

FINAL ENVIRONMENTAL IMPACT ASSESSMENT FOR THE PROPOSED KLEINFONTEIN SETTLEMENT

Kleinfontein Portions 38, 90, 96 and Farm Kleinfontein 368
JR and Portions 63, 67, 68 and
RE of Portion 14 of the Farm Donkerhoek 365 JR

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BOOK 2 OF 2



BOKAMOSO
LANDSCAPE ARCHITECTS &
ENVIRONMENTAL CONSULTANTS CC
P.O. BOX 11375
MAROELANA
0161
TEL: (012) 346 3810
Fax: 086 570 5659
Email Lizelleg@mweb.co.za



Annexure G(ix)

MARKET STUDY



Kleinfontein Mixed Use Market Study

MARKET RESEARCH FINDINGS & RECOMMENDATIONS

December 2011

DEMACON Market Studies
PO BOX 95530
WATERKLOOF
0145

Tel: +27 12 460 7009

Fax: +27 12 346 5883

Cell: +27 82 898 8667

E-mail: hein@demacon.co.za

Website: www.demacon.co.za



Demacon is a member of

SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION (SAPOA)



SOUTH AFRICAN COUNCIL OF SHOPPING CENTRES (SACSC)



The information contained in this report has been compiled with the utmost care and accuracy within the parameters specified in this document. Any decision based on the contents of this report is, however, the sole responsibility of the decision maker.

Enquiries:

Hein du Toit

+27 12 460 7009 (t)

+27 12 346 5883 (f)

+27 82 8988 667

hein@demacon.co.za

www.demacon.co.za

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EXECUTIVE SUMMARY

➤ PROJECT BRIEF AND METHODOLOGY

✓ Introduction

Demacon Market Studies were commissioned by **Plan Practice**, to perform in-depth market research to assess the development potential and optimum mix (“Highest and Best Use”) of ancillary facilities for a mixed use development in Kleinfontein, east of Pretoria.

Kleinfontein is an existing settlement which incorporates certain **existing land uses**, including small scale retail, residential, retirement facilities, a caravan park, etc. It is understood that the purpose of the exercise is twofold: *first and foremost* to **formalise existing facilities**; and *secondly*, to plan and provide for **future growth and expansion** in a balanced, harmonious way.

It is our understanding that a comprehensive mixed use market study is required to inform strategic planning and investment decisions regarding the formalisation and future expansion of the Kleinfontein mixed use development east of Pretoria in the Donkerhoek area. It is understood that our assessment should focus, in particular on three project components, including:

- ✓ Residential
- ✓ Localised / Convenience Retail

✓ Methodology

Within the context of the research brief, market research for the **Kleinfontein Mixed Use Development** will be structured in terms of the following main steps.

1. Step 1: Project Inception
2. Step 2: Macro & Micro Market Analysis
3. Step 3: Market Potential assessment and implications
4. Step 4: Development Recommendations.

Step 1: Step 1 entails a refinement of the project brief, timeframe and deliverables. Relevant base data and documents will be collated and site-specific detail acquired from the client.

Step 2: Macro & Micro Market Analysis analysed development trends in terms of key indicators, including economic drivers, detailed demographics, e.g. income & LSM profiling. The assessment included nodal development trends, including anticipated impact of turnkey **medium term interventions**, housing developments, road upgrades, commercial nodes, etc in the larger market area.

The local **Spatial Development Framework** was analysed in terms of its vision for the project area. Trade area based growth trends and residential expansion proposals were factored into a *5 and 10 year market demand forecast*. **The objective** was to analyse the market in the context of regional nodal development trends and to provide strategic input with regard to forecast market growth, nodal expansion potential and growth in optimum consumer demand thresholds.

Step 3: Sector-specific instruments will be applied to estimate current market potential and future growth, as well as take-up rates, taking due cognisance of strategic location and sub-regional economic drivers. Based on the above target market analysis, *residential effective*

demand and take-up / sales rates was forecasted, including the optimum point of market entry and indicative incremental phasing.

Step 4: Market based development recommendations was made with regard to market potential for various project components that form part of the Kleinfontein mixed use development, including residential, retirement facilities and localized convenience retail.

The report was structured in terms of the following chapters:

- ✓ Location Analysis
- ✓ Economic Market Overview
- ✓ Demographic Market Overview
- ✓ Qualitative Overview of Kleinfontein
- ✓ Kleinfontein Growth Trends and Development Prospects
- ✓ Development Recommendations.

➤ QUALITATIVE OVERVIEW OF KLEINFONTEIN

✓ Location

Kleinfontein is a settlement near Pretoria, South Africa that was founded by Afrikaners who want to preserve their culture. It has only recently been developed and has a limited economy. It was founded by descendants of the original Voortrekkers or Boers who seek self-determination in an autonomous Volkstaat. Kleinfontein is located roughly half-way between Pretoria and Bronkhorstspuit. It lies south of the N4 and west of the R515, a few kilometres south of Rayton.

✓ History

Following the Great Trek, Boer pioneers expressed a drive for self determination and independence through the establishment of several Boer Republics during the 19th century. The end of minority apartheid rule in South Africa in 1994 once again left some Afrikaners disillusioned and marginalized by the political changes, and resulted in a proposal for an autonomous Volkstaat.

Two Boer pioneers applied for a loan in 1992 for Kleinfontein farm, 30km south-east of Pretoria, to establish an independent Boer Republic. The first two houses was built and completed in 1996 by residents of Kleinfontein. After this, Kleinfontein expanded at a fast rate, from the original 500ha to almost 860ha today, stretching from the N4 to Boschkop gravel road. It is estimated that approximately 900 Afrikaners is present on Kleinfontein during the day whereas almost 650 of these are permanent residents. Today, Kleinfontein is home to Radio Pretoria Station, several sport grounds, schools, savings and Credit Corporation, community hall, frail care centre, retirement home and a small convenience centre.



✓ Residential Market

Overview

- ✓ The majority of housing consist of brick houses on a separated stand or yard followed by wooden houses and caravans



- ✓ Brick houses therefore range in size from relatively large to small
- ✓ Brick houses are generally well maintained with tidy and well kept yards
- ✓ Dwellings are well serviced with electricity, water and sanitation



Kleinfontein Property Market Prices

The following table provides an overview of the Kleinfontein market activity.

Table 1: Kleinfontein Residential Market Activity, Type, Min and Max Asking Price, Average and Std Deviation, Frequency, November 2011

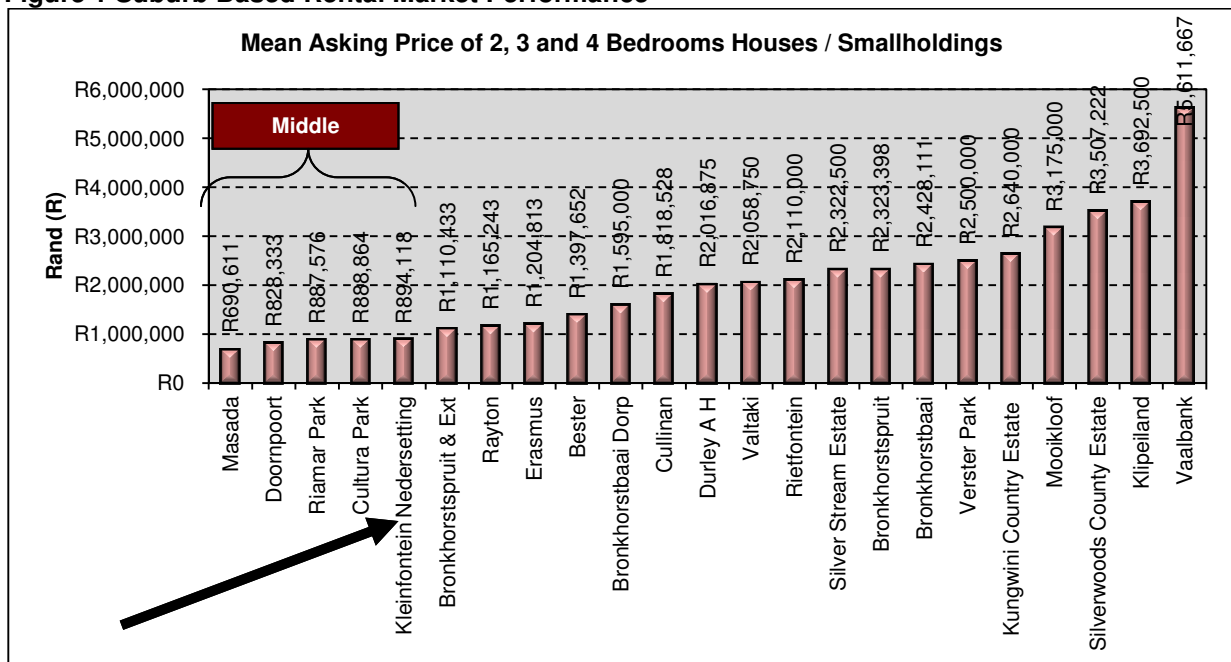
	Min	Max	Average	Std Deviation	Frequency
2 Bedrooms	R500,000	R1,330,000	R784,286	R297,257	7
3 Bedrooms	R700,000	R1,300,000	R967,778	R156,746	9
4 Bedrooms	R1,000,000	R1,000,000	R1,000,000	R0	1
Total					17

Source: Irene Groenwolt Properties Ext, Demacon, 2011

- ✓ The dominant type of properties present within Kleinfontein **includes two, three and four bedroom houses.**
- ✓ Mean property values vary between **R780k for the two bedroom houses, R960k for a three bedroom house and R1m for a four bedroom house.**

Figure 1 reflects the average asking price of 2, 3 and 4 bedroom houses and smallholdings.

Figure 1 Suburb Based Rental Market Performance



Source: Demacon, 2011

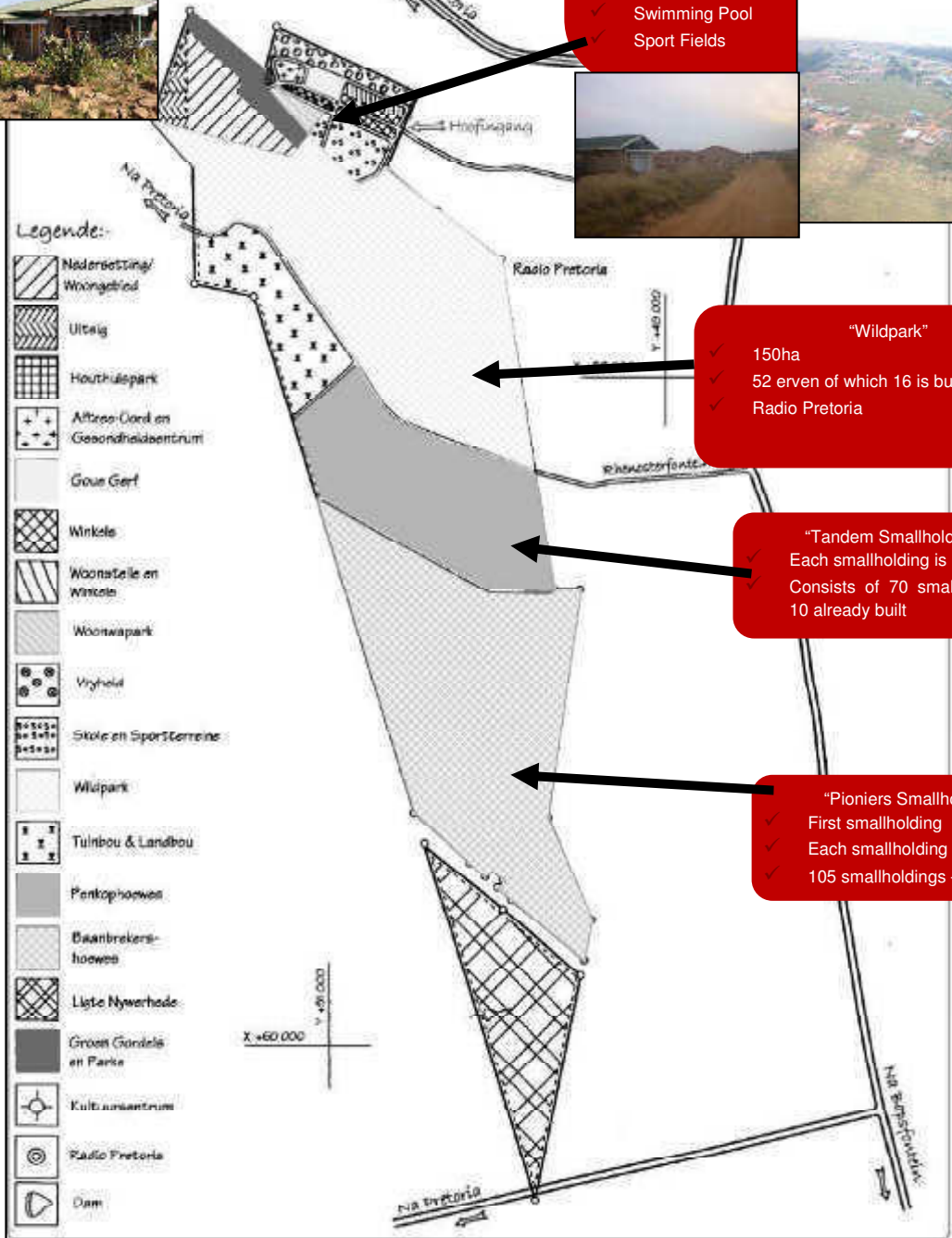
- ✓ Figure 1 indicates the prices distribution of asking prices for 2, 3 and four bedroom houses and smallholdings
- ✓ Given the asking price profile of the market area it is anticipated that Kleinfontein is focused more towards the lower-middle spectrum of the market.

Residential Areas

"Kleinfontein Sorgsentrum"
 ✓ Active Aged Persons
 ✓ Partially Constrained & Constrained
 ✓ 26 residents



"Nedersetting"
 ✓ 350 erven – 300 built
 ✓ Erven between 600m² - 1 000m²
 ✓ Houthuispark – 300m² - 500m²
 ✓ Dagbreek Woonwark – economic erven of ± 200m² for a 1/2 bedroom house
 ✓ Community Centre
 ✓ Retirement Village
 ✓ Shopping Complex
 ✓ Library
 ✓ School
 ✓ Swimming Pool
 ✓ Sport Fields



"Wildpark"
 ✓ 150ha
 ✓ 52 erven of which 16 is built
 ✓ Radio Pretoria

"Tandem Smallholdings"
 ✓ Each smallholding is ±1ha
 ✓ Consists of 70 smallholdings – 10 already built

"Pioniers Smallholdings"
 ✓ First smallholding
 ✓ Each smallholding is ±1ha
 ✓ 105 smallholdings – 60 built

✓ **Schools**

✓ CVO Kleinfontein is a small private school consisting of 23 students and 6 staff members. It is situated inside the Kleinfontein community.

- ✓ The school receives minimal subsidisation from the government and is therefore dependent on donations from students' parents as well as incessant fund raising projects to generate enough money to keep it alive.
- ✓ This means that funds are rarely available for maintenance and that the image of the school is gradually being degraded.
- ✓ School Phase: Pre-Primary and Primary.



✓ **Businesses**

Built Shops

- ✓ There are no formal or listed shopping centres within the settlement
- ✓ Retail/trade is made up of formal trade and brick buildings with a few shops
- ✓ These built shops do not boast national tenants
- ✓ Shops are small and include the following services:

- Kleinfontein Bou Bestuur Bk
- BJC Houtwerke
- Waterbok Gastehuis
- Kleinfontein Communication Services
- Irene Groenewald Eiendomme
- Druknet
- Funeral Services
- Eco BBQ
- Kleinbegin Winkel
- Wipronet
- Die Groente Winkel
- Die washuis
- Energy Tech



✓ **Accessibility and Visibility**

- ✓ From a regional context, Kleinfontein is well connected by road and is within 30 minutes' commuting distance to Olivier Tambo International Airport and Waterkloof International Airport.
- ✓ The N4 national highway (Maputo Corridor) traverses the area running from east to west. This highway passes Bronkhorstspruit in Kungwini, connecting Botswana in the west, passing through the Tshwane Metropolitan Area in Gauteng, Witbank, Middleburg, Belfast and Nelspruit in Mpumalanga and Maputo to the east.
- ✓ The R25 is also an important road linkage transversing the area diagonally from south to north.
- ✓ The significance of these major corridors for **development cannot be ignored as they not only provide good access to the Kungwini area, but also provided "trade lifelines" for goods and services of the area to support the development of the local economy.**
- ✓ The railway line parallel to the highway forms a strong spatial structuring element of the area.




✓ **Kleinfontein Retirement Centre**

Kleinfontein Retirement Village is divided into three care units, namely Kleinfontein Sorgsentrum, Karee Park and Wag-‘n-Bietjie.

✓ **Kleinfontein Sorgsentrum**

Kleinfontein Retirement Centre “Sorgsentrum” caters for the active aged, partially constrained aged and constrained aged persons. Currently, the centre is home 26 residents. Qualified nursing sisters and matrons are in attendance of the elderly. The centre is serviced by a qualified GP from time to time.

Table 2: Kleinfontein Sorgsentrum

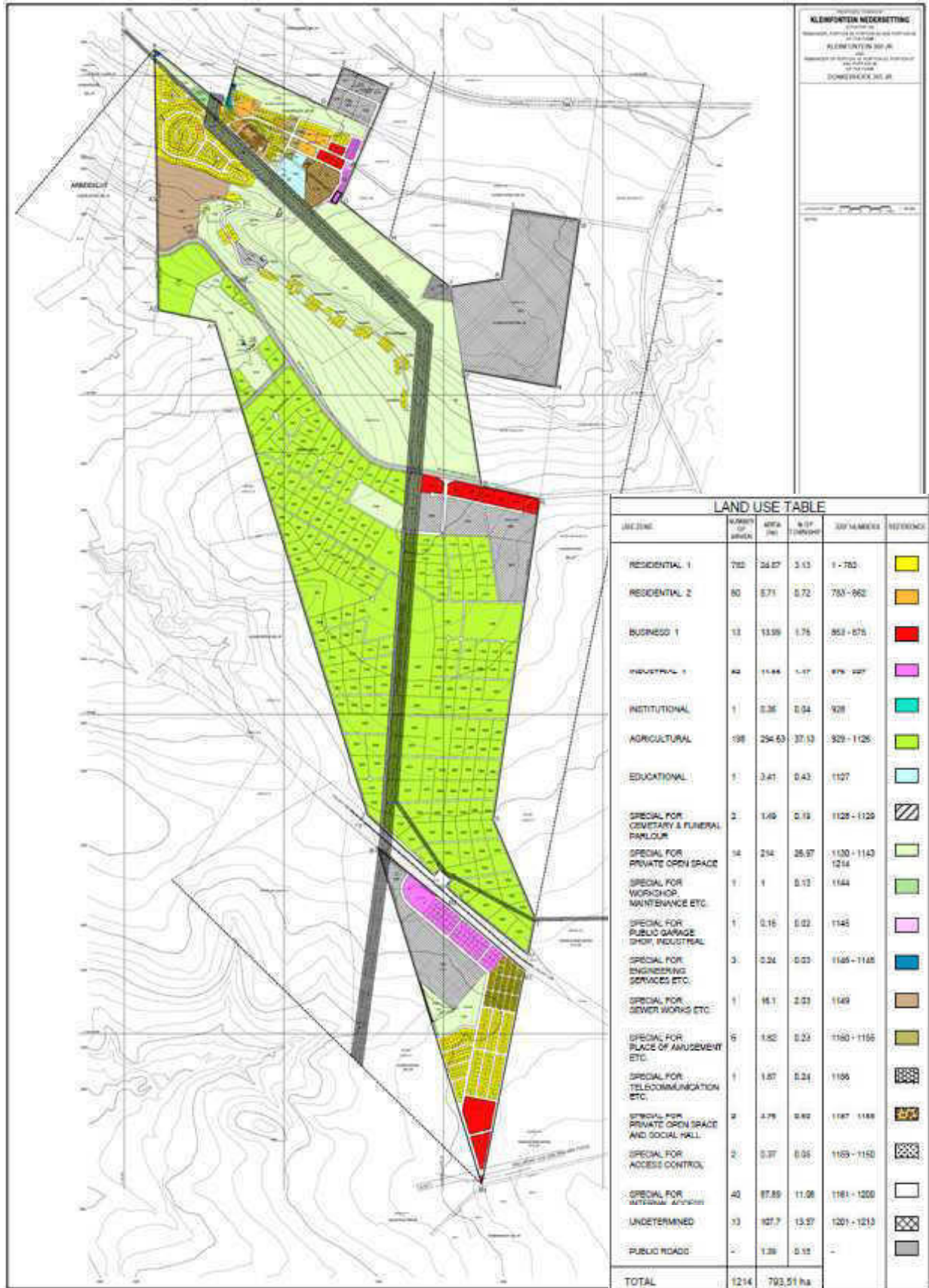
Kleinfontein “Sorgsentrum”	
	<p><u>Accommodation:</u></p> <ul style="list-style-type: none">✓ Once off entry fee of R5 500, not refundable✓ Private room: R6 500.00 pm✓ Shared Room R3 900.00 pm✓ Constrained hall: R3 800.00pm. <p><u>Features:</u></p> <ul style="list-style-type: none">✓ Three meals daily✓ Three tea times daily✓ Group Activities✓ Spacious rooms to decorate with own furniture, bed linen and towels✓ Launderette✓ Church Sundays in Kleinfontein Community Hall✓ Cleaning Services✓ Hairdresser✓ Kombi weekly to nearby suburbs / towns✓ Security 24 hours a day✓ Water and Electricity included in levy.

✓ **Karee Park and Wag-‘n-Bietjie**

Residents are totally independent and able to look after themselves. Should professional nurses be required, the frail care centre will provide services at additional costs.

Potential residents received an interest in Kleinfontein through membership and shares in KBK (Bpk). The agreement between the parties is called a “Use Right”. The legal right to occupy the premises for the duration of their life. After death, the person’s interest is transferred to a pre-approved inheritor, or sold to an approved buyer.

Map 1: Kleinfontein Settlement Plan



➤ **ECONOMIC OVERVIEW – Refer to Chapter 3**

Global national economic trends

- ✓ The South African economy is forecast to grow by a real rate of around 4% per annum in 2011 and 2012, supported by expected real world economic growth of 4,3% this year and 4,5% next year (as forecast by the International Monetary Fund), as well as growth in domestic demand during this period, driven by a further steady improvement in households' financial position.
- ✓ The headline consumer price inflation rate (CPI) is expected to continue rising in the rest of 2011, reaching a level of 6% by year-end. CPI is forecast to average about 5% this year and 6% next year, driven by factors such as rising transport costs, food prices and housing operating costs.
- ✓ Against the background of these economic and inflation expectations, interest rates are projected to remain unchanged in the rest of the year, but to rise by a cumulative 200 basis points during the course of the first seven months of next year, remaining stable thereafter. This will bring prime and variable mortgage rates to a level of 11% by the end of 2012, which will affect consumers' debt repayments, and the cost and affordability of existing debt and further credit, including mortgage finance.

The Residential Property Market

- ✓ The residential property market will continue to reflect conditions in the macro economy and the household sector up to the end of the year and in 2012. Based on trends in home values in the first half of 2011, and prospects for the economy and household finances, nominal price growth in the middle segment of the market is forecast at between 1% and 2% for the full year, rising to about 4% in 2012. In consideration of the outlook for nominal price growth and the projection of consumer price inflation averaging 5% this year and 6% next year, house prices are set to decline in real terms in both 2011 and 2012.
- ✓ Taking cognisance of the state of household finances (income, saving, debt, credit records, etc.), labour market conditions, the level of consumer confidence, which was lower in the first half of the year compared with the corresponding period last year, and the prospect of rising interest rates in 2012 on the back of inflationary pressures in the economy, the year-on-year growth in mortgage finance extended to the household sector is forecast to remain in single digits up to the end of 2011 and into 2012.

The outlook for inflation

- ✓ Inflation is ticking up steadily, with rising food and fuel prices being the main culprits. Core inflation remained rather muted at 3.1% in April 2011, compared to headline inflation of 4.2%. With administered prices, especially electricity, adding substantial pressure, inflation is forecast to approach the 6% mark during Q4 of 2011, and to exceed this upper band in the opening quarter of 2012, before embarking on a modest declining trend.
- ✓ At the November MPC, the Reserve Bank cut significantly its inflation forecasts for 2011 and 2012, and there is very little difference between their set and Absa Capital's forecasts currently.
- ✓ The central bank now expects inflation to average 4.3% in 2011, 4.8% in 2012 and to end their forecast exercise in Q4 2012 at 5.1% and we believe that these new inflation forecasts matter in two ways.

The latest Leading Indicator (a good indicator of near term moves in both the economy as well as the residential mortgage market) data point to appear, that of **September 2011**, indicated a further acceleration, on a month-on-month basis - the value going to a current value of **130.1**

Local Economic Indicators (Kungwini Local Economy)

Ten kinds of economic activity are distinguished and are grouped into the three broad sectors of the economy: the primary sector, the secondary sector, and the tertiary sector. The valuation is at basic prices and the data are provided at constant prices.

The pillars of Kungwini Local economy include: Manufacturing, Finance and Business Services, General Government Services, Trade Sector and Transport and Communication – contributing approximately **85.0%** towards the sub-region economy in 2010.

Table 3: Key Economic Indicators of the Market Area

Variable	Market Characteristics
Size of the local economy (2010)	<ul style="list-style-type: none"> ✓ Kungwini Local Economy contributes 64.6% towards the District
Economic Growth Performance – Time Period 1995 - 2010	<p><u>Kungwini Local Economy</u></p> <ul style="list-style-type: none"> ✓ Growth in the local economy averaged 3.8% per annum since 1995 ✓ Since 2005, the local economy recorded an average growth of 1.9% per annum <p><u>Metsweding District Economy</u></p> <ul style="list-style-type: none"> ✓ Growth in the district economy has averaged 2.2% per annum since 1995 ✓ Since 2005, growth in the district economy was slower – an average growth rate of 1.4% per annum
Manufacturing Sector Growth Performance Time Period 1995 - 2010	<ul style="list-style-type: none"> ✓ The long run average annual growth rate of the Local Economy Manufacturing Sector averaged at 3.3% between 1995 and 2010. The District averaged at a lower rate of 3.0% over the same period. ✓ The Manufacturing sector contributed 16.8% towards the GVA of the district. Kungwini LM contributed 79.0% towards the GVA of district's manufacturing sector and Nokeng tsa Taemane 21.0%. ✓ Average Annual Employment growth – District 0.8% and Kungwini LM 1.0%
Trade Sector Growth Performance Time Period 1995 - 2010	<ul style="list-style-type: none"> ✓ The Local Economy Trade sector contributed 73.5% towards the Trade Sector of the district economy in 2010. ✓ The long run average annual growth rate of the Local Economy Trade Sector averaged at 4.7% between 1995 and 2010. The district averaged at a slightly lower rate of 4.4% over the same period. ✓ Average Annual Employment growth (1995 – 2010) – District 3.5% and Kungwini Local Employment 4.0%. ✓ Dominant contribution vested in the retail trade and wholesale sub-sector (94.0% contribution to the Trade sector's GVA).
Dominant Economic Contributions (2010)	<ul style="list-style-type: none"> ✓ Manufacturing – 26.3% ✓ Finance and Business Services– 21.7% ✓ General Government Services – 16.1% ✓ Trade – 12.7% ✓ Transport and Communication Services – 8.1%.

Primary Sector:

- ✓ The real value added by the primary sector increased at a slightly slower pace in 2010 (0.1%) than in 2009.

- ✓ Growth in 2010 moderated to a still-low average annualised rate of 1.4% following a rate of decrease of no more than 1.0% from 2005. This moderation resulted from a slower rate of increase recorded in the agriculture and mining sector.

Secondary Sector:

- ✓ Growth in the real value added by the secondary sector accelerated to an annualised rate of 11.6% in 2010, following a slight increase of 0.1% from the preceding year.
- ✓ The manufacturing sector contributed to the growth in the secondary sector; as this is the only sector recording growth in 2010 when compared to the previous year.

Tertiary Sector:

- ✓ The tertiary sector represent the largest sector within the local economy, with an average contribution of 12.5% in 2010
- ✓ The Finance and Business Sector represents the largest contributing sub sector – characterised by a contribution of 21.7% in 2010

Economic Growth

- ✓ The long run annual growth rate of the local economy averaged at **3.8% between 1995 and 2010**. The district averaged at a slightly lower rate of 2.2% over the same period.
- ✓ The short run economic growth trend of the local economy average 1.9% from 2005 to 2010, and 1.4% for the district economy over the same period.
- ✓ The stronger year-to-year (2003 – 2008) growth mainly reflected a rebound in the real value added by the secondary sector alongside stronger growth in the real value added by the tertiary sector.

Manufacturing Sector

- ✓ The Manufacturing sector contributed 16.8% towards the GVA of the district. Kungwini LM contributed 79.0% towards the GVA of district's manufacturing sector and Nokeng tsa Taemane 21.0%.
- ✓ The district is characterised by a strong local Manufacturing sector, indicating the relative importance of this sector.
- ✓ Most manufacturing and distribution related companies are located in the industrial areas in close proximity to Bronkhorstspuit – Bronkhorstspuit Light Industrial to the north-west of Bronkhorstspuit Town and Ekandustria.
- ✓ The sector also serve as catalyst for supporting economic activities contributing to economic growth within an area and positive spin-off effects on the whole economy.

Trade Sector

- ✓ The Local Economy Trade sector contributed 73.5% towards the Trade Sector of the district economy in 2010.
- ✓ The long run average annual growth rate of the Local Economy Trade Sector averaged at **4.7% between 1995 and 2010**. The district averaged at a slightly lower rate of 4.4% over the same period.
- ✓ Average Annual Employment growth (1995 – 2010) – District 3.5% and Kungwini Local Employment 4.0%.

Final consumption expenditure

- ✓ **Final consumption expenditure** of the local economy obtained an average annual growth rate of **5.1%** over the time period 1995 – 2010.
- ✓ Growth in real disposable income of households moderated from an annualised rate of 4.7% over the time period 1995 - 2010.

The following section provides a demographic overview with regard to the market area concerned.

➤ **DEMOGRAPHIC OVERVIEW – Refer to Chapter 4**

Understanding demographics is imperative to product development and segmentation, especially with regard to understanding trends in the market place. Demography (the study of age, sex, education, family status, life cycle etc.) is an excellent tool for product developers and marketers. The subject therefore plays a key-role in decision-making regarding demand for commercial and residential products.

Table 4: Kleinfontein Indicators, 2011

Variable	Primary Market Area
Socio-Economic Indicators	
Number of people	✓ 980 people
Number of households	✓ 380 households
Household Size	✓ 2.6 people/ household
Racial Distribution	✓ 100% - Whites
Gender Profile	<ul style="list-style-type: none"> ✓ 51.3% - Male ✓ 48.7% - Female
Age profile	<ul style="list-style-type: none"> ✓ Large mature component (78.2%), 16.0% of the market population is between the ages 36 and 50 years and 62.2% is persons between 50 to 81+ years of age ✓ Young economically active age group of between 15 to 35 years of age (11.5%) which is supported by a smaller segment of young and upcoming consumers aged between 0 to 14 years of age (10.3%)
Highest level of education	<ul style="list-style-type: none"> ✓ 84.0% of Kleinfontein population has at least Grade 12 (42.0%) or obtained higher educational levels (42.0%) ✓ A share of 8.0% of the market population aged 20 years and older has some level of secondary education. ✓ 55.4% of household members in Kleinfontein attend pre-primary, primary and secondary schools.
Level of employment	<ul style="list-style-type: none"> ✓ 47.9% of Kleinfontein population are pensioners / retired ✓ 32.4% is employed in permanent positions ✓ 11.3% is employed in temporary jobs ✓ 8.5% are classified as contract workers. ✓ Kleinfontein is characterised by a large segment of pensioners living of monthly pension income. The presence of a large pensioner segment serves as indication lower monthly disposable income available for a specific household. It is anticipated that this could impact on the average monthly household income of Kleinfontein and the qualitative demand for commercial and residential products and services.
Occupation profile	✓ The largest proportion of Kleinfontein population is employed in finance and business and community, social

Variable	Primary Market Area
	and personal services – 27.5% respectively. ✓ Manufacturing (15.0%) ✓ Wholesale and retail trade (7.5%) ✓ Construction (7.5%) ✓ Utilities (7.5%) ✓ Mining (5.0%)
Weighted Average household income distribution (2011)	✓ The largest segment of households within the market area (61.1%) earns an average household income below R153 524. ✓ Evident from above, the market area is split between low to lower-middle income earners and middle income earners ✓ This income distribution is typically evident of a large segment of pensioners that has less average annual disposable income ✓ The income distribution evidently reflect lower demand thresholds that can be met by households ✓ The weighted average annual household income of Kleinfontein is approximately R125 080 per annum, which translates into R10 423 per month (2011 values).

Source: Demacon, 2011

Kleinfontein market profile reveals the following pertinent characteristics:

- ✓ An estimated **980 people or 380 households reside within the Kleinfontein area** in 2011. The average household size amounts to approximately 2.6 members per household.
- ✓ The population is characterised by an anomalous relationship between skills levels and income: extremely high skills levels, coupled with a lower-middle income profile – a typical sign of the socio-economic effects in the aftermath of a change in political regime.
- ✓ Political reform led to a decline in white participation in the public sector labour market. These reforms resulted in the loss of skilled white workers.
- ✓ Older white employees (those 50 and over) were offered “voluntary retrenchment” packages that usually included pension earned to date with some “sweetener” included to expedite the process. This created space for the democratic state to recruit a labour force with which it shared a joint vision of national transformation. This was imperative, given that the democratic state inherited a technocratic labour force with which it shared no common ideology or vision of national transformation. However, as with any (pension) policy terminated prematurely, these packages may have appeared appealing at the time, but were not sufficient for longer term retirement purposes and many of these ‘retirees’ had to attempt to re-enter the job market – however, with a vastly changing new set of rules. Quite a challenge at retirement age.
- ✓ From an economic point of view, these changes in the socio-political landscape also translated into discernible economic and spatial impacts – including the displacement of certain households with previously high levels of disposable income to more affordable locations where real estate values and municipal service charges are lower and more aligned with their adjusted lower disposable income levels.
- ✓ Situated just above the government minimum household income levels to qualify for subsidies / government assistance (R3 500 per household per month for fully subsidised houses and R3500 – R7500 for financed linked product – such as provided for by government in the Cosmo City Development). This situation leaves these households in a peculiar position – very similar to what is presently termed the “gap market” (where household incomes range from R7 500 – R15 000 per household per month).
- ✓ Although decentralized the Kleinfontein development can therefore not be viewed as “high-income” estate by any means.

➤ **LOCATION ANALYSIS– Refer to Chapter 2**

Summary of Characteristics of Metsweding District:

- ✓ District characterised by three dominant urban areas – Bronkhorstspuit, Cullinan and Rayton
- ✓ 80% of land focused towards agricultural activities – emphasis on areas to the north and south
- ✓ Relatively concentrated economic land use base
- ✓ The bulk of the major business activities occur in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton
- ✓ Tourism opportunities vested in the development of the Dinokeng Project – Roodeplaat Dam as well as Bronkhorstspuit Dam
- ✓ Dominant Industrial Node vested in Ekandustria
- ✓ Demand for high and low income residential developments
- ✓ High density development zones vested within the district boundaries include; Bronkhorstspuit and Bronkhorstspuit Dam, Ekandustria, Cullinan/Refilwe, Rayton and Steve Bikoville
- ✓ External pressures from Tshwane and Ekurhuleni Borders – High-income and low-income residential developments, rural residential development and industrial development pressures.

Development Implications for Kleinfontein:

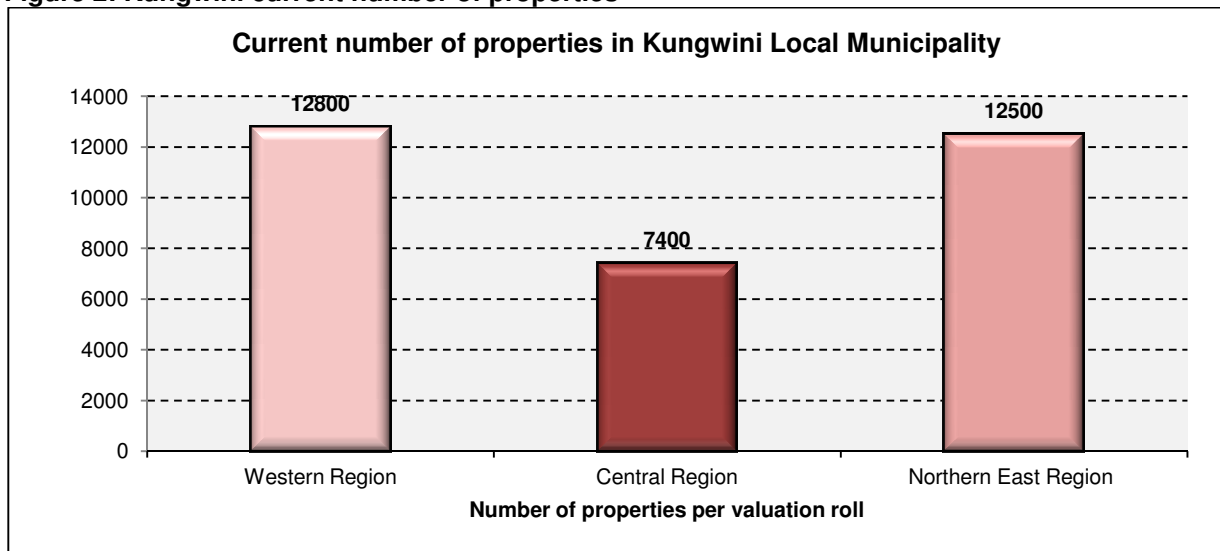
- ✓ From the spatial analysis it is evident that Kleinfontein falls within the West Region of Kungwini Local Municipal area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very high population growth in the West Region is due to the new residential developments occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries.
- ✓ The proximity of the “economic hub” of Gauteng to the west of Kungwini is resulting in the strong growth of the western part of Kungwini. The Kungwini West region has been identified as a development concentration area and should be regarded as a residential nodal area. Very low levels of disposable income is evident in this sub-region and make sustainable development difficult. The main economic sectors currently contributing to local GDP are manufacturing, services, finance and trade.
- ✓ Business/Commercial activities within the area can be categorised as very limited. The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton. Due to increased development pressure on the periphery of these towns, there is great demand for the development of new centres in these peripheries. These centres have the ability of becoming major centres and thus competing with the traditional urban centres.
- ✓ In conclusion, the district is divided into two distinct areas - the areas south of the N4, Bronkhorstspuit, Zithobeni, Ekandustria, Ekangala and rural areas to the North-East are predominantly characterised by higher LSM profiles, compared to the remainder of areas north of the N4. Given the location of Kleinfontein the area reflects moderate to high living standards. It is anticipated that this in conjunction with moderate population densities will result in moderate to high demand densities, resulting in high development potential within this area.

Building Plan Data

Overall it is evident that approximately **1 045 residential building plans are passed per annum within the Kungwini Local Municipal Area**, resulting in the **construction** of approximately **907 residential units** (excluding government subsidised housing). The amount of non-residential floor space approved and built is also indicative of low levels of commercial development pressure within the market area.

Kleinfontein falls within the **West Region of Kungwini Local Municipal** area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very **high population growth** in the West Region is due to the **new residential developments** occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries. The Kungwini West region has been identified as a development concentration area and should be regarded as a **residential nodal area**. The Western Region of Kungwini Local Municipality has **high growth potential** due to its proximity to Tshwane and its access to services. The up-market western suburbs of Silver Lakes and Mooikloof play a **major role in the local economy of Kungwini (now part of Tshwane)**.

Figure 2: Kungwini current number of properties



Source: Demacon Ex. Kungwini Valuation Roll 2010

Table 5: Kleinfontein Location Assessment Findings

Land Use	Score
Residential	75.2%
Retail	74.3%
Light Industrial	68.3%
Offices	66.3%
Private Medical Centre	61.2%
Private School	60.1%

Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful development are in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

Overall, it is evident that the most important fundamentals are in place for successful residential and retail development. Some critical factors may be lacking for successful development of offices, medical and private school uses. The emphasis should be on low-key facilities that cater to the needs of the local population.

These ratings seem very favourable to development in Kleinfontein. However, initial indicators and private sector investment prospects will be framed by local market size. Given the benchmark of 100 000 people within a 10km radius, and in the case of Kleinfontein only 980 people, it is anticipated that private sector investment potential will be extremely limited.

➤ MARKET POTENTIAL ANALYSIS

Social facilities

Given the small population of Kleinfontein, demand for social facilities will be limited. Table 6 provides an overview of the social facility demand. It is evident that social facilities will not be sustainable within Kleinfontein.

Table 6: Social Facility Market Gap

	Parameter – Population per facility	Minimum	Maximum
Crèche	5000	0.20	0.00
Primary School	5000	0.20	0.10
Secondary School	6600	0.15	0.15
Clinic	5000	0.20	0.04
Day-Hospital	10000	0.10	0.05
Community Hospital	80000	0.01	0.02
Library	10000	0.10	0.00
Community Centre	10000	0.10	0.05
Sports Stadium	50000	0.02	0.06
Post Office	11000	0.09	0.00
Police Station	25000	0.04	0.01
Fire Station	60000	0.02	0.02
Sport Fields	7700	0.13	0.08
Public Open Space	1000	0.99	0.05

Note: Parameter reflects the number of people required to support development of a specific facility

Source: Demacon, 2011

Evidently, the Kleinfontein development with its further expansion potential does not warrant the imposing of conditions of social facility supply as the population threshold does not warrant sizable investment in this respect.

Residential

✓ **Gap Analysis**



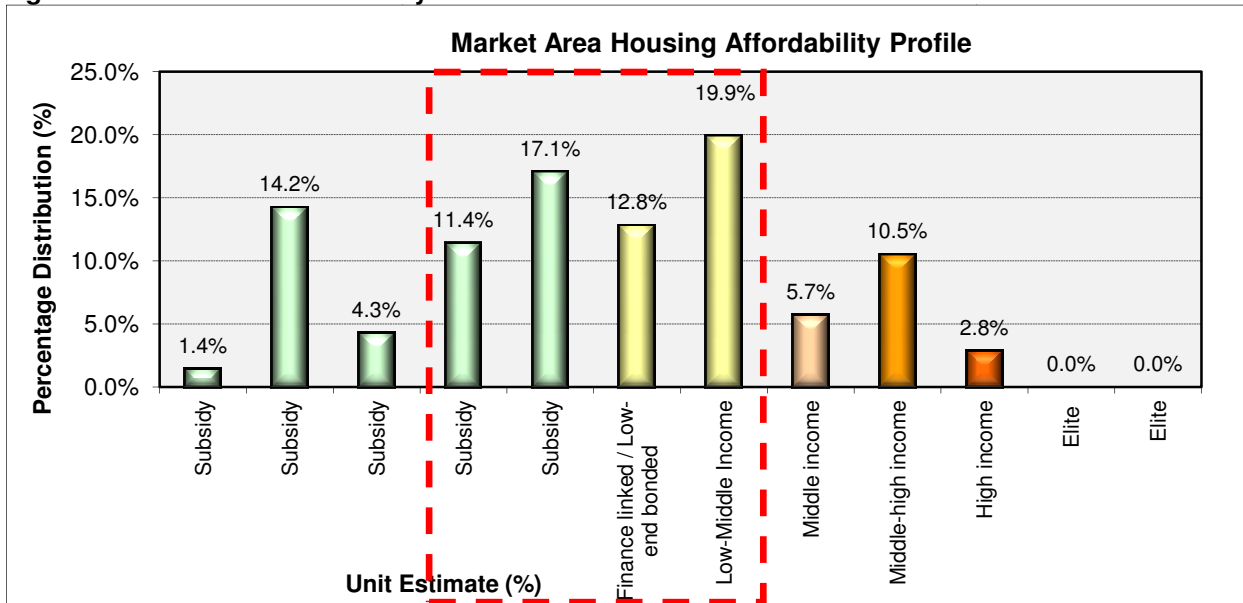
✓ **Residential Market Development Potential**

Table 7: Residential Affordability Profile

Income Midpoint 2011 (R)	House Price (Midpoint)	Distribution	Classification
R 0	R 0	48.3%	Freestanding low cost home
R 3,072	R 9,469		Freestanding low cost home
R 9,217	R 28,408		Freestanding low cost home
R 18,434	R 56,815		Freestanding low cost home
R 36,867	R 113,628		Freestanding low cost home
R 73,734	R 227,254	12.8%	Gap & Entry level Economic Freestanding / Group
R 147,466	R 454,506	19.9%	Low-Middle Income
R 294,932	R 909,009	5.7%	Middle Income
R 589,864	R 1,818,016	10.5%	Middle-high income
R 1,179,727	R 3,636,031	2.8%	High income
R 2,359,452	R 7,272,060	0.0%	Elite
R 3,173,074	R 9,779,720		Gap & Entry level Economic Freestanding / Group

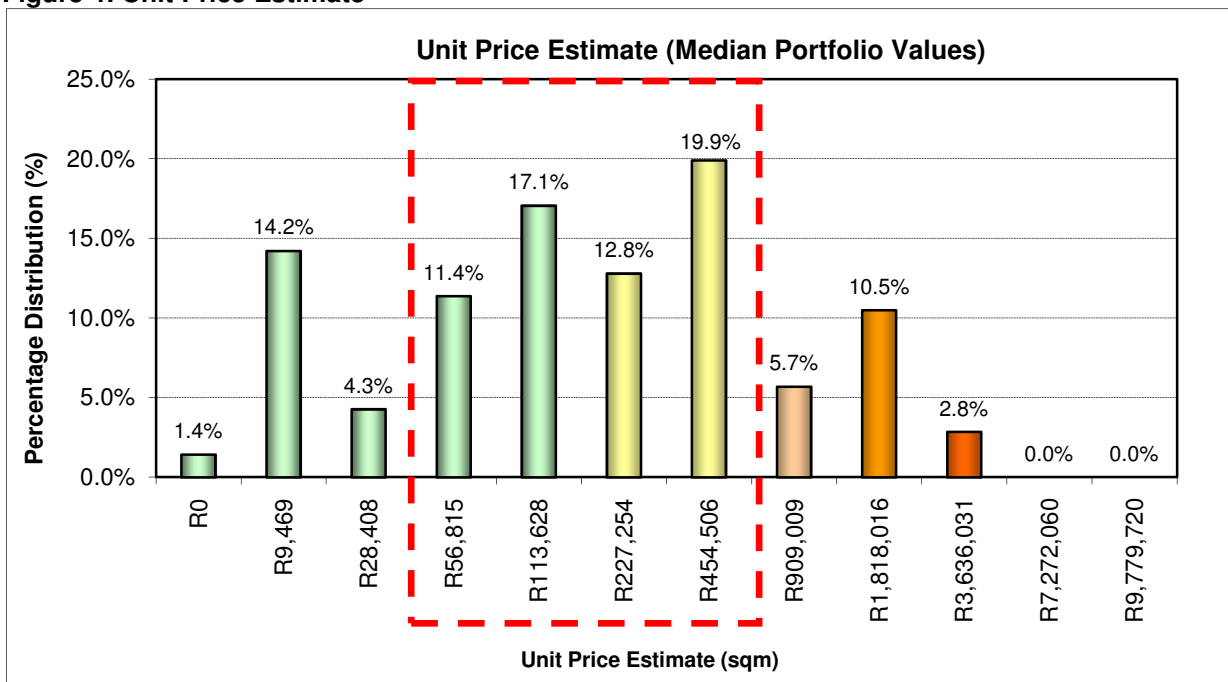
Source: Demacon, 2011

Figure 3: Residential Affordability Profile



Source: Demacon, 2011

Figure 4: Unit Price Estimate



Source: Demacon, 2011

✓ **Project Size and Anticipated Take-Up**

Table 8 indicates the current market performance and the market share that the proposed project could attract.

Table 8: Summary of Market Recommendations

TOTAL MARKET			
A	Additional HH 2011 to 2016		285
B	Annualised Market growth (full housing spectrum)		48
C	Credit-linked and Bonded Segment		51.7%
D	Credit-linked and Bonded Segment take-up per annum		25
E	Annual secondary market contribution (units / annum)	Min	1

F		Max	1
G	Total annual new Credit-linked and Bonded Segment	Min	25
H		Max	25
PROJECT SPECIFIC			
I	Project Credit-linked and Bonded Segment Units		744
J	Forecast market share of total market sales	Min	100%
K		Max	100%
L		Min	25
M	Project forecast total annual take-up rate (units / annum)	Max	25
N	Years to 80% take-up (Credit-linked and Bonded Segment units)	Min	29.4
O		Max	29.6
P		Avg	29.5

Explanatory Notes:

A = increase in demand for new rental units, 2011 – 2016

B = Annualised market growth, i.e. of A/5

D = B x C

E & F = Annual secondary market contribution (i.e. the contribution made by re-sales in the target affordability income brackets)

G & H = Annual new credit-linked and bonded demand; D + E and D + F

I = Project credit-linked and bonded units

J & K = assumed market share of market area

L = G x J

M = H x K

N = I / L

O = I / M

- ✓ The modelling portrays demand and take-up based on market growth trends.
- ✓ Table 6.3 shows two sections, 1) total market and 2) project specific. Between 2011 and 2016 an estimated 285 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 48 units per annum (across the full housing spectrum).
- ✓ Under present market conditions, the credit-linked and bonded segment (51.7%) will yield a take-up rate of 25 units per annum.
- ✓ Given a take-up rate of 10 years, it is estimated that 744 credit-linked and bonded units could be absorbed within Kleinfontein settlement – emphasis on long-term take-up prospects.

Phasing and Composition

- ✓ It is recommended that the project should be developed in phases. The first phase should focus on the first ten years – 200 units
- ✓ Top Structures: From 40m²
- ✓ Stand Sizes: From 150m² to 400m² - can also include a number of larger stands
- ✓ Value: Priced from R220K to R900K.

Retail Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Convenience Retail	Yes	Medium to High

✓ **Recommendations**

Based on the demand modelling results, the following table indicates the recommended retail options.

Table 9: Recommended centre options

	Community Centre (Rand / sqm)
Market size (2011) – annual consumer retail spend	R 54,205,171
Optimum retail size (m² GLA) – including banking & services	1 723m²
Annual sales potential	R35,214,072
Employment opportunities (on site)	57
Capital investment	R13,097,143
Parking bays required	69
Parking infrastructure & landscaping cost	R1,827,810

- ✓ It is recommended that the proposed centre should represent a convenience type centre of approximately 1 723m² GLA.
- ✓ The centre could have an annual sales potential of R37.2 million and could create ±57 permanent on-site jobs.
- ✓ It will represent a convenience type retail centre consisting of 5 to 25 shops
- ✓ Main tenants could include a supermarket and a few convenience stores
- ✓ Ample paved parking should be provided at a ratio of 4 bays per 100m² retail GLA.
- ✓ Performance will be dependent on, *inter alia*, appropriate tenant composition.

Office Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Small Office Component	Yes	Very Low

Table 10: Office Floor Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Finance & Insurance (sqm GLA)	5,844	12,636	18,773
Business services (sqm GLA)	58,235	125,524	187,794
TOTAL: Kungwini	64,079	138,160	206,567
Project Market Share (average development potential)	961	2,072	3,099

Source: Demacon Office Space Demand Model, 2011

Table 11: Recommended Size

Recommended Sizes	Rand per annum / m ²
Size of development (sqm) (up to 2017)	961m ²
Office Capital investment (2011 NPV)	R8,4 million
Employment opportunities	48
Parking bays required	38
Parking infrastructure & landscaping cost (2011 NPV)	R3,5 million
Point of Market Entry	2012 / 2013

Source: Demacon Office Space Demand Model, 2011

✓ **Recommendations:**

- ✓ Market demand for office floor space as part of the Kleinfontein settlement node increases cumulatively from **961m²GLA in 2017 to 2 072m²GLA in 2022.**

- ✓ It is recommended that the settlement should accommodate an office component of approximately **1 000m²GLA – 2 000m² GLA**, with point of market entry at approximately 2016/2017.
- ✓ This should represent a low-key office development (low rise office development) focused on accommodating small office functions predominantly servicing the community itself – example: professional services, business centre, estate agency, medical practitioners etc.
- ✓ This could be developed adjacent to the proposed retail centre.

Light Industrial Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Light Industrial, storage and warehousing	Yes	Medium

Table 12: Industrial Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Total Manufacturing (Hectares)	3.55	10.57	16.91
Total Warehousing (Hectares)	5.37	16.78	27.72
TOTAL: Kungwini	8.92	27.35	44.64
Project Market Share (average development potential)	0.67	2.05	3.35

Source: Demacon Office Space Demand Model, 2011

Table 13: Recommended Size

Recommended Sizes	Rand per annum / m²
Size of development (sqm) (up to 2017)	10,257m² / 2.05ha
Industrial Capital investment (2011 NPV)	R46,1 million
Employment opportunities	293
Parking bays required	205
Parking infrastructure & landscaping cost (2011 NPV)	R18,9 million
Point of Market Entry	2017

Source: Demacon Light Industrial Space Demand Model, 2011

✓ **Recommendations:**

- ✓ Market demand for light industrial floor space as part of the Kleinfontein settlement node increases cumulatively from **0.67ha in 2017 to 2.05ha in 2022**
- ✓ It is recommended that the settlement should accommodate a light industrial component of approximately **10 257m²GLA/2.05ha**, with point of market entry at approximately 2016/2017.
- ✓ It should represent a combination of light industrial floor space, storage and warehousing opportunities.

School Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
School	Yes	Medium

Table 14: School demand

Cumulative Additional Space Demand	2016	Up to 2021	Up to 2026
Ages 5 - 9	42	74	130
Ages 10 - 14	59	103	182
Ages 15 - 19	55	97	170
Project Market Share (Number of Pupils)	156	274	483

Source: Demacon School Demand Model, 2011

✓ **Recommendations:**

- ✓ It can be concluded that there is a demand for an additional school in Kleinfontein – average development potential reflect a school of 156 children to be accommodated in 2016
- ✓ It is recommended that a secondary phase be included as part of the development. The secondary phase could make provision for selected specialist services (for instance a specialist sport academy).

Private Medical Facility

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Day Clinic	Yes	Medium

✓ **Recommendations:**

Table 15: Medical Market Potential Assessment

MARKET POTENTIAL ASSESSMENT			
MARKET DEMAND (LSM 6 - 10+)			
PRIMARY DEMAND	2011	2016	2021
2011 Medically insured population (people)	980	1,724	3,035
Additional units per annum		149	262
Population growth rate (% / annum - compound growth)	12%	12%	12%
beds / 1000 population medically insured (private beds) - LSM 6-10+	6.8	6.8	6.8
Private beds in demand (LSM 6-10+)	7	12	21
TOTAL MARKET DEMAND			
Number of beds (private beds)	7	12	21
MARKET POTENTIAL			
Net effective demand (residual market capacity - additional beds)	7	12	21
Market share (% market share of total beds for facility)	60%	60%	60%
Market potential (total number of viable beds for facility)	4	7	12
Project specific additional area requirement (sqm hospital floor space)	300	528	929

From the findings it is recommended that a **day clinic** be developed with a capacity of approximately **7 beds (2016)** and provide various levels of care as well as a series of services.

Development Considerations:

Independent Consulting Rooms:

- ✓ The facility could be part of the day clinic and could include one or more independent practitioners to see ambulatory patients for consultation, examination, investigation and treatment.
- ✓ Specialist consulting rooms – one or more professionals register as medical practitioners and who are registered as specialists deliver health services
- ✓ Registered practitioner consulting rooms – where one or more professionals registered in any of the allied health professions deliver health services

Level of Care:

- ✓ **Day Care:** Treatment, observation or assessment that requires an extended stay, usually beyond the treatment or consultation as an outpatient, but less than 1 day. Day care patients do not get counted in midnight bed count.

Frail Care Facility:

- ✓ Two, three and four bedded wards offering residents full 24 hour nursing care with all daily activities. A few single rooms offering resident more privacy.
- ✓ Caring matrons should be on duty each day to attend to the well being of each resident. Outings and entertainment could also be arranged. Temporary care should be available for residents and for non-residents wishing to recuperate or rehabilitate after an illness or surgery.
- ✓ 24 Hour nursing care facility with experienced nursing staff.
- ✓ **Features to be provided:**
 - Recreation centre
 - Library
 - Hairdresser
 - Tranquil gardens for residents to relax in
 - All meals and laundry provided
 - Podiatrist and Physiotherapist visits
 - Cozy lounges for residents to receive their visitors
 - Weekly entertainment arranged.

Land budget

Table 17 illustrates the spatial recommendations for economic uses that could be included as part of the development.

Table 17: Land Budget

Land use	Size	Net demand up to 2016	Surplus buffer (20 - 30%)	Roads, etc (20%)
Economic Uses				
Residential	744 units	18.60	22.32	27.9
Retail	1,723	0.52	0.62	0.8
Offices	2,072	0.35	0.41	0.5
Industrial	10,257	2.05	2.46	3.1
Day Clinic	528	0.09	0.11	0.1
School	600	0.60	0.72	0.9
Hectare Take-up	15,180	22.20	26.64	33.3

Source: Demacon, 2011

In order to accommodate the economic uses a total of 33.3 ha will be required. Depending on residential density the proposed expansion will require a net area of at least 30ha – 35 ha.

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

Chapter one provides an introduction and concise roadmap of *the Kleinfontein Mixed Use Development*. The chapter also provides concise background to the project, a study area description as well as a report outline.

1.2 PROJECT BRIEF AND METHODOLOGY

Demacon Market Studies were commissioned by **Plan Practice**, to perform in-depth market research to assess the development potential and optimum mix (“Highest and Best Use”) of ancillary facilities for a mixed use development in Kleinfontein, east of Pretoria.

Kleinfontein is an existing settlement which incorporates certain **existing land uses**, including small scale retail, residential, retirement facilities, a caravan park, etc. It is understood that the purpose of the exercise is twofold: *first and foremost* to **formalise existing facilities**; and *secondly*, to plan and provide for **future growth and expansion** in a balanced, harmonious way.

It is our understanding that a comprehensive mixed use market study is required to inform strategic planning and investment decisions regarding the formalisation and future expansion of the Kleinfontein mixed use development east of Pretoria in the Donkerhoek area. It is understood that our assessment should focus, in particular on three project components.

✓ Methodology

Within the context of the research brief, market research for the **Kleinfontein Mixed Use Development** will be structured in terms of the following main steps.

- ✓ Step 1: Project Inception
- ✓ Step 2: Macro & Micro Market Analysis
- ✓ Step 3: Market Potential assessment and implications
- ✓ Step 4: Development Recommendations.

Step 1: Step 1 entails a refinement of the project brief, timeframe and deliverables. Relevant base data and documents will be collated and site-specific detail acquired from the client.

Step 2: Macro & Micro Market Analysis analysed development trends in terms of key indicators, including economic drivers, detailed demographics, e.g. income & LSM profiling. The assessment included nodal development trends, including anticipated impact of turnkey **medium term interventions**, housing developments, road upgrades, commercial nodes, etc in the larger market area.

The local **Spatial Development Framework** was analysed in terms of its vision for the project area. Trade area based growth trends and residential expansion proposals were factored into a *5 and 10 year market demand forecast*. **The objective** was to analyse the market in the context of regional nodal development trends and to provide strategic input with regard to forecast market growth, nodal expansion potential and growth in optimum consumer demand thresholds.

Step 3: Sector-specific instruments will be applied to estimate current market potential and future growth, as well as take-up rates, taking due cognisance of strategic location and sub-regional economic drivers. Based on the above target market analysis, *residential effective*

demand and take-up / sales rates was forecasted, including the optimum point of market entry and indicative incremental phasing.

Step 4: Market based development recommendations was made with regard to market potential for various project components that form part of the Kleinfontein mixed use development, including residential, retirement facilities and localized convenience retail.

In the context of the concise project brief and subsequent discussion, a market study is required to provide market based data and recommendations in terms of, *inter alia*:

- ✓ Demographic status quo and trends of Kleinfontein, including number of households, affordability profiles, etc.
- ✓ Economic status quo and trends, including main economic drivers in the region
- ✓ Location analysis, including proximity to amenities
- ✓ SDF / Urban Design Framework Alignment
- ✓ Catalytic effect of new projects in the larger market area
- ✓ Market activity and growth, including residential activity, sales and pricing analysis (current values, i.e. most recent market activity)
- ✓ Forecast take-up rates
- ✓ Extrapolated market profile, i.e. future resident population
- ✓ Corresponding product offer and type
- ✓ Timing / phased implementation and optimum point of market entry
- ✓ Future demand thresholds
- ✓ Market potential assessment (including 5 and 10 year growth forecast)
- ✓ Recommendations, including optimum project mix and detailed recommendations.

Demacon's approach is purely market based and we will apply our extensive involvement as well as recent research and market intelligence on the subject matter to complement the market study.

1.3 KLEINFONTEIN OVERVIEW

Following the Great Trek, Boer pioneers expressed a drive for self determination and independence through the establishment of several Boer Republics during the 19th century. Two Boer pioneers applied for a loan in 1992 for Kleinfontein farm, 30km south-east of Pretoria, to establish an independent Boer Republic. The first two houses was built and completed in 1996 by residents of Kleinfontein. After this, Kleinfontein expanded at a fast rate, from the original 500ha to almost 860ha today, stretching from the N4 to Boschkop gravel road. It is estimated that approximately 900 Afrikaners is present on Kleinfontein during the day whereas almost 650 of these are permanent residents.

Kleinfontein has the following pertinent characteristics:

- ✓ Dispersed settlement with low population densities
- ✓ Moderate living standard levels underlined by moderately low demand densities
- ✓ Kleinfontein reflect limited to no private sector investment
- ✓ Kleinfontein reflect small business development predominantly in the nature of some small-scale formal businesses and home based businesses.
- ✓ The school receives minimal subsidisation from the government and is therefore dependent on donations from students' parents as well as incessant fund raising projects to generate enough money to keep it alive.

1.5 REPORT OUTLINE

The remainder of the report is structured in terms of the following main headings:

Chapter 2: Location Analysis

Chapter 3: Economic Market Overview

Chapter 4: Demographic Market Overview

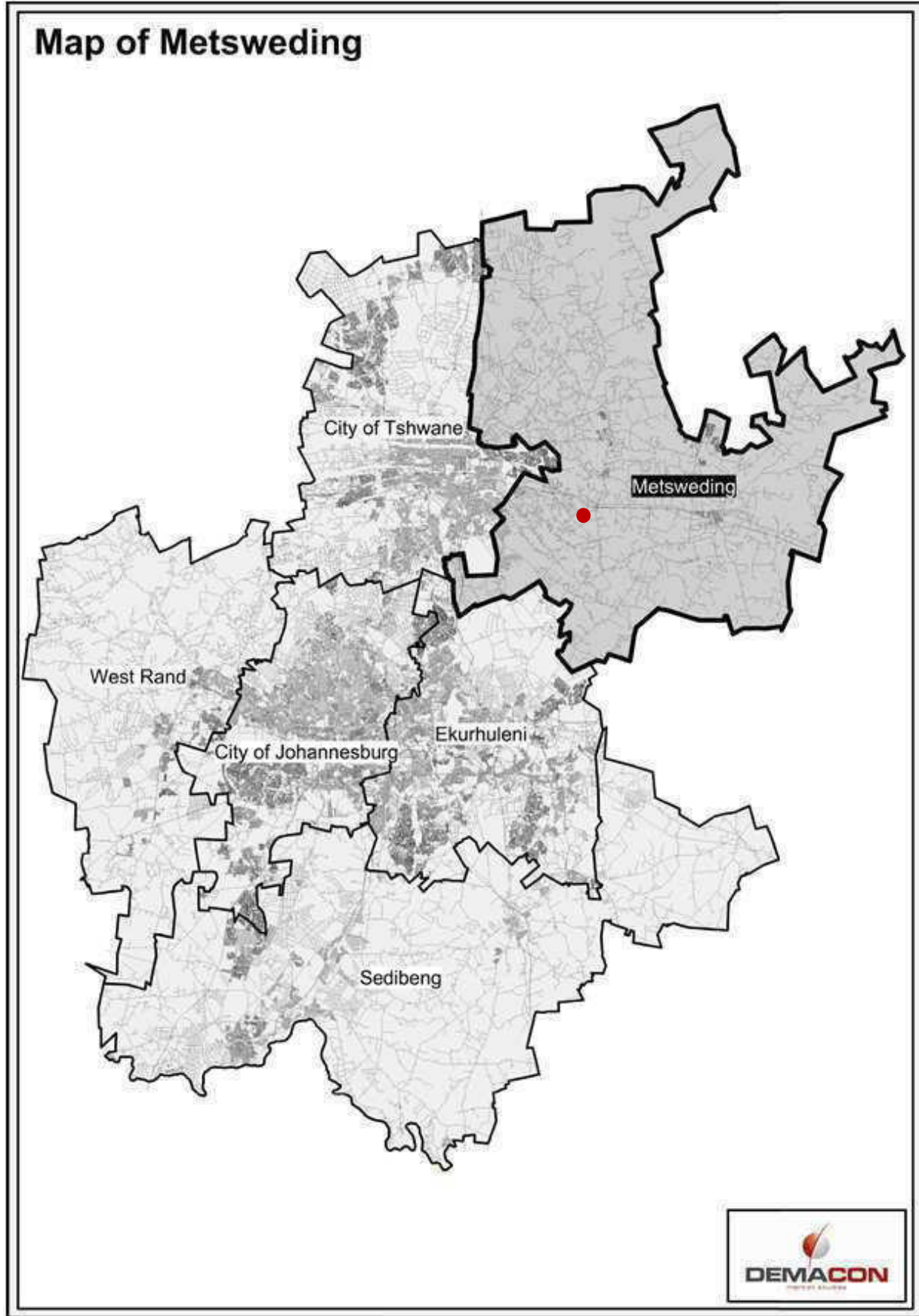
Chapter 5: Qualitative Overview of Kleinfontein

Chapter 6: Kleinfontein Growth Trends and Development Prospects

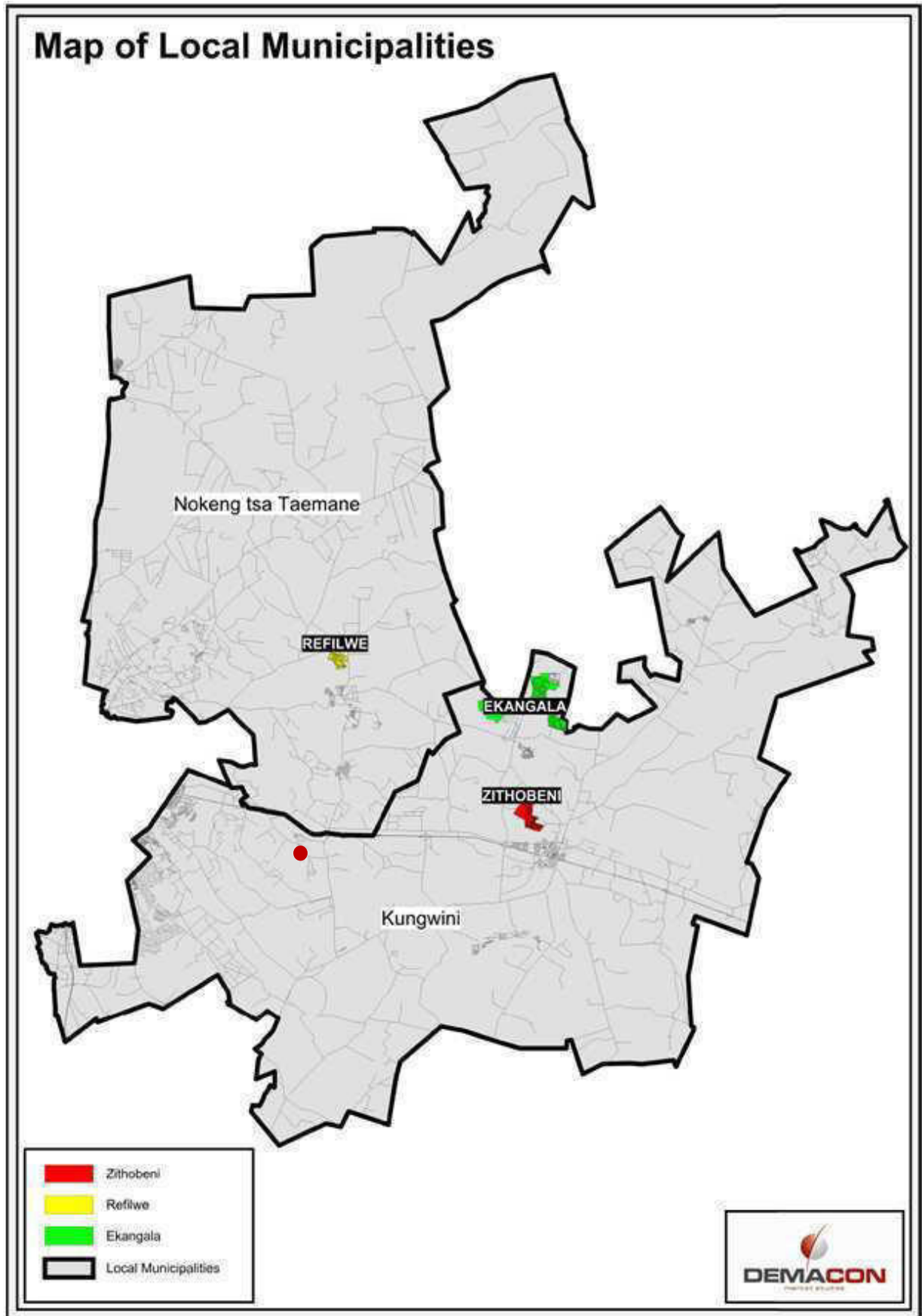
Chapter 7: Development Recommendations.

