KNYSNA LOCAL MUNICIPALITY

Notice is hereby given of a

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING

which will be held on

Wednesday, 29 July 2026

at

09:00

in the Council Chamber

to consider the following items

MUNICIPAL OFFICES
KNYSNA

Mr Ngubo Manqoba Boy
ACTING MUNICIPAL MANAGER

A G E N D A

Chairperson: Cllr N Louw
Members: Cllr M Khumelwana
Cllr B Charlie
Cllr R Arends
Cllr P Petros
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: 23 APRIL 2026

RECOMMENDATION

That the minutes of the Integrated Human Settlements Committee meeting held on 23 April 2026, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING

held in the Council Chamber on

Thursday, 23 April 2026

at

09:00

1. Opening and Welcoming

   The Chairperson welcomed councillors and officials present to the meeting and opened with a silent prayer.

2. Attendance of Members:

   2.1 Members Present

   Cllr Cllr N Louw Chairperson
   Cllr M Khumelwana
   Cllr R Arends (on MSTeams)
   Cllr P Petros
   Cllr L Davis
   Cllr H Stroebel *(on MSTeams)*
   Cllr B Charlie *(from 09:28)*

   2.2 Members Absent with leave

   None

   2.3 Members Absent without leave

   None

   2.4. Other Councillors Present

   Cllr A Tsengwa

   2.5 Officials Present

Dr R Martin	Director: Integrated Human Settlements (Acting Municipal Manager)
Mr H Philip	Director: Planning, Economic Development & Tourism (Acting)
Ms M Boyce	Director: Corporate Services
Mr C Julies	Director: Financial Services *(from 09:54)*
Mr S Maree	Director Infrastructure Services
Ms P Lindi	Acting Manager: Integrated Human Settlements
Mr H Daries	Project Co-Ordinator: Integrated Human Settlements
Ms J Lakay	Head: Council Committees and Councillor Support
Ms S Kilimani	Senior Clerk: Records

   Apologies:

   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: 19 FEBRUARY 2026**

RESOLVED

That the minutes of the Integrated Human Settlements Committee meeting held on 19 February 2026, be confirmed.

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

IHS01/04/26 INTEGRATED HUMAN SETTLEMENTS – HEIDEVALLY PRECINT DEVELOPMENT

UNANIMOUSLY RECOMMENDED

[a] That the pre-feasibility presentation by KRMS Consulting on the Heidevalley Precint Development, be noted.

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

The Chairperson requested a 10-minute break.

IHS02/04/26 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR: DECEMBER 2026 TILL FEBRUARY 2026

UNANIMOUSLY RESOLVED

[a] That the Business Plan for the 2025/26 financial year and claims submitted to the Department of Infrastructure till end of February 2026, be noted.

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

IHS03/04/26 **SUBMISSION OF THE BUSINESS PLAN FOR 2026/27 FINANCIAL YEAR**

UNANIMOUSLY RESOLVED

a) That the Business Plan for the 2026/27 financial year. Be noted

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

IHS04/04/26 **INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT ON PROJECT IMPLEMENTATION: TILL FEBRUARY 2026**

UNANIMOUSLY RECOMMENDED

a) That the report related to project implementation for the period till end of February 2026 relative to the approved WCDoHS Business Plan 2025/26 financial year, be noted.

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

P05/04/26 **DEVELOPMENT OF ERF 3339, FISHERHAVEN, KNYSNA - REDUCTION IN PRICE PERS STAND**

UNANIMOUSLY RECOMMENDED

[a] That the Report on the Development of Erf 3339, Fisherhaven, Knysna – reduction in price per stand, be noted;

[b] Council notes the request from the Steering Committee regarding the reduction of the stand price for Erf 3339;

[c] That Council consider and resolve on the three options:

(i) That non-qualifying applicants with a salary scale above R22,001 pay R52,352.00 per stand

(ii) That qualifying applicants within the salary scale R3501.00 – R22,001 pay between R30,000- R40,000 per stand

[d] That items [d] and [h] of resolution IHS05/05/25 be rescinded:
File Number: 9/1/2/15
Execution: Director: Integrated Human Settlements
Manager: Human Settlements

6. **CLOSURE**

The Chairperson thanked everybody present for their contribution and the meeting terminated at 10:44.

Approved

…… ……
Chairperson: Cllr N Louw Date

-oOo-

4.2 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 19 FEBRUARY 2026**

RECOMMENDATION

That the minutes of the Integrated Human Settlements Committee meeting held on 19 February 2026, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

STRATEGIC SERVICES & INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING

held in the Council Chamber on

Thursday, 19 February 2026

at

09:15

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
Cllr R Arends (on MSTeams)
Cllr P Petros (from 09:14)
Cllr L Davis *(on MSTeams)*
Cllr H Stroebel *(on MSTeams)*
Cllr B Charlie *(from 09:34)*

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr A Tsengwa
Cllr R Kakora
Cllr L Nohana (on MSTeams)

2.5 Officials Present

Dr R Martin	Director: Integrated Human Settlements (Acting Municipal Manager)
Ms A Dunywa	Director: Planning, Economic Development & Tourism
Mr C Botha	Director: Corporate Services (Acting)
Mr J Douglas	Director: Community Services
Mr C Julies	Director: Financial Services
Mr L Mbotho	Senior Manager: Electrical and Mechanical Services
Ms P Lindi	Acting Manager: Integrated Human Settlements
Mr H Daries	Project Co-Ordinator: Integrated Human Settlements
Ms C Dalene	Senior Human Settlements Officer
Ms J Lakay	Head: Council Committees and Councillor Support
Ms S Kilimani	Senior Clerk: Records

Apologies:

Mr R Wesso: Director Infrastructure Services

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: 17 NOVEMBER 2025**

RESOLVED

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

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

RESOLVED

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

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

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

UNANIMOUSLY RECOMMENDED

[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 WCDoHS Business Plan 2025/26 financial year.

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

IHS02/02/26 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR: DECEMBER 2025

UNANIMOUSLY RESOLVED

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.

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

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

UNANIMOUSLY RESOLVED

b) That the contents of the report be noted;

c) That the Directorate IHS and Community Services (Fire Department) arrange a live demonstration of the early fire intervention product for all Councillors;

d) That depending on the outcome of the live demonstration the administration initiate a pilot project to understand functionality and user interface

Cllr Charlie vote against it.

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

IHS04/02/26 INTEGRATED HUMAN SETTLEMENTS: DIRECTORATE REPORT

UNANIMOUSLY RECOMMENDED

b) That Council notes the report,

c) That the department conduct a comprehensive enumeration of all informal settlements in Knysna.

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

IHS05/02/26 KNYSNA SOCIAL AND RENTAL HOUSING STRATEGY

UNANIMOUSLY RECOMMENDED

[a] That Council notes the report

[b] That Council approve the draft Social and Rental Housing Strategy for implementation

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

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12. **CLOSURE**

The Chairperson thanked everybody present for their contribution and the meeting terminated at 12:00.

Approved

…… ……
Chairperson: Cllr N Louw Date

-oOo-

MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

5.1

IHS01/07/26 INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT ON PROJECT IMPLEMENTATION: TILL END OF JUNE 2026

REPORT FROM THE DIRECTOR integrated human settlements

1. PURPOSE OF THE REPORT

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

2. BACKGROUND

Twenty-one (21) contractors were appointed under T53/2023/24 for the construction of houses for a period of three (3) years: The contract has been terminated because the tender was advertised and evaluate as 80/20. The result of this is there is an upper limit of R50 million for expenditure on the tender and that upper limit has been reached.

3. PROGRESS ON HOUSES

PROGRESS ON HOUSES UNDER T53/2023/2024:

Area	Type		Earthworks	foundation	brickwork	Roofing	Plastering	Hand Over
	TYPE							
Dam se Bos	*40m²*		16	9	9	9	9	9
Dam se Bos	*24m²*		1	1	1	1	1	1
Khayalethu Bungalows	*40m²*		27	27	27	27	27	27
Hlalani	*40m²*		2	2	2	2	2	2
Hlalani	*24m²*		2	2	2	2	2	2
Khayalethu Teachers Cottage	*48m² (24m²x2)*		6	6	6	6	6	6
Concordia	*40m²*		1	1	1	1	1	1
Happy Valley	*24m²*		1	1	1	1	1	1
Flenters	*40m²*		6	6	6	6	6	6
Oupad	*48m²*		2	2				
Nekkies East	*40m²*		4	4	4	4	4	4
Nekkies East	*48m² (24m²x2)*		4	4	4	4	4	4

Bongani	*40m²*		1	1	1			
Ethembeni	*24m²*		3	3	3	3	3	3
TOTAL			**68**	**68**	**67**	**66**	**66**	**66**

PIPELINE PROJECTS

PROJECT	**COMMENT**
Sedgefield	The Department of Infrastructure increased the subsidy amount R19 260 323.00. The court case regarding the illegal invasion of the property is still to be finalized.
Karatara:	The design of the services was submitted to the Department of Water Affairs, and the application will now for appraisal.
Rheenendal:	*On construction phase. New completion date is end of September 2026. Funding application for feasible studies are still at the Department of Infrastructure*

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 ACTING MUNICIPAL MANAGER

a) That the contents of the report be noted in respect of related project implementation for the period till end of end June 2026 relative to the approved WCDoHS Business Plan 2025/26 financial year.

APPENDIX / ADDENDUM

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

5.2

IHS02/07/26 SUBMISSION OF THE BUSINESS PLAN FOR 2026/27 FINANCIAL YEAR

REPORT FROM THE DIRECTOR INTEGRATED HUMAN SETTLEMENTS

To notify Council of the funding allocation for housing projects for 2026/27 financial received from the Western Cape Department of Infrastructure.

1. BACKGROUND:

The Western Cape: Department of Infrastructure allocated an amount of R37 635 000.00 (Human Settlement Development Grant) to Knysna Municipality for housing projects in the 2026/207

NAME OF PROJECT	NO OF UNITS	AMOUNT OF FUNDING
Vision 2002: 459 Units	30	R 6 030 000.00
Hlalani	20	2 070 000.00
Khayalethu Bungalows	40	16 000 000.00
Sedgefield	142 sites	10 745 000,00
TOTAL		**R 37 635 000,00**

The Department of Infrastructure informed the municipality in the Western Cape that they will start with their adjustment budget process at the end of July 2026 and if there are no contractors on site by July 2026 then they will look at the reduction of the allocations.

To prevent that Knysna loose some of the allocation from the Department of Infrastructure nine (9) contractors were appointed via a deviation based on their performance on Tender 53 for a period of three (3) months, whilst the SCM process of the new housing is still in progress.

2. **RECOMMENDATION THE MUNICIPAL MANAGER:**

a) That Council takes note of the business plan for the 2026/27 financial year.
b) That Council takes note of the appointment of nine (9) contractors from the previous housing tender

APPENDIX / ADDENDUM

None

File Number: 9/1/2/15

Execution: Project Coordinator: Integrated Human Settlements

5.3

IHS03/07/26 SUBMISSION OF THE BUSINESS PLAN FOR 2025/26 FINANCIAL YEAR: JUNE 2026 TILL DECEMBER 2026

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.

1. 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
Khayalethu Bungalows	16 000 000.00
Sedgefield	8 000 000,00
Flenters	1 635 000,00
TOTAL	**R 33 312 000,00**

During January 2026 the Department of Infrastructure informed Knysna Municipality of The adjustment that was made to the original approved business plan for 2024/2025 Financial year as set out below**:**

NAME OF PROJECT	AMOUNT OF FUNDING
Vision 2002: 459 Units	R 7 300 000.00
Hlalani	1 800 000.00
Khayalethu Bungalows	15 672 000.00
Happy Valley	220 000,00
Flenters	1 240 000,00
TOTAL	**R 26 232 000.00**

2. CLAIMS SUBMITTED TO WC DoHS FROM 1 JULY 2025

NAME OF PROJECT	AMOUNT OF CLAIM SUBMITTED	AMOUNT OF FUNDING RECEIVED
Khayalethu Bungalows	R2 459 958,80	R2 459 958,80
Khayalethu 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
Khayalethu 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	
Khayalethu Bungalows	R 900 000.00	900 000.00
Flenters	R 409 286.00	409 286.00
Khayalethu Bungalows	R1 227 324,00	R1 227 324,00
Khayalethu Bungalows	R2 599 114,00	R2 599 114.00
Happy Valley	R 223 723.00	223 723.00
Khayalethu Bungalows	R 677 488.21	677 488.21
Hlalani	R 358 384.64	
Khayalethu Bungalows	R 415 735.64	415 735.64
Khayalethu Bungalows	R 900 000.00	900 000.00
Vision 2002: 459	R1 285 539.00	1 285 539.00
Vision 2002:459	R1 106 699.05	1 106 699.05
Flenters	150 943.00	150 943.00
Khayalethu Bungalows	R1 024 985.26	
TOTAL	**R18 147 736.81**	**R16 431 966.91**

4. 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
January 2026		
February 2026	R 743 954.89	R1 436 482,00
March 2026	R1 917 227.09	R3 323 645.26
April 2026	R1 228 585.34	
May 2026	R 284 622.93	

5. 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 February 2026

APPENDIX / ADDENDUM

None

File Number:	9/1/2/15
Execution:	Project Coordinator: Integrated Human Settlements

5.4

IHS04/07/26 SUBMISSION OF THE HUMAN SETTLEMENTS SECTOR PLAN FOR CONSIDERATION AND ADOPTION

1. PURPOSE

The purpose of this report is to request Council to consider, note, and formally approve the Human Settlements Sector Plan as part of the Municipality's Integrated Development Planning framework.

2. PREVIOUS RESOLUTIONS

Council resolved that the Human Settlements Sector Plan be tabled for consideration following deliberations at a Council Workshop convened for this purpose. The Plan was further subjected to public participation processes as part of the 2026/2027 IDP and Budget consultation processes.

3. BACKGROUND

The human settlements sector plan has been developed as a strategic planning instrument to guide the delivery of sustainable, integrated, and inclusive human settlements within the municipal jurisdiction.

The plan is aligned with applicable national and provincial legislative frameworks, including the housing act, 1997 (act no. 107 of 1997), the spatial planning and land use management act (SPLUMA), the municipal systems act, 2000 (act no. 32 of 2000), and the municipal finance management act, 2003 (act no. 56 of 2003). It is further aligned with the municipality's integrated development plan (IDP) and spatial development framework (SDF).

The plan provides a structured response to existing housing demand, spatial inefficiencies, and infrastructure constraints, while promoting coordinated land use management and equitable access to adequate housing opportunities.

The draft document was previously tabled before council, discussed at a council workshop, and subjected to public participation processes. It was also included as an annexure to the IDP. Inputs received through these processes were incorporated into the final revised document submitted for council approval.

4. DISCUSSION

The Human Settlements Sector Plan (HSSP) is aligned with the district development model, which advances integrated planning, coordinated service delivery, strengthened intergovernmental relations, and the implementation of a "one district, one plan" approach, aimed at enhancing developmental efficiency, spatial integration, and governance coherence across spheres of government.

Comprehensive community consultations undertaken within Knysna as part of the Integrated Development Plan (IDP) and budget public participation processes have consistently highlighted the need for a holistic Human Settlements Framework. Such a framework must extend beyond the provision of Low-Income Housing and incorporate social, affordable, and

middle-income housing typologies. The consultations further emphasised the imperative of improved spatial structuring, appropriate settlement location, and enhanced access to basic and social infrastructure and services.

In response, the sector plan provides for a suite of strategic interventions, including the identification and prioritisation of suitable land for residential development, alignment of housing programmes with municipal spatial planning imperatives, upgrading of informal settlements, progressive reduction of the housing backlog, integration of bulk infrastructure planning, and the promotion of mixed-income and inclusive human settlements. Collectively, these interventions are directed towards advancing spatial transformation and the development of compact, connected, inclusive, and sustainable settlements.

The sector plan was developed through an in-house planning process led by the accounting officer, with the objective of optimising municipal resources and reducing reliance on external consultancy services. The methodology adopted comprised a structured five-phase process, namely: analysis, strategy development, project formulation, integration, and approval.

The **analysis phase** entailed the consolidation and critical assessment of housing-related data derived from existing municipal planning instruments, supported by desktop research and targeted engagements with relevant departments. Emphasis was placed on the integrated development plan (IDP), the municipal housing demand database (waiting list), infrastructure capacity assessments, housing backlog analysis, and prevailing socio-economic conditions.

The **strategy development phase** focused on the formulation of a human settlements vision informed by empirical evidence emerging from the analysis phase, and subject to review of the 2019 vision framework to ensure continued relevance, institutional coherence, and compliance with applicable legislative and policy directives.

The **project formulation phase** involved the identification and structuring of viable housing interventions based on land availability, infrastructure readiness, funding considerations, and implementation feasibility, incorporating appropriate governance structures, as well as monitoring and evaluation frameworks.

The **integration phase** ensured alignment of the sector plan with other municipal sector plans, thereby promoting policy coherence, eliminating fragmentation, and strengthening integrated development planning across the municipal planning environment.
The approval phase provided for structured stakeholder engagement processes, including consultation with ward committees and council structures, culminating in the formal consideration and adoption of the sector plan.

The plan derives its legal authority from section 26 of the Constitution of the Republic of South Africa, 1996, which guarantees the right of access to adequate housing and imposes a duty on the state to take reasonable legislative and other measures, within available resources, to progressively realise this right. The plan is further underpinned by the housing act, 1997 (act no. 107 of 1997), which mandates municipalities to plan, facilitate, and coordinate human settlements development within their areas of jurisdiction as an integral component of integrated development planning.

5. FINANCIAL IMPLICATIONS

Implementation of the human settlements sector plan will depend on available funding from municipal budgets, provincial and national housing grants, and other external funding sources. Detailed financial implications will be determined during project-level implementation planning.

6. RECOMMENDATION OF THE MUNICIPAL MANAGER

It is recommended that council:

1. Consider and approve the human settlements sector plan as a guiding framework for human settlements planning and development within the municipality;
2. Mandate relevant municipal departments to align their operational and capital planning with the approved sector plan.

APPENDIX / ADDENDUM

A. Knysna Human Settlements Sector Slan (HSSP)
file number: 9/1/2/
execution: Director: integrated human settlements
B.

1

KNYSNA
Municipality Munisipaliteit uMasipala

KNYSNA HUMAN SETTLEMENTS SECTOR PLAN



JUNE 2026

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CHAPTER 1: OVERVIEW

1.1 INTRODUCTION AND BACKGROUND

The advancement of sustainable human settlements development constitutes a long-established priority across international, national, provincial, and local governance frameworks. This concept has been comprehensively articulated within United Nations policy instruments and global development agendas, which recognise human settlements as a critical spatial and socio-economic system through which objectives of social inclusion, economic development, environmental sustainability, and improved quality of life are realised.

A seminal reference in this regard is **Agenda 21**, adopted at the United Nations Conference on Environment and Development (UNCED). Chapter 7 of Agenda 21 identifies sustainable human settlements as a strategic development imperative and delineates the core components necessary for its attainment, including:

- Provision of adequate shelter for all;
- Strengthening of human settlements management systems;
- Promotion of integrated and sustainable land use planning and land management;
- Coordinated provision of environmental infrastructure, including potable water supply, sanitation systems, stormwater management, and solid waste services;
- Development of sustainable energy systems and integrated transportation networks; and
- Human resource development and institutional capacity strengthening to support effective settlement governance and delivery.

These principles remain foundational to contemporary human settlements policy and spatial planning practice and have been substantively incorporated into South Africa's legislative and policy architecture.

1.1.1 Strategic Objective of Sustainable Human Settlements

The overarching objective of sustainable human settlements is the progressive enhancement of household living conditions through the development of integrated, functional, and spatially efficient settlements. This entails the provision of:

- Adequate housing that is appropriate, affordable, spatially well-located, fiscally sustainable, and responsive to diverse household requirements;
- Basic municipal services, including potable water, sanitation, electricity, refuse removal, internal road networks, and stormwater management infrastructure;
- Secure tenure arrangements across the continuum of tenure forms, including ownership, rental, formalised, and incremental/informal occupation contexts; and
- Accessible social amenities, economic infrastructure, and community facilities located within reasonable proximity to residential areas.

1.1.2 Policy and Implementation Framework in South Africa

Within the South African developmental context, Parliament has adopted an outcomes-based planning and implementation framework aimed at accelerating the delivery of sustainable human settlements. This paradigm shift recognises that housing delivery must transcend the provision of shelter and function as a catalytic mechanism for spatial restructuring, socio-economic upliftment, and improved access to opportunities.

The outcomes-based approach therefore prioritises integrated, multi-sectoral interventions that collectively contribute to the creation of inclusive, resilient, and spatially efficient

settlements, while simultaneously addressing historical spatial inequities and strengthening long-term urban sustainability and functionality.

STRATEGIC OUTPUT	PRIORITY PROGRAMME
Accelerated delivery of housing opportunities	Upgrading of Informal Settlements Programme
Expansion of affordable rental housing opportunities	Affordable Rental and Social Housing Programmes
Improved access to basic services	National Human Settlements Infrastructure Programme
More efficient utilisation of land	Land Assembly and Land Release Programmes
Improved residential property market performance	Affordable Housing Finance and Market Support Programmes

1.1.3 Integrated Human Settlements Planning and Institutional Transformation Framework

The transition from a narrowly defined housing delivery paradigm to a comprehensive human settlements approach necessitates profound institutional, policy, and operational realignment across all spheres of government. This shift requires effective coordination between national and provincial departments responsible for human settlements, local municipalities, public entities, and implementing agencies. It equally demands the systematic strengthening of institutional capacity, governance systems, technical expertise, and financial mechanisms required to support the delivery of sustainable human settlements at scale and in a coherent manner.

From a municipal planning perspective, sustainable human settlements cannot be conceptualised or implemented in isolation from the broader built environment and infrastructure investment framework. Rather, human settlements planning is inherently interdependent with a suite of statutory municipal planning instruments and sectoral development frameworks, including:

- Integrated Development Plan (IDP);
- Spatial Development Framework (SDF);
- Land Use Management System (LUMS);
- Water Services Development Plan (WSDP);
- Infrastructure Investment and Asset Management Plans;
- Strategic Environmental Frameworks (SEFs);
- Integrated Transport Planning Frameworks;
- Service Delivery and Budget Implementation Plans (SDBIPs); and
- Local Economic Development Strategies.

The effective integration of these instruments is fundamental to achieving spatially efficient, economically viable, and socially inclusive settlement patterns. Accordingly, human settlements planning must be directed towards the optimisation of land utilisation, the enhancement of infrastructure investment efficiency, the promotion of compact urban form, the redress of historical spatial fragmentation, and the advancement of broader spatial transformation objectives.

In terms of the Constitution of the Republic of South Africa, housing and human settlements constitute a concurrent functional competence shared between the national and provincial spheres of government. Within this constitutional framework, municipalities perform a critical role in spatial planning, land use management, and development facilitation. While national

and provincial government are primarily responsible for policy formulation, programme funding, and subsidy administration, municipalities retain executive authority over spatial planning and land use regulation, thereby playing a pivotal enabling and coordinating role in human settlements delivery.

Municipal responsibilities therefore include the identification and release of suitable land, integration of infrastructure planning, administration of development applications, and the creation of enabling spatial and regulatory environments for sustainable human settlements development. This central role underscores the necessity for a comprehensive Human Settlements Sector Plan as an integral component of the Integrated Development Plan and broader municipal planning architecture.

A significant policy shift in the South African human settlements sector was introduced through the approval of the Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground) in 2004. This framework fundamentally redefined housing delivery, shifting emphasis from the quantitative provision of housing units towards the qualitative development of integrated and sustainable human settlements. It recognised that human settlements interventions must extend beyond shelter provision to encompass the creation of functional living environments that support social cohesion, economic opportunity, and environmental sustainability.

This approach has been further reinforced through technical planning and design guidance issued by the Council for Scientific and Industrial Research (CSIR), particularly the Guidelines for Human Settlement Planning and Design (commonly referred to as the “Red Book”). These guidelines provide detailed spatial planning principles, engineering standards, and design parameters to support the development of efficient, sustainable, and contextually appropriate settlements.

The Comprehensive Plan further promotes a diversified housing typology, encompassing subsidised ownership housing, affordable housing, rental accommodation, social housing, inclusionary housing, and mixed-use developments. This reinforces the principle that human settlements planning must respond to the full spectrum of income groups and tenure categories, rather than being limited to low-income housing delivery alone.

Accordingly, the preparation of the Knysna Human Settlements Sector Plan is informed by a comprehensive synthesis of legislative instruments, national and provincial policy frameworks, spatial planning directives, environmental considerations, infrastructure investment strategies, and sector-specific programmes. The Sector Plan seeks to articulate a coherent and forward-looking Human Settlements Vision for the Municipality, while ensuring alignment with the National Housing Code, SPLUMA, the Municipal Systems Act, and all other applicable statutory and policy prescripts.

Ultimately, the Human Settlements Sector Plan provides the strategic and implementation framework through which Knysna Municipality can facilitate the development of integrated, inclusive, resilient, and sustainable human settlements, thereby advancing spatial transformation, socio-economic integration, and the progressive improvement of living conditions for all residents.

1.2 PURPOSE OF THE HUMAN SETTLEMENTS SECTOR PLAN

The Human Settlements Sector Plan derives its mandate from the Constitution of the Republic of South Africa, 1996, which guarantees the right of access to adequate housing in terms of Section 26 and obliges the State to take reasonable measures, within available resources, to progressively realise this right.

Within the framework of cooperative governance and developmental local government, municipalities play a critical enabling and facilitative role in human settlements delivery through their functions relating to spatial planning, land use management, infrastructure provision, environmental management, and integrated development planning. Housing is a concurrent competency shared between national and provincial spheres of government, with municipalities responsible for aligning housing delivery with spatial planning and infrastructure investment at local level.

The Housing Act, 1997 (Act No. 107 of 1997) requires municipalities to facilitate access to adequate housing through the identification and release of suitable land, assessment of housing demand, coordination of development processes, and integration of human settlements planning within the Integrated Development Plan (IDP). This ensures alignment across all spheres of government and with key stakeholders, including state-owned entities and development finance institutions.

This Sector Plan is further informed by the National Development Plan (NDP) 2030 and the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), which promote the development of integrated, inclusive, sustainable, and spatially efficient settlements. The Plan is guided by the principles of spatial justice, spatial sustainability, spatial resilience, spatial quality, and spatial efficiency, which collectively support equitable access to opportunities, environmental sustainability, and optimal land and infrastructure utilisation.

Accordingly, the Plan is aligned with key legislative and policy frameworks, including the Constitution, Housing Act, BNG policy, National Housing Code, Municipal Systems Act, Municipal Finance Management Act, Intergovernmental Relations Framework Act, SPLUMA, National Environmental Management Act, District Development Model (DDM), and applicable provincial human settlements policies.

The primary purpose of this Sector Plan is to provide a consolidated strategic framework for the planning, prioritisation, coordination, implementation, and monitoring of human settlements development within the Knysna Municipal Area. It establishes a spatial and development framework to guide growth management, infrastructure investment, land use optimisation, and the delivery of integrated and sustainable human settlements.

Specifically, the Plan seeks to:

- Guide long-term spatial and human settlements development;
- Provide a policy framework for housing delivery across all income groups and tenure types;
- Identify and prioritise strategic development areas and catalytic projects
- Align housing delivery with spatial planning, infrastructure, environmental, and economic priorities;
- Promote integrated infrastructure planning and service delivery;
- Strengthen intergovernmental coordination;
- Support evidence-based planning and resource allocation; and
- Establish a monitoring and implementation framework.

The Plan is aligned with the District Development Model (DDM), promoting integrated planning and coordinated implementation across all spheres of government. It serves as the Municipality's key strategic instrument for human settlements delivery and provides the basis for sustainable, integrated, and coordinated spatial transformation over the medium to long term.

1.3 PROBLEM STATEMENT

Notwithstanding substantial public investment in housing delivery, municipal infrastructure, and community facilities over preceding decades, the Knysna Municipal Area continues to experience a complex and interrelated set of human settlements challenges that constrain the achievement of sustainable, integrated, and inclusive development outcomes.

These challenges manifest in the form of historical spatial fragmentation, limited infrastructure capacity, environmentally sensitive and constrained land, escalating settlement growth pressures, and a lack of a consolidated long-term spatial and development framework to guide human settlements planning and implementation.

The persistence of these structural constraints undermines the Municipality's ability to fully realise constitutional imperatives relating to spatial justice, socio-economic inclusion, sustainable development, and equitable access to adequate housing opportunities.

Accordingly, there is a compelling need for a comprehensive Human Settlements Sector Plan that provides strategic direction, ensures integrated planning, and establishes a coordinated framework for prioritisation, investment alignment, and implementation across all relevant sectors and spheres of government.

1.3.1 Absence of an Integrated Human Settlements Planning Framework

A fundamental challenge facing the Municipality is the absence of a formally adopted and comprehensive Human Settlements Sector Plan that integrates housing delivery, infrastructure provision, land development, environmental management, spatial restructuring, and socio-economic development objectives within a single strategic planning framework.

Although the Municipality has adopted a range of strategic and statutory planning instruments, including the Integrated Development Plan (IDP), Spatial Development Framework (SDF), Water Services Development Plan (WSDP), Environmental Management Frameworks, Infrastructure Master Plans, and other sector-specific strategies, these planning instruments have largely been prepared and implemented independently, resulting in limited integration between housing delivery objectives and broader municipal development priorities.

The absence of a consolidated Human Settlements planning framework has contributed to:

- Fragmented and sector-driven development decision-making processes;
- Reactive development responses driven by immediate pressures rather than long-term strategic priorities;
- Inadequate alignment between housing delivery programmes and available bulk infrastructure capacity;
- Inefficient utilisation of strategically located land resources;
- Delays in responding to the diverse housing and accommodation needs of households across different income categories;
- Limited integration between public investment programmes and human settlements interventions; and
- The continued perpetuation of spatial fragmentation, socio-economic exclusion, and inefficient settlement patterns.

Furthermore, the absence of a long-term human settlements vision limits the Municipality's ability to effectively prioritise development interventions, coordinate investment decisions, and provide certainty to government institutions, investors, developers, communities, and other stakeholders regarding future growth and development trajectories.

Accordingly, there is a need for a comprehensive Human Settlements Sector Plan that establishes a coherent strategic framework for guiding future human settlements development and ensuring alignment with applicable legislative and policy requirements, including the National Housing Code, the Spatial Planning and Land Use Management Act (SPLUMA), Priority Human Settlements Development Areas (PHSDAs), and broader spatial transformation objectives.

The Sector Plan must further provide a framework for:

- Strategic spatial prioritisation and development sequencing;
- The identification and protection of future human settlements development areas;
- The promotion of mixed-use and mixed-income settlement development;
- Socio-economic integration and spatial restructuring;
- Coordinated infrastructure investment and service delivery planning; and
- Long-term settlement sustainability and resilience.

The Human Settlements Sector Plan must serve as a strategic planning and implementation framework that provides clear direction for the development of sustainable, integrated, and inclusive human settlements. The plan should establish a common understanding of municipal priorities and facilitate alignment between housing delivery programmes, spatial planning initiatives, infrastructure investment, environmental management objectives, and socio-economic development interventions.

To ensure effective implementation and long-term sustainability, the Human Settlements Sector Plan must be fully aligned with the Municipality’s broader planning framework and statutory development instruments. In particular, the Plan should give effect to the spatial vision and development objectives contained within the Municipal Spatial Development Framework (MSDF), while simultaneously informing and being informed by other sector plans and strategic frameworks.

The integration of the Human Settlements Sector Plan with municipal planning instruments is critical to ensuring that housing and human settlements development occurs within well-located areas, supports efficient infrastructure investment, promotes spatial integration and densification, and contributes towards the achievement of broader developmental objectives. This integrated planning approach further enables the Municipality to coordinate public investment, optimise the utilisation of land and infrastructure resources, and facilitate sustainable urban growth.

Accordingly, the Human Settlements Sector Plan should be aligned with, and informed by, the following key municipal planning and development frameworks:

- Integrated Development Plan (IDP);
- Municipal Spatial Development Framework (MSDF);
- Land Use Management System (LUMS);
- Built Environment Performance Plan (BEPP), where applicable;
- Water Services Development Plan (WSDP);
- Infrastructure and Bulk Services Master Plans;
- Integrated Transport Planning Frameworks;
- Strategic Environmental Frameworks (SEF);
- Local Economic Development (LED) Strategy;
- Climate Change Adaptation and Resilience Strategies;
- Disaster Management Plans; and
- Service Delivery and Budget Implementation Plans (SDBIP).

The relationship between the Human Settlements Sector Plan and these sector plans is illustrated in the figure below, which demonstrates the integrated planning framework required to achieve sustainable human settlements and long-term spatial transformation within Knysna Municipality.

1.3.2 Infrastructure Capacity and Environmental Constraints

The Municipality is increasingly confronted with infrastructure-related constraints that pose material risks to the long-term sustainability of human settlements development within the municipal area. Existing bulk engineering infrastructure networks in certain localities are approaching, or have in certain instances exceeded, their original design capacities. Concurrently, ageing infrastructure systems require substantial rehabilitation, upgrading and maintenance interventions to ensure continued operational integrity and compliance with applicable service delivery standards.

Notwithstanding the foregoing, continued population growth, accelerated urbanisation, informal settlement proliferation and escalating demand for affordable housing opportunities place additional and compounding pressure upon existing municipal services and infrastructure networks. In the absence of integrated infrastructure planning frameworks and coordinated capital investment programmes, these cumulative pressures present a material risk of compromising service delivery standards, exacerbating infrastructure backlogs and adversely affecting the long-term viability and sustainability of future development initiatives within the municipal area.

Furthermore, the Municipality is characterised by a highly sensitive and ecologically significant environmental setting, encompassing critical biodiversity areas, statutorily protected environmental assets, watercourses, wetlands, coastal ecosystems and environmentally constrained land parcels. These environmental attributes materially limit the availability of land suitable for human settlements development and necessitate a balanced and legally compliant approach to settlements planning — one that promotes responsible development whilst safeguarding ecological integrity, biodiversity conservation and long-term environmental sustainability.

It is accordingly imperative that future human settlements planning be informed by comprehensive assessments of bulk infrastructure capacity, environmental constraints and carrying capacity, climate resilience considerations, fiscal sustainability parameters and long-term demographic growth projections. This is required to ensure that all development interventions within the municipal area are undertaken in an efficient, responsible and environmentally sustainable manner, in accordance with applicable spatial planning, environmental and human settlements legislation.

1.3.3 Topographical challenges and land development Constraints

The physical characteristics of the Knysna Municipal Area present substantial and multifaceted challenges to the planning, design and implementation of sustainable human settlements development. Significant portions of the municipal area are characterised by steep topography, complex geotechnical conditions, elevated groundwater levels, environmentally sensitive and statutorily protected areas, and other physical constraints that materially increase development costs and critically limit the availability of land suitable for settlement expansion and formalisation.

These conditions carry significant implications for bulk and link engineering service provision, transportation connectivity, settlement design, construction feasibility and the long-term maintenance of municipal infrastructure. In numerous instances, the costs associated with developing physically constrained land parcels exceed conventional development viability thresholds, thereby adversely impacting project feasibility, affordability and the Municipality's

capacity to deliver sustainable human settlements outcomes within fiscally constrained parameters.

Furthermore, a number of existing informal settlement upgrading initiatives were conceptualised and implemented within historical planning frameworks that prioritised the retention of existing settlement patterns and occupancy arrangements, rather than the optimisation of urban form, infrastructure efficiency, spatial accessibility and long-term developmental sustainability. As a consequence, numerous settlement areas continue to exhibit inefficient spatial layouts, limited development flexibility, inadequate vehicular and pedestrian access arrangements, and unresolved infrastructure challenges that significantly complicate future upgrading, densification and redevelopment interventions.

It is accordingly imperative that the Municipality adopt innovative, integrated and evidence-based approaches to planning, engineering design, land management and development facilitation. Such approaches must effectively balance the constitutional imperatives of housing delivery with the requirements of environmental protection, bulk infrastructure sustainability, disaster risk reduction and long-term spatial transformation — in accordance with applicable national and provincial spatial planning, environmental and human settlements legislation.

1.3.4 Strategic Imperative

The cumulative effect of the foregoing challenges, constraints and developmental imperatives unequivocally underscores the necessity for the formulation and adoption of a comprehensive Human Settlements Sector Plan for the Knysna Municipal Area. Such a Plan must provide a clear and legally informed strategic vision, a coordinated and resource-aligned implementation framework, and a long-term development roadmap capable of guiding the Municipality's human settlements response over the applicable planning horizon.

The Plan is further required to fulfil the following strategic functions, namely to:

- Guide and inform future capital investment decisions and infrastructure programming within the human settlements sector;
- Support integrated spatial planning, bulk infrastructure development and land use management in alignment with applicable legislative and policy frameworks;
- Facilitate meaningful spatial transformation, socio-economic integration and the progressive realisation of the right of access to adequate housing as enshrined in the Constitution of the Republic of South Africa, 1996;
- Provide a structured and evidence-based framework for the coordination of intergovernmental relations, sector alignment and stakeholder engagement in respect of human settlements delivery; and
- Ensure that all human settlements development interventions contribute substantively towards the creation of sustainable, inclusive, resilient and economically viable communities within the Knysna Municipal Area.

The formulation of this Plan therefore constitutes a strategic and legislative imperative, essential to the Municipality's ability to fulfil its developmental mandate and advance its long-term spatial restructuring and human settlements objectives in accordance with applicable national and provincial policy and legislative frameworks.

1.3.5 Absence of Updated Infrastructure Master Plans

A further constraint affecting the effective planning and implementation of sustainable human settlements within the Knysna Municipal Area is the absence of updated and fully aligned infrastructure master plans for key engineering services. While the demand for residential development and settlement expansion continues to increase, particularly beyond the existing urban footprint, infrastructure planning has not always kept pace with changing growth patterns, demographic trends, development pressures, and future land use requirements.

As a consequence, development proposals are frequently driven by market demand, land availability, and immediate development opportunities rather than by a strategically coordinated framework that aligns future growth with planned infrastructure investment and service capacity. This situation is contrary to the principles of sustainable development and integrated planning, whereby infrastructure provision should guide and enable development rather than respond retrospectively to development pressures.

The lack of current and integrated infrastructure master plans creates uncertainty regarding the long-term capacity and performance of bulk engineering services, including water supply, sanitation, electricity, stormwater management, transportation networks, and associated municipal infrastructure. Furthermore, it limits the Municipality's ability to effectively assess development applications, prioritise capital investment, sequence development interventions, and identify areas capable of accommodating future growth in a sustainable and cost-effective manner.

The Knysna Municipal Spatial Development Framework (MSDF) has identified this planning deficiency and has accordingly delineated a number of strategic growth areas and future development corridors intended to accommodate long-term urban expansion and human settlements development. These identified areas provide the spatial basis upon which the current review and updating of municipal infrastructure sector plans and engineering master plans are being undertaken.

The preparation of this Human Settlements Sector Plan reinforces and supports the spatial development proposals contained within the MSDF by identifying and prioritising strategic areas for future human settlements development. However, the successful implementation of many of these development initiatives will be dependent upon the phased upgrading and expansion of bulk infrastructure systems and the availability of sufficient financial resources to support associated capital investment programmes.

Given prevailing fiscal constraints and competing infrastructure demands, it is anticipated that a significant proportion of the identified human settlements interventions will be implemented over the medium- to long-term planning horizon. Consequently, the alignment of future human settlements development with updated infrastructure master plans, capital investment frameworks, and infrastructure funding strategies will be critical to ensuring the orderly, sustainable, and financially viable growth of the Municipality.

The preparation and regular review and updating of infrastructure master plans accordingly remains a strategic priority for the Municipality. These instruments constitute the primary technical foundation for growth management, infrastructure investment planning, development sequencing and the long-term sustainability of human settlements development within the Knysna Municipal Area.

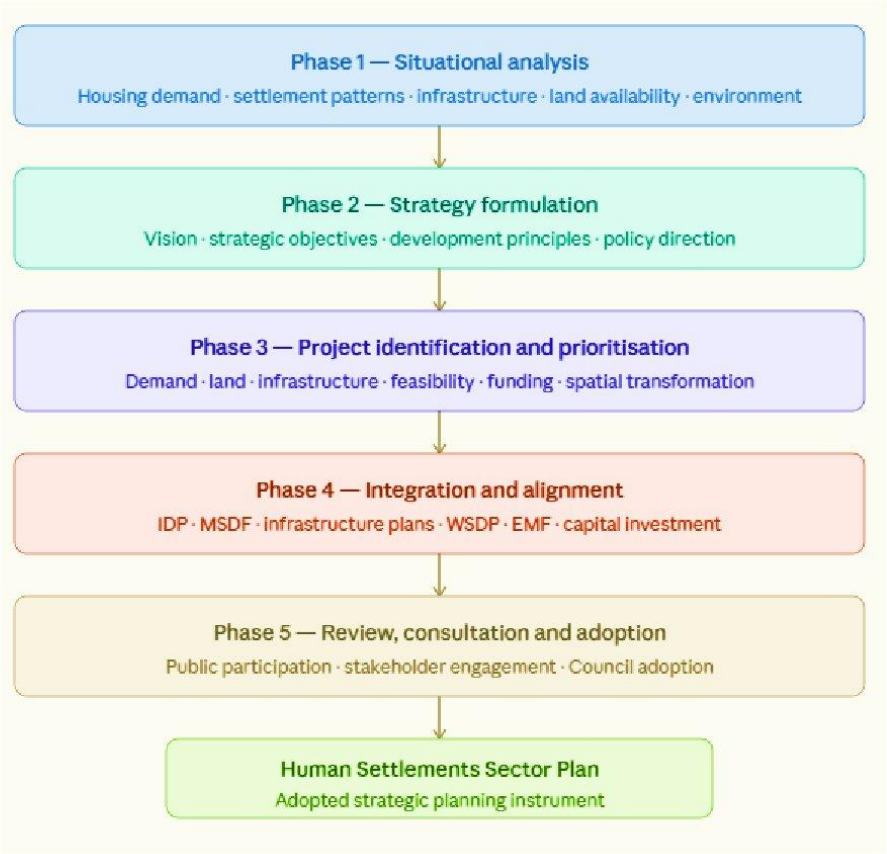
In this regard, the Municipality is currently in the process of developing the requisite infrastructure master plans in alignment with the approved Spatial Development Framework (SDF) and the 2026/27 Integrated Development Plan (IDP). Furthermore, a Capital Investment Framework is scheduled to be finalised within the 2026/27 financial year, and will serve as a critical instrument for the prioritisation, programming and coordination of capital expenditure in support of the Municipality's long-term infrastructure and human settlements development objectives.

CHAPTER 2: METHODOLOGY

2.1 OVERVIEW

The Human Settlements Sector Plan forms an integral component of the Municipality's Integrated Development Planning (IDP) process and has been prepared in accordance with applicable national and provincial legislative requirements, policy directives, and municipal planning frameworks. The outcomes of the Sector Plan will be incorporated into the broader Integrated Development Plan and will inform future infrastructure investment, spatial planning, land development, and human settlements implementation programmes within the Knysna Municipal Area.

The preparation of the Sector Plan followed a structured and participatory planning process comprising five interrelated phases, namely analysis, strategy formulation, project identification, integration, and adoption.



Phase 1: Situational Analysis
The first phase focused on the collection, review, and analysis of relevant information relating to housing demand, settlement patterns, demographic trends, infrastructure capacity, land

availability, environmental constraints, and socio-economic conditions within the municipal area.

Given the extensive availability of municipal planning information, the primary methodology utilised during this phase comprised desktop research supported by targeted engagements with municipal departments, sector stakeholders, and relevant government institutions. Key source documents included the Integrated Development Plan (IDP), Municipal Spatial Development Framework (MSDF), Infrastructure Master Plans, Water Services Development Plan (WSDP), Environmental Management Framework (EMF), Human Settlements project information, and other relevant sector plans and policies.

Particular emphasis is placed on the analysis of:
- The Municipal Housing Demand Database;
- Existing housing backlogs;
- Informal settlement conditions;
- Demographic and household growth trends;
- Existing and future infrastructure capacity;
- Land ownership and development opportunities;
- Environmental and topographical constraints; and
- Socio-economic characteristics of households across all income categories.

The findings of this phase informed the development of the problem statement and established the baseline against which future human settlements interventions were formulated.

Phase 2: Strategy Formulation
The second phase focused on the development of a long-term Human Settlements Vision, strategic objectives, development principles, and policy direction for the Municipality.

The strategic framework was informed by the findings of the situational analysis, national and provincial policy directives, municipal development priorities, and stakeholder engagement processes. Particular consideration was given to ensuring alignment with the Municipality's institutional vision, Integrated Development Plan, Spatial Development Framework, and applicable legislative requirements.

Stakeholder consultation was undertaken to ensure that the strategic direction of the Plan reflects local development priorities and community aspirations.

