ANNEXURE "P": DEMACON GEORGE RESIDENTIAL MARKET ANALYSIS DATED JULY 2026

REPORT PREPARED FOR:

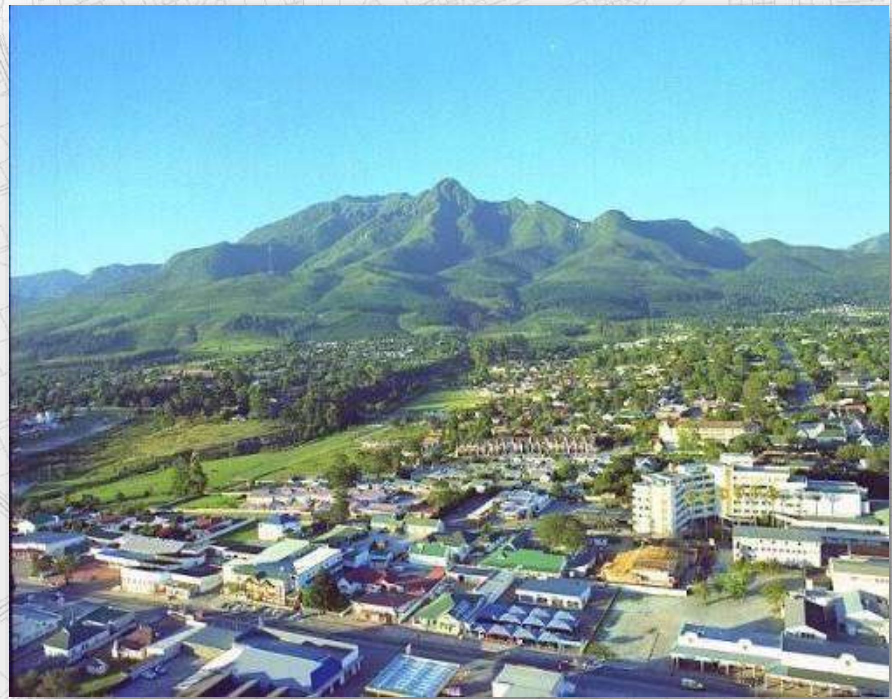
Century Property Developments (Pty) Ltd

July 2026

George

Residential Development

Market Analysis



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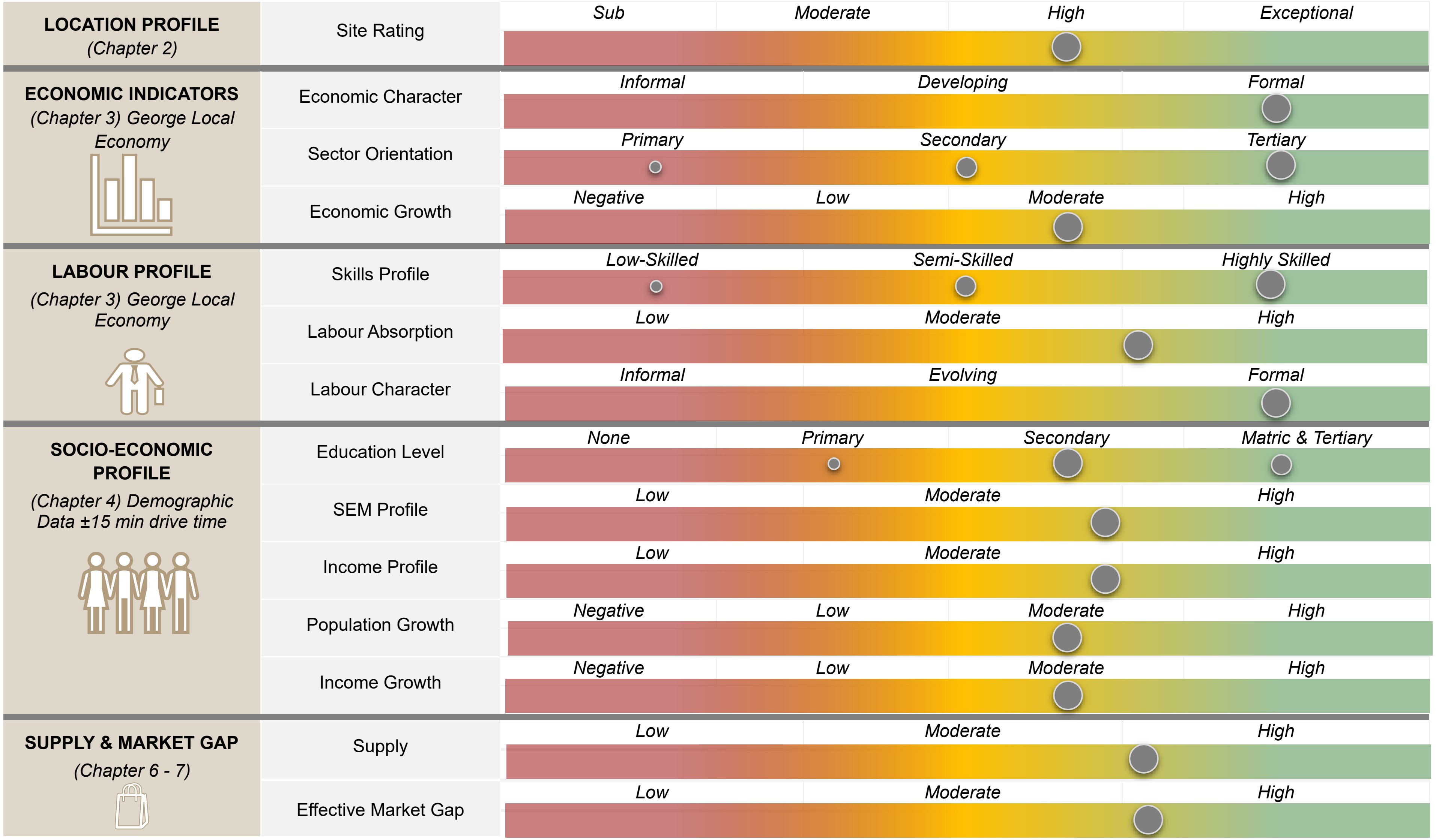
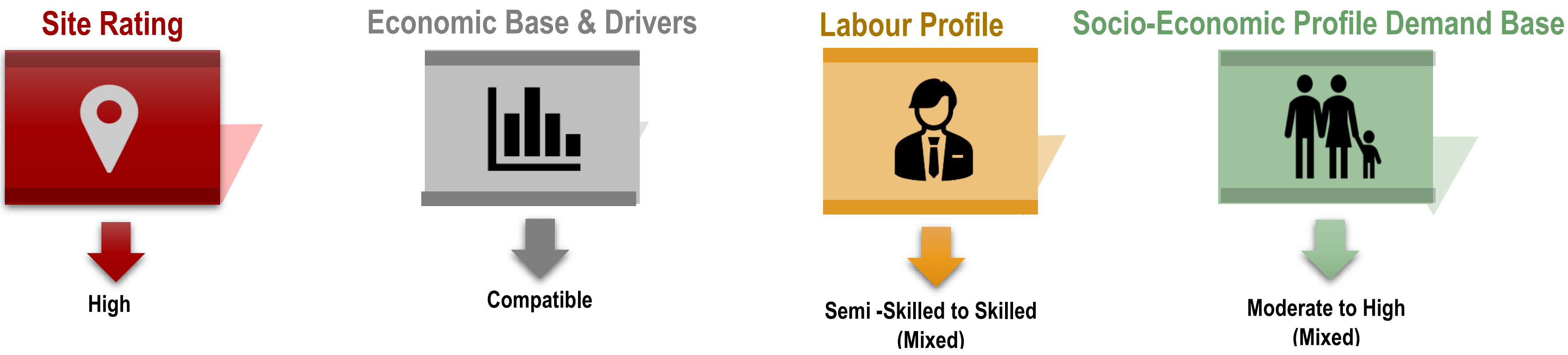
SYNOPSIS

GRAPHIC SYNOPSIS OF MARKET INDICATORS



The infographic offers a qualitative interpretation of key quantitative variables analysed in the respective report chapters, including site/location rating(s), economic base and growth, labour market profile, consumer market profile, level of supply and perceived market gaps. The qualitative scales position each attribute on a scale from 'lesser' developed to 'more' developed. On a balance of scales, the concentration of ratings could be towards the left, indicating lesser developed markets, or towards the right, indicating formal and developed environments – each market type tends to offer unique development opportunities in the respective real estate market segments. Mixed markets with a scattering of scale ratings across the scales could also occur, which reflects on dualistic markets with developmental challenges and opportunities that are typical of such environments. In the case of economic sectors and educational profiles, the dot sizing's denote the relative contribution of the respective components (e.g. primary, secondary and tertiary).

DEVELOPMENT OPTIONS & COMPATIBILITY



GAP ANALYSIS

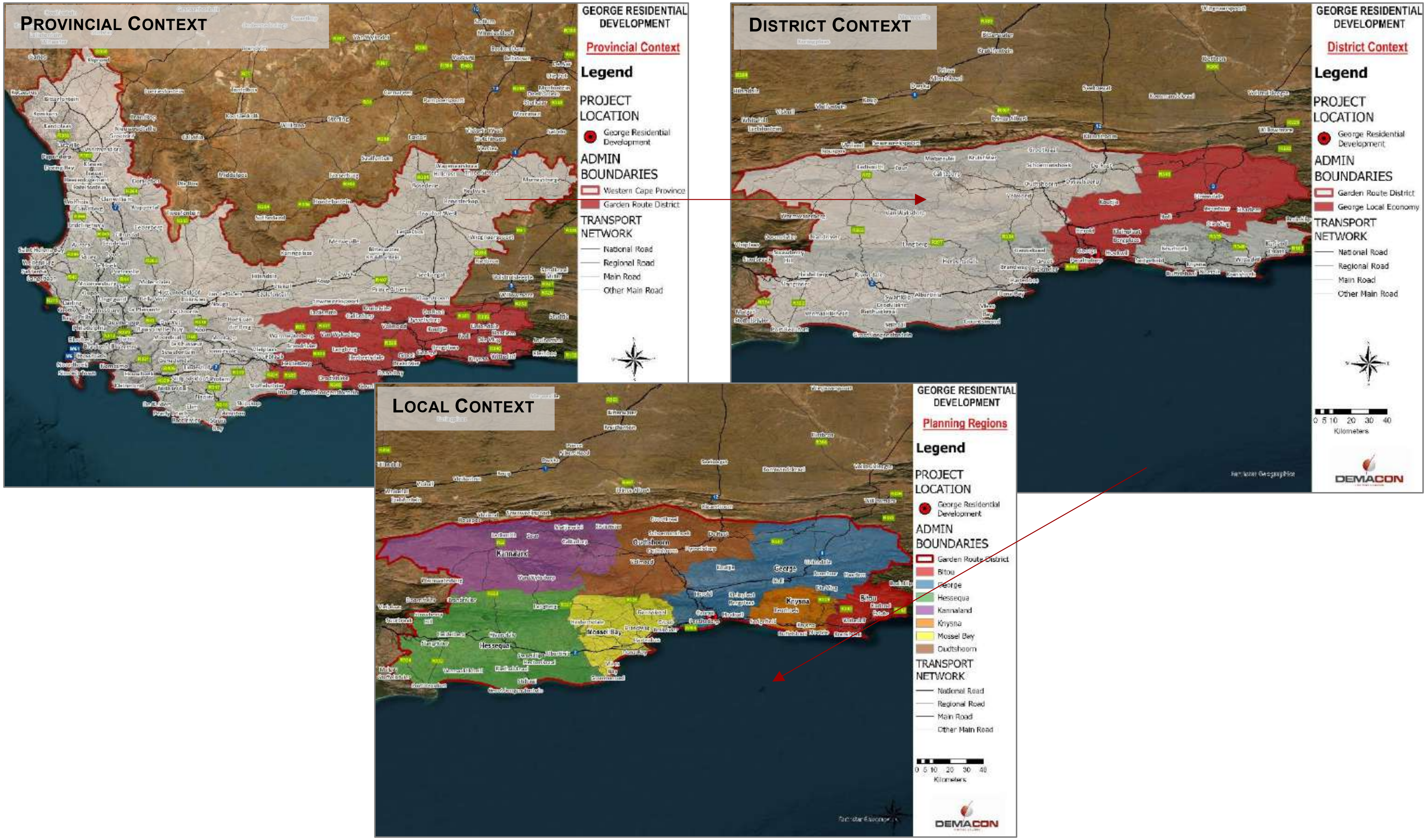
Residential Development	Effective Market Gap	Development Prospects
Bonded Units (Apartments)	✓	**Moderate - High**

SUMMARY OF DEVELOPMENT OPTIONS & COMPATIBILITY

- ✓ Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- ✓ The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- ✓ Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- ✓ A total of **680 units** could be developed and taken-up over the short to medium term (80% take-up).
- ✓ Configuration: **Apartments**
- ✓ Optimum point of market entry: **2027+**

SITE ORIENTATION

Site in context of Western Cape Province, Garden Route District Economy & George Local Economy



SUMMARY OF LOCATION / AREA ANALYSIS

The following provides a summary of the preceding analysis

STRATEGIC ANALYSIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

AREA GROWTH

On average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

On average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.

SITE ASSESSMENT

Summary of site assessments:

Residential Development	80.0%

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

The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

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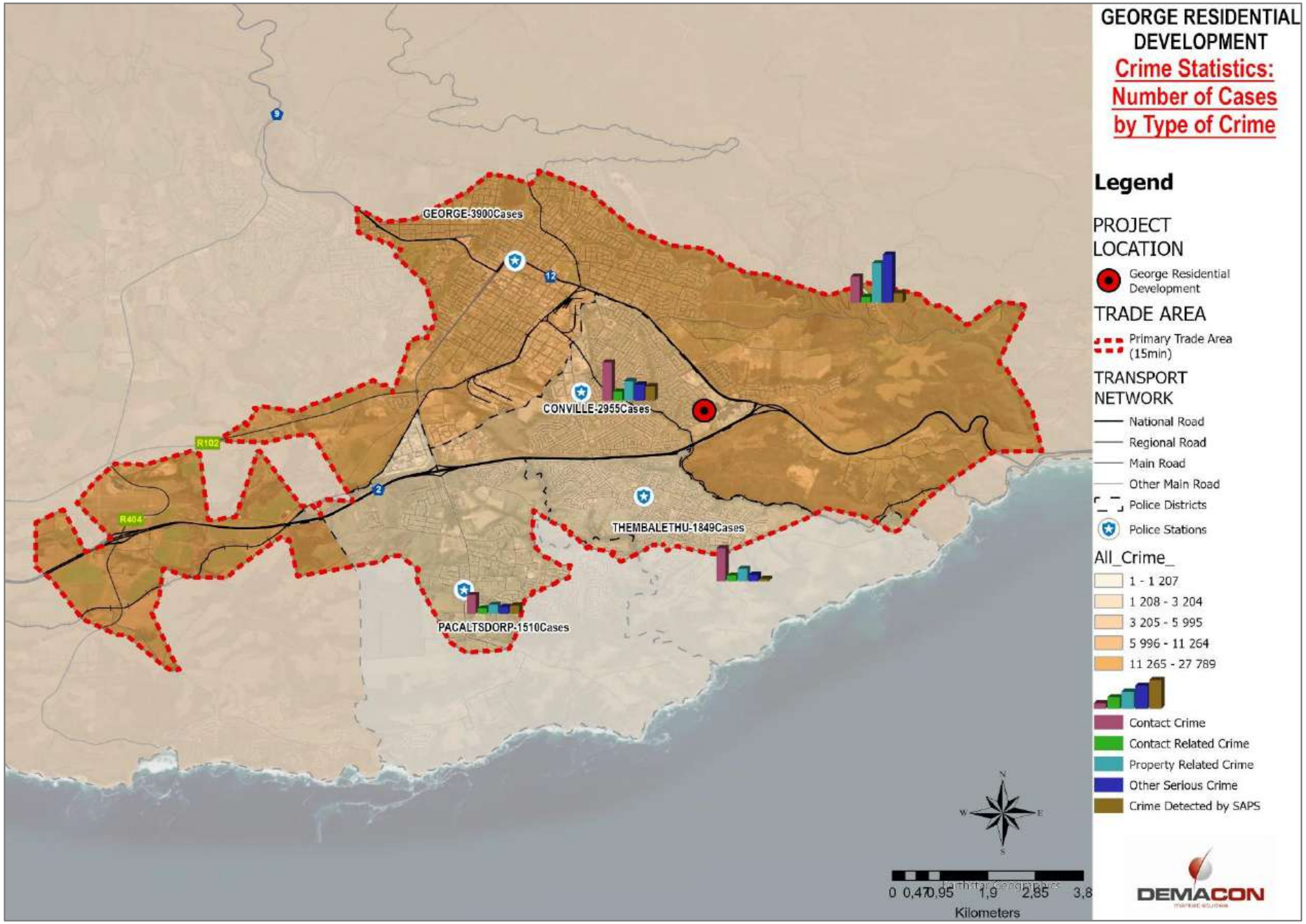
Crime Statistics



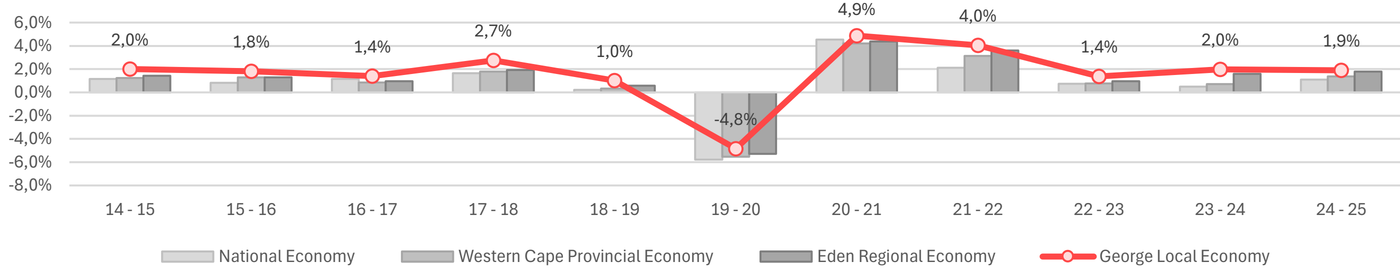
KEY ECONOMIC INDICATORS (George Local Economy)

ECONOMIC GROWTH (constant)

Average Annual Economic Growth

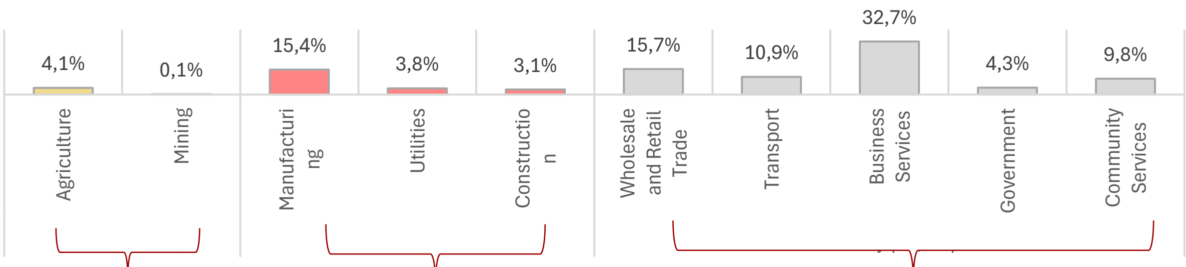
Garden Route District
2.5% 5-year growth
1.1% 10-year growth

George Local Economy
2.8% 5-year growth
1.6% 10-year growth



ECONOMIC STRUCTURE

Proportional Contribution per Economic Sector - 2025



Primary Sector
4.2%

Secondary Sector
22.4%

Tertiary sector
73.4%

LABOUR FORCE PARTICIPATION

71.1% of the potential labour force participate in the local economy

71.1%
George Local Economy

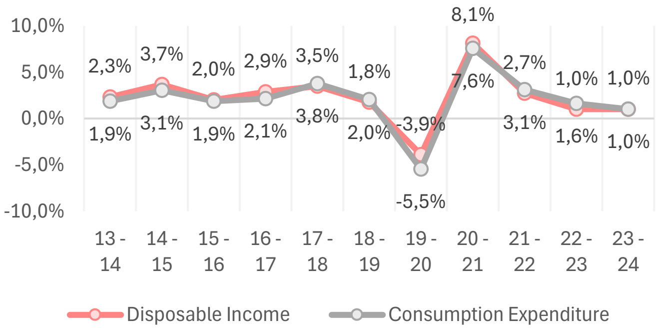
58.8%
National average

82 168 jobs (*formal and informal*) exist in **George Local Economy** in 2024.

- Formal Jobs: **64 642**
- Informal Jobs: **17 526**

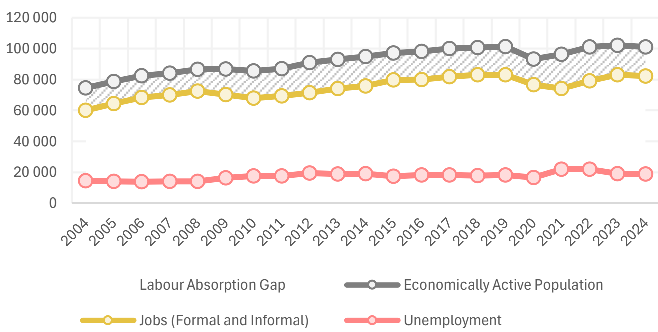
The *formal economy* gained **10 994** jobs since 2014 at an average rate of **1 099** jobs per annum.

DISPOSABLE INCOME & CONSUMPTION EXPENDITURE GROWTH



George Local Economy
Disposable income:
1.7% 5-year growth
2.2% 10-year growth
Consumption Expenditure:
1.5% 5-year growth
2.0% 10-year growth

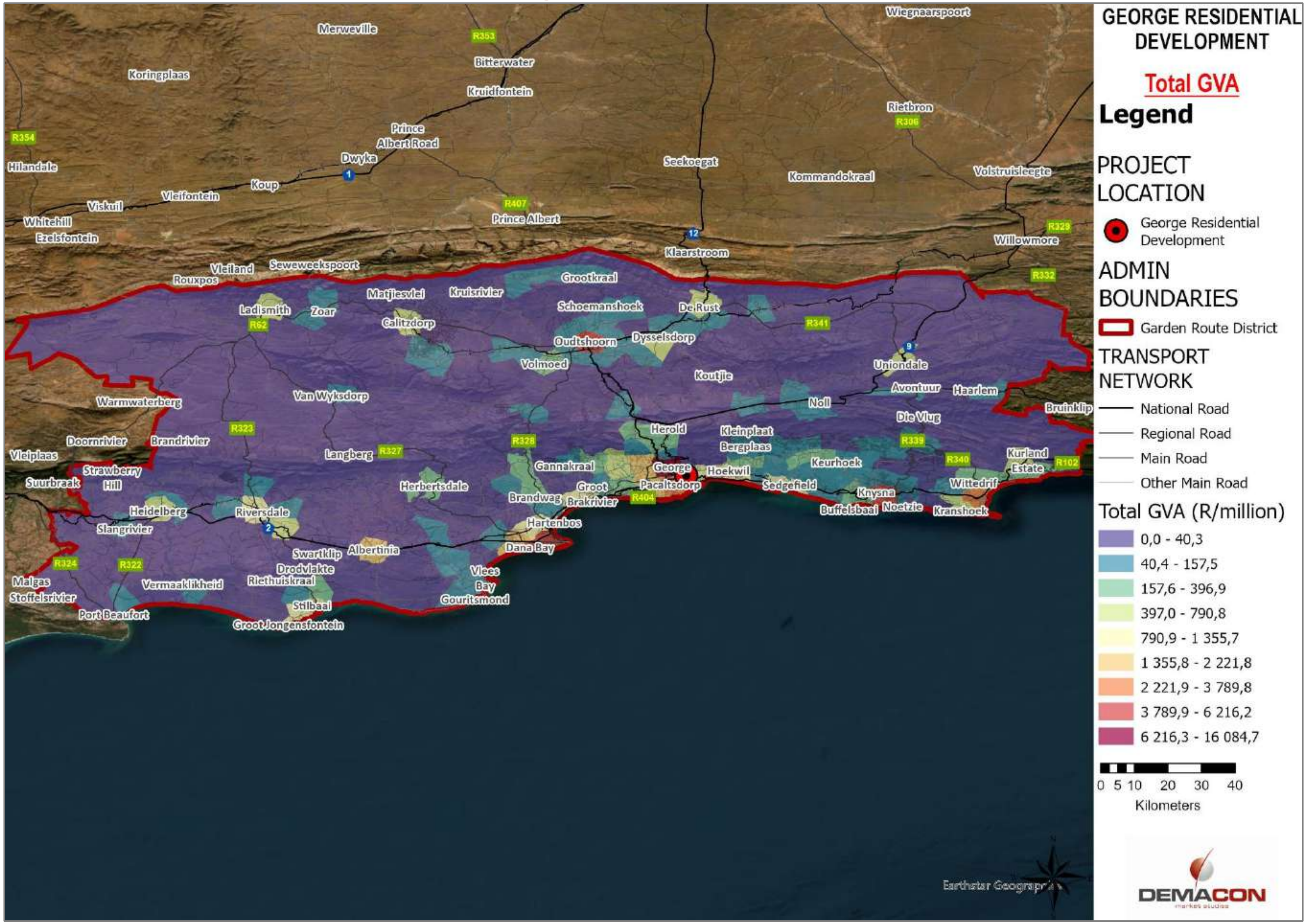
STRUCTURE OF EMPLOYMENT



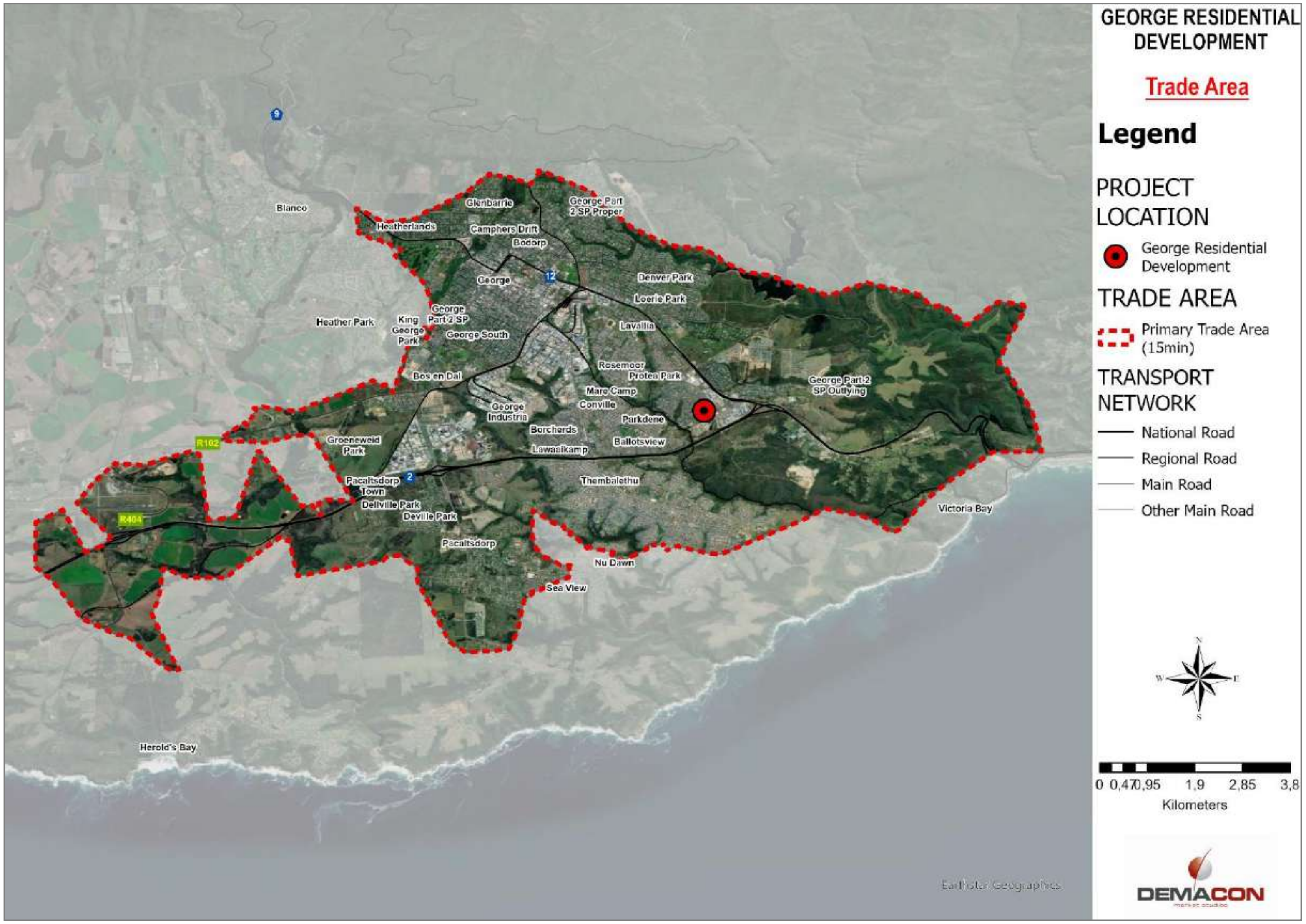
FORMAL JOBS (2024):

Skilled Jobs:
22 449
Semi-skilled Jobs:
25 035
Low-Skilled Jobs:
17 159

Total GVA – Garden Route District Economy



DEMOGRAPHIC SUMMARY (Primary Market Area – ±*15 min drive time*)

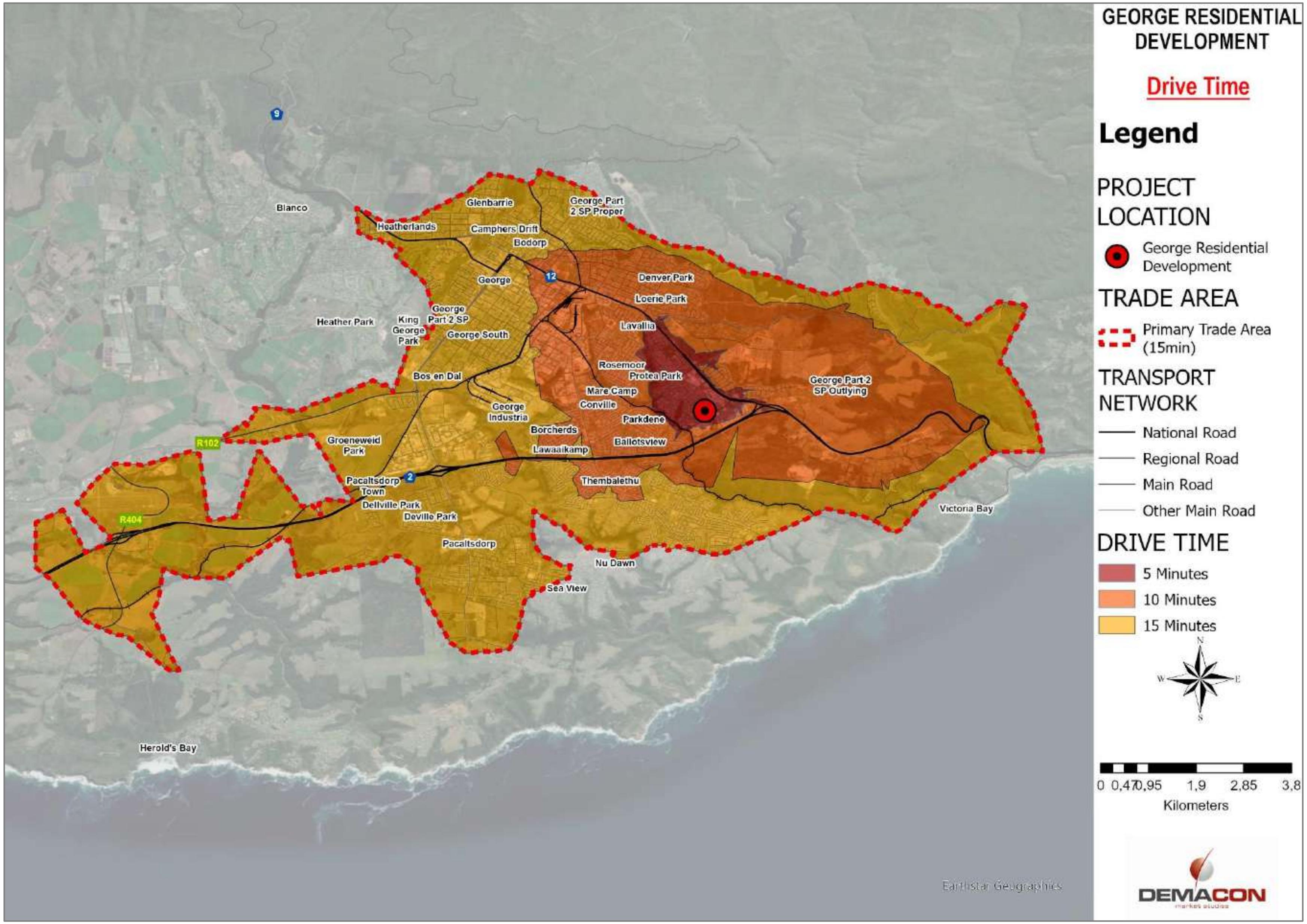


The primary market area for the project is based on an approximated **15-minute drive time** as seen on the map.

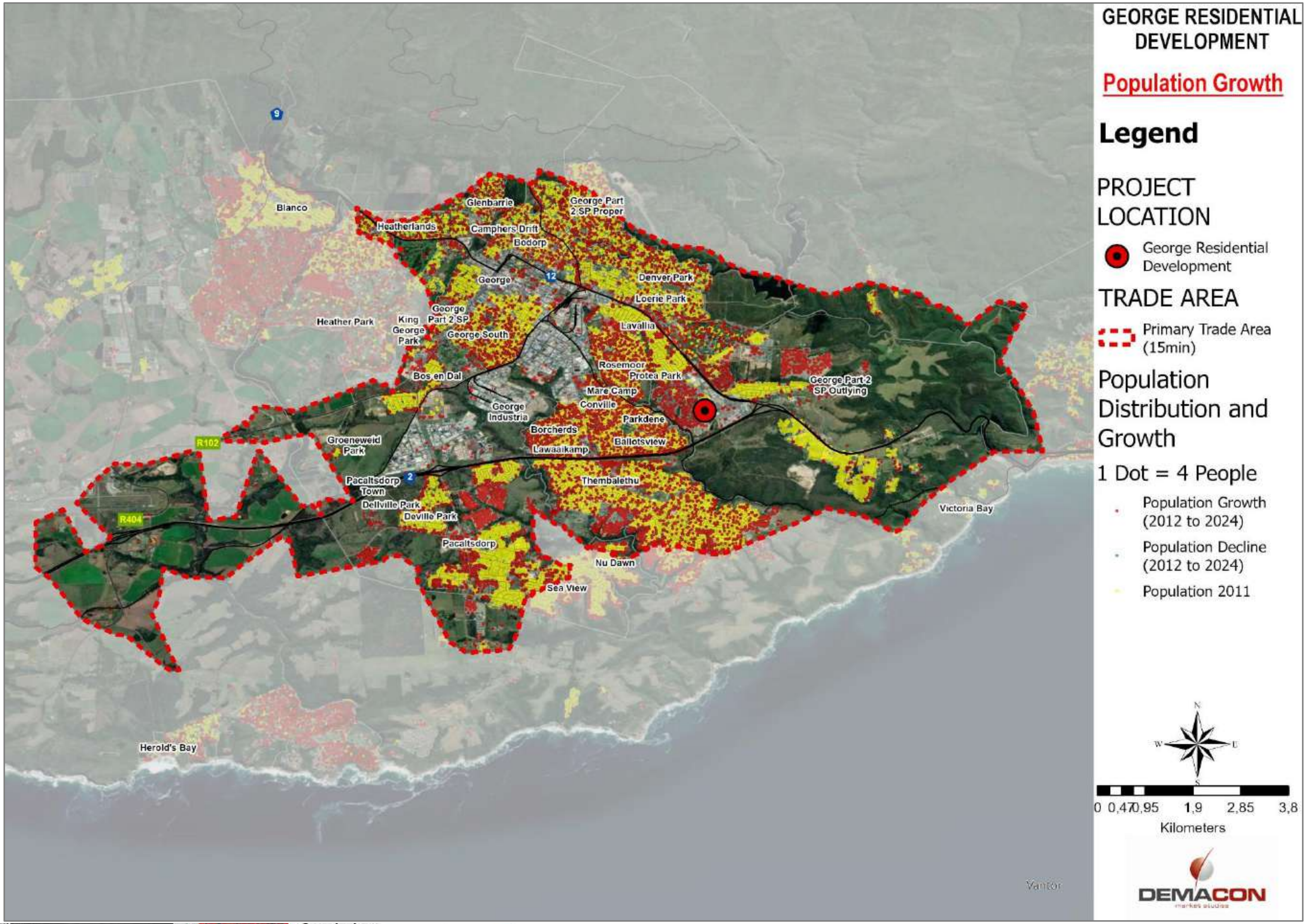
The key socio-economic indicators of the primary market, informed by general SACSC criteria, as well as the following:

- ✓ Consumer market behaviour and expenditure trends
- ✓ Regional and sub-regional levels of accessibility
- ✓ Geographic barriers
- ✓ General consumer mobility patterns and drive times.

Drive Time


GEORGE RESIDENTIAL DEVELOPMENT
Drive Time
Legend
PROJECT LOCATION
George Residential Development
TRADE AREA
Primary Trade Area (15min)
TRANSPORT NETWORK
National Road
Regional Road
Main Road
Other Main Road
DRIVE TIME
5 Minutes
10 Minutes
15 Minutes
N
W
E
S
0 0,47 0,95 1,9 2,85 3,8
Kilometers
DEMACON
Blanco
Glenbarrie
George Part 2 SP Proper
Heatherlands
Camphers Drift
Bodorp
George
Denver Park
Loerie Park
Heather Park
King George Park
George Part 2 SP
George South
Lavallia
Rosemoor
Protea Park
George Part 2 SP Outlying
Bos en Dal
Mare Camp
Conville
George Industria
Parkdene
Borcherds
Ballotsview
Groeneweid Park
Lawaaikamp
Pacaltsdorp Town
Thembalethu
Dellville Park
Deville Park
Victoria Bay
Pacaltsdorp
Nu Dawn
Sea View
Herold's Bay
R102
R404
Earthstar Geographics

Population Growth & Distribution (Primary Market Area)



DEMOGRAPHIC PROFILE (Primary Market Area - ±15 minutes)

The following section provides an analysis of the demographic profile of the **primary market area** of the proposed development. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

POPULATION SIZE (2026)

193 559
PEOPLE IN THE
PRIMARY
TRADE AREA

Population
Average Annual
Growth Rate
2.8%

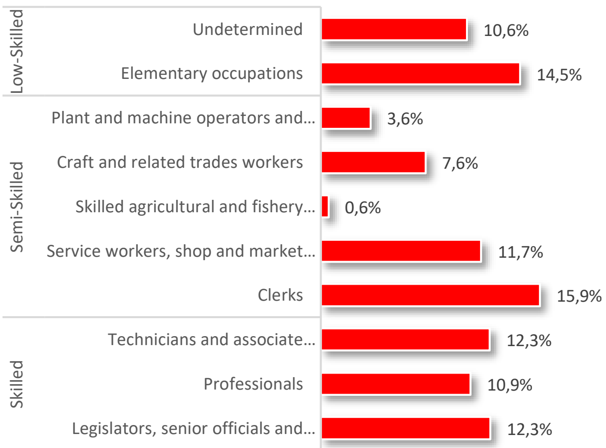
56 884
HOUSEHOLDS

Household
Average Annual
Growth Rate
3.1%

Biggest Employing Economic Sectors in the Primary Trade Area

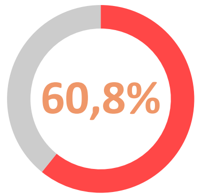
22.0% - Business and Financial Services
21.6% - Community, social and personal services
19.4% - Wholesale and retail trade

OCCUPATION STATUS

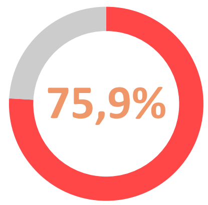


EMPLOYMENT PROFILE

Economically ACTIVE population

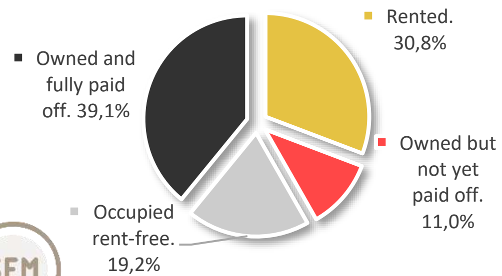


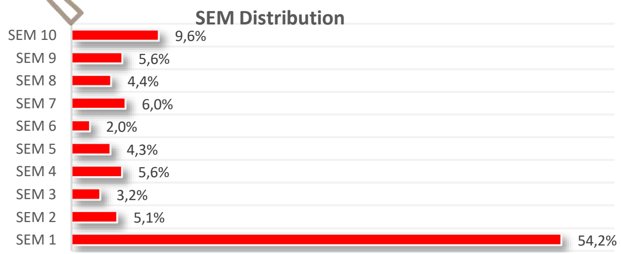
Employed



Employed and unemployed persons are economically active and thus is a segment of the economically active percentage.

TENURE STATUS





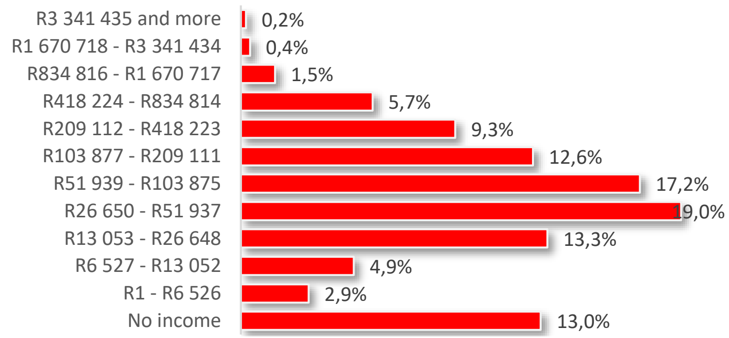
HOUSEHOLD INCOME (2026)

Average annual household income for all SEM Groups (2026)
R154 581

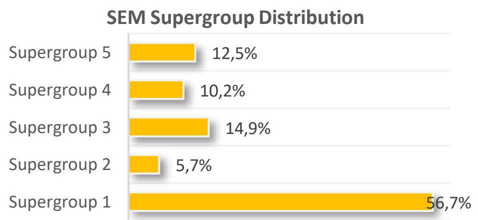
Average annual household income for SEM 2+ Groups (2026)
R347 070

Average monthly household income for all SEM Groups (2026)
R12 882

Average monthly household income for SEM 2+ Groups (2026)
R28 923

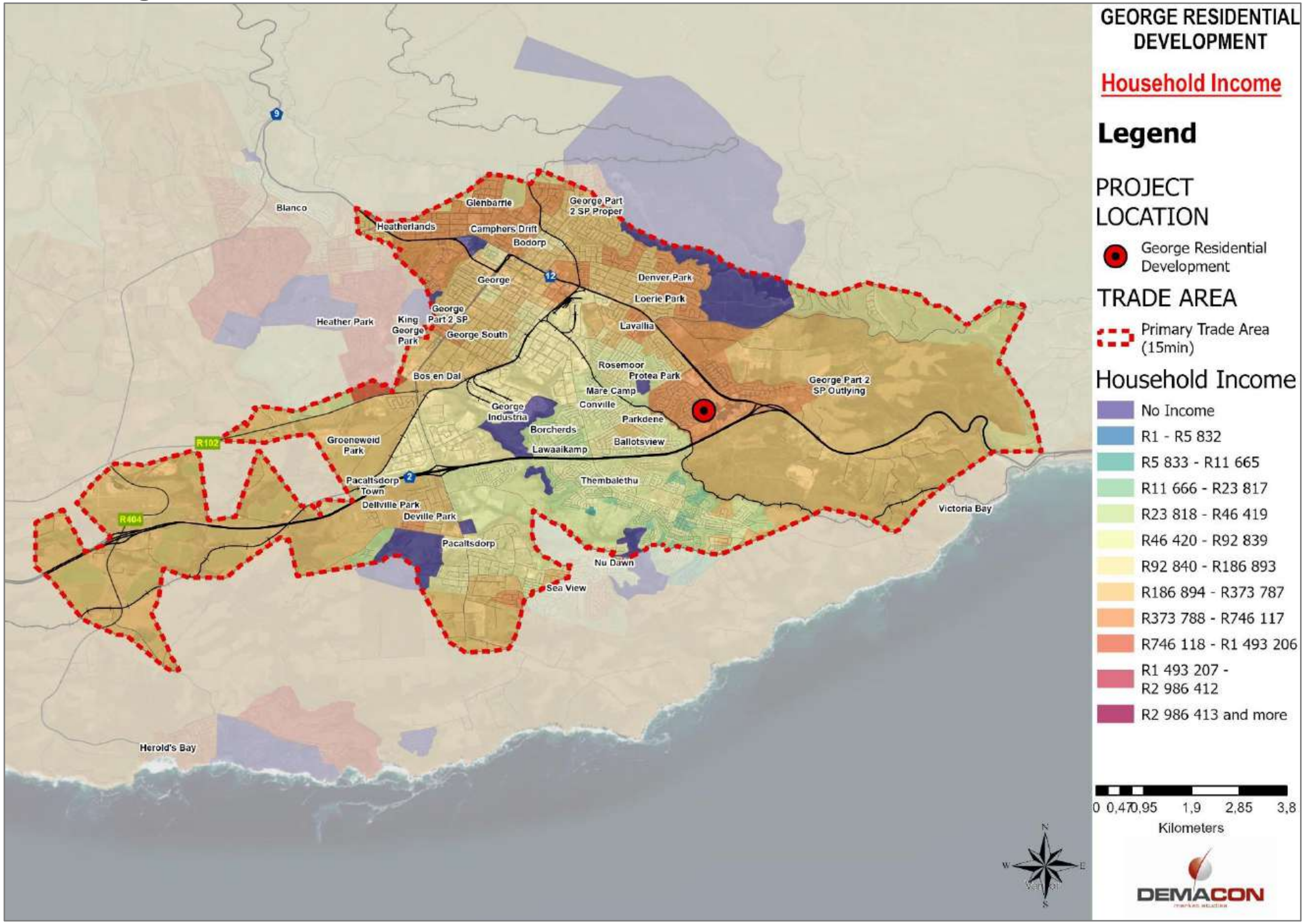


SEM PROFILE



SEM 2 to 5+:
43.3%

Weighted Average Annual Household Income



LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

LSM vs SEM

LSM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cell phone in household
- 1 cell phone in household
- None or only one radio
- Living in a non-urban area

SEM

FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms

LIMITATIONS OF LSM

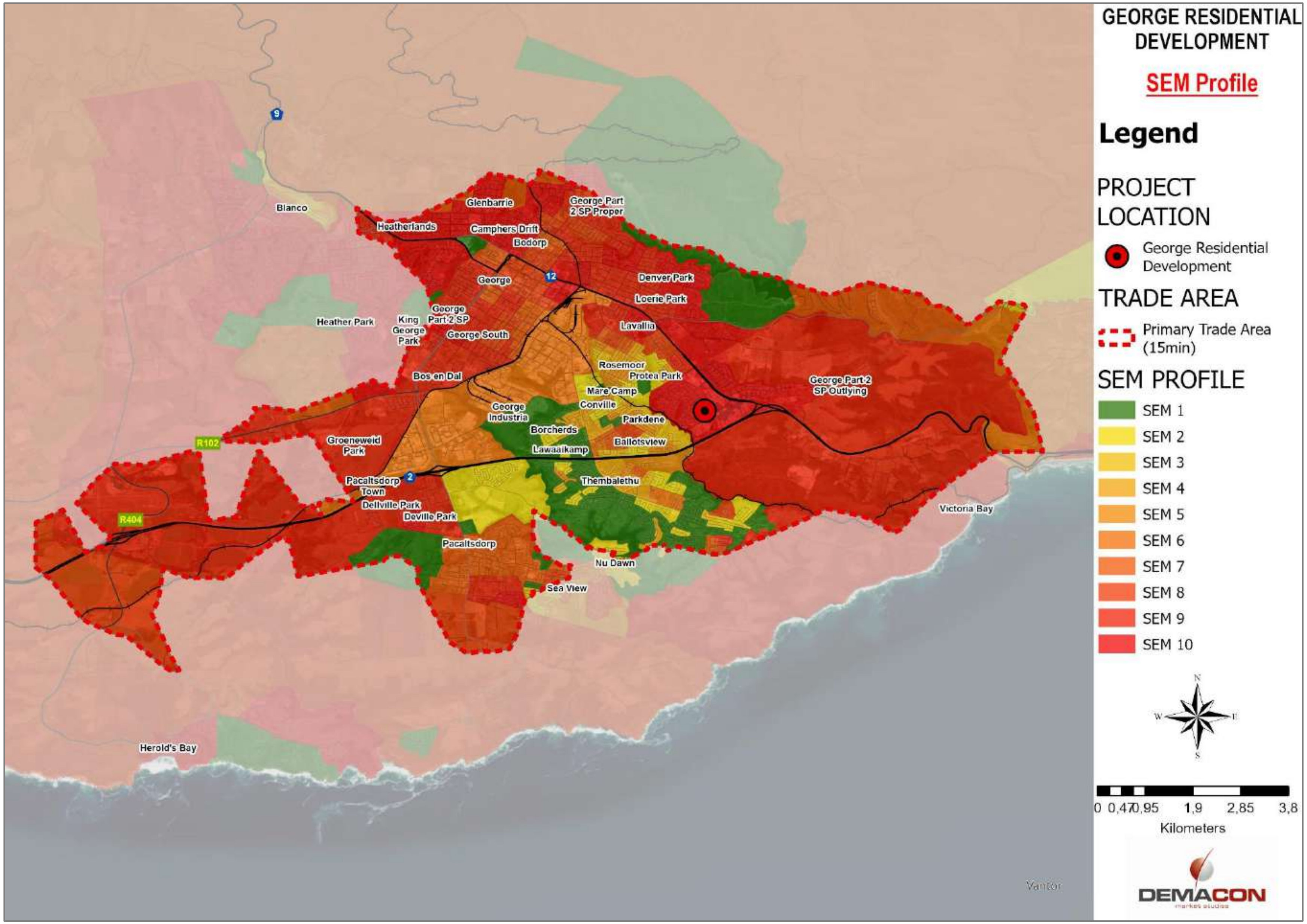
- LSM is not related to any specific brand or category
- LSM cannot accurately determine spending power
- Consumers have changed, LSM has not

ADVANTAGES OF SEM

- Focus on structural items
- Low reliance on durables
- No reliance on technology items
- Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and townships of SA.

SEM PROFILE


GEORGE RESIDENTIAL DEVELOPMENT
SEM Profile
Legend
PROJECT LOCATION
George Residential Development
TRADE AREA
Primary Trade Area (15min)
SEM PROFILE
SEM 1
SEM 2
SEM 3
SEM 4
SEM 5
SEM 6
SEM 7
SEM 8
SEM 9
SEM 10
0 0,47 0,95 1,9 2,85 3,8
Kilometers
DEMACON
Glenbarrie
George Part 2 SP Proper
Heatherlands
Camphers Drift
Bodorp
Blanco
George
Denver Park
Loerie Park
Heather Park
King George Park
George Part 2 SP
George South
Lavallia
Rosemoor
Protea Park
Bos en Dal
Mare Camp
Conville
George Part 2 SP Outlying
George Industria
Parkdene
Borcherds
Groeneweid Park
Ballotsview
Lawaaikamp
R102
Pacaltsdorp Town
Thembalethu
Dellville Park
Deville Park
R404
Victoria Bay
Pacaltsdorp
Nu Dawn
Sea View
Herold's Bay

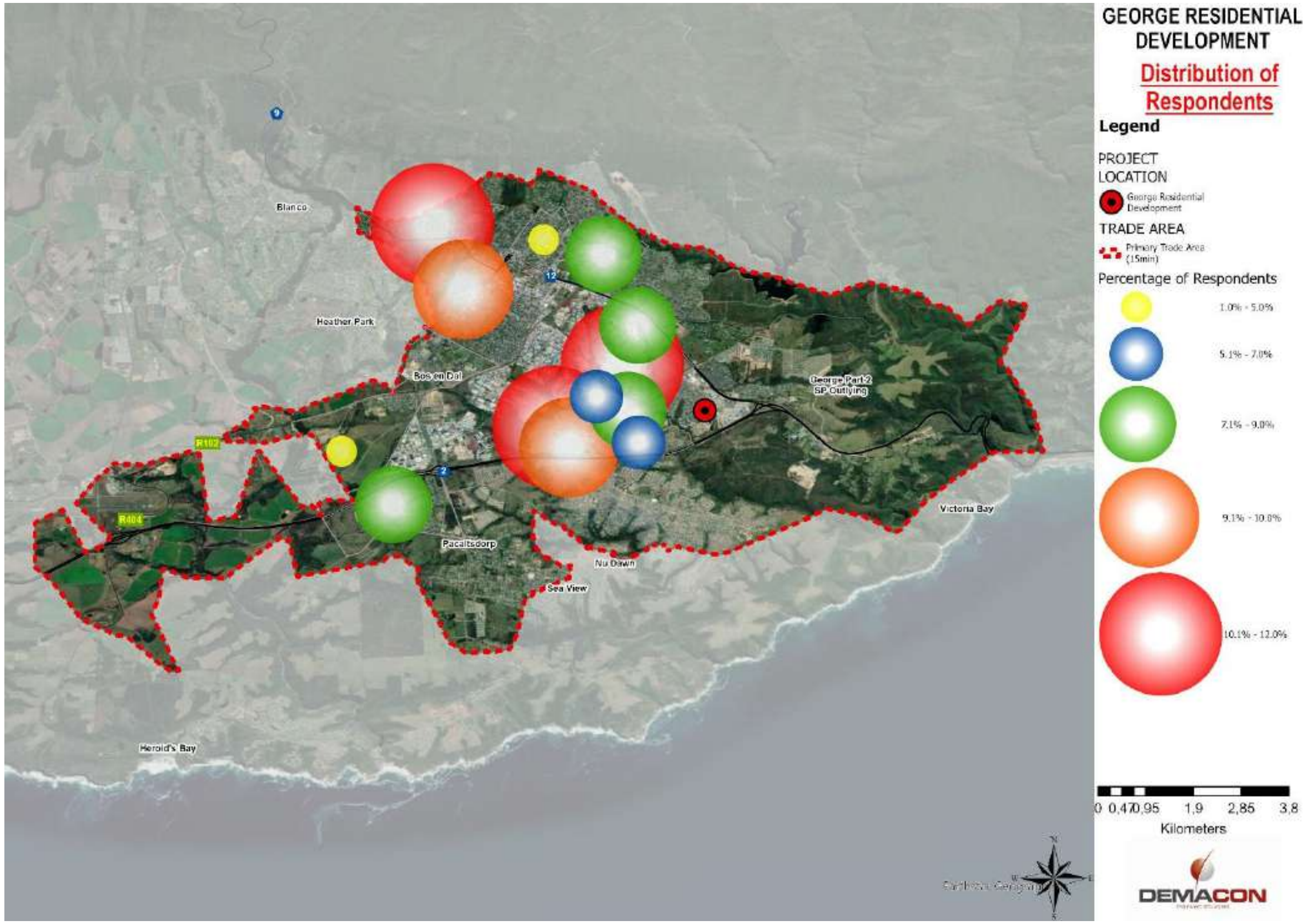
HOUSEHOLD SURVEY RESULTS

A proportionate stratified sample survey method was applied to test consumer preferences and perceptions with respect to the potential for the proposed development to be located in **in George,** situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development.

The map geographically illustrates the spatial distribution of the respondents who participated in the survey. The respondents were located in:

- ✓ Heatherlands
- ✓ Borchards
- ✓ Rosemore
- ✓ Dormehls Drift
- ✓ Lawaaikamp
- ✓ Bergsig
- ✓ Delville Park
- ✓ Lavalia
- ✓ Parkdene
- ✓ Ballots View
- ✓ Conville
- ✓ Groeneweid Park
- ✓ Bodorp.



SOCIO-ECONOMIC PROFILE

Key outcomes from the survey include:

Describe your household

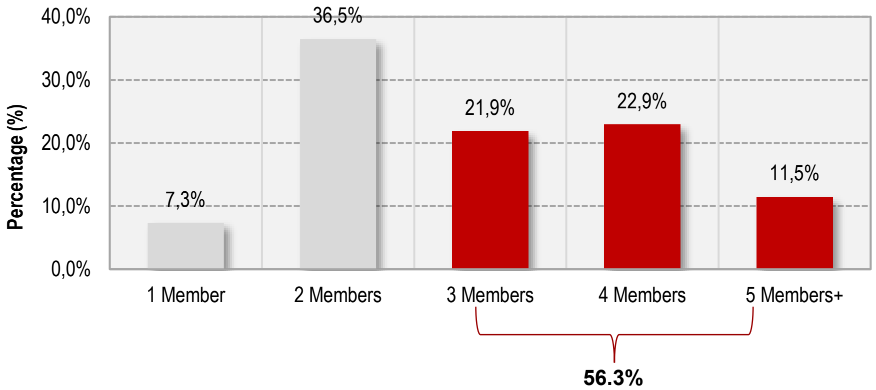
Respondent households are primarily characterised as

Parents with small children **37.5%**

Parents with adult children **13.5%**

Retired - golden nests/elderly **11.5%**

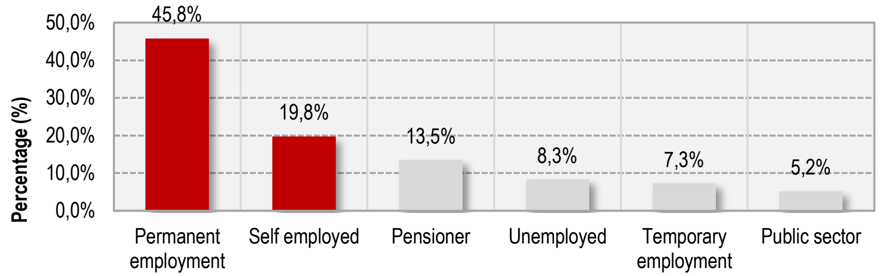
How many MEMBERS do you have in your household?



The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%) 3 people (21.9%), 4 members (22.9%) and 5 people (11.5%)** in a household.

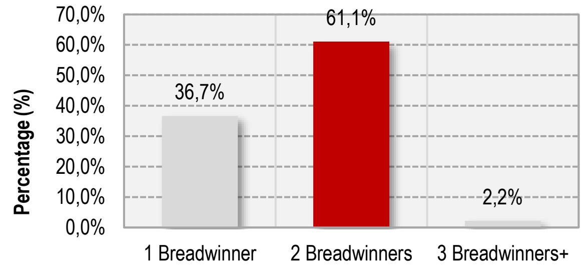
EMPLOYMENT Status

Respondents are typically **permanently employed (45.8%)** or **self-employed (19.8%).**



Number of BREADWINNERS in household:

The majority of households have 2 breadwinners in the household (61.1%).