The following Chapter focuses on the location aspects in the market with the objective of estimating the development potential within the designated area.

Map 1.1: Location of Metsweding District Municipality within Gauteng Province



Map 1.2: Location of Local Municipal Areas



CHAPTER 2: LOCATION ANALYSIS

2.1 INTRODUCTION

This chapter focuses on the location aspects in the market with the objective of estimating the development potential within the designated area.

Market potential is influenced by; *inter alia*, the characteristics of Kleinfontein. Certain types of developments each have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, the site evaluation model is utilised. The study area falls within the Metsweding District Area – Kungwini Local Municipality. The purpose of this chapter is three folded:

- ✓ Firstly, to provide some regional context to the spatial reality in which the study area is located,
- ✓ Secondly, to provide an overview of the existing spatial development guidelines and projects applicable to the area,
- ✓ Thirdly, to provide a more detailed status quo profile for the study area and key focus nodes.

2.2 REGIONAL / DISTRICT CONTEXTUAL PERSPECTIVE

Metsweding District - Metsweding was integrated into Tshwane from May 2011.

The Metsweding District Municipality (also referred to as Metsweding) was established as a category C municipality in terms of section 155(1)(c) of the Constitution of the Republic of South Africa and demarcated as such in terms of the Local Government: Municipal Demarcation Act, 1998. The district is situated in the north eastern area of the Gauteng Province and is under the administrative area of the Gauteng Provincial Government.

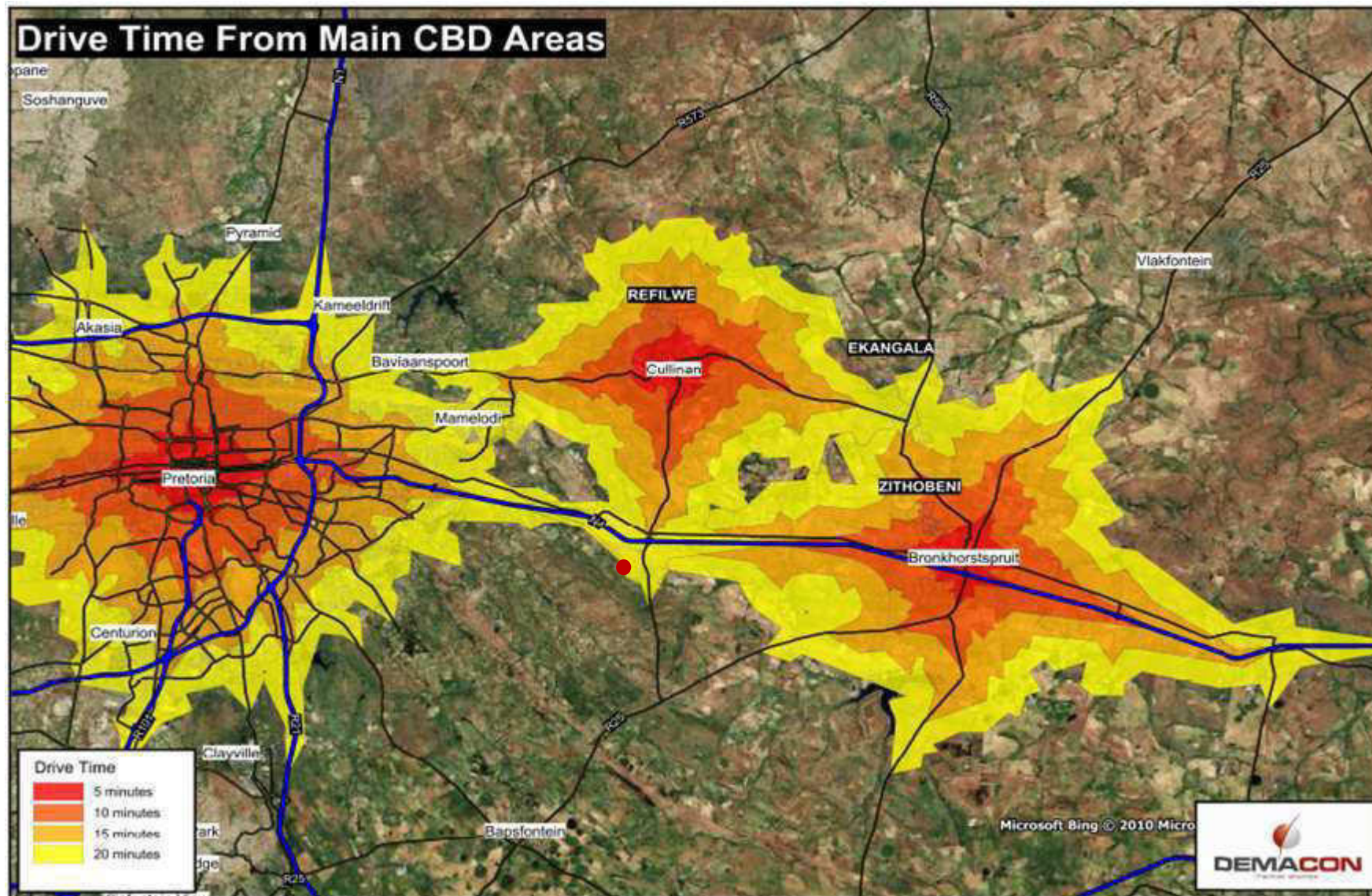
Metsweding borders Tshwane in the west, Ekurhuleni in the southwest, Waterberg District Municipality which is on the northwest of the district and located in the Limpopo Province, Nkangala District Municipality which form the north and southeast borders of the district on the Mpumalanga Province side – (Refer to Map 1.1 in the previous Chapter).

Metsweding consists of two local municipal areas – Nokeng Tsa Taemane and Kungwini.

Nokeng Tsa Taemane Local Municipality (NTTLM) is located in the north eastern part of Gauteng Province. It is approximately 45km from the City centre of Tshwane. To the north, the municipality is bordered by Limpopo Province especially Belabela Municipality linked by the N1 North in the South Northern direction. In the eastern side the municipality is bordered by Mpumalanga province where Thembisile Local Municipality is situated. In the South and still within the district area, the municipality is bordered by Kungwini Local Municipality and more crucially the N4 Road linking the municipality with the city of Tshwane in the east-west direction located within the Maputo Development Corridor which is in the N12 direction parallel.

Kungwini Local Municipality is situated on the north-eastern side of the Gauteng province. The municipality shares the boundary with the Tshwane Metropolitan Council on the west and the Emalaheni Local Municipality to the east, Delmas local municipality to the south, Thembisile Local municipality to the north-east and Ekurhuleni Metropolitan Council to the south-west. It consists predominantly of the areas of Bronkhorstpruit, Ekangala, Kungwini and Rethabiseng.

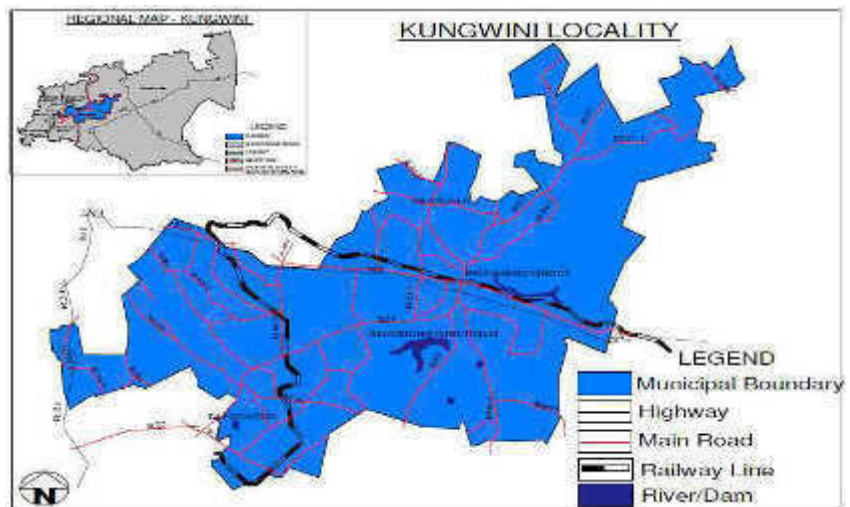
Map 2.1: Drive Time Map



2.3 KUNGWINI LOCAL MUNICIPAL AREA

2.3.1 Overview

From a regional context, Kungwini Local Municipality is well connected by road and is within 30 minutes' commuting distance to Olivier Tambo International Airport and Waterkloof International Airport. The N4 national highway (Maputo Corridor) traverses the municipal area running from east to west. This highway passes Bronkhorstspuit in Kungwini, connecting Botswana in the west, passing through the



Tshwane Metropolitan Area in Gauteng, Witbank, Middleburg, Belfast and Nelspruit in Mpumalanga and Maputo to the east. The R25 is also an important road linkage transversing the area diagonally from south to north. The significance of these major corridors for development cannot be ignored as they not only provide good access to the Kungwini area, but provided “trade lifelines” for goods and services of the area to support the development of the local economy. The railway line parallel to the highway forms a strong spatial structuring element of the municipality.

Kungwini has divided the municipal area into three regions namely West, North East and Central.

Kungwini West Region comprises the following areas:

- ✓ Bashewa AH
- ✓ Cullinan (SH)
- ✓ Donkerhoek SH
- ✓ Doornkloof SH
- ✓ Silver Lakes
- ✓ Mooikloof
- ✓ Mooikloof SH
- ✓ Mooiplaas SH
- ✓ Olympus AH
- ✓ Shere AH
- ✓ Tierpoort AH
- ✓ Valtaki (AH)
- ✓ Tweedracht AH.

Kungwini North East Region comprises:

- ✓ Ekangala
- ✓ Rethabiseng
- ✓ Ekandustria
- ✓ Sokhulumi.

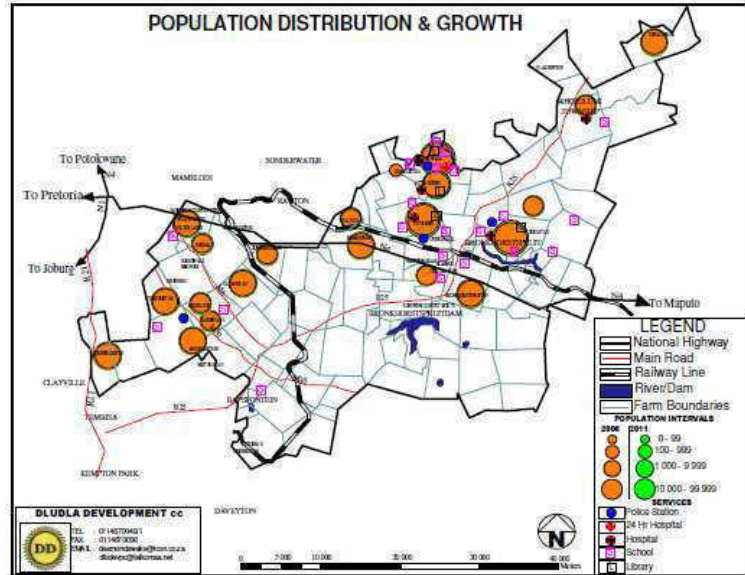
Kungwini Central Region comprises:

- ✓ Bronkhorstspuit
- ✓ Bronkhorstspuit Plots
- ✓ Cultura Park

- ✓ Sehlakwana
- ✓ Valtaki AH
- ✓ Riamar Park
- ✓ Valtaki AH
- ✓ Zithobeni
- ✓ Bronkhorstpruitbaai (dam area).

The central region has the bulk of the population at 43.9%, followed by North East Region at 34.7% and lastly the Western Region at 21,2%. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region, 20.5% for the North East and 18.3% for the Central Region.

The very high population growth in the West Region is due to the new residential developments occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries. The 20.5% population growth experienced in the North East Region is mainly attributable to the informal settlements occurring around Ekangala and Rethabiseng.



The 18.3% population growth is attributable to new residential townships around Bronkhorstpruit, such as China City, and informal settlements occurring in Zithabeni. The Central and North East Region account for the majority of informal households. Informal settlements occurring in the farms are not accurately recorded.

2.3.2 Contextual Analysis & Key Issues

Analysis

- ✓ The proximity of the “economic hub” of Gauteng to the west of Kungwini is resulting in the strong growth of the western part of Kungwini.
- ✓ Official population and other statistics are unreliable as an indicator of spatial development.
- ✓ Bronkhorstpruit functions as the main mixed use node for the Municipal area.
- ✓ The N4 Platinum Corridor, R25 Provincial Road and existing rail line are strong “corridors” and spatial structuring elements in the area.
- ✓ The industrial area of Ekandustria and the large residential population of Ekangala nearby will need to be considered in the strategic “tradeoffs” that may need to be made between servicing existing populations and the ideal spatial structure for future development.
- ✓ The spread of informal settlements due to farm displacements and evictions is creating further pressure on the need for social infrastructure and housing.

Key Issues

- ✓ Rapid “unbalanced” development of the western part of Kungwini which must be addressed.
- ✓ Reliable socio-economic data required for focused integrated development.
- ✓ Reinforcement of Bronkhorstpruit as the central node of the study area.
- ✓ Existing nodes and corridors need to be reinforced

2.3.3 Infrastructural Perspective

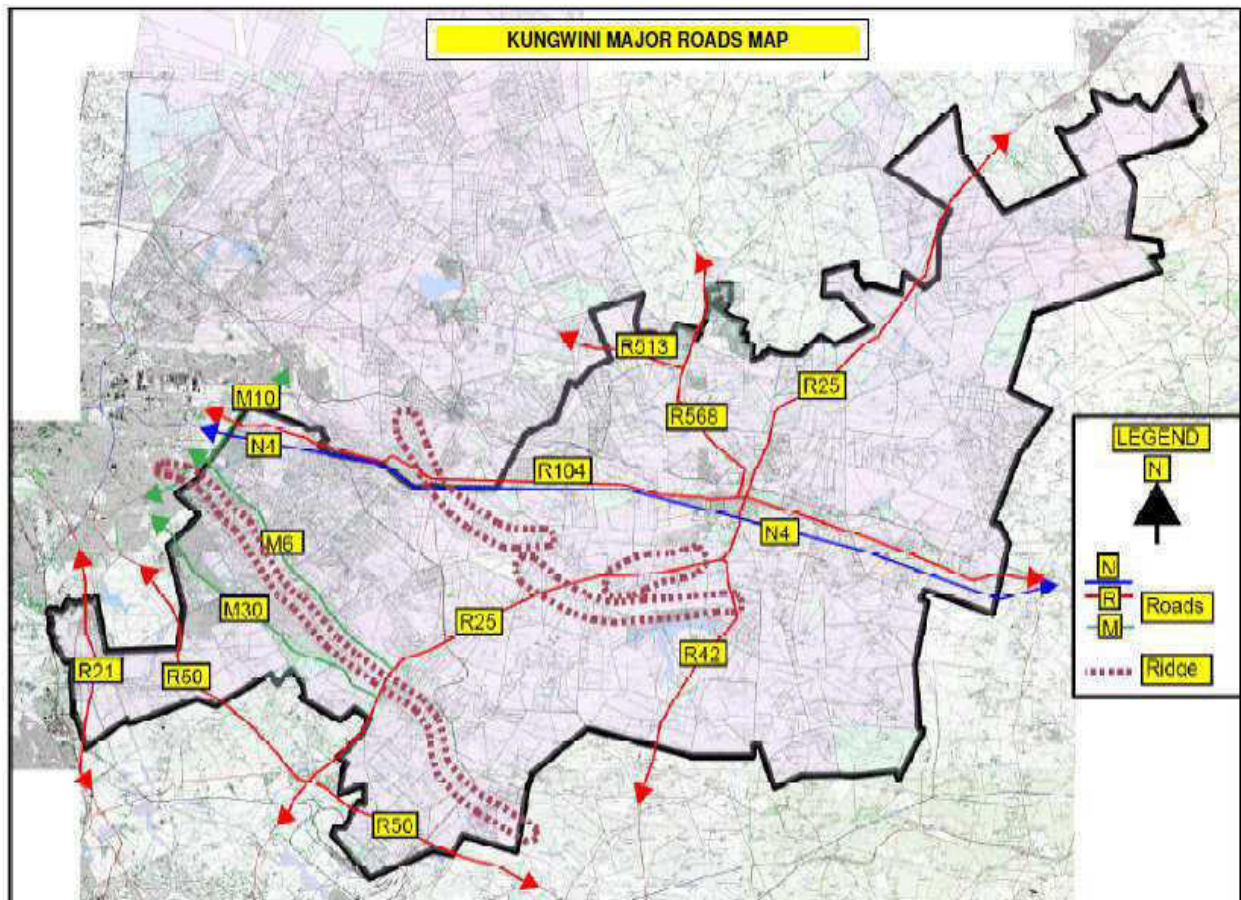
Transportation

- ✓ Emphasis is placed on road transport as this is the dominant mode of transport in the study area.
- ✓ The municipal area is characterised by excellent regional accessibility. The major transport corridor is the N4 freeway which traverses Kungwini in an east-west direction. A secondary corridor is the north-south R25 Provincial road.
- ✓ The road network in Metsweding District Municipality comprises approximately 5 000km of roads (MDM's Integrated Transportation Plan, 2004). The Kungwini Local Municipality road network is about 1 900 km. Most roads in the informal areas are gravel roads (56%).

Some of the major routes within the study area are as follows:

- ✓ The N4 freeway traverses the area in an east-west direction.
- ✓ The R25 Provincial Road serves the eastern part of Kungwini and the south-east between Bronkhorstspruit/Sokhulumi and Kanana/Bapsfontein. This route also links the area with O.R. Tambo International Airport.
- ✓ The R104 Provincial Road R104 runs through Kungwini in an east-west direction parallel to the N4. This route links the Kungwini Local Municipality with Emalahleni Local Municipality to the east and Tshwane to the west.
- ✓ The north-south access is provided by the R175 and R670 Provincial roads, linking Kungwini Local Municipality with Thembisile Local Municipality to the north and Ekurhuleni to the south-west.
- ✓ The R175 road links the industrial area of Ekandustria with O.R. Tambo International Airport.

Map 2.2: Kungwini Major Roads Map



2.3.4 Spatial Structure

Kungwini Central Region

The most dominant land use in the Kungwini area is agriculture, but although agriculture accounts for approximately 80% of the land use in the area, it only contributes approximately 3.7% to the total economy. The bulk of production within the agriculture sector takes place on privately owned commercial farms, notably farms around Bronkhorstspuit.

Bronkhorstspuit is rich in heritage resources. The tourism industry in the area is regarded as small, but developing. Well known tourist attractions in the area include the following:

- ✓ Bronkhorstspuit Dam
- ✓ Various Nature Reserves
- ✓ Conference and accommodation facilities
- ✓ Sizanani Cultural village
- ✓ The Nan Hua Buddhist Temple.

Bronkhorstspuit Dam is the major water resource for the Central and North east regions of Kungwini, as well as for other municipalities to the east of the municipal area. Most manufacturing and distribution related companies are located in the industrial areas in close



Bronkhorstspuit Dam



The largest Buddhist Temple in Africa: Nan Hua Buddhist Temple

proximity to Bronkhorstspuit i.e. Bronkhorstspuit Light Industrial to the north-west of the town Bronkhorstspuit and Ekandustria. Zithobeni is the main outlying residential township development within the Bronkhorstspuit activity node.

Kungwini North East Region

- ✓ The Kungwini North East region is mostly dominated by industrial areas of Ekandustria.
- ✓ Ekandustria is also regarded as being the economic hub of Kungwini.
- ✓ As in the Bronkhorstspuit light industrial area, manufacturing is also carried out in Ekandustria.
- ✓ The region comprises two township residential areas i.e. Ekangala and Rethabiseng.



Kungwini West Region

The Kungwini West region has been identified as a development concentration area and should be regarded as a residential nodal area. This region includes:

- ✓ Silver Lakes
- ✓ Willow Acres
- ✓ Mooikloof
- ✓ Bronberg
- ✓ Boardwalk

✓ Rietfontein Ridge.

This region is situated on the western section of the municipal periphery, sharing a boundary with Tshwane Metropolitan Municipality. As a result of this location, engineering services contributions are divided between the adjacent municipalities.



2.3.5 Spatial Key Structuring Elements

- ✓ As illustrated on the map below, more than 80% of the land in Kungwini is used for agriculture, yet this sector contributes only 3% to the local Gross Domestic Product. (LGDP). Manufacturing services, while using less than 5% of the land, are responsible for 57% of the local economy.

Factors affecting the spatial development of Kungwini include the following:

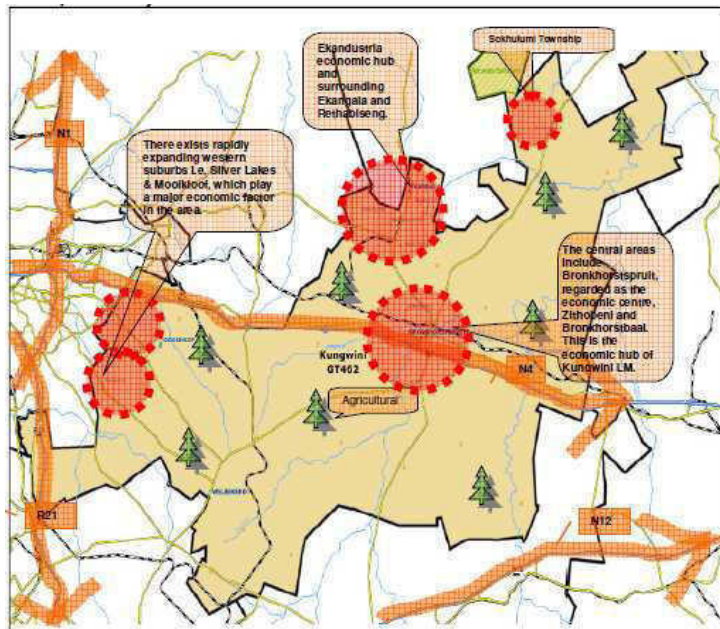
- ✓ The disparate location of urban settlements (Bronkhorstspuit, Ekangala, Ekandustria and Silverlakes) influences the spatial arrangement of the area negatively as it cannot be planned as one consolidated and compact unit.

- ✓ This is contrary to the provisions of the principles enshrined in the Development Facilitation Act. Furthermore, certain areas within the municipal areas are environmentally sensitive and should not be developed.

- ✓ These sensitive areas are mainly on the south-western portion of the municipal area as well as the lake.

- ✓ Other areas of less environmental significance occur throughout the area. These can be developed to a certain extent.

- ✓ Provision of services has further entrenched the spatial inequality of the area as these are provided mainly in the affluent urban areas, excluding the poor communities. Added to this is the amalgamation of the former areas of the KwaNdebele homeland and Bronkhorstspuit, which is yet to be addressed adequately.



The presence of the N4 highway, together with the rail line, forms an east-west spatial axis, while the R25 and Lynwood routes form a north-south axis. These axes provide the potential for corridor development. The geographic spread of an informal settlement has not influenced the spatial pattern of the area.

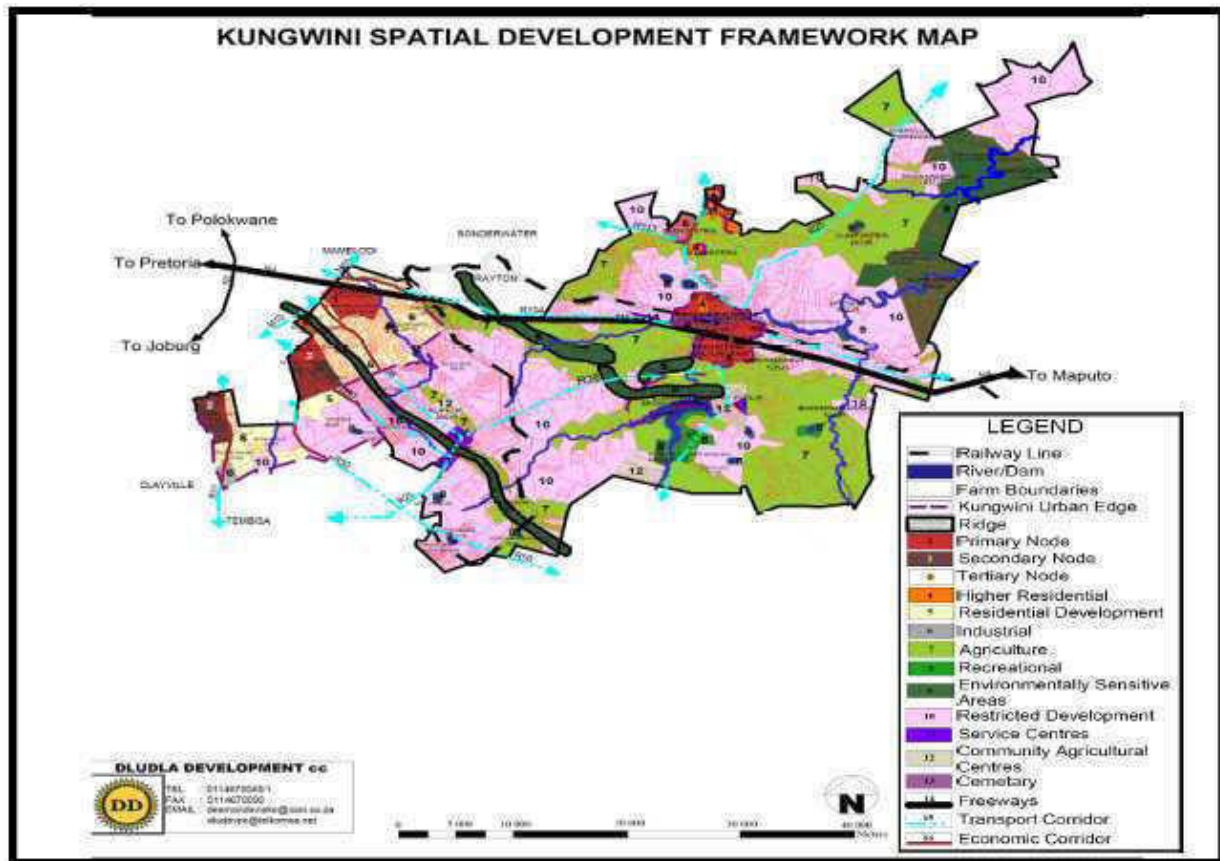
The main “preliminary structuring elements” for the Kungwini Local Municipality are as follows:

Nodes

- ✓ Primary Node: Bronkhorstspuit Central Business District, which is the primary mixed use node in the study area.

- ✓ Secondary Node: Ekundustria Industrial Area is an area that has excess infrastructure capacity for current usage and the Ekangala and Rethabiseng residential areas.
- ✓ Secondary Node: the rapidly expanding western residential Area
- ✓ Secondary Node: Sokhulumu Township
- ✓ Secondary Node: Hazeldene N4 Node
- ✓ Recreational Node: Bronhorstspruit Dam and surrounding areas.
- ✓ Service centres at various locations.

Map 2.3: Kungwini Spatial Development Framework



Corridors

- ✓ N4 Maputo Corridor (major east- west corridor)
- ✓ R25 (secondary north- south corridor)
- ✓ Lynwood Road extension M6 (secondary north- south corridor)
- ✓ There are a number of major and minor corridors in Kungwini.
- ✓ The two major ones are the Maputo corridor along the N4, running east-west and the Ekurhleni corridor along the R21, which runs north-south from the airport to Tshwane.
- ✓ Both of these have attracted large nodes. On the N4 the Hazeldene Node, between Silver Lakes and the Pienaar’s River is about 1 200 ha. The developer is constructing a new interchange with the N4, to service this mixed land use node.
- ✓ On the R21, a developer is planning a similar large node which will straddle the motorway. They are also constructing an interchange on the R21 to service their development. This nodes is planned to cover about 2 400 ha and to create 80 000 to 100 000 jobs if successful.
- ✓ Minor corridors are developing along Garsfontein road, Lynwood Road and Boschkop Road. These corridors are also attracting nodal development. On Garsfontein Road, a shopping centre is developing opposite the existing Mooikloof up-market housing estate, which will become the Mooikloof Mall. The centre will be approximately 700 ha. Lynnwood Road already has shopping and office developments around its interchange with Hans Strydom Avenue.

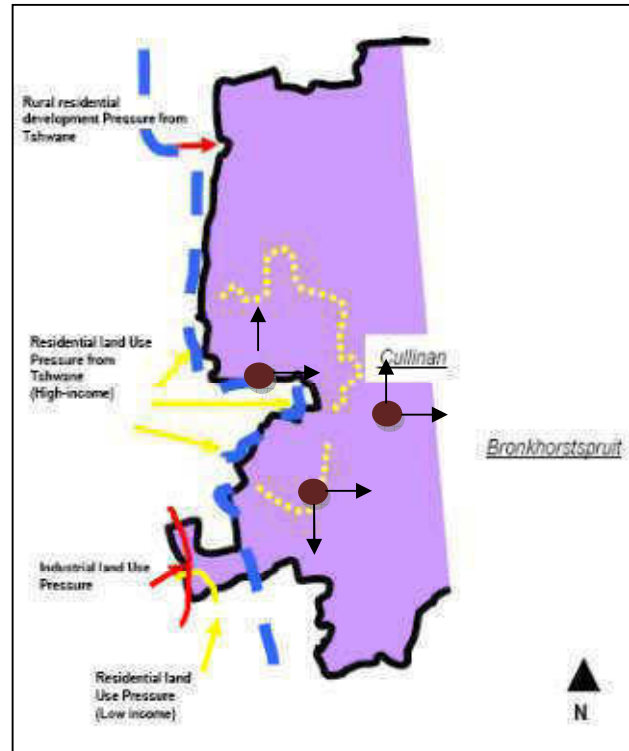
- ✓ The development of the Misty Lakes up-market housing estate on Boschkop Road has also prompted mixed use development along the road from Lynnwood Road to Misty Lake and the Kitty Hawk Aerodrome.
- ✓ The above developments fall within the official Kungwini Urban Edge and are the main driving force of development in the area.

2.4 DEVELOPMENT PRESSURES AND DEMANDS

Dominant development pressures and demands

The following dominant development pressures characterises the district area:

- ✓ Urban and high density developments around Bronkhorstspuit, Ekandustria, Cullinan, Silver lakes, Rayton, Roodeplaat Dam Area and Steve Biko
- ✓ Rural and Conservation trends – surrounding urban high density zones – emphasis on agricultural land, Roodeplaat Dam, Bronkhorstspuit Dam
- ✓ Tourism development as part of the Dinokeng Project
- ✓ Need for higher income housing at Steve Biko, Cullinan, Bronkhorstspuit Dam and Ekandustria
- ✓ Need for lower income housing at Bronkhorstspuit/Zitobeni, Rayton, Cullinan/Refilwe, Roodeplaat dam area and Silver Lakes.
- ✓ Urban and rural development opportunities, supported by housing intensification trends identified at Steve Biko Ville
- ✓ Housing intensification trends identified for the Roodeplaat Dam Area, Silver Lakes, Rayton and Cullinan/Refilwe
- ✓ Urban and rural development opportunities identified at Cullinan/Refilwe
- ✓ Housing intensification trends identified for Ekangala, Rethabiseng, and Zithobeni.
- ✓ Urban and rural development trends identified for Ekandustria and Bronkhorstspuit
- ✓ Housing intensification trends identified for Bronkhorstspuit Dam.

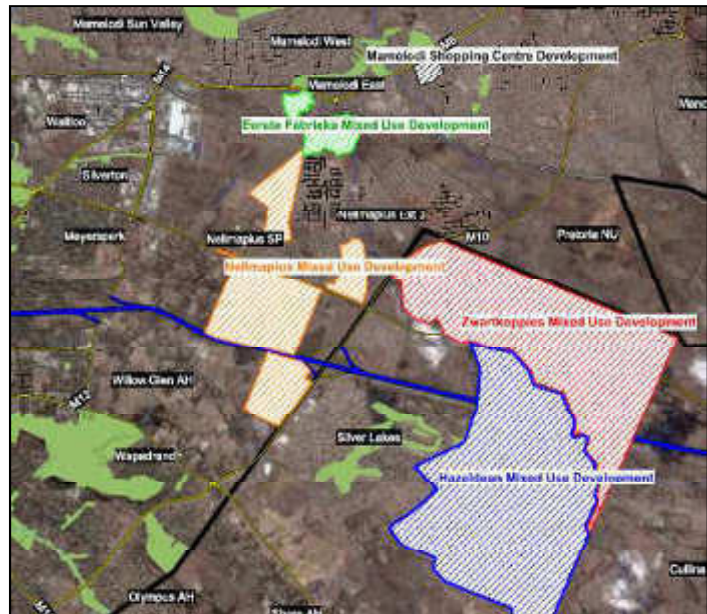


External Development Pressures:

- ✓ Eastern expansion of the Temba / Hammanskraal Area in the north of Tshwane, which emanated in the development of Steve Bikoville east of the N1 freeway
- ✓ Eastern expansion and pressure emanating from the Zone of Choice in Tshwane, resulting in the formation of settlements in the vicinity of the Roodeplaat Dam
- ✓ Northern expansion of Mamelodi – currently considered to relief housing backlog
- ✓ Southern expansion of Mamelodi – pressure to extend it southwards to deal with housing demand
- ✓ Eastern expansion along the N4 freeway – development along this freeway is resulting in pressure on the Donkerhoek area and result in the formation of informal settlements along the freeway

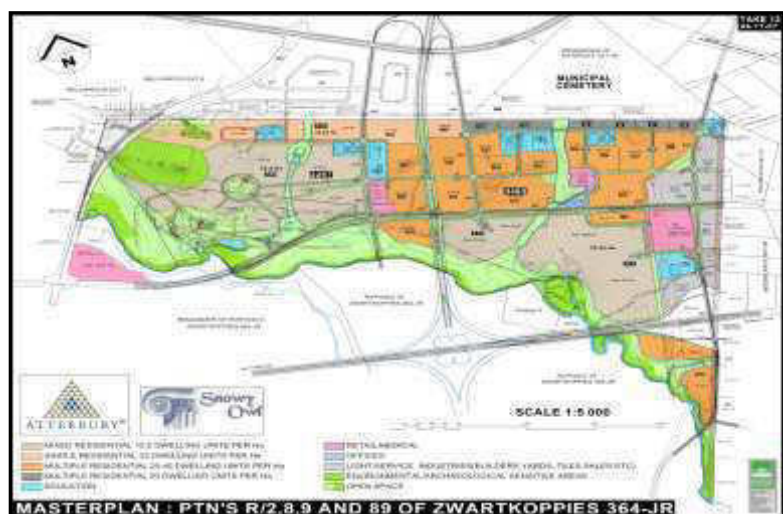
- ✓ Southeastern expansion of Tshwane's middle to high-income areas - There are three dominant growth areas inducing development pressure on the district: Development areas around the Mooikloof Node, areas around Zwartkoppies/Silver Lakes and areas around Zambesi.

- ✓ The Zambezi Area is characterised by a number of new residential developments including Strelitzia (1 033 units priced from R400k) east of the N1, between the Molotto Road and Kameeldrift, supported by Zambezi Estate (300 units priced from R595k), Roodepark Eco Estate (priced from R462k), Two Rivers (590 units priced from R600k), Pebble Rock (300 stands from R450k), Zambezi Country Estate (750 stands priced from R425k) to name just a few. In general the Zambezi Region growth by 1 500 to 2 000 residential units per annum.



- ✓ This area is also experiencing growth in terms of retail developments – Capicol are involved in the extension of Zambesi Mall to within the 60 000m² range. Plans are also submitted to develop a new Zambesi Checkers Hyper opposite the Zambesi Mall. Commercial development in the node will increase as a more direct link is created with the Mamelodi Market. Large percentages of the township's population are employed within these northern suburbs of Tshwane creating an injection of buying power into the area.
- ✓ The Zwartkoppies/Silver Lakes area is also characterised by a number of new developments. Zwartkoppies Mixed Use - A recent application has been done for a mixed-use development consisting of 7 000 mixed residential units, neighbourhood centre, lifestyle centre, office park, automotive space, private hospital, private school and light industrial and warehousing. This development is located just north of Silver Lakes.

- ✓ Plans are also in the pipeline for a mixed-use development in Nellmapius to consist of a medium sized retail centre, industrial and office uses. This is supported by the Hazeldean Development - Abland Precinct. The new precinct of Hazeldean will serve as an integrated multifunctional neighbourhood. Besides from the residential and retirement options, Hazeldean will offer commercial, institutional, educational and recreational facilities , including the Curro Private School, the 16 000m² Hazeldean Square Shopping Centre (with anchor tenants Pick 'n Pay, Woolworths, Virgin Active, an Intercare Clinic and Dis-Chem), the 22 450m² Hazeldean Office Park and a fully



equipped acute hospital. Other future developments at Hazeldean include Hazeldean Homeworld, a 9 000m² decor shopping complex, which is in the final planning stages. Plans are also in the pipeline for the development of a Bronberg Private School.

- ✓ The area around Mooikloof also represent a growth area, a total of 141 new estates are in various stages of completion within the areas of Equestria and areas east of Hans Strijdom. This amounts to approximately 26 914 units, with a take up of approximately 2 000 units per annum. Predominantly middle to higher priced units.
- ✓ A proposed mixed use development is also proposed for the Mooikloof Area. The proposed development will include a regional mall, speciality centre, big box retail, automotive uses, offices, residential and a private hospital. The project will be developed over a phased timeframe.
- ✓ To the South of Metsweding is the Ekurhuleni Metropolitan area. This area is also posing serious development pressures on the south of Metsweding for the same reason - people in Ekurhuleni see the district as being within reasonable distances from their major centres and from their places of work.
- ✓ Industrial development intrusion in the region is another pressure difficulty experienced by the region
- ✓ Southern expansion along the R21 – corridor development is evident along the road in the form of offices, light industries and residential estates.

Overall Development Guidelines for the Development of the District Municipal Area

- ✓ Cullinan, Rayton and Bronkhorstspuit are identified as less stable economic growth areas that need to be stabilised
- ✓ Cullinan, Rayton and Bronkhorstspuit are identified as urban towns that need to be contained with a clearly defined urban edge
- ✓ Rural settlements (small holdings with a rural character) are identified in areas that are in the rural environment outside of the urban edge. These areas are not supposed to become urban or their urbanisation process must be managed and as such a set density is required for these areas by the local municipalities.
- ✓ Intensive rural areas have been identified in the northern area of Nokeng Tsa Taemane; these areas are identified as such because they will be used extensively for agriculturally related uses
- ✓ Extensive rural areas were identified as to be used for extensive farming and to retain their rural character
- ✓ In terms of mobility, the following roads are critical for the Metsweding District Municipality, N1, N4, R575, R25, R42 and other provincial roads in the district. These mobility roads and rail play an important role in improving the movement of goods and services in the district.

Commercial/Business Opportunity Location guidelines:

- ✓ Business/Commercial activities within the district can be categorised as very limited and growing.
- ✓ The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton.
- ✓ Due to increased development pressure on the periphery of these towns, there is great demand for the development of new centres in these peripheries.
- ✓ These centres have the ability of becoming major centres and thus competing with the traditional urban centres.
- ✓ In order to protect the heritage of these towns and their status within the urban hierarchy, a set of principles for the development of a business location policy and strategy by the different local municipalities is proposed.
- ✓ In the absence of a set guidelines and strategy for Commercial/Business Opportunity location in the local municipalities, the following will apply:

- ✓ A hierarchy of centres should be established in all local municipalities
- ✓ From a district point of view, the following is the hierarchy that will be encouraged and reinforced: Cullinan/Refilwe, Rayton, Ekandustria, Silver Lakes, Ekangala (special urban development centre) and Bronkhorstspuit will be considered as major urban centres.
- ✓ The following are the business location tenets that will need to be followed in the approval of applications:
 - ✓ All commercial, retail and industrial proposals with a total retail bulk distribution of more than 5 000m² must be directed to the major urban centres.
 - ✓ No development with a total bulk more than 5 000m² should be approved outside the central business areas of these major centres.
 - ✓ All local municipalities must define the CBD's for each of these major urban centres.
 - ✓ Existing developments that have a bulk of more than 5 000m² and are located outside of these major urban centres should not be considered as urban centres as yet, nor should their bulk be allowed to increase in future, unless the local municipality sees one of those areas as a future major urban centre.
- ✓ To avoid any unmanaged or unplanned development in Metsweding, the following development direction is proposed for the district:
 - ✓ Cullinan and Refilwe must be contained and be allowed to grow towards Rayton.
 - ✓ Rayton on the other hand must be contained and be forced to grow towards Silver Lakes.
 - ✓ The Roodeplaat dam area must be contained and managed as per DOSS
 - ✓ The Silver Lakes area must be forced to intensify first and later be allowed to grow within its containment area.
 - ✓ Ekangala must be allowed to grow towards Ekandustria and Rethabiseng
 - ✓ Bronkhorstspuit must be allowed to grow within its contained area as determined in the Gauteng SDF 2000.

Summary of Characteristics:

- ✓ District characterised by three dominant urban areas – Bronkhorstspuit, Cullinan and Rayton
- ✓ 80% of land focused towards agricultural activities – emphasis on areas to the north and south
- ✓ Relatively concentrated economic land use base
- ✓ The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton
- ✓ Tourism opportunities vested in the development of the Dinokeng Project – Roodeplaat Dam as well as Bronkhorstspuit Dam
- ✓ Dominant Industrial Node vested in Ekandustria
- ✓ Demand for high and low income residential developments
- ✓ High density development zones vested within the district boundaries include; Bronkhorstspuit and Bronkhorstspuit Dam, Ekandustria, Cullinan/Refilwe, Rayton and Steve Bikoville
- ✓ External pressures from Tshwane and Ekurhuleni Borders – High-income and low-income residential developments, rural residential development and industrial development pressures.

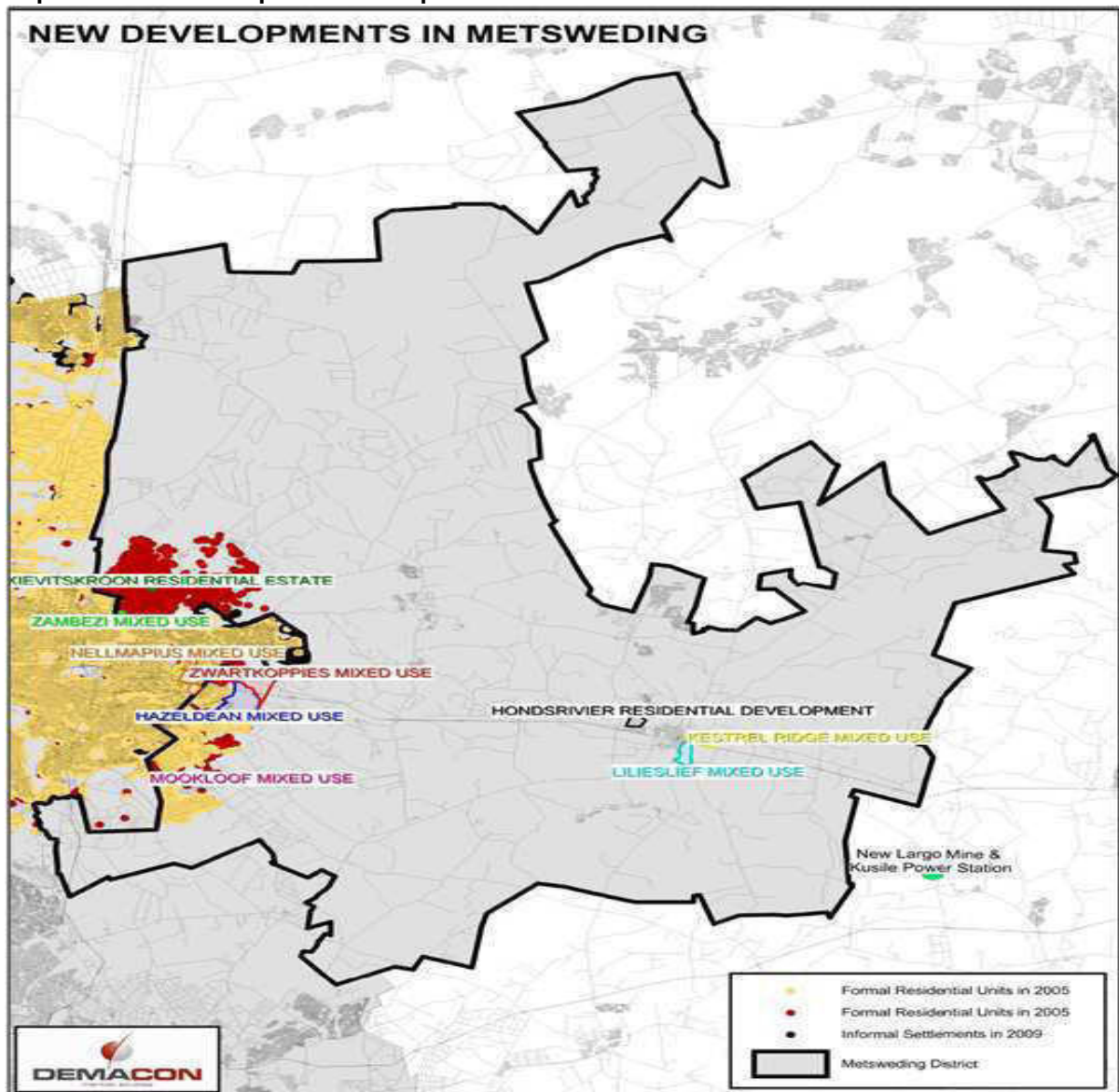
2.5 SELECTED PROPOSED DEVELOPMENTS

Map 2.4 indicates the location of selected proposed development projects identified within and just beyond the district borders. Table 2.1 summarises the land uses proposed as part of each of the developments.

Table 2.1: Selected Proposed Development

Development	Land Uses
Lilieslief Mixed Use	Regional Retail Centre, middle income residential, retirement units, offices, industrial uses
Kestrel Ridge Mixed Use	Middle income residential, retirement, local convenience retail
Zwartkoppies Mixed Use	Minor Regional Centre, offices, automotive uses, private hospital, private school, industrial uses
Hazeldean Mixed Use Precinct	Regional mall, retail park, business park, residential uses, medical centre, private school, higher learning node, conference and recreation centre, agriculture centre
Mooikloof Mixed Use	Regional mall, big box retail, speciality/value centre, automotive uses, residential, private hospital
Nellmapius Mixed Use	Regional centre, offices, industrial
Zambesi Development	Regional Centre, Checkers Hyper Centre, Hotel
Kievitskroon Residential Estate	Up-market residential estate

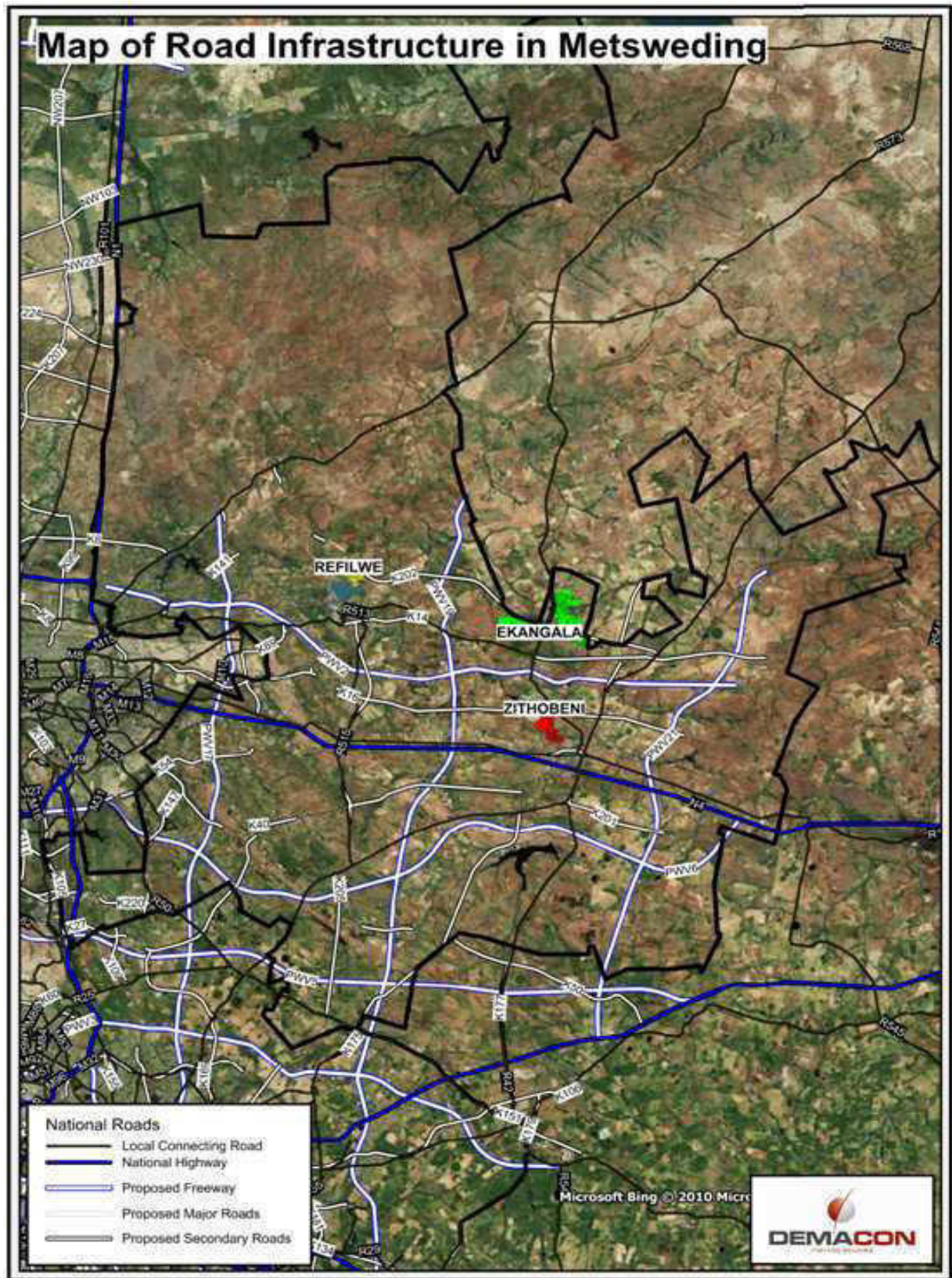
Map 2.4: Selected Proposed Developments



2.5.1 Existing and proposed movement network

Map 2.5 indicates the existing and proposed road infrastructure within Metsweding.

Map 2.5: Existing and Proposed Road Infrastructure

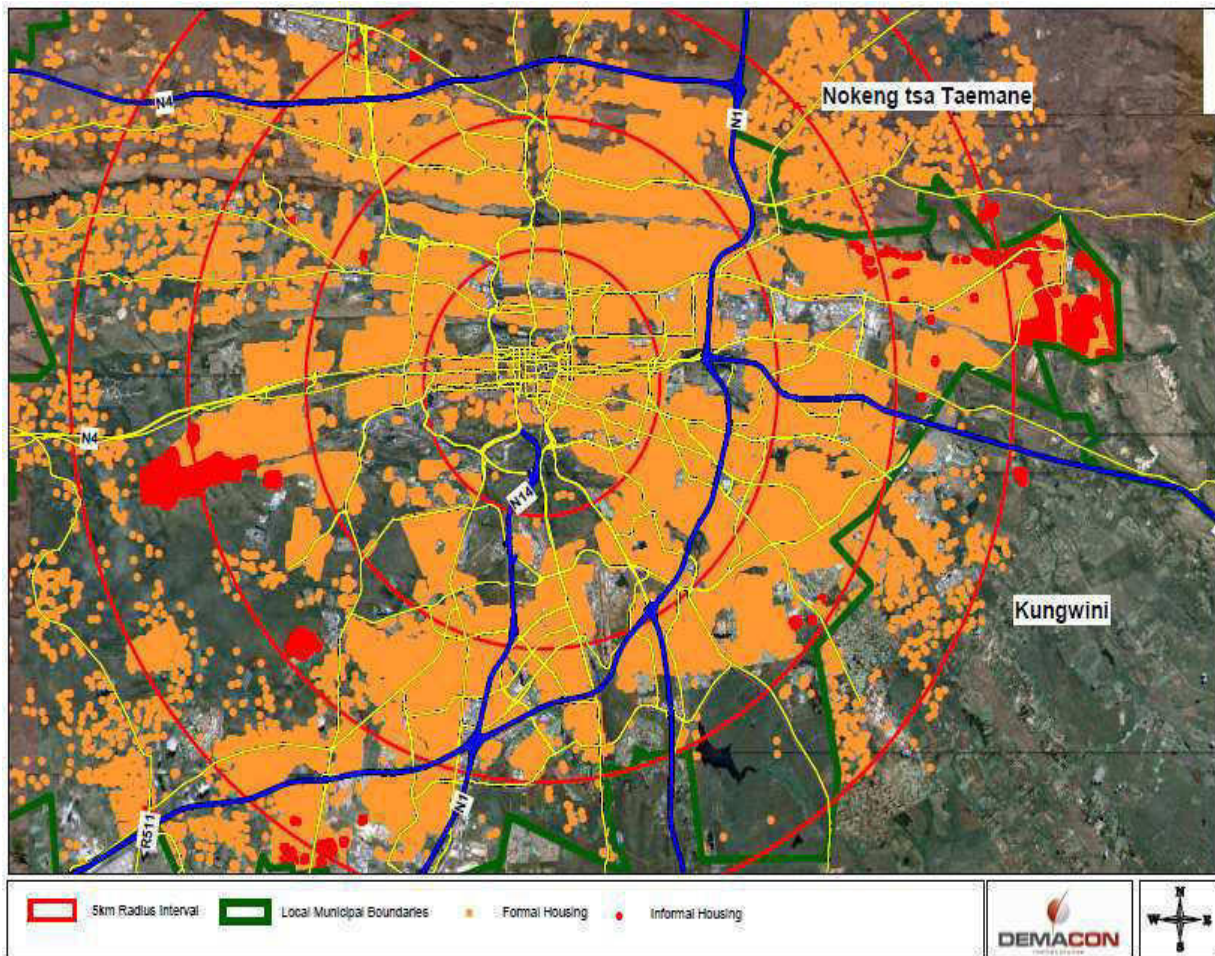


The N1 and N4 freeways provide the area with regional accessibility - Connecting Tshwane East and Emalahleni to the South on the one hand and Tshwane North with Hammanskraal. The R513, R515, R104, R568, R25 and R42 play a critical role within the local accessibility of the area.

A number of proposed roads will also contribute to increased levels of accessibility within the district with emphasis on the proposed PWV 17, 19 and 21 routes improving North-South linkages and the proposed PWV 2, 5 and 6 routes improving East-West linkages. This will be supported by a number of proposed secondary roads. This bodes well towards increased levels of accessibility.

2.5.2 Tshwane Formal and Informal Housing Growth

Map 2.6: Formal and Informal Housing

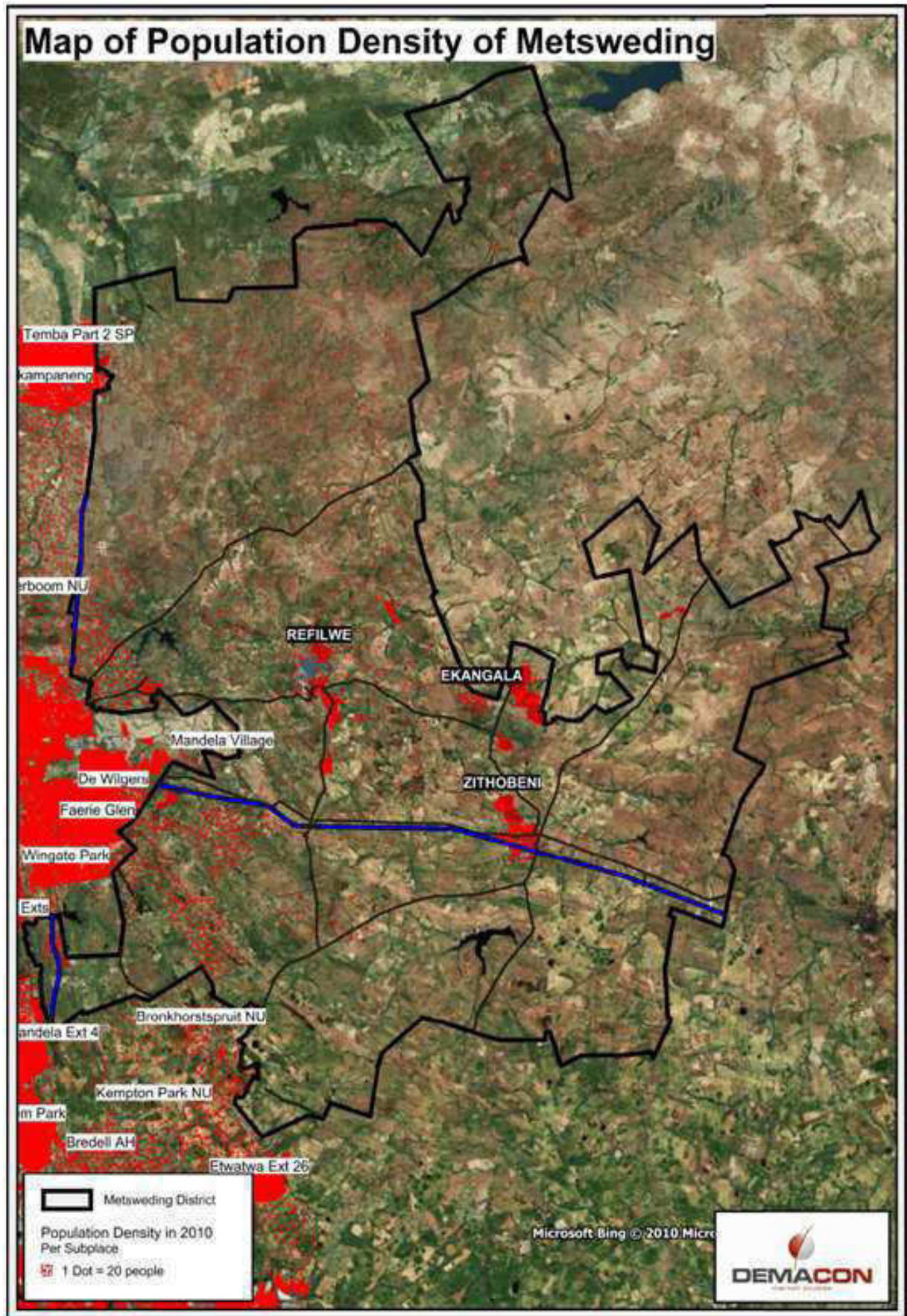


2.5.3 Population density

Map 2.7 the population density of the Metsweding District.

It is evident from the map that the areas with the highest population densities include the Cullinan /Refilwe area, Bronkhorstspuit / Zithobeni and surrounds, Ekangala / Ekandustria/ Rethabiseng. Due to a strong correlation between population density and demand density it is anticipated that the highest demand densities will be found within proximity to these areas.

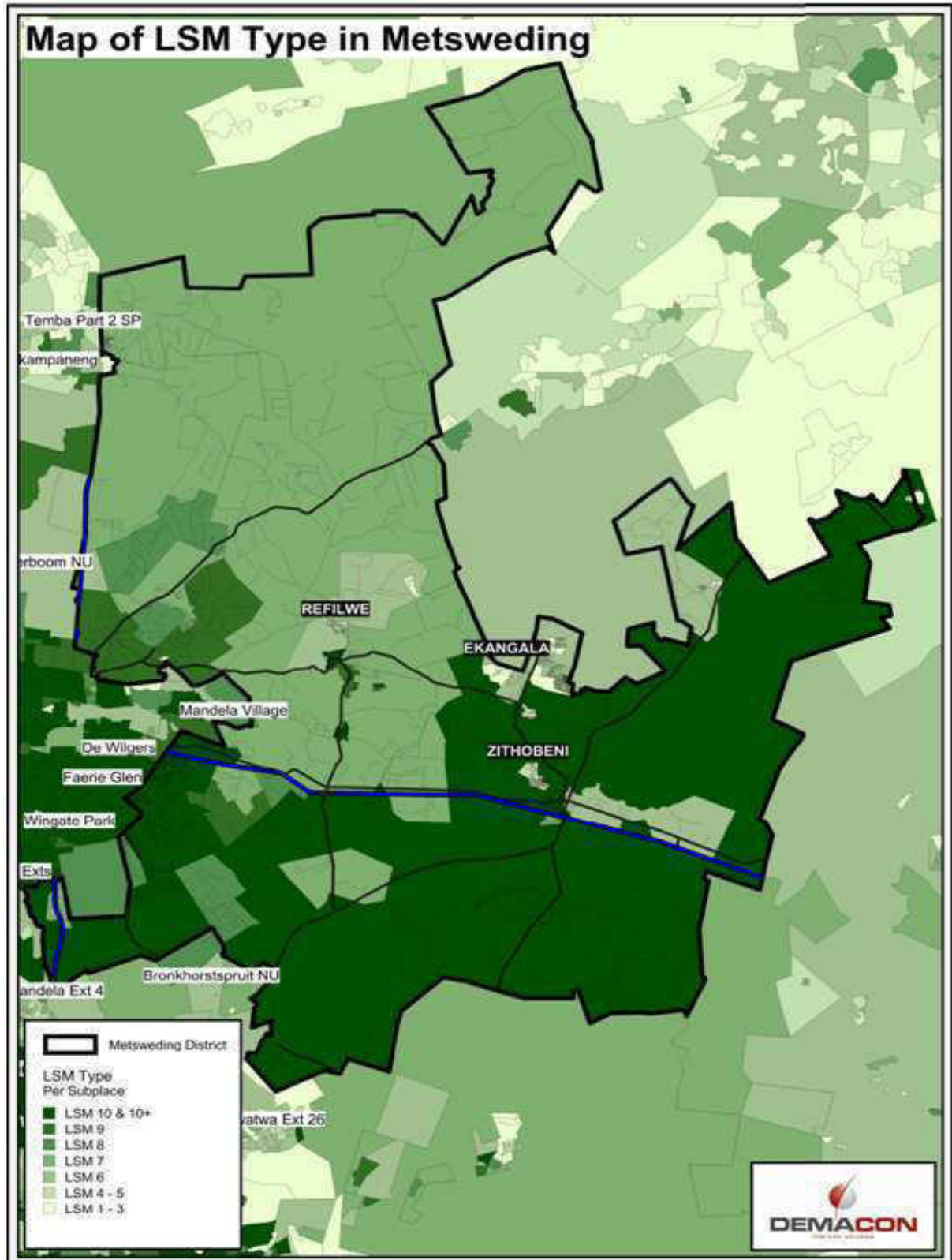
Map 2.7: Population Density



2.5.4 LSM profile

Map 2.8 indicates the LSM profile of the district.

