

# Catalytic Projects Identification and Assessment

## Introduction

Thank you for submitting a proposal for consideration as a DHS MSP catalytic project.

As the next step in this process, the Department of Human Settlements would like to invite you to describe the submitted project/s in more detail.

To ensure an objective process and in order to expedite and ease the review process, we have developed an assessment tool that includes 2 sections: Form A (factual information) and Form B (descriptive information).

The assessment is based on the core criteria of IMPACT & INTEGRATE as described in the MSP concept document.

The submission must not exceed 20 pages.

Please submit the narrative on or before DATE, TIME, PLACE.

For questions or inquiries on these submission instructions, please contact **Norah Walker, Director: Development & Delivery, 021 400 9325**

# FORM A

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**Date of submission:** 2015

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**Name of project:** North Eastern Corridor  
**Location of project:** Cape Town Metropolitan Area

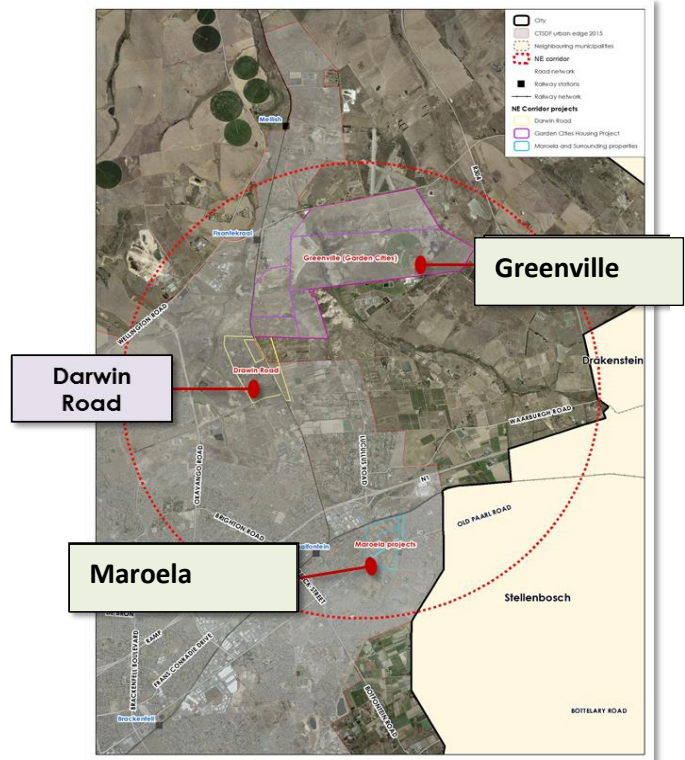
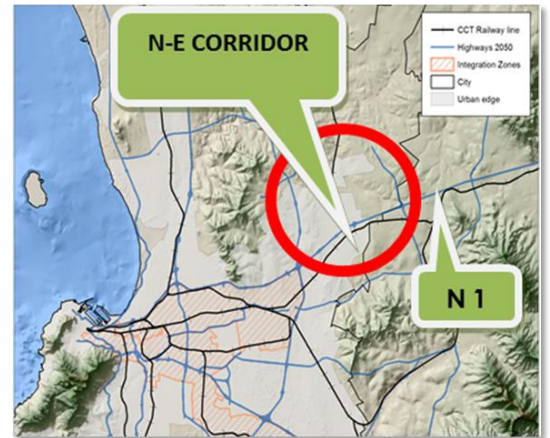
## Summary of project/Overview:

This is a large scale, mixed income and mixed land use project in the north eastern growth corridor, as defined in the Cape Town Spatial Development Framework. The majority of the housing opportunities are being delivered through a path breaking private/public partnership and innovative technology is being used to build the housing units. There are three sub-projects namely, Greenville, Darwin Road

and Maroela. Implementation has already begun in Greenville.

These projects are to be constructed across 12 greenfield land parcels within a 5km catchment area from each other and are located in proximity to the N1 and two railway stations, namely; Fisantekraal and Kraaifontein. They are in proximity to employment opportunities.

The project will accommodate some **19 987 households** utilising a mix of housing programmes/typologies (i.e. site & service, BNG, gap and open market).