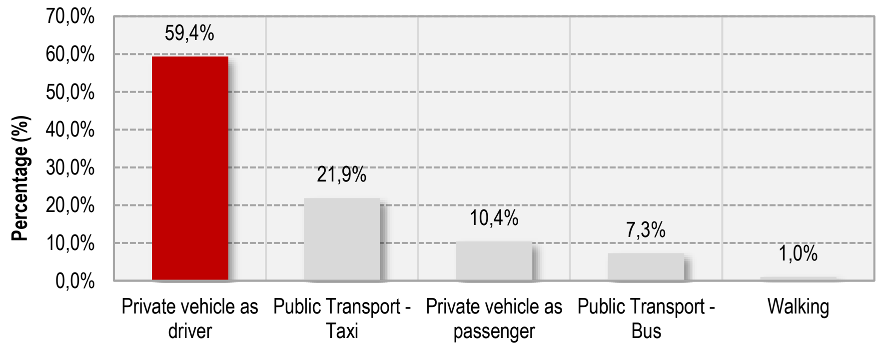


1 breadwinner 36.7%

2 breadwinners 61.1%

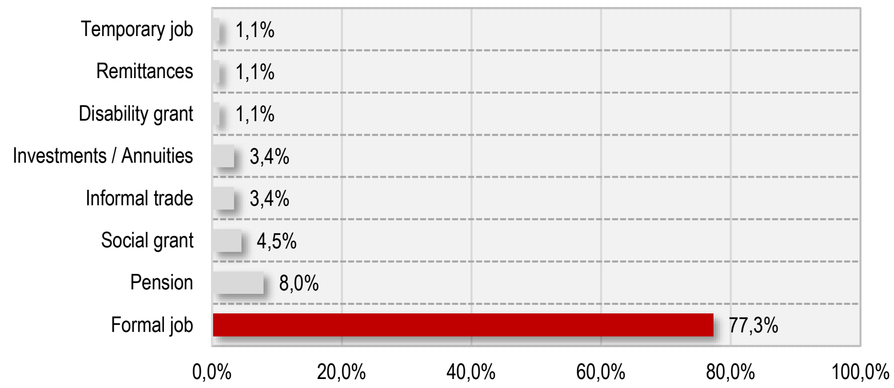
3+ breadwinners 2.2%

DOMINANT mode of TRANSPORT:



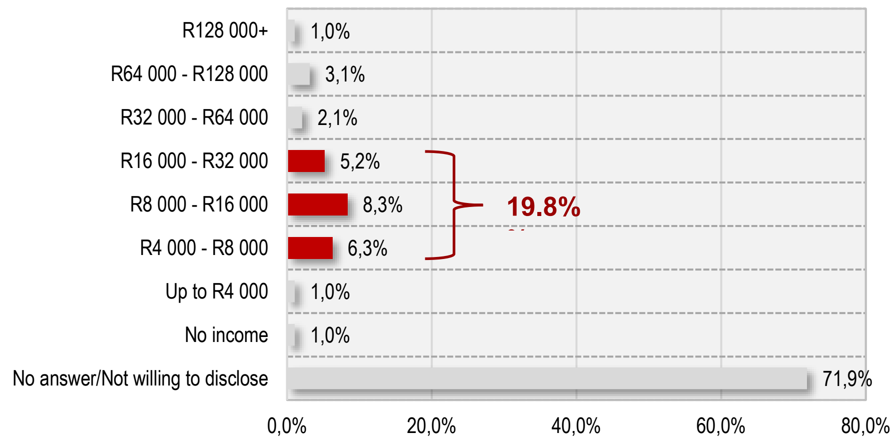
INCOME sources:

The majority of households **(77.3%)** earn their income from a **formal job**, 8.0% from pension.



Average monthly HOUSEHOLD INCOME profile (before deductions):

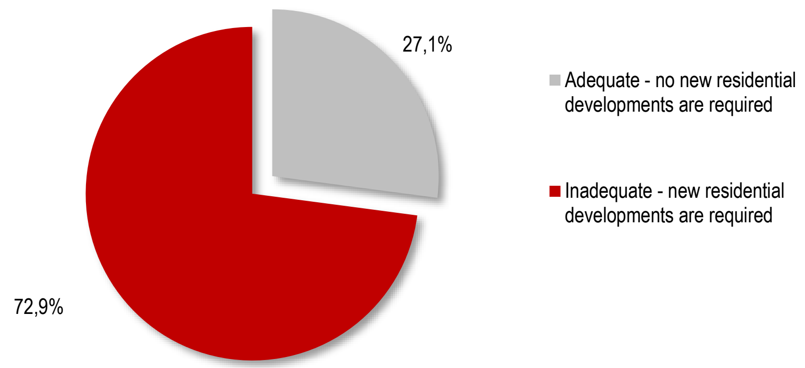
The vast majority of respondents did not want to disclose this information. The survey shows that 19.8% of respondents indicated their monthly household income range between R4 000 and R32 000 on average.



RESIDENTIAL SUPPORT AND PREFERENCES

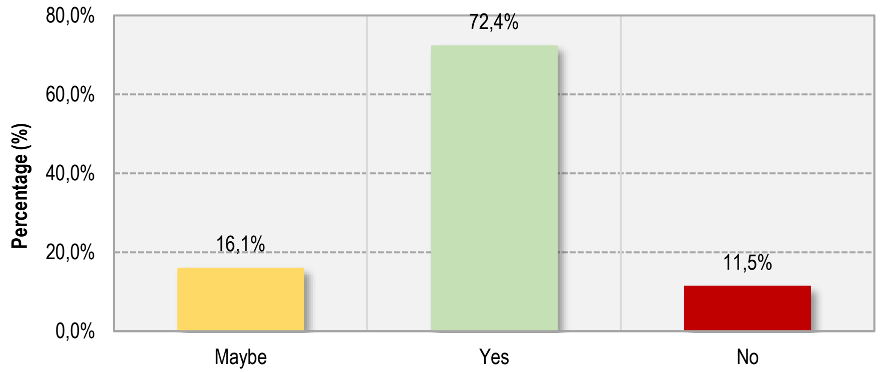
How would you best describe the residential offer in the George area?

72.9% of respondents indicated there is current **residential offerings** in the George area is inadequate – new residential developments are required.



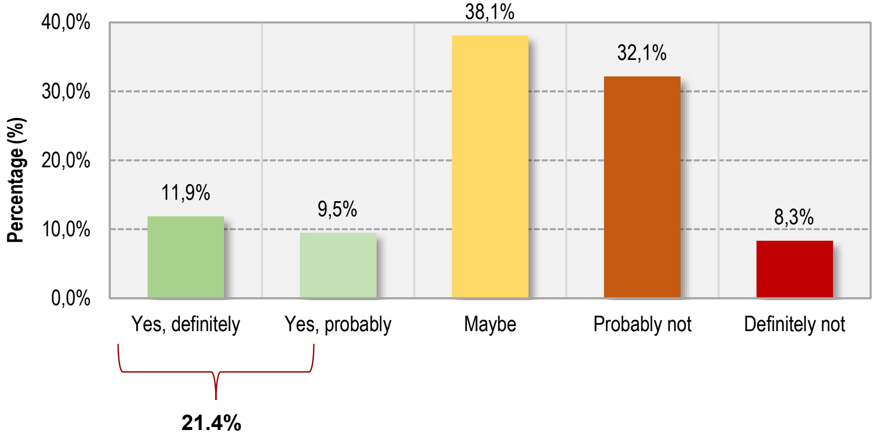
Perceived DEMAND for a new residential development in George?

72.4% of respondents indicated there is a **demand** for a new residential development in the area, 26.1% indicated "maybe" and 11.5% indicated there is no demand.



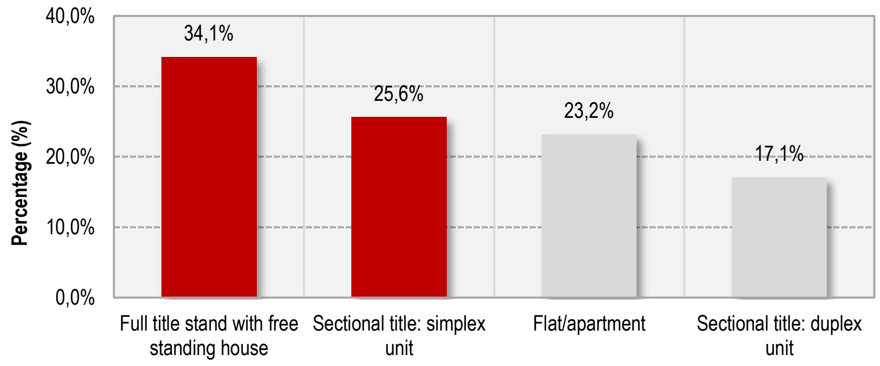
Would you consider MOVING to this development?

21.4% of respondents would definitely / probably consider move to this development.



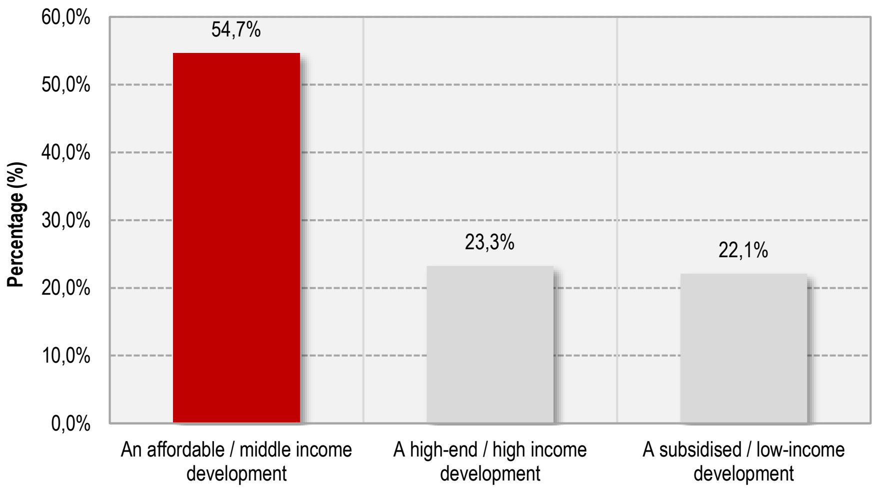
Preferred type of dwelling unit structure

The type of dwelling unit preferred is a full title stand with **freestanding house** (**34.1%**), followed by 25.6% a sectional title unit (simplex).



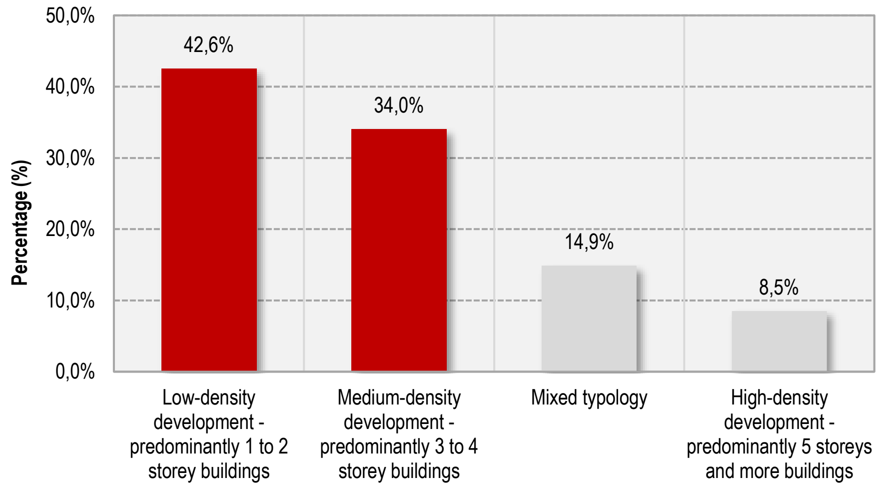
Which of the following type of development is there the highest demand in the George Area

The highest demand for type of development is an affordable middle income development (54.7%) or a high-end / high income development (23.3%)



In your opinion, what is your overall density preference for a new residential development?

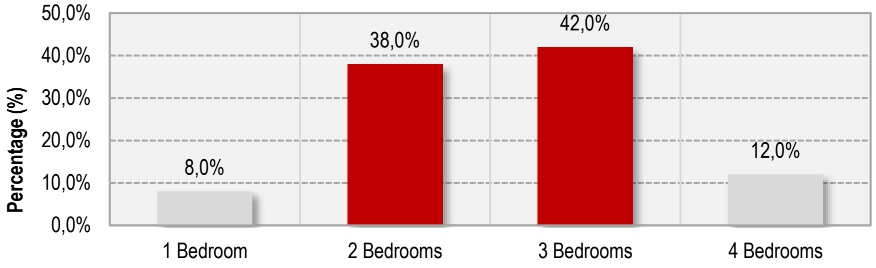
42.6% of respondents indicated the overall density preference is a **low-density development (1 to 2 storey buildings),** followed by 34.0% of respondents a medium-density development (3 to 4 storey buildings).



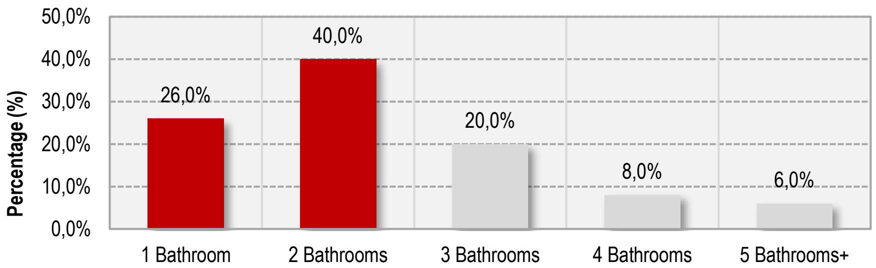
Preferred composition of residential units

The prefered composition for the residential unit could be a 2 to 3 bedroom unit, with 1 or 2 bathrooms,1 to 2 living areas, 1 to 2 garages and 1 to 2 carports.

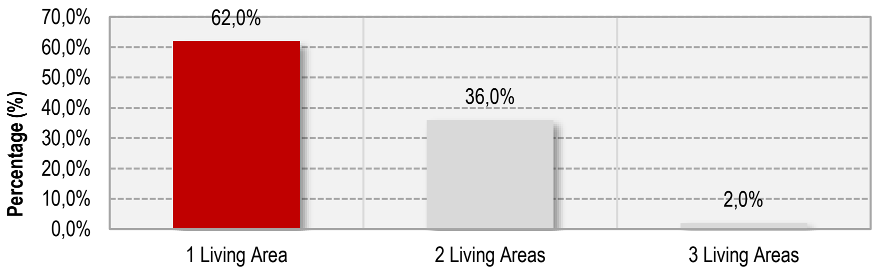
Bedrooms



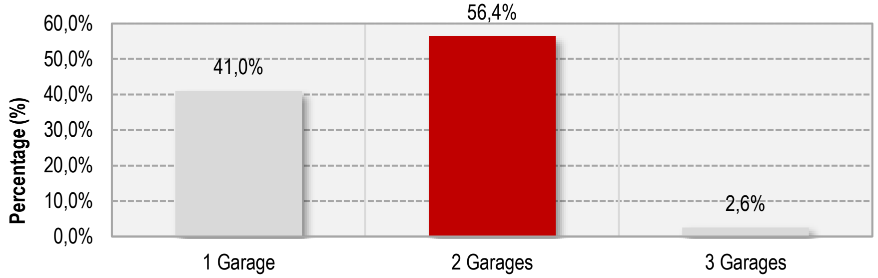
Bathrooms



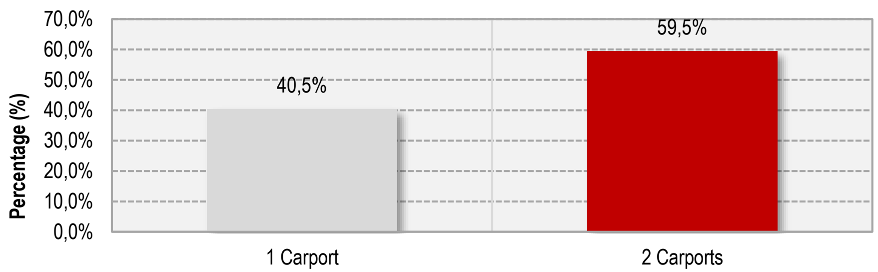
Living Areas



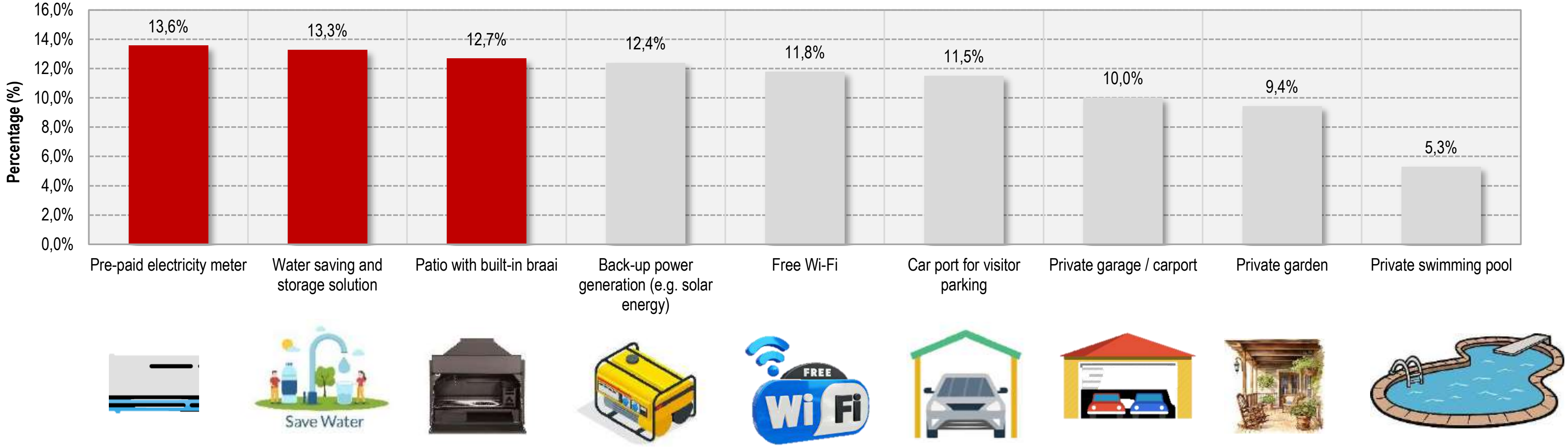
Garages



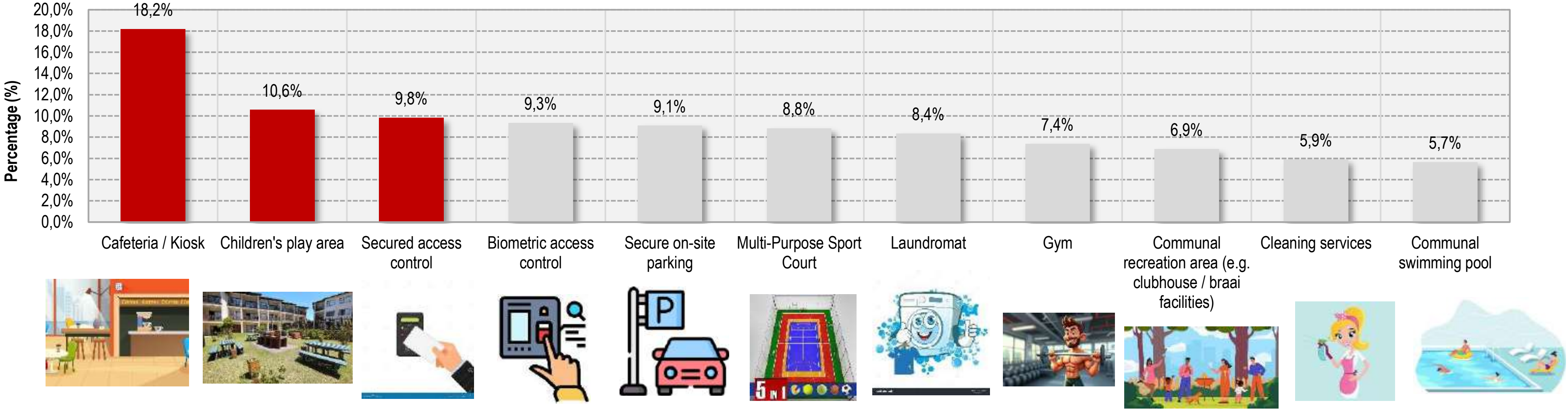
Carports



Which of the following should also form part of the RESIDENTIAL UNIT offering?



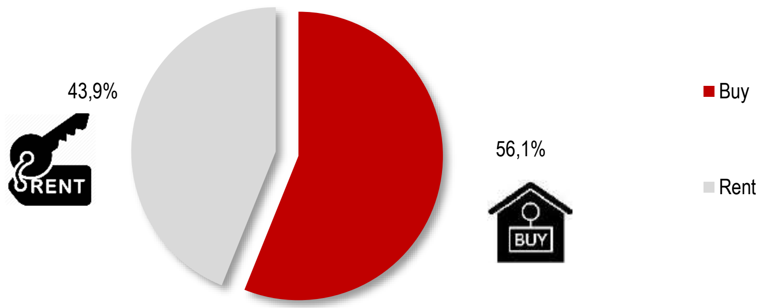
Which of the following amenities should form part of the RESIDENTIAL DEVELOPMENT? (residential unit offering?



AFFORDABILITY

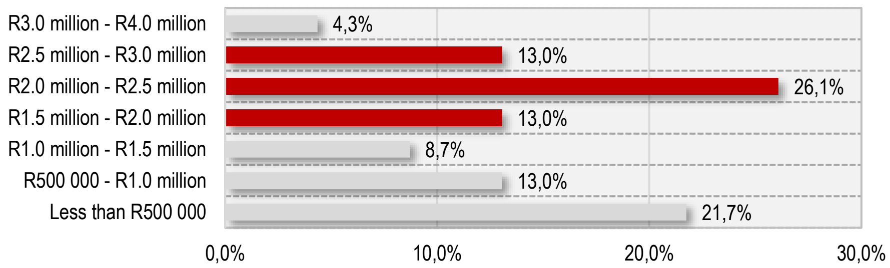
Affordability Profile

56.1% of respondents indicated they will be able to **BUY** and **43.9%** would **RENT** based on the affordability profile.



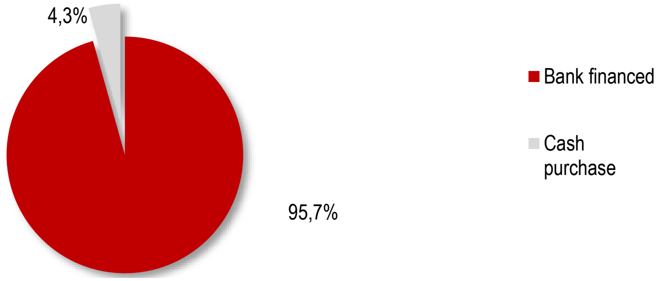
If you were to BUY a new residential property what would be a REASONABLE MARKET PRICE?

52.2% of the respondents indicated they would buy a property in the region of **R1.5 million to R3.0 million**.



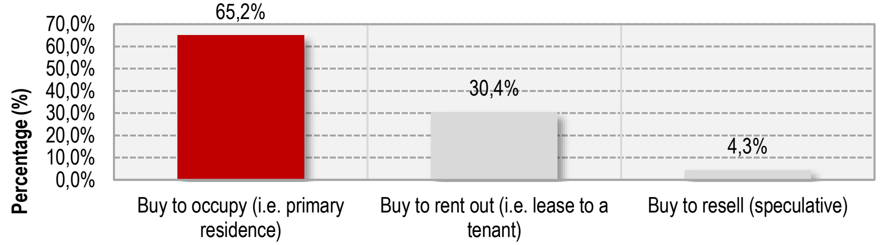
Would the purchase of a property/house be BANK-FINANCED OR BOUGHT CASH?

95.7% of the respondents indicated they would **bank-finance** the property / house.



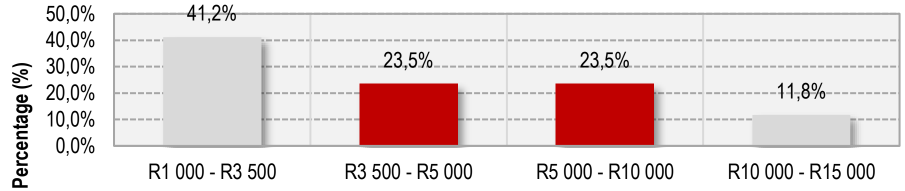
Reason for purchase

65.2% indicated they would **buy to occupy as a primary residence**.



RENTAL Profile

Respondents opting to **rent** a property are mainly willing to rent for R1 000 to R3 500 **(41.2%)** followed by 47.1% willing to rent for R3 500 to R10 000 per month.

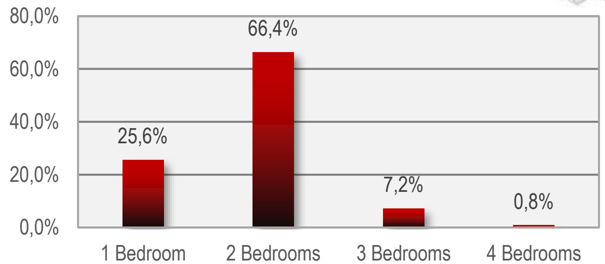


LOCAL RESIDENTIAL SALES & RENTALS

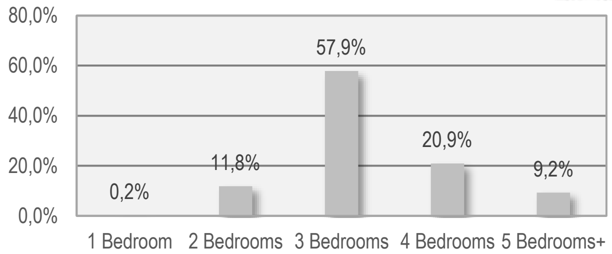
Key descriptive information of properties for sale

APARTMENTS / FLATS	FREE-STANDING HOMES	TOWNHOUSES
PROPERTIES in immediate surrounding area **125 (16.7%)**	**PROPERTIES** in immediate surrounding area **584 (78.0%)**	**PROPERTIES** in immediate surrounding area **40 (5.3%)**
Average Price **R2 595 180**	**Average Price** **R4 965 082**	**Average Price** **R2 052 662**
Average Unit Size 35m² – 259m² **75.8m² (average)**	**Average Erf Size** 116m² – 10 575m² **678.5m² (average)**	**Average Unit Size** 21m² – 499m² **225.8m² (average)**

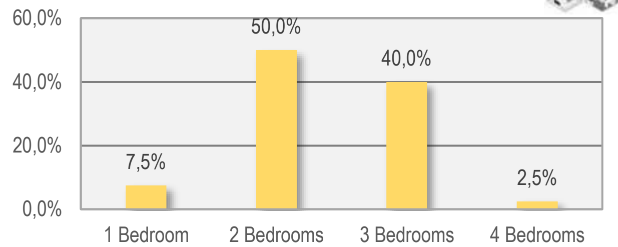
Distribution of Bedrooms (%) — Apartments / Flats



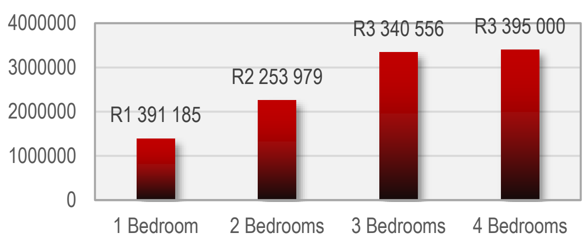
Distribution of Bedrooms (%) — Free-Standing Homes



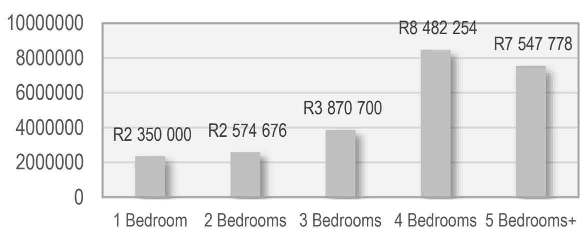
Distribution of Bedrooms (%) — Townhouses



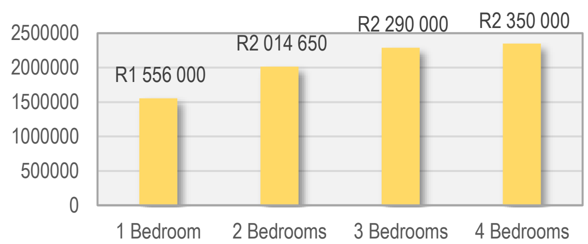
Distribution (price per bedroom) — Apartments / Flats



Distribution (price per bedroom) — Free-Standing Homes

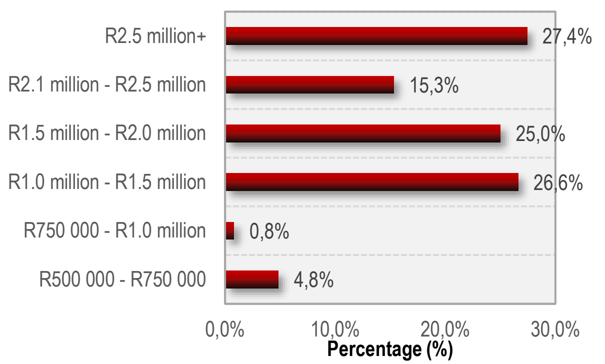


Distribution (price per bedroom) — Townhouses

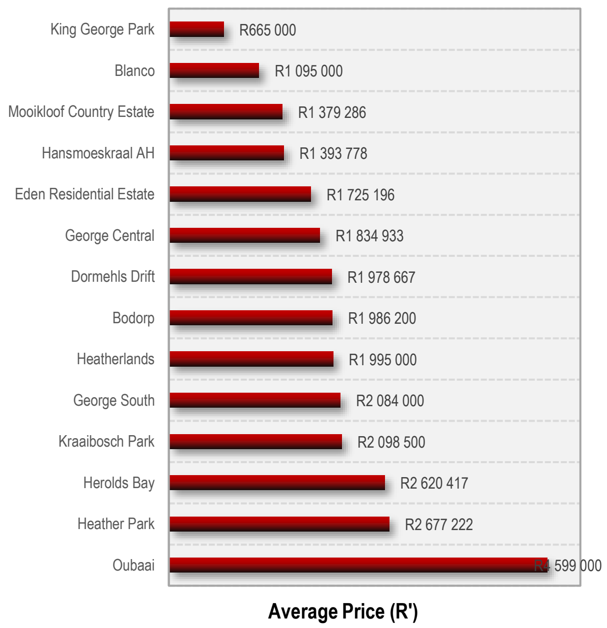


APARTMENTS / FLATS

Price Distribution

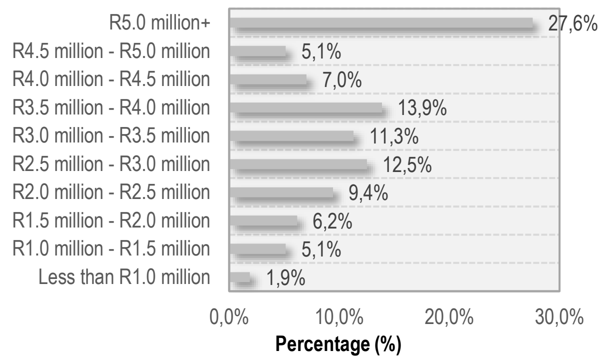


Average Price Per Suburb

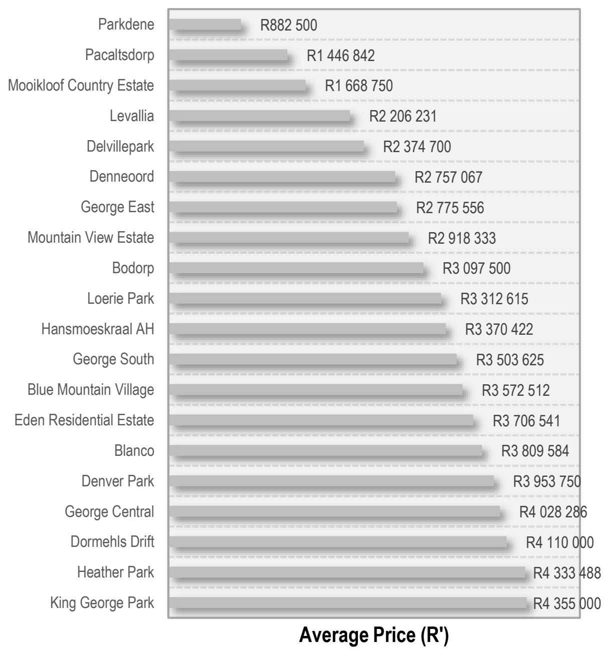


FREE-STANDING HOMES

Price Distribution

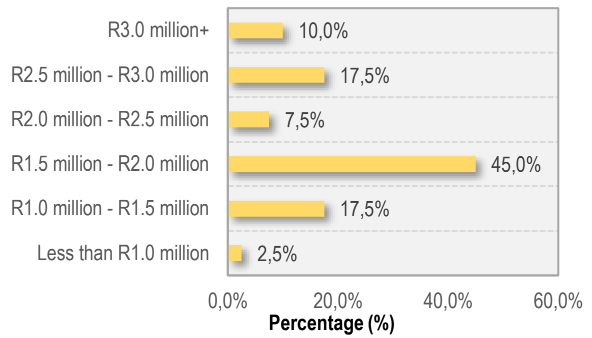


Average Price Per Suburb

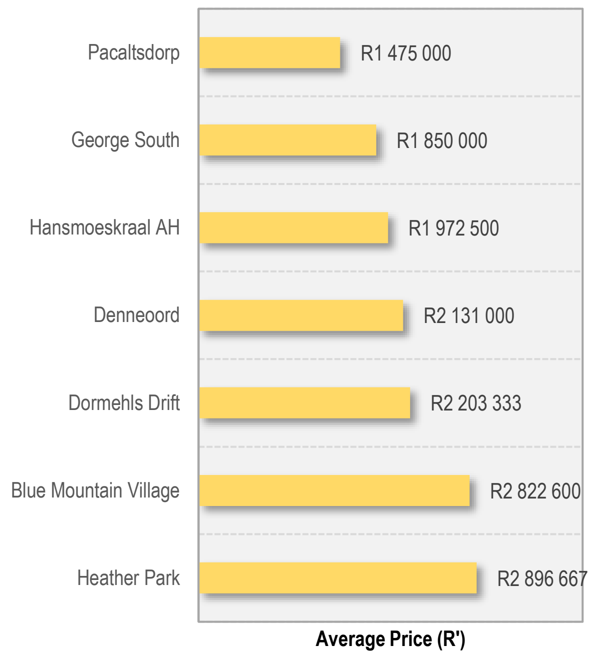


TOWNHOUSES

Price Distribution

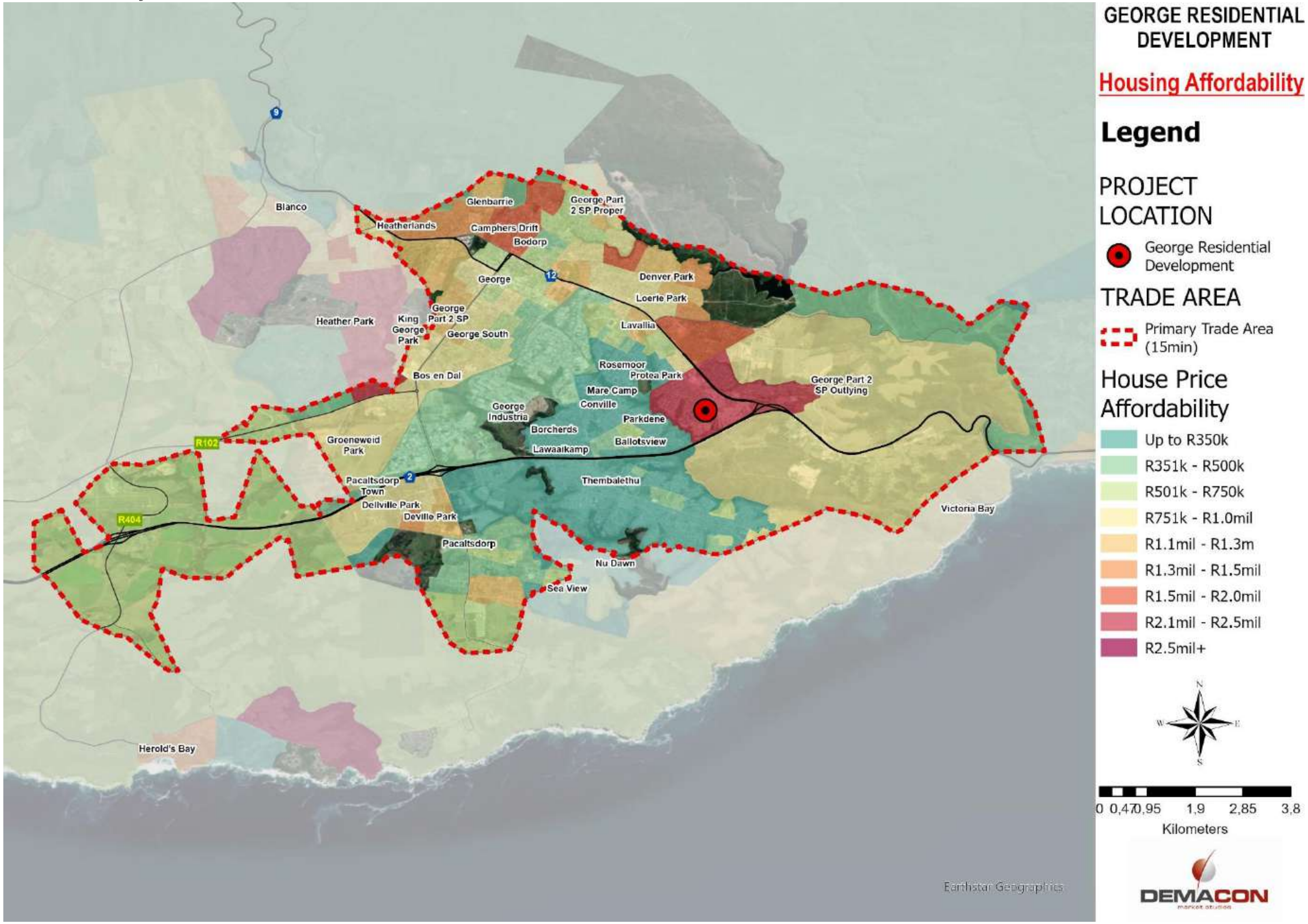


Average Price Per Suburb



Source: Demacon ex Property24 data, 2026

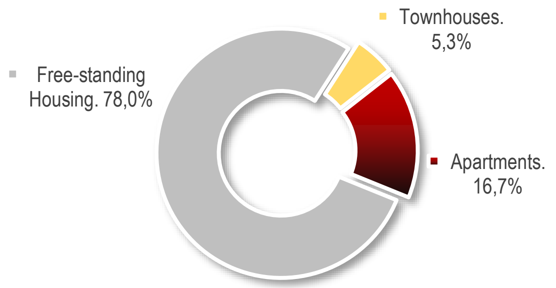
House Price Affordability



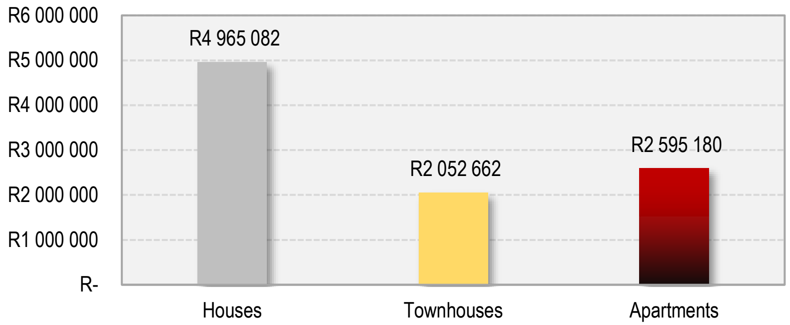
RESIDENTIAL SALES SUMMARY – LISTED PROPERTY

SUMMARY OF SALES

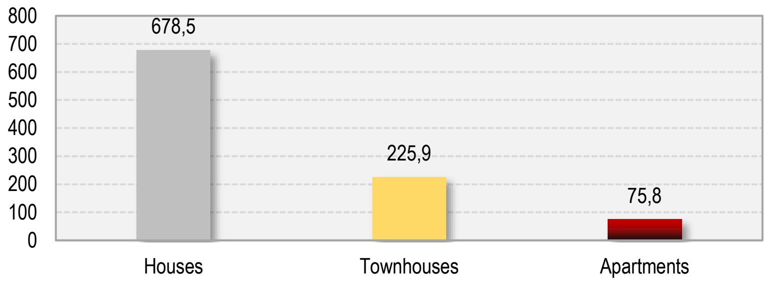
Summary of Residential Supply in terms of number of transactions



Average Selling Price



Average Unit Sizes



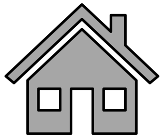
Townhouses

Average Price **R2 052 662**

Apartment / Flats

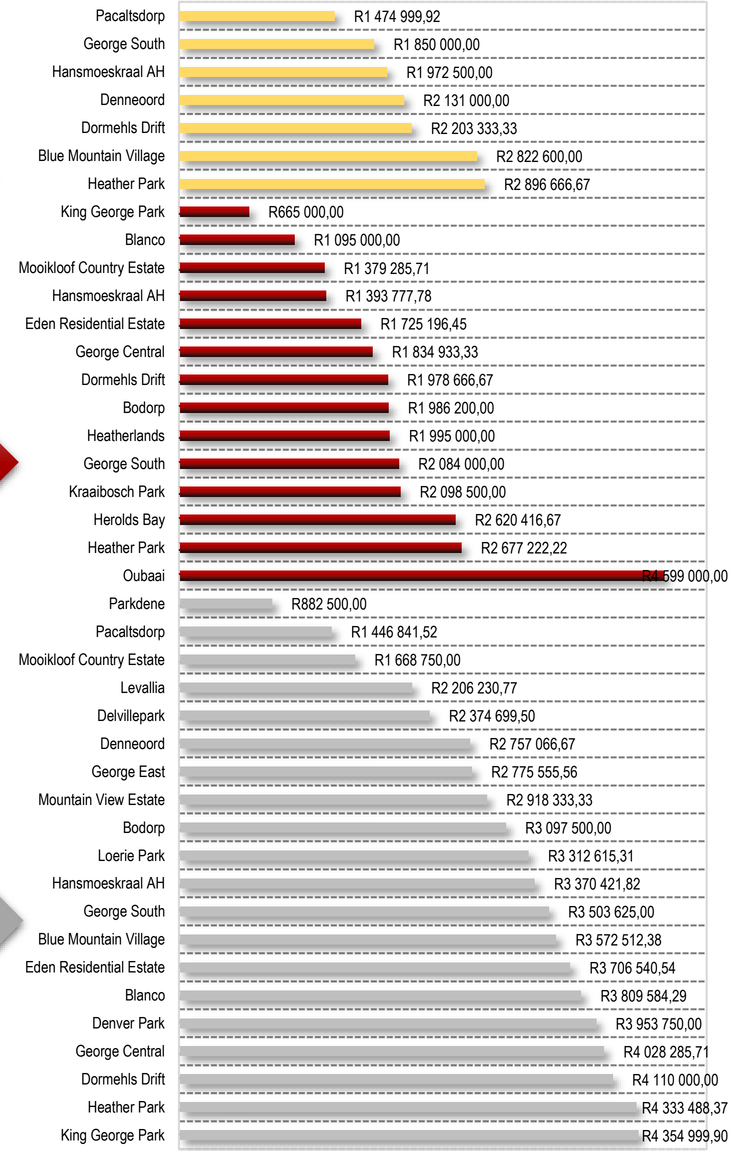
Average Price **R2 595 180**

Houses



Average Price **R4 965 082**

AVERAGE SALES PRICE PER SUBURB



Residential Properties Listed to Rent*

Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	%
APARTMENTS / FLATS						
1 Bedroom	R6 000	R15 300	R2 128	R9 331	31	37,8%
2 Bedrooms	R8 750	R20 950	R3 426	R13 615	37	45,1%
3 Bedrooms	R9 995	R24 000	R3 468	R15 350	13	15,9%
4 Bedrooms	R22 500	R22 500	R0	R22 500	1	1,2%
Average rental				**R15 199**	**82**	**100,0%**
HOUSES						
1 Bedroom	R6 400	R8 800	R1 068	R7 900	3	4,3%
2 Bedrooms	R13 000	R45 000	R10 460	R19 786	7	10,0%
3 Bedrooms	R13 500	R68 000	R9 149	R22 256	41	58,6%
4 Bedrooms	R17 000	R45 000	R7 696	R30 000	13	18,6%
5 Bedrooms+	R25 000	R50 000	R10 335	R35 667	6	8,6%
Average rental				**R23 122**	**70**	**100,0%**
TOWNHOUSES						
1 Bedroom	R5 950	R5 950	R0	R5 950	1	3,3%
2 Bedrooms	R14 000	R22 500	R2 415	R16 167	18	60,0%
3 Bedrooms	R14 900	R30 000	R4 249	R17 353	11	36,7%
Average rental				**R13 156**	**30**	**100,0%**

Source: Demacon ex Property24 data, 2026

Findings:

- As seen from the table above, there are 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
- The **average rental prices** are as followed:
  - Apartments / flats – **R15 199**
  - Houses – **R23 122**
  - Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

The following information provides a summary of the rental properties followed by key descriptive information of properties to rent in the market.

Key descriptive information of properties to rent (Listings)

Apartments / Flats

PROPERTIES in immediate surrounding area

82 (45.1%)

Average Rental

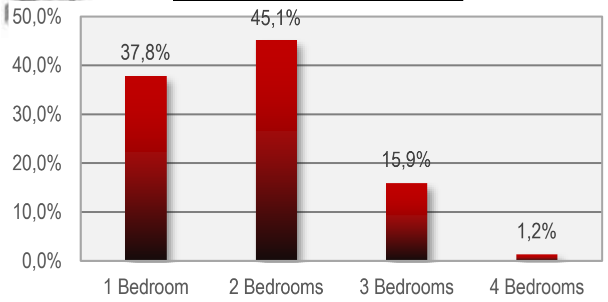
R15 199

Average Unit Size

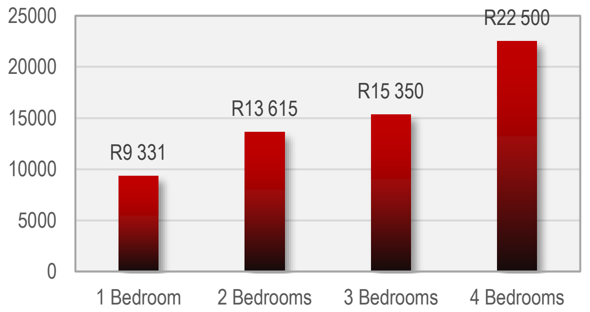
21m² – 196m²

74m² (average)

Distribution of Bedrooms



Average price per bedroom



Freestanding homes

PROPERTIES in immediate surrounding area

70 (38.5%)

Average Rental

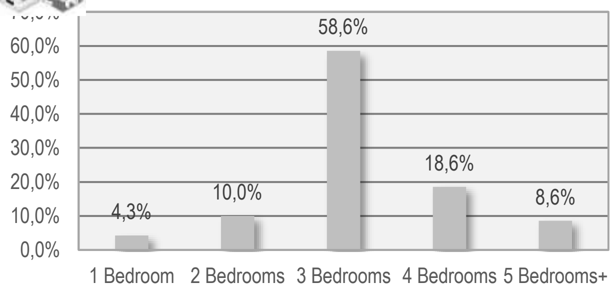
R23 122

Average Stand Sizes

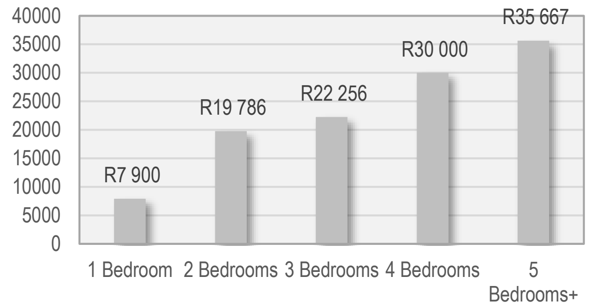
180m² – 3 100m²

761m² (average)

Distribution of Bedrooms



Average price per bedroom



Townhouses

PROPERTIES in immediate surrounding area

30 (16.5%)

Average Rental

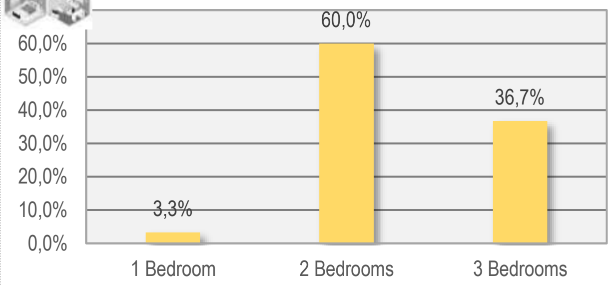
R13 156

Average Unit Size

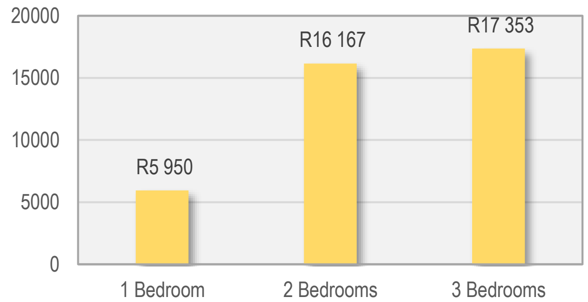
97m² – 376m²

176m² (average)

Distribution of Bedrooms



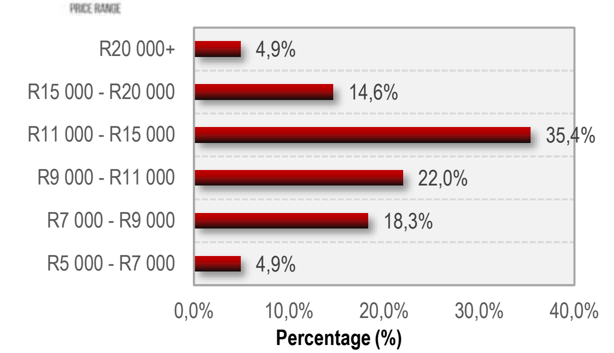
Average price per bedroom



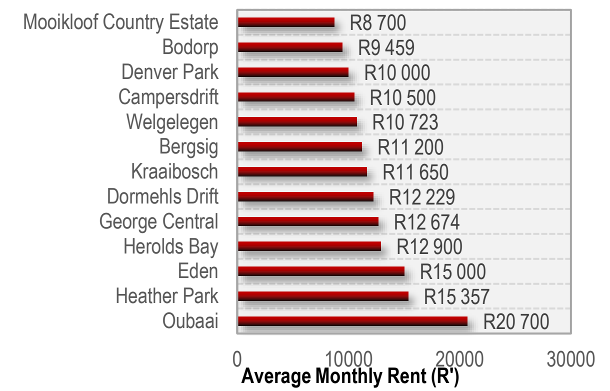
APARTMENTS / FLATS	FREESTANDING HOMES	TOWNHOUSES

Apartments / Flats

Average Price Range Distribution

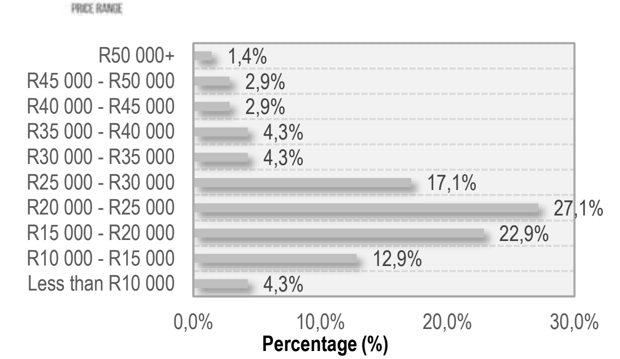


Average Price Per Suburb

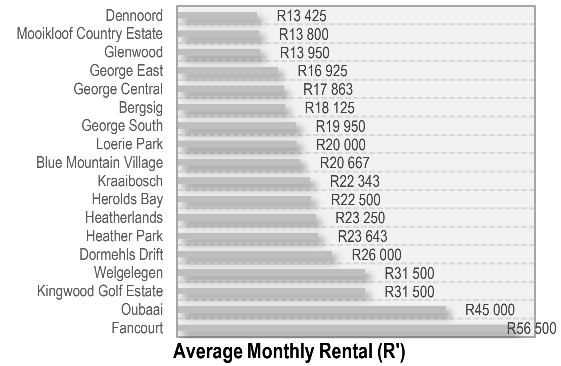


Freestanding Homes

Average Price Range Distribution

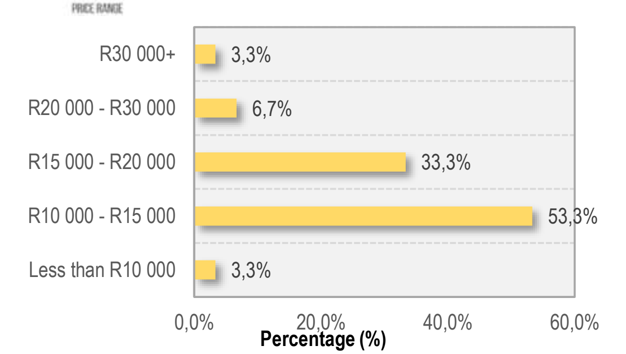


Average Price Per Suburb

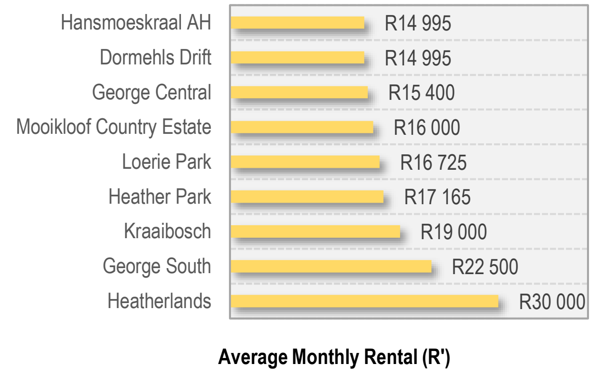


Townhouses

Average Price Range Distribution



Average Price Per Suburb

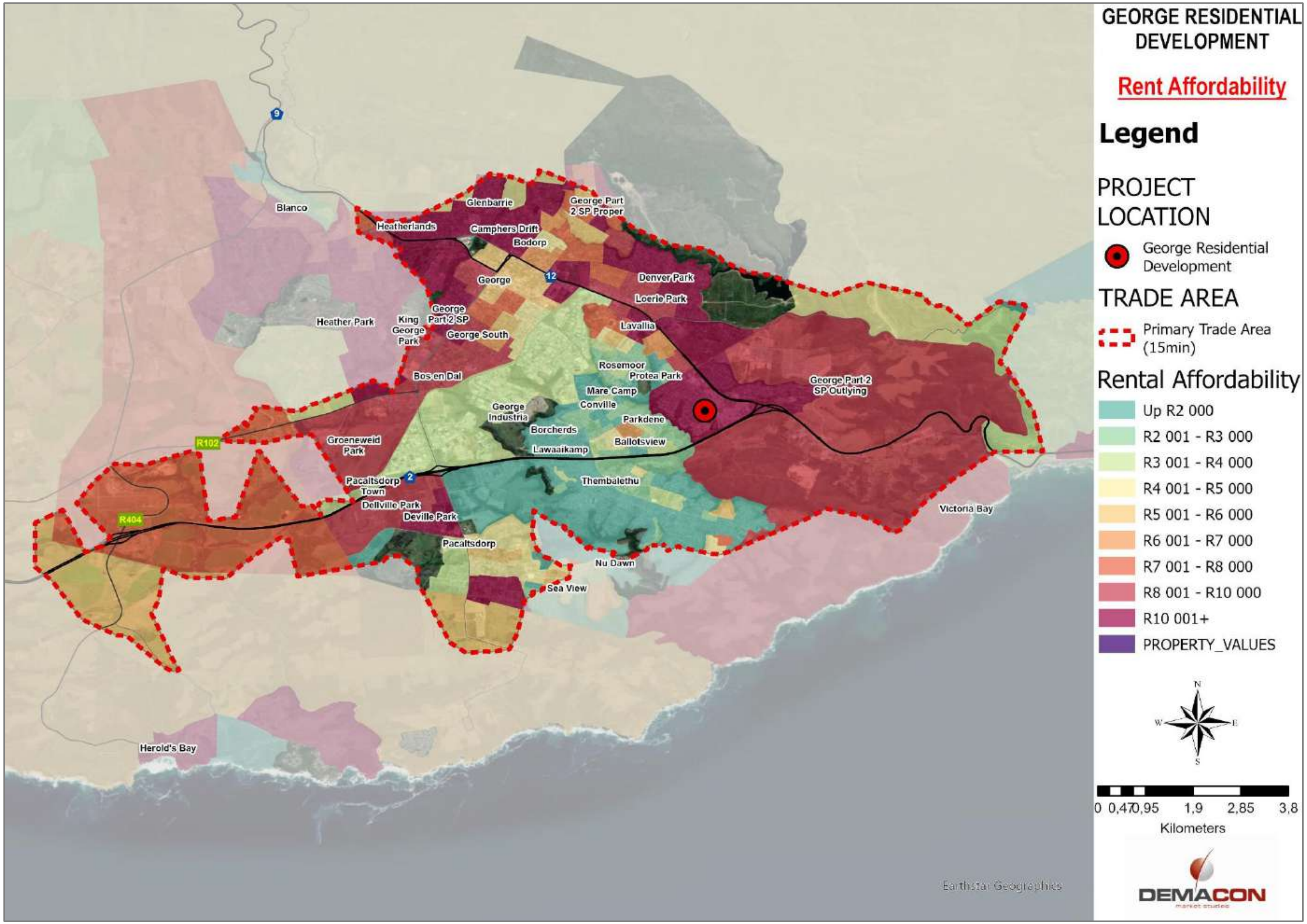


Source: Demacon ex Property24 data, 2026

Summary of properties to rent:

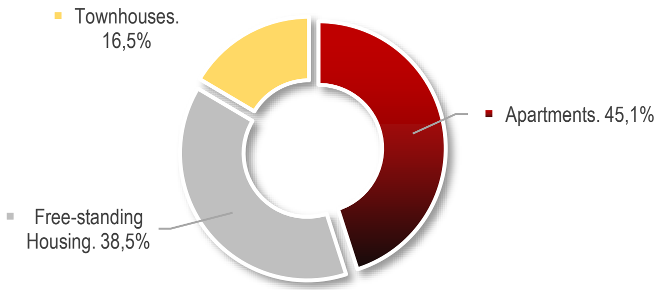
- ✓ Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.
- ✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.
- ✓ In total, there were **70 freestanding houses, 82 apartments** and **30 townhouses** currently listed on the market.
- ✓ The **average rental price is:**
  - Houses: R23 122
  - Townhouses: R13 156
  - Apartments and Flats: R15 199

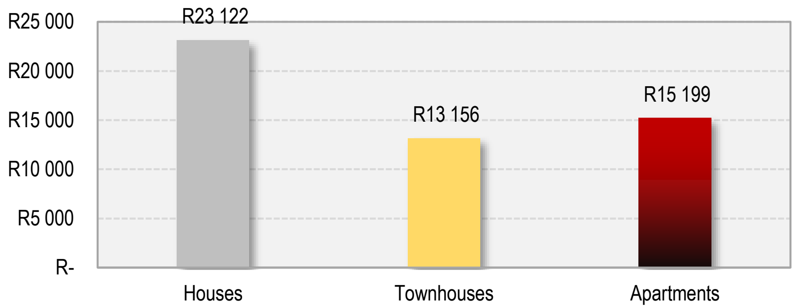
Rental Affordability (Primary Market Area)

