ERF 21523 AND A PORTION OF THE REMAINDER OF ERF 1339, KNYSNA

Subdivision, Public Road Closure, and Exemption Certificate Applications

Planning Space

Town and Regional Planners

KINETIC

CATAMARANS

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REV 1

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1. INTRODUCTION

In October 2025, the Council resolved to approve the sale of a portion of the Remainder of Erf 1339 to Kiwisaffa Alliance Proprietary Limited (refer to Annexure I). Subsequently, a Sale Agreement was duly signed by both parties in December 2025 (see Annexure H1).

In order to give effect to the transaction and enable the intended development of the property, Kiwisaffa Alliance Proprietary Limited appointed Planning Space to prepare and submit the required land use applications. These applications are submitted in terms of Section 15 (2), Section 24 (1) and Chapter IV of the Knysna Municipality: Standard Municipal Land Use Planning By-Law, and seek to obtain the necessary statutory approvals.

The following applications form part of this submission:

i. Section 15 (2) (d): Application for the **subdivision** of the Remainder of Erf 1339 into Portion A (±650 m²) and the Remainder (±71 995.2 m²), as indicated on Subdivision Plan No. SUB-1339-KNY dated 02 December 2025 and attached hereto as Diagram 5.

ii. Section 15 (2) (n): Application for the **closure** of Portion A [a portion of the Remainder of Erf 1339 (Public Road)], as indicated in the Road Closure Plan No. RE1339-RC dated 12 March 2026, attached as Diagram 8.

iii. Section 24 (1) (d): Application for an **Exemption Certificate** in order to allow the consolidation of Portion A [a portion of the Remainder of Erf 1339 (Public Road)] with Erf 21523 Knysna, as indicated on Consolidation Plan No. CON-23/29-KNY dated 02 December 2025 and attached hereto as Diagram 6.

The above applications are interrelated and collectively required to implement the approved sale and ensure that the property is appropriately zoned and configured for the proposed development.

Furthermore, as the subject property is situated within 50m of the Knysna Lagoon, the proposed land use applications also trigger the requirement for approval from South African National Parks (SANParks) in terms of Section 50 (5) of the National Environmental Management: Protected Areas Act (NEMPAA). The necessary application to SANParks will be submitted once this land use application is deemed complete by the Municipality.

2. BACKGROUND

Kinetic Catamarans was established in 2018 and has rapidly grown into a premier manufacturer of exceptional, high-quality catamarans. Although originally founded in the United States, the company operates from South Africa, where its shipyard is strategically located on the shores of the Knysna Lagoon. Since 2018, Kinetic Catamarans has occupied its current premises on Erf 21523.

Erf 21523 is owned by Kiwisaffa Alliance Pty Ltd, the property-holding entity of Kinetic Catamarans. The property is a consolidated stand comprising the former Erven 3416 and 3417. The Council approved the consolidation in April 2024 (refer to Annexure E), and the implementation of the consolidation is currently underway. The approval was granted subject to specific conditions, including the requirement that a Site Development Plan (SDP) be submitted to and approved by the Municipality. In October 2025, an application for SDP approval, together with a related departure application, was submitted to the Knysna Municipality. This application remains under consideration.

The company's occupation of the site followed its acquisition of the existing shipyard operations in 2018 from Harvey Yachts, a previous shipbuilding company. Prior to this, in 2016, Harvey Yachts had entered into an encroachment agreement with the Knysna Municipality to erect a temporary structure on a portion of the Remainder of Erf 1339, which is Council-owned land directly to the east of Erf 21523. The purpose of the encroachment was to facilitate the extension of the shipyard operations (see Encroachment Agreement attached as Annexure F). Upon taking over the shipyard, Kinetic Catamarans took over the encroachment agreement and continued paying the required annual encroachment fees until the relevant portion of land was recently purchased from the Municipality (see Annexure I).