## INTEGRATION CRITERIA: CRITICAL REGIONAL MASS

Total Points 10

### 1. Project details:

- a) number of residential units, service stands, land acquisitions to be delivered:

A total of 19 987 housing opportunities will be provided. All the land rights are in place.

- b) housing options (ownership, rental/government subsidized, private funding/etc.):

PROJECT/ SUB-PROJECT	Project name	Total potential properties	Total Potential Opportunities			
			Serviced sites only	BNG	GAP	MARKET (rental and ownership)
				Serviced site & top structure	Serviced site & top structure	Serviced site & top structure
NORTH EASTERN CORRIDOR	Greenville	14 400		4 000	2 221	8 179
	Darwin Rd	3 620	638	2 450	532	
	Maroela	1 967	1 258	545	164	
	<b>TOTAL</b>	<b>19 987</b>	<b>1 896</b>	<b>6 995</b>	<b>2 917</b>	<b>8 179</b>

- c) typologies (built products: single, multi-storey/detached, semi-detached)

The BNG and GAP products will be semi-detached single and double-storey units.  
The market rental and bank-bonded units will be a mix of single and multi-storey units.

- d) density (ideally the minimum net density should be 60 du/ha):

The minimum average net density will be  $\pm 65$  du/ha

e) coverage and floor area ratios:

The coverage will vary according to the product and site size. The maximum will be in the region of 70%

**INTEGRATION CRITERIA: SITE SELECTION INNOVATION/AREA-BASED PLANNING**  
**Total Points 15**

**2. Location:** Describe the proposed project site and explain how does the proposed development intend to integrate with the existing government investment (i.e. proximity to or use of existing bulk infrastructure, schools, health centres, parks and other government-funded amenities)? How is the project included in or reflective of the goals and intentions of local SDF, IDP plans and MTSF targets? How does the proposed project improve the spatial layout of the city/town?

The Northern District Plan has identified and investigated sites within the NE corridor for possible housing initiatives and recognises its potential in producing an increased number of subsidised housing opportunities and also leveraging private partnerships to produce open-market suburbs to ensure the development of integrated communities. It has identified *Housing Priority Action Areas* in the north-east region for short and medium term housing initiatives to occur and the project sites are located within the prioritised action areas. The bulk infrastructure required in the different project sites is largely in place or at an advanced planning stage.

The project has been included in the of 2015/16 Integrated Development Plan (IDP) Review under Addendum: Human Settlements Project Schedule. It was also included in the City's Built Environment Plan (BEPP) approved by the City in May / June 2015.

**GREENVILLE:** The development consists of 770 hectares (15 hectares of which are City-owned). The Greenville New Town is contiguous with the urban edge and lies approximately 4km to the north of the established and growing suburb of Kraaifontein. The Durbanville town centre lies approx. 10km to the south-west, along the Wellington / Klipheuwel Road (MR188/R302). The Joostenbergvlakte smallholdings are to the south and there are two agro industrial areas to the west of it.

**DARWIN ROAD:** Immediately to the south-west of Greenville, lies a portion of land that the City of Cape Town has purchased for the Darwin Road project. This City land straddles the railway line, and is some 100 hectares in extent. The proposed Darwin Road development is entirely compatible and supportive of the proposed Greenville New Town land use mix.

In terms of employment opportunities and social facilities; the existing Fisantekraal Industrial area is located approximately 1,5km to the north and the Kraaifontein Industrial area is located approximately 4km to the south and

is connected to the site by the railway line that runs through it. A number of existing mixed use commercial nodes located within 5km to the south of the proposed development. The Cape Gate development fulfils a regional role, while the Kraaifontein CBD node fulfils a local function.

Significantly, the vast majority of the vacant land that lies between the developed areas of Durbanville and Kraaifontein and the Greenville and Darwin Road project sites are currently subject to a number of private sector development initiatives. It is therefore conceivable that, within the foreseeable future, development will have extended northwards to be contiguous with the Greenville New Town development.

MAROELA: The project area covers some 19 hectares and is located within Kraaifontein East, south of the N1 road, north of Wallacedene and west of Bloekombos neighbourhood. The land holdings are grouped into two large land parcels that are infill sites very suited to residential development. There are no bulk infrastructure constraints.

