

WELMOED (PENHILL) DEVELOPMENT HOUSING PROJECT

PROJECT SUMMARY



The Welmoed (Penhill) Development Housing Project is a catalytic phase of the Southern Corridor Integrated Human Settlements Programme, aimed at transforming informality into a sustainable, integrated urban neighbourhood. Located east of Cape Town, the project will deliver up to 8 000 housing opportunities, of which 3,296 opportunities, alongside schools, retail, community facilities and supporting infrastructure, will be constructed during the first phase. It will accommodate backyard dwellers and families from surrounding informal settlements, responding directly to spatial inequality and access to opportunity. By combining bulk infrastructure, mixed-use development and phased delivery, Welmoed is positioned as a mission-driven, systems-based intervention that builds long-term social, economic and spatial value.

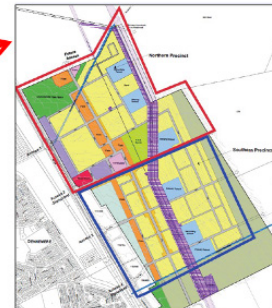
MAP OF THE PROJECT



Location of the project

The Welmoed Project is located 40 km, East from the City Centre adjacent to the Van Riebeeck Road.

Phase 1 – Southern Precinct Phase 2 – Northern Precinct



PROJECT STATUS



Phase 1 civil works are well advanced, with bulk roads, stormwater, bridges, water and sewer infrastructure between 90% and 100% complete in most areas. Electrical substations and transmission works are between 95% and 100% complete, with energisation and commissioning pending final connections. Bulk earthworks on unoccupied areas have commenced and are nearing completion. Progress is partially constrained by occupied land and ongoing legal processes, but the core infrastructure platform for housing and mixed-use development is substantially in place.

FINANCIAL NEEDS



Approximate value: R1.423 billion

This is the total approved project budget for Phase 1, with approximately R671.5 million spent to date. Active contracts include civil works, bulk electrical infrastructure and professional services. Additional funding is required to complete internal services, finalise electrical commissioning, and enable housing construction from 2027 onwards. Ongoing financial commitments will also be required to support bulk earthworks, internal engineering services and phased housing delivery, particularly as redesigns are undertaken due to occupied areas affecting key infrastructure alignments.

PRIVATE SECTOR OPPORTUNITY



Private sector investors can engage through:

- High-density general residential blocks along the western edge of the site.
- Mixed-use, consolidated development sites along key access and movement routes.
- Commercial, community, school and open space development parcels within Phase 1.
- Future Phase 2 development of approximately 90 hectares for residential expansion, which could accommodate up to an additional 4,700 opportunities.

KEY PARTIES



- Western Cape Government – Department of Infrastructure.
- Eskom (electrical connections and energisation).
- City of Cape Town (planning, subdivision and approvals).
- Appointed civil, electrical and professional service and contractors.
- Affected land users and informal farmers (legal process underway).
- Host communities, potential beneficiaries and Southern Corridor informal settlement communities.

TIMELINE

ACTIVITY	STATUS	EXPECTED / INDICATIVE
Bulk earthworks on unoccupied areas	Completed	Completed February 2026
Internal engineering services	Planned	Expected to commence August 2026
Electrical engineering works	In progress	Expected completion October 2026
Housing construction	Planned	Planned to commence from late 2027
Phase 2 detailed planning and subdivision	Not yet initiated	To be confirmed