee	Knysna	informal sttlmnt	Fire	18-Oct-23
	R1213 Rhbololo	Knysna	informal sttlmnt	Fire	23-Oct-23
	41B hlalani/Nekkies	Knysna	informal sttlmnt	Fire	27-Oct-23
	44 Hlalani	Knysna	informal sttlmnt	Fire	26-Oct-23
	Concordia 2570	Knysna	informal sttlmnt	Fire	24-Oct-23
	C901 Concordia	Knysna	informal sttlmnt	Fire	06-Nov-23
	BP 2508 Concordia	Knysna	informal sttlmnt	Fire	06-Nov-23
	Nr 475 Akhacia str Rheenendal	Knysna	informal sttlmnt	Fire	01-Jan-22
	188 Newrest White location	Knysna	informal sttlmnt	Fire	24-Jul-23
	792 Katrina str Hornlee	Knysna	informal sttlmnt	Fire	25-Jul-23
	CW 178 Concordia	Knysna	informal sttlmnt	Fire	26-Apr-23
	63 Piramide str Hornlee	Knysna	informal sttlmnt	Fire	27-Jan-23
	89 Sethosa str Joodsekamp	Knysna	informal sttlmnt	Fire	27-Sep-22
	101 Masakhane Concordia	Knysna	informal sttlmnt	Fire	10-Jan-21
	21 Ethembeni	Knysna	informal sttlmnt	Fire	23-Mar-23

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
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	1027(7 De laan) Damsebos	Knysna	informal sttlmnt	Fire	20-Mar-23
	Gijima str white location	Knysna	informal sttlmnt	Fire	21-Feb-23
	357B Nekkie	Knysna	informal sttlmnt	Fire	03-Apr-23
	126 Hloihlahla str ,white loaction	Knysna	informal sttlmnt	Fire	05-Apr-23
	CE 262 Concordia East	Knysna	informal sttlmnt	Fire	16-Mar-23
	R16 Rhobololo W/Location	Knysna	informal sttlmnt	Fire	14-Feb-22
	Luthango str 3287, Smutsville	Knysna	informal sttlmnt	Fire	20-Dec-20
	Smutsville,luthango,Sedgefield	Knysna	informal sttlmnt	Fire	19-Dec-20
	Nyibiba str 24 W/Location	Knysna	informal sttlmnt	Fire	09-Apr-21
	R219 Rhobololo, W/Location	Knysna	informal sttlmnt	Fire	08-Jan-24
	Nekkie 432A	Knysna	informal sttlmnt	Fire	20-Nov-20
	R220 Rhobololo	Knysna	informal sttlmnt	Fire	08-Jan-24
	SM11 Sizamile Sedgefield	sedgefield	informal sttlmnt	Fire	27-Mar-23
	CW 11 Concordia West	Knysna	informal sttlmnt	Fire	16-Oct-22
	72 Chungwa str Khayaletu	Knysna	informal sttlmnt	Fire	16-Feb-24
	333 R Nekkie	Knysna	informal sttlmnt	Fire	16-Mar-23
	2213 Kalkol	Knysna	informal sttlmnt	Fire	18-Apr-23
	56 Honey valley , Rheenendal	Knysna	informal sttlmnt	Fire	06-Jun-23
	White Location, Sisulu str	Knysna	informal sttlmnt	Fire	29-Jun-23
	4329 Slanger Park Sedgefield	Knysna	informal sttlmnt	Fire	01-Jun-23
	White Location 97 new rest	Knysna	informal sttlmnt	Fire	08-Aug-22
	34 Kaptein str Hornlee	Knysna	informal sttlmnt	Fire	07-Aug-23
	112 Dinangwe Concordia	Knysna	informal sttlmnt	Fire	04-Mar-24
	483 Protea str Rheenendal	Knysna	informal sttlmnt	Fire	29-Aug-23
	210 Damse bos	Knysna	informal sttlmnt	Wind	29-Aug-23
	26 Kalkol, Nekkie	Knysna	informal sttlmnt	Fire	18-Aug-23
	20 lungelo str Qolweni	Knysna	informal sttlmnt	Fire	26-Sep-23
	217 Oupad, Nekie	Knysna	informal sttlmnt	Fire	19-Jun-23
	R149 Rhobololo	Knysna	informal sttlmnt	Fire	27-Jun-23
	06 Kula str , Qolweni	Knysna	informal sttlmnt	Fire	11-Apr-23
	446 Nekkie	Knysna	informal sttlmnt	Fire	29-Jan-24
	27A Nekkie	Knysna	informal sttlmnt	Fire	29-Jan-24

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
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	325 Shamerock, str Hornlee	Knysna	informal sttlmnt	Fire	17-Sep-22
	2282 Nekkies West	Knysna	informal sttlmnt	Fire	01-Jun-23
	1210 DamseBos	Knysna	informal sttlmnt	Fire	17-Mar-23
	255 Smutsvile, Sedgefield	Knysna	informal sttlmnt	Fire	11-Apr-23
	47 Protea str Rheenendal	Knysna	informal sttlmnt	Fire	15-May-23
	314 Mainstreet Rheenendal	Knysna	informal sttlmnt	Fire	08-May-23
	03 Tyityityi str , Damsebos	Knysna	informal sttlmnt	Fire	30-Nov-23
	68 Happy valley	Knysna	informal sttlmnt	Fire	18-Feb-23
	133B Nekkies	Knysna	informal sttlmnt	Fire	06-Nov-20
	25 Nekkies East	Knysna	informal sttlmnt	Fire	21-Feb-24
	114 Fontein str Hornlee	Knysna	informal sttlmnt	Fire	24-Feb-25
	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	23-Feb-25
	2340 Nekkies	Knysna	informal sttlmnt	Fire	24-Feb-25
	7 Chungwa str	Knysna	informal sttlmnt	Fire	20-Jun-23
	3 Nekkies 87	Knysna	informal sttlmnt	Floods	24-Mar-25
	71 Harker str Hornlee	Knysna	informal sttlmnt	Fire	26-May-25
	7 03 Dameni	Knysna	informal sttlmnt	Fire	27-May-25
	7 E3 Dameni	Knysna	informal sttlmnt	Fire	27-May-25
	7 E5 Dameni	Knysna	informal sttlmnt	Fire	27-May-25
	7 E7 Dameni	Knysna	informal sttlmnt	Fire	27-May-25
	14285 Rhobolo , White Location	Knysna	informal sttlmnt	Fire	03-Jun-25
	58 Oupad Nekkies	Knysna	informal sttlmnt	Fire	30-May-25
	Khayaletu Edameni 5	Knysna	informal sttlmnt	Fire	23-May-25
	100 Kananokop	Knysna	informal sttlmnt	Fire	20-May-25
4	184 New Rest, White Location	Knysna	informal sttlmnt	Fire	01-Apr-25
7	11 Bongani	Knysna	informal sttlmnt	Fire	14-Jul-25
7	B118 Katanga, Khayaletu	Knysna	informal sttlmnt	Fire	05-Aug-25
8	10 Mbobo Street	Knysna	formal Area	Fire	05-Aug-25
7	MLS 89, Concordia East	Knysna	formal Area	fire	15-Aug-25
3	443A, Nekkies	Knysna	informal sttlmnt	Fire	04-Aug-25
4	241 Robololo	Knysna	informal sttlmnt	Fire	14-Aug-25
3	B254 Damsebos	Knysna	informal sttlmnt	fire	07-Sep-25
3	18 Damsebos	Knysna	informal sttlmnt	Fire	21-Aug-25

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
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3	18 Damsebos	Knysna	informal sttlmnt	Fire	22-Aug-25
3	1561A Damsebos	Knysna	informal sttlmnt	Water Damage	26-Aug-25
3	18 Damsebos	Knysna	informal sttlmnt	Fire	22-Aug-25
11	A8 Agster Street, Hornlee	Knysna	informal sttlmnt	Fire	01-Sep-25
7	3 Tyityityi Street, Khayaletu	Knysna	informal sttlmnt	Fire	05-Sep-25
8	Concordia West	Knysna	informal sttlmnt	Fire	14-Sep-25
8	10590 Joodsekamp, Knysna	Knysna	informal sttlmnt	Fire	16-Sep-25
7	Dinangwe, Concordia East	Knysna	informal sttlmnt	Fire	22-Oct-25
6	3 Vigilance Drive, Hornlee	Knysna	informal sttlmnt	Fire	22-Oct-25
11	845 Stompneus, Hornlee	Knysna	informal sttlmnt	Fire	2025/10/23
8	C776 Concordia, Knysna	Knysna	Formal House	Fire	2025/11/02
4	C20 Love Corner, White Location	Knysna	informal sttlmnt	Fire	05-Oct-25
3	Love Corner, Nekkie	Knysna	informal sttlmnt	Fire	2025/10/05
3	31 Nekkie East, Knysna	Knysna	informal sttlmnt	Fire	2025/11/10
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	11-Nov-25
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/11
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/11
3	32 Nekkie East, Knysna	Knysna	informal sttlmnt	Fire	2025/11/10
7	8 Ntingilane	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Dinangwe, Concordia East	Knysna	informal sttlmnt	Fire	2025/11/12
7	Dinangwe, Concordia East	Knysna	informal sttlmnt	Fire	2025/11/12
7	Dinangwe, Concordia East	Knysna	informal sttlmnt	Fire	2025/11/12
7	D59 Edameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	37B Ntingilane, Edameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Bongani	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12

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7	Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/12
3	D59 Damsebos North	Knysna	informal sttlmnt	Fire	
7	D7 Ntingilane Dameni	Knysna	informal sttlmnt	Fire	2025/11/19
7	96 Peter, Khayaletu	Knysna	informal sttlmnt	Fire	2025/11/17
8	10 Happy Valley	Knysna	informal sttlmnt	Fire	2025/12/08
3	117 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/08
3	184 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/08
3	117 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/08
3	117 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/04
3	117 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/04
3	189 Hlalani	Knysna	informal sttlmnt	Fire	2025/12/15
6	151 Wing Street	Knysna	informal sttlmnt	Fire	2025/12/15
3	347 Nekkies	Knysna	informal sttlmnt	Fire	2025/12/17
3	D59 Damsebos North	Knysna	informal sttlmnt	Fire	2025/11/19
7	A95 Khayaletu Valley	Knysna	informal sttlmnt	Tree fell	2026/01/08
6	36 Agter Street, Hornlee	Knysna	informal sttlmnt	Fire	
4	14 Phelandaba	Knysna	informal sttlmnt	Fire	2025/12/14
3	347 Nekkies	Knysna	informal sttlmnt	Fire	2025/12/17
3	346B Nekkies	Knysna	informal sttlmnt	Fire	2025/12/17
3	346B Nekkies	Knysna	informal sttlmnt	Fire	2025/12/17
3	346A Nekkies	Knysna	informal sttlmnt	Fire	2025/12/17
4	87 New Rest	Knysna	informal sttlmnt	Fire	2025/12/17
6	32 Fountain Street, Hornlee	Knysna	informal sttlmnt	Fire	
7	323 Concordia East	Knysna	informal sttlmnt	Homeless	
4	68 New Rest, White Location	Knysna	informal sttlmnt	Fire	2026/01/12
4	85 New Rest, White Location	Knysna	informal sttlmnt	Fire	2026/01/12
4	7 New Rest	Knysna	informal sttlmnt	Fire	2026/01/12
8	cw 234 Concordia West	Knysna	informal sttlmnt	Fire	2026/01/13
4	43 Greenfield	Knysna	informal sttlmnt	Fire	2025/01/24
8	cw 404 Concordia West	Knysna	informal sttlmnt	Fire	2026/01/28

5.5

IHS05/02/26 KNYSNA SOCIAL AND RENTAL HOUSING STRATEGY
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REPORT FROM THE DIRECTOR INTEGRATED HUMAN SETTLEMENTS

PURPOSE

The purpose of this report is to obtain a Council approval for the Draft Social and Rental Strategy.

BACKGROUND

Social Housing Regulatory Council (SHRA) decided to support Knysna Municipality through the appointment of a Professional Service provider for the preparation of a Social and Rental Housing Strategy. For the execution of this project, a triparty agreement was signed by SHRA, Knysna Municipality and the Consulting Team. SHRA played the role of a financier and advisory role in the process.

For the successful delivery of the project the following was necessary and has been complied with:

- **Presentation and discussion at the Human Settlements Section 80 meeting in November of 2025:** This was necessary to ensure that Council is aware of current project and provides input to strengthen the document. The input provided by Councillors during the said meeting have been included in the final document.
- **Technical meetings with the Municipality (IHS and Planning Directorate).** Implementation of the program squarely depends on Town Planning Tools (By-law, Zoning Schemes and the Spatial Development Framework).

DISCUSSION

Various documents provided the basis for the preparation of the strategy, in particular the following:

- **2019 approved IHS Strategic Plan:** Projects and areas examined for in the attached document were identified as far back as 2019. That process was not complete as there were no studies conducted to ensure viability for Social Housing Purposes thus a need for a Professional company to apply tools applicable to Social Housing
- **Restructuring Zones (RZs)** as approved in gazetted by were assessed as there are private developers intending to develop outside or on the boundary of

the restructuring zone, a need exist for the evaluation and of these as there is not enough land for greenfield development.

- **Integrated Human Settlements Policy Guidelines** — approved during September 2020

3.1 IDENTIFIED PROPERTIES

Municipal Flats worthwhile for Social Housing purposes were identified as part of the 2019 Strategic Plan. Most of these units are in poor condition and have low densities and would need upgrading for the implementation of Social Housing.

(a) Milkwood Flat, Knysna (Erf 1343, Knysna)

Milkwood Flats are currently used as part of the Rental stock portfolio of the Municipality to accommodate tenants based on a formal lease arrangement. There are currently 4 units accommodating municipal staff at an average monthly rental of R5,500. The Municipality is the Landlord and is primarily responsible for provision of customer relations management, technical maintenance, utilities, insurance requirements, safety and security.

There is potential for additional infill blocks which together with the proposed redevelopment of the units in terms of size and additional units to be derived from the existing blocks and infill blocks could potentially see a maximum yield of 220 units being realized with appropriate 3 — 5 storeys walk up flats relative to further densification and optimization.

(b) Curley Court located on erf 4440 Knysna:

These are also commonly referred to as public rental flats currently managed by the Municipality with minimal rental consisting of 24 units accommodating senior citizens as tenants. The average rental is based on the monthly lowest amount of R53 to R83 per month. Ideally these should have at least been subjected to 30% of the social grant and the amount of R570 per month with an annual CPI and inflation adjustment of 7%. Given the historically low rental base and form of clientele base, it is not possible for this facility to be self-sustaining as a business unit to offset the management and maintenance costs.

The facility is currently in need of renovation and upgrading and is a significant financial drain to the Municipality. It is intended to increase the yield through potential infill blocks by optimizing the use of the property towards further densification of 3 -5 storey walk ups. This will allow for mixed tenants or clients, which will be critical for long-term sustainability of the facility through generation of appropriate rental revenues.

(c) Erven 568 and 571 Knysna

The two even are in Godon Street within the CBD area of Knysna close to major areas of interest like Waterfront, a Spots field, Knysna Mall and several other business facilities. It is an ideal property for Social Housing purposes.

(d) Erf 3534, Knysna

The property also contains 4 flats that can be enhanced further.

RECOMMENDATION OF THE MUNICIPAL MANAGER

- a) That Council notes the report
- b) That Council approve the draft Social and Rental Housing Strategy for implementation

APPENDIX / ADDENDUM

SOCIAL AND RENTAL HOUSING STRATEGY



Knysna Social and Rental Housing Strategy

Medium-term strategy and implementation plan

04 February 2026



KNYSNA SOCIAL AND RENTAL HOUSING STRATEGY

Medium-term strategy and implementation plan

Project sponsor:	Social Housing Regulatory Authority Dudu Phoswa	
Prepared for:	Knysna Local Municipality Dr Richard Martin Mr Lindile Petuna	
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Date:	04 February 2026	
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EXECUTIVE SUMMARY

The Knysna Social and Rental Housing Strategy and Implementation Plan provides a medium-term framework to tackle the municipality's urgent shortage of affordable rental housing. In response to a projected backlog of over 10 000 units and rising population, the strategy aims to deliver 1 000 social housing units and 300 new community residential units by 2035.

The plan is grounded in spatial restructuring, focusing on strategically located, municipally-owned land within three approved restructuring zones (Knysna CBD, Heidevallei, and Lagoon View) to integrate lower-income households into areas with economic opportunities. It defines two main delivery programmes:

1. **Social Housing:** targeted at households with monthly incomes of R1 850–R22 000, this programme relies on smart partnerships with accredited delivery agents and municipal capital and operational incentives such as land release, expedited approvals, reduced development charges and property rates and taxes.
2. **Community Residential Units:** offering heavily subsidised rental housing for low-income households, planned on sites near public transport hubs in locations such as Xolweni, Concordia, or Khayaletlu.

The strategy's implementation plan rests on key pillars, including a comprehensive (1) Financial Plan outlining capital and operational funding sources (2) a Smart Partnership Model to engage delivery agents, and (3) a robust Property Management Framework to maintain post-construction sustainability. It also incorporates critical enablers, such as a dedicated restructuring zone manager, a community participation strategy, and sustainable urban design guidelines to ensure long-term success of affordable rental assets.

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1 INTRODUCTION

1.1 Addendum background

1.1.1 Human settlements sector mandate

The Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution), is the primary and defining document for the provision of housing in South Africa. Section 26 of the Constitution states that "(1) [e]veryone has the right to have access to adequate housing (2) [t]he state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right". Schedule 4, Part B of the Constitution assigns municipalities responsibility for functions that support housing delivery in strategic land, including municipal planning, local amenities, building regulations, and the provision of basic infrastructure services (RSA, 1996). Refer to section 8 **ADDENDUM 1: LEGAL BACKGROUND** for further introductory legal context.

Strategic land in well-located areas is still largely and disproportionately owned by the state and private entities. State owned land in well-located areas forms a major focus of the Medium-Term Development Plan 2024-2029 (MTDP). The end term target of the MTDP for well-located social housing is established at 13 000 units by 2029 (DPME, 2025). Supplementing the MTDP, the Minister of Human Settlements accounted, through the 2025 Budget Vote Speech that 15 000 social housing units are targeted for delivery. In addition, efforts are bolstered to improve the management of available rental stock by achieving 95% tenanting and 90% collection rate (DHS, 2025).

1.1.2 Affordable rental housing in Knysna

In terms of the Municipal Systems Act, 2000 — the Western Cape Member of Executive (MEC) for Local Government proposed actions to improve the workability of the Knysna Integrated Development Plan 2024/2025 (IDP). In the context of affordable rental housing, the MEC directed the provision of social housing initiatives in the allocated restructuring zones to provide affordable housing options. In 2020, the Knysna Local Municipality (henceforth referred to as Knysna) adopted the Integrated Human Settlement Policy as a reactive approach to its affordable housing programme.