In November 2022, Kinetic Catamarans was awarded a tender by the Knysna Municipality to develop the surrounding area (see Annexure G). The tender area includes portions of the Remainder of Erf 1339 and a portion of New Street [refer to Annexure H2: Sales Agreement (Awarded Tender Area)]. Although Portion A (which forms the focus of this application, depicted in Diagram 5: Subdivision Plan) did not initially form part of the land identified for sale under the tender, it was included as an integral component of Kinetic Catamarans' overall tender proposal at the time. In order to realise the full development vision and ensure integrated access and functionality, the company subsequently pursued the acquisition of Portion A from the Municipality. This land is strategically important as it creates a physical and functional link between the existing factory on Erf 21523 and the municipal land acquired as part of the awarded tender.

To facilitate the implementation of the awarded tender and the broader development proposal, a land use application was submitted to the Knysna Municipality in July 2025. This application is currently still in progress.

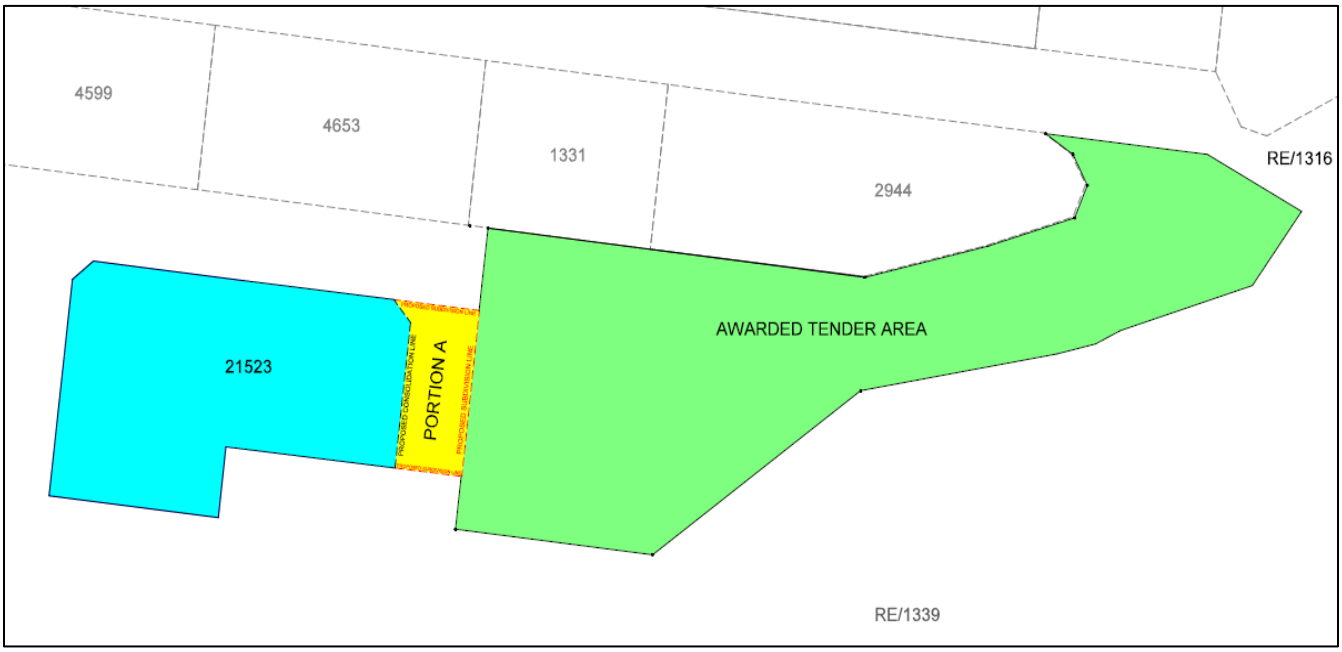

Figure 1: Location of tender land in the context of the existing Yacht Building Facility.

