ERF 14443 STRAND DEVELOPMENT

MAP OF THE PROJECT

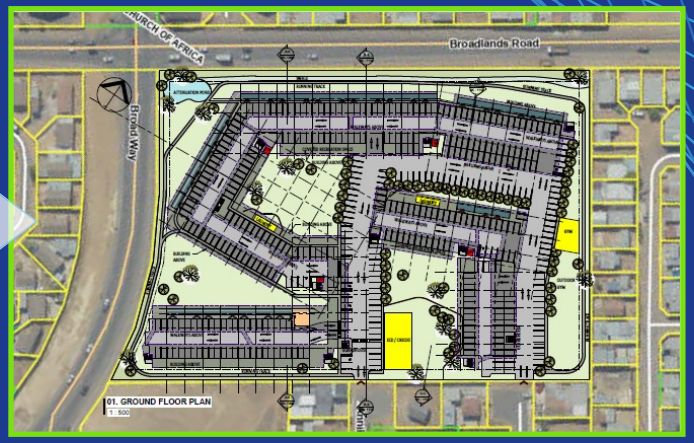

Figure 1: Conceptual SDP for Strand Social Housing development

PROJECT SUMMARY

The Erf 14443 Strand Development, led by the Housing Development Agency (HDA), aims to transform a 2.7 hectare underutilised property, owned by the Agency, into an affordable housing development, addressing Cape Town's growing demand for well-located, affordable rental accommodation. The project aligns with national and municipal spatial strategies and supports urban regeneration and inclusive economic growth.

Strategically located along major transport routes near the Strand beachfront and over 100 educational facilities, the site is earmarked for higher density mixed-use development within the Helderberg District Plan.

PROJECT STATUS

Preliminary assessments confirm the need for the following:

- Rezoning (Amendment Scheme) of Erf
- Bulk infrastructure upgrades
- Flood risk mitigation

Additional fire safety and building compliance measures will also be required before construction. The project is progressing through its development stages as follows:

Stage 1: completed

Stage 2: in progress; amendments to technical studies as a result of change in residential yield underway. Market Demand Study recommends the provision of an affordable rental & outright sales development.

Draft Site Development Plan (SDP) recommends approximately 402 apartments with a mixed typology of 2 bedroom 1 bathroom (205) , 2 bedroom 2 bathroom (154), 3 bedroom 1 bathroom (7) & bachelor units (36).

FINANCIAL NEEDS

Approximate value: R431.5 million

The financial structuring for the social rental option relies on available public funding in the form of a Social Rental Consolidated Capital Grant, which constitutes 86.3% of the total project cost. The remaining 13.7% is sourced from equity, which is derived from the value of the property and packaging cost. Notably, no senior debt financing is required.

Final financial figures will be determined upon municipal approval of the SDP, building plan and detailed designs, stipulated in the Bill of Quantities.

Figure 2: Project site (vacant)

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FINANCIAL NEEDS

PROPOSED SOURCES OF FUNDING		
SOURCE OF FUNDS	ZAR	% CONTRIBUTION
Consolidated Capital Grant	R372,560,490.00	86.3
Equity	R59,000,000.00	13.7
Senior Debt	R0	
Total Financing	R431,560,490.00	100%

Table 1: Proposed Funding Sources for Strand social housing development

PUBLIC / PRIVATE SECTOR OPPORTUNITY

The project offers a strong public/private sector opportunity across financing, delivery and long-term operations. The public sector brings land, policy alignment and grant channels, while the private sector contributes capital, construction expertise and property management capability. With high projected IRRs and strong rental demand in Strand, this development can become a showcase mixed tenure housing partnership.