Phase 3: Project Identification and Prioritisation
This phase focused on the identification, assessment, and prioritisation of potential Human Settlements projects and development opportunities.

Projects are evaluated based on a range of criteria including:
- Housing demand;
- Land availability;
- Infrastructure capacity;
- Environmental suitability;
- Spatial transformation objectives;
- Development feasibility;
- Funding opportunities; and
- Alignment with municipal and provincial priorities.

The outcome of this phase was the establishment of a pipeline of strategic Human Settlements projects capable of supporting the Municipality's long-term development vision.

Phase 4: Integration and Alignment

The fourth phase involved the integration of the Human Settlements Sector Plan with other municipal planning instruments and sector plans.

This process sought to ensure alignment between Human Settlements objectives and:

- The Integrated Development Plan (IDP);
- Municipal Spatial Development Framework (MSDF);
- Infrastructure Master Plans;
- Water Services Development Plan (WSDP);
- Environmental Management Framework (EMF);
- Capital Investment Programmes; and
- Other relevant municipal strategies and policies.

The integration phase further identified and addressed potential planning conflicts, infrastructure constraints, and implementation challenges to ensure a coordinated and sustainable development approach.

Phase 5: Review, Consultation and Adoption

The final phase comprised stakeholder consultation, refinement of the draft Sector Plan, and formal consideration by municipal governance structures.

The draft Human Settlements Sector Plan was subjected to the Municipality's Integrated Development Plan (IDP) public participation and consultation process to ensure stakeholder engagement, transparency, and compliance with applicable legislative requirements. The draft Plan was presented to relevant stakeholders, Ward Committees, municipal management, Council structures, government departments, and interested and affected parties for review and comment.

Comments and inputs received during the consultation process were considered and, where appropriate, incorporated into the final Plan. Following the completion of the public participation process and the refinement of the document, the Human Settlements Sector Plan was submitted to Council for consideration and adoption as a strategic sector planning instrument supporting the Municipality's Integrated Development Planning framework and long-term development objectives.

2.2 EXPECTED OUTCOMES

In alignment with the Municipal Spatial Development Framework (MSDF) and all other applicable legislation and policy frameworks governing the planning and development of human settlements, this Plan is directed towards achieving the following objectives:

Restructure the Town through implementation of Human Settlements Programs: Implementation of all the programs to ensure integration of communities within Knysna. To this end, Social Housing and Gap Housing are to be implemented. These programs ensure that poor people to live within or close to the Town Centre, and close to places of employment. This will mean the acquisition of well-located private and state land on which for implementation of Integrated Human Settlements projects.

Land Assembly: Mobilise Public Land (State and Municipal) and private land in strategic locations for the delivery of integrated housing projects. Search for suitable land parcels in areas of Sedgefield, Rheenendal and Knysna to address the backlog.

Community Buy In: Knysna has over the years experienced community anxiety during project implementation phases. It is therefore imperative to canvas broad community support through ensuring understanding of policy imperatives.

Build Partnerships: Build partnerships with the Public and Private Sector to secure land on preferential basis, for example, the Department of Public Works should be approached to ensure that suitable State land is set aside, allocated and used for integrated residential development programmes through Land Availability Agreements (LAA) for land to be developed under municipal auspices.

Integration of Sector Plans: Most of the Sector Plans have been developed without a Human settlements sector plan although the backlog grows by the day.

Private Sector Participation: Create space for a range of housing delivery partners (Private sector) to participate human settlements developments to maximise synergies and to mobilise a range of resources and support from all sectors of the society towards housing delivery. Key projects include Heidevallei and Fisherhaven where this principle can be achieved.

Bulk Services provision: Identification of future land parcels for Human settlements growth will ensure that the Municipality is proactive in the provision of bulk services.

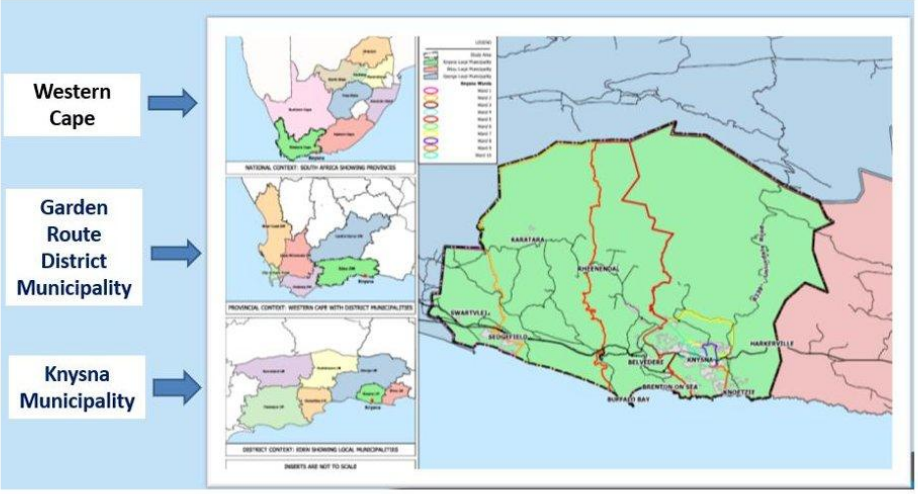
Ensuring Densification: Every area is unique, however the most critical consideration in Knysna is insufficiency in respect of land. As such, it is required that the products differ based on the profile of the project. This process should consider current Municipal Spatial Development Framework proposals and then translate these into detailed proposals and development packages to guide housing development as deemed appropriate for the respective areas.

Promote in-Situ Upgrading: Existing Informal settlements should be upgraded in-situ at higher densities to accommodate all dwellers and avoid permanent Temporary relocation areas. Further on, the Plan will guide in the implementation and prioritisation of in-situ upgrading projects and ensure the mobilisation of state resources. Just like in the vision project, this plan will ensure a focus towards upgrading before Greenfields to ensure compliance with Spatial Planning principles of compaction and avoiding urban sprawl.

CHAPTER 3: SITUATIONAL ANALYSIS

3.1 SPATIAL CONTEXT AND REGIONAL SETTING

Knysna Municipality is located within the **Garden Route District Municipality** in the southern coastal corridor of the Western Cape Province and constitutes one of seven local municipalities within the district functional area. The municipal jurisdiction extends over an area of approximately **1,109 km²** and occupies a strategically significant position within the broader Garden Route spatial and economic development corridor.



Locality Plan

The municipal area is defined by a pronounced east–west coastal configuration, extending from the **Indian Ocean coastline in the south** to the **Outeniqua Mountain range in the north**. This unique physiographic setting incorporates a complex mosaic of environmentally sensitive and ecologically significant systems, including coastal dune fields, indigenous Afromontane forest complexes, agricultural production landscapes, riverine corridors, estuarine systems, and steep mountainous terrain. These spatial characteristics collectively confer high environmental value while simultaneously imposing substantive development constraints and infrastructure delivery complexities.

Knysna Municipality shares administrative boundaries with **George Municipality** to the west and north-west, and **Bitou Municipality** to the east, with the Indian Ocean forming its southern boundary interface. Within the provincial spatial hierarchy, this locational configuration positions Knysna as a **secondary multifunctional node**, performing a composite role encompassing tourism, residential settlement, environmental management, and regional economic integration functions.

From a regional accessibility and mobility perspective, the municipal area is traversed by the **N2 National Corridor**, which constitutes the principal east–west arterial linkage along the southern coastal belt. This strategic transportation spine facilitates inter-urban connectivity between Cape Town, George, and Gqeberha, while simultaneously supporting freight logistics, tourism circulation, and inter-municipal economic integration. Within the regional spatial structure, the N2 functions as a **primary structuring element of spatial development and economic flow dynamics**.

In addition, the **R339 Provincial Route** provides a critical secondary north–south connector within the municipal area. This corridor intersects with the N2 at the Nekkies Interchange and extends northwards through the rural hinterland towards Uniondale, where it integrates with the N9 national transport corridor. The R339 performs an important spatial integration function by linking coastal urban settlements with inland agricultural production areas and supporting broader regional economic, mobility, and tourism linkages.

The Municipality's strategic positioning within the Garden Route development and tourism corridor, combined with its high-value environmental assets, coastal interface, transport connectivity, and landscape endowment, has contributed to sustained demographic growth, accelerated urbanisation processes, and intensifying spatial development pressures. These dynamics have resulted in increased demand for residential land, housing delivery, and bulk infrastructure provisioning, particularly within and around established urban nodes.

3.1.1 Settlement Structure and Spatial Development Dynamics

Accordingly, the prevailing spatial and developmental pressures within the municipal area have significant implications for long-term spatial planning, infrastructure investment prioritisation, land use management, and human settlements development strategy formulation. In this context, a coordinated, evidence-based, and infrastructure-aligned planning approach is imperative to ensure spatial sustainability, environmental resilience, and the efficient management of urban growth within the municipal jurisdiction.

The Municipality is administratively demarcated into **ten (10) municipal wards**, comprising a diversified settlement system characterised by urban, peri-urban, rural, and coastal typologies. The primary urban core is the **Knysna urban area**, which functions as the principal administrative, commercial, service, and economic node within the municipal hierarchy. This urban centre accommodates the majority of institutional functions, economic activities, and higher-order service provision within the municipal area.

In addition to the main urban centre, several secondary and tertiary settlements contribute to the Municipality's multi-nodal spatial structure. These include **Sedgefield, Brenton-on-Sea, Belvedere, Rheenendal, Karatara, Noetzie, and Buffalo Bay**, each of which performs distinct functional roles within the broader settlement system. Collectively, these settlements underpin a differentiated spatial economy and contribute to the Municipality's complex settlement morphology.

These settlements are interconnected through a hierarchical transport network comprising national, provincial, and municipal road infrastructure. The **N2 National Route** constitutes the primary mobility and logistics spine, facilitating regional integration and linking the Municipality to major urban centres along the southern coastal corridor. This transport corridor plays a critical role in enabling economic activity, tourism flows, labour mobility, and service accessibility across the municipal area.

Within this spatial framework, **Rheenendal** is located approximately 22 kilometres north-west of the Knysna urban centre via the Rheenendal Road and approximately 31 kilometres north-east of Sedgefield. **Karatara**, situated further inland, is the nearest significant settlement to Rheenendal, located approximately 17 kilometres to the east. The spatial dispersion of settlements across the municipal landscape introduces inherent challenges in relation to infrastructure efficiency, service delivery optimisation, and the equitable provision of municipal services, while simultaneously presenting opportunities for decentralised development and rural economic integration.

Although certain municipal services are decentralised through satellite and branch service points in selected settlements, the majority of administrative, governance, and operational functions remain concentrated within the Knysna urban core. As a result, Knysna functions as the dominant municipal service centre and primary administrative node, accommodating key

public institutions, commercial activities, and community facilities serving the wider municipal area.

The spatial configuration of dispersed settlements, combined with the Municipality's extensive geographic footprint, complex topography, and environmentally sensitive landscapes, has direct and material implications for future land use planning, infrastructure investment prioritisation, service delivery efficiency, and the formulation and implementation of sustainable human settlements strategies.

3.2 Demographic Information

Below is a summary of Knysna Demographic information

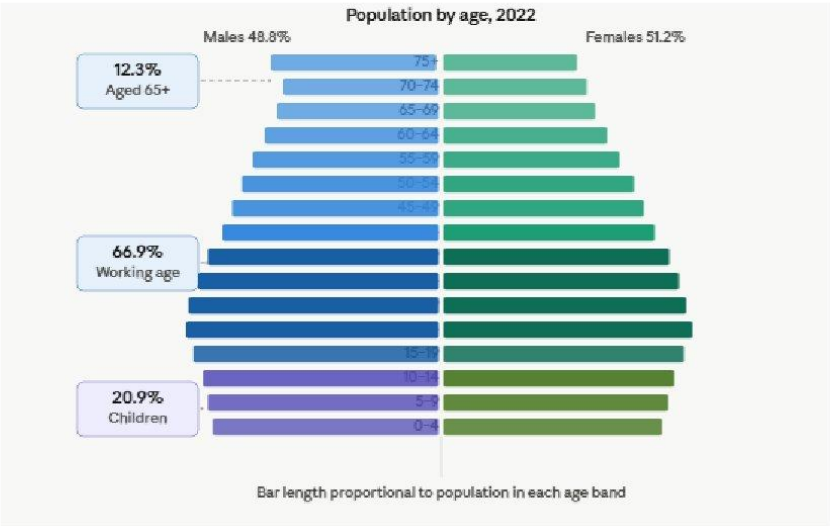
3.2.1 Population

Knysna had 96,055 residents in 2022, projected to grow to 101,603 by 2027 at an average annual growth rate of 1.1% — broadly in line with the Western Cape and Garden Route District.



3.2.2 Gender & Age

The population is slightly majority female (51.2% vs 48.8% male). The age structure shows a working-age-dominant population: 66.9% are aged 15–64, while 20.9% are children (0–14) and 12.3% are aged 65+. The fertility index sits at around 398–397 and the dependency ratio is 52, with an ageing index of roughly 40.



3.2.3 Racial composition

Black African residents form the largest group at 43.3%, followed by Coloured (34.8%), White (21.8%), and Indian or Asian (0.4%).



3.2.4 Urbanisation Profile

Knysna Municipality exhibits a markedly high level of urbanisation, estimated at **94.2% (2021)**, positioning it among the most urbanised municipal areas within the Garden Route District. This reflects a strongly urban-centric settlement pattern, with limited rural population distribution relative to the overall municipal demographic structure.

Population density demonstrates a steady upward trajectory, increasing from **69.5 persons/km² in 2023** to a projected **71.0 persons/km² by 2025**, indicating sustained spatial intensification and continued pressure on existing urban infrastructure systems.

The dominant urban settlements within the municipal area are **Knysna (approximately 73% of the urban population share)** and **Sedgefield (approximately 13.5%)**, collectively forming the principal nodes of demographic concentration, economic activity, and service demand.

3.2.5 Household and Spatial Growth Dynamics

The Municipality records an average household size of approximately **3.0 persons per household**, reflecting relatively moderate household occupancy levels consistent with semi-urban settlement patterns.

Comparative demographic analysis indicates modest overall population growth within Knysna Municipality between 2022 and 2023; however, spatial distribution trends reveal differentiated growth dynamics across settlement nodes. Notably, **Sedgefield recorded a significant urban expansion of approximately 6.2%**, juxtaposed against a corresponding **rural population decline of approximately 6.8%**, indicating internal spatial redistribution and urban consolidation pressures.

Within the broader District context, **George Municipality remains the largest local municipality by population**, with an estimated population of **85,931**, underscoring its role as the primary regional growth and economic hub within the Garden Route District.

3.2.6 Relevance to Social Housing Demand

The demographic structure of Knysna Municipality, characterised by a substantial working-age cohort, high levels of urbanisation, increasing population density, and a predominantly Black African and Coloured demographic profile, collectively indicates significant and sustained demand for **affordable rental accommodation and social housing interventions**.

These conditions strongly substantiate the strategic imperative for the expansion of the **Social Housing Programme**, particularly within well-located urban nodes where proximity to employment opportunities, transport corridors, and public services can be optimised. The existing demographic and spatial trends therefore provide a compelling policy and planning justification for intensified social housing delivery as a mechanism for addressing affordability constraints and advancing spatial integration objectives.

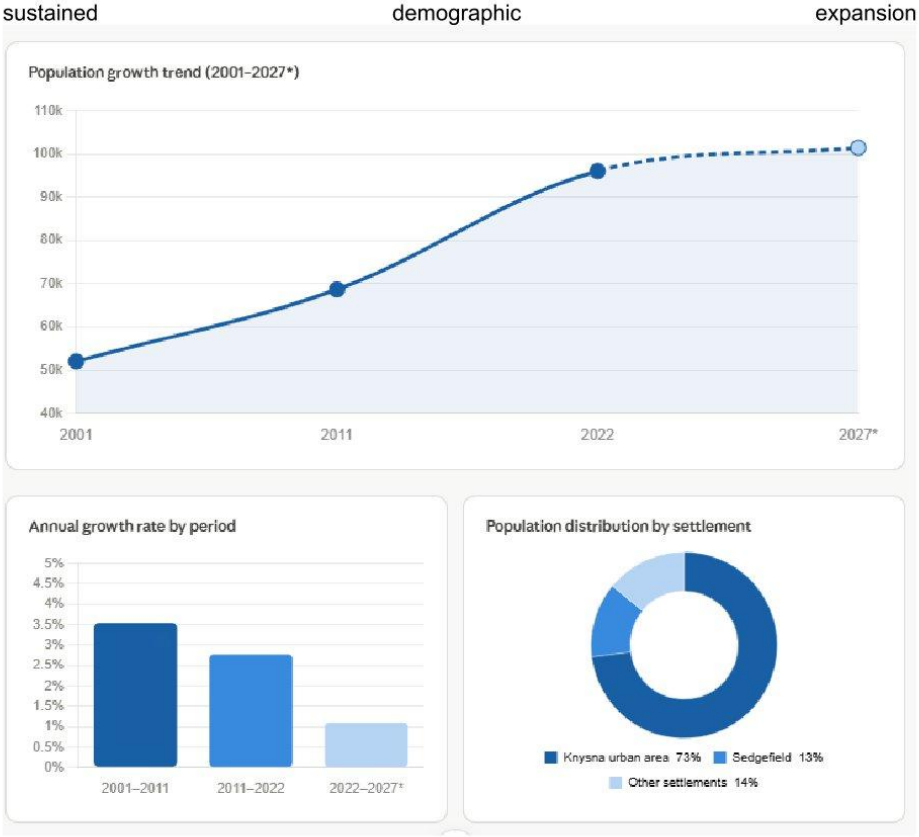
3.2.7 Population Growth Trends

According to the **2022 National Population Census**, Knysna Municipality recorded a total population of approximately **96,055 residents**, positioning it as the **fourth-largest local municipality within the Garden Route District**.

Historical population data indicates sustained and significant long-term growth, increasing from **52,035 in 2001** to **68,659 in 2011**, and further to **96,055 in 2022**. This represents an overall population increase of approximately **84.6% over a two-decade period**, reflecting persistent demographic expansion driven by natural growth, in-migration, and ongoing urbanisation processes.

This sustained growth trajectory underscores the increasing pressure on land, infrastructure systems, housing delivery mechanisms, and municipal service capacity, thereby reinforcing the need for proactive spatial planning and integrated human settlements interventions.

sustained demographic expansion



Population Growth Dynamics and Spatial Distribution Patterns

Between 2001 and 2011, the municipal population increased by approximately **16,624 persons**, followed by a further increase of approximately **27,396 persons** between 2011 and 2022. The accelerated growth observed during the latter period is primarily attributable

to **inward migration dynamics**, influenced by the Municipality's high-quality natural environment, coastal and forest-based lifestyle amenities, expanding tourism economy, and sustained residential development activity.

Notwithstanding continuous population expansion, the Municipality has experienced a **gradual deceleration in average annual growth rates** over time. Population growth was estimated at approximately **3.54% per annum (2001–2011)**, declining to approximately **2.77% per annum (2011–2022)**. Current demographic projections indicate a further moderation in growth momentum, with an estimated average annual growth rate of approximately **1.1% for the period 2022–2027**, reflecting a stabilising demographic trajectory.

The Municipality currently comprises approximately **32,398 households**, indicative of sustained household formation and escalating demand for residential accommodation. This trend places increasing pressure on land availability, bulk infrastructure capacity, municipal service delivery systems, and human settlements development programmes.

Spatially, the population is highly concentrated within the **Knysna urban area**, which accommodates approximately **73% of the total municipal population**, thereby reinforcing its role as the primary administrative, economic, commercial, and service delivery node within the municipal system. The second-largest settlement, **Sedgefield**, accounts for approximately **13% of the population** and functions as a secondary coastal growth node with moderate expansion dynamics.

The remaining approximately **14% of the population** is distributed across smaller settlements and rural areas, including **Rheenendal, Karatara, Buffalo Bay, Brenton-on-Sea, Noetzie**, and dispersed agricultural and rural holdings. These areas exhibit more fragmented and spatially dispersed settlement patterns, characterised by lower-density development and limited service concentration.

The prevailing spatial distribution pattern reflects a **strong urban concentration within Knysna**, supplemented by secondary coastal growth in Sedgefield and limited, dispersed expansion within rural settlements. This configuration reinforces Knysna's dominant functional role as the municipal core, while simultaneously generating increasing demand for integrated infrastructure provision, housing delivery, transportation connectivity, and social service accessibility across both primary and peripheral settlement areas.

Collectively, these demographic and spatial trends carry significant implications for future **human settlements planning, infrastructure investment prioritisation, land use management, and spatial restructuring interventions**, necessitating a coordinated and forward-looking development response aligned with projected growth patterns and sustainability objectives.

3.3 KNYSNA ECONOMY AND EMPLOYMENT CREATION

The Knysna municipal economy is estimated at approximately **R4.9 billion in 2024**, with projected real Gross Domestic Regional Product (GDRP) growth of approximately **0.1% per annum over the 2024–2026 period**, as reported in the *2024/25 Municipal Economic Review and Outlook (MERO)*.

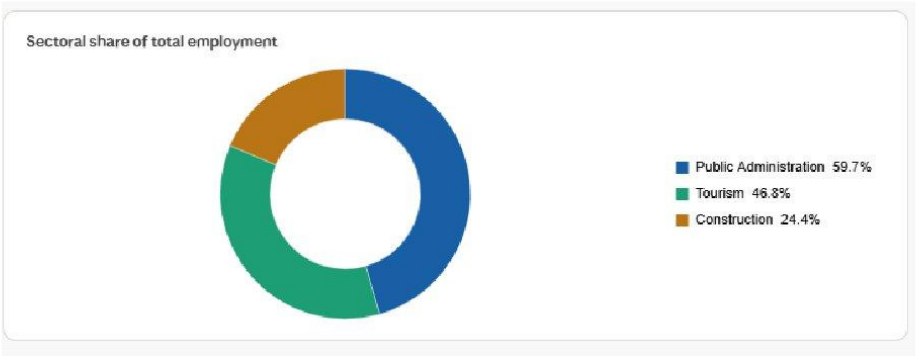
Total formal and informal employment is estimated to have increased by **approximately 323 jobs year-on-year**, resulting in an aggregate employment base of approximately **25,684 positions** within the municipal jurisdiction (MERO, Garden Route District).

Sectoral Employment Structure



Employment within the local economy is highly concentrated, with limited sectoral diversification:

- **Public Administration and Government: 15,326 jobs**
  This sector constitutes the dominant employment node, reflecting the structural significance of state-led demand and public service delivery functions within the local economy.
- **Tourism (formal and informal): 12,015 jobs**
  Tourism represents a key demand-driven sector, incorporating both direct tourism services and indirect value-chain linkages (hospitality, transport, retail trade). It remains the principal sector with identifiable medium-term growth elasticity.
- **Construction: 6,275 jobs**
  Employment in this sector is predominantly cyclical and demand-responsive, largely driven by residential development activity (public housing and private property development). The absence of a significant industrial land base constrains sectoral expansion beyond housing-led construction demand.



The Knysna local economy exhibits characteristics of a **narrowly structured service-oriented regional economy**, with limited industrial diversification and high dependence on public sector expenditure and tourism-related consumption flows.

Growth dynamics remain **structurally constrained**, with marginal projected GDRP expansion (0.1% per annum), indicating low productivity growth and limited capital deepening across most sectors.

Tourism constitutes the primary **growth driver**, given its relatively higher income elasticity and integration into both formal and informal economic circuits. In contrast, construction demonstrates **moderate but non-expansive growth potential**, constrained by land-use limitations and the absence of industrial expansion capacity.

Overall, the municipal economy reflects a **low-growth equilibrium with concentrated employment absorption in public administration and tourism, and limited structural transformation prospects in the medium term**.

The economic structure of Knysna Municipality is predominantly service-oriented, with the tertiary sector constituting the primary driver of Gross Domestic Regional Product (GDRP).

Within this sector, finance, insurance, real estate, and business services represent the largest contribution at 35.1 per cent of total GDRP. This is followed by wholesale and retail trade at 15.9 per cent, and community, social, and personal services at 13.1 per cent.

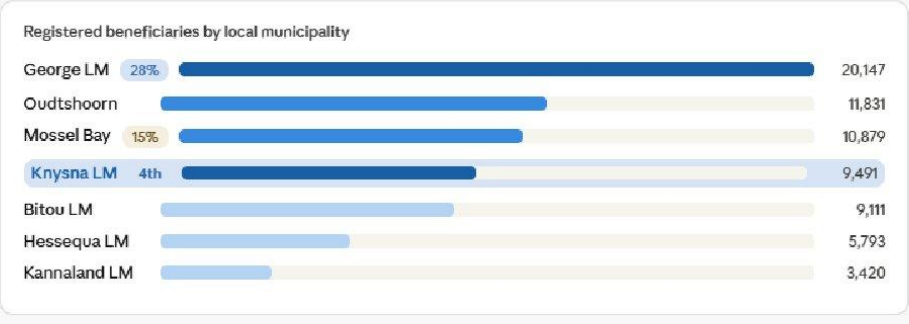
The secondary sector contributes a moderate share to economic output. Manufacturing accounts for 10.0 per cent of GDRP, while construction contributes 5.5 per cent, reflecting a limited but functionally significant industrial and built-environment activity base within the municipal jurisdiction.

The primary sector remains comparatively small, with agriculture constituting the principal activity and contributing 4.0 per cent to GDRP. This sectoral distribution underscores a structurally service-driven municipal economy, characterised by a strong tertiary base, a constrained secondary sector, and minimal primary sector contribution. The composition is broadly consistent with prevailing economic trends within the Garden Route District, as reported in the 2024–25 Municipal Economic Review and Outlook (MERO).

3.3 HUMAN SETTLEMENTS OVERVIEW

3.3.1 District Human Settlements Overview

District Municipality (GRDM) is 70,672 beneficiaries, as recorded in the Western Cape Housing Demand Database (WCHDD), September 2024.

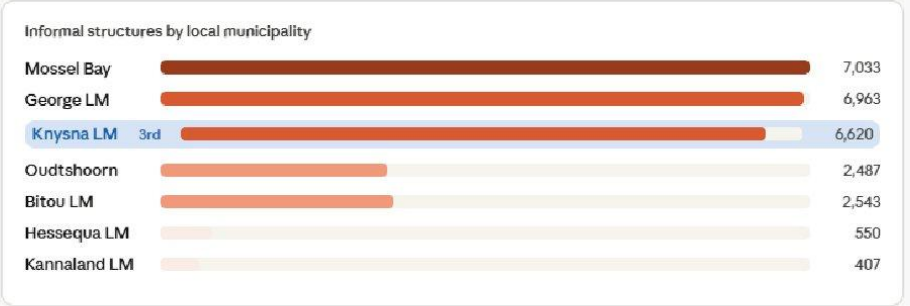


Housing demand within the Garden Route functional region demonstrates a pronounced spatial concentration within the primary urban growth centres of the district. **George Local Municipality** records the highest proportion of demand, accounting for approximately **28% of the district total**, followed by **Mossel Bay Local Municipality**, which accounts for approximately **15%**. Collectively, these two municipalities represent approximately **43% of all registered housing beneficiaries**, thereby constituting the dominant spatial concentration of housing demand within the regional settlement system.

This distribution pattern is indicative of the continued consolidation of **George and Mossel Bay as principal economic and service nodes** within the regional urban hierarchy. Their elevated demand profiles are largely attributable to sustained in-migration, comparatively stronger labour market absorption capacity, and intensified urbanisation pressures, all of which collectively drive increased demand for serviced residential land and housing opportunities.

Within this broader regional context, **Knysna Local Municipality is ranked fourth** in terms of total registered beneficiaries on the provincial housing demand database. While it does not constitute a primary concentration node at the district scale, Knysna nonetheless represents a **significant secondary demand centre** within the regional settlement structure.

This positioning reflects a moderate yet persistent level of housing demand, shaped by a combination of local economic dynamics, spatial development constraints associated with environmentally sensitive landscapes and steep topography, as well as the limited availability of suitably located developable land within the urban edge. These factors collectively influence the Municipality's capacity to respond to housing demand and contribute to a more constrained but sustained demand profile relative to the primary growth nodes in the region.



Overall, the spatial distribution of housing demand within the **Garden Route District Municipality (GRDM)** exhibits a clearly articulated hierarchical settlement structure, characterised by a pronounced concentration of demand within the **George–Mossel Bay urban corridor**, which functions as the primary regional growth axis.

Within this framework, **George and Mossel Bay** operate as dominant urban nodes, collectively accommodating the highest proportion of housing demand due to their strengthened economic base, superior accessibility, and sustained in-migration pressures associated with employment opportunities and urban expansion dynamics.

In contrast, secondary nodes such as **Knysna** absorb comparatively lower yet structurally significant levels of housing demand within the regional system. This reflects Knysna's position as a secondary growth centre, where demand is moderated by spatial constraints, environmental sensitivities, and limited availability of developable land, despite ongoing urbanisation and settlement pressure.

Accordingly, the GRDM settlement system reflects a **polycentric yet unevenly weighted spatial demand structure**, in which housing pressure is predominantly concentrated within primary urban growth corridors, while secondary and peripheral municipalities accommodate differentiated and context-specific demand profiles within the broader

3.3.2 Knysna Human Settlements overview

From a spatial planning and human settlements development perspective, Knysna Municipality is characterised by a structurally constrained settlement system, reflected in a persistent and expanding housing backlog estimated at 9,491 low-income households, with an annual growth rate of approximately 3 per cent. This ongoing increase in demand exerts sustained pressure on the municipal spatial economy, particularly in relation to land availability, infrastructure provisioning, and the capacity to support integrated settlement development within the urban edge.

Historically, prior to the 2021 financial year, the Municipality achieved an average delivery rate of approximately 550 housing units per annum, supported by capital expenditure allocations of up to R80 million. However, this delivery trajectory has demonstrated a progressive downward trend in recent financial years, with current output levels averaging approximately 100 housing units per annum. This decline is primarily attributable to reduced and variable fiscal allocations from provincial and national human settlements programmes, as well as

increasing implementation constraints associated with land availability, infrastructure thresholds, and environmental regulatory requirements.



The prevailing human settlements delivery model remains predominantly incremental and infrastructure-led in nature, characterised by phased interim service provision within informal settlement environments, as well as subsidised housing delivery through the People's Housing Process (PHP) and the Breaking New Ground (BNG) programme (formerly RDP housing). These interventions are primarily financed through conditional grant allocations administered by the Western Cape Department of Human Settlements, encompassing both capital and operational expenditure components.

From a spatial perspective, Knysna Municipality is identified as a high-pressure node within the Garden Route District in respect of informal settlement proliferation and land invasion dynamics, ranking third within the district hierarchy. The spatial distribution of such settlements is strongly conditioned by limited land availability within the urban edge, complex topographical constraints, and environmentally sensitive areas, including steep slope systems, riparian corridors, forestry interfaces, and fire-prone ecological zones. Collectively, these factors significantly constrain the supply of suitably located, developable land capable of supporting formalised, serviced, and integrated human settlements expansion.

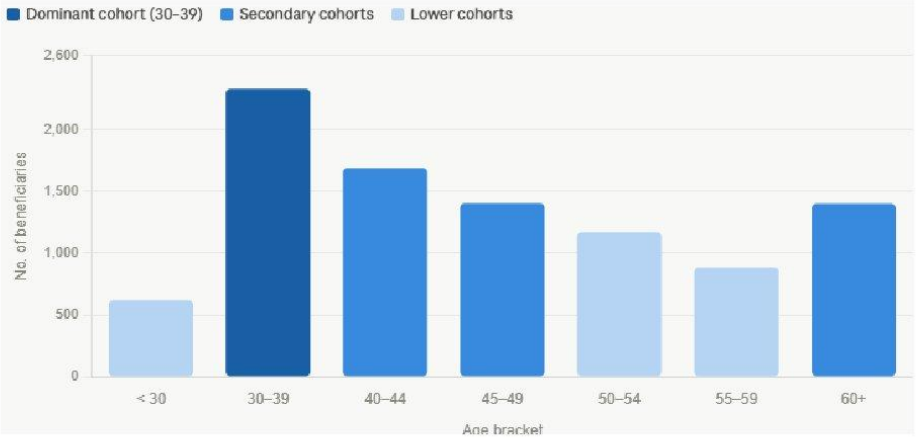
A further structural constraint relates to the Municipality's limited and sub-optimally utilised land asset portfolio. The current availability of municipally owned land and built assets remains insufficient relative to existing and projected demand, while the potential of these assets has not been fully harnessed to advance higher-order spatial restructuring objectives. This includes underexploited opportunities for urban infill development, targeted densification, and the establishment of spatial integration corridors capable of strengthening urban cohesion and reducing settlement fragmentation.

Notwithstanding the existence of enabling legislative and policy instruments—including the Spatial Planning and Land Use Management Act (SPLUMA), the National Development Plan (NDP), and applicable provincial human settlements frameworks—the Municipality has not yet fully optimised the strategic deployment of well-located public land for affordable housing and inclusive settlement development. This limitation continues to constrain the advancement of spatial transformation objectives, particularly those directed at restructuring historically fragmented spatial form, promoting inclusionary urban development patterns, and improving equitable access to socio-economic opportunities.

In alignment with the Municipality's Integrated Development Plan (IDP), Spatial Development Framework (SDF), and associated sectoral strategies, there remains a critical imperative to accelerate the identification, release, and catalytic development of strategically located land parcels. Such interventions are essential to support compact urban form, facilitate integrated human settlements, and strengthen long-term spatial sustainability and resilience.

With regard to beneficiary demographics, the age profile of registered applicants reflects a pronounced concentration within economically active cohorts, indicating that housing demand within Knysna Municipality is predominantly driven by working-age households. Secondary demand is observed within pre-retirement cohorts, with comparatively limited representation from dependent or elderly household categories. This distribution underscores a structurally persistent demand profile, largely driven by established households requiring long-term accommodation solutions rather than short-term or transitional housing needs.

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Beneficiaries under the age of 30 constitute 7 per cent of the total registered demand. This relatively low proportion suggests limited participation of younger cohorts in the formal housing demand register, which may be associated with factors such as transitional employment patterns, lower levels of independent household formation, and mobility associated with education and entry-level labour market participation.

The 30–39 years age cohort accounts for 25 per cent of beneficiaries, representing a significant share of the demand profile. This cohort typically corresponds to early-to-mid career households, often characterised by increasing household consolidation, rising dependency ratios, and entry into longer-term housing needs. The presence of this cohort reflects emerging structural demand linked to family formation and stabilisation within the local housing market.

The 40–49 years age cohort constitutes the largest proportion at 32 per cent, indicating that housing demand is most heavily concentrated among mature working-age individuals. This cohort is generally associated with peak household formation, increased financial obligations, and sustained exposure to affordability constraints, thereby contributing significantly to long-term housing demand pressure within the municipality.

Furthermore, beneficiaries aged 50–59 years comprise 21 per cent of the total. This cohort represents pre-retirement households that may experience declining income stability, reduced employment flexibility, and increasing vulnerability to housing insecurity, particularly where long-term affordability constraints persist. Their inclusion at a substantial proportion of the demand profile reflects the cumulative nature of housing need over the life course.

Beneficiaries aged 60 years and older account for 15 per cent of registered demand. This indicates a meaningful proportion of elderly households within the housing demand system, which may be associated with limited fixed incomes, reliance on social grants, and heightened demand for subsidised or supported housing options.

Overall, the combined 30–59 years age categories constitute 78 per cent of total registered demand, confirming a strong concentration within the core economically active population. This distribution underscores the structural nature of housing demand within Knysna Municipality, characterised by sustained affordability constraints across multiple life-cycle stages rather than isolated cohort-specific demand.

The dominance of the 40–49 years cohort, followed by the 50–59 years and 60+ cohorts respectively, further reinforces the conclusion that housing demand is not only concentrated among middle-aged households, but also extends into pre-retirement and retirement-age

groups. This pattern indicates cumulative and long-term housing pressure within the municipal jurisdiction, reflecting both income-related constraints and delayed access to adequate housing opportunities across successive demographic cohorts.

3.5 FORESTRY VILLAGES

A significant portion of forestry land adjacent to the Knysna Municipal built up area on the eastern side is anticipated to be transferred to the management of Knysna Municipality. Once formally transferred, these land parcels will substantially augment the Municipality's available land portfolio, presenting strategic opportunities for decanting, densification and the delivery of low-cost housing at scale, in alignment with the objectives of the District Development Model. Notwithstanding the development potential of these properties, notable challenges remain with respect to the funding and provision of bulk engineering infrastructure, as the affected land parcels have historically been serviced independently by various private entities, resulting in fragmented and non-standardised infrastructure systems.

The Northern Areas of Knysna are experiencing acute informal settlement pressures, characterised by escalating densification, land and property encroachments, inadequate building control enforcement and insufficient monitoring capacity. These conditions impose significant constraints on the Municipality's ability to optimise land utilisation and manage orderly settlement development within this functional area. Furthermore, the majority of human settlements projects currently under implementation within the Northern Areas were approved within historical planning frameworks, and available land has been substantially absorbed, resulting in excess beneficiaries who cannot be accommodated within existing project footprints. This situation has given rise to ongoing socio-political tensions and conflict between affected communities and the Municipality.

The South African Local Government Association (SALGA) and the Garden Route District Municipality have been actively engaged in facilitating the transfer of the relevant forestry land parcels to Knysna Municipality, through structured engagements with the Department of Forestry, Fisheries and the Environment and MTO Forestry. It is noted that none of the parties involved have objected to the principle of transfer. These engagements have further incorporated relevant national and provincial government departments, forestry business entities including PG Bison, and affected local community forestry stakeholders.

Certain of the identified land parcels are strategically located in close proximity to the N2 National Road corridor, situated within approximately two kilometres of the Nekkies Interchange. Upon formal transfer to the Municipality, these parcels present a significant opportunity to address the de-densification requirements of low-income households currently residing within the Northern Area townships, which are characterised by high levels of densification, recurring land invasions and sustained socio-political tensions arising from unmet settlement needs. The strategic spatial positioning of these parcels relative to existing urban infrastructure and transportation networks further enhances their suitability for integrated human settlements development at scale

3.6 SOCIAL AND AFFORDABLE HOUSING

Both social and rental housing and affordable housing constitute critical components of the Knysna Human Settlements agenda, and several formal resolutions have been adopted by Council in this regard. The implementation of these programmes differs fundamentally from conventional low-income housing delivery in that it necessitates private sector participation. In accordance with the Municipal Finance Management Act, 2003 (MFMA) and applicable Supply Chain Management regulations, accredited social housing institutions and developers operating within the South African housing environment are required to respond to formal procurement processes with proposals demonstrating readiness and commitment to partner

with Knysna Municipality in the development and long-term management of viable social housing projects, in a manner that is mutually beneficial to both parties.

3.6.1 Social Housing

Social housing constitutes a subsidised rental housing instrument of government, aimed at providing qualifying tenants with access to housing at affordable rental levels. The rental housing sector is regulated by the Social Housing Regulatory Authority (SHRA), which provides the majority of grant funding — up to 80 per cent — towards the capital cost of approved projects, encompassing land, services and residential units. The balance of capital costs, constituting a minimum of 20 per cent, is typically sourced through debt financing, ordinarily in the form of a mortgage bond from the National Housing Finance Corporation (NHFC).

The Social Housing Act provides the policy and programme framework for the attainment of social housing support programmes, which must be driven and coordinated by a fully capacitated internal Human Settlements Directorate. This institutional requirement is affirmed by the SHRA and other independent bodies representing the interests of registered social housing institutions.

Accredited Social Housing Institutions are predominantly registered as Public Benefit Organisations and accordingly operate on a non-profit basis. It is a legislative requirement that Social Housing Institutions be formally accredited by the SHRA, or that a developer has a concluded management agreement with an accredited Social Housing Institution. In accordance with the Social Housing Act, the programme is directed at providing good quality rental housing in well-located areas of the Municipality at rentals affordable to low-income households, thereby contributing to the economic, spatial and social integration objectives of the Municipality.

Knysna Municipality has committed to facilitating the long-term development of affordable rental housing and social housing through a range of policy, planning and programme interventions aimed at promoting spatial transformation, socio-economic integration and sustainable human settlements development. A key component of this strategy has been the identification and designation of Restructuring Zones in terms of the Social Housing Programme framework, thereby creating opportunities for the development of well-located affordable rental housing within areas of high economic activity and accessibility.

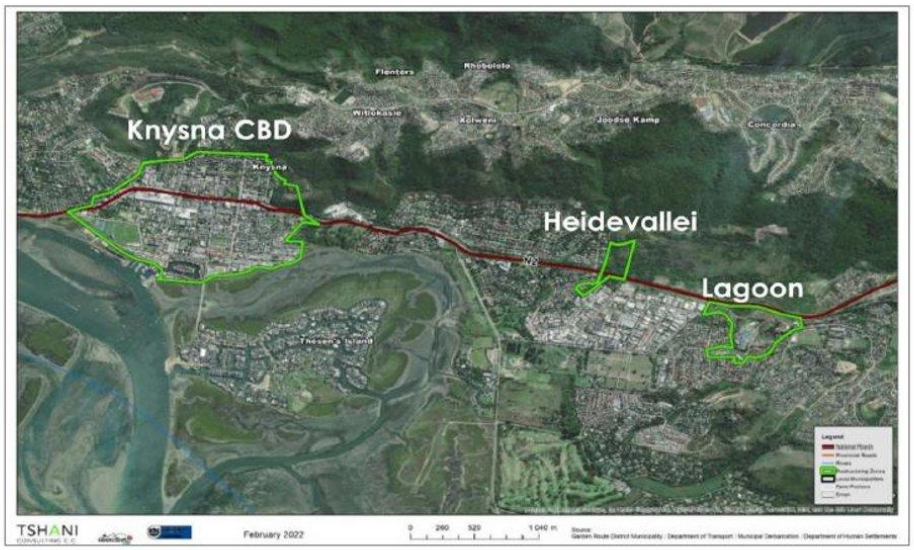
The Municipality currently contains three approved Restructuring Zones, namely the Knysna Central Business District (CBD), Heidevallei and Lagoon View. These areas have been strategically identified due to their proximity to employment opportunities, public transport networks, social facilities, economic activities and existing municipal infrastructure. The designation of these areas supports national and provincial objectives aimed at restructuring historically fragmented settlement patterns and improving access to socio-economic opportunities for lower- and moderate-income households.

The continued review, expansion and refinement of Restructuring Zones, together with the identification and release of suitable land parcels for affordable rental and social housing development, remain critical interventions for strengthening the Municipality's human settlements project pipeline and facilitating future housing delivery. The strategic identification of well-located land within and adjacent to economic nodes is essential to ensuring that future housing development contributes towards spatial justice, urban integration, and the efficient utilisation of existing infrastructure and public investment.

The restructuring process is intended to facilitate meaningful spatial, social and economic transformation by creating integrated residential environments that provide residents with improved access to employment opportunities, education facilities, healthcare services, public amenities and transportation networks. Through the development of affordable rental and

social housing within these designated areas, the Municipality seeks to advance the principles of inclusion, sustainability, accessibility and long-term socio-economic integration.

Accordingly, the ongoing implementation and expansion of Restructuring Zones will remain a strategic priority in supporting the development of integrated and sustainable human settlements, while ensuring that disadvantaged and lower-income households are afforded access to well-located housing opportunities within the primary economic centres of the Greater Knysna municipal area.



The Social Housing Policy and applicable legislation provide for the following funding instruments:

- Capital Investment Grants to offset a portion of the capital cost of social housing units, particularly within designated Restructuring Zones, with the aim of improving the quality of life for low-income residents;
- Institutional Investment Grants to support and capacitate Social Housing Institutions in the development, ownership and administration of affordable rental units within identified Restructuring Zones;
- Other grants, including staff gear grants, capacity building grants and project feasibility grants, to support the operational and developmental requirements of social housing projects; and
- Loan or equity funding contributions from Social Housing Institutions, constituting approximately 30 per cent of total project capital, with the State contributing the remaining 70 per cent.

The following conditions apply to the Social Housing Programme in terms of the Social Housing Act:

- The qualifying income band for entry into the social housing programme is limited to between R1,850 and R22,000 per month, applicable to tenants with stable employment and the capacity to honour a formal lease agreement;
- A minimum of 30 per cent of rental stock is to be reserved for the lower income band;

- A Social Housing Institution may not charge more than 33⅓ per cent of a prospective tenant's gross monthly income as rental, ensuring that rent is always income-linked regardless of unit size; and
- Units generally range from a regulated minimum of 30m² upward, typically comprising studio, one-bedroom and two-bedroom apartments of varying floor area within walk-up buildings of two to four storeys.

The successful implementation of the Social Housing Programme requires that project viability be addressed as a primary consideration, particularly with respect to the disposal or lease of land and buildings, given that the overarching objective is the achievement of spatial and socio-economic integration.

South African municipalities with long-term social housing delivery plans are generally required to adopt a formal Social Housing Policy as the foundational element of the planning process. In this regard, Knysna Municipality developed a strategic plan in 2019 incorporating an assessment of housing demand, spatial planning requirements and budgetary implications.