The purpose of the proposed applications contained in this submission is to obtain all necessary statutory approvals and authorisations to give effect to the transaction relating to Portion A and to enable the intended development of the consolidated property and surrounding land in a lawful and coordinated manner. Further details of the proposed development are set out in paragraph 4 of this motivating memorandum.

3. PROPERTY INFORMATION

3.1 LOCALITY

The subject properties are located within the Lower Central Industrial Area of Knysna, situated along the shoreline of the Knysna Lagoon and accessed from New Street (see Locality Map: Diagram 1).

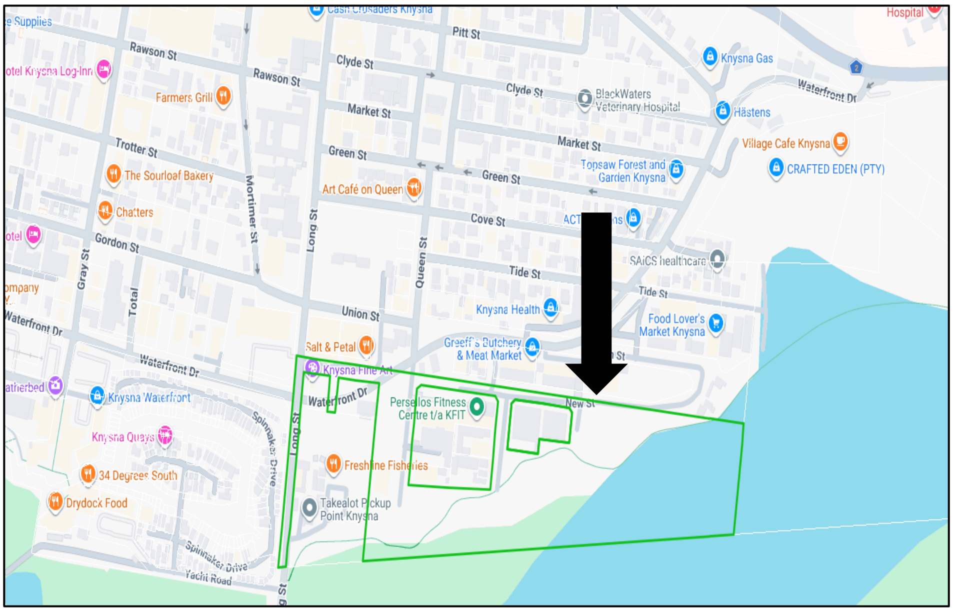

Figure 2: Extract indicating the locality of the subject properties.

3.2 PROPERTY DESCRIPTION

Title Deed Description	Erf 21523 Knysna	A portion of the Remainder of Erf 1339 Knysna (Portion A)
21-Digit Code	C03900050002152300000	C03900050000133900000
Title Deed Number	T000064267/2025	T315/1889
GP/SG Diagram No.	SG 1203/2025	SG 327/1873
Title Deed Restrictions	None	None
Property Size	3912m²	650m²
Property Owner	Kiwisaffa Alliance Proprietary Limited	Knysna Municipality (to be transferred to Kiwisaffa Alliance Proprietary Limited upon successful subdivision)
Bond	Yes, (Bond Holder's Consent is attached as Annexure B2)	None
Zoning	Industrial Zone I	Undetermined Use Zone
Land Use	Yacht Building Facility	Yacht Building Facility (temporary structure)

4. PROPOSAL

4.1 DEVELOPMENT CONCEPT

The owner of Erf 21523 submitted an unsolicited bid to the Knysna Municipality for the purchase of an additional portion of the Remainder of Erf 1339, Knysna. The application was approved by Council (refer to Annexure I), and the relevant portion has since been made available for transfer. The subject portion, now referred to as Portion A, is currently occupied by a temporary structure associated with the existing shipyard operations on Erf 21523.

The acquisition of Portion A forms part of a broader development strategy linked to the successful municipal tender awarded to Kinetic Catamarans. The land will be incorporated into a larger consolidated landholding to facilitate the planned expansion of the shipyard and to support the comprehensive redevelopment of the surrounding land. The development concept includes the extension of the existing Yacht Building Facility, improved site integration, and enhancements to the surrounding area in line with the approved tender proposal.