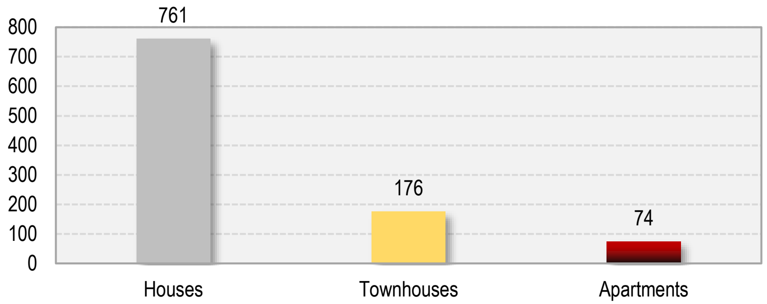


RESIDENTIAL RENTALS SUMMARY – LISTED PROPERTY

SUMMARY OF RENTALS



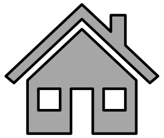




Townhouses

Average Rentals **R13 156**

Houses

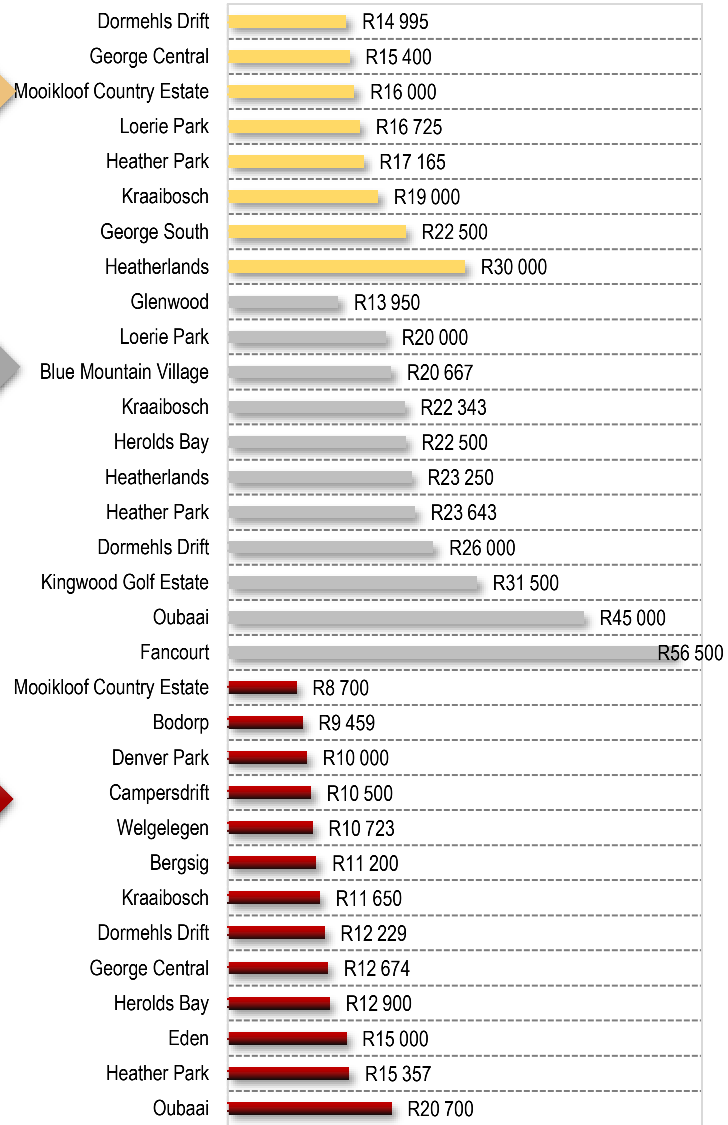


Average Rentals **R23 122**

Apartment / Flats

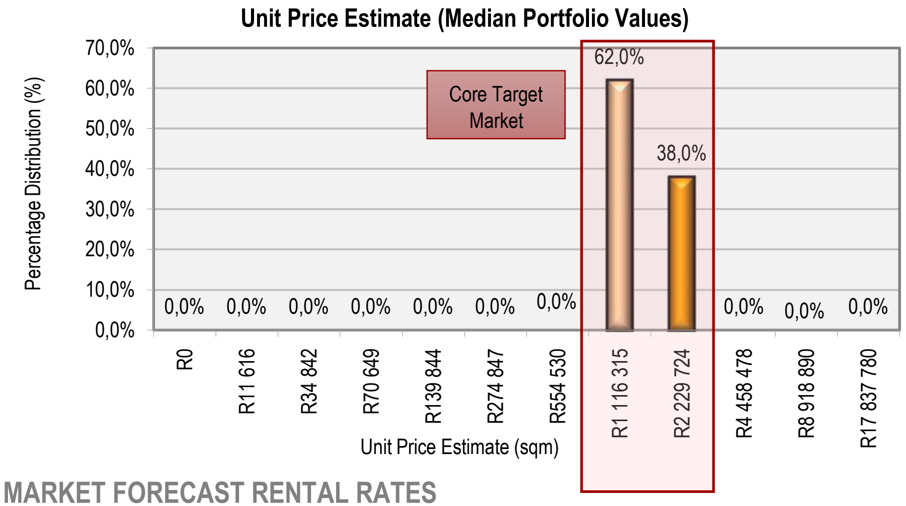
Average Rentals **R15 199**

AVERAGE RENTAL PRICE PER SUBURB

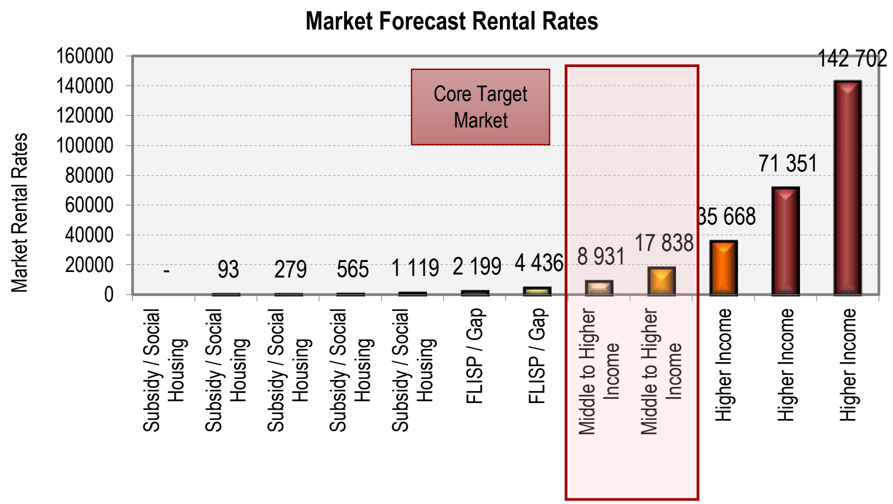


RESIDENTIAL DEMAND MODELLING

UNIT PRICE ESTIMATE (MEDIAN PORTFOLIO VALUES)



MARKET FORECAST RENTAL RATES



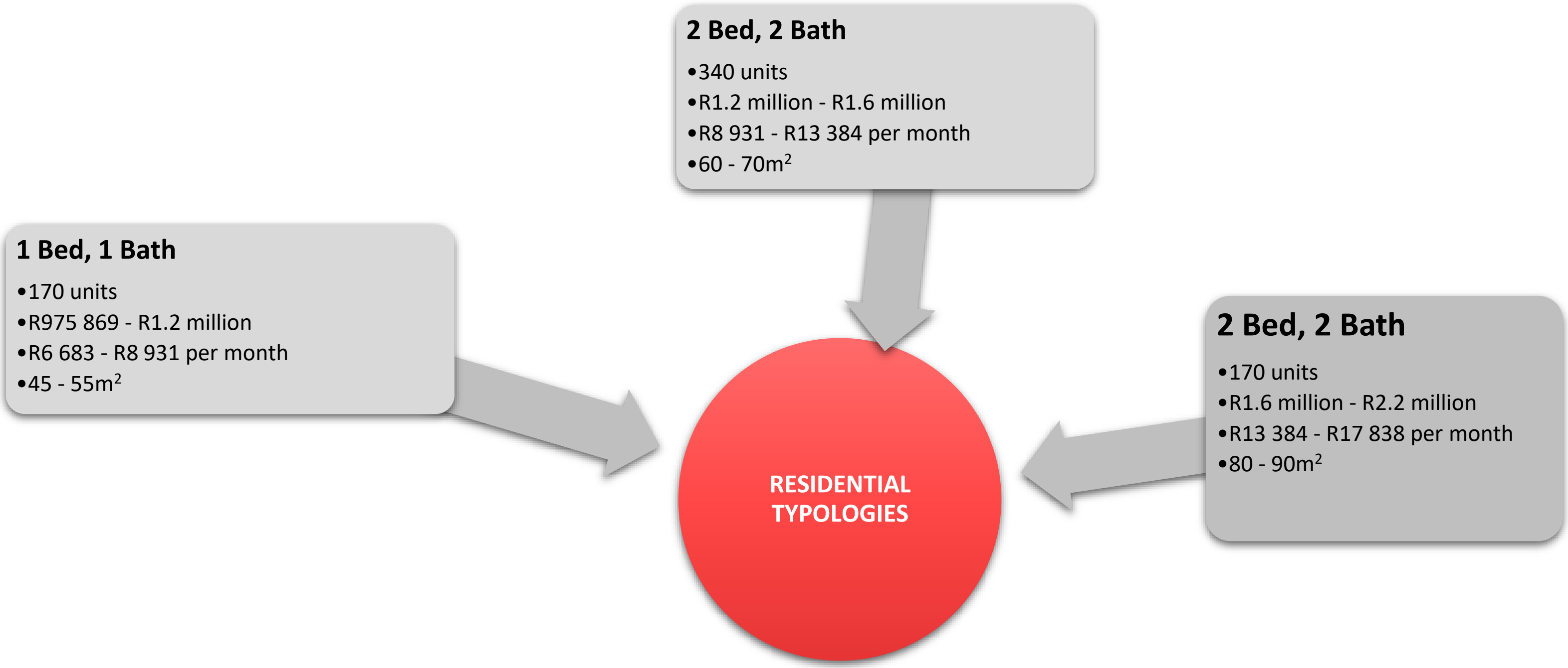
SUMMARY OF MARKET RECOMMENDATIONS

TOTAL MARKET			
Additional Households: Base Year +5 Years		4 095	A
Annualised Market Growth (Full Housing Spectrum)		819	B
Bonded & Credit linked		46,9%	C
Bonded & Credit Linked take-up per annum		384	D
Annual secondary market contribution (units / annum)	Min	267	E
	Max	534	F
Total annual Bonded & Credit Linked demand	Min	651	G
	Max	918	H
PROJECT SPECIFIC – BONDED / MARKET BASED HOUSING UNITS			
Project Bonded & Credit Linked Units		680	I
Forecast market share of total market sales	Min	5%	J
	Max	10%	K
Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min	33	L
	Max	92	M
Years to 80% Take-Up (Social Housing Units)	Min	7,4	N
	Max	20,9	O
	Avg	14,1	P
Optimum point of market entry		2027+	

Explanatory Notes:
A = increase in demand for new units, 2026 – 2031
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 entry-level to executive flat/ apartment demand; D + E and D + F
I = Project entry-level to executive flat/ apartment units
J & K = assumed market share of market area

KEY FINDINGS & RECOMMENDATIONS

Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.



Optimum Typology and Pricing Distribution (Target Market)

Type	% Split	Number of Units	Sale Price	Rental Prices	Size (m^2)	R/sqm
1 Bed, 1 Bath	25.0%	170	R975 869 – R1.2 million	R6 683 – R8 931	45 – 55m^2	R21 686 – R22 804
2 Bed, 2 Bath	50.0%	340	R1.2 million – R1.6 million	R8 931 – R13 384	60 – 70m^2	R22 804 – R23 900
3 Bed, 2 Bath	25.0%	170	R1.6 million – R2.2 million	R13 384 – R17 838	80 – 90m^2	R22 804 – R24 775
Total	**100.0%**	**680**				

Source: Demacon Demand Modelling, 2026

CHAPTER 1

INTRODUCTION

1. INTRODUCTION

1.1 BACKGROUND

Chapter one provides an introduction and concise roadmap of the proposed **George Residential Development**. The chapter also provides concise background to the project, a site description as well as a report outline.

1.2 PROJECT BRIEF & OBJECTIVES

DEMACON Market Studies were commissioned by **Century Property Developments (Pty) Ltd** to assess, *inter alia,* the socio-economic / demographic profile, economic drivers and trends, supply and demand, development & growth potential and socio-economic impact of the proposed **George residential development (Erf 28005).**

In the context of the above, a residential market study is therefore required to assess the viability and optimum composition of a potential residential development concept in terms of, *inter alia*:

- ✓ Demographic status quo and trends of the anticipated **target market**, including point of origin, affordability levels, etc.
- ✓ Local and sub-regional economic status quo and trends, including **main economic drivers and trends** in the region
- ✓ **Location analysis and property description**, including proximity to amenities
- ✓ **SDF** / Urban Design Framework Alignment
- ✓ Catalytic effect of **new and or comparable projects** in the market
- ✓ **Market activity and growth**, including residential activity, sales and pricing analysis, etc.
- ✓ **Main competitors / supply** in the market, i.e. comparable projects aimed at similar target market (existing and proposed)
- ✓ 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
- ✓ **Residential demand thresholds and target markets**
- ✓ **Market potential assessment** (including 5- and 10-year growth forecast)
- ✓ **Recommendations**, including **optimum project mix** and detailed recommendations pertaining to **project marketability**, including:
  - project composition (optimum ratio of various unit typologies)
  - unit pricing / rental profiles
  - unit sizes, etc.

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.

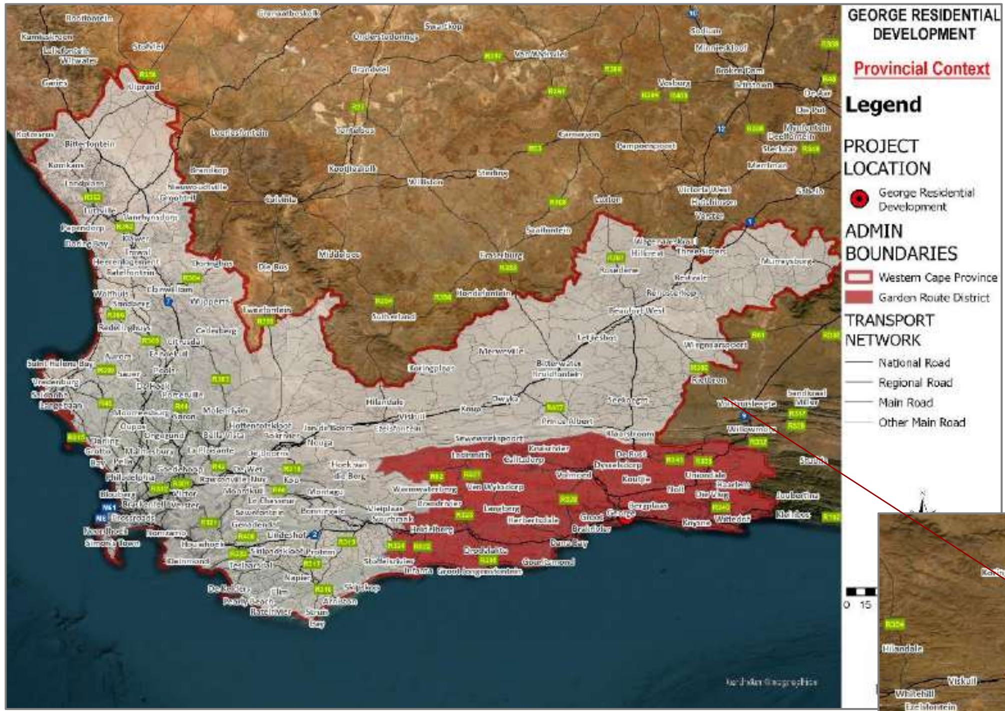
1.3 PROJECT OVERVIEW

The proposed Erf 28005 George residential development is a high-density residential project located opposite the Garden Route Mall and adjacent to the Eden Meander Lifestyle Centre in the Blue Mountain residential area of George, Western Cape.

The development will comprise 36 four-storey apartment blocks containing a total of 680 residential units. It will also include a clubhouse, gymnasium, padel and tennis courts, a swimming pool, and outdoor recreational areas as part of the amenities offered to residents.

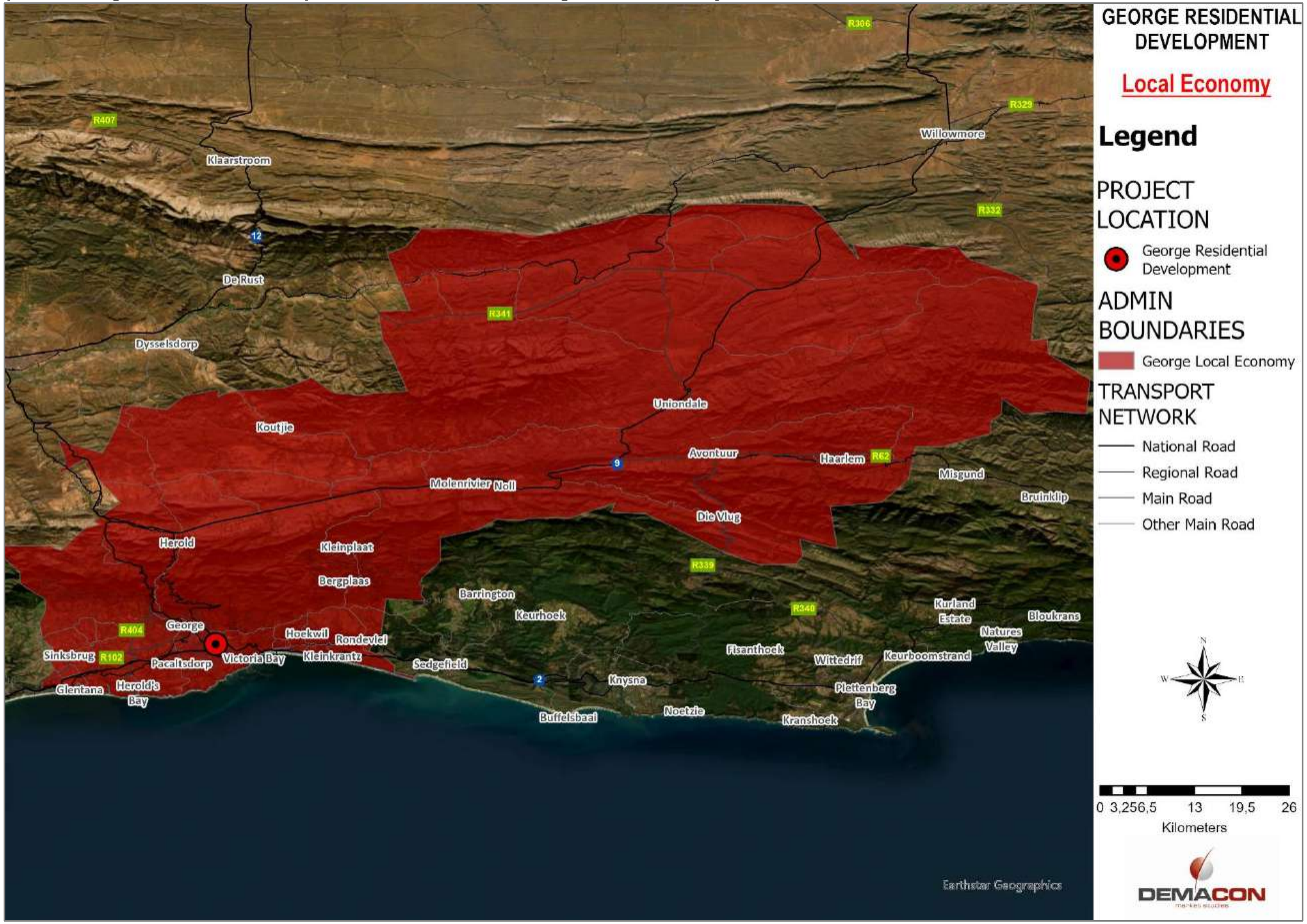
This proposal seeks to replace the currently authorised development, which comprises a two-storey mixed-use business development focused on office space, small-scale ground-floor retail, and apartments on the first floor. The preferred development option - a 680-unit residential apartment development - is considered the most appropriate alternative, as it will directly contribute to the spatial restructuring and densification objectives of the George Spatial Development Framework.

Map 1.1 - Map 1.2: Western Cape Province, Garden Route District Economy



LOCAL CONTEXT

Map 1.3: Proposed George Residential Development in the context of George Local Economy



Map 1.4: Local Context

1.4 RESEARCH METHODOLOGY

The methodology consists of five steps that provide key analysis outcomes used to assess the viability and optimum composition of a potential development concept. The following diagram provides a concise overview of the methodological approach employed for the study. In the context of the above, comprehensive market research will be structured in terms of the following main steps:

Project Inception	**Macro & Micro Market Analyses** (Economic & Demographic)	**Supply / Competitor Analysis**	**Market Potential / Demand Modelling**	**Conclusions & Recommendations**
Refinement of the project brief, timeframe, and deliverables. Relevant base data and documents will be collated, and project specific detail acquired from the client.	This step will include market area based locational, economic, and demographic components.	Based on the initial development proposal and anticipated trade area, relevant competitors will be identified and analysed in terms of aspects such as size, composition, classification, etc. Various sources will be consulted to identify development proposals in the sub-region.	Real estate sub-sector-specific instruments will be applied to estimate **total demand, take-up rates and project-specific market potential**, taking due cognisance of strategic location and sub-regional economic drivers.	Market based development recommendations will be made with regard to market potential for the proposed development.

SCOPE OF WORK

DEMACON's approach is market-based, and the company applies its extensive involvement as well as research and market intelligence on the subject matter to complement the market study.

1.5 REPORT OUTLINE

The report is outlined in the following sections:

Chapter 1 & 2: Introduction & Location Analysis

Chapter 1 provides an introduction and concise roadmap of the development. Background to the project, a site description as well as a report outline.

Chapter 2 focuses on the location aspects in the market with the objective of estimating the development potential within the designated area.

Chapter 3: Economic Growth & Drivers

outline the salient features of the market area economy in terms of selected time series economic indicators, most notably the economic profile and growth trends within the local economy.

Chapter 4: Demographic Market Profile

Demographic *status quo* and trends of the anticipated target market, including point of origin, affordability levels, etc.

Chapter 5: Survey Results

A proportionate stratified sample survey method will be applied to test consumer preferences and perceptions with respect to the potential for the proposed George residential development.

Chapter 6: Residential Demand Potential

identify the supply and demand for residential units within the market area. Determine the development potential and recommended size.

Chapter 7: Development Recommendations

Market based development recommendations will be made with regard to market potential for the proposed residential development.

CHAPTER 2

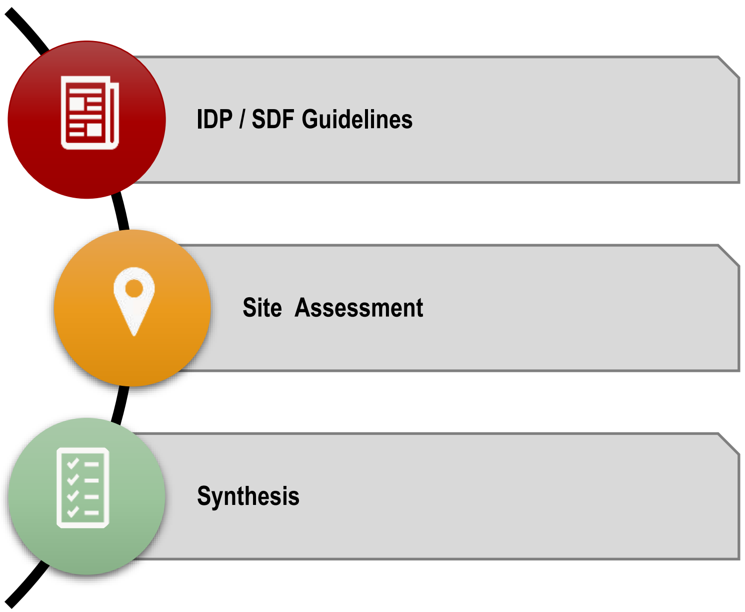
POLICY AND STRATEGIC PLANNING CONTEXT

2. POLICY & STRATEGIC PLANNING CONTEXT

2.1 INTRODUCTION

Chapter Two focuses on the location aspects in the market with the objective of estimating the development potential within the designated area of activity. The chapter therefore investigates the general character, development frameworks and development trends evident in the greater activity area to gain insight into urban processes and to inform development decisions.

Market potential is influenced by; *inter alia*, the characteristics of the development site. Certain types of developments each have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, various site evaluation models are utilised. The policy and strategic planning context chapter is outlined in terms of the following headings:



2.2 SPATIAL CONSIDERATIONS

The proposed residential development is located within the Western Cape Province, within the Garden Route District, forming part of George Local Economy. Given the location of the proposed development, the following planning framework have been considered in order to determine the general character of the area within which the development is located and to identify the strategic value of the property within the context of future development and municipal spatial development aspirations:

- George Local Municipal Integrated Development Plan (IDP) 2022 – 2027

2.3 GEORGE LOCAL MUNICIPALITY 2026-2027 IDP

2.3.1 MUNICIPAL LAND USE AND SPATIAL STRUCTURE

The municipal area is 5191km² and spans the Southern Cape and Little Karoo regions of the Western Cape Province and is situated halfway between Cape Town and Port Elizabeth. The area administered by the George Municipality forms part of the larger Garden Route District Municipality's jurisdictional area. The George Municipal Area is bordered by the Oudtshoorn- and Mossel Bay Municipal areas (Western Cape province; Garden Route District) in the west and north-west and by the Dr Beyers Naude- and Kou-Kamma Municipal areas to the north, north-east and east (Eastern Cape province: Sarah Baartman District) and by the Knysna- and Bitou Municipalities (Western Cape province; Garden Route District) to the south and southeast.

George Municipality administers a vast and diverse geographic area that extends from the dry and climatically extreme Little Karoo in the north, to the wetter more temperate Garden Route in the south. It is an area of considerable natural assets and beauty, including expansive mountains and forests, wilderness areas, a varied coastline, and extensive lakes, rivers and estuaries. Its natural assets include parts of the Garden Route National Park and the Baviaanskloof Wilderness Area. The municipal area also includes fertile farmlands and timber plantations along the coastal plain, fruit orchards in the Langkloof and arid grazing areas in the Little Karoo.

Three important national roads/ routes, the N2, N9 (R62) and N12, traverse the area, and George regional airport serves the Southern Cape and Little Karoo, including the neighbouring towns of Mossel Bay, Oudtshoorn, Knysna and Plettenberg Bay. The George city area is the primary urban centre of the Municipality. 84% of the municipal area's population is located here. Wilderness, Uniondale and Haarlem respectively host the bulk of the remaining urban population. 9% of the municipal area's population is rural. The rural population is declining evidenced by a negative population growth rate per annum of -4% between 2011 and 2016 (StatsSA, 2016)

The National Spatial Development Framework (NSDF), promulgated on 01 February 2023 by the Department of Agriculture, Land Reform and Rural Development identifies George, alongside other municipalities in the District as a Regional Development Anchor and an integral part of the existing national corridor (N2) that holds strong interconnection between (i) high-value rural resource production areas; (ii) ecological resource regions; (iii) popular tourist destinations; (iv) 'comfortable climatic zones'; and (v) urban nodes.

This presents opportunities for consolidation of existing cities with multi-modal connectivity infrastructure and includes strengthening of airport development in support of inter-regional trade. The NSDF prioritised the strengthening and consolidation of regional development anchors and in the case of George this translates into bigger nodes in denser regions.

George is identified, as the primary service centre of the entire garden route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure.

It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

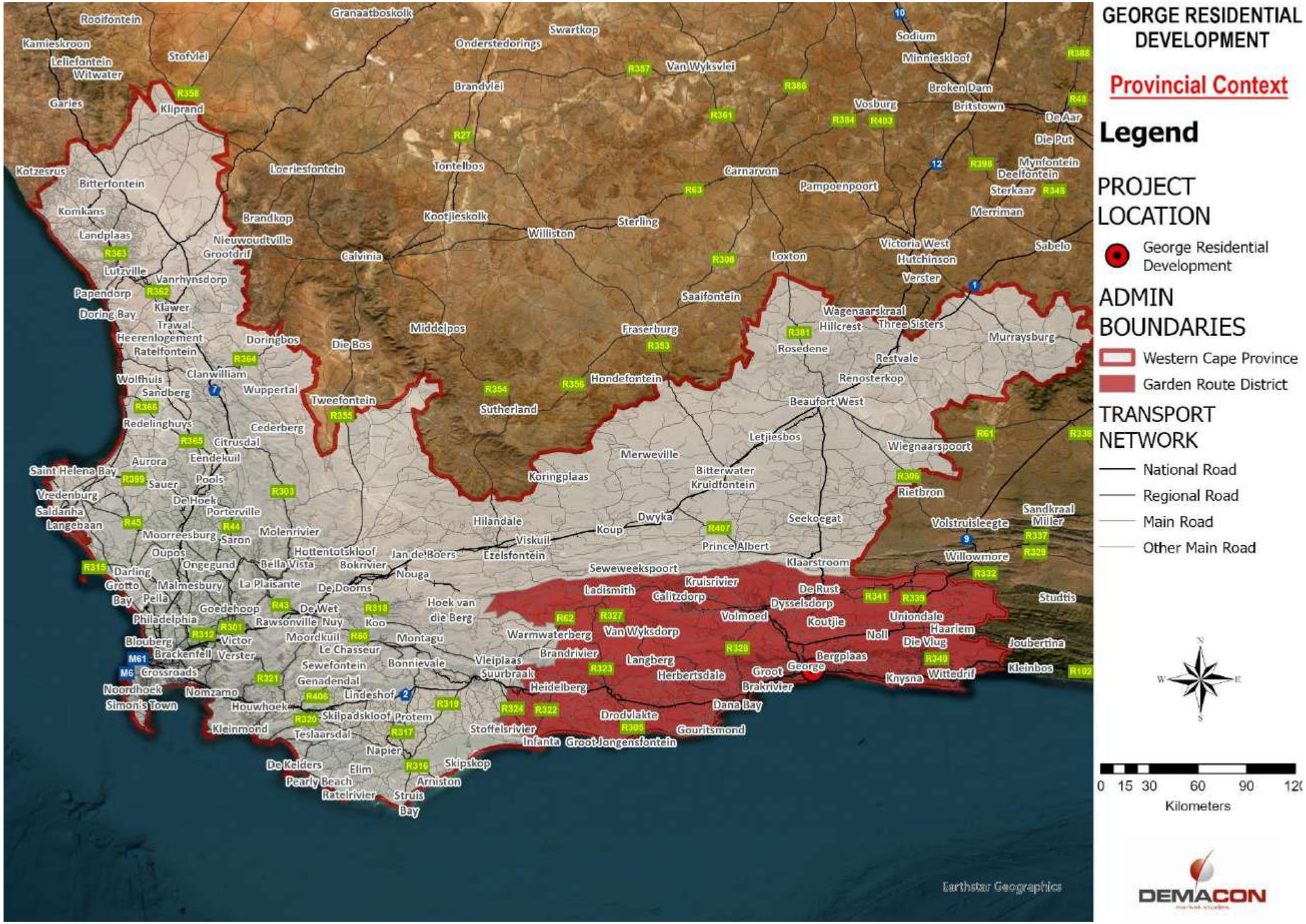
The Regional Scholarship and Innovation Fund (RSIF) also notes the importance of continuity of critical biodiversity areas. The Garden Route District IDP (2021 Review) supports investment in George based on its role as a regional node, but also places emphasis on the protection of the Garden Route (Southern Cape Coastal belt) as a global biodiversity hotspot (Conservation International) and part of the Cape Floristic Region (CFR) (World Heritage status: UNESCO and IUCN).

George has a significantly higher population (double) than the second largest town in the Garden Route, Mossel Bay (DSD2021). In 2019, George municipality contributed over 40% (R18.6 billion) of the GDPR to the economy of the Garden Route. The economy of George is more than twice as big as the next biggest Garden Route municipal economy of Mossel Bay, and almost four times as big as the third biggest Garden Route economy: Knysna.

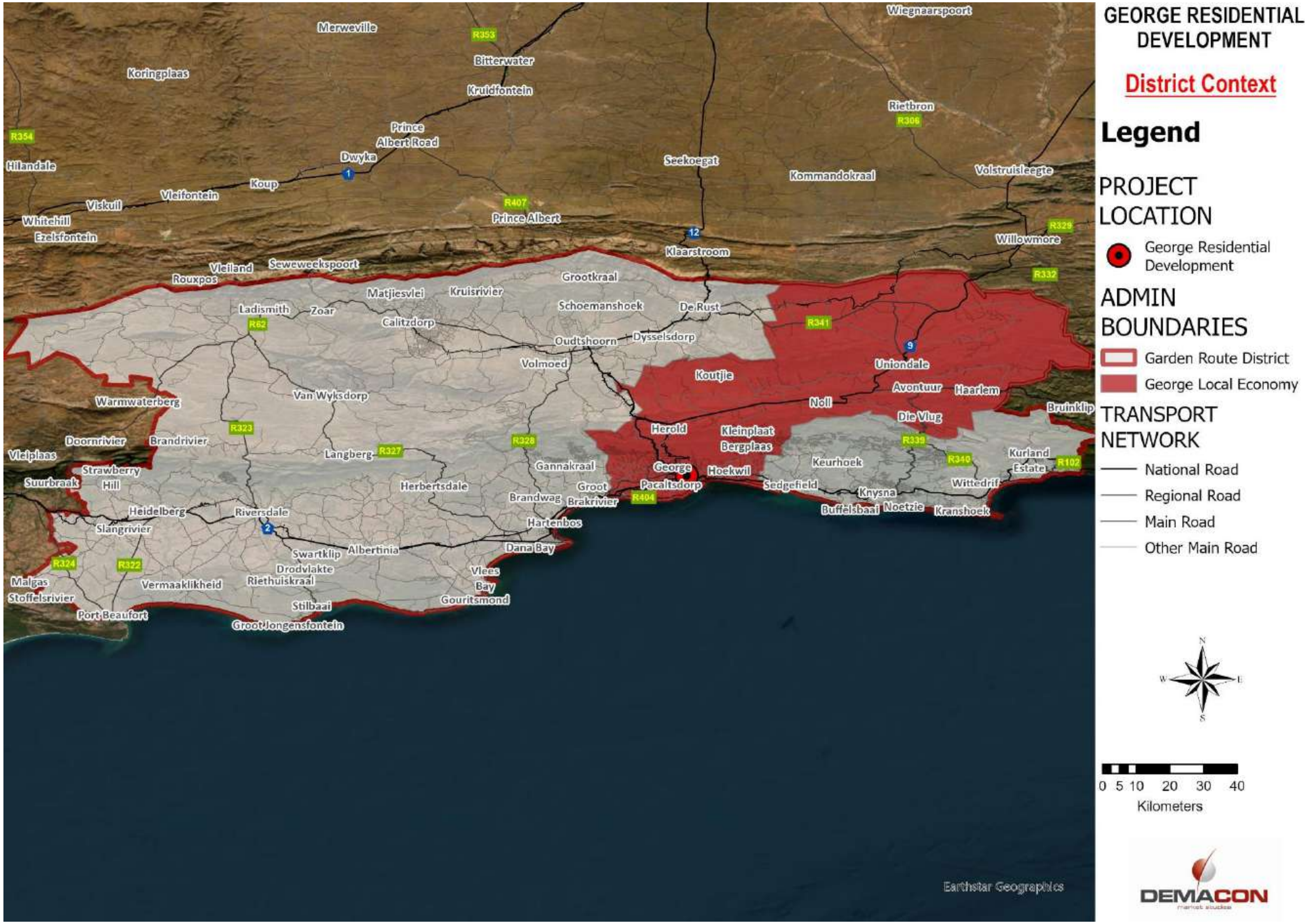
The economy of George Municipality is interdependent with the regional economy. George still dominates the regional economy and has the basis to perform better and create more jobs for those living in the region. In its role as a service centre, it is also reliant on the region to generate demand for services and beneficiation that will stimulate its growth. The performance of the region in relation to its natural resources, agricultural economy and accessibility, impacts directly on how well George performs in terms of servicing its population and attracting tourism and investors.

The Garden Route District SDF proposes that more robust infrastructure systems within George and Mossel Bay are better positioned to sustainably absorb economic- and settlement growth in the district than the neighbouring municipalities within the region.

Map 2.1: Provincial Context



Map 2.2: District Context



Map 2.3: Garden Route District Spatial Planning Regions

Map 2.4: George Local Municipality General Land Use

2.3.2 SETTLEMENT FOOTPRINT

The settlement footprint of the city area shows a compact form with residential neighbourhoods linked with a network of roads to the central/CBD area, the central industrial area, and the hinterland.

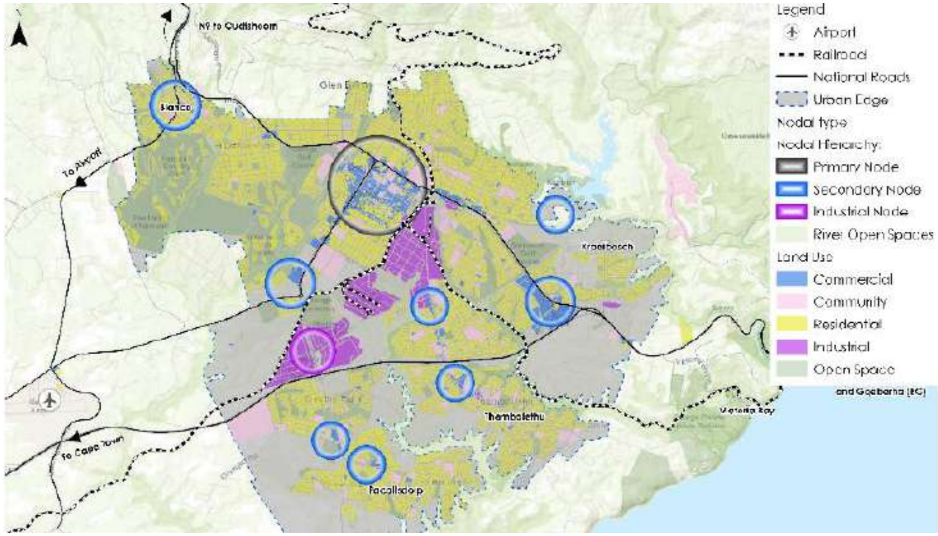
From a housing perspective the built environment includes a variety of housing typologies (houses, flats, townhouses, etc.) The southern City area includes dense urban fabric market. The George Sustainable Human Settlements Plan (draft 2022) shows that the current subsidized housing pipeline (in process and committed projects) falls within the George City area, district- and small towns, rural/tourism settlements. Expect for Blanco, the GSP (Government Subsidised housing Projects) is located within the PHSHDA (Proclaimed Priority Human Settlements and Housing Development Area) within the City area. The proclaimed Restructuring Zone guides the spatial targeting of social housing projects and is included in the PHSHDA.

Several land portions are under investigation as possible future housing projects (public and private) for a variety of typologies and income levels, in addition to the projects identified for subsidy housing. The bulk of the current/short-medium term delivery will we accommodated on Erf 325 along the western boundary of Pacaltsdorp. Delivery will also be supported through the in-situ/infill housing projects.

Approximately 82% of the population of George resides in the George City area. The residential density dispersion within the city area.

- ✓ An "old" town, relatively well off in terms of access to opportunity, commercial activity, and public facilities.
- ✓ The space economy is concentrated in a triangle of opportunity comprising of the existing CBD Business node, the Kraaibosch / Blue Mountain Commercial Node, and the Pacaltsdorp Industrial Node.
- ✓ Map 2.5: The 2021 Spatial Structure of the George City Area: Land Use Zoning, Nodal Activity Centres and Primary Movement Network
- ✓ More deprived areas encircle the George CBD to the south and south-east, mostly serving as dormant neighbourhoods with little economic opportunities, namely:
- ✓ The older settlements of Blanco and Pacaltsdorp.
- ✓ George Southeast (north of the N2).
- ✓ Thembalethu.
- ✓ The central and southern suburbs of the city area include a significant component of informal dwellings. These areas accommodate the majority of the residents of George in a very dense urban environment.
- ✓ The N2 and industrial area forms a major barrier between less privileged neighbourhoods in the south and better resourced neighbourhoods in the north, northeast and northwest.
- ✓ There has been a significant uptake of opportunities in estate/security type development, catering for urban based, affluent residents in developments such as Welgelegen, Kraaibosch, Kingswood, Blue Mountain, etc.
- ✓ Economic activity is generally contained in areas (nodes and corridors) as per the 2019MSDF, except for the lower income areas, where finer grain, dispersed economic activity is detected and the nodal areas have not yet developed to its full potential.
- ✓ A significant uptake in industrial land has been detected.

Map 2.5: George Spatial Structure



2.3.3 HOUSING DEMAND AND GROWTH ABSORPTION

An analysis of the space available for residential development within the current spatial structure of George (rural and urban) was performed (Land cover datasets and Spatial Budget update). The areas considered in the spatial budget and the absorption data related to these areas is included in Annexure 4.

The residential growth absorption in George and the spatial implications thereof, reflect:

- ✓ The vast majority of the population of George is settled in the city area.
- ✓ Building Plan approval data (yellow areas) on Map 2.6 and interval aerial photography illustrate that, in the past five years there has been significant construction within the city area. Building Plan approval within estates in various parts of George is noticeable, providing an indication of the demand trend.
- ✓ There is increasing pressure for growth absorption in the George City area.
- ✓ There is a significant increase (2016-2021) in population (households) in specific urban areas such as Thembalethu, Kraaibosch, Pacaltsdorp, and Ballotsview functional areas, although residential growth (densification/uptake) is noticeable in all functional areas.
- ✓ A housing demand (backlog and projected population growth) of approximately 33 000 units is estimated for the period 2021 to 2031, which includes the housing waiting list data (backlog) and projected household growth figures (DSD data).
- ✓ On a calculation basis, there is sufficient area available in the City Area to absorb 82-90% of the formal demand for residential units (backlog and growth) in the next 10 years at graded densities that support a compact urban form.
- ✓ There is sufficient space available within demarcated areas within the urban development boundaries to accommodate residential growth envisaged in rural nodes.
- ✓ Housing Market Studies, undertaken by DEA&DP confirm that the vast majority of registered properties area within the George City area, with the majority of the entry level properties located in Thembalethu and south of the industrial zone, luxury market properties to the north and with Pacaltsdorp indicated as the area where the most conventional market properties are located.
- ✓ The Market Study analysed Deeds Office data (Lightstone 2022), which show that 27% of freehold properties in George transacted at over R1.2 million (luxury market, of which 97% are in estates) and 50% below R300 000 (including GSP).
- ✓ The majority (48%) of sectional title units fall in the conventional market category, high end market (28%) and luxury market (27%). The proportion of formal, sectional title property valued below R600 000 is low (5%).
- ✓ The increase in the gap-middle income population segment and the resultant space demand (rental and ownership) must be addressed in relative proportion to the overall demand.
- ✓ The affordability analysis takes only current (and statistically projected) population into account. In-migration of the low-income population is evident in the significant increase of informal- and backyard-settlement since 2014. Settlement counts contributed to the data which informed spatial planning. The rate of increase in the uptake of medium- and higher income, bonded units is an indication of increased demand (investment from elsewhere). Future medium-higher income, and luxury, demand, based on the semi-gration trend is difficult to estimate.
- ✓ The exhilarated erf uptake (unit construction) is echoed in the building plan approval rate since 2016, (average 65 building plans approved per month in the past five years).
- ✓ The uptake of land, previously identified for low-income (fully/partially subsidized) housing units (ownership and rental) has been slow due to process-, budget and infrastructure constraints. The successful completion of projects such as Erf 325East points to the staged implementation of prioritized housing projects.

The growth absorption potential of George does, however, relate to more than just accommodating enough residential units to address backlog and future demand. It must reflect the ability of the spatial structure to absorb required facilities/areas to support the population. I.e., “is there allowance for enough space to accommodate all residential- and their socio-economic requirements, both in the urban and rural context?”

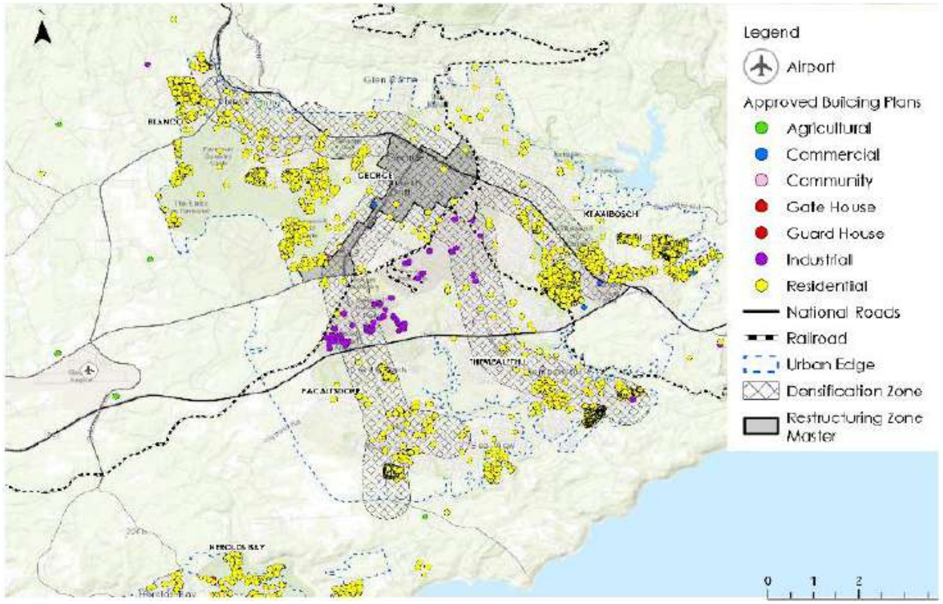
With respect to growth absorption, the MSDF needs to give clear direction – “is the priority to densify, restructure and renew areas within the George city area; or is it to yield to pressure for urban expansion, including substantial human settlement projects on the periphery of the built footprint of the George city area and speculative proposals for isolated, exclusive residential estates?”

The importance of spatially focussing public investment in such a way as to attract private and household investment that reinforces the priority public transport corridors and nodes along these corridors must be embedded in the growth strategy. Clear policies are needed to achieve the articulated densities that will assist the sustainability and consolidate the basis for growth in these corridors and nodes, off the back of the broader benefits of transit-oriented or transit-adjacent development. A high quality, affordable public transport system is key to overcoming spatial barriers through enhanced, inclusive accessibility, especially where it is an ongoing struggle to redirect private investment patterns towards disadvantaged areas – high quality public transport investment can be a catalyst for spatial transformation and urban regeneration.

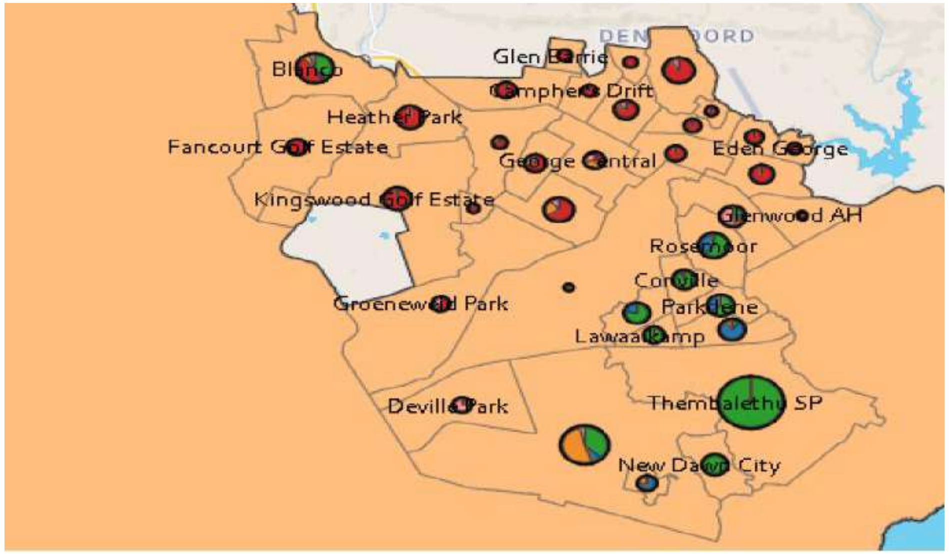
The Draft George Sustainable Human Settlements Plan 2021 (GSHSP) notes Strategic shifts directed by government policy in response to human settlement pressure. Spatial targeting through the PHSHDA and the restructuring zones provides direction to placement of GSP. Note that only part of the George City area is demarcated as PHSHDA. In addition to the noted spatial targeting, the draft GSHSP also notes the national priorities for human settlements, densification intent, shifts in grant funding (in-situ, site and service, prioritization of serviced sites), rapid land acquisition and government land release, comprehensive rental policy (various programs including backyard rental), inclusionary housing framework development, FLISP prioritization, creating a 'do-it-yourself' housing culture, recognizing innovative building technologies, the proposed establishment of a Human Settlements Land Bank, which will include access to rural housing funding, establishment of property transactional centres and the compilation of a project readiness matrix.

The shift towards incremental funding makes high density housing projects difficult. Investment in smaller serviced sites, rather than providing top structures as a 'start up intervention', and the provision of basic engineering services to blocks of informal settlements is part of the incremental approach. This limits the densification options available for tenure upgrading. Social housing and formalization of the backyard rental system addresses only rental housing at this stage.

Map 2.6: George Building Plan Approval



Map 2.7: George Distribution of Residential Properties



2.4 GROWTH TRENDS

Building Statistics is a publication by Statistics South Africa that outlines the results of a monthly survey of metropolitan and large local municipalities and the building plans that have been passed and buildings that have been completed. The purpose of this release is to provide an indication of the state of the economy and to assist in the formulation of economic policy. The results assist with the calculation of Gross Domestic Product and are also a useful tool used by the private sector.

Thus, this data is reviewed as part of this study to provide an understanding of the extent and context of development activities in the study area and the historical trends of development. The growth of households in a defined geography will require a concomitant increase in the supply of social amenities.

2.4.1 RESIDENTIAL DEVELOPMENT PERSPECTIVE

The following indicators show that on average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

Table 2.1: Average Number of Residential Unit Completed in George Region and the Garden Route District Municipality between 2014 and 2024

	George Region		Garden Route District	
Unit Type	**Total Number of Units (2014-2024)**	**Average Number of Units per year**	**Total Number of Units (2014-2024)**	**Average Number of Units per year**
House	805	73	9 374	872
Flat	267	24	464	43
Townhouse	3 600	327	4 456	406
Other Residential (incl. Tourism accommodation, casinos etc.)	1	0.1	47	4
Total	**4 673**	**425**	**14 341**	**1 324**

Source: DEMACON ex Stats SA, 2026

Figure 2.1: Distribution of Residential Dwelling Units Completed per Regional Authority in the Garden Route District Municipality – 2024

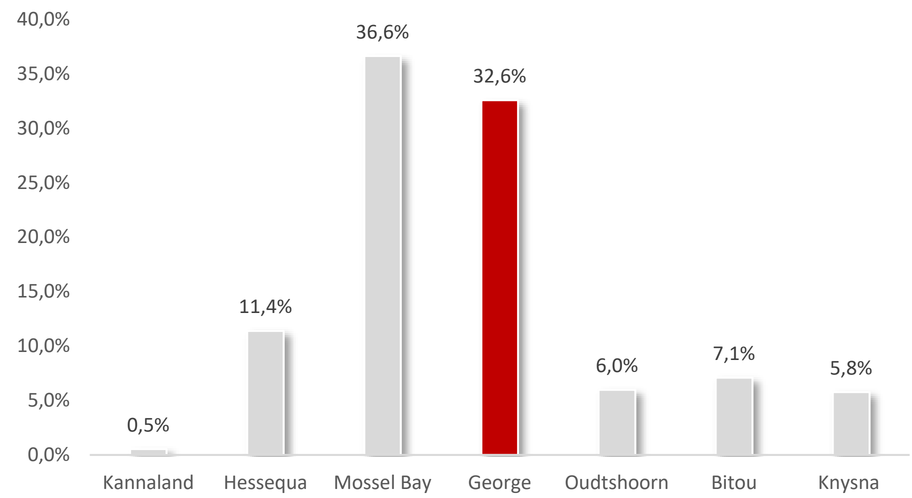


Figure 2.3: Total Number of Residential Units Completed in George and the Garden Route District between 2014 and 2024

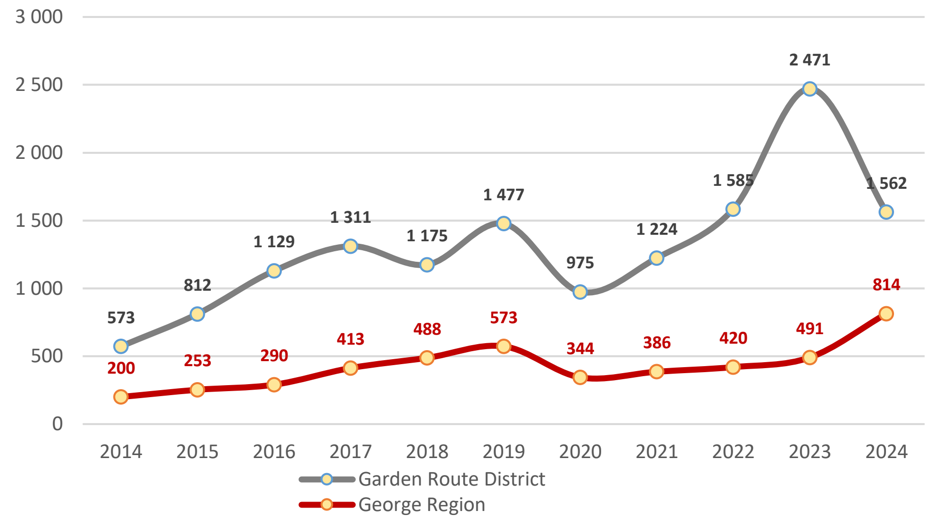


Figure 2.2: Residential Development Trend in the Garden Route District Municipality

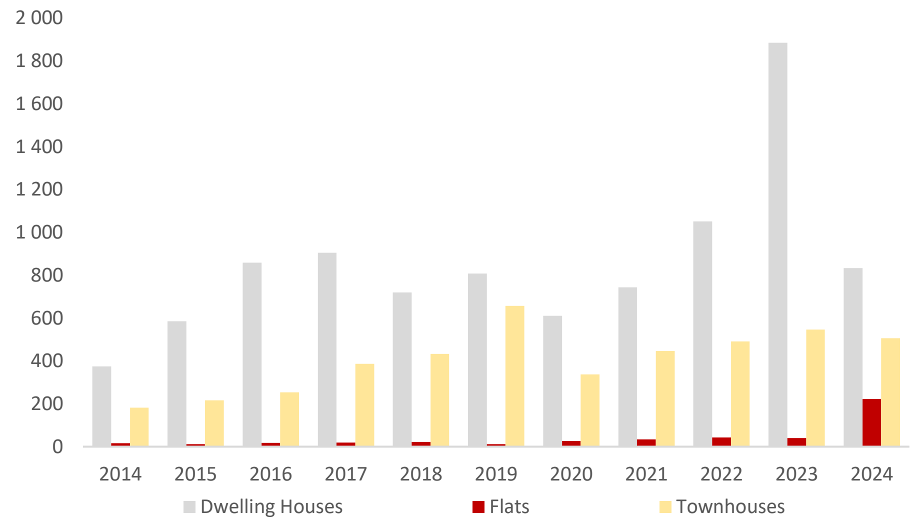
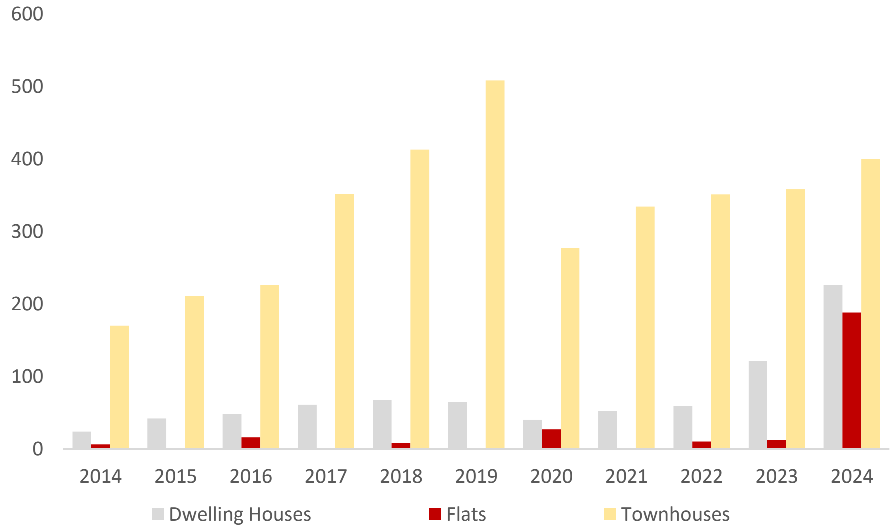


Figure 2.4: Residential Development Trend in the George Region



2.4.2 NON-RESIDENTIAL DEVELOPMENT PERSPECTIVE

The following indicators show that on average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.