Map 2.8: LSM Profile



Map 2.8 indicates that the district is divided into two distinct areas - the areas south of the N4, Bronkhorstspuit, Zithobeni, Ekandustria, Ekangala and rural areas to the North-East are predominantly characterised by higher LSM profiles, compared to the remainder of areas north of the N4. In general the area under investigation reflect moderate to high living standards. It is anticipated that this in conjunction with moderate population densities will result in moderate to high demand densities, resulting in high development potential within this area.

2.5.5 Retail Supply

Map 2.9 indicates that a small number of retail centres are located within the district itself. However, a number of larger centres are located on the western border of the district (retail offerings of Tshwane East and Tshwane North). Table 2.2 provides an overview of the retail centres located within the district itself.

Table 2.2: Retail centres within Metsweding District, 2011

Retail Centre	Suburb	m ² GLA	Type	Anchors
Hazeldean Centre	Tshwane	17 000.0	Community Centre	Pick n Pay Corporate, Woolworths, Virgin Active
Bronkhorstspuit Centre	Bronkhorstspuit	6 548.4	Neighbourhood Centre	Shoprite Checkers, Clicks, Truworths
Cullinan Jewel Shopping Centre	Cullinan	6 082.0	Neighbourhood Centre	Spar
Bronkor Shopping Centre	Bronkhorstspuit	3 900.0	Local Convenience Centre	Spar
Mooikloof Village	Tshwane	3 861.0	Local Convenience Centre	Spar, Coco Bistro, BSXI Hydro Spa
Total		37 391.4		

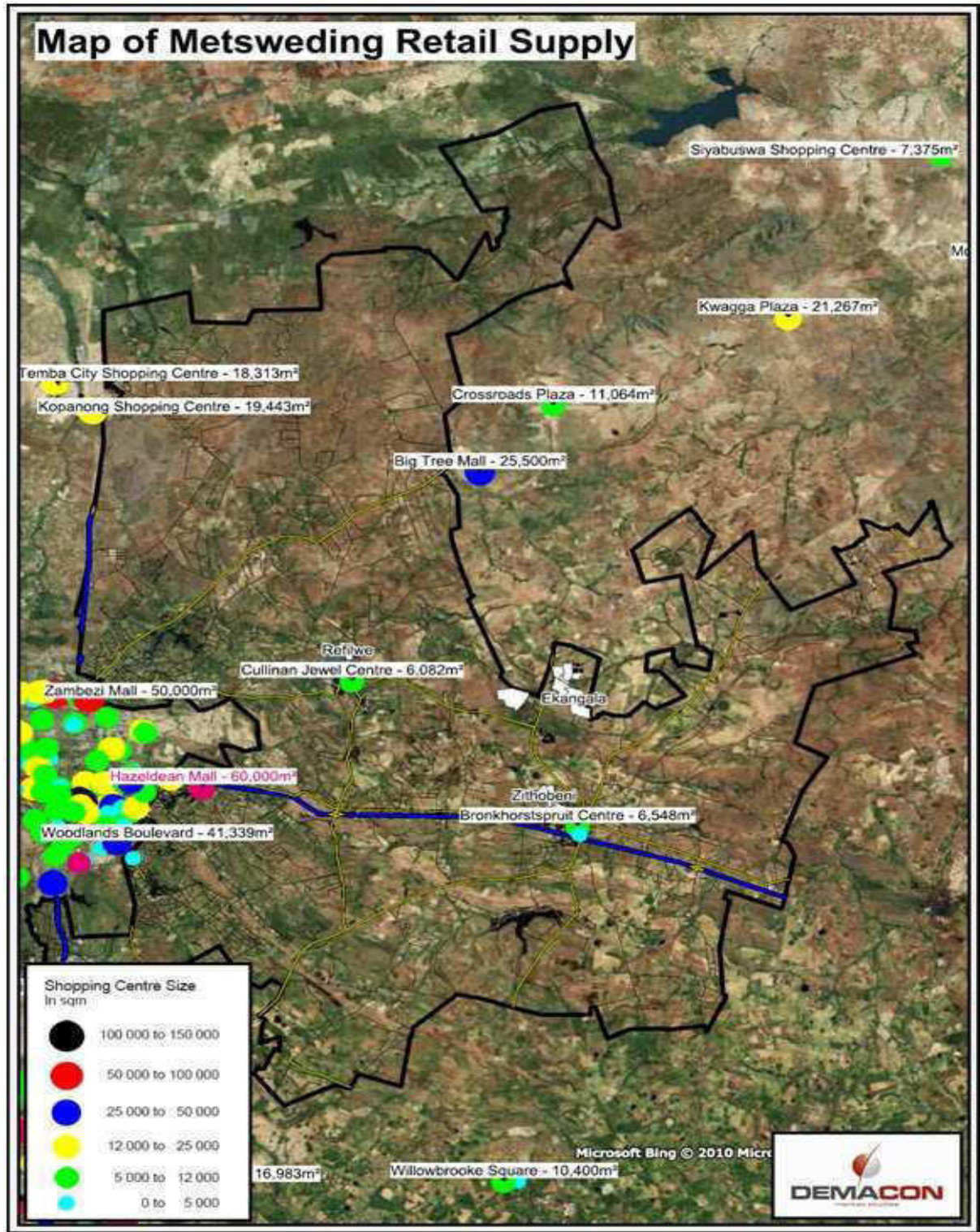
Source: Shopping Centre Directory, 2006 to 2011

The district retail supply includes one community centre, two neighbourhood centres and two local convenience centres.

Besides current supply a number of retail centres are being planned for the larger market area – predominantly as part of mixed use precincts:

- ✓ Hazeldean Regional Mall of ±60 000m²
- ✓ Mooikloof Regional Centre and Speciality Centre of ±60 000m²
- ✓ Zwartkoppies Regional Centre of ±40 000m²
- ✓ Lilieslief Regional Centre of ±26 000m².

Map 2.9: Retail supply in proximity to study area



Development Implications:

From the spatial analysis it is evident that Kleinfontein falls within the West Region of Kungwini Local Municipal area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very high population growth in the West Region is due to the new residential developments occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries.

The proximity of the “economic hub” of Gauteng to the west of Kungwini is resulting in the strong growth of the western part of Kungwini. The Kungwini West region has been identified as a development concentration area and should be regarded as a residential nodal area. Very low levels of disposable income is evident in this sub-region and make sustainable development difficult. The main economic sectors currently contributing to local GDP are manufacturing, services, finance and trade.

Business/Commercial activities within the area can be categorised as very limited. The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton. Due to increased development pressure on the periphery of these towns, there is great demand for the development of new centres in these peripheries. These centres have the ability of becoming major centres and thus competing with the traditional urban centres.

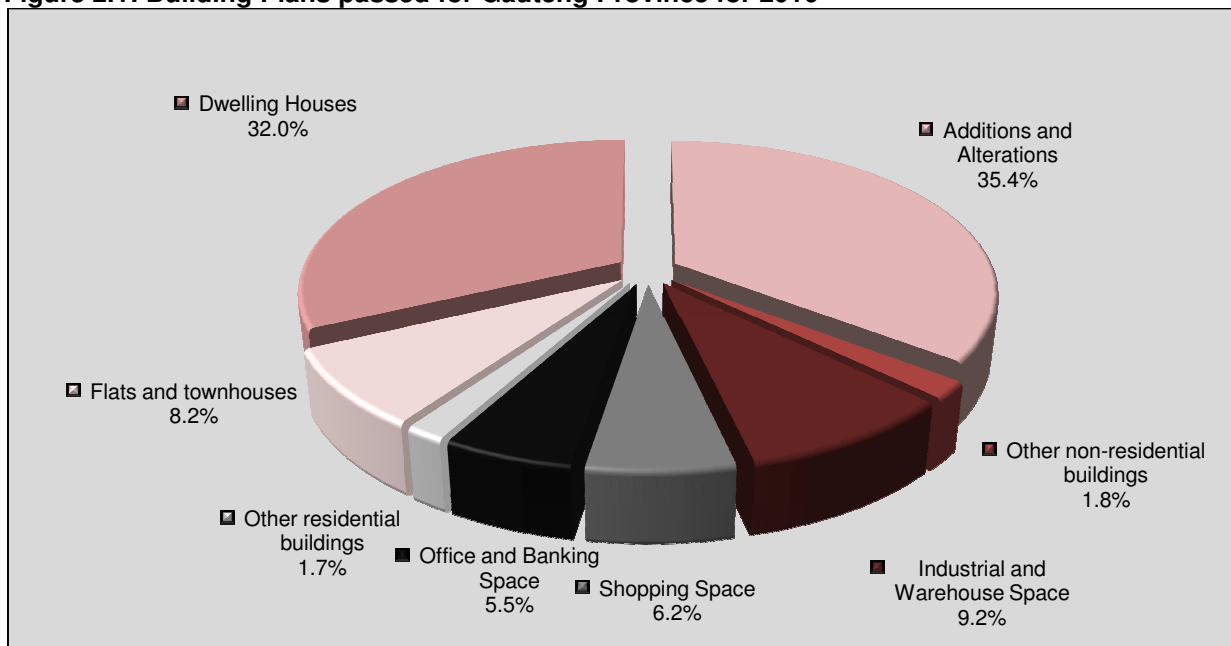
In conclusion, the district is divided into two distinct areas - the areas south of the N4, Bronkhorstspuit, Zithobeni, Ekandustria, Ekangala and rural areas to the North-East are predominantly characterised by higher LSM profiles, compared to the remainder of areas north of the N4. Given the location of Kleinfontein the area reflects moderate to high living standards.

2.6 BUILDING PLAN DATA – BUILDINGS COMPLETED

2.6.1 Gauteng building plans 2010

Key findings of building plans passed for Gauteng for 2010

Figure 2.1: Building Plans passed for Gauteng Province for 2010



Source: Demacon Ex. Stats SA, 2011

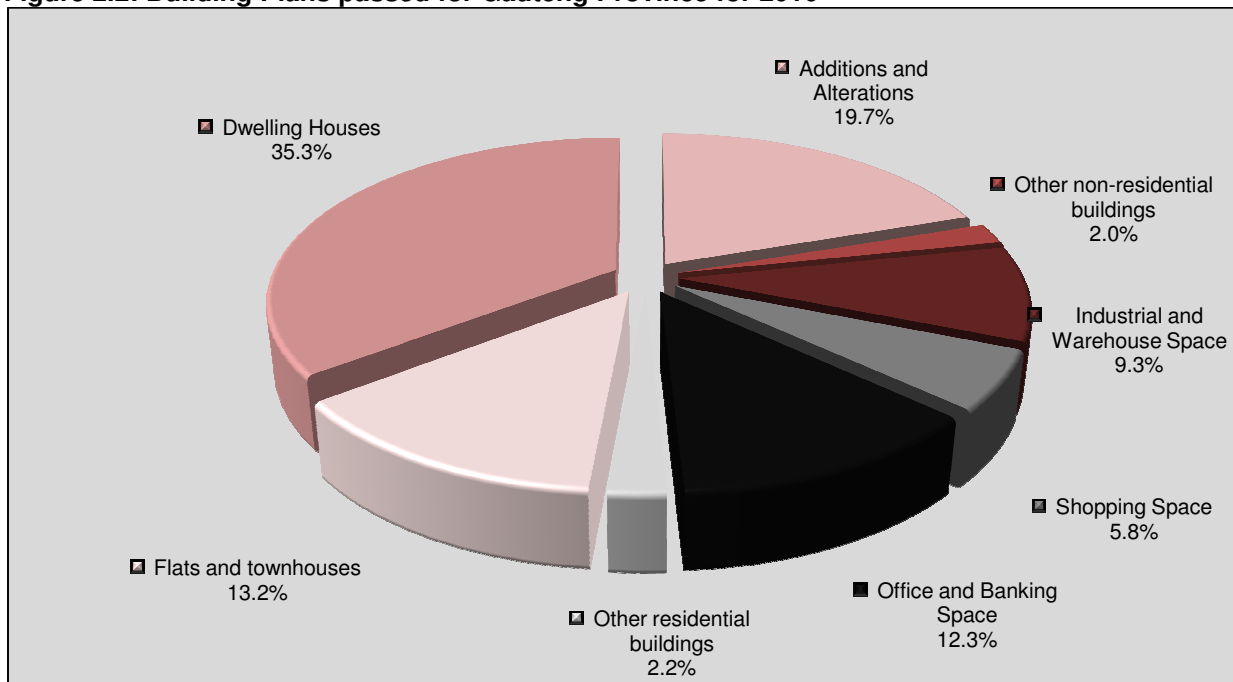
- ✓ Ekurhuleni Metropolitan Municipality took the lead in recording the highest value for building plans passed for 2010, contributing 32,5% or R8 305.3 million to the total of R25 522,1 million reported for Gauteng, followed by City of Tshwane (32,4% or R8 281.2 million) and City of Johannesburg (22,0% or R5 619.4 million).
- ✓ Additions and alterations contributed 35,4% or R9 045.5 million to the total value of building plans passed, mainly due to additions to dwelling-houses (R5 814.9 million), of which R1 836.4 million, R1 746.6 million and R1 540.8 million were reported for City of Tshwane, Ekurhuleni Metropolitan Municipality and City of Johannesburg respectively.

- ✓ The largest contributions for residential building plans passed were recorded for dwelling-houses (31,9% or R8 148.4 million) and flats and townhouses (8,2% or R2 094.2 million).
- ✓ The main contributors to dwelling-houses were Ekurhuleni Metropolitan Municipality (R2 649.7 million) and City of Tshwane (R2 403.2 million). High contributions for flats and townhouses were reported for City of Tshwane (R936.1 million) and Ekurhuleni Metropolitan Municipality (R675.5 million).
- ✓ The largest contributors for non-residential building plans passed were recorded for industrial and warehouse space (9,2% or R2 350.1 million of the total value of building plans passed), shopping space (6,2% or R1 584.2 million) and office and banking space (5,5% or R1 415.8 million).
- ✓ The main contributors to industrial and warehouse space were Ekurhuleni Metropolitan Municipality (R1 290.7 million) and City of Tshwane (R482,1 million).

Key findings of buildings completed for Gauteng for 2010

- ✓ The total value of buildings completed during 2010 for Gauteng amounted to R17 807,9 million, of which 33,9% or R6 030,4 million was recorded as completed for City of Tshwane, 31,9% or R5 675,5 million for City of Johannesburg and 26,4% or R4 709,8 million for Ekurhuleni Metropolitan Municipality.
- ✓ The value of dwelling-houses and flats and townhouses completed in Gauteng during 2010 contributed 35,3% or R6 284,4 million and 13,2% or R2 353,2 million respectively to the total value of buildings completed.

Figure 2.2: Building Plans passed for Gauteng Province for 2010



Source: Demacon Ex. Stats SA, 2011

- ✓ The highest value for dwelling-houses completed was reported for City of Johannesburg (R2 094,2 million), followed by City of Tshwane (R1 874,1 million) and Ekurhuleni Metropolitan Municipality (R1 435,0 million).
- ✓ Regarding flats and townhouses, Ekurhuleni Metropolitan Municipality took the lead recording the completion of R960,3 million, followed by City of Tshwane (R659,0 million) and City of Johannesburg (R562,5 million).
- ✓ The main categories of non-residential buildings which made noteworthy contributions to the total value of buildings completed for Gauteng were office and banking space (12,3% or R2 197,8 million), industrial and warehouse space (9,3% or R1 663,6 million) and shopping space (5,8% or R1 031,2 million).

2.6.2 Kungwini Local Municipality building plans 2010

Figures 2.3 and 2.4 illustrate the residential, non-residential and alteration floor space approved and completed within the Kungwini Local Municipal Area between 2006 and 2010.

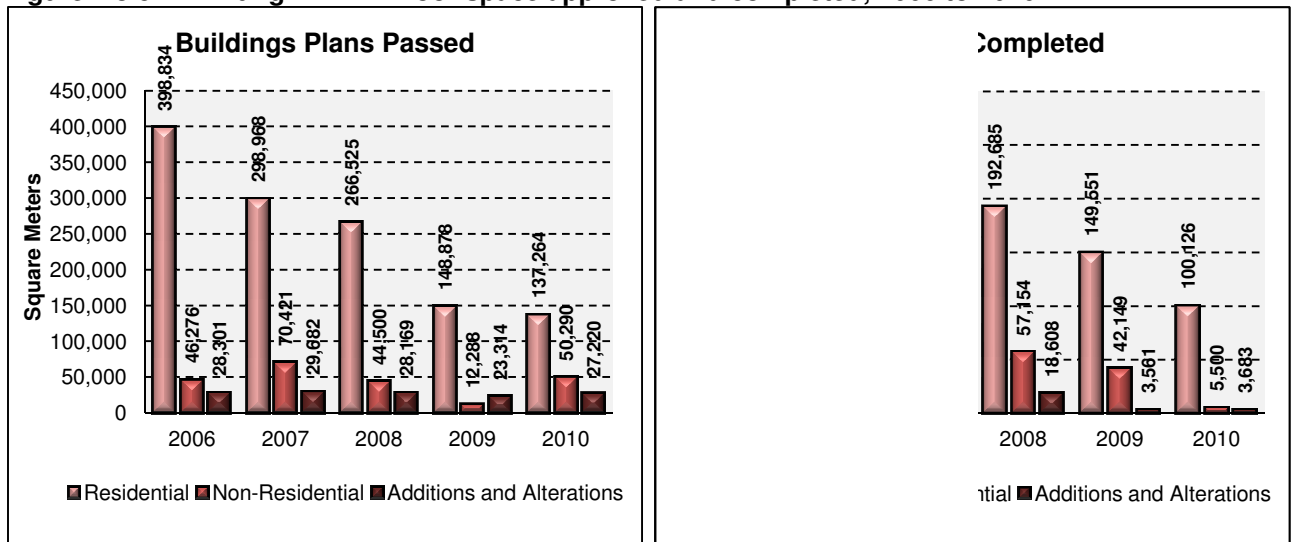
Tables 2.3 and 2.4 illustrate building plans passed and buildings completed for residential and non-residential uses within the Kungwini Local Municipal Area between 2006 and 2010.

Table 2.3: Kungwini LM Residential Building Plans Passed and Completed, 2006 to 2010

	Plans Passed					Buildings Completed				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Dwelling Houses	811	706	519	349	338	555	733	652	556	289
Flats	60	83	391	-	0	-	59	18	41	8
Townhouses	590	495	302	533	45	121	864	295	338	9
Other	4	1	1	1	0	-	-	-	-	1
Total	1 465	1 285	1 213	883	383	676	1 656	965	935	307

Source: Demacon Ex. Stats SA, 2011

Figure 2.3 & 2.4: Kungwini LM Floor space approved and completed, 2006 to 2010



Source: Demacon Ex. Stats SA, 2006 to 2010

Findings: (Table 2.3)

- ✓ In terms of building plans passed, it is evident that the residential market within the local municipal area has experienced a relatively cyclical growth trend between 2006 and 2010.
- ✓ Dominant categories of building plans passed are vested in dwelling houses and townhouse categories
- ✓ The average annual number of residential building plans passed between 2006 and 2010 is **1 045.8 units**.
- ✓ In terms of residential buildings completed, it is evident that the local municipal area also experienced a cyclical movement in construction moving between 307 units and 1 656 units per annum.
- ✓ The average annual number of residential buildings completed between 2006 and 2010 is **907.8 units**.

Table 2.4: Kungwini LM Non-Residential Building Plans Passed and Completed, 2006 to 2010

	Plans Passed					Buildings Completed				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Office & Banking Space	14 059	2 016	17 023	-	5 068	1 187	10 860	11 343	6 583	2 382
Shopping Space	23 861	33 832	21 599	1 448	685	3 903	5 191	43 065	20 753	0
Industrial & Warehouse Space	-	10 781	4 196	8 168	36 665	-	-	-	13 237	0
Total	37 920	46 629	42 818	9 616	42 418	5 090	16 051	54 408	40 573	2 382

Source: Demacon Ex. Stats SA, 2011

Findings: (Table 2.4)

In terms of non-residential building plans passed the following is evident:

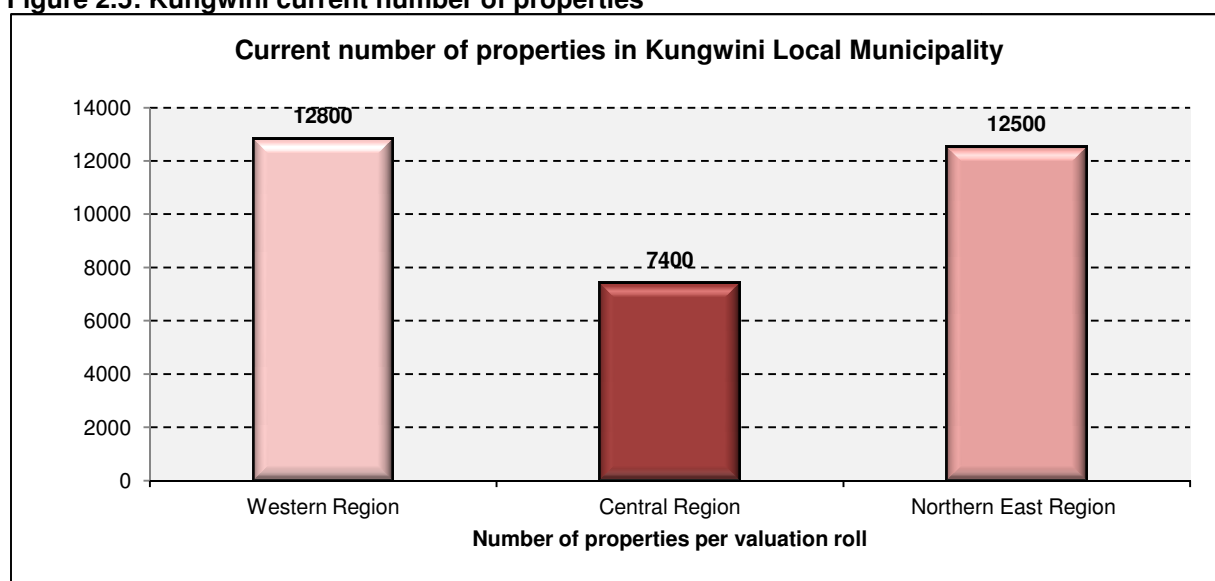
- ✓ Average annual building plans (2006 to 2010) were approved for:
 - ✓ 7 633.2m² office and banking space
 - ✓ 16 285m² retail/shop floor space
 - ✓ 11 962m² of industrial and warehousing space.
- ✓ It is evident that the retail sector is outperforming the office and industrial sectors within the local municipal area with reference to building plans passed
- ✓ Building plans passed for commercial floor space averaged at 35 880m² per annum over this time period.

In terms of average annual non-residential buildings completed (2006 to 2010) the following is evident:

- ✓ 6 471m² of office floor space has been completed
- ✓ 14 582m² of retail / shop floor space has been completed
- ✓ 6 618m² of industrial and warehouse space has been completed
- ✓ It is evident that moderate levels of growth have been recorded in the commercial market between 2006 and 2010, commercial floor space completions averaged at 23 700m² per annum.

2.6.3 Kungwini Western Region current number of properties¹

Figure 2.5: Kungwini current number of properties



Source: Demacon Ex. Kungwini Valuation Roll 2010

¹ Kungwini Status Quo SDF Report, 2011

Findings: (Figure 2.5)

- ✓ The above figures derived from the Valuation Roll data base only reflect registered formal erven. Informal settlements and farming areas which make up a large percentage of the population, are yet to be captured into the data base.
- ✓ The Western Region of Kungwini Local Municipality has high growth potential due to its proximity to Tshwane and its access to services. The up-market western suburbs of Silver Lakes and Mooikloof play a major role in the local economy of Kungwini.
- ✓ The 2010 estimates by the infrastructure co-ordinator for Kungwini indicate that the highest population and greatest number of structures in the Western Region are in Silver Lakes.

Development Implications

Overall it is evident that approximately **1 045 residential building plans are passed per annum within the Kungwini Local Municipal Area**, resulting in the **construction** of approximately **907 residential units** (excluding government subsidised housing). The amount of non-residential floor space approved and built is also indicative of low levels of commercial development pressure within the market area.

Kleinfontein falls within the **West Region of Kungwini Local Municipal** area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very **high population growth** in the West Region is due to the **new residential developments** occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries. The Kungwini West region has been identified as a development concentration area and should be regarded as a **residential nodal area**. The Western Region of Kungwini Local Municipality has **high growth potential** due to its proximity to Tshwane and its access to services. The up-market western suburbs of Silver Lakes and Mooikloof play a **major role in the local economy of Kungwini (now part of Tshwane)**.

2.7 SYNTHESIS

Summary of Characteristics of Metsweding District:

- ✓ District characterised by three dominant urban areas – Bronkhorstspuit, Cullinan and Rayton
- ✓ 80% of land focused towards agricultural activities – emphasis on areas to the north and south
- ✓ Relatively concentrated economic land use base
- ✓ The bulk of the major business activities occur in Silver Lakes, Bronkhorstspuit town, Roodeplaats, Cullinan and to a limited extent in Rayton
- ✓ Tourism opportunities vested in the development of the Dinokeng Project – Roodeplaats Dam as well as Bronkhorstspuit Dam
- ✓ Dominant Industrial Node vested in Ekandustria
- ✓ Demand for high and low income residential developments
- ✓ High density development zones vested within the district boundaries include; Bronkhorstspuit and Bronkhorstspuit Dam, Ekandustria, Cullinan/Refilwe, Rayton and Steve Bikoville
- ✓ External pressures from Tshwane and Ekurhuleni Borders – High-income and low-income residential developments, rural residential development and industrial development pressures.

Development Implications for Kleinfontein:

- ✓ From the spatial analysis it is evident that Kleinfontein falls within the West Region of Kungwini Local Municipal area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very high population growth in

the West Region is due to the new residential developments occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries.

- ✓ The proximity of the “economic hub” of Gauteng to the west of Kungwini is resulting in the strong growth of the western part of Kungwini. The Kungwini West region has been identified as a development concentration area and should be regarded as a residential nodal area. Very low levels of disposable income is evident in this sub-region and make sustainable development difficult. The main economic sectors currently contributing to local GDP are manufacturing, services, finance and trade.
- ✓ Business/Commercial activities within the area can be categorised as very limited. The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton. Due to increased development pressure on the periphery of these towns, there is great demand for the development of new centres in these peripheries. These centres have the ability of becoming major centres and thus competing with the traditional urban centres.
- ✓ In conclusion, the district is divided into two distinct areas - the areas south of the N4, Bronkhorstspuit, Zithobeni, Ekandustria, Ekangala and rural areas to the North-East are predominantly characterised by higher LSM profiles, compared to the remainder of areas north of the N4. Given the location of Kleinfontein the area reflects moderate to high living standards. It is anticipated that this in conjunction with moderate population densities will result in moderate to high demand densities, resulting in high development potential within this area.

Building Plan Data

Overall it is evident that approximately **1 045 residential building plans are passed per annum within the Kungwini Local Municipal Area**, resulting in the **construction** of approximately **907 residential units** (excluding government subsidised housing). The amount of non-residential floor space approved and built is also indicative of low levels of commercial development pressure within the market area.

Kleinfontein falls within the **West Region of Kungwini Local Municipal** area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very **high population growth** in the West Region is due to the **new residential developments** occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries. The Kungwini West region has been identified as a development concentration area and should be regarded as a **residential nodal area**. The Western Region of Kungwini Local Municipality has **high growth potential** due to its proximity to Tshwane and its access to services. The up-market western suburbs of Silver Lakes and Mooikloof play a **major role in the local economy of Kungwini**.

The above assessment, contextualised by the regional economic overview discussed in Chapter 3, should enable management to make informed decisions regarding future development prospects and investment options pertaining to Kleinfontein and proposed market components. The following chapter provides an overview of economic trends within a macro as well as a local context.

CHAPTER 3 ECONOMIC PROFILE

3.1 INTRODUCTION

An intricate, though well-defined relationship exists between the economy and urban real estate markets. The performance of specific economic sectors serves as proxy for the performance of these real estate markets. The purpose of this chapter is to outline the salient features of the market area economy (reference is made to ***Metsweding District Economy and Kungwini Local Economy***) in terms of selected time series economic indicators; most notably the economic profile and growth trends within the local economy.

As such, this chapter provides insight into the composition and stability of the local economy and hence, provides a more comprehensive assessment of medium- to long-term investment prospects than the conventional demographic analysis.

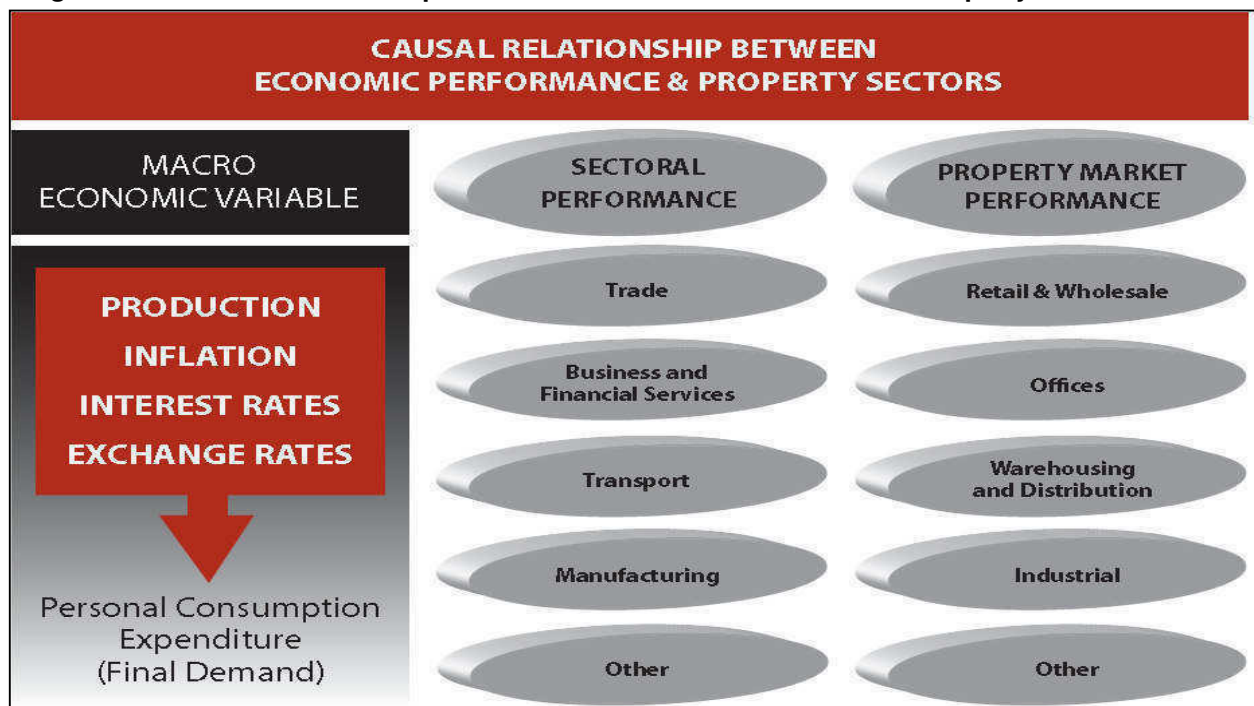
Subsequent sub-sections provide a concise overview of the local economy in terms of the following aspects:

- | | |
|------------------------------|-------------------------|
| ✓ Reference Framework | ✓ Local Economic Trends |
| ✓ Macroeconomic Fundamentals | ✓ Synthesis |

3.2 REFERENCE FRAMEWORK

The causal relationship between economic sector performance and property market performance is illustrated in Diagram 3.1.

Diagram 3.1: Causal Relationship between Economic Performance and Property Sectors



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Indicators such as production, inflation, interest rates and exchange rates influence Personal Consumption Expenditure (PCE). PCE is a major demand driver for a broad spectrum of

economic goods and services, including retail and accommodation. Gross Geographic Product (GGP), in turn, serves as leading indicator for property market performance.

3.3 MACRO-ECONOMIC FUNDAMENTALS

In terms of broad macroeconomic trends, the following are some of the dominant trends regarding the national economy and the impact of macroeconomic indicators on the property sector.

Table 3.1: Macroeconomic Fundamentals

Trend	Short to medium term implications
<ul style="list-style-type: none"> ✓ 2012 economic growth forecast - GDP to average 3.1% between 3.4% ✓ Rising food and fuel prices (exacerbated by a weaker ZARUSD), together with a pick-up in core inflation, leaves us expecting inflation to breach the 6% target ceiling through Q4 11-Q3 12 but base effects and a commodity price cycle losing steam means we are confident that by Q4 12 CPI should be back in the 3-6% target range. ✓ It is expected that the ZAR to remain relatively resilient given that it is not suffering from the same volatile cocktail of large trade deficits, collapsing commodity prices and sharp portfolio outflows that triggered the more dramatic 2008/09 weakening. ✓ The domestic economy is forecast to expand at a rather modest 3.6% rate in 2011, with a gradual acceleration in the growth momentum anticipated in subsequent years. Consumer spending will be the main contributor to economic growth in 2011, whilst fixed investment activity is forecast to pick up from 2012 onwards, led by the public sector. ✓ Current prime interest rates (9.0%) 	<ul style="list-style-type: none"> ✓ Trends in house prices remained mixed in the middle segment of the South African housing market ✓ Nominal year-on-year house price growth improved further in the medium-sized category in September 2011, with price deflation still slowing down in the small segment. In the category for large houses, price growth has been on a declining trend since May last year, which is indicative of the market for these type of properties feeling the effect of economic trends, the state of household finances and lower consumer confidence. Month-on-month price trends remained subdued in all three segments of housing in September. ✓ Strong demand from growing black middle class ✓ Foreign demand for South African property remain buoyant
<ul style="list-style-type: none"> ✓ After rising markedly in the first half of the 2010, nominal and real house price growth slowed down in the third quarter of the year, driven by base effects as well as recent economic developments. ✓ Nominal house price growth of about 7% was recorded for 2010, with 2011 price growth to remain low. Real house price growth in 2011 will depend on nominal price trends as well as consumer price inflation. 	<ul style="list-style-type: none"> ✓ The affordability of housing improved as a result of developments with regard to interest rates, household income and house prices during this period. This is according to the latest trends in the ratios of house prices and mortgage repayments to household disposable income. ✓ Stabilisation in house prices reflect positive increase in residential demand, inducing increased fixed capital formation in residential property
<ul style="list-style-type: none"> ✓ Annual reductions in transfer duties on property as from 1 March 2006 – no transfer duty payable on property valued at R500 000 and less ✓ Abolition of stamp duty on mortgage bonds from 1 March 2004 	<ul style="list-style-type: none"> ✓ Higher real disposable income ✓ Increase in household expenditure, with emphasis on middle and lower income groups
<ul style="list-style-type: none"> ✓ Growth in real disposable income tapered off to 	<ul style="list-style-type: none"> ✓ The lower growth in household income and

Trend	Short to medium term implications
<p>an annualised rate of 4,1% in the 2nd quarter of the year from 5,4% in the 1st quarter, while growth in real final consumption expenditure slowed down to an annualised rate 3,8% in the 2nd quarter (5,2% in the preceding quarter).</p> <p>✓ The ratio of household debt to disposable income was down from 76,8% in the 1st quarter of the year to 75,9% in the 2nd quarter.</p>	<p>consumption was partly the result of increasing inflationary pressures, affecting consumers' purchasing power.</p> <p>✓ Reflecting these developments on the household sector front, including continued tight labour market conditions, consumer confidence was on average lower in the first three quarters of 2011 compared with a year ago.</p>
<p>✓ The ratio of outstanding household mortgage debt to disposable income came to 44,8% in the 2nd quarter of 2011, down from 45,7% in the 1st quarter.</p> <p>✓ This was the net result of growth in household mortgage debt of 0,2% quarter-on-quarter (q/q) and nominal disposable income growth of 2,1% q/q in the 2nd quarter.</p> <p>✓ The cost of servicing household mortgage debt as a percentage of disposable income was marginally lower at 4% in the 2nd quarter from 4,1% in the 1st quarter.</p>	<p>✓ This was due to the growth of household mortgage debt and disposable income, leading to a lower mortgage debt-to-income ratio, while the mortgage rate was stable at 9% in the 1st and 2nd quarters of the year.</p> <p>✓ The ratio of households' mortgage debt to total debt was at a level of 59,1% in the 2nd quarter of 2011.</p>

3.4 Q 4 2011 SA QUARTERLY PERSPECTIVES – ABSA CAPITAL²

- ✓ 2012 economic growth forecast - GDP to average 3.1% between 3.4%
- ✓ The composition of economic growth will remain consumer-heavy for some time longer and emphasise that although the fall in Q3 consumer confidence is certainly something to keep an eye on, supporting fundamentals (high wage settlements, manageable inflation and low-for-longer policy rates) should keep consumer spending afloat.
- ✓ In the near term, Q3 and Q4 GDP growth will be critical to monetary policy decision-making
- ✓ Rising food and fuel prices (exacerbated by a weaker ZARUSD), together with a pick-up in core inflation, leaves us expecting inflation to breach the 6% target ceiling through Q4 11-Q3 12 but base effects and a commodity price cycle losing steam means we are confident that by Q4 12 CPI should be back in the 3-6% target range.
- ✓ It is expected that the ZAR to remain relatively resilient given that it is not suffering from the same volatile cocktail of large trade deficits, collapsing commodity prices and sharp portfolio outflows that triggered the more dramatic 2008/09 weakening.
- ✓ The domestic economy is forecast to expand at a rather modest 3.6% rate in 2011, with a gradual acceleration in the growth momentum anticipated in subsequent years. Consumer spending will be the main contributor to economic growth in 2011, whilst fixed investment activity is forecast to pick up from 2012 onwards, led by the public sector.

	2011				2012F				2011F	2012F	2013F
	Q1	Q2	Q3	Q4F	Q1F	Q2F	Q3F	Q4F			
GDP (% q/q)	4.5	1.3	1.3	2.9	3.8	4.2	4.4	4.3	3.1	3.4	4.2
CPI (%)	3.9	4.6	5.6	6.1	6.1	6.2	6.2	5.9	5.0	6.1	5.6
Repo (eop %)	5.50	5.50	5.50	5.50	5.50	5.50	5.50	6.00	5.50	6.00	7.50
Prime (eop %)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.50	9.00	9.50	11.00
USD/ZAR (avg)	7.00	6.79	7.05	7.45	7.20	7.05	7.00	7.10	7.10	7.10	7.50

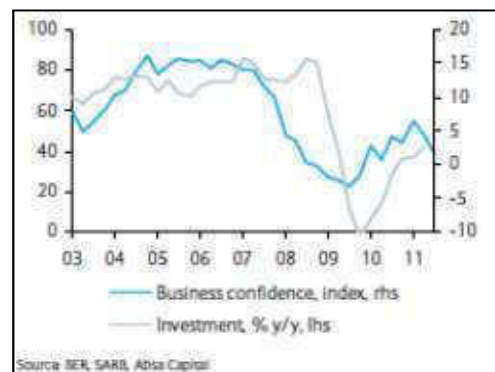
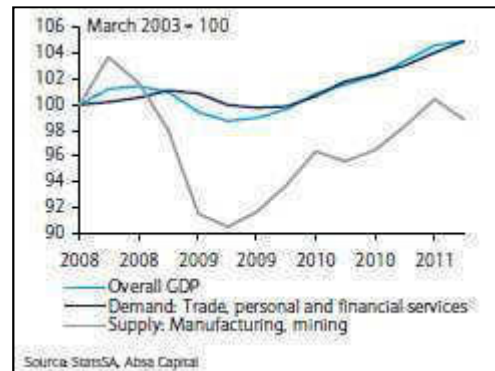
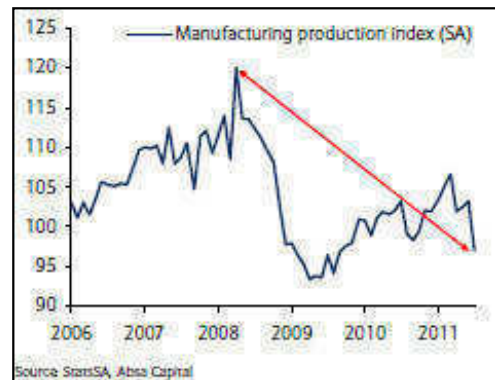
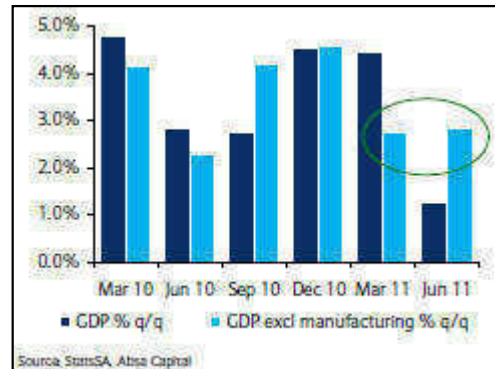
Source: Absa Capital

² Source: Absa Capital, September 2011: 2011Q4 South Africa Quarterly Perspective

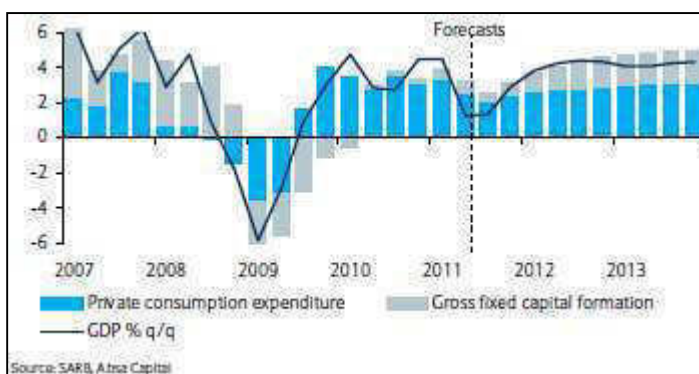
3.4.1 GDP – EARLY SIGNS OF MORE EVENNESS

GDP – global downside risks return

- ✓ Economic indicators in the first half of 2011 were a bit of a mixed bag. Economists cheered as Q1 GDP grew by a robust 4.5% q/q yet when the gains from a manufacturing sector heading off a low base are stripped out, underlying GDP actually measured a more modest 2.8% q/q.
- ✓ Similarly, newspaper headlines lamented that the economy only grew by 1.3% q/q in Q2, yet again, if the manufacturing sector were excluded, underlying Q2 GDP would have measured a better 2.8% q/q.
- ✓ Underlying GDP aside, the low headline Q2 GDP print rocked sentiment and, together with data releases that have so far disappointed to the downside for Q3, a period of sluggish growth now seems likely for the quarters ahead.
- ✓ A key culprit to keep an eye on is the manufacturing sector. Not only has this sector already been very volatile in recent quarters but its exposure to slowing global demand means that it is one of the first sectors likely to lose growth momentum.
- ✓ So far in Q3, things are looking bleak. The PMI sunk well below 50 in July and August and manufacturing production contracted by a significant 13.6% 3m/3m saar in July. It is also concerning that the growth momentum in July mining production fell by a significant 22.8% 3m/3m saar.
- ✓ Though mid-year industrial action likely had a negative influence in both sectors, this explanation is unlikely to account for the full contraction.
- ✓ With the mining and manufacturing sectors accounting for just over 20% of overall GDP
- ✓ Any further declines in these sectors would be a major drag on Q3 economic growth and as a result, it should not be surprising that risks to H2 11 GDP growth are tilted more to the downside than the upside.
- ✓ Despite a fall in Q2 business confidence (to below its neutral level), the most recent quarter of investment measured stronger than expected (4.1% q/q from 3.1% q/q in Q1).
- ✓ Positives aside, there is concern for Q3 investment given the relatively strong link between investment in machinery and equipment (which has been a prominent driver of overall investment growth so far this year) and the growth momentum in manufacturing production.
- ✓ While at the same time, the recent weakening in the currency may also deter imports of machinery and equipment for investment purposes, particularly as the SARB stated this as a key reason for the pick-up in investment in Q2.
- ✓ Adding to Q3 investment woes, another sharp decline in Q3 business confidence (to 39 from 48) suggests that any further improvement in investment growth will be hard fought.



- ✓ According to Absa Capital, no matter which way you cut it, economic growth still depends largely on the state of the consumer and even more so since the supply side of the economy (such as the mining and manufacturing sectors) took a worrying step back in Q2.
- ✓ Alongside robust growth in demand led sectors (retail trade, financial and personal services) Q2 consumption continued to push economic growth along, growing at a relatively buoyant 3.8% q/q.
- ✓ The contribution was broad-spread across most categories of consumer spending though durable goods spending did slow from 21.5% q/q (Q1) to 12.5% q/q (Q2), a loss of momentum but still double-digit growth.
- ✓ All said and done, a saving grace for GDP is that consumer fundamentals remain supportive and intact. Even though Q3 consumer confidence tumbled to 4 points and must be watched closely, high wage settlements, manageable inflation and low policy rates should be enough to sustain consumption expenditure.
- ✓ What's more, relatively steady growth in household credit signals that consumers are willing to carry on spending, corroborated by reports from clothing retailers that sales growth remains relatively robust.
- ✓ Overall consumption is forecasted to grow at a relatively robust rate of 4.3% in 2011 and 4.6% in 2012
- ✓ Altogether, Absa forecast GDP to grow by 1.3% q/q and 2.9% q/q in Q3 11 and Q4, printing a full-year figure of 3.1% for 2011. For 2012 our baseline forecast is for GDP of 3.4%.



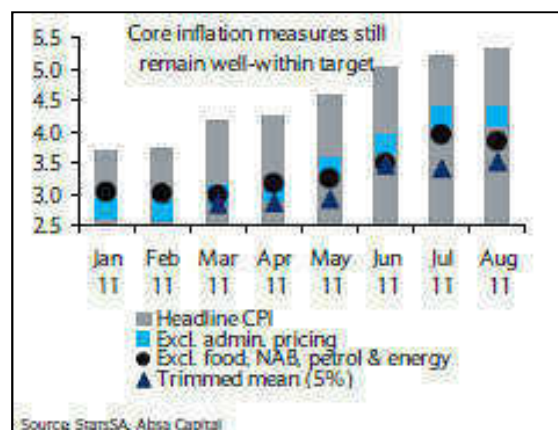
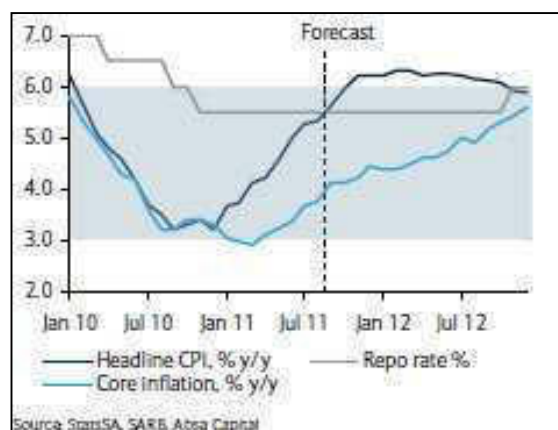
3.4.2 CPI INFLATION – ABSA CAPITAL³

Rates: Tolerating inflation as growth slows

- ✓ Headline CPI troughed at 3.2% y/y in September 2010 and has since climbed to 5.3% y/y in August 2011. While exogenous factors – food and fuel – have been mostly responsible for the rise thus far, a more recent development within consumer inflation is a more marked pick-up in core inflation (CPI excluding food, non-alcoholic beverages, fuel and energy).
- ✓ In August, core inflation measured 3.8% y/y after remaining at a low 3.1% through H1 11.
- ✓ Contributions to core inflation have been relatively broad-based with more than two-thirds of the core inflation basket now rising at a quicker rate than a year ago.
- ✓ By year-end Absa expect this to rise to 4.0-4.5% y/y, which seems reasonable given that consumption growth is expected to sustain at 4.3% in 2011.
- ✓ Food inflation is now anticipated to be somewhat stronger than we had previously thought, peaking around 12% in Q1 12 and persisting for a bit longer (above CPI until Q3 12). Still, Absa continue to believe that this food price cycle will be more muted than the food price spike in 2006-08.
- ✓ Firstly, demand is growing at a slower pace than the 2006-08 cycle and secondly, food retailers inform our view that the pass-through of rising manufacturing food inflation is more difficult in this cycle. Also important is the fact that a much lower weight for food in the CPI basket this time around means that food price inflation is unable to contribute as forcefully to overall CPI as it did in 2006-08.

³ Source: Absa Capital, July 2011: 2011Q3 South Africa Quarterly Perspective

- ✓ For fuel, global oil prices remain around the 110 mark for the rest of 2011 which, together with the recent bout of ZAR weakness, should leave petrol prices around 33 cents/litre higher by year-end and thereby contributing just over 1pp to our year-end CPI forecast of 6.2% y/y.
- ✓ A 15% depreciation in the USDZAR since June 2011 and upward revision to our year-end USDZAR (to 7.40) has forced a small upward move to our year-end CPI forecast to 6.1% y/y (from 6.0% y/y previously) but critically, because of substantial lags between ZAR moves and the pass-through to CPI, a higher projection for the entire 2012 inflation trajectory.
- ✓ Absa now look for CPI to remain outside the target ceiling for a bit longer (averaging 6.2% y/y between Q4 11 and Q3 12) but still believe that inflation will taper back within the 3-6% target range from Q4 12 (due to a combination of base effects and commodity price inflation running out of steam).
- ✓ The 'delicately balanced' inflation outlook the SARB presented in both its July and September MPC statement proves to us just how big a downside risk the global backdrop has become.
- ✓ Even though recent USDZAR weakness will certainly pass through to the inflation trajectory over the coming months, as long as it does not experience further substantial weakness, we continue to believe that monetary policy decisions will be guided by the health of the economy.
- ✓ There is certainly room to move policy rates lower if necessitated by a further economic slump. Not only has this already been priced into the local rates markets, but following a dovish MPC statement in September (and outcome that the repo rate would remain unchanged at 5.5%), the Governor made mention in the Q&A session that further rate reduction was a considerable part of the MPC's discussion and one MPC member argued strongly for a rate cut.
- ✓ Ending off the statement, the Governor asserted that the SARB is ready to act appropriately if the need arises. Considering the current GDP projections at the SARB, it is not evident that policy rates are restrictive of economic growth. Put in context, Absa's 2011 GDP forecast of 3.1% practically matches the view of the SARB (3.2%) and as a result, we infer that Q2 11 and Q3 11 GDP growth would have to surprise our forecasts (1.3% q/q and 2.2% q/q) quite considerably to deem further rate reduction necessary.
- ✓ Absa continue to believe that the SARB will be more responsive to downside growth risks than to upside inflation risks and as such, that policy rates stay unchanged at 5.5% for longer runs the risk of moving in the direction of a cut should GDP deteriorate more than we are expecting.



3.4.3 HOUSEHOLD CONSUMPTION

Consumption to sustain but watch for vulnerabilities

- ✓ As the backbone of economic growth in South Africa, household consumption (making up about 60% of GDP) remains the central impetus to domestic demand. This is uneven trend that has persisted since the economy rose out of recession.

- ✓ So far in this cycle, rising real income levels (owing to low inflation and high wage settlements) and low policy rates (easing debt-servicing costs in the consumer pocket book) have been the primary drivers of consumption.
- ✓ Household consumption managed to grow by 5.2% q/q saar in Q1 11, and continues to be helpful to demand-led sectors such as retail trade, financial services and personal services which, as the graph shows are pulling along overall GDP growth.
- ✓ High frequency data in Q2 provides evidence of this: retail sales growth remains steady (proving particularly strong in April at 9.8% y/y) amidst still modest household credit growth (though at unremarkable levels).
- ✓ With debt levels still rising, rate hikes are likely to have a larger impact than before.
- ✓ Despite vulnerable consumer metrics, the factors that enable consumers to spend justifies why current household consumption should sustain (at just below the 5% growth through 2011 and 2012).
- ✓ Inflation is set to rise, food and fuel prices will increase further, but at a slower rate than the 2006-08 cycle while domestic conditions (though improving) are still not strong enough to create a strong impetus for underlying inflation.
- ✓ Disposable incomes should continue to grow around the 5% mark in 2011 and 2012.
- ✓ Policy rates are indeed forecasted to rise it is said that the SARB will be looking for a level of normalisation (taking real rates to a 'neutral level' which is neither too restrictive nor too accommodative) this should limit the magnitude of rate hikes, leaving household consumption sustained and supportive to the medium-term economic growth trajectory.
- ✓ Absa Capital expect consumption to remain supportive to GDP, its momentum is likely to slow in the second half of the year as real income growth tapers off and awareness builds that a rate hiking cycle is looming.
- ✓ For this reason it is critical that consumption 'hands off' its current growth momentum to the supply side of the economy.



The new Economic Growth Path: Focus on Employment

Everyone agrees on the need to generate many more jobs, but finding common policy ground remains elusive. Economic Development Minister Patel unveiled the government's New Growth Path (NGP) blueprint for South Africa recently. Unlike earlier strategic plans such as the Growth, Employment and Redistribution (GEAR) strategy and Accelerated and Shared Growth Initiative (Asgisa), which focussed on lifting economic growth, the NGP puts job creation at the centre of government policy making. Through a combination of coordinated macro- and microeconomic policies, supported by a social pact between the main role players in the economy, the government hopes to create around five million jobs by 2020 and reduce the unemployment rate from 25% currently to about 15%.

Though much detail is yet to be released, the NGP targets six main areas for job creation. Infrastructure is given a prominent position, both in its ability to directly create jobs through construction (particularly housing), the provision of equipment, through operation and maintenance, but also by helping to reduce bottlenecks that have restrained growth and employment elsewhere in the economy. Agriculture, both in terms of smallholder schemes for those working the land in terms of agro processing are highlighted as important ways of creating employment in rural areas.

The promotion of mining is sought, with a particular focus on increased beneficiation as a way of encouraging fabrication and not just smelting, through the introduction of targeted export taxes, and through the setting up of a state-owned mining company to co-exist with the private sector. The manufacturing sector too is discussed, as is tourism and, of course, public sector employment. Just as critical as the actual ideas and policies are for the success of the NGP, any successful implementation will require generating the necessary buy-in within the various factions within the ANC, between the

ANC's political partners, and from business and from civil society. Once the discussion moves from the overview of where jobs might be created, to the micro and macro framework that would support the NGP, things become much more difficult.

Already in the micro policy in the NGP that calls for a national consensus on wages, prices and savings to help ensure greater employment and less inflation. For the labour movement, any discussion of constraining workers wages is a no go areas, as made very clear by Cosatu, whilst any move to constrain the wages of executives is seen as generating a threat of further brain drain by BUSA. Similar conflicts have already emerged with regard the NGP call for a more activist monetary policy designed not only to maintain low inflation but to also ensure a low cost of capital (i.e. low interest rates) and a more interventionist policy against rand strength – all of which is popular - with the space for this easier monetary policy provided by a tighter fiscal policy – which is not.

3.5 COMPOSITE BUSINESS CYCLE INDICATORS – SARB, November 2011⁴

The composite **leading business cycle indicator decreased by 0,3 per cent in September 2011 compared with the preceding month**. Five of the ten component time series that were available for September 2011 decreased, while five increased. The major negative contributors to the movement in the leading indicator in September were the number of residential building plans passed and the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries. The largest positive contribution came from the twelve-month percentage change in the number of new passenger vehicles sold, followed by the prices of all classes of shares traded on the JSE.



The **composite coincident business cycle indicator** increased by 0,9 per cent in August 2011 compared with the preceding month.

The **composite lagging business cycle indicator** decreased by 2,0 per cent in August 2011 compared with the preceding month.

Table 3.2: Composite Business Cycle Indicators

Description	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	March 2011	April 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011
Leading indicator (2000=100)	130.1	129.7	132.6	134.6	136.2	134.4	133.7	131.4	135.5	133.5	130.5	130.1
Coincident indicator (2000=100)	144.2	145.9	148.8	149.1	150.3	150.7	152.0	151.6	152.5	150.7	150.8	
Lagging indicator (2000=100)	00.9	99.0	97.9	97.8	98.9	99.7	98.9	98.8	100.5	100.0	97.9	

Source: SARB, October 2011

The latest Leading Indicator (a good indicator of near term moves in both the economy as well as the residential mortgage market) data point to appear, that of September 2011, indicated a further acceleration, on a month-on-month basis - the value going to a current value of 130.1

Composite leading business cycle indicator

The following 12 components are included in the composite leading business cycle:

- ✓ Job advertisement space in the Sunday Times newspaper: Percentage change over twelve months
- ✓ Number of residential building plans passed for flats, townhouses and houses larger than 80m²
- ✓ Interest rate spread: 10-year government bonds less 91-day Treasury bills

⁴ Source: South African Reserve Bank, 22 November 2011: Composite Business Cycle

- ✓ Index of prices of all classes of shares traded on the JSE
- ✓ Real M1 money supply (deflated with CPI): Six month smoothed growth rate
- ✓ Index of commodity prices in US dollar for a basket of South Africa's export commodities
- ✓ Composite leading business cycle indicator of South Africa's major trading-partner countries: percentage change over twelve months
- ✓ Gross operating surplus as a percentage of gross domestic product
- ✓ Opinion survey of business confidence: Manufacturing, construction and trade
- ✓ Net balance of manufacturers observing an increase in the average number of hours worked per factory worker (half weight)
- ✓ Net balance of manufacturers observing an increase in the volume of orders received (half weight)
- ✓ Number of new passenger vehicles sold: Percentage change over 12 months.

3.6 PROPERTY MARKET PERFORMANCE

Research has shown that there is a time delay of some 6 – 18 months: i.e. response from the property market to, for example, a decrease in interest rates (a macroeconomic variable that stimulates production) becomes evident in the level of activity in the property market some 6 to 18 months after the announced interest rate decrease (Refer to Figure 3.1).

Figure 3.1: Relation between the Business Cycle and Property Markets



This section aims to provide an overview of general trends pertaining to the residential market.

3.6.1 ABSA HOUSE PRICE TRENDS 5

Growth in home values remains relatively low

Trends in house prices remained mixed in the middle segment of the South African housing market, based on the Absa house price indices for small, medium-sized and large house for which the bank approved mortgage finance. In two of the segments trends in price growth appear to be improving, while in the third segment price growth continues to slow down.

Nominal year-on-year house price growth improved further in the medium-sized category in September 2011, with price deflation still slowing down in the small segment. In the category for large houses, price growth has been on a declining trend since May last year, which is

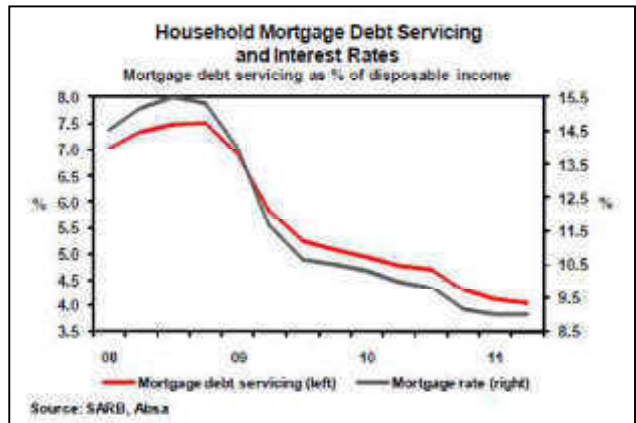
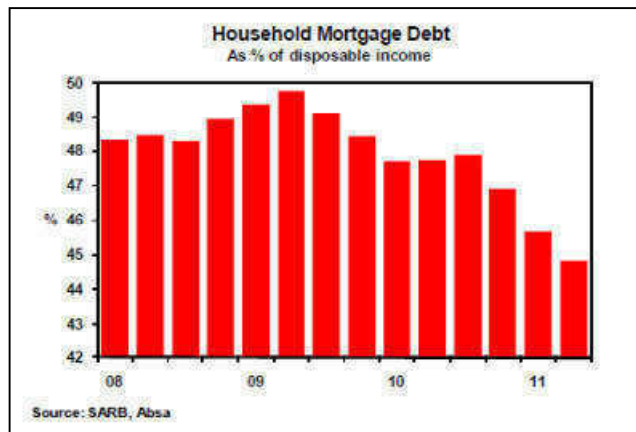
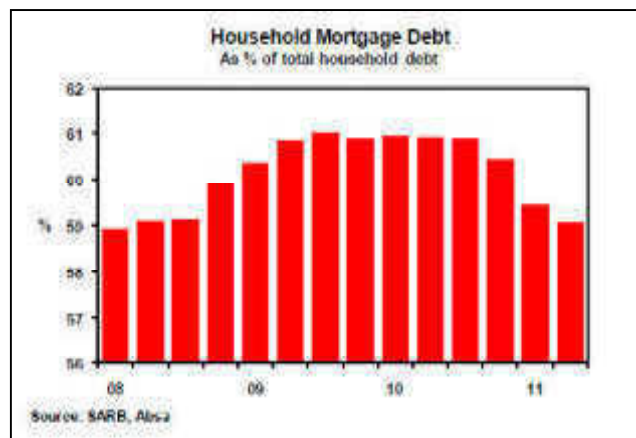
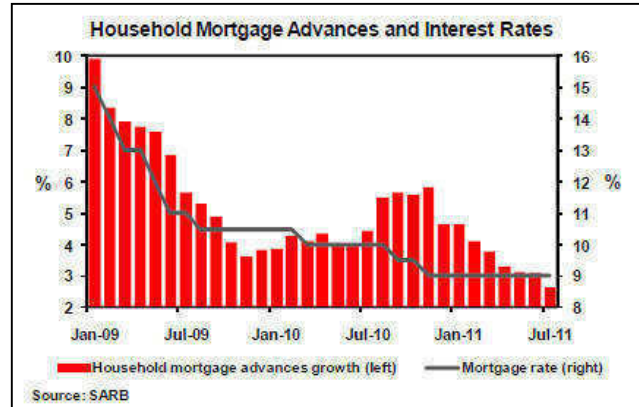
⁵ Absa House Price Indices, 6 October 2011

indicative of the market for these type of properties feeling the effect of economic trends, the state of household finances and lower consumer confidence. Month-on-month price trends remained subdued in all three segments of housing in September.

3.6.2 HOUSEHOLD MORTGAGE DEBT⁶

Latest trends in mortgage debt indicative of economic developments and state of household finances

- ✓ South Africa's real economic growth was significantly lower in the 2nd quarter of 2011 on the back of trends in global economic conditions and domestic demand, as well as labour action in some sectors of the economy during the quarter, which adversely affected production and service delivery. Real gross domestic product (GDP) increased at a quarter-on-quarter seasonally adjusted annualised rate of only 1,3% in the 2nd quarter of the year, after rising by 4,5% in the 1st quarter. Consumer price inflation continued its upward trend, reaching a level of 5,3% year-on-year (y/y) in July this year, whereas interest rates were kept stable since last cut in November 2010.
- ✓ In the household sector, growth in real disposable income tapered off to an annualised rate of 4,1% in the 2nd quarter of the year from 5,4% in the 1st quarter, while growth in real final consumption expenditure slowed down to an annualised rate 3,8% in the 2nd quarter (5,2% in the preceding quarter). The lower growth in household income and consumption was partly the result of increasing inflationary pressures, affecting consumers' purchasing power. The ratio of household debt to disposable income was down from 76,8% in the 1st quarter of the year to 75,9% in the 2nd quarter. Reflecting these developments on the household sector front, including continued tight labour market conditions, consumer confidence was on average lower in the first three quarters of 2011 compared with a year ago.
- ✓ Evident of the abovementioned trends, the residential property market continued to experience relatively tough conditions in 2011 compared with a few



⁶ Absa Household Mortgage Debt, 14 September 2011

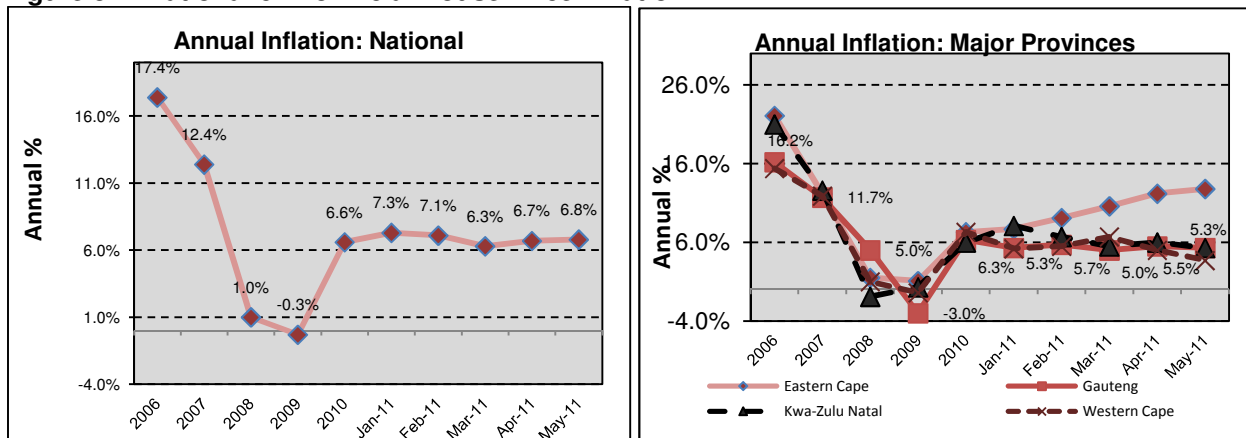
years ago. Nominal house price growth remained low in the first eight months of the year, with prices declining in real terms on the back of rising inflation. The mortgage interest rate is currently at its lowest level since the end of 1973, which resulted in monthly mortgage repayments being 33,5% lower than in December 2008 when the mortgage rate was 15,5%. Although the low interest rate is positively impacting the affordability of housing and mortgage finance, growth in outstanding household mortgage balances slowed down to less than 3% y/y up to July this year.