Social housing delivery programmes and related plans must be aligned with other municipal service imperatives, including bulk infrastructure, basic services, commercial and community facilities, social development programmes and transportation, necessitating their location within Restructuring Zones where these enabling conditions are addressed.

Knysna Municipality has affirmed its commitment to the long-term development of affordable rental and social housing through the adoption of the following key policy and programme milestones:

- An approved Integrated Human Settlements Strategic Plan (2019);
- Formally gazetted Restructuring Zones (2010);
- Integrated Human Settlements Policy Guidelines, approved September 2020; and
- Formal adoption of a typology-driven housing model, incorporating social housing as a critical instrument for the strategic utilisation of municipal land and properties for medium to high density residential development, to be developed and managed by qualifying partnering social housing institutions.

The implementation framework adopted by Knysna Municipality is informed by the following key considerations:

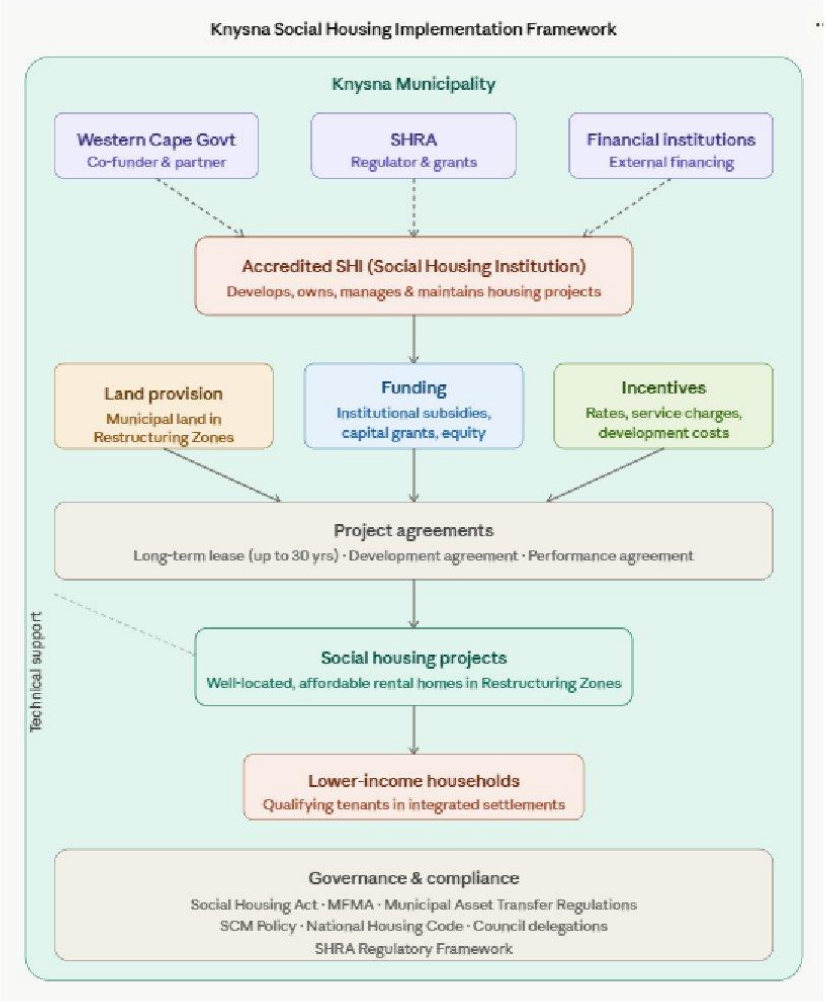
- Targeting of a specific housing income group within the affordable rental space;
- Formally gazetted Restructuring Zones, as defined by the National Department of Human Settlements in conjunction with the SHRA and provincial and local government authorities;
- Participation in social housing delivery programmes within a conducive delivery environment, enabling future development of affordable rental opportunities based on medium to high density models;
- Identification of infill land to enhance project viability and increase yield quantities;
- Establishment of coherent partnership arrangements between Knysna Municipality and SHRA-accredited Social Housing Institutions with demonstrated capacity and track records to develop and manage identified projects; and
- Collaboration with the Western Cape Department of Human Settlements.

3.6.1.1 Knysna Social Housing Implementation Framework

In support of the Municipality's strategic objective of expanding access to affordable rental accommodation and promoting integrated human settlements, Council previously resolved to pursue the implementation of the Social Housing Programme through a structured partnership approach with accredited Social Housing Institutions (SHIs), the Social Housing Regulatory Authority (SHRA), the Western Cape Government and other relevant stakeholders.

The implementation framework seeks to facilitate the development of sustainable, well-located and financially viable social housing projects within designated Restructuring Zones while ensuring compliance with all applicable legislative, regulatory and governance requirements.

The Municipality's Social Housing Implementation Framework provides for the following:



- In partnership with the Western Cape Government and the Social Housing Regulatory Authority (SHRA), identify, assess and support qualifying social housing projects and facilitate access to Institutional Subsidies, Restructuring Capital Grants and other applicable funding mechanisms. This includes the identification and release of suitable municipal and public land parcels located within approved Restructuring Zones to enhance project feasibility and long-term sustainability.

- Apply the provisions of the Social Housing Act, 2008 (Act 16 of 2008), the National Housing Code, the Municipal Asset Transfer Regulations, the Municipal Finance Management Act, 2003 (Act 56 of 2003) and other applicable legislation governing the utilisation of public assets for social and developmental purposes, thereby promoting social equity and expanding housing opportunities for qualifying lower-income households.
- . Subject to compliance with all legislative requirements and Council approvals, facilitate the conclusion of long-term lease agreements, including lease periods of up to thirty (30) years where appropriate, together with associated development and performance agreements with accredited Social Housing Institutions for the development and management of social housing projects.
- Establish project-specific performance agreements to regulate, monitor and enforce the respective obligations of all participating parties. Such agreements will provide a structured framework for the administration of Institutional Subsidies, Restructuring Capital Grants, municipal incentives and other public funding instruments utilised in support of project implementation.
- Where deemed appropriate and legally permissible, consider the disposal or transfer of municipal land at concessionary rates, including the possibility of land being made available at below-market value, subject to compliance with the Municipal Finance Management Act, Municipal Asset Transfer Regulations, Council policy and demonstrable public benefit outcomes.
- Investigate and consider municipal incentive mechanisms aimed at enhancing project affordability and financial viability, including the potential phased reduction or concession of municipal rates, service charges and development-related costs, subject to legislative compliance, financial sustainability considerations and Council approval.
- Facilitate technical planning, land use management, engineering and project coordination support to participating Social Housing Institutions to assist in improving project feasibility, accelerating approvals and promoting effective project implementation.
- Support the ability of accredited Social Housing Institutions to utilise internal equity contributions and secure external financing from recognised financial institutions to supplement available grant funding and support long-term project sustainability, subject to the requirements of the SHRA and other applicable regulatory authorities.
- Recognise that the ownership, management, maintenance and operation of completed social housing developments shall remain the responsibility of the accredited Social Housing Institution, which shall manage such developments in accordance with the Social Housing Act, SHRA Regulatory Framework and any applicable contractual agreements concluded with the Municipality.

The implementation of the Social Housing Programme shall at all times remain subject to full compliance with the Municipal Finance Management Act, 2003, the Municipality's Supply Chain Management Policy, Municipal Asset Transfer Regulations, Council-approved policies, applicable delegations of authority and all other relevant legislative and governance requirements.

3.6.1.2 Types of Delivery Agents

The delivery and management of social and rental housing requires the appointment of an independent delivery agent. The Municipality may elect from the following principal options, each carrying different implications for municipal oversight and financial risk:

- **Option 1** — Municipal Entity: establishment of a municipal entity as the delivery agent, with the Municipality retaining ownership and monitoring responsibility while the entity undertakes operational delivery;
- **Option 2** — Public Private Partnership (PPP): establishment of a joint venture between the Municipality and a private entity. A PPP is not a delivery agent in itself but constitutes

a formal partnership arrangement for the delivery and management of rental housing units; and

- **Option 3** — Third Party Delivery: appointment of an independent entity, which may be a non-profit organisation, a Social Housing Institution or an independent for-profit company. This option was formally adopted by the Municipality in 2019 as the preferred delivery model, given its lower fiscal risk profile and its placement of financial responsibility on the Social Housing Institution.

3.6.1.3 Targeted Properties — Social Housing

Where municipal properties are available, their transfer or long-term lease to a qualifying Social Housing Institution may be a strategically viable option to support social housing delivery. Whilst not limited to the properties listed below, the Municipality has identified a number of strategically located municipal land parcels that may be suitable for future social housing and affordable rental housing development. These properties have been identified through various planning processes, including the Municipal Spatial Development Framework (MSDF), Social Housing Strategy, land audit assessments, and human settlements planning initiatives.

The identified properties represent potential opportunities to facilitate the delivery of affordable rental accommodation, promote spatial integration, optimise the utilisation of public land assets, and support the development of sustainable and inclusive human settlements. The suitability of each property for social housing development remains subject to detailed feasibility assessments, land use planning processes, environmental authorisations, infrastructure capacity assessments, market demand analysis, and compliance with the requirements of the Social Housing Act, 2008 (Act 16 of 2008), the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), and other applicable legislation.

The following municipal properties have been identified as potential social housing development opportunities:

Milkwood Flats, Knysna (Erf 1343, Knysna)

Milkwood Flats is currently utilised within the Municipality's residential stock portfolio, accommodating four units occupied by municipal staff at an average monthly rental of R5,500. The Municipality serves as the de facto landlord, responsible for tenant relations, technical maintenance, utilities, insurance and security. The property comprises two portions of the same erf, one of which is subject to heritage restrictions that must be observed and complied with throughout any redevelopment process. The current zoning status of General Residential permits densification and optimisation of the property. Preliminary assessment indicates that redevelopment, incorporating infill blocks and increased unit yields, could realise a maximum of approximately 220 units through appropriately scaled walk-up residential buildings of three to five storeys.

Curley Court, Knysna (Erf 4440, Knysna)

Curley Court comprises 24 public rental units currently managed by the Municipality, accommodating senior citizen tenants at historically low monthly rentals ranging from R53 to R83 per month. Given the existing rental base and tenant profile, the facility is not financially self-sustaining as an operational unit, constituting a significant financial liability to the Municipality. The facility requires substantial renovation and upgrading. It is proposed that the yield be increased through infill development and densification to three to five storey walk-up configurations, enabling a mixed-tenant model capable of generating sustainable rental revenues and ensuring the long-term financial viability of the facility.

Erven 568 and 571, Knysna

These two erven are located within Gordon Street in the Knysna central business district, in close proximity to the Waterfront, sports facilities, Knysna Mall and other commercial nodes. Their central location and accessibility render them well-suited for social housing development purposes.

Erf 3534, Knysna

The Municipality has undertaken an Expression of Interest process over a three-year period, with the objective of contracting with qualifying Social Housing Institutions for the development of four municipally owned properties through increased densification, in accordance with the Social Housing Act, the MFMA, the Asset Transfer Regulations and the National Housing Code.

3.7 AFFORDABLE HOUSING

The delivery of affordable housing is not solely dependent on government-led interventions. The active participation of the private sector is critical to addressing the Municipality's housing demand and facilitating the delivery of a diverse range of housing typologies that support spatial transformation, socio-economic integration and sustainable settlement development. In recognition of this, a number of affordable housing opportunities have been identified across the Greater Knysna area, informed by the Municipality's approved Municipal Spatial Development Framework (MSDF), settlement hierarchy and long-term growth management objectives.

The successful implementation of affordable housing programmes requires coordinated partnerships between the public sector, private developers, financial institutions, social housing institutions, landowners and other housing delivery agents. Such partnerships are essential for mobilising financial resources, unlocking strategically located land, facilitating infrastructure investment and accelerating the delivery of housing opportunities within well-located areas that promote integration and access to economic opportunities.

The South African banking sector, comprising ABSA, First National Bank (FNB), Nedbank and Standard Bank, entered into a partnership with Government aimed at expanding access to housing finance for lower- and middle-income households. This initiative sought to enhance access to end-user finance, support land acquisition and housing development, and strengthen project management and quality assurance mechanisms within the affordable housing sector. More recently, these efforts have been reinforced through the implementation of the Finance Linked Individual Subsidy Programme (FLISP), now known as the First Home Finance Programme, which provides financial assistance to qualifying first-time homebuyers seeking to access the formal property market.

Despite these interventions, the delivery of affordable housing opportunities within the gap housing market remains limited within the Knysna municipal area. This market segment generally comprises households earning between R3,501 and R22,000 per month, who earn above the threshold for fully subsidised housing but below the income levels required to access conventional mortgage finance and market-based housing opportunities. To address this identified gap, the Municipality has earmarked a number of strategic development opportunities, including the proposed Fisherhaven (Erf 3339) and Heidevallei projects, which have the potential to contribute towards the delivery of affordable ownership and rental housing opportunities.

Analysis of the Municipal Housing Demand Database indicates that approximately 9,038 applicants, representing 95.2 per cent of registered housing applicants, earn less than R3,500 per month and therefore qualify for government-subsidised housing assistance. Notwithstanding this reality, there is a growing demand for affordable rental and ownership opportunities amongst households earning between R3,500 and R22,000 per month. This segment of the housing market remains largely underserved and requires targeted

interventions to facilitate access to secure and affordable accommodation within well-located urban areas.

The identified income profile highlights the need for a diversified and spatially responsive housing delivery model that extends beyond conventional subsidy housing programmes. Such a model should incorporate a range of housing typologies, including affordable rental housing, social housing, gap housing, inclusionary housing and mixed-tenure developments, thereby promoting a more integrated and sustainable urban form.

From a spatial planning perspective, affordable housing developments should be prioritised within areas that provide access to existing economic nodes, public transport routes, community facilities and bulk infrastructure networks. This approach is consistent with the principles of spatial justice, spatial sustainability, efficiency and integration as embodied in the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013), the National Development Plan 2030 and the Municipal Spatial Development Framework.

To facilitate greater private sector participation in affordable housing delivery, the Municipality will investigate and implement a range of enabling mechanisms and development incentives, including:

- The provision of density bonuses and enhanced development rights in appropriate locations;
- Expedited land use planning and development approval processes;
- Reduced, deferred or phased development contributions where justified and financially feasible;
- Strategic public-private partnerships for the delivery of integrated human settlements; Facilitation of access to suitable municipal and state-owned land assets;
- Support for social housing, affordable rental housing and mixed-use development initiatives;
- Alignment of bulk infrastructure investment with priority human settlements projects; and
- Promotion of inclusionary housing principles within strategic development areas.

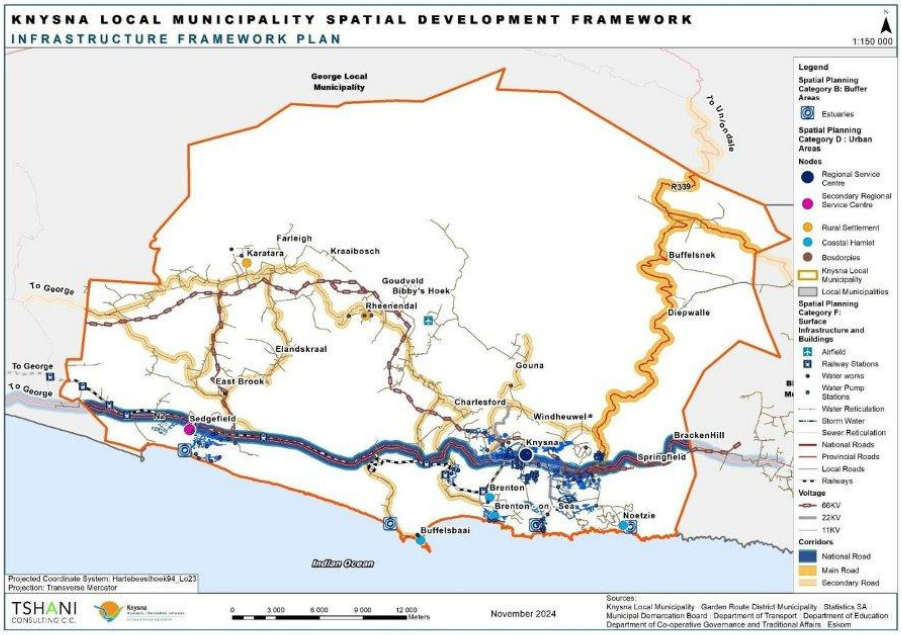
The Municipality will continue to align its affordable housing initiatives with the objectives of the National Development Plan 2030, the Breaking New Ground (BNG) Comprehensive Plan for the Development of Sustainable Human Settlements, the Social Housing Act, 2008 (Act No. 16 of 2008), and the Municipal Spatial Development Framework. Through these interventions, the Municipality seeks to advance spatial restructuring, promote socio-economic integration, optimise the utilisation of well-located land, and expand access to affordable, sustainable and appropriately located housing opportunities across the Greater Knysna area.

Knysna Municipality is responsible for providing infrastructure services to all its communities, industries, and other consumers in its area of jurisdiction, whether it is supplying new infrastructure to meet the backlog in the provision of basic services and broadening the service delivery footprint across its area of jurisdiction while keeping abreast of growth and migratory patterns within society. Critically principle is to ensure sustainability in future, and that the necessary institutional, financial and technical measures are in place to achieve this goal.

3.8 INFRASTRUCTURE REQUIREMENTS FOR HUMAN SETTLEMENTS PROGRAM

National Development Plan considers infrastructure investment as key to stimulating economic growth, increasing employment, and reducing inequality. To unlock private sector investment or participation, it is essential that government invest in the provision of Bulk services.





Source: Knysna MSDF:2025

A review of existing sector plans for the Knysna Municipal Area has identified significant bulk infrastructure deficiencies across water supply, wastewater treatment, electrical network capacity and transportation systems. These deficiencies constitute material impediments to the commencement and delivery of human settlements projects across various localities within the municipal area and must be addressed as a strategic priority to unlock planned development.

3.8.1 Water Supply Infrastructure

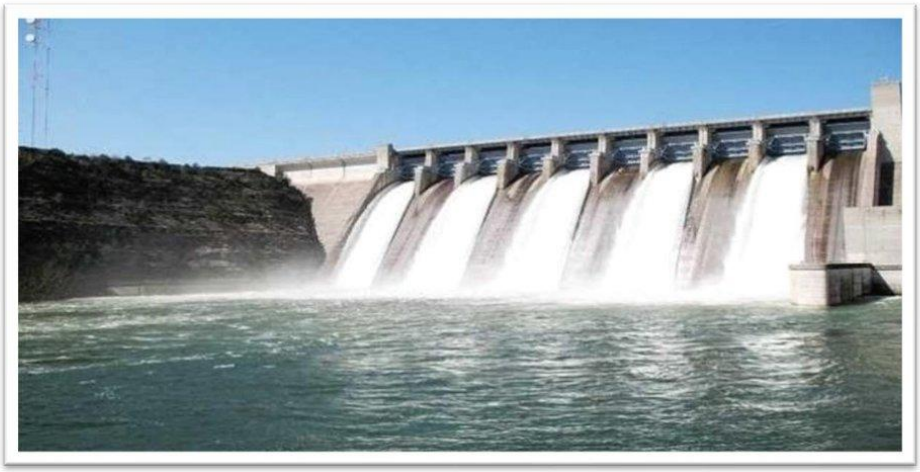
Bulk water supply capacity requires augmentation across several areas of the municipal area to accommodate both current demand and future development requirements. Infrastructure deficiencies have directly constrained the commencement of human settlements projects in Karatara, Rheenendal and the Knysna urban area, and will continue to do so until such time as the requisite bulk services interventions are implemented.

A primary priority is the augmentation of raw water source capacity and storage dam infrastructure, as existing facilities are insufficient to meet current and projected demand. This is of particular urgency within the greater Knysna area, specifically the upper Knysna River

catchment, which accommodates the highest population density within the municipal area and the majority of informal settlement dwellers. Capital infrastructure investment must accordingly be prioritised within this area. In addition, reservoir storage capacity requires augmentation in several localities, particularly within the Knysna Northern Areas, to respond to population growth over the preceding years. Water treatment works facilities in Knysna, Sedgefield and Karatara further require upgrading to meet future capacity requirements.

3.8.2 Kruisvallei Dam — Strategic Water Resource Infrastructure Project

The construction of a new dam wall at Kruisvallei constitutes a key strategic infrastructure project for Knysna Municipality. The project is directed at securing a long-term and sustainable water resource supply for the municipal area over a 30-year planning horizon, with the primary objectives of accommodating future housing and human settlements development and mitigating the risk of water scarcity during periods of drought.



The estimated project value exceeds R200 million, designating the Kruisvallei Dam as a major capital infrastructure investment within the Municipality's long-term infrastructure programme. Given the scale and strategic significance of the project, it is classified as a long-term infrastructure intervention, the successful implementation of which will be instrumental in unlocking the capacity required for the sustained expansion of human settlements delivery across the Knysna Municipal Area.

The Kruisvallei Dam project directly addresses one of the most critical bulk infrastructure constraints identified within this Sector Plan, namely the insufficiency of raw water source and storage capacity to support projected population growth and planned residential development. Its implementation is accordingly regarded as a foundational prerequisite for the long-term realisation of the Municipality's human settlements vision and spatial development objectives.

3.8.3 Wastewater Treatment Infrastructure

The existing Wastewater Treatment Works (WWTW) within the Knysna Municipal Area requires significant capacity upgrading to accommodate the additional load requirements arising from sustained population growth and planned human settlements development. In the absence of timely capacity intervention, the current infrastructure constraints will continue to

impede the commencement and delivery of planned development across several key localities within the municipal area.

The construction of a new Wastewater Treatment Works at Windheuwel is identified as the primary engineering solution to address the prevailing hydraulic and treatment capacity constraints within the Knysna Northern Areas. The proposed facility is to be designed and sized to accommodate the projected Average Dry Weather Flow (ADWF) and peak flow demands generated by both existing and planned developments within the Northern Areas catchment, in accordance with applicable SANS standards, DWAF/DWS guidelines and relevant regulatory requirements. The commissioning of the Windheuwel WWTW will effectively transfer the Northern Areas wastewater load from the existing George Rex Drive facility, thereby releasing residual hydraulic and treatment capacity at the latter for reallocation to other development areas within the broader municipal catchment.

Upon commissioning of the Windheuwel WWTW, the hydraulic constraints currently limiting bulk sewer connections for planned developments in Heidevallei and the agricultural interface areas along the N2 National Road corridor at the Knysna-Bitou municipal boundary will be resolved, enabling the extension of bulk sewer reticulation and the commencement of human settlements development within these localities.

The project is currently at pre-feasibility stage, encompassing preliminary hydraulic modelling, site assessment, technology selection and order-of-magnitude cost estimation. Advancement of the project through detailed feasibility assessment, Environmental Impact Assessment (EIA) and Environmental Authorisation (EA) in terms of the National Environmental Management Act, 107 of 1998 (NEMA), detailed engineering design, and procurement constitutes a critical path item within the Municipality's bulk infrastructure programme.

Minor capacity upgrades to the existing George Rex Drive WWTW are concurrently required to sustain operational integrity, ensure ongoing regulatory compliance and provide incremental treatment capacity to support development within the broader Knysna urban catchment pending commissioning of the Windheuwel facility. These upgrades are to address identified deficiencies in unit process capacity, mechanical and electrical plant, and effluent quality compliance with applicable General Authorisation discharge standards.

The upgrading of wastewater infrastructure within the Sedgefield catchment is similarly required to address hydraulic capacity constraints and ageing infrastructure deficiencies within that locality, in support of planned human settlements delivery and projected population growth. This intervention is currently at implementation stage.

3.8.4 Electrical Network Infrastructure

An additional capacity of 80 MVA is required within the municipal area to eliminate restrictions on new developments utilising the Eskom network within Knysna Local Municipality. This electrical network capacity upgrade is essential to support the implementation of planned human settlements and associated development across the municipal area. The project entails the major upgrading of the Knysna Main Substation to augment electrical network capacity and ensure the provision of stable, reliable power transmission infrastructure capable of accommodating projected future industrial, residential and commercial development demand within the municipal area.

The successful implementation of this project will deliver stable and augmented power transmission infrastructure within the Knysna Municipal Area, directly addressing existing electrical network capacity constraints that currently restrict new development connections. Upon completion, the upgraded substation will provide the requisite network capacity to accommodate future industrial, residential and commercial developments, thereby supporting the Municipality's long-term spatial development, human settlements and economic growth objectives.

The project is currently at implementation stage, with Phase 1 having been allocated funding within the Medium-Term Expenditure Framework (MTEF) Budget. The total development period for all phases is estimated at three years from commencement of implementation.

3.8.5 Transportation Infrastructure

The N2 National Road constitutes the primary transportation corridor connecting Knysna to adjacent municipal areas and linking various settlements within the municipal area. This corridor is supported by several provincial and local routes, including the R339 through the Prince Alfred Pass to Uniondale, the Rheenendal and Seven Passes Roads to Rheenendal and Karatara, the Karatara Road from the N2, and the road to Goukamma and Buffalo Bay.

The existing rail line between Sedgefield and Knysna is currently inactive and in need of revitalisation. The reinstatement of rail services would assist in alleviating congestion on the N2, particularly during peak tourism season when road capacity is significantly constrained.

3.8.6 Bulk Services Cost Summary

The estimated cost of the identified bulk infrastructure requirements is summarised in the table below, reflecting a total capital investment requirement of approximately R604,134,347.

Processes are currently underway for the upgrading of the above-mentioned infrastructure, and it is anticipated that all identified interventions will be completed by 2029, thereby enabling the full delivery of the human settlements projects identified within this Sector Plan. Certain projects, including those at Sedgefield and Rheenendal, are already at implementation stage.

Detailed bulk services cost schedule

Service / Project	Category	Estimated cost
Raw water supply augmentation	Water supply	R58,000,000
Bulk raw water pumping stations — Charlesford	Water supply	R95,812,839
Bulk water pipeline — Charlesford	Water supply	R13,834,748
New WWTW — Windheuwel	Wastewater	R129,960,000
Minor upgrades — Knysna WWTW	Wastewater	R8,000,000
Sedgefield wastewater infrastructure upgrade ✦	Wastewater	R68,031,760
Electrical network capacity upgrade	Electrical	R50,000,000
Rheenendal ✦	Settlement infrastructure	R20,000,000
Karatara	Settlement infrastructure	R41,430,000
Kruisfontein	Settlement infrastructure	R62,884,000
Heidevallei	Settlement infrastructure	R54,971,000
Phelandaba (Soutrivier)	Settlement infrastructure	R9,710,000
Ethembeni Extension	Settlement infrastructure	R43,700,000
Total estimated capital requirement		R604,134,347

✦ Currently at implementation stage

3.8.7 Social Amenities

The Guideline for Human Settlements Planning and other guidelines specify important principles critical for planning purposes and stipulate guidelines provision of social facilities. The figure below from the *Sustainable Community Planning Guide*, dated June 2007 (Nelson Mandela Bay Municipality illustrate some of the important principles and considerations.



Source Nelson Mandela Bay SCU Planning Methodology

The planning methodology establishes minimum spatial planning standards aimed at promoting the development of sustainable, integrated and functional human settlements. A fundamental principle of this approach is that residents should have convenient access to social amenities, community facilities, public transport services, economic opportunities and recreational spaces within reasonable walking distances from their places of residence. This supports the creation of inclusive neighbourhoods, promotes social integration and contributes towards improved quality of life.

The methodology is underpinned by the following key spatial planning principles:

- Poverty eradication and the satisfaction of basic needs;
- Focus on vulnerable and special needs groups, including persons affected by HIV/AIDS, children, older persons and persons with disabilities;
- Gender equality and social equity;
- Environmental sustainability and resilience;
- Participatory and democratic planning processes;
- Local economic development and employment creation;
- Accessibility and transit-oriented development;
- Mixed-use and integrated land use development;
- Corridor development and nodal structuring;
- Safety and security through appropriate urban design;
- Flexibility and diversity in settlement form and housing typologies;
- Densification and efficient land utilisation; and
- The containment of urban sprawl through compact urban development.

These principles are directly applicable to the planning, design and implementation of human settlements projects and provide a framework for achieving spatial transformation, integration and sustainability within the municipal area.

An assessment of existing settlement patterns indicates that many informal settlement areas experience significant deficiencies in the provision of social amenities and community facilities. This is particularly evident in relation to educational facilities, community services and other forms of social infrastructure required to support sustainable neighbourhood development. The need for additional educational facilities is especially pronounced within the Knysna and Sedgefield urban areas, where continued population growth and housing demand are placing increasing pressure on existing facilities.

From a spatial planning perspective, the development of future human settlements must be accompanied by the coordinated provision of social infrastructure to ensure the creation of complete and functional neighbourhoods. The planning and implementation of residential developments should therefore incorporate appropriate provision for schools, community facilities, health services, recreational spaces and other social amenities based on projected population thresholds and accepted planning standards.

In this regard, development applications and land use planning processes should ensure that adequate provision is made for social infrastructure through land reservation, development contributions, partnership arrangements with sector departments and other appropriate implementation mechanisms. Particular emphasis should be placed on integrating social facilities within the urban structure in locations that maximise accessibility, promote walkability and support public transport networks.

Furthermore, strategically located vacant and underutilised land parcels should be identified and reserved for future social infrastructure development. Such land reservations should be informed by the Municipal Spatial Development Framework, settlement growth projections and long-term infrastructure planning to ensure that future service requirements can be accommodated within the evolving urban form.

The provision of social amenities should therefore be regarded as a critical component of integrated human settlements planning. Sustainable human settlements require a balanced spatial structure that integrates housing opportunities, social infrastructure, economic activities, public transport systems and community facilities in a manner that promotes spatial justice, accessibility, efficiency and long-term urban sustainability.

CHAPTER 4. INFOMAL SETTLEMENTS

4.1 OVERVIEW

Knysna Municipality records one of the highest levels of land invasion and informal settlement proliferation within the Garden Route District Municipality, ranking third in the concentration of informal settlements across the district. The rapid growth and spatial expansion of these settlements continue to place significant pressure on municipal infrastructure, land use management, environmental resources and long-term spatial planning objectives.

A substantial number of these settlements are densely populated and situated within environmentally sensitive and high-risk areas, including steep slopes, unstable terrain, forestry buffer zones, flood-prone land and other ecologically vulnerable parcels. These challenges are further compounded by recurring fire incidents, climate-related risks and the broader

Approximately 72 informal settlements have been identified across the municipal area, the majority of which are located on land considered unsuitable for permanent human settlement due to environmental, geotechnical, topographical, disaster risk and infrastructure-related constraints. The continued occupation and expansion of settlements in such areas significantly complicates future land development planning, infrastructure provision and compliance with applicable environmental and spatial planning legislation.

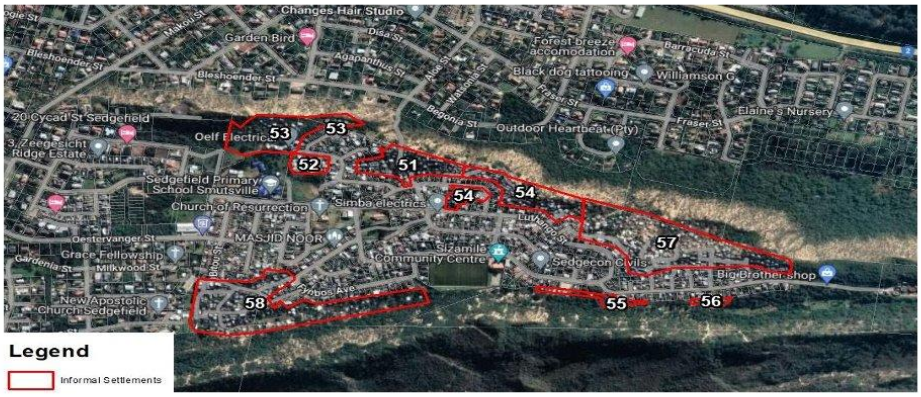
Notwithstanding these constraints, the Municipality remains constitutionally obligated to provide interim basic services and humanitarian support, including electrification, water supply, sanitation, refuse removal and access infrastructure. The cost of servicing these settlements — particularly those in inaccessible and environmentally constrained locations — places considerable financial and operational pressure on already limited municipal resources and infrastructure budgets, further impeding the Municipality's ability to address infrastructure backlogs and advance planned development interventions.

The Municipality also faces significant limitations regarding the availability of strategically located municipal land and publicly owned properties suitable for integrated human settlements and affordable housing. Historically, municipal land and property assets have not been optimally utilised to support spatial integration, affordable housing delivery or inclusive urban development.

This is inconsistent with the objectives of national spatial transformation and human settlements legislation, which advocate for the use of well-located public land to facilitate affordable housing, spatial integration and socio-economic inclusion. These principles are reflected in the National Development Plan (NDP), as well as the Municipality's Integrated Development Plan (IDP), Spatial Development Framework (SDF) and related sector plans. The continued underutilisation of strategically located municipal land has consequently constrained the Municipality's capacity to advance long-term socio-economic integration, spatial transformation and sustainable urban restructuring within the municipal area.

4.2 SEDGEFIELD INFORMAL SETTLEMENTS

A total of nine (9) informal settlement areas are located within the Sedgefield/Ward 1 area, primarily concentrated within the Sizamile–Smutsville settlement precinct. These informal settlements collectively accommodate an estimated population of more than 1,300 households residing under informal settlement conditions.



From a spatial planning and human settlements perspective, the Sedgefield/Ward 1 area is characterised by significant land availability constraints, which substantially limit opportunities for outward settlement expansion and conventional greenfield residential development. The spatial development potential of the area is further constrained by the presence of extensive aeolian dune systems located to the north and south of the Smutsville–Sizamile settlement precinct.

The required environmental assessment processes have been duly undertaken in accordance with the applicable environmental legislation and regulatory framework. A positive environmental decision has been issued by the competent authority, confirming that the proposed development is considered environmentally acceptable, subject to any applicable conditions of approval. The environmental authorisation process concluded that the project will not result in unacceptable environmental impacts, and that appropriate mitigation measures and environmental management interventions are in place to ensure responsible and sustainable.These dune systems constitute environmentally sensitive landscapes and geomorphologically dynamic landforms that are subject to statutory environmental protection measures, biodiversity conservation requirements and rehabilitation obligations. As such, substantial portions of the surrounding land are unsuitable for urban development and are subject to development restrictions arising from applicable environmental legislation and land use management controls.

The resulting spatial structure is characterised by a limited and fragmented supply of developable land, restricting opportunities for the expansion of formal residential development and associated municipal infrastructure. Furthermore, the environmental sensitivity and geotechnical instability of the dune systems present significant constraints to the extension of bulk infrastructure networks and the implementation of conventional housing development models.

Given the limited availability of suitable greenfield development land, the Municipality may be required to pursue alternative and innovative human settlement approaches aimed at achieving sustainable in-situ upgrading of informal settlements. This approach aligns with contemporary spatial planning and human settlement principles that seek to minimise displacement of vulnerable communities while improving living conditions within existing settlement areas. In this regard, incremental upgrading methodologies, higher-density settlement models, alternative building technologies, and integrated service delivery solutions may require consideration as part of future planning interventions.

Notwithstanding the above, the upgrading of informal settlements presents complex spatial, environmental, engineering, and socio-economic challenges. Previous specialist

investigations have indicated that portions of the area, particularly those situated on or adjacent to dune systems, are environmentally sensitive and potentially unsuitable for conventional large-scale development. Development within such areas may trigger extensive environmental authorisation processes in terms of applicable environmental legislation, including the National Environmental Management Act and associated environmental impact assessment regulations. Furthermore, engineering costs associated with developing infrastructure within dune environments are likely to be significantly higher due to geotechnical instability, stormwater management requirements, and environmental mitigation measures.

Despite these constraints, it remains necessary for the Municipality, together with sector departments and relevant stakeholders, to continue advancing appropriate planning and development interventions within the ward. Failure to proactively address the challenges associated with informal settlement growth may result in the continued expansion of unplanned settlements, increased pressure on municipal infrastructure networks, heightened environmental degradation, and worsening socio-economic conditions for affected communities. Consequently, a coordinated and integrated planning approach will be required to balance environmental sustainability, engineering feasibility, spatial integration, and the constitutional imperative to progressively realise access to adequate housing and basic services.

The Western Cape Department of Infrastructure has made significant investments in the provision of Interim Basic Services within the informal settlement areas to improve living conditions and ensure access to essential municipal services. However, continued population growth and the expansion of informal settlement structures beyond the originally serviced areas have resulted in additional demand for service infrastructure and associated municipal investment.

Notwithstanding the need for further service provision, it is imperative that any future infrastructure interventions, settlement upgrading initiatives and housing development proposals comply with all applicable statutory and regulatory requirements. Particular consideration must be given to environmental legislation, land use management controls, and biodiversity conservation requirements, especially where informal settlement expansion has occurred within or adjacent to environmentally sensitive areas.

Consequently, the provision of additional services and infrastructure cannot be extended indiscriminately into protected or environmentally constrained areas. All future interventions must be informed by appropriate environmental assessments, land suitability investigations and statutory approval processes to ensure compliance with applicable legislation and to avoid adverse impacts on sensitive ecological systems.

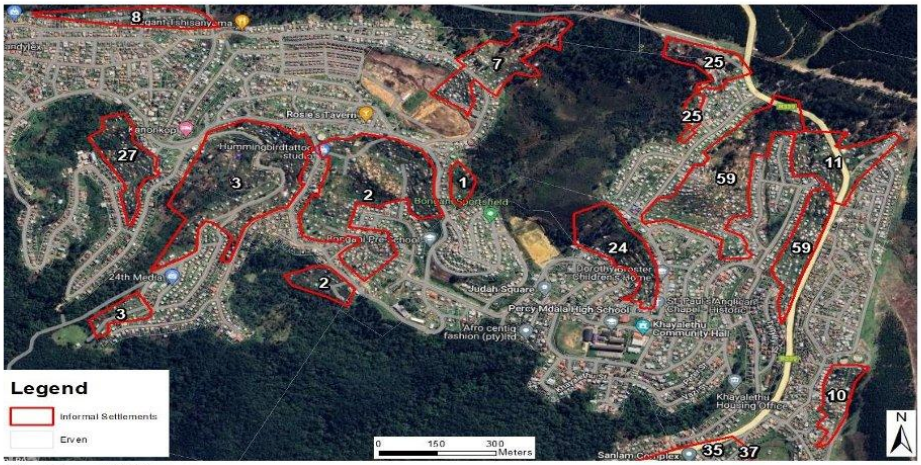
4.3 WARDS 3 AND 7 KNYSNA

A total of thirteen (13) informal settlement areas are located within Wards 3 and 7. The majority of these settlements are situated on land characterised by steep slopes and challenging topographical conditions, which present significant constraints to formal development and substantially increase the cost of infrastructure provision, particularly in relation to the installation and upgrading of bulk engineering services.

The topographical characteristics of these areas have important implications for settlement upgrading, housing development and long-term infrastructure planning, as specialised engineering interventions and associated mitigation measures may be required to address geotechnical, stormwater management and accessibility challenges.

Notwithstanding these constraints, most of the informal settlement areas are located within the existing urban footprint, serviceable areas and designated urban edge of the Municipality. From a spatial planning perspective, these locations are generally aligned with the principles

of spatial compaction, densification and the efficient utilisation of existing infrastructure networks as promoted by national and provincial planning policies.



Ward 3 and 7 Knysna

Accordingly, these settlements present opportunities for in-situ upgrading, incremental densification and integrated human settlements development, subject to detailed feasibility assessments, land suitability investigations and engineering evaluations. The strategic location of these settlements within established urban areas further supports the objectives of spatial integration, improved access to economic opportunities, reduced urban sprawl and the optimisation of existing public infrastructure investment.

Future interventions should therefore prioritise the upgrading and formalisation of these settlements where feasible, while ensuring that development responses appropriately address the environmental, engineering and topographical constraints associated with the affected sites.

4.4 WARDS 4 AND 8 KNYSNA

The majority of the Municipality's informal settlements are concentrated within Wards 4 and 8, making these areas a primary focus for human settlements interventions and infrastructure investment. Despite their strategic location within the existing urban footprint, the availability of bulk engineering services remains a significant constraint to the implementation of housing projects and informal settlement upgrading initiatives.

In particular, limited sanitation capacity continues to pose a major impediment to the delivery of sustainable human settlements within these wards. The proposed Witheuwel infrastructure project is expected to provide a long-term solution to existing sanitation constraints and is regarded as a critical enabling intervention for future residential development and settlement upgrading within the broader area.

Notwithstanding the importance of this strategic infrastructure investment, the Municipality and its partners are currently exploring opportunities for the phased and incremental implementation of human settlements projects based on available spare capacity within the existing bulk services network. This approach seeks to facilitate the progressive delivery of housing opportunities and basic services while broader infrastructure upgrades are being planned and implemented.

The successful implementation of this approach will require ongoing infrastructure capacity assessments, careful project sequencing and alignment between human settlements planning, infrastructure investment and capital budgeting processes to ensure sustainable and coordinated development outcomes.



Ward4 and 8

4.5 DAM SE BOS, NEKKIES HLALANI AND OUPAD



Ward 3 and 6

The Dam se Bos, Nekkies, Hlalani and Oupad settlement collectively comprise sixteen (16) informal settlement areas, including two informal settlements located within the Hornlee area in Ward 6. These settlements represent a significant component of the Municipality's informal housing landscape and continue to experience substantial demand for housing opportunities, basic services and settlement upgrading interventions.

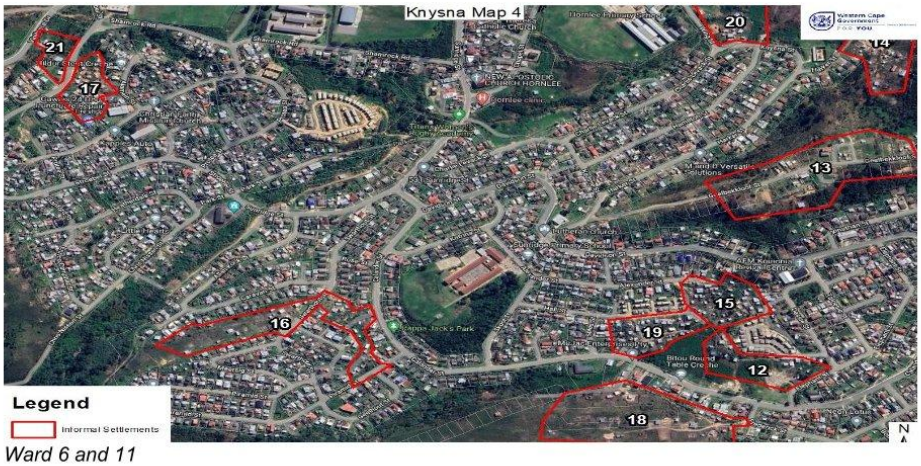
The Hornlee area, in particular, faces considerable housing pressures, with the housing demand estimated to exceed 2,000 households. This backlog reflects the continued demand for access to adequate housing and highlights the need for targeted human settlements interventions within the broader Ward 6 area.

Given their proximity to existing urban infrastructure, social amenities and economic opportunities, these settlements present opportunities for integrated human settlements development, including in-situ upgrading, incremental formalisation, densification and the provision of a range of housing typologies. However, the scale of the housing demand will require a coordinated and phased implementation approach supported by appropriate land assembly, infrastructure investment and intergovernmental collaboration.

Addressing the housing backlog within these settlement areas will be critical to advancing the Municipality's objectives of spatial transformation, social inclusion and the development of sustainable and integrated human settlements.

4.6 HORNLEE INFOMAL SETTLEMENTS

As previously indicated, the Hornlee area is characterised by a substantial housing backlog, estimated to exceed 2,000 low-income households. This backlog reflects the ongoing demand for access to adequate housing and underscores the need for a comprehensive and coordinated human settlements response within the area.



Ward 6 and 11

A portion of the affected households may be accommodated through the upgrading, formalisation and optimisation of the land parcels they currently occupy, subject to land suitability assessments, planning approvals and the availability of supporting infrastructure. Opportunities for in-situ upgrading and appropriate densification should therefore be prioritised where such interventions are technically, environmentally and financially feasible.

However, the scale of the housing demand exceeds the development capacity of the existing occupied land. Consequently, additional well-located land parcels will need to be identified, acquired and developed to accommodate future housing needs and facilitate the delivery of sustainable human settlements opportunities. This process should be guided by the Municipality's Spatial Development Framework, Human Settlements Sector Plan and applicable spatial planning legislation to ensure that future development promotes spatial integration, access to economic opportunities, efficient infrastructure utilisation and sustainable urban growth.

The identification and mobilisation of suitable land for future development will therefore be a critical component of the Municipality's strategy to address the housing backlog within the Hornlee area and achieve long-term human settlements objectives.