To implement the property transaction and proceed with the proposed development, various land use planning approvals are required in terms of the Knysna Municipality: Standard Municipal Land Use Planning By-Law. These authorisations are necessary to regularise the subdivision of the land, facilitate the closure of a public road portion, and enable the consolidation of the subject properties.

The required applications are discussed in detail in paragraphs 4.1.1 to 4.1.3 below.

4.1.1 SUBDIVISION

In order to give effect to the Sale Agreement concluded between the Knysna Municipality and Kiwisaffa Alliance Proprietary Limited (refer to Annexure H1), it is necessary to formally create a new property to enable the transfer of the agreed portion of land. The portion to be transferred, referred to as Portion A in Diagram 5: Subdivision Plan, currently forms part of the Remainder of Erf 1339, Knysna, and cannot be transferred independently without prior subdivision approval.

Therefore, an application is submitted for the subdivision of the Remainder of Erf 1339 into:

- Portion A (±650 m^2), being the portion to be transferred to Kiwisaffa Alliance Proprietary Limited; and
- The Remainder (±71 995.2 m^2), which will remain municipal property.

The subdivision will formalise the land parcel identified in the approved sale and will ensure alignment between the cadastral boundaries and the intended land use and ownership pattern. The creation of Portion A is essential to facilitate its subsequent consolidation with Erf 21523, thereby integrating it into the existing shipyard property.

A Subdivision Plan indicating the proposed subdivision line and the extent of both Portion A and the Remainder is attached hereto as Diagram 5 for consideration by Council.

4.1.2 PUBLIC ROAD CLOSURE

The portion of land identified as Portion A currently forms part of the Remainder of Erf 1339 and is indicated in the records of the Surveyor General as a public road (refer to the Status Report attached as Annexure J).

Although the land is currently utilised as part of the operational area of the existing yacht building facility through the erection of a temporary structure, its status as a public road must first be formally changed before it can be transferred and incorporated into a privately owned property.

It is therefore proposed that Portion A be formally closed as a public road in terms of the applicable provisions of the Knysna Municipality: Standard Municipal Land Use Planning By-Law.

The closure of the road portion will allow the land to be transferred to the purchaser and will enable its subsequent consolidation with Erf 21523. The proposed road closure will not affect the functioning of the surrounding road network, as the portion in question does not serve as an active vehicular or public access route.

4.1.3 CONSOLIDATION EXEMPTION

Following the subdivision of the Remainder of Erf 1339 and the closure of the public road portion, it is proposed to consolidate Portion A with Erf 21523 to create a single consolidated property.

The consolidation represents a logical and necessary step to integrate the newly acquired land into the existing shipyard property. Given the relatively small extent of Portion A (approximately 650m²), its independent development would not be practical or desirable.

The consolidation will allow the expanded shipyard to function as a single integrated planning and operational unit, which is essential for the efficient functioning of marine manufacturing and associated activities. From a land use management perspective, consolidation promotes orderly development, simplifies property administration, and facilitates future development control processes such as Building Plan approvals and enforcement of zoning provisions.

The consolidated site will measure approximately 4 562 m² in extent. A Consolidation Plan indicating the properties to be consolidated is attached as Diagram 6.

4.1.4 ZONING

Portion A (a portion of Remainder of Erf 1339) is currently zoned “Undetermined Use Zone”. This zoning does not provide definitive development rights and is generally applied to land where no specific land use rights have yet been allocated. In its current zoning state, Portion A cannot lawfully accommodate the intended industrial activities associated with the expansion of the existing shipyard operations on Erf 21523.

Section 14 of the Knysna Zoning Scheme By-Law provides guidance regarding the zoning of land that was previously a public street or public open space that is subsequently closed and transferred.