Maroela is close to employment opportunities (industrial; semi-industrial; commercial and agricultural) and close to major public transport routes. Education facilities and a hospital are soon to be developed on adjacent sites.

## **IMPACT CRITERIA: BUILT ENVIRONMENT CAPACITY**

**Total Points 30**

**3. Condition of the current project site:** Describe the current condition of the site physically, spatially, economically and the profile of the existing community.

GREENVILLE: The Greenville Phase 1 development commences on the site that is currently occupied by 1500 informal dwellings called the Fisantekraal informal settlement. The informal settlement has been prone to fires, flooding and other environmental hazards. Immediately west of that is a low-cost housing development comprising of 1280 units built in 2001/02. The balance of the Greenville site was historically used for chicken farming. From a geotechnical and topographical perspective the site is well suited to development and the area to be set aside for biodiversity purposes has already been defined.

DARWIN ROAD: The subject property is located to the north of the newly constructed Buhrein middle income residential development and to the south of the proposed Greenville mixed use development. It has a number of "fixes" that will shape the development of the site. They include a) Eskom power lines and servitudes; b) Railway line; c) East-West links required by the City's transport plans (Darwin Road, Canary Street and New Langeberg Road); d) gravity sewer line (450mm to 600mm dia.) located along the western boundary and; e) storm water drainage and wetlands.

MAROELA: It is surrounded by residential areas that include a range of economic groups and housing prices. Up to 20% of the project area is not suited to residential development as it is located within the buffer zone of a solid waste recycling plant. This land is, however, very suited to industrial development as it abuts the railway line and Kraaifontein industrial area.

**4. Stakeholders involved:** Which other stakeholders are involved in the project? Has the approval of the municipality/province been secured? Will the existing and new communities be consulted?

- All relevant City, provincial and national departments have been consulted
- The project is in the City of Cape Town 5-Year Integrated Development Plan and Integrated Human Settlement 5-Year Plan and Provincial Housing Business Plan
- A full public consultation process takes place via the Environmental Impact Assessment and/ or land use application processes.
- A Housing project steering committee has been set up in Greenville and is in the process of being set up for the Darwin Road and Maroela projects, it includes all interested and affected parties.

**5. Community engagement:** What community engagement strategy exists to integrate the existing community into the development, including input throughout the project, creation of access to jobs and skills development, promoting home-based and small business enterprises etc.? Will relocation be required of any residents currently living on the site, and if so, how will that be carried out?

- Representatives of project steering committee are responsible for reporting back to their organisations.
- Community meetings may be held at strategic milestones / meetings will be held with informal settlements that are to be relocated
- Project notices boards will be set up
- Surrounding property owners and community organisations are to be included in project steering committee
- Beneficiaries to include surrounding backyarders and quota from housing database (city wide and in targeted areas).
- Home owners education programme targeted at project beneficiaries
- Local contractors and labour to be accommodated during construction phase.

**6. Implementation of the project:**

- a) Outline the project phases, including the estimated timeframe for each phase, such as planning, predevelopment and acquisition, construction and delivery, closeout and marketing. Note the current status of the project within the phases, including site control, municipal reviews and approvals, plans and hiring.

Project Name	Units	Planning Application Submitted Date	Planning Approval date	Construction Starts	Construction Ends	Budget* (Estimated)
Greenville - Garden Cities	14 400	Done	Done	On site	Jun-21	R 738 720 000
Darwin Road	3 620	Jan-16	Feb-17	Jul-18	Jun-21	R 302 270 000
Maroela	1 967	Jan-16	Feb-17	Jul-18	Jun-21	R 90 555 750
<b>TOTAL</b>	19 987					R 1 131 545 749

- b) Highlight the development team, including the current and proposed owner/s, and key staff (such as project/financial management, construction supervision, architecture and design, and construction). Summarize development experience, and the extent to which team members have worked together before.

The Greenville project is being planned and implemented by a professional team and contractor appointed by the private sector developer, Garden Cities. The City has already appointed the professional teams that will plan and obtain the environmental and land use authorisations for the Darwin Road and Maroela sites. Contractors will be appointed when the aforementioned authorisations have been secured. The City has designated internal resources i.e. project managers and sector specialists to oversee the planning and implementation of the Darwin Road and Maroela projects and facilitate the development of the required social facilities and commercial and industrial developments.