4.7 RHEENENDAL INFORMAL SETTEMENTS

The Rheenendal area comprises four (4) informal settlement areas that have been identified and planned for in-situ upgrading and development. The proposed interventions are intended to improve living conditions, enhance tenure security and facilitate the provision of basic municipal services in accordance with national human settlements policy and programme requirements.



Notwithstanding the progress made in planning for the upgrading of these settlements, the availability of bulk engineering services remains a significant constraint to future development within the area. Current infrastructure capacity is only sufficient to accommodate approximately 300 housing beneficiaries, thereby limiting the Municipality's ability to fully address existing and future housing demand within the Rheenendal area.

In view of these constraints, additional well-located and suitable land parcels will need to be identified and assessed for future human settlements development. Such investigations should extend beyond the existing built-up area and be informed by land suitability assessments, environmental considerations, infrastructure capacity analyses and applicable spatial planning policies. The identification and mobilisation of additional land will be essential to support future residential development, accommodate housing demand and promote the sustainable growth of the Rheenendal settlement area.

A coordinated approach involving land assembly, infrastructure planning and intergovernmental collaboration will therefore be required to ensure that long-term human settlements objectives within Rheenendal can be achieved in a sustainable and integrated manner.

4.8 INFORMAL SETTLEMENTS SUMMARY

As indicated above, Knysna Local Municipality has a breakdown of 9 491 beneficiaries on the waiting list with 72 informal settlements consisting of 6 620 informal structures. Most people in the Housing waiting list are residing in the informal areas. This does not include prospective beneficiaries for affordable and rental housing market.

The projects reflected on the housing pipeline respond to the concentration of housing demand indicated above. To overcome past spatial disparities and promote compaction, public resources should ideally be prioritised towards areas with greatest growth potential for future human settlement development. To provide alternative accommodation options to single and younger people working in the area, it will be useful to also commence with a process of prioritising and packaging potential affordable housing projects.

Given this context which is patently not sustainable and further coupled to lack of optimization of its current land and properties for densification in its endeavour and commitment to meet its affordable housing stakeholders' needs for adequate shelter and housing, the Knysna Municipality has resolved to adopt a typology driven housing model. This is driven primarily by the need to turn around the current paralysis around delivery by providing different forms of affordable housing products that best respond to the diverse range of choice for the targeted low-income housing market as well as meeting its corporate IDP and SDF framework that talks to sustainability and development of the people of Knysna in a fair and just manner. Further to this and the reality that this is driven by the need to eventually satisfy long term sustainable socio-economic integration, the Knysna Municipality through its Integrated Human Settlements Directorate, has subsequently during September 2019, considered and approved a new Strategic integrated

Whilst the Municipality has not yet delivered any requisite social housing products at this stage through partnerships as envisaged in this framework, it has however resolved to pro-actively formulate related housing policy guidelines which link and align to its strategic plans and objectives of being a known and recognized player and contributor within the SA housing delivery context. It intends doing this by primarily promoting the long - term development needs of low-income households within its existing jurisdictional area and landscape. It intends to affirm and strengthen its housing programmes through greater yields and requisite management capacity whilst being guided by this framework.

In anticipation of this, it has committed itself to the evaluation of its internal management capacity, policy framework and current relationship with its external stakeholders and delivery programmes. This is anticipated to be instrumental in enhancing our standing in the low-income housing delivery chain through the planned re-building of Knysna profile and commitment to be a known and recognized stakeholder in the affordable housing sector.

CHPTER 5: VISION, OBJECTIVES AND STRATEGIES

5.1 VISION

The overarching vision of the Knysna Human Settlements Sector Plan is not merely to address the existing housing backlog, but to facilitate the development of integrated, sustainable and resilient human settlements that promote social inclusion, economic participation and spatial transformation. The Plan seeks to create well-located, functional and inclusive communities that provide access to housing opportunities, social amenities, economic opportunities and public services, while responding to current and future housing demand in a sustainable manner. In pursuing this vision, the Municipality seeks to achieve the following strategic outcomes:

Accelerated delivery of sustainable housing opportunities across a range of tenure and housing typologies;

Promotion of ownership, tenure security, rights and responsibilities amongst beneficiaries and communities; and

Optimal, efficient and sustainable utilisation of land, infrastructure and public resources.

The Municipality's Human Settlements Programmes are intended to promote spatial integration, social cohesion and economic inclusion by providing a range of housing opportunities that respond to the diverse needs of households across different income groups. Particular emphasis is placed on the provision of well-located housing opportunities that improve access to employment, public transport, community facilities and economic opportunities.

A key component of the Municipality's human settlements agenda is the promotion of socio-economic integration through the development of mixed-income, mixed-tenure and integrated residential environments. This includes the provision of affordable rental housing, social housing, gap housing and ownership opportunities within strategically located areas to reduce household transport costs and improve access to socio-economic opportunities.

The successful implementation of this vision is dependent upon the integration of human settlements planning with the Municipality's Spatial Development Framework, infrastructure planning programmes, transportation planning initiatives and broader development strategies. The approach is founded upon the principles of compact urban form, densification, efficient land utilisation, spatial restructuring and sustainable development.

Accordingly, the strategic vision of the Knysna Human Settlements Sector Plan is:

"TO FACILITATE THE DEVELOPMENT OF INTEGRATED, SUSTAINABLE AND INCLUSIVE HUMAN SETTLEMENTS THAT PROMOTE SPATIAL TRANSFORMATION, SOCIO-ECONOMIC INTEGRATION, HOUSING OPPORTUNITY, AND IMPROVED QUALITY OF LIFE FOR ALL COMMUNITIES WITHIN THE GREATER KNYSNA MUNICIPAL AREA."

5.2 OBJECTIVES

To realise the vision of integrated and sustainable human settlements, the Municipality will pursue the following strategic objectives:

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PRIORITY	STRATEGIC OBJECTIVE	RESPONSIBILITY
Integrated human settlements planning and development	Facilitate the planning, implementation and management of integrated, sustainable and appropriately located human settlements that advance spatial transformation, socio-economic inclusion and urban restructuring objectives.	Knysna Municipality; Western Cape Government
Housing backlog reduction and informal settlement upgrading	Reduce the existing housing backlog and progressively address informal settlement conditions through a diversified and phased housing delivery programme, subject to fiscal availability and intergovernmental support.	Knysna Municipality; National Department of Human Settlements; Western Cape Government
Spatial restructuring and upgrading interventions	Promote in-situ upgrading, densification, infill development and spatial restructuring in accordance with SPLUMA and the Municipal Spatial Development Framework (MSDF).	Knysna Municipality
Community participation and stakeholder engagement	Enable structured, inclusive and participatory development processes through sustained community engagement and consultation frameworks.	Knysna Municipality
Institutional capacity development	Strengthen internal institutional capacity through recruitment, retention and professional development of qualified human settlements practitioners and technical specialists.	Knysna Municipality
Strategic partnerships and intergovernmental coordination	Establish and maintain partnerships with all spheres of government, SOEs, private sector, financial institutions, NGOs and CBOs to support housing delivery.	Knysna Municipality; Provincial Government; SOEs; Private Sector
Housing demand database management	Ensure equitable, transparent and efficient allocation of housing opportunities through effective management and continuous updating of the Housing Demand Database.	Knysna Municipality
Policy and programme participation	Promote stakeholder participation in the formulation, review and implementation of human settlements policies, strategies and programmes.	Knysna Municipality
Land identification and acquisition	Facilitate the identification, acquisition and consolidation of strategically located land for current and future human settlements development.	Knysna Municipality; HDA; Department of Public Works

Land use management reform	Review and strengthen land use management systems and planning instruments to enable innovative and sustainable housing delivery models.	Knysna Municipality
Diverse housing typologies	Promote a diversified housing mix including affordable, social, rental and gap housing to address varied income groups.	Knysna Municipality; Western Cape Government; Private Developers
Alternative funding mechanisms	Investigate and secure alternative funding and investment opportunities to support sustainable human settlements delivery.	Knysna Municipality; National Treasury; Development Finance Institutions
Infrastructure and housing alignment	Align infrastructure planning, capital investment and housing delivery programmes to ensure coordinated and sustainable outcomes.	Knysna Municipality; Western Cape Government; Infrastructure Departments
Interdepartmental coordination	Strengthen internal coordination across municipal departments to optimise resource allocation and implementation efficiency.	Knysna Municipality
Spatial justice and sustainability	Advance spatial justice, environmental sustainability, resilience and integration across all human settlements interventions.	Knysna Municipality; All stakeholders

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`5.3 STRATEGIES

In accordance with the provisions of the Local Government: Municipal Systems Act, 32 of 2000, Knysna Municipality has adopted an Integrated Development Plan (IDP) for the 2024/25 financial year and is currently engaged in its statutory review for the 2025/26 financial year. The IDP constitutes the Municipality's primary overarching strategic planning instrument, providing for the articulation of its institutional vision, long-term developmental objectives, spatial and sectoral priorities, as well as consolidated community needs and service delivery imperatives.

The Human Settlements Sector Plan is formally embedded as a chapter within the IDP and is accordingly required to be formulated, reviewed, and implemented within the legislative, procedural, and strategic parameters governing the IDP framework. While the IDP is structured within a five-year planning horizon, it is acknowledged that human settlements delivery programmes are inherently capital-intensive, multi-phased, and frequently extend beyond a single IDP cycle. It is therefore imperative that the Sector Plan establishes a robust, forward-looking strategic framework that transcends successive IDP cycles, while remaining fully aligned to evolving municipal priorities, fiscal frameworks, and intergovernmental resource allocation mechanisms.

5.3.1 Knysna Strategic Objectives

In order to operationalise the Municipality's developmental mandate and give effect to its constitutional and statutory obligations, the following Strategic Objectives have been adopted. These objectives provide a structured, integrated, and outcomes-oriented framework for addressing service delivery constraints and advancing sustainable development priorities within the Knysna Municipal Area.

STRATEGIC OBJECTIVE 1 (SO1): TO PROMOTE A SAFE AND HEALTHY ENVIRONMENT THROUGH NATURAL RESOURCE MANAGEMENT AND THE PROVISION OF ESSENTIAL INFRASTRUCTURE SERVICES

PROGRAMME AREA	KEY INTERVENTIONS / ACTIONS	INTENDED OUTCOME
Infrastructure efficiency, maintenance & expansion	Improve emergency response coordination; implement alternative service delivery models; expand bulk infrastructure; conduct infrastructure audits; rehabilitate ageing infrastructure; acquire land for future development	Safe, resilient and efficiently managed infrastructure system
Planning, procurement & project delivery	Review master plans; accelerate procurement; establish project prioritisation model; strengthen PMU; improve project management systems	Improved planning, faster project delivery and efficient capital investment
Operational efficiency support	Improve transversal communication; enhance complaints systems; review delegations	Improved operational responsiveness and institutional efficiency

STRATEGIC OBJECTIVE 2 (SO2): TO PROVIDE ENABLING OPPORTUNITIES FOR SOCIAL DEVELOPMENT AND INCLUSIVE ECONOMIC GROWTH FOR COMMUNITIES.

PROGRAMME AREA	KEY INTERVENTIONS / ACTIONS	INTENDED OUTCOME
Infrastructure-led economic development	Drive infrastructure investment; unlock tourism and economic opportunities; leverage N2 corridor; promote natural asset-based development	Inclusive economic growth and job creation
Spatial development & land management	Identify and acquire land for development; align land use with spatial planning	Structured and sustainable urban growth
Institutional positioning & partnerships	Strengthen intergovernmental alignment; improve access to funding and partnerships; align with national/provincial priorities	Increased investment and development support

STRATEGIC OBJECTIVE 3 (SO3): SO3: TO STABILISE FINANCIAL VIABILITY AND IMPROVE REVENUE MANAGEMENT FOR MORE EFFECTIVE SERVICE DELIVERY.

PROGRAMME AREA	KEY INTERVENTIONS / ACTIONS	INTENDED OUTCOME
Revenue enhancement & collection	Strengthen revenue systems; improve debtor recovery; ensure compliance-based collection	Improved liquidity and revenue performance
Fiscal sustainability	Strengthen expenditure control; improve financial discipline and resource optimisation	Financial stability and sustainability
Budgeting & planning	Improve financial forecasting and budgeting systems	Evidence-based financial decision-making
Tariffs & development charges	Develop market-related tariffs; review and standardise development charges	Optimised revenue generation and investment certainty

STRATEGIC OBJECTIVE 4 (SO4): : TO EXERCISE GOOD GOVERNANCE AND IMPROVE PUBLIC ENGAGEMENT THROUGH RESPONSIVE AND ACCESSIBLE SYSTEMS AND OPERATIONS FOR A DEVELOPMENTAL MUNICIPALITY

PROGRAMME AREA	KEY INTERVENTIONS / ACTIONS	INTENDED OUTCOME
Governance & accountability	Strengthen ethical governance; improve compliance; achieve clean audits; enforce SLAs	Transparent, accountable and compliant municipality
Public participation & communication	Improve ward committee reporting; strengthen public communication; enhance stakeholder engagement; provide interpretation services	Increased public trust and participation
Institutional capacity & HR development	Implement performance management system; fill critical vacancies; implement HR strategies; councillor capacity building; staff wellness programmes	Skilled, motivated and effective workforce
Service delivery systems	Establish 24-hour customer care centre; improve complaints systems; review policies and workflows	Responsive and citizen-centred service delivery

5.3.2 Batho Pele Principles — Core Values for Human Settlements Strategy

The development of human settlements strategies is further guided by the Batho Pele Principles, which constitute the core service delivery values of government. These principles provide a framework for improving service delivery and ensuring citizen-centred governance. Within the Human Settlements programme, they are applied as follows:

VALUE	APPLICATION

Courtesy and People First	Residents to be treated with dignity, courtesy and consideration at all times
Consultation	Residents to be consulted on service levels and quality of delivery
Service Excellence	Residents to be informed of expected service levels and delivery standards
Access	Residents to have equal access to housing programmes and services to which they are entitled
Information	Residents to receive full, accurate and timely information regarding available services and programmes
Openness and Transparency	Residents to be informed about government programmes, decisions and processes
Redress	Residents are entitled to appropriate remedial action where committed service standards are not met
Value for Money	Public services to be delivered economically, efficiently and effectively

5.4 HUMAN SETTLEMENTS STRATEGIC RESPONSE TO IDP PRIORITIES

In alignment with the Municipality's Strategic Objectives as articulated in the Integrated Development Plan (IDP), the following key areas of focus have been identified to provide a comprehensive, integrated and spatially responsive framework for addressing community priorities and underlying service delivery backlogs. These focus areas are informed by a synthesis of outcomes from the public participation process, sectoral inputs, and a contextual analysis of prevailing socio-economic, infrastructural, and institutional development challenges within the municipal jurisdiction.

Whilst community engagement processes did not consistently yield explicitly prioritised or technically defined interventions, the municipal response framework has been developed through a structured interpretive approach that integrates expressed community needs with empirical service delivery trends, infrastructure condition assessments, and statutory planning obligations. This approach ensures that both articulated demands and latent developmental requirements are adequately incorporated into the planning and implementation environment.

Accordingly, the identified areas of focus are not solely reflective of directly stated community priorities, but are further informed by strategic planning imperatives, legislative mandates, and integrated development considerations, including alignment with national and provincial development frameworks. These interventions have been systematically disaggregated and spatially contextualised at ward level to ensure precision in targeting, improved implementation efficiency, and responsiveness to differentiated local conditions, settlement typologies, and service delivery disparities across the municipality.



The responses are intrinsically aligned with the prevailing strategic imperatives and developmental themes articulated within the 2026/27 Integrated Development Plan (IDP) and the Municipal Spatial Development Framework (MSDF). Collectively, these planning instruments underscore the imperative of advancing spatial transformation through a coordinated and integrated approach to human settlements development, infrastructure investment, and sustainable urban growth.

A dominant and recurring consideration emerging from both the IDP and MSDF is the critical necessity of ensuring the adequacy, resilience, and long-term sustainability of bulk engineering services infrastructure as a prerequisite for future development. The availability of sufficient water, sanitation, electricity, transportation, and stormwater infrastructure is widely recognised as a fundamental determinant of the Municipality's capacity to accommodate growth, unlock strategic development opportunities, and facilitate the delivery of integrated human settlements at the scale required to address existing and projected housing demand.

Accordingly, the expansion, augmentation, and modernisation of bulk infrastructure networks constitute a strategic developmental priority that underpins the Municipality's broader spatial restructuring agenda. The provision of adequate engineering services is not merely an operational requirement but a catalytic enabler of sustainable development, facilitating the release of strategically located land, enhancing investment attractiveness, improving development viability, and supporting the creation of more compact, efficient, and inclusive settlement patterns.

The successful implementation of human settlements programmes is therefore inextricably linked to the Municipality's ability to coordinate infrastructure planning, capital investment programming, and land development initiatives within a coherent spatial framework. In this regard, the Municipality will continue to pursue an integrated planning approach that

strengthens the alignment between human settlements delivery, infrastructure master planning, capital expenditure frameworks, and intergovernmental funding mechanisms. Such an approach is essential to ensuring that future development occurs in a manner that is spatially transformative, economically sustainable, environmentally responsible, and responsive to the long-term developmental aspirations of the municipal area.

5.5 KEY IDP PRIORITIES AND STRATEGIES PER WARD

The human settlements priorities encapsulated within this Sector Plan emanate from an extensive programme of stakeholder engagement, public participation, and intergovernmental consultation undertaken as an integral component of the Municipality's Integrated Development Plan (IDP) review process. These priorities were initially distilled through ward-based consultative engagements and subsequently refined, validated, and consolidated through the deliberative processes associated with the formulation and adoption of the 2026/27 Integrated Development Plan.

The consultative process provided an indispensable platform through which communities, ward committees, councillors, government institutions, sector stakeholders, civil society organisations, and other interested and affected parties were afforded the opportunity to articulate prevailing developmental challenges, housing aspirations, service delivery concerns, and future settlement requirements. The outcomes of these engagements have profoundly informed the strategic orientation, investment priorities, and developmental interventions articulated within this Human Settlements Sector Plan.

The priorities emerging from these engagements exhibit a strong degree of congruence with the overarching spatial and developmental imperatives embodied within both the 2026/27 Integrated Development Plan and the Municipal Spatial Development Framework (MSDF). Collectively, these strategic instruments underscore the imperative of advancing spatial restructuring, fostering socio-economic inclusion, and strengthening the interrelationship between human settlements delivery, infrastructure investment, economic development, environmental stewardship, and long-term urban sustainability.

A particularly salient theme emerging from both the IDP and the MSDF is the fundamental necessity of ensuring the availability, adequacy, and long-term resilience of bulk engineering services infrastructure as a prerequisite for sustainable growth and development. The capacity and reliability of water, sanitation, electricity, transportation, and stormwater systems constitute critical determinants of the Municipality’s ability to accommodate future population growth, unlock strategically located land, stimulate investment, and facilitate the delivery of integrated human settlements at scale. Accordingly, the augmentation and modernisation of bulk infrastructure networks represent a foundational component of the Municipality’s spatial transformation agenda and serve as a critical catalyst for future development.

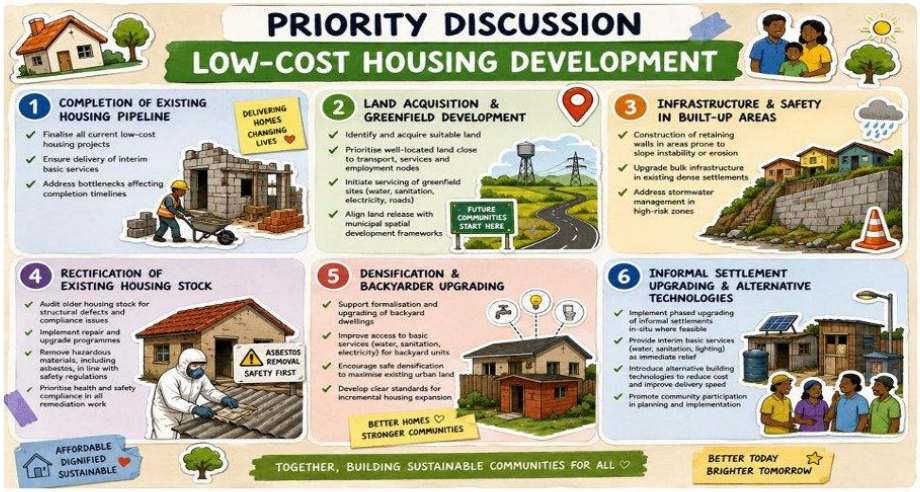
The preparation of this Sector Plan has further been informed by the Municipality’s long-term spatial vision and is intrinsically aligned with the Municipal Spatial Development Framework and its associated Implementation Plan. In this regard, the Human Settlements Sector Plan adopts a ten-year planning horizon and seeks to establish a coherent, evidence-based, and forward-looking framework for guiding housing delivery, land development, infrastructure investment, and spatial transformation across the municipal area.

Projects and interventions identified through this planning process are incorporated into the Human Settlements Sector Plan and, where determined to be strategically aligned, technically feasible, financially viable, and environmentally sustainable, are translated into the Municipal Spatial Development Framework Implementation Plan. These interventions subsequently inform the Municipality’s Capital Investment Framework, Medium-Term Revenue and Expenditure Framework (MTREF), and broader capital budgeting processes, thereby ensuring

a direct and measurable alignment between strategic policy objectives, infrastructure investment priorities, and implementation programmes.

This integrated planning paradigm strengthens the symbiotic relationship between community-derived priorities, spatial planning objectives, infrastructure provisioning, and human settlements delivery. Moreover, it promotes institutional coherence, enhances intergovernmental alignment, optimises the allocation of finite public resources, and facilitates the coordinated implementation of development initiatives. Ultimately, the Sector Plan serves as a strategic instrument for directing future growth trajectories, enabling spatial transformation, and advancing the Municipality's aspiration of cultivating integrated, inclusive, resilient, and sustainable human settlements that contribute meaningfully to improved quality of life and long-term developmental prosperity.

5.5.1Ward 1 Priorities and strategies



The Sedgefield functional area has experienced sustained demographic growth and inward migration over an extended period, resulting in increasing pressure on the limited land resources available for residential development. This growth trajectory has contributed to the progressive expansion and consolidation of informal settlements within environmentally sensitive dune systems located across portions of Ward 1 and Ward 2. The occupation of these dune areas for residential purposes presents significant developmental challenges and is widely recognised as being incompatible with the principles of sustainable human settlements development.

From both a geotechnical and environmental perspective, the continued habitation of unstable dune formations presents substantial risks to human safety, environmental integrity, and long-term settlement sustainability. Numerous specialist investigations, technical assessments, and planning studies have been undertaken over time to evaluate the suitability of these areas for permanent residential occupation. The findings of these assessments have consistently concluded that the identified dune areas are unsuitable for human settlement due to factors including dune instability, environmental sensitivity, serviceability constraints, and exposure to potential natural hazards. Consequently, the relocation of affected households to suitably located and developable land remains a strategic planning imperative.

The challenges associated with informal settlement growth in Sedgefield are further compounded by the severe scarcity of developable land within the locality. This constraint has been recognised within the Sedgefield Local Spatial Development Framework (LSDF), which identifies a range of spatial and housing interventions aimed at addressing existing housing demand while promoting more efficient and sustainable land utilisation patterns. Key strategic interventions identified within the LSDF include the application of innovative and higher-density housing typologies capable of optimising residential yield on constrained land parcels, as well as the redevelopment of vacant and underutilised properties through infill development and densification initiatives in appropriate locations.

Current estimates indicate that the combined number of informal settlement households and backyard dwellers within the broader Sedgefield functional area exceeds 2,000 families. This represents a significant human settlements challenge, particularly within the context of constrained land availability, environmental limitations, and infrastructure capacity considerations. While the existing infill housing project currently being implemented within the Sizamile and Smutsville areas constitutes an important intervention towards addressing housing demand, the scale of need substantially exceeds the accommodation opportunities that can be generated through the project. Consequently, additional housing programmes, land release initiatives, and alternative accommodation strategies will be required to address the outstanding housing backlog.

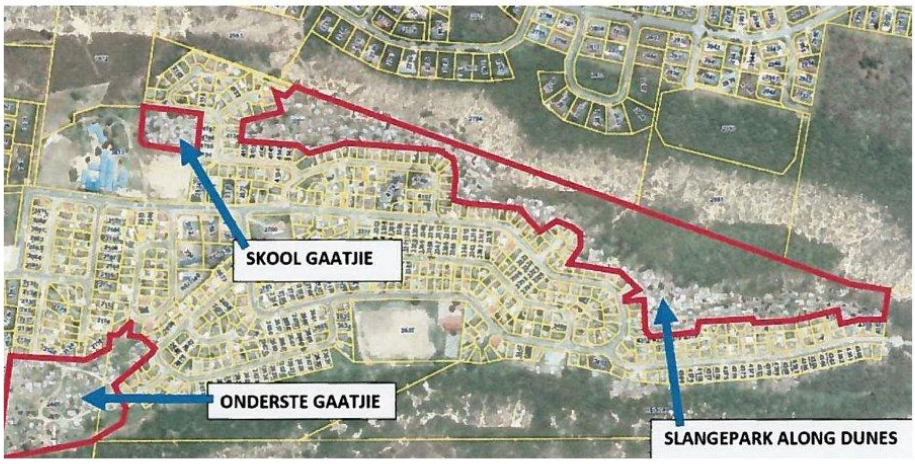
Recognising the immediate service delivery needs within the area, the Western Cape Government has allocated approximately R9 million towards the provision of interim basic services for households residing within the Smutsville and Dunes informal settlement areas. This intervention is intended to benefit approximately 600 households through the installation of communal ablution facilities and communal water supply infrastructure as an interim measure pending the implementation of permanent housing solutions. The programme seeks to improve public health conditions, enhance dignity, and mitigate immediate service delivery challenges within affected communities.

In support of this initiative, the Western Cape Government appointed the Development Action Group (DAG) to facilitate structured community engagement and stakeholder participation processes. The role of DAG includes supporting communication between affected communities, government institutions, and the Municipality, while promoting participatory planning processes and facilitating social cohesion throughout the implementation of human settlements interventions.

Despite these efforts, the proliferation of informal structures within the Dunes area has continued, reflecting the broader structural challenges associated with housing demand, land scarcity, and socio-economic vulnerability. The rate of informal settlement expansion intensified considerably during the COVID-19 pandemic period, when national disaster regulations restricted the implementation of conventional eviction and land invasion management measures. This resulted in accelerated settlement growth within environmentally constrained areas and further increased the complexity of future upgrading and relocation interventions.

The continued expansion of informal settlements within geotechnically unstable and environmentally sensitive areas highlights the urgent need for a coordinated, multi-disciplinary, and intergovernmental response. Such a response must encompass the identification and acquisition of suitable land for relocation and future development, the implementation of innovative and appropriately scaled housing typologies, the expansion of bulk and internal engineering services infrastructure, and sustained community engagement processes aimed at securing social acceptance and developmental sustainability.

Addressing these challenges will be fundamental to achieving the Municipality's broader objectives of spatial transformation, environmental stewardship, social inclusion, and sustainable human settlements development. Furthermore, the successful implementation of appropriate interventions within the Sedgefield functional area will contribute significantly towards reducing housing vulnerability, improving living conditions, protecting environmentally sensitive landscapes, and advancing the long-term vision of creating integrated, resilient, and sustainable communities.



Informal areas (IBS project)

The Sedgefield Local Spatial Development Framework (LSDF)

The Sedgefield Local Spatial Development Framework (LSDF) articulates a series of strategic policy directives aimed at guiding informal settlement management and human settlements delivery within the broader Sedgefield functional area. These directives provide an important spatial and developmental framework within which future housing interventions must be conceptualised and implemented

Comprehensive Informal Settlement Upgrading

The LSDF advocates for the preparation and implementation of comprehensive upgrading plans for informal settlements within Smutsville, encompassing the provision of essential engineering services, social infrastructure, community facilities, and public amenities. Particular attention is afforded to settlements situated within the coastal dune system, where environmental sensitivities and geotechnical constraints necessitate carefully sequenced and context-responsive upgrading interventions. The formulation and implementation of such upgrading programmes constitute a central strategic consideration within this Sector Plan and are fundamental to achieving sustainable human settlements outcomes.

Enforcement of Zoning Regulations

The Framework further recommends the strengthening of zoning enforcement mechanisms to safeguard environmentally sensitive areas from continued encroachment and inappropriate land use practices. Notwithstanding the validity of this recommendation, its practical implementation within the Sedgefield context presents considerable challenges. The majority of informal settlements have evolved incrementally over an extended period during which

development control measures were either inadequately enforced or unable to respond effectively to mounting housing pressures. Consequently, the enforcement of prevailing zoning provisions would, in many instances, necessitate the relocation of existing households and the provision of alternative accommodation. Such an undertaking would require formal municipal resolution and remains constrained by the acute scarcity of suitably located and developable land within the locality..

Promotion of Vertical Development and Densification

The LSDF expressly promotes residential densification through the development of walk-up apartment buildings and other higher-density housing typologies within strategically located areas. This approach is recognised as a critical spatial response to the finite availability of land within the Sedgefield urban envelope and the increasing demand for well-located housing opportunities. The principles underpinning densification and vertical development have been extensively communicated to, and deliberated with, affected communities and are broadly acknowledged as essential components of a sustainable long-term housing strategy for the area.

Diversification of Housing Typologies

In recognition of the diverse socio-economic profile of the local population, the LSDF further advocates for the provision of a broader spectrum of housing typologies capable of accommodating varying household structures, income levels, and tenure preferences. This principle has been incorporated into the current human settlements project pipeline, thereby ensuring that future housing delivery initiatives are responsive to the full continuum of housing need and demand across the Sedgefield functional area.

Smutsville Infill Housing Project

An infill housing project for the Smutsville area has been in the planning pipeline for an The Smutsville Infill Housing Project has remained within the municipal planning pipeline for a considerable period and represents a significant intervention aimed at alleviating the area's longstanding housing backlog. Progress towards implementation has, however, been constrained by the limited availability of suitable and developable land relative to the magnitude of housing demand. Current records indicate that in excess of 2,000 households are registered on the municipal housing demand database, whereas the approved project provides for the accommodation of only 207 beneficiary households.

While the project will undoubtedly contribute towards reducing the existing housing backlog, it is evident that its impact will be limited in relation to the scale of demand. The development will accommodate approximately ten per cent of households currently requiring housing assistance, leaving an estimated delivery gap of ninety per cent. The project therefore underscores the imperative for the proactive identification, acquisition, and release of additional land parcels capable of supporting future human settlements development within and beyond the existing settlement footprint.

Significantly, both Smutsville and Sizamile have been identified within the LSDF as priority densification precincts. This spatial designation affirms that higher-density residential development, in-situ informal settlement upgrading, vertical housing typologies, and the utilisation of innovative and alternative construction technologies constitute the most appropriate and sustainable mechanisms through which future housing demand can be accommodated. Given the severe spatial constraints that characterise the locality, these approaches are not merely desirable planning interventions but represent an indispensable

prerequisite for achieving long-term spatial transformation, social integration, and sustainable human settlements development within the Sedgefield area.



The project is to be implemented over a three-year period, with the first year focusing on the servicing of erven in preparation for top structure construction, which is to be undertaken during the second and third years of the implementation programme. The project primarily targets low-income beneficiaries, with one site specifically identified for middle-income housing delivery in the form of the Finance Linked Individual Subsidy Programme (FLISP). Full details of this project are contained within the project pipeline chapter of this Sector Plan.

Land Availability Constraints — Sizamile and Smutsville

As is the case throughout the broader Knysna Municipal area, land within the Sedgefield functional area has become an increasingly scarce and strategically constrained resource. The severity of this constraint is particularly evident within Ward 1, where opportunities for future human settlements development are significantly limited by a confluence of factors, including sustained demand for residential land, extensive environmental and geotechnical constraints associated with the coastal dune system, and the absence of suitably located, contiguous parcels capable of supporting conventional urban expansion.

A comprehensive assessment of vacant land parcels within Sizamile was undertaken to determine the potential availability of land for future low-income housing development. The findings unequivocally confirmed that no vacant land within the existing settlement boundary is suitable for human settlements purposes. This outcome not only underscores the spatial limitations confronting the area but also highlights the urgent necessity of identifying and securing appropriately located land beyond the current settlement footprint to accommodate future housing demand and facilitate sustainable settlement growth.

The identification of suitable land outside the existing Ward 1 boundary is, however, not without its complexities. Such an approach may give rise to a range of political, administrative, and governance considerations, particularly where future residential development has the potential to alter demographic patterns and population distribution within adjoining areas. In such circumstances, the scale and location of development may ultimately necessitate a review of ward boundaries in accordance with the statutory processes prescribed by the Municipal Demarcation Board. While these considerations introduce an additional layer of institutional complexity, they do not diminish the imperative to secure viable land for future human settlements development. Rather, they reinforce the need for proactive spatial planning, intergovernmental coordination, and long-term strategic decision-making.

The acute scarcity of developable land within the locality has been formally acknowledged through the designation of Sizamile and Smutsville as a priority densification precinct within the Sedgefield Local Spatial Development Framework (LSDF). This designation reflects a strategic recognition that traditional greenfield expansion and low-density outward growth are neither feasible nor sustainable within the prevailing spatial context. Consequently, densification, vertical residential development, in-situ upgrading, and the application of

innovative and alternative building technologies have been identified as the principal spatial responses through which future housing demand is to be accommodated.

Within this context, densification should not merely be regarded as a desirable planning intervention, but rather as an indispensable spatial imperative. The optimisation of limited land resources through higher-density development represents the most viable mechanism for reconciling growing housing demand with the severe environmental and spatial constraints that characterise the Sedgefield area. Accordingly, the successful implementation of densification-led development will be fundamental to advancing the objectives of spatial transformation, settlement sustainability, social integration, and equitable access to housing opportunities within the Sedgefield functional area.



Human settlement development areas (Sedgefield LSDF)

Sedgefield — Dune Area Formalisation, Densification and Infrastructure Response

Formalisation of Informal Settlements in the Dune Area

Notwithstanding the legal and regulatory complexities associated with informal structures located within the dune environment, it is recommended that Council give serious consideration to a programme of formalisation and incremental upgrading of existing informal settlements, rather than pursuing a strategy predicated solely on wholesale eradication and relocation. Experience has demonstrated that the removal of informal structures, in the absence of viable alternative accommodation and effective post-clearance management measures, frequently results in the rapid reoccupation of vacated land and the erection of new informal structures. Such outcomes not only perpetuate cycles of land invasion but also undermine the effectiveness of enforcement interventions while yielding limited long-term spatial or developmental benefits.

Within this context, the re-blocking, regularisation and in-situ upgrading of existing informal settlements represent a more pragmatic, sustainable and socially responsive planning approach. These interventions offer the opportunity to improve living conditions, rationalise settlement layouts, facilitate the provision of basic services, and progressively enhance tenure security, whilst minimising social disruption and displacement.

Given the challenging topographical, environmental and geotechnical characteristics associated with dune landscapes, it is further recommended that Knysna Municipality actively investigate and promote the utilisation of alternative building technologies and innovative

construction methodologies capable of responding to the unique conditions of the area. Such technologies may provide more appropriate, cost-effective and environmentally sensitive housing solutions than conventional construction approaches, particularly within constrained and difficult terrain.

Any future development intervention within the dune area must, however, be undertaken in strict accordance with the legislative and regulatory framework governing land development and environmental management. In particular, all proposals must comply with the provisions of the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA), the National Environmental Management Act, 107 of 1998 (NEMA), and all other applicable statutory requirements. This will ensure that the necessary land use approvals, environmental authorisations, engineering assessments and specialist investigations are obtained prior to implementation, thereby safeguarding both environmental integrity and procedural legality.

Simultaneously, it is imperative that the Municipality adopt a far more proactive and robust approach to preventing further degradation of the dune environment beyond the areas already affected by informal occupation. The ecological sensitivity of the dune system, coupled with its role in supporting broader environmental and coastal processes, necessitates decisive intervention to prevent continued encroachment and environmental deterioration.

To this end, the preparation, adoption and implementation of a comprehensive Land Invasion Management Strategy should be regarded as a matter of strategic priority. Such a strategy should be adequately resourced and supported by clear institutional responsibilities, monitoring mechanisms, enforcement protocols and community engagement processes. The objective should be not only to curb the proliferation of informal settlement expansion into environmentally sensitive areas, but also to establish a proactive framework for managing future land occupation pressures in a manner that balances human settlement needs with environmental sustainability and long-term spatial planning objectives.

Interim Basic Services — Phase Two

Substantial public investment has already been committed towards the provision of interim basic services within the informal settlement areas of Sedgefield, including the installation of water supply networks, sanitation facilities and electrification infrastructure. These investments have contributed significantly towards improving living conditions and establishing a foundational level of service delivery within communities that have historically experienced varying degrees of infrastructural deprivation.

Against the backdrop of increasing fiscal constraints and declining allocations from both national and provincial spheres of government, it is imperative that the Municipality adopts a strategic approach that maximises the value and developmental impact of existing public investments. In this regard, priority should be afforded to the optimisation, consolidation and enhancement of infrastructure that has already been installed, rather than directing scarce financial resources towards the duplication of services or the extension of infrastructure into areas where substantial capital expenditure has previously been incurred.

The principle of infrastructure optimisation is particularly relevant within the Sedgefield context, where significant investments have already been made through the implementation of Phase One of the Interim Basic Services Programme. The existence of established service infrastructure provides a sound platform upon which further upgrading initiatives can be undertaken, thereby enabling the Municipality to leverage prior investments while incrementally improving service standards and settlement conditions.

Accordingly, the informal settlement areas of Sedgefield are considered well-positioned for progression to Phase Two of the Interim Basic Services Programme. The implementation of Phase Two would facilitate the systematic enhancement and consolidation of existing infrastructure networks, strengthen service delivery outcomes, and advance the broader objective of incremental settlement upgrading. This approach represents a fiscally responsible and developmentally efficient response to prevailing budgetary constraints, while simultaneously supporting the long-term objective of transforming informal settlements into more sustainable, resilient and integrated human settlements.

Backyard Dweller Servicing and Densification

Historically, the servicing and accommodation of backyard dwellers has not featured prominently within the human settlements delivery programme of Knysna Municipality, with municipal interventions having been directed primarily towards informal settlement upgrading initiatives and conventional greenfield housing developments. As a consequence, the housing and service delivery needs of backyard households have, to a large extent, remained peripheral to mainstream settlement planning processes. Within this context, Sedgefield represents a notable departure from previous approaches, as the current project pipeline seeks to respond simultaneously to the needs of both informal settlement residents and backyard dwelling households through an integrated and inclusive human settlements strategy.

The prevalence of relatively large residential erven within portions of the Smutsville area presents a unique opportunity to pursue residential densification through the formal recognition and accommodation of secondary dwelling units. In many instances, existing erf sizes are capable of supporting more than one residential structure without compromising acceptable planning and service delivery standards. This presents a potentially significant mechanism for increasing housing opportunities within an area characterised by severe land scarcity and limited prospects for outward urban expansion.

The strategic importance of densification as a mechanism for accommodating future housing demand is explicitly recognised within the Sedgefield Local Spatial Development Framework (LSDF), which identifies Smutsville and Sizamile as priority densification precincts. Within this policy context, the formalisation and servicing of secondary dwelling units, including those currently occupied by backyard dwellers, has the potential to contribute meaningfully towards the optimisation of existing land resources, the enhancement of tenure security, and the expansion of housing opportunities within well-located areas.

To give practical effect to this densification agenda, a comprehensive feasibility assessment will be required to determine the technical, financial and institutional viability of such interventions. This assessment should include a detailed evaluation of existing bulk and reticulation service capacities, the subdivision potential of qualifying properties, and the legal and administrative implications associated with alternative tenure arrangements. Particular consideration should be given to the potential application of sectional title ownership models in circumstances where the backyard occupant is a member of the primary title holder’s family, thereby creating opportunities for more secure and formalised tenure arrangements while preserving family-based occupation patterns.

Furthermore, the successful implementation of any backyard densification programme will be contingent upon meaningful stakeholder engagement and broad-based community support. Given the potential implications for property rights, service provision, neighbourhood character and household dynamics, it will be essential that affected residents are actively involved throughout the planning and implementation process. Community buy-in should therefore be

regarded not merely as a procedural requirement, but as a fundamental prerequisite for the long-term sustainability, legitimacy and success of any densification initiative undertaken within the Smutsville area.

In a context where the availability of developable land has become increasingly constrained, the formal integration of backyard dwellers into the broader human settlements programme represents a progressive and innovative response to housing demand. By leveraging existing residential land assets and promoting appropriately managed densification, the Municipality has an opportunity to advance spatial transformation objectives while simultaneously broadening access to housing opportunities within established and serviced neighbourhoods.

Soil Erosion Management

Soil erosion represents a persistent and increasingly significant environmental and infrastructure management challenge within the Sedgefield area, particularly during periods of prolonged or intense rainfall. The combination of steep topography, unconsolidated sandy soils, informal settlement development within environmentally sensitive dune systems, and concentrated stormwater runoff has heightened the vulnerability of certain areas to erosion-related impacts. These impacts not only contribute to environmental degradation but also pose a direct threat to public infrastructure, residential structures, access routes, and the safety and well-being of affected communities.

While the establishment and maintenance of vegetation cover remains an important component of erosion control, vegetation alone is insufficient to mitigate the extent and severity of erosion occurring in a number of high-risk locations. In such instances, more robust engineering interventions are required to stabilise slopes, manage runoff, and protect vulnerable infrastructure and residential structures. The installation of retaining walls, gabion structures, erosion-control systems, and associated stormwater management measures is therefore regarded as essential to reducing the risk of slope failure, land degradation, and disaster-related damage, particularly during the winter rainfall season.

Notwithstanding the recognition of this need, the Municipality's ability to implement large-scale erosion mitigation measures remains constrained by limited financial resources. Although internal municipal funding has historically been allocated towards erosion control interventions, prevailing fiscal pressures and competing service delivery priorities have restricted the scale and pace at which these measures can be implemented. Consequently, available resources have largely been directed towards addressing the most critical and immediate risks rather than undertaking comprehensive area-wide stabilisation programmes.

In light of these constraints, it is imperative that structural interventions be complemented by sustained community-based awareness and education initiatives. Such programmes should seek to enhance public understanding of the causes and consequences of soil erosion while promoting the adoption of environmentally responsible land management practices and alternative erosion mitigation measures. Particular emphasis should be placed on discouraging activities that exacerbate erosion, including the removal of stabilising vegetation, uncontrolled stormwater discharge, and inappropriate land alteration practices within sensitive areas.

A combined approach incorporating targeted engineering interventions, environmental rehabilitation measures, and ongoing community education will be essential to achieving long-term slope stability and reducing erosion-related risks within the Sedgefield area. Such an approach will not only contribute towards protecting public and private assets but will also support broader objectives relating to environmental sustainability, climate resilience, disaster risk reduction, and the preservation of the area's sensitive ecological systems.

Ward 1 — Human Settlements Priorities and Strategic Framework

KEY INTERVENTIONS	DESCRIPTION	RESPONSIBILITY
Secure Funding Commitments	Engage the Western Cape Government to secure Human Settlements funding for the Sedgefield housing programme. Simultaneously investigate funding opportunities through the Social Housing Regulatory Authority (SHRA), including the Restructuring Capital Grant and Institutional Subsidy Programme.	Knysna Municipality, Western Cape Government, SHRA
Appointment of Professional Team	Procure and appoint the required professional service providers, including town planners, engineers, architects, environmental specialists and project managers through the Municipal Supply Chain Management process.	Knysna Municipality
Appointment of Contractor	Following project planning, design and approvals, appoint a suitably qualified contractor to undertake construction and infrastructure works in accordance with SCM requirements.	Knysna Municipality
In-Situ Upgrading and Infill Development	Implement upgrading interventions within existing settlements and develop identified infill sites within the Sedgefield urban footprint to maximise the utilisation of available land and infrastructure.	Municipality, Professional Team and Contractor
Densification Initiatives	Promote higher-density residential development through the application of SPLUMA principles, including second dwellings, walk-up units and other alternative housing typologies to optimise scarce land resources.	Municipality and Planning Team
Community and Stakeholder Engagement	Facilitate continuous engagement with residents, NGOs, community organisations and the Ward Committee throughout the planning, implementation and occupation phases of the project.	Municipality and Ward Committee
Human Settlements Policy Workshops	Conduct workshops to improve understanding of housing policies, subsidy programmes, beneficiary qualification criteria, tenure options and stakeholder responsibilities.	Municipality and Ward Committe

5.3.2 Ward 2 priorities and Strategies

PRIORITY DISCUSSION
Accelerated implementation of low-cost housing projects & development & allocation of vacant land parcels for families on the updated Housing Waiting List.
Procurement of Land Parcels in ward 2 for FLISP & GAP housing & related services planning

Ward 2: Sedgefield and Karatara

Ward 2 comprises portions of the Sedgefield urban area, the Karatara settlement, as well as the intervening rural and agricultural landholdings. Human settlements interventions within the ward are predominantly concentrated within the Sedgefield and Karatara settlement areas, both of which exhibit distinct spatial, environmental, infrastructural, and socio-economic challenges requiring tailored planning responses and targeted capital investment..