The By-Law stipulates that:

- If such land is transferred to an abutting landowner, the land will fall under the same zoning as the adjoining property owned by that landowner; or

- If the abutting owner owns properties with different zoning categories, the Municipality must determine the appropriate zoning.

In this case, Erf 21523 is the abutting property and is currently zoned Industrial Zone I. Portion A will be transferred to the owner of Erf 21523 and will thereafter be consolidated with this property.

In accordance with Section 14 of the Knysna Zoning Scheme By-Law, Portion A will therefore fall under the same zoning as Erf 21523, namely Industrial Zone I, once the road closure and transfer have been completed.

Therefore, a rezoning application is not required as the zoning will be determined automatically through the operation of the By-Law.

5. FACTORS TO CONSIDER

5.1 THE AWARDED TENDER AND SALES AGREEMENT

The Knysna Municipality issued a public tender for the revitalisation and redevelopment of the Lower Central Industrial Area and surrounding municipal land, with the objective of attracting sustainable private investment that would deliver long-term economic, social, and spatial benefits to the town. The intention was not only to optimise the use of underutilised municipal land, but also to stimulate economic activity, create employment opportunities, and strengthen Knysna's position within the marine manufacturing and tourism sectors.

Following a competitive evaluation process, the tender was awarded to Kinetic Catamarans. The award was made on the basis of a comprehensive development proposal that included the expansion of the existing yacht-building facility as well as the broader commercial and enhancement of the surrounding area. A key component of the proposal was the functional integration of adjacent municipal land, including the portion now referred to as Portion A.

Although Portion A did not initially form part of the land identified for disposal under the original public tender documentation, as the portion was subject to a private lease agreement with Kinetic Catamarans. Portion A was included conceptually in the development framework submitted by Kinetic Catamarans as part of its successful bid. Council was therefore fully aware of the intended integration of this portion into the broader development concept during the tender evaluation process.

Subsequent to the award of the tender, a formal application was submitted to Council for the purchase of Portion A in order to enable the practical long- term implementation of the approved development concept. The accompanying report clearly stated that the land was required for the expansion and consolidation of yacht-building operations and to ensure the coherent development of the broader site. Council granted approval for the sale of the land, and a Sales Agreement was concluded between the parties.

The proposed land use applications are therefore procedural and regulatory in nature, and are required to finalise the land transaction and give effect to Council's prior resolutions. Approval of these applications will enable the lawful subdivision, closure of a public road, and consolidation of Portion A with the adjoining Erf 21523, thereby facilitating the implementation of the development proposal that has already been endorsed in principle through the tender award and subsequent sales approval.

5.2 ECONOMIC IMPACT AND LOCAL ECONOMIC DEVELOPMENT

The expansion of the Yacht Building Facility represents a significant investment in Knysna's marine manufacturing sector. The company has already established itself as a high-value manufacturer with international market reach, contributing to export earnings and local economic diversification.

The proposed development is expected to:

- Safeguard existing employment opportunities at the shipyard;
- Create additional direct jobs through expanded production capacity;
- Generate indirect employment through associated suppliers, contractors, and service providers;
- Support skills development within the specialised boatbuilding and marine engineering sectors; and
- Increase municipal revenue through rates, service charges, and broader economic activity.

The marine industry is a recognised economic asset for Knysna, contributing to both its industrial base and tourism identity. Facilitating the growth of a locally based manufacturer strengthens the town's competitive advantage and promotes long-term economic resilience.

5.3 ENVIRONMENTAL AND SPATIAL CONSIDERATIONS

The subject site is located within an already developed industrial area in close proximity to the Knysna Lagoon. The proposal does not extend development into undisturbed natural areas but rather rationalises and integrates land that is functionally associated with the existing shipyard operations.

The consolidation of Portion A with Erf 21523 will result in:

- Improved site planning and circulation;
- More efficient utilisation of land;

- Clearer and more rational cadastral boundaries; and
- Enhanced opportunities for coordinated environmental management of the overall site.