- ✓ This may be related to a still relatively high household debt-to-income ratio of almost 76%; many consumers having damaged credit records (8,63 million, or 46,4%, of a total of 18,6 million credit-active consumers in the 1st quarter of 2011), which impact their ability to take up credit; and a lower level of consumer confidence compared with twelve months ago.
- ✓ The ratio of outstanding household mortgage debt to disposable income came to 44,8% in the 2nd quarter of 2011, down from 45,7% in the 1st quarter. This was the net result of growth in household mortgage debt of 0,2% quarter-on-quarter (q/q) and nominal disposable income growth of 2,1% q/q in the 2nd quarter. The cost of servicing household mortgage debt as a percentage of disposable income was marginally lower at 4% in the 2nd quarter from 4,1% in the 1st quarter. This was due to the abovementioned trends in growth of household mortgage debt and disposable income, leading to a lower mortgage debt-to-income ratio, while the mortgage rate was stable at 9% in the 1st and 2nd quarters of the year. The ratio of households' mortgage debt to total debt was at a level of 59,1% in the 2nd quarter of 2011.
- ✓ Against the background of uncertain global economic conditions, a slowing domestic economy and rising consumer price inflation, interest rates are forecast to remain unchanged in the rest of 2011 and into 2012. Nominal house price growth is expected to be well in single digits for the full year and in 2012, with prices set to decline in real terms this year and next year.
- ✓ Household mortgage advances are projected to record year-on-year growth of below 10% over the next twelve to eighteen months, which is not expected to lead to a significant increase in the various mortgage debt ratios. The cost of servicing mortgage debt will be driven by the ratio of mortgage debt to income, as well as developments on the interest rate front.

3.6.3 RESIDENTIAL INFLATION TRENDS⁷

The **Lightstone National Inflation Index** reports the current **annual inflation rate of 6.83%**, up 0.5% from the 2011 low of 6.3% of March. The national **monthly inflation index is reported at 0.79%**, continuing its cautiously positive trend since June 2010.

Figure 3.2: National & Provincial House Price Inflation



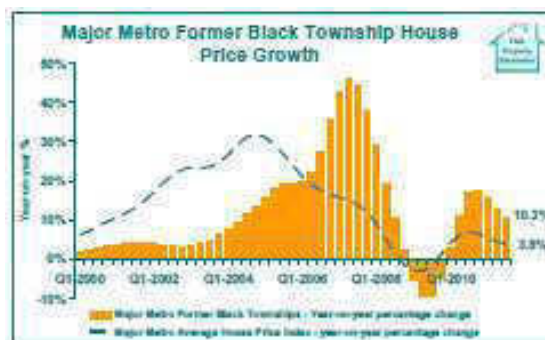
Source: Demacon Ex Lightstone, 2011

⁷ Lightstone Residential Property Indices, 28 September 2011

The **Lightstone National Inflation Index** tracks annual inflation rates of the 4 major provinces in South Africa. **Eastern Cape** boasts the most aggressive annual inflation of the major provinces at a current rate of 13.7%. **Western Cape** values are down a further 0.45% to a current rate of 3.7%. **Gauteng and Kwazulu Natal** both marginally down on last month's figures, currently 5.1% and 5.3% respectively.

3.6.4 TOWNSHIP HOUSEPRICES⁸

- ✓ The housing markets in “Affordable Areas” of the major metros (Tshwane, Joburg, Ekurhuleni, Ethekwini, Cape Town and Nelson Mandela Bay) outperformed the rest of the value bands significantly in terms of house price growth, with a portion of the financially pressured household sector searching for affordability.
- ✓ The most affordable sub-segment of the affordable part of the major metro market is the so-called “Former Black Townships”. Of the houses transacted in major metro townships, the average estimated price was R265,113.
- ✓ It would thus come as little surprise to see Major Metro Former Black Township House Price Index outperforming the rest, growing year-on-year by +10.3% in the 3rd quarter of 2011.
- ✓ This is not to say that these township markets aren't affected by the same economic cycles that other property segments are. Indeed, the 3rd quarter house price growth rate represents a slowdown from the previous quarter's revised 12.7% year-on-year growth rate.
- ✓ However, this remains significantly higher than the estimated +3.8% growth rate for house prices in the 6 major metro regions as a whole.



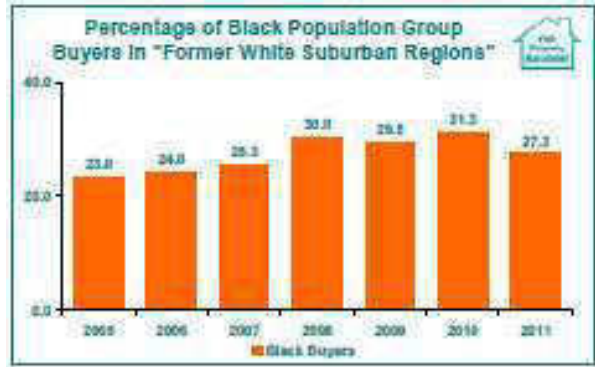
There are 4 factors that is believed to be playing a role in driving this apparent superior performance of the “Township” regions housing markets:

- ✓ Firstly, these markets didn't become as “oversupplied” during the building boom of a few years ago.
- ✓ Secondly, the transformation of the labour market continues, and this implies that off a low base the Black population group's disposable income growth has been the most rapid over a good number of years. This should imply that off a low base this group's home buying should have been growing the fastest, or in recently tougher years perhaps not slowing as rapidly as the others. Indeed, mortgage originator Ooba has pointed to a significant increase in the percentage of successful home loan applicants that are classified as Black.
- ✓ Relatively more Black home buyers doesn't necessarily mean superior Township market performance, however, because many of these buyers migrate to former white suburbs, often following their jobs to a home nearer to major business nodes. However, and this is the 3rd factor, it is just possible that the pace of this migration to the “suburbs” has slowed a little of late, perhaps due to affordability issues in some instances. A hint of this possible slowdown is seen in the FNB Estate Agent Survey, where agents surveyed in the 1st 3 quarters of 2011 have estimated Black population group buyers at a mildly lower 27.3% of total buyers, compared to 31.3% of total suburban buyers in 2010.
- ✓ Fourthly, new “Affordable Housing” developments in the vicinity of former Black Townships do often get introduced to the market at higher prices than the existing housing stock, and a significant portion of overall transactions in these newer developments can raise the average price calculated in the overall Township Index.

⁸ FNB Property Barometer: Township House Prices, 27 October 2011

CONCLUSION

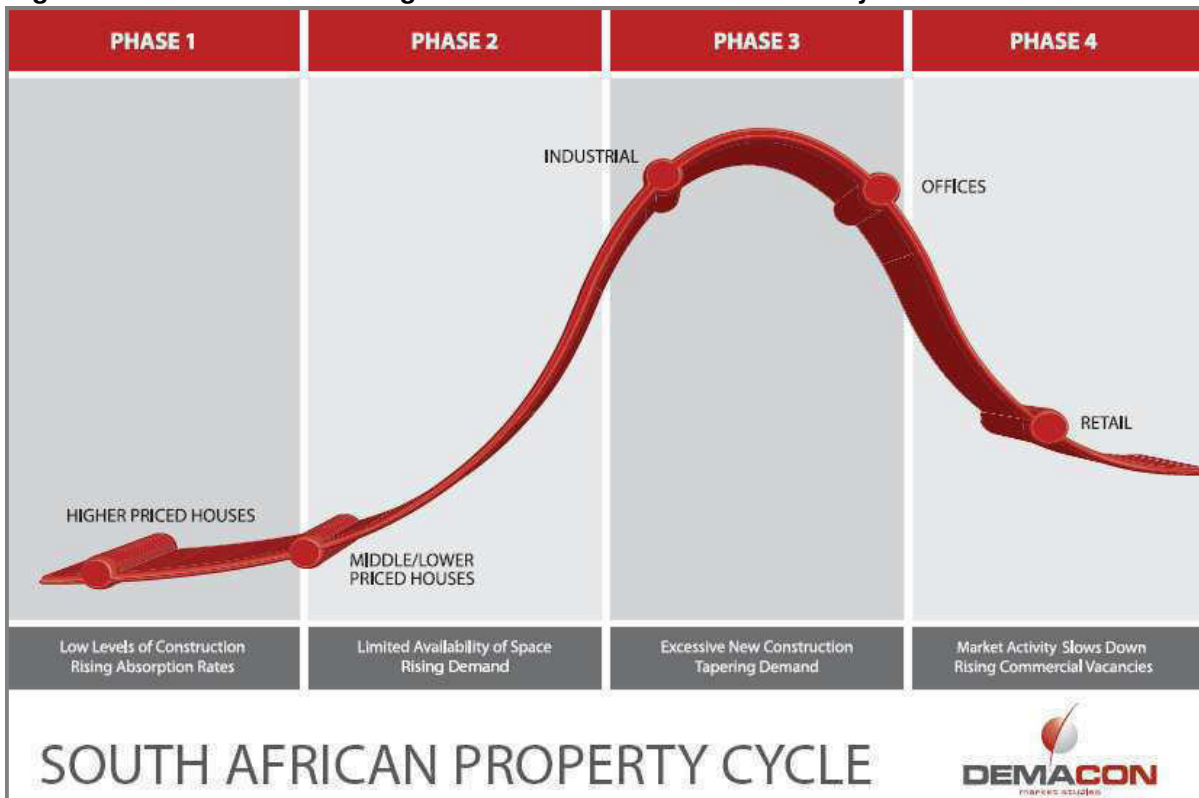
- ✓ We continue to see the former Black Township regions within the major metro areas outperforming the higher priced segments. However, these markets, too, appear to be experiencing slowing price growth as a result of interest rates flattening out in 2010 (following significant cutting) as well as some slowing in economic growth.
- ✓ The superior performance in these township housing segments should come as little surprise, given more rapid Black Population Group income growth off a lower base than the other population groups, along with the current need for affordability in a financially pressured household sector.
- ✓ In the longer term, the “townships” still need to complete their transition from dormitory towns to more mixed use regions with economies of their own. Whilst this process started a few years ago, most noticeable with infrastructure upgrades and retail centre additions, it still has a long way to run once better economic times return.
- ✓ This transition to “mixed use” is expected to greatly improve townships’ attractiveness as places of residence, and we thus believe that the long term prospects are for certain of these township regions to outperform the traditionally “more illustrious” suburban regions in terms of house price growth, off a far lower base, for some years.



3.6.5 SECTORAL POSITIONING OF SOUTH AFRICAN REAL ESTATE

The following figure (Figure 3.3) illustrates the sectoral position that each market (offices; industrial; retail and residential) occupies in the real estate cycle in South Africa, in terms of *level of activity versus time*.

Figure 3.3: Sectoral Positioning of the South African Real Estate Cycle



Retail: The effects of repeated interest rate hikes since 2006 have become visible in the latest retail sales data, and slowed down the prolific growth rates that were last seen in the 1970's. A modest retail sales recovery is expected from 2010, strengthening towards 2011 and fears of a double-dip recession have been laid to rest. In spite of the slowdown (reflected in *national* averages), numerous private sector clients disclosed to Demacon that retail sales in their mall portfolios were up between 15% and 20% in the time period from December 2007 to December 2008, and December 2008 to December 2009.

Offices: In recent years, databases, as well as brokers and real estate professionals, have noted the lack of stock in South African commercial markets, in particular the office and industrial market. Composite rental and vacancy indicators point towards notably rising stock volumes (development proposals and approved rights) and gradually rising vacancy rates in selected nodes. Many nodes with substantial amounts of proposed office rights are poised for phased take-up over the short to medium term. Gautrain Station precincts in particular, can be expected to reveal expanding commercial stock profiles.

Industrial: Similar to the office market, the industrial market has seen dramatic increases in approved rights in selected nodes and corridors. A number of new industrial and distribution parks have come on stream in major metropolitan areas and many of these developments will be poised for phased take-up over the medium to longer term. Industrial parks and hybrid business parks in well located nodes / corridors with good regionally accessible can be expected to perform well and outperform less central / off-centre industrial parks.

Independent **DEMACON** market studies, coupled with extensive network of leading real estate companies, indicate that in spite of turbulent global economic times, the domestic real estate long cycle is currently in an upswing phase and will remain at buoyant levels, despite selected sub-sectors coming under pressure due to short term cyclical trends. Market indicators suggest that the long cycle will only taper off towards 2015, which implies positive market growth conditions for most real estate sub-sectors over the medium to long term.

3.6.6 FUTURE EXPECTATIONS

The Economy

- ✓ The South African economy is forecast to grow by a real rate of around 4% per annum in 2011 and 2012, supported by expected real world economic growth of 4,3% this year and 4,5% next year (as forecast by the International Monetary Fund), as well as growth in domestic demand during this period, driven by a further steady improvement in households' financial position.
- ✓ The headline consumer price inflation rate (CPI) is expected to continue rising in the rest of 2011, reaching a level of 6% by year-end. CPI is forecast to average about 5% this year and 6% next year, driven by factors such as rising transport costs, food prices and housing operating costs.
- ✓ Against the background of these economic and inflation expectations, interest rates are projected to remain unchanged in the rest of the year, but to rise by a cumulative 200 basis points during the course of the first seven months of next year, remaining stable thereafter. This will bring prime and variable mortgage rates to a level of 11% by the end of 2012, which will affect consumers' debt repayments, and the cost and affordability of existing debt and further credit, including mortgage finance.

The Residential Property Market

- ✓ The residential property market will continue to reflect conditions in the macro economy and the household sector up to the end of the year and in 2012. Based on trends in home values in the first half of 2011, and prospects for the economy and household finances, nominal price growth in the middle segment of the market is forecast at between 1% and 2% for the full year, rising to about 4% in 2012. In consideration of the outlook for nominal price growth and the projection of consumer price inflation averaging 5% this year and 6% next year, house prices are set to decline in real terms in both 2011 and 2012.
- ✓ Taking cognisance of the state of household finances (income, saving, debt, credit records, etc.), labour market conditions, the level of consumer confidence, which was lower in the first half of the year compared with the corresponding period last year, and the prospect of rising interest rates in 2012 on the back of inflationary pressures in the economy, the year-on-year growth in mortgage finance extended to the household sector is forecast to remain in single digits up to the end of 2011 and into 2012.

The South African consumer market is also characterised by an increasingly large segment of **socially upward mobile consumers** (with the LSM 6 – 10+ segment growing at approximately 1.3% annually) – the rising black middle class with a set of very strong aspirational values. This trend holds direct beneficial implications for especially the domestic retail and residential sectors.

The following section provides an overview of local economic trends in the market area.

3.7 LOCAL ECONOMIC TRENDS

Subsequent economic indicators provide insight to the performance of **Metsweding District and Kungwini Local Economy**. The assessment serves to highlight local **growth trends** in the market. Future investment opportunities will be informed by this local assessment.

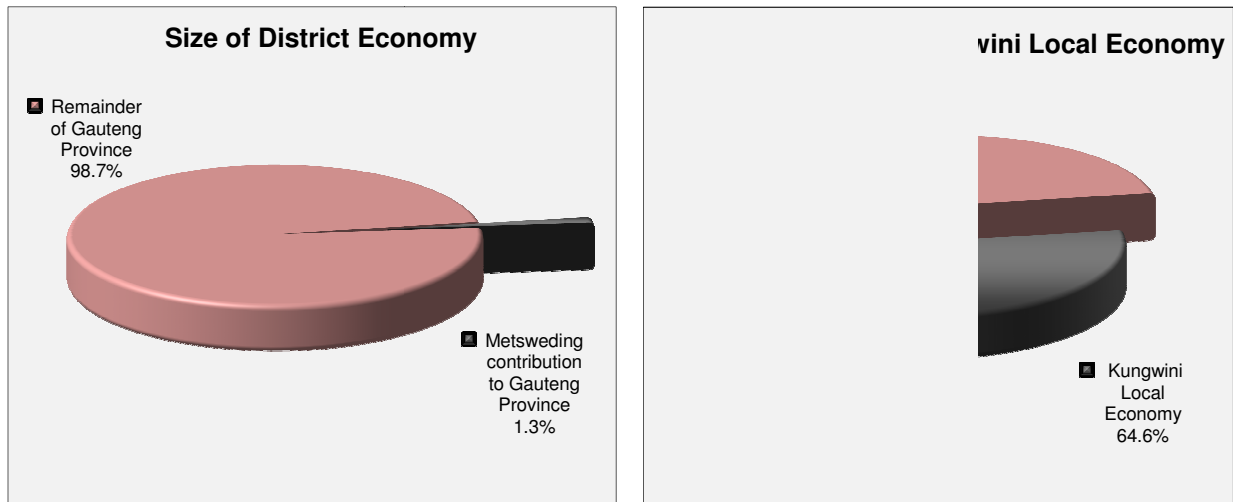
These ten sectors are:

- ✓ General government services
- ✓ Community, social and other personal services
- ✓ Finance and business services
- ✓ Transport and communication
- ✓ Trade sector (Wholesale and retail; catering and accommodation)
- ✓ Construction
- ✓ Electricity and water
- ✓ Manufacturing
- ✓ Mining
- ✓ Agriculture, forestry and fishing.

3.7.1 SIZE OF ECONOMY

Figure 3.4 indicates the size of the district economy in relation to the provincial economies, supported by an indication of the sizes of the two local economies within the district.

Figure 3.4: Size of the economy, 2010 (GVA at basic prices)

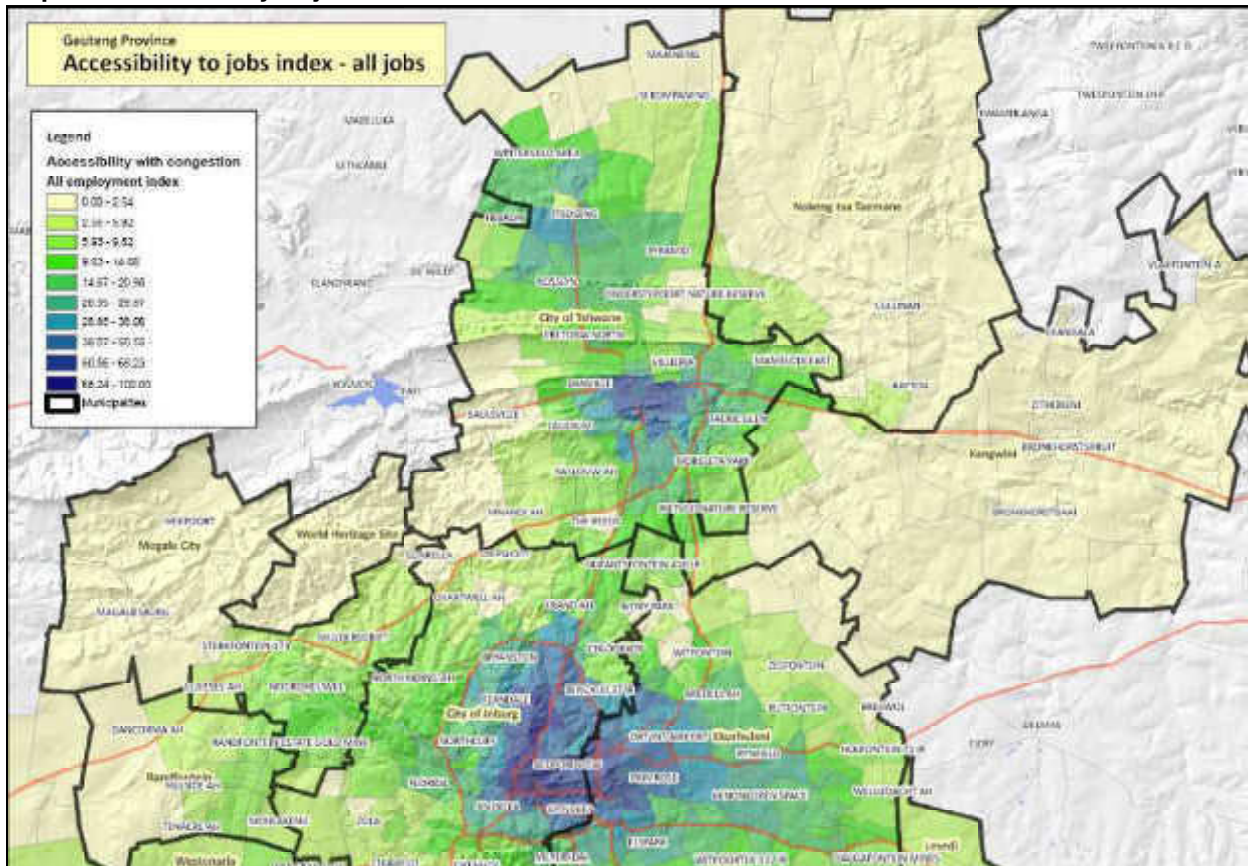


Source: Demacon Ex. Quantec, 2011

Findings: (Figure 3.4)

- ✓ Figure 3.4 indicates that the Metsweding District Economy contributed a mere 1.3% towards the Gauteng Provincial Economy in 2010 – reflecting its small economic base.
- ✓ Figure 3.4 furthermore indicates that the Kungwini Local Economy contributed 64.6% towards the district economy, compared to the 35.4% contribution of the Nokeng tsa Taemane local economy.
- ✓ This economic contribution is vested in the performance of the ten economic sub-sectors discussed in the subsequent paragraphs.

Map 3.1: Accessibility to jobs



It is evident that the dominant economic concentrations are vested towards the central areas of City of Tshwane, City of Johannesburg and Ekurhuleni. It is therefore anticipated that a large segment of the study area population travel to these dominant nodes of employment and economic opportunities.

3.7.2 ECONOMIC PROFILE

The assessment serves to highlight sub-regional **growth trends** in the market. Future investment opportunities will be informed by this sub-regional assessment. Figure 3.4 indicates the contribution of the ten major economic sectors to the total economic production of Metsweding District and **Kungwini Local Economy** for the time period 2006 to 2010.

The ten economic sectors referred to include:

- ✓ General government services
- ✓ Community, social and other personal services
- ✓ Finance and business services
- ✓ Transport and communication
- ✓ Trade sector (Wholesale and retail; catering and accommodation)
- ✓ Construction
- ✓ Electricity and water
- ✓ Manufacturing
- ✓ Mining
- ✓ Agriculture, forestry and fishing.

Table 3.4: Sectoral Performance of the District Economy, 1996 to 2010 (GVA at basic prices)

	1996	1998	2000	2002	2004	2006	2008	2010
Agriculture	3.7	3.5	3.7	3.5	3.0	2.5	2.3	2.1
Mining	19.5	15.2	8.9	7.7	6.7	5.1	3.5	2.5
Manufacturing	21.7	23.4	25.2	26.0	25.3	25.6	25.0	23.0
Utilities	2.1	1.9	1.8	1.7	1.8	1.9	1.8	1.9
Construction	3.0	2.8	3.3	3.4	3.9	4.4	5.1	5.7
Trade	9.4	10.0	12.0	11.8	12.0	12.3	12.0	11.8
Transport & communication	5.3	5.8	6.8	7.3	7.9	8.0	8.3	8.6
Finance & business serv	9.5	10.9	12.4	14.5	15.9	17.8	19.9	21.5
Community, social & personal serv	3.9	4.1	4.4	4.2	4.2	4.1	4.0	3.9
General government serv	22.0	22.2	21.5	19.7	19.3	18.4	18.0	19.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Demacon Ex. Quantec, 2011

Findings: (Table 3.4)

It is evident that the District Economy is based on five dominant pillars:

- ✓ Manufacturing – 23.0%
- ✓ Finance and Business Services– 21.5%
- ✓ General Government Services – 19.0%
- ✓ Trade – 11.8%
- ✓ Transport and Communication Services – 8.6%.

Ten kinds of economic activity are distinguished and are grouped into the three broad sectors of the economy: the primary sector, the secondary sector, and the tertiary sector. The

valuation is at basic prices and the data are provided at constant prices. Figure 3.5 shows the annual real growth in the output of different kinds of economic activity.

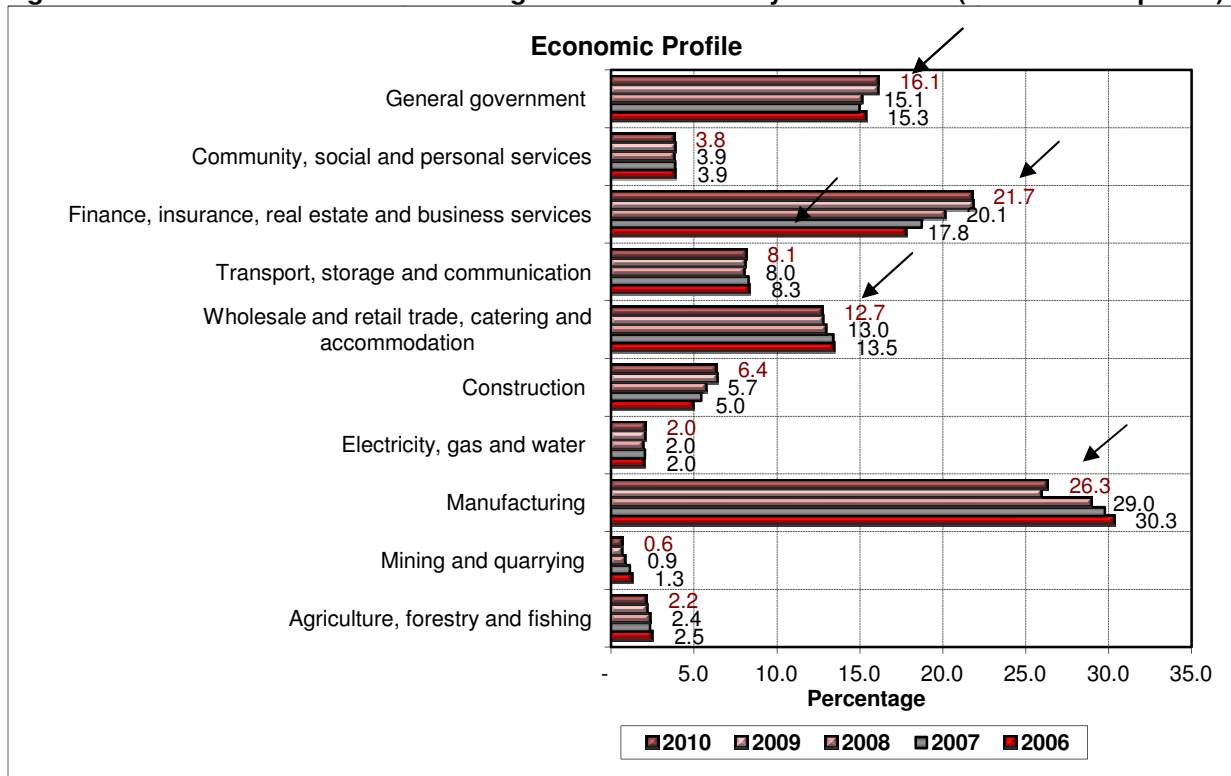
The pillars of Kungwini Local economy include: Manufacturing, Finance and Business Services, General Government Services, Trade Sector and Transport and Communication – contributing approximately **85.0%** towards the sub-region economy in 2010.

Findings (Figure 3.4)

Primary Sector:

- ✓ The real value added by the primary sector increased at a slightly slower pace in 2010 (0.1%) than in 2009.
- ✓ Growth in 2010 moderated to a still-low average annualised rate of 1.4% following a rate of decrease of no more than 1.0% from 2005. This moderation resulted from a slower rate of increase recorded in the agriculture and mining sector.
- ✓ Growth in the real value added by the agricultural sector decreased from an annualised rate of 3.0% in 2005 to 2.2% in 2010.
- ✓ The real output of the mining sector decreased from an annualised rate of 1.7% in 2005 to 0.6% in 2010. Growth in the real value added by the mining sector moderated to an average annualised rate of 1.1% between 1995 to 2010.

Figure 3.5: Economic Profile of the Kungwini Local Economy 2006 to 2010 (GVA at basic prices)



Source: Demacon Ex. Quantec, 2011

Secondary Sector:

- ✓ Growth in the real value added by the secondary sector accelerated to an annualised rate of 11.6% in 2010, following a slight increase of 0.1% from the preceding year.

- ✓ The manufacturing sector contributed to the growth in the secondary sector; as this is the only sector recording growth in 2010 when compared to the previous year.
- ✓ The real value added by the secondary sector decreased by 0.8% in 2010 when compared with 2005.

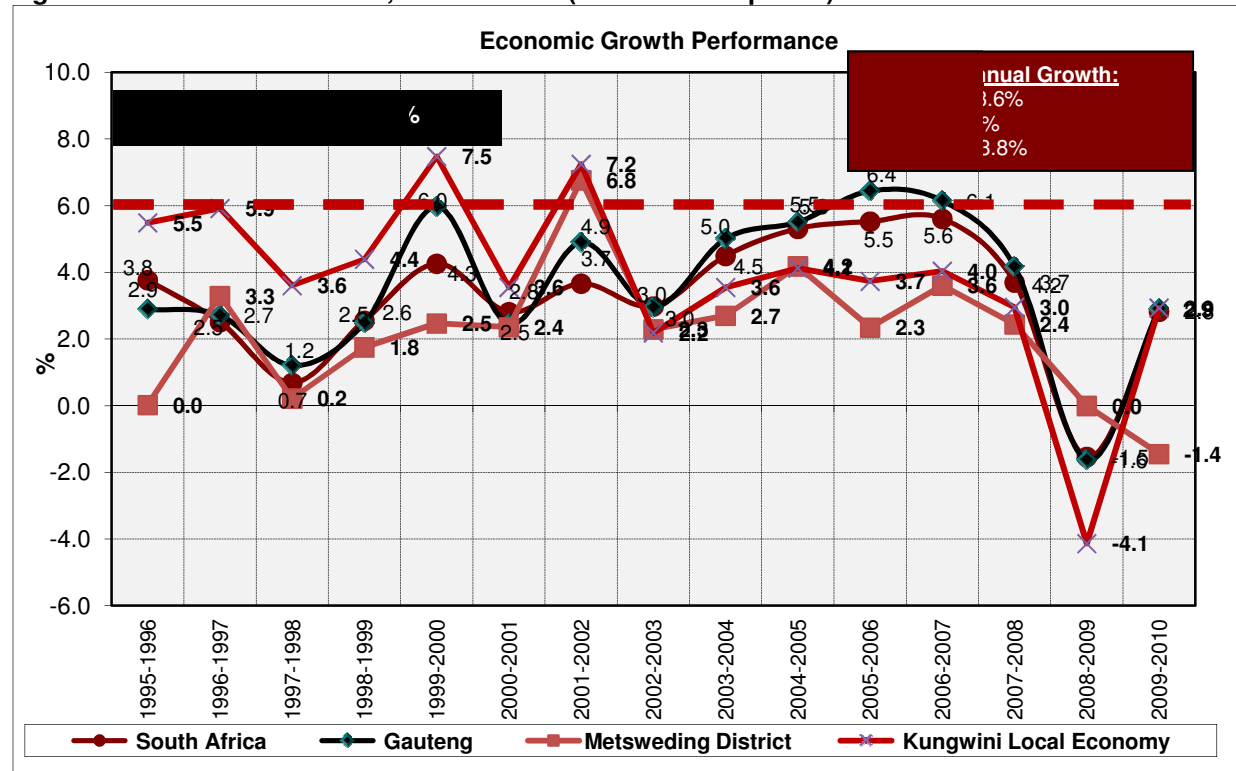
Tertiary Sector:

- ✓ The tertiary sector represent the largest sector within the local economy, with an average contribution of 12.5% in 2010
- ✓ From Figure 3.5 it is evident that this sector recorded stable growth from 2006 to 2010 with slower growth in sub sectors such as trade and community and social services.
- ✓ The Finance and Business Sector represents the largest contributing sub sector – characterised by a contribution of 21.7% in 2010
- ✓ The Government Services Sector represents the second largest contributing sub sector with a contribution of 16.0% in 2010 – the sector’s contribution increased from 15.3% in 2006.
- ✓ The Trade Sector represents the third largest contributing sub sector – characterised by a contribution of 12.7% in 2010.
- ✓ The strong performance of general government mainly reflected a recovery from the strike related lower base in 2009. Overall, the real value added by the general government sector increased by 1.0% in 2010, higher than the growth rate recorded in 2008, indicating the faster pace of increase in employment in general government.

3.7.3 ECONOMIC GROWTH

Figure 3.6 provides detail on the growth performance of Kungwini Local Economy in respect of the district, provincial and national economies between 1995 and 2010.

Figure 3.6: Economic Growth, 1995 to 2010 (GVA at basic prices)



Source: Demacon Ex. Quantec, 2011

Findings (Figure 3.6)

- ✓ The local economy reflected a similar growth trend pattern as the district economy. The local economy peaked during 1999 to 2000, 2001 to 2002, 2004 to 2005 and reached its lowest marks during 1997 to 1998, 2002 and 2003 and in 2008 to 2009.
- ✓ The long run annual growth rate of the local economy averaged at **3.8% between 1995 and 2010**. The district averaged at a slightly lower rate of 2.2% over the same period.
- ✓ The short run economic growth trend of the local economy average 1.9% from 2005 to 2010, and 1.4% for the district economy over the same period.
- ✓ The average annual growth rate of the national economy over this period (1995 – 2010) amounted to 3.3% per annum and the provincial economy amounted to 3.6% per annum.
- ✓ The stronger year-to-year (2003 – 2008) growth mainly reflected a rebound in the real value added by the secondary sector alongside stronger growth in the real value added by the tertiary sector.
- ✓ These positive contributions to economic growth were partly offset by a slower pace of increase in the real value added by the primary sector.

Development implications

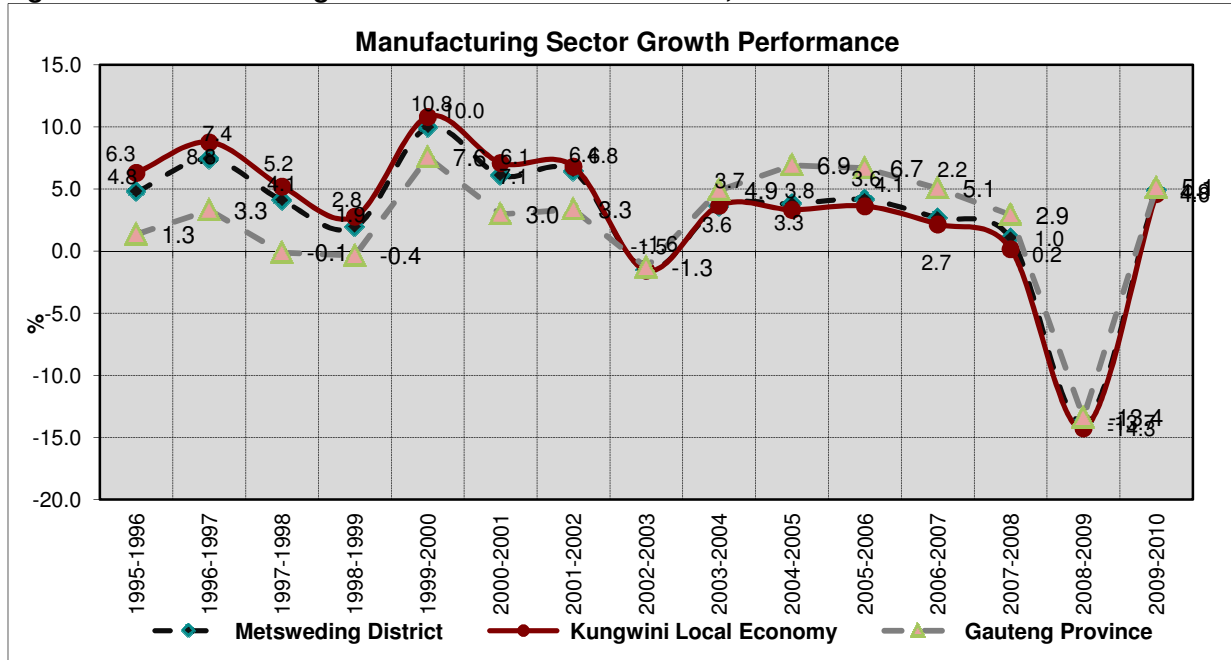
- ✓ Economic growth in the sub-regional and regional economy reflects a similar cyclical trend that correlates with growth trends experienced in the SA domestic economy over the same period.
- ✓ 2012 economic growth forecast - GDP to average 3.1% between 3.4%
- ✓ The composition of economic growth will remain consumer-heavy for some time longer and emphasise that although the fall in Q3 consumer confidence is certainly something to keep an eye on, supporting fundamentals (high wage settlements, manageable inflation and low-for-longer policy rates) should keep consumer spending afloat.
- ✓ In the near term, Q3 and Q4 GDP growth will be critical to monetary policy decision-making
- ✓ The domestic economy is forecast to expand at a rather modest 3.6% rate in 2011, with a gradual acceleration in the growth momentum anticipated in subsequent years. Consumer spending will be the main contributor to economic growth in 2011, whilst fixed investment activity is forecast to pick up from 2012 onwards, led by the public sector.

3.7.4 MANUFACTURING SECTOR PERFORMANCE

- ✓ The Manufacturing sector contributed 16.8% towards the GVA of the district. Kungwini LM contributed 79.0% towards the GVA of district's manufacturing sector and Nokeng tsa Taemane 21.0%.
- ✓ Average Annual GVA growth – District 3.0% and Kungwini LM 3.0%
- ✓ Average Annual Employment growth – District 0.8% and Kungwini LM 1.0%
- ✓ Manufacturing is defined as the physical or chemical transformation of materials or compounds into new products.
- ✓ The district is characterised by a strong local Manufacturing sector, indicating the relative importance of this sector.
- ✓ Metsweding has a very small manufacturing base when compared with the remainder of the Gauteng Province. It also does not include any monitored industrial nodes.
- ✓ Manufacturing was however the largest employer in this area in 1996 in spite of the above. Approximately 100 to 150 industrial companies are located within the area.

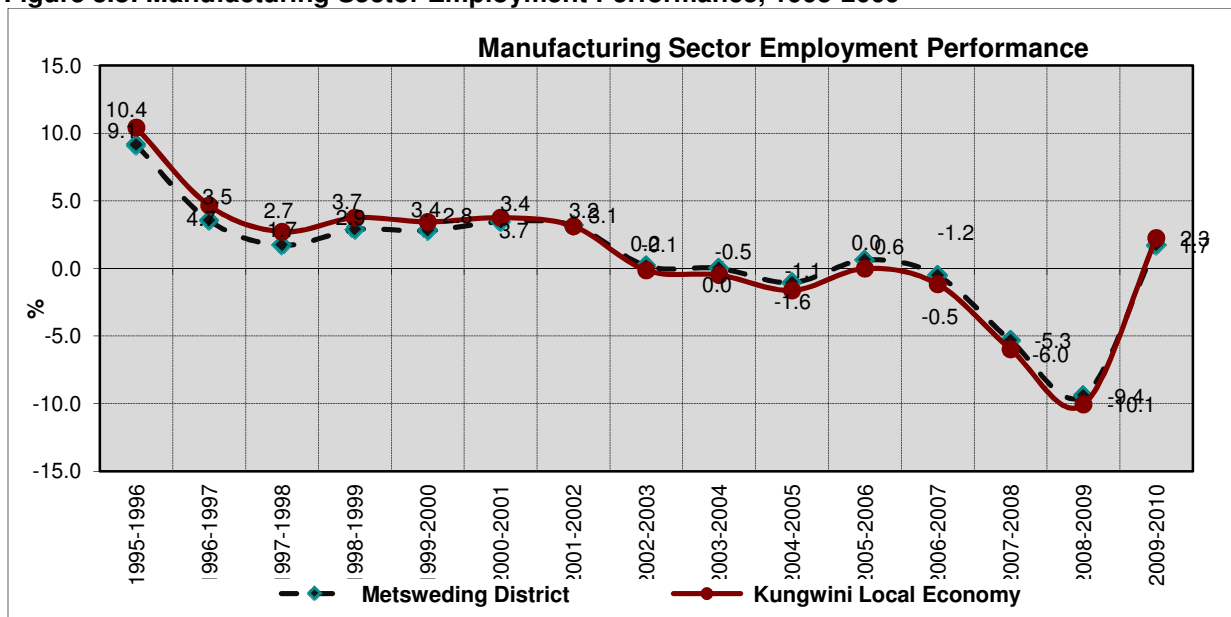
- ✓ Most manufacturing and distribution related companies are located in the industrial areas in close proximity to Bronkhorstspuit – Bronkhorstspuit Light Industrial to the north-west of Bronkhorstspuit Town and Ekandustria.
- ✓ Major local manufacturing's sectors are grouped as follows: Petroleum products, chemicals, rubber and plastic, Furniture, Metals, metal products, machinery and equipment, Other non-metal minerals products, Wood and paper, publishing and printing, Textile, clothing and leather goods, Food, beverages and tobacco and Transport equipment.

Figure 3.7: Manufacturing Sector Economic Performance, 1995-2010

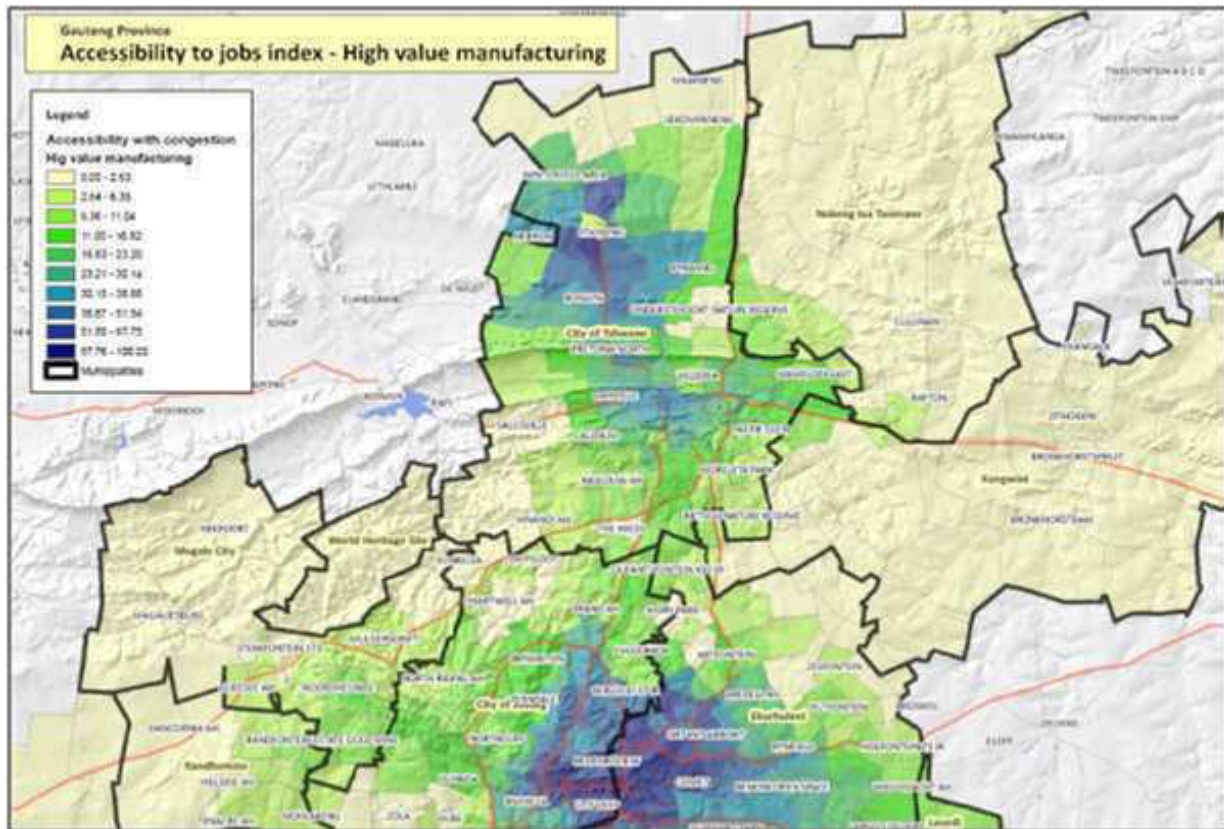


Source: Demacon Ex. Quantec, 2011

Figure 3.8: Manufacturing Sector Employment Performance, 1995-2009



Source: Demacon Ex. Quantec, 2011



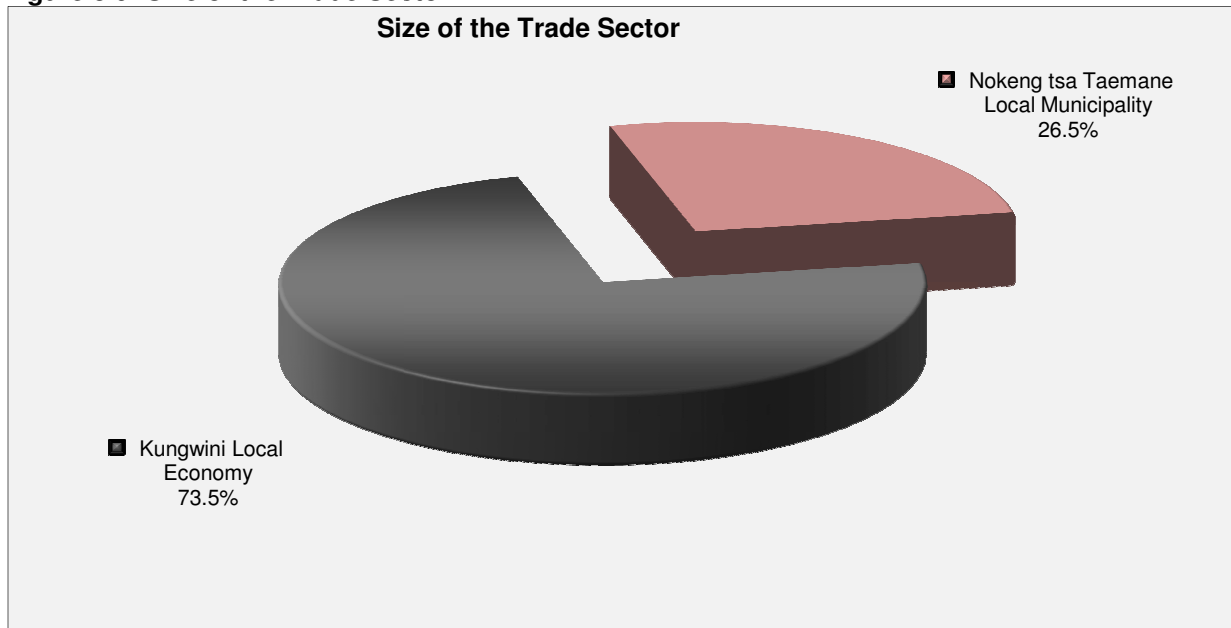
- ✓ There is good reason that manufacturing is Kungwini's (and therefore, Metsweding's) largest employer. The area's relatively low costs and good access are attractive for manufacturing businesses. Kungwini offers good access for those Gauteng manufacturing companies that rely on both air and sea freight. Unfortunately, manufacturing industries are increasingly buffeted by national and international market fluctuations and rapidly changing technologies. There are little incentives for industrialists to locate to the area (apart from the large labour pool). With sound planning, government and private sector intervention, and a range of other initiatives, this situation can be reversed.
- ✓ Manufacturing sector represents an important economic and employment sector in any economy
- ✓ The sector also serve as catalyst for supporting economic activities contributing to economic growth within an area and positive spin-off effects on the whole economy.

3.7.5 TRADE SECTOR PERFORMANCE

The trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering of services incidental to the sale of merchandise. Trade thus involves the selling or arranging the purchase or sale of goods from resale, and selling durable, semi-durable and non-durable consumer goods. The trade sector is sensitive to business cycle fluctuations, which in turn are extremely sensitive to global economic fluctuations.

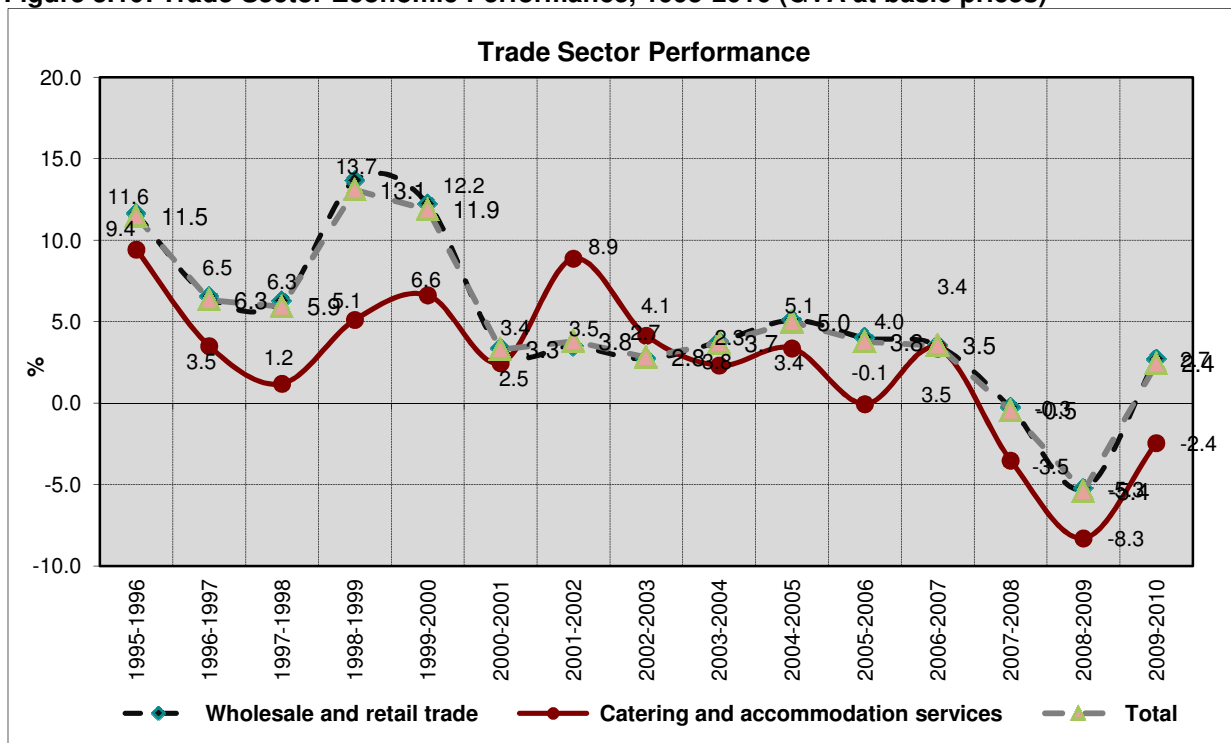
The state of this sector is therefore an ultimate and direct reflection of consumer demand. The impact of macro and micro economic forces on the trade sector therefore extends to both supply and demand side dynamics of the product value chain. The trade sector is the all-important interface between producer, wholesaler and consumer. Figure 3.7 illustrates the trade sector contribution to the district economy.

Figure 3.9: Size of the Trade Sector



Source: Demacon Ex. Quantec, 2011

Figure 3.10: Trade Sector Economic Performance, 1995-2010 (GVA at basic prices)



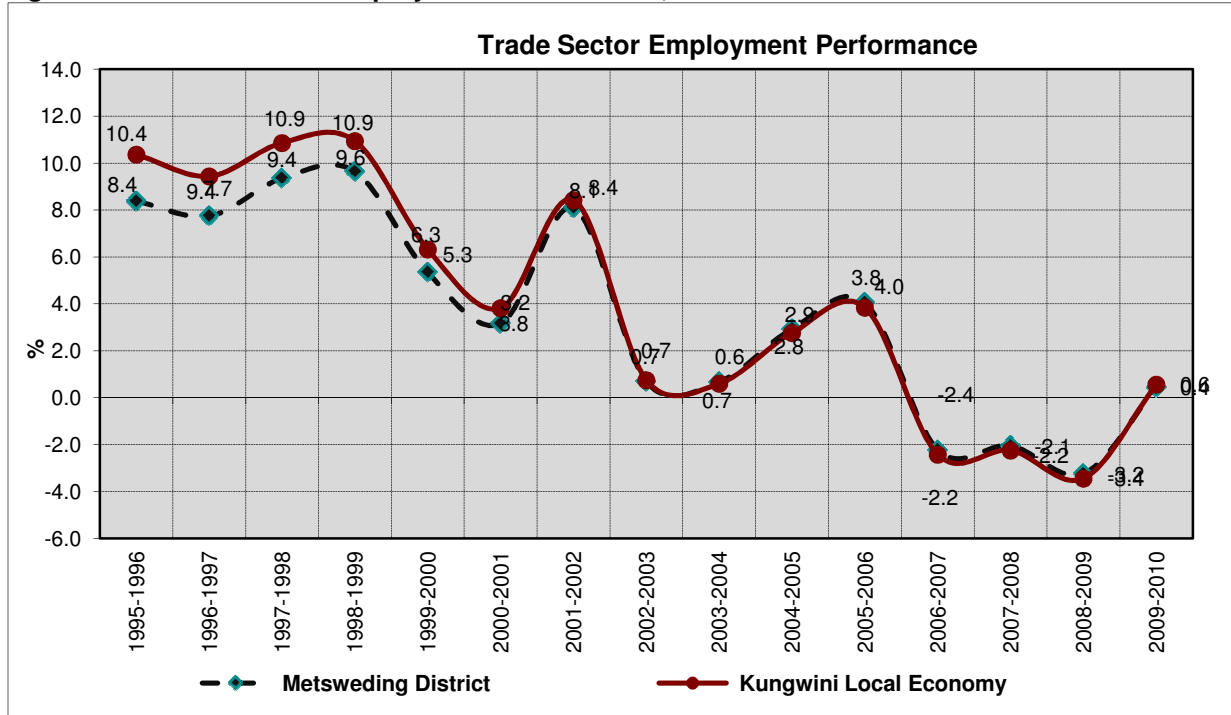
Source: Demacon Ex. Quantec, 2011

Findings (Figures 3.9 - 3.11)

- ✓ The Local Economy Trade sector contributed 73.5% towards the Trade Sector of the district economy in 2010.
- ✓ The long run average annual growth rate of the Local Economy Trade Sector averaged at **4.7% between 1995 and 2010**. The district averaged at a slightly lower rate of 4.4% over the same period.
- ✓ Average Annual Employment growth (1995 – 2010) – District 3.5% and Kungwini Local Employment 4.0%.

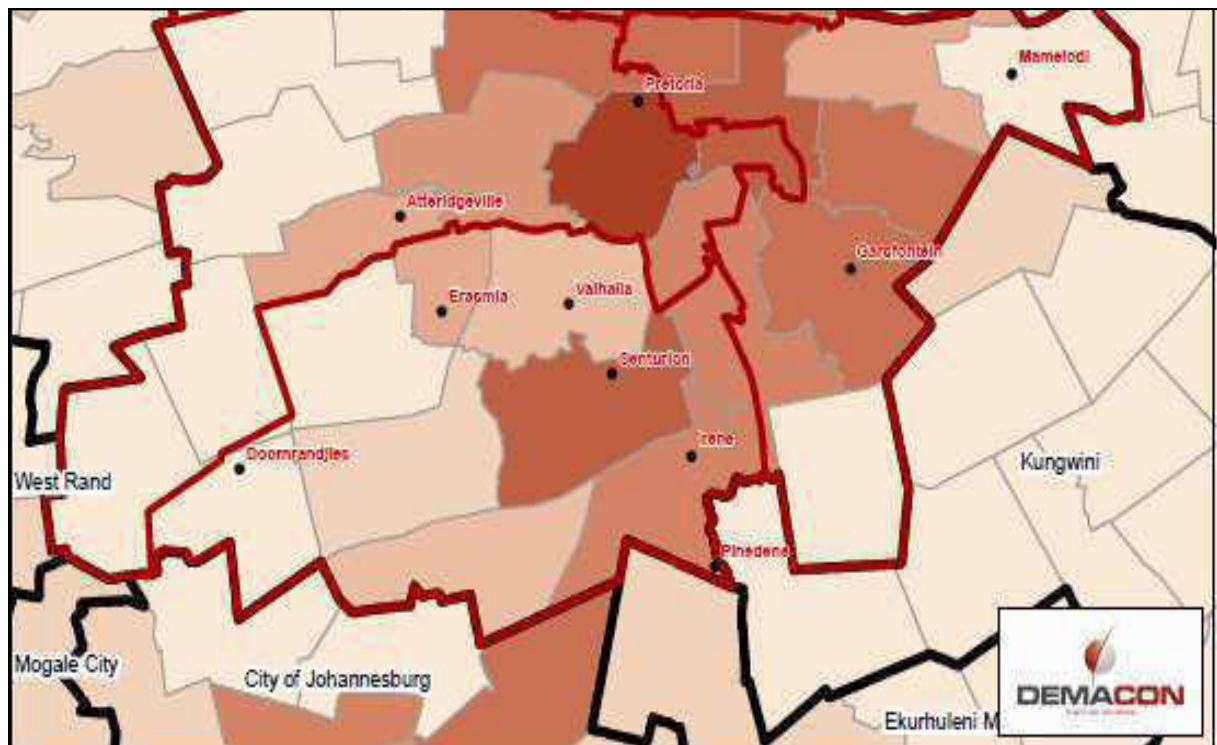
- ✓ Dominant contribution vested in the retail trade and wholesale sub-sector (94.0% contribution to the Trade sector's GVA).
- ✓ Between 2003 and 2007, the Trade Sector moved in a narrow band of between 2% to 4%. Positive growth is expected from 2011 onwards.
- ✓ Demand for retail and commercial facilities are a derived demand dependent on the local population and injection of buying power from outside the local municipal area.

Figure 3.11: Trade Sector Employment Performance, 1995-2010



Source: Demacon Ex. Quantec, 2011

Map 3.2: Landcover Physiography per Mesozone – Commercial



In can be concluded, that, within the context of positive economic growth and trade sector growth prospects for the local economy, the market should be able to sustain demand for commercial related products.

3.7.6 FINANCE AND BUSINESS SECTOR PERFORMANCE

The business and finance sector serves as proxy for the office market. This sector comprises establishments engaged in professional services, financial institutions (e.g. banks and insurance companies) as well as real estate services.

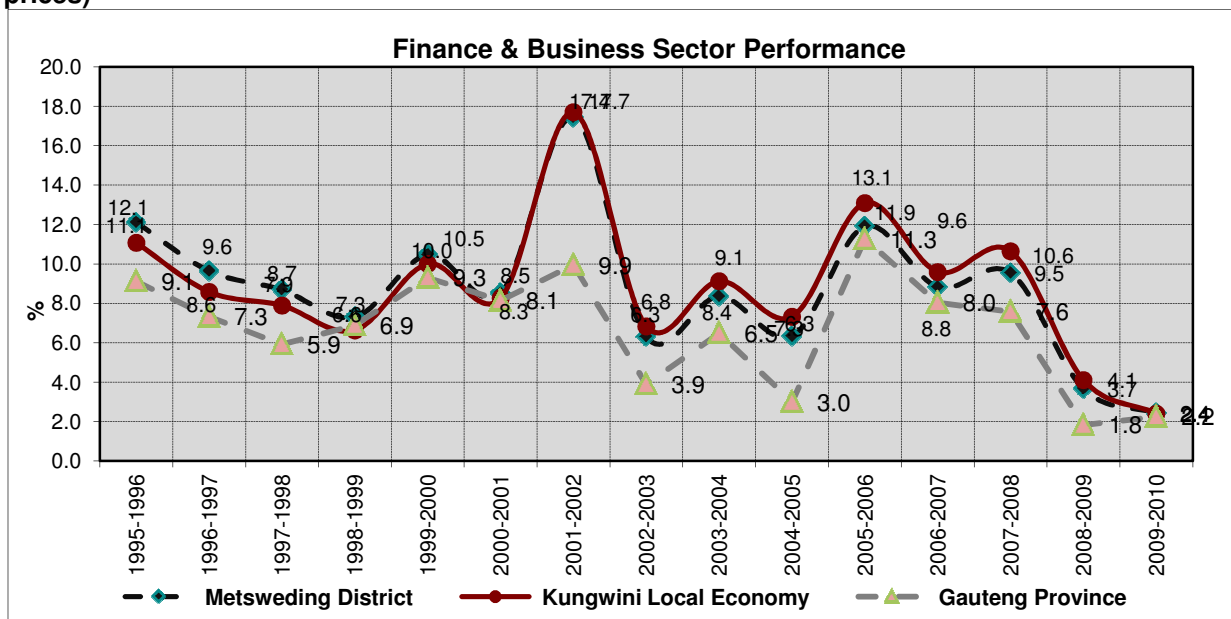
Classification of Finance and Business Sector

According to the SIC (Standard Industrial Classification of all Economic Activities) the following are included in the Finance and Business Services Sector:

- ✓ Financial intermediation
- ✓ Insurance and pension funding
- ✓ Real estate activities
- ✓ Computer and related activities
- ✓ Other business activities
 - Legal
 - Accounting
 - Book-keeping
 - Auditing activities
 - Tax consultancy
 - Market research
 - Public opinion research
 - Business and management consultancy.

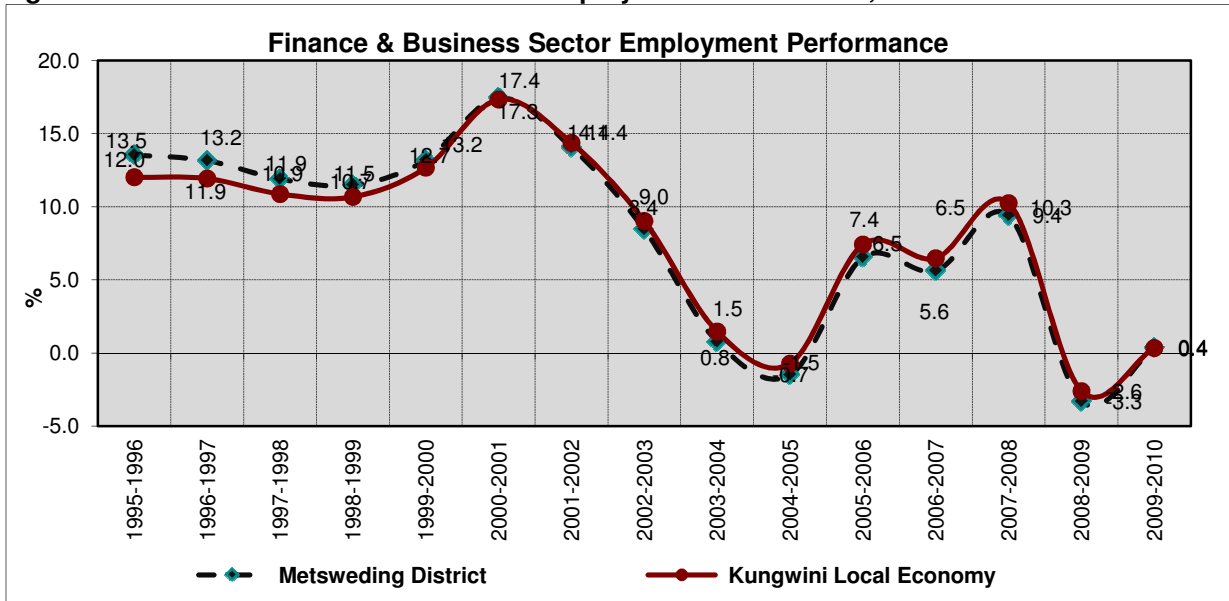
Figure 3.12 illustrates the finance and business sector economic performance from 1995 to 2010.

Figure 3.12: Finance and Business Sector Economic Performance, 1995-2010 (GVA at basic prices)

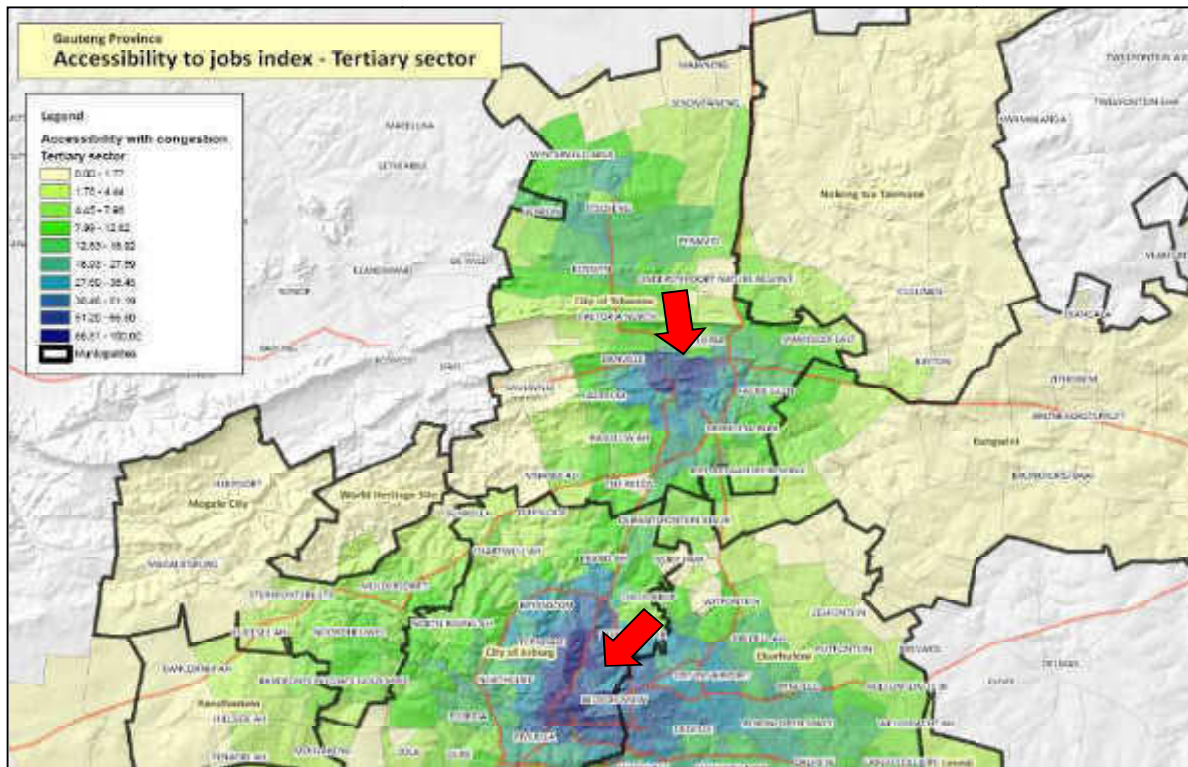


Source: Demacon Ex. Quantec, 2011

Figure 3.13: Finance and Business Sector Employment Performance, 1995-2010



Source: Demacon Ex. Quantec, 2011



Findings (Figures 3.12 - 3.13)

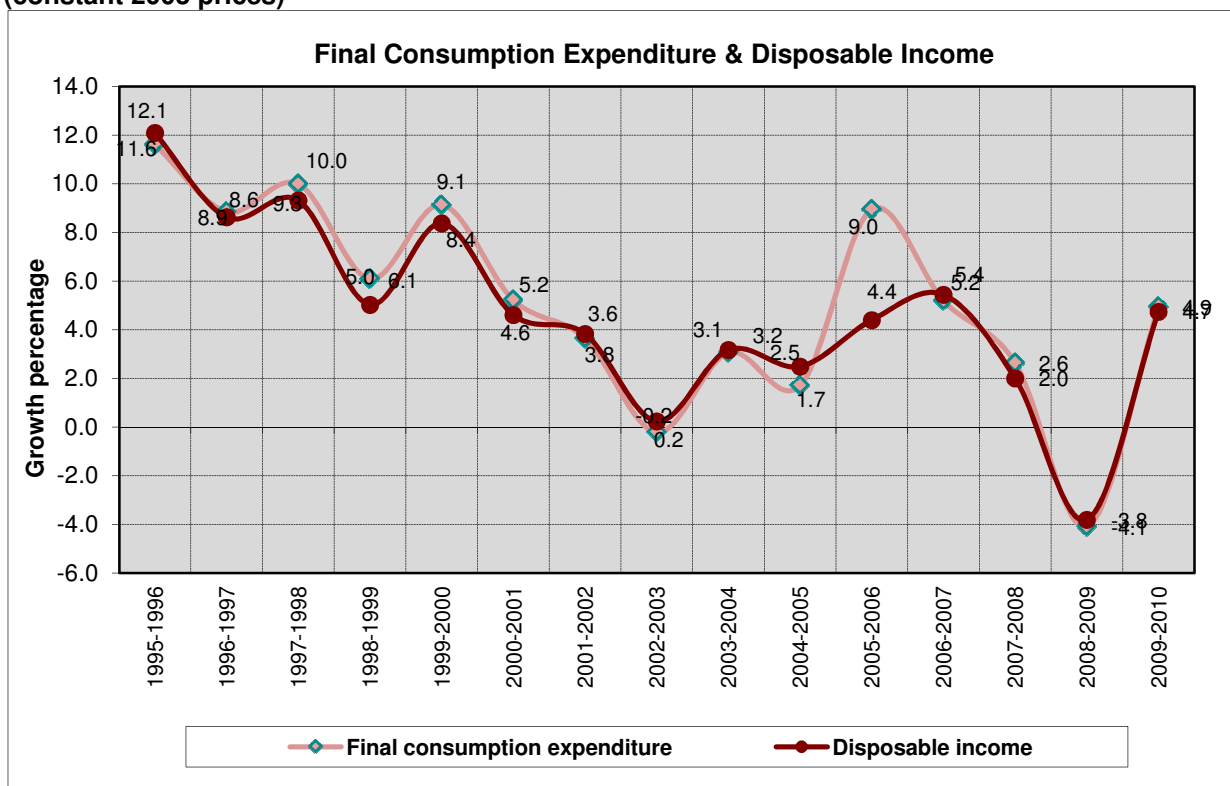
- ✓ The long run average annual growth rate of the Local Economy Finance Sector averaged at **8.9% between 1995 and 2010**. The District averaged at a slightly lower rate of 8.8% over the same period.
- ✓ Average Annual Employment growth (1995 – 2010) – for the District Kungwini Local Employment – 8.1% respectively
- ✓ Dominant contribution vested in the business services sub-sector (67.0% contribution to the Finance sector’s GVA).
- ✓ Between 2000 and 2002, the Finance Sector experience high growth of 13.0% (average annual growth). Positive growth is expected from 2011 onwards.