Table 2.2: Average Number of Non-Residential Space Completed in George and the Garden Route District Municipality between 2014 and 2024

	George Region		Garden Route District	
Unit Type	**Total Floor Space per year (m²)**	**Average Floor Space (m²) per year**	**Total Floor Space per year (m²)**	**Average Floor Space (m²) per year**
Office and Banking	15 993	1 454	27 157	2 471
Shopping	21 578	2 158	82 755	8 298
Industrial and Warehouse	54 708	4 973	176 912	16 764
Churches, sport, and recreation clubs	2 382	217	14 280	1 320
Schools, nursery schools, creches and hospitals	1 738	158	8 744	795
Total	**96 399**	**8 960**	**309 848**	**29 648**

Source: DEMACON ex Stats SA, 2026

Figure 2.5: Distribution of Non-Residential Space Completed per Regional Authority in the Garden Route District Municipality – 2024

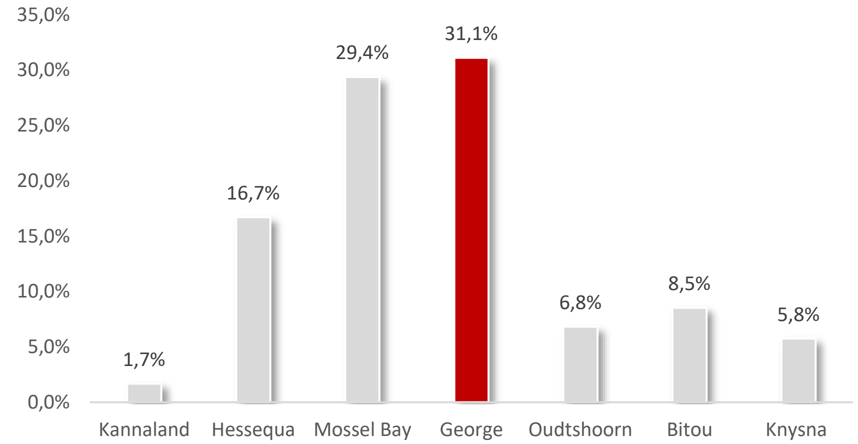


Figure 2.6: Non-Residential Development Trend in the Garden Route District Municipality

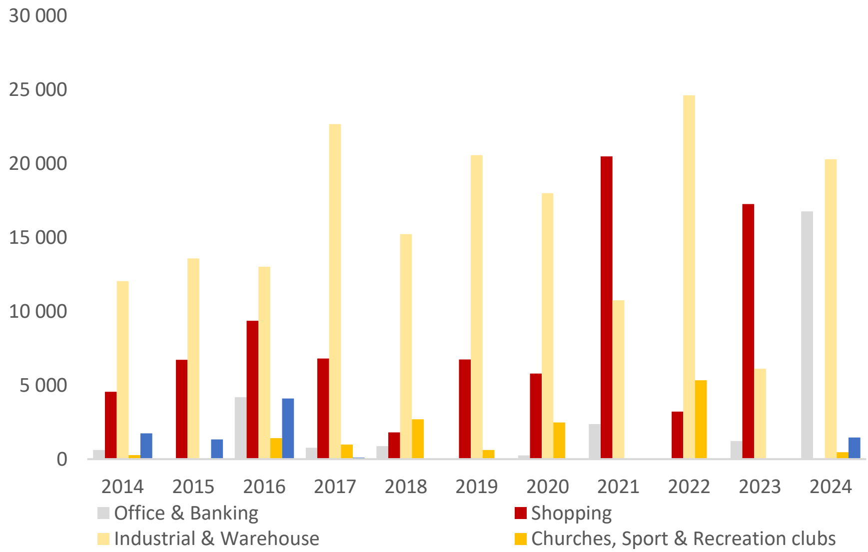


Figure 2.7: Total Non- Residential Space Completed in George and the Garden Route District Municipality between 2014 and 2024

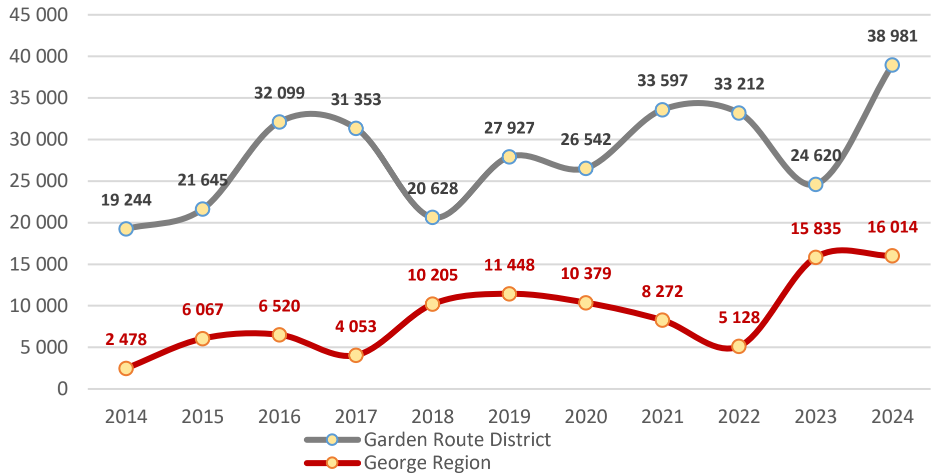
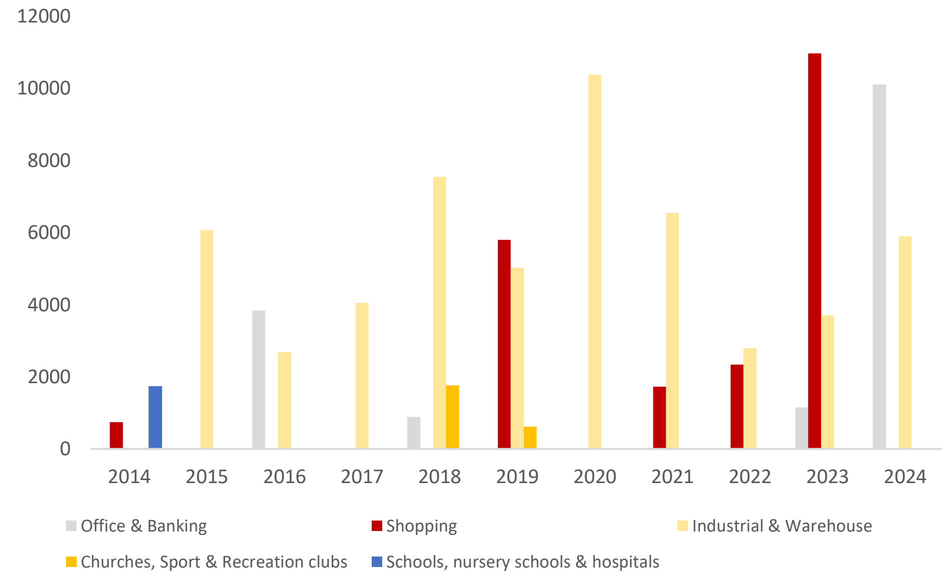
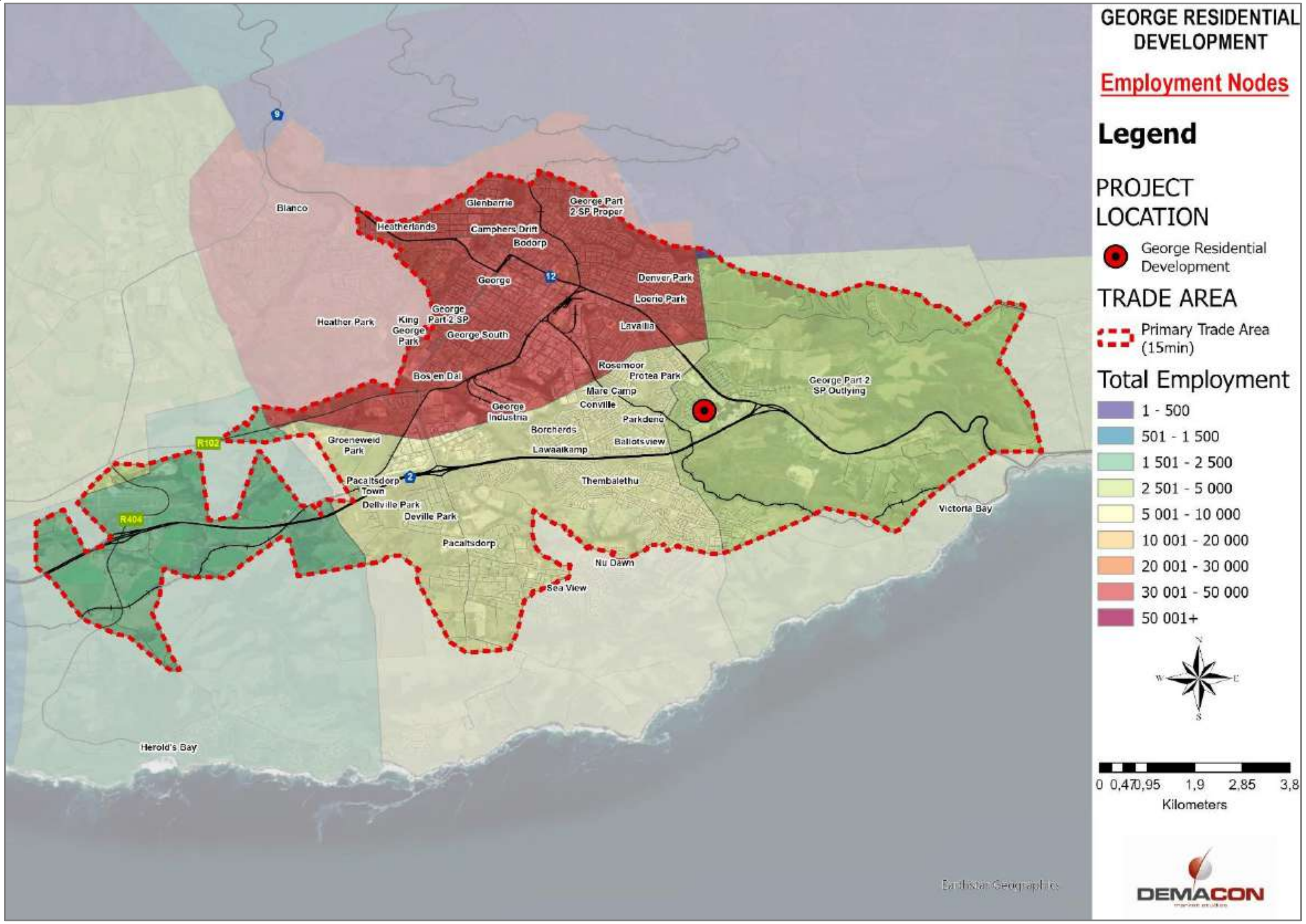


Figure 2.8: Non-Residential Development Trend in George

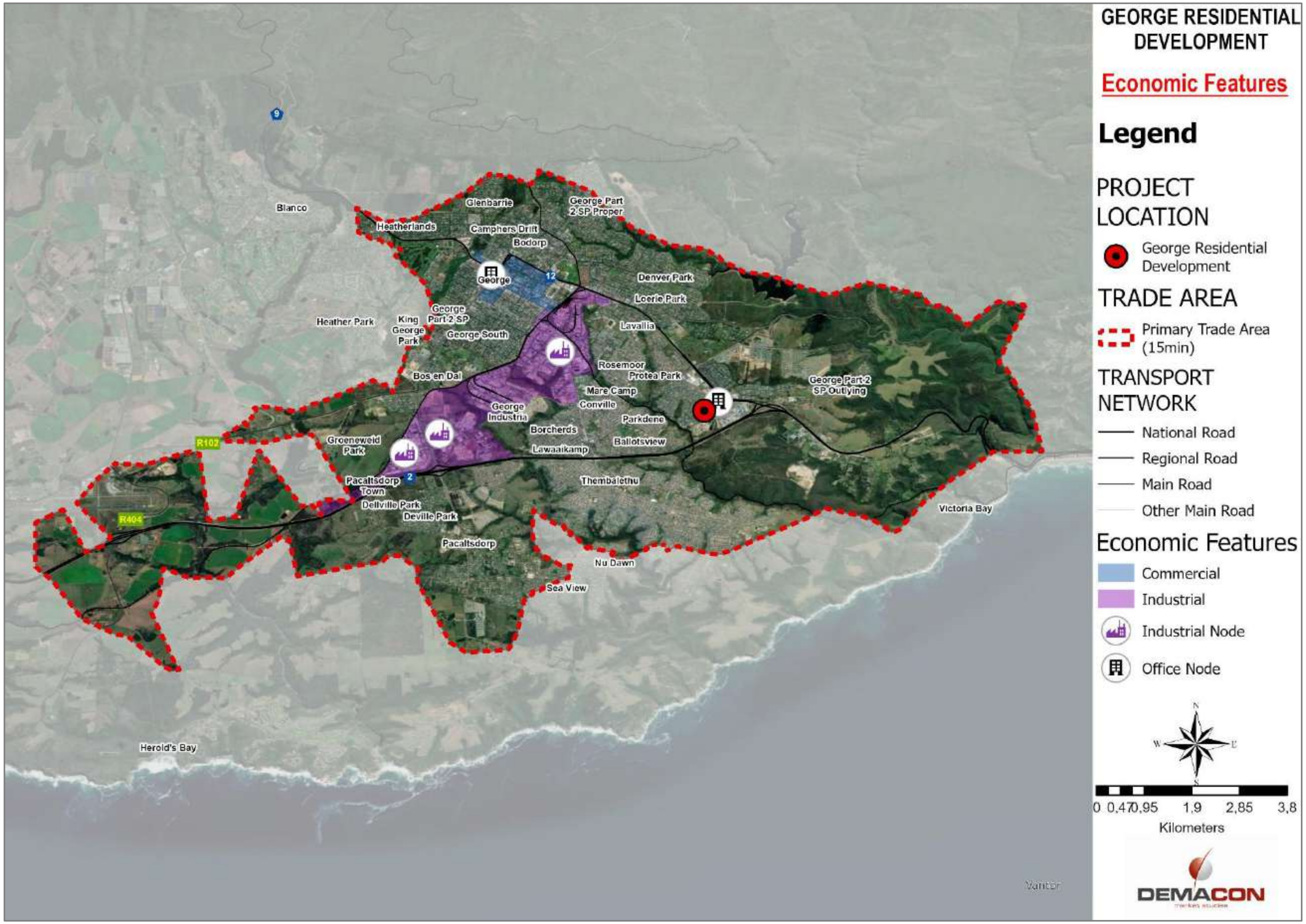


2.4.3 REGIONAL CHARACTERISTICS

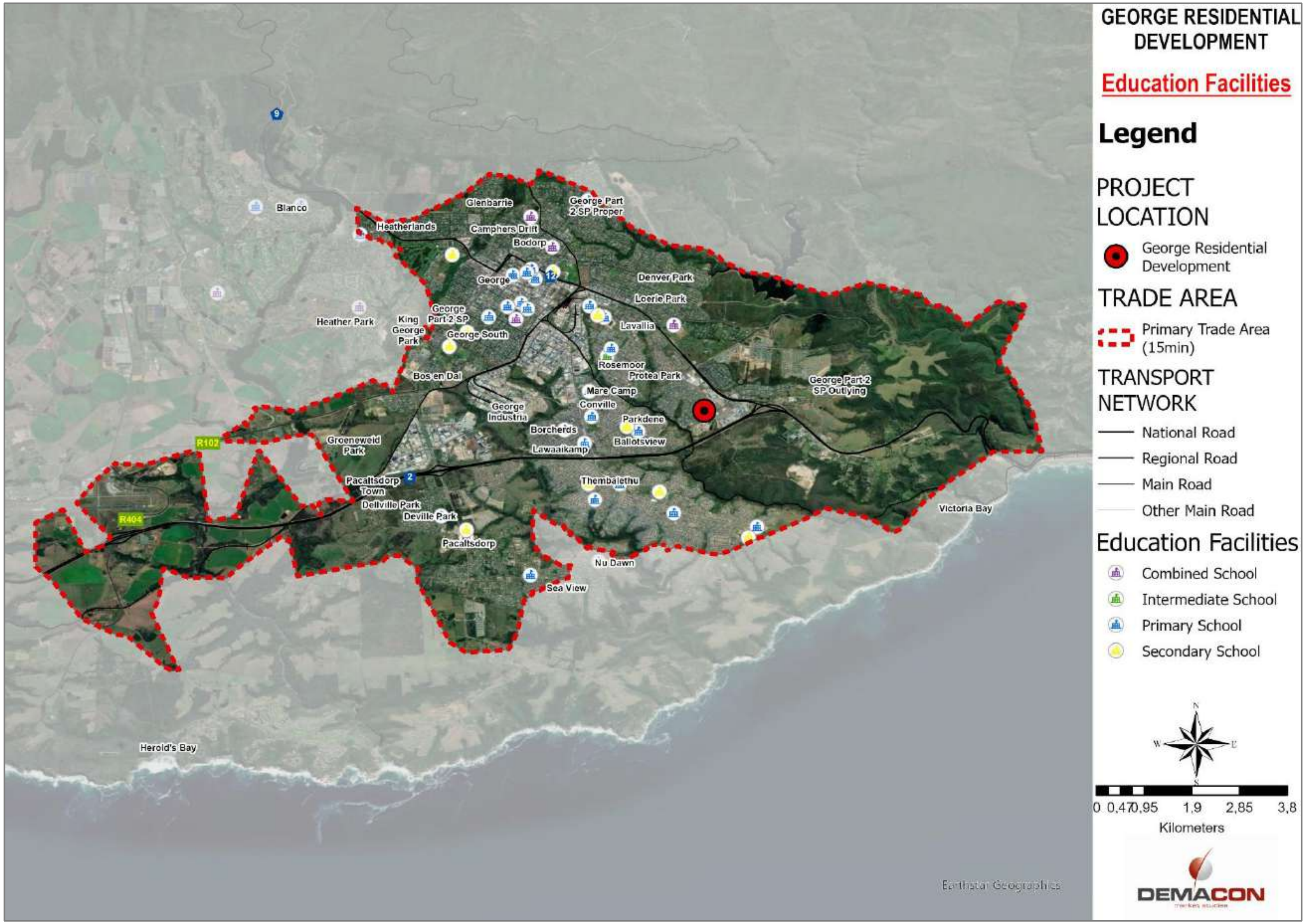
Map 2.8: Employment Nodes



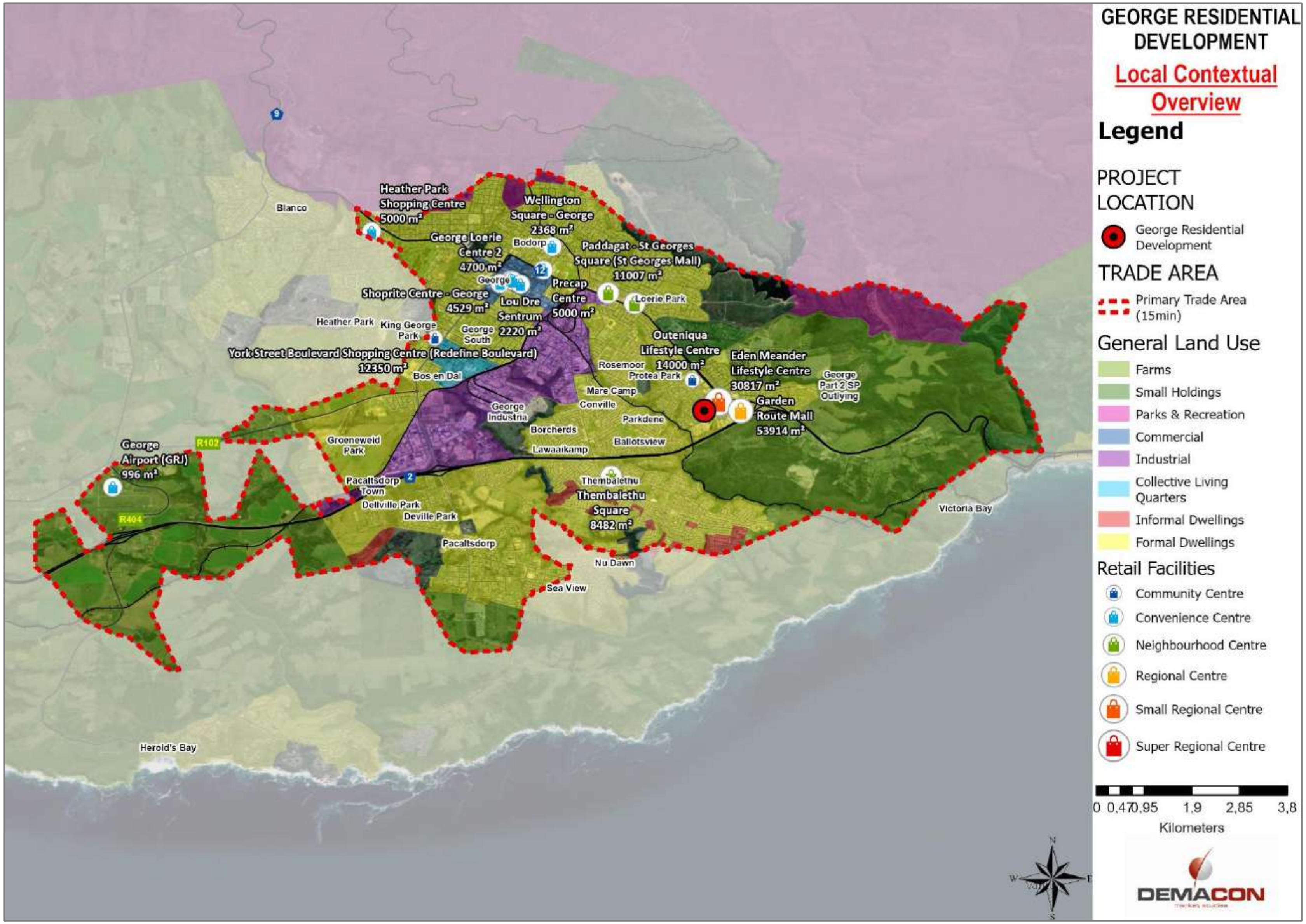
Map 2.9: Economic Features



Map 2.10: Educational Facilities

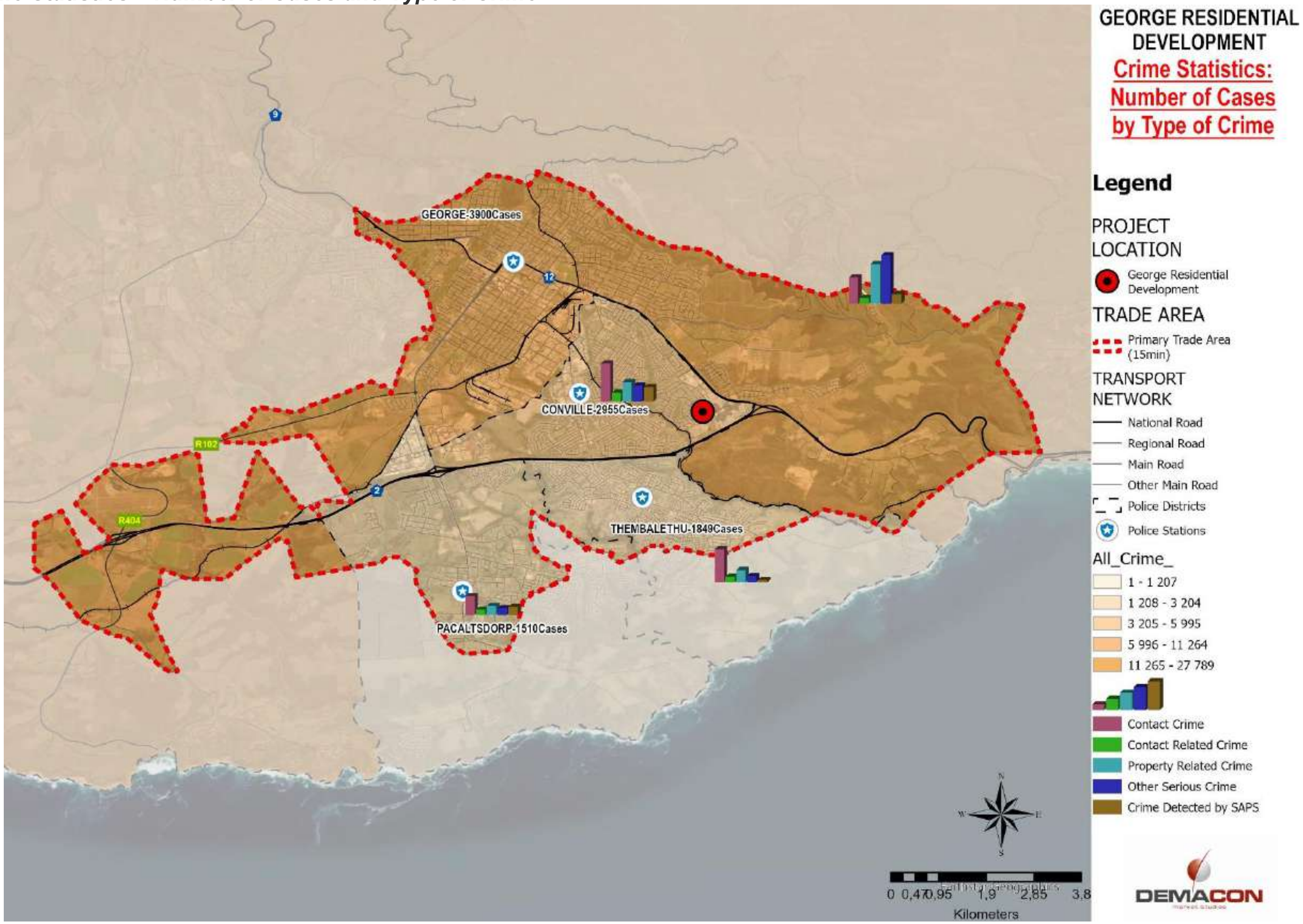


Map 2.11: Local Contextual Overview



2.5 CRIME STATISTICS

Map 2.12: Crime Statistics – Number of Cases and Type of Crime



2.6 LOCATION ASSESSMENT

Market potential is influenced not only by consumer income and expenditure, but in particular also by the characteristics of the specific location under consideration. Urban property markets have specific location requirements and should subsequently be assessed in terms of selected location criteria.

To this effect, **a 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).

Residential Development Location Assessment

Table 2.3: Residential Development Assessment

	Grade 1 - 10	Weight 1 - 5	Score
Perceived Level of Safety and Security	8	5	40
Area Price Profile Compatibility	8	4	32
Address Value	8	4	32
SEM Profile	8	5	40
Perceived Quality of Residential Environment	8	4	32
Tempo of Residential Growth / Influx / Demand	8	5	40
Within direction of Current & Future Growth	8	5	40
Perceived investment value & Impact	8	4	32
Access to main roads	8	3	24
Proximity to work place	8	3	24
Proximity to schools	8	4	32
Proximity to retail facilities	8	4	32
Proximity to social amenities	8	3	24
Proximity to public transport	8	3	24
Availability of Land / Developable / Redevelopable Real Estate	8	3	24
Total			**472**
Score			**80.0%**

Source: Demacon, 2026

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

The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

2.7 SYNTHESIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

Building statistics indicated that over the last 10 years, 4 673 formal residential units have been constructed, amounting to 425 units per annum.

CHAPTER 3

ECONOMIC PROFILE & DRIVERS

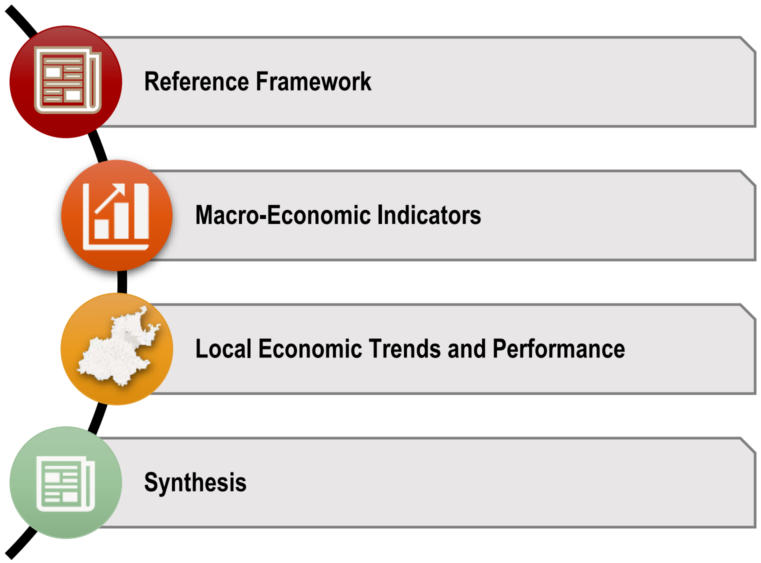
3. ECONOMIC PROFILE & DRIVERS

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 the **Garden Route District and George Local Economy** in terms of selected time series economic indicators, most notably the economic profile and growth trends within the local economy.

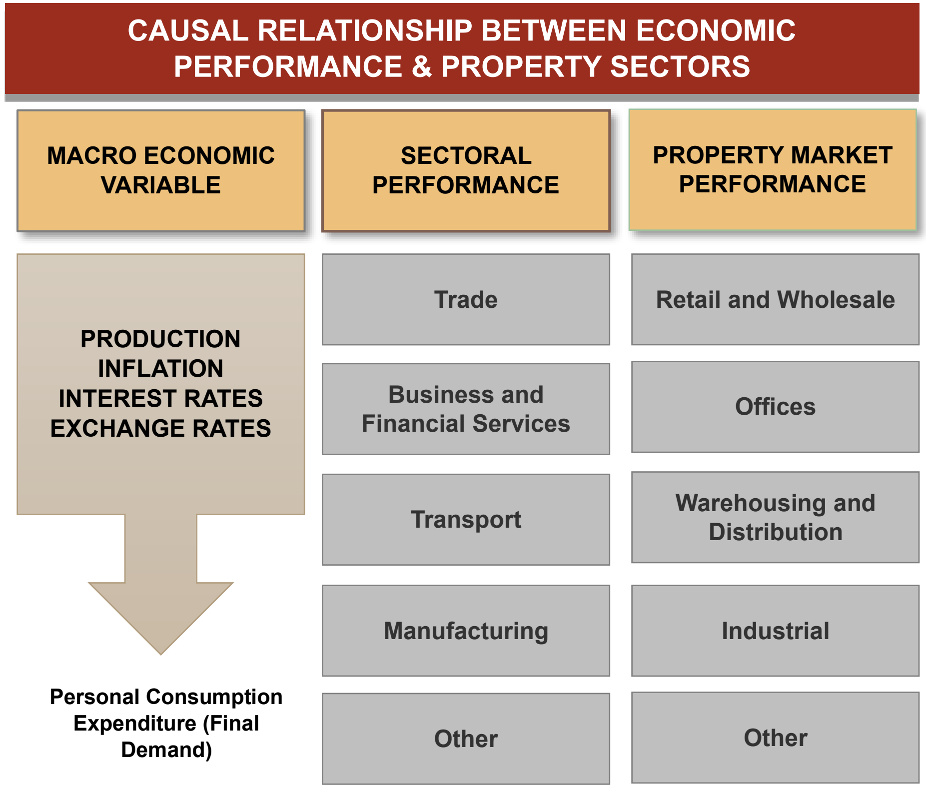
As such, this chapter provides insight into the composition and stability of the sub-region economy and hence, provides a more comprehensive assessment of medium- to long-term investment prospects than the conventional demographic analysis.



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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The economic indicators of an area form the basis for current demand for residential product offering and serve as drivers for future growth in demand.

3.3 MACRO-ECONOMIC TRENDS AND PERFORMANCE

The following provides an overview of the current macro-economic trends and factors influencing national and local economic growth prospects, consumer demand growth and property market demand.

3.3.1 ECONOMIC OUTLOOK FOR SOUTH AFRICA (as of JANUARY 2026)

SOUTH AFRICA: MACRO-ECONOMIC INDICATORS & OUTLOOK (2025-2026)

GDP GROWTH

- **2025 forecast: +1,0%** reflecting subdued domestic demand and global uncertainty
- **2026 projection: +1,4%** a modest improvement driven by easing inflation, infrastructure investment and gradual policy reforms
- Growth remains constrained by structural bottlenecks, especially energy supply and logistics inefficiencies

INFLATION TRENDS

- **2025 forecast: ≈5,0%** down from 6,0% in 2023, supported by lower food and fuel prices
- **2026 projection: ≈4,8%** firmly within SARB's target range
- Risks include currency volatility, wage pressures and global commodity price swings

EMPLOYMENT

- **Unemployment remain elevated** with limited job creation in key sectors. Despite some gains in Q3:2025, employment growth is not keeping pace with population growth and urbanisation
- **Youth unemployment** remains a critical concern, with targeted interventions needed to support entry-level job creation and skills development

CONSUMER CONFIDENCE

- The **FNB/BER Consumer Confidence Index** rose to **-9 in Q4:2025**, its highest level in a year up from -13 in the previous quarter
- Despite the uptick, **confidence remains weak overall**, reflecting sluggish income growth, high borrowing costs and uncertainty ahead of the 2026 elections

INTEREST RATES

- **Repo rate: 8,25%** unchanged since May 2023
- Expected to remain stable through 2025-2026 as SARB balances inflation control with growth concerns
- High borrowing costs continue to weigh on household consumption and business investment

ECONOMIC OUTLOOK

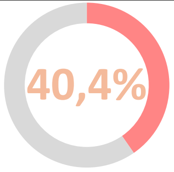
- **Electricity supply crisis** remain the most significant drag on productivity and investor confidence
- **Policy climate** marked by reform delays and uncertainty ahead of the 2026 elections
- **Global volatility** – including geopolitical tensions and commodity price fluctuations – poses risks to exports and capital flows
- **Opportunities** lie in infrastructure investment, green energy transitions and regional trade integrations (AfCFTA, SADC corridors)

3.4 LOCAL ECONOMIC TRENDS AND PERFORMANCE

3.4.1 ECONOMY SIZE AND STRUCTURE (GEORGE LOCAL ECONOMY)

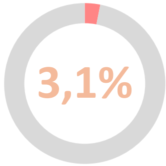
ECONOMY SIZE & ECONOMIC CONTRIBUTION, 2025

Economic Size:
George Local Economy
R29.7 billion



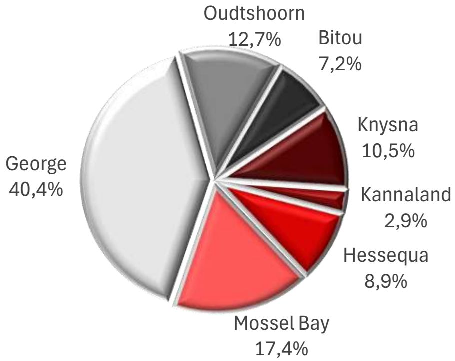
40.4% contribution to the District Economy

Economic Size:
Garden Route District
R73.6 billion



3.1% contribution to the Provincial Economy

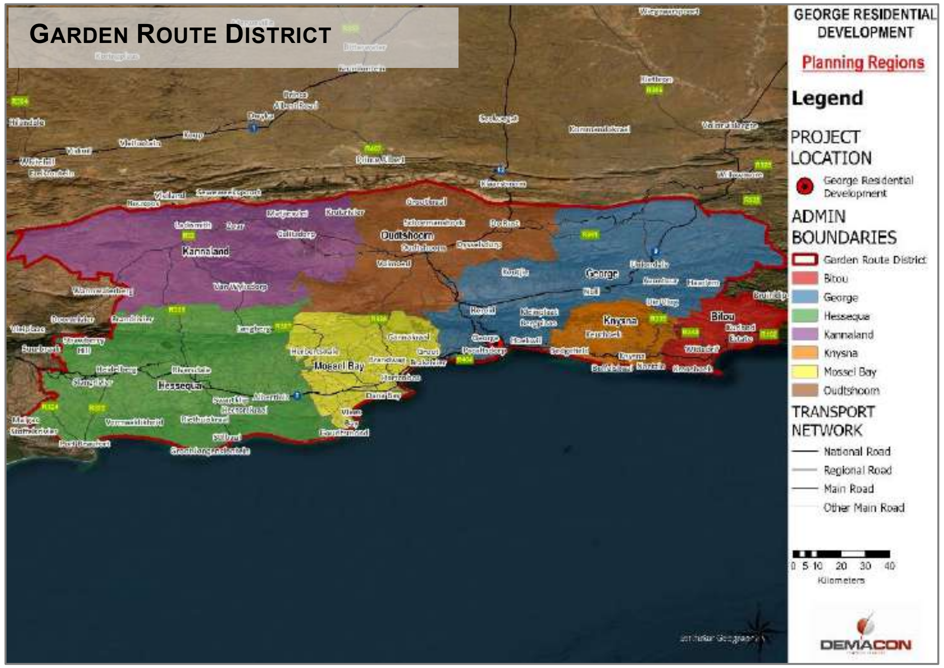
SPATIAL CONTRIBUTION TO TOTAL ECONOMIC OUTPUT, 2025



George Local Economy is the **largest** contributor to the total economy of the Garden Route District.

The local economy is characterized by **tertiary economy** activities with a strong reliance on **business services.**

SPATIAL DISTRIBUTION OF THE LOCAL ECONOMY



ECONOMY STRUCTURE, 2025

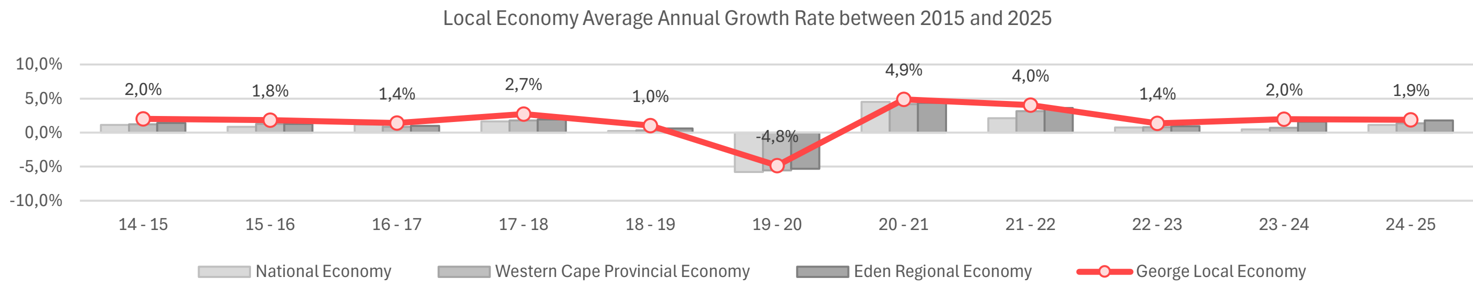
3.4.2 ECONOMIC GROWTH AND HOUSEHOLD CONSUMPTION AND EXPENDITURE (GEORGE LOCAL ECONOMY)

ECONOMIC GROWTH (constant)

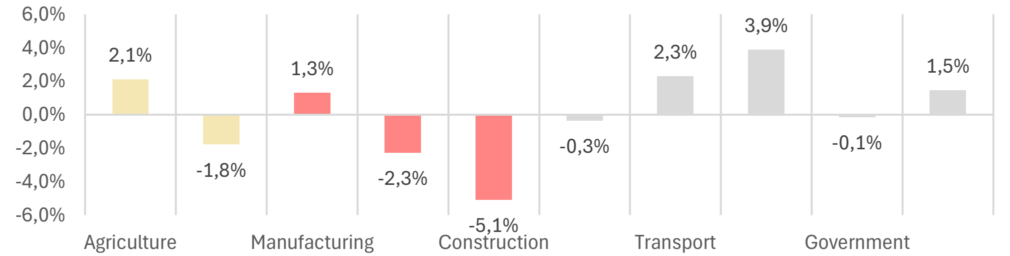
Average Annual Economic Growth

Garden Route District
2.5% 5-year growth
1.1% 10-year growth

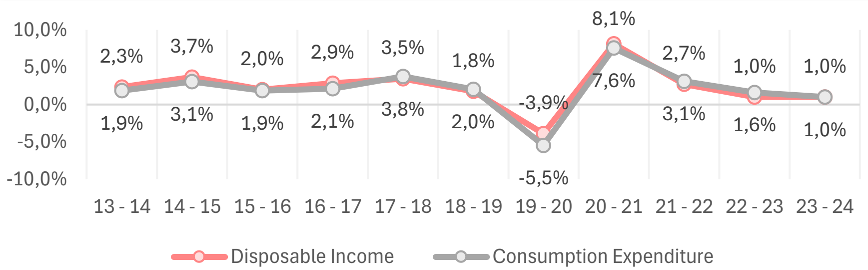
George Local Economy
2.8% 5-year growth
1.6% 10-year growth



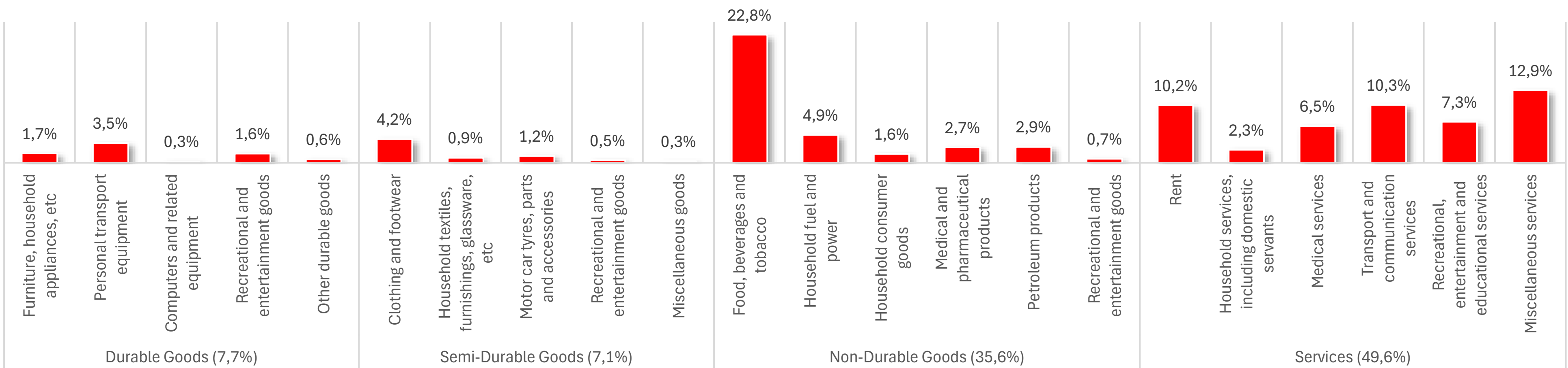
AVERAGE ANNUAL GROWTH PER ECONOMIC SECTOR ('15 – '25)



DISPOSABLE INCOME & CONSUMPTION EXPENDITURE GROWTH ('14 – '24)



HOUSEHOLD EXPENDITURE PER CONSUMPTION ITEM (2024)



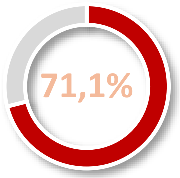
3.4.3 LABOUR FORCE PARTICIPATION (GEORGE LOCAL ECONOMY)

LABOUR FORCE PARTICIPATION

71.1% of the potential labour force participate in the local economy

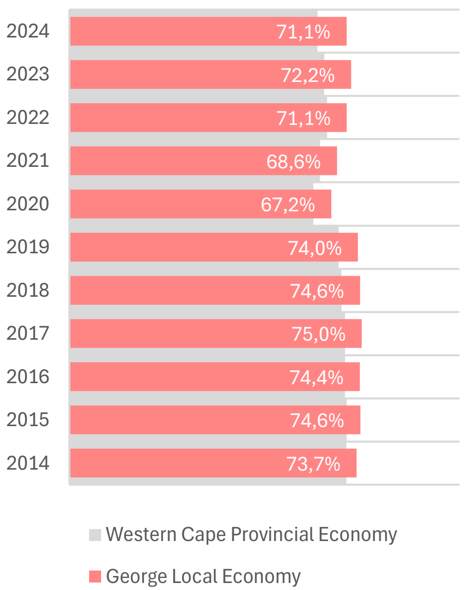
58.8%
National average

Labour Force Participation Rate

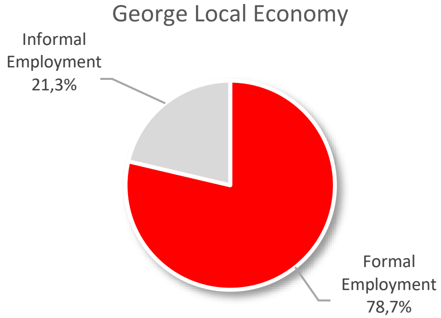


Compared to the national average, the local economy maintains, on average, **higher** labour force participation rate compared to the district.

Local Economy



STRUCTURE OF EMPLOYMENT



82 168 jobs (*formal and informal*) exist in the **George Local Economy:**

- Formal Jobs: **64 642**
- Informal Jobs: **17 526**

The *formal economy* gained **10 994** jobs since 2014 at an average rate of 1 099 jobs per annum.

21.3%
Informal employment.

17 526 informal jobs exist in the local economy (2024).

The informal economy **lost 4 591** jobs since 2014 at an average rate of **459 jobs per annum.**

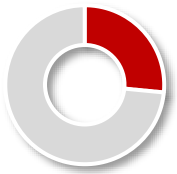
Skilled Jobs

22 449 skilled jobs.
6 006 jobs gained since 2014.
601 jobs gained per annum.

Semi-Skilled Jobs

25 035 semi-skilled jobs.
3 473 jobs gained since 2014.
347 jobs gained per annum.

Low-Skilled Jobs



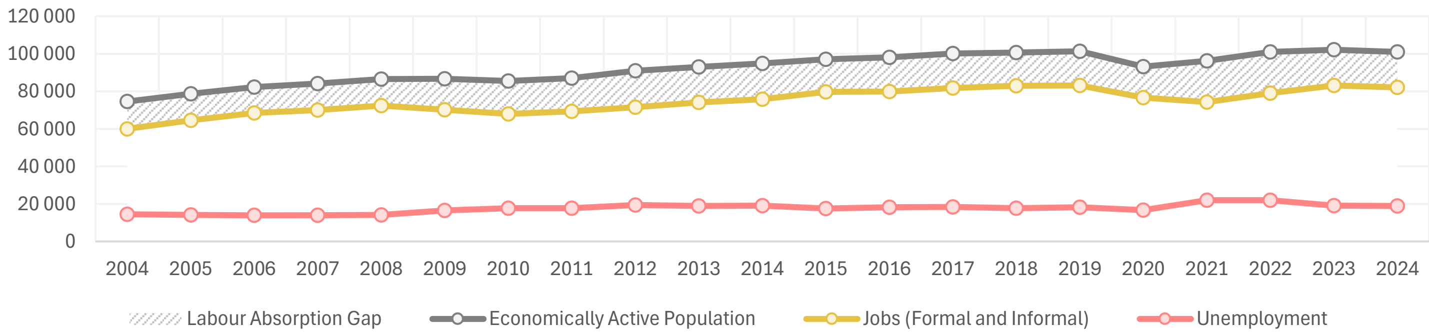
17 159 low-skilled jobs.
1 515 jobs lost since 2014.
151 jobs lost per annum.

STRUCTURE OF EMPLOYMENT (2023)

6 196 People became economically active since 2014

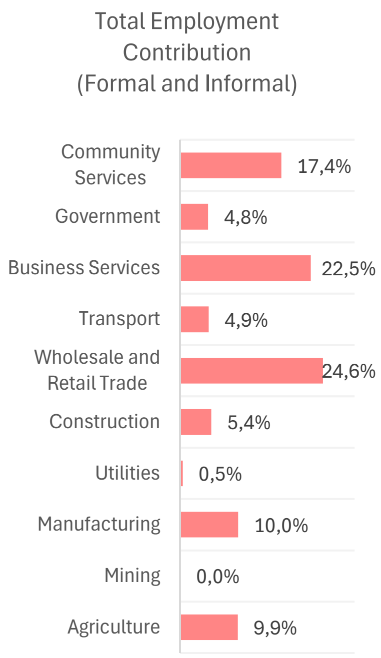
Jobs Created since 2014 **6 403**

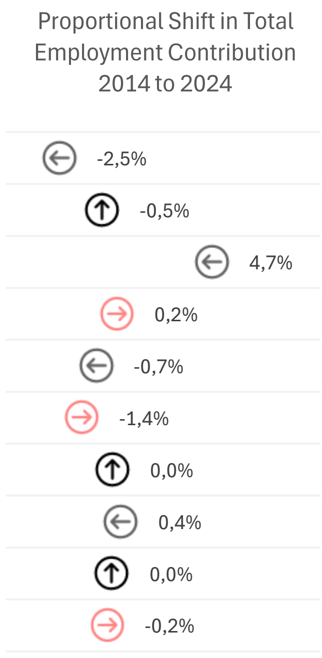
-206 People became unemployed since 2014

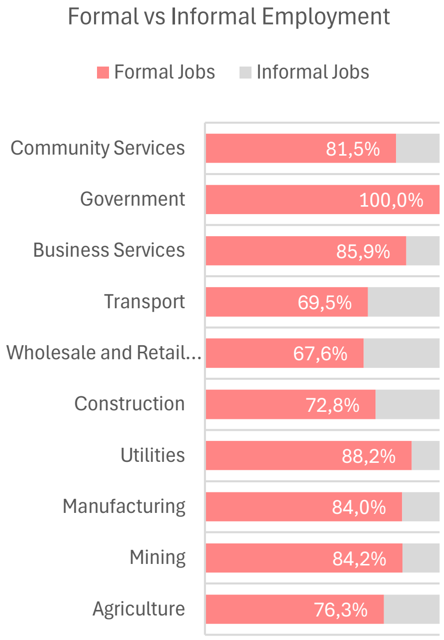


3.4.4 LABOUR FORCE BREAKDOWN

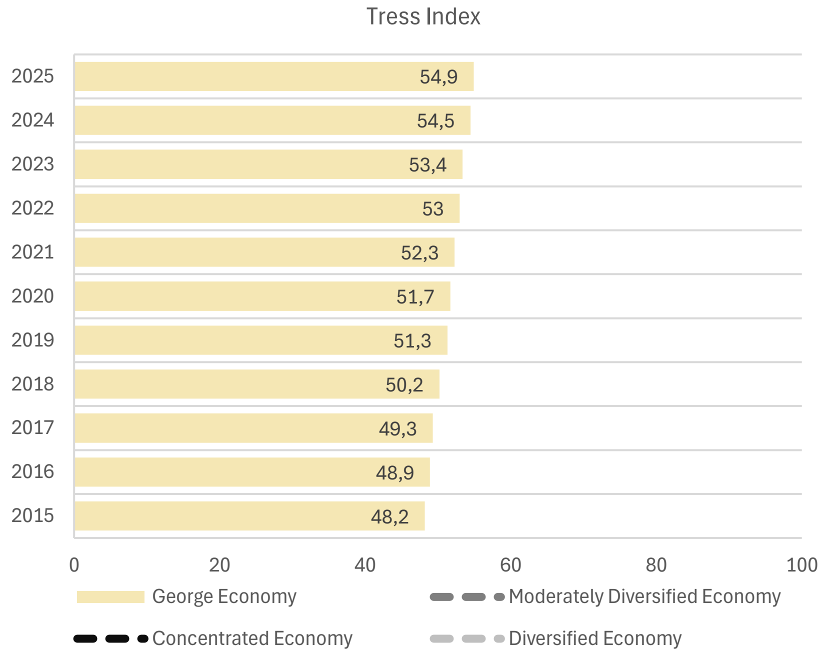
EMPLOYMENT CONTRIBUTION PER ECONOMIC SECTOR



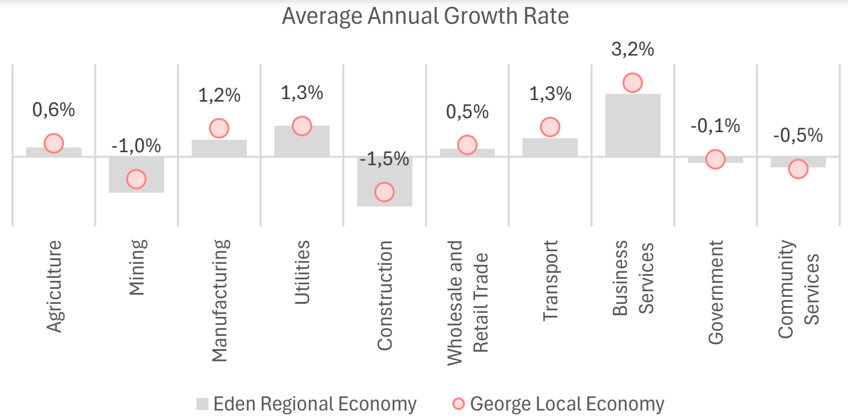


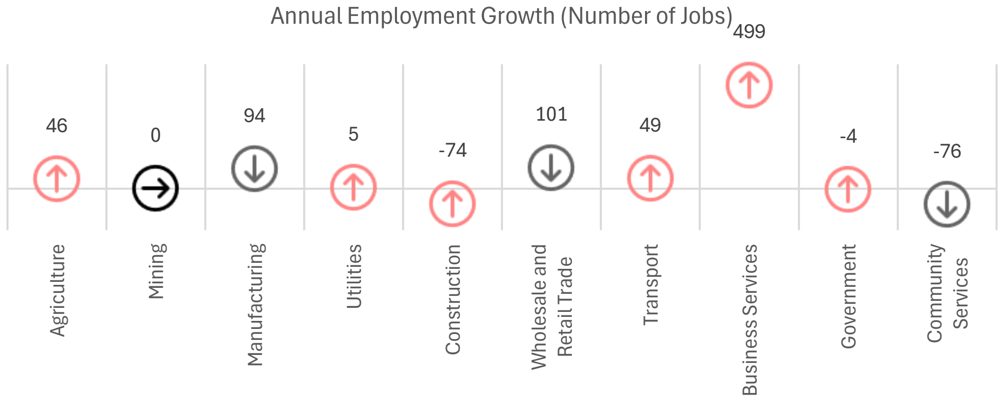


TRESS INDEX (10 INDUSTRIES)

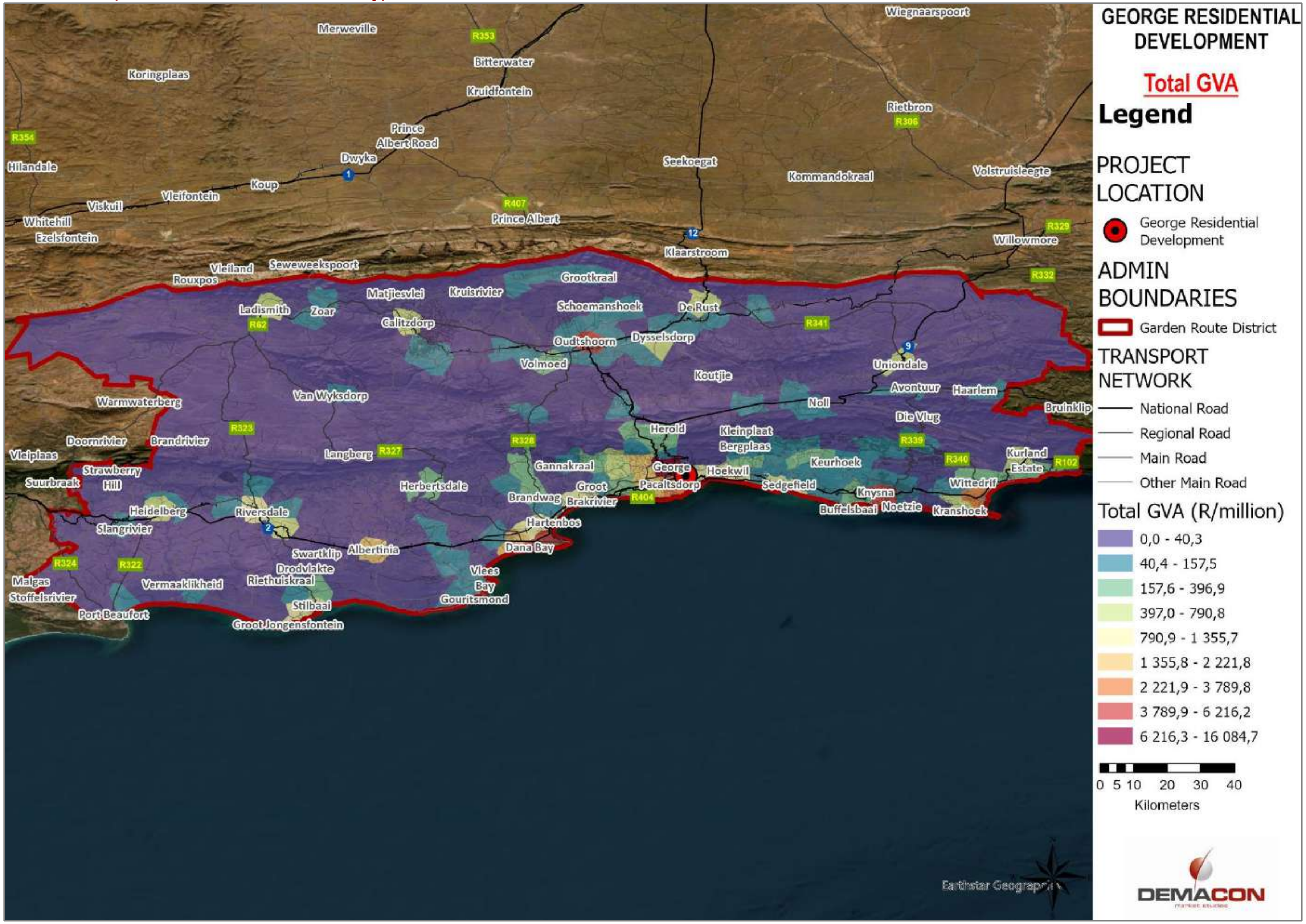


EMPLOYMENT GROWTH PER SECTOR, 2014 – 2024

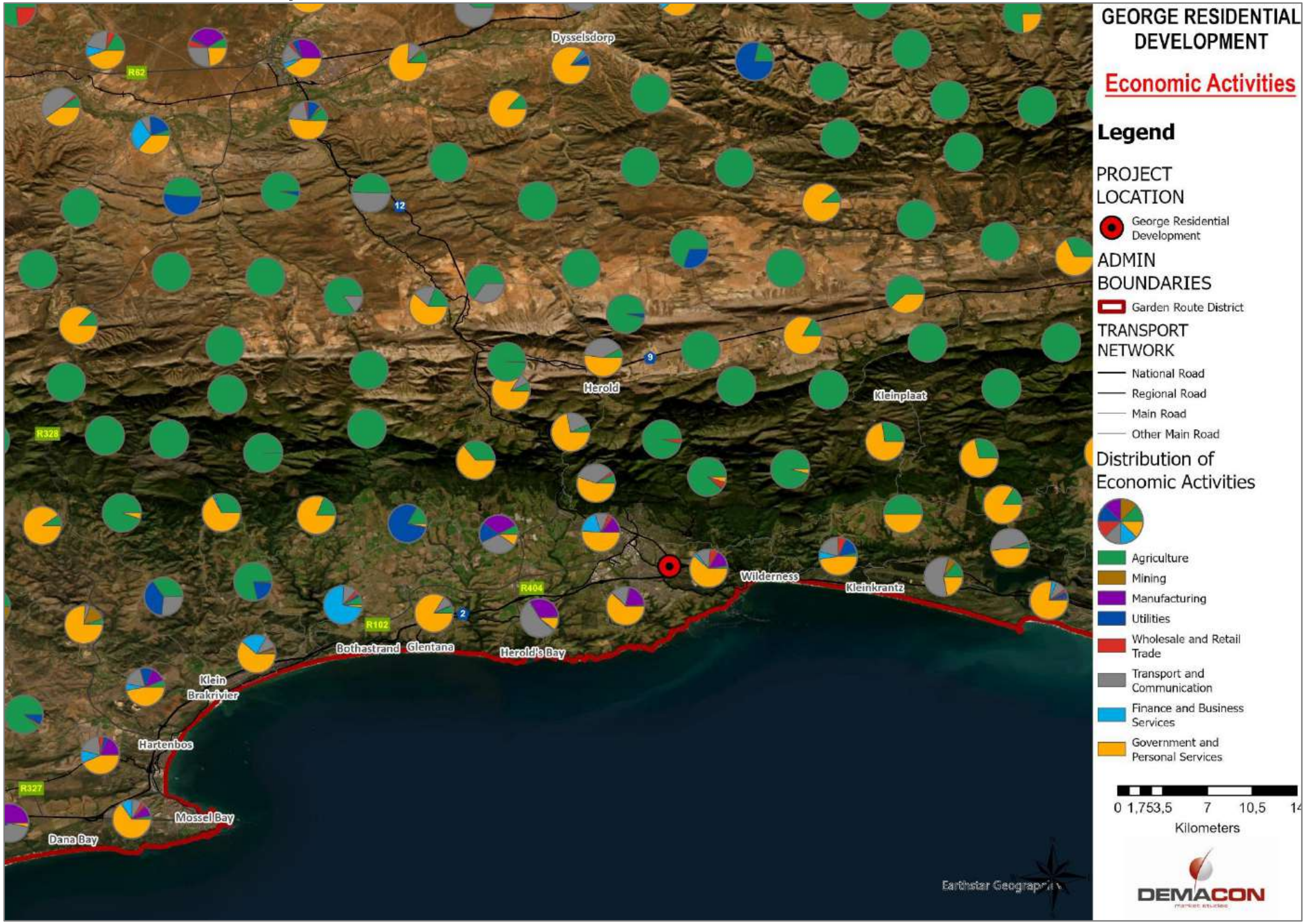




Map 3.1: Total GVA **(Garden Route District Economy)**



Map 3.2: Distribution of Economic Activity



3.5 SYNTHESIS

ECONOMY SIZE AND DISTRIBUTION

- ✓ The size of the local economy in relation to other economic geographies provides an indication of the relative importance of a local economy in the context of the broader economic environment within which it functions.
- ✓ **George Local Economy** proportionally contributes:
  - 40.4% to the Garden Route District
  - 3.1% to the total economy of Western Cape Province and
  - 0.4% to the national economy.
- ✓ **George Local Economy** is the largest contributor to the total economy of the Garden Route District. The local economy is characterized by tertiary economy activities with a strong reliance on the business services sector.