Sedgefield

As previously articulated, the Sedgefield area is confronted by a range of human settlement challenges, most notably the unlawful occupation of environmentally sensitive dune systems located within and adjacent to the urban edge. The proliferation of informal structures within these dune systems has elicited sustained concern from resident associations, affected landowners, and various stakeholder institutions. Although the majority of these encroachments are concentrated within Ward 1, their spatial, environmental, and service delivery implications extend across the broader Sedgefield settlement, thereby impacting both Wards 1 and 2.

The Municipality recognises that the challenges associated with informal settlement encroachment into dune systems necessitate a coordinated and integrated response encompassing environmental management, land-use governance, law enforcement, and human settlements planning. Such occupation presents significant ecological risks and is inconsistent with the long-term spatial development vision for the area. Consequently, legal processes have been instituted, culminating in determinations supporting the removal and prevention of further unlawful occupation within these environmentally sensitive zones.

The Sedgefield Local Spatial Development Framework (LSDF) identifies land situated to the north of the Sedgefield Central Business District as a strategic future growth precinct for human settlement expansion. This locality presents a significant opportunity to accommodate residential development in close proximity to existing economic nodes, social amenities, and transport infrastructure, thereby advancing the principles of spatial integration, efficiency, and accessibility.

Notwithstanding its strategic importance, the development potential of this precinct is currently constrained by inadequate bulk engineering service capacity, particularly in respect of waterborne sanitation and associated municipal infrastructure networks. The upgrading and expansion of bulk infrastructure therefore constitute a critical precondition for the realisation of future residential development within this area.

Given its locational advantage and potential contribution to spatial restructuring, the precinct is considered suitable for a diversified range of affordable housing typologies, including First Home Finance (formerly FLISP) opportunities, gap housing, affordable rental accommodation, and social housing. Subject to compliance with applicable statutory and policy frameworks,

consideration should be given to the designation of the area as a Restructuring Zone to enable social housing investment and to advance broader spatial transformation objectives.

Karatara

The Karatara housing initiative represents the most advanced and implementation-ready priority within the ward, comprising 188 serviced sites and 188 housing units, together with associated community amenities. However, its implementation is entirely contingent upon the prior provision of bulk municipal services, rendering sequencing and infrastructure delivery critical determinants of project viability.

The Tsiba College intervention constitutes a distinct priority, characterised not by new development, but by protection, rehabilitation, and activation. The primary objective is to secure the facility against further unlawful occupation, restore its integrity, and facilitate its formal transfer to an accredited institution. This process requires intergovernmental coordination extending beyond the Human Settlements function.

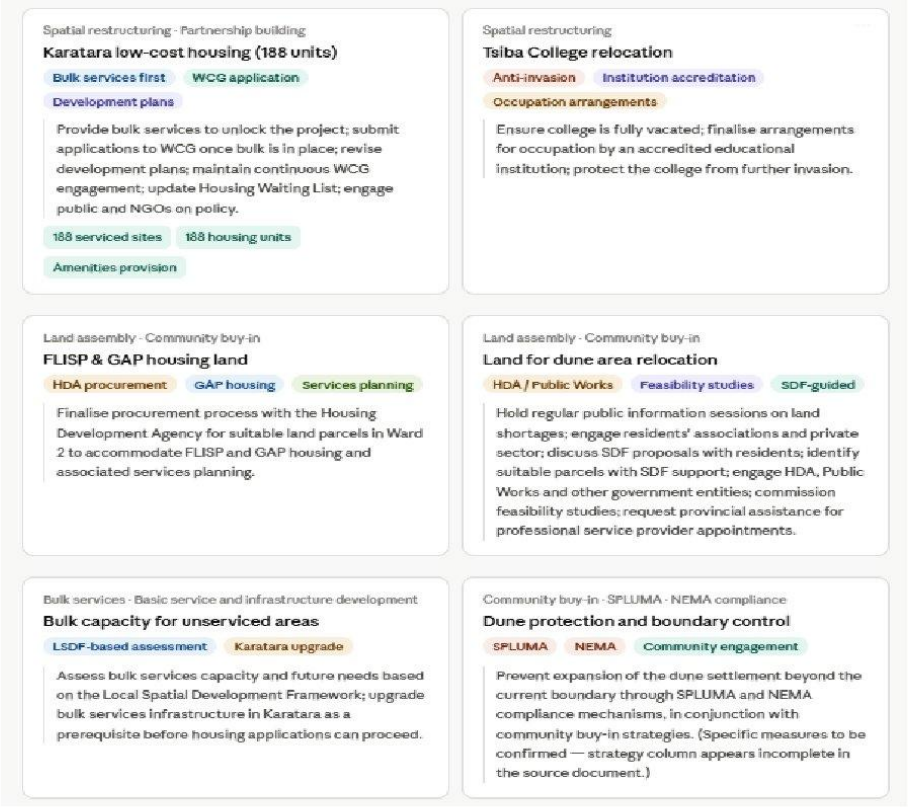
Strategic interventions within Karatara should encompass the following:

- Consolidation of the existing settlement footprint through infill development and appropriate densification;
- Provision and upgrading of essential municipal services and bulk infrastructure;
- Expansion and enhancement of social facilities and community infrastructure;
- Regeneration of public spaces, streetscapes, and civic amenities;
- Promotion of local economic development initiatives and support for small-scale enterprise activity;
- Facilitation of mixed-use development opportunities to strengthen local economic resilience; and
- Preservation and enhancement of the settlement's distinctive village character through appropriate development controls and urban design frameworks.

The Municipality has initiated processes to enable the development of selected land parcels within Karatara for human settlement purposes. However, implementation remains dependent upon the resolution of existing bulk infrastructure constraints, as well as the availability of funding for requisite engineering services upgrades.

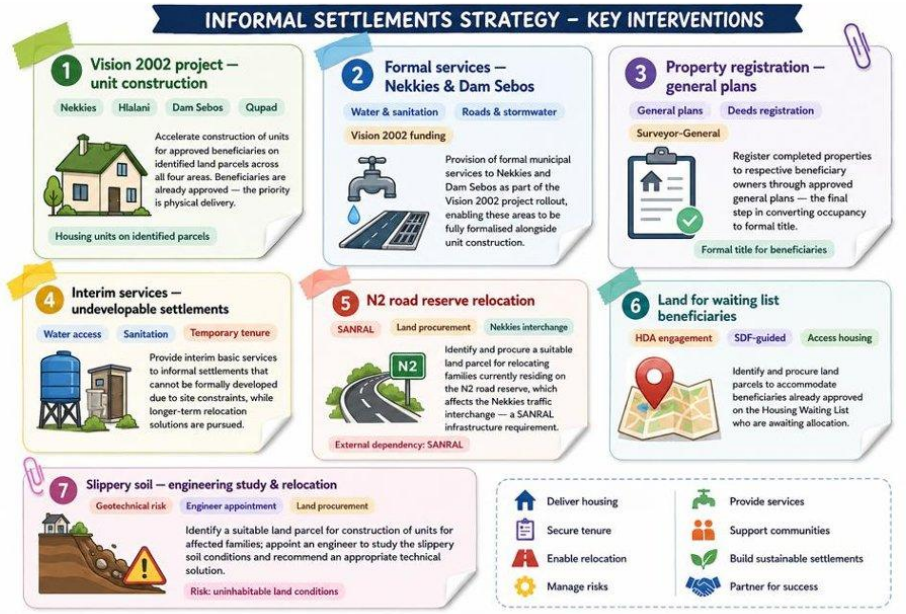
Notwithstanding these constraints, the Municipality has proceeded with the allocation of selected vacant erven to qualifying beneficiary households within the settlement. In order to formalise these allocations and ensure sustainable development outcomes, it is imperative that a comprehensive land development application process be undertaken to secure the necessary statutory approvals, establish development rights, and enable the coordinated provision of municipal services and supporting infrastructure.

The formalisation and development of these erven will contribute meaningfully to improved tenure security, settlement consolidation, and the orderly spatial development of Karatara, while simultaneously advancing the broader objectives of sustainable human settlements delivery and spatial transformation within the municipal jurisdiction.



5.3.3 Ward 3 Priorities and Strategies

The human settlements priorities for Ward 3, as set out below, constitute the key strategic interventions necessary to support housing delivery, informal settlement upgrading, the provision of essential infrastructure, tenure formalisation, and the achievement of sustainable human settlements development within the ward.



Implementation of Vision 2002 Project

Although Human Settlements does not feature among the top five priorities identified through the Integrated Development Plan (IDP) public participation process within Ward 3, housing-related matters continue to constitute a salient and recurring theme in stakeholder engagements and community discourse. This is largely attributable to the ongoing implementation of the Vision 2002 Human Settlements Programme, which remains central to addressing historical housing backlogs and the progressive upgrading of informal settlements within the northern areas of Knysna.

Key projects currently being implemented through a phased delivery methodology include Nekkies, Dam se Bos, Hlalani, and Oupad. While substantive progress has been achieved across these interventions, several project phases remain incomplete due to persistent funding constraints and the inherently incremental nature of programme implementation. In particular, portions of the Oupad settlement situated adjacent to the N2 National Route are subject to significant development constraints, primarily arising from elevated infrastructure and construction costs. In this context, the exploration of alternative development configurations and potential relocation solutions for affected households may be unavoidable.

A number of Temporary Relocation Areas (TRAs), established under earlier phases of upgrading initiatives, remain occupied. These facilities were originally conceived as interim accommodation for households temporarily relocated to enable the implementation of upgrading works. However, prolonged occupation has resulted in the deterioration of living conditions and an attendant escalation in pressure on municipal services. The resolution of these temporary settlements remains contingent upon the successful completion of outstanding phases within the Nekkies, Dam se Bos, Hlalani, and Oupad projects.

Notwithstanding the existence of residual developable land within these project areas, such land is insufficient to accommodate the full quantum of approved beneficiaries. This constraint is principally attributable to historical settlement patterns, irregular spatial configurations, and

the absence of structured planning frameworks within original informal settlements, all of which have constrained the efficient installation of engineering services and limited opportunities for optimal spatial consolidation. Consequently, the identification and development of alternative greenfield settlement opportunities will be required to accommodate households that cannot be integrated within existing project footprints.

The Vision 2002 Programme, initiated in 2008, was conceived as a structured mechanism to facilitate the incremental upgrading of informal settlements within the greater Knysna area through a phased implementation model. The programme is anchored in the People's Housing Process (PHP), which seeks to promote community participation and beneficiary involvement in housing delivery. However, the adoption of a phased funding model has resulted in partial project completion, thereby perpetuating reliance on interim service provision in certain areas.

Temporary Sanitation Services

In areas where environmental, geological, or land-use constraints preclude formal township establishment or permanent development, interim basic services must be provided to ensure a minimum acceptable standard of human habitation. Such interventions typically include access to potable water, basic sanitation facilities, and temporary tenure arrangements, pending the identification and implementation of sustainable long-term solutions, including upgrading or relocation.

Tenure Upgrading and Property Registration

A further salient challenge within Ward 3 pertains to tenure insecurity. A significant proportion of households in the northern areas of Knysna remain without formally registered title deeds, primarily as a consequence of historical delays in township establishment processes, cadastral adjustments, and alterations to erf configurations arising from settlement upgrading and platform construction activities.

In response, the Municipality will prioritise the finalisation of general plans and township establishment processes to facilitate the registration of properties and the subsequent transfer of ownership to qualifying beneficiaries. The formalisation of tenure through the issuance of title deeds will significantly enhance security of occupation, strengthen household asset bases, and contribute to broader socio-economic upliftmen.t

Geotechnical Conditions

Several informal settlements are located in areas characterised by unstable soil conditions, A number of informal settlements within Ward 3 are situated in environments characterised by unstable soil formations, steep gradients, and other adverse geotechnical conditions. As such, comprehensive engineering and geotechnical investigations are imperative to determine the suitability of areas such as Oupad and Nekkies for continued habitation or future development.

Of particular concern are geologically unstable substrates within sections of the Nekkies settlement, notably those adjacent to the river corridor and associated floodplain. Historical development approvals in these areas were granted under the Less Formal Township Establishment Act (LFTEA), during a period in which floodline delineation and formalised risk mitigation protocols were not consistently applied.

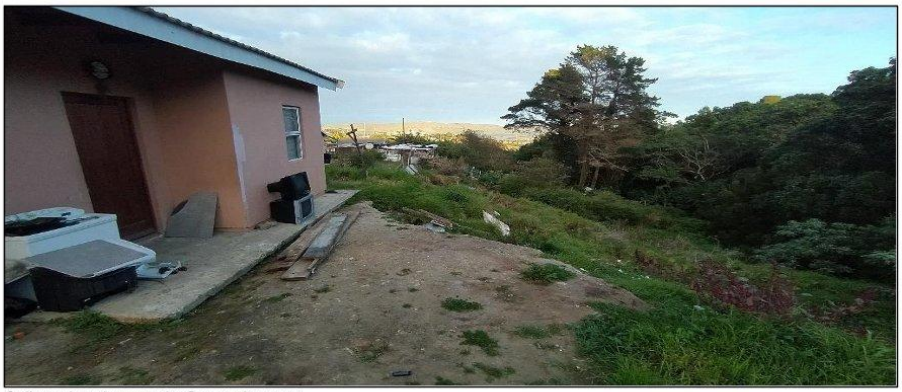
Where investigations determine that development is not feasible or sustainable, suitable alternative land will be required to facilitate the relocation of affected households to safer and more appropriate environments.

Preliminary assessments undertaken in Nekkies have identified extensive soil erosion, unstable fill platforms, and pronounced slope instability in multiple locations. Erosional activity

and localised slope failure are particularly evident in the eastern extents of the settlement, where historical platforming has significantly altered the natural topography. Furthermore, sections of the stream embankment exhibit ongoing sloughing and erosion, while exposed conglomerate rock formations are visible along portions of the channel and adjoining embankments.

These geotechnical vulnerabilities are further exacerbated by the deteriorating condition of municipal engineering infrastructure. Existing stormwater systems, drainage networks, and sewer reticulation infrastructure in proximity to residential areas are generally in a state of advanced deterioration, characterised by recurrent blockages, leakages, structural failures, and overflows. These deficiencies contribute materially to ongoing erosion processes, environmental degradation, and elevated public health risks.

Addressing these interrelated challenges will necessitate a coordinated, multi-disciplinary intervention encompassing geotechnical investigation, civil engineering rehabilitation, environmental management, stormwater system upgrading, and infrastructure renewal. Such an integrated approach is indispensable to securing the long-term safety, resilience, and sustainability of human settlements within Ward 3, while advancing the Municipality's broader objectives of sustainable spatial development and secure tenure provision



Soil erosion closer to the Bongani stream



Condition of the imported material

Significant concerns have been identified regarding the quality and suitability of imported fill material utilised in historical platform construction and settlement development activities. Geotechnical assessments conducted to date indicate that portions of this imported material fail to comply with accepted engineering standards applicable to residential development, with evidence of inappropriate material and potential contaminants present within the fill strata. Laboratory analyses and soil testing undertaken on representative samples have confirmed anomalies in both the composition and structural integrity of the material, thereby raising material concerns in respect of long-term slope stability, structural performance, and differential settlement behaviour.

In light of these findings, it is imperative that further comprehensive engineering investigations be undertaken to accurately delineate the extent and severity of the identified geotechnical risks, and to determine appropriate mitigation and remedial measures. In this regard, the appointment of a suitably qualified Geotechnical Engineer is strongly recommended to undertake a detailed site-wide assessment, evaluate the stability of existing development platforms, and formulate technically sound recommendations aimed at ensuring the long-term safety, resilience, and structural integrity of affected residential areas.

Oupad development

Comparable geotechnical concerns have been identified within portions of the Oupad settlement, particularly in areas situated adjacent to the N2 National Route. Preliminary investigations have indicated the presence of unstable topsoil conditions and potential slope instability, which may necessitate extensive ground improvement interventions, including the importation of engineered fill and appropriate stabilisation materials.

Although an approved layout plan exists for the affected area, the geotechnical constraints identified through earlier investigations have raised substantive concerns regarding both the technical feasibility and cost implications of future residential development within these portions of the project footprint

Notwithstanding these constraints, it is considered prudent that an independent peer review or secondary geotechnical assessment be commissioned to validate and, where necessary, refine the conclusions of prior desktop and preliminary investigations. Given the significant housing demand within the area, as well as prolonged delays experienced by approved beneficiaries awaiting housing opportunities, it is essential that all viable engineering and design solutions be exhaustively explored prior to any exclusion of developable land.

This consideration is particularly critical in light of the fact that many affected beneficiaries continue to reside within Temporary Residential Units (TRUs), which have deteriorated significantly over time and no longer constitute an acceptable or sustainable long-term housing solution.

Nekkies Interchange Project and Relocation of Affected Households

A significant human settlements and infrastructure planning challenge within Ward 3 pertains to the occupation of land within the N2 and Uniondale Road reserve by informal households. The continued occupation of these strategically important transport corridors has materially constrained the implementation of the proposed Nekkies Interchange Project, a key strategic infrastructure initiative intended to improve road safety, traffic efficiency, pedestrian mobility, and regional connectivity within the greater Knysna area.

The proposed interchange is recognised as a strategic infrastructure investment that will significantly enhance transportation efficiency along the N2 corridor, improve accessibility to surrounding communities, and contribute meaningfully to broader economic development

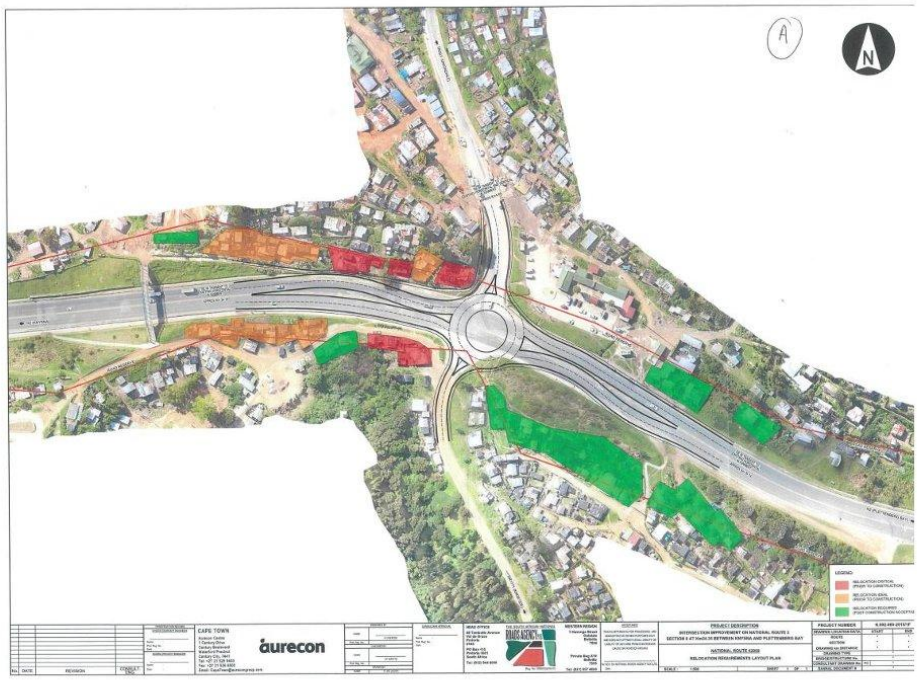
objectives. However, its implementation is contingent upon the relocation of households currently occupying portions of the affected road reserve and associated servitudes.

To facilitate the implementation of the project, several alternative relocation sites have been investigated. Preliminary assessments have identified land located north of Dam se Bos North, in the vicinity of the N2 Bypass and Uniondale Road intersection—commonly referred to as Sewende Laan—as the most suitable relocation option. This site presents a viable opportunity for the establishment of a formalised human settlement, subject to the completion of all requisite statutory planning and environmental approval processes.

Enumeration, household verification, and socio-economic profiling processes have already commenced under the coordination of the South African National Roads Agency SOC Limited (SANRAL) and relevant stakeholder institutions. These processes are essential for determining the precise number of affected households, confirming occupancy status, and informing the development and implementation of an appropriate relocation framework.

The immediate priority is the finalisation of all statutory planning, environmental authorisations, and land development approvals required to enable the relocation process and facilitate the subsequent implementation of the interchange project. Given the scale and strategic location of the proposed relocation site, strict compliance with all applicable legislative and regulatory frameworks will be required prior to any development activity.

This includes, inter alia, compliance with the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA), the National Environmental Management Act, 1998, and all other applicable planning, environmental, and engineering standards governing sustainable human settlements development.



The demand for additional human settlement opportunities within the ward remains pronounced, notwithstanding ongoing progress in the delivery of existing housing and land development initiatives. However, the realisation of future residential expansion is significantly constrained by the limited availability of suitably located, developable, and adequately serviceable land within the municipal jurisdiction.

A critical human settlements challenge within Ward 3 pertains to the continued occupation by approved beneficiaries of Temporary Residential Units (TRUs) situated beneath, or in close proximity to, high-voltage electricity transmission infrastructure. These households were originally accommodated on an interim basis pending the delivery of permanent housing solutions. However, persistent implementation delays have resulted in prolonged occupation well beyond the intended temporary period.

The presence of residential structures within an electricity servitude presents substantive health, safety, and land-use management risks. Such areas are fundamentally unsuitable for permanent habitation due to statutory servitude restrictions, mandatory safety clearance requirements, maintenance access obligations, and the inherent hazards associated with electrical faults, infrastructure failure, and routine operational activities. The continued occupation of these areas is therefore incongruent with the principles of sustainable human settlement planning, risk-informed land-use management, and responsible infrastructure governance.

From a Human Settlements perspective, the affected households constitute some of the Municipality's most vulnerable beneficiaries, as they continue to reside in temporary accommodation that does not afford adequate long-term security, dignity, or acceptable living conditions. This vulnerability is exacerbated by the deteriorating condition of many TRUs, which have exceeded their intended design lifespan and are increasingly susceptible to structural degradation and adverse environmental exposure.

The protracted occupation of these high-risk environments is primarily attributable to delays in housing project implementation, as well as the constrained availability of suitably located alternative land within the Knysna urban area. Notwithstanding these limitations, the continued habitation of electricity servitude areas cannot be regarded as a sustainable or acceptable long-term arrangement and accordingly necessitates urgent and decisive intervention.

From a governance, legal compliance, and municipal risk management perspective, the persistence of such occupation exposes the Municipality to significant liability in the event of injury, loss of life, or property damage. It is therefore imperative that a comprehensive risk assessment be undertaken in collaboration with Eskom and other relevant authorities in order to determine the full extent of risk exposure, confirm applicable servitude restrictions, and identify appropriate mitigation measures.

The relocation of affected households should be prioritised within the Municipality's Human Settlements Programme and integrated with the implementation of existing and future housing initiatives, including the completion of outstanding phases of the Vision 2002 Programme and other identified projects. Consideration should also be given to the utilisation of future urban expansion areas and other suitable land parcels capable of accommodating approved beneficiaries currently residing in hazardous environments.

The resolution of this matter will not only mitigate significant public safety risks and reduce municipal liability exposure but will also advance the Municipality's broader objectives of tenure security, improved living conditions, and the development of sustainable, integrated, and dignified human settlements.



Oupad TRA's

Land Scarcity and Future Urban Expansion

The majority of land earmarked for top-structure development within the Dam se Bos, Oupad, Nekkies, and Hlalani projects has already been substantially utilised, with only limited residual portions remaining available for the completion of outstanding project phases. Consequently, the finalisation of beneficiary administration processes, statutory approvals, and associated project implementation arrangements remains of critical importance. In particular, the beneficiary verification and allocation processes for Hlalani Phase 2 must be urgently concluded in order to enable the submission of the requisite land development applications and facilitate timely project execution.

Notwithstanding the substantive progress achieved through the Vision 2002 Informal Settlement Upgrading Programme, the availability of suitably located and developable land within the northern areas of Knysna has become increasingly constrained. This escalating scarcity of land presents a significant structural limitation to the Municipality's capacity to respond to future housing demand, address the residual informal settlement backlog, and accommodate approved beneficiaries who cannot be integrated within existing project footprints.

This constraint is particularly acute within Ward 3, where the strategic application of densification and spatial compaction principles has already been utilised to maximise the efficiency of available land resources. Despite these interventions, a considerable number of approved beneficiaries remain unaccommodated due to the limited availability of serviced, developable land parcels. In numerous instances, beneficiaries have been approved for housing assistance; however, no suitable land is available within existing project areas to facilitate implementation.

The Municipal Spatial Development Framework (MSDF) identifies strategic land parcels located to the east of the existing urban footprint as key long-term urban expansion areas. Of particular significance is the Kruisfontein area, which has been designated as a strategic

growth precinct with the potential to accommodate large-scale residential development and to support the Municipality's broader spatial restructuring and integration objectives.

However, the development potential of Kruisfontein is significantly constrained by existing commercial forestry operations, with extensive portions of the identified land currently under plantation forestry. These areas are therefore unavailable for immediate development and are only likely to become accessible for alternative land uses following the completion of forestry harvesting cycles, which may extend over a period of fifteen years or more. This temporal constraint substantially limits the Municipality's ability to respond effectively to current housing demand pressures.

In response to the severity of the prevailing land scarcity, the Municipality has identified additional land parcels, including both state-owned and privately owned properties, for future human settlements development. Preliminary assessments indicate that these properties are generally situated within the urban edge and outside environmentally sensitive areas, thereby presenting viable opportunities for future residential expansion. Notwithstanding this, all such developments remain subject to the full suite of statutory planning, environmental, and land use approval processes, including compliance with the National Environmental Management Act (NEMA), the Spatial Planning and Land Use Management Act (SPLUMA), and other applicable sectoral legislation.

In addition to Kruisfontein, further strategic expansion areas have been identified, including Middelerf and Brackenhill. Although located within Ward 9, these areas lie within close proximity to Ward 3 and the broader northern development corridor, thereby constituting integral components of the Municipality's long-term human settlements strategy. Collectively, these precincts present a critical opportunity to support future urban expansion, enhance spatial integration, accommodate projected housing demand, and advance the development of sustainable and inclusive human settlements across the greater Knysna municipal area.

While these expansion areas fall outside the immediate administrative boundaries of Ward 3, their future development will have a direct and material impact on the Municipality's capacity to address housing demand pressures across the broader urban system. Their timely release and development will be essential in enabling the accommodation of approved beneficiaries who cannot be integrated within existing upgrading projects, as well as facilitating the relocation of households currently situated in constrained, environmentally sensitive, and high-risk locations.

From a spatial planning perspective, the identification, safeguarding, and phased release of future urban expansion areas are fundamental to ensuring long-term settlement sustainability, correcting historical spatial inequities, and accommodating projected demographic growth. The Municipality should therefore continue to engage proactively with landowners, forestry stakeholders, provincial authorities, and relevant sector departments to secure the coordinated release and structured development of suitable land for human settlements purposes.

The long-term development of these strategic expansion areas must be underpinned by comprehensive precinct-level planning frameworks that integrate land use planning, transportation systems, environmental management, bulk infrastructure provisioning, social facility networks, and local economic development considerations. Such an integrated planning approach will ensure that future urban growth is managed in a coherent, efficient, and sustainable manner, consistent with the principles of spatial justice, spatial integration, resilience, sustainability, and inclusivity as articulated in the Municipal Spatial Development Framework and the Spatial Planning and Land Use Management Act

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Although the identified strategic land parcels are located within the approved Urban Edge, as delineated in the Municipal Spatial Development Framework (MSDF), not all such areas are currently incorporated within the Municipal Service Edge. Land parcels falling within the existing Service Edge generally benefit from access to bulk engineering services and associated infrastructure necessary to support immediate development. By contrast, those parcels situated outside the Service Edge—while still designated for future urban expansion within the Urban Edge—do not presently have access to essential bulk infrastructure, including water supply, sanitation systems, electricity networks, stormwater management infrastructure, and transport linkages required to sustain residential development.

The absence of adequate bulk services constitutes a material development constraint, with significant implications for the timing, sequencing, and financial feasibility of future human settlements initiatives. Consequently, the development of these areas will necessitate substantial capital investment in bulk and connector infrastructure, underpinned by long-term infrastructure planning and supported through intergovernmental fiscal partnerships. The phased extension of municipal engineering services into these identified growth areas will therefore be an essential precondition for unlocking developable land and responding effectively to future housing demand pressures.

Accordingly, it is imperative that the Municipality maintain rigorous alignment between its Human Settlements Programme, Capital Investment Framework, Infrastructure Master Plans, and Spatial Development Framework. Such alignment is essential to ensure that future infrastructure investment is strategically targeted, supports the orderly and efficient expansion of the urban footprint, and facilitates the progressive release of appropriately located land for sustainable human settlements development.

The prioritisation of bulk infrastructure provisioning within designated growth areas will remain a critical and non-negotiable component of the Municipality's long-term spatial restructuring agenda. It is central not only to unlocking the development potential of strategically identified land parcels, but also to ensuring that future urban expansion occurs in a structured, sequenced, and sustainable manner.

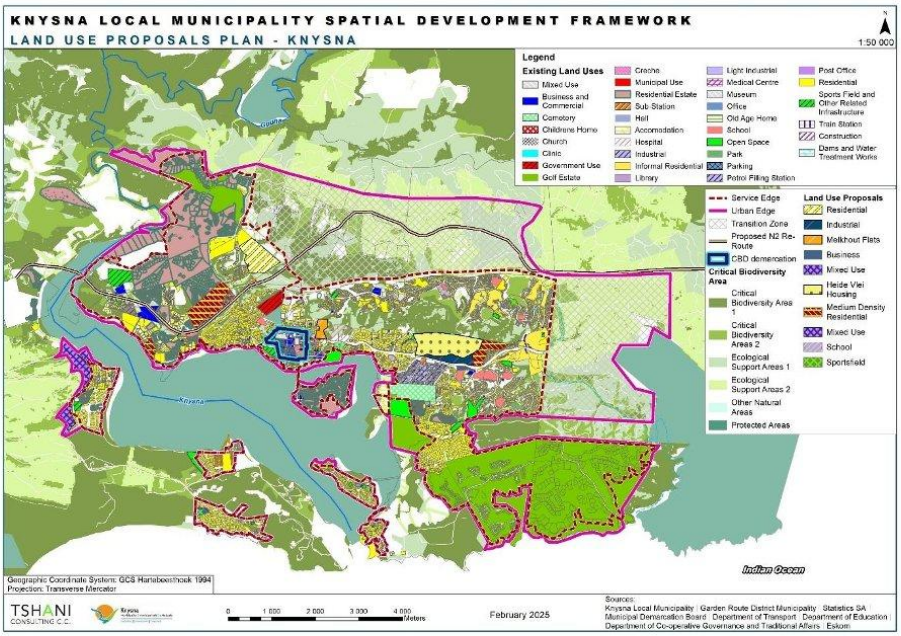
In addition, the timely and coordinated provision of bulk services will significantly enhance the Municipality's capacity to accommodate projected demographic growth, reduce spatial inequality, and promote more efficient patterns of urban form. Without adequate investment in such infrastructure, the ability to translate spatial planning intent into tangible human settlements outcomes will remain severely constrained.

Furthermore, the accelerated delivery of bulk infrastructure is indispensable to addressing the prevailing housing backlog. It directly influences the pace at which housing projects can be implemented, beneficiaries can be accommodated, and informal settlement pressures can be

alleviated. In this regard, infrastructure investment is not merely a technical prerequisite but a decisive enabling condition for housing delivery at scale.

Accordingly, a fiscally responsible and strategically aligned approach to infrastructure planning and investment is required, one that integrates capital budgeting, intergovernmental funding mechanisms, and long-term asset planning. This will ensure that infrastructure investment is both sustainable and optimally targeted towards areas of greatest developmental impact.

Ultimately, the effective prioritisation of bulk infrastructure provisioning will determine the Municipality's ability to achieve its broader developmental objectives, including spatial transformation, socio-economic inclusion, service equity, and the creation of well-functioning, resilient, and integrated human settlements.



Urban Edge: Knysna SDF (Source: Knysna MSDF)

Future Land Use Opportunities and Human Settlements Priorities

In accordance with the Municipal Spatial Development Framework (MSDF), the area located between the existing Service Edge and the Urban Edge has been identified as a strategically significant future growth corridor, with the capacity to accommodate a diversified range of land uses required to support the long-term restructuring, integration, and sustainable expansion of the greater Knysna urban system. The envisaged land use structure is intended to promote a compact, integrated, and economically productive urban form through the deliberate integration of residential, economic, social, and infrastructural functions.

Within this future development zone, the following land use categories are deemed appropriate and strategically aligned with the Municipality's spatial development objectives:

- Industrial Development: Including light industrial activities, business parks, and environmentally responsible industrial enterprises designed to support local economic diversification and employment creation;

- Residential Development: Comprising medium-density residential neighbourhoods, affordable housing typologies, and mixed-use residential precincts that promote inclusivity and spatial efficiency;
- Commercial Development: Encompassing office parks, commercial centres, and retail facilities serving both localised and broader regional demand;
- Public and Community Facilities: Including educational institutions, healthcare services, civic infrastructure, community facilities, and other public amenities essential to social development and service accessibility;
- Transport and Logistics Infrastructure: Incorporating public transport interchanges, taxi facilities, logistics hubs, truck stops, and related mobility infrastructure critical to regional connectivity and economic efficiency;
- Tourism and Recreation: Including eco-tourism initiatives, hospitality developments, and recreational facilities that leverage the area's environmental and scenic attributes in a sustainable manner.

The coordinated implementation of these land uses will advance spatial integration objectives by fostering a balanced and functionally diverse urban environment in which residential, economic, and social activities are co-located in a coherent and planned manner. Furthermore, this development corridor presents a critical opportunity to accommodate future population growth while simultaneously reducing development pressure on environmentally sensitive and infrastructurally constrained areas elsewhere within the municipal area.

Although Human Settlements does not currently rank among the top five priorities emerging from the Integrated Development Plan (IDP) public participation process for Ward 3, housing delivery and informal settlement upgrading remain among the most pressing developmental imperatives within the ward. A significant proportion of residents continue to reside in informal settlements and temporary accommodation environments, with demand for housing opportunities persistently and substantially exceeding the availability of serviced land and infrastructure capacity.

In recognition of these challenges, portions of Ward 3 have been incorporated into the Vision 2002 Informal Settlement Upgrading Programme, which continues to serve as the Municipality's primary strategic intervention for addressing historical housing backlogs and improving living conditions in the northern areas of Knysna.

Accordingly, the key Human Settlements priorities for Ward 3 are identified as follows:

Key Objective / Action

KEY INTERVENTIONS	DESCRIPTION	RESPONSIBILITY
Accelerated housing delivery (Vision 2002 Programme)	Deliver top-structure housing units to approved beneficiaries in Nekkies, Hlalani, Dam se Bos, and Oupad	Knysna Municipality, Western Cape Government
Municipal engineering services & bulk infrastructure	Upgrade and provide permanent municipal services and bulk infrastructure in Nekkies and Dam se Bos	Knysna Municipality/MIG
Relocation for SANRAL N2 Interchange Project	Relocate households affected by the N2 Interchange and related transport infrastructure upgrades	Knysna Municipality/HDA/SANRAL
Township establishment & tenure security	Finalise township establishment processes, approve General Plans, and register properties in beneficiaries' names	Municipality, Professional Service Providers

Geotechnical investigations	Appoint specialists to assess soil instability and slope risks in Nekkies and Oupad and recommend interventions	Municipality and Planning Team
High-risk area relocations (Eskom servitudes)	Relocate households residing under Eskom transmission lines and other high-risk areas	Municipality/State
Land acquisition and release	Acquire and release strategic state-owned and private land for future settlements and unallocated beneficiaries	Municipality/State
Bulk infrastructure augmentation	Upgrade water, sanitation, electricity, and transport infrastructure to support growth and future development	Municipality/MIG

5.3.4 Ward 4 Priorities and Strategies



Spatial Development profile

Ward 4 encompasses some of the earliest established residential settlements within the Knysna urban system, including White Location, Flenters, Greenfields, and Rhobololo. These areas constitute a foundational component of the Municipality's historic spatial structure and continue to accommodate a substantial proportion of low-income households. As such, Ward 4 remains a strategically significant spatial unit in the municipal settlement hierarchy, particularly in relation to human settlements delivery and the ongoing pursuit of spatial restructuring and urban integration objectives.

Spatial Context and Land Availability Constraints

The ward is characterised by entrenched structural constraints relating to limited availability of suitably located developable land, fragmented land ownership patterns, infrastructure capacity limitations, and environmental sensitivities. Collectively, these factors have historically constrained the Municipality's ability to respond effectively to escalating housing demand and

the growing backlog of qualifying beneficiaries. These constraints are further exacerbated by the fragmented nature of the urban edge and the presence of environmentally sensitive systems within and adjacent to the existing built-up area.

Southern cape corridor development (SCCD) programme and northern corridor initiative

In response to persistent spatial and land availability constraints, the National Government initiated a series of strategic interventions aimed at unlocking well-located land for integrated human settlements development. A significant milestone in this regard was the transfer of strategically located land from the South African National Roads Agency Limited (SANRAL) to the Housing Development Agency (HDA) in February 2016. This transfer was intended to facilitate coordinated, large-scale human settlements development within the northern extents of Knysna, thereby addressing long-standing spatial inefficiencies.



Subsequently, a directive from the National Minister responsible for Human Settlements mandated a coordinated intergovernmental implementation framework involving National, Provincial, and Local Government, together with relevant implementing agencies. This culminated in the establishment of the Southern Cape Corridor Development (SCCD) Programme, implemented under the coordination of the Housing Development Agency in partnership with sector departments and the Knysna Municipality.

Within the local context, this initiative gave rise to the Knysna Northern Corridor Development Project, which has since been designated a National Priority Project due to its strategic importance in advancing spatial transformation and addressing acute housing demand. The project constitutes a long-term spatial restructuring instrument intended to enable the delivery of higher-density, well-located, and integrated human settlements at scale.

Implementation Framework and Technical Assessments

The Housing Development Agency has been mandated to undertake comprehensive feasibility and land suitability assessments across all identified parcels within the proposed corridor. These assessments encompass land tenure verification, environmental sensitivity analysis, geotechnical investigations, bulk infrastructure capacity assessments, transport and mobility integration studies, and overall development feasibility evaluations.

The outcomes of these investigations are intended to inform the formulation of a consolidated, phased development framework aligned with the Municipal Integrated Development Plan

(IDP), the Spatial Development Framework (SDF), and the principles of the Spatial Planning and Land Use Management Act (SPLUMA). This ensures that future development is grounded in spatial efficiency, sustainability, and integration.

Infrastructure and Environmental Constraints

Notwithstanding its strategic intent, the Northern Corridor Development remains predominantly at a pre-implementation stage. A principal constraint to implementation is the limited capacity of existing bulk engineering infrastructure networks, including water supply, sanitation systems, electricity provision, and transport infrastructure. Substantial capital investment in bulk and connector infrastructure will therefore be required prior to the commencement of any large-scale residential development.

Furthermore, preliminary assessments have identified a range of environmental and physical constraints, including steep topography, sensitive ecological systems, drainage corridors, and watercourse networks. These conditions significantly constrain the extent of developable land and will inevitably influence achievable residential yields within the corridor.

Informal Settlement Interface and Spatial Realignment Considerations

The presence of informal settlements within and adjacent to the proposed corridor introduces additional spatial planning complexity. The corridor is intended, inter alia, to respond to housing demand arising from settlements such as Phelandaba, Qolweni, and surrounding areas. However, existing settlement patterns necessitate careful consideration of alignment options and may require the realignment of sections of the proposed Northern Bypass to ensure coherence with established habitation patterns, approved housing commitments, and intergovernmental agreements.

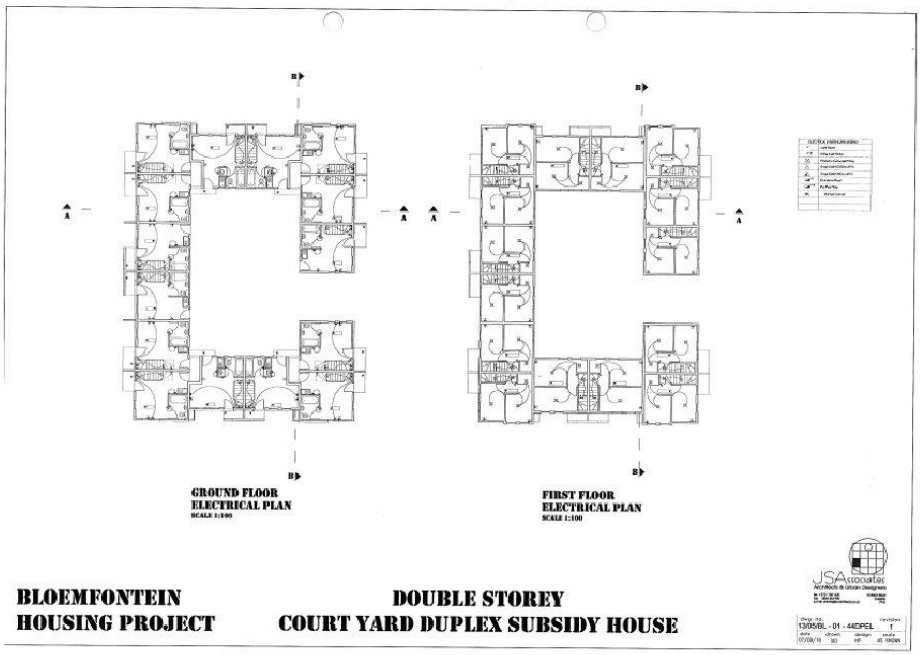
Human Settlements Delivery and Post-Disaster Recovery

Ward 4 was severely impacted by the 2017 Knysna Wildfires, which resulted in extensive housing loss, population displacement, and infrastructure damage. In response, an integrated intergovernmental recovery programme was implemented by National and Provincial Government in collaboration with the Municipality and sector departments.

This programme prioritised emergency housing provision, reconstruction, and the restoration of basic services, and subsequently enabled the implementation of key housing projects, including Qolweni, White Location, Bloemfontein, and Flenters Housing Developments. Collectively, these interventions have contributed to the progressive restoration of housing rights, improved tenure security, and a reduction in the post-disaster housing backlog.

Bloemfontein Housing Project and Densification Imperative

The Bloemfontein Housing Project represents a significant advancement in municipal housing delivery practice through the introduction of diversified residential typologies, including detached, semi-detached, and higher-density housing forms. This represents a deliberate departure from conventional low-density subsidy housing models.



The densification approach adopted in this project has demonstrated clear advantages in terms of improved land-use efficiency, enhanced infrastructure cost-effectiveness, increased housing yield per hectare, and reduced spatial fragmentation. It further promotes a more compact and integrated urban form and establishes an important precedent for future human settlements planning within the Municipality.

Outstanding Housing Demand

Despite substantive progress achieved through post-disaster recovery and ongoing housing programmes, a residual housing demand persists within Ward 4. This demand comprises qualifying beneficiaries who remain unaccommodated due to land constraints, infrastructure limitations, and project phasing requirements. Addressing this backlog necessitates continued application of appropriate housing delivery mechanisms in accordance with the National Housing Code, including serviced stands, subsidised top structures, and incremental housing approaches.

Strategic Spatial Development Implications

Future human settlements interventions within Ward 4 must be firmly aligned with the Municipal Integrated Development Plan (IDP), Spatial Development Framework (SDF), and the broader national spatial transformation agenda as articulated through SPLUMA. The Knysna Northern Corridor Development Project remains a critical spatial restructuring instrument with the potential to address structural land constraints, facilitate urban integration, and promote a more compact and efficient urban form.

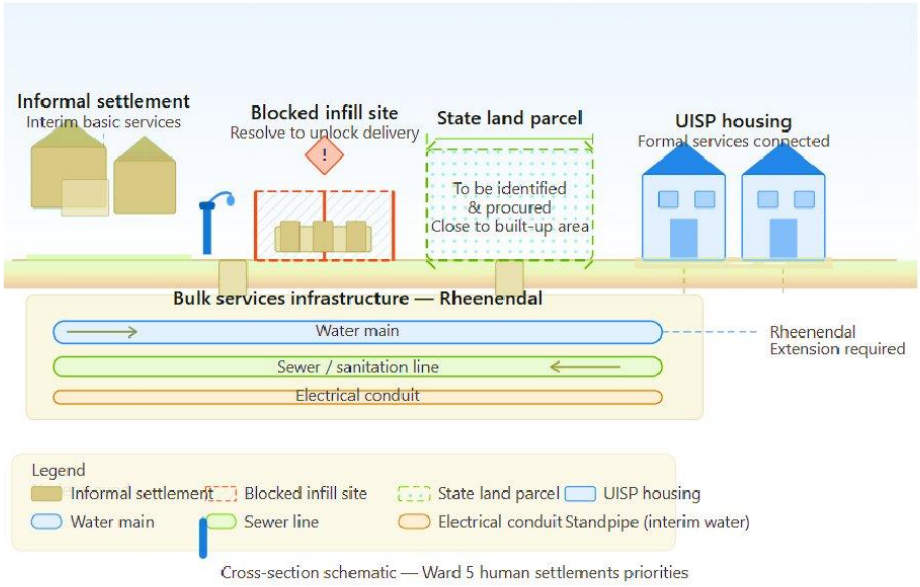
Forward Planning Priorities

Key strategic priorities for Ward 4 include the completion of outstanding beneficiary allocations, the identification and release of additional developable land parcels, the

implementation of higher-density and mixed-typology housing models, strengthened integration between housing, transport, and economic infrastructure, the promotion of compact urban form, and the sustained advancement of long-term spatial restructuring objectives.