- ✓ The finance and business services sector is one of the dominant sectors contributing to the local economy. From the figure, it is evident that growth in this sector has been positive for the majority of the time period but experienced contraction in 2003 – 2005 and in 2008 - 2009. The figure is however expected to improve as the economy rapidly recovers.

3.7.7 GROWTH IN FINAL CONSUMPTION EXPENDITURE AND DISPOSABLE INCOME

Figures in subsequent paragraphs illustrate the rate of **growth of final consumption expenditure** (on all goods and services) in relation to **growth in disposable household income**. The graph reveals a high degree of positive correlation between the two variables, which in turn reveals similar up- and downturns to the business cycle as a whole. Figure 3.14 illustrates the rate of growth in final consumption expenditure in relation to annual growth in disposable household income.

Figure 3.14: Local Economy Growth in Final Consumption Expenditure and Disposable Income (constant 2005 prices)



Source: Demacon Ex. Quantec, 2011

Findings (Figure 3.14)

- ✓ **Final consumption expenditure** of the local economy obtained an average annual growth rate of **5.1%** over the time period 1995 – 2010.
- ✓ Growth in real disposable income of households moderated from an annualised rate of 4.7% over the time period 1995 - 2010. Disposable income of household averaged a growth rate of 2.6% between 2003 and 2010. This decrease reflected less moderate growth in compensation of employees during this period.
- ✓ In addition, the financial position of households as measured by their net wealth improve from 2008 onwards. A rise in the market value of equity holdings was partly offset by moderation in house prices during this period.

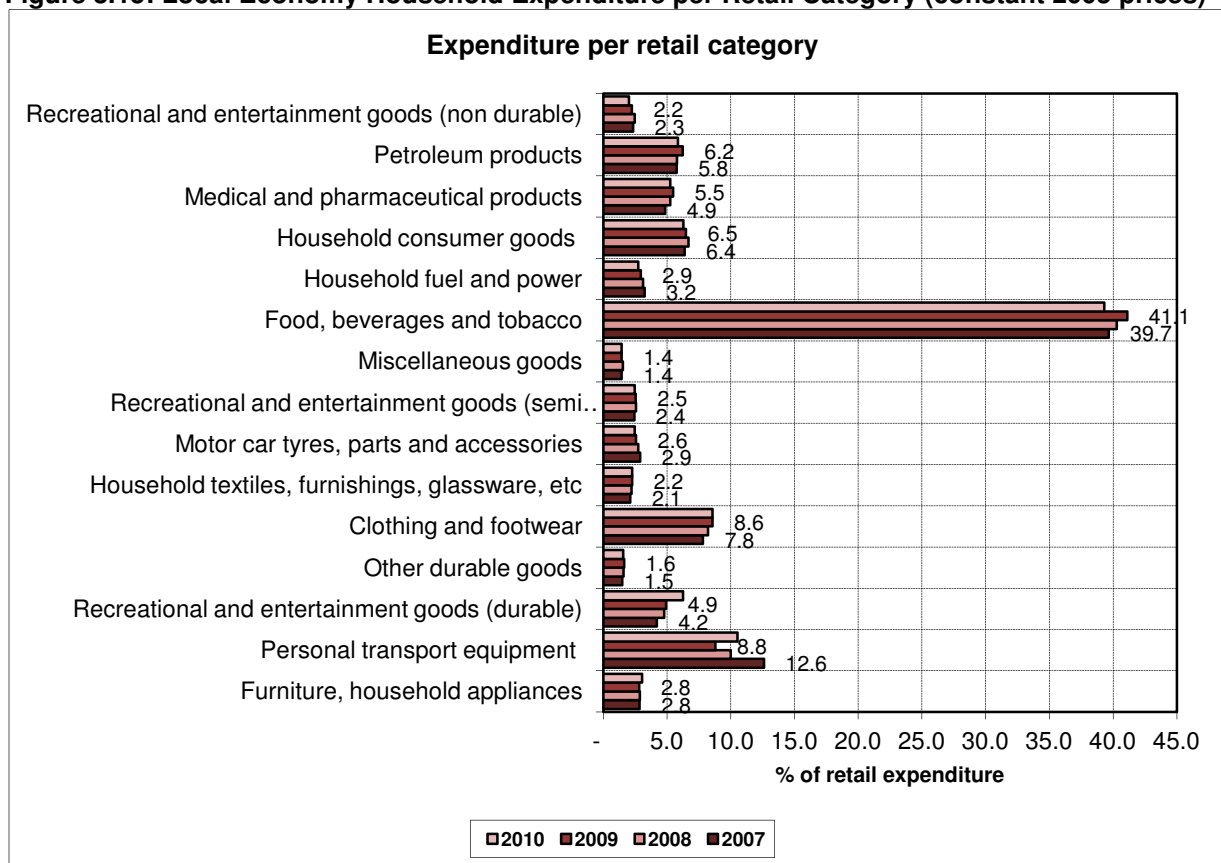
3.7.8 HOUSEHOLD EXPENDITURE PER RETAIL CATEGORY

Household expenditure per retail category is highlighted in Figure 3.15.

Findings (Figure 3.15)

- ✓ A general urban South African trend indicates that the decrease in expenditure directed towards non-durable groceries is declining year-on-year with a rise in consumption expenditure on semi durables including clothes and foot ware. These trends can be ascribed to the high rate of inflation on non-durables (especially meat) and unabated clothing and footwear deflation.
- ✓ Figure 3.15 discloses that *food, beverages and tobacco* is the largest sector of the retail sections, with a contribution of **39.3%** in 2010.
- ✓ The second largest sector is *personal transport equipment*, with a contribution of **10.5%** in 2010.

Figure 3.15: Local Economy Household Expenditure per Retail Category (constant 2005 prices)



Source: Demacon Ex. Quantec, 2011

3.8 SYNTHESIS

Global national economic trends

- ✓ The South African economy is forecast to grow by a real rate of around 4% per annum in 2011 and 2012, supported by expected real world economic growth of 4,3% this year and 4,5% next year (as forecast by the International Monetary Fund), as well as growth in domestic demand during this period, driven by a further steady improvement in households' financial position.

- ✓ The headline consumer price inflation rate (CPI) is expected to continue rising in the rest of 2011, reaching a level of 6% by year-end. CPI is forecast to average about 5% this year and 6% next year, driven by factors such as rising transport costs, food prices and housing operating costs.
- ✓ Against the background of these economic and inflation expectations, interest rates are projected to remain unchanged in the rest of the year, but to rise by a cumulative 200 basis points during the course of the first seven months of next year, remaining stable thereafter. This will bring prime and variable mortgage rates to a level of 11% by the end of 2012, which will affect consumers' debt repayments, and the cost and affordability of existing debt and further credit, including mortgage finance.

The Residential Property Market

- ✓ The residential property market will continue to reflect conditions in the macro economy and the household sector up to the end of the year and in 2012. Based on trends in home values in the first half of 2011, and prospects for the economy and household finances, nominal price growth in the middle segment of the market is forecast at between 1% and 2% for the full year, rising to about 4% in 2012. In consideration of the outlook for nominal price growth and the projection of consumer price inflation averaging 5% this year and 6% next year, house prices are set to decline in real terms in both 2011 and 2012.
- ✓ Taking cognisance of the state of household finances (income, saving, debt, credit records, etc.), labour market conditions, the level of consumer confidence, which was lower in the first half of the year compared with the corresponding period last year, and the prospect of rising interest rates in 2012 on the back of inflationary pressures in the economy, the year-on-year growth in mortgage finance extended to the household sector is forecast to remain in single digits up to the end of 2011 and into 2012.

The outlook for inflation

- ✓ Inflation is ticking up steadily, with rising food and fuel prices being the main culprits. Core inflation remained rather muted at 3.1% in April 2011, compared to headline inflation of 4.2%. With administered prices, especially electricity, adding substantial pressure, inflation is forecast to approach the 6% mark during Q4 of 2011, and to exceed this upper band in the opening quarter of 2012, before embarking on a modest declining trend.
- ✓ At the November MPC, the Reserve Bank cut significantly its inflation forecasts for 2011 and 2012, and there is very little difference between their set and Absa Capital's forecasts currently.
- ✓ The central bank now expects inflation to average 4.3% in 2011, 4.8% in 2012 and to end their forecast exercise in Q4 2012 at 5.1% and we believe that these new inflation forecasts matter in two ways.
- ✓ The latest Leading Indicator (a good indicator of near term moves in both the economy as well as the residential mortgage market) data point to appear, that of August 2011, indicated a further acceleration, on a month-on-month basis - the value going to a current value of **130.7**.
- ✓ An **improving economy has positive implications** for disposable income growth and thus residential purchasing power in the near term.

Local Economic Indicators (Kungwini Local Economy)

Ten kinds of economic activity are distinguished and are grouped into the three broad sectors of the economy: the primary sector, the secondary sector, and the tertiary sector. The valuation is at basic prices and the data are provided at constant prices.

The pillars of Kungwini Local economy include: Manufacturing, Finance and Business Services, General Government Services, Trade Sector and Transport and Communication – contributing approximately **85.0%** towards the sub-region economy in 2010.

Table 3.5: Key Economic Indicators of the Market Area

Variable	Market Characteristics
Size of the local economy (2010)	<ul style="list-style-type: none"> ✓ Kungwini Local Economy contributes 64.6% towards the District
Economic Growth Performance – Time Period 1995 - 2010	<p><u>Kungwini Local Economy</u></p> <ul style="list-style-type: none"> ✓ Growth in the local economy averaged 3.8% per annum since 1995 ✓ Since 2005, the local economy recorded an average growth of 1.9% per annum <p><u>Metsweding District Economy</u></p> <ul style="list-style-type: none"> ✓ Growth in the district economy has averaged 2.2% per annum since 1995 ✓ Since 2005, growth in the district economy was slower – an average growth rate of 1.4% per annum
Manufacturing Sector Growth Performance Time Period 1995 - 2010	<ul style="list-style-type: none"> ✓ The long run average annual growth rate of the Local Economy Manufacturing Sector averaged at 3.3% between 1995 and 2010. The District averaged at a lower rate of 3.0% over the same period. ✓ The Manufacturing sector contributed 16.8% towards the GVA of the district. Kungwini LM contributed 79.0% towards the GVA of district's manufacturing sector and Nokeng tsa Taemane 21.0%. ✓ Average Annual Employment growth – District 0.8% and Kungwini LM 1.0%
Trade Sector Growth Performance Time Period 1995 - 2010	<ul style="list-style-type: none"> ✓ The Local Economy Trade sector contributed 73.5% towards the Trade Sector of the district economy in 2010. ✓ The long run average annual growth rate of the Local Economy Trade Sector averaged at 4.7% between 1995 and 2010. The district averaged at a slightly lower rate of 4.4% over the same period. ✓ Average Annual Employment growth (1995 – 2010) – District 3.5% and Kungwini Local Employment 4.0%. ✓ Dominant contribution vested in the retail trade and wholesale sub-sector (94.0% contribution to the Trade sector's GVA).
Dominant Economic Contributions (2010)	<ul style="list-style-type: none"> ✓ Manufacturing – 26.3% ✓ Finance and Business Services– 21.7% ✓ General Government Services – 16.1% ✓ Trade – 12.7% ✓ Transport and Communication Services – 8.1%.

Primary Sector:

- ✓ The real value added by the primary sector increased at a slightly slower pace in 2010 (0.1%) than in 2009.
- ✓ Growth in 2010 moderated to a still-low average annualised rate of 1.4% following a rate of decrease of no more than 1.0% from 2005. This moderation resulted from a slower rate of increase recorded in the agriculture and mining sector.

Secondary Sector:

- ✓ Growth in the real value added by the secondary sector accelerated to an annualised rate of 11.6% in 2010, following a slight increase of 0.1% from the preceding year.
- ✓ The manufacturing sector contributed to the growth in the secondary sector; as this is the only sector recording growth in 2010 when compared to the previous year.

Tertiary Sector:

- ✓ The tertiary sector represent the largest sector within the local economy, with an average contribution of 12.5% in 2010
- ✓ The Finance and Business Sector represents the largest contributing sub sector – characterised by a contribution of 21.7% in 2010

Economic Growth

- ✓ The long run annual growth rate of the local economy averaged at **3.8% between 1995 and 2010**. The district averaged at a slightly lower rate of 2.2% over the same period.
- ✓ The short run economic growth trend of the local economy average 1.9% from 2005 to 2010, and 1.4% for the district economy over the same period.
- ✓ The stronger year-to-year (2003 – 2008) growth mainly reflected a rebound in the real value added by the secondary sector alongside stronger growth in the real value added by the tertiary sector.

Manufacturing Sector

- ✓ The Manufacturing sector contributed 16.8% towards the GVA of the district. Kungwini LM contributed 79.0% towards the GVA of district's manufacturing sector and Nokeng tsa Taemane 21.0%.
- ✓ Average Annual GVA growth – District 3.0% and Kungwini LM 3.0%
- ✓ Average Annual Employment growth – District 0.8% and Kungwini LM 1.0%
- ✓ The district is characterised by a strong local Manufacturing sector, indicating the relative importance of this sector.
- ✓ Most manufacturing and distribution related companies are located in the industrial areas in close proximity to Bronkhorstspuit – Bronkhorstspuit Light Industrial to the north-west of Bronkhorstspuit Town and Ekandustria.
- ✓ The sector also serve as catalyst for supporting economic activities contributing to economic growth within an area and positive spin-off effects on the whole economy.

Trade Sector

- ✓ The Local Economy Trade sector contributed 73.5% towards the Trade Sector of the district economy in 2010.
- ✓ The long run average annual growth rate of the Local Economy Trade Sector averaged at **4.7% between 1995 and 2010**. The district averaged at a slightly lower rate of 4.4% over the same period.
- ✓ Average Annual Employment growth (1995 – 2010) – District 3.5% and Kungwini Local Employment 4.0%.

Final consumption expenditure

- ✓ **Final consumption expenditure** of the local economy obtained an average annual growth rate of **5.1%** over the time period 1995 – 2010.
- ✓ Growth in real disposable income of households moderated from an annualised rate of 4.7% over the time period 1995 - 2010.

In can be concluded, that, within the context of positive economic growth and trade sector growth prospects for the local economy, the market should be able to sustain demand for commercial and residential related products.

Understanding demographics is imperative to product development and segmentation, especially with regard to understanding trends in the market place. Demography (the study of age, sex, education, family status, life cycle etc.) is an excellent tool for product developers and marketers. The subject therefore plays a key-role in decision-making regarding demand for residential and commercial products.

In the context of the above, Chapter Four provides a demographic profile of the study area under consideration.

CHAPTER 4: DEMOGRAPHIC MARKET OVERVIEW

4.1 INTRODUCTION

The demand for commercial products and services is a derived demand. Hence, the current level and depth, as well as anticipated future growth in demand are a function of the primary source market profile. The purpose of this chapter is to delineate the trade area and to provide a concise local market area.

The local market profile is outlined in terms of the following headings:

- ✓ Market area delineation and population size
- ✓ Racial and Gender Profile
- ✓ Age profile
- ✓ Level of education
- ✓ Employment status
- ✓ Occupation profile
- ✓ Average annual household income
- ✓ Synthesis.

The following section provides an overview of Kleinfontein.

4.2 MARKET AREA DELINEATION AND POPULATION SIZE

Table 4.1 illustrates the sub-places and underlying population figures associated with Kleinfontein followed by Map 4.1 presenting the estimated drive time to major towns.

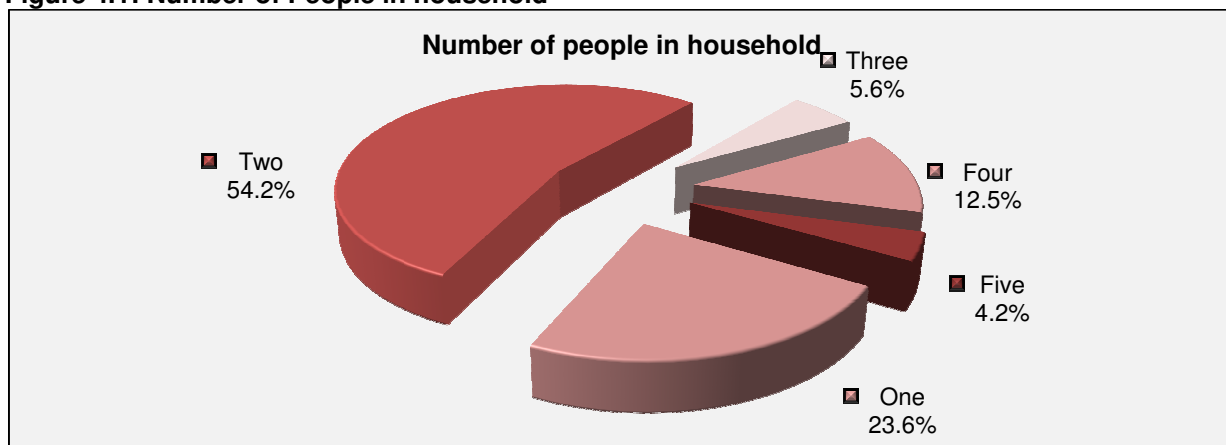
Table 4.1: Population size of the market area (2011)

Sub-places	Population Total	Household Total	Household size
Nokeng tsa Taemane Local Municipality	53 099	16 612	3.2
Kungwini Local Municipality	108 732	34 127	3.2
Kleinfontein	980	380	2.7

Source: Demacon 2011

The empirical study was conducted in the form of a questionnaire. A total of 18 household questions were asked to individuals within Kleinfontein. The main objective was to compile information regarding Kleinfontein’s demographic profile to serve as motivation for market demand and associated commercial and residential uses. Subsequent paragraphs highlight the findings of the survey.

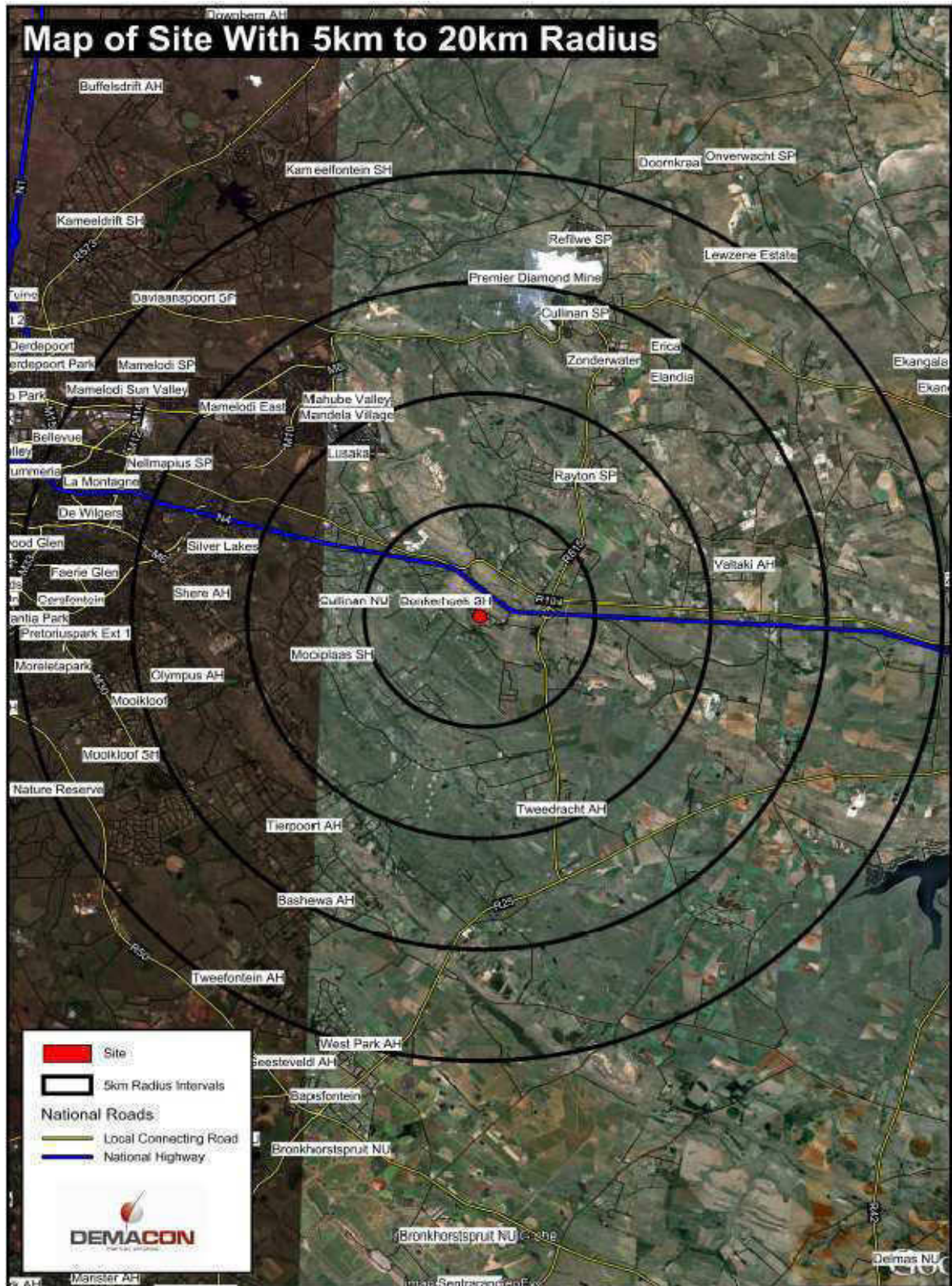
Figure 4.1: Number of People in household



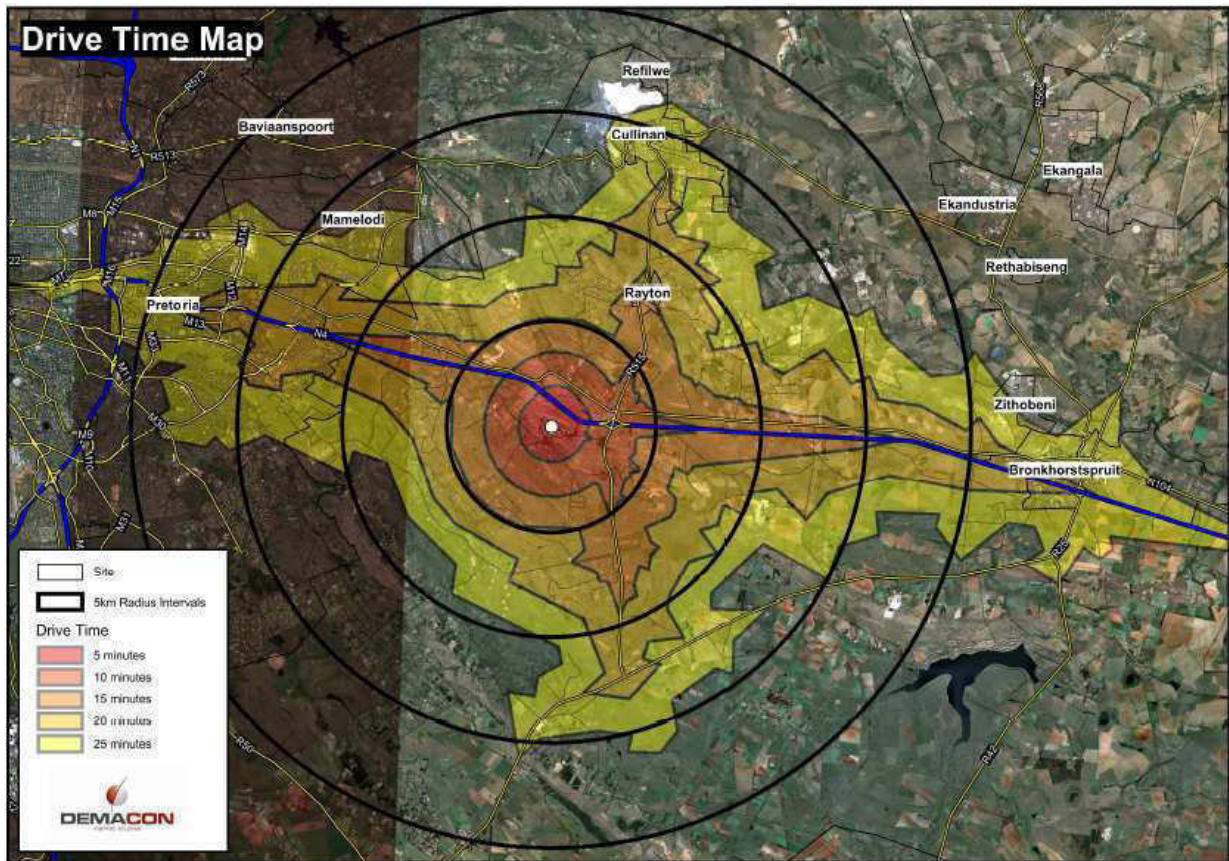
Source: Demacon Kleinfontein Household Survey, November 2011

An estimated **980 people or 360 households** reside within Kleinfontein in 2011. The average household size amounts to approximately 2.7 members per household.

Map 4.1: Area Delineation



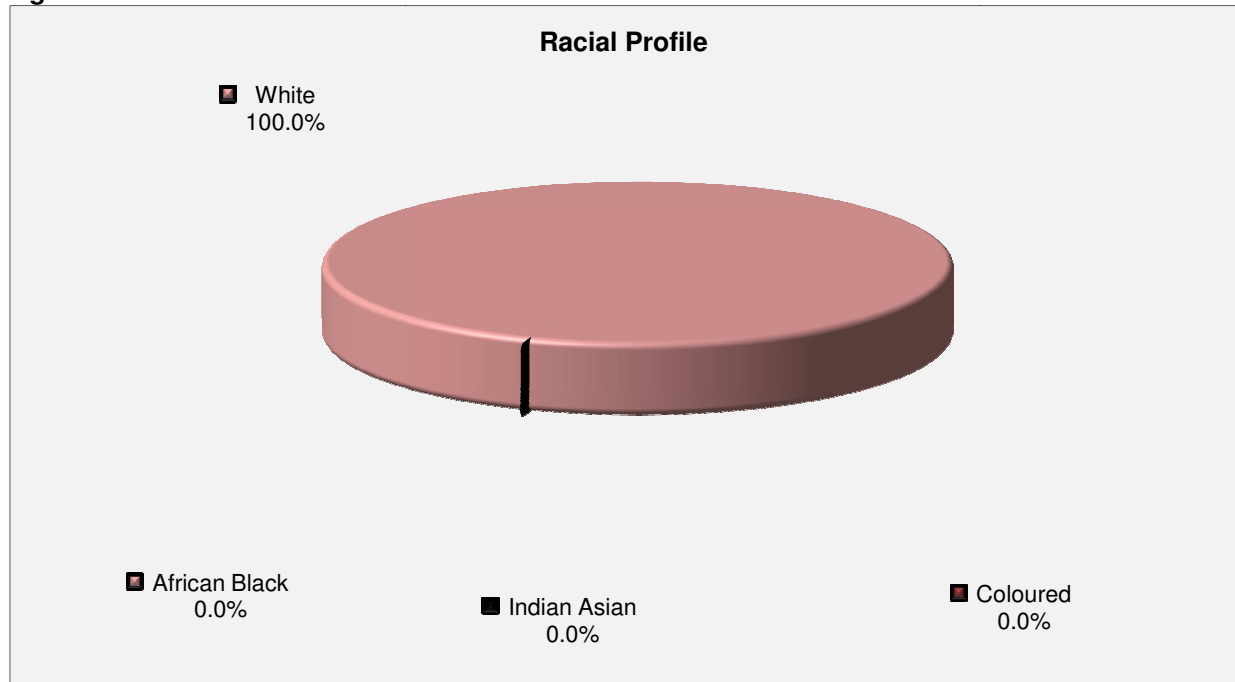
Map 4.2: Estimated Drive Time to Kleinfontein



4.3 RACIAL AND GENDER PROFILE

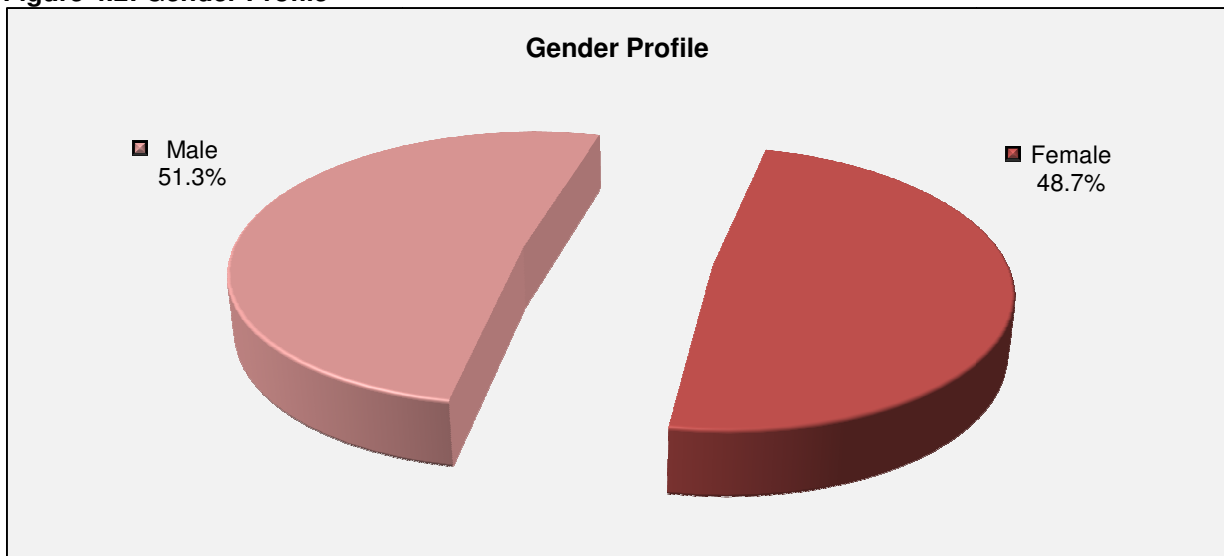
Figure 4.1 and 4.2 indicates the racial and gender profile of Kleinfontein Market.

Figure 4.1: Racial Profile



Source: Demacon Kleinfontein Household Survey, November 2011

Figure 4.2: Gender Profile



Source: Demacon Kleinfontein Household Survey, November 2011

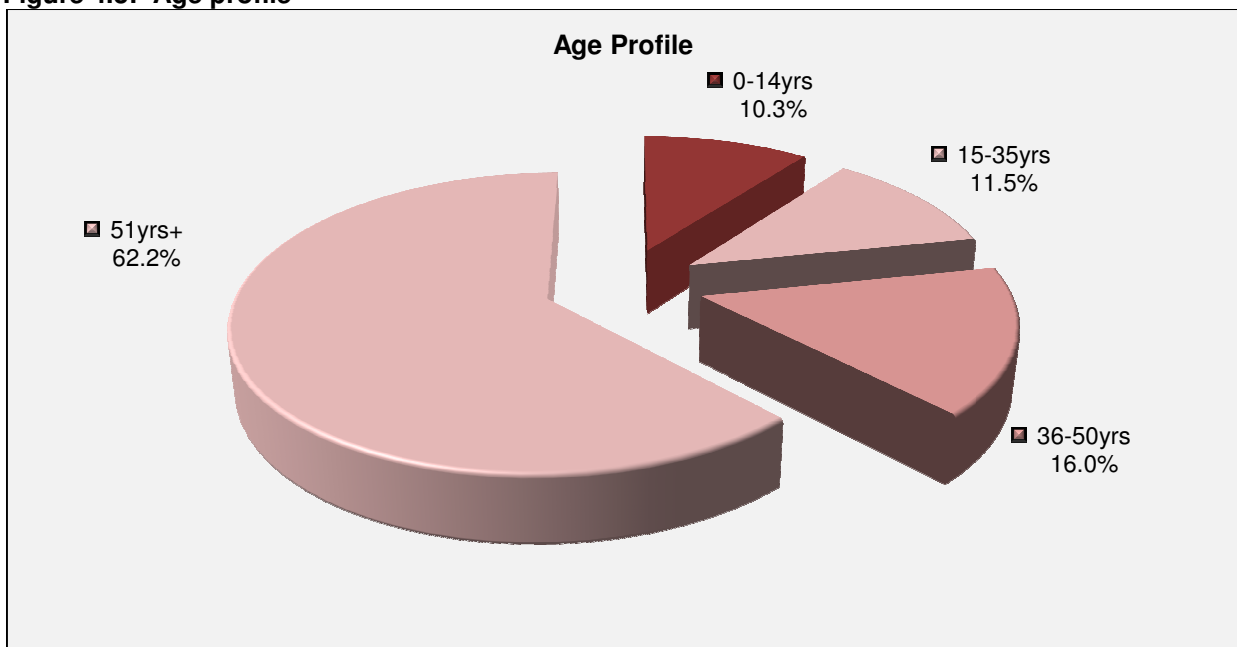
Findings: (Figures 4.1 and 4.2)

- ✓ The largest segment of the population in Kleinfontein is represented by **Whites – 100.0%**
- ✓ 51.3% of Kleinfontein is represented by males and the remainder 48.7% females.

4.4 AGE PROFILE

The age distribution of a specific area also serves as an important indicator, with reference to consumer demand behaviour and preferences - in particular the dominant age groups. Figure 4.3 illustrates the source market age profile.

Figure 4.3: Age profile



Source: Demacon Kleinfontein Household Survey, November 2011

Findings: (Figure 4.3)

- ✓ The market area is characterised by a large mature component (78.2%), as presented in Figure 4.3, 16.0% of the market population is between the ages 36 and 50 years and 62.2% is persons between 50 to 81+ years of age

- ✓ The above is followed by a young economically active age group of between 15 to 35 years of age (11.5%) which is supported by a smaller segment of young and upcoming consumers aged between 0 to 14 years of age (10.3%)
- ✓ **The strong mature market component present within the market will have a definite impact on purchasing power due to the concomitant lower dependency ratio.**

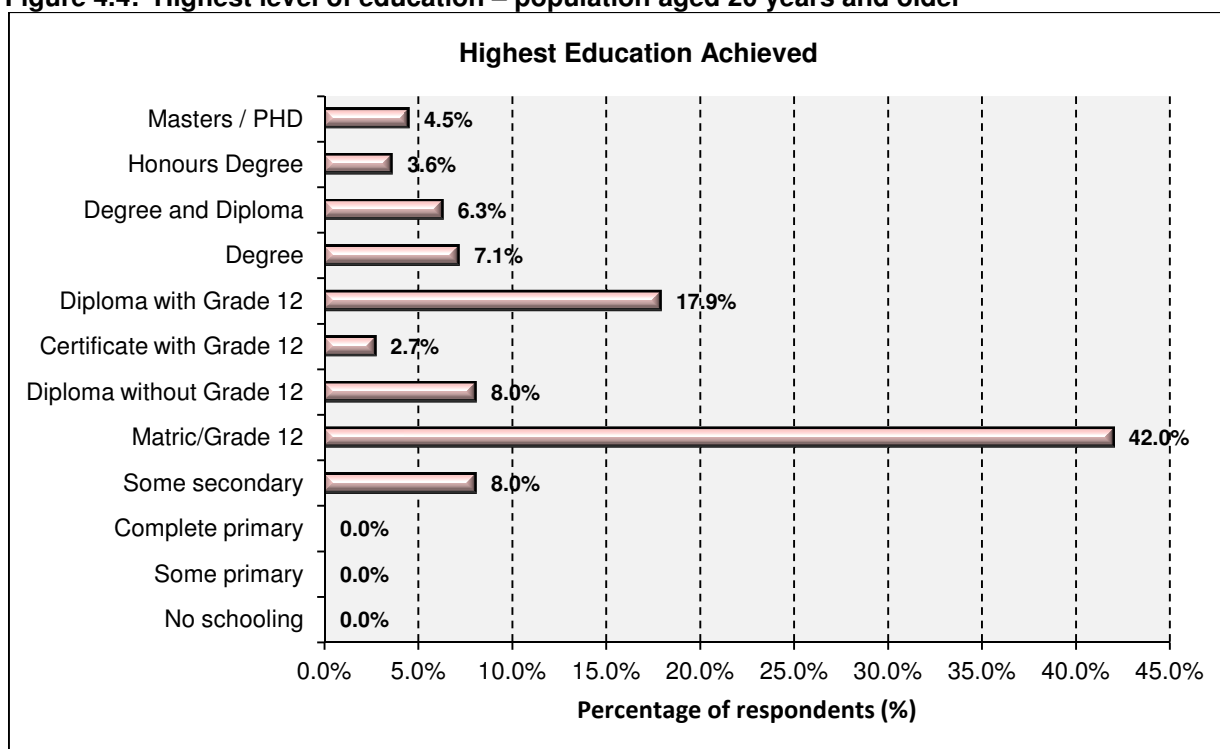
Development Implications

The market population is characterised by a mature population segment, supported by a smaller young and upcoming market segment. This age bracket is typically found in lower-middle to middle income areas. The mature population has specific mindsets of consumer behaviour, demand for products and services. The younger up-coming market, on the other hand, has well defined aspirational values and brand consciousness.

4.5 LEVEL OF EDUCATION

The highest level of education is indicative of human development within the market area. It furthermore serves as proxy for the potential to be absorbed in the local labour force. The attendance of youth at educational institutions is therefore indicative of the anticipated future absorption rate of the market population within the local economy. Figure 4.4 indicates the highest level of education for trade area’s population aged 20 years and older.

Figure 4.4: Highest level of education – population aged 20 years and older

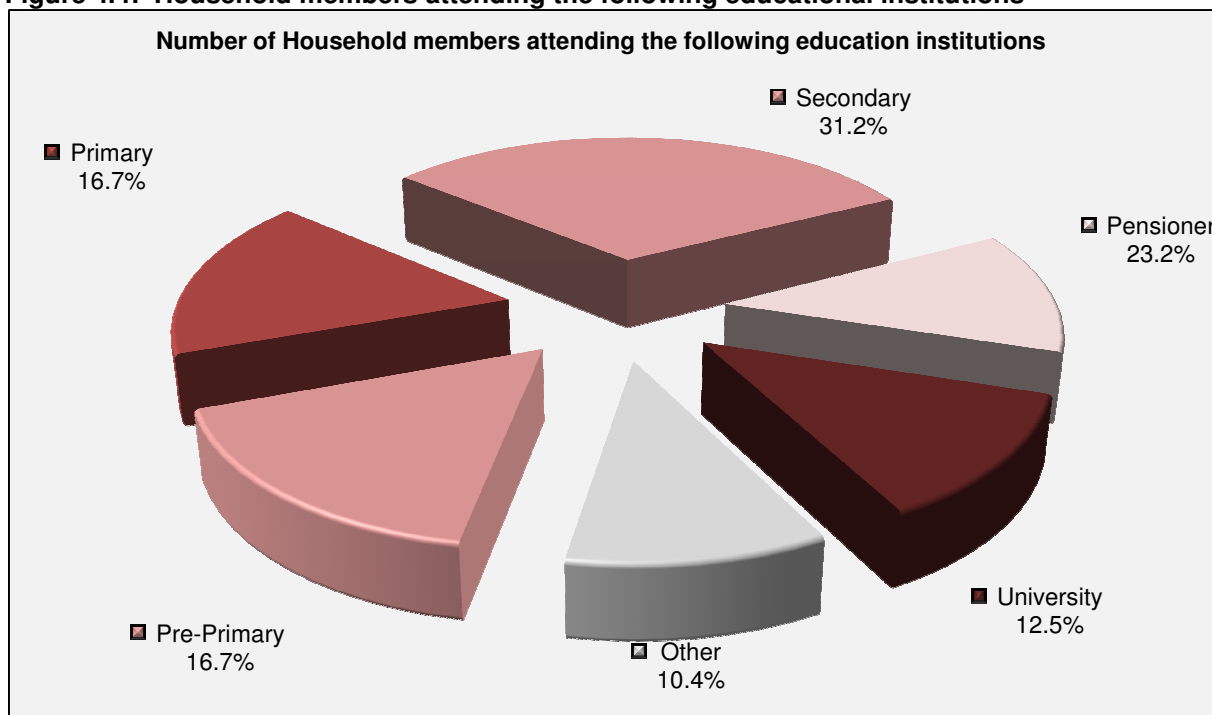


Source: Demacon Kleinfontein Household Survey, November 2011

Findings: (Figures 4.4 & 4.5)

- ✓ Figure 4.4 indicates that 84.0% of Kleinfontein population aged 20 years and older has at least Grade 12 (42.0%) or obtained higher educational levels (42.0%)
- ✓ A share of 8.0% of the market population aged 20 years and older has some level of secondary education.
- ✓ From Figure 4.5 it is evident that 55.4% of household members in Kleinfontein attend pre-primary, primary and secondary schools.

Figure 4.4: Household members attending the following educational institutions



Source: Demacon Kleinfontein Household Survey, November 2011

Development Implications

A number of factors contribute to the general property development climate in a specific geographical area. Amongst these factors that provide an initial indication of market potential levels of education and standards of living are amongst the indicators that provide insight into qualitative demand aspects.

4.6 EMPLOYMENT STATUS

The level of employment reflects employment and unemployment levels in the market area, which impacts on disposable income patterns. Level of employment, coupled to household size is also indicative of dependency ratios. Figure 4.5 indicates the employment and unemployment of Kleinfontein.

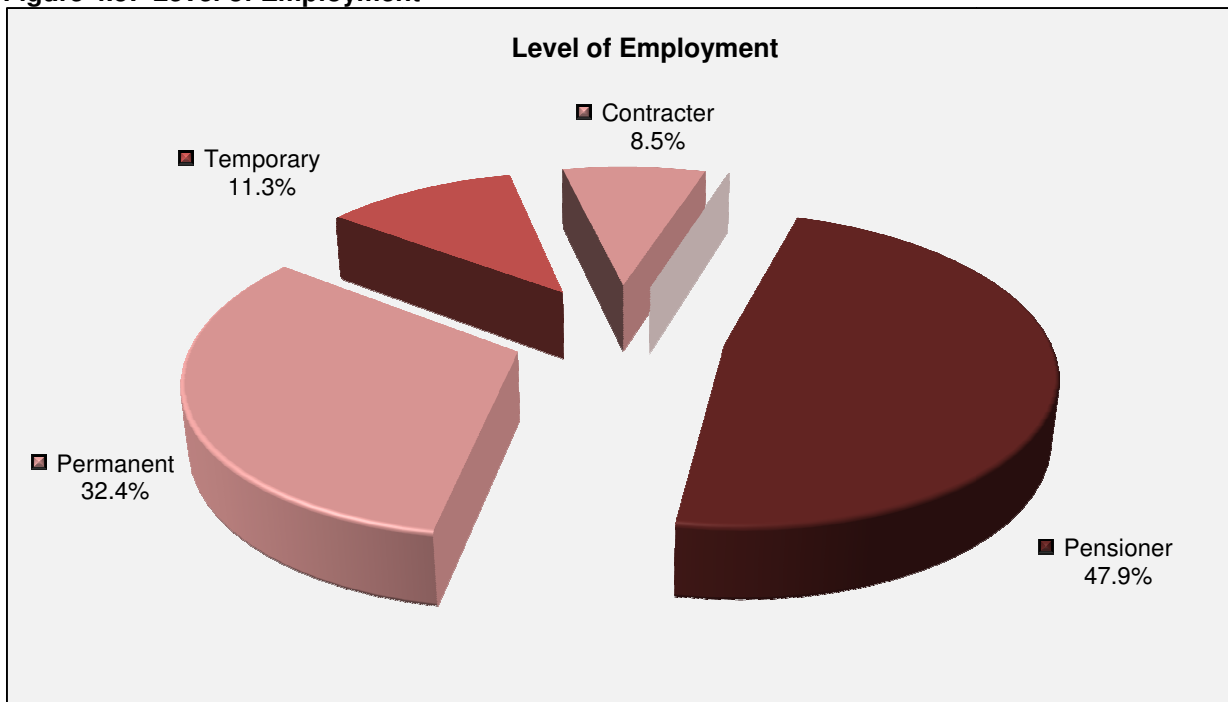
Findings: (Figure 4.6)

- ✓ A share of 47.9% of Kleinfontein population is pensioners / retired followed by 32.4% is employed in permanent positions
- ✓ 11.3% is employed in temporary jobs and 8.5% are classified as contract workers.

Development Implications

Kleinfontein is characterised by a large segment of pensioners living of monthly pension income. The presence of a large pensioner segment serves as indication lower monthly disposable income available for a specific household. It is anticipated that this could impact on the average monthly household income of Kleinfontein and the qualitative demand for commercial and residential products and services.

Figure 4.5: Level of Employment

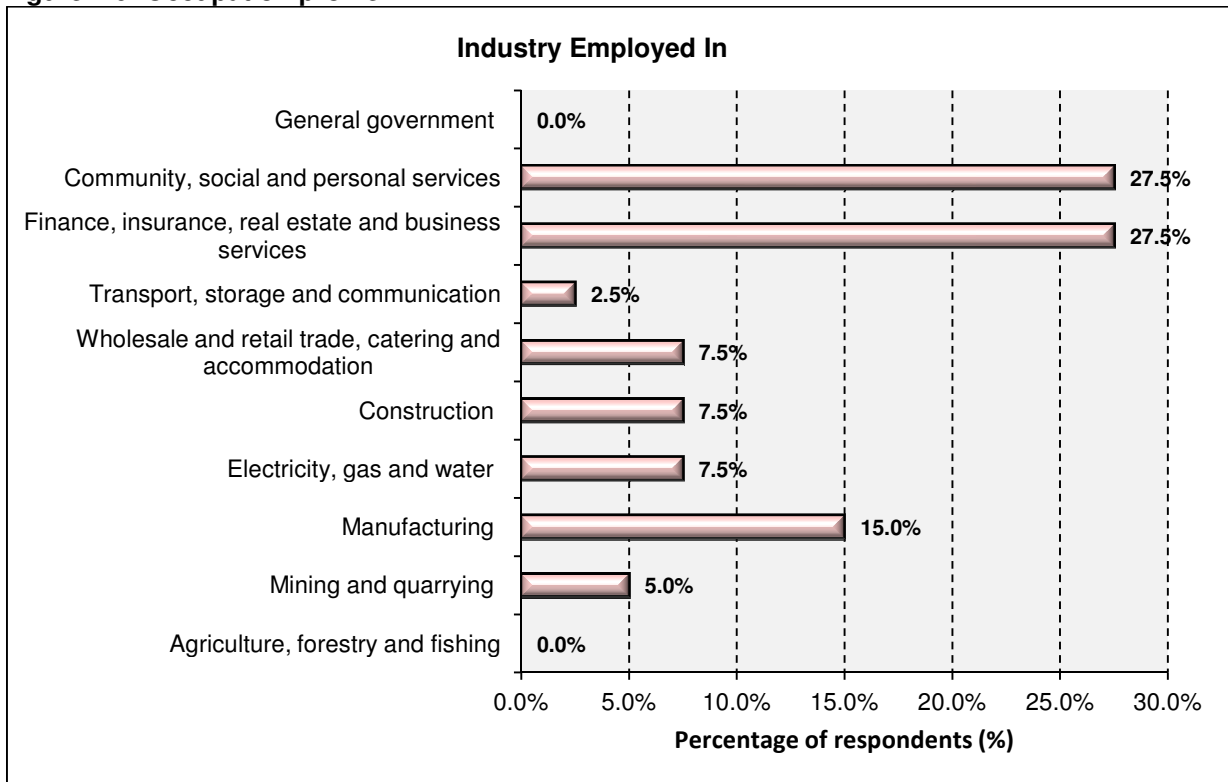


Source: Demacon Kleinfontein Household Survey, November 2011

4.7 OCCUPATION PROFILE

The occupation profile is an important indicator of anticipated community income, serving as a proxy for the level of community wealth and stability. Figure 4.6 indicates the occupation profile of Kleinfontein.

Figure 4.6: Occupation profile



Source: Demacon Kleinfontein Household Survey, November 2011

Findings: (Figure 4.6)

Figure 4.6 indicates the dominant type of occupations employed by Kleinfontein.

- ✓ The largest proportion of Kleinfontein population is employed in *finance and business and community, social and personal services* – 27.5% respectively.

The dominant occupation groups are supported by:

- ✓ Manufacturing (15.0%)
- ✓ Wholesale and retail trade (7.5%)
- ✓ Construction (7.5%)
- ✓ Utilities (7.5%)
- ✓ Mining (5.0%).

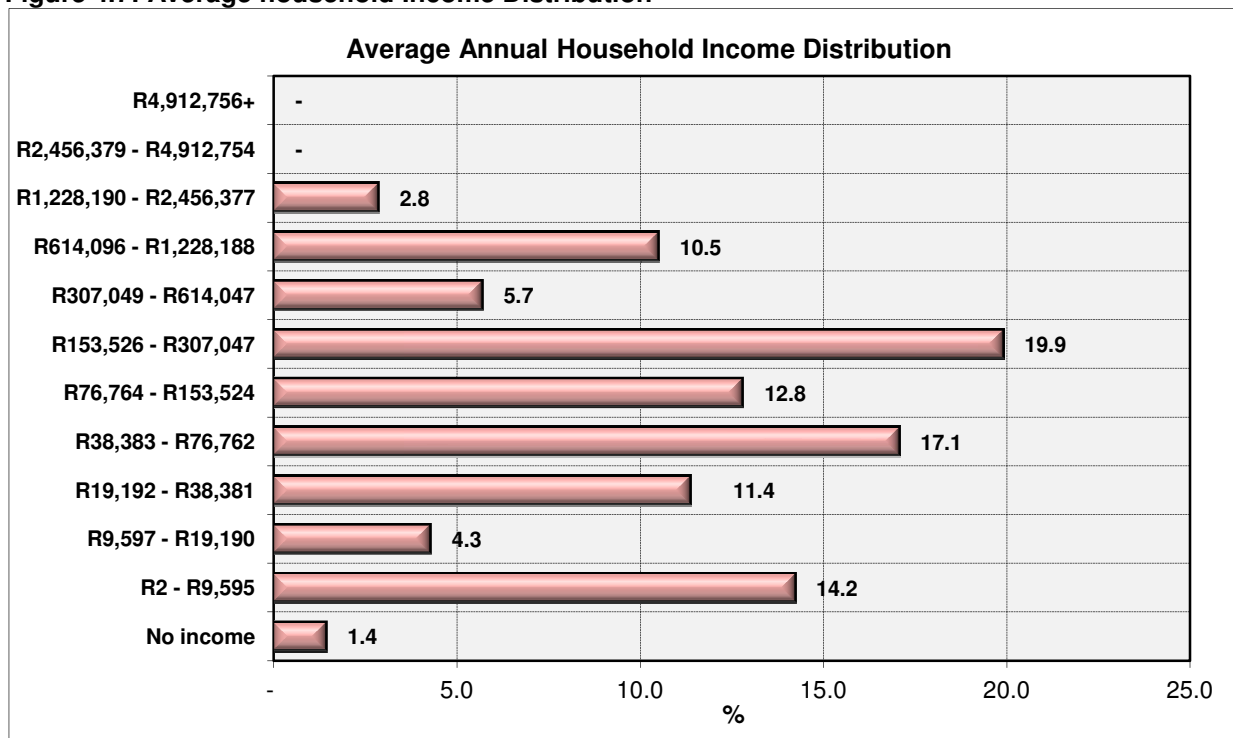
Development Implications

The occupation profile reflects a moderate segment of white collar occupations, serving as proxy for lower-middle to middle income earners. These findings correlate with the findings of preceding paragraphs pertaining to aspects such as the level of education and state of employment. The consumer market will most likely exhibit moderate sophisticated / specialised expenditure patterns and preferences.

4.8 ANNUAL HOUSEHOLD INCOME

Average household income is a direct indicator of consumer demand for a broad spectrum of economic goods and services – such as housing and commercial products and services. Average household income, to an extent, also reflects the living standard of a household, and influences aspects such as asset ownership. Figure 4.7 indicates the annual household income distribution profile of Kleinfontein.

Figure 4.7: Average household Income Distribution



Source: Demacon Kleinfontein Household Survey, November 2011

Findings: (Figure 4.7)

- ✓ The largest segment of households within the market area (61.1%) earns an average household income below R153 524.
- ✓ Evident from above, the market area is split between low to lower-middle income earners and middle income earners
- ✓ This income distribution is typically evident of a large segment of pensioners that has less average annual disposable income
- ✓ The income distribution evidently reflect lower demand thresholds that can be met by households
- ✓ The **weighted average annual household income** of Kleinfontein is approximately **R125 080 per annum**, which translates into **R10 423 per month** (2011 values).

Development implications

The income profile reflects a consumer market characterised by lower-middle to middle household income levels. Kleinfontein income distribution profile suggests the focus should be on the **supply of lower-middle to middle-end commercial and residential products and services** with an **increasing share of the market potentially supporting middle-end**. The income of a household also impacts on the general living standard enjoyed, in the sense the income impacts on asset ownership.

The following section provides a synthesis of preceding sections.

4.9 SYNTHESIS

This section provides a summary of the socio-economic indicators profile of Kleinfontein. The following summarise the main characteristics of the source market population.

Table 4.4: Kleinfontein Indicators, 2011

Variable	Primary Market Area
Socio-Economic Indicators	
Number of people	✓ 980 people
Number of households	✓ 380 households
Household Size	✓ 2.6 people/ household
Racial Distribution	✓ 100% - Whites
Gender Profile	<ul style="list-style-type: none"> ✓ 51.3% - Male ✓ 48.7% - Female
Age profile	<ul style="list-style-type: none"> ✓ Large mature component (78.2%), 16.0% of the market population is between the ages 36 and 50 years and 62.2% is persons between 50 to 81+ years of age ✓ Young economically active age group of between 15 to 35 years of age (11.5%) which is supported by a smaller segment of young and upcoming consumers aged between 0 to 14 years of age (10.3%)
Highest level of education	<ul style="list-style-type: none"> ✓ 84.0% of Kleinfontein population has at least Grade 12 (42.0%) or obtained higher educational levels (42.0%) ✓ A share of 8.0% of the market population aged 20 years and older has some level of secondary education. ✓ 55.4% of household members in Kleinfontein attend pre-primary, primary and secondary schools.
Level of employment	<ul style="list-style-type: none"> ✓ 47.9% of Kleinfontein population is pensioners / retired ✓ 32.4% is employed in permanent positions ✓ 11.3% is employed in temporary jobs ✓ 8.5% are classified as contract workers.

Variable	Primary Market Area
	<ul style="list-style-type: none"> ✓ Kleinfontein is characterised by a large segment of pensioners living of monthly pension income. The presence of a large pensioner segment serves as indication lower monthly disposable income available for a specific household. It is anticipated that this could impact on the average monthly household income of Kleinfontein and the qualitative demand for commercial and residential products and services.
Occupation profile	<ul style="list-style-type: none"> ✓ The largest proportion of Kleinfontein population is employed in finance and business and community, social and personal services – 27.5% respectively. ✓ Manufacturing (15.0%) ✓ Wholesale and retail trade (7.5%) ✓ Construction (7.5%) ✓ Utilities (7.5%) ✓ Mining (5.0%)
Weighted Average household income distribution (2011)	<ul style="list-style-type: none"> ✓ The largest segment of households within the market area (61.1%) earns an average household income below R153 524. ✓ Evident from above, the market area is split between low to lower-middle income earners and middle income earners ✓ This income distribution is typically evident of a large segment of pensioners that has less average annual disposable income ✓ The income distribution evidently reflect lower demand thresholds that can be met by households ✓ The weighted average annual household income of Kleinfontein is approximately R125 080 per annum, which translates into R10 423 per month (2011 values).

Source: Demacon, 2011

Kleinfontein market profile reveals the following pertinent characteristics:

- ✓ An estimated **980 people or 380 households reside within the Kleinfontein area** in 2011. The average household size amounts to approximately 2.6 members per household.
- ✓ The population is characterised by an anomalous relationship between skills levels and income: extremely high skills levels, coupled with a lower-middle income profile – a typical sign of the socio-economic effects in the aftermath of a change in political regime.
- ✓ Political reform led to a decline in white participation in the public sector labour market. These reforms resulted in the loss of skilled white workers.
- ✓ Older white employees (those 50 and over) were offered “voluntary retrenchment” packages that usually included pension earned to date with some “sweetener” included to expedite the process. This created space for the democratic state to recruit a labour force with which it shared a joint vision of national transformation. This was imperative, given that the democratic state inherited a technocratic labour force with which it shared no common ideology or vision of national transformation. However, as with any (pension) policy terminated prematurely, these packages may have appeared appealing at the time, but were not sufficient for longer term retirement purposes and many of these ‘retirees’ had to attempt to re-enter the job market – however, with a vastly changing new set of rules. Quite a challenge at retirement age.
- ✓ From an economic point of view, these changes in the socio-political landscape also translated into discernible economic and spatial impacts – including the displacement of certain households with previously high levels of disposable income to more affordable locations where real estate values and municipal service charges are lower and more aligned with their adjusted lower disposable income levels.
- ✓ Situated just above the government minimum household income levels to qualify for subsidies / government assistance (R3 500 per household per month for fully subsidised houses and R3500 – R7500 for financed linked product – such as provided for by government in the Cosmo City Development). This situation leaves these households in a

peculiar position – very similar to what is presently termed the “gap market” (where household incomes range from R7 500 – R15 000 per household per month).

- ✓ Although decentralized the Kleinfontein development can therefore not be viewed as “high-income” estate by any means.

The following chapter, Chapter 5, provides a concise overview of Kleinfontein, with the objective of providing a rapid appraisal of existing supply and estimating the development potential within the designated area.

CHAPTER 5: QUALITATIVE OVERVIEW OF KLEINFONTEIN

5.1 INTRODUCTION

This section of the report provides a concise overview of Kleinfontein, with the objective of providing a rapid appraisal of existing supply and estimating the development potential within the designated area.

Subsequent sub-sections provide a concise overview of Kleinfontein in terms of the following aspects:

- ✓ A rapid appraisal of the existing supply of facilities within Kleinfontein
- ✓ Visual presentation of the status quo Kleinfontein.

5.2 QUALITATIVE REVIEW OF KLEINFONTEIN

The qualitative review of Kleinfontein is addressed under the following main headings:

- ✓ Location
- ✓ History
- ✓ Schools
- ✓ Residential Market
- ✓ Infrastructure
- ✓ Built Shops
- ✓ Retirement Village / Old Age Home
- ✓ Development Opportunities
- ✓ Summary.

5.2.1 Location

Kleinfontein is a settlement near Pretoria, South Africa that was founded by Afrikaners who want to preserve their culture. It has only recently been developed and has a limited economy. It was founded by descendants of the original Voortrekkers or Boers who seek self-determination in an autonomous Volkstaat. Kleinfontein is located roughly half-way between Pretoria and Bronkhorstspuit. It lies just south of the N4, just west of the R515, a few kilometres south of Rayton.

5.2.2 History

Following the Great Trek, Boer pioneers expressed a drive for self determination and independence through the establishment of several Boer Republics during the 19th century. The end of minority apartheid rule in South Africa in 1994 once again left some Afrikaners disillusioned and marginalized by the political changes, and resulted in a proposal for an autonomous Volkstaat.

Two Boer pioneers applied for a loan in 1992 for Kleinfontein farm, 30km south-east of Pretoria, to establish an independent Boer Republic. The first two houses was built and completed in 1996 by residents of Kleinfontein. After this, Kleinfontein expanded at a fast rate, from the original 500ha to almost 860ha today, stretching from the N4 to Boschkop gravel road. It is estimated that approximately 900 Afrikaners is present on Kleinfontein during the day whereas almost 650 of these are permanent residents.



Today, Kleinfontein is home to Radio Pretoria Station, several sport grounds, schools, savings and Credit Corporation, community hall, frail care centre, retirement home and a small convenience centre.

5.2.3 Residential Market

Overview

- ✓ The majority of housing consist of brick houses on a separated stand or yard followed by wooden houses and caravans
- ✓ Brick houses therefore range in size from relatively large to small
- ✓ Brick houses are generally well maintained with tidy and well kept yards
- ✓ Dwellings are well serviced with electricity, water and sanitation

Formal Housing

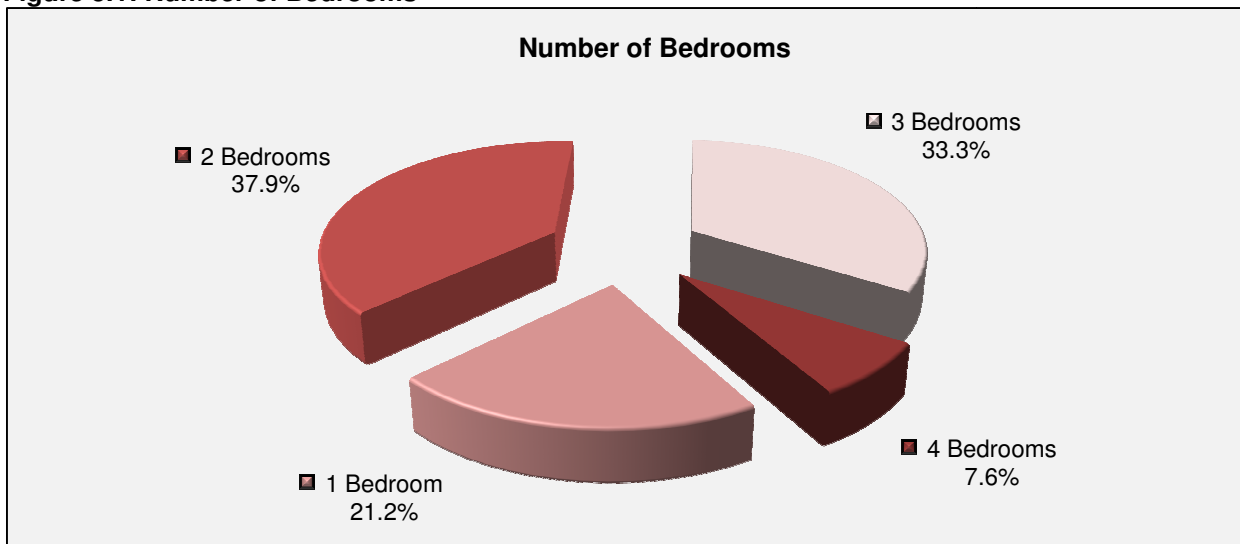


Subsequent figures reflect the composition of houses, average dwelling size and erf size.