ECONOMIC PROFILE

- ✓ To highlight the economic growth trends of **George Local Economy**, reference is made to the growth and associated trends of sub-sectors that make-up the economy. The reference focus on the proportional contribution made by each economic sub-sector to the total Local Economy.
- ✓ The historical trends for the local economy as well as contributions made by each economic sub-sector to the total economy shows that in 2025:
  - the **primary sector** contributes **4.2%** to the local economy,
  - the **secondary sector** proportionally contributes **22.4%** to local economy and
  - the **tertiary economic sector** proportionally contributed **73.4%** to the total local economy.

ECONOMIC GROWTH

- ✓ **George Local Economy** achieved the following annual growth rates:
  - Over the short to medium term cycle, 2020 to 2025, the local economy experienced a growth rate of **2.8%.**
  - An average annual growth rate of **1.6%** during a long-term cycle between 2015 to 2025.
- ✓ **Garden Route District** achieved the following annual growth rates:
  - Over the short to medium term cycle, 2020 to 2025, the district economy experienced a growth rate of **2.5%**.
  - An average annual growth rate of **1.1%** during a long-term cycle between 2015 to 2025.
- ✓ Economic growth in the local and regional economy reflects a similar cyclical trend that correlates with growth trends experienced in the SA domestic economy over the same period of time.

FINAL CONSUMPTION EXPENDITURE & DISPOSABLE INCOME

- ✓ A positive correlation exists between *final consumption expenditure* and *disposable income*, which in turn reveals similar up-and downturns to the business cycle as a whole.
- ✓ The average annual growth rate for disposable income for the period 2014 to 2024 is 2.2%.
- ✓ The average annual growth rate of final consumption expenditure in the local economy for the period 2014 to 2024 is 2.0%.

HOUSEHOLD EXPENDITURE PER CATEGORY

- ✓ The trade sector is largely driven by expenditure on goods and services (retail sales) by a wide variety of consumer elements such as households, businesses, government departments and exports. Retail sales can be classified in accordance with different types of goods and services.
- ✓ Goods, in this instance, can be considered in terms of durable, semi-durable and non-durable goods. *Durable goods* refer to items such as furniture, personal transport equipment and entertainment goods, while semi-durable goods refer to clothing, footwear, and household textiles.
- ✓ *Non-durable goods* refer to food, medicine, and petroleum products. These goods are consumed and used on a daily basis.
- ✓ 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 footwear.

- ✓ These trends can be ascribed to the high rate of inflation on non-durables (especially meat) and unabated clothing and footwear deflation.
- ✓ **The food, beverages and tobacco *sector*** is the largest sector (22.8%) followed by the **miscellaneous services sector** with a proportional contribution of 12.9% in 2024.
- ✓ The smallest sector is computer and related equipment durable goods with a proportional contribution of 0.3% in 2024.

EMPLOYMENT AND LABOUR PARTICIPATION

- ✓ 82 168 formal and informal jobs exist in **George local economy**.
  - 64 642 formal jobs and
  - 17 526 informal jobs
- ✓ The formal economy gained 10 994 jobs since 2014 at an average rate of 1 099 jobs per annum.
- ✓ 17 526 informal jobs (21.3%) exist in the local economy in 2024.
- ✓ The informal economy lost 4 591 jobs since 2014 translating into 459 jobs per annum.
- ✓ 6 196 people became economically active since 2014, where 6 403 jobs were created since 2014.
- ✓ Total formal jobs of 64 642 in 2024, can be divided into the following categories:
  - Skilled: 22 449 jobs
  - Semi-skilled: 25 035 jobs
  - Low-skilled: 17 159 jobs.

CHAPTER 4

SOCIO ECONOMIC PROFILE

4. SOCIO ECONOMIC PROFILE

4.1 INTRODUCTION

The demand for economic/non-economic activities is, in part, based on demand generated by the demographic component of a specific market area or catchment. The current demographic composition in a market area coupled with past trends and future potential growth, impact on the current and future demand for economic activities.

The purpose of this chapter is to provide analysis of the demographic component of the resident market area that can be considered alongside Chapter 3 to complete a demographic and economic perspective of interactions between population and their local economic conditions.

The chapter sets out a delineated market area and reviews information about the population that reside in the market area, focusing on demographic and socio-economic characteristics of the resident market population influencing the proposed development location.

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

4.2 PRIMARY MARKET AREA DELINEATION

To gain insight into the socio-economic character of potential market participants to the proposed development, a market area is delineated. A market area assists with determining the main socio-economic market characteristics affecting the hospital.

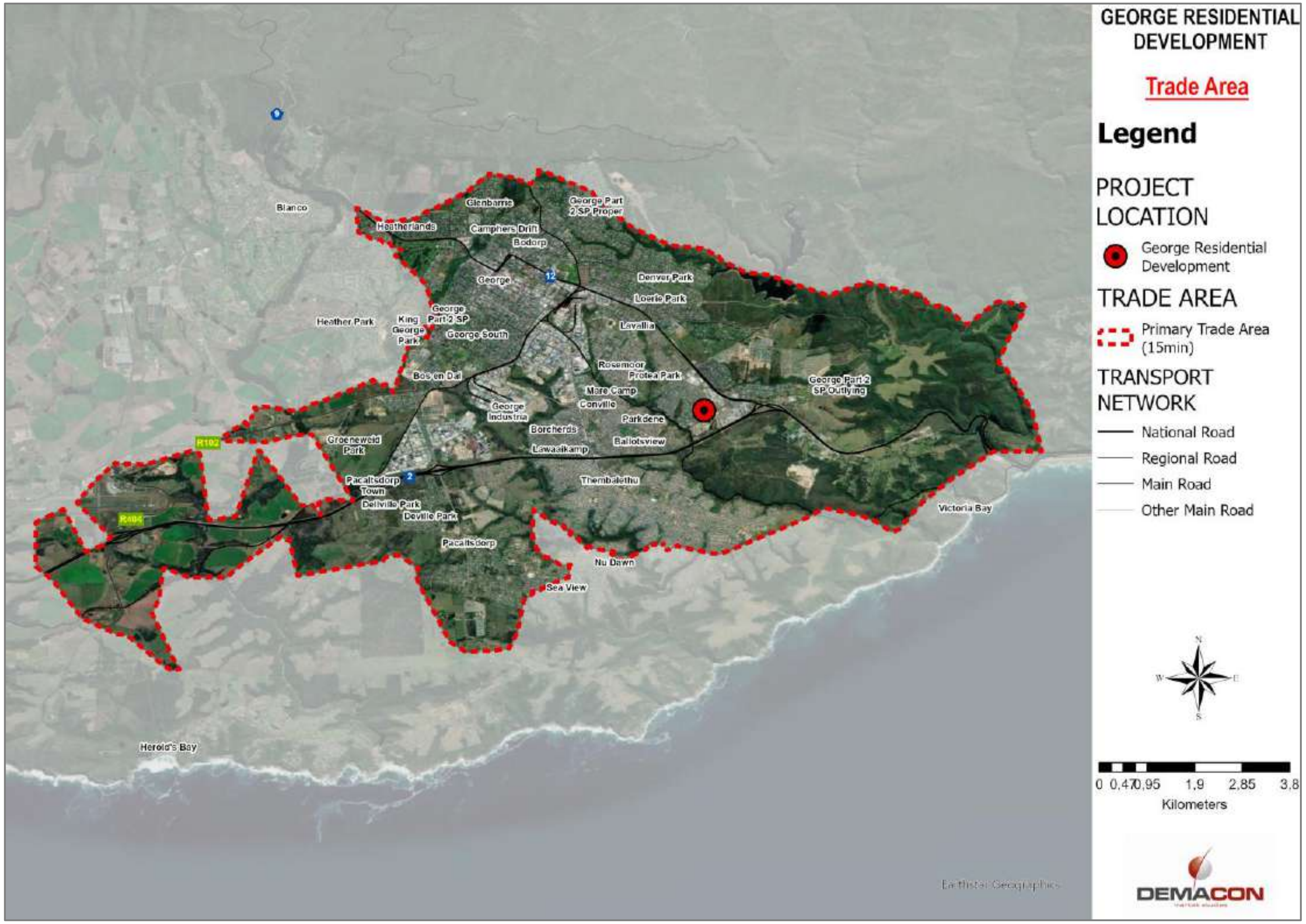
The primary market area for the project is based on an approximated **15-minute drive time** as seen on the map.

This chapter provides the key socio-economic indicators of the primary market, informed by general SACSC criteria, as well as the following:

- Consumer market behaviour and expenditure trends
- Regional and sub-regional levels of accessibility
- Geographic barriers
- General consumer mobility patterns and drive times.

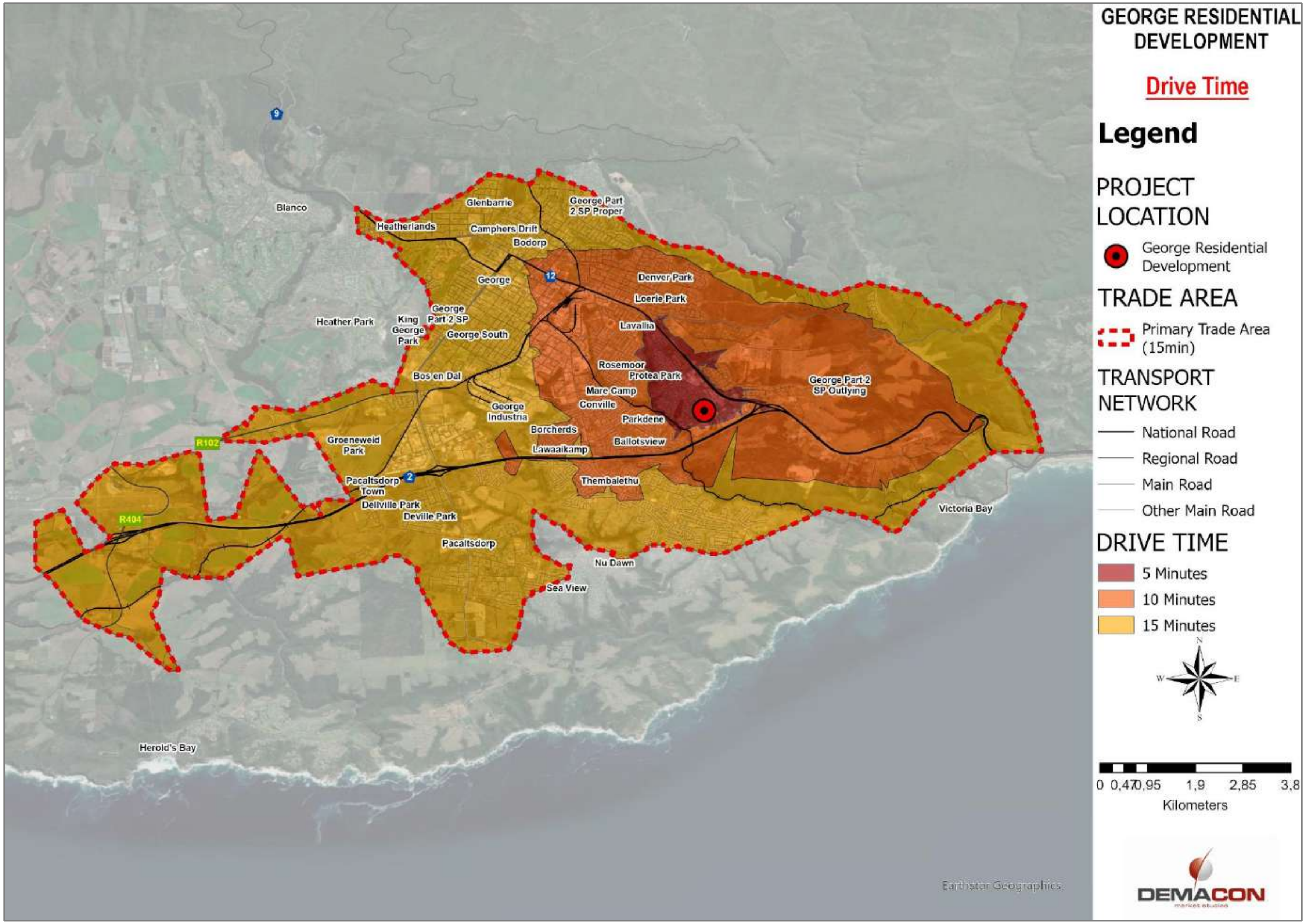
The following section provides an analysis of the demographic profile of the primary market area of the hospital. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

Map 4.1: Primary Market Area Polygon



Source: Demacon GIS, 2026

Map 4.2: Drive Time



4.3 DEMOGRAPHIC PROFILE (PRIMARY MARKET AREA)

The following section provides an analysis of the demographic profile of the **primary market area** of the proposed development. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

4.3.1 DEMOGRAPHIC SIZE AND COMPOSITION

POPULATION SIZE (2026)

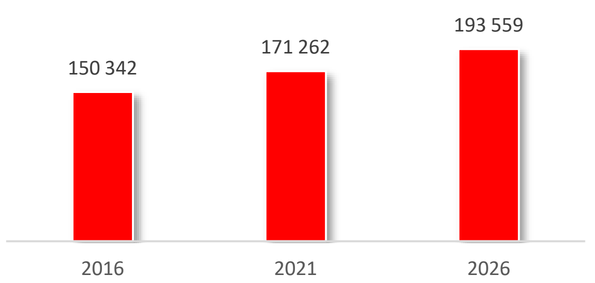
193 559
PEOPLE IN THE
PRIMARY
TRADE AREA

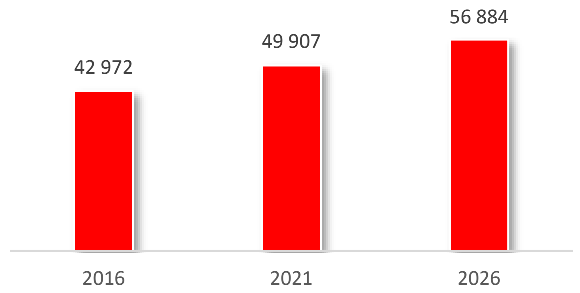
Population
Average Annual
Growth Rate
2.8%

56 884
HOUSEHOLDS

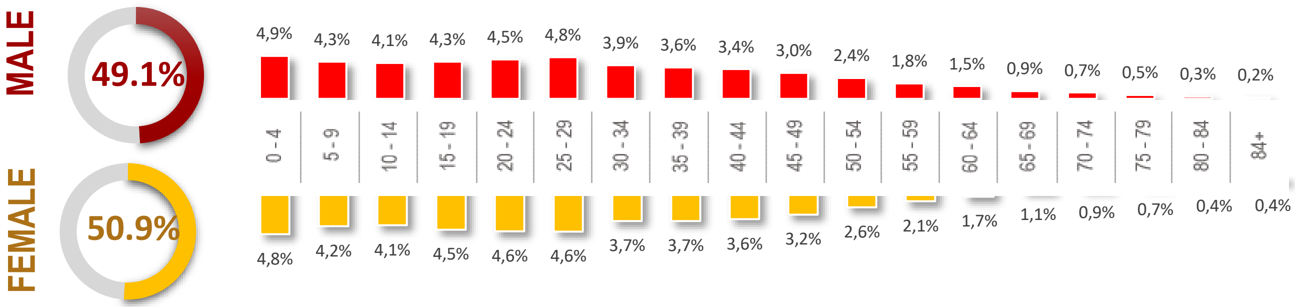
Household
Average Annual
Growth Rate
3.1%

POPULATION & HH GROWTH

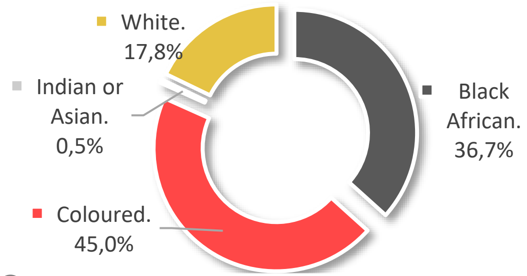




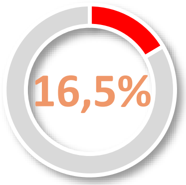
AGE AND GENDER PROFILE



RACIAL PROFILE



MIGRATION PROFILE



of the population migrated to the market area since 2001

15.6% (of the 16.5%) of migrants are **South African**

0.9% (of the 16.5%) of migrants are from **other countries**

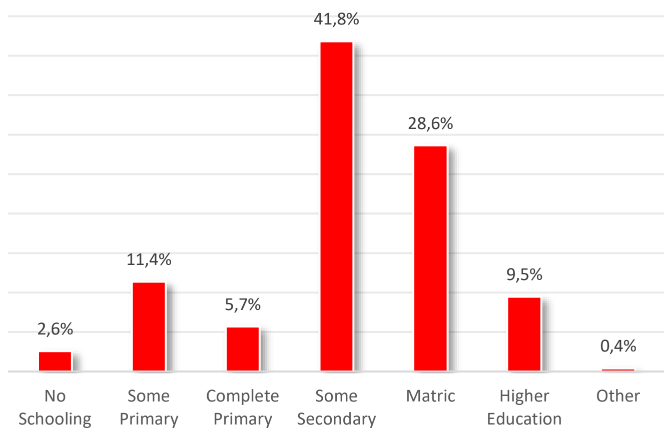
EDUCATION PROFILE

Educational Institution Attended by persons Enrolled at an Institution and Aged 20 years and Older.

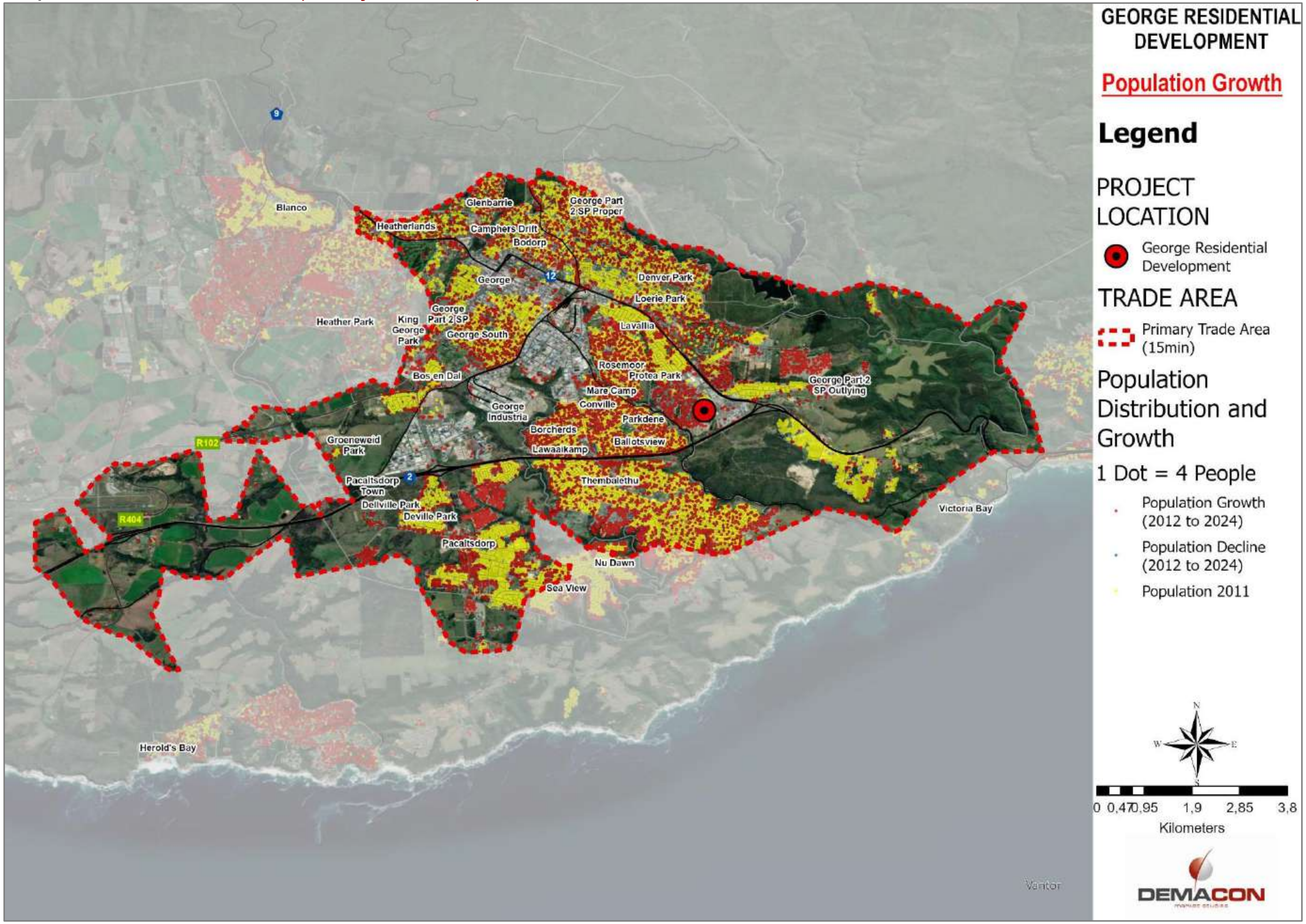
32.8% attend a **UNIVERSITY**

18.8% attend a **FET COLLEGE**

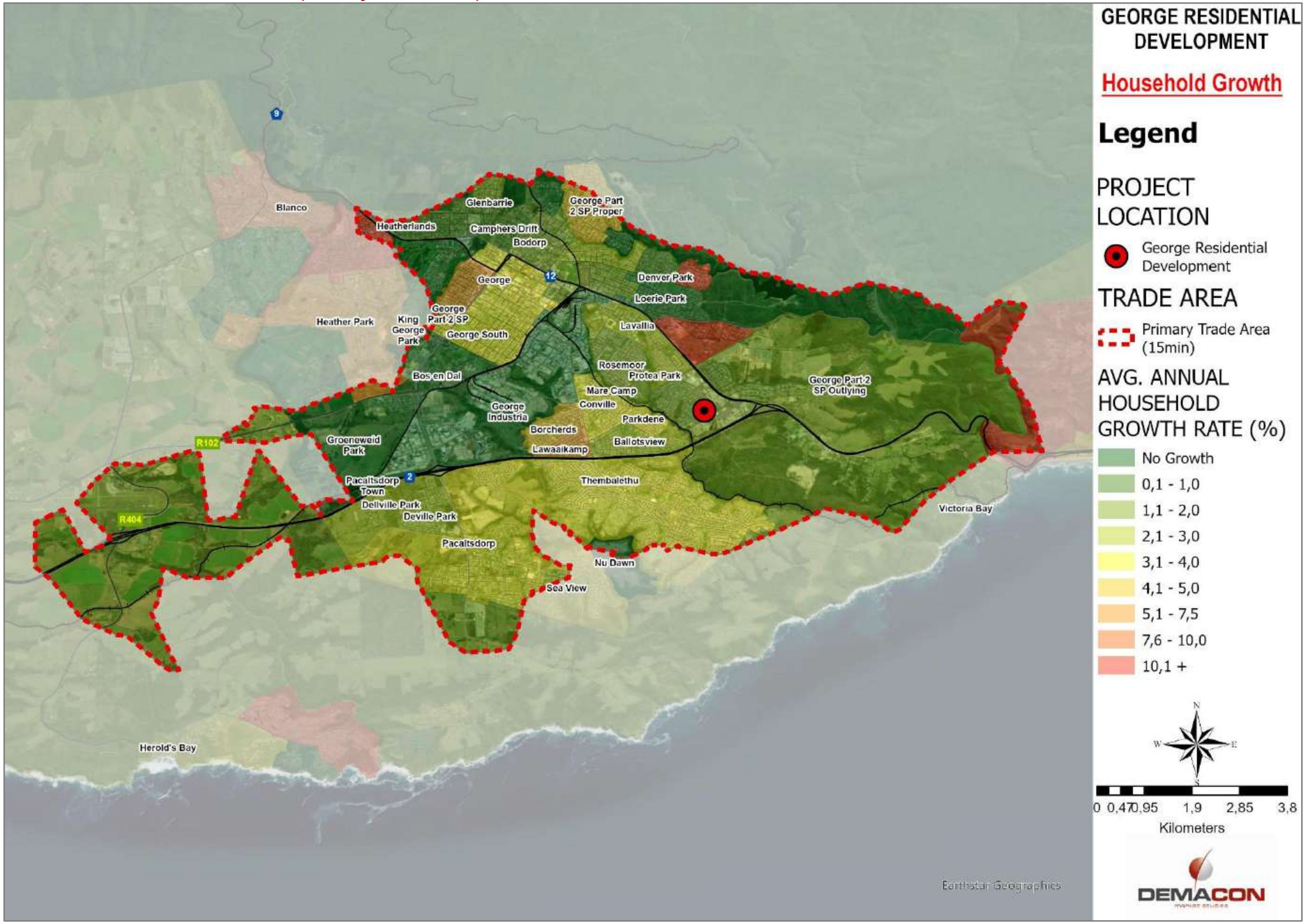
17.5% attend an **ORDINARY SCHOOL**



Map 4.3: Population Growth & Distribution **(Primary Market Area)**



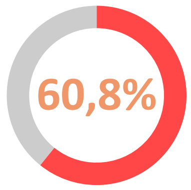
Map 4.4: Household Growth & Distribution (Primary Market Area)

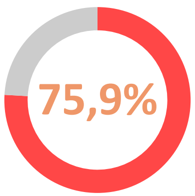


4.3.2 EMPLOYMENT & OCCUPATIONAL PROFILE

EMPLOYMENT PROFILE

ECONOMICALLY
ACTIVE
POPULATION

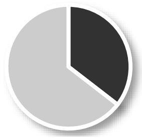




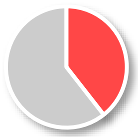
EMPLOYED
ECONOMICALLY
ACTIVE

OCCUPATION PROFILE

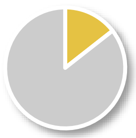
Skilled Occupations
35.5%



Semi-Skilled Occupations
39.4%

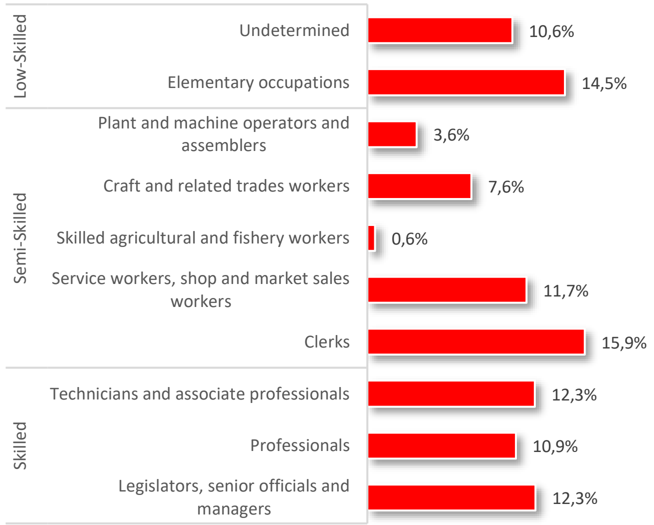


Low-Skilled Occupations
14.5%



Top 3 occupations:

1. Clerks - **15.9%**
2. Elementary Workers - **14.5%**
3. Legislators, senior officials and managers - **12.3%**

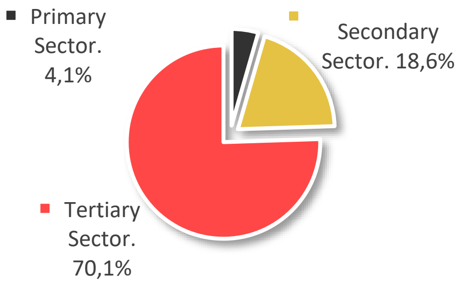


EMPLOYMENT PER INDUSTRY

4.1% Primary Sector

18.6% Secondary Sector

70.1% Tertiary Sector



BIGGEST EMPLOYING ECONOMIC SECTORS IN THE MARKET AREA

Largest Sectors:

Finance and Business Services
22.0%

Community and Personal Services
21.6%

Wholesale and retail trade
19.4%

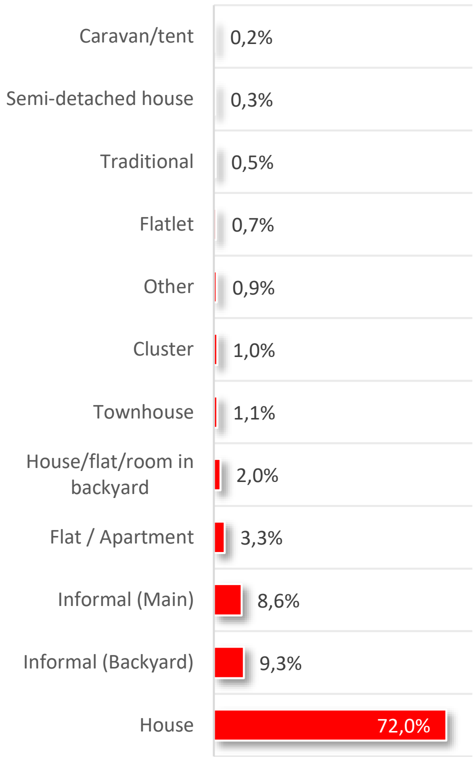
4.3.3 HOUSEHOLD PROFILE

DWELLING TYPOLOGY

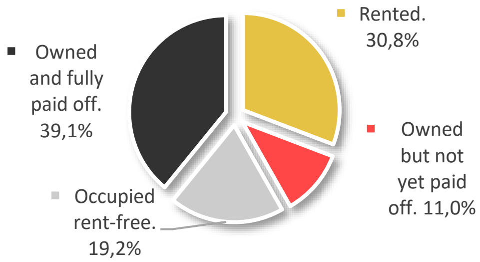
Majority of Households Reside in a **Formal Dwelling** **81.4%**

18.1% of households reside in an **informal dwelling**

0.5% of households reside in a **traditional dwelling**



TENURE STATUS



39.1% of households **own** and have **paid** for the property where they reside

11.0% of households **own** but have not **finished paying** for the property where

30.8% of households **rent** the property where they reside

19.2% of households **occupy** the property where they reside **rent-free**

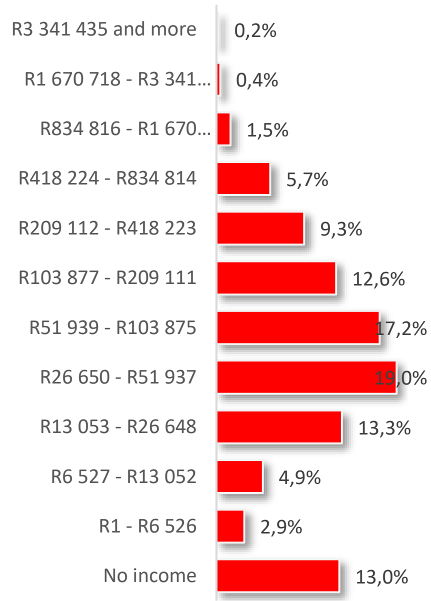
HOUSEHOLD INCOME PROFILE (2026)

Average annual household income for all SEM Groups (2026)
R154 581

Average annual household income for SEM 2+ Groups (2026)
R347 070

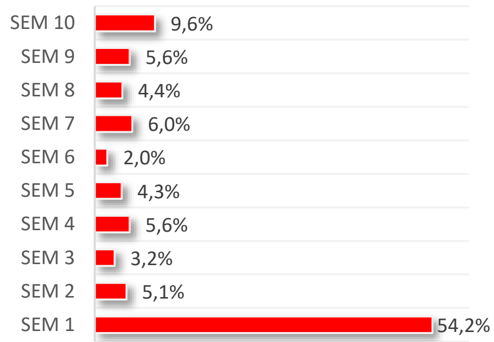
Average monthly household income for all SEM Groups (2026)
R12 882

Average monthly household income for SEM 2+ Groups (2026)
R28 923

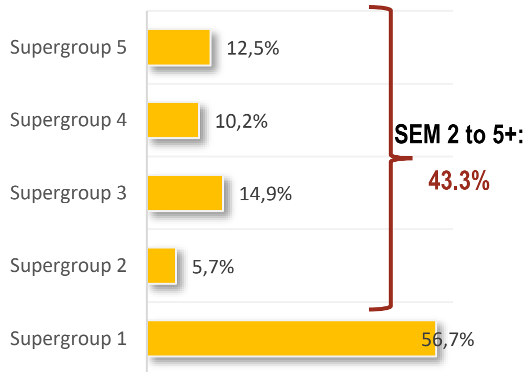


SEM PROFILE DISTRIBUTION

SEM Distribution



SEM Supergroup Distribution



4.3.4 LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

LSM VS SEM

LSM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cell phone in household
- 1 cell phone in household
- None or only one radio
- Living in a non-urban area

SEM

FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms

LIMITATIONS OF LSM

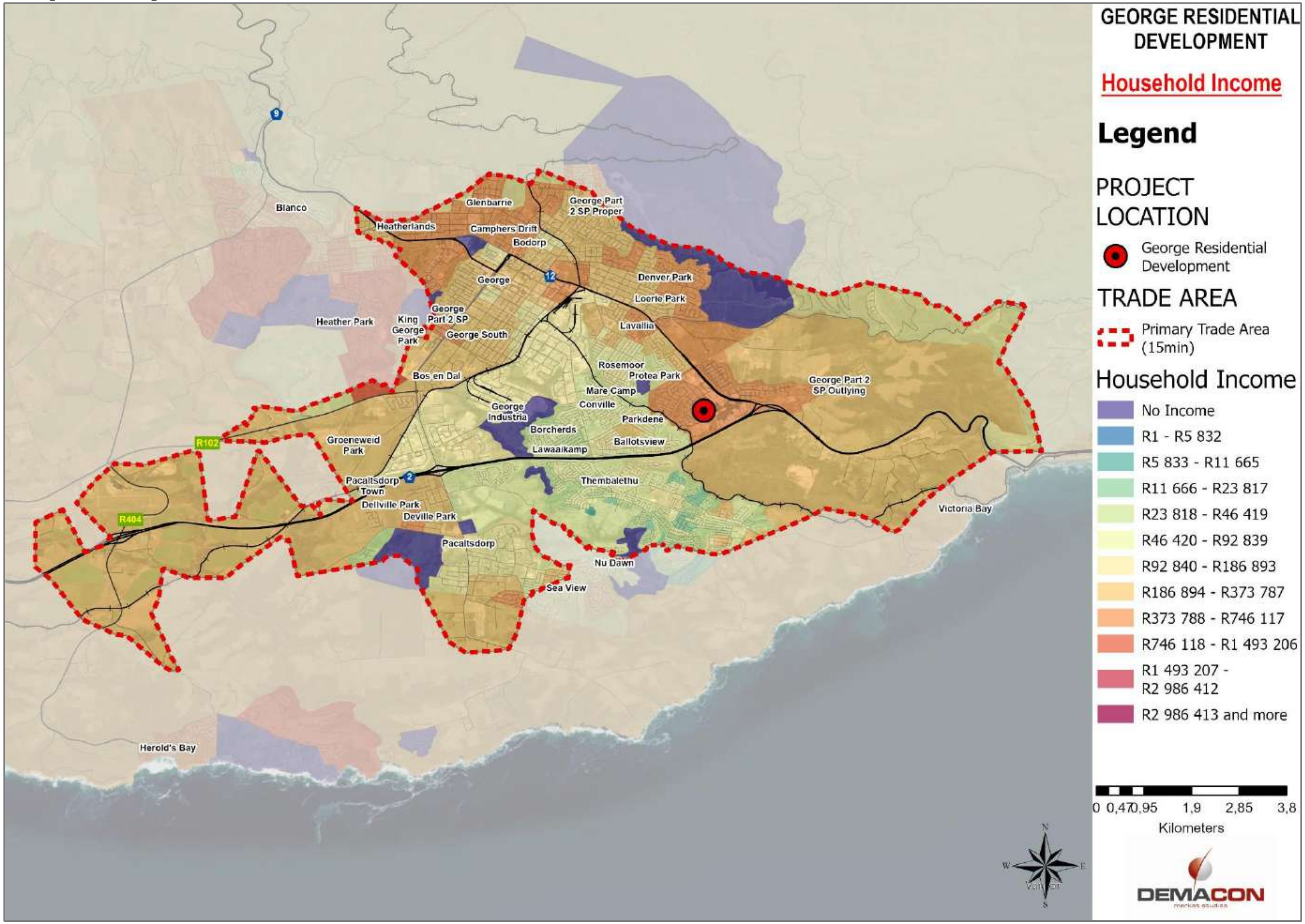
- LSM is not related to any specific brand or category
- LSM cannot accurately determine spending power
- Consumers have changed, LSM has not

ADVANTAGES OF SEM

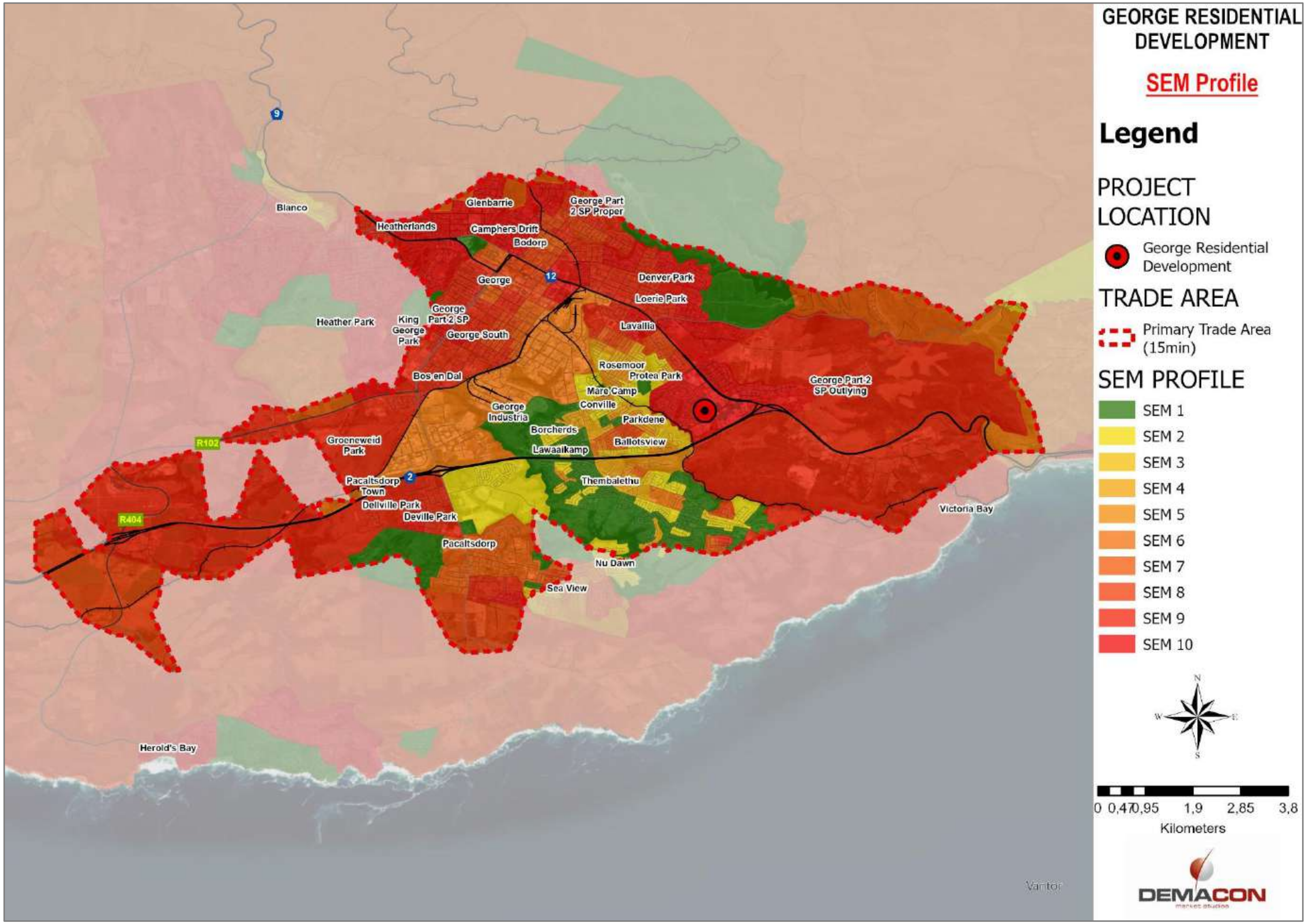
- Focus on structural items
- Low reliance on durables
- No reliance on technology items
- Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and townships of SA.

Map 4.5: Weighted Average Annual Household Income

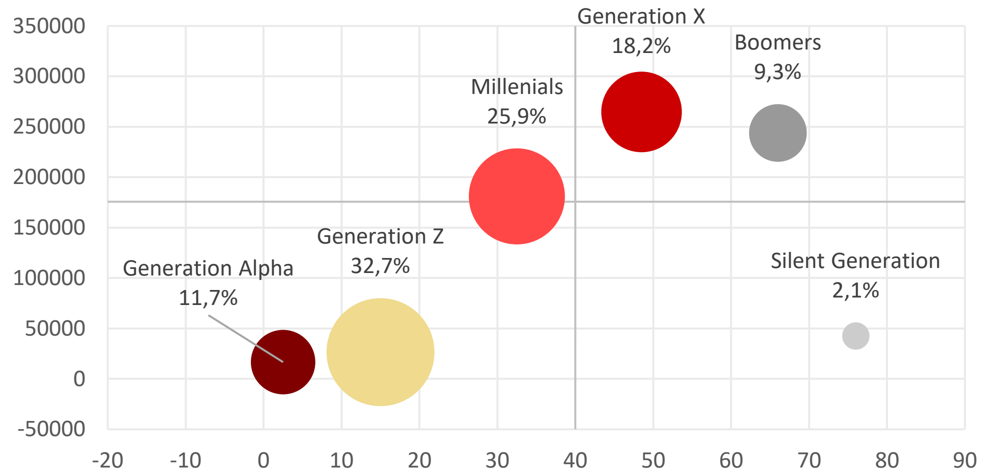


Map 4.6: SEM Profile

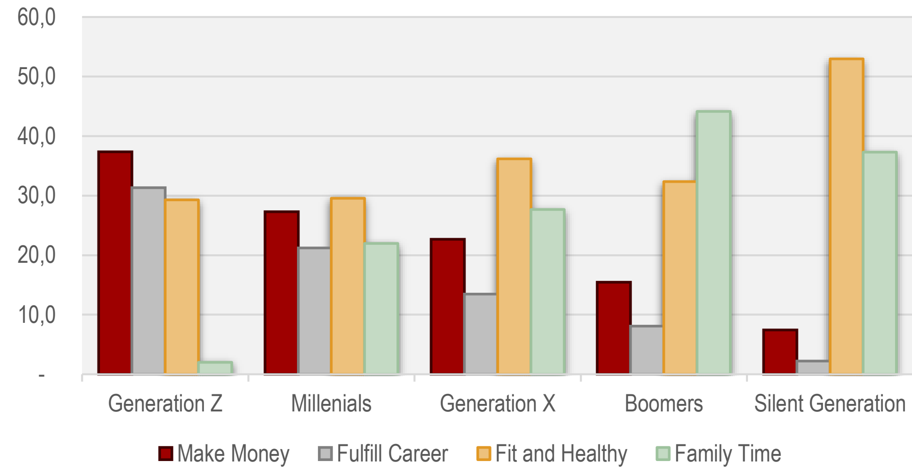


4.3.5 GENERATION CONSUMERS

Consumer Market Segments



Main Aspirations of Consumer Segments

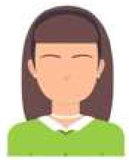


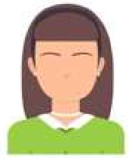
GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
Current Age	**0-5 years**	**6-24 years**	**25-40 years**	**41-56 years**	**57-75 years**	**76+ years**
Percentage of Target Market	**11.7%**	**32.7%**	**25.9%**	**18.2%**	**9.3%**	**2.1%**
Characteristics	• Raised in homes with smart speakers & devices. • Technology is built into everyday items. • Many attend schools virtually – gravitating towards online schooling	• Flexible work environments • Clear directions & transparency • Seek personal growth in reaching performance goals. • Value offline relationships and person-to-person interaction	• Seek meaningful work. • Want to grow and use creative skills. • Technology savvy • Grow professionally. • Skills training, mentorship & feedback are necessary to stay at the company.	• Laid back • Low-key & independent • Entrepreneurial spirit • Value-friendly, flexible workplaces & productivity over hours spent at work. • Seeks out efficiency & innovation.	• Hardworking • Ambitious • Seek luxury status symbols in their personal lives. • Take risks to pursue goals. • Dedicated to their jobs.	• Traditional values • Financial prudence • Interpersonal respect • Determination • Resilience • Work ethic • Analogue sensibilities • Loyal

GENERATIONAL CHARACTERISTICS

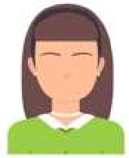
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		• Prioritise authenticity, truth & connectivity in their relationships & expect it from society	• Self-confident • Not afraid to challenge the status quo/ management	• Value autonomy to make own choices. • Create relationships with mentors. • Effectively manage work-life balance	• Attribute self-worth to their occupations • Finding work-life balance is challenging	• Financially conservative
Social Media Channel of Choice	• Instagram, TikTok	• TikTok, Snap Chat, YouTube	• Instagram, Facebook, Pinterest	• Facebook, LinkedIn	• Facebook	
Most responsive to	• Video, Influencers	• Video, Influencers	• Reviews, Blogs	• Word-of-mouth, E-mail, Marketing	• Traditional Advertising	• Traditional Advertising
Device of Choice	• Smartphones/ tablets & voice-demand devices	• Smartphones	• Multi-Device	• Desktop and Laptop	• Prefer in-person interactions	• Prefer in-person interactions
Shaping Events	• A global pandemic, social justice movement, Brexit	• Smartphones, social media, seeing the financial struggles of parents	• The Great Recession, Technological Explosion of the Internet, social media	• End of the Cold War, with the Rise of personal computing, feeling lost between the two huge generations	• Post-WWII, Cold War, Hippie Movement	• World War II
Finances	• Digital natives will expect fully integrated, personalised consumer experiences. It is expected that they will be one of the most educated and wealthy generations.	• Like GenX (their parents) in financial attitudes but wanting to avoid debt after seeing Millennials" struggles	• Massive student debts delay major life purchases.	• Carrying the highest debt load while still raising children and saving for retirement	• Managing retirement with life expectancies on the rise	• Retired & financially vulnerable. • Lack of financial stability • Think of finances in terms of the rest of their lives
Shopping Characteristics	• Value- & service-driven consumers • Prefer one-day delivery, lightning-fast payments, value-added loyalty schemes & content creation. • Wants to use technology to make a difference.	• Have never known life without the internet. • Distrusting of branding and advertising • Prefers testimonials/ influencer content • Prefers to see real people in real situations.	• The largest group in the workforce • Does not like traditional ads • Prefers user-generated content, social selling, and word-of-mouth • Suspicious of being sold or lied to by brands.	• Prefers honest and clear product and marketing messages. • Require clear paths to purchase. • Most likely to conduct online research at home and shop in purchase • Most influenced by email marketing.	• Holds customer service above all other factors. • Most likely to abandon purchase based on customer service interaction. • Unlike testing new products	• Attracted loyalty and rewards programmes and places that offer discounts to pensioners. • Focused on value for money and product quality. • Prioritises products that are reliable, fairly priced & budget friendly.

GENERATIONAL CHARACTERISTICS

	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
	• Prefers brands that have a positive impact on the world • Environment & Sustainability largest looming issues • Interest in products from sustainable sources that weren't made from or packaged in plastic • Desire to be engaged with on issues that matter to them	• Prefers brands that contribute to social & economic causes • Most likely to pre-shop on smartphones • Does not like Facebook/ Twitter • Dislikes ads that make life look perfect	• Prefers companies that support a cause • Very price conscious/ seeks the best value • Motivated by brand engagement, especially through social media	• Prefers unique, high-quality products. • Customer service is the most important driver of loyalty. • Incentivised by discounts/ freebies/ coupons. • Does not care for brand engagement	• Maintain brand loyalty. • Unlike using friend/ family referrals in decision making • Prefer in-store shopping • Prefers loyalty programmes that are straightforward. • Prefers simplicity and easy-to-understand content. • Will use social media as an entry point into brand or product research	• Purchases necessities & only small luxuries • Prefers brand names. • Prefers to shop in-store. • Prefers products that are practical and solve a problem that they have
Tourism Preferences and Travel Trends	• Starting to influence their families' travel choices	• Influences their families' travel choices. • Most likely to rely on metasearch engines when planning a travel • Rely on travel agents, blogs & social sites • When booking, they prefer search engines. • Prefer hotels, but also like to stay at relatives' or friends' house • Budget is a key factor while travelling & they tend to spend more on flights and shopping • When choosing a destination, they consider	• Take more trips than other generations. • No longer mostly relying on Online Travel Agencies during travel planning even if it's still the favourite platform to book. • Least likely generation to stay in alternative accommodations – prefers hotels • Oriented towards once-in-a-lifetime experiences & beaten-path locations • Also interested in relaxing all day in spas and resorts	• When planning a trip, they mostly rely on Online Travel Agencies but also show interest towards travel review sites. • Prefer Online Travel Agencies when booking. • Shows more interest towards resorts & alternative accommodations. • Their travel choices are family-oriented • Choosing the destination on social media, they prefer watching videos posted by experts to get inspired, while they do not pay too	• More aware of the destination where they're going but still want help & support during the booking process. • My main travel motivation is relaxation & sightseeing. • Can afford to take the longest holidays • During the planning of a trip, they mostly rely on Online Travel Agencies' portals & search engines	• Health factors significantly into their travel plans • Demonstrates loyalty to travel agents

GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		the number of pictures they will be able to share on social media and the uniqueness of the experience • Social media are very important to Gen Zs, & they get inspired by pictures posted by friends and are attracted by appealing ads & pictures • Most are inclined to use smartphones in more stages of their holiday, now competing with desktop devices.	• Gets inspired on social media - prefers watching pictures and videos posted by friends • More likely to get inspired by blogs and by hashtags • Desktop is the preferred device, but there is a growing use of smartphones and tablets in every stage of the holiday	much attention to blogs and articles • More inclined to use tablets before and during their holiday, even if the desktop is still their favourite device	• Visits more destination sites compared to other generations • Inspired by a good offer advertisement & by pictures posted by experts • Usually attracted by informative ads & less by pictures • When booking, they prefer Online Travel Agencies mainly accessing the internet from a desktop device • Budget is not a key component while travelling and compared to other generations, they tend to spend more on food & less on attractions and tours and shopping	
Real Estate Behaviour	• Not applicable underage	• Usually, first-time home buyers or rent property. • Rented an apartment or house prior to buying a house or lived rent-free with their parents/friends/relatives. • Has a large desire to own a home of their own due to a	• Largest share of home buyers, mostly being married couples. • Mostly move directly from a family member's home before buying property • Most likely to purchase property in urban areas,	• Purchases are based on buying larger and more expensive properties. • Mostly buying multi-generational homes as a large segment of this population have dependents.	• Mostly buy due to a desire to own a home of their own, and to be closer to friends and family, and to live in a better area. • Mostly buy newly build homes.	• The smallest share of buyers. • They most likely purchase to be closer to friends and family. • Wil opt for a smaller home, most likely in a senior-related housing or retirement house.

GENERATIONAL CHARACTERISTICS

	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		change in their family situation, i.e. marriage, birth. • Location is based on commute to job. • Will compromise on the condition of the property. • Look online for information about the home buying process. • **Will opt for Townhouses and apartments**	ensuring convenience to their jobs and ensuring commuting costs remain low. • Mostly buy on a loan. • Own more than one investment properties. • Will compromise for the size of the property. • **Systematic shift from flats and apartments to townhouses and family homes.** •	• Want to move close to schools. • Own more than one investment properties. • No compromises are made in buying a house. • Depend on real estate agents during the home buying process. • **Prefer larger family homes.**	• Own properties for the longest period of time of up to 20 years. • Usually move to a smaller home. • More willing to buy apartments than other generations. • No compromises are made in buying a house • Most likely buy in secure estates. • **Downscaling to townhouse or apartment**	• Mostly buy in smaller towns. • Least likely to compromise in their home search. • No compromises are made in buying a house • **Apartment and retirement options are considerations.**

4.4 SYNTHESIS

The findings of the preceding Chapter are summarised below.

PRIMARY MARKET AREA SUMMARY (polygon)

POPULATION SIZE AND GROWTH

- ✓ Approximately 193 559 people / 56 884 households reside in the primary market area.
- ✓ The average annual growth rate of population is 2.8% per annum, while the average annual growth rate of households is 3.1% per annum.

AGE AND GENDER PROFILE

- ✓ The age and gender profile reveals that:
  - The largest segment of the resident population is between the ages of 15 to 34 (34.9%) – classified as the youth to mature population,
  - The second largest segment of the resident population is between the ages of 35 to 64 (32.5%) – classified as the adult population,
  - The third largest segment of the resident population are between the ages of 0 to 14 year (26.5%)– classified as children,
  - The smallest segment of the resident population is older than 65 years (6.1%) – classified as elderly.
- ✓ The profile shows a large contribution from the below 35-year categories (61.4%), indicating a young expanding working age population.

RACIAL PROFILE

- ✓ The racial profile of the primary market area shows that the vast majority of the market 45.0% is Coloured followed by African Black 36.7%, White 17.8% and Indian / Asian 0.5%.

MIGRATION PROFILE

- ✓ Since 2001, the primary market area has experienced a moderate influx of population, 16.5% of the population are migrants of which, 15.6% of the 16.5% of migrants are South African, while 0.9% of the 16.5% are from outside the South African border.

EDUCATION PROFILE

- ✓ **Highest Level of Education Attained**
  Of the population 2.6% have obtained no education.
  The largest portion of the primary market area has obtained some secondary education (41.8%), followed by 28.6% who obtained Grade 12. 9.5% has obtained a higher education.
- ✓ **Attendance at an Education Institution (Persons Aged 20 and Older)**
  Of the persons aged 20 years and older, 32.8% are currently enrolled at a university and 18.8% at a FET College.

EMPLOYMENT PROFILE

Economically Active Population and Employment

- ✓ Of the population of the primary market area, 60.8% are economically active, meaning that more than half of the population are of working age and are actively participating in the economy or seeking employment.
- ✓ The remaining 39.2% represent population that fall outside the scope of the economically active population definition and represent people who are not available for work such as full-time scholars and students, full-time homemakers, those who are retired and those who are unable or unwilling to work.
- ✓ Of the economically active population, 75.9% are employed and 24.1% are unemployed. The primary market area reflects low dependency ratios.

Biggest Employing Economic Sectors in the Market Area

- ✓ The biggest employment economic sectors in the market area include:
  - Finance and Business Services (22.0%)
  - Community, social and personal services sector (21.6%)
  - Wholesale and retail trade services (19.4%) are most prominent.
- ✓ Employment per sector:
  - Primary sector (4.1%)
  - Secondary sector (18.6%)
  - Tertiary sector (70.1%)

Employment per Occupation

- ✓ Occupation within the primary market area is divided into:
  - Skilled occupations – 35.5%
  - Semi-skilled occupations – 39.4%
  - Low skilled occupations – 14.5%

DWELLING TYPOLOGY

- ✓ The primary dwelling type for households in the primary market area are house or brick structures – formal dwellings (81.4%) and 18.1% in informal dwellings.
- ✓ The largest segment of formal dwellings are freestanding houses on a single erf (72.0%), followed by 9.3% informal main dwellings.

TENURE STATUS

- ✓ 39.1% of households own and have paid for the property they reside, whereas 11.0% of households own a property but have not finished paying for the property.
- ✓ Of households in the primary market area, 30.8% are renting a property where they reside.
- ✓ 19.2% of households occupy the property where they reside rent-free.

HOUSEHOLD INCOME PROFILE

- ✓ Affluent households (R1.6 million and more) make up 0.6% of households.
- ✓ Approximately 13.0% of households in the primary market area earn no income.
- ✓ The weighted average annual household income for the resident population for 2026 amounts to **R154 581 per annum**, which amounts to **R12 882 per month** for *all SEM groups*.
- ✓ For *SEM groups 2 and higher*, the average income is **R347 070 per annum,** which amounts to **R28 923 per month.**

SEM PROFILE

- ✓ The discontinuation of the All-Media Products Survey (by the South African Audience Research Foundation (SAARF), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The newly released SEM model is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.
- ✓ Approximately **56.7%** of the primary market area's households are classified within the SEM Supergroup 1 with **43.3%** of households classified within the **SEM Supergroup 2 to 5** categories.

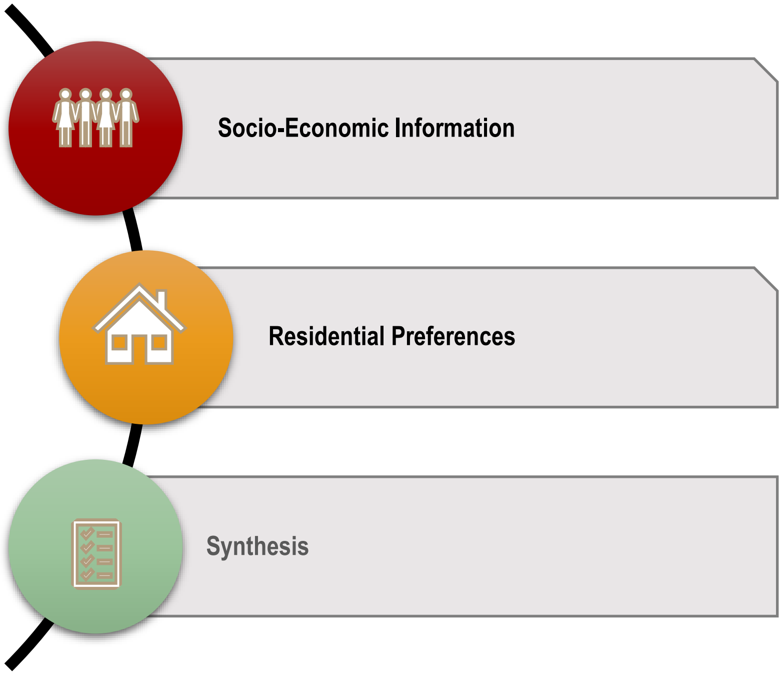
CHAPTER 5

HOUSEHOLD SURVEY RESULTS

5. HOUSEHOLD SURVEY RESULTS

5.1 INTRODUCTION

Subsequent paragraphs provide survey results to assess the potential for a residential development in the primary trade area. A proportionate stratified sample survey method was applied to test consumer preferences and perceptions with respect to the potential for the proposed development to be located in **in George,** situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.