PRIORITY	DESCRIPTION	RESPONSIBILITY
Accelerated housing delivery, informal settlement upgrading, tenure formalisation	Accelerate BNG housing delivery; provide interim services; upgrade informal settlements; relocate households in high-risk zones (e.g. powerline areas); asbestos abatement; formalise tenure through property registration (Flenters, Rhobololo, White Location, Greenfields, Phelandaba, Qolweni	Knysna Municipality, Western Cape Government
Strengthen intergovernmental and stakeholder collaboration	Secure funding for feasibility studies; coordinate with Western Cape Government and sector departments; maintain NGO/community engagement; align planning across government spheres	Knysna Municipality, Western Cape Government
Strengthen engagement and beneficiary alignment	Beneficiary enumeration; update housing waiting lists; structured community engagement on development plans; improve transparency on land and allocation processes (Phelandaba, Qolweni, Flenters, Rhobololo, White Location)	Knysna Municipality, Western Cape Government
Introduce innovative construction methods	Promote ABT awareness; implement demonstration units; partner private sector; adopt cost-effective and rapid construction technologies	Knysna Municipality
Identify and secure land for future development	Partner with HDA and state entities; release public land (incl. Forestry Dept. holdings); identify parcels via SDF; conduct feasibility studies for expansion areas	Knysna Municipality/Garden Route District/HDA and State
Increase service capacity to unlock development	Assess and upgrade water, sanitation, electricity and transport infrastructure; fast-track priority projects (e.g. Wintheuwel); align infrastructure with spatial growth	Knysna Municipality, Western Cape Government
Ensure regulatory and spatial alignment	Apply SPLUMA principles; promote densification; align with SDF and WSDP; conduct community awareness on densification; ensure full environmental compliance (NEMA)	Knysna Municipality

5.3.5 Ward 5 Priorities and Strategies



Cross-section schematic — Ward 5 human settlements priorities

Rheenendal Human Settlements Development Priorities

The Rheenendal area constitutes the most significant locus of human settlements challenges and housing demand pressures within Ward 5. In contrast, the remainder of the ward is predominantly characterised by agricultural landholdings, rural residential properties, and medium- to high-income settlements, where demand for state-assisted housing interventions is comparatively limited. Accordingly, Rheenendal accommodates the highest concentration of low-income households within the ward and remains a principal priority area for future human settlements investment by the Municipality.

Rheenendal is located outside the Municipality's primary economic and administrative core, namely the Knysna urban area, and is characterised by relatively limited economic diversification and low levels of formal employment creation. Beyond agricultural production and associated rural enterprises located on surrounding farms, economic opportunities within the area remain constrained. As a result, the settlement continues to experience persistent socio-economic challenges, including entrenched poverty, spatial isolation, limited access to economic opportunities, and subdued levels of public and private sector investment.

Since 2018, communities residing in informal settlements and backyard accommodation within Rheenendal have consistently expressed an urgent need for government-assisted housing interventions to address the growing housing backlog. At that time, it was estimated that approximately 800 households were residing under informal or backyard conditions. Continued demographic growth, household formation, and inward migration have since intensified housing demand, resulting in further informal occupation of available open spaces within and adjacent to the settlement.

From a spatial planning and settlement development perspective, the long-term sustainability of Rheenendal necessitates carefully calibrated interventions aimed at avoiding the

entrenchment of poverty concentration, spatial fragmentation, and economic exclusion. In accordance with the Municipal Spatial Development Framework (MSDF), future development should be guided by the following strategic imperatives:

- The promotion of settlement consolidation through infill development, redevelopment, and the optimal utilisation of existing urban land resources in order to enhance access to economic opportunities and municipal services;
- The establishment of a more balanced and diversified land-use structure that supports residential development while simultaneously enabling local economic activity and employment creation;
- The prioritisation of investment in basic municipal services, social infrastructure, community facilities, public spaces, and catalytic economic development initiatives to improve overall living conditions within the settlement;
- The retention of the rural village character and spatial identity of Rheenendal through appropriate urban design controls, managed growth patterns, and sensitive infill development interventions;
- The support of agricultural restructuring and diversification within the broader Karatara–Rheenendal corridor to strengthen rural economic resilience and improve local livelihood opportunities.

While the MSDF prioritises spatial consolidation over outward expansion, the availability of vacant and developable land within the existing settlement footprint remains limited. Consequently, provision has been made within the approved urban edge for carefully managed and incremental expansion where necessary to accommodate long-term growth pressures. The urban edge has been delineated to promote orderly spatial development, mitigate urban sprawl, and safeguard environmentally sensitive areas as well as agriculturally productive land.

A key catalytic intervention within the area is the proposed Rheenendal Infill Housing Development. The project is strategically located within the existing urban footprint and within the historical development boundary currently defined as the municipal service edge. Although implementation has been delayed due to constraints in bulk engineering services capacity, ongoing infrastructure upgrades are progressively addressing these limitations. The project is accordingly anticipated to reach implementation readiness within the next twelve months.

The proposed infill development is fully aligned with the Municipality's Spatial Development Framework and gives practical expression to its core spatial objectives, including the promotion of compact urban form, the efficient utilisation of existing infrastructure networks, the consolidation of settlement structure, and the improved accessibility of services and economic opportunities. Furthermore, it will contribute meaningfully to addressing the local housing backlog while reducing the need for unsustainable peripheral expansion, thereby reinforcing the evolution of Rheenendal into a more integrated, functional, and sustainable rural settlement node.

PRIORITY	DESCRIPTION	RESPONSIBILITY
Accelerated delivery of low-cost housing; informal settlement upgrading; tenure formalisation	Acceleration of informal settlement upgrading through the provision of interim basic services; implementation of housing rectification and asbestos abatement programmes; formal registration of properties through approved General Plans; provision of interim basic services in informal areas; and promotion of in-situ	Knysna Municipality / Western Cape Government

	upgrading as a primary development approach where conditions permit.	
Strengthening intergovernmental, sectoral, and community partnerships	Unblocking of the Rheenendal low-income infill housing project; ensuring its inclusion within Provincial Business Plans; sustained engagement with the Western Cape Government; continuous collaboration with NGOs and community-based organisations; ongoing maintenance of the housing demand database; and structured stakeholder engagement on housing policy and implementation.	Knysna Municipality / Western Cape Government
Strengthening community buy-in and participatory governance	Structured and sustained community engagement on proposed human settlements interventions; promotion of transparency across all planning and implementation processes; and continuous communication with residents regarding housing opportunities, allocation mechanisms, and development constraints.	Knysna Municipality / Western Cape Government
Introduction of innovative construction methodologies	Promotion and mainstreaming of Alternative Building Technologies (ABT); implementation of pilot and demonstration units; facilitation of strategic public–private partnerships; and adoption of cost-efficient, time-responsive construction methodologies to enhance delivery capacity.	Knysna Municipality / Private Sector Partners
Land identification, acquisition, and release for future development	Strategic collaboration with the Housing Development Agency (HDA) and relevant state custodians; mobilisation and release of suitable public land, including Forestry Department holdings; identification of development parcels aligned with the Spatial Development Framework (SDF); and commissioning of detailed feasibility assessments for future expansion areas.	Knysna Municipality / Garden Route District Municipality / HDA / State Entities
Expansion of engineering service capacity to unlock development	Acceleration of bulk infrastructure programmes to expand capacity in water supply, sanitation, electricity, and associated engineering services, thereby enabling both current and future human settlements development.	Knysna Municipality / Western Cape Government
Regulatory compliance and spatial alignment	Application of the Spatial Planning and Land Use Management Act (SPLUMA); promotion of densification as a core spatial principle; alignment with the Spatial Development Framework (SDF) and Water Services Development Plan (WSDP); community awareness on compact urban form principles; and strict compliance with environmental legislation, including the National Environmental Management Act (NEMA).	Knysna Municipality

5.3.6 Ward 6 Priorities and Strategies

PIORITY RAISED
Housing & infrastructure
Removal of asbestos (old homes)
Job creation through EPWP and skills development programmes

Integrated Human Settlements Development and Affordable Housing Initiatives (Erf 3339)

The implementation of Integrated Human Settlements projects remains a strategic priority within Ward 5, particularly in relation to housing programmes aimed at addressing the needs of households within the affordable and gap housing market. Particular attention has been directed towards projects associated with the Finance Linked Individual Subsidy Programme (FLISP), which have, at times, been perceived by stakeholders as progressing slower than anticipated. Notwithstanding these concerns, the Municipality notes that substantial progress has been achieved through the completion of various statutory, planning, administrative and institutional processes required to facilitate implementation.

Significant advancement has been made in respect of the proposed development of Erf 3339, Fisher Haven, Knysna, which is being pursued through a structured Public-Private Partnership (PPP) approach. The project forms part of the Municipality's broader human settlements strategy aimed at promoting integrated, sustainable and inclusive residential development while addressing housing demand within the affordable housing market segment.

The proposed development is aligned with the principles and objectives of the Spatial Planning and Land Use Management Act (SPLUMA), the National Development Plan (NDP), the Integrated Urban Development Framework (IUDF), the Municipal Spatial Development Framework (MSDF), and other applicable national, provincial and municipal planning policies. The project further supports the Municipality's objective of facilitating spatial transformation through the development of well-located housing opportunities that improve access to employment, public amenities, transportation networks and municipal services.

As part of the current implementation phase, the proposed allocation of 63 residential erven to qualifying beneficiaries under the Finance Linked Individual Subsidy Programme (FLISP) has been submitted to Council for consideration and approval. The beneficiary allocation process is being undertaken in accordance with approved housing allocation policies, subsidy programme requirements and applicable legislative frameworks to ensure fairness, transparency, accountability and equitable access to housing opportunities.

The balance of the development is envisaged to be implemented through the appointment of an appropriately qualified private sector development partner. Such appointment will be undertaken in compliance with the provisions of the Municipal Finance Management Act (MFMA), Municipal Supply Chain Management Regulations and all other applicable procurement legislation. Through this partnership model, the Municipality seeks to leverage private sector expertise, investment capacity and development experience to accelerate project implementation, optimise land utilisation and enhance the overall sustainability of the development.

The proposed project is expected to make a meaningful contribution towards local economic development through the creation of employment opportunities during both the construction and operational phases of the development. In addition, the project will contribute towards broader social and spatial integration objectives by expanding access to affordable homeownership opportunities within a strategically located area of the Municipality.

Notwithstanding the progress achieved through the implementation of the Fisher Haven project, there remains a need to identify and secure additional land for future low-income and affordable housing development within Ward 5. The limited availability of suitably located and serviced land continues to constrain the Municipality's ability to respond effectively to existing and projected housing demand.

Several land parcels have been identified as potential opportunities for future human settlements development. These include land previously alienated for institutional purposes adjacent to the Hornlee area, as well as other strategically located properties capable of accommodating affordable housing initiatives. Such land parcels will require further investigation in relation to ownership status, planning suitability, environmental constraints, engineering services capacity and development feasibility before implementation can proceed.

In addition, a land parcel designated for social housing development has experienced unlawful occupation, creating implementation challenges for the approved development programme. Notwithstanding these challenges, the appointed Social Housing Institution has confirmed its intention to proceed with the implementation of the approved social housing project. This process includes pursuing the necessary legal and statutory measures to address unlawful occupation and secure vacant possession of the property in accordance with applicable legislation and court processes.

The successful implementation of these affordable and social housing initiatives will be critical in expanding the range of housing opportunities available within Ward 5, supporting socio-economic integration, promoting spatial restructuring and advancing the Municipality's long-term human settlements objectives.

Land Invasion, Environmental Constraints and Development Implications

The Municipality notes with serious concern the continued unlawful occupation of undeveloped land parcels within the Hornlee area. Such unlawful land invasions have significantly constrained the Municipality’s ability to implement approved development initiatives, infrastructure programmes and integrated human settlements projects in a coordinated and sustainable manner. The proliferation of informal occupation has further placed considerable pressure on municipal resources and has introduced complex spatial planning, environmental management, engineering and land use management challenges that adversely affect the achievement of the Municipality’s long-term development objectives.

Of particular concern is the occupation of land parcels located within environmentally sensitive and development-constrained areas, including wetlands, drainage corridors, flood attenuation zones, watercourses and other environmentally protected areas. These areas are generally unsuitable for permanent human settlement and are subject to various statutory environmental and land use management restrictions. The continued occupation of such land exposes residents to significant environmental, health and safety risks, including flooding, soil instability, erosion, inadequate drainage, water contamination and restricted access for emergency and municipal service vehicles.

The occupation of environmentally sensitive land further complicates the provision of basic municipal services and increases the capital and operational costs associated with infrastructure development, maintenance and disaster risk mitigation. In many instances, these areas cannot be developed in a manner that complies with applicable environmental legislation, engineering standards and sustainable human settlements principles.

A further constraint affecting development within Hornlee relates to the limited availability of suitably located and developable land. The area is characterised by complex hydrological and geotechnical conditions, including a high groundwater table and extensive clay-based soil formations. These conditions present significant challenges for residential development and municipal infrastructure provision, particularly in relation to foundation stability, stormwater

management, road construction, sanitation infrastructure and the long-term sustainability of engineering services.

The environmental and geotechnical characteristics of the area substantially influence development feasibility and increase the technical and financial requirements associated with future human settlements projects. These constraints must be carefully considered during project planning and implementation to ensure compliance with statutory requirements and to minimise future risks to both residents and municipal infrastructure.

The Municipality further recognises that unlawful occupation within environmentally constrained areas has intensified development pressures and complicated compliance with the provisions of applicable environmental legislation, spatial planning frameworks, land use management controls and engineering service standards. These circumstances necessitate a balanced approach that considers both the immediate housing needs of affected households and the long-term sustainability of the natural and built environment.

In response to these challenges, the Municipality will continue to investigate and evaluate appropriate interventions, including informal settlement upgrading, land regularisation, relocation and resettlement options where such interventions are considered necessary and feasible. Any proposed intervention will be subject to the availability of suitable developable land, engineering services capacity, funding availability and compliance with all applicable legislative and regulatory requirements.

Such interventions will be undertaken in accordance with the provisions of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), the National Environmental Management Act, 1998 (Act 107 of 1998), applicable human settlements legislation and policies, disaster management frameworks and other relevant statutory prescripts governing land development and informal settlement management.

The Municipality remains committed to promoting sustainable, inclusive and legally compliant human settlements development. Future interventions will therefore be guided by the principles of spatial justice, environmental sustainability, integrated development planning, disaster risk reduction, social inclusion and the protection of human dignity. Through the implementation of these principles, the Municipality seeks to facilitate orderly spatial transformation and support the development of safe, resilient and sustainable communities within Hornlee and the broader municipal area.

PRIORITY	DESCRIPTION	RESPONSIBILITY
Integrated housing delivery, infrastructure upgrading, tenure formalisation, and informal settlement upgrading	Identification of new housing opportunities for homeless and backyard dwelling households; systematic enumeration of units requiring rectification and asbestos abatement; implementation of property registration through approved General Plans; provision of interim basic services within informal settlements; sustained engagement with the Western Cape Government, NGOs, and community-based structures; and continuous updating of the municipal housing demand database.	Knysna Municipality / Western Cape Government
Implementation of priority housing developments	Delivery of the FLISP housing project at Erf 3339 (Fisher Haven); advancement of Social Housing initiatives (Own Haven Project); and progression of the Heidevallei Housing Development (Ward 3).	Knysna Municipality / Western Cape Government
Strengthening of community buy-in and participatory governance	Structured and sustained community engagement on planned developments; promotion of transparency throughout planning and implementation processes; and continuous communication with affected communities regarding housing opportunities, allocation frameworks, and development constraints.	Knysna Municipality / Western Cape Government

Introduction of innovative construction methodologies	Promotion and mainstreaming of Alternative Building Technologies (ABT); establishment of pilot and demonstration units; facilitation of public-private partnerships; and adoption of cost-effective, time-efficient construction solutions where appropriate.	Knysna Municipality / Private Sector Partners
Land identification, release, and acquisition for future development	Formalised collaboration with the Housing Development Agency (HDA) for land identification and release; structured public engagement on land scarcity and spatial planning proposals; alignment of land identification with the Spatial Development Framework (SDF); engagement with the Department of Public Works and other state custodians for land release; and commissioning of detailed feasibility studies for prospective development parcels.	Knysna Municipality / Garden Route District Municipality / HDA / State Entities
Expansion of bulk service capacity to unlock development	Acceleration of bulk infrastructure programmes to enhance capacity in water supply, sanitation, electricity, and related engineering services, thereby enabling both current and future human settlements development.	Knysna Municipality / Western Cape Government
Regulatory compliance and spatial alignment	Application of the Spatial Planning and Land Use Management Act (SPLUMA); promotion of densification principles; alignment with the Spatial Development Framework (SDF) and Water Services Development Plan (WSDP); community awareness initiatives on densification; and strict adherence to environmental legislation, including the National Environmental Management Act (NEMA).	Knysna Municipality

5.3.7 Ward 7 Priorities and Strategies

Priority 1. Sanitation Facilities in Informal Settlements
Improved sanitation infrastructure is essential for public health, dignity, and environmental protection. The focus is on communal ablution blocks, chemical toilets (as interim), and eventually waterborne sanitation where feasible.



Informal settlements commonly rely on shared or temporary sanitation facilities, which are often insufficient in terms of hygiene, dignity, and environmental safety. Addressing this requires a phased upgrading approach.

In the short term, safe interim sanitation services must be provided to mitigate immediate health risks. In the medium to long term, these must transition to permanent, sewer-connected systems, supported by the expansion of bulk wastewater infrastructure.

This staged approach ensures immediate service relief while enabling sustainable integration into formal municipal sanitation networks over time.

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Priority 2. Low-Cost Housing & Subsoil Drainage Systems
Housing delivery must be paired with proper ground preparation, including subsoil drainage to prevent dampness, flooding, and structural damage.



This issue pertains to residential properties located along the Bongani Stream, where persistent dampness and water accumulation in yard areas are being experienced.

The condition is primarily attributable to inadequate stormwater and subsoil drainage within a low-lying, water-adjacent environment, resulting in poor runoff and periodic water logging.

Mitigation requires targeted drainage interventions, including improved stormwater management, subsoil drainage systems, and appropriate site regrading, supported by broader catchment-level stormwater planning to ensure long-term resilience.

Priority 3. Electrification of Informal Settlements
Electricity access improves safety, reduces fire risk from illegal connections, and supports socio-economic development.



Priority 4. Fire Hydrants & Fire Safety Infrastructure
Fire hydrants are critical in densely built informal areas where fire spread is rapid and destructive.



Informal settlements are highly vulnerable to fires due to closely spaced structures and flammable materials. Installing hydrants and ensuring accessible water points significantly improves emergency response capacity.

Human Settlements Challenges and Development Constraints

This ward is characterised by pronounced human settlements challenges, primarily driven by the concentration and continued expansion of informal settlements. Many of these settlements have developed on vacant land parcels characterised by steep slopes, environmentally sensitive systems, and other physical constraints that significantly limit their suitability for conventional residential development.

The location of settlements within environmentally constrained and topographically complex areas has profound implications for future upgrading and formalisation initiatives. Development within these contexts is inherently more complex and costly, requiring extensive engineering interventions to render land suitable for safe and sustainable habitation. As a result, no formal development applications have yet been advanced for several of these areas, as preliminary assessments have confirmed substantial infrastructural, geotechnical, and environmental constraints requiring further detailed investigation.

A key limiting factor is the provision of engineering services infrastructure. Even the delivery of interim basic services is constrained by limited bulk capacity and the need for substantial investment in water supply systems, sanitation reticulation, pump stations, stormwater management infrastructure, and associated municipal services. These requirements carry significant capital implications and are further compounded by long-term operational and maintenance burdens, which may place sustained pressure on municipal budgets.

The steep terrain, deep valleys, and complex geomorphological conditions prevalent in parts of the ward further exacerbate development challenges. Residential construction in these areas would necessitate extensive earthworks, slope stabilisation, retaining structures, and specialised engineering solutions, all of which substantially increase development costs and raise questions regarding long-term feasibility and sustainability.

Notwithstanding these constraints, the Municipality recognises that ongoing informal settlement growth and limited availability of alternative developable land necessitate the exploration of innovative and context-appropriate housing delivery solutions. In this regard, alternative building technologies present a potential response to spatially and technically constrained environments where conventional construction methods are not viable or are financially prohibitive.

Preliminary assessments have identified a range of such technologies with potential applicability; however, their implementation will require further technical evaluation, feasibility analysis, and structured stakeholder engagement. In particular, community consultation will be essential to ensure adequate understanding, acceptance, and support for any proposed alternative housing interventions.

A further consideration relates to ongoing public investment in informal settlement upgrading initiatives, including electrification programmes. While such interventions materially improve safety and living conditions, they must be embedded within a coherent and sequenced human settlements strategy to ensure that interim investments are not undermined by the absence of subsequent formal upgrading or housing delivery.

In addition, a number of outstanding housing units under the Vision 2002 Programme remain incomplete. Although their completion remains a priority, the remaining available land within existing project footprints is insufficient to accommodate all approved beneficiaries. Consequently, a portion of future demand will need to be addressed through Greenfields developments in suitably identified expansion areas.

Accordingly, addressing these challenges requires an integrated and coordinated approach encompassing land acquisition, bulk infrastructure investment, environmental management, innovative construction methodologies, and sustained intergovernmental collaboration. Such

interventions are essential to achieving sustainable human settlements development, advancing spatial transformation, and improving the quality of life for residents within the ward.

Integrated Human Settlements Development Framework

Priority	Description	Responsibility
Integrated spatial planning & land release	Identification, acquisition, and release of suitably located land for infill and Greenfields human settlements development in accordance with the Spatial Development Framework (SDF).	Knysna Municipality / Housing Development Agency (HDA) / Department of Public Works
Infrastructure-led development	Prioritisation of bulk engineering services (water, sanitation, electricity, stormwater, and road infrastructure) to unlock development in spatially and technically constrained areas.	Knysna Municipality / Municipal Infrastructure Grant (MIG)
Phased informal settlement upgrading	Incremental upgrading of informal settlements, commencing with interim basic services and progressively advancing towards full formalisation and integration.	Knysna Municipality / Western Cape Government
Environmental and geotechnical assessment	Undertaking environmental impact assessments and geotechnical investigations to ensure development is technically feasible, safe, and environmentally compliant.	Knysna Municipality / Western Cape Government
Alternative Building Technologies (ABT)	Introduction and application of innovative construction methodologies in areas where conventional housing delivery is constrained by technical, environmental, or financial limitations.	Knysna Municipality / Private Sector Developers / National & Provincial Departments of Human Settlements
Relocation and settlement rationalisation	Planned relocation of households from environmentally unsafe or undevelopable areas to suitably serviced and strategically located land parcels.	Knysna Municipality / Western Cape Government
Sustainable service sequencing	Alignment of interim service delivery (including electrification and basic services) with long-term housing development and infrastructure investment planning.	Knysna Municipality
Completion of existing housing programmes	Fast-tracking of outstanding housing units under existing programmes (e.g., Vision 2002) while managing residual demand through appropriately planned future developments.	Knysna Municipality / Western Cape Government
Community engagement and participation	Continuous stakeholder engagement to ensure community buy-in, manage expectations, and promote transparent implementation processes.	Knysna Municipality

Intergovernmental coordination and funding alignment	Strengthening collaboration across all spheres of government to secure funding, technical support, and policy alignment for effective implementation.	Knysna Municipality / Western Cape Government

5.3.8 Ward 8 Priorities and Strategies

The Municipality continues to prioritise the structured and sustainable development of human settlements, with particular emphasis on unlocking future residential expansion areas, addressing infrastructure capacity constraints, and resolving legacy housing defects. This framework outlines key strategic priorities relating to spatial growth, bulk infrastructure provision, programme completion, and housing rectification within the municipal area.

Strategic Urban Expansion (North of N2 Bypass Road)

Land parcels located north of the N2 Bypass Road have been identified in the Municipal Spatial Development Framework (SDF) as primary long-term expansion zones for integrated human settlements development. These areas are strategically positioned to support future urban growth and spatial restructuring objectives.

However, their development potential is currently constrained by limited bulk engineering capacity, particularly within the wastewater and sanitation networks. Without significant infrastructure augmentation, large-scale residential development in these areas cannot be sustainably supported.

Bulk Sanitation Infrastructure: Wintheuwel Project

The proposed Wintheuwel Bulk Sanitation Infrastructure Project is a critical catalytic intervention aimed at increasing wastewater treatment capacity, improving network efficiency, and enabling future residential expansion within the northern and broader municipal areas.

The project is expected to unlock significant development potential, including the reconfiguration and redistribution of bulk sanitation flows to support both northern expansion areas and existing southern urban development zones.

Infrastructure-Led Spatial Development

Future spatial growth will be guided by an infrastructure-led development approach, ensuring that land release and residential expansion are aligned with available and planned engineering capacity. The optimisation and reconfiguration of bulk sanitation systems will play a central role in enabling sustainable urban growth and improving system resilience.

Funding and Implementation Readiness

The successful implementation of bulk infrastructure projects, including the Wintheuwel initiative, is contingent upon securing adequate capital funding and external infrastructure finance. The Municipality is currently engaging with relevant funding authorities, including National Treasury and Provincial Government, to support implementation readiness and project execution.

Completion of Existing Human Settlements Projects

Priority will be given to the completion of outstanding and partially implemented human settlements projects. This approach is intended to maximise returns on existing capital investment, reduce implementation inefficiencies, and ensure optimal utilisation of existing infrastructure networks and planning approvals.

Phased and Sustainable Human Settlements Delivery

The Municipality remains committed to a phased development approach that is aligned with spatial planning frameworks, infrastructure thresholds, and financial sustainability considerations. This ensures that human settlements development proceeds in a coordinated, efficient, and environmentally responsible manner.

Housing Rectification and Asbestos Roof Replacement (Joodsekamp Area)

A significant proportion of the older subsidised housing stock within the Joodsekamp area, constructed between 1994 and 2000, exhibits structural deficiencies and contains asbestos-cement roofing materials. These conditions present both structural and public health risks.

The affected units fall within the scope of the National Housing Code Rectification Programme, which provides for the rehabilitation or reconstruction of defective subsidised housing stock. However, implementation within the province has been limited, resulting in a growing backlog.

A comprehensive intervention is required to address both structural defects and asbestos-related risks in accordance with applicable health, safety, and environmental legislation.

Housing Condition Assessment and Technical Investigation

A detailed housing condition assessment is required to determine the extent of structural deterioration, identify units requiring urgent intervention, and quantify asbestos abatement requirements. This process should be undertaken in collaboration with the National Home Builders Registration Council (NHBRC) and relevant technical specialists.

Health, Safety and Environmental Compliance

All asbestos-related interventions must comply with applicable occupational health and safety legislation, environmental management regulations, and hazardous waste disposal requirements. Safe removal, transport, and disposal of asbestos materials is essential to mitigate health risks and ensure regulatory compliance.

Funding and Programme Support

The Municipality will engage with the National Department of Human Settlements and the Western Cape Department of Infrastructure to secure appropriate funding mechanisms and programme support for a comprehensive housing rectification and asbestos replacement programme.

Although the aforementioned matters are documented across a range of strategic, sectoral, and implementation planning instruments, the ward is ultimately governed by a singular, overarching human settlements objective. This objective constitutes the primary developmental imperative for the area and provides the strategic anchor for all associated programmes, projects, and infrastructure interventions.

Notwithstanding the above, its realisation is dependent upon a suite of interrelated and mutually reinforcing interventions spanning housing delivery, infrastructure augmentation, land release, and settlement upgrading. These interventions are inherently complex and multi-scalar in nature, requiring coordinated implementation across municipal departments, provincial and national government structures, and relevant implementing agencies.

Importantly, the spatial logic underpinning these interventions extends beyond the administrative boundaries of the ward. The human settlements programme is functionally integrated with adjoining Ward 4 and Ward 7, thereby forming part of a contiguous and interdependent spatial system. This broader spatial articulation is essential for ensuring efficient land utilisation, infrastructure continuity, and the equitable distribution of development opportunities across the urban system.

Furthermore, the programme is structurally aligned with the N2 Bypass corridor, which serves as a critical spatial structuring element within the municipal growth framework. In this regard, the corridor provides a strategic linkage between localised human settlements initiatives and the broader Southern Cape Corridor Development (SCCD) programme, which constitutes a regional-scale spatial restructuring initiative aimed at promoting integrated, sustainable, and well-located human settlements.

Accordingly, while the implementation environment necessitates a diverse range of targeted interventions, these are not discrete or isolated undertakings. Rather, they collectively operationalise a single, integrated human settlements objective, which is pursued through a coordinated, phased, and spatially integrated development approach across multiple wards and within the broader regional development framework.

ISSUE RAISED
Rectification of old RDP houses Jood se Kamp

The strategic focus areas are as follows:

PRIORITY	DESCRIPTION	RESPONSIBILITY
Housing condition assessment and risk identification	Undertake a comprehensive technical assessment to determine the extent of structural defects, building failures, and asbestos-related risks affecting the existing residential housing stock.	Knysna Municipality (Human Settlements & Technical Services), NHBRC, Appointed Technical Consultants
Technical evaluation and engineering recommendations	Engage the National Home Builders Registration Council (NHBRC) to conduct detailed technical investigations and provide expert recommendations on appropriate rectification, reconstruction, and rehabilitation measures.	Municipality, NHBRC
Funding mobilisation and programme support	Liaise with the National Department of Human Settlements and the Western Cape Department of Infrastructure to secure funding mechanisms and institutional support for a dedicated housing rectification programme.	Municipality, National Department of Human Settlements, Western Cape Department of Infrastructure
Phased implementation of rectification programme	Develop and implement a phased intervention strategy prioritising households occupying structures presenting the highest structural, health, and safety risks.	Municipality (Human Settlements), Provincial Government, Implementing Agents
Asbestos removal and environmental compliance	Ensure the safe removal, handling, transportation, and disposal of asbestos-containing materials in full compliance with applicable environmental, occupational health, and waste management legislation.	Municipality, Licensed Asbestos Contractors, Department of Environmental Affairs
Integration with area upgrading initiatives	Align rectification interventions with broader neighbourhood upgrading, infrastructure improvement, and settlement regeneration programmes to ensure holistic development outcomes.	Municipality (Human Settlements & Spatial Planning), Engineering Services
Property data management and monitoring	Establish and maintain a comprehensive, up-to-date database of affected properties to support planning,	Municipality (Human Settlements Information Management Unit)

	budgeting, implementation tracking, and performance reporting.	
Policy advocacy and programme expansion	Advocate for the reinstatement and/or expansion of provincial housing rectification funding programmes to address the increasing backlog of structurally defective subsidised housing units.	Municipality, Provincial Government, SALGA, National Department of Human Settlements

5.3.9 Ward 9 Priorities and Strategies

Whilst no specific low-cost housing priorities were identified through the current Integrated Development Plan (IDP) public participation process for Ward 9, the utilisation, optimisation and strategic release of vacant, underutilised and well-located municipal land remain fundamental components of the Municipality's long-term human settlements, spatial restructuring and growth management agenda.

The development of strategically located municipal land parcels presents a significant opportunity to address current and future housing demand, facilitate integrated residential development, promote socio-economic integration, and advance the objectives of spatial transformation as envisaged within the Municipal Spatial Development Framework (MSDF), Integrated Development Plan (IDP), National Development Plan (NDP), Provincial Spatial Development Framework (PSDF), and the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA).

To support these objectives, the Municipality has undertaken a comprehensive land audit and land suitability assessment process aimed at identifying municipally owned properties, evaluating development potential, assessing environmental and infrastructure constraints, and determining appropriate future land use proposals. The outcomes of this process have identified several strategically located land parcels with the potential to accommodate a range of residential typologies, including affordable housing, gap housing, social housing, mixed-income residential developments and integrated human settlements projects.

The planned development of these land parcels seeks to support the following strategic outcomes:

- Spatial integration and the restructuring of historically fragmented settlement patterns;
- Optimisation and productive utilisation of public land assets;
- Urban infill development and settlement consolidation;
- Increased residential densities within appropriate and accessible locations;
- Improved access to employment opportunities, public facilities, social services and transportation networks;
- Reduction of spatial inequality and transportation costs;
- Promotion of mixed-income and mixed-tenure residential environments; and
- Creation of sustainable, resilient and inclusive neighbourhoods.

A key strategic intervention within the ward is the Curley Court Social Housing Project, which has been identified within the Municipality's approved Social Housing Strategy and broader Human Settlements implementation framework. The project represents an important opportunity to expand the supply of affordable rental accommodation within a well-located urban area while simultaneously advancing the objectives of social inclusion, economic integration and spatial transformation.

In addition, the Brackenhill and Middelerf Forestry Village precincts have been identified within the Municipal Spatial Development Framework as strategic long-term urban expansion and human settlements growth areas on the eastern periphery of Knysna. These areas have

become increasingly important within the municipal growth management framework due to the limited availability of developable land within the existing service edge, ongoing urbanisation pressures, and the relatively high levels of densification already achieved within established urban areas.

The future development potential of these precincts will be dependent upon the completion of comprehensive precinct planning processes, detailed feasibility assessments and intergovernmental coordination initiatives. Key investigations will need to address environmental constraints, biodiversity considerations, land ownership patterns, forestry operations, bulk engineering service requirements, transportation linkages, social facility provision, economic development opportunities and long-term infrastructure sustainability.

The strategic location of these areas presents a significant opportunity to accommodate future residential growth across multiple income categories while supporting the Municipality's objectives of creating integrated, sustainable and well-located human settlements. Furthermore, these areas have the potential to contribute towards alleviating development pressure within existing settlement areas, addressing housing backlogs, facilitating relocation requirements arising from environmentally sensitive or high-risk areas, and supporting the long-term implementation of inclusionary and affordable housing programmes.

Accordingly, the Municipality will continue to prioritise strategic land acquisition, land release, precinct planning and intergovernmental engagement initiatives within these identified growth areas to ensure that sufficient developable land is secured for future residential expansion. Such interventions are essential to support projected population growth, address existing and future housing demand, facilitate sustainable urban development, and advance the Municipality's long-term spatial transformation and human settlements objectives.

PRIORITY	DESCRIPTION	RESPONSIBILITY
Strategic Land Release and Assembly	Identification, packaging, and release of suitable municipal land parcels for residential and mixed-use development to support housing delivery	KM Human Settlements Directorate; Property Management Unit; Planning & Development Services
Precinct-Based Planning and Spatial Structuring	Detailed precinct planning for priority areas such as Brackenhill and Middelerf Forestry Village to ensure integrated, coordinated spatial development	KM Spatial Planning Unit; Urban Design Team; Environmental Management Unit
Social and Affordable Housing Expansion	Implementation of Curley Court Social Housing Project and identification of additional opportunities for affordable, gap, and social housing	KM IHS Directorate; Social Housing Institution (SHI) partners; Provincial Department of Human Settlements
Infrastructure Coordination and Service Readiness	Alignment of housing projects with bulk infrastructure planning (water, sanitation, roads, electricity, and social services)	Engineering Services Directorate; Utilities Department; Infrastructure Planning Unit
Spatial Integration and Urban Densification	Promotion of infill development, higher residential densities, and mixed-income neighbourhoods to support spatial transformation	Planning & Development Services; Human Settlements Directorate

Intergovernmental and Stakeholder Coordination	Collaboration with national and provincial government, development finance institutions, and private sector partners for funding and implementation support	Municipal Manager's Office; Intergovernmental Relations Unit; Human Settlements Directorate
Environmental and Regulatory Compliance	Ensuring compliance with SPLUMA, environmental legislation, biodiversity requirements, and land use regulations	Environmental Management Unit; Legal Services; Planning Tribunal
Sustainable Human Settlements Delivery Model	Implementation of a phased, sustainable, and resilient human settlements programme aligned with long-term growth projections	Municipal Manager's Office; Human Settlements Directorate; Integrated Development Planning (IDP) Unit

5.3.10 Ward 10: Priorities and Strategies

Ward 10 is the Municipality's primary urban, administrative, economic, and tourism node, with the Central Business District (CBD) forming its core spatial and functional centre. The ward experiences high infrastructure demand, ageing engineering systems, and sustained pressure arising from economic concentration, tourism activity, and urban growth. Accordingly, municipal investment is prioritised towards infrastructure rehabilitation, service upgrades, and long-term asset sustainability.

The ward performs a critical economic function, supporting employment creation and providing services to surrounding peripheral settlements. It is a high-density, mixed-use area comprising commercial, administrative, tourism, and residential activities. This structure presents significant opportunities for urban renewal, including the reuse of underutilised buildings and the promotion of higher-density residential development, including social and affordable housing.

Three social housing projects are located within Ward 10 and are prioritised for implementation. In addition, a private-sector-led social housing initiative on the northern boundary further strengthens the ward's role in affordable housing delivery and spatial integration.

Given the intensity of economic activity in the CBD, infrastructure investment is required to support and sustain this function. Priority interventions include upgrading water and sanitation systems, roads and stormwater infrastructure, and electrical services. A key priority is the replacement of ageing asbestos cement pipelines with modern infrastructure to improve system reliability and safety.

Ward 10 therefore requires a coordinated, phased, and financially sustainable infrastructure investment approach, guided by asset management principles and long-term planning, to ensure service reliability, improved urban safety, and the continued performance of the CBD as the Municipality's primary economic and tourism hub.

Ward 10: Strategy

STRATEGIC AREA	KEY INTERVENTIONS	STRATEGIC INTENT
Economic Function	Strengthen CBD as primary economic, administrative, and tourism hub; reinforce linkages to surrounding settlements	Sustain economic activity and employment generation within the municipal core

Urban Development	Promote mixed-use intensification; reuse underutilised buildings; support higher-density development	Improve land efficiency and support compact, integrated urban form
Social Housing	Implement three identified projects; support private-sector-led initiative on northern boundary; optimise existing properties	Expand access to well-located affordable housing and support spatial integration
Water & Sanitation	Replace ageing asbestos pipelines; upgrade bulk capacity; improve pressure management and sewer systems	Ensure reliable, safe, and sustainable service delivery
Roads & Stormwater	Rehabilitate key roads; upgrade stormwater systems linked to road improvements	Maintain mobility and protect infrastructure under high usage conditions
Electricity	Upgrade distribution systems; expand street lighting; improve network reliability	Support safety, economic activity, and service continuity
Urban Safety	Expand CCTV coverage; improve monitoring capacity; enforce by-laws	Enhance safety, order, and tourism confidence
Infrastructure Management	Phased investment planning; asset management alignment; lifecycle infrastructure renewal	Ensure financially sustainable and long-term infrastructure performance

5.3.11 Ward 11: Priorities and Strategies

Human Settlements, Spatial Management and Land Use Pressures

Ward 11 is subject to significant pressures arising from land invasion and unlawful occupation of land, which materially affect municipal infrastructure planning, service delivery sustainability, environmental management, and the Municipality's long-term spatial restructuring agenda. These dynamics place continued strain on available municipal resources and undermine the orderly implementation of the Municipal Spatial Development Framework (MSDF).

In response, the Municipality prioritises the expansion of formal human settlement opportunities through structured project applications to the Department of Human Settlements, including catalytic developments such as Bigai Heights and Erf 4712, Knysna. These sites were previously identified for FLISP and subsidised housing delivery, and a reassessment of beneficiary allocations is required to ensure alignment with current qualification criteria.

The proposed spatial expansion of these areas will be implemented through formal land use application processes on erven previously approved as part of the township establishment framework, while maintaining the integrity of the designated open space system. It is further noted that bulk service infrastructure is already available for both existing and future phases, enabling feasible and phased implementation.

The Lower Pezula area, currently affected by informal occupation, has been identified for structured upgrading. Despite topographical constraints, development remains technically feasible subject to appropriate engineering design interventions and environmental mitigation measures.

The continued expansion of informal occupation within environmentally sensitive and undevelopable areas necessitates strengthened enforcement, improved spatial governance, and proactive land release mechanisms to prevent further encroachment and to support sustainable urban development.

Ward 11: Strategic Issues and Implementation Framework

PRIORITY	DESCRIPTION	RESPONSIBILITY
Low-cost housing development	Sustained demand for subsidised housing within the lower-income segment requires expansion of delivery capacity and release of well-located land in accordance with the MSDF and IDP. Catalytic projects such as Biggai Heights and Erf 4712 are prioritised for implementation, supported by revised beneficiary assessments and formal project applications to the Department of Human Settlements.	Knysna Municipality Western and Cape Government
Provision of serviced sites (Biggai Heights)	Implementation of incremental housing delivery through serviced erven to enable phased settlement development and affordability. The area is suitable for staged development supported by existing bulk infrastructure and formal township layout approvals.	Knysna Municipality Human Settlements
Rectification of old scheme houses (asbestos removal)	Ageing housing stock presents environmental health, safety, and compliance risks due to asbestos-containing materials and structural deterioration. A structured rectification programme is required.	Knysna Mun and National Department of Human Settlements
Land invasion and unlawful occupation	Continued unlawful occupation of land undermines spatial planning, environmental integrity, infrastructure investment planning, and orderly urban development.	Knysna Human Settlements and Community Services Directorates
Upgrading of Lower Pezula informal settlement	The area is affected by informal occupation and requires structured upgrading. Despite steep slope constraints, development remains feasible subject to engineering design and environmental mitigation.	Knysna Human Settlements and Westen Cape Government
Township expansion and spatial control (Bigai Heights / Erf 4712)	Expansion of approved township areas must be undertaken in a controlled manner while protecting designated open space systems and ensuring compliance with land use approval processes.	Knysna Human Settlements
Infrastructure service capacity alignment	Existing bulk services are available; however, phased development must remain aligned with infrastructure capacity and sequencing to ensure service reliability and sustainability.	Knysna Infrastructure Services Directorate

5.4 INFORMAL SETTLEMENT STRATEGY

As discussed in Chapter 2 of this document, the Knysna Municipal Area (KMA) contains approximately 72 informal settlements distributed across the municipality, with the majority concentrated within the greater Knysna urban area. These settlements are generally characterised by high residential densities, insecure tenure, and inadequate access to basic services and infrastructure.

A key challenge associated with informal settlement upgrading is that not all households qualify for housing or serviced-site subsidies. Furthermore, the densities typically found within informal settlements mean that, even under the Upgrading of Informal Settlements Programme (UISP), it is unlikely that all households can be accommodated on serviced sites within the existing settlement footprint. Land constraints, environmental limitations, and topographical challenges often necessitate the provision of alternative accommodation solutions for households that cannot be accommodated within a specific upgrading project.

At present, there are limited housing opportunities available to households within the low-income market, contributing to the continued growth and expansion of informal settlements throughout the municipality.

While a number of informal settlements are currently being addressed through the UISP and the Enhanced People's Housing Process (EPHP), it is not yet possible to determine the full development potential of all existing informal settlement areas. Detailed engineering, environmental, geotechnical and planning studies will be required before definitive conclusions can be reached regarding the suitability of each settlement for in-situ upgrading and formalisation.

Although some informal settlements may be formalised in their current locations through the UISP, the extent to which on-site upgrading can occur remains uncertain. Consequently, the housing proposals contained in this strategy do not assume that all informal settlements can be accommodated within their current locations, nor do they fully account for the land currently occupied by informal settlements when assessing future housing demand and land requirements.

It is critical that innovative housing delivery approaches and technologies be explored, as relocation alone cannot be regarded as a sustainable solution to informal settlement eradication. Many of the land parcels currently occupied by informal settlements are constrained by steep slopes, environmentally sensitive areas, unstable dune systems, flooding risks, or poor geotechnical conditions, all of which increase development costs and limit conventional housing interventions.

Many informal settlements, particularly those located in Sedgefield and portions of the Knysna urban area, are situated on steep slopes, environmentally sensitive land, or unstable dune formations. These conditions present significant environmental and geological constraints that increase infrastructure costs and limit development opportunities. To date, the majority of housing units delivered through the UISP have been single-storey, free-standing dwellings. However, given the scarcity of developable land within the municipality, higher-density housing typologies should be prioritised wherever environmental and geological conditions permit. A minimum density standard of two-storey semi-detached, row housing, or similar medium-density housing forms should be promoted to optimise land utilisation and improve project viability.