Findings: (Figures 5.1 to 5.5)

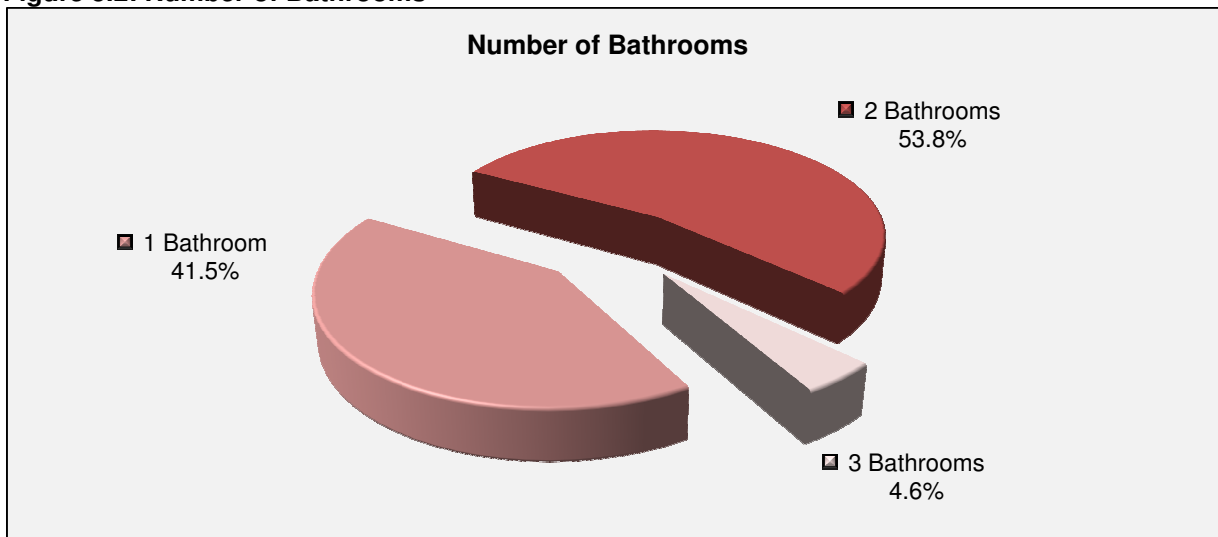
- ✓ The majority of respondents in Kleinfontein indicated that their current residential dwelling consist of 2 bedrooms (37.9%), 2 bathrooms (53.8%) and one living area (76.6%).
- ✓ Respondents indicated that current residential units range predominantly between **81m² - 150m² - 37.5%**.
- ✓ The majority of respondents indicated average current erf sizes of between 301m² - 800m² - 41.1%.

Figure 5.1: Number of Bedrooms



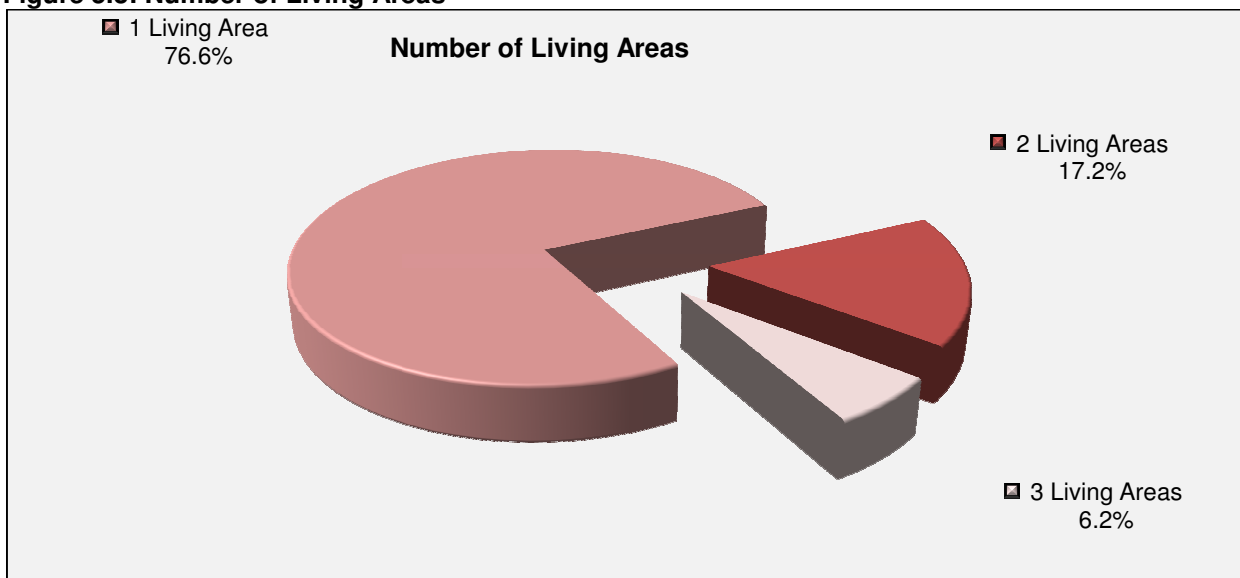
Source: Kleinfontein Survey, Demacon 2011

Figure 5.2: Number of Bathrooms



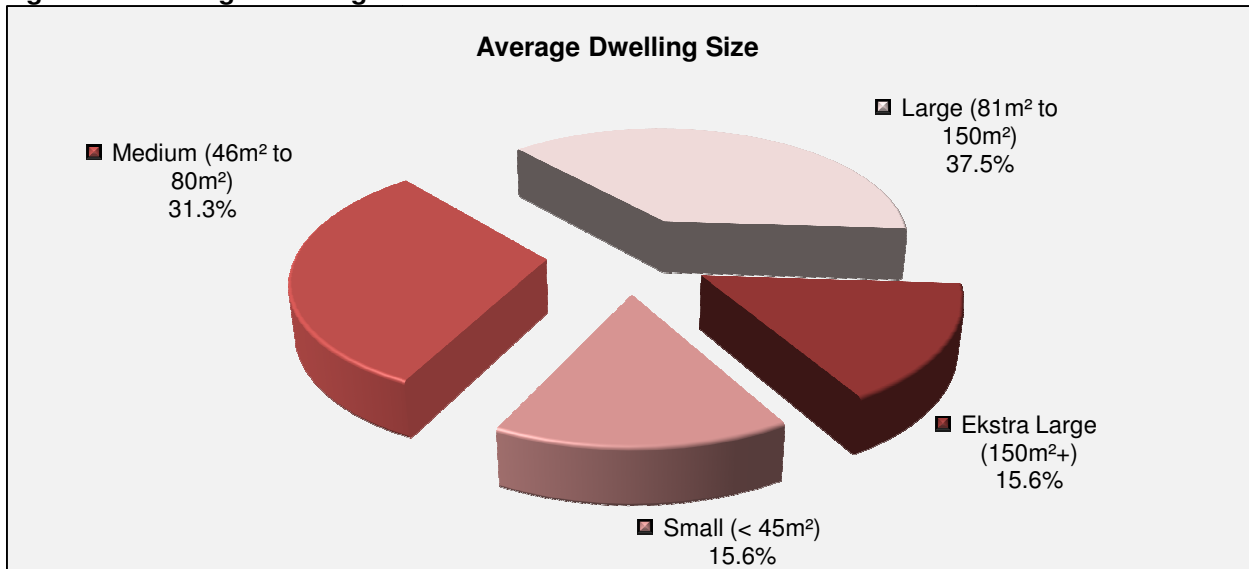
Source: Kleinfontein Survey, Demacon 2011

Figure 5.3: Number of Living Areas



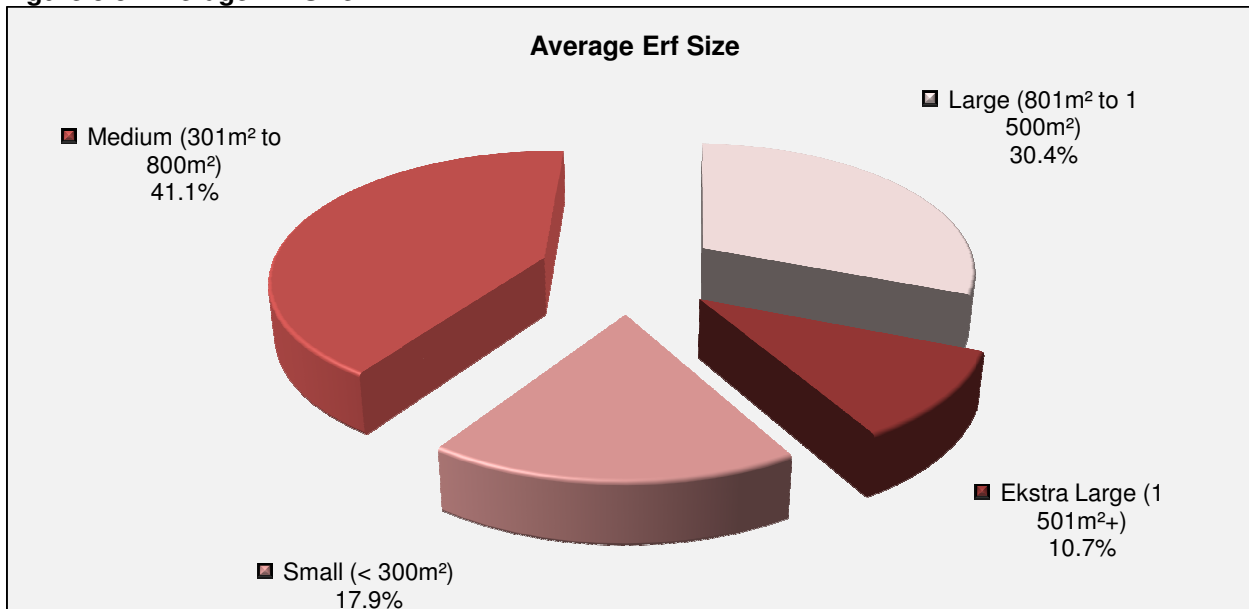
Source: Kleinfontein Survey, Demacon 2011

Figure 5.4: Average Dwelling Size



Source: Kleinfontein Survey, Demacon 2011

Figure 5.5: Average Erf Size



Source: Kleinfontein Survey, Demacon 2011

✓ **Residential Market Activity**

The following tables provide an overview of the property activity within and around the larger market area.

Buyer's Market

Table 5.1: Residential Market Activity, Type, Min and Max Asking Prices, Mean Asking Prices and Frequency, November 2011

	Min	Max	Average	Std Deviation	Number
Houses & Townhouses					
1 Bedroom	R 600,000	R 1,350,000	R 1,083,333	R 419,325	3
2 Bedrooms	R 180,000	R 3,300,000	R 728,099	R 527,663	47
3 Bedrooms	R150,000	R7,500,000	R1,177,689	R891,988	186
4 Bedrooms	R 650,000	R 7,055,000	R 2,446,099	R 1,429,322	71
5 Bedrooms	R 980,000	R 5,000,000	R 2,691,522	R 1,173,010	23

	Min	Max	Average	Std Deviation	Number
6 Bedrooms	R 1,300,000	R 6,900,000	R 4,362,500	R 2,313,502	4
7 Bedrooms	R 1,200,000	R 16,950,000	R 5,542,143	R 3,752,292	14
Total					349
Smallholdings					
2 Bedrooms	R700,000	R5,200,000	R2,503,222	R1,441,579	9
3 Bedrooms	R720,000	R10,855,000	R3,094,554	R2,204,694	34
4 Bedrooms	R975,000	R7,700,000	R2,757,611	R1,388,069	33
5 Bedrooms	R1,400,000	R12,500,000	R3,831,250	R3,538,826	8
6 Bedrooms	R3,940,000	R10,000,000	R6,970,000	R4,285,067	2
7 Bedrooms	R3,690,000	R6,000,000	R4,845,000	R1,633,417	2
Total					88

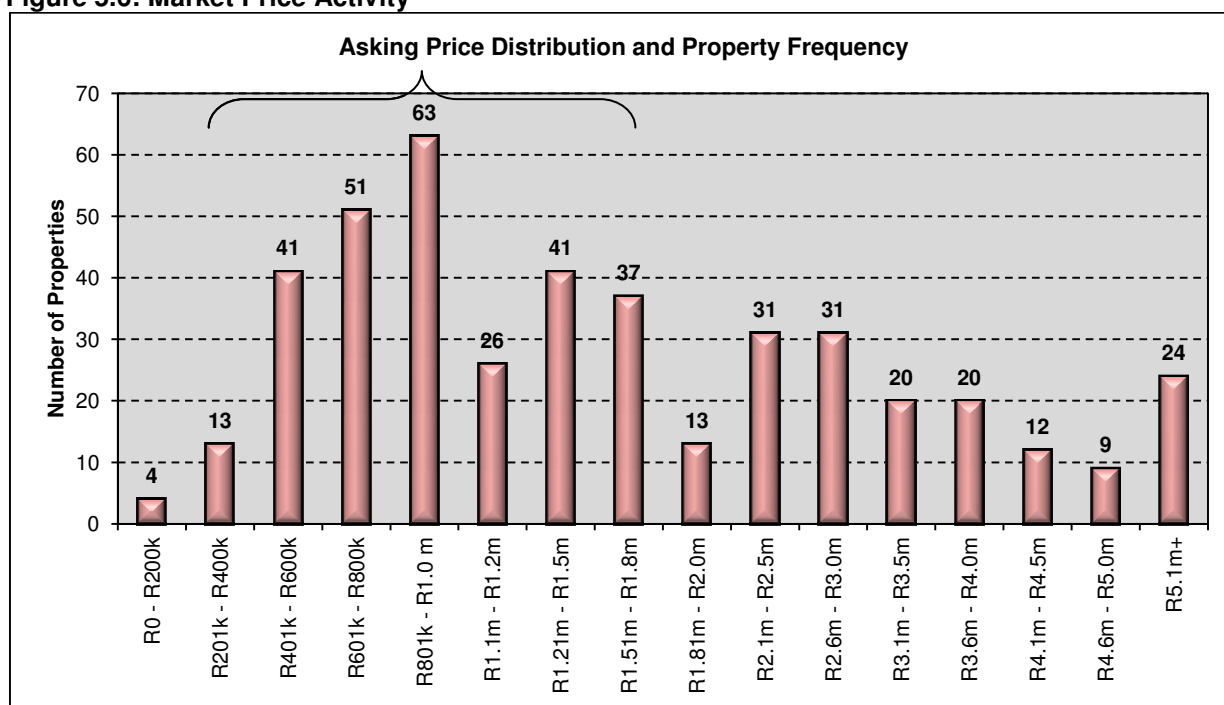
Source: Demacon, 2011

Findings: (Table 5.1)

- ✓ It is evident that houses and townhouses, followed by a smaller segment of smallholdings, represent the dominant type of residential classification for sale within the primary source market.
- ✓ The favourite residential size is represented by the **three and four bedroom** houses and townhouses followed by and the **three and four bedroom smallholdings**.
- ✓ Mean values vary between R720k and R5.5 million for houses and townhouses and between R2.5 million and R6.9 million for smallholdings.

Figure 5.6 illustrate the price distribution and frequency within the local residential market, supported by Figure 5.7 reflecting the average asking price per suburb.

Figure 5.6: Market Price Activity



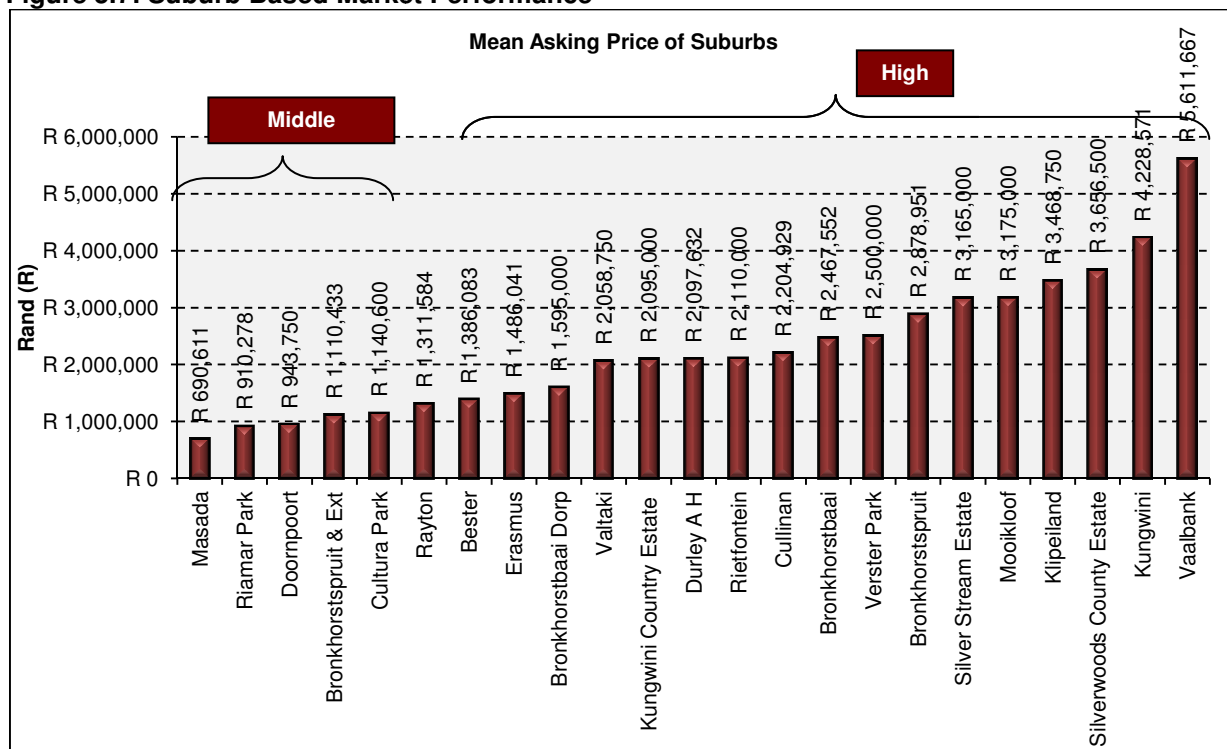
Source: Demacon, 2011

Findings: (Figure 5.6)

- ✓ From Figure 5.6 it is evident that the dominant price brackets in the market area include properties priced between **R401k and R1million** (155 properties) and **R1.1m and R2.0m** (117 properties). A small number of properties are priced below R400k (17 properties),

whereas a number of properties are priced above R2.1m, with emphasis on the R2.1million to R3million bracket (62 properties).

Figure 5.7: Suburb Based Market Performance



Source: Demacon, 2011

Findings: (Figure 5.7)

- ✓ Figure 5.7 indicates the prices distribution of asking prices within **surrounding areas**.
- ✓ Masada, Raimar Park, Doornpoort, Bronkhorstspruit, and Ext represent the middle priced suburbs.
- ✓ Middle priced suburbs include Muckleneuk, Phillip Nel Park, Pretoria Gardens, Capital Park and Queenswood.
- ✓ The higher priced suburbs include Cultura Park, Rayton, Erasmus, Bronkhorstbaai, Valtaki, Kungwini Country Estate, Durley AH, Cullinan, Verster Park, Silver Stream Estate, Mooikloof, Klipeiland, Silverwoods Country Estate and Vaalbank.
- ✓ The weighted average asking price within surrounding suburbs are approximately R1,827,689.

Kleinfontein Property Market Prices

The following table provides an overview of the Kleinfontein market activity.

Table 5.2: Kleinfontein Residential Market Activity, Type, Min and Max Asking Price, Average and Std Deviation, Frequency, November 2011

	Min	Max	Average	Std Deviation	Frequency
2 Bedrooms	R500,000	R1,330,000	R784,286	R297,257	7
3 Bedrooms	R700,000	R1,300,000	R967,778	R156,746	9
4 Bedrooms	R1,000,000	R1,000,000	R1,000,000	R0	1
Total					17

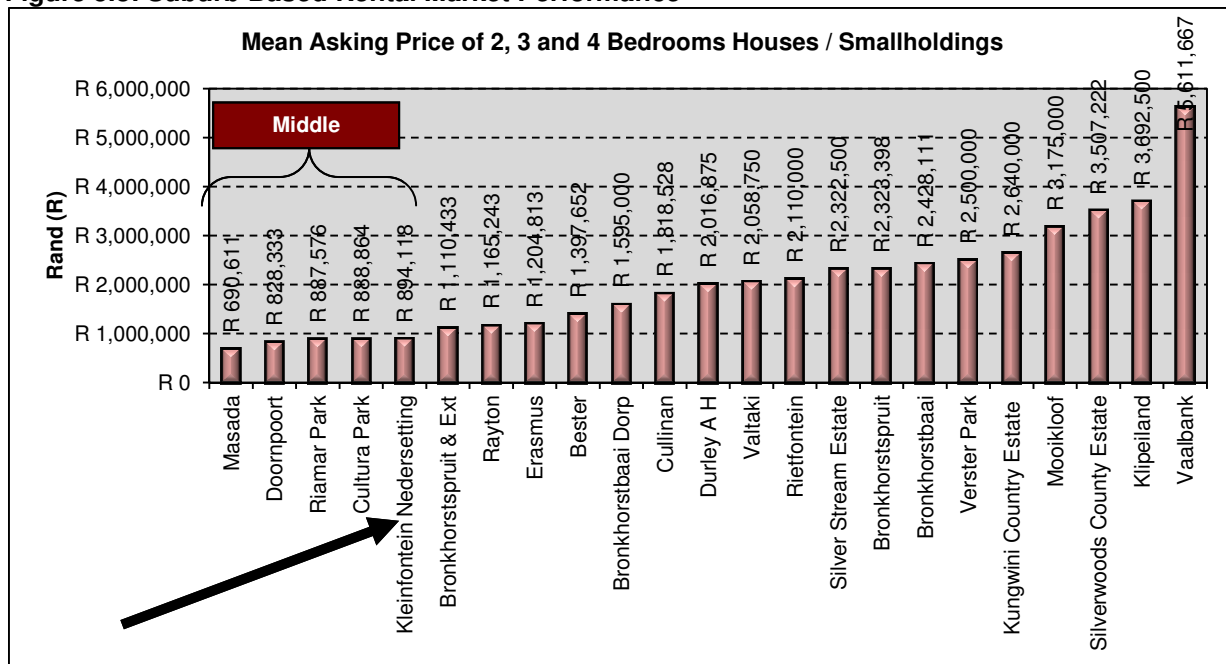
Source: Irene Groenwolt Properties Ext, Demacon, 2011

Findings: (Table 5.2)

- ✓ The dominant type of properties present within Kleinfontein **includes two, three and four bedroom houses**.
- ✓ Mean property values vary between **R780k for the two bedroom houses, R960k for a three bedroom house and R1m for a four bedroom house**.

Figure 5.8 reflect the average asking price of 2, 3 and 4 bedroom houses and smallholdings.

Figure 5.8: Suburb Based Rental Market Performance



Source: Demacon, 2011

Findings: (Figure 5.8)

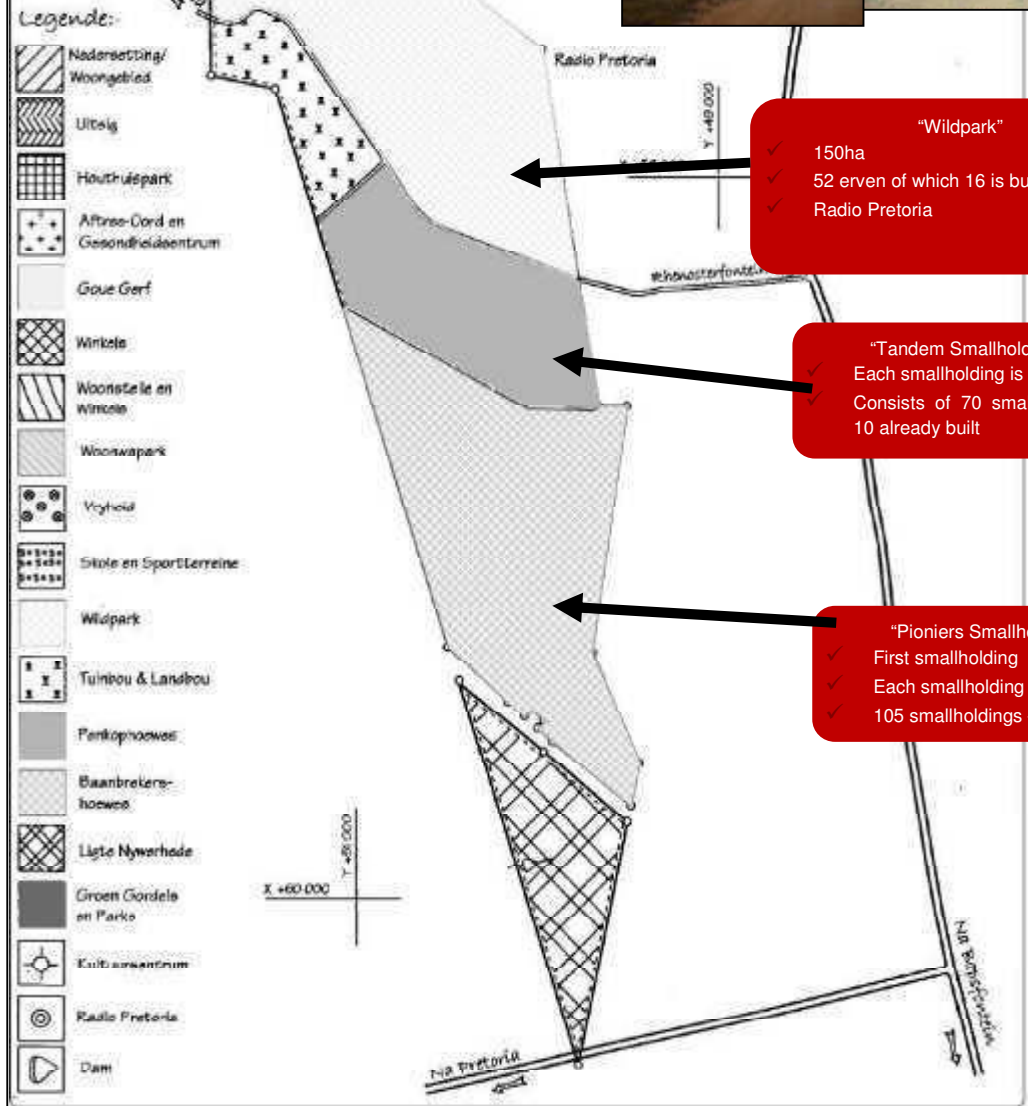
- ✓ Figure 5.8 indicates the prices distribution of asking prices for 2, 3 and four bedroom houses and smallholdings
- ✓ Given the asking price profile of the market area it is anticipated that Kleinfontein is focused more towards the lower-middle income spectrum of the market.

✓ Residential Areas

"Kleinfontein Sorgsentrum"
 ✓ Active Aged Persons
 ✓ Partially Constrained & Constrained
 ✓ 26 residents



"Nederstelling"
 ✓ 350 erven – 300 built
 ✓ Erven between 600m² - 1 000m²
 ✓ Houthuispark – 300m² - 500m²
 ✓ Dagbreek Woonwapark – economic erven of ± 200m² for a 1/2 bedroom house
 ✓ Community Centre
 ✓ Retirement Village
 ✓ Shopping Complex
 ✓ Library
 ✓ School
 ✓ Swimming Pool
 ✓ Sport Fields



"Wildpark"
 ✓ 150ha
 ✓ 52 erven of which 16 is built
 ✓ Radio Pretoria

"Tandem Smallholdings"
 ✓ Each smallholding is ±1ha
 ✓ Consists of 70 smallholdings – 10 already built

"Pioniers Smallholdings"
 ✓ First smallholding
 ✓ Each smallholding is ±1ha
 ✓ 105 smallholdings – 60 built

5.2.4 Schools

- ✓ CVO Kleinfontein is a small private school consisting of 23 students and 6 staff members. It is situated inside the Kleinfontein community.
- ✓ The school receives minimal subsidisation from the government and is therefore dependent on donations from



students' parents as well as incessant fund raising projects to generate enough money to keep it alive.

- ✓ This means that funds are rarely available for maintenance and that the image of the school is gradually being degraded.
- ✓ School Phase: Pre-Primary and Primary.

5.2.5 Businesses

Built Shops

- ✓ There are no formal or listed shopping centres within the settlement
- ✓ Retail/trade is made up of formal trade and brick buildings with a few shops
- ✓ These built shops do not boast national tenants
- ✓ Shops are small and include the following services:
 - Kleinfontein Bou Bestuur Bk
 - BJC Houtwerke
 - Waterbok Gastehuis
 - Kleinfontein Communication Services
 - Irene Groenewald Eiendomme
 - Druknet
 - Funeral Services
 - Eco BBQ
 - Kleinbegin Winkel
 - Wipronet
 - Die Groente Winkel
 - Die washuis
 - Energy Tech



5.2.6 Accessibility and Visibility

- ✓ From a regional context, Kleinfontein is well connected by road and is within 30 minutes' commuting distance to Olivier Tambo International Airport and Waterkloof International Airport.
- ✓ The N4 national highway (Maputo Corridor) traverses the area running from east to west. This highway passes Bronkhorstspuit in Kungwini, connecting Botswana in the west, passing through the Tshwane Metropolitan Area in Gauteng, Witbank, Middleburg, Belfast and Nelspruit in Mpumalanga and Maputo to the east.
- ✓ The R25 is also an important road linkage transversing the area diagonally from south to north.
- ✓ The significance of these major corridors for **development cannot be ignored as they not only provide good access to the Kungwini area, but also provided "trade lifelines" for goods and services of the area to support the development of the local economy.**
- ✓ The railway line parallel to the highway forms a strong spatial structuring element of the area.




5.2.7 Kleinfontein Retirement Centre

Kleinfontein Retirement Village is divided into three care units, namely Kleinfontein Sorgsentrum, Karee Park and Wag-'n-Bietjie.

✓ Kleinfontein Sorgsentrum

Kleinfontein Retirement Centre “Sorgsentrum” caters for the active aged, partially constrained aged and constrained aged persons. Currently, the centre is home 26 residents. Qualified nursing sisters and matrons are in attendance of the elderly. The centre is serviced by a qualified GP from time to time.

Table 5.4: Kleinfontein Sorgsentrum

Kleinfontein “Sorgsentrum”	
	<p><u>Accommodation:</u></p> <ul style="list-style-type: none"> ✓ Once off entry fee of R5 500, not refundable ✓ Private room: R6 500.00 pm ✓ Shared Room R3 900.00 pm ✓ Constrained hall: R3 800.00pm. <p><u>Features:</u></p> <ul style="list-style-type: none"> ✓ Three meals daily ✓ Three tea times daily ✓ Group Activities ✓ Spacious rooms to decorate with own furniture, bed linen and towels ✓ Launderette ✓ Church Sundays in Kleinfontein Community Hall ✓ Cleaning Services ✓ Hairdresser ✓ Kombi weekly to nearby suburbs / towns ✓ Security 24 hours a day ✓ Water and Electricity included in levy.

✓ Karee Park and Wag-‘n-Bietjie

Residents are totally independent and able to look after themselves. Should professional nurses be required, the frail care centre will provide services at additional costs.

Potential residents received an interest in Kleinfontein through membership and shares in KBK (Bpk). The agreement between the parties is called a “Use Right”. The legal right to occupy the premises for the duration of their life. After death, the person’s interest is transferred to a pre-approved inheritor, or sold to an approved buyer.

5.3 SYNTHESIS

Overall, it is evident that Kleinfontein reflect the following:

- ✓ Dispersed settlement with low population densities
- ✓ Moderate living standard levels underlined by moderately low demand densities
- ✓ Kleinfontein reflect limited to no private sector investment
- ✓ Kleinfontein reflect small business development predominantly in the nature of some small-scale formal businesses and home based businesses.

A growing stable economy promotes and support healthy property market performance, boding well towards the local economy’s ability to absorb additional private sector investment. With reference to the aforementioned the following chapter integrates the findings of the previous chapters into a set of development scenarios for Kleinfontein settlement. Development potential for a set of economic and social facilities is estimated in terms of current nodal growth trends.

CHAPTER 6: KLEINFONTEIN GROWTH TRENDS AND DEVELOPMENT PROSPECTS

6.1 INTRODUCTION

The purpose of this chapter is firstly to provide some insight on the location theory of urban property markets. Secondly, the Kleinfontein area assessed in order to determine the highest and best use selection. Thirdly, the chapter integrates the findings of the previous chapters into a set of development scenarios for Kleinfontein settlement. Development potential for a set of economic and social facilities is estimated in terms of current nodal growth trends.

6.2 LOCATION THEORY AND BEHAVIOUR

In order to understand the locational theory and behaviour of different urban property markets the city land use model and rent bid functions are employed.

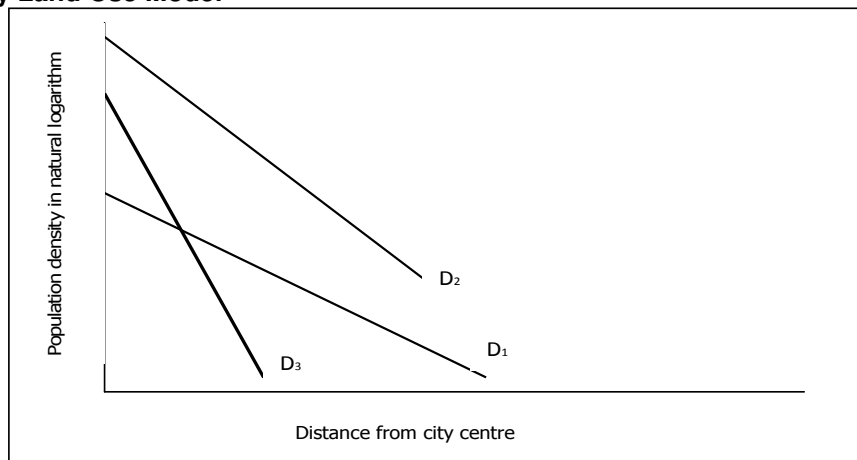
City Land Use Model

To illustrate how land values change from area, to area a simple model is used. This model is based on two assumptions:

- ✓ Cities are multi-nodal and economic activities are concentrated at various centres across the urban fabric.
- ✓ Urban land is not allocated exclusively to residential use. Cities are characterised by competition between various land uses.

This model illustrates the process of dispersal that takes place in cities. This model focuses on urban functions. It is generally accepted that population density as well as urban land values decline from a city's centre to its periphery. This is reflected by the negative exponential density function⁹ and has widely been used to measure density in relation to the distance from the city centre. The curves in Figure 6.1 illustrate how a change in the population, income, commuter costs, and a taste for land uses impact on the pattern of urban population density. If population density is originally measured at D1, it can be expected that density will be highest at the centre.

Figure 6.1: City Land Use Model



Source: Neeman, 1981

⁹ This can be written as $D(s) = D e^{-Ys}$
 D(s) = population density s miles from centre
 D = population density at centre
 E = base of natural logarithm
 Y = measure of rate at which density declines at distance from centre

Note: This model reflects the reality of European Design where land is relatively scarce and commercial development predominantly dictated by a monarchy. South African reality reflects that land is not a scarce resource (merely approximately 15% of land is taken up by urban development) and development trends are much more disperse. However, in terms of land values a similar trend is advocated.

With the increase in transport costs and a shift in tastes toward higher density living (with population and income held constant) population density increases as land values in the city centre were bid up. D1 will twist to D2 and eventually to D3. Rent gradients for urban areas also tend to decline at a decreasing rate from the city centre. The more intensely land is used, the higher the land value and *vice versa*.

The 'big picture' land value distribution illustrates why there has thus far not been a justifiable economic / financial imperative for higher rise mixed use developments in peripheral second economy environments.

Competition for Land and the Market Mechanisms

However, what must be borne in mind is that different land uses compete for land in the same urban areas. This is where the concept of **highest and best use** plays a role. In a free-market society, ongoing competition between different land uses is regulated by the market mechanism. Every site in the urban system has a highest and best economic use and equilibrium in the market will only be reached when the highest and best uses are allocated to the site.

This highest and best economic use is a function of physical and economic factors. Physical factors refer to the location of the site, the size thereof, visibility etc. Economic factors mainly refer to the productivity of the land use, including the return on investment and site rent achievable.

Each of the different urban markets, retail, office, industrial and residential, has different locational requirements, which are subsequently discussed.

Industrial and warehouse market - The decision to locate an industry in a specific geographic area is influenced by the following location factors:

- ✓ Needs to be in proximity to sufficient labour force with necessary skills and training.
- ✓ It must be accessible, referring to the forward and backward transportation of products and the accessibility of the labour force as well as the visibility of the site.
- ✓ Production factors relate to the availability and locality of input suppliers as well as the availability and location of the market for the final product
- ✓ Land availability referring to land market value and the lease value of the buildings
- ✓ Sufficient infrastructure services and communication systems form the basis of successful location of industrial uses.
- ✓ Agglomeration advantages provided by the site. Agglomeration advantages refer to the advantages experienced by economic activities having linkages with other economic activities within a geographical area. Linkages refer to the contact and flows between at least two agents, of various commodities, including products, services, information and goods.

Office market - The location factors influencing the establishment of offices in a specific area are inter alia, the following:

- ✓ Accessibility to the higher LSM labour force as well as clients
- ✓ Location of clients – office developments cannot be located in isolated areas far away from existing and potential clients

- ✓ Office clustering creates an environment which attracts new office developments to an area. Office clustering also encourages other economic activities due to the linkages between office and other economic activities.
- ✓ Adequate and quality infrastructural services (water, electricity, sewage etc.) and communication systems (telephone, email etc.) are critical for successful development
- ✓ Proximity to a labour force with the necessary professional qualification is an important aspect in the location of office developments
- ✓ Availability of land - referring to the land market values and the lease value of the building for the purpose of office development
- ✓ The image of the specific area is important. An area with a prestigious office image is generally a popular destination for new office developments.
- ✓ Office developments in general have linkages with other economic activities in various commodities such as services, information and goods.

Retail market - The location factors influencing the establishment of retail in a specific area are inter alia, the following:

- ✓ There needs to be sufficient buying power referring to disposable income per household in the catchment area of a retail facility
- ✓ Competition plays an important role due to sustainability and viability of a facility is higher with no competition in area
- ✓ Competitive shopping refers to the location of similar retail facilities in close proximity of each other, result in lower prices and improvement of services and products to the benefit of the customer
- ✓ Accessibility of the site is very important factor – with reference to the local labour force and consumer market.
- ✓ Land availability referring to land value and the lease value of structures. Lower values provide better development opportunities.
- ✓ Retail facilities in a given geographical area are ranked in a hierarchy that services a given portion of the consumer population.
- ✓ Stable investment environment
- ✓ Risk mitigation and land control also represent critical location factors – investors want to manage what happens around investments – especially in areas where demand thresholds are thin.

Residential Market - The residential market is not classified in the same economic market category as the preceding urban markets. The residential market is a complimentary urban market to various economic activities. For this reason residential development will not take place in the activity spine/core of a node/corridor but rather around the core.

To ensure successful residential development it is important that the location factors, which are considered by prospective home owners, are addressed by the development.

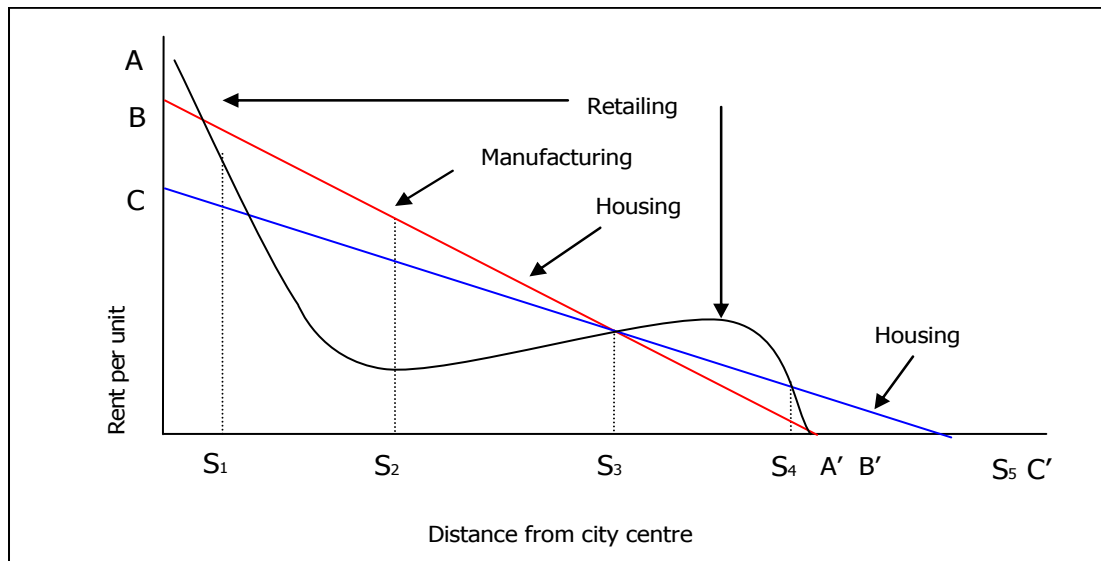
The location factors which are important for home owners include:

- ✓ Affordability and quality of housing
- ✓ Investment potential
- ✓ Safety and Security
- ✓ Proximity to the workplace
- ✓ Accessibility to educational and social facilities
- ✓ Proximity to retail facilities
- ✓ Socio-economic clustering.

Evidently, the **best-located land** will be offered to the land use with the **greatest potential site rent**. Land that is most accessible and visible will be offered for retail, office and industrial/warehousing uses due to the ability of these markets to pay higher rents for well located land. Higher profit can be obtained when land is allocated to the optimum economic use.

The free market mechanism will continuously adjust land uses on a specific site until equilibrium is achieved. This equilibrium is reached when the **highest and best use** is assigned to a **specific site**. This will also indicate that the site is optimally used. This concept is illustrated in terms of the Rent-Bid Curve (Refer to Figure 6.2).

Figure 6.2: Rent Bid Functions for Urban Land Uses



Source: Neeman, 1981

Figure 6.2 illustrates the highest land rent that would be bid by each of these economic activities at various distances from the CBD. An equilibrium land use pattern emerges from the above and land will be devoted to the land use that provides the highest rent and in which its productivity is the highest.

From this it is evident that suitable well-located land is, in most cases, not allocated to housing developments: in terms of economic value and returns of investment, residential land is relatively unproductive. Retail, offices and industrial uses represent more productive uses for valuable land.

Development Implications:

During the location decision process of Kleinfontein settlement careful consideration should be afforded in order to ensure the assignment of the highest and best use to specific sites. It is evident that the more productive uses require prime locations, whereas the less productive uses such as housing can be accommodated on less prime locations.

6.3 LOCATION DEVELOPMENT ASSESSMENT

Market potential is influenced not only by consumer income and expenditure, but in particular also by the characteristics of the area under consideration. Various property markets have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, a series of **Demacon Site Evaluation Models** © are utilised. The Demacon models are pragmatic and are based on the assignment of values to various location factors. Firstly, the site is evaluated on a ten-point scale, with ten being the highest.

Secondly, weights are attached to these factors, in order of importance (1 to 5, with 5 being the most important). A range of Site Evaluation Models were employed to determine the highest and best uses for each of the identified settlement nodes. The findings are summarised in the tables below.

6.3.1 Kleinfontein Location Assessment

Table 6.1: Kleinfontein Location Assessment Findings

Land Use	Score
Residential	75.2%
Retail	74.3%
Light Industrial	68.3%
Offices	66.3%
Private Medical Centre	61.2%
Private School	60.1%

Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful development are in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

Overall, it is evident that the most important fundamentals are in place for successful residential and retail development. Some critical factors may be lacking for successful development of offices, medical and private school uses. The emphasis should be on low-key facilities that cater to the needs of the local population.

These ratings seem very favourable to development in Kleinfontein. However, initial indicators and private sector investment prospects will be framed by local market size. Given the benchmark of 100 000 people within a 10km radius, and in the case of Kleinfontein only 980 people, it is anticipated that private sector investment potential will be extremely limited.

6.4 MARKET POTENTIAL ANALYSIS

Subsequent paragraphs address the growth trends for Kleinfontein. It commences with a gap analysis, followed by demand estimations for desired land uses, culminating into an estimated land use budget requirement.

6.4.1 Social facilities

Given the small population of Kleinfontein, demand for social facilities will be limited. Planning standards should therefore be applied in a flexible manner. Table 6.2 provides an overview of the social facility demand. It is evident that social facilities will not be sustainable within Kleinfontein.

Table 6.2: Social Facility Market Gap

	Parameter – Population per facility	Minimum	Maximum
Crèche	5000	0.20	0.00
Primary School	5000	0.20	0.10
Secondary School	6600	0.15	0.15
Clinic	5000	0.20	0.04
Day-Hospital	10000	0.10	0.05
Community Hospital	80000	0.01	0.02
Library	10000	0.10	0.00
Community Centre	10000	0.10	0.05
Sports Stadium	50000	0.02	0.06
Post Office	11000	0.09	0.00
Police Station	25000	0.04	0.01
Fire Station	60000	0.02	0.02
Sport Fields	7700	0.13	0.08
Public Open Space	1000	0.99	0.05

Note: Parameter reflects the number of people required to support development of a specific facility

Source: Demacon, 2011

Evidently, the Kleinfontein development with its further expansion potential does not warrant the imposing of conditions of social facility supply as the population threshold does not warrant sizable investment in this respect.

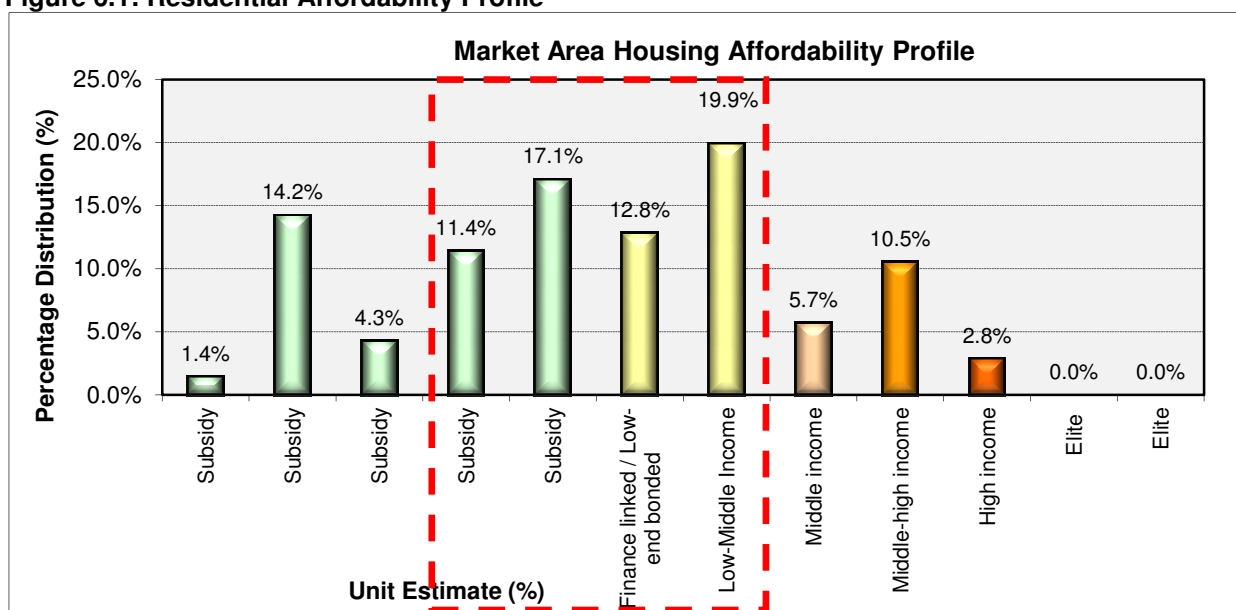
6.4.2 Residential

✓ Gap Analysis

Development Type	Effective Market Gap	Development Prospects
Credit-linked and low to middle income bonded residential units	Yes	Medium to High

✓ Residential Market Development Potential

Figure 6.1: Residential Affordability Profile



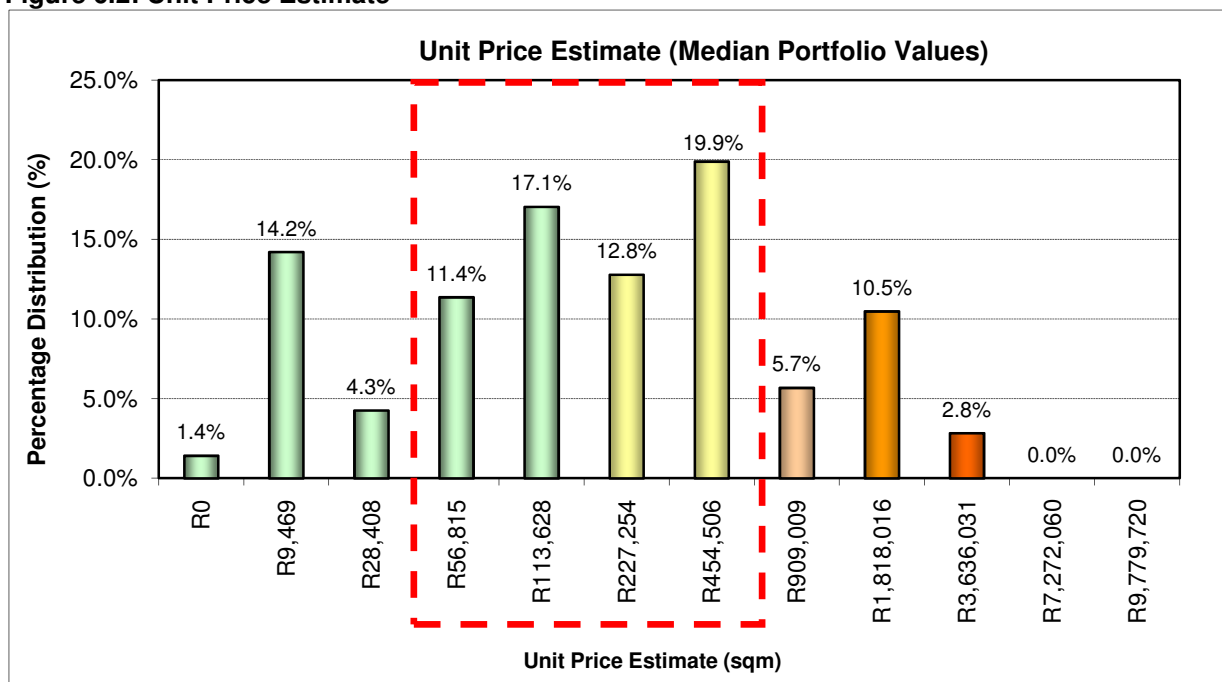
Source: Demacon, 2011

Table 6.3: Residential Affordability Profile

Income Midpoint 2011 (R)	House Price (Midpoint)	Distribution	Classification
R 0	R 0	48.3%	Freestanding low cost home
R 3,072	R 9,469		Freestanding low cost home
R 9,217	R 28,408		Freestanding low cost home
R 18,434	R 56,815		Freestanding low cost home
R 36,867	R 113,628		Freestanding low cost home
R 73,734	R 227,254	12.8%	Gap & Entry level Economic Freestanding / Group
R 147,466	R 454,506	19.9%	Low-Middle Income
R 294,932	R 909,009	5.7%	Middle Income
R 589,864	R 1,818,016	10.5%	Middle-high income
R 1,179,727	R 3,636,031	2.8%	High income
R 2,359,452	R 7,272,060	0.0%	Elite
R 3,173,074	R 9,779,720		Gap & Entry level Economic Freestanding / Group

Source: Demacon, 2011

Figure 6.2: Unit Price Estimate



Source: Demacon, 2011

✓ **Project Size and Anticipated Take-Up**

Table 6.4 indicates the current market performance and the market share that the proposed project could attract.

Table 6.4: Summary of Market Recommendations

TOTAL MARKET			
A	Additional HH 2011 to 2016		285
B	Annualised Market growth (full housing spectrum)		48
C	Credit-linked and Bonded Segment		51.7%
D	Credit-linked and Bonded Segment take-up per annum		25
E	Annual secondary market contribution (units / annum)	Min	1
F		Max	1
G	Total annual new Credit-linked and Bonded Segment	Min	25
H		Max	25
PROJECT SPECIFIC			
I	Project Credit-linked and Bonded Segment Units		744
J	Forecast market share of total market sales	Min	100%
K		Max	100%
L		Min	25
M	Project forecast total annual take-up rate (units / annum)	Max	25
N	Years to 80% take-up (Credit-linked and Bonded Segment units)	Min	29.4
O		Max	29.6
P		Avg	29.5

Explanatory Notes:

A = increase in demand for new rental units, 2011 – 2016

B = Annualised market growth, i.e. of A/5

D = B x C

E & F = Annual secondary market contribution (i.e. the contribution made by re-sales in the target affordability income brackets)

G & H = Annual new credit-linked and bonded demand; D + E and D + F

I = Project credit-linked and bonded units

J & K = assumed market share of market area

L = G x J

M = H x K

N = I / L

O = I / M

✓ The modelling portrays demand and take-up based on market growth trends.

- ✓ Table 6.4 shows two sections, 1) total market and 2) project specific. Between 2011 and 2016 an estimated 285 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 48 units per annum (across the full housing spectrum).
- ✓ Under present market conditions, the credit-linked and bonded segment (51.7%) will yield a take-up rate of 25 units per annum.
- ✓ Given a take-up rate of 10 years, it is estimated that 744 credit-linked and bonded units could be absorbed within Kleinfontein settlement – emphasis on long-term take-up prospects.

Phasing and Composition

- ✓ It is recommended that the project should be developed in phases. The first phase should focus on the first ten years – 200 units
- ✓ Top Structures: From 40m²
- ✓ Stand Sizes: From 150m² to 400m² - can also include a number of larger stands
- ✓ Value: Priced from R220K to R900K.

6.4.3 Retail Market Development Potential

✓ Gap Analysis

Development Type	Effective Market Gap	Development Prospects
Convenience Retail	Yes	Medium to High

✓ Recommendations

Based on the demand modelling results, the following table indicates the recommended retail options.

Table 6.5: Recommended centre options

	Community Centre (Rand / sqm)
Market size (2011) – annual consumer retail spend	R 54,205,171
Optimum retail size (m² GLA) – including banking & services	1 723m²
Annual sales potential	R35,214,072
Employment opportunities (on site)	57
Capital investment	R13,097,143
Parking bays required	69
Parking infrastructure & landscaping cost	R1,827,810

- ✓ It is recommended that the proposed centre should represent a convenience type centre of approximately 1 723m² GLA.
- ✓ The centre could have an annual sales potential of R37.2 million and could create ±57 permanent on-site jobs.
- ✓ It will represent a convenience type retail centre consisting of 5 to 25 shops
- ✓ Main tenants could include a supermarket and a few convenience stores
- ✓ Ample paved parking should be provided at a ratio of 4 bays per 100m² retail GLA.
- ✓ Performance will be dependent on, *inter alia*, appropriate tenant composition.

6.4.4 Office Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Small Office Component	Yes	Very Low

Table 6.6: Office Floor Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Finance & Insurance (sqm GLA)	5,844	12,636	18,773
Business services (sqm GLA)	58,235	125,524	187,794
TOTAL: Kungwini	64,079	138,160	206,567
Project Market Share (average development potential)	961	2,072	3,099

Source: Demacon Office Space Demand Model, 2011

Table 6.7: Recommended Size

Recommended Sizes	Rand per annum / m ²
Size of development (sqm) (up to 2017)	961m ²
Office Capital investment (2011 NPV)	R8,4 million
Employment opportunities	48
Parking bays required	38
Parking infrastructure & landscaping cost (2011 NPV)	R3,5 million
Point of Market Entry	2012 / 2013

Source: Demacon Office Space Demand Model, 2011

✓ **Recommendations:**

- ✓ Market demand for office floor space as part of the Kleinfontein settlement node increases cumulatively from **961m²GLA in 2017 to 2 072m²GLA in 2022**.
- ✓ It is recommended that the settlement should accommodate an office component of approximately **1 000m²GLA – 2 000m² GLA**, with point of market entry at approximately 2016/2017.
- ✓ This should represent a low-key office development (low rise office development) focused on accommodating small office functions predominantly servicing the community itself – example: professional services, business centre, estate agency, medical practitioners etc.
- ✓ This could be developed adjacent to the proposed retail centre.

6.4.5 Light Industrial Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Light Industrial, storage and warehousing	Yes	Medium

Table 6.8: Industrial Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Total Manufacturing (Hectares)	3.55	10.57	16.91
Total Warehousing (Hectares)	5.37	16.78	27.72
TOTAL: Kungwini	8.92	27.35	44.64
Project Market Share (average development potential)	0.67	2.05	3.35

Source: Demacon Office Space Demand Model, 2011

Table 6.9: Recommended Size

Recommended Sizes	Rand per annum / m ²
Size of development (sqm) (up to 2017)	10,257m² / 2.05ha
Industrial Capital investment (2011 NPV)	R46,1 million
Employment opportunities	293
Parking bays required	205
Parking infrastructure & landscaping cost (2011 NPV)	R18,9 million
Point of Market Entry	2017

Source: Demacon Light Industrial Space Demand Model, 2011

✓ **Recommendations:**

- ✓ Market demand for light industrial floor space as part of the Kleinfontein settlement node increases cumulatively from **0.67ha in 2017 to 2.05ha in 2022**
- ✓ It is recommended that the settlement should accommodate a light industrial component of approximately **10 257m²GLA/2.05ha**, with point of market entry at approximately 2016/2017.
- ✓ It should represent a combination of light industrial floor space, storage and warehousing opportunities.

6.4.6 School Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
School	Yes	Medium

Table 6.10: School demand

Cumulative Additional Space Demand	2016	Up to 2021	Up to 2026
Ages 5 - 9	42	74	130
Ages 10 - 14	59	103	182
Ages 15 - 19	55	97	170
Project Market Share (Number of Pupils)	156	274	483

Source: Demacon School Demand Model, 2011

✓ **Recommendations:**

- ✓ It can be concluded that there is a demand for an additional school in Kleinfontein – average development potential reflect a school of 156 children to be accommodated in 2016
- ✓ It is recommended that a secondary phase be included as part of the development. The secondary phase could make provision for selected specialist services (for instance a specialist sport academy).

6.4.7 Private Medical Facility

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Day Clinic	Yes	Medium

✓ **Recommendations:**

Table 6.11: Medical Market Potential Assessment

MARKET POTENTIAL ASSESSMENT			
MARKET DEMAND (LSM 6 - 10+)			
PRIMARY DEMAND	2011	2016	2021
2011 Medically insured population (people)	980	1,724	3,035
Additional units per annum		149	262
Population growth rate (% / annum - compound growth)	12%	12%	12%
beds / 1000 population medically insured (private beds) - LSM 6-10+	6.8	6.8	6.8
Private beds in demand (LSM 6-10+)	7	12	21
TOTAL MARKET DEMAND			
Number of beds (private beds)	7	12	21
MARKET POTENTIAL			
Net effective demand (residual market capacity - additional beds)	7	12	21
Market share (% market share of total beds for facility)	60%	60%	60%
Market potential (total number of viable beds for facility)	4	7	12
Project specific additional area requirement (sqm hospital floor space)	300	528	929

From the findings it is recommended that a **day clinic** be developed with a capacity of approximately **7 beds (2016)** and provide various levels of care as well as a series of services.

Development Considerations:

Independent Consulting Rooms:

- ✓ The facility could be part of the day clinic and could include one or more independent practitioners to see ambulatory patients for consultation, examination, investigation and treatment.
- ✓ Specialist consulting rooms – one or more professionals register as medical practitioners and who are registered as specialists deliver health services
- ✓ Registered practitioner consulting rooms – where one or more professionals registered in any of the allied health professions deliver health services

Level of Care:

- ✓ **Day Care:** Treatment, observation or assessment that requires an extended stay, usually beyond the treatment or consultation as an outpatient, but less than 1 day. Day care patients do not get counted in midnight bed count.

Frail Care Facility:

- ✓ Two, three and four bedded wards offering residents full 24 hour nursing care with all daily activities. A few single rooms offering resident more privacy.
- ✓ Caring matrons should be on duty each day to attend to the well being of each resident. Outings and entertainment could also be arranged. Temporary care should be available for residents and for non-residents wishing to recuperate or rehabilitate after an illness or surgery.
- ✓ 24 Hour nursing care facility with experienced nursing staff.
- ✓ **Features to be provided:**
 - Recreation centre
 - Library
 - Hairdresser
 - Tranquil gardens for residents to relax in
 - All meals and laundry provided

- Podiatrist and Physiotherapist visits
- Cozy lounges for residents to receive their visitors
- Weekly entertainment arranged.

6.4.8 Land budget

Table 6.12 illustrates the spatial recommendations for economic uses that could be included as part of the development.

Table 6.12: Land Budget

Land use	Size	Net demand up to 2016	Surplus buffer (20 - 30%)	Roads, etc (20%)
Economic Uses				
Residential	744 units	18.60	22.32	27.9
Retail	1,723	0.52	0.62	0.8
Offices	2,072	0.35	0.41	0.5
Industrial	10,257	2.05	2.46	3.1
Day Clinic	528	0.09	0.11	0.1
School	600	0.60	0.72	0.9
Hectare Take-up	15,180	22.20	26.64	33.3

Source: Demacon, 2011

6.5 SYNTHESIS

Chapter 6 provided an empirical assessment of the development potential of a range of suitable property market components within Kleinfontein. This was supported by a gap analysis of social facilities.

Given the rent bid functions and spatial rationale for nodal development, highest and best uses should be grouped together to ensure a sustainable and efficient economic node at the most appropriate locations – giving consideration to the location requirements of each of the property markets.

However, what must be borne in mind is that different land uses compete for land in the same urban areas. This is where the concept of **highest and best use** plays a role. In a free-market society, ongoing competition between different land uses is regulated by the market mechanism. Every site in the urban system has a highest and best economic use and equilibrium in the market will only be reached when the highest and best uses are allocated to the site.

Evidently, the **best-located land** will be offered to the land use with the **greatest potential site rent**. Land that is most accessible and visible will be offered for retail, office and industrial/warehousing uses due to the ability of these markets to pay higher rents for well located land. Higher profit can be obtained when land is allocated to the optimum economic use.

Overall, it is evident that the most important fundamentals are in place for successful residential and retail development. However, initial indicators and private sector investment prospects will be framed by local market size. Given the benchmark of 100 000 people within a 10km radius, and in the case of Kleinfontein only 980 people, it is anticipated that private sector investment potential will be extremely limited. Given the small population of Kleinfontein, demand for social facilities will be limited. Evidently, the Kleinfontein development with its further expansion potential does not warrant the imposing of conditions of social facility supply as the population threshold does not warrant sizable investment in this respect.

The subsequent chapter integrate the findings of previous chapters into a set of strategic development recommendations.

CHAPTER 7: DEVELOPMENT RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this chapter is to integrate the findings of the previous chapters into a set of strategic development recommendations that will guide the transformation of Kleinfontein into sustainable liveable settlements.

Summary of Characteristics of Metsweding District:

- ✓ District characterised by three dominant urban areas – Bronkhorstspuit, Cullinan and Rayton
- ✓ 80% of land focused towards agricultural activities – emphasis on areas to the north and south
- ✓ Relatively concentrated economic land use base
- ✓ The bulk of the major business activities occur in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton
- ✓ Tourism opportunities vested in the development of the Dinokeng Project – Roodeplaat Dam as well as Bronkhorstspuit Dam
- ✓ Dominant Industrial Node vested in Ekandustria
- ✓ Demand for high and low income residential developments
- ✓ High density development zones vested within the district boundaries include; Bronkhorstspuit and Bronkhorstspuit Dam, Ekandustria, Cullinan/Refilwe, Rayton and Steve Bikoville
- ✓ External pressures from Tshwane and Ekurhuleni Borders – High-income and low-income residential developments, rural residential development and industrial development pressures.

Development Implications for Kleinfontein:

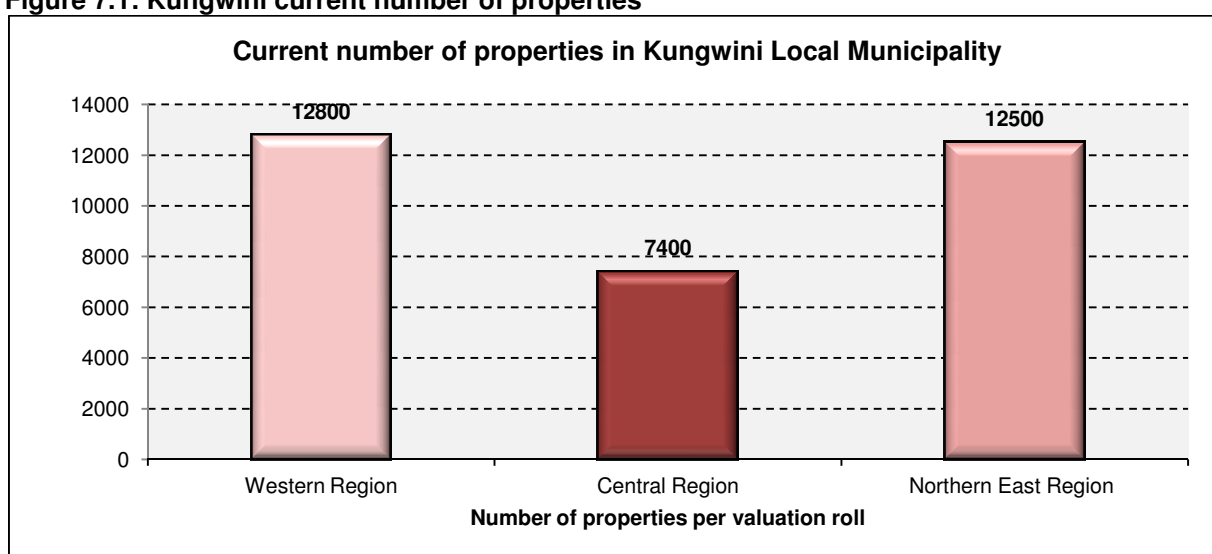
- ✓ From the spatial analysis it is evident that Kleinfontein falls within the West Region of Kungwini Local Municipal area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very high population growth in the West Region is due to the new residential developments occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries.
- ✓ The proximity of the “economic hub” of Gauteng to the west of Kungwini is resulting in the strong growth of the western part of Kungwini. The Kungwini West region has been identified as a development concentration area and should be regarded as a residential nodal area. Very low levels of disposable income is evident in this sub-region and make sustainable development difficult. The main economic sectors currently contributing to local GDP are manufacturing, services, finance and trade.
- ✓ Business/Commercial activities within the area can be categorised as very limited. The bulk of the major business activities happen in Silver Lakes, Bronkhorstspuit town, Roodeplaat, Cullinan and to a limited extent in Rayton. Due to increased development pressure on the periphery of these towns, there is great demand for the development of new centres in these peripheries. These centres have the ability of becoming major centres and thus competing with the traditional urban centres.
- ✓ In conclusion, the district is divided into two distinct areas - the areas south of the N4, Bronkhorstspuit, Zithobeni, Ekandustria, Ekangala and rural areas to the North-East are predominantly characterised by higher LSM profiles, compared to the remainder of areas north of the N4. Given the location of Kleinfontein the area reflects moderate to high living standards. It is anticipated that this in conjunction with moderate population densities will result in moderate to high demand densities, resulting in high development potential within this area.