The policy aims to foster strategic partnerships and develop a supportive environment for delivering affordable housing in response to the area's rapidly increasing population. Housing demand in Knysna is anticipated to keep rising, with the current backlog at 9 500 units and the projected demand towards 2029 outlined as follows:

1. Projected demand: 10 800
2. Projected housing supply: 500
3. Estimated backlog: 10 300 units. (KnLM, 2025)

To strengthen the provision of human settlements, Knysna's IDP outlines the following measures to address the increasing housing demand:

1. Designate sites including Heidevallei, Lagoon View and Protea Terrace as areas of opportunity for affordable housing alongside market-rate units.
2. Expand Restructuring Zones (RZs) and Priority Human Settlement and Housing Development Areas (PHSHDAs).
3. Introduce incentives for inclusionary housing development as well as social rental and gap housing. The incentives ought to reduce development costs and improve project viability, ensuring affordability for defined market segment, including social rental and gap housing.

Detailed housing demand is, especial for social housing is discussed in Section 2.2.3 **Knysna potential social housing units**



ANNEXURE 1: PLANNING REPORTS outlines the existing and potential construction scope for each nominated property, indicating the estimated number of units achievable under current land rights and through land development application. The following assumptions are employed to determine the potential number of units in each parcel:

1. Unit sizes of 30-50m², using 50m² for calculations to cater for circulation.
2. Four storey walk-ups will be used on all sites.
3. Land development applications to amend Floor Area Ratio (FAR) and reduce parking requirements.

Refer to Section 14 ADDENDUM 7 : SITES NOMINATED FOR SOCIAL HOUSING PURPOSES.

TABLE 4: POTENTIAL SOCIAL HOUSING UNITS						
No.	Land parcel	Using existing rights	Unit size	With land development application	Units size	Planning report
1	Erf 571 Knysna (West View Courts)	19 units	47m ²	28 units	51m ²	Yes
2	Erf 568 Knysna (West View Courts)	19 units	47m ²	28 units	51m ²	Yes
3	Erf 4440 Curley Court Municipal Flats	54 units	47m ²	81 units	50m ²	Yes
4	Erf 3534 Westhill	27 units	48m ²	41 units	50m ²	Yes
5	Erf 1343 Melkhout Municipal Flats	119 units	47m ²	178 units	50m ²	No
7	Total	238 units		356 units		

Erven 255 and 7492 are not located within the approved Heidevallei restructuring zone. While Erf 243 partially falls within the restructuring zone, the affected portion is constrained by a servitude line measuring about 40m wide for heavy current electricity transmission, refer to **Figure 3**. A review of the restructuring zone boundaries, including potential expansion along the north-eastern wing, may be required to enhance site feasibility. However, according to the Knysna Zoning Scheme By-Law (2020) — properties zoned “undetermined zone” shall only be considered for rezoning to (1) Open Space Zone III and (2) Resort Zone.

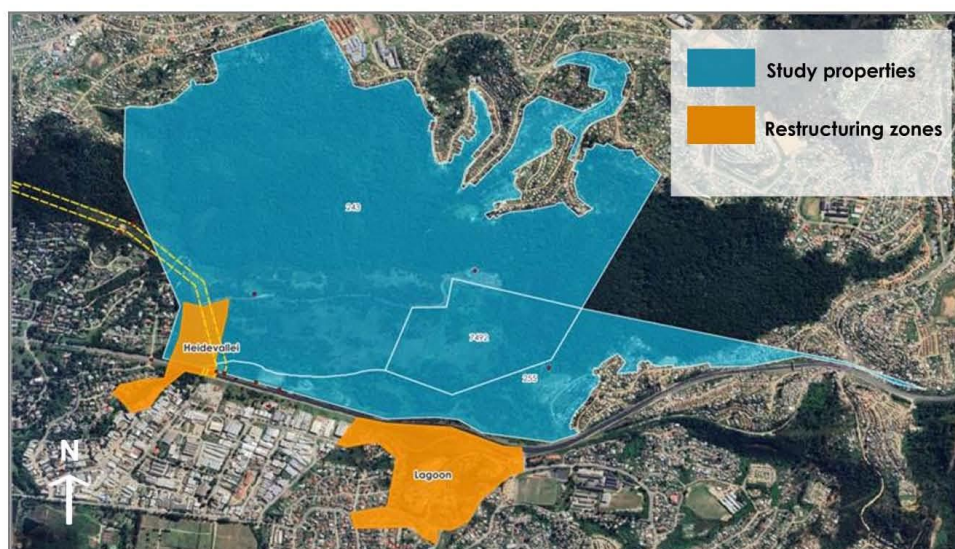


Figure 3: Heidevallei Restructuring Zone with target properties

SITUATIONAL ANALYSIS AND SYNTHESIS. The legal and policy prescripts are discussed in the next section to contextualise affordable rental.

2 POLICY AND LEGISLATIVE FRAMEWORK

2.1 Policy and legislative guide for SH and CRU

This section briefly outlines the key policy and legal frameworks that guide the planning, development, and delivery of affordable rental, social housing, and community residential units within municipalities. Higher order policy frameworks are also synthesised to frame implications directed by the district and the province.

TABLE 1: POLICY AND LEGISLATIVE FRAMEWORK

Policy Framework

The National Housing Code, 2009

Objective

The National Housing Code sets the underlying policy principles, guidelines, norms and standards which apply to Government's various housing assistance programmes introduced since 1994 including social housing and community residential unit programmes.

Directives and Implications

1. **Social Housing** — projects ought to demonstrate their viability in each specific settlement context, with an overarching objective to achieve integration and restructuring. Institutional Subsidy Programme (ISP) may be used to develop affordable rental outside restructuring zones.
2. **Community Residential Units** — the housing stock funded by the CRU Programme should remain in public ownership and cannot be sold or transferred to individual residents. Operational costs must be sourced from rental income collected by the owner.

SOCIAL HOUSING PROGRAMME

There has been an increasing need for affordable rental units which provide secure tenure to households which prefer the mobility provided by rental accommodation. The Comprehensive Plan identifies the need to address the inequalities of the apartheid induced spatial frameworks. There is a need to provide disadvantaged groups with convenient access to employment opportunities and the full range of urban amenities.

The Social Housing Programme applies only to "restructuring zones" which are identified by municipalities as areas of economic opportunity and where urban renewal/restructuring impacts can best be achieved. The programme also aims at developing affordable rental in areas where bulk infrastructure (sanitation, water, transport) may be under-utilised, therefore improving urban efficiency. Social housing projects need to demonstrate their viability in each specific settlement context, but always with the objective of achieving the goals of integration and restructuring. The ISP may be used to develop affordable rental housing outside restructuring zones.

COMMUNITY RESIDENTIAL UNITS

The need for affordable rental housing is witnessed by the large number of households and individuals who rent overcrowded and sub-standard but inexpensive accommodation in backyards and informal settlements. Both the Social Housing and Institutional Subsidy Programmes fail to offer rental options that are affordable for the very poor, including many informally employed individuals, due to the high costs of multi-level units and the associated facilities, which lead to high rental charges.

There is a need for a programme that will support the upgrading of government owned communal rental accommodation (hostels). The CRUs aim to facilitate the provision of secure, stable rental tenure for lower income households. The programme provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation.

The grant may also be used for the development of new public rental housing assets, if a viable opportunity to acquire and develop such new assets has been identified. The grant includes funding the capital costs of project development and future long-term capital maintenance costs. Funding of operating costs must come from the rental income collected by the owner. Municipalities or provinces may fulfil the developer role, depending on which of these entities is owner of the public housing asset.

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Social Housing Policy, 2003

Objective

Provides key terminology, general principles and funding mechanisms to promote the growth and sustainability of the social housing sector.

Directives for local government

1. Support social housing development in integrated development planning and ensure enabling environment.
2. Facilitate access to land and municipal infrastructure services.
3. Support social housing institutions (SHIs) during establishment through the provision of facilities and financial support.

Social Housing Policy Guidelines, 2006

Municipalities will be responsible for the following:

- Facilitate social housing delivery in its area of jurisdiction.
- Encourage the development of new social housing stock or the conversion of existing non-residential stock.
- Provide access:
 1. To land and buildings for social housing development in approved restructuring zones.
 2. To social housing institutions to acquire municipal rental stock.
 3. To municipal infrastructure and services for social housing projects in approved restructuring zones and to the extent permitted under the Local Government: Municipal Financial Management Act, 56 OF 2003 (MFMA) on preferential basis.
- Initiate and motivate the identification of restructuring zones.
- Enter into performance agreements with social housing institutions.

Guidelines for the Designation and Management of Restructuring Zones are detailed in **4.3.1 Restructuring zone management**

Legal Framework

Rental Housing Act, 1999

Objective

To promote the provision of rental housing property; to promote access to adequate housing through mechanisms to ensure proper functioning of the rental housing market.

Directives

Government must —

- (a) Promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and poor persons, by the introduction of incentives and other measures that —
 - i. improve conditions in the rental housing market;
 - ii. encourage investment in urban and rural areas that need revitalisation and resuscitation, and;
 - iii. correct distorted patterns of residential settlement by initiating, promoting and facilitating new development in, or the redevelopment of, affected areas;
- iv. Facilitate the provision of rental housing in partnership with the private sector.

Social Housing Act, 2008

Objective

To establish and promote a sustainable social housing environment.

Roles and responsibilities of municipalities

5. A municipality must, where there is a demand for social housing within its municipal area, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the national and provincial legislative, regulatory and policy framework —
 - (a) to facilitate social housing delivery in its area of jurisdiction;
 - (b) to encourage the development of new social housing stock and the upgrading of existing stock or the conversion of existing non-residential stock;
 - (c) to provide access —
 - i. to land and buildings for social housing development in designated restructuring zones;
 - ii. for social housing institutions to acquire municipal rental stock;
 - iii. to municipal infrastructure and services for approved projects in designated restructuring zones;

Refer to **8 ADDENDUM 1: LEGAL BACKGROUND** for a comprehensive guideline on policy and legislation.



2.2 Western Cape human settlements mandate

2.2.1 Provincial affordable rental housing programme

Positioning spatial transformation as a key driver of socio-economic development, the Western Cape Growth Potential Study highlights social housing, restructuring zones, economic hubs, and Priority Housing Development Areas to support coordinated infrastructure implementation. The Western Cape Department of Infrastructure focuses on reversing the entrenched, inequitable settlement patterns created under apartheid. To this end, the Department has developed a substantial social housing pipeline aiming to deliver approximately 9 000 new social housing units by 2030 across various municipal regions in the province (WCG, 2025). The Western Cape comprises of 12 local municipalities with approved restructuring zones as follows:

TABLE 2: WESTERN CAPE MUNICIPALITIES WITH RESTRUCTURING ZONES	
Cape Winelands District Municipality	Garden Route District Municipality
1. Drakenstein Local Municipality	1. Bitou Local Municipality
2. Stellenbosch Local Municipality	2. George Local Municipality
3. Breede Valley Local Municipality.	3. Knysna Local Municipality
	4. Mossel Bay Local Municipality
	5. Oudtshoorn Local Municipality.
West Coast District Municipality	Overberg District Municipality
1. Saldanha Bay Local Municipality	Overstrand Local Municipality.
2. Swartland Local Municipality.	
City of Cape Town Metropolitan Municipality	

FIGURE 1 shows the municipalities that have designated restructuring zones in the Western Cape.

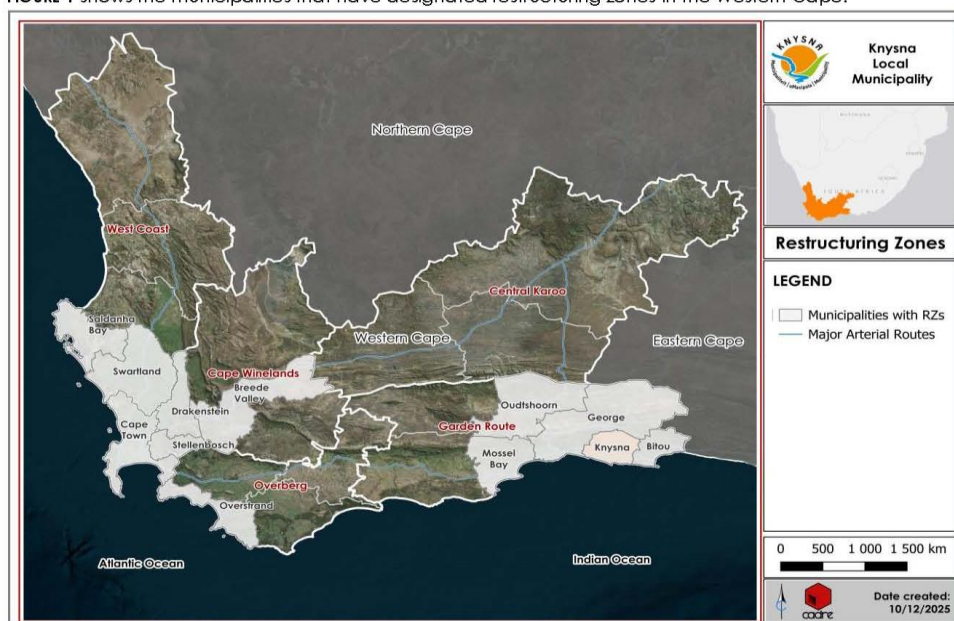


Figure 1: Western Cape Municipalities with restructuring zones

2.2.2 District affordable rental housing programme

The Garden Route District Municipality (GRDM) Human Settlements Sector Plan (HSSP) is noted as instrumental in the programme of spatial reprioritisation to address the socio-economic distortions that are defined across racial lines. Centralising the challenge of urban sprawl due to in-migration in historical urban areas, reinforces socio-spatial fragmentation. The District prioritises RZs and PSHDAs to scale up the delivery of inclusive and affordable housing. These reform tools are primarily targeted at secondary cities including Knysna, George, Oudtshoorn, Bitou and Mossel Bay. The HSSP notes social housing, community residential units (CRU), gap housing as viable instruments for long-term socio-economic integration (GRDM, 2022).

The District Development Model: One Plan strategy, the GRDM guides proposals for social housing, FLISP, Gap, and Inclusionary housing. For social housing, the District notes the following pipeline development for Knysna:

TABLE 3: KNYSNA SOCIAL HOUSING PIPELINE				
Project name	Social Housing Institution (SHI)	Units	Pipeline status	Restructuring zone
Heidevallei	Unallocated	350	Pre-planning	Yes
Gladstone Street, Erf 3409	Unallocated	54	Pre-planning	Yes
Melkhout Flats, Erf 1343	Unallocated	40	Pre-planning	Yes
Lagoon View, Erf 17301	Unallocated	112	Pre-planning	Yes

A total of 556 units are on the pre-planning pipeline in Knysna. Knysna approved several potential sites for the implementation of social housing including:

- Land owned by Own Haven (formal transfer by Knysna)**
 - Lagoon View (Phase 1) – Erf 17301 (complete)
 - Lagoon View (Phase 2) – Erf 3409 (in-progress).
- Land owned by Knysna**
 - Heidevallei: Erven 7492, 243 and 255 — zoned undetermined.
 - Protea Terrace: Erf 3534 — requires upgrading and in-fill blocks for further densification.
 - Melkhout Municipal Flats: Erf 1343 — requires upgrading and in-fill blocks.
 - West View Courts: Erven 568 and 571.
 - Curley Court Municipal Flats: Erf 4440 — similar interventions as above.



Figure 2: Restructuring zones in Knysna (GRDM, 2022)

2.2.3 Knysna potential social housing units

ANNEXURE 1: PLANNING REPORTS outlines the existing and potential construction scope for each nominated property, indicating the estimated number of units achievable under current land rights and through land development application. The following assumptions are employed to determine the potential number of units in each parcel:

4. Unit sizes of 30-50m², using 50m² for calculations to cater for circulation.
5. Four storey walk-ups will be used on all sites.
6. Land development applications to amend Floor Area Ratio (FAR) and reduce parking requirements.

Refer to Section 14 ADDENDUM 7 : SITES NOMINATED FOR SOCIAL HOUSING PURPOSES.

TABLE 4: POTENTIAL SOCIAL HOUSING UNITS						
No.	Land parcel	Using existing rights	Unit size	With land development application	Units size	Planning report
1	Erf 571 Knysna (West View Courts)	19 units	47m ²	28 units	51m ²	Yes
2	Erf 568 Knysna (West View Courts)	19 units	47m ²	28 units	51m ²	Yes
3	Erf 4440 Curley Court Municipal Flats	54 units	47m ²	81 units	50m ²	Yes
4	Erf 3534 Westhill	27 units	48m ²	41 units	50m ²	Yes
5	Erf 1343 Melkhout Municipal Flats	119 units	47m ²	178 units	50m ²	No
7	Total	238 units		356 units		

Erven 255 and 7492 are not located within the approved Heidevallei restructuring zone. While Erf 243 partially falls within the restructuring zone, the affected portion is constrained by a servitude line measuring about 40m wide for heavy current electricity transmission, refer to **Figure 3**. A review of the restructuring zone boundaries, including potential expansion along the north-eastern wing, may be required to enhance site feasibility. However, according to the Knysna Zoning Scheme By-Law (2020) — properties zoned “undetermined zone” shall only be considered for rezoning to (1) Open Space Zone III and (2) Resort Zone.

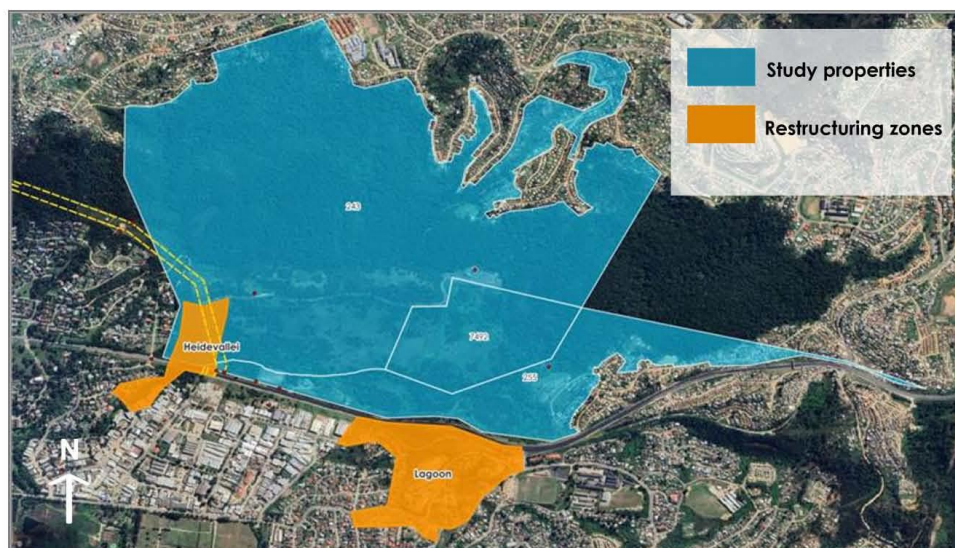


Figure 3: Heidevallei Restructuring Zone with target properties

3 SITUATIONAL ANALYSIS AND SYNTHESIS

3.1 Overview of Knysna human settlements

3.1.1 Municipal spatial logic and housing

Knysna, situated on the South Coast of the Western Cape, covers a 1 000 km² area within the Garden Route district. It is bordered by Bitou to the east and George to the west and north. Other district counterparts include Oudtshoorn, Kannaland, Hessequa, and Mossel Bay. The municipality hosts towns such as Knysna, serving as the regional service centre, and Sedgefield classified as a secondary service centre, along with rural centres including Springfield, Karatara, Rheenendal, and Brackenhill. Located west of Knysna Central, Sedgefield is recognised as a peaceful, community-focused town that promotes relaxed living, sustainability, local culture, and environmental conservation (KnLM, 2025).