Although the site lies within 100m of the high-water mark of the lagoon, the proposed development will occur within the existing industrial footprint. Should any listed activities be triggered in terms of the National Environmental Management Act (NEMA), the necessary Environmental Authorisation will be obtained from the Competent Authority prior to implementation.

The expanded Yacht Building Facility will continue to operate in accordance with environmentally responsible practices, including appropriate waste management systems, responsible material usage, and energy-efficient design measures. All future development will remain subject to Building Plan approval and compliance with applicable environmental and municipal regulations.

5.4 PUBLIC INTEREST AND ADMINISTRATIVE JUSTICE

The applications give effect to decisions already taken by Council through a transparent tender process and subsequent approval of the land sale. The proposal is therefore not speculative in nature but forms part of an endorsed municipal development initiative.

From a public interest perspective, the proposal:

- Supports economic growth and employment creation;
- Promotes the optimal use of municipal land;
- Aligns with the strategic development objectives of the Municipality; and
- Contributes to the orderly and integrated development of the industrial area.

The subdivision, closure of a portion of a public road, and consolidation applications are procedural mechanisms required to regularise land ownership and land use rights in accordance with statutory requirements. Approval will ensure legal certainty, administrative clarity, and alignment between cadastral boundaries and actual land use.

5.5 CONSISTENCY WITH THE MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The subject properties are located within the established Lower Central Industrial Area of Knysna, which has historically accommodated marine-related industries, light industrial activities, and associated commercial uses. The proposed rezoning and consolidation are consistent with the spatial vision and development directives of the Knysna Municipal Spatial Development Framework (SDF), which supports:

- The consolidation and strengthening of existing industrial areas;
- The promotion of local economic development and investment;
- The optimisation of well-located, serviced land; and
- The enhancement of the working waterfront and marine economy.

The proposal does not introduce a new or incompatible land use into the area. Instead, it formalises and strengthens an existing industrial operation within a designated industrial precinct. By enabling the expansion of a marine manufacturing facility within a strategically appropriate location, the proposal aligns with the SDF's objective of reinforcing established economic nodes rather than encouraging urban sprawl or fragmented development.

5.6 CONSIDERATION OF POTENTIAL IMPACTS OF THE PROPOSAL

5.6.1 IMPACT ON MUNICIPAL SERVICES

In terms of Section 14 (1) of the Municipal Finance Management Act (MFMA), a municipality may not dispose of a capital asset required to provide minimum basic municipal services.

Municipal GIS records indicate the presence of an existing sewer line traversing Portion A, currently serving the temporary structure on the property (refer to Diagram 7). This infrastructure will be accommodated and, where necessary, protected or relocated in accordance with municipal engineering requirements as part of the final building design.

The proposal will not compromise the Municipality's ability to deliver basic services.

5.6.2 IMPACT ON THE CHARACTER OF THE AREA

The subject property is located within the Lower Central Industrial Area of Knysna, characterised predominantly by industrial, light manufacturing, marine-related, and service-oriented land uses.

The zoning that Portion A will fall under, namely Industrial Zone I, aligns with:

- The zoning of the adjoining Erf 21523.
- The existing land use and the prevailing industrial land use pattern, and
- The functional character of the surrounding precinct.

The proposal does not introduce land uses that would be incompatible with surrounding properties. On the contrary, it reinforces the established industrial identity of the area.

5.7 NEED AND DESIRABILITY

The need for the applications arises from:

- The approved sale of Portion A by the Council.
- The operational requirement to integrate the portion into the existing shipyard; and
- The necessity to regularise zoning and cadastral boundaries in order to enable lawful development.

The desirability of the proposal is supported by:

- Its consistency with surrounding land uses;
- Its support of local economic development;
- Its alignment with SPLUMA principles; and
- Its promotion of orderly, integrated land development.

Without approval, implementation of the Council-endorsed development initiative would be materially constrained.