Building Plan Data

Overall it is evident that approximately **1 045 residential building plans are passed per annum within the Kungwini Local Municipal Area**, resulting in the **construction** of approximately **907 residential units** (excluding government subsidised housing). The amount of non-residential floor space approved and built is also indicative of low levels of commercial development pressure within the market area.

Kleinfontein falls within the **West Region of Kungwini Local Municipal** area. Population growth over the 2001 to 2009 period has resulted in the high growth of 52% for the West Region. The very **high population growth** in the West Region is due to the **new residential developments** occurring adjacent to the Tshwane and Ekurhuleni municipal boundaries. The Kungwini West region has been identified as a development concentration area and should be regarded as a **residential nodal area**. The Western Region of Kungwini Local Municipality has **high growth potential** due to its proximity to Tshwane and its access to services. The up-market western suburbs of Silver Lakes and Mooikloof play a **major role in the local economy of Kungwini (now part of Tshwane)**.

Figure 7.1: Kungwini current number of properties



Source: Demacon Ex. Kungwini Valuation Roll 2010

Table 7.1: Kleinfontein Location Assessment Findings

Land Use	Score
Residential	75.2%
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Light Industrial	68.3%
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Overall, it is evident that the most important fundamentals are in place for successful residential and retail development. Some critical factors may be lacking for successful development of offices, medical and private school uses. The emphasis should be on low-key facilities that cater to the needs of the local population.

These ratings seem very favourable to development in Kleinfontein. However, initial indicators and private sector investment prospects will be framed by local market size. Given the benchmark of 100 000 people within a 10km radius, and in the case of Kleinfontein only 980 people, it is anticipated that private sector investment potential will be extremely limited.

7.2 MARKET POTENTIAL ANALYSIS

Social facilities

Given the small population of Kleinfontein, demand for social facilities will be limited. Table 6 provides an overview of the social facility demand. It is evident that social facilities will not be sustainable within Kleinfontein.

Table 7.2: Social Facility Market Gap

	Parameter – Population per facility	Minimum	Maximum
Crèche	5000	0.20	0.00
Primary School	5000	0.20	0.10
Secondary School	6600	0.15	0.15
Clinic	5000	0.20	0.04
Day-Hospital	10000	0.10	0.05
Community Hospital	80000	0.01	0.02
Library	10000	0.10	0.00
Community Centre	10000	0.10	0.05
Sports Stadium	50000	0.02	0.06
Post Office	11000	0.09	0.00
Police Station	25000	0.04	0.01
Fire Station	60000	0.02	0.02
Sport Fields	7700	0.13	0.08
Public Open Space	1000	0.99	0.05

Note: Parameter reflects the number of people required to support development of a specific facility

Source: Demacon, 2011

Evidently, the Kleinfontein development with its further expansion potential does not warrant the imposing of conditions of social facility supply as the population threshold does not warrant sizable investment in this respect.

Residential

✓ Gap Analysis

Development Type	Effective Market Gap	Development Prospects
Credit-linked and low to middle income bonded residential units	Yes	Medium to High

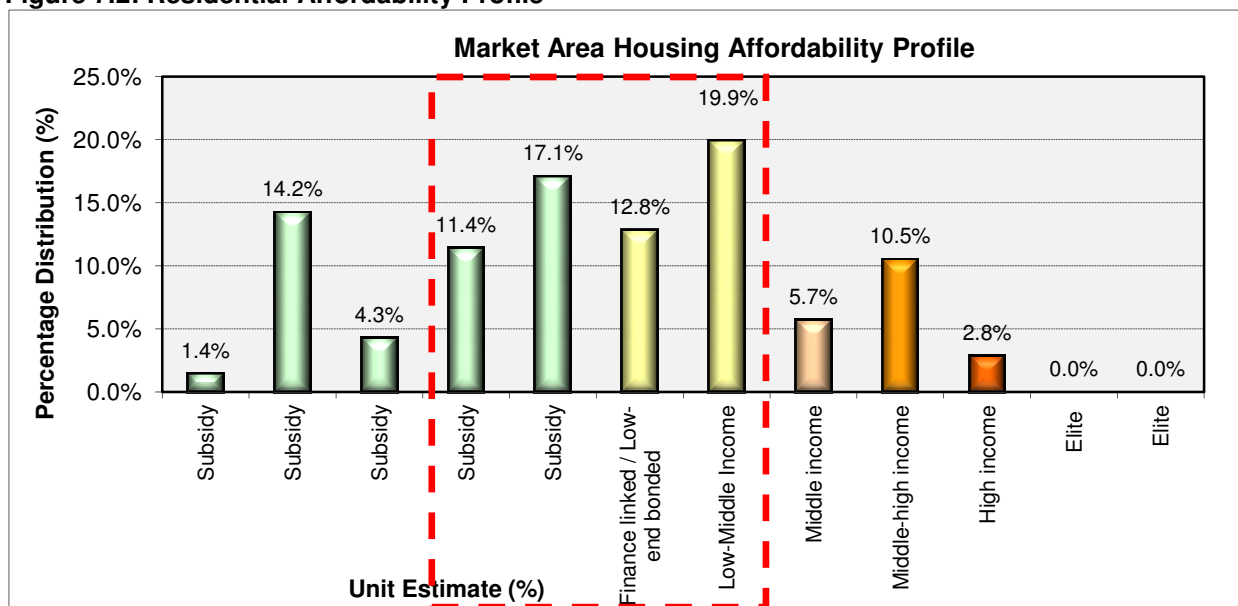
✓ Residential Market Development Potential

Table 7.3: Residential Affordability Profile

Income Midpoint 2011 (R)	House Price (Midpoint)	Distribution	Classification
R 0	R 0	48.3%	Freestanding low cost home
R 3,072	R 9,469		Freestanding low cost home
R 9,217	R 28,408		Freestanding low cost home
R 18,434	R 56,815		Freestanding low cost home
R 36,867	R 113,628		Freestanding low cost home
R 73,734	R 227,254	12.8%	Gap & Entry level Economic Freestanding / Group
R 147,466	R 454,506	19.9%	Low-Middle Income
R 294,932	R 909,009	5.7%	Middle Income
R 589,864	R 1,818,016	10.5%	Middle-high income
R 1,179,727	R 3,636,031	2.8%	High income
R 2,359,452	R 7,272,060	0.0%	Elite
R 3,173,074	R 9,779,720		Gap & Entry level Economic Freestanding / Group

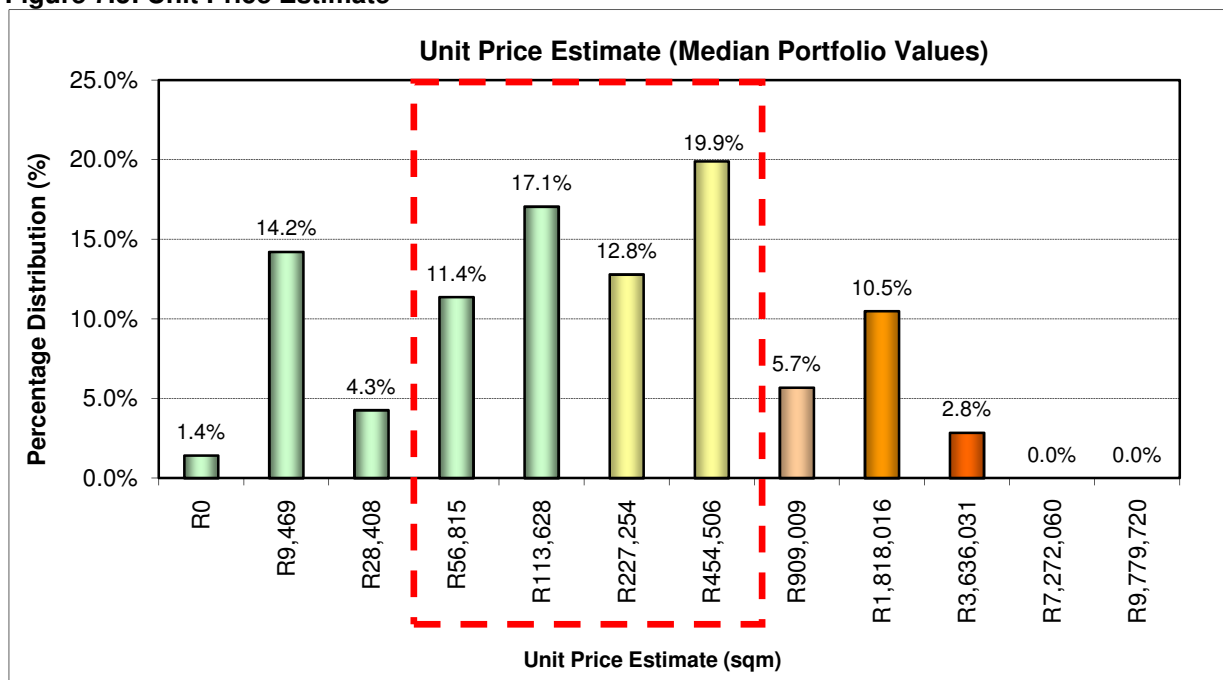
Source: Demacon, 2011

Figure 7.2: Residential Affordability Profile



Source: Demacon, 2011

Figure 7.3: Unit Price Estimate



Source: Demacon, 2011

✓ **Project Size and Anticipated Take-Up**

Table 7.4 indicates the current market performance and the market share that the proposed project could attract.

Table 7.4: Summary of Market Recommendations

TOTAL MARKET			
A	Additional HH 2011 to 2016		285
B	Annualised Market growth (full housing spectrum)		48
C	Credit-linked and Bonded Segment		51.7%
D	Credit-linked and Bonded Segment take-up per annum		25
E	Annual secondary market contribution (units / annum)	Min	1
F		Max	1

G	Total annual new Credit-linked and Bonded Segment	Min	25
H		Max	25
PROJECT SPECIFIC			
I	Project Credit-linked and Bonded Segment Units		744
J	Forecast market share of total market sales	Min	100%
K		Max	100%
L		Min	25
M	Project forecast total annual take-up rate (units / annum)	Max	25
N	Years to 80% take-up (Credit-linked and Bonded Segment units)	Min	29.4
O		Max	29.6
P		Avg	29.5

Explanatory Notes:

A = increase in demand for new rental units, 2011 – 2016

B = Annualised market growth, i.e. of A/5

D = B x C

E & F = Annual secondary market contribution (i.e. the contribution made by re-sales in the target affordability income brackets)

G & H = Annual new credit-linked and bonded demand; D + E and D + F

I = Project credit-linked and bonded units

J & K = assumed market share of market area

L = G x J

M = H x K

N = I / L

O = I / M

- ✓ The modelling portrays demand and take-up based on market growth trends.
- ✓ Table 7.4 shows two sections, 1) total market and 2) project specific. Between 2011 and 2016 an estimated 285 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 48 units per annum (across the full housing spectrum).
- ✓ Under present market conditions, the credit-linked and bonded segment (51.7%) will yield a take-up rate of 25 units per annum.
- ✓ Given a take-up rate of 10 years, it is estimated that 744 credit-linked and bonded units could be absorbed within Kleinfontein settlement – emphasis on long-term take-up prospects.

Phasing and Composition

- ✓ It is recommended that the project should be developed in phases. The first phase should focus on the first ten years – 200 units
- ✓ Top Structures: From 40m²
- ✓ Stand Sizes: From 150m² to 400m² - can also include a number of larger stands
- ✓ Value: Priced from R220K to R900K.

Retail Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Convenience Retail	Yes	Medium to High

✓ **Recommendations**

Based on the demand modelling results, the following table indicates the recommended retail options.

Table 7.5: Recommended centre options

	Community Centre (Rand / sqm)
Market size (2011) – annual consumer retail spend	R 54,205,171
Optimum retail size (m² GLA) – including banking & services	1 723m²
Annual sales potential	R35,214,072
Employment opportunities (on site)	57
Capital investment	R13,097,143
Parking bays required	69
Parking infrastructure & landscaping cost	R1,827,810

- ✓ It is recommended that the proposed centre should represent a convenience type centre of approximately 1 723m² GLA.
- ✓ The centre could have an annual sales potential of R37.2 million and could create ±57 permanent on-site jobs.
- ✓ It will represent a convenience type retail centre consisting of 5 to 25 shops
- ✓ Main tenants could include a supermarket and a few convenience stores
- ✓ Ample paved parking should be provided at a ratio of 4 bays per 100m² retail GLA.
- ✓ Performance will be dependent on, *inter alia*, appropriate tenant composition.

Office Market Development Potential

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Small Office Component	Yes	Very Low

Table 7.6: Office Floor Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Finance & Insurance (sqm GLA)	5,844	12,636	18,773
Business services (sqm GLA)	58,235	125,524	187,794
TOTAL: Kungwini	64,079	138,160	206,567
Project Market Share (average development potential)	961	2,072	3,099

Source: Demacon Office Space Demand Model, 2011

Table 7.7: Recommended Size

Recommended Sizes	Rand per annum / m²
Size of development (sqm) (up to 2017)	961m ²
Office Capital investment (2011 NPV)	R8,4 million
Employment opportunities	48
Parking bays required	38
Parking infrastructure & landscaping cost (2011 NPV)	R3,5 million
Point of Market Entry	2012 / 2013

Source: Demacon Office Space Demand Model, 2011

✓ **Recommendations:**

- ✓ Market demand for office floor space as part of the Kleinfontein settlement node increases cumulatively from **961m²GLA in 2017 to 2 072m²GLA in 2022.**

- ✓ It is recommended that the settlement should accommodate an office component of approximately **1 000m²GLA – 2 000m² GLA**, with point of market entry at approximately 2016/2017.
- ✓ This should represent a low-key office development (low rise office development) focused on accommodating small office functions predominantly servicing the community itself – example: professional services, business centre, estate agency, medical practitioners etc.
- ✓ This could be developed adjacent to the proposed retail centre.

Light Industrial Market Development Potential

✓ Gap Analysis

Development Type	Effective Market Gap	Development Prospects
Light Industrial, storage and warehousing	Yes	Medium

Table 7.8: Industrial Space Demand (Kleinfontein Potential) - m² GLA (constant values)

Cumulative Additional Space Demand	Up to 2017	Up to 2022	Up to 2027
Total Manufacturing (Hectares)	3.55	10.57	16.91
Total Warehousing (Hectares)	5.37	16.78	27.72
TOTAL: Kungwini	8.92	27.35	44.64
Project Market Share (average development potential)	0.67	2.05	3.35

Source: Demacon Office Space Demand Model, 2011

Table 7.9: Recommended Size

Recommended Sizes	Rand per annum / m ²
Size of development (sqm) (up to 2017)	10,257m ² / 2.05ha
Industrial Capital investment (2011 NPV)	R46,1 million
Employment opportunities	293
Parking bays required	205
Parking infrastructure & landscaping cost (2011 NPV)	R18,9 million
Point of Market Entry	2017

Source: Demacon Light Industrial Space Demand Model, 2011

✓ Recommendations:

- ✓ Market demand for light industrial floor space as part of the Kleinfontein settlement node increases cumulatively from **0.67ha in 2017 to 2.05ha in 2022**
- ✓ It is recommended that the settlement should accommodate a light industrial component of approximately **10 257m²GLA/2.05ha**, with point of market entry at approximately 2016/2017.
- ✓ It should represent a combination of light industrial floor space, storage and warehousing opportunities.

School Market Development Potential

✓ Gap Analysis

Development Type	Effective Market Gap	Development Prospects
School	Yes	Medium

Table 7.10: School demand

Cumulative Additional Space Demand	2016	Up to 2021	Up to 2026
Ages 5 - 9	42	74	130
Ages 10 - 14	59	103	182
Ages 15 - 19	55	97	170
Project Market Share (Number of Pupils)	156	274	483

Source: Demacon School Demand Model, 2011

✓ **Recommendations:**

- ✓ It can be concluded that there is a demand for an additional school in Kleinfontein – average development potential reflect a school of 156 children to be accommodated in 2016
- ✓ It is recommended that a secondary phase be included as part of the development. The secondary phase could make provision for selected specialist services (for instance a specialist sport academy).

Private Medical Facility

✓ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Day Clinic	Yes	Medium

✓ **Recommendations:**

Table 7.11: Medical Market Potential Assessment

MARKET POTENTIAL ASSESSMENT			
MARKET DEMAND (LSM 6 - 10+)	2011	2016	2021
PRIMARY DEMAND			
2011 Medically insured population (people)	980	1,724	3,035
Additional units per annum		149	262
Population growth rate (% / annum - compound growth)	12%	12%	12%
beds / 1000 population medically insured (private beds) - LSM 6-10+	6.8	6.8	6.8
Private beds in demand (LSM 6-10+)	7	12	21
TOTAL MARKET DEMAND			
Number of beds (private beds)	7	12	21
MARKET POTENTIAL			
Net effective demand (residual market capacity - additional beds)	7	12	21
Market share (% market share of total beds for facility)	60%	60%	60%
Market potential (total number of viable beds for facility)	4	7	12
Project specific additional area requirement (sqm hospital floor space)	300	528	929

From the findings it is recommended that a **day clinic** be developed with a capacity of approximately **7 beds (2016)** and provide various levels of care as well as a series of services.

Development Considerations:

Independent Consulting Rooms:

- ✓ The facility could be part of the day clinic and could include one or more independent practitioners to see ambulatory patients for consultation, examination, investigation and treatment.
- ✓ Specialist consulting rooms – one or more professionals register as medical practitioners and who are registered as specialists deliver health services
- ✓ Registered practitioner consulting rooms – where one or more professionals registered in any of the allied health professions deliver health services

Level of Care:

- ✓ **Day Care:** Treatment, observation or assessment that requires an extended stay, usually beyond the treatment or consultation as an outpatient, but less than 1 day. Day care patients do not get counted in midnight bed count.

Frail Care Facility:

- ✓ Two, three and four bedded wards offering residents full 24 hour nursing care with all daily activities. A few single rooms offering resident more privacy.
- ✓ Caring matrons should be on duty each day to attend to the well being of each resident. Outings and entertainment could also be arranged. Temporary care should be available for residents and for non-residents wishing to recuperate or rehabilitate after an illness or surgery.
- ✓ 24 Hour nursing care facility with experienced nursing staff.
- ✓ **Features to be provided:**
 - Recreation centre
 - Library
 - Hairdresser
 - Tranquil gardens for residents to relax in
 - All meals and laundry provided
 - Podiatrist and Physiotherapist visits
 - Cozy lounges for residents to receive their visitors
 - Weekly entertainment arranged.

Land budget

Table 7.12 illustrates the spatial recommendations for economic uses that could be included as part of the development.

Table 7.12: Land Budget

Land use	Size	Net demand up to 2016	Surplus buffer (20 - 30%)	Roads, etc (20%)
Economic Uses				
Residential	744 units	18.60	22.32	27.9
Retail	1,723	0.52	0.62	0.8
Offices	2,072	0.35	0.41	0.5
Industrial	10,257	2.05	2.46	3.1
Day Clinic	528	0.09	0.11	0.1
School	600	0.60	0.72	0.9
Hectare Take-up	15,180	22.20	26.64	33.3

Source: Demacon, 2011

In order to accommodate the economic uses a total of 33.3 ha will be required. Depending on residential density the proposed expansion will require a net area of at least 30ha – 35 ha.



Annexure G(x)

SERVICES

DETAILS OF PLANNED SEWAGE TREATMENT WORKS FOR THE KLEINFONTEIN CULTURAL SETTLEMENT 09.11.14

1 Type of Treatment Works

The Process is a Sequential Batch Reactor Activated sludge (SBR) Sewage Treatment Works. The process is based on the total oxidation of the screened and degrittied raw sewage by the extended aeration principle of the activated sludge process. The aeration of the mixed liquor, settling and decanting of the treated effluent takes place in a single reactor. This is followed by final chlorination. Ferric chloride dosing may be included if required.

2 Process Capabilities of Plant

Once completed in full, the plant will be capable of not only delivering an effluent complying with the General Requirements of the Department of Water Affairs for Residential Developments, but also to the Departments requirements for Sensitive Areas. It is therefore possible with the planned plant to remove nitrates and phosphates to the levels required by the Department if so required.

3 Capacity of Treatment Works

The Treatment Works will be constructed in phases to suit the growth of the Residential Development. The first phase will have an average daily raw sewage capacity of 50 kl/d and the third and last phase a capacity of 150 kl/d.

4 Waste Sludge Handling

In view of the relative small development, no waste will be disposed off on site and all inlet screenings and waste activated sludge will be treated on site in a septic tank. Sludge accumulating in the septic tank will be regularly removed by a honey-sucker tank and deposited in the nearby municipal sewage treatment works.

5 Discharge of final treated water from the Sewage Treatment Works

The final treated water will be infiltrated in the soil downstream of the plant. The water will slowly filter through the soil towards the existing farm dam. Overflows from the dam occur only in the rainy season and flows to a further existing farm dam before leaving the Kleinfontein property, discharging as stormwater through the Rhenosterfontein road to finally feeding the existing streamlet.

Final treated water may in the future be recycled by means of a pump station back to the Residential Development for watering road side trees, parks, gardens as well as for maintenance and other non-potable uses. This will reduce the water demand of the development and conserve underground water reserves.

6 Location of Treatment Works

The Treatment Works will be constructed in the location shown on KBK drawing no GD04 and no.SW01 at L0 29 coordinates Y=50 639.5 X= 2 855 883.1. The location is above the 100 yr floodline of the nearest stream fed by the outflow of two existing farm dams.

7 Inflow and Outflow Monitoring


Raw sewage will be measured upstream of the Sewage Treatment Works and the final treated effluent just before it leaves the plant. Monitoring will be regular to ensure optimal operation of the plant and will include final effluent analysis as required by the Department of Water Affairs.

D.F.B. de Beer BSc, B.Eng, Pr.Eng.
9th December 2014.


KLEINFONTEIN BOEREBELANGE KOÖPERATIEF BEPERK

(Ingelyf as primêre handelskoöperasie in terme van Wet 91 van 1981)

Geregistreerde Adres: Adminkantoor, Uit en Tuis Sentrum, Kleinfonteinweg, Kleinfontein 368JR, Distr Cullinan.

 (012) 802 1583

E-pos: kleinadmin@kleinfontein.net

 Faks (012) 802 1584

Direksie: Groenewald JJ (Voorsitter) Haasbroek AC (Ondervoorsitter)

Breytenbach AE De Beer DFB(snr) De Beer DFB(jnr) Du Preez PH Els CA Freyer B

Koekemoer DM Medlen CE(Prof) Nel JA Pretorius JLM Skarabis S

Posbus 925

Rayton

1001

Aan : Bokamoso Omgewingskonsultante

24 November 2014

Aandag: Lizelle Gregory
Anè Aggenbach

Geagte Konsultante,

Graag word hiermee bevestig dat die volgende stel elektroniese planne gister aan u gelewer is:

SW01	Kleinfontein Stormwater Beplanning	Nedersetting en Hoewe 63
SW02	Kleinfontein Stormwater Beplanning	Wildpark,Boordplaas, Tandem en Pioniers
SW03	Kleinfontein Stormwater Beplanning	Suidelike Ontwikkeling
SW04	Kleinfontein Stormwater Beplanning	Stormwater vloei in- en uit Kleinfontein

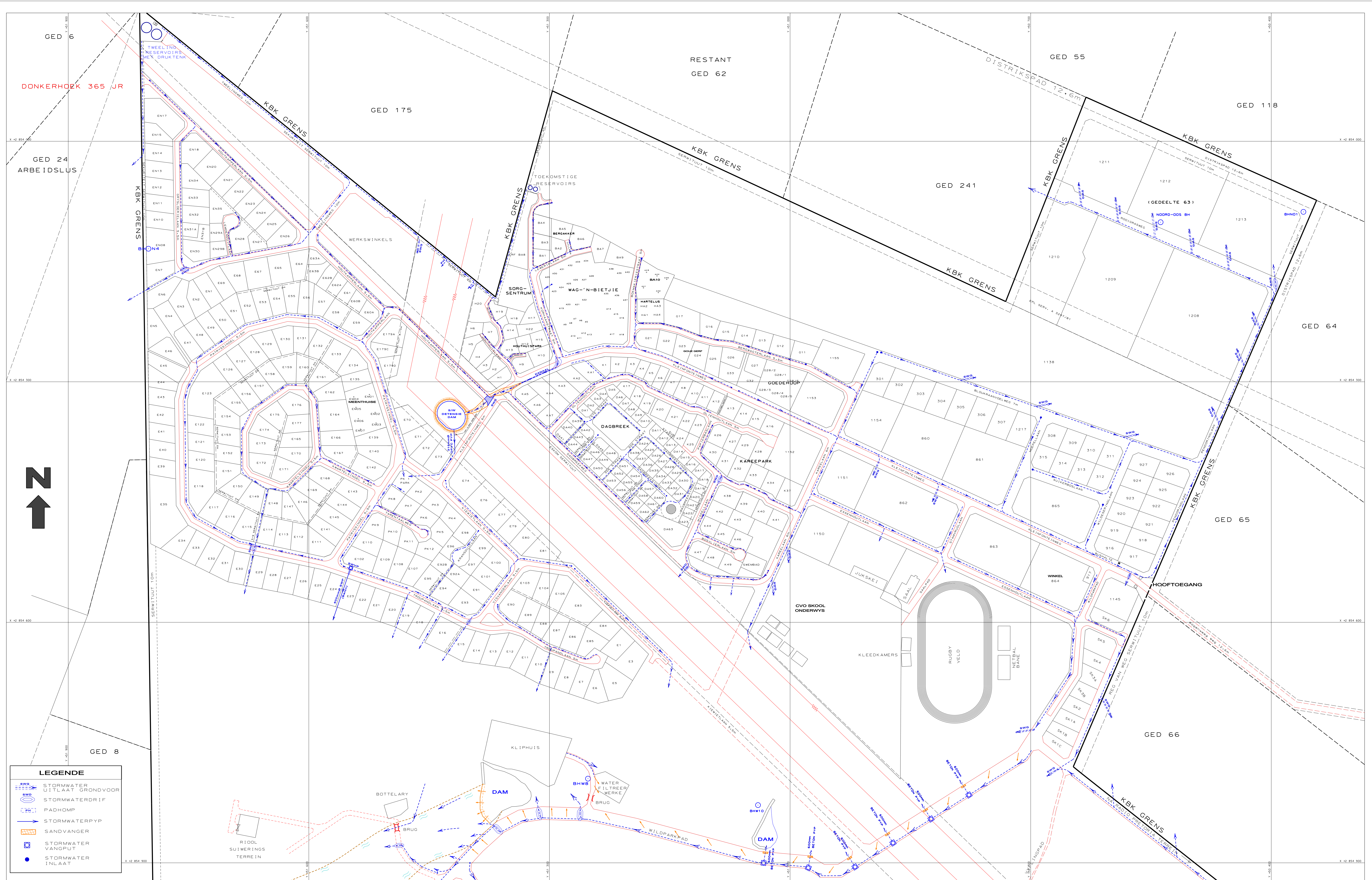
Soos bevestig met u sal Kleinfontein binne sy vermoë voortgaan om die bestaande stormwater infrastruktuur te onderhou, te verbeter en uit te brei om erosie en skade aan die omgewing en ander infrastruktuur te beperk. Opedateerde planne sal periodiek aan u voorsien word.

Die uwe,

Niël de Beer
Namens KBK Formaliseringskomitee.

Afskrifte:

- 1.PlanPractice Stadsbeplanners
- 2.KBK Direksie
- 3.Hoofbestuurder KBK.
- 4.Hoof Bou Afdeling
- 5.Werke Bestuurder



LEGENDE

- STORMWATER UITLAAT GRONDVOOR
- STORMWATERDRIF
- PADHOMP
- STORMWATERPYP
- SANDVANGER
- STORMWATER VANGPUT
- STORMWATER INLAAT

**KLEINFONTEIN BOEREBELANGE
KOÖPERATIEF BEPERK**

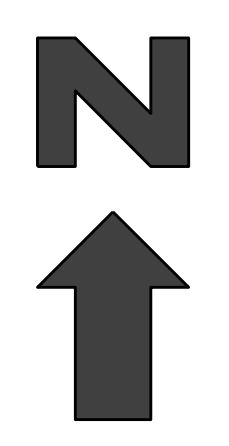
**KLEINFONTEIN STORMWATER BEPLANNING
NEDERSETTING EN HOEWE 63**

WYSIGINGS		NAGESIEN	DATUM	WYSIGINGS		NAGESIEN	DATUM
0	1STE KOPIE	NDB	28/11/14	3			
1				4			
2				5			

SKAAL 1:1 500

 GETEKEN: W van Romburgh

TEKENING NR.
SW01
 DATUM: 28/11/2014



LEGENDE

- SWD - - - - - STORMWATER UITLAAT GRONDVOOR
- SWD (circle) STORMWATERDRIF
- STORMWATERPIJP
- STORMWATER INLAAT

**KLEINFONTEIN BOEREBELANGE
KOÖPERATIEF BEPERK**

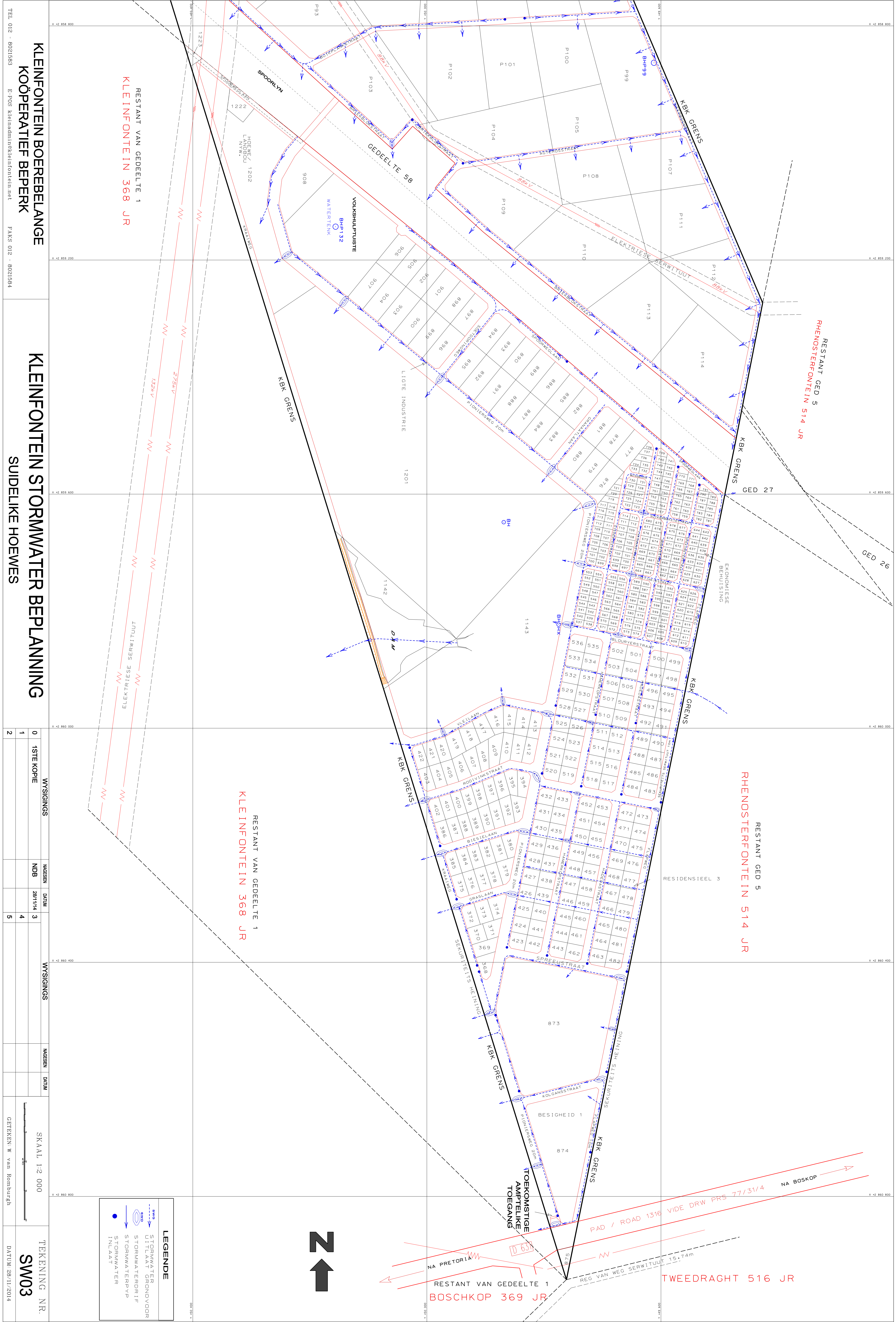
KLEINFONTEIN STORMWATER BEPLANNING
WILDPARK, BOORDPLAAS, TANDEM EN PIONIERS HOEWES

TEL 012 - 8021583 E-POS kleinadmin@kleinfontein.net FAKS 012 - 8021584

WYSIGINGS		NAGESIEN	DATUM	WYSIGINGS		NAGESIEN	DATUM
0	1STE KOPIE	NDB	28/11/14	3			
1				4			
2				5			

SKAAL 1:5 000
GETEKEN: W van Romburgh

TEKENING NR.
SW02
DATUM: 28/11/2014



RESTANT VAN GEDEELTE 1
KLEINFONTEIN 368 JR

RESTANT GED 5
RHENOSTERFONTEIN 514 JR

RESTANT GED 5
RHENOSTERFONTEIN 514 JR

RESTANT VAN GEDEELTE 1
KLEINFONTEIN 368 JR

TWEEDRAGHT 516 JR

RESTANT VAN GEDEELTE 1
BOSCHKOP 369 JR

KLEINFONTEIN BOEREBELANGE
 KOÖPERATIEF BEPERK

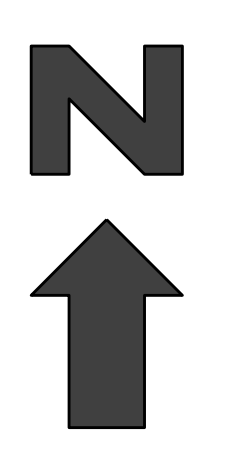
KLEINFONTEIN STORMWATER BEPLANNING
 SUIDELIKE HOEWES

TEL. 012 - 8021563
 E-POS: kleinfontein@kleinfontein.net
 FAKS 012 - 8021594

WYSIGINGS	WYSIGINGS	WYSIGINGS	WYSIGINGS
0	1STE KOPIE	MAESEN	28/11/14
1		NDB	3
2			4
			5

LEGENDE

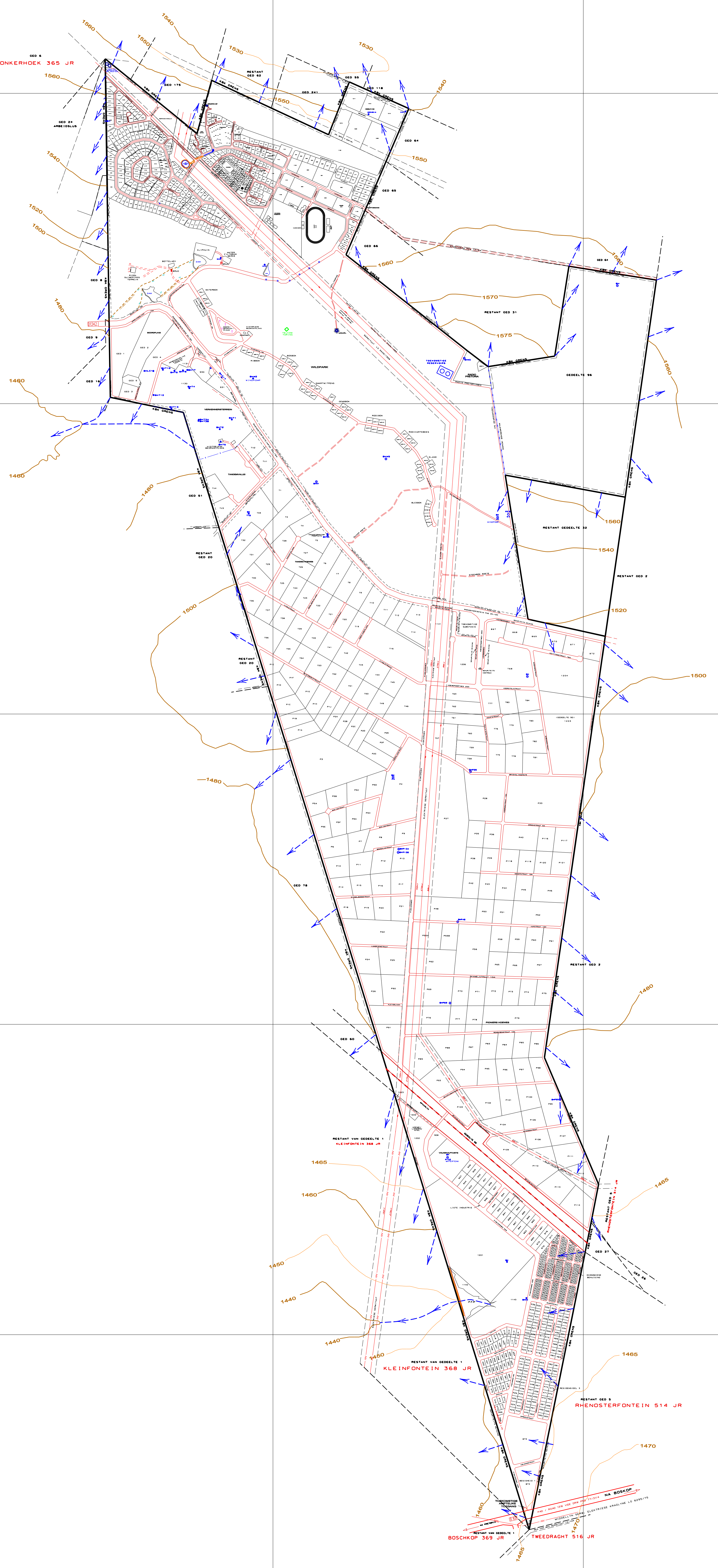
- SWM
- STORMWATER UITLAAT GRONDVOOR
- STORMWATERDRIF
- STORMWATERPYP
- STORMWATER INLAAT



SKAAL 1:2 000

TEKENING NR.
SW03

DATE: 28/11/2014



KLEINFONTEIN BOEREBELANGE
 KOÖPERATIEF BEPERK
 E-POS kleinfontein@kleinfontein.net
 TEL. 012 - 8021563
 FAKS 012 - 8021594

KLEINFONTEIN STORMWATER BEPLANNING
 STORMWATER VLOEI IN EN UIT KLEINFONTEIN

WYSIGINGS	MAKESSEN	ND B	DA TUM	WYSIGINGS	MAKESSEN	DA TUM
0						
1			28/11/14	3		
2			4	4		
			5			

SKAAL 1:7 500
 GEFTEKEN: W. van Romburgh

TEKENING NR.
SW04
 DATUM: 28/11/2014



Annexure H

BIODIVERSITY INFORMATION
RECEIVED BY GDARD

Bianca

From: Bokamoso <ontvangs@bokamoso.net>
Sent: 28 January 2013 01:14 PM
To: user1@bokamoso.net
Subject: FW: Kleinfontein EIA
Attachments: image001.jpg; 113010710543300401.gif; 113010710543300601.gif; 113010710543300801.gif

From: GDARD Biodiversity Information (GDARD) [mailto:GDACE_BiodiversityInfo@gauteng.gov.za]
Sent: 28 January 2013 12:53 PM
To: Bokamoso
Subject: RE: Kleinfontein EIA

Dear Lizelle

With regard to the above project, specialist biodiversity studies are required to investigate the following aspects:

* Plants, with specific reference to

- 1) Eulophia coddii.
- 2) Brachycorithis conica.
- 3) Ceropegia decidua.
- 4) Argyrolobium campicola.
- 5) Habenaria bicolor.
- 6) Habenaria kraenzliniana.

* Mammals, with specific reference to Lutra maculicollis (Spotted-necked otter).

* Invertebrates, with specific reference to Ichnestoma stobbai (Stobbias' Fruit chafer).

* Vegetation.

* Wetlands.

* Rivers.

* Ridges.

Please note that this information is relevant solely for the study site specified in your request. Red/Orange Listed plant species information relevant to a wider geographic area can be obtained from Lorraine Mills (Lorraine.Mills@gauteng.gov.za).

All specialist studies must comply with GDARD Requirements for Biodiversity Assessments. The most recent version of this document (currently version 2) can be obtained by e-mailing GDARD_BiodiversityInfo@gauteng.gov.za.

Should the environmental assessment practitioner be of the opinion that any of the above specialist studies are unnecessary for the site/activity in question, then an ecologically-based motivation justifying why the studies are deemed unnecessary must be submitted to GDARD as part of the application. This submission will be evaluated and either accepted or returned to the applicant for the completion of the necessary studies.

Please do not send follow up inquiries to this message as they will not be processed. For further queries please contact Phuti Matlamela (Phuti.matlamela@gauteng.gov.za).

Regards
EIA Unit

-----Original Message-----

From: Bokamoso [<mailto:lizelleg@mweb.co.za>]
Sent: Mon 1/7/2013 10:54 AM
To: GDARD Biodiversity Information (GDARD)
Subject: Kleinfontein EIA

Kleinfontein Settlement on Portions 38, 90, 96 and the Remaining Extent of the Farm Kleinfontein 368 JR and on Portions 63, 67, 68 and the Remaining Extent of Portion 14 of the Farm Donkerhoek 365 JR.

To whom it may concern

Attached please find the shapefiles for the above mentioned project.

Please confirm which specialist studies will be required for the project.

Sincerely,

Anè Agenbacht

Description: LATEST SIGNATURE LOGO

Disclaimer:

This message may contain confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. E-mail transmission cannot be guaranteed to be secured or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the content of this message, which arise as a result of e-mail transmission. The Gauteng Provincial Government does not take responsibility for Gauteng Provincial Government users' personal views. Gauteng Provincial Government services available online at: www.gautengonline.gov.za



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Hotline: 0860 4288364 | w



Annexure I

Comments from SAHRA

Letter

In terms of Section 38 of the National Heritage Resources Act (Act 25 of 1999)

Attention: Kleinfontein Boerebelange Co-operative Ltd

Application is made for the establishment of the proposed Kleinfontein Nedersetting on Portion 38, 90, 96 and the Remaining extent of the Farm Kleinfontein 368 JR with a surface area of 678.6966 ha and portions 63, 67, 68 and Remaining extent of Portion 14 of the Farm Donkerhoek 365 JR with a surface area of 42.8267 ha. The properties are currently zoned as agricultural.

Thank you for your notification regarding this development.

In terms of the National Heritage Resources Act, no 25 of 1999, heritage resources, including archaeological or palaeontological sites over 100 years old, graves older than 60 years, structures older than 60 years are protected. They may not be disturbed without a permit from the relevant heritage resources authority. This means that prior to development it is incumbent on the developer to ensure that a **Heritage Impact Assessment** is done. This must include the archaeological component (Phase 1) and any other applicable heritage components. Appropriate (Phase 2) mitigation, which involves recording, sampling and dating sites that are to be destroyed, must be done as required.

The quickest process to follow for the archaeological component is to contract an accredited specialist (see the web site of the Association of Southern African Professional Archaeologists www.asapa.org.za) to provide a Phase 1 Archaeological Impact Assessment Report. This must be done before any large development takes place.

The Phase 1 Impact Assessment Report will identify the archaeological sites and assess their significance. It should also make recommendations (as indicated in section 38) about the process to be followed. For example, there may need to be a mitigation phase (Phase 2) where the specialist will collect or excavate material and date the site. At the end of the process the heritage authority may give permission for destruction of the sites.

Where bedrock is to be affected, or where there are coastal sediments, or marine or river terraces and in potentially fossiliferous superficial deposits, a Palaeontological Desk Top study must be undertaken to assess whether or not the development will impact upon palaeontological resources - or at least a letter of exemption from a Palaeontologist is needed to indicate that this is unnecessary. If the area is deemed sensitive, a full Phase 1 Palaeontological Impact Assessment will be required and if necessary a Phase 2 rescue operation might be necessary. Please note that a nationwide fossil sensitivity map is now available on SAHRIS to assist with this.



If the property is very small or disturbed and there is no significant site the heritage specialist may choose to send a letter to the heritage authority to indicate that there is no necessity for any further assessment.

Any other heritage resources that may be impacted such as built structures over 60 years old, sites of cultural significance associated with oral histories, burial grounds and graves, graves of victims of conflict, and cultural landscapes or viewscapes must also be assessed.

Should you have any further queries, please contact the designated official using the case number quoted above in the case header.

Yours faithfully



Andrew Salomon
Heritage Officer: Archaeology
South African Heritage Resources Agency



Colette Scheermeyer
SAHRA Head Archaeologist
South African Heritage Resources Agency

ADMIN:

Direct URL to case: <http://www.sahra.org.za/node/150415>
(GDARD, Ref: 002/12-13/E0177)



Annexure J

Comments from Rand Water

User1

From: User9
Sent: Wednesday, May 02, 2012 12:07 PM
To: User3
Subject: FW: Registration as IAP: Kleinfontein Nedersetting
Attachments: Standard Conditions of Crossing RW Pipes_Way Leave.pdf; Kleinfontein Nedersetting.pdf; Untitled attachment 00010.txt

Follow Up Flag: Follow up
Flag Status: Flagged

From: Ontvangs
Sent: 02 May 2012 11:49 AM
To: Mientjie Coetzee; User9
Subject: FW: Registration as IAP: Kleinfontein Nedersetting

From: Natalie Koneight [<mailto:nkoneigh@randwater.co.za>]
Sent: 02 May 2012 11:27 AM
To: lizelleq@myweb.co.za
Subject: Registration as IAP: Kleinfontein Nedersetting

Dear Sir/Madam

Rand Water is hereby registering as IAP for the above-mentioned project.
Kindly forward confirmation of registration as IAP to Natalie Koneight at nkoneigh@randwater.co.za

Attached is Rand Water's Wayleaves, for your information.
Rand Water would like to be sure that the development as per the BID have planned adequately for their sewerage removal off site.

Please provide Rand Water with :

1. The detail about the facility that will receive the sewerage.
2. An agreement that the identified sewerage facility is aware of the development and that they have the capacity to accept the sewerage from the site without overloading the facility.
3. Will there be any discharges other than the sewerage system that will increase storm water entering the environment. If so, has the development considered retention and stilling ponds to slow down high peak flows.

If the sewerage facility cannot accept the additional load into their facility then this will have a negative impact on the environment and the pollution load into the river systems

Natalie Koneight
Secretary to Lesika Hey

EMS Denabreit, GSSE



RAND WATER

☎ +27-11-724-8065

☎ +27-11-900-2100

✉ nkonekhe@randwater.co.za

www.randwater.co.za

STANDARD CONDITIONS FOR CROSSING OF RAND WATER'S SERVICES

1. SERVICE CROSSINGS :

ANNEXURE "A" (OCT 2002)

- 1.1 The number of crossings of Rand Water's pipeline/s and servitude/s or proposed servitude/s shall be kept to a minimum; such crossings shall be as close to 90 degrees (right angles) as possible and the cover over its pipeline/s shall not be materially altered.
- 1.2 No service shall be less than one metre from a joint in Rand Water's pipeline/s and a space of not less than 300 mm shall be maintained between any service and Rand Water's pipeline/s at the point of crossing, or as separately specified. Where Rand Water's prestressed concrete pipeline is crossed, this space shall be measured from the lightning protection wires installed above and below the pipeline. For service crossings under those of Rand Water, where further larger diameter pipelines are installed in the servitude in the future, Rand Water may require the service owner, at its own cost, to lower its service to comply with the foregoing.
- 1.3 No service running parallel to Rand Water's pipeline/s, no box, manhole, structure supporting any service, footing of any pylon, pole or stay wire and no stormwater culvert and / or appurtenances shall be within two metres of Rand Water's pipeline/s or on Rand Water's servitude/s or proposed servitude/s unless the prior written permission of Rand Water has been obtained.
- 1.4 Half-round concrete pipes or other approved protection shall be placed over any cable that is within two metres of Rand Water's pipeline/s or on Rand Water's servitude/s or proposed servitude/s.
- 1.5 Where any service crosses Rand Water's servitude/s or proposed servitude/s, it shall be laid at minimum grade (sewers and stormwater) / at an even depth below ground level (all other services) over the entire servitude / proposed servitude width and its position where it intersects Rand Water's pipeline/s, servitude/s or proposed servitude/s shall be clearly indicated by suitable markers. Sewer crossings shall be designed to span over Rand Water's existing and proposed pipeline trenches.
- 2. ROADS AND RAILWAY LINE CROSSINGS :**
- 2.1 Rand Water shall have unimpeded vehicular access to its pipeline/s at all times for inspection and maintenance purposes. Culverts shall be provided at all railway line crossings to provide such access. Under roadways culverts will be required unless it can be proved to Rand Water that traffic density and the cover over the pipeline/s will not adversely affect Rand Water in the exercise of its rights and that excavation through the road layers to gain access to the pipeline/s is acceptable to the service owner. In general, the cover over Rand Water's pipeline/s may vary between 800 mm and 1 500 mm however, an undisturbed layer of at least 300 mm shall be maintained between the pipeline/s and the roadworks during construction unless relaxed by Rand Water in writing. Reinforced concrete box culverts with compartments having minimum internal dimensions as indicated on Rand Water's standard drawings No. B1933 and B1934 shall be provided for both existing and future pipelines. Culverts shall preferably be drained by a gravity system.
- 2.2 Long diagonal crossings of Rand Water's pipeline/s and servitude/s or crossings of bends in Rand Water's pipeline/s shall be avoided. If this is not possible, Rand Water's pipeline/s shall be deviated so as to cross the proposed road/railway line at approximately right angles.
- 3. PIPELINE PROTECTION AND / OR DEVIATION AT DESIGN STAGE :**
- 3.1 Where any development affects the discharge of water from Rand Water's scour valves, arrangements shall be made in collaboration with Rand Water's Manager Bulk Water Services to accommodate, channel or divert such flow.
- 3.2 Detailed proposals, including longitudinal sections along Rand Water's pipeline/s depicting the level of the road/railway line or other service in relation to the pipeline/s, shall be submitted for Rand Water's approval before the commencement of proposed construction work.
- 3.3 It may be necessary for Rand Water itself to strengthen the lead-caulked joints of its pipeline/s located under roadways or in culverts, by means of double tapors, the fabrication of which requires at least two months notice. Such strengthening shall extend to a distance of at least two metres beyond the road prism/kerb line, measured at right angles to the road direction. (The estimated cost of which is R 7 000 per joint). The actual cost of joint strengthening shall be borne by the service owner who shall be responsible for all excavation and backfilling.
- 3.4 Since lengthy delays can occur between the planning and construction stages, the proposed dimensions of the culverts shall be confirmed by Rand Water at least 12 months before construction work commences.
- 3.5 All planning, survey work, preparation of designs, specifications and drawings shall be undertaken by the service owner or its consulting engineers and submitted to Rand Water for approval. A copy / Copies of the relevant specimen specification/s will be provided, on request, when more details of the work to be performed are known.
- 3.6 Contractors approved by Rand Water shall be engaged to undertake all construction work, including :
- (a) manufacture, supply and delivery of pipes;
 - (b) excavation and backfill of trenches etc;
 - (c) laying and jointing of pipes;
 - (d) recovery of redundant pipes; and
 - (e) construction of the necessary structures.
- 3.7 Rand Water shall be given reasonable notice prior to the commencement of the fabrication as well as the installation of pipes to enable it to undertake the necessary inspection work.
- 3.8 Except for the manufacture of pipes, which will be inspected by Rand Water or its agents, all work shall be supervised by the service owner or its consulting engineers who will also undertake all necessary negotiations with property owners and local authorities affected by any possible relocation of Rand Water's pipeline/s and obtain agreement from them in principle for the accommodation of Rand Water's pipeline/s in the proposed relocated position/s.

Continued overleaf

- 3.9 Where Rand Water is required to relocate its pipeline/s or servitude/s, the service owner shall bear the cost of the cancellation of Rand Water's servitude/s as well as the costs of acquiring, surveying and registering new servitudes that will provide Rand Water with rights equal to those provided by the servitudes to be cancelled.
- 3.10 Co-ordinates of the alignment of any proposed relocation/s shall be submitted to Rand Water to prepare the statutory notices for relocation/s of its pipeline/s. Relocation shall not take place until Rand Water has issued such statutory notices.
- 3.11 During the period April to August in any year, at a time suited to its water supply operations, Rand Water will, on receipt of 21 days notice, circumstances permitting, make the end connections from the deviations to the existing pipeline/s. Daywork rates shall be included in the pipelaying contract documents to allow for assistance to Rand Water.
- 3.12 Ownership of portions of the pipeline/s that become redundant as a result of relocations carried out at the service owner's cost will be transferred to it. If requested, Rand Water may take into stock pipes and / or valves recovered in good condition and credit the service owner with the value determined by Rand Water. Materials thus taken into stock shall be delivered to Rand Water's pipe yard at its Zwartkoppes pumping station by and at the cost of the service owner.
- 3.13 The service owner hereby indemnifies Rand Water against any claim arising from the non-removal and disposal of any portion of Rand Water's pipeline/s made redundant by a relocation.
- 3.14 No pipeline in its relocated position shall be subject to the provisions of the Advertising on Roads and Ribbon Development Act No 21 of 1940 or the National Roads Act No 54 of 1971 as amended.

4. PIPELINE PROTECTION AND / OR DEVIATION AT CONSTRUCTION STAGE :

- 4.1 Rand Water's Distribution Manager (Telephone (011) 900-1910) shall be notified and his permission obtained before any work is carried out within five metres of Rand Water's pipeline/s, servitude/s or proposed servitude/s and before backfilling any excavation exposing Rand Water's pipeline/s - Please quote inspection order No. as specified separately.
- 4.2 If detailed information of the positions or levels of the pipeline/s is required the pipeline/s may be exposed by the service owner or its consulting engineers, provided that the foregoing condition is complied with.
- 4.3 In terms of Regulation 10.17.1 of the Explosives Act No 26 of 1956, written confirmation of the measures proposed to protect Rand Water's pipeline/s shall be obtained from Rand Water for any blasting to be undertaken within 300 metres of its pipeline/s. The service owner shall be responsible for ensuring that the approved protection measures are complied with and that Rand Water's Distribution Manager is notified at least 24 hours in advance of each blast.
- 4.4 The pipeline/s shall be supported at not greater than five metre centres in culverts and where excavation takes place under the pipeline/s during construction.
- 4.5 No heavy earthmoving or compaction equipment shall be operated within two metres of the steel or five metres of the prestressed concrete pipeline/s unless specific proposals have been approved by Rand Water.
- 4.6 The prestressed concrete pipeline/s shall be haunched under the road or supported on pedestals where crossed by services located thereunder in accordance with the details depicted on Rand Water's drawing A3992, a print of which is available on request. Such haunching shall extend for a distance of two metres beyond the edge of the roadway on both sides, or to such greater length as may be required to complete the haunching of the nearest whole pipe length.

5. CATHODIC PROTECTION AT STEEL PIPELINE CROSSINGS :

- 5.1 Two 16 square millimetre leads or one 35 square millimetre lead appropriately marked must be provided at each crossing point and the crossing shall not be backfilled until Rand Water's staff have installed similar test leads on Rand Water's pipeline/s. The Electrolysis Section (011) 682-0239 or 0240) must be contacted for the connections to Rand Water's pipeline/s.
- 5.2 The pipe to ground potential of Rand Water's pipeline/s at the crossing point will be monitored before installation of the service owner's steel service and that potential must be maintained irrespective of the cathodic protection applied to the service owner's steel service after installation.

6. INDEMNITY :

- 6.1 The service owner shall indemnify Rand Water against all claims for damage arising out of, and will be held liable for any damage that may be caused to Rand Water's pipeline/s and/or appurtenances as a result of any crossing of during construction or the installation/construction and/or the presence of any service/road/railway line and/or appurtenances on Rand Water's servitude/s or within two metres of Rand Water's pipeline/s. Rand Water shall not be liable for any damage to any service/road/railway line and/or appurtenances that may be caused by it in the exercise of its rights, provided that Rand Water will remain liable for any damage that is proved to have resulted directly from the wrongful action of its employees.

7. COSTS :

- 7.1 The service owner shall bear the cost of any protective measure that may be necessary in order to prevent the exchange of stray direct currents between the cable/s or pipe/s and Rand Water's pipeline/s, the protection of existing installations and of making provision to accommodate future services, as outlined above as well as the cost of repairs to the lightning protection wires installed approximately 100 mm above and below Rand Water's prestressed concrete pipeline/s or to Rand Water's telemetering cable/s necessitated by the installation of the proposed service, and will be debited with all costs incurred by Rand Water on its behalf on the usual terms of actual cost plus 10% (ten per cent) for administration.

8. ACCEPTANCE OF CONDITIONS :

- 8.1 The above conditions together with Annexure B (Vaal Barrage Conditions) - if relevant, and any foregoing special requirements shall be accepted in writing by the service owner before any work may commence. If no reply is received within 60 days from date of Rand Water's written notification, the conditions will be deemed to have been accepted by the service owner.

REGISTRATION AS IAP

KLEINFONTEIN NEDERSETTING

First Name/s:	MPATI
Last Name:	NALE
Title: (Dr./ Miss/ Mr./ Mrs./ Prof. etc)	MRS
If representing an entity (i.e. company or organisation), name of entity:	RAND WATER
If representing an entity, position within entity (i.e. CEO, Chairperson, Secretary, Councilor, etc):	ENVIRONMENTAL ASSESSOR
Postal Address:	P.O. BOX 1127 JOHANNESBURG 2000
Physical Address	
E-mail Address:	mnale@randwater.coz.za
Phone Number:	(011) 724-9357
Cell Phone Number:	
Fax:	(011) 900-1208
Comments:	ALL TRAVERSING ALONG AND OVER RAND WATER PIPELINES. POSSIBLE LEAKS FROM OTHER SERVICES THAT COULD CAUSE GROUND STABILITY TO CHANGE. PLEASE KEEP US INFORMED REGARDING THE ABOVE ASPECTS.



Annexure K

Comments from COT



**CITY OF
TSHWANE**
IGNITING EXCELLENCE

Environmental Management Services Department

4th Floor, Nr 11 Francis Beard Street, Pretoria
PO Box 1454 | Pretoria | 0001
Email: Tel: 012 358 8871 Fax: 012 358 8934
Email: LivhuwaniS@tshwane.gov.za | www.tshwane.gov.za

My ref:	6/4/R/6	Tel:	012 358 7334
Your ref:	GAUT 002/11-12/E0177	Fax:	012 358 8934
Contact person:	K. Mofela	Email:	kemmorem@tshwane.gov.za
Section:	Environmental Planning and Open Space Management	Date:	23 January 2014

Bokamoso Landscape Architects and Environmental Consultants CC
P.O. Box 11375
Maroelana
0161

Attention: Lizelle Gregory
Tel: (012) 346 3810
Fax: 086 570 5659
E-mail: lizelleg@mweb.co.za

Dear Madam,

DRAFT SCOPING REPORT FOR THE PROPOSED KLEINFONTEIN SETTLEMENT ON PORTIONS 38, 90, 96 AND REMAINING EXTENT OF THE FARM KLEINFONTEIN 368-JR AND ON PORTIONS 63,67,68 AND REMAINING EXTENT OF PORTION 14 OF THE FARM DONKERHOEK 365-JR

Your Report dated 02 December 2013 refers,

1. INTRODUCTION

The Environmental Management Services Department (the Department) has considered the Draft Scoping Report in respect of the above-mentioned application. The Draft Scoping Report is submitted to the Environmental Management Services Department of the City of Tshwane, hereafter referred to as "the City", as a commenting authority in terms of the National Environmental Management Act (NEMA) and EIA Regulations of August 2010.

2. PROJECT LOCATION AND DESCRIPTION

Bokamoso Landscape Architects and Environmental Consultants has been appointed by Kleinfontein Boerebelange Koöperasie Limited as an independent Environmental Assessment Practitioner (EPA) to undertake the environmental assessment for the proposed establishment of Land Development Area (LDA) on Portions 38, 90, 96 and the Remainder of the farm Kleinfontein 368-JR and on Portions 63, 67, 68 and the Remainder of Portion 14 of the farm Donkerhoek 365-JR to be known as Kleinfontein Settlement. The proposed development site is situated north of Cullinan, just south of the N4 and west of the R515. The proposed development area is

approximately 796 ha in extent and is situated in the area of jurisdiction of the City of Tshwane Metropolitan Municipality. The proposed development on the farm Kleinfontein 368-JR covers 678, 6968 ha and Donkerhoek 365-JR covers 42, 8267 ha.

The proposed township establishment will consist of a 862 dwelling units (various typologies), 69 950m² business floor area, 104 400m² light industry, approximately 198 small agricultural holdings, a primary school, a site for religious activities, a cemetery, an institution (old age home and care centre), 14 private open spaces, a workshop, 6 sites for places of amusement/instruction/public office, a public garage, a telecommunication centre as well as access control sites.

The activity entails undertaking the following listed activity in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and Environmental Impact Assessment Regulation, 2010, under:

Listing Notice 1, R 544: Activities 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47

Listing Notice 2, R 545: Activities 5, 15, 18

Listing Notice 3, R 546: Activities 2, 4, 10.

3. KEY FACTORS INFORMING THE COMMENTS

In making comments in respect of the proposed Activity the Department has taken, *inter alia*, the following into consideration:

- a) The information contained in the Draft Scoping Report dated 02 December 2013 compiled by Bokamoso Landscape Architects and Environmental Consultants
- b) Information obtained from the Section's information base including *inter alia*:
 - Geographic Information System (GIS); and
 - Gauteng Open Space Plan (GOSP).
- c) Compliance with applicable Municipal, Provincial, and National Policies and Guidelines including:
 - The National Environmental Management Act 1998 (Act 107 of 1998) (NEMA): its decision-making principles and Environmental Impact Assessment Regulations;
 - The Tshwane Integrated Environmental Policy (TIEP);
 - The Tshwane Open Space Framework (TOSF); and
 - The Bioregional Plan for the Gauteng Metropolitan Municipalities.

4. DISCUSSION

In reviewing the application the Department made the following findings:

- a) According to the Tshwane Open Space Framework the proposed site is situated within and in close proximity to the following open space typologies:
 - A **Green Way**, namely Magaliesberg Mountain Range. Green ways consist of ridge systems. Such ridges are defined as areas steeper than 5 degrees in which ecological systems processes and values are concentrated. Green Ways also represent important habitats for fauna and flora, areas representative of local biomes, vegetation types and high ecological sensitivity as well as areas of linkage and connectivity. The eastern part of the proposed development is situated on the class 2 ridge.
 - A **Blue Way**, watershed and their associated wetlands. Blue ways are the most important elements in the provisioning of environmental goods and services, the protection of biodiversity, endangered species and ecological systems as well as eco-based activity. Blue ways must therefore be conserved.

- A **Blue Node**, namely wetlands. Blue Nodes have secondary socio-economic and placemaking function, therefore they must be conserved.
- b) According to the GDARD C-Plan version 3 the proposed development route is situated on the continuum of **Irreplaceable, Important and Sensitive Ecological Areas**. Irreplaceable sites are essential in meeting targets set for conservation of biodiversity in Gauteng
- c) According to the Bioregional Plan for the Gauteng Metropolitan Municipalities, the proposed site is situated within the following areas:
- **Critical Biodiversity Area (CBA) 1 & 2.** Critical Biodiversity Area, in relation to the rivers and associated floodplain, wetlands, catchments, implies that the area is either natural or near natural terrestrial or aquatic as well as have some cultivated landscapes required to meet biodiversity pattern and/or thresholds. Critical Biodiversity Area One must obtain formal conservation protection where possible to avoid net loss of intact habitat or intensification of land-use.
 - **Ecological Sensitivity Area (ESA) 1. & 2.** Supporting zone required to prevent degradation of Critical Biodiversity Areas and Protected Areas. These include remaining corridor, catchment, wetland and other process areas that are required to prevent degradation of Critical Biodiversity Areas and formal Protected Areas; and areas which would otherwise have been identified as Critical Biodiversity Areas except that have been transformed or degraded, but which are currently or potentially still important for supporting ecological processes e.g. floodplain areas that have transformed or degraded. These areas are a focus for rehabilitation rather than the intensification of land uses.
 - **No Natural Remaining**
 - **Other Natural Areas.**
 - **No Natural Areas Remaining.**
- d) The report indicates that the proposed development site will be accessed from the R487 provincial road which intersects with the N4 national road, linking the towns of Rayton and Cullinan in the north to urban areas such as Bapsfontein and Germiston in the south.
- e) The Tshwane GIS map shows that there are underground electrical cables running the proposed development in the north-south direction.
- f) The report indicates that the surrounding areas are mostly agricultural and rural.
- g) The proposed development is situated within the Nokeng Agricultural Hub as informed by GDARD (2006) according to the report.
- h) The report indicates that eastern section of the proposed development site and the ridge area in the north are underlain by high agricultural potential soils as informed by GAPA 3.
- i) The report indicates that more than 80% of the high agricultural soils areas identified will be used for small scale agricultural purposes.
- j) According to the report, the existing Kleinfontein settlement is currently zoned Agricultural land in term of the Peri-Urban Planning Scheme, 1975.
- k) The report indicates that topography of the proposed development site is characterized by the undulating landscape with the higher lying east-west ridge at an elevation of 1577metres above mean sea level.
- l) The report indicates that the southern part of the proposed development site is underlain by the Silvertown Formation consisting of shale with inter-embedded quartzite, hornfels and lime stone.
- m) The northern part of the proposed development site is overlain by Magaliesberg Formation which consists of the quartzite as indicated in the report indicates.