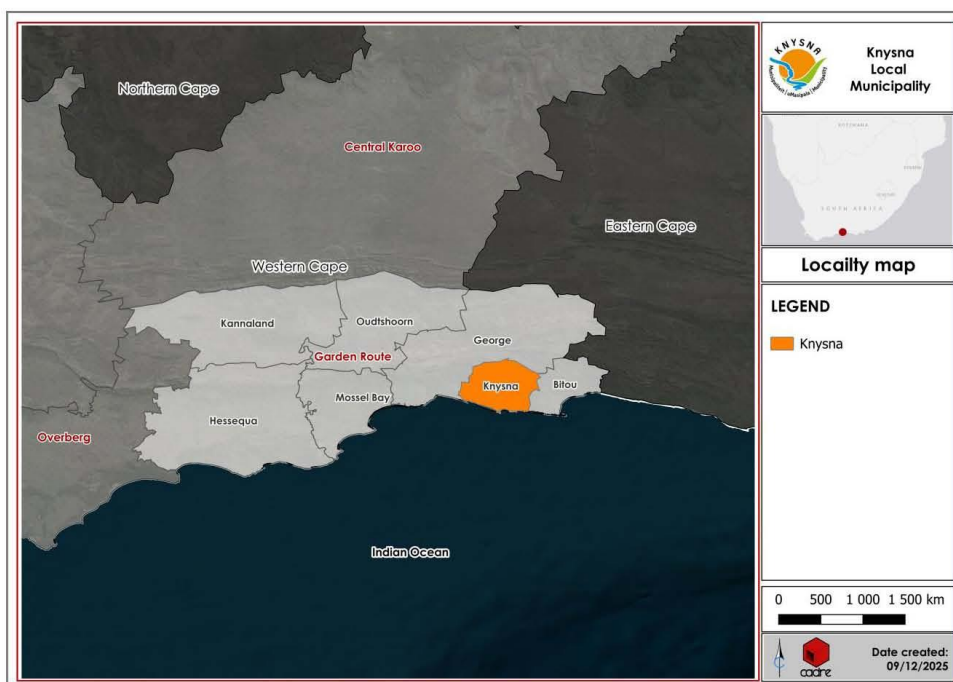


Figure 4: Knysna locational context

Census 2022 reports that the municipality's population reached about 96 000, a considerable population increase from about 69 000 in 2011. The latter represents a 3.3% growth rate which surpasses the provincial average growth rate at 2.4% (StatsSA, 2022). This population growth, together with a predominantly working-age population profile, is driving sustained demand for affordable, social and rental housing. The municipality's strong tourism-led economy and high environmental sensitivity further intensify pressure on well-located, serviced land, shaping both the scale and spatial pattern of current and future housing delivery. In 2011, Knysna had roughly 21 900 households, increasing by 10 500 to sit at 32 400 by 2022. The average household size is established at 3.0, with approximately 84% of households residing in formal dwellings and around 14% living in informal dwellings (StatsSA, 2022). The classification of dwelling types are categorised as follows by Statistics South Africa (StatsSA):



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TABLE 5: DWELLING TYPES	
Dwelling type	Structure type
Formal	- House or brick/concrete block structure on a separate stand or yard. - Flat or apartment in a block of flats. - Cluster house in a complex - Townhouse (semi-detached house in a complex) - Semi-detached house - Formal dwelling/house/flat/room in backyard - Room/flatlet on a property or larger dwelling/servant quarters/granny flat/cottage.
Traditional	Traditional dwelling/hut/structure made of traditional materials.
Informal	- Informal dwelling/shack in backyard - Informal dwelling/shack not in backyard (e.g in an informal settlement/squatter settlement or on a farm).

In Knysna, around 10 400 households are homeowners, while 4 900 households (21%) rent their homes. The municipal rental rate is slightly lower than the district and provincial averages of 22% and 28%, respectively. The Municipal Spatial Development Framework (MSDF) evaluated Knysna's settlement patterns with a focus on land-use efficiency. It analysed density patterns across various settlements, including Knysna Heights, Hornlee, Rexford, and Concordia, all of which are formal areas with low-to-medium density development. A dot count method yielded the following density analysis:

TABLE 6: DWELLING TYPES			
Sample area	Extent (ha)	Estimated Dwelling Units (du)	Gross Residential Density (du/ha)
Knysna Heights	37.3	171	4.58
Hornlee	8.77	175	19.95
Rexford	73.9	308	4.17
Concordia	26.3	623	23.69

The analysis indicates that Concordia and Hornlee have moderate gross densities of around 20du/ha or higher, aligning with Knysna's long-term spatial objectives. In contrast, Knysna Heights and Rexford show low-density sprawl, with gross residential densities below 5du/ha. The municipality identifies potential for spatial restructuring in these areas, using strategic densification tools such as in-fill development, sub-division, and redevelopment into more compact forms, including walk-up flats, to enhance land use and infrastructure efficiency.

Additionally, the MSDF addresses future land requirements considering projected population and household growth. According to the Greenbook, Knysna, Knoetzi, Bracken Hill, and Sedgfield are expected to experience moderate population growth, while Brenton-on-Sea is projected to see high growth by 2050.

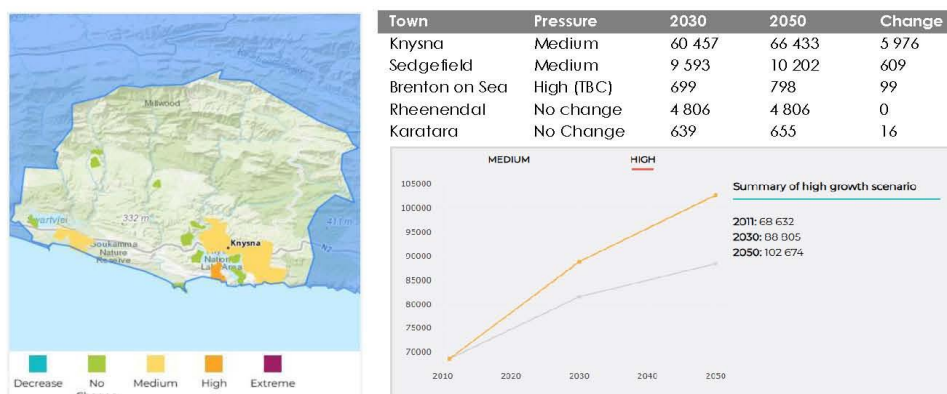


Figure 5: Knysna population growth pressure



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Using the backlog of 9 500 housing units and the future household projections, land requirements were calculated as follows:

TABLE 7: DWELLING TYPES			
Year	Population	Number of households	Required land for housing (ha) Scenario 1 (21.82du/ha)
2025	99 259	33 086	1 516
2030	104 841	34 947	1 602
2035	110 735	36 912	1 692

3.1.2 Housing demand study

Knysna's residential demand modelling, based on Quantec data, shows a weighted average household income of R17 485 per month, which implies a higher projected need for social housing market rather than Breaking New Ground (BNG) units, refer to **TABLE 8**. According to the SHRA (2022), the target market for social housing in South Africa is specifically aimed at households earning between R1 850 and R22 000 per month. The objective of the social housing programme is to offer quality affordable rental housing close to economic opportunities and essential services such as schools, healthcare and public transport to the lower-income households.

In 2022, the Department of Human Settlements (DHS) published the adjustment of income bands for social housing to align with the FLISP as follows:

1. The threshold of the sub-primary market's household income limit: R1 850 per month
2. The threshold of the primary market's household income limit: R6 700 per month
3. The threshold of the secondary market's household income limit: R22 000 per month.

(DHS, 2022)

Ownership affordability projections indicate moderate long-term demand across all typologies, with BNG housing expected to grow from 85 units in 2025 to a cumulative 685 units by 2035, while subsidy, FLISP and gap housing account for the largest share at 946 units over the same period. Considering the rental market, social housing has the strongest future uptake, projected at 757 units between 2025 and 2035.

TABLE 8: OWNERSHIP DEMAND PROJECTIONS							
Ownership affordability per housing typology	Annual minimum (household income)	Annual maximum (household income)	2025	2030	2035	Total	
BNG ("RDP")	R0	R42 000	85	290	310	685	
Subsidy/FLISP/Gap	R42 000	R26 4000	80	418	448	946	
Affordable	R26 4000	R36 0000	8	40	42	90	
Middle Income	R36 0000	R72 0000	16	82	88	185	
Upper Market	R72 0000	+	14	74	80	168	
Total per year			203	904	967	2 074	

TABLE 9: RENTAL DEMAND PROJECTIONS							
Rental affordability per housing typology	Annual minimum (household income)	Annual maximum (household income)	2025	2030	2035	Total	
Social Housing	R22 200	R26 4000	70	332	355	757	
Affordable	R26 4000	R36 0000	9	26	28	62	
Middle Income	R36 0000	R72 0000	21	53	57	131	
Upper Market	R72 0000	+	80	48	52	180	
Total per year			181	459	491	1130	

Although Knysna's estimated housing backlog is approximately 10 000 units, this figure is treated separately from demand projections, as it reflects a historic shortage largely concentrated in "RDP-eligible" households. The demand figures presented for social housing are therefore intentionally conservative, providing a realistic assessment of what can feasibly be developed and absorbed by the market. To advance its social housing



programme established by the Integrated Human Settlement (IHS) Policy, Knysna initiated internal processes to appoint Social Housing Institutions (SHIs) to form strategic partnerships that will improve pre-construction and post-construction feasibility for social housing projects. In the approval of the IHS, Council resolved that the following properties be developed for social housing purposes:

1. Erf 1343 Knysna (Milkwood Flats)
2. Erf 4440 Knysna (Curley Court)
3. Erf 568 and 571 Knysna
4. Erf 3534 Knysna.

To assess the feasibility of the nominated sites for social housing, the strategy attaches **Annexure 1: Level 2 Planning Reports**, prepared by Cadre Connect (Pty) Ltd in collaboration with Property Matrix (Pty) Ltd. These reports provide comprehensive due diligence on the identified sites, examining (1) zoning provisions (2) deeds information (3) applicable spatial policies, and (4) the development potential of each property. Advisory results for each nominated property are captured in the report for further consideration by the authorities.

3.1.3 Restructuring zone analysis

NODAL ORGANISATION

Knysna has committed to guiding the long-term development of affordable rental and social housing through policy and programme measures, including the designation of restructuring zones in 2010. The municipality comprises of three approved restructuring zones including Knysna CBD, Heidevallei and Lagoon View. Enhancing the process to establishing restructuring zones and identifying suitable land are central interventions in the strategy to strengthen project pipelines and delivery. The restructuring process should drive spatial, social, and economic improvements, providing disadvantaged groups with opportunities through integrated and sustainable human settlements. These opportunities are located within the economic hubs of the local region.

The Knysna MSDF categorises four nodal/settlement types including:

TABLE 10: NODE TYPES AND FUNCTIONS	
Settlement type	Function
Regional Service Centre	Main urban centre in terms of location of new housing, jobs, services and facilities with a focus on development and densification.
Secondary Regional Service Centre,	Urban centres with a special function (often tourism related) as well as a role in terms of servicing the surrounding areas and containing a mix of economic activities and services.
Rural Settlement	A rural or recreational nodal point characterised by community functions, as well as a state of permanence (settled population).
Coastal Hamlets	Coastal Hamlets are small, low-density rural settlements located along the coastline, typically characterized by limited infrastructure, a close relationship with the natural environment, and a reliance on fishing, tourism, or subsistence livelihoods.
Rural Hamlets	Small residential clusters without commercial or business uses. Populations range from 30 to 200 people.

(KnLM, 2025a)

Population growth in these nodes is noted as follows by the Greenbook:

TABLE 11: KNYSNA MUNICIPAL NODES (MSDF)				
Nodal hierarchy	Area	Population Change 2030-2050 (GreenBook)		
		2030	2050	
Regional Service Centre	Knysna	60 457	66 433	5 976
Secondary Regional Service Centre	Sedgefield	9 593	10 202	609
Rural Settlement	Karatara	639	655	16
	Rheenendal	4 806	4 806	0
Coastal Hamlet	Brenton on Sea	699	798	99



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	Buffelsbaai	74	79	5
Rural Hamlet	East Brook	-	-	-
	Farleigh	-	-	-
	Kraaibosch	-	-	-
	Goudveld	-	-	-
	Bibby's Hoek	-	-	-
	Charlesford	-	-	-
	Gouna	-	-	-
	Windheuwel	-	-	-
	Bracken Hill	-	-	-
	Springfield	-	-	-
	Diepwalle	-	-	-
	Buffelsnek	-	-	-
	> 5 000	>100	<100	No change
	-	-	-	Undetermined

The MSDF illustrates the nodal structure of the Knysna region in **Figure 6**. As the regional service centre, Knysna is projected to experience moderate population growth of more than 5 000 people between 2030 and 2050. Sedgfield is the next node with a relatively noticeable increase of over 600 people during the same period. Rural settlements and coastal hamlets are not expected to experience notable population growth, although their populations are also not projected to decline. No population data is available for Rural Hamlets to assess trends of growth or decline.

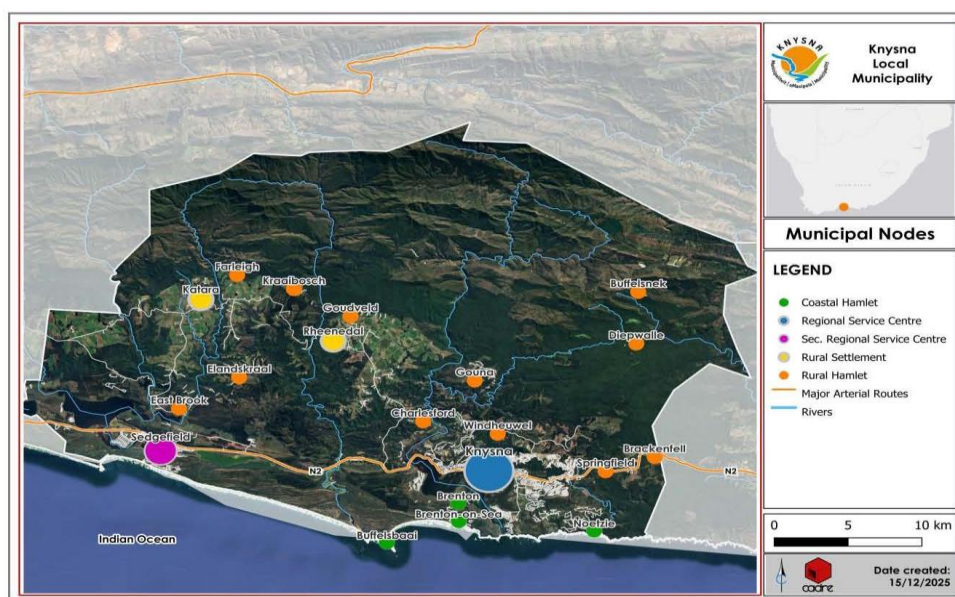


Figure 6: Knysna municipal nodes (MSDF, 2025)



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RESTRUCTURING ZONES

According to the Social Housing Guidelines, 2006 — the location of social housing should be within proximity (about 800m or 10-minute walk) to supporting facilities such as schools, public transport facilities, economic activities, healthcare and retail convenience (DHS, 2006). Knysna comprises of three approved restructuring zones located within the Knysna regional service centre in Knysna CBD, Heidevallei and Lagoon View. A total of 556 units are currently in the pre-planning pipeline for Knysna and are intended to be distributed across the three restructuring zones. The proposed sites for social housing purposes including Erven 568, 571, 1343, and 3534 within the Knysna CBD RZ, as well as Erf 4440 in the Heidevallei RZ, are assessed as follows:

TABLE 12: RESTRUCTURING ZONE AND SUPPORTING FACILITIES				
Facility	Erf 568 & 571 (distance in Km)	Erf 1343 (distance in Km)	Erf 3534 (distance in Km)	Erf 4440 (distance in Km)
Retail Facility Supply	0.65	0.95	0.55	3.3
Community Centre	0.95	0.95	1.20	2.3
Fire Station	0.65	1.1	1.30	2.9
Government Office	1.50	0.85	1.20	2.7
Hospital/Clinic	0.55	1.30	2.10	2.0
Library	0.20	0.70	0.80	3.0
Primary School	0.55	0.70	1.00	3.1
Secondary School	1.10	0.45	1.00	3.1
Police Station	1.10	0.45	1.10	2.6
Post Office	1.2	0.40	1.10	2.6
Average distance	0.85	0.74	1.04	2.76

Erven 568, 571, and 1343 are the most advantageously located near group support facilities, with most amenities within 1 km. Erf 3534 is also well positioned, averaging about 1 km from key social housing support facilities. In contrast, Erf 4440 in Heidevallei is situated farther from most support facilities, with an average distance of nearly 3 km. According to the MSDP (2025), Knysna hosts The Lagoon View Social Housing Development which bears potential for 169 social housing units. Phase 1 of the project which is located on Erf 17301 is complete and Phase 2, located on Erf 3409 remains in-progress.

Noting the projected social housing demand of 757 units by 2035 for Knysna — provision to access state-owned land and/or building ought to be made to accommodate about 800-1 000 units across the restructuring zones. The feasibility of the restructuring zones are assessed as follows:

TABLE 13: RESTRUCTURING ZONE ANALYSIS					
Local Municipality	Western Cape Regional Urban Centres	Node Type	Restructuring Zone	Restructuring Zone Status	Population Change between 2022-2030 (GreenBook)
Knysna	Knysna	Regional Service Centre	Knysna CBD	Approved	Increase >5 976
			Heidevallei	Approved	
			Lagoon View	Approved	

TABLE 14: APPROVED RESTRUCTURING ZONES IN PRIMARY AND SECONDARY NODES		
Municipality	Node	Restructuring zones to be prioritised for projects
Knysna	Knysna	Knysna CBD
		Heidevallei
		Lagoon View

The restructuring zones are well-placed within the regional service centre, serving as key areas for growth. Social housing initiatives should be given priority across all three zones.



3.2 Community Residential Unit Programme

3.2.1 Existing CRU/hostels in Knysna

Looking at the CRU programme which supports the upgrading of government-owned communal rental accommodation or hostels. The programme funds public rental assets that are, but not limited to dysfunctional, abandoned and distressed hostels that are managed by provinces or municipalities. The grant, which is allocated through human settlements grant funding, may also be used to develop new public rental housing assets that are more affordable to (1) existing beneficiaries in public and grey hostels and indigent groups as new applicants. Built with the same integrity and quality, the CRUs are more affordable as compared to social housing.