5.8 CONSIDERATION OF SPLUMA PRINCIPLES

In considering the application, the decision maker needs to be guided by the DEVELOPMENT PRINCIPLES contained in (Chapter II) of the Spatial Planning and Land Use Management Act 2013 (Act no 16 of 2013) SPLUMA and Chapter VI of the Land Use Planning Act, 2014 (Act 3 of 2014) (LUPA).

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) is a national Act that was passed by Parliament in 2013. SPLUMA aims to develop a new framework to govern planning permissions and approvals, set parameters for new developments, and provide for different lawful land uses in South Africa. SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning.

Section 7 of the Act describes a set of development principles that need to be considered when evaluating any development application. These principles include the following:

5.8.1 SPATIAL JUSTICE

The principle of spatial justice requires that past spatial and other development imbalances be redressed through improved access to land and inclusive planning.

The proposal does not result in the exclusion of any community or the restriction of access to land. Instead, it formalises an already operational industrial activity and facilitates economic development within an established industrial precinct.

The transaction arises from a transparent municipal process, including a Council resolution approving the sale of land and the award of a development tender. The proposal, therefore, supports equitable and procedurally fair land development.

5.8.2 SPATIAL SUSTAINABILITY

The principle of spatial sustainability seeks to encourage land development in locations that are environmentally responsible, economically efficient, and aligned with long-term planning goals.

The proposed development represents the logical expansion of an existing shipbuilding facility within a historically industrial area. The site is already used for marine manufacturing purposes and is located adjacent to compatible industrial land uses.

The application promotes sustainable land use by:

- Consolidating fragmented land parcels into a coherent planning unit;
- Aligning zoning with actual and intended land use;
- Optimising the use of strategically located industrial land; and
- Supporting local manufacturing and long-term economic activity.

The proposal does not introduce urban sprawl or inappropriate land uses. Instead, it strengthens an established economic node within the municipal area.

5.8.3 SPATIAL EFFICIENCY

SPLUMA requires that land development optimally use existing resources and infrastructure.

The proposal promotes efficiency in several respects:

- **Infrastructure Efficiency**: The expansion occurs within an already serviced industrial area, thereby utilising existing bulk and internal infrastructure networks.

- **Operational Efficiency**: Consolidation of Portion A with Erf 21523 enables the shipyard to function as a single operational unit, improving circulation, workflow, and safety.

- **Administrative Efficiency**: Aligning cadastral boundaries, ownership, and zoning simplifies future land use management and compliance processes.

5.8.4 SPATIAL RESILIENCE

This principle promotes development that can withstand social, economic, and environmental shocks.

The marine manufacturing industry forms part of Knysna's established economic base. Supporting the expansion of a specialised yacht-building facility contributes to economic diversification and resilience by strengthening export-oriented manufacturing and skilled employment opportunities.

The proposal enhances the long-term viability of the industrial precinct and supports continued private sector investment within the municipal area.

5.8.5 GOOD ADMINISTRATION

SPLUMA emphasises transparent, consultative, and integrated development decision-making.

The applications give effect to:

- A formal Council resolution approving the sale of land;
- A duly executed Sale Agreement; and
- A publicly awarded municipal tender.

The proposed applications are procedural mechanisms required to implement these approved decisions lawfully and transparently. The proposal, therefore, supports sound governance and regulatory certainty.

6. SUMMARY

This application seeks consideration of the proposed subdivision, public road closure, and consolidation of Portion A (a portion of the Remainder of Erf 1339) with Erf 21523, Knysna.

These applications are procedurally necessary to implement a Council-approved land transaction and to facilitate the expansion of an established yacht-building facility within the Lower Central Industrial Area.

The proposal:

- Aligns with the principles of SPLUMA and LUPA.
- Supports municipal development decisions already undertaken.
- Reinforces the established industrial character of the area.
- Promotes economic growth, employment creation, and spatial efficiency.

It is therefore respectfully submitted that the applications are well-founded in terms of sound planning principles and are desirable in the public interest.