- n) The report indicates that there is well defined watershed in the northern part of the proposed development site.
- o) The main drainage flows to the south-west as tributary to the Pionars River as indicated in the report.
- p) The report indicates that aquifers present on the proposed development site are classified as an intergranular and fractured type as informed by the 1:50 000 geohydrological map.
- q) The report indicates that of the five wetland areas identified onsite, one large wetland system situated in the north consists of two dams. The other three wetlands are situated in the south as well as a low lying pan in the north of the southern section.
- r) According to the report, the proposed development site is situated within the two vegetation units namely the threatened Gold Reef Mountain Bushveld and the endangered Rand Highveld Grassland as informed by Mucina and Rutherford (2006).
- s) The proposed development site is known for its cultural significance along the Anglo-Boer War (1899 – 1902) with specific reference to the Battle of Donkerhoek/Diamond Hill Military Cemetery.
- t) According to the Tshwane GIS map, the proposed application site is located **outside the urban edge** as determined by the Gauteng Spatial Development Framework (2000).
- u) The report indicates that domestic water is currently harvested from the existing boreholes and fountain.
- v) The presently used French drains cause high ground water pollution as indicated in the report.
- w) The report indicates that currently Eskom is the main electricity supplier via the Tweedracht/Donkerhoek 11kV overhead feeder.

5. RECOMMENDATIONS

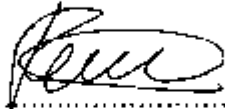
The Department cannot support the proposed development due to the following:

- a) The Gauteng Urban Edge as documented within the Gauteng Spatial Development Framework (2000) is identified to curb and prevent urban sprawl and further to protect the natural environment. Allowing developments, such as the proposed Kleinfontein Settlement development outside the delineated Urban Edge, will allow for other similar applications to be established. This will cause a precedent approval and additional impacts associated with Residential developments to increase such as the construction and implementation of services which are not currently available within the direct vicinity.
- b) According to the Kungwini Spatial Development Framework as informed by the Metsweding Agricultural Development Strategy and Implementation Plan (2009), the proposed development falls within the identified Agricultural Hub 6 which, amongst others, entails the Endangered Rand Highveld Grassland, environmentally sensitive areas and high potential agricultural lands which must be protected. Sensitive grasslands areas including possible red data fauna and flora as well as high potential agricultural lands will be lost by the proposed development.
- c) The proposed development and population increase will impact on the natural flow and functioning of the river and its associated wetland systems as well as contribute to increase of negative geomorphologically-associated impacts.

6. CONCLUSION

Based on the above, the Department cannot support the proposed Kleinfontein Settlement development.

Yours faithfully



23/01/2014

.....
Mr Livhuwani Siphuma

.....
Date:

EXECUTIVE DIRECTOR: ENVIRONMENTAL MANAGEMENT DIVISION

Letter signed by: Rudzani Mukheli

Designation: Deputy Director: Environmental Planning and Open Space Management Section

CC Gauteng Department of Agriculture and Rural Development

Attn:

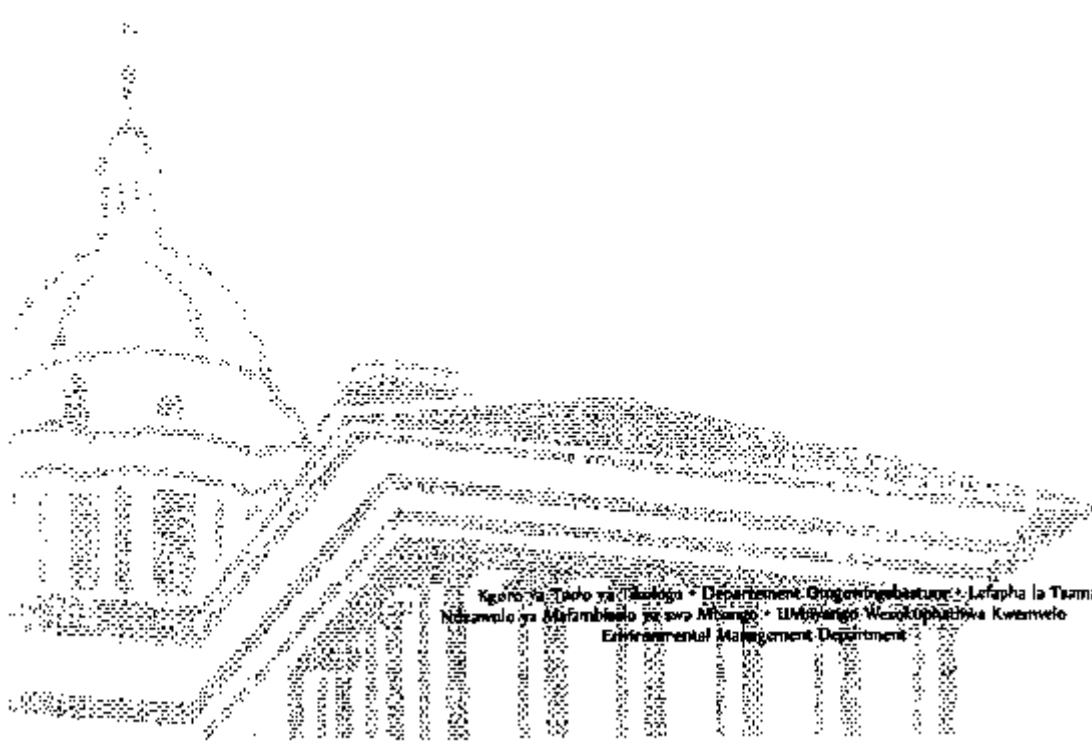
Mr Teboho Loku

Tel:

(011) 240 2500

Fax:

(011) 240 1000



Kgero ya Talo ya Tikolgo • Departamente Omgwengobasturo • Lefapha la Tsaetsiso ya Tikolgo
Ndzawelo ya Mafambiselo ya sva Mbangi • UMhanyiso Wesokopuluhwa Kwenwelo
Environmental Management Department



**CITY OF
TSHWANE**
IGNITING EXCELLENCE

Environmental Management Services Department

4th Floor, Nr 11 Francis Beard Street, Pretoria
PO Box 1454 | Pretoria 10001
Email: Tel: 012 358 8871 | Fax: 012 358 8934
Email: Liyhwan@tshwane.gov.za | www.tshwane.gov.za

Myref:	8/4/R/7	Tel:	012 358 7334
Your ref:	GAUT 002/11-12/E0177	Fax:	012 358 8934
Contact person:	K. Mofela	Email:	kemmonem@tshwane.gov.za
Section:	Environmental Planning and Open Space Management	Date:	23 July 2014

Bokamoso Landscape Architects and Environmental Consultants CC
P.O. Box 11375
Mamelona
0181

Attention: Lizelle Gregory
Tel: (012) 346 3810
Fax: 086 570 5659
E-mail: lizelleg@mweb.co.za

Dear Madam,

FINAL SCOPING REPORT FOR THE PROPOSED KLEINFONTEIN SETTLEMENT ON PORTIONS 38, 90, 96 AND REMAINING EXTENT OF THE FARM KLEINFONTEIN 368-JR AND ON PORTIONS 63,67,68 AND REMAINING EXTENT OF PORTION 14 OF THE FARM DONKERHOEK 366-JR

Your Report dated 18 June 2014 refers,

1. INTRODUCTION

The Environmental Management Services Department (the Department) has considered the Final Scoping Report in respect of the above-mentioned application. The Final Scoping Report is submitted to the Environmental Management Services Department of the City of Tshwane, hereafter referred to as "the City", as a commenting authority in terms of the National Environmental Management Act (NEMA) and EIA Regulations of August 2010.

2. PROJECT LOCATION AND DESCRIPTION

Bokamoso Landscape Architects and Environmental Consultants has been appointed by Kleinfontein Boerebelange Koöperasie Limited as an Independent Environmental Assessment Practitioner (EPA) to undertake the environmental assessment for the proposed establishment of Land Development Area (LDA) on Portions 38, 90, 96 and the Remainder of the farm Kleinfontein 368-JR and on Portions 63, 67, 68 and the Remainder of Portion 14 of the farm Donkerhoek 366-JR to be known as Kleinfontein Settlement. The proposed development site is situated north of Gullinan, just south of the N4 and west of the R515. The proposed development area is

approximately 796 ha in extent and is situated in the area of jurisdiction of the City of Tshwane Metropolitan Municipality. The proposed development on the farm Kleinfontein 368-JR covers 678, 6968 ha and Donkerhoek 365-JR covers 42, 8267 ha.

The proposed township establishment will consist of a 862 dwelling units (various typologies), 69 950m² business floor area, 104 400m² light industry, approximately 198 small agricultural holdings, a primary school, a site for religious activities, a cemetery, an institution (old age home and care centre), 14 private open spaces, a workshop, 6 sites for places of amusement/instruction/public office, a public garage, a telecommunication centre as well as access control sites.

The activity entails undertaking the following listed activity in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and Environmental Impact Assessment Regulation, 2010, under:

Listing Notice 1, R 544: Activities 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47

Listing Notice 2, R 545: Activities 5, 15, 18

Listing Notice 3, R 546: Activities 2, 4, 10.

3. KEY FACTORS INFORMING THE COMMENTS

In making comments in respect of the proposed Activity the Department has taken, *inter alia*, the following into consideration:

- a) The information contained in the Final Scoping Report dated 18 June 2014 compiled by Bekamoso Landscape Architects and Environmental Consultants
- b) Information obtained from the Section's information base including *inter alia*:
 - Geographic Information System (GIS); and
 - Gauteng Open Space Plan (GOSP).
- c) Compliance with applicable Municipal, Provincial, and National Policies and Guidelines including:
 - The National Environmental Management Act 1998 (Act 107 of 1998) (NEMA): its decision-making principles and Environmental Impact Assessment Regulations;
 - The Tshwane Integrated Environmental Policy (TIEP);
 - The Tshwane Open Space Framework (TOSF); and
 - The Bioregional Plan for the Gauteng Metropolitan Municipalities.

4. DISCUSSION

In reviewing the application the Department made the following findings:

- a) The Tshwane GIS map shows that the possible developable area outside sensitive areas (irreplaceable, important site, ridges, watercourses, etc) are situated at the Remainder of farm Kleinfontein 368JR north of the railway line up to south of the existing gravel road (labeled "security servitude 10m wide" on Portion 38 of the same farm in the locality plan).
- b) During a departmental site inspection, a dense forest of tall trees and a wetland were discovered along the southern part of the existing gravel road.

5. RECOMMENDATIONS

In light of the discussion above, the Department request that the following be effected:

- a) A revised Layout Plan showing proposed development outside sensitive areas as determined by the irreplaceable map informed by CPLAN3 (GDARD, 2012) must be compiled and included in the EIA report.
- b) A detailed Fauna and Flora study should be conducted and included in the EIA report. The report should aim to conserve the sensitive grassland areas, possible red data flora and floral species and their associated habitats.
- c) A detailed Traffic Impact Assessment report should be conducted and included in the EIA report. The report should aim to determine the impacts related to the traffic flow, traffic pressure handling capacity and associated mitigation measures on the existing road infrastructure.
- d) A Stormwater Management Plan for the proposed development should be conducted and included in the EIA report. The plan should aim to prevent groundwater contamination as well as sedimentation and siltation thereof. It must also aim to prevent further deterioration of the nearby stream and its associated wetlands.
- e) Service Report (water, electricity, storm water and sewage) from relevant service providers must be included in the EIA report.
- f) A detailed Stability and Geotechnical Investigation report should be conducted and included in the EIA report. The report should aim to prevent erosion where storm water enters the drainage channel as well as secondary geomorphological processes. Moreover, the report should confirm the stability of the geology and soil profile as well as groundwater levels on the proposed development site.
- g) A detailed Heritage Impact Study should be conducted to ascertain the presence of any features of cultural and historical significance found on the proposed development area. The study should aim to protect any such features discovered onsite as guided by the National Heritage Resources Act, 1999 (Act No. 25 of 1999).
- h) Comments from the public including interested and affected parties must be sought and included in the EIA report.
- i) According to the City of Tshwane Green Building By-laws (2013) , the proposed development should adhere to the following greening guidelines and be included in the EIA report:

- Provide a site plan that indicates the external hard surface areas (including car parking areas and roofing of more than 500m²). Annotate the plan to indicate the type of surface, the area and the absorption value (below 0.6). Also tabulate all that information as indicated on the site plan.

- Provide a table of internal spaces that indicates the number of light fittings and their respective power ratings. The sum of the total lighting power divided by the total area of internal spaces should be provided.

- Provide a table of indicating the number of switches and the maximum area per switch for each identified internal spaces

- Provide a table that contains all external light fittings and type of controls.

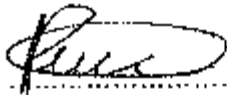
- Provide a table that contains the area, the number and type of external light fittings, the type of switching, the power rating of the light fittings and the total lighting power. The sum of the total lighting power divided by the gross floor area should also be provided.

- Provided a table that indicates all the flush toilets in the building. This should include the manufacturer and product type, the flush volumes and their respective numbers.
- Provide a table that indicates all hand wash basin taps in the building. This should include the manufacturer and the product type, the flow rate and the respective numbers.
- Drawing(s) of all bathrooms with baths (or representative bathroom if similar) and which also indicates showers.
- Provide a table that indicates all the showers in the building. This should include the manufacturer and product type, the flow rate and the respective numbers.
- Provide a site plan that indicates recycling storage area and distance (in metres) to the nearest public highway. Also provide table that indicates gross floor area of buildings, the minimum recycling storage areas per gross floor area, the minimum recycling storage area required and the actual recycled storage area provided.
- Provide a site plan indicating bicycle parking. Also provide a table that indicate the size of a building and the required and actual bicycle parking.

6. CONCLUSION

The Department will deliver final comments upon the review of the EIA report addressing the above-mentioned recommendations.

Yours faithfully



Mr Livhuwani Siphuma

25/07/2014
Date:

EXECUTIVE DIRECTOR: ENVIRONMENTAL MANAGEMENT DIVISION

Letter signed by: Rudzani Mukheli

Designation: Deputy Director: Environmental Planning and Open Space Management Section

CC Gauteng Department of Agriculture and Rural Development

Attn:

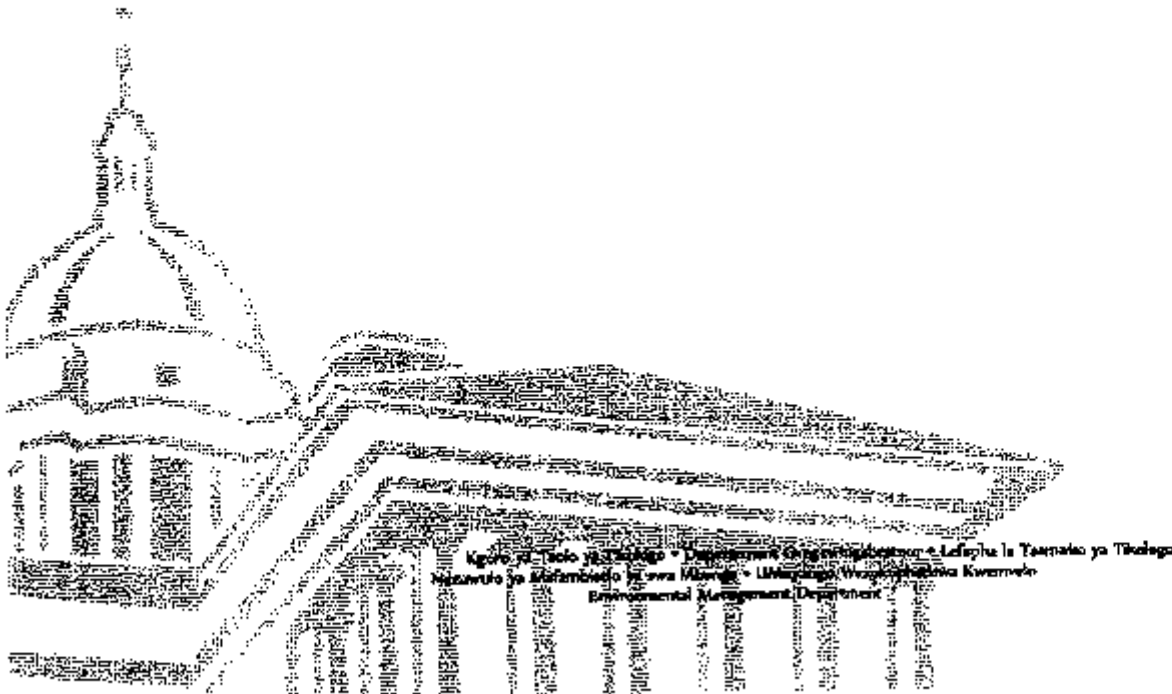
Mr Teboho Leku

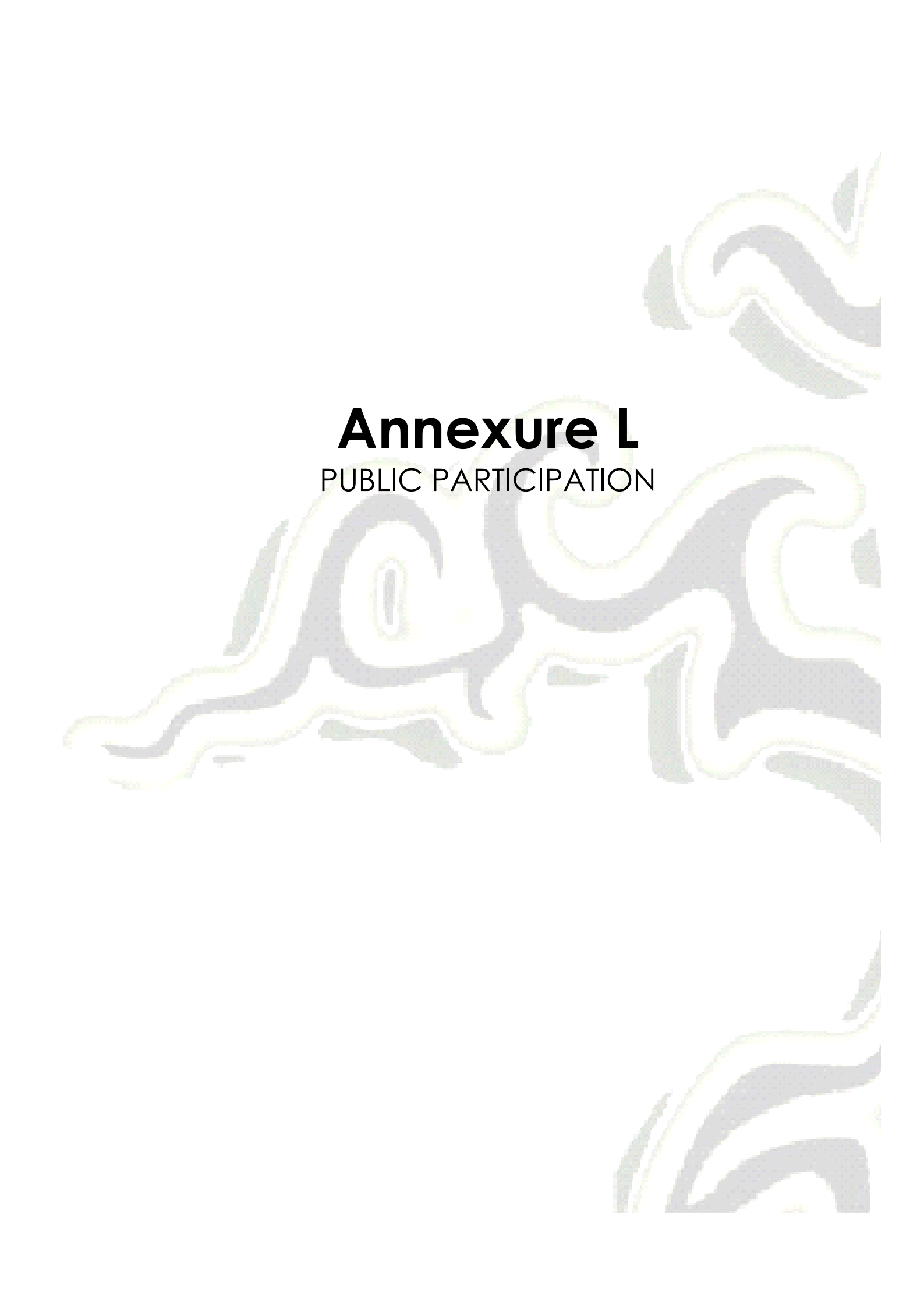
Tel:

(011) 240 2500

Fax:

(011) 240 1000





Annexure L

PUBLIC PARTICIPATION



Annexure L(i)

SITE NOTICE

NOTICE OF APPLICATION FOR RECTIFICATION IN TERMS OF SECTION 24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT AMENDMENT ACT (ACT NO. 8 OF 2004); NOTICE FOR AN ENVIRONMENTAL IMPACT ASSESSMENT APPLICATION IN TERMS OF SECTION 24 OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998); NOTICE FOR SECTION 21 WATER – USE LICENSE IN TERMS OF SECTION 21 OF THE NATIONAL WATER ACT (ACT NO. 36 OF 1998)

Project Name: Kleinfontein Nedersetting

Property Description: Portions 38, 90 & 96 of the Farm Kleinfontein 368 JR and Portions 63, 67, 68 and the remainder of Portion 14 of the Farm Donkerhoek 365 JR

Proponent Name: Kleinfontein Boerebelange Koöperasie Beperk

Location: The study area is situated south of Cullinan, just south of the N4 and west of the R515.

EIA Reference No: Gaut 002/12-13/E0177	WULA Reference No: Not available yet
S24G Reference No: S24G/05/12-13/0034	

Following Listing Activities Applied for an Environmental Impact Assessment Process:

GNR 544 (Listing Notice 1), 18 June 2010	Activity 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47 & 55A
GNR 545 (Listing Notice 2), 18 June 2010	Activity 5, 15, 18 & 20
GNR 546 (Listing Notice 3), 18 June 2010	Activity 2, 3, 4, 10, 14, 16, 19 & 24

Following Listing Activities Applied for Section 24G Application:

ECA listed activities: Activity 1(d), 1 (i), 1(l), 2 & 10
GNR 386 listed activities: Activity 1(k), 1(m) & 16
GNR 544 activities: Activity 11 & 37
NEMWA Category A: Activity 2 & 3

Following Listing Activities Applied for the Water-Use License Application:

Section 21 (a) Water Use – Taking water from a water resource	Section 21 (b) Water Use – Storing of water
Section 21 (c) Water Use – Impeding or diverting the flow of water in a watercourse	Section 21 (e) Water Use - Engaging in a controlled activity
Section 21 (f) Water Use – Discharging waste or water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit	Section 21 (g) Water Use – Disposing of waste in a manner which may detrimentally impact on a water resource
Section 21 (i) Water Use – Altering the bed, banks, course or characteristics of a watercourse	

Date of Notice: 17 October – 25 November 2014

Queries regarding this matter should be referred to:

Bokamoso Landscape Architects and Environmental Consultants CC

Public Participation registration and inquiries: **Juanita De Beer**

Project Inquiries: **Anè Agenbacht**

Tel: (012) 346 3810

P.O. Box 11375

Fax: (086) 570 5659

Maroelana 0161

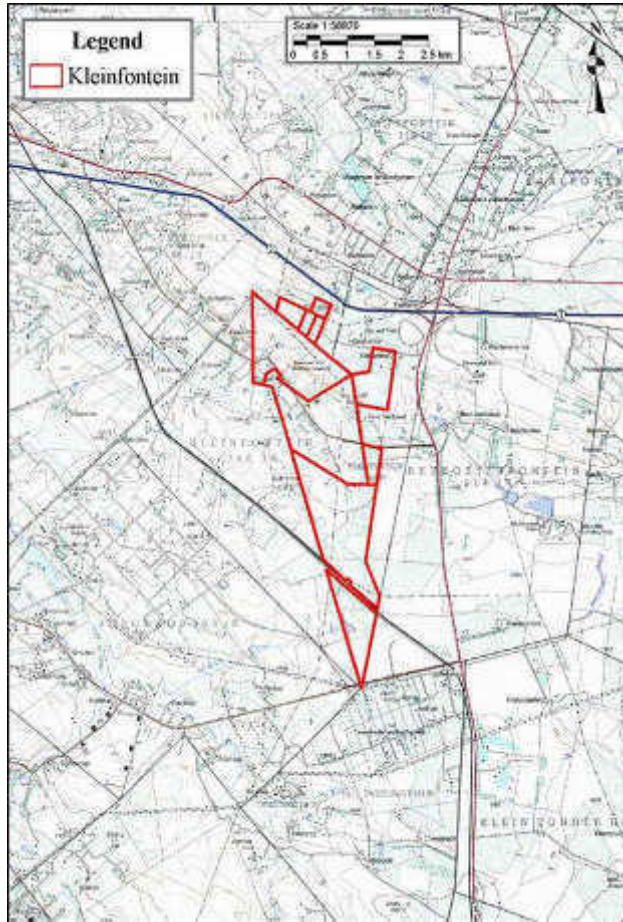
E-mail: lizelle@mweb.co.za

www.bokamoso.biz

In order to ensure that you are identified as an Interested and/or Affected Party (I&AP) please submit your name, contact information and interest in the matter, in writing, to the contact person given above **within 40 days of this Notice.**

Kleinfontein Nedersetting

NOTICE OF APPLICATION FOR RECTIFICATION IN TERMS OF SECTION 24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT AMENDMENT ACT (ACT NO. 8 OF 2004); NOTICE FOR AN ENVIRONMENTAL IMPACT ASSESSMENT APPLICATION IN TERMS OF SECTION 24 OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998); NOTICE FOR SECTION 21 WATER – USE LICENSE IN TERMS OF SECTION 21 OF THE NATIONAL WATER ACT (ACT NO. 36 OF 1998)



Locality Map

Date of Notice: 17 October – 25 November 2014
Queries regarding this matter should be referred to:
 Bokamoso Landscape Architects and Environmental Consultants CC
 Public Participation registration and inquiries: **Juanita De Beer**
 Project inquiries: **Anè Agenbacht** Tel: (012) 346 3810
 P.O. Box 11375 Fax: (086) 570 5659
 Maroelana 0161 E-mail: lizelleg@mweb.co.za
 www.bokamoso.biz



Project Name: Kleinfontein Nedersetting

Property Description: Portions 38, 90 & 96 of the Farm Kleinfontein 368 JR and Portions 63, 67, 68 and the remainder of Portion 14 of the Farm Donkerhoek 365 JR

Proponent Name: Kleinfontein Boerebelange Koöperasie Beperk

Location: The study area is situated south of Cullinan, just south of the N4 and west of the R515.

EIA Reference No: Gaut 002/12-13/E0177	WULA Reference No: Not available yet
S24G Reference No: S24G/05/12-13/0034	

Following Listing Activities Applied for an Environmental Impact Assessment Process:

GNR 544 (Listing Notice 1), 18 June 2010	Activity 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47 & 55A
GNR 545 (Listing Notice 2), 18 June 2010	Activity 5, 15, 18 & 20
GNR 546 (Listing Notice 3), 18 June 2010	Activity 2, 3, 4, 10, 14, 16, 19 & 24

Following Listing Activities Applied for Section 24G Application:

ECA listed activities: Activity 1(d), 1(i), 1(l), 2 & 10
GNR 386 listed activities: Activity 1(k), 1(m) & 16
GNR 544 activities: Activity 11 & 37
NEMWA Category A: Activity 2 & 3

Following Listing Activities Applied for the Water-Use License Application:

Section 21 (a) Water Use – Taking water from a water resource	Section 21 (b) Water Use – Storage of water
Section 21 (c) Water Use – Impeding or diverting the flow of water in a watercourse	Section 21 (e) Water Use – Engaging in a controlled activity
Section 21 (f) Water Use – Discharging waste of water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit	Section 21 (g) Water Use – Disposing of waste in a manner which may detrimentally impact on a water resource
Section 21 (i) Water Use – Altering the bed, banks, course or characteristics of a watercourse	

In order to ensure that you are identified as an Interested and/or Affected Party I&AP please submit your name, contact information and interest in the matter, in writing, to the contact person given above **within 40 days of this Notice.**

Notice of DFA Environmental Scoping Process

Notice is given in terms of Regulation 31 of the Development Facilitation Act, 1995 (Act No. 67 of 1995) of an Environmental Scoping Process. Application is made for the establishment of a Land Development Area.

Name of project: Kleinfontein Nedersetting

Property description: Application is made for the establishment of the proposed Kleinfontein Nedersetting on Portions 38, 90, 96 and the remaining extent of the farm Kleinfontein 368 JR with a surface area of 678.6966 ha and portions 63, 67, 68 and remaining extent of portion 14 of the farm Donkerhoek 365 JR with a surface area of 42.8267 ha. The properties are currently zoned as agricultural.

Proposed Zoning Information:

Proposed Zoning: *Dwelling houses and block of flats, industrial uses, agricultural buildings, shops, offices and professional rooms, private open space, cemetery and funeral parlour, institutions, place of public worship and place of instruction, social halls, place of amusement, public office, public garage and shop, workshop, maintenance and storage, engineering services including reservoir, pump station, electrical substation and associated maintenance facilities and sewerage treatment plant, telecommunications centre, access structure and gatehouse.*

Total Surface Area: 721.5233 ha

Name of the proponent: Kleinfontein Boerebelange Co-operative Ltd

Location: The subject property is located south of Cullinan, just south of the N4 and west of the R515.

Date of Notice: 21 November 2011

Queries regarding this matter should be referred to:

Bokamoso Landscape Architects and Environmental Consultants

George Gericke

P.O. Box 11375

Maroelana

0161

www.bokamoso.net

Tel: (012) 346 3810

Fax: (086) 570 5659

E-mail: lizelleg@mweb.co.za

In order to ensure that you are identified as an interested and/or affected party, please submit your name, contact information and interest in the matter to the contact person given above within 30 days of the date of notice.

NOTICE OF APPLICATION FOR RECTIFICATION IN TERMS OF SECTION 24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT AMENDMENT ACT (ACT NO. 8 OF 2004); NOTICE FOR AN ENVIRONMENTAL IMPACT ASSESSMENT APPLICATION IN TERMS OF SECTION 24 OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998); NOTICE FOR SECTION 21 WATER – USE LICENSE IN TERMS OF SECTION 21 OF THE NATIONAL WATER ACT (ACT NO. 36 OF 1998)

Project Name: Kleinfontein Nedersetting

Property Description: Portions 39, 90 & 96 of the Farm Kleinfontein 368 JR and Portions 63, 67, 68 and the remainder of Portion 14 of the Farm Dankerhoek 365 JR.

Proponent Name: Kleinfontein Boerebelange Koöperasie Bepark

Location: The study area is situated south of Cullinan, just south of the N4 and west of the R515.

EIA Reference No: Gaut 002/12-13/E0177

S24G Reference No: S24G/05/12-13/0034

WULA Reference No: Not available yet

Following Listing Activities Applied for an Environmental Impact Assessment Process:

GNR 544 (Listing Notice 1), 18 June 2010	Activity 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47 & 55A
GNR 545 (Listing Notice 2), 18 June 2010	Activity 5, 15, 18 & 20
GNR 546 (Listing Notice 3), 18 June 2010	Activity 2, 3, 4, 10, 14, 16, 19 & 24

Following Listing Activities Applied for Section 24G Application:

ECA listed activities: Activity 1 (a), (b), (c), (d), 2 & 10

GNR 386 listed activities: Activity 1 (a), (b) & 16

GNR 544 activities: Activity 11 & 37

NEMWA Category A:

Following Listing Activities Applied for the Water-Use License Application:

Section 21 (a) Water Use – Taking water from a water resource	Section 21 (b) Water Use – Storing of water
Section 21 (c) Water Use – Impeding or diverting the flow of water in a watercourse	Section 21 (e) Water Use – Engaging in a controlled activity
Section 21 (f) Water Use – Discharging waste or water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit	Section 21 (g) Water Use – Disposing of waste in a manner which may detrimentally impact on a water resource
Section 21 (i) Water Use – Altering the bed, banks, course or characteristics of a watercourse.	

Date of Notice: 17 October – 26 November 2014.

Queries regarding this matter should be referred to:
Sobomso Landscape Architects and Environmental Consultants CC

Public Participation registration and inquiries: **Juanita De Beer**

Project inquiries: **Ana Agenbacht**

P.O. Box 11975

Worcester 6117

www.sobomso.co.za

Tel: (021) 344 3811

Fax: (021) 370 2257

E-mail: info@sobomso.co.za

In order to ensure that you are notified as an interested and/or Affected Party, please assist your estate. Contact information and interest in this matter, in writing, to the contact person given above, within 30 days of this Notice.

17.10.2014 10:14



NOTICE
The following information is provided for your information.
The road is now open to traffic.
Please be aware of the road conditions and drive safely.
If you have any queries, please contact the relevant authority.
Thank you for your cooperation.



17.10.2014 10:13

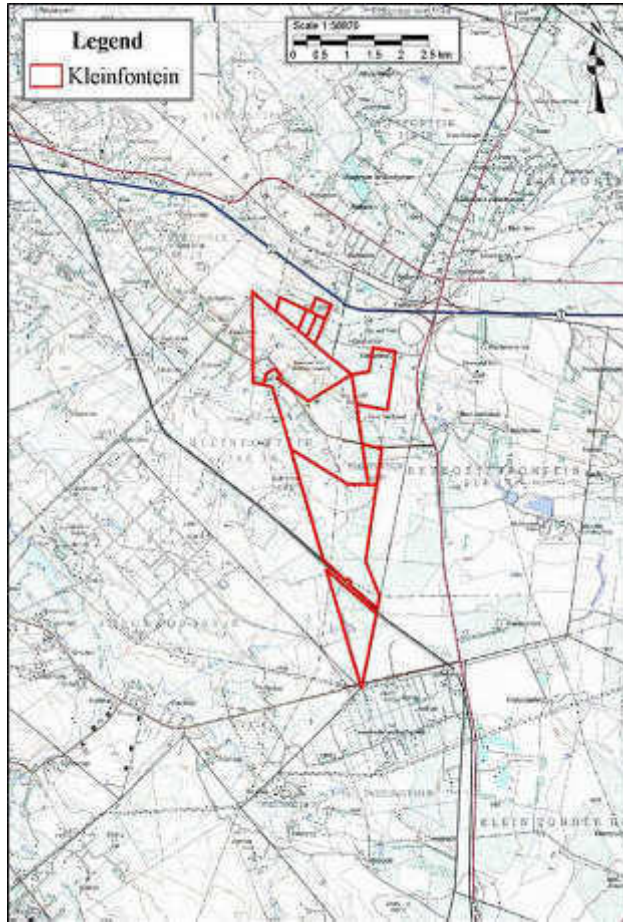


Annexure L(ii)

NOTICE/FLYERS DISTRIBUTED
TO I&AP'S

Kleinfontein Nedersetting

NOTICE OF APPLICATION FOR RECTIFICATION IN TERMS OF SECTION 24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT AMENDMENT ACT (ACT NO. 8 OF 2004); NOTICE FOR AN ENVIRONMENTAL IMPACT ASSESSMENT APPLICATION IN TERMS OF SECTION 24 OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998); NOTICE FOR SECTION 21 WATER – USE LICENSE IN TERMS OF SECTION 21 OF THE NATIONAL WATER ACT (ACT NO. 36 OF 1998)



Locality Map

Date of Notice: 17 October – 25 November 2014
Queries regarding this matter should be referred to:
 Bokamoso Landscape Architects and Environmental Consultants CC
 Public Participation registration and inquiries: **Juanita De Beer**
 Project inquiries: **Anè Agenbacht** Tel: (012) 346 3810
 P.O. Box 11375 Fax: (086) 570 5659
 Maroelana 0161 E-mail: lizelleg@mweb.co.za
 www.bokamoso.biz



Project Name: Kleinfontein Nedersetting

Property Description: Portions 38, 90 & 96 of the Farm Kleinfontein 368 JR and Portions 63, 67, 68 and the remainder of Portion 14 of the Farm Donkerhoek 365 JR

Proponent Name: Kleinfontein Boerebelange Koöperasie Beperk

Location: The study area is situated south of Cullinan, just south of the N4 and west of the R515.

EIA Reference No: Gaut 002/12-13/E0177	WULA Reference No: Not available yet
S24G Reference No: S24G/05/12-13/0034	

Following Listing Activities Applied for an Environmental Impact Assessment Process:

GNR 544 (Listing Notice 1), 18 June 2010	Activity 1, 3, 4, 5, 8, 9, 10, 11, 13, 18, 21, 22, 29, 37, 47 & 55A
GNR 545 (Listing Notice 2), 18 June 2010	Activity 5, 15, 18 & 20
GNR 546 (Listing Notice 3), 18 June 2010	Activity 2, 3, 4, 10, 14, 16, 19 & 24

Following Listing Activities Applied for Section 24G Application:

ECA listed activities: Activity 1(d), 1(i), 1(l), 2 & 10
GNR 386 listed activities: Activity 1(k), 1(m) & 16
GNR 544 activities: Activity 11 & 37
NEMWA Category A: Activity 2 & 3

Following Listing Activities Applied for the Water-Use License Application:

Section 21 (a) Water Use – Taking water from a water resource	Section 21 (b) Water Use – Storage of water
Section 21 (c) Water Use – Impeding or diverting the flow of water in a watercourse	Section 21 (e) Water Use – Engaging in a controlled activity
Section 21 (f) Water Use – Discharging waste of water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit	Section 21 (g) Water Use – Disposing of waste in a manner which may detrimentally impact on a water resource
Section 21 (i) Water Use – Altering the bed, banks, course or characteristics of a watercourse	

In order to ensure that you are identified as an Interested and/or Affected Party I&AP) please submit your name, contact information and interest in the matter, in writing, to the contact person given above **within 40 days of this Notice.**

Kleinfo nte in Ne d e rse tting

Notice of DFA Environmental Scoping Process

Notice is given in terms of Regulation 31 of the Development Facilitation Act, 1995 (Act No. 67 of 1995) of an Environmental Scoping Process. Application is made for the establishment of a Land Development Area.

Name of project: Kleinfo nte in Ne d e rse tting

Property description: Application is made for the establishment of the proposed Kleinfo nte in Ne d e rse tting on Portions 38, 90, 96 and the remaining extent of the farm Kleinfo nte in 368 JR with a surface area of 678.6966 ha and portions 63, 67, 68 and remaining extent of portion 14 of the farm Donkerhoek 365 JR with a surface area of 42.8267 ha. The properties are currently zoned as agricultural.

Proposed Zoning Information:

Proposed Zoning: *Dwelling houses and block of flats, industrial uses, agricultural buildings, shops, offices and professional rooms, private open space, cemetery and funeral parlour, institutions, place of public worship and place of instruction, social halls, place of amusement, public office, public garage and shop, workshop, maintenance and storage, engineering services including reservoir, pump station, electrical substation and associated maintenance facilities and sewerage treatment plant, telecommunications centre, access structure and gate house.*

Total Surface Area: 721.5233 ha

Name of the proponent: Kleinfo nte in Boerebelange Co-operative Ltd

Location: The subject property is located south of Cullinan, just south of the N4 and west of the R515.

Date of Notice: 25 November 2011

Queries regarding this matter should be referred to:

Bokamoso Landscape Architects and Environmental Consultants

George Genicke

P.O. Box 11375

Marolana

0161

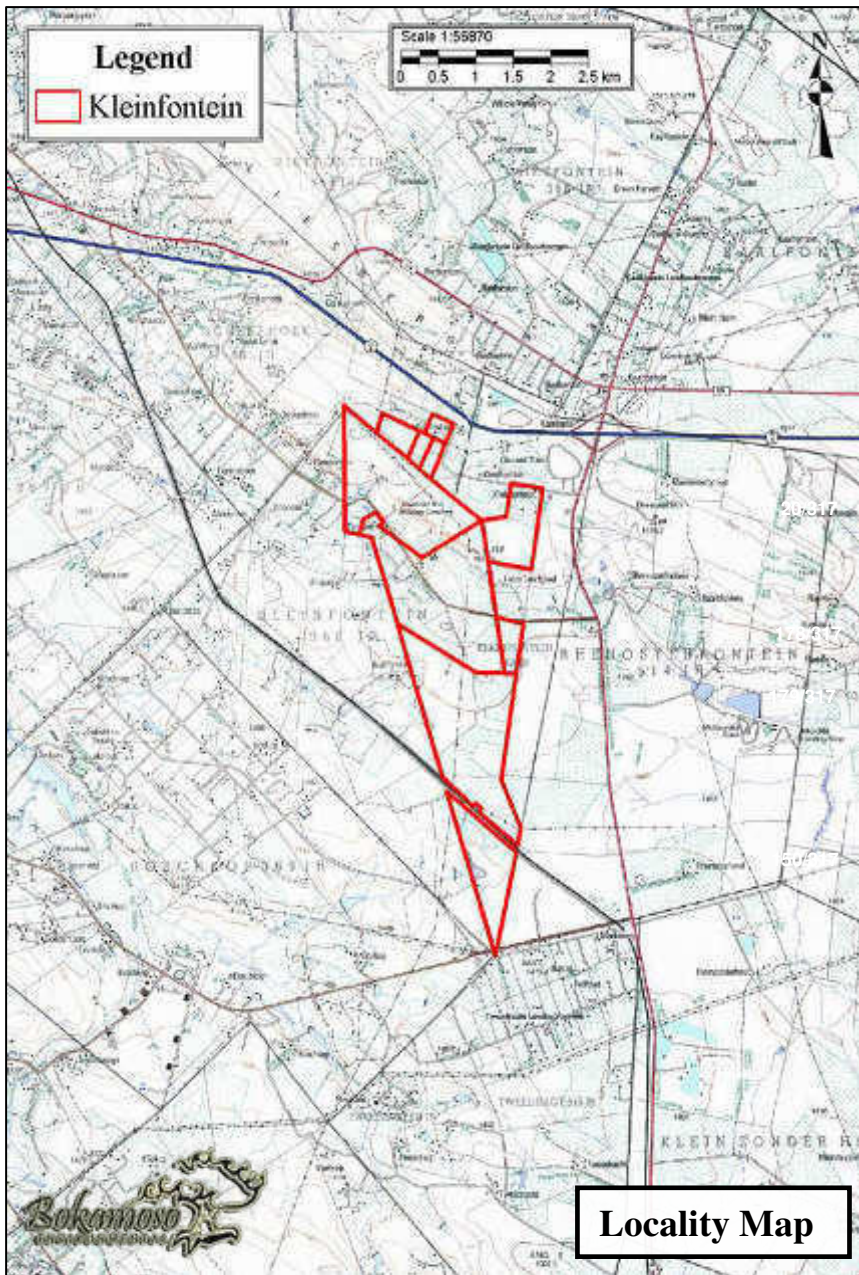
Tel: (012) 346 3810

Fax: (086) 570 5659

E-mail: lizeleg@mweb.co.za

www.bokamoso.net

In order to ensure that you are identified as an interested and/or affected party, please submit your name, contact information and interest in the matter to the contact person given above on or before **31 January 2012**.



List of REGISTERED LETTERS Kleinstontcin
Lys van GEREGISTREERDE BRIEWE
 (With an insurance option/met 'n versekeringsopsie)



Full tracking and tracing/Volledige volg en spoor

Name and address of sender: Bobamase PO Box 11 375,
 Naam en adres van afsender: Marceloná 0161

Enquiries/Navraag
 Toll-free number
 Tolvry nommer
0800 111 502

No	Name and address of addressee Naam en adres van geadresseerde	Insured amount Versekerde bedrag	Insurance fee Versekeringsgeld	Postage Posgeld	Service fee Diensgeld	Affix Track and Trace customer copy Plak Volg-en-Spoor-klieftafskrif
1	F. Prinsloo PO Box 11375 29028, Sunnyside, Pretoria, 002					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 304 ZA CUSTOMER COPY 301028R
2	Mathulusi Service Station CC PO Box 599, White River, 1240					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 318 ZA CUSTOMER COPY 301028R
3	W.A Potgieter PO Box 2076, Zwafelpoort, 0036					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 281 ZA CUSTOMER COPY 301028R
4	I.S Store PO Box 1712, Bronkhorstspuit, 1020					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 295 ZA CUSTOMER COPY 301028R
5	A.D. de Villiers PO Box 100602, Moreleta Plaza, 0167					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 349 ZA CUSTOMER COPY 301028R
6	S.G. Vosloo PO Box 119, Rayton, 1001					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 352 ZA CUSTOMER COPY 301028R
7	Wichamör Beleggings CC PO Box 2408, Brooklyn Square, 0075					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 366 ZA CUSTOMER COPY 301028R
8	R.J. Groenewald PO Box 912-1049, Silverton, 0127					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 370 ZA CUSTOMER COPY 301028R
9	D.J. Prinsloo PO Box 258, Pretoria, 0001					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 383 ZA CUSTOMER COPY 301028R
10	G.E. Steyn PO Box 3376, Pretoria, 0001					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 397 ZA CUSTOMER COPY 301028R
Total Totaal		R	R	R	R	

Number of letters posted
 Getal briewe gepos

Signature of client
 Handtekening van klient

Signature of accepting officer
 Handtekening van aanneembeampte

The value of the contents of these letters is as indicated and compensation is not payable for a letter received unconditionally. Compensation is limited to R100,00. No compensation is payable without documentary proof. Optional insurance of up to R2 000,00 is available and applies to domestic registered letters only.

Die waarde van die inhoud van hierdie briewe is soos aangedui en vergoeding sal nie betaal word vir 'n brief wat sonder voorbehoud ontvang word nie. Vergoeding is beperk tot R100,00. Geen vergoeding is sonder dokumentêre bewys betaalbaar nie. Opsionele versekering van tot R2 000,00 is beskikbaar en is slegs op binnelandse geregistreerde briewe van toepassing.

Date stamp

 Datumstempel

List of REGISTERED LETTERS Lys van GEREGISTREERDE BRIEWE (With an insurance option/met 'n versekeringsopsie)



Full tracking and tracing/Volledige volg en spoor

Name and address of sender
Naam en adres van afsender: Bobamoso PO Box 11375,
Mercedesná 0161

Enquiries/Navraag
Toll-free number
Tolvry nommer
0800 111 502

No	Name and address of addressee Naam en adres van geadresseerde	Insured amount Versekerde bedrag	Insurance fee Versekeringsgeld	Postage Posgeld	Service fee Diensgeld	Affix Track and Trace customer copy Plak Volg-en-Spoor-kliëntafskrif
1	M 2 D Eiendomme (Pty) Ltd PO Box 16949, Pretoria North, 0182					REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 641 183 874 ZA
2	S. Vorster PO Box 828, Rayton, 1001					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 641 183 888 ZA
3	B.R. Minndar PO Box 249, Rayton, 1001					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 220 ZA
4	J.J.P. Botha PO Box 124, Rayton, 1001					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 247 ZA
5	Ariano 424 CC PO Box 11384, Hatfield, Pretoria, 0028					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 264 ZA
6	F.A.E. Van der Walt PO Box 179, Silverton, 0127					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 278 ZA
7	Mulvan Beleggings (Pty) Ltd PO Box 1821, Groenkloof, 0027					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 255 ZA
8	S.J. Niemann 1206, Starkey Ave, Waverley, 0186					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 233 ZA
9	Pat's Farming Enterprises CC PO Box 929, Wierdapark, 0149					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 321 ZA
10	A.M. Spies PO Box 1266, Rayton, 1001					CUSTOMER COPY 301028R REGISTERED LETTER (with a domestic insurance option) ShareCall 0800 111 502 www.sapo.co.za RD 693 134 335 ZA
Total Totaal		R	R	R	R	

Number of letters posted
Getal briewe gepos

Signature of client
Handtekening van klient

Signature of accepting officer
Handtekening van aanneembeampte

Date stamp



The value of the contents of these letters is as indicated and compensation is not payable for a letter received unconditionally. Compensation is limited to R100.00. No compensation is payable without documentary proof. Optional insurance of up to R2 000.00 is available and applies to domestic registered letters only.

Die waarde van die inhoud van hierdie briewe is soos aangedui en vergoeding sal nie betaal word vir 'n brief wat sonder voorbehoud ontyg word nie. Vergoeding is beperk tot R100,00. Geen vergoeding is sonder dokumentêre bewys betaalbaar nie. Opsionele versekering van tot R2 000,00 is beskikbaar en is slegs op binnelandse geregistreerde briewe van toepassing.

Contact Information



STEYN, GERTRUIDA ELIZABETH

GENERAL INFORMATION

Date Requested 2011/11/25 10:41:25
Reference

PERSON INFORMATION

Surname STEYN
Forename(s) GERTRUIDA ELIZABETH
Date of Birth 1948/06/17
ID Number(s) 4806170011080

CONTACT INFORMATION

Phone (home) 0121344946
(Last updated: 2007/03/28)

Phone (work) Not available

Mobile Number Not available

Residential Address TWEEDRACHT 14, BRONKHORSTSPRUIT, 1020
(Last updated: 2006/09/22)

Postal Address P O BOX 3376, PRETORIA, 0001
(Last updated: 2006/09/22)

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Contact Information



PRINSLOO, DIRK JACOBUS

GENERAL INFORMATION

Date Requested 2011/11/25 09:35:55
Reference

PERSON INFORMATION

Surname PRINSLOO
Forename(s) DIRK JACOBUS
Date of Birth 1933/09/08
ID Number(s) 3309085010082

CONTACT INFORMATION

Phone (home) 0128020620
(Last updated: 2009/04/13)

Phone (work) Not available

Mobile Number Not available

Residential Address GEDEELTE 166, DONKERHOEK, CULLINAN, 1000
(Last updated: 2009/01/01)

Postal Address P O BOX 258, PRETORIA, 0001
(Last updated: 2009/01/01)

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Contact Information



GROENEWALD, REINHARD JURGENS

GENERAL INFORMATION

Date Requested 2011/11/25 09:13:41
Reference

PERSON INFORMATION

Surname GROENEWALD
Forename(s) REINHARD JURGENS
Date of Birth 1979/03/12
ID Number(s) 7903125213080

CONTACT INFORMATION

Phone (home) 0123037657
(Last updated: 2008/07/17)

Phone (work) 0123037657
(Last updated: 2007/07/19)

Mobile Number Not available

Residential Address PLAAS KLEINFONTEIN 368, RAYTON, RAYTON, 1001
(Last updated: 2009/01/01)

Postal Address P O BOX 912-1049, SILVERTON, 0127
(Last updated: 2009/01/01)

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Enquiry by Company

as at 10:47 on 25/11/2011

Name **Wichamor Beleggings CC**
Status **Conversion CO/CC or CC/CO**
Reg. Number **1992/023568/23**
Reg. Date **19920828**

Information

Registered Address **Plot 7
Tweedraght
Pretoria
0002**
Postal Address **P O Box 2408
Brooklyn Square
0075**
Region **Gauteng**
Tax Number **9960457647**
Business Start Date **19920828**
Fin. Effective Date **19920828**
Financial Year End **2**
Withdrawn Public **No**
Old Reg. Number **2235/6823/23**
Conv. Enterprise No. **M2003019773**
SIC Code **Financial intermediation, insurance, real estate and business services**

Members

1 of 5

Name **Kriel, Vicus**
ID Number **6604045017087**
Status **Active**
Type **Member**
Appointment Date **20011122**
Contribution (R) **15.00**
Interest (%) **50.00**
Residential Address **128 Abercrombiestraat
Pretoria Noord
0182**
Postal Address **Posbus 2408
Brooklyn
0002**

2 of 5

Name **Kruger, Jacobus Christoffel**
ID Number **5411155101086**
Status **Active**
Type **Member**
Appointment Date **20020910**
Contribution (R) **15.00**
Interest (%) **50.00**
Residential Address **Plot 7
Tweedraght
Cullinan
1000**
Postal Address **Posbus 2408
Brooklyn Square
0075**

3 of 5

Name **Erasmus, Francina Wilhelmina**
ID Number **3803020006080**
Status **Resigned**
Type **Member**
Appointment Date **20011203**
Resignation Date **20011122**
Contribution (R) **30.00**
Interest (%) **100.00**
Residential Address **Hoewe 7
Tweedracht**

Postal Address **2528**
Posbus 676
Rayton
1001

4 of 5
Name **Hollauby, Theo**
ID Number **7106225295086**
Status **Resigned**
Type **Member**
Appointment Date **20020430**
Resignation Date **20020813**
Contribution (R) **15.00**
Interest (%) **50.00**
Residential Address **3 Jacelyn Mews**
40 Ladd Road
Escombe
4093

Postal Address **3 Jacelyn Mews**
40 Ladd Road
Escombe
4093

5 of 5
Name **Kuhn, Johannes Albertus**
ID Number **6709235110087**
Status **Resigned**
Type **Member**
Appointment Date **20011122**
Resignation Date **20020430**
Contribution (R) **15.00**
Interest (%) **50.00**
Residential Address **149 Banketstraat**
Waterkloof
0181

Postal Address **Posbus 2408**
Brooklyn
0002

Accounting Officers

1 of 1
Name **A E Kuhn**
Postal Address **P O Box 2408**
Brooklyn Square
0075
Status **Current**
Type **ACC**
Prof. Code **PA-SA**
Prof. Number **007037**

History

1 of 16
Effective Date **20030818**
Change Type **Conversion Cc/Co Or Co/Cc**
Details

2 of 16
Effective Date **20030818**
Change Type **Auditor/Acc Officer Change**
Details **Add Record Name : = A E Kuhn Status : = Current**

3 of 16
Effective Date **20030818**
Change Type **Auditor/Acc Officer Change**
Details **Change Record Name : = Lloyd Viljoen Status : = Resign**

4 of 16
Effective Date **20030818**
Change Type **Registered Address Change**
Details **601 Walker Street Muckleneuk Pretoria 0002**

5 of 16
Effective Date **20030818**
Change Type **Postal Address Change**
Details **P O Box 1452 Groenkloof 0027**

6 of 16
Effective Date **20020813**
Change Type **Directors/Member Change/Secretary/Trust/Both Dir And Office**

7 of 16
 Effective Date 20020813
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Add Record Surname/Instit : = Kruger First Names : = Jacobus
 Christoffel Status : = Active

8 of 16
 Effective Date 20020430
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Add Record Surname/Instit : = Hollauby First Names : = Theo Status : =
 Active

9 of 16
 Effective Date 20020430
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Change Record Surname/Instit : = Kriel First Names : = Vicus Status : =
 Active

10 of 16
 Effective Date 20020430
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Change Record Surname/Instit : = Kuhn First Names : = Johannes
 Albertus Status : = Resigned

11 of 16
 Effective Date 20020306
 Change Type Auditor/Acc Officer Change
 Details Add Record Name : = Lloyd Viljoen Status : = Current

12 of 16
 Effective Date 20020306
 Change Type Registered Address Change
 Details Hoewe 7 Tweedracht 2528

13 of 16
 Effective Date 20020306
 Change Type Postal Address Change
 Details Posbus 52365 Wierda Park 0149

14 of 16
 Effective Date 20011122
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Add Record Surname/Instit : = Kriel First Names : = Vicus Status : =
 Active

15 of 16
 Effective Date 20011122
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Add Record Surname/Instit : = Kuhn First Names : = Johannes Albertus
 Status : = Active

16 of 16
 Effective Date 20011122
 Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
 Details Change Record Surname/Instit : = Erasmus First Names : = Francina
 Wilhelmina Status : = Resigned

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by lizelle of Bokamoso Landscape cc

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Contact Information



VOSLOO, STEVEN GERHARDUS

GENERAL INFORMATION

Date Requested 2011/11/25 09:25:29
Reference

PERSON INFORMATION

Surname VOSLOO
Forename(s) STEVEN GERHARDUS
Date of Birth 1954/05/08
ID Number(s) 5405085094080

CONTACT INFORMATION

Phone (home) 0128020201
(Last updated: 2009/09/10)

Phone (work) 0128020201
(Last updated: 2007/02/11)

Mobile Number Not available

Residential Address PLOT 254, R104, PRETORIA, 0002
(Last updated: 2009/01/01)

Postal Address P O BOX 119, RAYTON, 1001
(Last updated: 2009/02/15)

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Contact Information



DE VILLIERS, ANDRE DIEDERICH

GENERAL INFORMATION

Date Requested 2011/11/25 10:48:31
Reference

PERSON INFORMATION

Surname DE VILLIERS
Forename(s) ANDRE DIEDERICH
Date of Birth 1962/11/11
ID Number(s) 6211115056084

CONTACT INFORMATION

Phone (home) 0129972310
(Last updated: 2007/03/28)

Phone (work) 0128094410
(Last updated: 2009/12/05)

Mobile Number Not available

Residential Address 9 MURPHY PLACE, MORELETAPARK, 0181
(Last updated: 2009/01/01)

Postal Address P O BOX 100602, MORELETA PLAZA, 0167
(Last updated: 2009/01/01)

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Contact Information



STORE, IAN STUART

GENERAL INFORMATION

Date Requested 2011/11/25 09:29:09
Reference

PERSON INFORMATION

Surname STORE
Forename(s) IAN STUART
Date of Birth 1952/09/12
ID Number(s) 5209125181083

CONTACT INFORMATION

Phone (home) 0128021364
(Last updated: 2008/02/03)

Phone (work) Not available

Mobile Number Not available

Residential Address 12 PORTION 10, PLAAS KLEINFONTEIN, JR 365 CULLINAN DIST, BRONKHORSTSPRUIT, 1020
(Last updated: 2009/01/01)

Postal Address P O BOX 1712, BRONKHORSTSPRUIT, 1020
(Last updated: 2009/01/01)

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Contact Information



W A POTGIETER, W A POTGIETER ADRIAAN

GENERAL INFORMATION

Date Requested 2011/11/25 10:50:11
Reference

PERSON INFORMATION

Surname W A POTGIETER
Forename(s) W A POTGIETER ADRIAAN
Date of Birth 1961/10/22
ID Number(s) 6110225005009

CONTACT INFORMATION

Phone (home) 0127362898
(Last updated: 2009/04/21)

Phone (work) 0123133597
(Last updated: 2009/04/21)

Mobile Number Not available

Residential Address TWEEDRAGT 9, ZWAVELPOORT, 0081
(Last updated: 2008/07/02)

Postal Address P O BOX 2076, ZWAVELPOORT, 0036
(Last updated: 2009/01/01)

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Enquiry by Company

as at 10:52 on 25/11/2011

Name **Mathulusi Service Station CC**
Status **In Business**
Reg. Number **2000/050753/23**
Reg. Date **20000828**

Information

Registered Address **13 Maluti Street
White River
1240**
Postal Address **P O Box 599
White River
1240**
Region **Mpumalanga**
Tax Number **9716026142**
Business Start Date **20000828**
Fin. Effective Date **20000828**
Financial Year End **11**
Old Reg. Number **00507/5323/23**
SIC Code **Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants**

Members

1 of 1

Name **Buys, Petrus Albertus**
ID Number **7606215053080**
Status **Active**
Type **Member**
Appointment Date **20000828**
Contribution (R) **100.00**
Interest (%) **100.00**
Residential Address **Gedeelte 27
Plaas Blinkwater
Distrik Plaston
1240**
Postal Address **Posbus 599
Witrivier
1240**

Accounting Officers

1 of 2

Name **Pieter Boshoff**
Postal Address **P O Box 2343
Nelspruit
1200**
Status **Current**
Type **ACC**
Prof. Code **PA-SA**
Prof. Number **17136**

2 of 2

Name **Lukas Johannes Swart**
Postal Address **Posbus 2343
Nelspruit
1200**
Status **Resign**
Type **ACC**
Prof. Code **PA-SA**
Prof. Number **8049**

History

1 of 7

Effective Date **20110821**

Change Type Details	Cancellation Of Deregistration Process
2 of 7	
Effective Date	20110821
Change Type Details	Cancellation Of Deregistration Process
3 of 7	
Effective Date	20070309
Change Type Details	Auditor/Acc Officer Change Add Record Name : = Pieter Boshoff Status : = Current
4 of 7	
Effective Date	20070309
Change Type Details	Auditor/Acc Officer Change Change Record Name : = Lukas Johannes Swart Status : = Resign
5 of 7	
Effective Date	20070309
Change Type Details	Registered Address Change Marlothstraat 19 Nelspruit 1200
6 of 7	
Effective Date	20070309
Change Type Details	Postal Address Change Posbus 599 Witrivier 1240
7 of 7	
Effective Date	20070309
Change Type Details	Nature Of Business Change (Sic Code) 6

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by lizelleg of Bokamoso Landscape cc

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Contact Information



PRINSLOO, FRAUKE

GENERAL INFORMATION

Date Requested	2011/11/25 09:31:09
Reference	

PERSON INFORMATION

Surname	PRINSLOO
Forename(s)	FRAUKE
Date of Birth	1945/05/06
ID Number(s)	4505060072083

CONTACT INFORMATION

Phone (home)	Not specified
Phone (work)	Not available
Mobile Number	Not available
Residential Address	Not available
Postal Address	P O BOX 29028, SUNNYSIDE, PRETORIA, 0002 (Last updated: 2006/09/22)

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Contact Information



SPIRES, ANNA-MAGARETHA

GENERAL INFORMATION

Date Requested	2011/11/25 10:10:12
Reference	

PERSON INFORMATION

Surname	SPIRES
Forename(s)	ANNA-MAGARETHA
Date of Birth	1969/04/27
ID Number(s)	6904270215087

CONTACT INFORMATION

Phone (home)	0128021229 (Last updated: 2008/08/22)
Phone (work)	0123614229 (Last updated: 2008/08/19)
Mobile Number	Not available
Residential Address	PLOT 20, BENONI, 1501 (Last updated: 2007/02/10)
Postal Address	P O BOX 1266, RAYTON, 1001 (Last updated: 2009/01/01)

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Enquiry by Company

as at 09:10 on 25/11/2011

Name **Pat's Farming Enterprises CC**
Status **Deregistration Final**
Reg. Number **1998/043649/23**
Reg. Date **19980729**

Information

Registered Address **Willem Botha 100
Eldoraigne
0157**
Postal Address **Posbus 929
Wierdapark
0149**
Region **Gauteng**
Tax Number **9799014643**
Business Start Date **19980729**
Fin. Effective Date **19980729**
Financial Year End **2**
Withdrawn Public **No**
Old Reg. Number **8436/4923/23**
SIC Code **Agriculture hunting forestry and fishing**

Members

1 of 5

Name **Els, Douglas Gordon**
ID Number **6907235028081**
Status **Active**
Type **Member**
Appointment Date **19980729**
Contribution (R) **50.00**
Interest (%) **50.00**
Residential Address **Plot 24
368 Jr Farm
Kleinfontein
0127**
Postal Address **P O Box 350
Silverton
0127**

2 of 5

Name **Pieterse, Anita Vanessa**
ID Number **6907230022089**
Status **Active**
Type **Member**
Appointment Date **19980729**
Contribution (R) **50.00**
Interest (%) **50.00**
Residential Address **Plot 24
268 Jr Farm
Kleinfontein
0127**
Postal Address **P O Box 350
Silverton
0127**

3 of 5

Name **Els, Andrew Peter**
ID Number **6507085020087**
Status **Resigned**
Type **Member**
Appointment Date **19980729**
Resignation Date **20001211**
Contribution (R) **20.00**
Interest (%) **20.00**
Residential Address **122 Meeu Street
Jan Niemand Park
Pretoria**

Postal Address 0186
122 Meeu Street
Jan Niemand Park
Pretoria
0186

4 of 5

Name Els, Kevin Ivor
ID Number 6706195022088
Status Resigned
Type Member
Appointment Date 19980729
Resignation Date 20090716
Contribution (R) 33.34
Interest (%) 33.40
Residential Address Farm Kleinfontein Portion 368 Jr
District Bronkhorstspuit
1020
Postal Address P O Box 350
Silverton
0127

5 of 5

Name Els, Robert Joe
ID Number 6606185023080
Status Resigned
Type Member
Appointment Date 19980729
Resignation Date 20001211
Contribution (R) 20.00
Interest (%) 20.00
Residential Address Plot 313
Kameeldrift
Pretoria North West
0183
Postal Address Plot 313
Kameeldrift
Pretoria North West
0183

Accounting Officers

1 of 2

Name J M N Ras
Postal Address Posbus 929
Wierdapark
0149
Status Current
Type ACC
Prof. Code PA-SA
Prof. Number 7053

2 of 2

Name Privewaterhouse Coopers
Postal Address P O Box 1093
Pretoria
0001
Status Resign
Type ACC
Prof. Code CA

History

1 of 17

Effective Date 20110224
Change Type Final Deregistration Of Cc/Co
Details Final Deregistration For Annual Return Non Compliance

2 of 17

Effective Date 20110224
Change Type Final Deregistration Of Cc/Co
Details Final Deregistration For Annual Return Non Compliance

3 of 17

Effective Date 20101019
Change Type In Deregistration Cc/Co (A-List Or B-List)
Details Deregistration For Annual Return Non Compliance. Registration Month =
7 - Ar Non Compliance Date = 01/09/2009 - 6 Months After = 04/05/2010.

4 of 17

Effective Date 20090716
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Pieterse First Names : = Anita
Vanessa Status : = Active

5 of 17
Effective Date 20090716
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Douglas Gordon
Status : = Active

6 of 17
Effective Date 20090716
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Kevin Ivor Status
: = Resigned

7 of 17
Effective Date 20090716
Change Type Nature Of Business Change (Sic Code)
Details 1

8 of 17
Effective Date 20001211
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Pieterse First Names : = Anita
Vanessa Status : = Active

9 of 17
Effective Date 20001211
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Robert Joe Status
: = Resigned

10 of 17
Effective Date 20001211
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Douglas Gordon
Status : = Active

11 of 17
Effective Date 20001211
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Kevin Ivor Status
: = Active

12 of 17
Effective Date 20001211
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details Change Record Surname/Instit : = Els First Names : = Andrew Peter
Status : = Resigned

13 of 17
Effective Date 20000824
Change Type Auditor/Acc Officer Change
Details Add Record Name : = J M N Ras Status : = Current

14 of 17
Effective Date 20000824
Change Type Auditor/Acc Officer Change
Details Change Record Name : = Privewaterhouse Coopers Status : = Resign

15 of 17
Effective Date 20000824
Change Type Registered Address Change
Details 3rd Floor Leopont Building Church Street East 451 Arcadia Pretoria
0001

16 of 17
Effective Date 20000824
Change Type Postal Address Change
Details P O Box 1093 Pretoria 0001

17 of 17
Effective Date 19980729
Change Type Directors/Member Change/Secretary/Trust/Both Dir And Office
Details

End of Report

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