Knysna currently does not have any existing hostels or CRUs, either converted or newly constructed. The development of CRUs could be undertaken by either the municipality or the provincial government. As Knysna is expected to be the main growth area over the next two decades, it could be considered an appropriate location for CRU development to enhance the range of affordable housing options. CRUs are mainly designed for low-to-medium income households seeking rental accommodation over the short to medium term. Typically, CRUs are intended to meet 10–20% of the overall housing demand, depending on income levels and tenure preferences. Based on Knysna's total housing demand of approximately 10 500 units, and applying the lowest uptake of 10%, the projected CRU demand for Knysna is established at 1 000 units.

To determine the most appropriate approach for the development of CRUs, the municipality or the province ought to assess the land for feasibility and identify opportunities for new affordable rental housing stock. The most appropriate CRU development option should be selected as summarised in **TABLE 15** below.

TABLE 15: COMMUNITY RESIDENTIAL UNIT PROGRAMME INTERVENTION TYPES		
Option	Intervention Type	
Stabilisation		
1	Stabilisation	
Demolition		
2	2.1	Simple demolition of single storey buildings and site rehabilitation or prepare for new build infill.
	2.2	Medium complex demolition of double storey buildings with flat slabs on load-bearing brickwork, and site rehabilitation to rid sites of undesirable structures and/or prepare for new build infill.
	2.3	Complex demolition of multi-storey buildings (2-4 storey walk-ups) with reinforced concrete framed structures, and site rehabilitation to rid sites of undesirable structures and/or to prepare for new build infill.
Refurbishment		
3	3.1	Basic refurbishment — no upgrade (repair and re-decorate existing, including simultaneous upgrade of specifications). Following stabilisation where require.
	3.2	Upgrade refurbishment (repair, redecorate existing without upgrade), following stabilisation where required.
Conversion		
4	4.1	Hostel conversion: dormitories to self-contained units.
	4.2	Simple conversion of existing inner-city buildings (hostels to flats).
	4.3	Complex conversion of existing inner-city buildings (offices to flats).
Infill on brownfields		
5	5.1	New build infill on existing sites — single storey.
	5.2	New build infill on exiting sites — 2-4 storey walk-ups, conventional foundations.
	5.3	New build on infill existing sites — 2-4 storey walk-ups, pile foundations.
Infill on greenfields		
6	6.1	New build on greenfield sites — single storey.
	6.2	New build infill on existing sites — 2-4 storey walk-ups, conventional foundations.
	6.3	New build infill on existing sites — 2-4 storey walk-ups, pile foundations.
Redevelopment		
7	7.1	Complete redevelopment of hostel complexes, incorporating one or more of options: 2, 3, 4, 5 above.
Maintenance		
8	Long-term capital maintenance for all the above.	



3.2.2 CRU funding arrangements

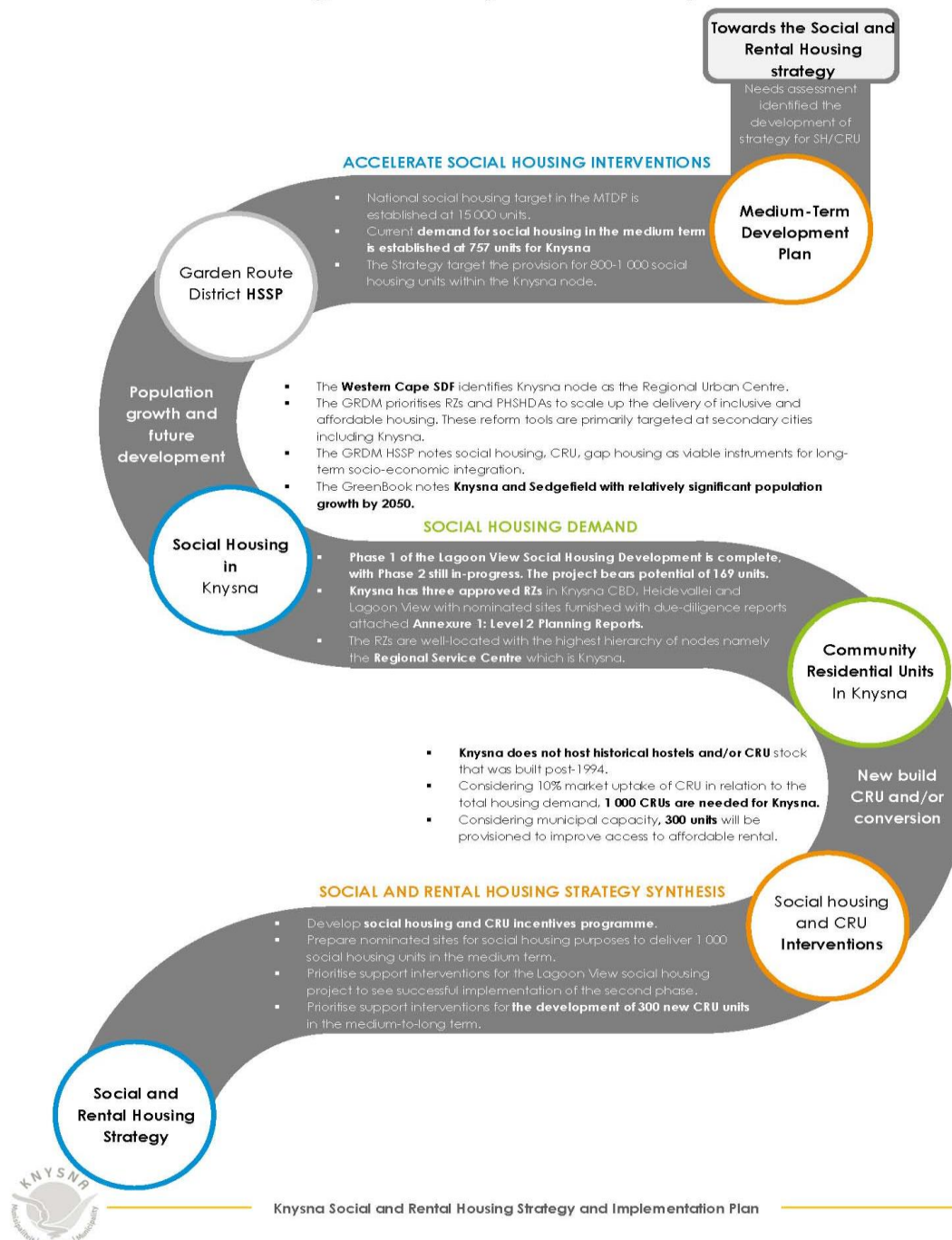
The CRU programme provides funding for the capital costs of project development and future long-term capital maintenance costs. The programme does not provide for land acquisitions and/or purchase costs, given that the public rental housing assets would be owned by government including provinces or municipalities. In the event land acquisition is required, either the province or the municipality would incur the costs to purchase. The land must be acquired prior to the participation of the CRU programme. The programme provides funding for the facilitation of communication and participation processes.

Aspects that are covered for in the programme include development/refurbishment of properties. Other costs not associated with the development or refurbishing of the public stock would be incurred by the owner through rental income collected. The property owner would decide on the nature and format of the rent relief assistance that will be provided to the tenants in the projects' own resources. Capital project funding or CRU subsidy is calculated to cover the total project development cost for each of the development option outlined in **TABLE 15**.

The funding would be sourced from the annual housing funding allocated to provincial governments by the Minister in terms of the Division of Revenue Act, 02 of 2013 (DoRA) (DHS, 2009a). **TABLE 16** indicates the appropriate development options to be applied with different types of housing stock that qualifies.

TABLE 16: APPROACH TO DEVELOPMENT OPTIONS PER HOUSING TYPE					
(Re)development		Type of stock applied to			
		Hostels-public and grey sectors	Balance of EEDBS (flats not transferred)	Post-1994 new public stock	Existing inner-city buildings
1	Stabilisation intervention	X	X		X
2	Demolition and site rehabilitation	Simple Medium complex Complex	Simple Medium complex Complex		Simple Medium complex Complex
3	Refurbishment	Basic Upgrade	Basic Upgrade		Basic Upgrade
4	Conversion	Hostels			Simple Complex
5	New build infill on existing site	Single storey Walk-ups conventional foundations Walk-ups, piled foundations			
6	New build on greenfield site			Single storey Walk-ups conventional foundations Walk-ups, piled foundations	
7	Complete re-development	Any or all of 2,3,4,5 above in varying combinations			
8	Long-term capital maintenance	X	X	X	X

3.3 Social housing and CRU synthesis for Knysna



STRATEGIC FRAMEWORK

3.4 Visioning and development outcomes

The strategy provides a framework to guide the restructuring programme by enabling the delivery of affordable rental housing in well-located areas. It promotes urban renewal and spatial restructuring by directing investments into central locations and optimising the use of available land and buildings, particularly municipal assets. In doing so, the strategy supports the Council's developmental vision and establishes a pathway to:

"Drive the restructuring programme through focused investment in quality human settlements that are financially viable and environmentally responsible."

The following developmental objectives spearhead towards the achievement of the captured vision:

1. **Accelerate spatial redress** — promote the development of quality housing with strong linkages to socio-economic opportunities including jobs, healthcare, and education to remedy the apartheid spatial make-up.
2. **Improve access to affordable rental housing** — build partnerships with delivery agents to assist with capacity to deliver quality and well-maintained affordable rental housing.
3. **Establish conditions to support affordable rental delivery** — develop mechanisms that will promote pre-construction feasibility and long-term functionality of the affordable rental housing.
4. **Enhance urban design requirements for affordable rental** — develop and reinforce urban design guidelines that enable sustainable densification while protecting natural areas and improving access, liveability, and comfort. Refer to section 13 ADDENDUM 6: URBAN DESIGN GUIDELINES FOR AFFORDABLE RENTAL.
5. **Promote financially sound planning and decisions** — plan realistic human settlement projects that can be delivered on time. Strengthen institutional capacity, ensure transparency, and foster community collaboration on public rental assets throughout conception, planning, implementation, and management to prevent delays from lack of consensus or site issues.
6. **Promote capital investments and protect natural environment** — promote the strengthening of essential infrastructure to service planned human settlements whilst protecting the natural environment that brings relaxation, feeds communities and support community-sense.

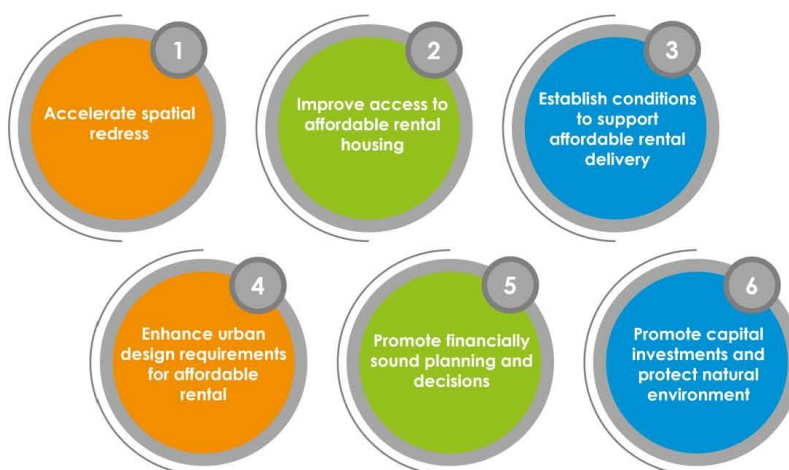


Figure 7: Developmental objectives for affordable rental in Knysna

3.5 Affordable rental delivery programmes

3.5.1 Social Housing

Municipal objective: The programme aims to create a prepared platform for social housing projects within confirmed restructuring zones — to avail/upgrade bulk infrastructure services, integrate with rapid public transport, release land and/or buildings, and administer capital or development incentives to enable a conducive environment for the success and longevity of SHIs and ODAs in constructing the desired number of social housing units.

Policy statement: The municipality will guide the (1) identification of well-suited land and/or buildings (2) release/acquisition of land and/or buildings and (3) design tailored development and administrative incentives including, but not limited to (1) rapid processing of land development applications (2) reduced and/or delayed development charges applicable to accredited SHIs and ODAs and (3) adopt an overlay zone for social housing in terms of the land use scheme.

Programme outcome: Introduce social housing development incentives and upgrade identified sites to enable the delivery of 800-1 000 social housing units by 2035.

TABLE 17: SOCIAL HOUSING PROGRAMME

No	Topic	Programme directive															
1	Status quo	As of December 2025, Phase 1 of the Lagoon View Social Housing project has been completed with Phase 2 still work-in-progress. Knysna has 556 units in the pre-planning pipeline and the demand for social housing is established at 757 units until 2035.															
2	Intervention type	Adopt administrative incentives and other supporting interventions to enable the delivery of 800-1 000 units by 2035.															
3	Target group/households	Households earning between R1 850 and R22 000.															
4	Intervention areas	1. Land owned by Own Haven (formal transfer by Knysna) - Lagoon View (Phase 1) – Erf 17301 (complete) - Lagoon View (Phase 2) – Erf 3409 (improve coordination). 2. Land owned by Knysna <table border="1"> <thead> <tr> <th>Land parcel</th><th>Name</th><th>Intervention</th></tr> </thead> <tbody> <tr> <td>Erf 3534</td><td>Protea Terrace</td><td>Upgrading and in-fill blocks for further densification.</td></tr> <tr> <td>Erf 1343</td><td>Melkhout Municipal Flats</td><td>Requires upgrading and in-fill blocks.</td></tr> <tr> <td>Erven 568 and 571.</td><td>West View Courts:</td><td>Requires upgrading and in-fill blocks.</td></tr> <tr> <td>Erf 4440</td><td>Curley Court Municipal Flats:</td><td>Requires upgrading and in-fill blocks.</td></tr> </tbody> </table>	Land parcel	Name	Intervention	Erf 3534	Protea Terrace	Upgrading and in-fill blocks for further densification.	Erf 1343	Melkhout Municipal Flats	Requires upgrading and in-fill blocks.	Erven 568 and 571.	West View Courts:	Requires upgrading and in-fill blocks.	Erf 4440	Curley Court Municipal Flats:	Requires upgrading and in-fill blocks.
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Erven 568 and 571.	West View Courts:	Requires upgrading and in-fill blocks.															
Erf 4440	Curley Court Municipal Flats:	Requires upgrading and in-fill blocks.															
5	Housing typology	2-4 storey walk-up buildings with 1-3-bedroom units.															
6	Implementing agents	Partner Social Housing Institutions or Other Delivery Agents.															
7	Key components/overall approach	- Assist SHIs and ODAs with the identification and release of land and/or buildings well-located to public transport, social facilities and bulk municipal services. - Release municipal-owned land below market value with attached time-based performance conditions. - Commission social housing incentive programme to assist social housing projects to commence construction and function sustainably in the long-term.															
8	Eligibility	Accredited and conditionally accredited SHIs and ODAs by the SHRA.															
9	Programme implementation	Adopt development incentives specific for social housing pipeline projects and/or overlay zone for social housing.															
10	Financial implication	- Reduction in proceeds of property rates and taxes. - Upgrade/expand utility infrastructure in targeted areas. - Waiver of bulk infrastructure costs.															
11	Institutional and capacity implications	Designate a Restructuring Zone manager and supporting staff.															



Figure 8 depicts the restructuring zones in Knysna. The pre-planning pipeline of 556 units would be developed on municipal land and/or buildings designated for social housing within the approved restructuring zones. Targeting the delivery of 800-1 000 units by 2035 would require additional land within the restructuring zones, about 5ha with a design of 3-4 storey walk-up buildings. Land available outside the restructuring zones may also be facilitated through the Institutional Subsidy Programme grant (ISP).

The gazetted restructuring zones may be commissioned by the municipality to effect an Incentive Overlay Zone (IOZ) through the Land Use Scheme (LUS). The IOZ would establish priority and special provisions for social housing land development applications, allowing for exemptions and additional rights to help reduce project backlogs and speed up the delivery of pipeline projects by creating a more supportive environment. Section 4.2.1 Social Housing incentives plan expands further on the IOZ.

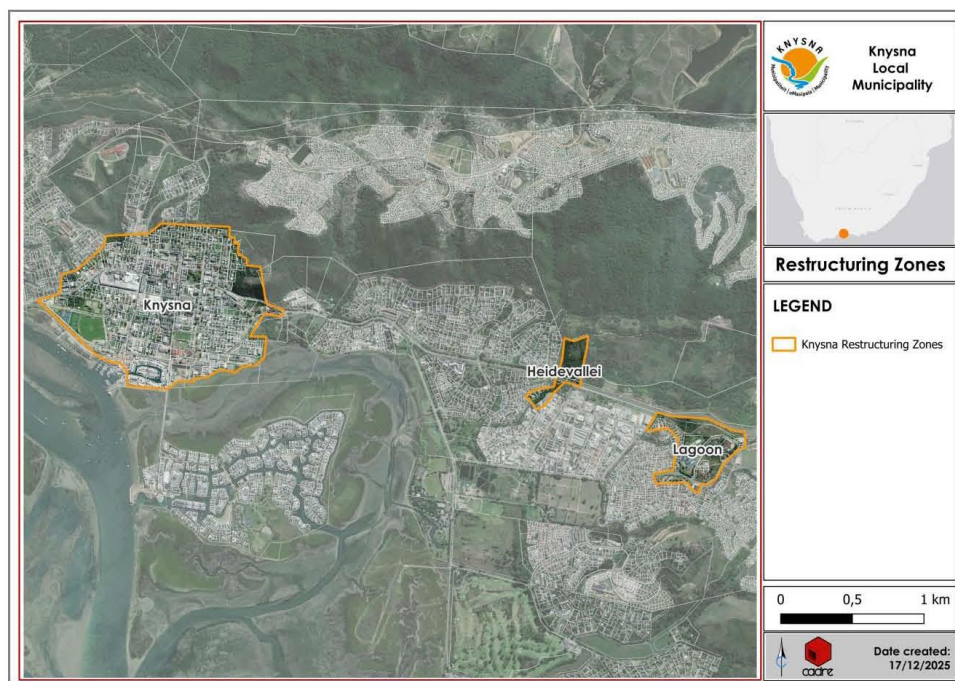


Figure 8: Approved restructuring zone in Knysna (adopted graphics)

3.5.2 Community Residential Units

Municipal objective: The objective of the programme is to facilitate the delivery of the provincial/municipal-owned accommodation, to cater for a full demand of subsidised, safe, supportive and secured rental housing for the low-income households. The program targets the observed trends of numerous low-income households and individuals who lease substandard accommodation as cheaper options for shelter near spaces of opportunity.

Policy statement: The municipality or the province, ought to facilitate the delivery and increase management capacity of CRUs. This requires a proportional increase for both capital and operational subsidy budget allocated to human settlements through DoRA.

Programme outcome: Construct 300 CRUs by 2035, located within a 1 200-meter radius of bus or taxi terminals.