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KEY PARTIES

PARTY	ROLE	FUNCTION
HDA	Project owner & implementing agent	Lead developer, governance, approvals
PRT	Technical Team	Design, engineering, Geotech, market analysis, feasibility, legal
Contractor	Execute building works	Construction
City of Cape Town	Regulator (Local)	Rezoning, planning, building & approvals
Professional Consultants / Engineers	Technical studies, design, environmental compliance	Execute building works
Utility Providers (CoCT Water & Sanitation, Eskom)	Bulk capacity, service integration	Authority to approve, condition or reject statutory applications
Environmental Authorities	Regulation of conservation areas & EIAs	Rezoning, planning & approvals
National Human Settlements	Policy alignment, possible funding	Strategic oversight of HDA mandate compliance
National Treasury	Regulator (National)	PFMA oversight, PPP / SPV approvals
Private Developers / Investors	Capital, mixed-use development, construction	Equity, co-development
Banks / Lenders / DFIs	Debt financing	Debt financing / Equity
Property Management Firms	Long-term operations & tenant management	Tenant & asset management

Table 2: Identified key parties for Strand Social housing development

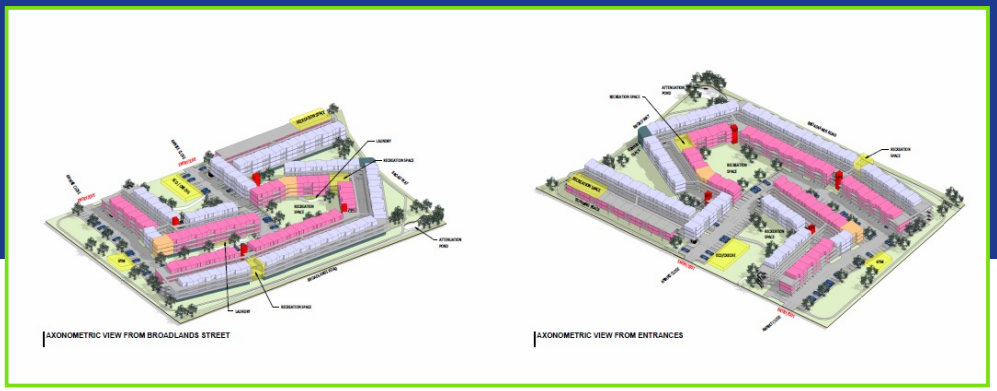

Figure 3: Project conceptual apartment render

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The current status based on the project stages for the **Strand Social Housing** project is as follows:

TIMELINE

PHASE 1

STAGE	PHASE DESCRIPTION	STATUS	KEY ACTIVITIES	NOTES / DEPENDENCIES
Stage 1	Inception	Completed	Project initiation, preliminary scope definition, internal approvals	Completed in-house by HDA in line with PFMA requirements
Stage 2	Concept and Viability	Completed	Conceptual design development, initial financial modelling, feasibility assessment	Established baseline viability and development intent
Stage 3	Design Development	In progress	Appointment of turnkey developer (ToR drafted), market demand study, traffic impact assessment, geotechnical investigations, engineering service reports, detailed design development	Started in-house, specialist studies have been outsourced. Progress dependent on governance readiness, stakeholder coordination and maintaining site control
Stage 4	Documentation and Procurement	Not started	Final construction documentation, procurement processes, contractor appointments	Dependent on completion of Stage 3 studies, regulatory approvals and stabilisation of pre-construction risks

PHASE 2

STAGE	PHASE DESCRIPTION	STATUS	KEY ACTIVITIES	NOTES / DEPENDENCIES
Stage 5	Construction	Not Started	Building works, infrastructure upgrades, services installation, quality and cost control	Commences once procurement is concluded and site conditions are secured
Stage 6	Close-out	Not Started	Practical completion, handover, final compliance certification, operational readiness	Final phase prior to occupation and commercial activation

CONCLUSION

While the Strand affordable housing project demonstrates strong financial viability, efficient land use and delivery readiness, it sits uneasily against broader panoptic objectives relating to spatial justice and inclusive urban development.

As **a housing intervention targeted at addressing housing shortage, the development includes affordable housing within prime located existing urban space**, the inequalities of living conditions will be addressed **affording different income groups** to reside closer to nodes of opportunities (i.e. recreational, economic etc.), thereby improving the quality of life.

This project should be viewed as a viable project that delivers public value in addressing Cape Town's structural spatial challenges.