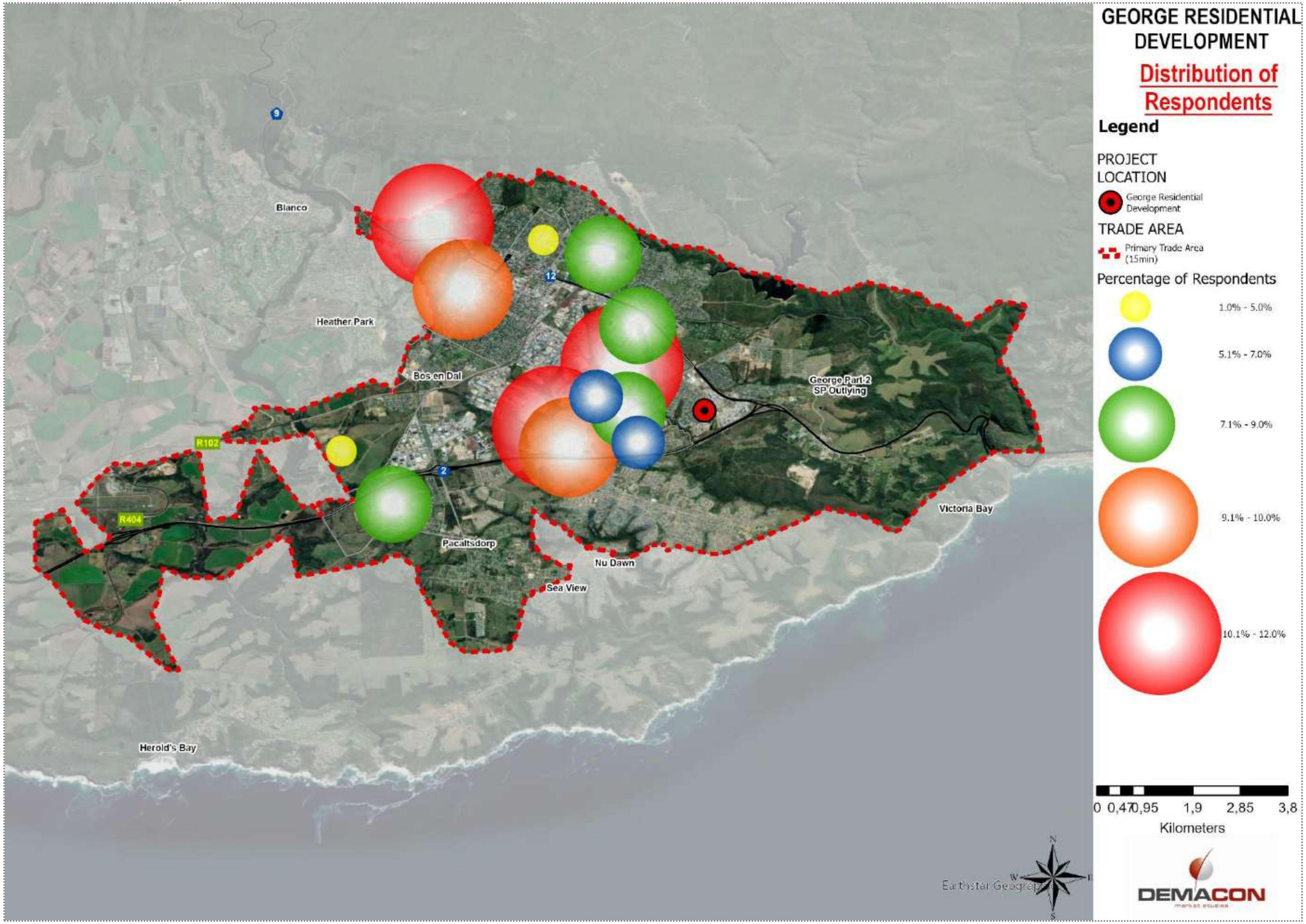
5.2 DISTRIBUTION OF RESPONDENTS

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development.

The map below geographically illustrates the spatial distribution of the respondents who participated in the survey. The respondents were located in:

- ✓ Heatherlands
- ✓ Borchards
- ✓ Rosemore
- ✓ Dormehls Drift
- ✓ Lawaaikamp
- ✓ Bergsig
- ✓ Delville Park
- ✓ Lavalia
- ✓ Parkdene
- ✓ Ballots View
- ✓ Conville
- ✓ Groeneweid Park
- ✓ Bodorp.

Map 5.1: Distribution of Respondents



5.3 SOCIO-ECONOMIC PROFILE

Key outcomes from the survey include:

Describe your household

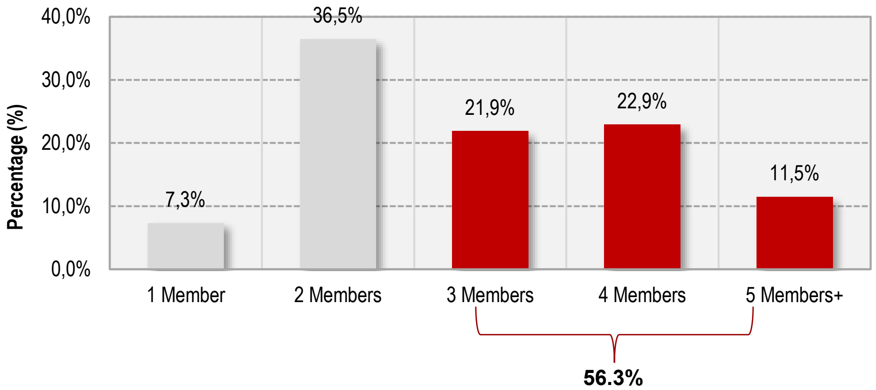
Respondent households are primarily characterised as


Parents with small children **37.5%**


Parents with adult children **13.5%**


Retired - golden nests/elderly **11.5%**

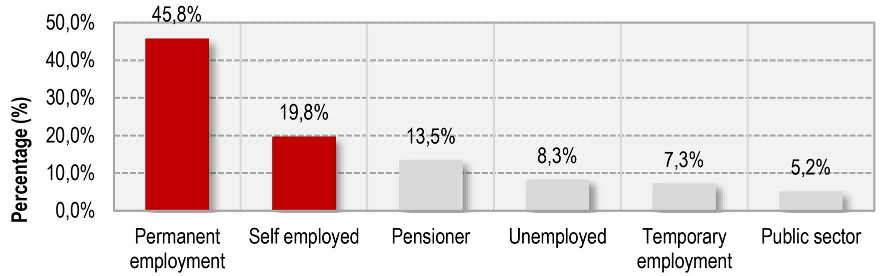
How many MEMBERS do you have in your household?



The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%) 3 people (21.9%), 4 members (22.9%) and 5 people (11.5%)** in a household.

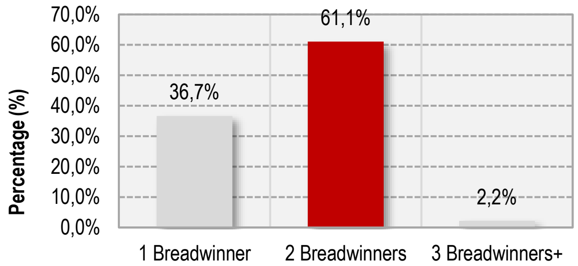
EMPLOYMENT Status

Respondents are typically **permanently employed (45.8%)** or **self-employed (19.8%).**



Number of BREADWINNERS in household:

The majority of households have 2 breadwinners in the household (61.1%).

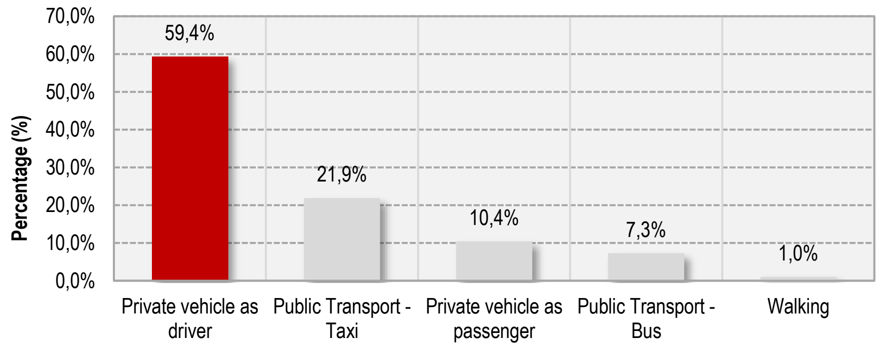


1 breadwinner 36.7%

2 breadwinners 61.1%

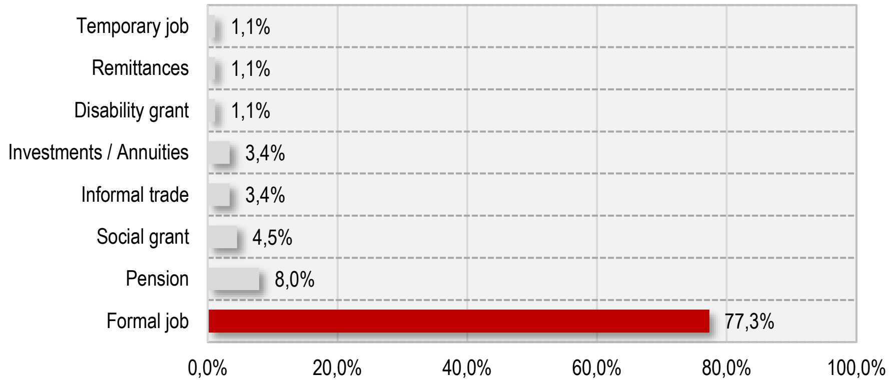
3+ breadwinners 2.2%

DOMINANT mode of TRANSPORT:



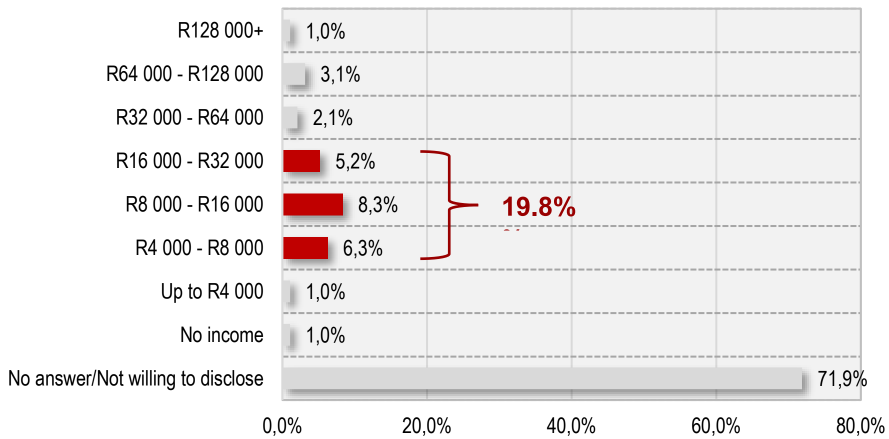
INCOME sources:

The majority of households **(77.3%)** earn their income from a **formal job**, 8.0% from pension.



Average monthly HOUSEHOLD INCOME profile (before deductions):

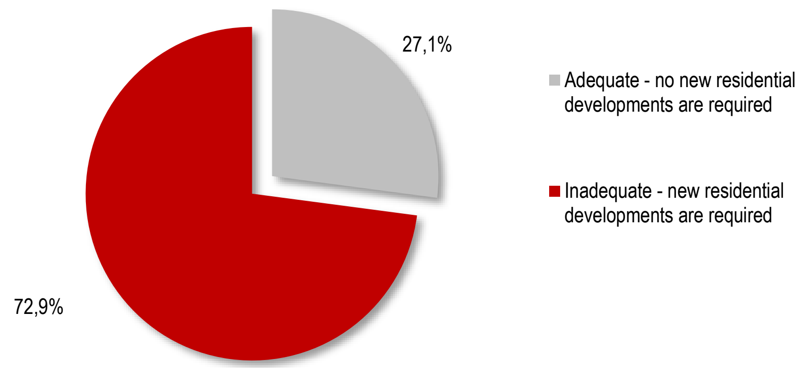
The vast majority of respondents did not want to disclose this information. The survey shows that 19.8% of respondents indicated their monthly household income range between R4 000 and R32 000 on average.



5.4 RESIDENTIAL SUPPORT AND PREFERENCES

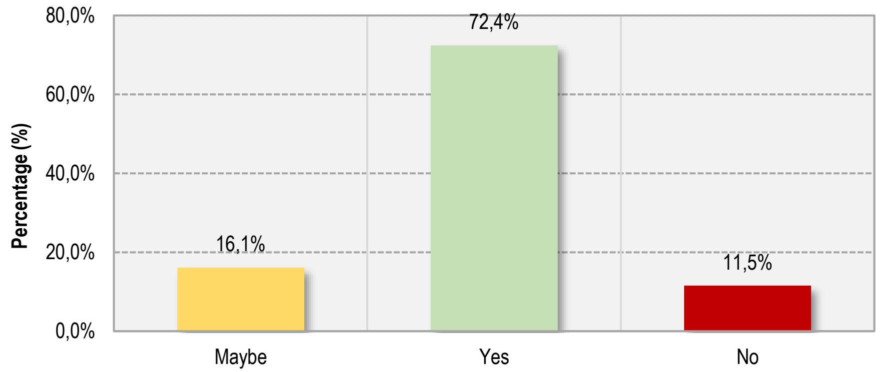
How would you best describe the residential offer in the George area?

72.9% of respondents indicated there is current **residential offerings** in the George area is inadequate – new residential developments are required.



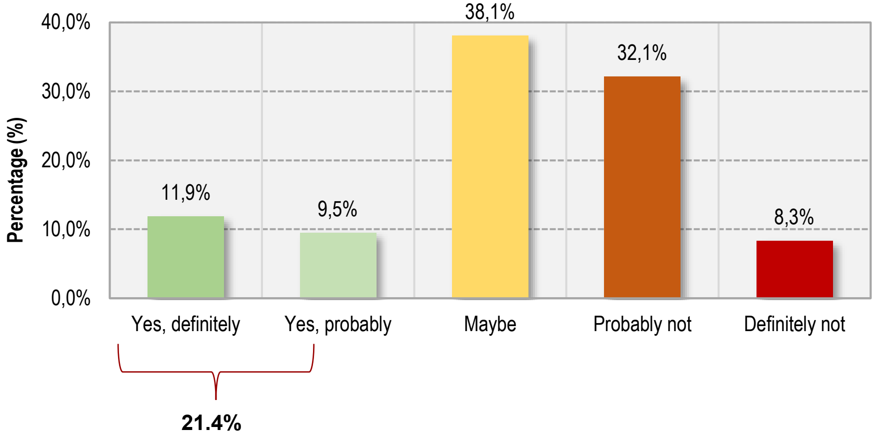
Perceived DEMAND for a new residential development in George?

72.4% of respondents indicated there is a **demand** for a new residential development in the area, 26.1% indicated "maybe" and 11.5% indicated there is no demand.



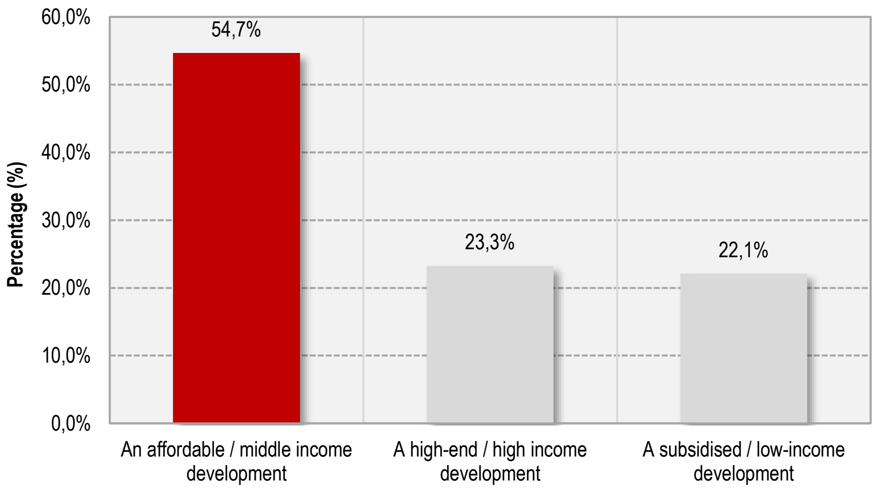
Would you consider MOVING to this development?

21.4% of respondents would definitely / probably consider move to this development.



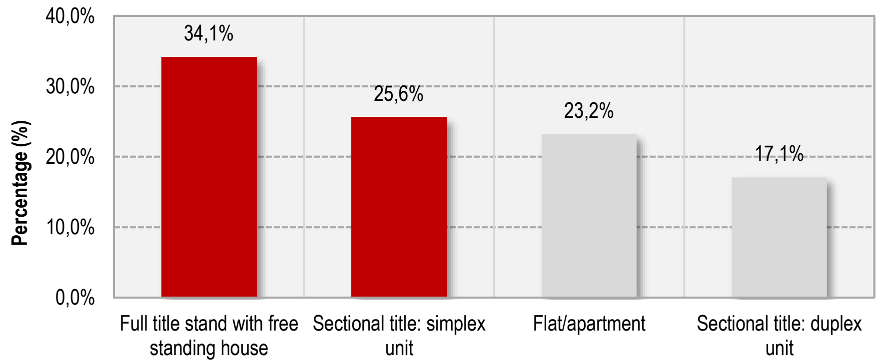
Which of the following type of development is there the highest demand in the George Area

The highest demand for type of development is an affordable middle income development (54.7%) or a high-end / high income development (23.3%)



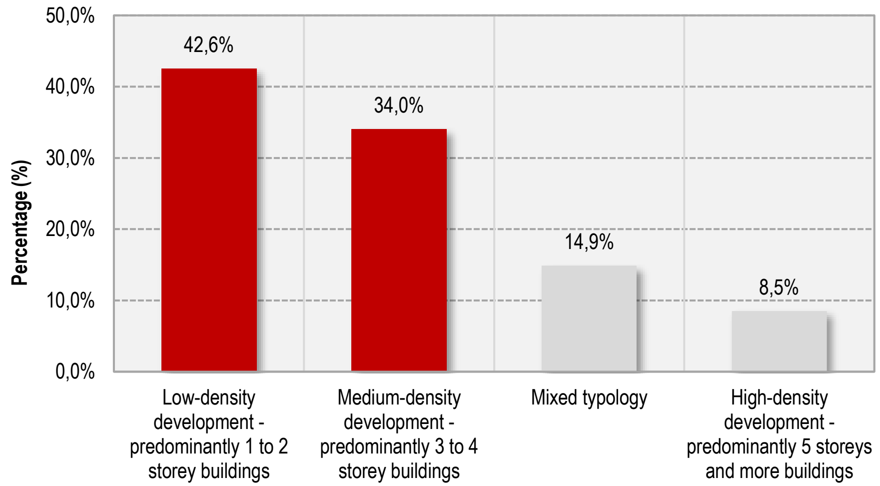
Preferred type of dwelling unit structure

The type of dwelling unit preferred is a full title stand with **freestanding house** (**34.1%**), followed by 25.6% a sectional title unit (simplex).



In your opinion, what is your overall density preference for a new residential development?

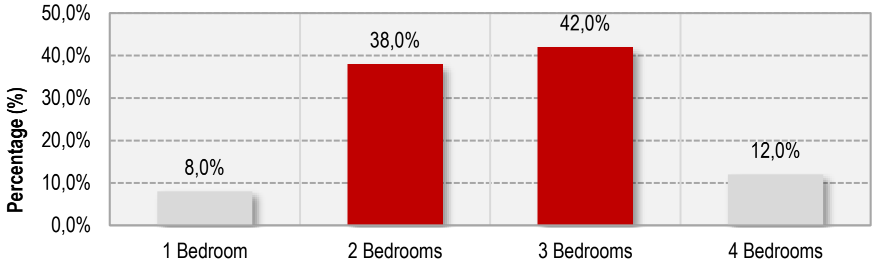
42.6% of respondents indicated the overall density preference is a **low-density development (1 to 2 storey buildings),** followed by 34.0% of respondents a medium-density development (3 to 4 storey buildings).



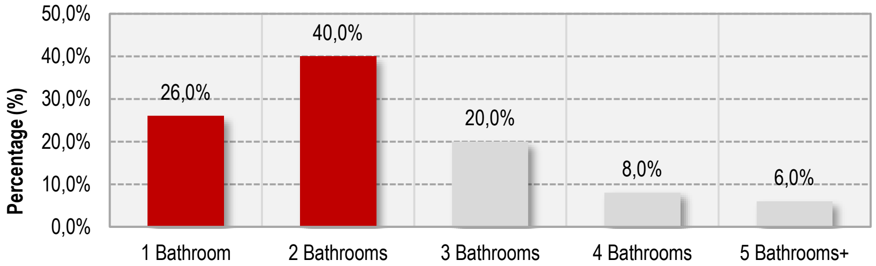
Preferred composition of residential units

The prefered composition for the residential unit could be a 2 to 3 bedroom unit, with 1 or 2 bathrooms,1 to 2 living areas, 1 to 2 garages and 1 to 2 carports.

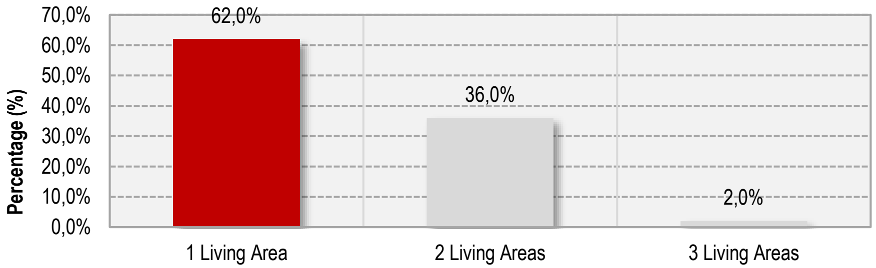
Bedrooms



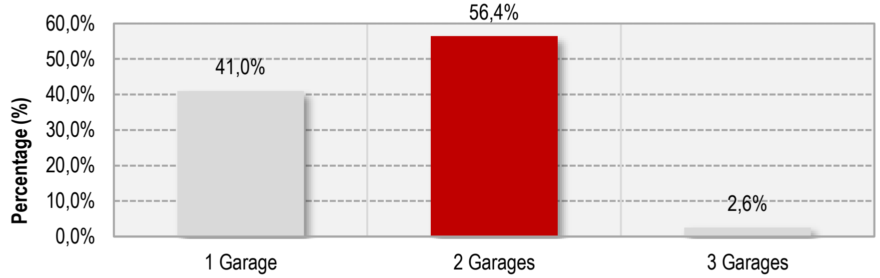
Bathrooms



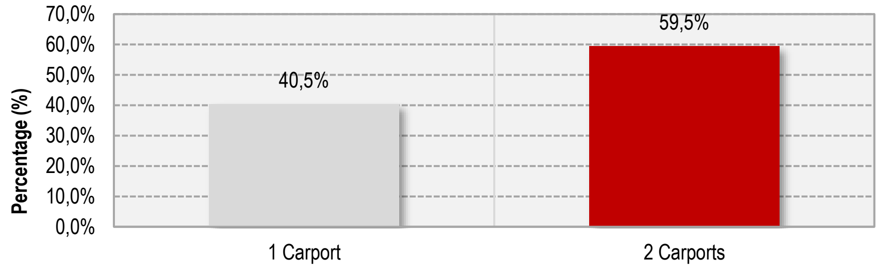
Living Areas



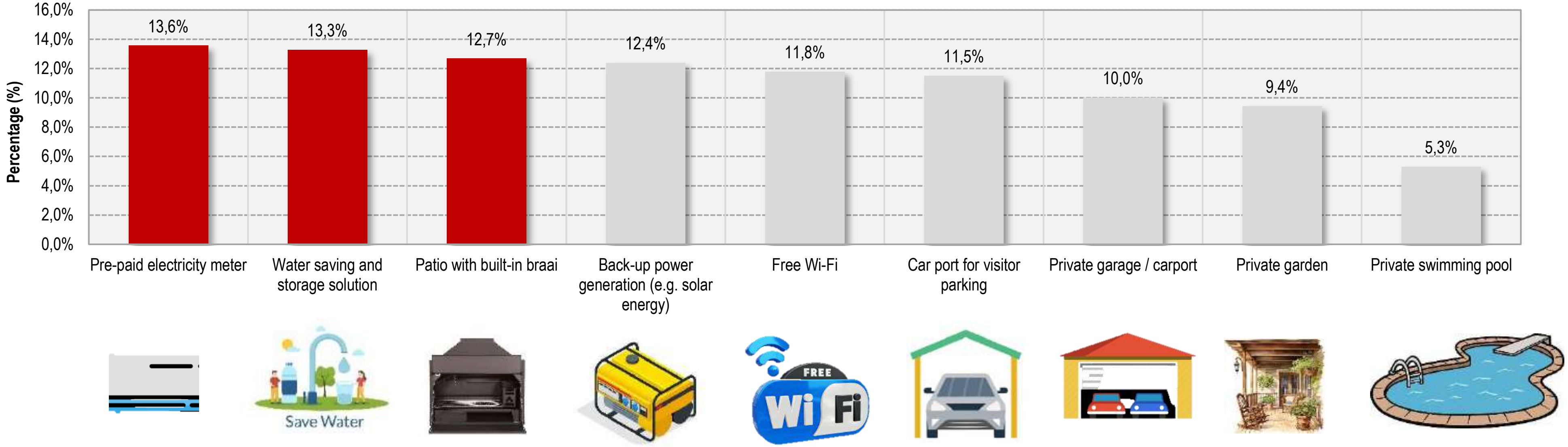
Garages



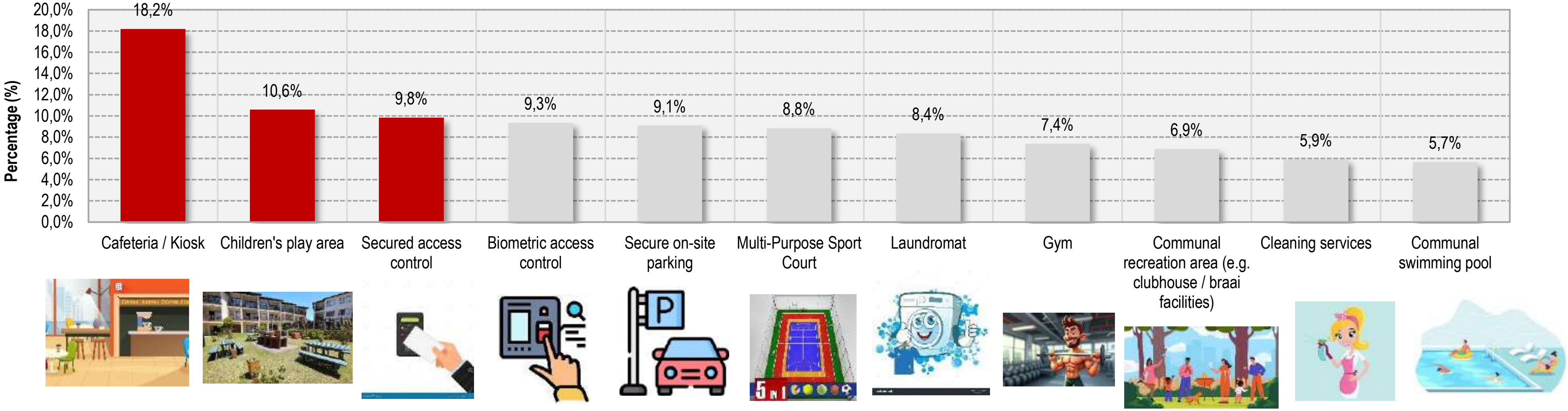
Carports



Which of the following should also form part of the RESIDENTIAL UNIT offering?



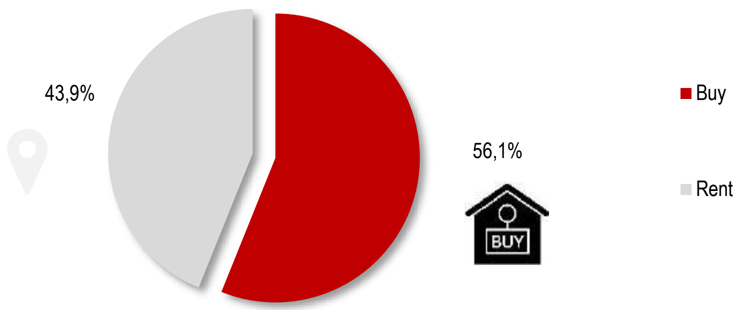
Which of the following amenities should form part of the RESIDENTIAL DEVELOPMENT? (residential unit offering?



AFFORDABILITY

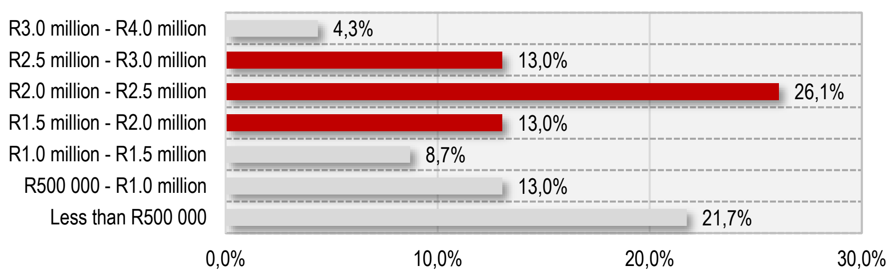
Affordability Profile

56.1% of respondents indicated they will be able to **BUY** and **43.9%** would **RENT** based on the affordability profile.



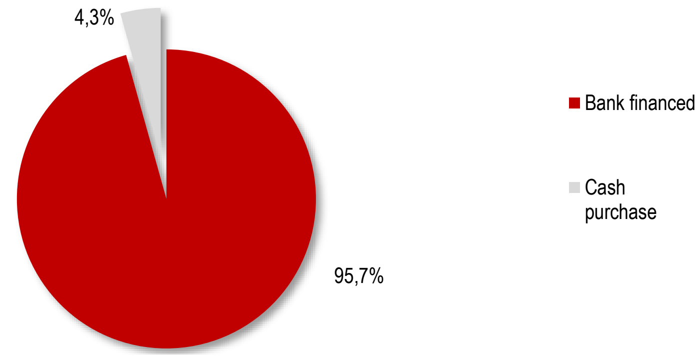
If you were to BUY a new residential property what would be a REASONABLE MARKET PRICE?

52.2% of the respondents indicated they would buy a property in the region of **R1.5 million to R3.0 million**.



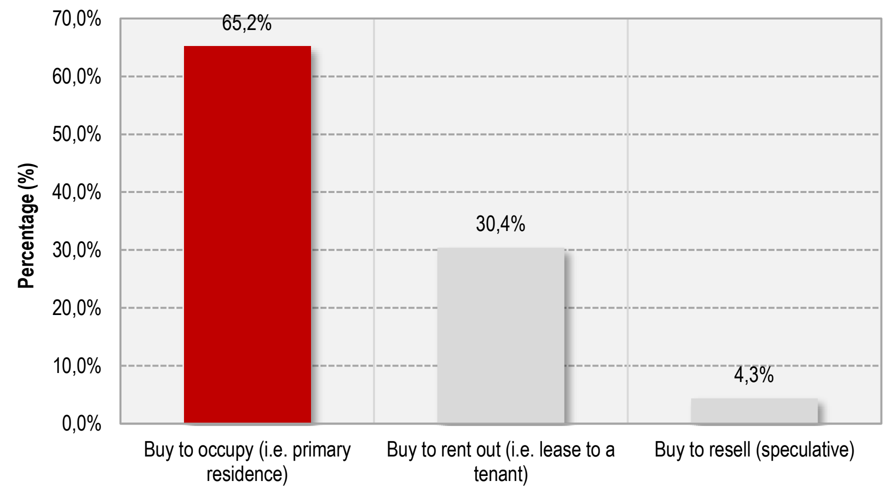
Would the purchase of a property/house be BANK-FINANCED OR BOUGHT CASH?

95.7% of the respondents indicated they would **bank-finance** the property / house.



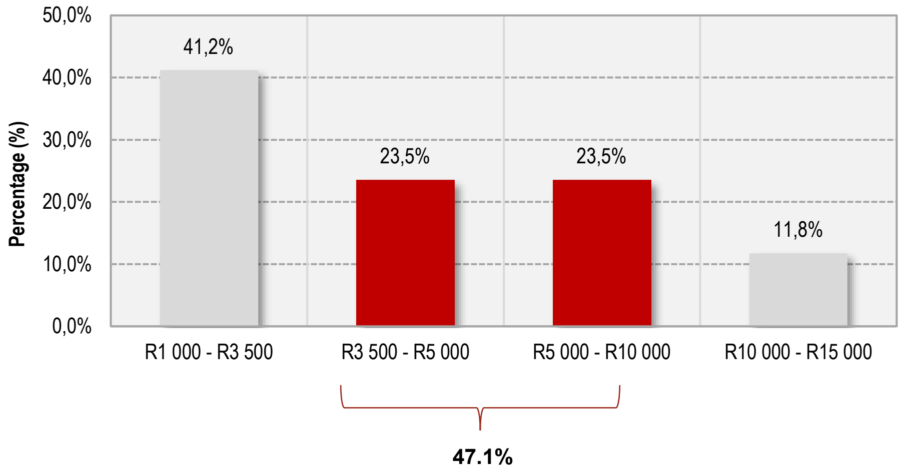
Reason for purchase

65.2% indicated they would **buy to occupy as a primary residence**.



RENTAL Profile

Respondents opting to **rent** a property are mainly willing to rent for R1 000 to R3 500 **(41.2%)** followed by 47.1% willing to rent for R3 500 to R10 000 per month.



5.5 SYNTHESIS

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development. The consumer survey seeks to highlight stated consumer preferences with regard to a proposed **residential** development to be located **in George,** situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.

Key outcomes from the survey include:

SOCIO-ECONOMIC INFORMATION & INCOME

- ✓ The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%) 3 people (21.9%), 4 members (22.9%) and 5 people (11.5%)** in a household.
- ✓ **Employment status:**
  Respondents are typically permanently employed (45.8%) or self-employed (19.8%).
- ✓ **Dominant households** represent the following:
  - Parents with small children – 37.5%
  - Parents with adult children – 13.5%
  - Retired – golden nests – 11.5%
  - Couple / married – 10.4%
- ✓ **Breadwinners:**
  The majority of households have 2 breadwinners in the household (61.1%) and a single breadwinner 36.7%.
- ✓ **Dominant mode of transport:**
  The majority of respondents (59.4%) indicated a private vehicle as a driver.
- ✓ **Income sources:**
  The majority of households (77.3%) earn their income from a formal job and 8.0% from pension.
- ✓ Average monthly household **income profile** (before deductions):
  - The majority of respondents was not willing to disclose their household income (71.9%)
  - 19.8% indicate their income range between R4 000 to R32 000 per month.

RESIDENTIAL SUPPORT & PREFERENCES

Potential Support towards New Residential Development:

- ✓ 72.9% of respondents indicated that residential offerings in George is inadequate – new residential developments are required.
- ✓ 72.4% of respondents indicated there is a demand for a new residential development in the area, 16.1% indicated "maybe" and 11.5% indicated there is no demand.
- ✓ Would you **consider moving** to a new development?
  21.4% of respondents would definitely / probably consider move to this development.
- ✓ **Which type of development is there a demand for:**
  - An affordable / middle income development – 54.7%
  - A high-end / high income development – 23.3%
  - A subsidised / low-income development – 22.1%

- ✓ **Preferred type of dwelling structure** in the new residential development:
  - Full title stands with free standing house – 34.1%
  - Sectional title: simplex unit – 25.6%
  - Flat / apartment– 23.2%
  - Sectional title: duplex unit – 17.1%
- ✓ **Preferred overall density:**
  - Low-density development - predominantly 1 to 2 storey buildings – 42.6%
  - Medium-density development - predominantly 3 to 4 storey buildings – 34.0%
  - Mixed typology – 14.9%
  - High-density development - predominantly 5 storeys and more buildings – 8.5%
- ✓ What **composition** of **residential units** would you prefer? (Majority options)
  - 2 to 3 bedrooms (80.0%)
  - 1 to 2 bathrooms (66.0%),
  - 1 living area (62.0%)
  - 2 garages (56.4%)
  - 2 carports (59.5%)
- ✓ Which of the following should form part of the **residential unit offering?**
  - Pre-paid electricity meter - 13.6%
  - Water saving and storage solution - 13.3%
  - Patio with built-in braai - 12.7%
  - Back-up power generation (e.g. solar energy) - 12.4%
  - Free Wi-Fi - 11.8%
  - Car port for visitor parking - 11.5%
  - Private garage / carport - 10.0%
  - Private garden - 9.4%
  - Private swimming pool - 5.3%
- ✓ Preferred amenities part of the residential development
  - Cafeteria / Kiosk - 18.2%
  - Children's play area - 10.6%
  - Secured access control - 9.8%
  - Biometric access control - 9.3%
  - Secure on-site parking - 9.1%
  - Multi-Purpose Sport Court - 8.8%
  - Laundromat - 8.4%
  - Gym - 7.4%
  - Communal recreation area (e.g. clubhouse / braai facilities) - 6.9%
  - Cleaning services - 5.9%
  - Communal swimming pool - 5.7%

Affordability

- ✓ **56.1%** would **BUY** based on their affordability profile and **43.9%** of respondents indicated they will be able to **RENT.**
- ✓ 52.2% of the respondents indicated they would buy for R1.5 million to R3.0 million and this would be a bank-financed property.
- ✓ **Reason for purchase:**
  - Buy to occupy (i.e. primary residence) - 65.2%
  - Buy to rent out (i.e. lease to a tenant) - 30.4%
  - Buy to resell (speculative) - 4.3%
- ✓ What would be a **reasonable monthly rental?**
  - Less than R3 500 – 41.2%
  - R3 500 to R5 000 – 23.5%
  - R5 000 to R10 000 – 23.5%
  - R10 000 to R15 000 – 11.8%

47.1%

CHAPTER 6

MARKET-BASED RESIDENTIAL POTENTIAL

6. MARKET-BASED RESIDENTIAL POTENTIAL

6.1 INTRODUCTION

This section of the report focuses on the residential market, with the objective of estimating the development potential within the designated area. To reach this objective, the supply and demand for residential facilities within the market area should be identified and assessed in terms of current trends.

Subsequent paragraphs highlight the following main headings to identify the aforesaid beneficiaries:

6.2 GENERAL RESIDENTIAL MARKET INDICATORS

6.2.1 RESIDENTIAL PROPERTY MARKET EXPECTATIONS FOR 2026

- The residential market in 2026 is expected to experience healthy, sustainable growth rather than the rapid price surges of previous years.
- House price inflation will likely continue at more measured levels, offering more accessible entry points for buyers.
- First-time buyers are poised to play a central role, encouraged by favourable interest rates and increased confidence.
- Younger buyers are also adopting the **rent-vesting** approach, purchasing property in affordable areas for rental income while renting closer to work or lifestyle hubs.
- Urban living continues to evolve, with demand rising for **sectional title units** in areas near employment hubs, schools, and transport.
- Hybrid work trends further support this shift, making compact, well-located homes highly attractive.

Rental Market Resilience:

- Limited supply of quality long-term rentals is driving stronger yields and attracting buy-to-let investors.
- Short-term rentals, particularly in tourist and lifestyle hotspots, continue to tighten inner-city rental availability.
- Policymakers are exploring regulations to protect long-term tenant supply, a factor that buyers and investors should monitor closely in 2026.

Regional Trends and Opportunities:

Different regions of South Africa are shaping the opportunities available to buyers and investors.

- **KwaZulu-Natal:** Lifestyle hubs like Umhlanga and Ballito are emerging as key growth areas, driven by strong rental demand.
- **Western Cape:** Coastal metros continue to perform well, attracting semi-grants seeking security, lifestyle, and scenic appeal.
- **Gauteng:** Johannesburg **remains** an economic engine, benefiting from infrastructure investment and increasing international visibility

6.3 LOCAL RESIDENTIAL MARKET ACTIVITY

6.3.1 RESIDENTIAL PROPERTIES LISTED FOR SALE IN THE MARKET AREA (CURRENT LISTINGS)

The Garden Route is no longer just about holidays and retirement, but has seen a tremendous influx of families and professionals in recent years as they search for a safer, quality lifestyle, according to Pieter Jordaan, licensee for Seeff George. Consequently, property values have surged by around 35.5% on average over 5 years, with areas such as Knysna seeing a 70% rise in median prices, and 100% in Plettenberg Bay. The area has become the perfect alternative to busy metros, offering almost no traffic and a laid-back lifestyle, yet with access to good schools, an airport, a regional mall, top hospitals and medical care, and sought-after retirement facilities. The areas are clean, and generally well managed. The coastal lifestyle is a big drawcard, featuring beautiful blue flag beaches, marinas, spectacular scenery and natural attractions.

The Garden Route is a golfer's paradise with estates such as Fancourt (Goerge), Pezula (Knysna), Pinnacle Point (Mossel Bay), Simola (Knysna), and Oubaai and Kingswood (George), and Goose Valley (Plettenberg Bay) seeing top prices paid for luxury homes. The tremendous growth of lifestyle and security estates which are a big drawcard for semigration buyers, is also seeing prices increasingly paid upwards of R5 million to over R10 million and higher in some estates.

The City of George property market is thriving, recording R3bn in property transactions for the year ending September, per Lightstone data. Average prices have grown over 30% in three years, fuelled by strong demand, limited supply, and ongoing stock shortages. Jordaan notes that development delays will likely keep inventory tight.

The city is highly sought after for its excellent quality of life, mild climate, scenic beaches, reputable schools, and top golf courses. With robust local businesses and infrastructure, including hospitals and a regional mall, George has become a preferred semigration destination, offering a more affordable alternative to Cape Town for families and professionals.

Top performing estates are increasingly seeing prices over R5 million to R10 million, such as Kingswood, Welgelegen, Earls Court and Kraaibosch Country Estate. Fancourt achieves the highest prices upwards of R15 million. Jordaan says rentals are also in high demand, boosted by semigration. Rates range from R5,500 (sectional titles) to R40,000 on average for high end houses, but can go to R75,000 per month in Fancourt.

The following provides a concise overview of property market activity of selected suburbs in the immediate vicinity of the proposed development. It should be noted that these properties are properties currently for sale / available in the market.

Surrounding areas include:

Bergsig	Hansmoeskraal AH
Blanco	Heather Park
Blue Mountain Village	Heatherlands
Bodorp	Herolds Bay
Bos en Dal	Highlands
Camphersdrift	King George Park
Delvillepark	Kingwood Golf Estate
Dennoord	Kraaibosch
Denver Park	Le Grand Estate
Dormehls Drift	Levallia
Earls Court Lifestyle Estate	Loerie Park
Eden Residential Estate	Mooikloof Country Estate
Fancourt	Mount Fleur Mountain Estate
Fernridge	Mountain View Estate
George Central	Oubaai
George East	Pacaltsdorp
George Rural	Panorama
George South	Parkdene
Glen Barrie	Rooi Rivier Rif
Glenwood	Victoria Bay
Glenwood Ridge	Welgelegen
Groeneweide Park	

Table 6.1: Residential Properties Listed for Sale

Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	Percentage
Apartment / Flat						
1 Bedroom	R590 000	R2 995 000	R522 268	R1 391 185	32	25,6%
2 Bedrooms	R1 100 000	R5 250 000	R918 685	R2 253 979	83	66,4%
3 Bedrooms	R2 400 000	R8 700 000	R1 898 763	R3 340 556	9	7,2%
4 Bedrooms+	R3 395 000	R3 395 000	R347 500	R3 395 000	1	0,8%
Average price				**R2 595 180**	**125**	**100,0%**
Houses						
1 Bedroom	R2 350 000	R2 350 000	R0	R2 350 000	1	0,2%
2 Bedrooms	R520 000	R10 900 000	R1 529 593	R2 574 676	69	11,8%
3 Bedrooms	R595 000	R18 000 000	R2 349 063	R3 870 700	338	57,9%
4 Bedrooms	R1 630 000	R29 995 000	R5 852 245	R8 482 254	122	20,9%
5 Bedrooms+	R1 499 000	R38 000 000	R7 821 357	R7 547 778	54	9,2%
Average price				**R4 965 082**	**584**	**100,0%**
Townhouses						
1 Bedroom	R1 050 000	R1 850 000	R359 359	R1 556 000	3	7,5%
2 Bedrooms	R999 999	R3 995 000	R759 884	R2 014 650	20	50,0%
3 Bedrooms	R1 555 000	R3 950 000	R731 616	R2 290 000	16	40,0%
4 Bedrooms+	R2 350 000	R2 350 000	R0	R2 350 000	1	2,5%
Average price				**R2 052 662**	**40**	**100,0%**

Source: Demacon ex Property24 data, 2026

Findings:

- As seen from Table 6.1, there are 125 apartments / flats, 584 houses and 40 townhouses listed in the market, totalling **749** property listings.
- The **average selling prices** are as follows:
  - Apartments / flats: **R2 595 180**
  - Houses: **R4 965 082**
  - Townhouses: **R2 052 662**
- The majority of apartments listed in terms of configuration are 2-bedroom units; the majority of houses are 3- and 4-bedrooms; and townhouses are 2- and 3-bedroom units.

Summary of Residential Supply in terms of number of transactions

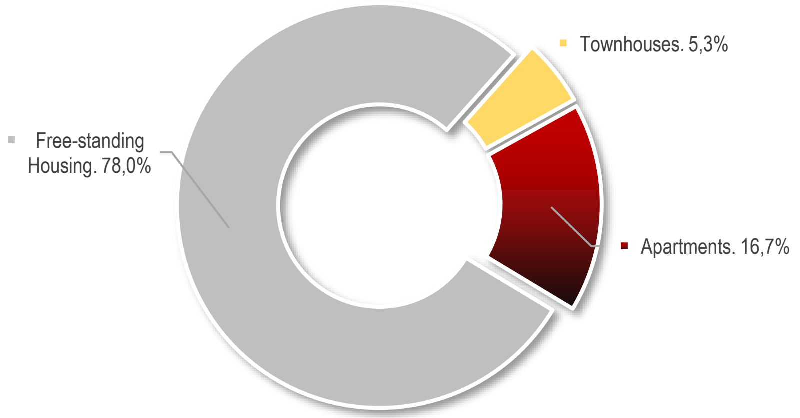


Table 6.2: Key descriptive information of properties for sale

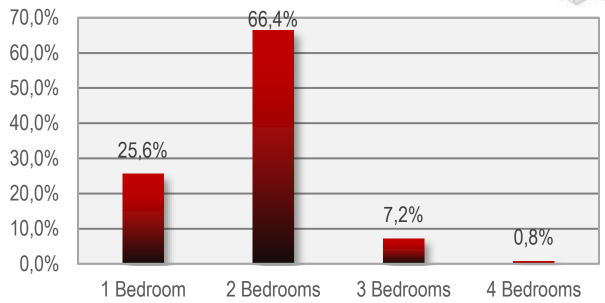
APARTMENTS / FLATS

PROPERTIES in immediate surrounding area
125 (16.7%)

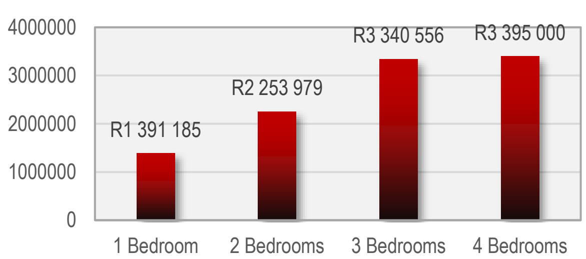
FOR SALE
Average Price
R2 595 180

Average Unit Size
35m² – 259m²
75.8m² (average)

Distribution of Bedrooms (%)



Distribution (price per bedroom)



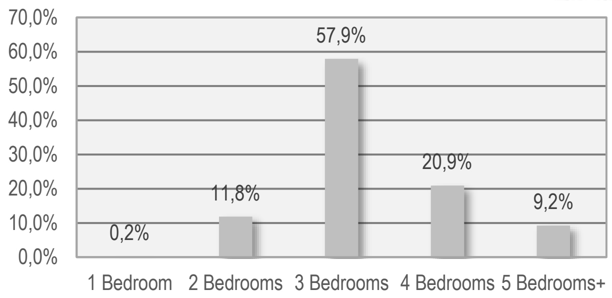
FREE-STANDING HOMES

PROPERTIES in immediate surrounding area
584 (78.0%)

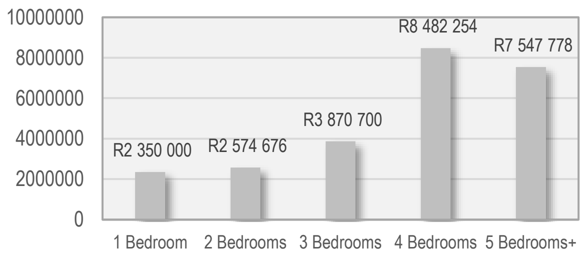
FOR SALE
Average Price
R4 965 082

Average Erf Size
116m² – 10 575m²
678.5m² (average)

Distribution of Bedrooms (%)



Distribution (price per bedroom)



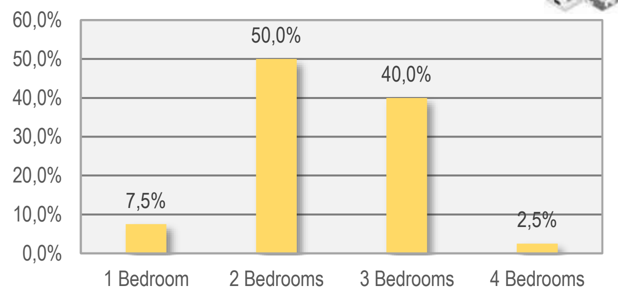
TOWNHOUSES

PROPERTIES in immediate surrounding area
40 (5.3%)

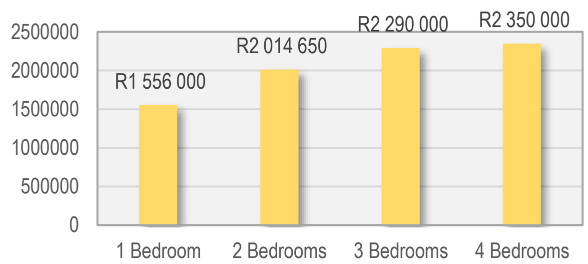
FOR SALE
Average Price
R2 052 662

Average Unit Size
21m² – 499m²
225.8m² (average)

Distribution of Bedrooms (%)

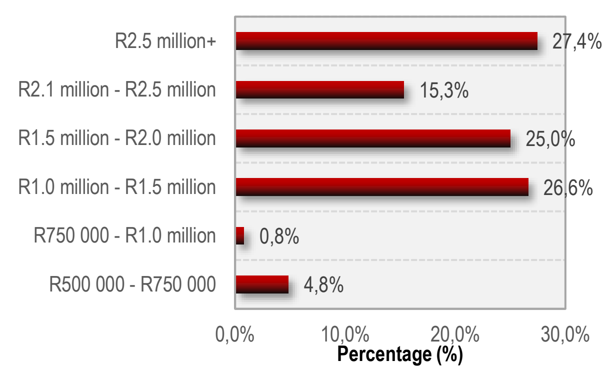


Distribution (price per bedroom)

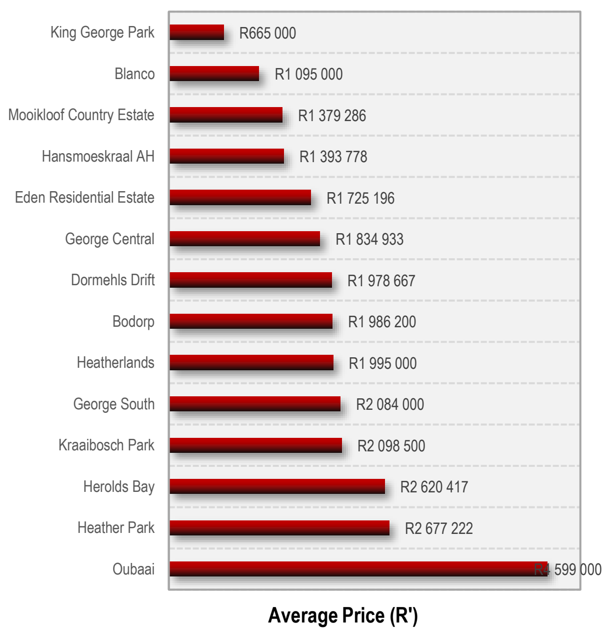


APARTMENTS / FLATS

Price Distribution

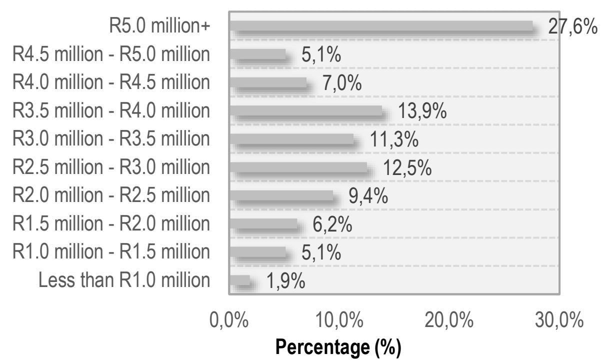


Average Price Per Suburb

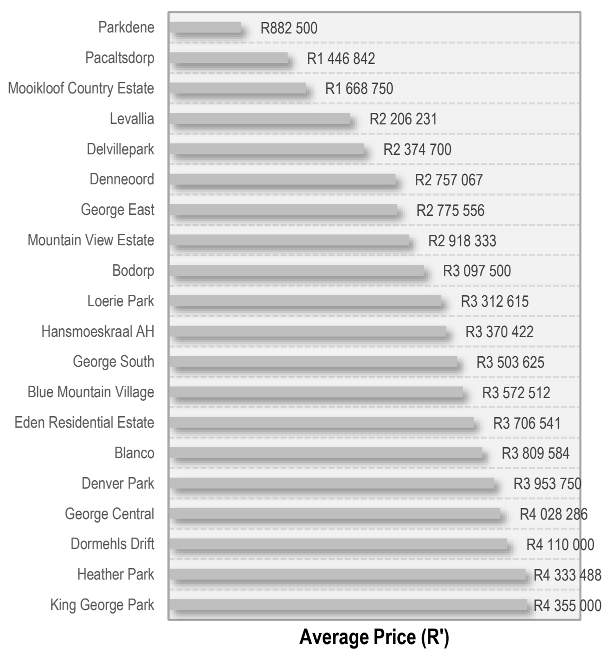


FREE-STANDING HOMES

Price Distribution

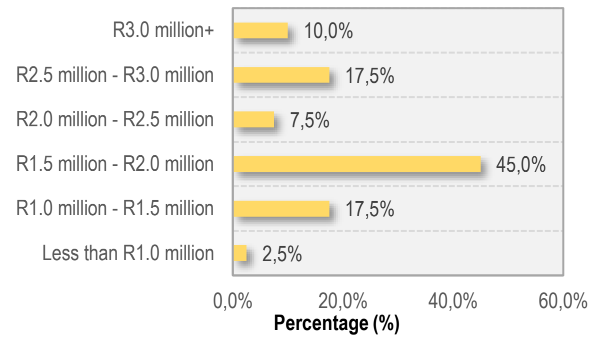


Average Price Per Suburb

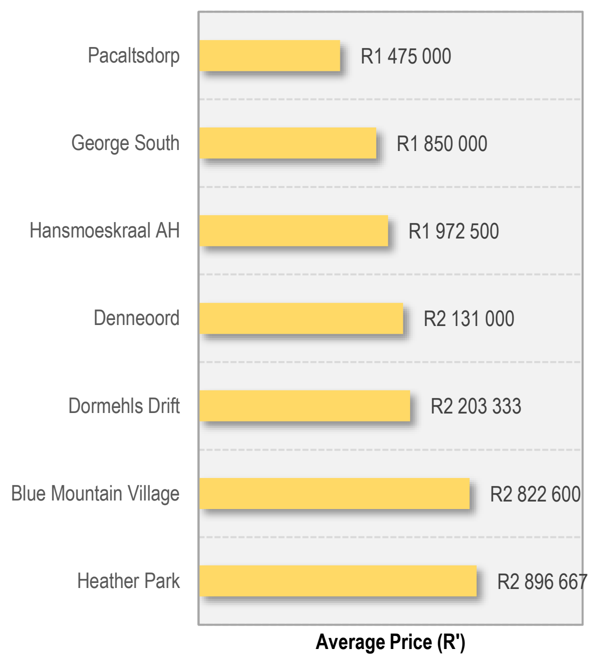


TOWNHOUSES

Price Distribution

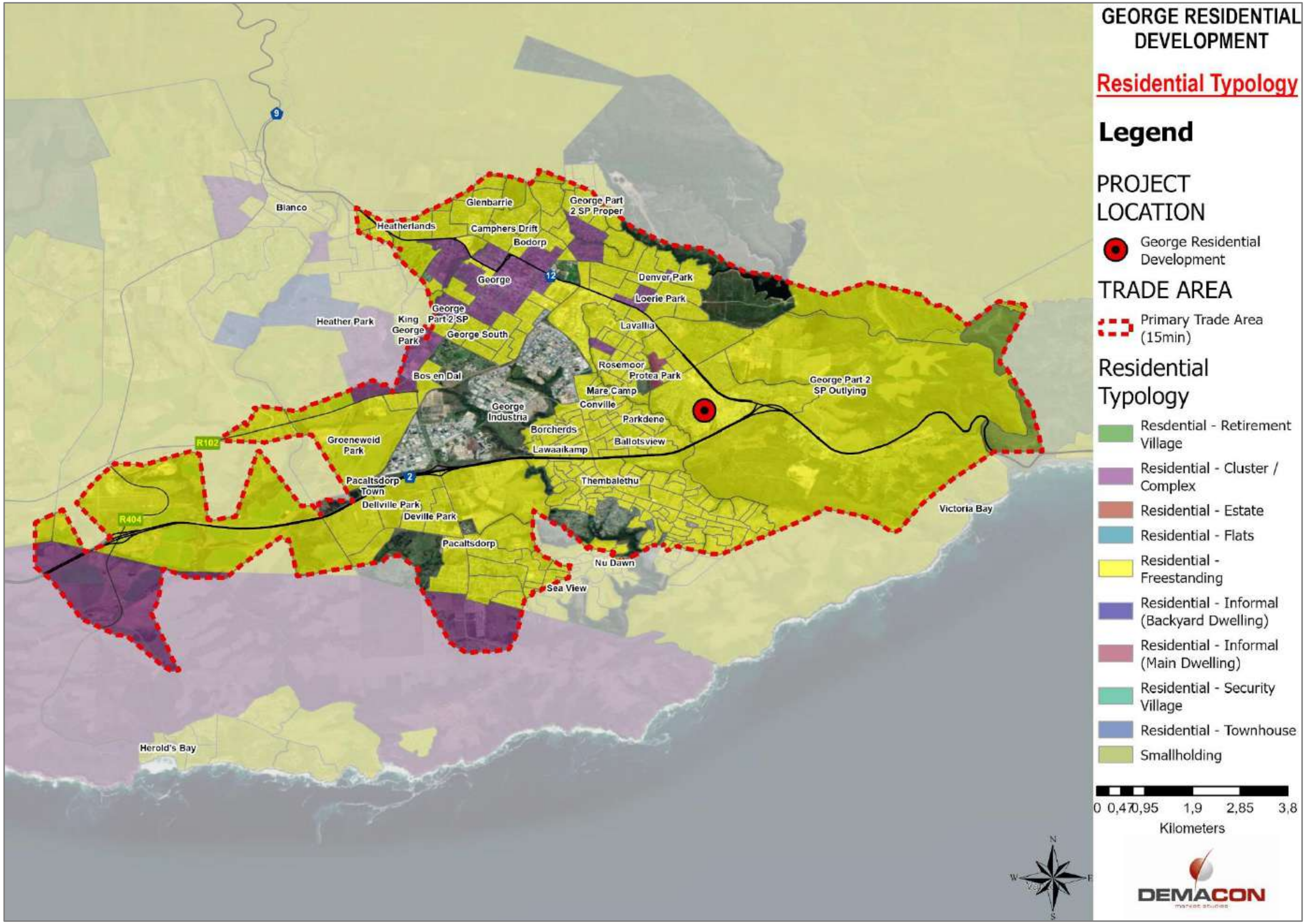


Average Price Per Suburb

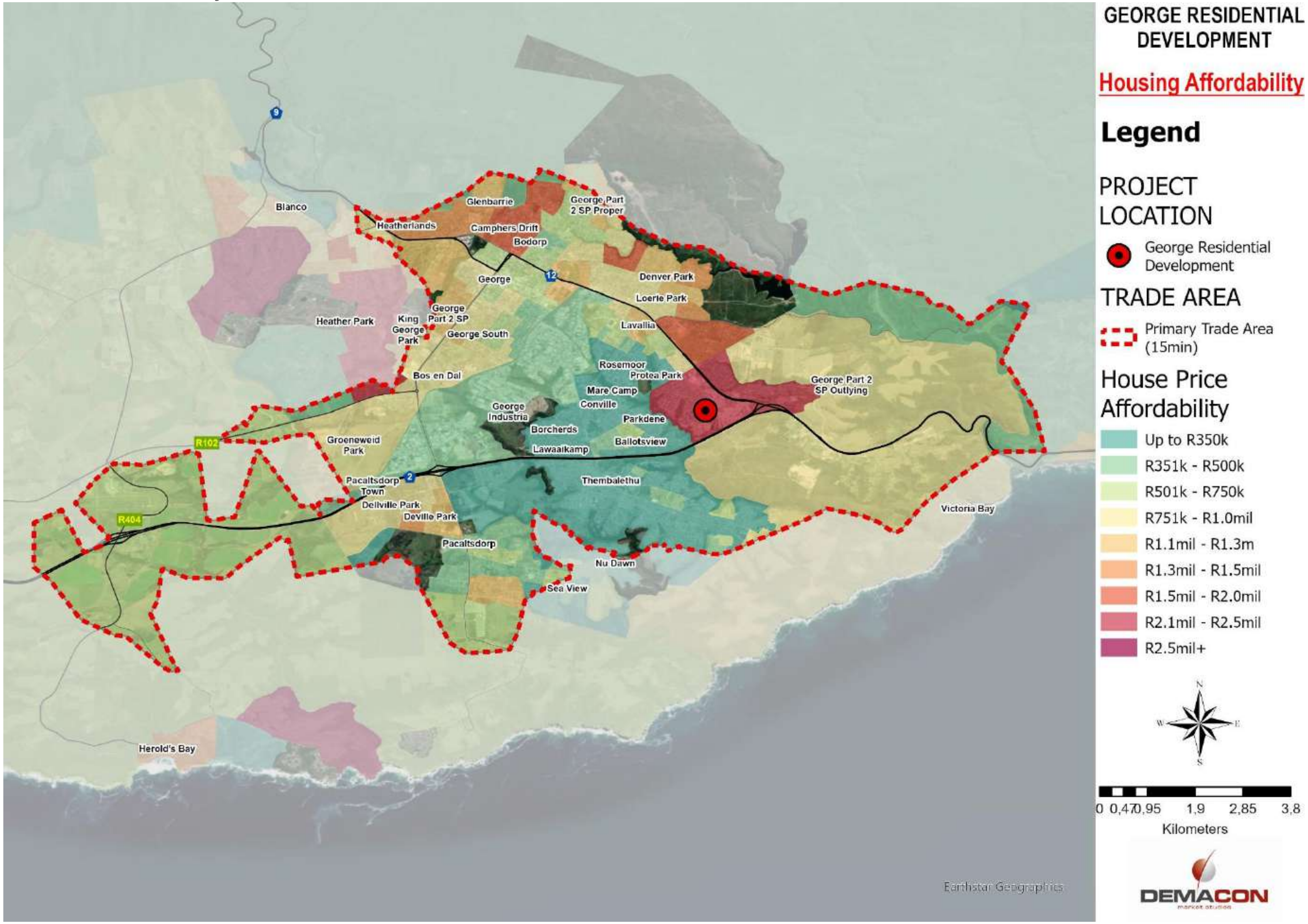


Source: Demacon ex Property24 data, 2026

Map 6.1: Residential Typology (High-Level)