TABLE 18: COMMUNITY RESIDENTIAL UNIT PROGRAMME		
No	Topic	Programme directive
1	Status quo	As of December 2025, there are no historical hostels and CRUs under regulation in Knysna.
2	Intervention type	Construct 300 new CRUs in public transport hubs.
3	Target group/households	Indigent households as per the Municipal Indigent Policy's updated threshold.
4	Intervention areas	Xolweni, Concordia and Khayalethu
5	Housing typology	1-3 storey buildings with 1-2-bedroom, self-contained units.
6	Implementing agents	Western Cape Human Settlements or Knysna Integrated Human Settlements department.
7	Key components/overall approach	Provision of medium-to-long term capital subsidy to construct public rental stock followed by maintenance from rental income.
8	Eligibility	Costs not provided by the CRU grant funding (i.e., acquisition of land, major maintenance) may be sourced from rental income or direct funding from donor or investor funding following due regulatory procedures. These include: - Public-Private Partnerships - Corporate Social Responsibility and/or Sustainability Livelihood Plans from: - Mining houses to implement Social and Labour Plans required by the Mineral and Petroleum Resources Development Act, 2002 (Mining Charter). - Private developers - Human settlements grant funding
9	Programme implementation	Commission precinct development approach in Xolweni, Concordia or Khayalethu.
10	Financial implication	Additional capital and operating expenditure for the development of CRUs.
11	Institutional and capacity implications	- Increase staffing for the management of CRU (if owned by the municipality). - If owned by the Province, the municipality may enter into a memorandum of agreement to offer services including: - Fencing - Installation of play areas and public seating - Landscaping and grass-cutting - Refuse removal within facilities - Electricity and public lighting - Maintain fire equipment.

If land in Xolweni is secured for a CRU development, **Figure 9** shows an estimated 5–10-minute travel time to Knysna CBD by motorised public transport (bus or taxi). This provides favourable conditions for households wishing to live close to work, primarily located in the town centre. For locations further from urban centres, CRUs are best situated near rail stations or taxi/bus terminals. Knysna's population size makes public transport by taxi or bus the most practical option.

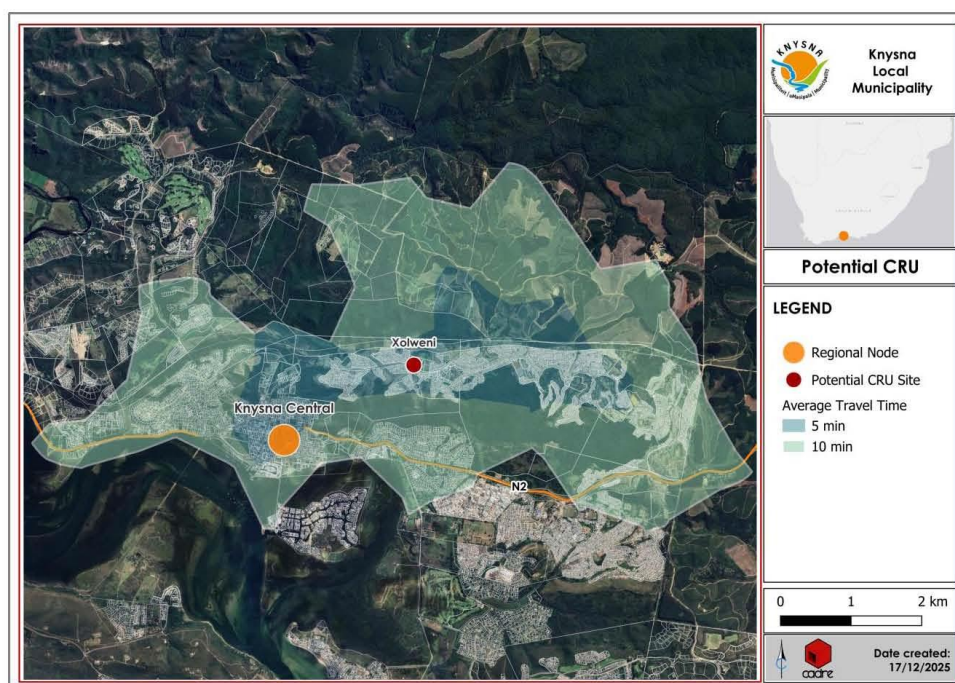


Figure 9: Accessibility of Knysna CBD from Xolweni



Figure 10: Potential site for CRU development in Xolweni (Google Streetview, 2025)

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4 IMPLEMENTATION FRAMEWORK

4.1 Deliverables and outcomes

This section presents the action plan, including targets, to direct the implementation of the strategy according to the prioritised programme.

TABLE 19: AFFORDABLE RENTAL HOUSING PROGRAMME IMPLEMENTATION							
Programme	Deliverable	Programme activity	Responsibility	Implementation priority			Outcome target
				High	Med	Low	
Social Housing	Complete Phase 2 of the Lagoon View Social Housing project	Review the sale terms of Erf 3409 to include time-bound conditions that ensure Phase 2 of the social housing project is implemented promptly.	Knysna Integrated Human Settlements				Implement Phase 2 of the Lagoon View Social Housing project by 2029.
	Establish detailed feasibility studies to improve the nominated land parcels for social housing purposes	Consider the due-diligence reports attached as Annexure 1 to filter out less feasible properties suitable for the delivery of 300-500 units per property. Properties suitable to accommodate 300-500 units or more to be nominated for detailed feasibility studies. The properties include: - Erf 3534 Protea Terrace - Erf 1343 Malkhoof Municipal Flats - Erven 568 and 571 West View Courts - Erf 4440 Curley Court Municipal Flats.	Knysna Integrated Human Settlements				Shortlisted properties that are suitable to accommodate 300-500 units or more to further process for feasibility studies by January 2026.



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TABLE 19: AFFORDABLE RENTAL HOUSING PROGRAMME IMPLEMENTATION						
Programme	Deliverable	Programme activity	Responsibility	Implementation priority		
				High	Med	Low
	Develop and adopt social housing incentives to promote the feasibility and sustenance of projects	Take guidance from the strategy and further develop and adopt social housing incentives policy to subsidise SHs and ODAs with existing projects and projects in the pipeline.	Knysna Integrated Human Settlements, Planning and Economic Development			
	Institute Smart Partnership Agreements to improve implementation of social housing	Identify and establish Smart Partnership Agreements with SHs/ODAs to institute special programmes and incentives that would enable a conducive environment for the acceleration of social housing delivery and their sustainability in the municipality.	Knysna Integrated Human Settlements			
Community Residential Units	Develop and adopt CRU incentives to promote the feasibility and sustenance of projects	Take guidance from the strategy and further develop and adopt CRU incentives policy to subsidise/support the sustenance of new projects.	Knysna Integrated Human Settlements, Planning and Economic Development			
	Acquire land in Xolweni, Concordia or Khayaletu to plan and construct new CRUs	Identify and acquire land, at least 5ha to construct the development of 150 CRUs as the first phase and another 150 units as the second phase. Identify land in Xolweni, Concordia or Khayaletu and provision supporting public transport facilities.	Knysna Integrated Human Settlements, Planning and Economic Development			



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TABLE 19: AFFORDABLE RENTAL HOUSING PROGRAMME IMPLEMENTATION							
Programme	Deliverable	Programme activity	Responsibility	Implementation priority			Outcome target
				High	Med	Low	
	Facilitate funding for new CRU development	Knysna to lobby the Western Cape DHS to allocate capital funding through the CRU Programme to construct new units given that the municipality is accredited to manage human settlements grants.	Knysna Integrated Human Settlements				Facilitate the construction of 150 new CRUs in Xolweni, Concordia or Khayalethu by 2029, and additional 150 units by 2035.



4.2 Incentives programme

The strategy deposits a Financial Incentive Model designed to guide the municipality in creating a conducive environment for affordable rental housing. Incentives programmes are critical in assisting to dismantle financial, institutional and market barriers that often discourage the provision of affordable housing in prime land. This section details a framework which the municipality ought to take guidance from and institute, through council processes, thriving environments for social housing and community residential unit programmes. The incentive model is categorised into (1) development (2) operational and (3) end-user incentives.

4.2.1 Social Housing

TABLE 20: INCENTIVES FOR SOCIAL HOUSING PROGRAMME		
Development Incentives (pre-construction)		
No.	Incentive pack	Directives
1	Municipal/state land and properties	- Release municipal land at (1) donation or (2) discount/below market value with performance conditions including: - Implementation within 2 years - Reacquire land if no implementation in 2 years. - Lease municipal land and/or buildings through 30–99-year lease arrangements at no cost to the partner SHI/ODA.
2	Reduce/waive development charges	- Municipality to establish whether to impose or not to impose development charges. - Reduce/waive municipal development charges for SHI/ODA partners.
3	Provide/upgrade bulk infrastructure services	- Prioritise capital upgrades/provision of bulk infrastructure to service social housing sites in the pipeline including (water, sewer, roads, and electricity). - Maximise use of Urban Settlements Development Grant (USDG) and Municipal Infrastructure Grant (MIG) to upgrade municipal infrastructure.
4	Zoning and land use incentives for SHI/ODA partners	- Higher bulk/coverage/Floor Area Ratio Density incentives - Flexible density policy. - Remove/reduce effluent charges for higher density. - Reduce parking ratios to at least 0.5 bays per unit. Incentive Overlay Zone — applicable to approved RZs. - Increase land use rights without lodging land development application including: - Rezoning - Consent use. - Waive building plan and development application fees for subdivision and consolidation.
5	Streamlined and fast-tracked development through rapid processing of land development applications	- Streamline and speed up the management of planning and building applications while adhering to statutory responsibilities. - Implement reliable and efficient tracking systems to ensure speedy circulation and sign offs by consulting municipal sector departments. - Establish a help desk/online portal to facilitate processes and approvals.
Operational Incentives (post-construction)		
No.	Incentive pack	Directives
6	Reduced property rates and utility charges	- Allocate base residential property rates as opposed to business/commercial rates to social housing projects. - Allocate base residential service/utility charges for electricity and water. - Free solid waste removal and waive sanitation charges.

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End-User Incentives		
No.	Incentive pack	Directives
7	Apply targeted universal indigency benefits	- Improve Municipal Indigent Policy to provide indigent subsidies to eligible households within the sub-primary and/or primary market's household income on metered services: - Water — free/capped units i.e., 250-500 L per month. - Sanitation (waive effluent charges). - Electricity — free/capped units i.e., 50kWh per month.

INCENTIVE OVERLAY ZONE

Knysna to adopt the IOZ, which would be provisioned through the municipal land use scheme. The overlay zone would apply to the gazetted restructuring zone of the municipality, gazetted in terms of the Social Housing Act, 2008 including Jeffreys Bay/Ocean View.

To accelerate the rollout of social housing in the municipality, at least one potential constraining process is eliminated. The IOZ would create a special zoning area above the existing base zones in the defined gazetted restructuring zone boundaries. Special provisions would be made for the social housing land development applications within the IOZ to acquire incremental land use and development rights. The incremental rights may include, but are not limited to:

- Land use rights
- Height
- Higher bulk/coverage/Floor Area Ratio (FAR)
- Reduced development charges
- Base residential property rating.

The IOZ through the land use scheme, would allow an exemption of land development applications for social housing and prescribe building plan submissions only with determined terms and conditions by the councils.

4.2.2 Community Residential Units

TABLE 21: INCENTIVES FOR COMMUNITY RESIDENTIAL UNIT PROGRAMME		
Development Incentives (pre-construction)		
No.	Incentive pack	Directives
1	Provide/upgrade bulk infrastructure services	- Prioritise capital upgrades/provision of bulk infrastructure to service new CRU sites including (water, sewer, roads, and electricity). - Maximise use of Urban Settlements Development Grant (USDG) and Municipal Infrastructure Grant (MIG) to upgrade municipal infrastructure.
2	Municipal/state land and properties	- Release municipal land at (1) donation or (2) discount/below market value with performance conditions including: - Implementation within 2 years - Reclaim if no implementation in 2 years. - Lease municipal land and/or buildings through 30–99-year lease arrangements at no cost to affordable rental developers/owners.
3	Reduce/waive development charges	- Municipality to establish whether to impose or not to impose development charges. - Reduce/waive municipal development charges to the delivery agents.
4	Zoning and land use incentives for delivery partners	- Higher bulk/coverage/Floor Area Ratio Density incentives - Flexible density policy. - Remove/reduce effluent charges for higher density. - Reduce parking ratios to at least 0.5 bays per unit. - Waive building plan and land development application fees for subdivision, rezoning, consent and consolidation.
5	Streamlined and fast-tracked development through rapid	Streamline and speed up the management of planning and building applications while adhering to statutory responsibilities.



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	processing of land development applications	- Implement reliable and efficient tracking systems to ensure speedy circulation and sign offs by consulting municipal sector departments. - Establish a help desk/online portal to facilitate processes and approvals.
Operational Incentives (for municipal-owned stock post construction)		
No.	Incentive pack	Directives
6	Human resource	24-hour security personnel - Building manager - Caretaker x 2 per complex
7	New build on greenfields site	- New buildings/residential complex developed by municipality on vacant sites. - Changing dysfunctional buildings into integrated communities through: - Demolition of undesirable buildings and replace with new buildings. - Conversion of i.e., office buildings to self-contained units.
8	Long-term capital maintenance	Maintenance, repairs, and redecoration every five (5) years after initial new build construction, refurbishment and conversion.
9	Refurbishment/rehabilitation and/or conversion	In the even the Eastern Cape Human Settlements constructs new CRU stock, the municipality may consider entering into a Memorandum of Agreement with the Province to jointly maintain the public rental stock including: - Fencing - Installation of play areas and public seating - Landscaping and grass-cutting - Refuse removal within facilities - Electricity and public lighting - Maintain fire equipment.
10	Reduced property rates and utility charges	- Allocate base residential property rates as opposed to business/commercial rates to social housing projects. - Allocate base residential service/utility charges for electricity and water. - Free solid waste removal and waive sanitation charges.
End-User Incentives		
No.	Incentive pack	Directives
11	Rental payments	- Affordability-based payment plans for distressed tenants. - Municipality to develop rental management frameworks and/or policy to assist indigent households in CRUs to: - Set affordable payment rates. - Introduce transitional arrangements for increments. - Provide targeted support. - Provide relief to households with good payment record: - Water and electricity vouchers 1 or 2 of 12 months free rent.
12	Apply targeted universal indigency benefits	- Improve Municipal Indigent Policy to provide indigent subsidies to eligible households earning below the adjusted indigent threshold on metered services: - Water — free/capped units i.e., 250-500 L per month. - Sanitation (waive effluent charges). - Electricity — free/capped units i.e., 50kWh per month.



4.3 Delivery capacity and management guide

This section prescribes a model to enhance the delivery capacity and management of new public stock, to institute a thriving environment for the implemented projects. These include (1) Restructuring Zone Management (2) Rental Management Programme and (3) Smart Partnership Model for social housing.

4.3.1 Restructuring zone management

PURPOSE OF RESTRUCTURING ZONES

The Social Housing Act, 2008 defines a restructuring zone as a geographic area which has been:

- (a) Identified by the municipality, with the concurrence of the provincial government, for purposes of social housing; and
- (b) Designated by the Minister in the Gazette for approved projects.

Restructuring zones are identified for targeted investment based on the need for social, spatial and economic restructuring of areas provisioned by the IDP and must be aligned with provincial priorities. Restructuring through social housing seeks to achieve:

1. Spatial restructuring — by bringing lower-income (disadvantaged and mostly black) groups into the centre of socio-economic opportunities.
2. Social restructuring — through promoting an integration of different racial and income groups.
3. Economic restructuring — by promoting spatial access to economic opportunity and promoting job creation through the multiplier effect associated with building medium-density housing stock.

ONGOING MANAGEMENT

In terms of the Social Housing Policy Guidelines (2006), zone management arrangements should designate a Restructuring Zone Manager (a municipal official in planning, Local Economic Development (LED), housing) who should execute the following tasks as additional Key Performance Areas (KPA's) (DHS, 2006):

1. Help mobilise delivery agents.
2. Act as key liaison person/office in packaging and submitting individual projects for approval.
3. Facilitate grant disbursement and drawdowns once the DHS has made an allocation to the zone.
4. Submit annual reports, which should address progress towards achieving outcome indicators.

4.3.2 Rental management programme

The management of public rental housing faces numerous challenges, which often make implemented projects unsustainable over time. Given the institutional and financial constraints, maintenance problems, insufficient management frameworks, and limited intergovernmental coordination, this section presents a property management plan for social housing and CRUs. It outlines how these projects will be operated, maintained, and optimized to ensure that the assets provide financial, social, and operational benefits throughout their lifecycle. The current state of public rental management programs is described, followed by proposed improvements in property management.



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SOCIAL HOUSING PROGRAMME

Managed primarily under the Social Housing Act, 2008; Social Housing Regulations, 2012; National Housing Code, 2009; and the Social Housing Policy, 2006.

TABLE 22: POST-CONSTRUCTION MANAGEMENT PROVISIONS	
Entities responsible for property management	SHIs and OD As including: - Rental collection - Maintenance and repairs - Tenant engagement and dispute resolution.
Policy framework	Regulated by the SHRA through the SHRA's Compliance Framework including: - Annual reporting - Operational audits - Performance monitoring. SHRA monitors post-construction compliance including: - Occupancy ratios - Financial viability of the SHI - Quality and safety of the built environment.
Challenges	Social housing sector faces challenges including: - Funding constraints Limited suitable delivery agents Increasing operating costs - Maintenance backlogs High service charges for tenants and SHIs/ODAs.

COMMUNITY RESIDENTIAL UNIT PROGRAMME

Governed by the National Housing Code, 2009.

TABLE 23: POST-CONSTRUCTION MANAGEMENT PROVISIONS	
Entities responsible for property management	Province or local municipalities are the owners of the CRU stock and may outsource property management primarily responsible for: - Day-to-day operations - Maintenance - Tenant relations and rental collections.
Policy framework	CRU Policy Framework encourages: - Proper tenant management - Professionalisation of property management - Establishing municipal housing units or agencies - Introduction of long-term maintenance plans and financial sustainability models.
Challenges	CRUs often face operational challenges including: - Non-payment of rent Illegal occupation Vandalism and overcrowding.

To effectively deal with the challenges which the public rental stock is susceptible to, the strategy proposes a rental property management model expanded in **TABLE 24**. The model categorically contributes risk management tools for both social housing and CRU stock to enhance their sustainability. The risk management elements considered include (1) tenant management (2) rental collection (3) maintenance and (4) security of stock amongst others.