All future subsidised housing developments proposed within informal settlement areas in Knysna and Sedgefield should align with the densification principles and spatial development proposals outlined in Chapters 6 to 9 of this strategy.

Higher-density residential developments should be prioritised within and around identified economic, transport and neighbourhood nodes to improve access to employment opportunities, social facilities, public transport, and community services. Subject to environmental and geological suitability, development proposals within these nodes should support a minimum of three-storey residential buildings. In other suitable locations, two-storey semi-detached and row housing developments should be encouraged. Given the significant proportion of single-person households and households without dependants, smaller dwelling units delivered at higher densities should also be considered as part of the municipality's housing delivery programme.

Heidevallei has been identified as a catalytic project of municipal significance and is proposed as a key housing development initiative. The project has the potential to accommodate a portion of households currently registered on the Housing Demand Database, as well as selected households residing within informal settlements. However, the area available for this purpose is currently limited to the eastern portion of the property adjacent to the Nekkies area in Ward 3. The development of Heidevallei could also facilitate the release of strategically located land currently occupied by informal settlements, creating opportunities for future

housing development, public facilities, open space systems, or private-sector investment where appropriate.

Informal Settlement Strategy

STRATEGIC INTERVENTION	POLICY RESPONSE AND IMPLEMENTATION APPROACH
Prioritisation of In-Situ Upgrading	The Municipality adopts in-situ upgrading as the preferred intervention for informal settlement regularisation, subject to environmental suitability, engineering feasibility, land use compatibility, and statutory compliance. This approach seeks to preserve established social networks, minimise displacement, and facilitate the incremental integration of informal settlements into the formal urban structure.
Implementation of UISP and EPHP Programmes	Informal settlement upgrading initiatives will be advanced through the Upgrading of Informal Settlements Programme (UISP) and the Enhanced People's Housing Process (EPHP), with a focus on strengthening tenure security, improving access to basic municipal services, and facilitating progressive settlement formalisation.
Promotion of Higher-Density Development Typologies	In response to the increasing scarcity of well-located developable land, the Municipality promotes higher-density residential typologies and compact settlement forms that optimise land utilisation, enhance infrastructure efficiency, and support sustainable urban development outcomes.
Innovative Housing Delivery Mechanisms	The Municipality will investigate and promote the application of alternative construction technologies, innovative building systems, and diversified housing delivery models aimed at improving affordability, accelerating delivery rates, and enhancing the overall efficiency of housing programmes.
Spatial Targeting and Nodal Development	Human settlements interventions will be strategically directed towards areas offering proximity to economic opportunities, public transportation networks, social amenities, and neighbourhood activity nodes. This approach seeks to advance spatial integration, improve accessibility, and strengthen socio-economic inclusion.
Alternative Accommodation and Relocation Measures	Where in-situ upgrading is precluded by environmental constraints, development risks, land ownership limitations, or engineering challenges, the Municipality will pursue appropriate alternative accommodation solutions and relocation interventions in accordance with applicable legislative and policy frameworks.
Environmental Protection and Risk Avoidance	Informal settlement upgrading and housing development will be undertaken in a manner that safeguards environmentally sensitive and high-risk areas, including wetlands, floodplains, coastal protection zones, unstable slopes, and other ecologically significant environments.
Catalytic Human Settlements Projects	Strategic and catalytic development initiatives, including the Heidevallei project and other priority housing developments, will serve as key instruments for increasing housing supply, facilitating spatial restructuring, supporting settlement upgrading initiatives, and accommodating relocation requirements where necessary.
Intergovernmental Coordination and Institutional Alignment	The Municipality will strengthen intergovernmental collaboration and institutional partnerships to improve programme alignment, secure funding allocations, mobilise technical resources, and accelerate the implementation of informal settlement upgrading and housing delivery initiatives.
Progressive Settlement Formalisation and Eradication of Informality	Through the coordinated implementation of upgrading, formalisation, housing delivery, and settlement restructuring programmes, the Municipality seeks to progressively reduce and ultimately eradicate informal settlements while advancing the development of integrated, sustainable, and resilient human settlements.

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5.5 BACKYARD DWELLERS STRATEGY

Backyard rental accommodation has emerged as one of the largest and fastest-growing components of South Africa's housing sector, playing a critical role in addressing the accommodation needs of households that remain excluded from both state-subsidised housing programmes and the formal private rental market. In the absence of significant public sector intervention, the backyard rental sector has evolved into an important source of affordable and accessible accommodation, providing housing opportunities for low-income households, non-qualifiers for government housing subsidies, labour migrants, temporary workers, and individuals who require rental accommodation but are unable to access or afford formal housing options.

The sector contributes significantly to housing delivery by increasing residential densities within established neighbourhoods, improving the utilisation of existing infrastructure networks, and creating opportunities for incremental income generation for property owners. Furthermore, backyard accommodation supports labour mobility and provides a flexible housing solution that responds to changing household circumstances and economic conditions.

Backyard accommodation encompasses a broad spectrum of residential typologies that vary in scale, permanence, level of servicing, and tenure arrangements. These include room-sharing arrangements within a primary dwelling occupied by separate households; secondary structures constructed from temporary or conventional building materials with access to shared ablution facilities; self-contained accommodation units with private access to basic services; and second dwelling units such as garden cottages, granny flats, converted garages, and workers' quarters commonly associated with formal residential areas.

The sector also includes more intensive forms of accommodation such as small-scale tenement developments comprising multiple rental rooms with shared service facilities. In certain instances, these structures may replace the original dwelling on a property and function as informal rental complexes managed by private landowners. Such developments represent an increasingly important source of affordable rental accommodation within areas characterised by high housing demand and limited land availability.

In addition to their residential function, backyard structures frequently accommodate a range of small-scale economic activities that contribute to household livelihoods and local economic development. These may include informal retail outlets, personal service enterprises, home-based businesses, workshops, salons, and other micro-enterprises that support income generation and economic participation within local communities.

Notwithstanding its significant contribution to housing delivery, rental affordability, and local economic resilience, the backyard dwelling sector introduces a range of spatial planning, infrastructure capacity, environmental health, and regulatory compliance challenges. Elevated residential densities within this sub-market frequently place pressure on municipal engineering services, social infrastructure, and community facilities, particularly in areas not originally designed for intensified occupation.

Accordingly, there is a need for a structured and enabling policy response that formally recognises backyard accommodation as an integral component of the urban housing continuum, while ensuring progressive improvements in living conditions, infrastructure adequacy, tenure security, and regulatory compliance. This requires a coordinated planning and infrastructure approach supported by appropriate regulatory reform and targeted service investment.

In this regard, spatial planning instruments should be reviewed and, where appropriate, amended to accommodate managed densification in suitable low-density residential areas. This includes the formalisation of secondary dwelling units and controlled intensification in areas such as Hornlee, Sedgefield, and other identified precincts, where engineering capacity, environmental constraints, and urban form considerations demonstrate sufficient ability to support increased residential densities in a sustainable and orderly manner.

Within the context of sustainable human settlements development, backyard accommodation should therefore be viewed not merely as a manifestation of housing need, but as an integral component of the Municipality's housing response. Appropriate support mechanisms, planning interventions, and infrastructure investments can contribute significantly to enhancing the quality, safety, and sustainability of this important housing sub-sector while supporting broader objectives of spatial integration, housing affordability, and socio-economic inclusion.

Backyard Rental Accommodation Strategy

STRATEGIC FOCUS AREA	POLICY POSITION AND IMPLEMENTATION APPROACH
Recognition of Backyard Rental Sector	The Municipality recognises backyard rental accommodation as a legitimate and expanding component of the housing continuum, contributing significantly to affordable rental supply, household livelihoods, and spatial intensification within established urban areas.
Incremental Densification Support	Backyard accommodation is supported as a mechanism for incremental densification within existing residential areas, provided that such development occurs in a controlled manner that does not compromise public health, safety, environmental integrity, or infrastructure capacity.
Infrastructure Capacity Management	Municipal infrastructure planning shall explicitly incorporate the additional service demand associated with backyard dwelling densities, with specific focus on water supply, sanitation, electricity, stormwater systems, and solid waste management capacity.
Basic Service Provision and Upgrading	The Municipality shall progressively extend and upgrade basic services to accommodate increased backyard dwelling densities, including the introduction of shared service points where appropriate, in order to improve public health outcomes and environmental conditions.
Regulatory and Planning Integration	Backyard rental accommodation shall be formally integrated into the Land Use Management System (LUMS) through appropriate zoning categories, development controls, and building regulations. This includes the review and amendment of zoning schemes to permit secondary dwelling units in suitable areas.
Housing Affordability and Inclusion	The sector shall be supported as a key instrument for affordable rental accommodation, particularly for households excluded from subsidy housing programmes, migrant populations, and those requiring flexible tenure arrangements.
Environmental Health and Safety Standards	Minimum environmental health and safety standards shall be enforced, addressing fire risk, sanitation provision, structural safety, and overcrowding, with the objective of improving living conditions in high-density informal rental environments.
Economic Activity Enablement	The Municipality recognises the role of backyard structures in supporting micro-enterprise and informal economic activity and

	will promote a balanced regulatory environment that enables livelihood generation while ensuring compliance with land use and health regulations.
Incremental Formalisation Approach	A phased and pragmatic approach shall be adopted towards the regulation and upgrading of backyard rental accommodation, recognising existing socio-economic realities while progressively improving compliance, service standards, and spatial order.
Managed Densification (Spatial Implementation)	Facilitation of second dwellings and incremental densification shall be prioritised in suitable areas such as Hornlee, Sedgefield, and other identified precincts, where engineering capacity and environmental constraints permit.
Spatial Targeting and Suitability Assessment	Precincts suitable for densification shall be identified through evidence-based assessment of engineering capacity, environmental constraints, and urban form suitability, ensuring controlled and sustainable spatial intensification.
Infrastructure Capacity Alignment	Targeted upgrading of water, sanitation, electricity, and road infrastructure shall be undertaken in high-density backyard dwelling areas to ensure system resilience under increased residential demand.
Service Integration and Upgrading	Existing backyard dwelling environments shall be progressively formalised and improved through incremental service integration and infrastructure upgrading, without wholesale displacement of affected households.
Monitoring and Urban Management	Monitoring systems shall be established to track density growth, infrastructure loading, and spatial impacts associated with backyard accommodation, enabling proactive planning and timely municipal intervention.

5.6 SOCIAL AND AFFORDABLE HOUSING STRATEGY

The Social and Affordable Housing Strategy is informed by the attached annexure and constitutes a key component of the Municipality's broader Human Settlements Framework. The strategy provides a structured and integrated approach to the delivery of social housing, affordable rental accommodation, and gap market housing, with the primary objective of advancing spatial transformation, socio-economic inclusion, and sustainable human settlements development. It is underpinned by national and provincial policy frameworks, including the Social Housing Act, the National Housing Code, the Municipal Spatial Development Framework (MSDF), and the National Development Plan (NDP).

Social Housing Strategy

STRATEGIC FOCUS AREA	POLICY POSITION AND IMPLEMENTATION APPROACH
Integrated Housing Delivery Approach	Social, rental, and affordable housing are recognised as core instruments of spatial transformation and are implemented through structured partnerships between the Municipality, SHIs, private developers, and funding institutions, in compliance with MFMA and SCM regulations.
Private Sector and Institutional Participation	Delivery is partnership-driven and requires accredited Social Housing Institutions and developers to demonstrate financial viability, technical capacity, and institutional readiness through formal procurement processes.

Spatial Targeting and Restructuring Zones	Social housing is spatially directed to designated Restructuring Zones (CBD, Heidevallei, Lagoon View) to promote integration, improve access to opportunities, and rectify historic spatial fragmentation.
Blended Finance Model	Projects are supported through a combination of SHRA capital grants (±80%), institutional subsidies, and private/DFI financing (±20%), ensuring financial viability and sustainability.
Regulatory Compliance Framework	All developments are governed by the Social Housing Act, SHRA regulations, MFMA, Municipal Asset Transfer Regulations, and the National Housing Code, ensuring legal and governance compliance.
Income Targeting and Affordability Controls	Social housing is targeted at households earning R1,850–R22,000 per month, with rental ceilings capped at 33.3% of gross household income to ensure affordability and income-linked rental structuring.
Density and Built Form Optimisation	Medium- to high-density typologies (2–4 storey walk-ups, 30m²+ units) are promoted to maximise land efficiency, infrastructure utilisation, and spatial compaction.
Strategic Land Release	Municipal and public land within Restructuring Zones is prioritised for lease or disposal under concessionary arrangements, subject to feasibility and statutory approvals.
Implementation Instruments	Delivery is enabled through long-term leases (up to 30 years), development agreements, performance-based contracts, and municipal incentive mechanisms (e.g., rates relief, facilitation support).
Institutional Delivery Model	The preferred model is third-party delivery via accredited SHIs, with limited use of municipal entities or PPP structures where appropriate.
Project Pipeline Development	Strategic sites (Milkwood Flats, Curley Court, Gordon Street erven, Erf 3534) are leveraged to expand the housing pipeline, subject to feasibility, heritage, environmental, and infrastructure assessments.
Intergovernmental Coordination	Strong alignment is maintained with SHRA, Western Cape Government, and national departments to secure funding, streamline approvals, and accelerate delivery.

Affordable Housing –

STRATEGIC FOCUS AREA	POLICY POSITION AND IMPLEMENTATION APPROACH
Gap Market Targeting	Affordable housing addresses households earning R3,500–R22,000 per month, which remain underserved by both subsidy housing and formal market finance mechanisms.
Public–Private Collaboration	Delivery is dependent on coordinated partnerships between government, private developers, financial institutions, landowners, and housing institutions to unlock land and investment.

Spatial Efficiency and Integration	Development is prioritised within or adjacent to economic nodes, transport corridors, and serviced areas to support spatial justice and infrastructure efficiency.
Mixed-Tenure Housing Models	A diversified housing mix is promoted, including ownership, rental, social housing, inclusionary housing, and mixed-income developments.
Housing Finance Enablement	Leverages instruments such as FLISP (First Home Finance Programme) and banking sector participation to improve access to mortgage finance and affordability.
Strategic Project Catalysts	Key developments (e.g., Heidevallei, Fisherhaven) are prioritised as catalytic projects to increase supply and demonstrate scalable delivery models.
Infrastructure-Led Development	Housing delivery is aligned with bulk infrastructure capacity planning to ensure sustainability and avoid service backlogs.
Development Incentives	The Municipality will apply density bonuses, expedited approvals, infrastructure alignment, and potential reductions in development contributions to stimulate private sector participation.
Inclusionary Housing Promotion	Inclusionary housing mechanisms are encouraged within strategic development areas to ensure socio-economic integration and broaden access to well-located housing.
Sustainability and Institutional Capacity	Emphasis is placed on long-term institutional coordination, fiscal sustainability, and alignment with national frameworks including BNG, SPLUMA, and the NDP.

CHAPTER 6 HUMAN SETTLEMENTS STRATEGIC INSTRUMENTS

6.1 OVERVIEW

The Human Settlements Sector Plan is informed by and aligned with a range of municipal strategic planning and statutory instruments that collectively guide housing delivery, spatial transformation, infrastructure investment, land use management, and sustainable settlement development.

STRATEGIC INSTRUMENT	PURPOSE AND RELEVANCE TO HUMAN SETTLEMENTS
Integrated Development Plan (IDP)	Provides the Municipality's overarching development vision, priorities, programmes, and investment framework, including human settlements objectives and housing delivery priorities.
Municipal Spatial Development Framework (MSDF)	Guides the spatial distribution of future residential growth, identifies Urban Edges, Services Edges, Transition Zones, housing development areas, and supports integrated human settlements planning.
Land Use Management System (LUMS) and Zoning Scheme By-law	Regulates land use rights, development applications, zoning controls, and development management processes required for human settlements implementation.
Built Environment Performance Plan (BEPP) (where applicable)	Aligns infrastructure investment, housing delivery, and spatial transformation initiatives within targeted development areas.
Human Settlements Strategy / Housing Sector Plan	Provides strategic direction for housing delivery programmes, housing demand management, informal settlement upgrading, social housing, and affordable housing initiatives.
Municipal Land Audit and Land Suitability Assessment	Identifies municipally owned land, assesses development potential, environmental constraints, and suitability for future residential development.
Infrastructure Master Plans	Guides the planning and provision of bulk water, sanitation, roads, electricity, stormwater, and other engineering services required to support housing development.
Integrated Public Transport Plan (IPTP)	Supports accessibility and mobility considerations within residential development planning and settlement integration.
Local Economic Development (LED) Strategy	Aligns housing development with economic growth, employment opportunities, and investment nodes.
Environmental Management Framework (EMF) / Strategic Environmental Plan	Identifies environmental constraints, ecological sensitivities, and environmental management requirements affecting future settlement development.
Climate Change Adaptation and Disaster Risk Management Plans	Guides development away from high-risk areas and promotes climate-resilient and sustainable human settlements.
Social Housing Strategy	Identifies opportunities and priority areas for social housing delivery, affordable rental accommodation, and inclusionary housing initiatives.
Precinct Plans and Local Spatial Development Frameworks (LSDFs)	Provide detailed planning guidance for strategic growth areas and future human settlements expansion precincts.
Capital Investment Framework / Capital Expenditure Programme	Prioritises infrastructure investment and funding allocation required to unlock and support residential development.
Integrated Waste Management Plan (IWMP)	Ensures waste management infrastructure and services are aligned with future settlement growth.
Water Services Development Plan (WSDP)	Guides long-term water supply, sanitation planning, and service capacity requirements for residential expansion.

The preparation of this Human Settlements Sector Plan (HSSP) has been undertaken within the context of a comprehensive suite of strategic, spatial, regulatory, environmental, infrastructure, and sector-specific planning instruments. Collectively, these instruments establish the policy and implementation framework necessary to advance the delivery of sustainable, integrated, resilient, and inclusive human settlements in accordance with the objectives of the Municipality, the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), the National Development Plan (NDP), and the National Human Settlements Policy Framework.

The following section outlines the extent to which each strategic instrument has informed the development of this HSSP and demonstrates the alignment of proposed programmes, projects, and interventions with broader municipal, provincial, and national planning objectives.

Integrated Development Plan (IDP)

The 2026/27 Amended Integrated Development Plan (IDP) constituted the principal strategic planning instrument informing the preparation of this HSSP. As the Municipality's overarching policy and development framework, the IDP establishes the long-term vision, strategic priorities, sectoral objectives, and implementation commitments that guide municipal development. Accordingly, the IDP has been extensively referenced throughout this document and serves as the foundation upon which human settlements planning and investment priorities have been structured.

Municipal Spatial Development Framework (MSDF)

The approved 2025 Municipal Spatial Development Framework (MSDF) represents a critical source document underpinning this HSSP. As the Municipality's primary spatial planning instrument and an annexure to the IDP, the MSDF provides the spatial vision, development structuring elements, growth management principles, and investment priorities required to guide future settlement expansion and land development. The MSDF further informs the identification of suitable development areas, strategic growth corridors, and priority investment locations, thereby ensuring spatial alignment between human settlements initiatives and broader municipal development objectives.

Land Use Management System and Zoning Scheme By-law

The Land Use Management System (LUMS) and associated Zoning Scheme By-law provide the statutory land use management framework within which future development proposals will be assessed and regulated. Together with the provisions of the MSDF and this HSSP, these instruments establish a coherent framework for directing future land use applications, promoting orderly development, and ensuring that residential expansion occurs in a manner consistent with the Municipality's spatial development vision and legislative obligations.

Human Settlements Strategy and Housing Sector Planning

The Municipality's 2019/20 Human Settlements Strategy served as a key reference document in the preparation of this HSSP. The strategy provided valuable insights into existing housing challenges, settlement dynamics, delivery priorities, and implementation constraints. Furthermore, the 2025 Social Housing Strategy informed the development of housing typologies, tenure diversification approaches, and social housing opportunities identified within this plan.

Municipal Land Audit and Land Suitability Assessment

The findings and recommendations contained within the Municipal Land Audit and Land Suitability Assessment have informed the identification of potential development opportunities

and land resources available for future human settlements initiatives. While a number of proposals contained within these assessments have been incorporated into this HSSP, it is recognised that several sites and development opportunities will require further technical investigations, environmental assessments, engineering evaluations, and feasibility studies prior to implementation.

Infrastructure Master Planning

Infrastructure planning remains a fundamental determinant of sustainable human settlements development. Although the Municipality's existing Infrastructure Master Plans have become outdated, these documents continue to provide a useful basis for infrastructure investment planning. Comprehensive updates to the various master plans are currently underway and are anticipated to be finalised before the end of 2026. In the interim, infrastructure proposals contained within this HSSP remain largely aligned with previously identified priorities, supplemented by additional projects and interventions emerging from the MSDF and its associated Implementation Plan.

Integrated Public Transport Planning

At present, the Municipality does not have an approved Integrated Public Transport Plan (IPTP). Consequently, transport-related considerations within this HSSP have been informed through available strategic planning instruments and existing settlement accessibility patterns. The preparation of an IPTP will be essential in future to strengthen the integration between human settlements development, mobility planning, and public transport accessibility.

Local Economic Development Strategy

The Local Economic Development (LED) Strategy, which forms an integral component of the IDP, has informed the socio-economic and investment dimensions of this HSSP. Particular consideration has been given to economic development nodes, employment opportunities, investment attraction initiatives, and local economic growth priorities to ensure that future human settlements are located and designed in a manner that supports economic participation and improved livelihoods.

Environmental Management Framework

Environmental sustainability considerations have been informed by the Municipality's Environmental Management Framework (EMF) and related environmental planning instruments. While environmental management provisions are currently incorporated within the MSDF, the Municipality is in the process of reviewing and updating the EMF to provide a more comprehensive framework for environmental management and sustainable development. The principles of environmental stewardship, ecological protection, and resource sustainability have accordingly been integrated into the planning proposals contained within this HSSP.

Climate Change Adaptation and Disaster Risk Management

Climate resilience and disaster risk reduction have emerged as increasingly important considerations within human settlements planning. Relevant provisions contained within the IDP and MSDF have informed the integration of climate change adaptation measures, disaster risk management principles, and resilience-building interventions within this HSSP. These considerations are particularly important in ensuring that future settlements are located and designed in a manner that minimises environmental risk and enhances long-term sustainability.

Social Housing Strategy

The Social Housing Strategy forms a critical component of the Municipality's housing planning framework and has been incorporated as an annexure to this HSSP. The strategy has

informed the identification of potential social housing opportunities, target areas, implementation mechanisms, and institutional requirements necessary to facilitate the delivery of affordable rental accommodation within strategically located areas.

Precinct Plans and Local Spatial Development Frameworks

The Sedgefield Local Spatial Development Framework (LSDF) is currently the only approved Local Spatial Development Framework within the municipal area and has been considered in identifying future expansion areas, growth opportunities, and development interventions within Sedgefield. The framework provides important guidance regarding the spatial structuring of future development and supports the alignment of human settlements proposals with broader municipal spatial objectives.

In addition, the Heidevallei Precinct Plan has been utilised to inform development proposals within the precinct and its surrounding areas. The plan provides valuable guidance on land use structuring, development opportunities, infrastructure requirements, and the integration of housing initiatives within the broader urban fabric.

Furthermore, the National Treasury Neighbourhood Development Partnership Programme (NDPP) planning initiatives and associated proposals have been considered where applicable. These proposals provide strategic direction on catalytic development opportunities, public investment priorities, and spatial integration interventions aimed at supporting sustainable neighbourhood development, improved accessibility, and enhanced socio-economic outcomes.

Collectively, these local and precinct-level planning instruments provide a more detailed understanding of development opportunities and constraints and have assisted in refining the spatial and implementation proposals contained within this Human Settlements Sector Plan.

Capital Investment Framework and Capital Expenditure Planning

Although a formal Capital Investment Framework (CIF) has not yet been developed by the Municipality, an Implementation Framework has been prepared to consolidate known projects, identify priority development areas, and guide the sequencing of future investments. This framework has been utilised extensively in the preparation of the HSSP to ensure alignment between proposed human settlements projects and anticipated municipal capital expenditure priorities.

Integrated Waste Management Planning

The Integrated Waste Management Plan (IWMP) is currently undergoing revision and updating. Nevertheless, waste management considerations have been incorporated into this HSSP to ensure that future settlement development is supported by appropriate waste collection, disposal, recycling, and environmental management systems consistent with sustainable development principles.

Water Services Development Planning

The Water Services Development Plan (WSDP) is presently under review and update. Pending the finalisation of the revised WSDP, guidance and technical inputs provided through the Section 154 Intervention have been utilised to inform water services planning, infrastructure requirements, and development feasibility assessments associated with proposed human settlements projects.

The strategic instruments discussed above collectively establish a comprehensive planning framework that informs and supports the implementation of this Human Settlements Sector Plan. Their integration ensures that proposed housing and human settlements interventions

are aligned with municipal development priorities, spatial transformation objectives, infrastructure investment programmes, environmental sustainability imperatives, and broader national policy directives. Consequently, the HSSP provides a coordinated and implementable framework for advancing sustainable, well-located, and inclusive human settlements across the municipal area.

6.1 SPATIAL DEVELOPMENT FRAMEWORK

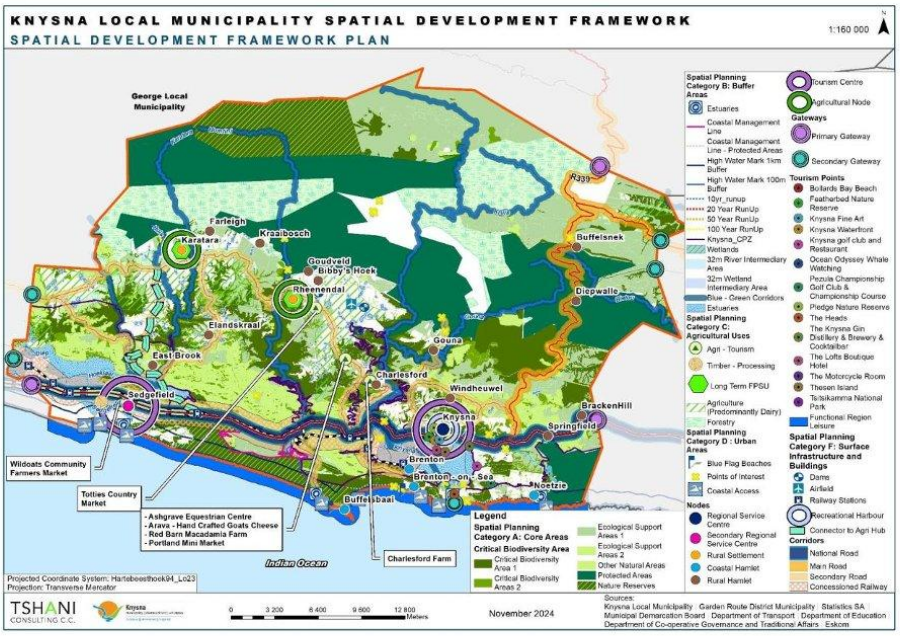
The Municipal Spatial Development Framework (MSDF) for the greater Knysna area was adopted during the 2025/26 financial year in response to evolving spatial, environmental, infrastructure, and socio-economic development pressures. It serves as the Municipality's principal spatial planning instrument, guiding the spatial distribution of land uses, infrastructure investment, environmental management, and development priorities.

The MSDF translates the strategic intent of the Integrated Development Plan (IDP) into spatial form, providing a long-term spatial vision (10–20 years) that supports sustainable development, spatial transformation, and coordinated infrastructure investment. It aligns with national and provincial planning frameworks, including the National Spatial Development Perspective (NSDP), Provincial Growth and Development Strategy (PGDS), and Provincial Spatial Development Framework (PSDF).

6.1.1 Spatial Structuring Framework

The MSDF introduces a structured spatial planning approach based on **Urban Edges, Services Edges, and Transition Zones** to manage growth and ensure sustainable land use:

- **Urban Edge:** Defines the long-term boundary of urban development, protecting environmentally sensitive and rural areas from uncontrolled expansion.
- **Services Edge:** Identifies areas prioritised for municipal infrastructure investment and service delivery expansion.
- **Transition Zones:** Designated areas for phased and managed urban expansion between the Services and Urban Edges.



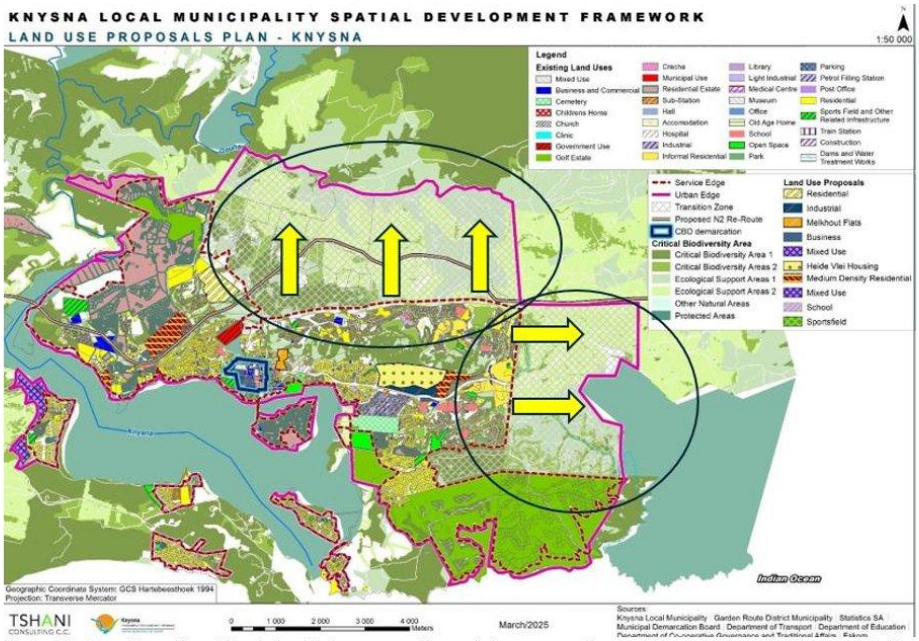
Transition Zones are identified in Belvedere, Brenton, the Northern Areas, and Hornlee, where managed densification, infill development, and integrated human settlements are prioritised in alignment with land audit findings and housing demand.

6.1.2 Spatial Growth and Development Priorities

The MSDF identifies key spatial development areas to accommodate future growth and restructuring:

Knysna Urban Areas
The spatial development approach for the Knysna urban areas is centred on the consolidation and optimisation of the existing urban footprint through targeted densification, strategic infill development, and the promotion of mixed-use development nodes. Emphasis is placed on accommodating future growth within established urban areas to improve land use efficiency, enhance access to economic opportunities and social facilities, and reduce urban sprawl. The approach further seeks to maximise the utilisation of existing infrastructure networks and municipal services, thereby improving the cost-effectiveness of service delivery and reducing the need for extensive new infrastructure investment. Through the creation of compact, integrated, and walkable urban environments, the strategy supports spatial transformation objectives and contributes to the development of sustainable, inclusive, and resilient human

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Notwithstanding the Municipality's commitment to promoting urban consolidation and the optimisation of the existing urban footprint, limited expansion of the urban edge is contemplated towards the eastern and northern peripheries of Knysna. These areas comprise predominantly state-owned land currently utilised for commercial forestry operations. Over time, informal residential development has progressively extended towards the boundaries of these plantations, exerting significant development pressure on the forestry estate. In certain locations, this has resulted in the encroachment and gradual degradation of forestry land as a consequence of unplanned human occupation and associated activities.

Kruisfontein constitutes one of the most significant strategic land parcels within this broader area. Situated adjacent to the Hlalani and Dam se Bos settlements, the property has increasingly come under pressure from the outward expansion of informal residential development. Encroachment into portions of the forestry land has already occurred, reflecting the growing demand for well-located residential land and the limited availability of developable land within the existing urban footprint.

Recognising these development pressures and the strategic location of the property, the landowner previously indicated a willingness to make the land available to the Municipality for future human settlements development. The potential release of Kruisfontein for development presents a unique opportunity to facilitate planned urban expansion, address the growing demand for housing, and promote a more coherent and sustainable urban form. Furthermore, the development of the area could assist in curbing further informal encroachment into the surrounding forestry estate while enhancing spatial integration between existing settlements and future residential neighbourhoods.

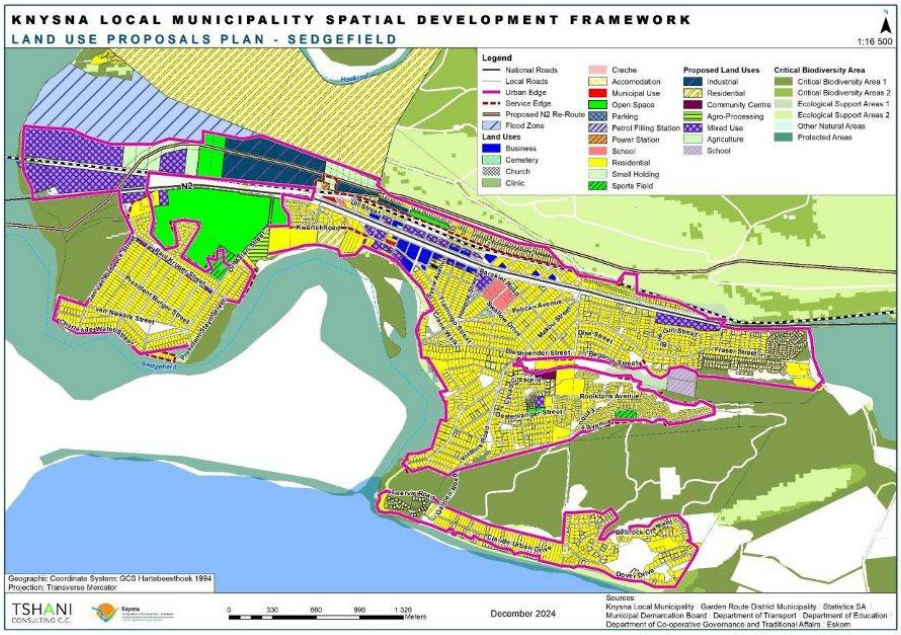
The consideration of Kruisfontein as a future Human Settlements development area is therefore informed by both the need to accommodate projected population growth and the imperative to proactively manage existing settlement pressures. Any future development initiatives will, however, remain subject to comprehensive environmental, engineering, land capability, and statutory planning assessments to ensure that development proceeds in a

manner that is environmentally responsible, economically viable, and aligned with the Municipality's long-term spatial development objectives.

Sedgefield

The future spatial development trajectory of Sedgefield is fundamentally influenced by the presence of highly sensitive environmental systems, including coastal, estuarine, dune, and biodiversity conservation areas that impose significant constraints on outward urban expansion. Consequently, the Municipal Spatial Development Framework (MSDF) advocates a carefully managed growth strategy that seeks to balance the protection of environmental assets with the need to accommodate future housing demand. In this regard, future residential development is directed towards a designated Housing Development Zone where growth can be accommodated in a structured, sustainable, and environmentally responsible manner.

Whilst land situated north of the N2 has been identified as a potential long-term opportunity for middle-income residential development, the area is presently constrained by the absence of sufficient bulk engineering infrastructure and municipal service capacity. The realisation of the development potential of these land parcels will therefore be contingent upon significant investment in water, sanitation, electricity, transportation, and stormwater infrastructure. Until such time as the requisite infrastructure is available, these areas are not considered viable for development within the short- to medium-term planning horizon.



Recognising the limitations associated with greenfield expansion, the MSDF places considerable emphasis on urban consolidation through strategic densification and infill development within the existing urban footprint. This approach seeks to optimise the utilisation of underdeveloped and strategically located properties, improve infrastructure efficiency, and support the creation of a more compact and integrated settlement form. In addition, these interventions present opportunities to address pressing housing needs through the incremental accommodation of households currently residing in informal and environmentally sensitive locations.

A particular challenge facing Sedgefield relates to the continued occupation of dune systems by informal dwellers and homeless households. This situation presents a complex intersection of environmental management, housing need, social vulnerability, and spatial justice considerations. Whilst concerns have been expressed regarding the visual, environmental, and socio-economic impacts associated with informal occupation within these sensitive landscapes, previous attempts to relocate affected households have demonstrated the limitations of displacement-focused interventions. Experience has shown that relocation alone does not adequately address the underlying socio-economic drivers of informality and may, in certain instances, exacerbate vulnerability and social exclusion.

Accordingly, the Municipality's planning approach increasingly favours context-sensitive and sustainable solutions that seek to balance environmental rehabilitation objectives with the legitimate housing needs of affected households. Such interventions are aimed at promoting social inclusion whilst safeguarding the environmental integrity of the area and ensuring compliance with broader spatial transformation objectives.

The issue has also generated considerable debate between sections of the established residential community and the Municipality, particularly concerning the identification and implementation of appropriate long-term interventions. The challenge of reconciling environmental protection imperatives, community expectations, housing delivery obligations, and constitutional rights remains a complex governance and planning consideration. Addressing these competing interests will require ongoing stakeholder engagement, intergovernmental coordination, and the adoption of integrated planning responses that are equitable, practical, and sustainable.

Ultimately, the spatial development strategy for Sedgefield seeks to accommodate future growth within clearly defined development areas, prioritise urban consolidation and infrastructure optimisation, and promote socially inclusive human settlements while safeguarding the exceptional environmental assets that underpin the town’s unique character and long-term sustainability.

Rheenendal

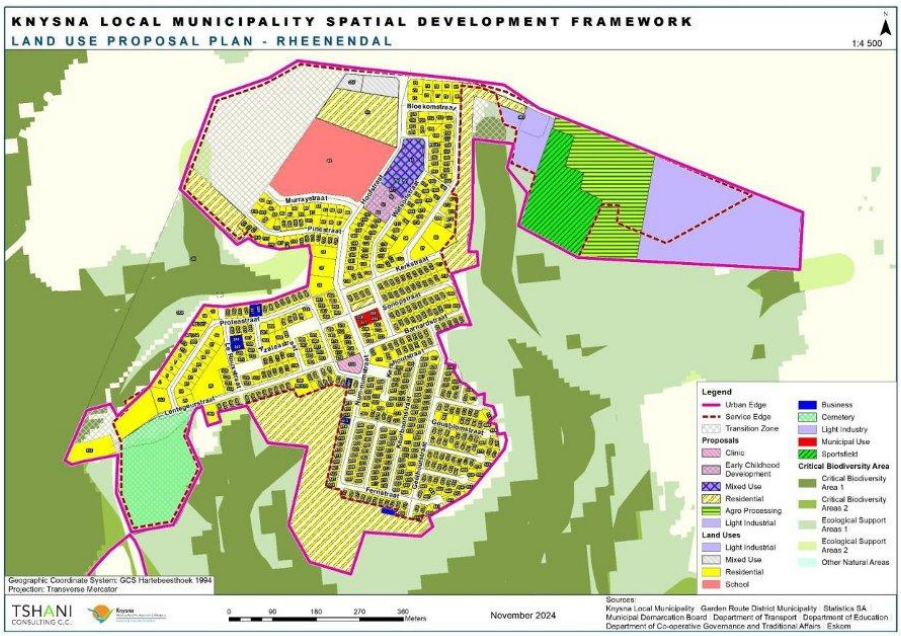
The spatial development trajectory for Rheenendal is predicated on the principles of sustainable growth management, spatial efficiency, and long-term settlement resilience. Whilst the consolidation and densification of the existing built environment remain central to the Municipality’s spatial development agenda, provision has been made for the measured expansion of the urban edge to accommodate future development requirements and support the evolving socio-economic role of the settlement.

The proposed urban edge expansion seeks to facilitate a range of complementary land uses, including residential development, light industrial activities, agricultural value-addition enterprises, and the establishment of a regional cemetery. These land uses are intended to strengthen the functional role of Rheenendal within the broader municipal context while enhancing local economic opportunities and supporting the long-term sustainability of the settlement.

The identification of both privately owned and state-owned land for future development is informed by the need to respond proactively to existing and anticipated housing demand. Although growth within Rheenendal has historically occurred at a relatively moderate pace, reflecting the area’s rural character, economic profile, and settlement function, sustained population growth and increasing development pressures necessitate the reservation of strategically located land for future expansion.

Of particular significance is the role of state-owned land within the proposed development framework. In addition to accommodating future residential expansion, these landholdings provide a strategic opportunity for the augmentation of bulk engineering infrastructure and municipal service networks. Securing land for future infrastructure investment is considered

imperative to ensuring that growth can be accommodated in a coordinated and fiscally sustainable manner, whilst maintaining acceptable levels of service delivery and supporting the long-term viability of future development initiatives.



The proposed expansion of the urban edge therefore reflects a deliberate and forward-looking planning response aimed at balancing growth management imperatives with development realities. It provides the spatial capacity necessary to accommodate future housing demand, facilitate economic diversification, and secure land for critical infrastructure investment, whilst ensuring that development occurs in a manner that is orderly, integrated, and aligned with the Municipality's broader spatial transformation objectives.

Ultimately, the expanded urban edge establishes a strategic framework through which Rheenendal can accommodate future growth without compromising its distinctive character, environmental assets, or development potential. In doing so, it advances the principles of spatial justice, sustainability, efficiency, and resilience that underpin contemporary human settlements planning and the Municipality's long-term development vision.

Karatara

The spatial development framework for Karatara is founded upon a carefully balanced growth management approach that seeks to safeguard the area's agricultural resource base while simultaneously accommodating future settlement expansion and service delivery requirements. Central to this approach is the delineation of a structured Transition Zone, which serves as an intermediary spatial planning mechanism between areas designated for immediate infrastructure investment and those identified for longer-term urban expansion. This framework enables controlled rural development whilst protecting productive agricultural land and maintaining the distinctive rural character of the settlement.

The determination of the revised Urban Edge has been informed by a comprehensive assessment of the Municipality's spatial development requirements, taking into consideration both historical demographic trends and projected future growth. Particular cognisance was given to the substantial population increase experienced between 2001 and 2021, a period during which population growth frequently outpaced the expansion of developable land, municipal services, and supporting infrastructure. As a consequence, the Municipality is not only planning for future growth but is simultaneously addressing a cumulative spatial development deficit resulting from historical under-provisioning and constrained urban expansion.

Whilst current population projections indicate a relatively modest average annual growth rate of approximately one per cent, the spatial implications of historic growth pressures continue to necessitate a proactive and forward-looking planning response. The revised Urban Edge therefore reflects both current development trajectories and the need to establish sufficient spatial capacity to accommodate future growth in a sustainable, coordinated, and fiscally responsible manner.

In accordance with the Municipal Spatial Development Framework (MSDF), the Services Edge constitutes the primary area within which municipal infrastructure investment and service delivery will be prioritised. This approach seeks to maximise the utilisation of existing infrastructure capacity, promote urban consolidation, and improve the efficiency of municipal expenditure. Areas located within, or immediately adjacent to, the Services Edge are consequently prioritised for infill development, densification initiatives, and the optimisation of existing settlement patterns. These interventions are intended to reinforce the compact urban form envisaged by the Municipality whilst enhancing accessibility to services, economic opportunities, and community facilities.

Beyond the Services Edge, the Transition Zone provides a structured mechanism through which future growth can be accommodated in a phased and managed manner. Positioned between the Services Edge and the Urban Edge, this zone facilitates the gradual release of land for development in accordance with infrastructure availability, environmental carrying capacity, and municipal capital investment programmes. The Transition Zone therefore functions as a strategic buffer that protects agricultural resources from premature urbanisation whilst simultaneously providing the flexibility required to respond to future development demand.

The delineation of the Urban Edge has consequently been informed by the integrated application of the Services Edge and Transition Zone concepts, ensuring a coherent spatial hierarchy whereby immediate development pressures are directed towards serviced areas, whilst longer-term expansion opportunities are accommodated within designated growth areas. This approach promotes spatial efficiency, infrastructure optimisation, and orderly urban expansion, whilst reducing the risk of fragmented and unsustainable development patterns.

Future human settlements opportunities identified within Karatara are located within the broader Urban Edge and have been selected in accordance with the spatial structuring principles of the MSDF. These areas have been identified to ensure that future residential development occurs within strategically located, serviceable, and environmentally suitable areas capable of supporting integrated settlement development over the long term.

The identification of these future development areas has been further informed by the Municipality's Land Audit and Land Suitability Assessment processes, which have highlighted strategically located public and privately owned land parcels with development potential. These assessments have incorporated a range of considerations, including environmental sensitivities, engineering constraints, infrastructure capacity, accessibility, and broader spatial integration objectives, thereby ensuring that future housing development is directed towards the most appropriate and sustainable locations.

Collectively, the Urban Edge, Services Edge, Transition Zone framework, and land suitability assessments provide an integrated and evidence-based spatial planning platform for Karatara. This approach establishes a clear and defensible framework for managing future growth, protecting agricultural resources, optimising infrastructure investment, and facilitating the delivery of sustainable and integrated human settlements. In doing so, it advances the Municipality's broader objectives of spatial transformation, rural sustainability, infrastructure efficiency, and inclusive socio-economic development.