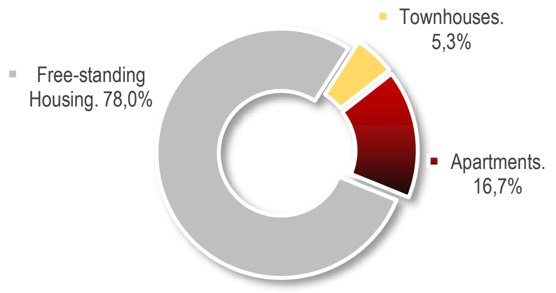
Map 6.2: House Price Affordability



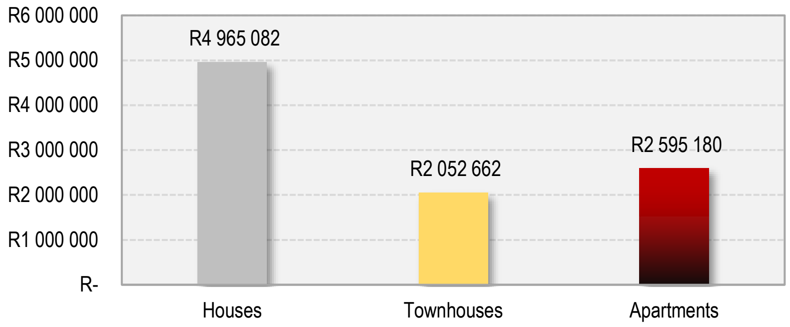
RESIDENTIAL SALES SUMMARY – LISTED PROPERTY

SUMMARY OF SALES

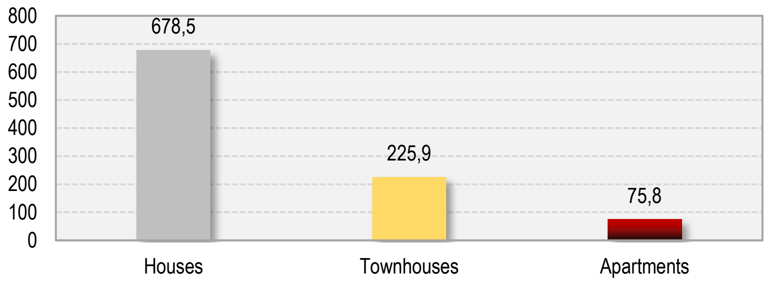
Summary of Residential Supply in terms of number of transactions



Average Selling Price



Average Unit Sizes



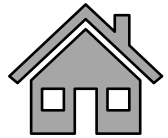
Townhouses

Average Price **R2 052 662**

Apartment / Flats

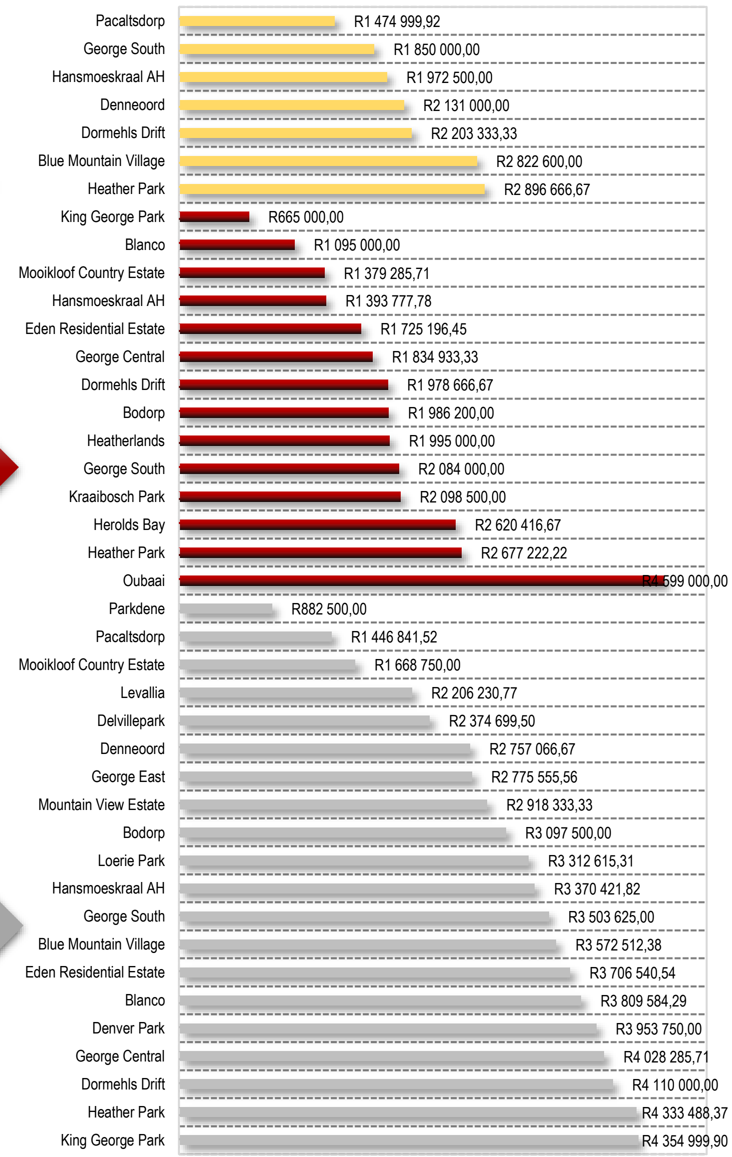
Average Price **R2 595 180**

Houses



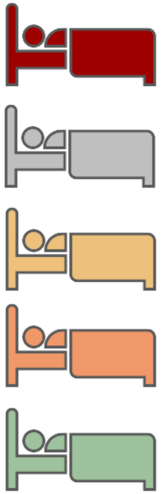
Average Price **R4 965 082**

AVERAGE SALES PRICE PER SUBURB



6.3.2 LOCAL PROPERTY TRENDS & STATISTICS (SALES REGISTERED IN THE DEEDS OFFICE) – BLUE MOUNTAIN VILLAGE[1]

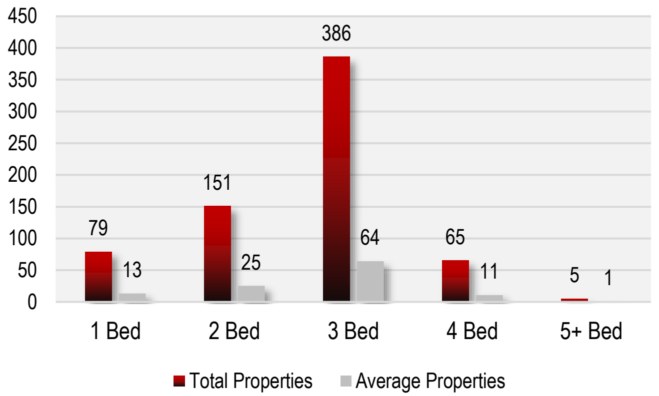
AVERAGE PRICE



1	R1 850 000
2	R2 505 000
3	R3 695 000
4	R4 300 000
5+	R5 990 000

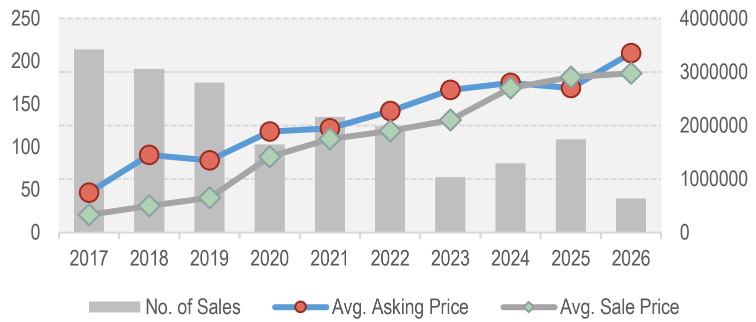
AVERAGE PRICE PER BEDROOM **R3 668 000**

TOTAL PROPERTIES BY BEDROOM COUNT (6-MONTH PERIOD)



ANNUAL PROPERTIES FOR SALE

This graph shows the annual number of sales registered in the deed's office, as well as the average selling price and asking price of all listings for the same time period.

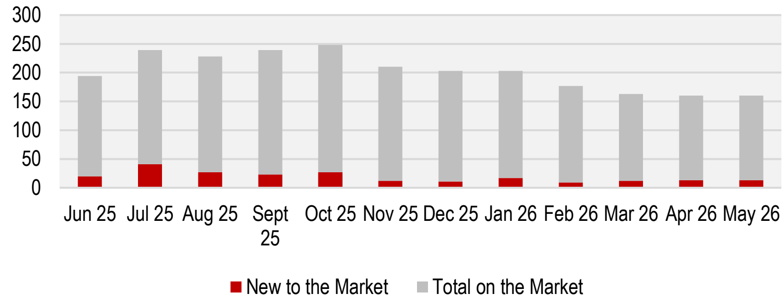


Blue Mountain Village

- **1 237 sales** since 2017, averaging 124 properties per year.
- Average asking price: **R2.1 million**
- Average sales price: **R1.7 million**
- Sales prices achieved in 2025 are, on average**, 10.5%** higher compared to the listing price in 2025.

MONTHLY PROPERTIES FOR SALE

This graph shows the monthly number of properties and properties new to the market.



Blue Mountain Village

- New **units: 225 new units** from Jun 2025 to May 2026, average of 19 per month.
- A total of **2 199 units** from Jun 2025 to May 2026, average of 183 per month.

[1] *Property sales in **BLUE MOUNTAIN VILLAGE** that have been formally registered in the Deeds Office.*

LOCAL PROPERTY TRENDS & STATISTICS (Sales registered in the deeds office) – BLUE MOUNTAIN VILLAGE

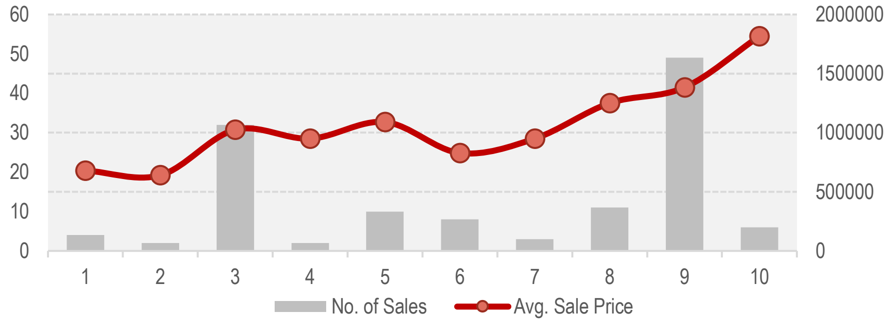
SOLD ERVEN (House plus erf)

This graph depicts the annual number of sold houses plus erf in **Blue Mountain Village** and the average sold price as recorded at the South African Deeds office.

- There have been **1 110 sold erven** since 2017, an average of 111 per annum.
- The average price per erven is approximately **R1 761 250**
- In 2025, 60 erven were sold, with a selling price of R2 900 000.

Sold Sectional Scheme Units

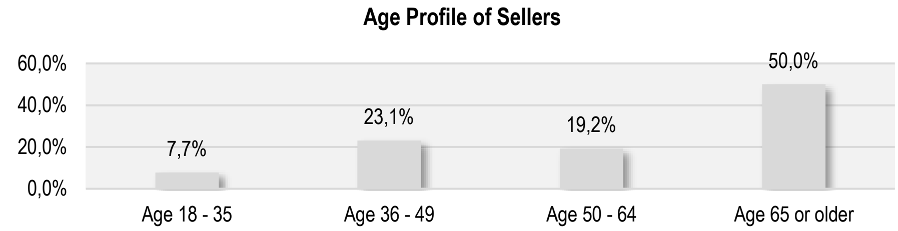
This graph depicts the annual number of **sectional scheme units** in **Blue Mountain Village** as recorded in the South African Deeds office.

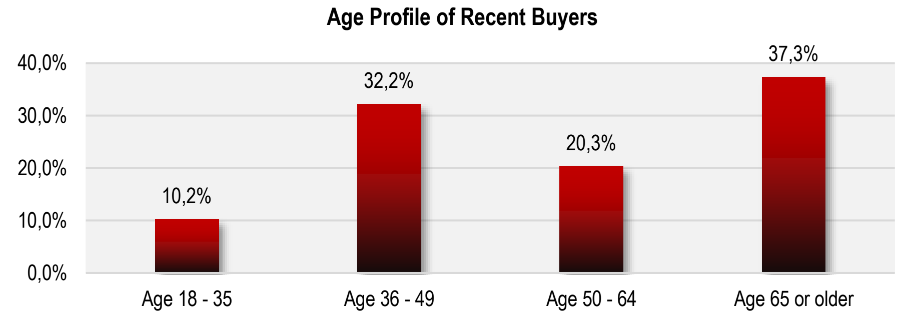


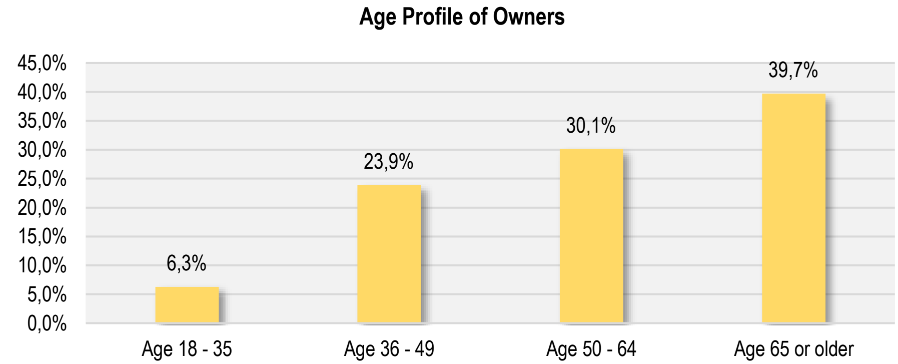
- Since 2017, **127 sectional scheme units** have been sold, an average of 13 each year.
- The average selling price is approximately R1 061 347.

AGE PROFILE

This graph shows the property buying and selling trends relative to age in **Blue Mountain Village**, as registered in the South African Deeds office. Buyers and Sellers are those who have appeared in a registered transfer in their respective roles within the last 6 months, while owners are those who purchased their property more than 6 months ago.







Source: Demacon ex Property24 data, 2026

6.3.3 RESIDENTIAL RENTALS LISTED IN THE MARKET AREA

Table 6.3: Residential Properties Listed to Rent*

Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	%
APARTMENTS / FLATS						
1 Bedroom	R6 000	R15 300	R2 128	R9 331	31	37,8%
2 Bedrooms	R8 750	R20 950	R3 426	R13 615	37	45,1%
3 Bedrooms	R9 995	R24 000	R3 468	R15 350	13	15,9%
4 Bedrooms	R22 500	R22 500	R0	R22 500	1	1,2%
Average rental				**R15 199**	**82**	**100,0%**
HOUSES						
1 Bedroom	R6 400	R8 800	R1 068	R7 900	3	4,3%
2 Bedrooms	R13 000	R45 000	R10 460	R19 786	7	10,0%
3 Bedrooms	R13 500	R68 000	R9 149	R22 256	41	58,6%
4 Bedrooms	R17 000	R45 000	R7 696	R30 000	13	18,6%
5 Bedrooms+	R25 000	R50 000	R10 335	R35 667	6	8,6%
Average rental				**R23 122**	**70**	**100,0%**
TOWNHOUSES						
1 Bedroom	R5 950	R5 950	R0	R5 950	1	3,3%
2 Bedrooms	R14 000	R22 500	R2 415	R16 167	18	60,0%
3 Bedrooms	R14 900	R30 000	R4 249	R17 353	11	36,7%
Average rental				**R13 156**	**30**	**100,0%**

Source: Demacon ex Property24 data, 2026

Findings:

- As seen from the table above, there are 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
- The **average rental prices** are as followed:
  - Apartments / flats – **R15 199**
  - Houses – **R23 122**
  - Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

The following information provides a summary of the rental properties followed by key descriptive information of properties to rent in the market.

Table 6.4: Key descriptive information of properties to rent (Listings)

APARTMENTS / FLATS

PROPERTIES in immediate surrounding area

82 (45.1%)

Average Rental

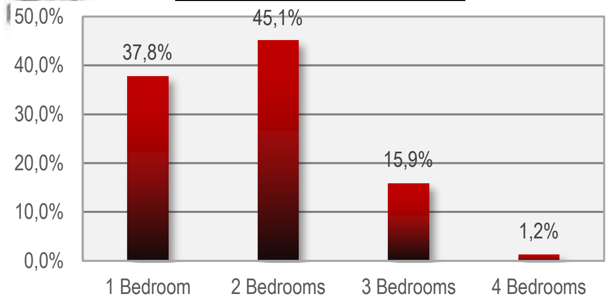
R15 199

Average Unit Size

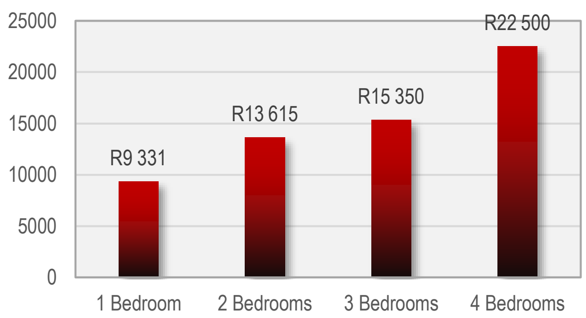
21m² – 196m²

74m² (average)

Distribution of Bedrooms



Average price per bedroom



FREESTANDING HOMES

PROPERTIES in immediate surrounding area

70 (38.5%)

Average Rental

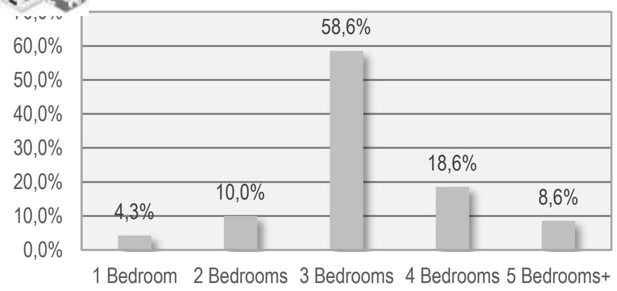
R23 122

Average Stand Sizes

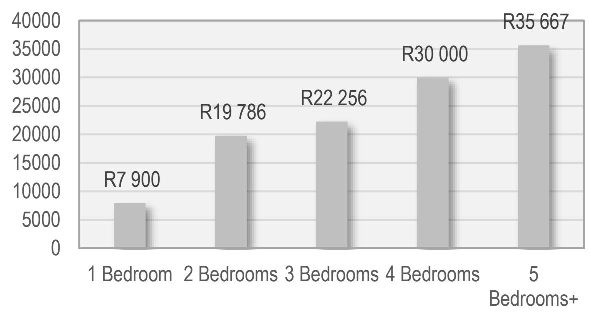
180m² – 3 100m²

761m² (average)

Distribution of Bedrooms



Average price per bedroom



TOWNHOUSES

PROPERTIES in immediate surrounding area

30 (16.5%)

Average Rental

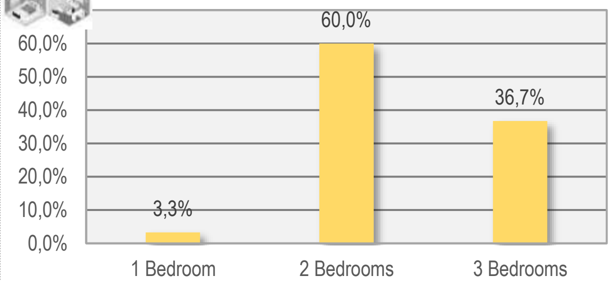
R13 156

Average Unit Size

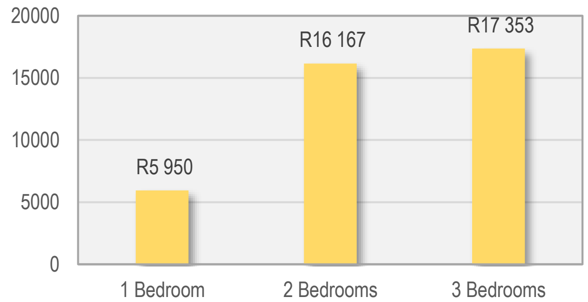
97m² – 376m²

176m² (average)

Distribution of Bedrooms

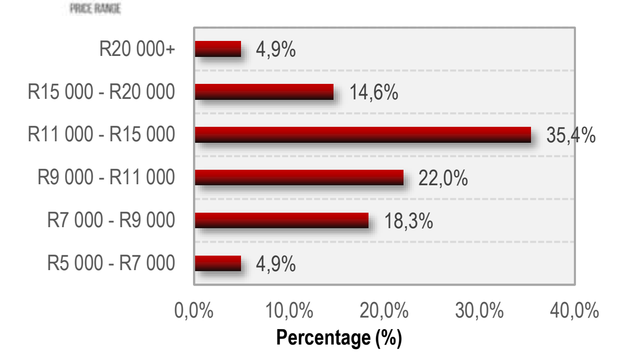


Average price per bedroom

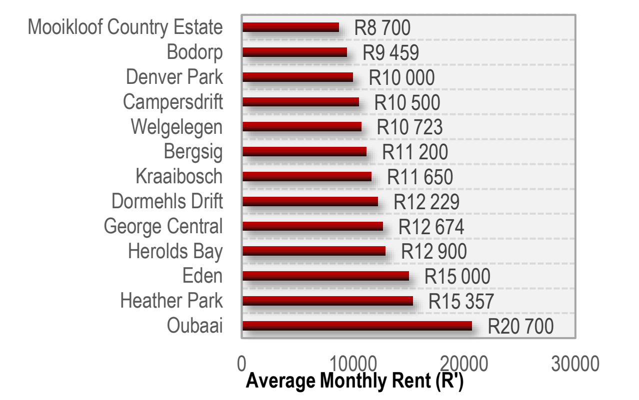


APARTMENTS / FLATS

Average Price Range Distribution

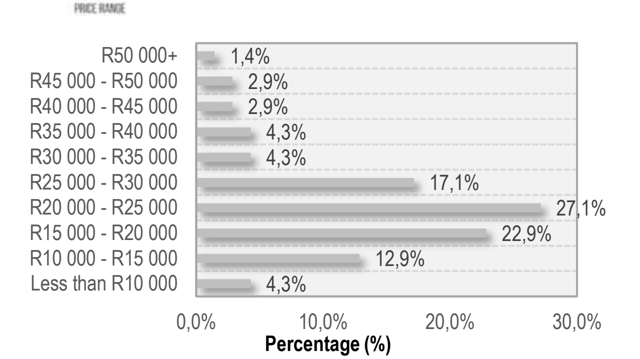


Average Price Per Suburb

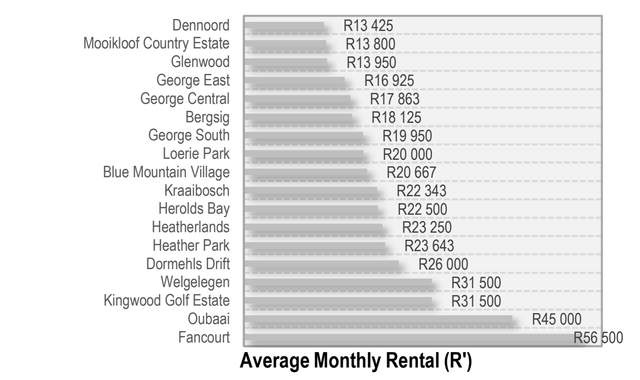


FREESTANDING HOMES

Average Price Range Distribution

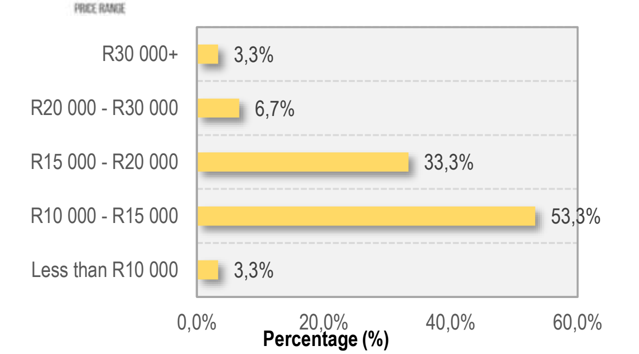


Average Price Per Suburb

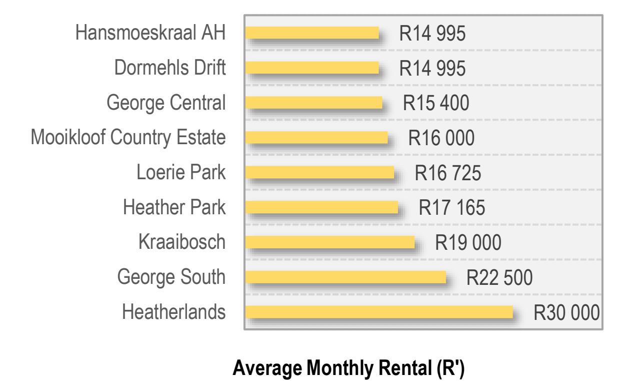


TOWNHOUSES

Average Price Range Distribution



Average Price Per Suburb

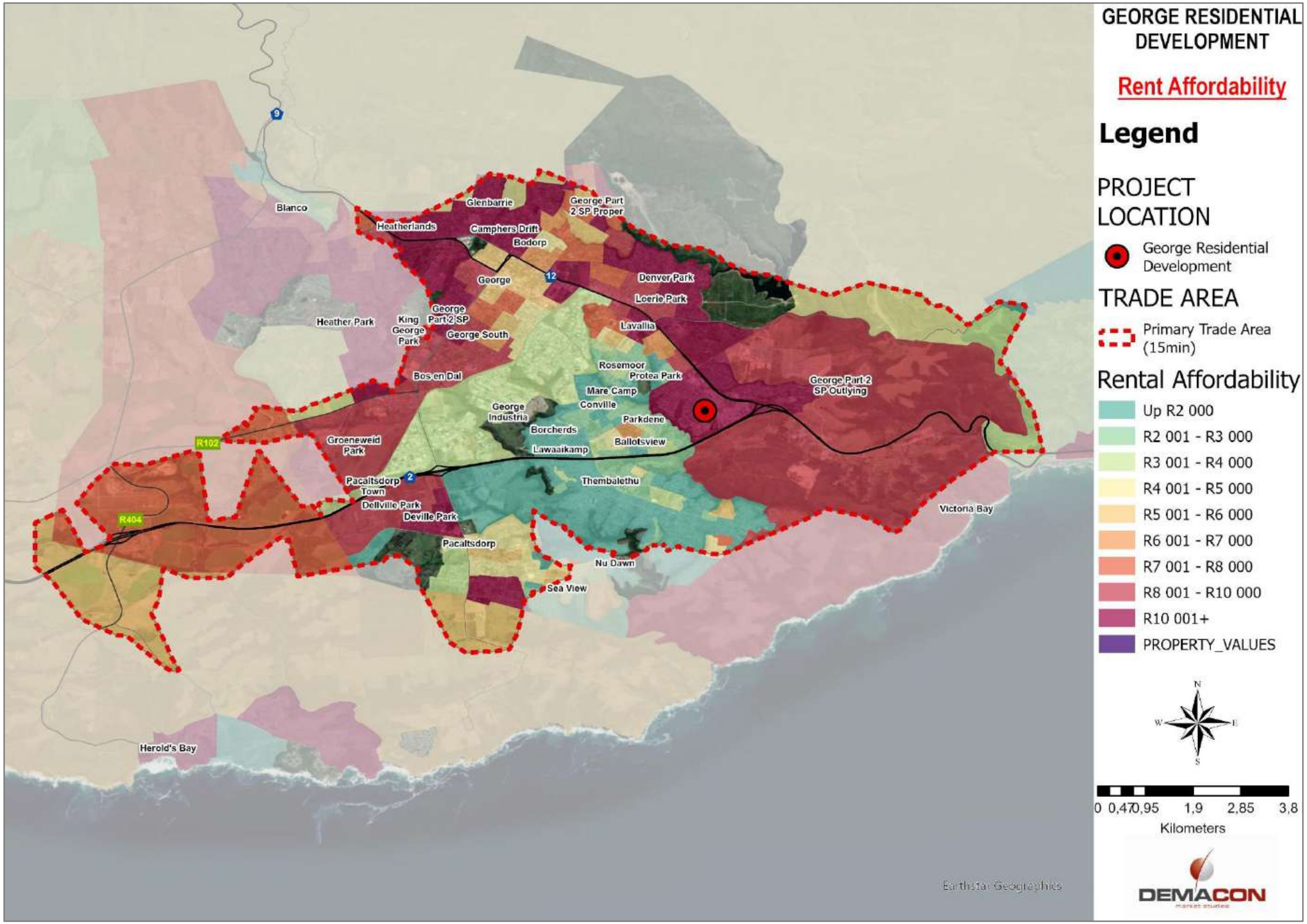


Source: Demacon ex Property24 data, 2026

Summary of properties to rent:

- ✓ Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.
- ✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.
- ✓ In total, there were **70 freestanding houses, 82 apartments** and **30 townhouses** currently listed on the market.
- ✓ The **average rental price is:**
  - Houses: R23 122
  - Townhouses: R13 156
  - Apartments and Flats: R15 199

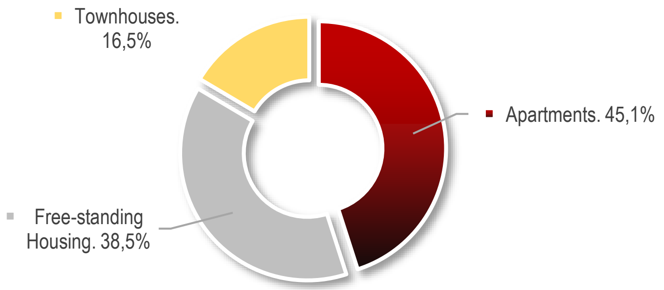
Map 6.3: Rental Affordability (Primary Market Area)



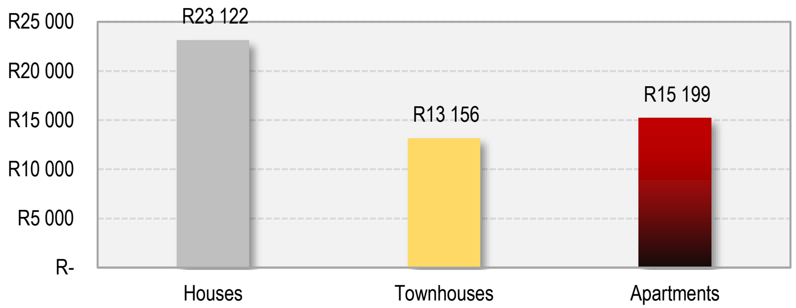
RESIDENTIAL RENTALS SUMMARY – LISTED PROPERTY

SUMMARY OF RENTALS

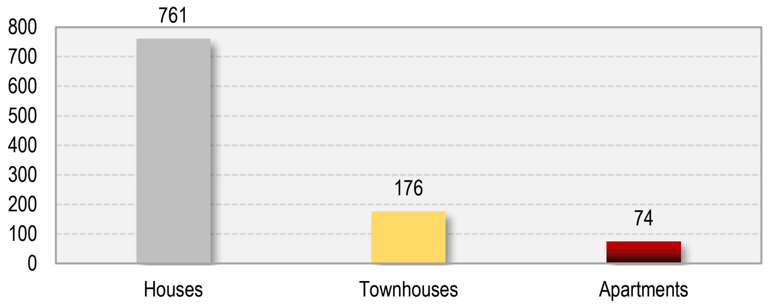
Summary of Residential Supply in terms of number of transactions



Average Monthly Rent



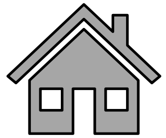
Average Unit Sizes



Townhouses

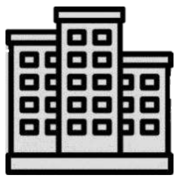
Average Rentals **R13 156**

Houses



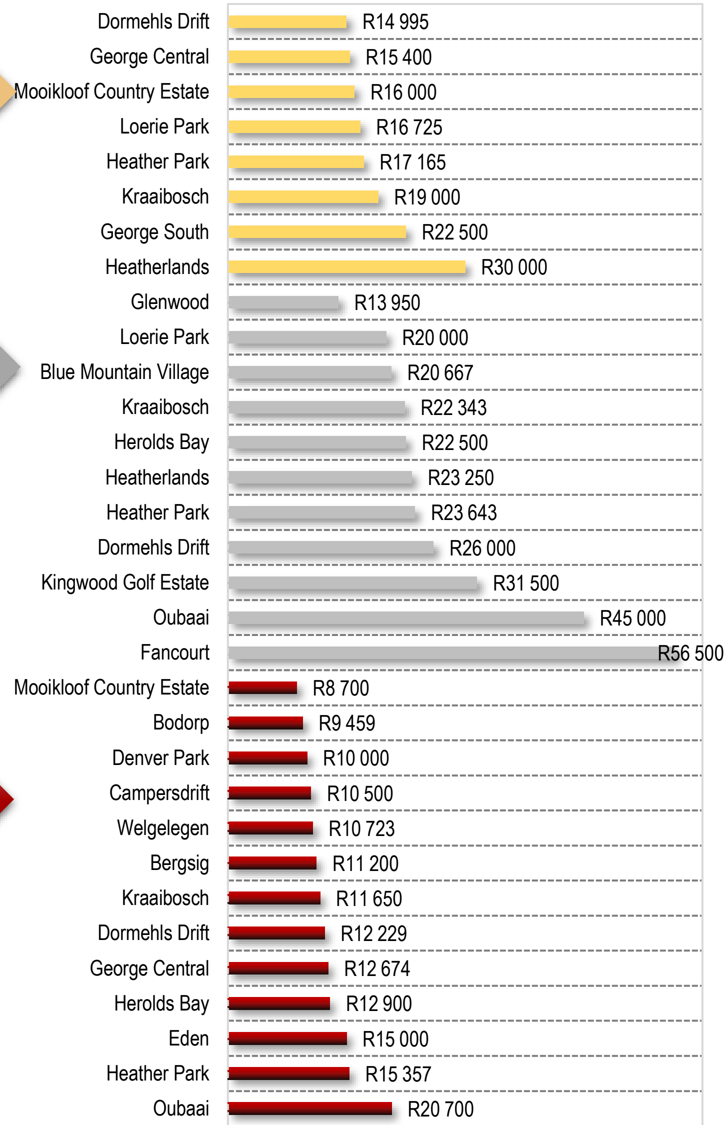
Average Rentals **R23 122**

Apartment / Flats



Average Rentals **R15 199**

AVERAGE RENTAL PRICE PER SUBURB



6.3.4 RESIDENTIAL PROJECTS IN THE MARKET AREA

The following table provides the residential projects as listed on Property 24 within the primary trade area. The table below summarizes data in terms of bedroom units, type of units / configuration of development, the number of bedrooms, unit sizes and the average sale pricing.

Table 6.4: Residential Projects in the Market Area

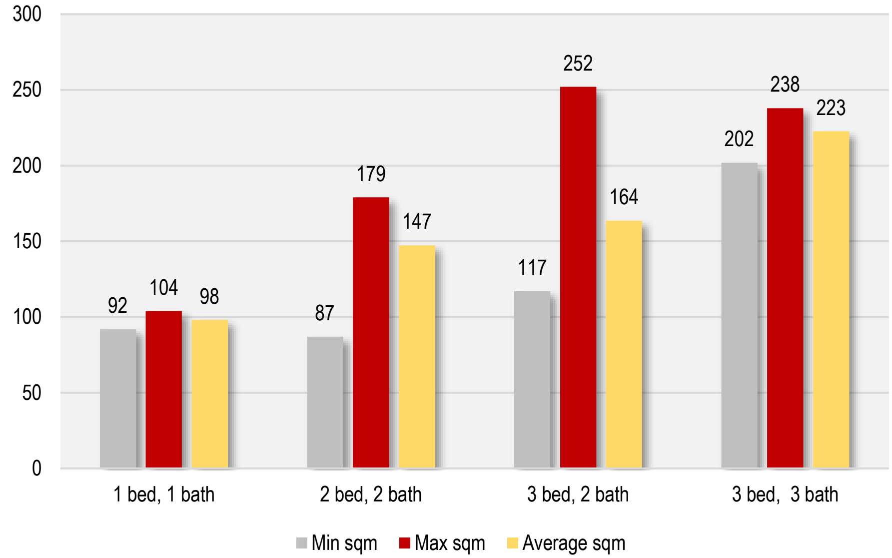
Name of development	Location	Nr of units	Type of units	Composition	Average Unit Sizes	Average Pricing
Glenwood Ridge Estate 	Glenwood Ridge	238	Houses	• 3 bed, 2 bath	• 3 bed, 2 bath: 221m^2 • Erf Size – 413m^2 - 582m^2	• 3 bed, 2 bath: R5 462 556
Urban Country Estate 	Heather Park	110	70 Houses 40 Apartments	• 2 bed, 2 bath Apartments • 2 bed, 2 bath House • 3 bed, 2 bath House • 3 bed, 2.5 bath House	• Apartments: 2 bed, 2 bath: 87m^2 • House 2 bed, 2 bath: 160m^2 • House: 3 bed, 2 bath: 176m^2 • House: 3 bed, 2.5 bath: 188m^2	• Apartments: 2 bed, 2 bath: R2 650 000 • House: 2 bed, 2 bath: R3 775 000 • House: 3 bed, 2 bath: R3 942 000 • House: 3 bed, 2.5 bath: R4 175 500
The Cascades 	Harolds Bay	15	Houses	• 2 bed, 2.5 bath • 3 bed, 3.5 bath	• 2 bed, 2.5 bath: 179m^2 • 3 bed, 3.5 bath: 230m^2	• 2 bed, 2.5 bath: R6 210 000 • 3 bed, 3.5 bath: R6 760 000
Groenkloof Gardens Retirement Village	George Central	25	Houses	• 1 bed, 1 bath	• 1 bed, 1 bath: 98m^2	• 1 bed, 1 bath: R2 840 000

Name of development	Location	Nr of units	Type of units	Composition	Average Unit Sizes	Average Pricing
				• 2 bed, 2 bath	• 2 bed, 2 bath: 148m²	• 2 bed, 2 bath: R3 965 000
Arbour Nature Estate 	Heather Park	19	Houses	• 2 bed, 2 bath • 3 bed, 2.5 bath	• 3 bed, 2 bath: 121m² • 3 bed, 2.5 bath: 135m²	• 3 bed, 2 bath: R4 083 571 • 3 bed, 2.5 bath: R3 795 000
The Glades 	Heather Park	9	Houses	• 3 bed, 3 bath	• 3 bed, 3 bath: 217m²	• 3 bed, 3 bath: R4 390 000
Mooikloof 	Hansmoeskraal AH	38	Houses	• 2 bed, 2 bath • 3 bed, 3 bath	• 2 bed, 2 bath: 129m² • 3 bed, 3 bath: 146m²	• 2 bed, 2 bath: R2 015 000 • 3 bed, 3 bath: R2 345 190

From the table above the developments can be summarized as follows:

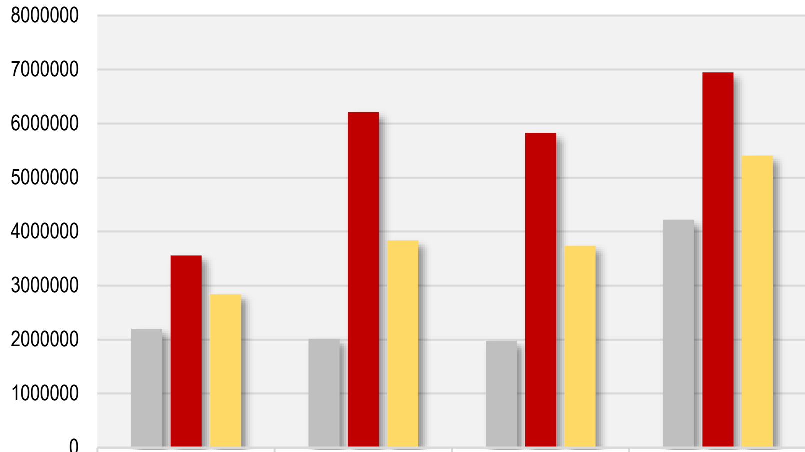
- ✓ The majority of developments in the primary market area is middle to high income housing with apartments and houses being developed
- ✓ The developments consist of between 9 units to a maximum of 238 units.
- ✓ Developments in the area include a variety of different residential product offerings namely:
    - 1 bed, 1 bath
    - 2 bed, 2 bath
    - 3 bed, 2 bath
    - 3 bed, 3 bath.
- ✓ Unit sizes can be summarized as follows:

Figure 6.1: Summary of Unit Sizes



- ✓ Unit sizes range from $87m^2$ to $252m^2$ (average $\pm158m^2$)
- ✓ Pricing can be summarized as follows:

Figure 6.2: Summary of Unit Prices



	1 bed, 1 bath	2 bed, 2 bath	3 bed, 2 bath	3 bed, 3 bath
Min	2200000	2015000	1977000	4220000
Max	3560000	6210000	5827000	6950000
Average Price	2840000	3838793,103	3732467,619	5405714,286

- ✓ Unit prices vary between R2.2 million to a maximum of R7.0 million for a 3-bedroom unit.

6.4 RESIDENTIAL DEMAND MODELLING

6.4.1 INTRODUCTION

The residential market demand dynamics sub-section focusses on the residential market, with the objective of estimating the development potential within the market area. Demand modelling was completed for the **short to medium term** and is reflected in five-year intervals**.**

6.4.2 DEFINING MARKET DEMAND

Definition
The residential market refers to land uses associated with human habitation such as housing or dwelling units. Residential use can vary in typology, density, tenure, structure, layout, and affordability. 'Residential' does not include hotels or guesthouses, which are defined as being 'short stay' accommodation.

Defining demand
Residential demand depends on a variety of factors. In this context, residential demand can be conceptualised as follows:

Dres. = f {P_o; $P_{\%}$; Q; P_r; $P_{r\%}$, ROI, I, T_x; Y; H_h; R; C_i; H_s; H_p}

Where:

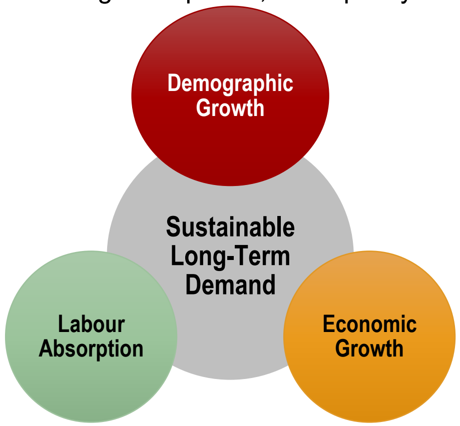
P_o	=	Population Size
$P_{\%}$	=	Population growth rate
Q	=	Existing quality of residential environment
P_r	=	House prices
$P_{r\%}$	=	Growth in house prices
ROI	=	Return on investment
I	=	Interest rates
T_x	=	Rates and Taxes
Y	=	Household income
H_h	=	Household size
R	=	Rent
C_i	=	Cap Rates
H_s	=	Housing shortage
H_p	=	Housing preferences

In essence, market demand for housing is a function of:
- ✓ Socio-economic characteristics – size, distribution, etc
- ✓ Socio-economic growth trends – distribution, rate of change, etc
- ✓ Household annual income profiles
- ✓ Current subsidised housing demand and backlogs
- ✓ Urban development trends
- ✓ Real estate market indicators – rental rates, supply, etc

In order to purposefully estimate demand for social housing, a multi-layer data analysis is undertaken – the purpose is to define the target market, and its trends based on various data sources at designated points in time. This is done to understand the possible future direction of growth and market demand based on credible and substantiated historic data (such as Statistics South Africa) and considering any potential trends that influence beneficiaries of the social housing product (market rental trends, development influencers and economic climate).

Sustainable Long-Term Demand

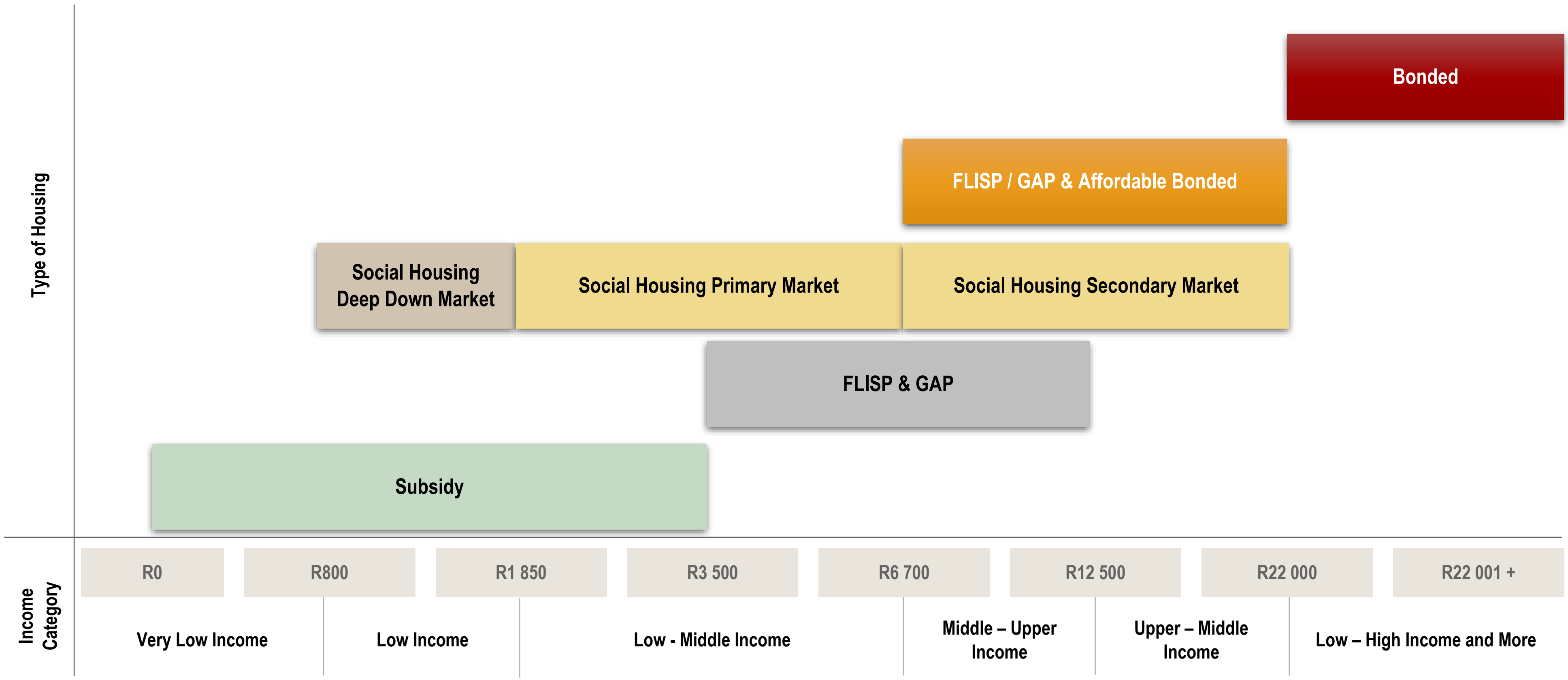
The multi-layered approach allows for estimating medium- to long-term sustanable demand. Sustainable demand referes to demand that may exist within the market area that would enable social housing institutions and projects to become sustainable over a medium- to long-term period, i.e capacity of a market area and its asociated economy to generate empoyment that in turn provides the target market with the capability to rent a social housing unit.



Economic factors influence the sustainabaility of semi-subsidised housing schemes, i.e. social housing. Social housing projects are depdent on a target market that has the ability to pay rental rates. Without income generated from rental rates, social housing projects would become financially unfeaseable due to not having operational capital. It is thus important to consider the effects that economic factors such as economy size and growth trends; and labour absorption trends have on the social housing target market within market area.

In the context of the preceding, the growth of the housing market demand is calibrated by considering, not only long-term demographic growth attributes, but also considering economic growth trends and labour absorption capabilities of the local economy. The calibration ensures that demand estimations generated for housing is sustained demand and not short-term high growth with medium- to long-term under performance.

Diagram 6.1: Housing Income Categories



Source: Demacon, 2026

BONDED HOUSING (SHORT- TO MEDIUM-TERM – 3 TO 5 YEARS

INCOME AND HOUSING AFFORDABILITY RECOMMENDATIONS

The table below indicates a range of income midpoints, midpoint house prices and classifications attainable by the source market area.

Table 6.5: Residential Affordability Profile

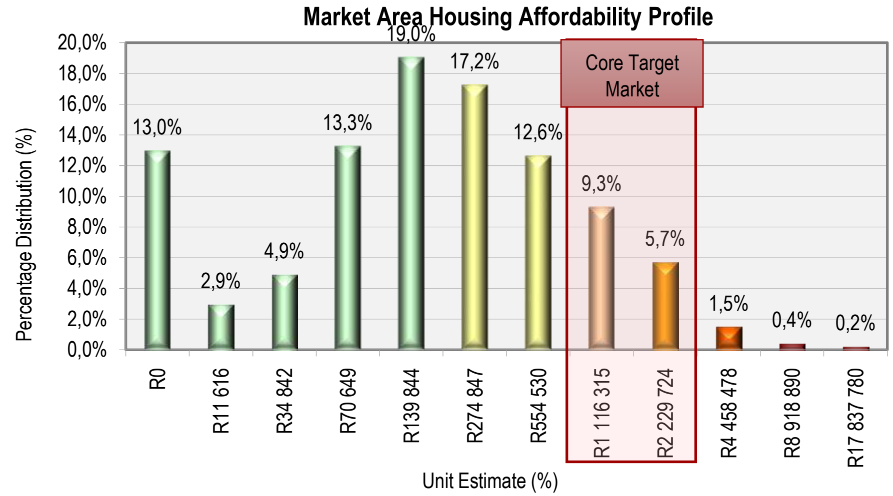
Income Midpoint 2026 (R)	House Price (Midpoint)	Generic Indicative Unit Size	(%)	Number of Units (±680)	Classification
R0	R0	40m² - 50m²		-	Subsidy / Social
R3 426	R11 616	40m² - 50m²		-	Subsidy / Social
R10 277	R34 842	40m² - 50m²	-	-	Subsidy / Social
R20 839	R70 649	40m² - 50m²		-	Subsidy / Social
R41 248	R139 844	50m² - 60m²		-	Subsidy / Social
R81 068	R274 847	60m² - 70m²	-	-	FLISP / Gap
R163 563	R554 530	80m² - 90m²			FLISP / Gap
R329 267	R1 116 315	120m² - 140m²	62.0%	421	Middle to Higher Income
R657 676	R2 229 724	140m² - 400m²	38.0%	259	Middle to Higher Income
R1 315 067	R4 458 478	420m² - 750m²			Higher Income
R2 630 704	R8 918 890	780m² - 1000m²			Top-End
R5 261 407	R17 837 780	1 000m²+			Top-End

Source: Demacon Demand Modelling, 2026

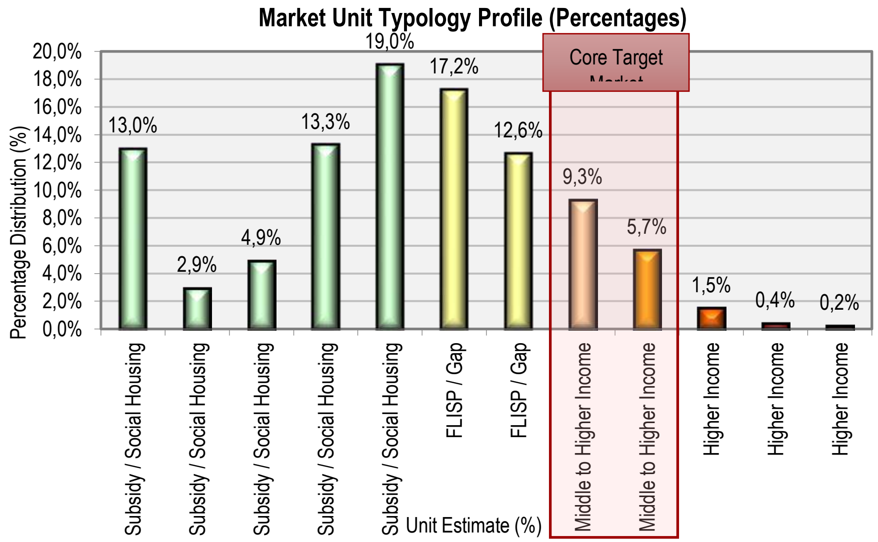
- ✓ The core target market of the bonded segment is households earning on average between **R329 267** and **R657 676** annually.
- ✓ This segment can afford houses between **R1 116 315** and **R2 229 724**
- ✓ The total units recommended for the project is a maximum of **±680 units.**

The following graphs indicates the target market housing profile based on the affordability analysis within the delineated source market.