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TABLE 24: AFFORDABLE RENTAL PROPERTY MANAGEMENT MODEL			
SOCIAL HOUSING		COMMUNITY RESIDENTIAL UNITS	
Management elements	Directives	Management elements	Directives
Management strategy post-construction			
Ownership and management	SHs/ODAs/MOEs owns the stock and are responsible for full property management.	Ownership and management	Host province or local municipality are the owners of the stock and may outsource property management.
Tenant management	1. Define procedures for tenant selection, lease agreements, induction, annual salary review, conflict resolution and evictions. 2. Develop policies on tenant engagement, grievance mechanisms and community building. 3. Integrate RHT in complex dispute resolution processes. 4. Deal with rental-related disputes through the Rental Housing Tribunal (RHT). Refer to section WESTERN CAPE RENTAL HOUSING TRIBUNAL	Tenant management	Consider the vulnerability of the serviced group: 1. Translate agreements and rules into local languages. 2. Conduct tenant educational and awareness sessions on: ▪ Rights and responsibilities ▪ Facilities and usage ▪ Dispute resolution processes including the RHT. 3. Conduct unit inspections and use biometric access systems to address subletting or misuse. 4. Support formation of community forums. 5. Deal with rental-related disputes through the RHT.
Rent collection	1. SH/ODA must ensure regular billing and collection processes through rapid detection using information systems. 2. Apply staggered payment dates to accommodate different income cycles. 3. Dedicated arrears management teams to assist tenant in arrears. 4. Partner with NGOs/social workers to assist tenants in financial distress and put in place debt management plans. 5. Offer incentives for good payment behaviour including: ▪ Water/electricity vouchers ▪ 1 of 12 months free rent.	Rent collection	1. Directly managed by the municipality. The lease agreement to establish grounds for termination in the event of non-payment of one month's rent or the absence of sufficient written notice¹. 2. Allow affordability-based payment plans for distressed tenants. 3. Partner with NGOs/social workers to assist tenants in financial distress and put in place debt management plans. 4. Offer incentives for good payment behaviour including: ▪ Water/electricity vouchers ▪ 1 of 12 months free rent.
Maintenance	Conduct ongoing repairs and long-term maintenance planning using information systems: 1. Develop 24/7 maintenance query systems i.e., QR Codes. 2. Dedicate permanent on-site maintenance teams for unit repair work. 3. Schedule planned and reactive maintenance plans with sufficient notice and communication. 4. Define responsibilities for tenant and owner and provision terminable conditions in lease agreements for premeditated vandalism or damage to property.	Maintenance	1. Property Manager to manage day-to-day maintenance and infrastructure upkeep. 2. The lease agreements to establish clear rules and consequences for misconduct such as vandalism, illegal service connections, RHT resolutions to be strict on these provisions. 3. Develop 24/7 maintenance query systems i.e., QR Codes. 4. Dedicate permanent on-site maintenance teams for unit repair work. 5. Schedule planned and reactive maintenance plans with sufficient notice and communication.



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TABLE 24: AFFORDABLE RENTAL PROPERTY MANAGEMENT MODEL			
SOCIAL HOUSING		COMMUNITY RESIDENTIAL UNITS	
Management elements	Directives	Management elements	Directives
Financial management	1. Develop sound financial strategy, aligning financial plan with strategic objectives. 2. Ensure full and timely rental collection. 3. Implement strong budgeting and cost control. 4. Adopt transparent and accurate financial reporting. 5. Diversify revenue streams through convenience services i.e., laundromats, spaza shop, parking, theatre/game rooms, broadband services.	Social/financial management	6. After five (5) years of construction, apply for long term capital maintenance grant from the Provincial Department through the Human Settlements Development Grant (HSDG). 1. Institute support initiatives for vulnerable tenant, conflict resolution and community cohesion. 2. Integrate social support services to assist with: ▪ Health and youth development programmes ▪ Domestic violence. 3. Diversify revenue streams (laundromats/trading stalls) 4. Ensure full and timely rental collection. 5. Implement strong budgeting and cost containment measures.
Monitoring and reporting			
1. Annual submission of operational performance reports to SHRA. 2. Conduct on-site inspections, audits and risk-based assessments. 3. SHIs/ODAs/MOEs to meet standards for: ▪ Occupancy rates ▪ Maintenance backlogs ▪ Financial sustainability.		Strengthen allocation and handover processes to prevent illegal occupation through: 1. Transparent beneficiary list Ensure only verified, qualifying beneficiaries are allocated units — present the full process during public engagement to reduce disputes. 2. Secure completed units immediate ▪ On-site security deployment, and physical barriers including fencing and locks. ▪ Minimise delay between unit completion and occupation. 3. Oversight body Host communities to be integrated in the planning, construction, and post-construction phases to ensure consensus and protection from unwanted elements.	
Tools and systems			
Property management systems	To streamline and automate various tasks including rent payments, lease tracking, maintenance scheduling, financial accounting and communication.	Property management systems	To streamline and automate various tasks including rent payments, lease tracking, maintenance scheduling, financial accounting and communication.
Asset registers and planned maintenance plans	Note all assets (pumps/generators/public furniture) and functional status, schedule maintenance tasks to optimise comfort and property upkeep, minimise downtime and prevent unexpected breakdowns.	Safety and security	Real-time housing allocation systems to prevent duplicate fraudulent applications, smart access control.

Termination of lease agreements to follow proper legal procedures, including sufficient notice, grace period to remedy the breach, go through the RHF which has the same powers as the court of law.
Sources: Adapted from (SHRA, 2021); (DHS, 2022); (N-Habitat, 2011); (RSA, 1999)



WESTERN CAPE RENTAL HOUSING TRIBUNAL

According to the Western Cape Rental Housing Tribunal's 2024/25 Annual Report, the Tribunal continued to play a key role in resolving rental disputes between tenants and landlords in the province, helping to uphold rental housing rights and provide accessible dispute resolution. Over the financial year, it managed its operational activities within its allocated budget while introducing administrative improvements such as a self-help service portal to streamline complaint submissions and reduce queues at the helpdesk, enabling staff to focus on more complex cases and improving service delivery (WCRHT, 2025).

In addition to its core dispute resolution work, the Tribunal collaborated with stakeholders to enhance delivery — partnering with entities such as the South African Police Service (SAPS) to support enforcement of rulings and reduce unlawful occupations and evictions. External commentary suggests the Tribunal's caseload has grown steadily, with a significant increase in matters addressed compared with previous years, reflecting broader trust and reliance on the service among renters and landlords across the Western Cape.

Dispute resolution by the RHT is usually centred around the following common issues:

1. Illegal evictions, lockouts, or short notices to vacate premises.
2. Disconnection of services.
3. Non-payment of rent or deposit funds.
4. Harassment, overcrowding, maintenance issues.
5. Rental overcharging, discrimination and lease violations.

Considering improving the supply of affordable rental housing in Knysna, the following measures are proposed to ensure sustained outstanding service delivery to the public:

1. **Accessibility and public awareness**
 - a. Multiple walk-in offices, located with municipal human settlements and housing services.
 - b. Active outreach programmes during integrated development plan roadshows and on-site awareness posters.
 - c. Provide free legal advice and tenant education workshops in SH and CRU projects.
2. **Integration with local housing systems**
 - a. Improved coordination with municipal housing units, including CRU and social housing — integrate information systems to improve lodgement services and resolution turnaround times.
 - b. Tribunal to support local authority's broader urban housing strategy, enable alignment between rental housing policy desires and dispute resolution.

The Province plays a crucial role in assisting local municipalities to establish Rental Housing Information Offices (RHIOs) which function to:

1. Educate, provide information and advise tenants and landowners about their rights and obligations.
2. Refer parties to the tribunal.
3. Provide advice to disputing parties on reaching solutions to rental challenges.
4. Keep records of enquiries and submit reports to the tribunal on a quarterly basis.

(Cadre, 2021)



4.4 Smart Partnerships Model for social housing

The Smart Partnership Model describes structured collaborations between local municipalities and social housing institutions aimed at achieving shared objectives. These partnerships establish innovative approaches to enhance the delivery of social housing and ensure the sustainability of implemented projects. The model outlines two possible forms of collaboration: (1) full partnership agreement and (2) conditional partnership agreement.

The municipality is expected to conduct formal procurement processes to procure SHI/ODA partners. The model entails the formulation of partnerships with SHIs/ODAs to enhance the delivery capacity of social housing. Partnerships with the municipality are applicable to accredited and conditionally accredited delivery agents who would be responsible for the following:

ACCREDITED DELIVERY AGENTS

1. Form full partnership agreements with the municipality.
2. Agents qualify to partake in joint venture projects and take charge of large and complex social housing projects.
3. Agents must have a robust track record of project delivery and management thereof.
4. Access to land and/or municipal buildings is based on freehold basis.

CONDITIONALLY ACCREDITED DELIVERY AGENTS

1. Form conditional partnership agreement.
2. Agents who do not have stock under development or management qualify (emerging role players)
3. Would oversee smaller and less complex social housing projects.
4. Access land and/or municipal buildings is based on a 30-99-year leasehold agreement.
5. Agents would qualify for full partnership after a specified probation period i.e., 2 years successful management to upgrade access to partnership benefits including:
 - Larger projects
 - Land release/donation/freehold
 - Comprehensive incentives packages.

The partnership agreement process is summarised as follows, refer to **9 ADDENDUM 2: SMART PARTNERSHIP MODEL** for a detailed guideline.

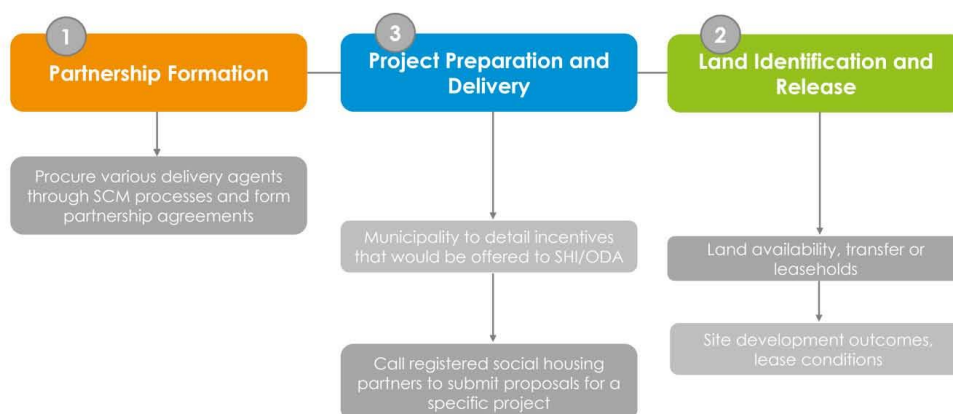


Figure 11: Smart Partnership Model formulation process

4.5 Organisation plan

The responsibilities for implementing the strategy are centralised within the Knysna municipality. The strategy envisions Knysna to spearhead the affordable rental programmes including CRU and Social Housing. The strategy directs the following functional responsibilities outlined below:

TABLE 25: FUNCTIONAL RESPONSIBILITIES PER STRATEGIC INTERVENTION			
No	Function	Status quo	Required
1	Adopt Social and Rental Housing Strategy	Social and Rental Housing Policy and Strategy not yet adopted.	Adopt the Social and Rental Housing Strategy and Policy.
2	Designate a RZ manager in the municipality	No designated RZ manager in the municipality.	Knysna to designate a RZ Manager who will assist to mobilise delivery agents and act as a key liaison person in project submissions, manage encroachments and access, and prepare annual reports on the desired outcomes.
3	Incentive Overlay Zone	No incentives programme allocated through spatial frameworks.	Knysna, through the provision of the LUS, to demarcate the restructuring zone as Incentive Overlay Zone that would assist in facilitating town planning processes efficiently under the management of the RZ Manager.
4	Secure land for social housing and CRUs.	Knysna identified land in Knysna region for the development of social housing, supported by due-diligence reports. SHRA would assist with detailed feasibility assessments.	Knysna to make use of the Land Selection and Maturity tool to assist in pre-feasibility assessments of nominated sites including: 1. Erf 3534 Protea Terrace 2. Erf 1343 Melkhout Municipal Flats 3. Erven 568 and 571 West View Courts 4. Erf 4440 Curley Court Municipal Flats.
5	Adopt a Property and Risk Management Plan for CRU and SH	Affordable rental stocks are susceptible to poor rental collection, maintenance backlogs, vandalism and invasion during final phases.	Knysna to further develop and adopt a Property and Risk Management Plan to direct interventions for planned CRUs and ensure improved rental collection and support initiatives for vulnerable tenants, institute transparent and rapid onboarding processes, address asset vandalism and facilitate consensus with host communities in all phases.
6	Adopt social housing and CRU incentives programme and regulations.	Municipality has no council-adopted incentives to create an enhanced/thriving environment for social housing and CRU projects before and after implementation.	Knysna to develop and adopt social housing and CRU incentives programme to institute pre-construction and post-construction feasibility of the projects guided in section 4.2 Incentives programme.
7	Procure SH/ODA partners.	Municipality has no smart partners for social housing in place. The municipality is accredited to administer the procurement of delivery agents.	Knysna to initiate procurement processes to advertise in terms of prescribed supply chain management processes. The municipality must identify land available for release and establish partnership agreements with SHIs/ODAs. The municipality would proceed to request for quotations to the shortlisted SHI/ODA partners and detail incentives that would be offered through agreements.



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TABLE 25: FUNCTIONAL RESPONSIBILITIES PER STRATEGIC INTERVENTION			
No	Function	Status quo	Required
8	Employ constraints management processes to resolve bottlenecks to the Lagoon View Social Housing project	Phase 2 of the Lagoon View Social Housing project is delayed for implementation.	Review the sale terms of Erf 3409 to include time-bound conditions that ensure Phase 2 of the social housing project is implemented promptly.
9	Secure grant funding for the development of social housing in Knysna	Only 169 units in-progress, with pre-planning pipeline sitting at 556 and the demand established at 757 units	Partner SHIs/ODAs to submit a project proposal to the SHRA to fund the development of 1 000 units through the Consolidated Capital Grant over the next 10 years.
10	Land acquisition for new CRU in Xolweni, Concordia or Khayalethu	No designated land for CRU development.	Knysna to identify and acquire land in Xolweni, Concordia or Khayalethu for the development of new CRU.
11	Construct new CRUs Xolweni, Concordia or Khayalethu	An estimated demand of 300 CRUs is established for Knysna. The municipality has not made provision for the development of CRUs to supplement the BNG housing delivery.	Knysna to lobby the Province to allocate funding through the CRU Programme to manage and deliver 300 CRUs in partnership with delivery agents. Alternatively, the Province may facilitate the project towards implementation. The municipality would collaborate with the Province for the up keep of the stock through a memorandum of agreement including: 1. Fencing 2. Installation of play areas and public seating 3. Landscaping and grass-cutting 4. Refuse removal within facilities 5. Electricity and public lighting 6. Maintain fire equipment.



4.6 Financial plan

4.6.1 Capital expenditure

The strategy places emphasis on discussions related to both capital and operational expenditure budgets for CRU and social housing projects. The SHRA provides capital funding to subsidise social housing, ensuring the provision of affordable, high-quality rental units in areas of opportunity. This funding is distributed through the CCG. Capital funding for social housing projects located outside the approved RZ is allocated through the ISP. According to SHRA (2024), the average cost of constructing a social housing unit, inclusive of land and bulk services, is R426 308. As of December 2025, this figure may be somewhat or significantly higher.

On 1 April 2022, the Minister of Human Settlements, together with members of executive committees (MECs), approved an increase in the subsidy quantum from R271 687 per unit to R328 687 per unit. A subsequent adjustment of 29.7% was approved on 1 April 2023, raising the subsidy amount to R426 308 for SHIs and Municipal Owned Entities (MOE). The administration of the CCG is organised as follows:

TABLE 26: ADMINISTRATION OF THE CCG	
Typical Funding Structure for Other Delivery Agents (Cost/Unit)	
Total Development Cost	e.g. R500 000,00
SHRA Consolidated Capital Grant (CCG)	R326 308,00
Equity (20%)	R100 000,00
Typical Funding Structure for Social Housing Institutions (Cost/Unit)	
Total Development Cost	e.g. R500 000,00
SHRA Consolidated Capital Grant (CCG)	R426 308,00
Debt	R73 692,00
Typical Funding Structure for Municipal-Owned Entities (Cost/Unit)	
Total Development Cost	e.g. R700 000,00
SHRA Consolidated Capital Grant (CCG)	R426 308,00
Municipal Capex	R140 000,00

Source: (SHRA, 2024)

The CRU subsidy is allocated to cover the total project development cost, including (1) stabilisation (2) demolition and rehabilitation (3) refurbishment (4) conversion (5) new build on brown and green fields (6) complete redevelopments and (7) long-term capital maintenance. According to the National Housing Code, 2009, the funding is sourced from the annual human settlements funding allocated to provincial governments through DoRA. The strategy assumes that the average cost for each CRU unit is R318 396,60. Since 2007, the DHS constructed 29 837 units at a total expenditure of R9,5 billion — accounting for approximately R318 396,60 per unit.

TABLE 27: ESTIMATED CAPITAL COSTS FOR SOCIAL HOUSING ¹						
	2027/28	2028/29	2029/30	Total	2031-2033	2033-2035
Number of units to deliver in Knysna Regional Service Centre	-	200	300	500 1 000	250	250
Estimated number of people assisted	-	200-400	300-600	1000-2000	250-500	250-500
Total Programme Cost						
² Capital cost	-	R85 261 600	R127 892 400		R106 577 000	R106 577 000
Total Programme Subsidy (CCG)	R213 154 000 (500 units)				R213 154 000 (500 units)	

¹CCG administered to SHIs and MOEs = R426 308 (subject to review by the Minister of Human Settlements)

²Capital Cost = Total number units × Consolidated Capital Grant



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TABLE 28: ESTIMATED CAPITAL COSTS FOR COMMUNITY RESIDENTIAL UNITS				
	2027/28	2028/29	2029/30	2031-2035
Number of units to develop	-	50	100	150
Number of people assisted	-	50-100	100 - 200	150 - 300
Total Programme Cost				
^a Capital cost	-	R15 919 800	R31 839 600	R47 759 400
Total Programme Subsidy (CRU subsidy)	R47 759 400 (150 units)			R47 759 400 (150 units)

^a Capital Cost = Total number of units × Average Cost of each CRU

Assuming the CRU Programme funds all capital costs, excluding land acquisitions — Knysna would require approximately R48 million to facilitate the construction of 150 new CRUs by 2030, and a further R48 million for an additional 150 units by 2035. Funding would be drawn from the provincial Human Settlements Development Grant (HSDG), with contributions from other support grant sources outlined in **TABLE 30**.

Considering the SH Programme, the SHRA would need to administer a quantum subsidy of approximately R214 million to construct 500 units. By 2035, a subsidy of approximately R214 million would be required to construct additional 500 units, bringing the total to 1 000 units, an expansion of the established of 757 units. Noting that the construction costs per unit are determined by land, design, materials, bulk services and labour — the SHIs would need to cover the difference between the cost of each unit and the maximum grant subsidy allocated. The ODAs would need to provide 20% equity of the project costs.



4.6.2 Operational expenditure

The perspective on in-house operational expenses centres on the projected costs that the municipality may incur to support and manage the execution of the strategy. The following figures provide estimates for supporting key elements of the strategy.