## FORM B

### IMPACT CRITERIA: SUPPLY AND DEMAND

Total Points 25

#### 1. Market analysis:

- a) Describe how the project is fulfilling supply and demand in the particular context.

The City of Cape Town has a total of 1.068 million households. The housing circumstances of these households are indicated below:

	Households	As %
Formal dwellings (owned)	489 000	46%
Formal dwellings (rented)	328 000	31%
Informal settlements	144 000	13%
Backyard shacks	75 000	7%
Hostels	12 000	<1%

Source: Census 2011 with exception of hostels: City of Cape Town Figures

Households in each of these different housing circumstances fall into different income categories as follows:

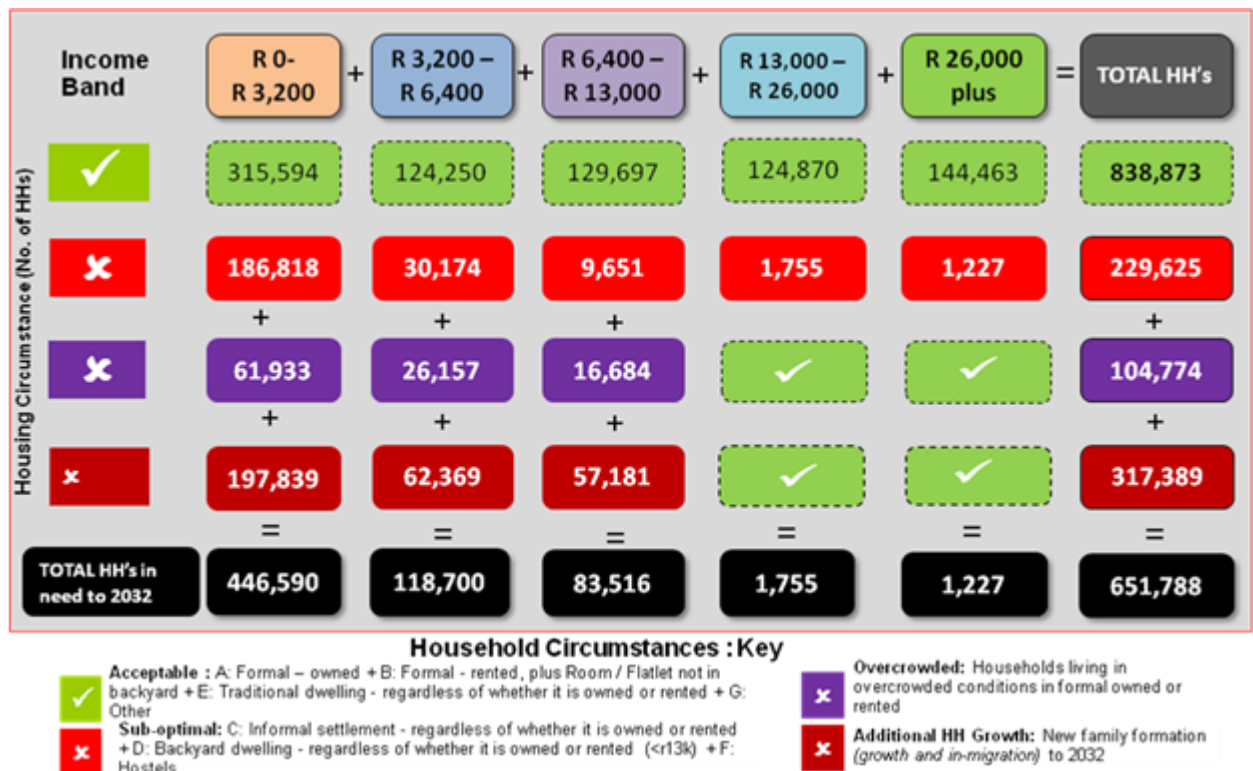
- 47% fall into the R0 – R3,200 category;
- 14% into the R3,201 – R6,400 category;
- 13% into the R6,401 – R13,000 category;
- 12% into the R13,001 – R26,000 category; and
- 14% into the R26,001 plus category.

In addition to the above, 114 000 households (11%) live in overcrowded conditions. It is estimated that between 2011 and 2032 a further 428 000 households will be living in the city. Of these, 198 000 are likely to have incomes of less than R3,200 per month. By 2032, it is anticipated that 652 000 households in Cape Town will need some support from the City in respect of housing.