6.1.3 Economic and Infrastructure Structuring

The Municipal Spatial Development Framework (MSDF) positions economic development and infrastructure investment as fundamental drivers of spatial transformation, regional competitiveness, and long-term municipal sustainability. Through the strategic alignment of economic activities, transportation networks, and bulk infrastructure systems, the framework seeks to create an enabling environment for investment, employment creation, economic diversification, and inclusive growth.

A key strategic intervention proposed within the MSDF is the long-term realignment and rerouting of the N2 corridor. This initiative is intended to enhance regional connectivity, improve freight mobility, and strengthen the efficiency of logistics and transportation networks operating within the municipal area and broader regional economy. The proposed corridor realignment is expected to unlock significant development opportunities by improving accessibility to strategic growth areas, reducing transportation inefficiencies, and facilitating the movement of goods, services, and labour across the region.

Complementing this intervention is the proposed establishment of a new industrial and economic development node strategically positioned to leverage the Municipality's comparative advantages and existing economic base. The node is envisaged as a catalyst for industrial expansion and value-chain development, with a particular focus on timber beneficiation, wood processing industries, boat building and marine-related manufacturing, light industrial activities, and associated downstream economic sectors. By promoting value addition to locally available resources and strengthening industrial clustering, the proposed node seeks to enhance economic productivity, stimulate private sector investment, and support sustainable job creation.

The success of this economic node is further underpinned by the provision of complementary social, economic, and engineering infrastructure. In this regard, the MSDF advocates for the development of vocational training facilities, skills development centres, and expanded access to tertiary education opportunities to support workforce development and improve labour market responsiveness. These interventions are intended to strengthen human capital formation and ensure that local communities are equipped to participate meaningfully in emerging economic opportunities.

The framework further recognises the critical role of infrastructure in facilitating economic development and urban growth. Accordingly, provision is made for the expansion and upgrading of strategic bulk infrastructure systems, including wastewater treatment facilities, water supply networks, transportation infrastructure, and supporting municipal services. Such investments are essential to unlocking development potential, maintaining environmental compliance, and ensuring the long-term sustainability of economic growth initiatives.

In addition, the MSDF promotes the development and strengthening of commercial and mixed-use activity nodes to support local economic activity, improve access to goods and services, and reinforce the Municipality's spatial hierarchy. These nodes are intended to function as focal points for investment, service delivery, and employment generation while contributing to more compact, integrated, and economically resilient settlement patterns.

Collectively, these economic and infrastructure structuring interventions establish a strategic platform for enhancing regional competitiveness, fostering economic diversification, and supporting sustainable development. By integrating transportation infrastructure, industrial development, human capital investment, and municipal service provision within a coherent spatial framework, the MSDF seeks to facilitate inclusive economic growth, strengthen regional integration, and create a resilient economic foundation capable of supporting the Municipality's long-term development aspirations.

6.1.4 Environmental Sustainability, Ecological Integrity and Climate Resilience

The Municipal Spatial Development Framework (MSDF) embeds environmental sustainability, ecosystem resilience, and climate adaptation as cross-cutting spatial planning imperatives that inform the long-term structuring, management, and development of the municipal area. The framework adopts an ecosystem-based approach to spatial planning, recognising the critical role of ecological infrastructure in sustaining biodiversity, supporting ecosystem services, mitigating environmental risk, and enhancing the adaptive capacity of both natural and built environments.

Central to the MSDF is the protection, restoration, and enhancement of strategic ecological networks, including biodiversity corridors, critical biodiversity areas, ecological support areas, wetlands, estuarine systems, riverine corridors, coastal environments, and other environmentally sensitive landscapes. These systems constitute essential ecological infrastructure that underpins hydrological functioning, biodiversity conservation, climate regulation, and landscape connectivity. Their protection is fundamental to maintaining ecological integrity, preserving environmental carrying capacity, and ensuring compliance with national and provincial environmental legislation and policy directives.

The framework further advances the application of Sustainable Urban Drainage Systems (SUDS) and Water Sensitive Urban Design (WSUD) principles as integral components of future settlement planning and infrastructure provision. These approaches seek to emulate natural hydrological processes through integrated stormwater management interventions that promote infiltration, attenuation, detention, groundwater recharge, water quality enhancement, and the reduction of peak runoff volumes. The incorporation of SUDS and WSUD contributes to the development of climate-resilient urban environments whilst improving the efficiency and sustainability of municipal water management systems.

Climate adaptation and disaster risk reduction are further addressed through a comprehensive flood risk management framework that prioritises ecosystem-based adaptation measures, ecological rehabilitation, floodplain management, and nature-based solutions. These interventions seek to restore natural ecological functions, enhance landscape resilience, and reduce the exposure of communities, infrastructure, and economic assets to flood-related hazards. In doing so, the framework promotes a shift from conventional engineering responses towards integrated risk management approaches that leverage the protective functions of natural systems.

Recognising the increasing frequency and intensity of wildfire events associated with climate change, the MSDF incorporates a proactive landscape-scale fire risk management strategy. This includes the establishment and maintenance of strategic firebreak networks, fuel load reduction programmes, invasive alien vegetation clearing, and the integration of fire management considerations into spatial planning and land use decision-making processes. These measures are intended to reduce wildfire vulnerability, protect critical infrastructure and settlements, and enhance the resilience of fire-prone landscapes.

Water security and drought resilience constitute additional strategic priorities within the framework. The MSDF promotes an integrated water resource management approach encompassing demand-side management, water conservation initiatives, alternative water

supply augmentation, groundwater resource protection, water reuse opportunities, and the diversification of municipal water sources. These interventions are aimed at strengthening long-term water security and reducing systemic vulnerability to climate-induced hydrological variability and prolonged drought conditions.

Within the coastal environment, the framework utilises the Coastal Management Line (CML) as a key spatial risk management instrument to guide development away from areas exposed to coastal hazards and dynamic shoreline processes. The CML provides a scientifically informed mechanism for managing risks associated with coastal erosion, sea-level rise, storm surge events, and climate-induced coastal change, whilst safeguarding sensitive coastal ecosystems and maintaining the functional integrity of coastal processes.

6.1.5 Water and Resource Security

The Municipal Spatial Development Framework (MSDF) identifies water security and resource resilience as strategic imperatives underpinning the Municipality's long-term spatial sustainability, economic competitiveness, environmental integrity, and climate adaptation agenda. Against the backdrop of increasing climatic uncertainty, hydrological variability, recurrent drought events, and growing development pressures, the framework adopts an integrated and adaptive water resource management paradigm aimed at enhancing system resilience, safeguarding strategic water resources, and ensuring the sustainable provision of water services to support future growth and development.

The framework promotes the diversification of water supply sources through the implementation of decentralised water management interventions, including rainwater harvesting systems and greywater reclamation technologies. These measures are intended to reduce reliance on conventional potable water supply systems, improve resource efficiency, and contribute to the development of a more circular and resilient urban water cycle. The integration of alternative water sources into both existing and future developments further supports the Municipality's objective of reducing systemic vulnerability to water scarcity and supply disruptions.

Groundwater resources are recognised as a strategically important component of the Municipality's long-term water security portfolio. Accordingly, the MSDF advocates for the responsible development, optimisation, and management of groundwater abstraction infrastructure, including borehole development and aquifer utilisation programmes. Such interventions are required to be informed by detailed hydrogeological investigations and sustainable yield assessments to ensure that groundwater extraction remains within ecologically acceptable limits and does not compromise the long-term functionality of underlying aquifer systems or dependent ecosystems.

In recognition of projected future water demand and the limitations of existing supply systems, the framework further supports the investigation and implementation of strategic bulk water augmentation initiatives. These include the assessment of desalination technologies, surface water storage expansion, dam augmentation schemes, and other alternative water supply interventions capable of enhancing system redundancy and increasing long-term water supply reliability. Such investments are considered critical to strengthening the Municipality's adaptive capacity in the face of climate-induced hydrological stress and increasing development demand.

The MSDF further promotes the application of integrated water demand management strategies as a key mechanism for improving resource efficiency and reducing overall system pressures. These strategies encompass water conservation initiatives, non-revenue water reduction programmes, leakage management, demand-side optimisation measures, and the incorporation of water-efficient technologies and practices across all sectors of the economy. Through these interventions, the Municipality seeks to improve the productivity of existing water resources while minimising the need for costly supply-side infrastructure expansion.

A further component of the framework relates to the implementation of climate-responsive stormwater management systems designed to enhance both flood resilience and water resource sustainability. The MSDF promotes the adoption of Sustainable Urban Drainage Systems (SUDS), Water Sensitive Urban Design (WSUD), stormwater attenuation infrastructure, ecological drainage networks, and nature-based water management solutions. These interventions are intended to restore natural hydrological processes, improve catchment functionality, facilitate groundwater recharge, reduce peak runoff volumes, improve water quality, and mitigate the impacts of increasingly frequent and severe storm events.

Collectively, these interventions establish a comprehensive water security and resource resilience framework that integrates supply diversification, demand optimisation, climate adaptation, ecosystem protection, and infrastructure sustainability within a unified planning approach. Through the adoption of integrated water resource management principles and climate-resilient infrastructure strategies, the MSDF seeks to ensure the long-term security, reliability, and sustainability of water resources while supporting economic growth, environmental stewardship, and the delivery of sustainable and resilient human settlements across the municipal area.

6.1.6 Sectoral Development Framework

The Municipal Spatial Development Framework (MSDF) provides a spatially integrated framework for sectoral development aimed at strengthening economic diversification, enhancing regional competitiveness, and supporting sustainable economic growth.

Forestry and Agriculture remain fundamental components of the municipal economy. The MSDF prioritises the protection of productive agricultural and forestry resources while promoting agro-processing, timber beneficiation, value-chain development, and sustainable rural livelihoods.

Industrial Development is directed towards strategically located economic nodes that support manufacturing, resource beneficiation, renewable energy, circular economy initiatives, and other green economy sectors. These interventions seek to stimulate investment, employment creation, and economic resilience.

The **Tertiary Sector** is supported through the development of decentralised service nodes, improved transport integration, enhanced digital connectivity, and enterprise development initiatives aimed at strengthening local economic participation and service accessibility.

Tourism Development focuses on leveraging the Municipality's natural, cultural, and heritage assets through eco-tourism, waterfront development, heritage tourism, and the diversification of tourism products to support year-round economic activity and visitor growth.

Collectively, these sectoral interventions seek to promote a diversified, resilient, and inclusive economy while supporting the Municipality's broader spatial transformation and development objectives.

6.1.7 Built Environment and Human Settlements

The Municipal Spatial Development Framework (MSDF) advances a transformative spatial development agenda aimed at restructuring the built environment and facilitating the development of integrated, inclusive, resilient, and sustainable human settlements. In alignment with the principles of the Spatial Planning and Land Use Management Act (SPLUMA), the National Development Plan (NDP), and national human settlements policy directives, the framework seeks to address historical spatial fragmentation, inefficient settlement patterns, and socio-economic exclusion through the promotion of a more compact, connected, and functionally integrated urban form.

Central to the MSDF is the principle of spatial restructuring through the promotion of higher-density and mixed-use development patterns within existing urban areas and strategic growth nodes. These development typologies are intended to optimise land utilisation, improve the efficiency of infrastructure networks, and support the creation of more vibrant and economically sustainable communities. By encouraging a greater diversity of land uses within accessible locations, the framework seeks to reduce travel distances, improve access to employment opportunities and social services, and enhance the overall functionality of settlements.

The framework further promotes urban consolidation and strategic infill development as mechanisms for accommodating future growth within existing urban footprints. This approach seeks to maximise the utilisation of underdeveloped and strategically located land, limit unnecessary outward expansion, and optimise previous public investment in bulk engineering infrastructure and community facilities. Densification initiatives are particularly focused on areas that exhibit high levels of accessibility to economic opportunities, public transport networks, educational facilities, healthcare services, and other social amenities.

A key structuring element of the MSDF is the promotion of transit-oriented development (TOD) and the strengthening of strategic activity nodes and development corridors. Through the concentration of higher-intensity land uses within accessible and well-connected locations, the framework seeks to improve mobility, support public transport viability, reduce private vehicle dependence, and facilitate more efficient movement patterns across the municipal area. These interventions contribute towards the development of a more integrated spatial structure while reinforcing the functional hierarchy of settlements and activity centres.

The MSDF also places significant emphasis on improving access to well-located housing opportunities across a range of income categories and tenure options. Future human settlements development is directed towards areas that provide proximity to economic opportunities, public facilities, transportation networks, and social infrastructure. This approach seeks to advance spatial justice by reducing the historical separation between residential areas and centres of economic activity while promoting greater social and economic inclusion.

Particular attention is given to the integration of housing delivery programmes with broader spatial planning, infrastructure investment, and economic development initiatives. The framework recognises that sustainable human settlements extend beyond the provision of housing alone and require the coordinated delivery of supporting infrastructure, social amenities, public spaces, and economic opportunities. Consequently, future settlement planning is informed by a holistic approach that integrates land use management, infrastructure provisioning, environmental sustainability, and socio-economic development objectives.

The integration of land use planning and infrastructure investment constitutes a further cornerstone of the MSDF. The framework promotes a coordinated approach to development whereby the timing, location, and intensity of future growth are aligned with the availability of bulk engineering services and municipal infrastructure capacity. This approach enhances fiscal sustainability, improves infrastructure efficiency, and reduces the long-term costs associated with fragmented and dispersed development patterns. Strategic infrastructure investment is therefore directed towards areas capable of supporting compact growth, urban consolidation, and the efficient utilisation of existing service networks.

The MSDF further recognises the importance of strengthening urban-rural linkages as a means of promoting balanced regional development and improving socio-economic integration across the municipal area. Enhanced connectivity between urban centres, rural settlements, agricultural areas, and economic nodes supports the movement of people, goods, services, and investment while facilitating broader access to markets, employment

opportunities, and public services. These linkages contribute to regional economic resilience and reinforce the functional interdependence between urban and rural areas.

The framework also supports the creation of high-quality, liveable urban environments through the promotion of walkability, public realm enhancement, social integration, and the provision of accessible public open spaces. The development of safe, inclusive, and well-designed neighbourhoods is regarded as fundamental to improving quality of life, strengthening community cohesion, and fostering sustainable settlement outcomes.

Collectively, these interventions establish a comprehensive spatial framework for the transformation of the built environment and the delivery of integrated human settlements. Through the application of compact city principles, transit-oriented development, strategic densification, integrated infrastructure planning, and inclusive housing delivery, the MSDF seeks to create settlements that are spatially efficient, economically productive, environmentally sustainable, and socially inclusive. In doing so, the framework advances the Municipality's long-term vision of achieving spatial transformation, enhanced resilience, and equitable access to opportunities for all communities.

6.1.8 Land Use Management System (LUMS)

Land use management within the Municipality is governed by a comprehensive legislative and policy framework encompassing the Constitution of the Republic of South Africa, the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), provincial planning legislation, and the Municipality's adopted spatial planning and land use management instruments. Within this framework, the Land Use Management System (LUMS) serves as the principal regulatory mechanism for directing, managing, and controlling land development in a manner that promotes sustainable, equitable, and orderly spatial development.

The LUMS provides the statutory basis for development management and land use regulation, ensuring that all development proposals are assessed within a coherent framework that balances social, economic, environmental, and infrastructure considerations. As a key implementation instrument of the Municipal Spatial Development Framework (MSDF), the system translates strategic spatial objectives into enforceable land use controls and development management provisions.

The primary objective of the LUMS is to facilitate spatial transformation and promote a more integrated and efficient urban and rural development pattern. In this regard, the system seeks to redress historical spatial fragmentation, promote greater spatial integration, and reduce socio-economic inequalities through the strategic management of land use and development rights.

The framework further supports sustainable land development by ensuring that future growth is directed towards appropriate locations that optimise existing infrastructure investments, enhance accessibility, and minimise adverse environmental impacts. Particular emphasis is placed on aligning land use decisions with infrastructure capacity, transportation networks, environmental constraints, and broader municipal development priorities.

Environmental sustainability forms a critical component of the land use management framework. The LUMS incorporates mechanisms aimed at protecting environmentally sensitive areas, ecological infrastructure, biodiversity resources, wetlands, coastal systems, and other areas of environmental significance. Through the application of appropriate development controls and land use management measures, the system seeks to ensure that development occurs within defined environmental thresholds and in a manner that safeguards long-term ecological integrity.

The framework also promotes the integration of land use planning, infrastructure provision, and transportation systems to support more compact, accessible, and efficient settlement

patterns. By encouraging coordinated planning and investment, the LUMS contributes towards improved service delivery, reduced infrastructure costs, and enhanced economic functionality.

A further objective of the system is to facilitate inclusive and equitable development opportunities across all communities within the municipal area. Through the application of appropriate zoning mechanisms, development parameters, and land use management controls, the framework seeks to accommodate a diversity of housing typologies, economic activities, community facilities, and investment opportunities that contribute to social inclusion and economic participation.

The protection and conservation of cultural, historical, and heritage resources are also integral components of the LUMS. Development proposals are therefore required to consider and respond appropriately to heritage landscapes, cultural resources, and areas of historical significance, ensuring that these assets are preserved for future generations whilst remaining integrated within broader development processes.

Recognising the diverse spatial, environmental, and socio-economic characteristics of the municipal area, the Municipality applies a differentiated land use management approach that responds to the unique circumstances of individual settlements, rural areas, environmental precincts, and development zones. This context-specific approach enables the implementation of land use controls that are both practical and enforceable while ensuring that development outcomes remain aligned with the Municipality's spatial vision, policy objectives, and long-term sustainability goals.

CHAPTER 7: PROJECTS

7.1 OVERVIEW

The Municipal Spatial Development Framework (MSDF) is implemented through a Council-approved Implementation Framework, which provides the principal mechanism for translating spatial policy into coordinated capital investment, infrastructure delivery, and development management interventions.

The Framework ensures the structured alignment of spatial priorities with municipal budgeting and infrastructure programmes, thereby reinforcing coherence between spatial intent, fiscal allocation, and implementation outcomes. Capital investment is directed towards MSDF-defined structuring elements, including growth nodes, activity corridors, consolidation areas, and priority human settlement zones, in order to optimise development impact and spatial efficiency.

Infrastructure investment is sequenced in accordance with projected demand, spatial growth trajectories, and infrastructure capacity thresholds. This enables the Municipality to optimise existing service systems, reduce fragmented investment decisions, and ensure fiscally sustainable infrastructure provisioning over the medium to long term.

The Framework further enables intergovernmental alignment by providing a unified spatial reference system for municipal, provincial, and national planning and investment coordination. This supports programme integration, co-funding alignment, and improved implementation efficiency across sector departments.

Evidence-based planning is institutionalised through the use of spatial analysis, infrastructure capacity assessments, and development demand profiling, ensuring that capital prioritisation is informed by objective spatial and technical considerations.

Importantly, the Implementation Framework serves as the integrative mechanism linking the MSDF, Integrated Development Plan (IDP), and sectoral strategies, ensuring institutional coherence across spatial, financial, infrastructure, and socio-economic planning systems.

In summary, the Framework provides a structured governance and delivery system for advancing spatial transformation and enabling integrated, sustainable, and resilient settlement development.

7.2 PROJECTS

The Human Settlements prioritised project programme consolidates ward-based capital investment and housing interventions aligned to spatial development objectives, infrastructure provisioning requirements, and implementation readiness. Projects are systematically categorised by housing typology, infrastructure function, and delivery time horizon to ensure phased, coordinated, and strategically sequenced implementation.

7.2.1 WARD 1

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Sedgefield Infill Development	IRDP/FLISP	Short	DHS/MIG	Township establishment, service installation, beneficiary allocation
Interim Basic Services Phase 2	IRDP	Short	MIG	Installation of interim water, sanitation and access services

Asbestos Removal & Rectification	Rectification	Medium	DHS	Demolition/rehabilitation and replacement of unsafe housing stock
Backyard Densification	Incremental	Medium	Municipality	Facilitate secondary dwellings through zoning and service upgrades
Informal Settlement Upgrading (ABT)	UISP	Med–Long	DHS/MIG	In-situ upgrading using alternative building technologies
Land Acquisition	Land Assembly	Medium	Municipality	Acquisition of strategic parcels for housing expansion
Land Invasion Management	Enforcement	Ongoing	Municipality	Monitoring, compliance enforcement, and eviction control

7.2.2 WARD 2

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Welsensdorp Housing Development	IRDP	Medium	DHS	Servicing, surveying, and construction of housing units
Bulk Infrastructure Upgrade	Infrastructure	Medium	MIG/WSIG	Capacity augmentation of water, sewer, and roads networks
Karatara Bosdorp Housing Project	IRDP	Medium	DHS	Implementation of township layout and housing delivery
Asbestos Removal Programme	Rectification	Medium	DHS	Removal and safe disposal of hazardous materials
ABT (Tseba College) Housing Deployment	Innovation	Medium	DHS/PPP	Deployment of alternative housing construction systems
Rail Precinct Development	TOD Affordable housing	Medium	PRASA	Transit-oriented precinct planning and redevelopment
FLISP Housing Project	FLISP	Medium	Banks/DHS	Market-linked affordable housing delivery
Land Acquisition	Land Assembly	Medium	Municipality	Acquisition of strategic development land

7.2.3 WARD 3

Project	Programme	Time Horizon	Financier	Required Action
Vision 2002 Completion	UISP	Short	DHS	Completion of servicing and top structures
Hlalani Phase 2 (Phase 5)	UISP	Medium	DHS	Incremental upgrading and service formalisation
Oupad Housing Development	UISP	Medium	DHS	Housing construction and service rollout
Nekkies Housing Project	UISP	Medium	DHS	Consolidation and upgrading of existing settlement

Heidevallei Mixed-Use	Integrated	Long	PPP/DHS	Mixed-use precinct development and infrastructure rollout
Nekkies Interchange	Transport	Medium	SANRAL	Construction of road interchange infrastructure
Kruisfontein Housing	Human Settlements	Long	DHS	Large-scale greenfield housing development
Rural Housing Programme	UISP	Long	DHS	Servicing of rural settlements and basic service rollout

7.2.4 WARD 4

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Qolweni Completion	UISP	Short	DHS	Finalisation of incomplete housing units
Flenters Completion	UISP	Short	DHS	Completion of housing and service connections
Informal Settlement Upgrading	UISP	Medium	DHS/MIG	In-situ upgrading and service formalisation
Phelandaba Development	IRDP	Medium	DHS	Township development on HDA land parcels
Asbestos Removal	Rectification	Medium	DHS	Hazardous material removal and refurbishment
Bloemfontein TRA	UISP	Medium	DHS	Upgrading of temporary residential area
Interim Basic Services	Service Delivery	Short	DHS	Provision of water, sanitation, and access roads
Qolweni (old sportfield	UISP)	SHORT	DHS	

7.2.5 WARD 5

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Rheenendal Housing Project	IRDP	Medium	DHS	Housing construction and service installation
Asbestos Removal	Rectification	Medium	DHS	Replacement of unsafe housing stock
Interim Basic Services	UISP	Short	MIG	Temporary service provision in informal areas
Bulk Services Upgrade	Infrastructure	Medium	WSIG/MIG	Expansion of bulk infrastructure systems
Land Acquisition	Land Assembly	Ongoing	Municipality	Strategic land procurement
Upgrading of old semi-detached units	rectification	SHORT	DHS	**Removal of asbestos and upgrading of the structures**

7.2.6 WARD 6

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Lagoon View Social Housing	Social Housing	Medium	SHRA/DHS	Rental housing development in restructuring zone
Erf 3339 FLISP	FLISP	Medium	Banks/DHS	Affordable ownership housing development
Asbestos Removal	Rectification	Med–Long	DHS	Large-scale remediation of hazardous stock
Vermont Housing	IRDP	Medium	DHS	Small-scale residential development
Interim Basic Services	UISP	Short	MIG	Temporary service provision

7.2.7 WARD 7

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Khayalethu Bungalows	UISP	Short	DHS	Service upgrading and housing delivery
Teachers' Cottages	Rental	Short	Municipality	Construction of rental accommodation units
SANRAL Land Development	IRDP	Medium	SANRAL/DHS	Release and servicing of public land
ABT Programme	Innovation	Medium	DHS	Alternative housing construction rollout
Interim Services	UISP	Short	MIG	Basic service provision
Asbestos Removal	Rectification	Med–Long	DHS	Large-scale remediation of hazardous stock

7.2.8 WARD 8

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Happy Valley Extension	IRDP	Medium	DHS	Township establishment and service rollout
Asbestos Removal	Rectification	Medium	DHS	Housing stock replacement
Informal Settlement Upgrading	UISP	Medium	DHS/MIG	In-situ upgrading programme
Interim Basic Services	UISP	Short	MIG	Temporary service provision

7.2.9 WARD 9

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Curley Court Social Housing	Social Housing	Medium	SHRA	Densification and rental redevelopment
Agricultural Villages	Rural Housing	Long	DHS	Planned rural settlement development
Land Administration	Land Reform	Medium	Municipality	Tenure and land transfer processes

7.2.10 WARD 10

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Milkwood Flats SH	Social Housing	Medium	SHRA/DHS	Redevelopment into medium-density rental units
Protea Terrace SH	Social Housing	Medium	SHRA	Social housing densification and upgrading
Westview Court SH	Social Housing	Medium	SHRA	Rental stock expansion and refurbishment

7.2.11 WARD 11

PROJECT	PROGRAMME	TIME HORIZON	FINANCIER	REQUIRED ACTION
Asbestos Removal	Rectification	Medium	DHS	Replacement of unsafe housing stock
Backyard Densification	Incremental	Medium	Municipality	Enable second dwelling units via zoning reform
Bigai Heights	IRDP/FLISP	Medium	DHS/Banks	Servicing and development of housing units
Lower Pezula	UISP	Medium	DHS	Settlement upgrading in constrained terrain
Interim Basic Services	UISP	Short	MIG	Temporary infrastructure provision

7.3 CONCLUSIONS

The Knysna Human Settlements Sector Plan (HSSP) provides a consolidated strategic and implementation framework for the coordinated planning, prioritisation, and delivery of sustainable human settlements within the municipal area. The Plan is informed by the approved Municipal Spatial Development Framework (MSDF), the MSDF Implementation Plan, as well as prevailing housing demand, informal settlement upgrading requirements, infrastructure capacity constraints, land availability limitations, and broader spatial transformation imperatives. It is aligned with relevant national and provincial human settlements policy frameworks, the MSDF, and the Integrated Development Plan (IDP).

The Municipality has prioritised informal settlement upgrading through the implementation of the Upgrading of Informal Settlements Programme (UISP), supporting incremental upgrading, improved service delivery, and enhanced tenure security. This reinforces the Municipality's commitment to addressing spatial inequality and improving living conditions for vulnerable communities. As UISP projects reach completion, they create opportunities for the phased integration of complementary housing programmes, including FLISP and social housing, within consolidated and integrated human settlements.

A central feature of the HSP is the establishment of a structured housing ladder, incorporating affordable housing, FLISP, social housing, and gap-market interventions. A prioritised project pipeline has been developed and is ready for phased implementation, addressing housing demand across all income groups, including the underserved middle-income segment.

The HSSP is underpinned by key strategic imperatives, namely: the identification and release of suitably located land within growth and restructuring areas; the promotion of residential densification and spatial compaction; the establishment of a diversified housing ladder across income groups and tenure options; and the facilitation of integrated human settlements through coordinated public investment and leveraged private-sector participation.

The Plan recognises that sustainable human settlements extend beyond housing provision and require an integrated, multi-sectoral approach grounded in the principles of SPLUMA, including spatial justice, spatial efficiency, spatial sustainability, and spatial resilience. These principles further support socio-economic inclusion, environmental sustainability, and the efficient utilisation of public resources. Accordingly, the programmes and projects identified in the Plan are structured to deliver well-located, resilient, and functionally integrated settlements.

Housing delivery within the municipal area remains constrained by rising land values, construction cost escalation, labour pressures, and significant environmental and geotechnical constraints. In response, future delivery will require innovative spatial and typological interventions, including higher-density development, diversified housing typologies, compact settlement forms, and alternative tenure models such as sectional title development. These approaches are essential to improving affordability while optimising land use efficiency and infrastructure investment.

Knysna's environmental sensitivity, complex topography, and geotechnical conditions further influence development feasibility and cost. All future developments must therefore be guided by rigorous environmental assessment and site-specific engineering responses, with higher-density forms prioritised on suitable land and adapted typologies applied in constrained areas.

The provision and upgrading of bulk and connector infrastructure remains a critical enabler for implementation of the HSP. Priority investment areas include Rheenendal, Karatara, Smutsville, and the Northern Areas of Knysna, where infrastructure upgrading is essential to unlock sustainable settlement growth and improve service delivery outcomes.

In the absence of a dedicated Capital Investment Framework, the MSDF serves as the primary spatial planning and investment coordination tool, guiding growth management, infrastructure prioritisation, and spatial integration in alignment with the IDP.

The HSSP project pipeline provides a structured, phased, and evidence-based mechanism for implementation, ensuring alignment between spatial planning objectives, capital investment prioritisation, and delivery sequencing. This enables fiscally sustainable, efficient, and resilient human settlements development.

Successful implementation of the Plan will depend on sustained intergovernmental coordination, institutional capacity, stakeholder collaboration, and the mobilisation of financial, land, and infrastructure resources. Focus must be placed on project readiness, infrastructure investment, informal settlement upgrading, densification, and optimal land utilisation.

Ultimately, the HSSP establishes a robust technical foundation for evidence-based decision-making, performance monitoring, and adaptive management of human settlements delivery. Its implementation will support the progressive reduction of the housing backlog, address spatial inequalities, strengthen settlement resilience, and advance the constitutional objective of sustainable, integrated, and inclusive human settlements.

5.5

IHS05/07/26 PROGRESS REPORT ERF 4717- HORNLEE

REPORT FROM THE DIRECTOR INTEGRATED HUMAN SETTLEMENTS

4. PURPOSE OF THE REPORT

To provide Council with a progress update on the implementation of the Erf 4712 Hornlee and the measures being implemented to facilitate the orderly allocation of municipal land to qualifying beneficiaries while mitigating the risk of illegal land occupation

5. BACKGROUND

In 2021, residential erven were allocated to beneficiaries under the Hornlee Infill Erven Project. A total of ninety-six (96) beneficiaries signed sale agreements for allocated erven. Subsequent unlawful encroachment onto a number of these sites affected the implementation of the project and prevented several approved beneficiaries from taking occupation of their allocated erven.

To address this situation, the Municipality identified additional land on Erf 4712 for residential development. The project aims to accommodate beneficiaries who have not previously benefited from a housing opportunity, as well as those whose allocated sites were affected by encroachment, while promoting orderly settlement and protecting municipal assets.

PROGRESS TO DATE

A list of circa 123 beneficiaries is on the current waiting list for erf 4712, this includes 189 beneficiaries who had been affected by encroachments in Phase 1. Approximately 60-70 additional residential erven are envisaged following the clearing of the Phase 2 development site.

A beneficiary engagement meeting was held on 2 June 2026 in the Hornlee Community Hall, during which the proposed allocation process was explained, and beneficiary lists were confirmed. The beneficiary list has subsequently been verified in accordance with the draft Municipal Housing Allocation Policy.

Procurement is currently underway for the appointment of bush clearing, after which the erven will be demarcated for allocation.

As an interim measure, pending the completion of the statutory planning and township establishment processes and the approval of Provincial funding for the formal development of the project, the Housing Department will temporarily demarcate and allocate residential sites to approved and registered beneficiaries. This interim arrangement will ensure that municipal land is occupied by lawful beneficiaries, discourage illegal land invasions and informal settlement expansion, and maintain orderly development of the area. These temporary allocations will not prejudice the future formalisation of the township or the implementation of the approved layout once all statutory approvals have been obtained and Provincial funding has been secured.

Risk Assessment

The primary risk to the successful implementation of the Erf 4712 Project remains the illegal occupation of municipal land. Continued land invasions and the erection of unlawful structures on serviced or planned residential sites have the potential to delay implementation, increase development costs, compromise the future township layout and engineering services, and undermine the Municipality's ability to allocate land fairly and transparently to qualifying beneficiaries.

To mitigate these risks, the Municipality has adopted a proactive interim land management approach pending the completion of the statutory planning and township establishment processes and the approval of Provincial funding for the formal development of the project. As part of this approach, the Housing Department will temporarily demarcate and allocate residential sites to approved and registered beneficiaries. Occupation by lawful beneficiaries will significantly reduce opportunities for illegal land invasions, protect municipal assets and infrastructure, and provide greater certainty while the formal development process is finalised.

6. FINANCIAL IMPLICATION

The interim demarcation and allocation of residential sites will be implemented within the approved operational budget of the Directorate: Integrated Human Settlements. Expenditure relating to site clearing, temporary demarcation, beneficiary administration and site monitoring will be funded from existing budget allocations.

The formal development of Erf 4712, including township establishment, engineering services where required and the construction of housing top structures, remains subject to the approval of funding by the Provincial Department of Human Settlements. The interim allocation process does not create any additional financial commitment on the Municipality to construct housing prior to the approval of Provincial funding

7. Legal and Policy Compliance

The proposed interim allocation of demarcated sites is an administrative land management measure intended to protect municipal property, facilitate orderly occupation by approved beneficiaries and reduce the risk of unlawful land invasions. The allocation process will be undertaken in accordance with the Municipality's Housing Allocation Policy, the National Housing Code, the Housing Act, 1997 (Act 107 of 1997), the Municipal Systems Act, 2000 (Act 32 of 2000), and all other applicable legislation.

The temporary occupation of demarcated sites does not constitute formal township establishment, transfer of ownership or the creation of registered real rights. Beneficiaries will only acquire formal tenure rights once the statutory planning processes have been completed, the township has been formally established, Provincial funding has been approved, and all legal requirements for transfer have been concluded.

The interim allocation process is therefore not intended to prejudice or circumvent any statutory planning, environmental, land use management or housing subsidy approval processes and will be implemented strictly in accordance with applicable legislation and

8. RECOMMENDATION OF THE MUNICIPAL MANAGER

It is recommended that Council:

1. Notes the progress made with the implementation of the Erf 4712 Hornlee Land Allocation Project.
2. Notes that the Municipality has adopted an interim land management approach to protect municipal land from illegal occupation while the statutory planning and township establishment processes still needs to commence.
3. Notes that the Housing Department will temporarily demarcate and allocate residential sites to approved and registered beneficiaries pending the completion of statutory planning processes and the approval of Provincial funding for the formal development of the project.
4. Supports the continued implementation of proactive measures to prevent illegal occupation, safeguard municipal infrastructure and ensure the orderly allocation of municipal land.
5. Notes that the temporary allocation of sites does not confer ownership or permanent tenure rights and will not prejudice the future township establishment process or the implementation of the approved township layout once all statutory approvals and Provincial funding have been secured.

APPENDIX / ADDENDUM

File Number:

Execution: Director: Integrated Human Settlements
Senior HumanSettlements Officer

5.6

IHS06/07/26 PROPOSED STRATEGIC PARTNERSHIP BETWEEN KNYSNA MUNICIPALITY & THE HOUSING DEVELOPMENT AGENCY (HAD) TO ACCELERATE HUMAN SETTLEMENTS DELIVERY

REPORT FROM THE DIRECTOR integrated human settlements

HDA WILL DO A SHORT ONLINE PRESENTATION TO THE COMMITTEE

9. PURPOSE OF THE REPORT

To obtain Council approval to enter strategic talks with the Housing Development Agency (HDA) towards the conclusion of a Memorandum of Agreement (MoA) to support the planning, packaging, implementation, and management of strategic human settlements projects within Knysna Municipality

10. BACKGROUND

Over the past several years Knysna Municipality has made considerable progress in identifying and securing land for future human settlements. However, housing delivery has increasingly become constrained by:

- reduction in Grant funding
- shortages of technical implementation capacity;
- infrastructure coordination challenges; and
- complex land development requirements

The Municipality currently owns or controls several strategic housing development areas capable of accommodating substantial residential development. These developments are of a scale that requires specialised programme management and multidisciplinary technical support if delivery targets are to be achieved.

The Housing Development Agency (HDA), established in terms of the Housing Development Agency Act, 2008 (Act 23 of 2008), exists specifically to support municipalities and provinces in accelerating housing delivery through land assembly, project planning, technical support, project management and programme implementation. The HDA acts as Government's developer of choice and is empowered to undertake the full spectrum of development functions on behalf of municipalities.

In terms of its statutory mandate, the HDA may:

- identify, acquire, hold, and release land for residential development;
- undertake programme and project management;
- package large catalytic housing projects;
- coordinate infrastructure planning;
- facilitate statutory approvals;
- provide technical planning expertise;
- strengthen municipal implementation capacity;

- support informal settlement upgrading;
- coordinate intergovernmental funding; and
- leverage additional public investment into municipal housing programmes.

The Agency therefore provides services that directly complement the Municipality's constitutional and statutory housing responsibilities.

STRATEGIC BENEFITS

A partnership with the HDA would provide significant institutional and developmental advantages:

- Increased housing delivery
- Faster development of large strategic sites
- Access to technical expertise
- Improved access to Grant Funding
- Institutional capacity building

It should be noted that the HDA will not replace municipal responsibilities, the HDA would function as an implementation partner acting under municipal oversight through agreed governance structures established in a Memorandum of Agreement. Secondly the annual housing grant projects will continue to be delivered by the Housing Directorate. The focus of the partnership will be on multi-year large scale development opportunities e.g. low-income housing projects associated with the Heidevallei development etc.

11. FINANCIAL IMPLICATION

There are no immediate financial implications arising from this report. Any project-specific financial commitments arising from the proposed Memorandum of Agreement will be submitted to Council separately for consideration and approval.

12. Legal and Policy Compliance

The proposed partnership will be formalised through a Memorandum of Agreement consistent with:

- the Constitution of the Republic of South Africa;
- the Housing Development Agency Act, 2008 (Act 23 of 2008);
- the Housing Act;
- the Municipal Systems Act;
- the Municipal Finance Management Act; and
- applicable procurement and intergovernmental relations legislation.

13. RECOMMENDATION OF THE MUNICIPAL MANAGER

It is recommended that Council:

1. Approves, in principle, the establishment of a strategic partnership between Knysna Municipality and the Housing Development Agency (HDA).
2. Authorises the Municipal Manager to negotiate and conclude a Memorandum of Agreement with the HDA, subject to legal review.

3. Mandates the Director: Human Settlements to identify strategic housing projects, including for implementation under the partnership.
4. Requires that any project-specific implementation agreements with associated financial commitments be submitted to Council for approval before commencement.
5. Agree that the annual Grant Funding for low-income housing delivery will continue to be managed and delivered by the Directorate Integrated Human Settlements.
6. Requests the HDA to provide technical, planning, project management and implementation support to accelerate housing delivery and maximise the development potential of strategic municipal land holdings.

APPENDIX / ADDENDUM

File Number:

Execution: Director: Integrated Human Settlements

5.7

IHS07/07/26 PERMANENT HOUSING SOLUTION FOR HOUSEHOLD DISPLACED BY WEATHER- RELATED DISASTER AT FREDERICKS STREET, HORNLEE

REPORT FROM THE DIRECTOR integrated human settlements

14. PURPOSE OF THE REPORT

The purpose of this report is to:

1. Inform Council of the circumstances surrounding the destruction of a residential dwelling following the June 2026 severe weather event;
2. Report on the emergency relocation of the affected household for a temporary period of three to six months; and
3. Recommend that Council approve the provision of a replacement Breaking New Ground (BNG/RDP) house on an alternative municipal site, subject to the surrender of the existing property to the Municipality.

15. BACKGROUND

During the severe weather events experienced in June 2026, significant slope instability occurred in Fredericks Street, resulting in extensive damage to a privately-owned low-cost residential property. Subsequent geotechnical investigations confirmed that the dwelling has become structurally unsafe due to severe landslip, with the foundations having been undermined and the risk of further ground movement remaining significant. Independent engineers recommended that the structure be condemned, demolished and permanently vacated.

The landslip has also resulted in the collapse of the informal access road serving several neighbouring informal households. Restoration of this access route is regarded as an emergency public safety intervention. Municipal engineers have advised that these emergency works cannot safely proceed while the damaged dwelling remains occupied.

Accordingly, the Municipality relocated the affected household to temporary accommodation for a period of approximately three to six months. These circumstances were formally communicated to the owner in writing following receipt of the geotechnical assessment.

The owner of the property agreed to be relocated to a Council owned flat for a maximum period of 6 months.

16. FINANCIAL IMPLICATION

The temporary relocation costs will be funded by the directorate budget.

The construction of a replacement BNG house will be funded through the applicable Human Settlements Programme, subject to approval by the Provincial Department of Human Settlements.

In the alternative the construction works will have to be funded from Knysna Municipality sources

17. Legal and Policy Compliance

- the Constitution of the Republic of South Africa;
- the Disaster Management Act, 57 of 2002
- Housing Act, 107 of 1997
- National Housing Code.

18. RECOMMENDATION OF THE MUNICIPAL MANAGER

It is recommended that Council:

1. Notes the damage to the privately owned dwelling caused by the June 2026 severe weather disaster and the subsequent geotechnical recommendation that the dwelling be condemned and demolished;
2. Notes that the affected household has been relocated to temporary accommodation for a period of approximately three to six months to enable works to be undertaken on the access road serving neighbouring informal households;
3. Approves in principle that the affected household be considered for a replacement BNG (RDP) housing opportunity on a suitable municipal residential erf, subject to all applicable housing programme requirements;
4. That in the alternative municipal funding be used to the replacement of the dwelling;
5. Approves that the Director: Infrastructure, Human Settlements and Services identify an appropriate municipal erf for the development of the replacement dwelling; and
6. Approves that, prior to allocation of the replacement property, the owner concludes an agreement with the Municipality surrendering ownership of the damaged erf to the Municipality, subject to all applicable legal processes.

APPENDIX / ADDENDUM

Location images

File Number:

Execution: Director: Integrated Human Settlements

5.8

IHS08/07/26 TRANSFER OF OWNERSHIP OF THE SEVEN (7) MUNICIPAL SITUATED IN WELSYSNDORP, KARATARA

REPORT FROM THE DIRECTOR integrated human settlements

19. PURPOSE OF THE REPORT

The purpose of this report is to obtain Council approval for the transfer of ownership of the seven (7) municipal erven situated in Welsynsdorp, Karatara, to the respective beneficiary families who have occupied the properties since their relocation following the 2017 Knysna fires.

20. BACKGROUND

Following the devastating Knysna fires of 2017, seven families lost their homes and were temporarily accommodated at Thsiba College. Due to unsuitable living conditions, the families vacated the temporary accommodation and subsequently occupied the infill erven in Welsynsdorp, Karatara.

The Municipality previously attempted to remove the structures erected on the erven. The matter was referred to court, where the Municipality's application was rescinded due to procedural shortcomings. The Court subsequently ordered that the building materials be returned to the beneficiaries and that they be permitted to continue constructing their homes.

Since then, the beneficiaries have established permanent residences on the respective erven and have occupied the properties continuously for several years. Council has previously recognised that these circumstances are unique and should not be regarded as creating a precedent for other occupations of municipal land.

A meeting held in Karatara further resolved that the occupation of the erven should be regularised through the conclusion of sale agreements and, thereafter, the transfer of ownership to the beneficiaries. The sale agreements will be signed by the relevant beneficiaries and the Municipality has already proceeded with the regularisation of municipal services, including electricity, water and sanitation.

The beneficiaries have demonstrated their commitment to assuming ownership responsibilities, including payment of the applicable electrical connection fees where required.

21. FINANCIAL IMPLICATION

The transfer will not result in any significant additional financial burden on the Municipality other than the normal administrative costs associated with property transfers.

The beneficiaries will remain responsible for:

- Municipal service charges;
- Electrical connection fees where applicable;

- Rates and taxes (where applicable);
- Future maintenance of their respective properties.

The Title Deed registration will be covered as part of the Khayalam Title Deed programme.

22. Legal and Policy Compliance

- the Constitution of the Republic of South Africa;
- the Disaster Management Act, 57 of 2002
- Housing Act, 107 of 1997
- National Housing Code.

The circumstances are exceptional and arise directly from the 2017 Knysna disaster and subsequent court proceedings. Approval of this transfer should therefore not be regarded as establishing a precedent for other unlawful occupations of municipal property

RECOMMENDATION OF THE MUNICIPAL MANAGER

It is recommended that Council:

1. Approves the transfer of the seven (7) municipal erven situated in Welsynsdorp, Karatara, to the respective beneficiaries subject to the applicable legislative requirements.
2. Authorises the Municipal Manager to take all necessary administrative and legal steps to effect registration and transfer of ownership of the properties into the names of the approved beneficiaries.
3. Confirms that the approval is based on the exceptional circumstances arising from the 2017 Knysna fires, the subsequent court proceedings, the long-term occupation of the erven by the beneficiaries.

APPENDIX / ADDENDUM

File Number:

Execution: Director: Integrated Human Settlements
Senior Human Settlement Officer

6. CLOSURE

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