TABLE 29: ESTIMATED OPERATIONAL COSTS TO SH AND CRU		
Activity	Amount	Source/Responsibility
In-house capacitation for municipal processes tailored for social housing and CRU programmes i.e., developing an incentives framework.	R 500 000	Knysna
Adopt the social housing strategy	-	Knysna
Setting up partnership arrangements	R 20 000	SHRA/MSP
Land release/acquisition for social housing and CRU — prioritise municipal owned land	-	Knysna
Land preparation and infrastructure linkages	R 2 000 000	SHRA/GPG/MIG/USDG
Review land use scheme and adoption of IOZ	-	Knysna
Designate RZ Manager	-	Knysna
Undertake feasibility studies for properties with a potential to host 300-500 units or more as assessed by the due-diligence reports attached as Annexure 1: Level 2 Planning Reports.	R 900 000	SHRA



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4.6.3 Funding options

TABLE 30 captures the framework of the conditional grants, which would assist Knysna in the implementation of the strategy outcomes. The Municipal Infrastructure Grant (MIG) is a principal enabler of basic infrastructure planning, funding, financing, and management at the disposal of local authorities. (Treasury, 2020). Other infrastructure grants that are available at the disposal of local authorities in the context of social housing and CRU include:

Grant type	Transferring department	Grant purpose	Capital funding areas	Funding cycle
Municipal Infrastructure Grant	Cooperative Governance and Traditional Affairs	Provide specific capital finance to eradicate basic municipal infrastructure backlogs for low-income households.	Prioritise MIG funds for: 1. Basic residential infrastructure for low-income households for water, sanitation, roads and stormwater, waste management. 2. New or upgrading of municipal bulk infrastructure to support existing areas.	Allocated in terms of DORA
Human Settlements Development Grant	Human Settlements	To supplement capital revenues of metropolitan municipalities to implement infrastructure projects that promote equitable, integrated and sustainable urban development.	Prioritise HSDG funds for: 1. Increase in bulk and link infrastructure. 2. Construction/provision of internal engineering services. 3. Increase in land provision for subsidised housing, mixed-use developments.	Allocated in terms of DORA
Infrastructure Skills Development Grant	National Treasury	To improve infrastructure delivery management capacity within municipalities by developing a long-term and sustainable pool of registered professionals in the built environment and related technical skills.	Prioritise funds to increase technical capacity within local government and enhance infrastructure provision, service delivery, improved infrastructure planning, implementation, operations and maintenance.	Allocated in terms of DORA
Consolidated Capital Grant	Social Housing Regulatory Authority	Provides funds for SHIs to develop social housing.	1. The grant should cover 35-40% of the capital cost of the social housing unit in designated restructuring zones. 2. The grant is made up of the Restructuring Capital Grant and the Institutional Subsidy.	Allocated in terms of DORA
Institutional Investment Grant	Social Housing Regulatory Authority	Provide funds for SHIs to improve institutional delivery capacity.	The grant funds for accredited and conditional SHIs to: 1. Increase human resource capacity. 2. Provide financial support for the preparation of project proposals and obtaining approval. 3. Provide financial support for the preparation and submission for accreditation and increasing accreditation status.	Allocated in terms of DORA



5 RECOMMENDATIONS

5.1 Action plan in the short-to-medium term

The following recommendations highlight strategic interventions and prioritised actions required to successfully implement the Knysna Social and Rental Housing Strategy. The recommendations are categorised under the two key rental housing programmes including social housing and community residential units.

5.1.1 Social Housing Programme

1. **Accelerate the completion Lagoon View Phase 2**
 - a. Review and amend the sale terms of Erf 3409 to include time-bound performance conditions ensuring Phase 2 commences promptly, with a target completion by 2029.
2. **Advance feasibility for nominated sites**
 - a. Use the attached **Annexure 1: Level 2 Planning Reports** to shortlist the most viable municipal-owned properties for detailed feasibility studies by **January 2026**. Prioritise sites capable of accommodating 300 to 500 units or more:
 - ERF 3534 Protea Terrace
 - Erf 1343 Melkhout Municipal Flats
 - Erven 568 and 571 West View Courts
 - Erf 4440 Curley Court Municipal Flats.
 - Erven 243, 255 and 7492 — review for the expansion of the Heidevallei RZ to cover feasible property sizes.
3. **Adopt a social housing incentives policy/framework**
 - a. Review and adopt an augmentation policy to guide the framework for social housing incentives by June 2026, incorporating:
 - Pre-construction incentives (e.g., discounted land release, waived development charges, fast-tracked approvals).
 - Post-construction incentives (e.g., reduce property rates and refuse removal at no cost).
4. **Establish smart partnerships**
 - a. Initiate a transparent procurement process to identify and partner with accredited SHIs or ODAs by March 2026.
 - b. Structure partnerships to include full and conditional agreements, supporting both established and emerging delivery agents.

5.1.2 Community Residential Units Programme

1. **Secure land for CRU development**
 - a. Identify and acquire at least 5 hectares of well-located municipal land in Xolweni, Concordia, or Khayalethu by June 2027. Ensure sites are within 1 200m of public transport hubs.
2. **Lobby for Provincial CRU Funding**
 - a. Engage the Western Cape Department of Human Settlements to secure CRU Programme funding for the construction of 300 units by 2035.
3. **Adopt a CRU Incentives Framework**
 - a. Develop and adopt a CRU incentive framework by June 2026, focusing on:
 - Bulk infrastructure provision
 - Operational support for municipal/provincial-owned stock (e.g., maintenance, security, social services).



5.1.3 Enablers and Governance

1. **Adopt the Social and Rental Housing Strategy**
 - a. Formalise the adoption of this strategy and accompanying policy by Council to ensure institutional mandate and resource allocation.
2. **Designate a Restructuring Zone Manager**
 - a. Appoint a dedicated RZ Manager within the municipal structure to:
 - Mobilise delivery agents.
 - Liaise with provincial and national bodies.
 - Monitor and report on RZ performance and outcomes.
3. **Develop a Property and Risk Management Plan**
 - a. Create and adopt an integrated plan to address:
 - Tenant selection and onboarding transparency.
 - Rental collection and arrears management.
 - Maintenance scheduling and vandalism prevention.
 - Community oversight and engagement mechanisms.
4. **Enhance community participation and communication**
 - a. Implement the Community Participation and Communication Strategy (Addendum 3) to ensure transparency in beneficiary selection, project updates, and grievance management. Use multiple channels (e.g., workshops, local media, social media) to engage stakeholders at all project stages.
5. **Integrate sustainability and urban design principles**
 - a. Apply Green Building Considerations (Addendum 4) and Urban Design Guidelines (Addendum 6) to all new developments to ensure environmental resilience, resource efficiency, and neighbourhood integration.
6. **Strengthen financial planning and grant mobilisation**
 - a. Proactively pursue funding through:
 - Consolidated Capital Grant for social housing.
 - Human Settlements Development Grant for CRUs.
 - Municipal Infrastructure Grant and Urban Settlements Development Grant for bulk services.
 - b. Develop a multi-year financial plan aligned with the Municipal IDP and Medium-Term Expenditure Framework.
7. **Leverage the Rental Housing Tribunal**
 - a. Collaborate with the Western Cape Rental Housing Tribunal to:
 - Establish a local Rental Housing Information Office.
 - Integrate dispute resolution mechanisms into tenant management processes.
 - Conduct regular tenant education workshops.

6 CONCLUSION

This strategy sets out a practical, implementation-focused pathway for Knysna to address its housing shortfall and advance spatial transformation. Through the delivery of 1 000 social housing units and 300 community residential units by 2035, supported by the incentive framework, and smart partnerships proposed, the municipality can transition decisively from planning to delivery. Achieving this vision will depend on sustained political commitment, strong intergovernmental coordination, and meaningful community participation to create integrated, sustainable human settlements and progressively realise the right to adequate housing.



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8 ADDENDUM 1: LEGAL BACKGROUND

8.1 Human settlements sector mandate

The Constitution of the Republic of South Africa, Act 108 of 1996, is the primary and defining document for the provision of housing in South Africa. Section 26 of the Constitution states that "(1) [e]veryone has the right to have access to adequate housing (2) [t]he state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right". Government is mandated to implement laws, programmes and other initiatives or systems to ensure the sustainable provision of adequate housing. The Housing Act 107 of 1997 provisions government to intervene in efforts to accelerate the delivery of housing. The Department of Human Settlements (DHS) established the Social Housing Regulatory Authority (SHRA) in terms of the Social Housing Act, 16 of 2008 to support social housing as a component of integrated human settlements.

The DHS at national and provincial levels, is mandated to facilitate the accelerated delivery of adequate housing including serving the affordable rental. The Department's strategy is expressed in the Medium-Term Development Plan (MTDP) which directs the following outcomes:

1. Increased access to adequate housing through various programmes.
2. Develop liveable neighbourhoods in both rural and urban environments and achieve spatial transformation.

As part of this mandate, the Department facilitates the provision of adequate housing through affordable rental housing programmes including Social Housing (SH) and Community Residential Units (CRU). The programmes are dedicated for the low-income households who prefer to live in rental accommodation near opportunity centres. The programmes offer shelter opportunities pursuing spatial restructuring and creating sustainable human settlements in the South African urban contexts. In 2025, the DHS published a White Paper for Human Settlements which introduces policy and legislative frameworks to provide integrated and sustainable human settlements, prioritising the vulnerable groups and the missing middle households. Amongst others, the Paper intends to promote the delivery of affordable rental stock through innovative financing mechanisms, updated regulations, and the formulation of strategic partnerships with the private sector and civil society organisations.

The Social Housing Regulatory Authority (SHRA) was established to invest, regulate, and support the performance of the social housing sector, to accelerate the delivery of sustainable and financially viable social housing projects in line with the Department's programme. The SHRA regulates all social housing institutions and is also responsible for the approval and funding of social housing projects through its investment programme.

8.2 Medium-Term Development Plan

The MTDP guides the work of the Government of National Unity in pursuing three strategic national priorities including:

1. Driving inclusive growth and job creation.
2. Reducing poverty and tackling the high cost of living.
3. Building a capable, ethical and developmental state.

The MTDP 2024-2029 accentuates the National Development Plan's (NDP) developmental objectives through the Strategic Priority 2 which outlines six outcomes that must be championed by 2029. One of these strategic interventions include the reduction of poverty and improving livelihoods through accelerating social housing in support of sustainable human settlements.



The engrained nature of apartheid spatial planning, sees the perpetuation of spatial poverty, reinforced by market barriers to access land for affordable housing in spaces of opportunities. Strategic land in well-located areas is still largely and disproportionately owned by the state and private entities. State owned land in well-located areas forms a major focus of the MTDP 2024-2029. The MTDP prioritises well located social housing and services. The national social housing target in the MTDP is established at 15 000 units.

8.3 Policy and legislative background for SH and CRU

TABLE 31: POLICY AND LEGISLATIVE FRAMEWORK
Policy Framework
National Development Plan, Vision 2030
Objective Provides long-term guidelines to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of decent living are centred around housing, water, electricity and sanitation, amongst others.
Directives and implications 1. Provide housing for people closer to their workplaces. 2. Provide better public transport. 3. Retrofit historical apartheid townships with capital investments. 4. Provide medium-to-high density human settlements.
The National Housing Code, 2009
Objective The National Housing Code sets the underlying policy principles, guidelines, norms and standards which apply to Government's various housing assistance programmes introduced since 1994 including Social Housing and Community Residential Unit programmes.
Directives and implications 1. Social Housing — projects ought to demonstrate their viability in each specific settlement context, with an overarching objective to achieve integration and restructuring. Institutional Subsidy Programmes may be used to develop affordable rental outside restructuring zones. 2. Community Residential Units — the housing stock funded by the CRU Programme should remain in public ownership and cannot be sold or transferred to individual residents. Operational costs must be sourced from rental income collected by the owner.
SOCIAL HOUSING PROGRAMME There has been an increasing need for affordable rental units which provide secure tenure to households which prefer the mobility provided by rental accommodation. The Comprehensive Plan identifies the need to address the inequalities of the apartheid induced spatial frameworks. There is a need to provide disadvantaged groups with convenient access to employment opportunities and the full range of urban amenities. The Social Housing Programme applies only to "restructuring zones" which are identified by municipalities as areas of economic opportunity and where urban renewal/restructuring impacts can best be achieved. The programme also aims at developing affordable rental in areas where bulk infrastructure (sanitation, water, transport) may be under-utilised, therefore improving urban efficiency. Social housing projects need to demonstrate their viability in each specific settlement context, but always with the objective of achieving the goals of integration and restructuring. Institutional Subsidy Programme may be used to develop affordable rental housing outside restructuring zones.
COMMUNITY RESIDENTIAL UNITS The need for affordable rental housing is witnessed by the large number of households and individual who rent overcrowded and sub-standard but inexpensive accommodation in backyards and informal settlements. Both the Social Housing and the Institutional Subsidy Programmes do not provide rental accommodation affordable to the very poor (and often informally employed) because of the high cost of multi-level units (and facilities provided) and the resultant high rental charges.

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There is a need for a programme that will support the upgrading of government owned communal rental accommodation (hostels). The CRUs aim to facilitate the provision of secure, stable rental tenure for lower income households. The programme provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation. The following public rental assets are funded by the programme:

1. Public hostels owned by provinces and municipalities.
2. Hotels that have both public and private ownership component due to historical reasons.
3. Public housing stock that forms part of the Enhanced Extended Discount Benefit Scheme.
4. Publicly owned rental stock developed after 1994.
5. Existing dysfunctional, abandoned and/or distressed buildings in inner cities or township areas that have been taken over by a municipality and funded through housing funds.

The grant may also be used for the development of new public rental housing assets, if a viable opportunity to acquire and develop such new assets has been identified. The grant includes funding the capital costs of project development and future long-term capital maintenance costs. Funding of operating costs must come from the rental income collected by the owner. Municipalities or provinces may fulfil the developer role, depending on which of these entities is owner of the public housing asset.

Social Housing Policy 2003

Objective

Provides key terminology, general principles and funding mechanisms to promote the growth and sustainability of the social housing sector.

Directives for local government

1. Support social housing development in integrated development planning and ensure enabling environment.
2. Facilitate access to land and municipal infrastructure services.
3. Support social housing institutions during establishment through the provision of facilities and financial support.

Legal Framework

Rental Housing Act, 1999

Objective

To promote the provision of rental housing property; to promote access to adequate housing through mechanisms to ensure proper functioning of the rental housing market.

Directives

Government must —

- (b) Promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and poor persons, by the introduction of incentives and other measures that —
 - v. improve conditions in the rental housing market;
 - vi. encourage investment in urban and rural areas that need revitalisation and resuscitation, and;
 - vii. correct distorted patterns of residential settlement by initiating, promoting and facilitating new development in, or the redevelopment of, affected areas;
- (c) Facilitate the provision of rental housing in partnership with the private sector.

Social Housing Act, 2008

Objective

To establish and promote a sustainable social housing environment.

Roles and responsibilities of municipalities

6. A municipality must, where there is a demand for social housing within its municipal area, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the national and provincial legislative, regulatory and policy framework —
 - (d) to facilitate social housing delivery in its area of jurisdiction;
 - (e) to encourage the development of new social housing stock and the upgrading of existing stock or the conversion of existing non-residential stock;
 - (f) to provide access —
 - iv. to land and buildings for social housing development in designated restructuring zones;
 - v. for social housing institutions to acquire municipal rental stock;
 - vi. to municipal infrastructure and services for approved projects in designated restructuring zones;



Norms and Standards for Social Housing

The successful design of good quality sustainable social housing project depends on achieving a balance between a range of factors. These include accessibility, safety and security, access to services and amenities and the provision of adequate space. The following provides detail on both overarching and sub-items of relevance to Norms and Standards of Social Housing:

1. LOCATION OF THE PROJECT

Principles

Social housing should be well-located within existing Central Business Districts (CBDs) or urban nodes and within and approved urban edge.

Guidelines

Social housing projects should be well located with easy access to existing economic and social infrastructure and in a manner that enables spatial and social transformation.

Norms and Standards

The following locational attributes are to be demonstrated:

- Access in proximity (less than 500m) to established public transport routes and stops.
- Within 10-minute walk (+/- 800m radius) of site location and access to at least three of the following:
 - Public transport
 - Schools
 - Established economic activities and employers
 - Retail and convenience
 - Healthcare facilities
 - Leisure and recreational facilities
 - Open space.

2. URBAN DESIGN AND STRATEGIC AREA FRAMEWORKS

Principles

The creation of viable integrated neighbourhoods is a key goal in spatial transformation. New social housing developments should contribute to neighbourhood formation through positive spatial integration in existing urban areas.

Guidelines

The mix of buildings, streetscape and open spaces are important to the quality of residential developments and neighbourhoods. An urban design framework creates a structure for the design of development within an area and would take the following into consideration:

- Movement frameworks
- Hierarchy of spatial development
- Density
- Diversity and mix of uses
- Public open space
- Landscape design.

Norms and Standards

The development must be compliant with the Strategic Area Framework and/or Urban Design Framework for the relevant area where applicable. Large scale developments comprising of a larger land parcel with >500 units must have an Urban Design Framework which illustrates how the project is broken up into sub-precincts with a diversity of building types and identities.

3. EFFICIENT USE OF LAND AND RESOURCES: BUILDING TYPOLOGIES AND DENSITIES

Principles

The development should contribute to efficient use of land, environment and services through appropriate building typologies and densities.

Guidelines

- Densification using brownfields and infill sites is encouraged.
- Developments on land that has not been previously promulgated for development and is outside of existing urban nodes or edge is discouraged.

Norms and Standards

- The building typology to be used should be specified for example, 3-4 walk-up medium to high rise. The development should enable sufficient density in relation to the building typology and location.
- Where densities permitted in terms of existing town planning schemes are considered inappropriate—an application and motivation for increased densities should be submitted, provided this is supported by local authority planning departments and will not unduly delay approvals.

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4. BULK SERVICES

Principles

New development should be in areas where sufficient bulk capacity already exists, or where not, aligned with short to medium term municipal infrastructure and spatial development strategies, plans and capital budgets.

Norms and Standards

Development should not proceed unless there is adequate capacity of bulk services to ensure a continued and ongoing supply.

5. ADAPTABILITY AND BUILDING RE-USE

Principles

The re-use and adaptation of existing building stock for housing is an effective strategy for optimising unused or under-utilised assets within cities.

Guidelines

A building will need to be assessed for its potential to be re-used for housing in terms of:

- The conditions of the building.
- The floorplate configuration and its suitability for residential configuration.
- The position of circulation cores: lifts and staircases
- The façade of the building, its window configuration.

Existing older residential building stock should also be considered within similar evaluation parameters. Many older buildings require complete replacement of building services and refurbishment of the units. In some cases, the unit sizes may be incompatible with current requirement and may need to be resized though combining two units into a single unit.

Norms and Standards

Every building conversion will have slightly different parameters and will be assessed on its own merits according to the viability of the project and compliance with unit space norms and standards and unit mixes.

Spatial Planning and Land Use Management Act, 2013

Objective

To provide a framework for policies, principles, norms and standards for spatial development planning and land use management; to address past spatial and regulatory imbalances.

Development principles

1. Spatial justice — spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterised by widespread poverty and deprivation.
2. Spatial sustainability — promote land development in locations that are sustainable and limit urban sprawl.