Figure 1 indicates the projected circumstances of these 652 000 households reflecting i) sub-optimal circumstances relating to informal settlements, backyard and hostel ii) overcrowding or iii) additional household growth within the first 3 affordability categories.



Figure 1: Households requiring intervention in the City of Cape Town (2011 - 2032)



Source: Integrated Human Settlement Framework for Cape Town

At the City level five different housing approaches catering for a diverse mix of households are proposed to meet the demand, namely:

- Serviced sites (16% of DUs)
- Serviced sites and BNG top structure (39%)
- Rental Social/CRU (7%)
- GAP (13%)
- Open market (26%)

b) How will the demographic and deprivation profile of the area change with the proposed intervention?

The project makes provision for a combination of serviced sites, serviced sites with top structures, GAP and open market rental and ownership housing. The largest sub project, Greenville, will comprises a mix of land uses over 790 hectares including residential (310ha), commercial (25.7ha), industrial (46.6ha) and open space (169ha). Supportive community facilities include a regional sports facility and a technical college. Overall densities will range from 80 du/ha for social, to 40-80 ha for gap housing, and between 40-80 for bonded (market) housing.

The Maroela project will transform undeveloped land that is prone to criminal activity and dumping into a residential area which will reach gross densities of up to 60 dwellings per hectare.

### Access to employment centres

All three sub-projects are within a walkable distance to existing industrial areas and are within close proximity to existing employment centres, including:

- Fisantekraal Industrial Area;
- Kraaifontein Industrial;
- Kraaifontein CBD;
- Cape Gate Regional Shopping Centre.

Additionally, these sub-projects are also within a reasonable commute distance to one of the fastest growing industrial areas in the metropolitan region, namely Brackenfell Industrial; and Tyger Valley business node (+- 12kms).

### Social mix impacts

Whereas the Maroela component constitutes an in-fill development within existing residential areas, Darwin Road and Greenville are not located directly adjacent to existing built areas and hence do not have a receiving community within the immediate vicinity except for the Fisantekraal formal & informal areas.

The demographic profile of the area within a 5km radius of Greenville and Darwin Road is likely to change significantly as a result of planned private sector developments, particularly high-income residential areas surrounding Durbanville. The inclusion of open market and GAP housing within these projects will promote a more diverse income mix within the newly-established projects; provide affordable housing opportunities to a range of household income groups and promote integration with surrounding communities. Furthermore, the Greenville/Darwin Road components will help ameliorate the geographic isolation of the Fisantekraal township area.

Surrounded by medium to low-income residential areas, Maroela is likely to have a less direct impact on the profile of the receiving community. It is possible that this component will contribute positively to the fragmented surrounding neighbourhoods and in the medium- to long-term, contribute towards the stabilisation of the broader area.

## **IMPACT CRITERIA: DEMOGRAPHIC/DEPRIVATION PROFILE**

### **INTEGRATE CRITERIA: SITE SELECTION INNOVATION/PROJECT-LEVEL INNOVATION**

**Total Points 35**

#### **2. Innovative approach:**

- a) Describe what is innovative and catalytic about the project. Has the site been selected with a view to recycling of land, re-appropriation of existing buildings, revitalising an economically distressed area or the innovative siting/location of housing? Will it create a new community, bring new resources/partners to the area, provide significantly new housing opportunities, or fill a spatial gap in the city's layout? How will the project stand out nationally, contribute to national housing objectives or spatial priorities?

In a narrow sense the project seeks to address the shortage of housing in Cape Town whilst pioneering sustainable social, economic and environmental integration. In the wider sense the successful implementation of this project will unlock development in the NE corridor and will have a major impact on housing delivery as well as presenting a viable model for private sector replication.

Greenville is an integrated phased development with cross subsidisation of low cost housing. Once completed, it will be the largest integrated, affordable housing development in the City, valued at over R10bln. The inclusion of market housing will contribute towards the City's income base which assists in the sustainability of low income housing. It was estimated that municipal rates and taxes would amount to R79 million per annum (Urban Econ Report, 2009). The innovative building technology to be used by the project, has been approved by the NHBRC, and will speed up the top structure construction process. The lessons learned in this project will be replicated in the Darwin Rd and Maroela projects.

20-25% of the land will be made available for conservation purposes. The Greenville and Darwin Roads sites will establish a new community of 18 020 households supported by non-residential land uses such as industrial and high-density mixed uses. This land use mix provides an opportunity for a viable local economy and meaningful balance of housing typologies, combining open market housing with Gap and BNG housing.

Given the favourable location of Greenville and Darwin Road components in relation to fast-growing industrial and commercial areas in the City's north-eastern growth path, and the proximity to medium- and high-income residential areas, it is probable that this development will be successful in attracting not only government-dependent beneficiaries but also first-time home owners and young civil servants and professionals.

Existing social and community facilities including clinics, schools and sport facilities are located in Pinehurst and Kraaifontein as well as proposed facilities in the Greenville development. These facilities mostly serve their

immediate communities, except the Kraaifontein Sport Field which has a wider threshold and serves various communities.

In contrast, the Bloekombos/Maroela site offers an opportunity to integrate the fragmented urban fabric in the greater area and allow more households to benefit from the locational advantages of the area. The development will create the necessary intensity to contribute to spatial efficiencies and with careful consideration to urban design support passive surveillance.

b) How will the project represent best practice in the built environment, spatial planning, financing innovation and community and income integration? What are the selling points that will make this development desirable?

The following characteristics of the proposed project contribute towards its viability for short- to medium-term implementation, and its relative desirability as a living environment:

- The sites are located within the urban edge and in the City's North-Eastern Growth Corridor. The project benefits from both relatively affordable land and good prospects for progressive integration into the surrounding neighbourhoods. The Northern District Spatial Plan envisages a growth corridor established along the Malmesbury rail line which is primarily focused on higher density integrated and inclusionary housing development. The rail line should be supported by two high density activity streets on both sides, being Darwin Road to the west and another to the east.
- This growth path is characterised by adequate land (with limited large scale agricultural and biodiversity potential) for integrated housing development. This area is accordingly ideal for accommodating integrated developments (inclusive of social and commercial infrastructure).
- The proximity of the area to the busiest freight corridor in the greater urban region, the N1, reflects positively on the medium- to long-term economic prospects of the broader north-east corridor. The relative investment attractiveness of this area in relation to other parts of the Cape Town metro will likely be further enhanced by the future completion of the R300 ring road. Furthermore, the Malmesbury rail line which still functions primarily as a goods line, offers the opportunity to become a passenger line in future. PRASA has already agreed to the principle, and the location of 3 future stations along the line in the growth corridor was agreed upon.
- Detailed infrastructure planning has been conducted for the north-east growth corridor, and the physical yield associated with this project is accommodated by the City's long term infrastructure master plans. The Maroela component is located close to the Scottsdene Sewerage Works which is currently being refurbished and extended at a cost of R34mln. Adequate treatment capacity is available.
- The sites are located in close proximity to fast-growing industrial and commercial areas and emerging industrial nodes like Fisantekraal, and medium- to high-income residential areas. The hinterland offers the

opportunity to be enhanced by creating opportunities for tourist development, and thereby also increasing the quality of the environment. The Maroela component is located within the corridor running parallel to the N1.

The following design principles were applied:

- The development is integrated with surrounding developments and aligned to higher order frameworks and plans.
- The cluster approach is applied to the provision of public facilities in the development. Higher and more bulky buildings are clustered at nodes and located along the primary road and pedestrian movement systems.
- The development contributes positively to the quality of the public realm and public spaces, through integrated storm water management systems, accessible public parks and squares, small scale community and retail facilities alongside these pockets of public space to create a positive interface.
- A linear public open space system, overlooked by residential properties for passive surveillance.
- Superblocks designed with residential units surrounding an internal courtyard
- The land uses are strategically located in order to share facilities and use space more efficiently.
- A densification model is applied with higher residential densities than the current norm, focussing on increasing the gross as well as net densities.