Social Housing Policy Guidelines 2006

Municipalities will be responsible for the following:

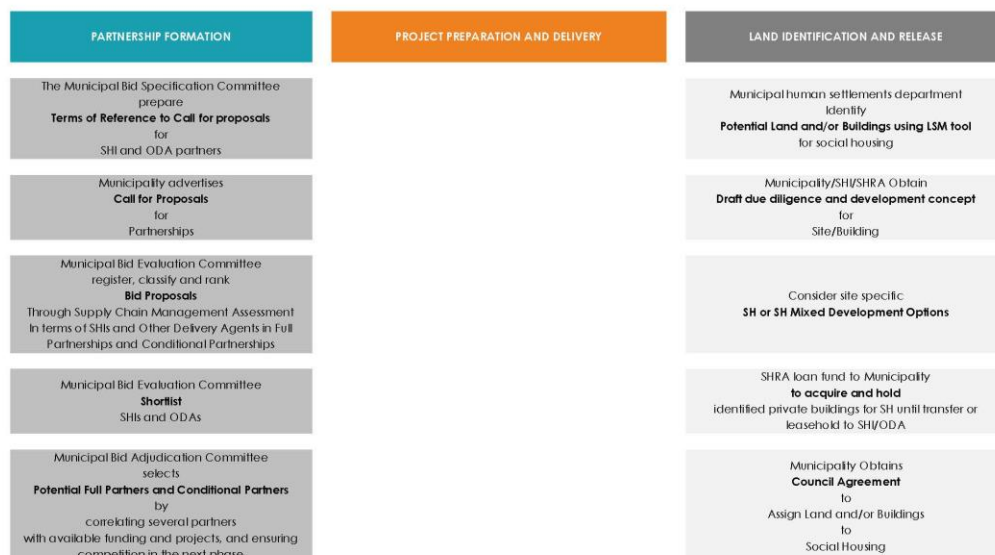
- Facilitate social housing delivery in its area of jurisdiction.
- Encourage the development of new social housing stock or the conversion of existing non-residential stock.
- Provide access:
 1. To land and buildings for social housing development in approved restructuring zones.
 2. To social housing institutions to acquire municipal rental stock.
 3. To municipal infrastructure and services for social housing projects in approved restructuring zones and to the extent permitted under the Local Government: Municipal Financial Management Act, 56 OF 2003 (MFMA) on preferential basis.
- Initiate and motivate the identification of restructuring zones.
- Enter into performance agreements with social housing institutions.

Guidelines for the Designation and Management of Restructuring Zones are detailed in 4.3.1 Restructuring zone management

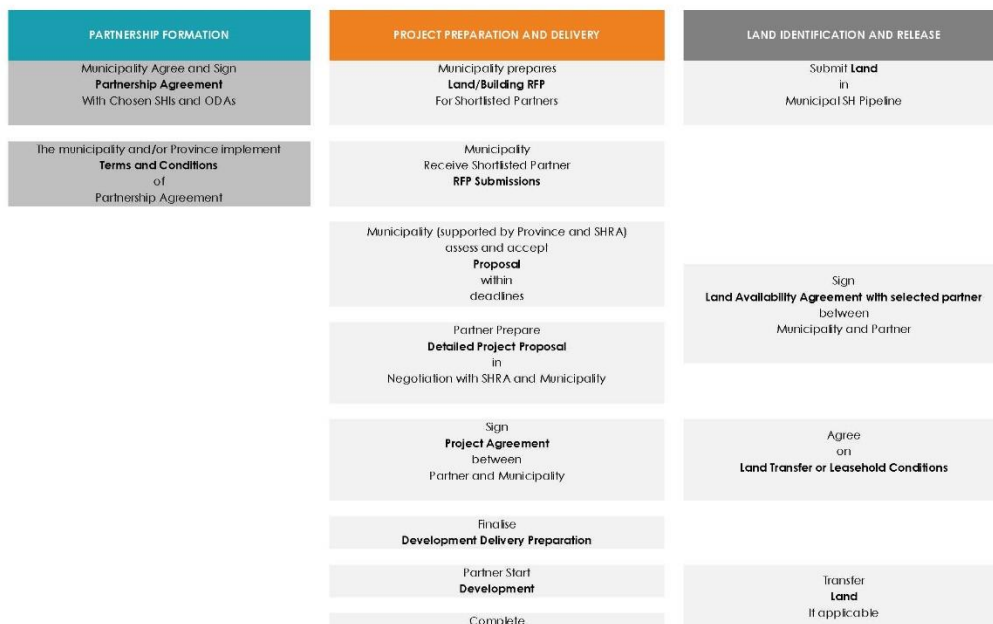


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9 ADDENDUM 2: SMART PARTNERSHIP MODEL



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10 ADDENDUM 3: COMMUNITY PARTICIPATION AND COMMUNICATION STRATEGY

Mechanisms to involve communities in planning, allocation and oversight

Public housings stock including rental and Breaking New Ground (BNG) units, are susceptible to illegal unauthorised occupation and vandalism before project completion. The strategy diagnoses that these challenges are rooted in lack of consensus with the host communities.

In efforts to bolster public trust and involvement, the strategy highlights the mechanisms to meaningfully involve communities to instil as sense of ownership. The public rental stock should be viewed as community assets that must be protected from vandalism and illegality. Strengthening allocation and handover processes to improve acceptability and protection of public rental stock surround:

1. **Transparency**
To ensure only verified, qualifying beneficiaries are allocated the units, present the full process through public engagement including IDP roadshows to ease disputes.
2. **Secure premises and units**
 - Deploy on-site security deployment and physical barriers including fencing and locks.
 - Minimise delays between the completion of units and occupation through phased approaches.
3. **Oversight body**
Host communities to be invited in the consultation, conception, construction, and management phases to ensure consensus, awareness and subsequent protection of the assets.

The communication and participation strategy to employ is captured as follows:



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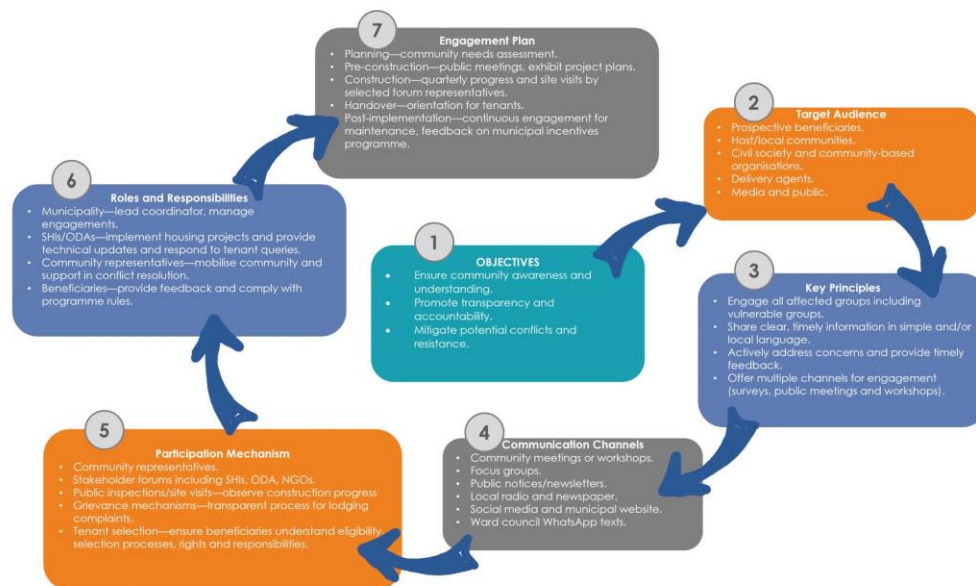


Figure 12: Community participation and communication strategy



11 ADDENDUM 4: SUSTAINABILITY CONSIDERATIONS

TABLE 32: GREEN BUILDING CONSIDERATIONS FOR SOCIAL HOUSING AND CRU	
Environmental factor	Directives
Site selection and planning	1. Ensure proximity to transport, employment and social amenities. 2. Integrate with local open space systems and stormwater management networks. 3. Encourage mixed-use and higher-density development to optimise land use efficient and reduce service infrastructure costs.
Resource efficiency	1. Water ▪ Harvest rainwater for landscape irrigation. ▪ Install low-flow taps and water efficient showerheads. 2. Energy ▪ Incorporate solar panels for public lighting, motion sensor lights for corridors. ▪ Install water heaters as opposed geysers. ▪ Encourage natural cross-ventilation and lighting to reduce energy dependency. 3. Building material ▪ Use locally sourced, recycled or renewable materials. ▪ Minimise construction waste through re-use and recycling.
Climate change resilience	1. Flood-resilient design—elevate ground floors in flood prone areas and use permeable paving blocks. 2. Drought resilient — utilise indigenous and drought resistant plants for landscaping. 3. Improve stormwater management and reduce surface run-off by incorporating water retention ponds as landscape features.
Waste and environmental management	1. Provide on-site waste handling and separation facilities. 2. Appoint waste management personnel and supervisor to ensure compliance. 3. Introduce community composting areas for food gardens and gardening.

12 ADDENDUM 5: RISK MANAGEMENT STRATEGY

TABLE 33: RISK CATEGORIES AND MITIGATION STRATEGIES	
Financial and funding risks	Bulk infrastructure and service constraints
Common Risks - Delays in transfer or approval of capital and operational funding (e.g. HSDG, SHRA grants, CRU allocations). - Underestimation of project costs due to inflation, design changes, or unforeseen conditions. - Cash flow disruptions affecting contractors or Social Housing Institutions (SHIs). - Non-alignment of municipal budgeting cycles with project funding timelines. Mitigation Tips - Engage provincial DHS and SHRA early to secure funding commitments and letters of intent. - Prepare multi-year implementation and cash flow plans linked to the municipal IDP and Medium-Term Expenditure Framework. - Maintain a funding contingency reserve (5–10%) for unexpected cost escalations. - Include funding delay clauses in contracts to manage time extensions fairly. - Track disbursements through a financial monitoring dashboard. - Explore co-funding options (e.g. National Housing Finance Corporation loans, Public-Private Partnerships). - Where feasible, phase project components so that enabling works can start while full funding is pending.	Common Risks - Insufficient water, sewer, or electricity capacity at proposed sites. - Delays in upgrading bulk services by utilities or district municipalities. - High connection fees and limited municipal technical capacity. - Conflict between housing planning and infrastructure investment priorities. Mitigation Tips - Conduct early bulk capacity assessments with engineering services and water service authorities. - Include Infrastructure Services Departments in project steering committees from inception. - Align proposed projects with municipal infrastructure master plans and SDFs. - Implement phased development linked to service availability. - Where service upgrades are required, use integrated project funding (e.g., MIG, USDG, or conditional grants). - Negotiate service-level agreements between municipality, developer, and service provider specifying timelines. - Explore alternative or green infrastructure solutions (solar PV, rainwater harvesting, bio-sewage treatment) to reduce dependency on overburdened bulk systems.
Land availability and tenure risk	Project implementation and construction
Common Risks - Limited well-located, serviced land within restructuring zones. - Slow land release or ownership disputes between provincial entities and municipalities. - Environmental constraints (floodplains, dolomitic areas). - Zoning, subdivision, or title deed delays. Mitigation Tips - Maintain a municipal land audit identifying all land suitable for rental and social housing. - Establish Memorandum of Understanding with provincial departments and the Housing Development Agency (HDA) for land transfer and release. - Fast-track rezoning and subdivision applications through dedicated housing task teams. - Conduct preliminary geotechnical, environmental, and town planning due diligence before project registration. - Prioritise land already within urban development boundaries or restructuring zones. - Where possible, bundle smaller parcels to create viable development footprints. - Use long-term leases for land held by State-Owned Enterprises (SOEs) or provincial departments if immediate transfer is not feasible.	Common Risks - Delays in procurement and contractor appointment. - Poor performance or insolvency of contractors or consultants. - Construction cost overruns or quality defects. - Health and safety incidents on site. Mitigation Tips - Use transparent and accelerated procurement processes compliant with MFMA and Supply Chain Management (SCM) regulations. - Prequalify contractors based on Construction Industry Development Board (CIDB) grading and social housing experience. - Implement robust project management tools (e.g., Microsoft Project, Project Management Office oversight). - Require Performance Bonds and Retention Guarantees. - Conduct regular site inspections and quality assurance audits. - Enforce compliance with environmental management plans.

13 ADDENDUM 6: URBAN DESIGN GUIDELINES FOR AFFORDABLE RENTAL

TABLE 34: BUILT-FORM GUIDELINES FOR AFFORDABLE HOUSING		
Design elements	Directives	Demonstration
Development blocks	A housing development site should be divided into appropriate development blocks (cadastral unit) which provide a comfortable walking environment for pedestrians, efficient use of space and which are adaptable to change over time. The layout of blocks should promote a grid street network to maximise connectivity, accessibility, flexibility and efficiency. Block widths should not be overly wide or very narrow. Block widths should be approximately 50m wide to accommodate building typologies ranging from multi-story row houses, residential and mixed-use apartments as well as public facilities.	
Height and massing	Building height and massing contributes to the character of a place and determines the scale of buildings, the enclosure of the street space / public realm and has an impact on the density of the development. Building height must be appropriate within the site context. Height and scale of buildings should respect, respond and contribute to the surrounding neighbourhood character and sense of place. Building height and massing should aim to enhance and protect scenic views and vistas specific to the site. Buildings should be a minimum of 2 storeys.	
Land use	A mix of use contributes to a more diverse development providing residents with choice and interest. In a predominantly residential development, provision of commercial activity or social facilities can be accommodated on the ground floor of residential buildings or in appropriate, functional locations on the site. Commercial activity should occur on the ground floor of buildings located in the CBD and designated nodal areas, along accessible streets and pedestrian focused routes to create extroverted development blocks.	

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TABLE 34: BUILT-FORM GUIDELINES FOR AFFORDABLE HOUSING		
Design elements	Directives	Demonstration
Building placement and coverage	The placement of buildings on an individual property has a significant impact on the public environment. Buildings that are located in the centre or to the back of properties/ development blocks provide little to no sense of enclosure to streets or spaces, as well as limiting surveillance opportunities overlooking the public realm. Position buildings to the front of plots/development blocks along the street edge promoting a courtyard / perimeter block typology. Ensure that buildings are configured to enable development to front onto and define the public realm and for secondary, service and private functions to be located to the backs of plots.	
Interface and street frontage	The interface between the public street space and the development that edges it is fundamental to the functioning and success of the street, which in turn impacts the social, economic and environmental functioning of the place overall. Building facades fronting onto the public realm should be visually active and include windows, doors and transparent walls. Building entrances should be placed on the street front. Provide protection from the elements with overhangs, colonnades, shading elements and strategic tree planting	
Approach to security	The approach to security can affect the sense of place of a development and its integration into context. Ensure that the development is considered as an integrated, piece of the neighbourhood. No gated developments or complexes. Avoid a solid blank boundary wall with one guarded access point. Create multiple entrance points to increase connectivity. Perimeter fences should be kept to a minimum, but when unavoidable fences must be visually permeable (ClearVu or similar). No palisade fencing. Improve surveillance opportunities from buildings onto public space to provide more 'eyes on the street'	

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TABLE 34: BUILT-FORM GUIDELINES FOR AFFORDABLE HOUSING		
Design elements	Directives	Demonstration
Development aesthetics	The aesthetic quality of buildings within a development contribute character, identity and sense of place of any development. To ensure a positive outcome the following guidelines apply. Vary and articulate building facades to create interest and avoid monotony. Where solar panels are included, avoid visual dominance by locating panels appropriately away from public spaces and structuring pedestrian routes. Use a consistent materials pallet of a minimum of 2 colours, textures or materials across the development. A muted colour scheme is preferred while a variety of bold colours is discouraged.	
[GLM, 2023]		

14 ADDENDUM 7 : SITES NOMINATED FOR SOCIAL HOUSING PURPOSES

ERF 568 and ERF 571

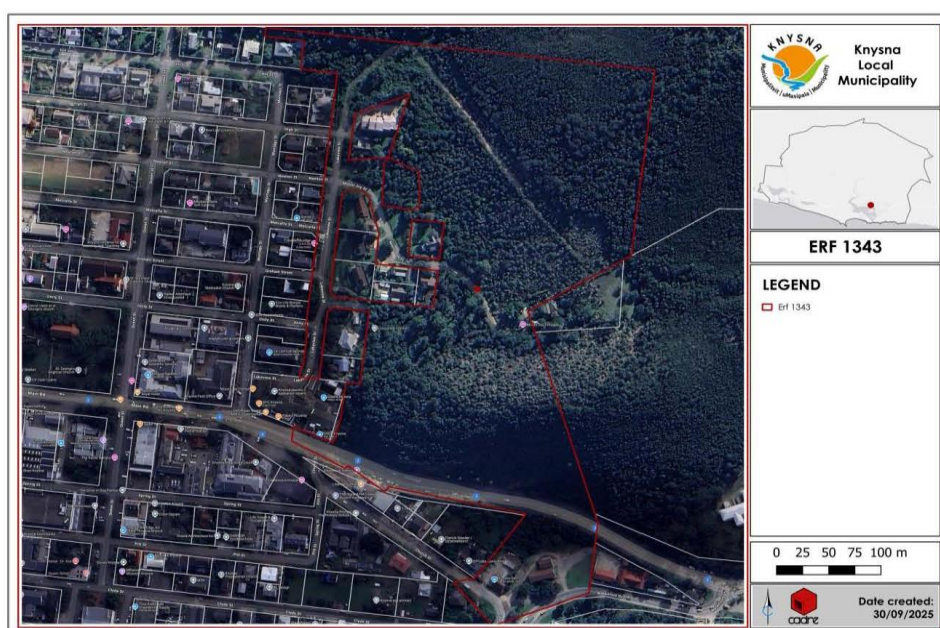
The first of these identified sites is located adjacent to the Knysna High School Sports Fields in Knysna Central, the core of the town. This site is around 500m south of the N2 that cuts through Knysna, just north of the Knysna river. It is within proximity to a couple of advantages elements. Firstly, it is in the Knysna CBD, which means it is surrounded by the economic activity of the town. This offers potential residents extremely proximity to the economic prospects of the town. Additionally, the site is surrounded by an adequate provision of social and community amenities such as clinics, schools and other such important amenities.



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Erf 1343

The second site identified for housing provision in Knysna is located along the N2, on the north-eastern part of the town centre. The boundary of the site spans from the N2 on its southern border, to the end of lakeview street on its northern border. Similarly to the first site, it also provides proximity to the town's economic activities and, thus, proximity to economic opportunity. With regards to amenities, the site is located 900m away from the Knysna Provincial Hospital and within good proximity of other important amenities as well.



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Erf 3534

This identified site is located on the north-western part of Knysna Central. The site is positioned less than 100m north of N2 cutting through Knysna, border by both Handel street and Fletcher street in the suburb of Westhill. the site benefits from the concentration of community amenities, social facilities and civic functions typically found in this area, including schools, healthcare points and retail activities. Overall, the site's setting within a well-served and accessible part of Knysna enhances its suitability for development that leverages existing infrastructure and integration with the surrounding community.



Erf 4440

The last of the four identified sites is erf 4440. It is located near the Knysna Industrial area which is to the east of the Knysna town centre, forming one of the town's primary employment and light-industrial zones. Its location places it slightly removed from the dense residential and commercial core, yet still functionally integrated with the town's infrastructure network, including key roads, utilities and logistical services. This does mean that, compared to the other three sites, potential residents would not enjoy the same benefit of being near social and community amenities.



6. **CLOSURE**

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