#### **IMPACT CRITERIA: ECONOMIC ACTIVITY**

#### **INTEGRATE CRITERIA: AREA-BASED PLANNING**

**Total Points 40**

### **3. Socio-Economic activity:**

Describe how the project will contribute to the socio-economic growth (commercial, retail, community space etc.) of the area. How will the local economy benefit in a) the conceptualising of the project; b) the implementation, and c) the life of the project? Describe the impact that the project will have with regards to the livelihoods of the new and existing communities. Have local systems of food production been considered?

The Greenville/Darwin Road component makes provision for significant industrial and commercial development that provides the basis of a robust local economy for the newly-established community.

The total capital investment of R9.7 billion will stimulate up to R37 billion in new business sales and contribute R9.2 billion to Gross Geographic Product for the duration of the nine year construction period (2009 Urban Econ Report). The operational expenditure in maintenance, management, retail and schools will continue to contribute towards economic activity and employment thereafter.

Approximately 7072 employment opportunities will be created during the implementation phase of the project. Thereafter new livelihood activities will be generated as the settlement grows and new opportunities and markets are created for the community to exploit.

The varied housing typologies accommodating a diverse social mix of households will help stimulate demand by concentrating disposable income within the community. It is also likely that the rise in aggregate disposable incomes at a sub-metropolitan level will contribute positively for demand for business services and retail in surrounding nodes, not least of which Cape Gate Regional Shopping Centre and Kraaifontein CBD.

The inclusion of gap and open market housing in this component will – in providing affordable accommodation for young professionals and civil servants – lower transport costs for local users and contribute positively towards movement efficiencies.

Although the Maroela/Bloekombos component is adjacent to the Kraaifontein industrial area the most significant contribution to socio-economic growth more broadly will be the opening up of a prime piece of industrial land thereby promoting a live, work, play neighbourhood concept.

#### 4. Financing:

- a) Provide a development budget, including costs of site acquisition, construction (housing and other), associated services and fees (architecture/engineering, legal, marketing, etc.). Provide the sources of funding, including private loans or equity, government subsidies, and any other financing. What is the status of the funding? How much are committed, applied for, identified, and/or not yet known?

Project Name	Units	Professional services	Development cost	Other Cost*	Total project cost
Greenville	14 400	R 28 323 130	R 710 396 870	Bulks not included	R 738 720 000
Darwin Road	3 620	R 23 733 734	R 278 536 266	Bulks not included	R 302 270 000
Maroela	1 967	R 12 896 203	R 77 659 547	Bulks not included	R 90 555 750
<b>TOTAL</b>	<b>19 987</b>	<b>R 64 953 066</b>	<b>R 1 066 592 683</b>		<b>R 1 131 545 749</b>

**Note: Source of income: USDG; HSDG; MIG and other government grants**

**\*Other costs are the costs not covered by housing subsidy grants**

**\*Other costs will be recovered from sale of open market residential and non-residential sites**

- Private sector funding will be leveraged through the sale of open market, commercial and industrial sites in all three sub-projects. The Greenville and Maroela developments will open up a total of 63.5 ha industrial land. This land will generate a

income of R 95 250 000-00 if the land is un-serviced and R476 250 000-00 if the land is serviced. Job opportunities will be created for residents close to these developments.

Darwin Road and Maroela

- Government funding: 100 % (not including bulks on all projects) of which 0% is secured from HSDG and USDG funds over MTEF period. Both projects are currently in the Planning Phase.

Greenville

- Government funding: 20 % (not including bulks on all projects) of which 33% is secured from HSDG and USDG funds over MTEF period.
- Non-government funding: 80 % of the Greenville project funding will be procured by the private sector developer and through the sale of open market residential, commercial and industrial land.

**Risks – how to mitigate risks?**

Potential risk	Risk rating	Mitigation mechanisms	Who
Project schedule	Medium	Create economic opportunities for local labour, contractors and businesses, have identified alternative material supply alternatives	Contractor
Project dependencies – bulk infrastructure	Low	Closely monitor planning and implementation of required bulks and ensure programme alignment	City & Contractor
Project dependencies – social facilities	Medium	Closely monitor planning and implementation of required social facilities and ensure programme alignment	City & Contractor
Project resourcing	Low	Monitor budgets, cash flows and expenditure	City & Contractor
Project procurement	Low	Ensure project is tender ready before advertising it	City
Project stakeholder risk	Medium	Ensure that there is adequate engagement with stakeholders and beneficiaries throughout the project	City & Contractor