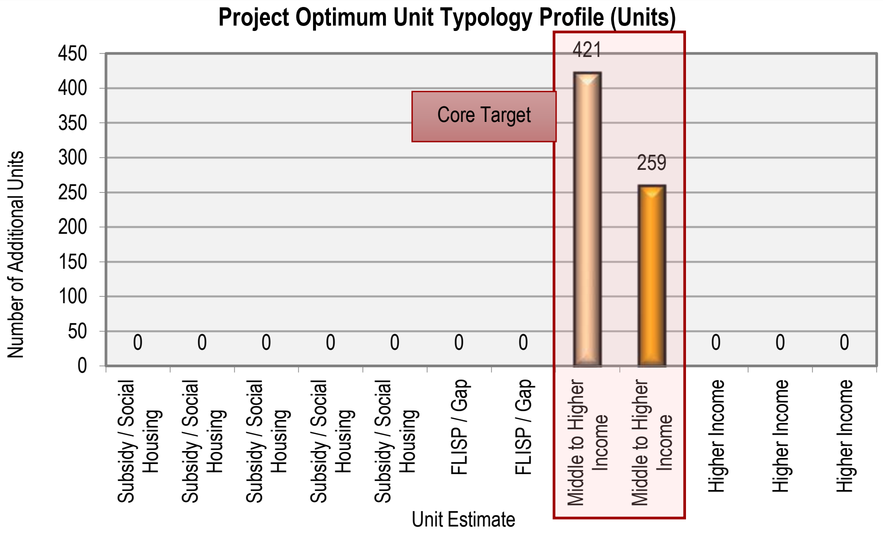
MARKET AREA HOUSING AFFORDABILITY PROFILE



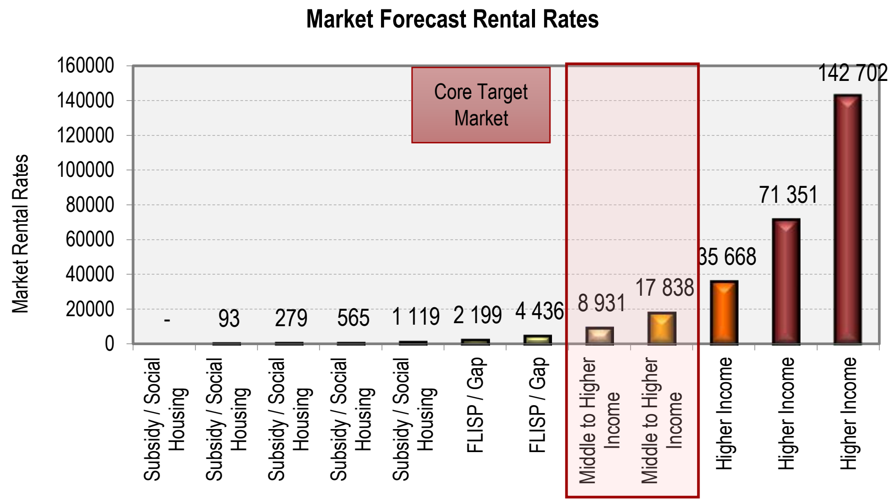
MARKET OPTIMUM UNIT TYPOLOGY (PERCENTAGES)



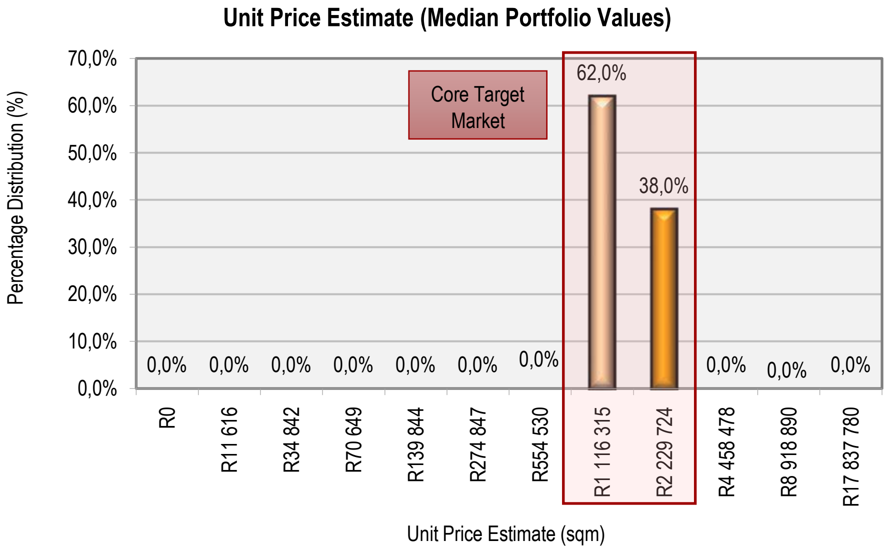
PROJECT OPTIMUM UNIT TYPOLOGY (UNITS)



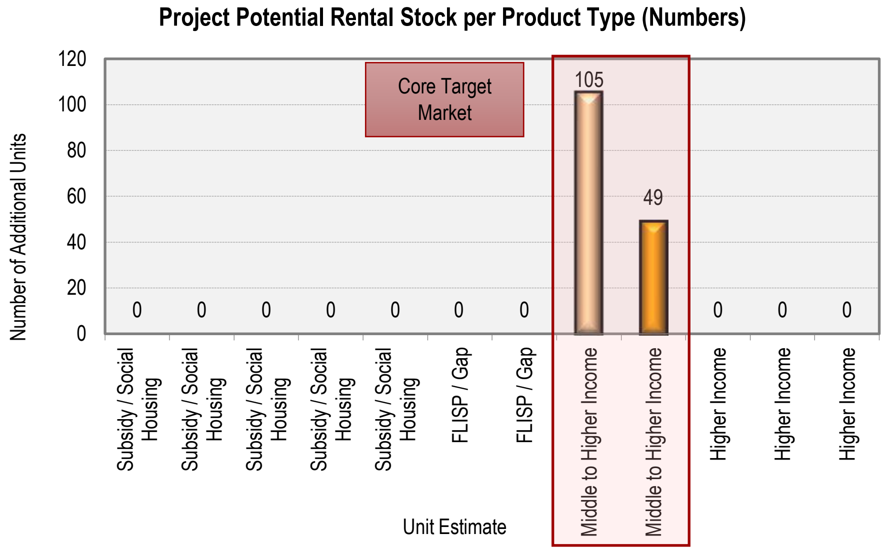
MARKET FORECAST RENTAL RATES



UNIT PRICE ESTIMATE (MEDIAN PORTFOLIO VALUES)



PROJECT POTENTIAL RENTAL STOCK PER PRODUCT TYPE (numbers)



SUMMARY OF MARKET RECOMMENDATIONS

TOTAL MARKET			
Additional Households: Base Year +5 Years		4 095	A
Annualised Market Growth (Full Housing Spectrum)		819	B
Bonded & Credit linked		46,9%	C
Bonded & Credit Linked take-up per annum		384	D
Annual secondary market contribution (units / annum)	Min	267	E
	Max	534	F
Total annual Bonded & Credit Linked demand	Min	651	G
	Max	918	H
PROJECT SPECIFIC – BONDED / MARKET BASED HOUSING UNITS			
Project Bonded & Credit Linked Units		680	I
Forecast market share of total market sales	Min	5%	J
	Max	10%	K
Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min	33	L
	Max	92	M
Years to 80% Take-Up (Social Housing Units)	Min	7,4	N
	Max	20,9	O
	Avg	14,1	P
Optimum point of market entry		2027+	

Explanatory Notes:
A = increase in demand for new units, 2026 – 2031
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 entry-level to executive flat/ apartment demand; D + E and D + F
I = Project entry-level to executive flat/ apartment units
J & K = assumed market share of market area

6.5 SYNTHESIS

This chapter provided an overview of the residential market trends underlining the source market area. The following summarise the findings of the residential supply and demand in terms of the housing affordability and the net demand modelling.

RESIDENTIAL SUPPLY

Properties for sale in the market area:

Properties for sale in the market area were analysed to determine market activity in the primary catchment.

✓ The results indicate that **freestanding houses** constitute 78.0% of all properties for sale, with 5.3% townhouses and 16.7% apartments / flats.

- There were 125 apartments / flats, 584 houses and 40 townhouses listed in the market, totalling **749** property listings.
- The **average selling prices** are as follows:
  - Apartments / flats: **R2 595 180**
  - Houses: **R4 965 082**
  - Townhouses: **R2 052 662**
- The majority of apartments listed in terms of configuration are 2-bedroom units; the majority of houses are 3- and 4-bedrooms; and townhouses are 2- and 3-bedroom units.

Properties to rent in the market area:

Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.

✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.

- There were 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
- The **average rental prices** are as followed:

  - Apartments / flats – **R15 199**
  - Houses – **R23 122**
  - Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

GAP ANALYSIS

The gap analysis indicates that there is moderate to high demand for rental units.

DEVELOPMENT TYPE	EFFECTIVE MARKET GAP	DEVELOPMENT PROSPECT
Apartments	✓	**Moderate to High**

DEVELOPMENT RECOMMENDATIONS

BONDED UNITS:

- ✓ Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- ✓ The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- ✓ Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- ✓ A total of **680 units** could be developed and taken-up over the short to medium term (80% take-up).
- ✓ Configuration: **Apartments**
- ✓ Optimum point of market entry: **2027+**
- ✓ Optimum Unit Typology and Pricing Distribution (Refer to table below)

Table 6.6: Optimum Typology and Pricing Distribution (Target Market)

Type	% Split	Number of Units	Sale Price	Rental Prices	Size (m^2)	R/sqm
1 Bed, 1 Bath	25.0%	170	R975 869 – R1.2 million	R6 683 – R8 931	45 – 55m^2	R21 686 – R22 804
2 Bed, 2 Bath	50.0%	340	R1.2 million – R1.6 million	R8 931 – R13 384	60 – 70m^2	R22 804 – R23 900
3 Bed, 2 Bath	25.0%	170	R1.6 million – R2.2 million	R13 384 – R17 838	80 – 90m^2	R22 804 – R24 775
Total	**100.0%**	**680**				

Source: Demacon Demand Modelling, 2026

CHAPTER 7:

SUMMARY & RECOMMENDATIONS

7. SUMMARY & RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this chapter is to integrate the findings of the previous chapters into a concise set of development recommendations with reference to the optimum capacity of the **George Residential Development.**

7.2 MARKET DEMAND SUMMARY AND OUTCOMES

The following provides a summary of the preceding analysis

STRATEGIC ANALYSIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

AREA GROWTH

On average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

On average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.

SITE ASSESSMENT

Summary of site assessments:

Residential Development	80.0%

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

The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

PRIMARY MARKET AREA SUMMARY (±15-minute drive time isochrone)

POPULATION SIZE AND GROWTH

- ✓ Approximately 193 559 people / 56 884 households reside in the primary market area.
- ✓ The average annual growth rate of population is 2.8% per annum, while the average annual growth rate of households is 3.1% per annum.

AGE AND GENDER PROFILE

- ✓ The age and gender profile reveals that:
  - The largest segment of the resident population is between the ages of 15 to 34 (34.9%) – classified as the youth to mature population,
  - The second largest segment of the resident population is between the ages of 35 to 64 (32.5%) – classified as the adult population,
  - The third largest segment of the resident population are between the ages of 0 to 14 year (26.5%)– classified as children,
  - The smallest segment of the resident population is older than 65 years (6.1%) – classified as elderly.
- ✓ The profile shows a large contribution from the below 35-year categories (61.4%), indicating a young expanding working age population.

RACIAL PROFILE

- ✓ The racial profile of the primary market area shows that the vast majority of the market 45.0% is Coloured followed by African Black 36.7%, White 17.8% and Indian / Asian 0.5%.

MIGRATION PROFILE

- ✓ Since 2001, the primary market area has experienced a moderate influx of population, 16.5% of the population are migrants of which, 15.6% of the 16.5% of migrants are South African, while 0.9% of the 16.5% are from outside the South African border.

EDUCATION PROFILE

- ✓ **Highest Level of Education Attained**
  Of the population 2.6% have obtained no education.
  The largest portion of the primary market area has obtained some secondary education (41.8%), followed by 28.6% who obtained Grade 12. 9.5% has obtained a higher education.
- ✓ **Attendance at an Education Institution (Persons Aged 20 and Older)**
  Of the persons aged 20 years and older, 32.8% are currently enrolled at a university and 18.8% at a FET College.

EMPLOYMENT PROFILE

Economically Active Population and Employment

- ✓ Of the population of the primary market area, 60.8% are economically active, meaning that more than half of the population are of working age and are actively participating in the economy or seeking employment.
- ✓ The remaining 39.2% represent population that fall outside the scope of the economically active population definition and represent people who are not available for work such as full-time scholars and students, full-time homemakers, those who are retired and those who are unable or unwilling to work.
- ✓ Of the economically active population, 75.9% are employed and 24.1% are unemployed. The primary market area reflects low dependency ratios.

Biggest Employing Economic Sectors in the Market Area

- ✓ The biggest employment economic sectors in the market area include:
  - Finance and Business Services (22.0%)
  - Community, social and personal services sector (21.6%)
  - Wholesale and retail trade services (19.4%) are most prominent.

DWELLING TYPOLOGY

- ✓ The primary dwelling type for households in the primary market area are house or brick structures – formal dwellings (81.4%) and 18.1% in informal dwellings.

- ✓ The largest segment of formal dwellings are freestanding houses on a single erf (72.0%), followed by 9.3% informal main dwellings.

TENURE STATUS

- ✓ 39.1% of households own and have paid for the property they reside, whereas 11.0% of households own a property but have not finished paying for the property.
- ✓ Of households in the primary market area, 30.8% are renting a property where they reside.
- ✓ 19.2% of households occupy the property where they reside rent-free.

HOUSEHOLD INCOME PROFILE

- ✓ Affluent households (R1.6 million and more) make up 0.6% of households.
- ✓ Approximately 13.0% of households in the primary market area earn no income.
- ✓ The weighted average annual household income for the resident population for 2026 amounts to **R154 581 per annum**, which amounts to **R12 882 per month** for *all SEM groups***.**
- ✓ For *SEM groups 2 and higher*, the average income is **R347 070 per annum,** which amounts to **R28 923 per month.**

SEM PROFILE

- ✓ Approximately **56.7%** of the primary market area's households are classified within the SEM Supergroup 1 with **43.3%** of households classified within the **SEM Supergroup 2 to 5** categories.

RESIDENTIAL SUPPLY

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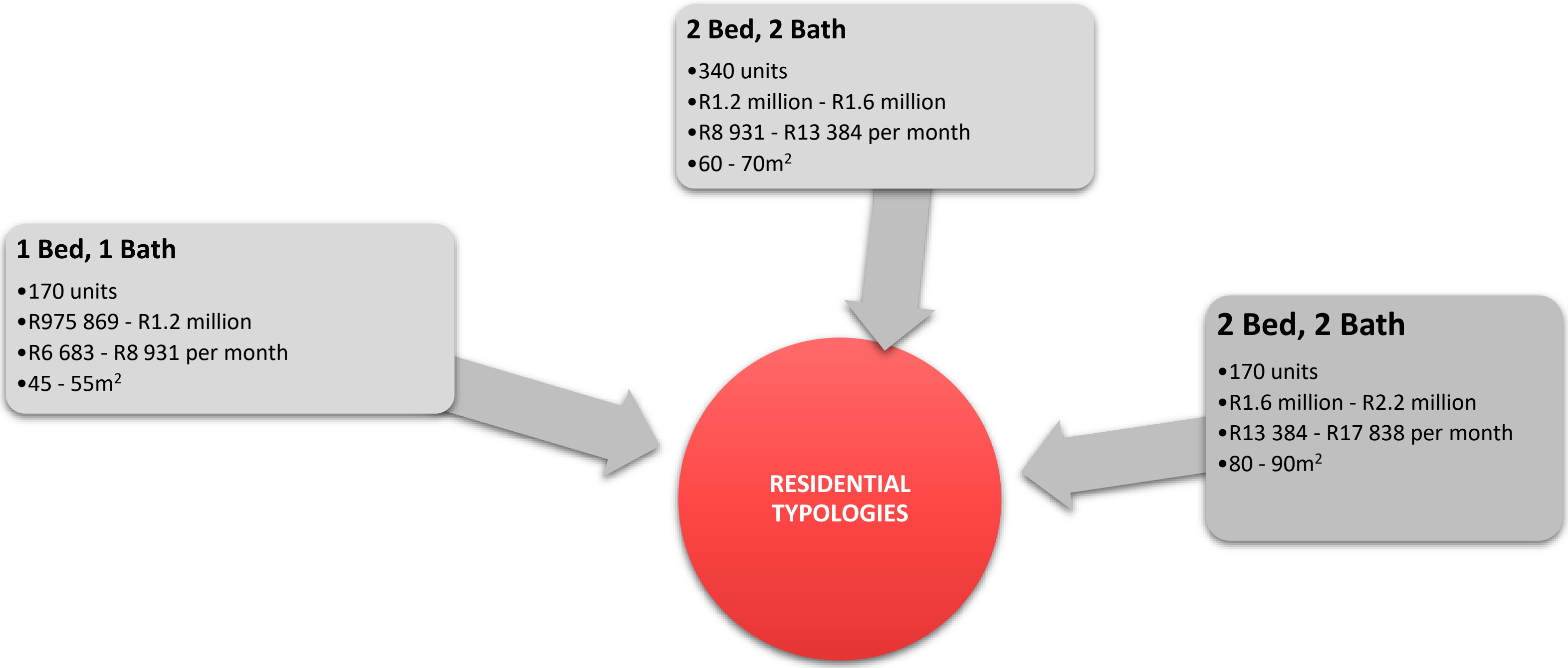
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

7.3 OPTIMUM DISTRIBUTION RANGE CONFIGURATION

Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.



Optimum Typology and Pricing Distribution (Target Market)

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Total	**100.0%**	**680**				

Source: Demacon Demand Modelling, 2026

ANNEXURE "Q": DEMACON SOCIO ECONOMIC AND FISCAL IMPACT REPORT DATED JULY 2026

Report Prepared For:

Century Property Developments (Pty) Ltd

July **2026**

Erf 28005 George Residential Development

Socio-Economic and Fiscal Impact Report

DEMACON
market studies

LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT

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Retail Studies | Centre Repositioning | Consumer Surveys

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Mixed Use Developments | Inclusionary Housing Projects | Economic Impact Assessments

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About Us

We provide accurate & independent market insight solutions

DEMACON is a specialist research firm with a focus on topics in the fields of Demographics, Mapping (i.e., GIS – geographic information systems) and Economics, including real estate economics. Hence the acronym, DE-MA-CON.

The company is privately owned and offers clients the benefit of extensive in-house databases, including responses from more than 100 000 consumer surveys conducted all over South Africa and in time series format. DEMACON delivers a highly specialised product range of custom designed research reports, tailored to each client's unique research needs. The company's analytical processes are supported by specialised expertise, extensive experience, multi-variable databases, and advanced information technology systems. In addition to our focused research reports, the company offers high calibre industry insights and project specific solutions.

Services & Solutions

Advanced market potential modelling techniques were developed for all sectors, based on international best practice and leading methods globally. The services offered by the company include:

- Market research
- Economic analyses (Macro, meso and micro level)
- Socio-economic analyses (Macro, meso and micro level)
- Feasibility studies
- Business plans
- Real estate market analyses (Macro, meso and micro level)
- Urban and rural markets (Including township and traditional area)

DEMACON has developed specialised expertise and technically sound methodologies, aligned with international best practice, to address the complex research needs of our clients in a highly effective and efficient manner.

In this respect, we have developed a unique, customisable, and flexible research system - deploying a combination of primary and secondary data assimilation techniques, tailored to suit, respectively, the client's and project's specific requirements.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Project Purpose – Erf 28005 George Residential Development

To evaluate the anticipated fiscal and socio-economic impact resulting from the full implementation and operation of the Erf 28005 George residential development. This impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector or land use. This impact extends beyond the jobs and income generated by the original project

Impact Assessment Methodology and Key Outcomes

Within the context of the preceding, the socio-economic and fiscal impact assessment focusses on the development of an impact model that measures (for the construction and operational phases) the anticipated direct, indirect and induced impacts of the residential development concept in terms of, inter alia:

- Jobs created by skills level
- Impact on GDP
- Impact on business sales
- Estimated number of formal SMMEs opportunities (including estimated number of black owned SMMEs)
- Compensation impacts (i.e., wages & salaries)
- Taxes on products (value added tax; custom duties; excise levies; fuel levies; other), production, business operations and employees
- Impact on property rates
- Sector profiling, etc.

Step 1: Project Inception

Determining project requirements

Step 2: Project Overview

Contextualise the proposed develoment in preperation of the subsequent impact assessment

Step 3: Socio-Economic Impact Assessment

Quantitative Impact Assessment | Detailed Summary of Impacts

Step 4: Synthesis and Conclusions

Key outcomes and considerations

Key Impact Outcomes of the Erf 28005 George Residential Development

Impact Measure	Construction Phase (Once-Off)	Operational Phase (Annual and Sustained)
Inputs	R1.3 billion	R106.2 million
Impacts		
Additional Business Sales	R2.9 Billion	R188.0 million
Additional GDP	R1.3 Billion	R104.1 million
Additional Formal Employment	3 545 jobs	174 jobs
Estimated Number of New Enterprise Opportunities	12 business opportunities	0 business opportunities
Compensation of Additional Formal Employment (Annual)	R442.7 million	R29.1 million
Total Additional Taxation (Taxes on Products and Production, Corporate Taxes, Personal Income Tax)	R360.4 million	R22.0 million
Additional Social Amenities	0	6
Total Additional Property Taxation	n/a	R7.7 million
Probability Rating		
★★★ Impact Prospects	**Moderate to High** The project is strategically located to support existing market demand and integrate into the long-term spatial development aspirations of the local municipality	

1 INTRODUCTION AND PROJECT BACKGROUND

1.1 INTRODUCTION AND PURPOSE OF THE REPORT

Chapter One of the report provides an introduction and concise roadmap of the socio-economic and fiscal impact assessment of the Erf 28005 George (Blue Mountain) residential development. To understand the scope, objectives and outline of this document, Chapter 1 seeks to introduce the project brief and its intended outcomes and the outline of the remainder of the report.

1.2 PROJECT BRIEF

DEMACON Market Studies were commissioned by **Century Property Developments (Pty) Ltd** to conduct a Socio-Economic and Fiscal Impact Assessment of the Erf 28005 George (Blue Mountain) residential development.

The purpose of the Impact Assessment is to evaluate the anticipated fiscal and socio-economic impact resulting from the full implementation and operation of the proposed residential development. Capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial, and national economies – these inputs are informed by the development concept, market study and DEMACON estimations.

This impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector or land use. This impact extends beyond the jobs and income generated by the original project. An input-output model is used to estimate the total fiscal and socio-economic impact.

Within this context, the socio-economic and fiscal impact assessment focuses on developing an impact model that measures (for the construction and operational phases) the anticipated direct, indirect, and induced impacts of the proposed project. These impacts include:

- Jobs created, categorized by skill level
- Impact on GDP
- Impact on business sales
- Estimated number of formal SMMEs created (including the estimated number of Black-owned SMMEs)
- Compensation impacts (i.e., wages and salaries)
- Taxes on products (value-added tax, customs duties, excise levies, fuel levies, and other taxes), production, business operations, and employees
- Impact on property rates
- Sector profiling

DEMACON's approach is market-based, and the company leverages its extensive involvement, research, and market intelligence on the subject matter to complement the impact assessment.

Diagram 1.1: Socio-Economic and Fiscal Impact Assessment Overarching Research Methodology

Step 1: Project Inception
Determiing project requirements

Step 2: Project Overview
Contextualise the proposed develoment in preperation of the subsequent impact assessment

Step 3: Socio-Economic Impact Assessment
Quantitative Impact Assessment

Step 4: Synthesis and Conclusions
Cost and Benefit Analysis Overview

This report first provides an overview of the proposed development. The purpose of this information is to establish the development's location and to contextualise its aim and pertinent development considerations. A fiscal and socio-economic impact assessment is then conducted to understand the fiscal, social and economic potential that the proposed project could unlock. Finally, the report synthesizes the project's cost-benefit potential within the economic, fiscal, and socio-economic context.

1.3 PROJECT LOCATION AND OVERVIEW

The proposed Erf 28005 George residential development is a high-density residential project located opposite the Garden Route Mall and adjacent to the Eden Meander Lifestyle Centre in the Blue Mountain residential area of George, Western Cape.

The development will comprise 36 four-storey apartment blocks containing a total of 680 residential units. It will also include a clubhouse, gymnasium, padel and tennis courts, a swimming pool, and outdoor recreational areas as part of the amenities offered to residents.

This proposal seeks to replace the currently authorised development, which comprises a two-storey mixed-use business development focused on office space, small-scale ground-floor retail, and apartments on the first floor. The preferred development option - a 680-unit residential apartment development - is considered the most appropriate alternative, as it will directly contribute to the spatial restructuring and densification objectives of the George Spatial Development Framework. Furthermore, the DEMACON Residential Market Analysis (2026) indicates that the supply-side market profile and demand assessment demonstrate sufficient market potential to support the proposed development.

Map 1.1: Aerial Perspective of the Proposed Development Site

Source: DEMACON ex George Residential Development Market Analysis, 2026

1.4 Socio-Economic Context and Considerations

POPULATION SIZE

193 559 PEOPLE IN THE **PRIMARY** TRADE AREA

Population Average Annual **Growth Rate**

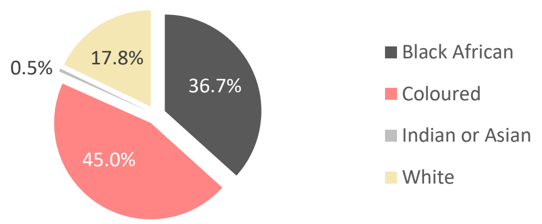
2.8%

56 884 HOUSEHOLDS

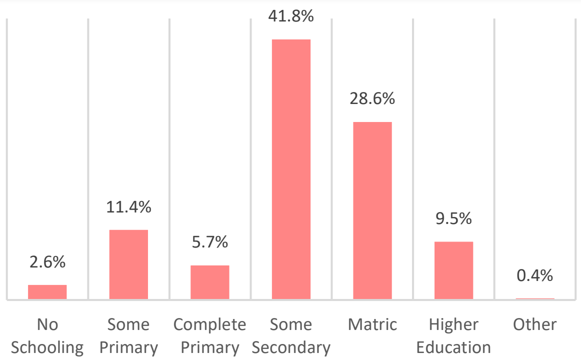
Household Average Annual **Growth Rate**

3.1%

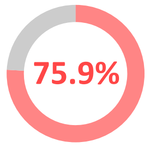
RACIAL PROFILE



EDUCATION PROFILE



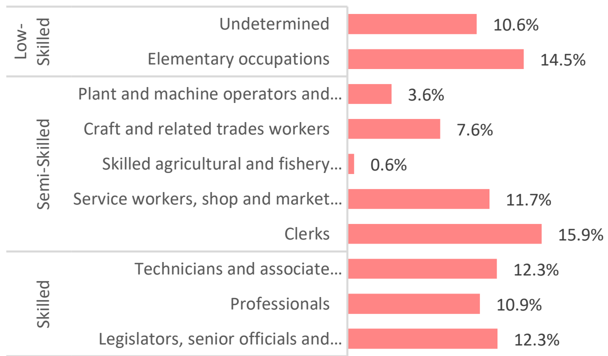
EMPLOYMENT PROFILE



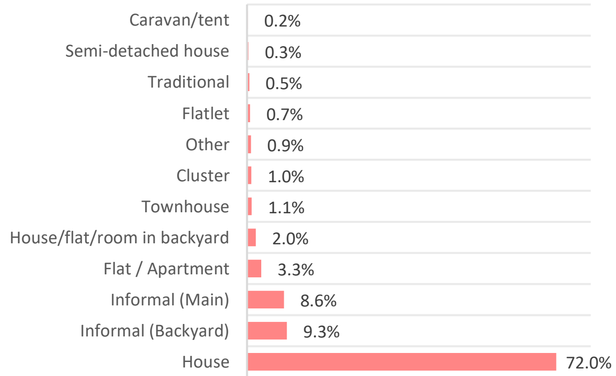
Employed Economically Active

24.1% Unemployed

OCCUPATION PROFILE



DWELLING TYPOLOGY & TENURE STATUS



HOUSEHOLD INCOME

Average annual household income for all SEM groups (2026)

R151 581

Average annual household income for SEM Groups 2+ (2026)

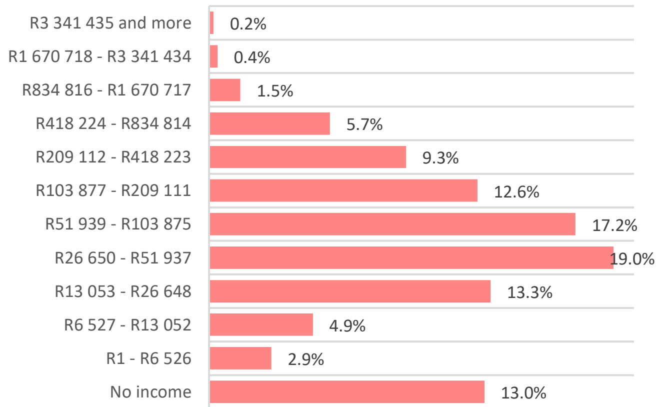
R347 070

Average monthly household income for all SEM groups (2026)

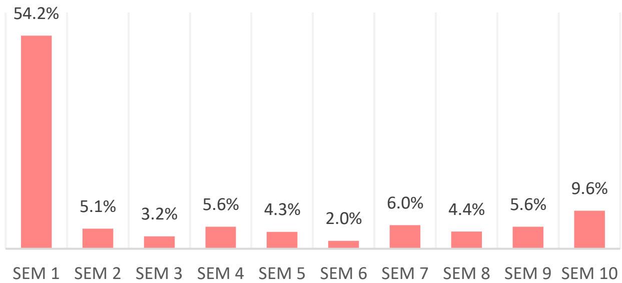
R12 882

Average monthly household income for SEM Groups 2+ (2026)

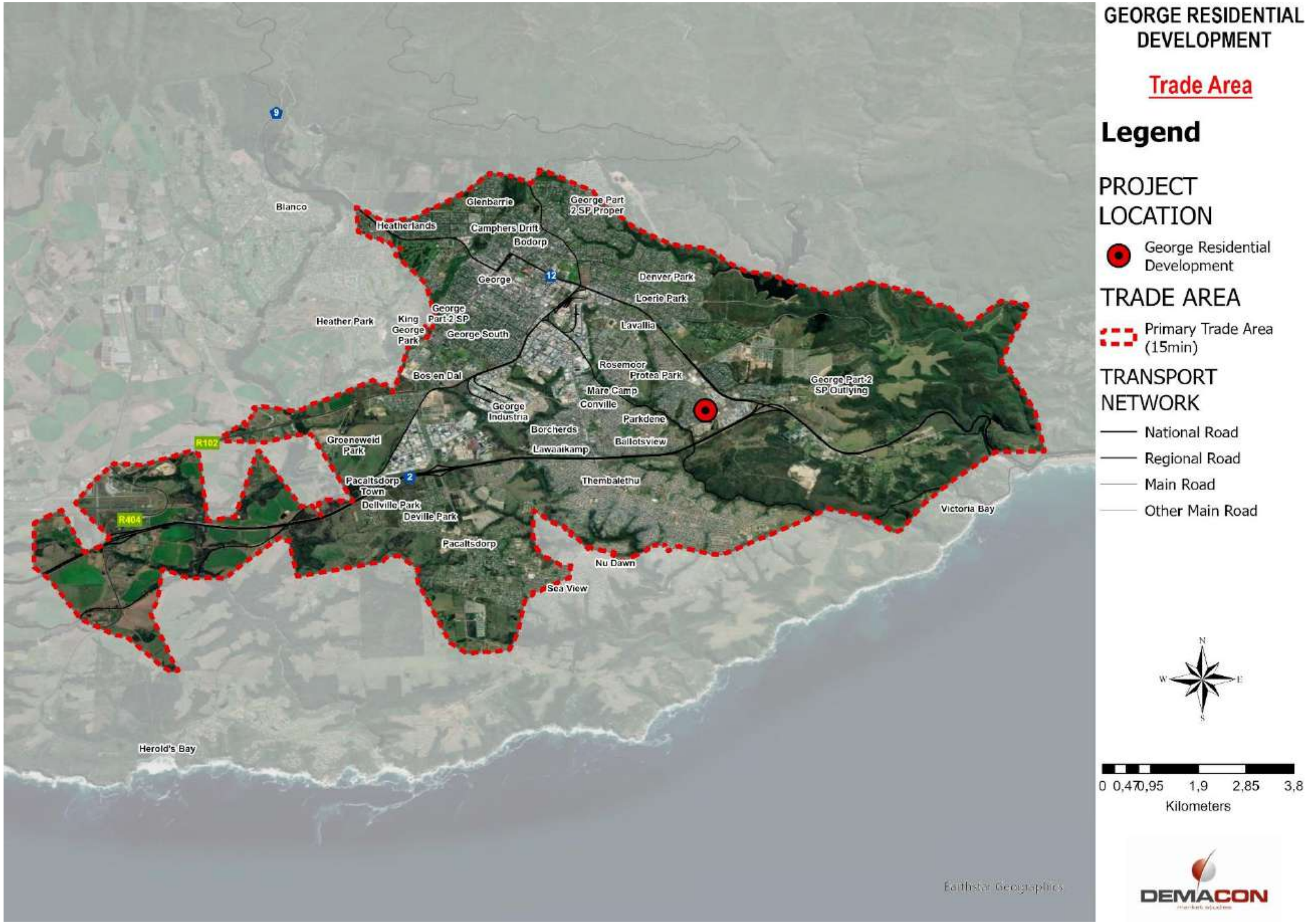
R28 923



SEM PROFILE

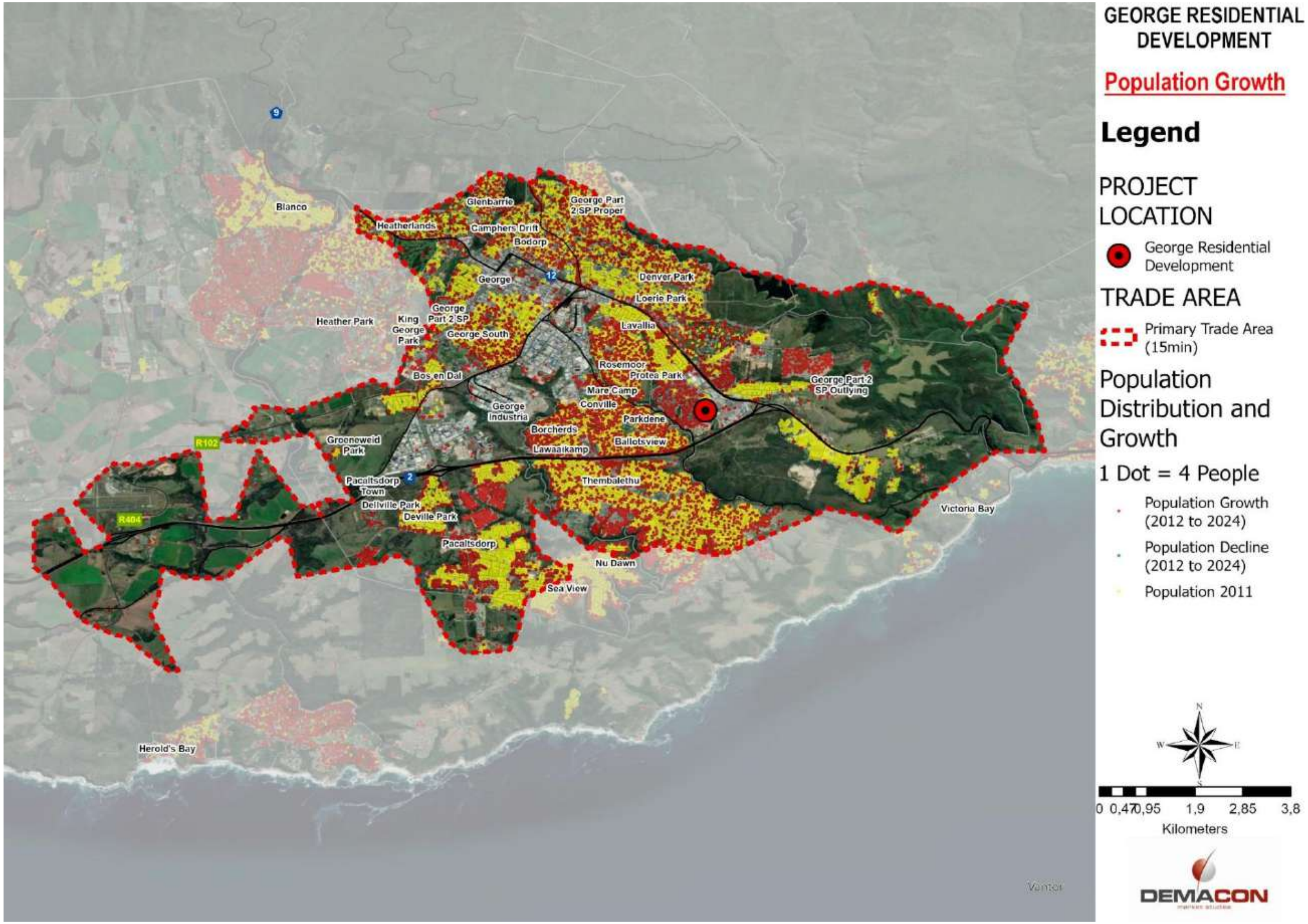


Map 1.2: Primary Market Area Delineation (Guided by a 15-Minute Drive Time Isochrone)



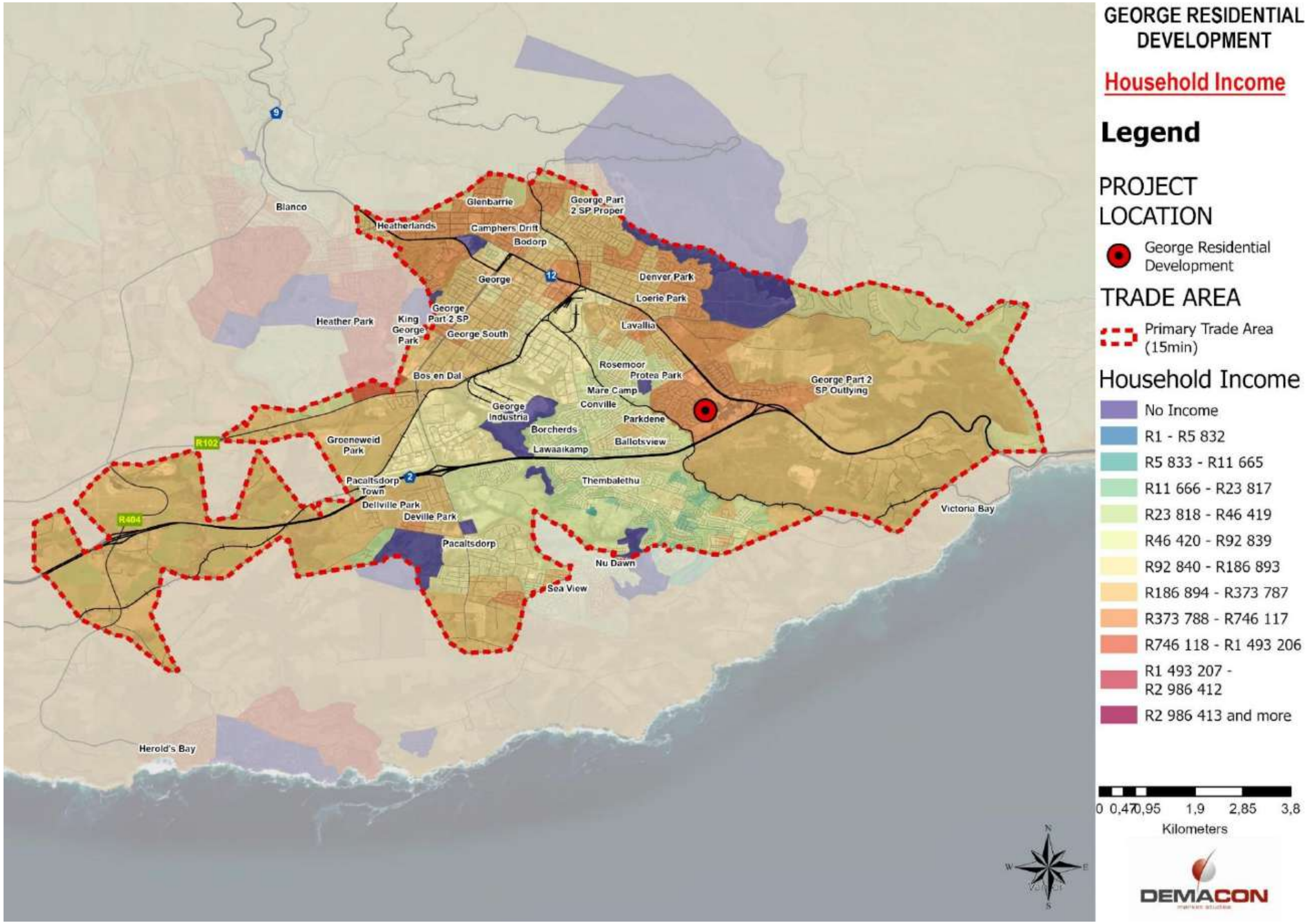
Source: DEMACON ex George Residential Development Market Study, 2026

Map 1.3: Market Area Population Density and Growth



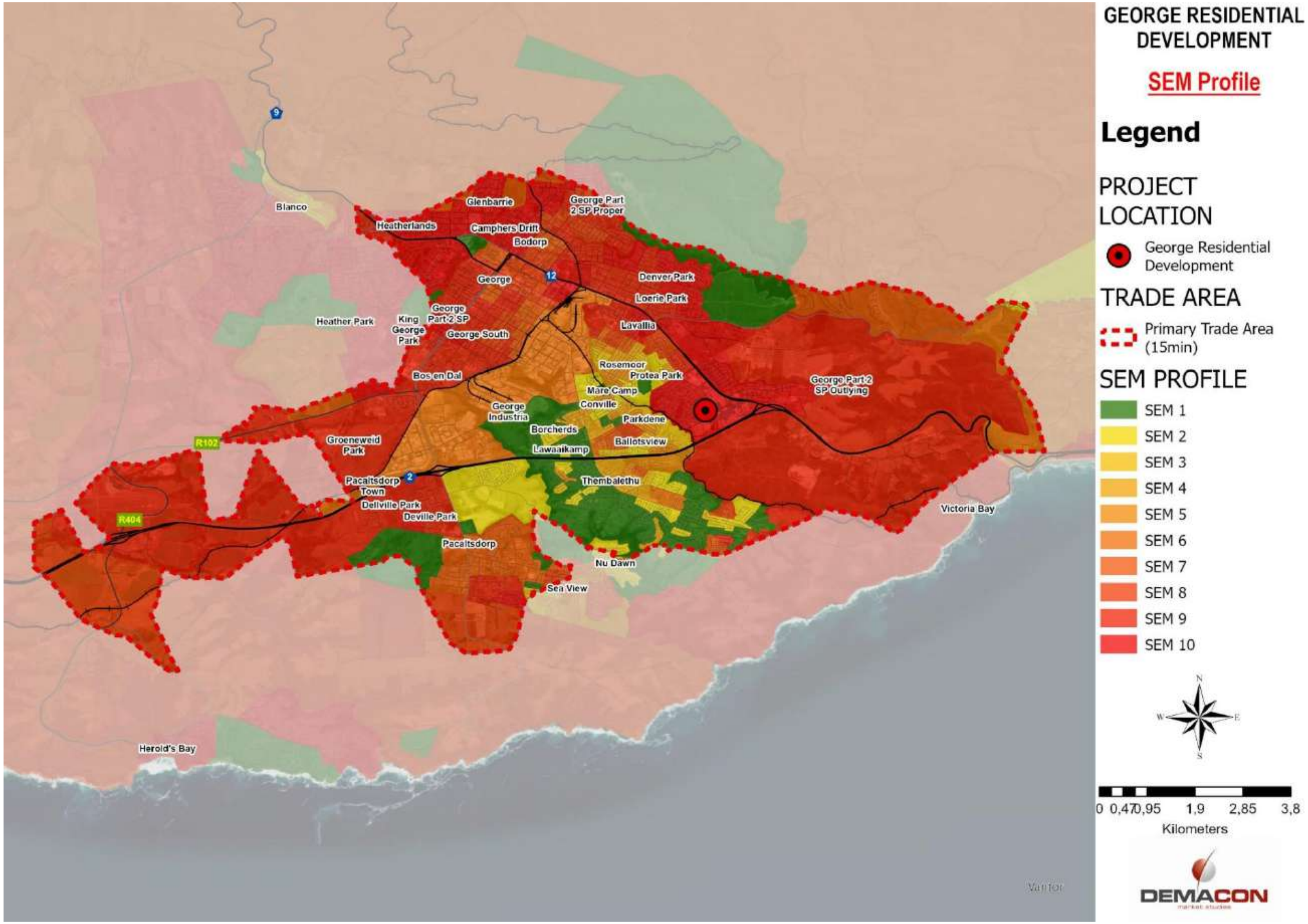
Source: DEMACON ex George Residential Development Market Study, 2026

Map 1.4: Market Area Average Annual Household Income



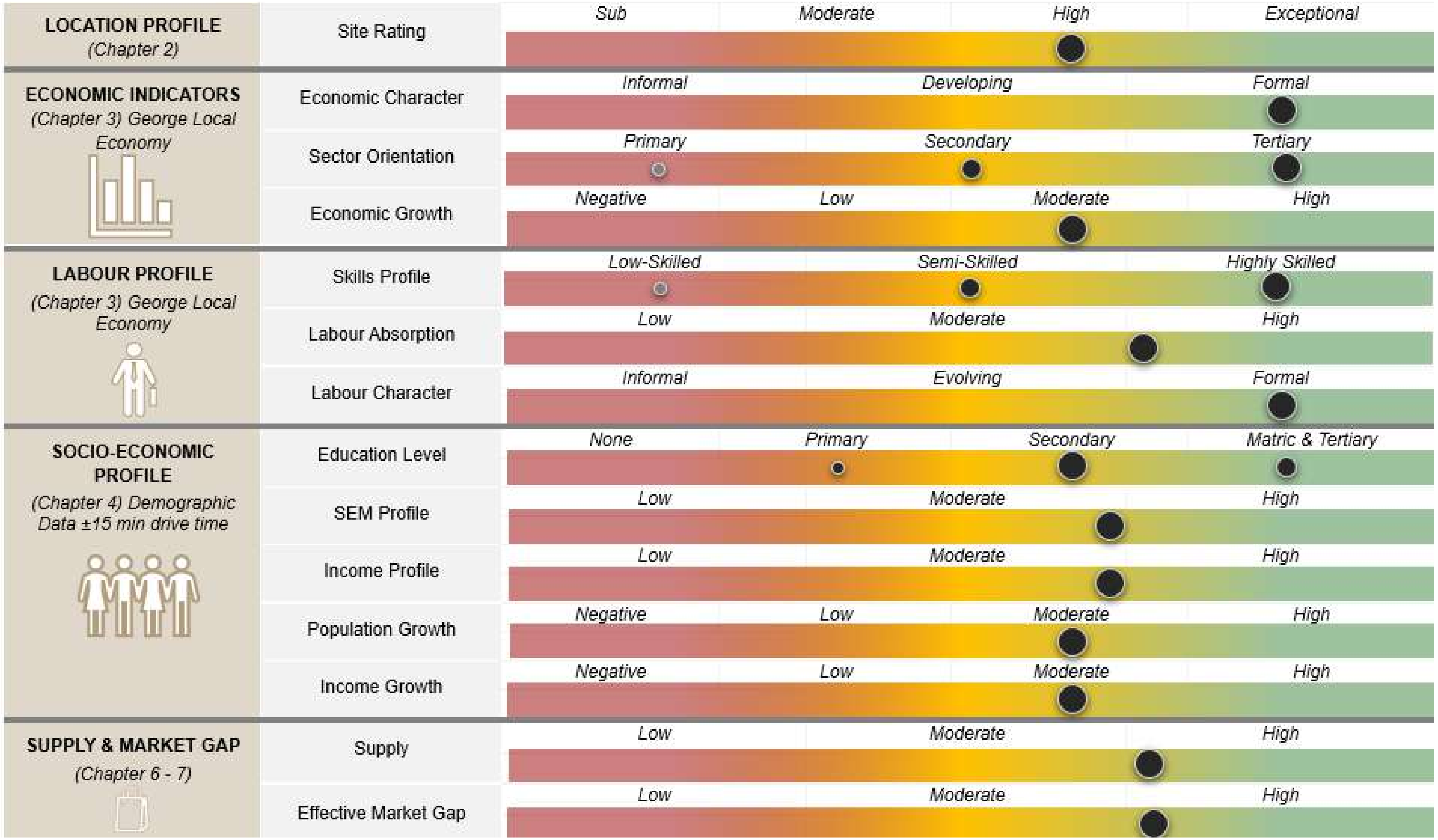
Source: DEMACON ex George Residential Development Market Study, 2026

Map 1.5: Primary Market Area SEM Profile



Source: DEMACON ex George Residential Development Market Study, 2026

1.5 Market Synopsis



The infographic offers a qualitative interpretation of key quantitative variables analysed in the respective report chapters, including site/location rating(s), economic base and growth, labour market profile, consumer market profile, level of supply and perceived market gaps. The qualitative scales position each attribute on a scale from 'lesser' developed to 'more' developed. On a balance of scales, the concentration of ratings could be towards the left, indicating lesser developed markets, or towards the right, indicating formal and developed environments – each market type tends to offer unique development opportunities in the respective real estate market segments. Mixed markets with a scattering of scale ratings across the scales could also occur, which reflects on dualistic markets with developmental challenges and opportunities that are typical of such environments. In the case of economic sectors and educational profiles, the dot sizing's denote the relative contribution of the respective components (e.g. primary, secondary and tertiary).

1.6 Development Options and Compatibility

The following provides an overview of the compatibility of the project to the local market and the development options available to the project.

Diagram 1.2: Development Options and Compatibility

Site Rating	Economic Base & Drivers	Labour Profile	Socio-Economic Profile & Demand Base
High	Compatible	Semi-Skilled to Skilled (Mixed)	Moderate to High (Mixed)

Market Gap Determination

Residential Development	Effective Market Gap	Development Prospects
Bonded Units (Apartments)	✓	Moderate - High

Summary of Development Options & Compatibility

- Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- A total of 680 units could be developed and taken-up over the short to medium term (80% take-up).
- Configuration: Apartments

Source: DEMACON ex George Residential Development Market Study, 2026

2 Socio-Economic and Fiscal Impact Assessment Methodology

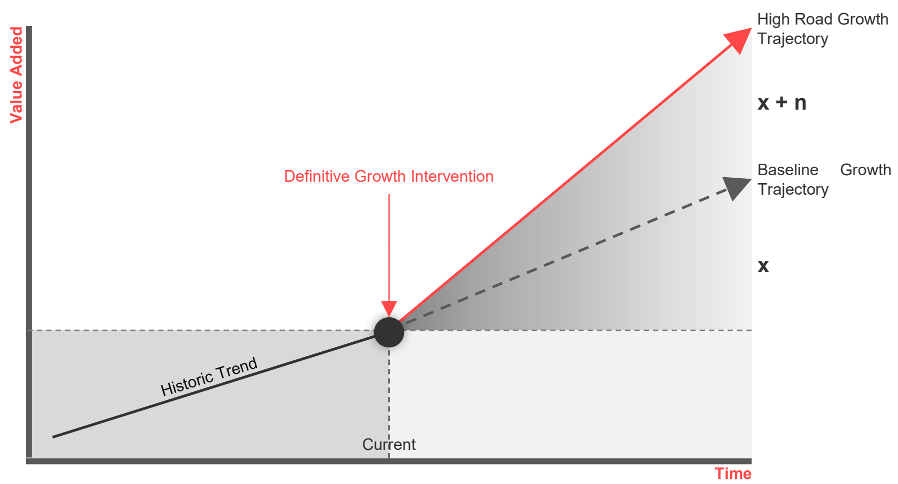
2.1 Socio-Economic and Fiscal Impact Assessment Purpose

The purpose of the chapter is to provide an overview of the approach employed in this study to assess the socio-economic and fiscal impacts that may arise as a result of the proposed development's implementation and operation. Capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial and national economies. The impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector/land use. This impact stretches beyond the jobs and income generated by the original project. To estimate the total socio-economic impact, the input-output model is employed.

2.2 Input-Output Model Methodology

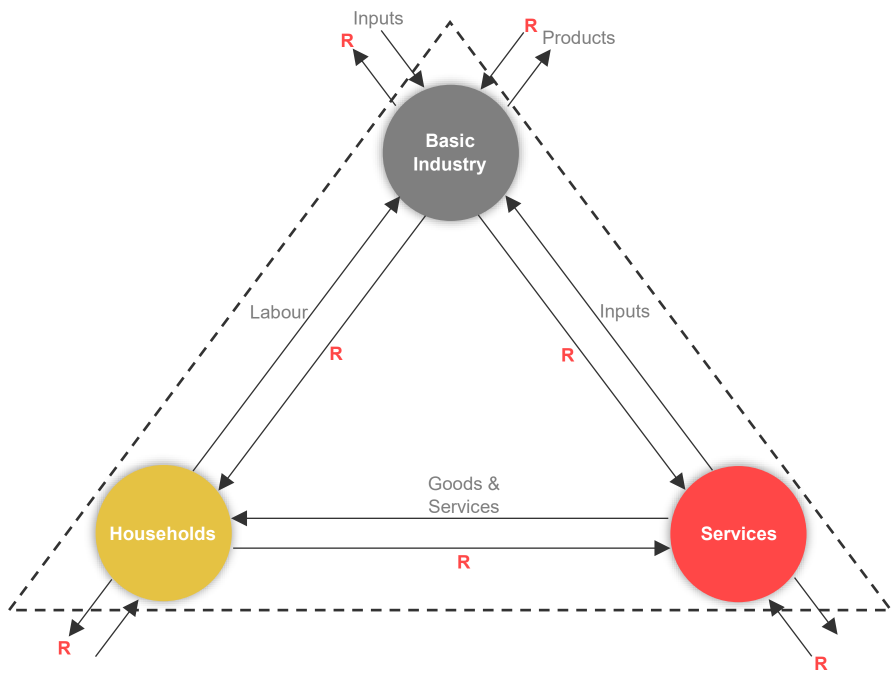
The following figure conceptually illustrates the socio-economic impact that the proposed development could have on the economy in terms of additional GDP.

Diagram 2.1: Economic Impact of a Development



Before the input-output model is discussed it is necessary to understand the community economic system and underlying interrelationships (Refer to Diagram 2.2).

Diagram 2.2: Community Economic System



There is a strong interrelationship and interdependence between the three dominant sectors of the local economy: Basic industry, households and services. These interrelationships refer to sectors purchasing from other sectors, sectors selling to other sectors, sectors selling outside of the local economy and sectors buying outside of the local economy.

This results in the flow of labour, inputs, goods and services as well as money within and beyond the local economy. The input-output analysis creates a picture of a provincial economy describing the flows to and from industries and institutions. In other words, it describes the provincial economy and predicts the estimated impacts resulting from a change in the economy.

The Input-Output Model depicts economic relationships between different components of an economy by identifying monetary flows (expenditures, receipts) between various units. The relationship between the initial spending and the total effects generated by the spending is known as the multiplier effect of the sector, or more generally as the impact of the sector on the economy. The input-output table represents the nucleus of the Input-Output Model – as reflected in Table 2.1.

Table 2.1: Schematic Presentation of the Input-Output Model

	Intermediate Outputs	Final Demand	Total Production
Intermediate Inputs	**Quadrant I** x11 x12 x21 x22 xn1 xn2 m11 m12	**Quadrant II** C1 G1 I1 IC1 E1 C2 G2 I2 IC2 E2 Cn Gn In ICn En MC MG	 X1 X2 Xn Mn
Primary Inputs	**Quadrant III** A1 A2 B1 B2 T1 T2	**Quadrant IV** VC VG Vi VIC VE	 A B T
Total Production	X1 X2 Xn	C G IC E	Z

Final demand (Y) can be presented by the following formula:

Y = C + I + G + (X - Z) where:

C: Private consumption expenditure

I: Gross domestic fixed investment

G: Government consumption expenditure

X: Exports

Z: Imports

Both the intermediate inputs as well as intermediate outputs for the different production sectors are shown in Quadrant I. This quadrant is usually referred to as the transaction table or transaction matrix and is an indication of the transfer of goods and services between the industrial sectors for production purposes.

The different final demand components as applied in the input-output table are shown in Quadrant II. Components of final demand are private consumption expenditure (C), government consumption expenditure (G), gross domestic fixed investment (I), change in inventories (IC) and total exports (E).

Quadrant III represents the demand for primary inputs by the industrial sector. The elements of primary input, which are referred to are the remuneration of employees (A), the gross operating surplus (B) as well as net indirect taxes (T).

Quadrant IV is that portion of primary input, which is part of the final demand.

The linkage effects between the various sectors in the transaction matrix can be presented by xij, which shows the flow of goods from sector i to sector j.

The input-output model consists of three basic components:

- Transaction Table: illustrate the monetary flows of goods and services in a local economy for a given period
- Direct Requirements Table: indicates the purchases of resources (inputs) by a sector from all sectors to produce one Rand of output (creating a production recipe)
- Total Requirements Table: indicates the indirect and induced transactions caused by the purchases of resources (inputs) by a sector from all sectors

The input-output table is also based on certain basic assumptions:

- It is possible to group the different production activities in homogeneous industries
- The demand for intermediates by a particular sector will change in direct proportions to the specific sector's change in output
- No substitution of intermediates is possible due to price changes
- No technological change takes place
- Each sector produces only one primary product

It should be noted that:

- All rand values in the report represent 2026 current prices
- The different measures of economic impact cannot be added together and should be interpreted separately

- The model quantifies the economic impacts for a specific amount of time, and it is not derived gradually over time
- The input-output table is based on provincial supply and use tables, therefore, the multipliers and other related data measure economic impacts throughout the provincial economy (Derived multipliers based on StatsSA Annual Financial Statistics, GDP at various economic levels, employment data and quarterly labour force surveys, 2026).

Impacts are traced through the provincial economy in terms of the application of a set of multipliers derived from provincial economic accounts (only local transactions are used to create the multiplier effect).

A multiplier summarises the total impact that can be expected throughout the economy from one-unit change for a given sector. There are several types of multipliers used by the model:

- Output multipliers (Business revenue or sales): it estimates the total change in sales volume
- Employment multipliers: measures the total change in employment resulting from an initial change in output/production of a specific industry
- Value-added multiplier (GDP): provides an estimate of the additional value added to the products as a result of this economic activity. Value-added includes employee compensations, corporate profits, indirect business taxes, and proprietary and other property income. It is the sum of the remuneration of employees and the gross operating surplus.
- Income multiplier: measures the total increase in income in the local economy resulting from a 1 Rand increase in total output/production
- Taxation multiplier: measures the increase in tax revenue that the national treasury could collect from the operation of business activities
- SMME opportunities measure the potential of the economy to create opportunities for new SMME's based on the causal relationship with an increase in the GDP of the economy. The analysis also considers the relationship between SMME growth and black ownership. The relationship takes into consideration GDP growth (StatsSA) and concomitant business registration and ownership data (SARS).
- Potential skills requirements: measures the demand for jobs based on different skill levels, i.e., low, semi and skilled jobs
- Sector profiling: measures the linkage of defined land uses with sectors of the economy and estimates the impact that increased economic activity could have on the various components of the economy.
- In addition to the preceding multipliers, reference is also made to the need and demand for social amenities based on economic growth. The growth of the economy increases the demand for jobs. Consequently, an increased demand for jobs, aligned with increased livelihoods increases demand for social amenities. The impact tool seeks to measure the increased demand for a spectrum of social amenities.

Difference between multipliers and turnover:

Turnover is typically used as a synonym for the output or production of business. Turnover refers to the number of times some of the initial Rand that is received from outside the community, changes hands within the community. Example: 1 Rand received from a new investment changes hands five times within the local economy. The multiplier is 1.66, although some portion of the initial Rand turns over five times.

During each exchange of money for goods or services, some of the original Rand leaves the local economy, which reduces the amount spent locally during the next exchange. Multipliers measure the full impact of a Rand on the local economy, whereas turnover merely indicates the number of times some of the initial Rand is spent locally.

The economic impact can be measured in terms of three effects:

- Direct effects: those economic effects caused by the new investment or proposed project
- Indirect effects: occurs to industries in the backward linked industries that supply goods and services to the proposed development. Economic activity triggered by the purchases made as a result of the initial round of project expenditure
- Induced effects: result from households spending some of the additional income they receive on goods and services within the local, regional and provincial economies.

There are two types of multipliers:

- Type 1 multipliers: Include direct or initial spending, as well as indirect spending or business buying and selling to each other
- Type 2 multipliers: Include Type 1 multiplier effects, plus household spending based on the income earned from the direct and indirect effects – the induced effects

In summary: Economic impacts represent the positive or negative effects caused by the expansion or contraction of an area's economy, resulting from the changes in a facility or project. In the case of the proposed residential development, it represents the impacts caused by the proposed construction activities and resulting operational state of the project.

Subsequent sections provide an overview of the estimated socio-economic impacts that could be caused by the implementation and operation of the proposed residential development. The project's impact is also estimated in terms of two project phases – the construction and the operational phases.

3 ERF 28005 GEORGE RESIDENTIAL DEVELOPMENT SOCIO-ECONOMIC AND FISCAL IMPACT ASSESSMENT

3.1 INTRODUCTION

The purpose of the chapter is to assess the anticipated socio-economic impact that could be generated as a result of the implementation and operation of the proposed residential development. The estimated capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial and national economies.

The impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector/land use. This impact stretches beyond the jobs and income generated by the original project. To estimate the total socio-economic impact, the input-output model is employed.

3.2 KEY INDICATORS AND INPUTS

The following section provides an overview of the key indicators and inputs used to inform the input-output model. The data used as input to the model assists with calculating an estimated capital expenditure (CAPEX) and estimated annualised operational expenditure (OPEX) for the proposed residential development when fully developed and operational.

The following key indicators and inputs are based on capital investment and operational revenue estimations by DEMCON for the proposed development.

The capital expenditure includes an estimation for additional expenditure on furniture, fittings, fixtures and related services.

Table 3.1: Modelling Key Indicators and Inputs

Land Use	Total CAPEX	Total Annualised OPEX
Residential Apartments	R1 340 785 920	R106 240 480
Total	**R1 340 785 920**	**R106 240 480**

Source: DEMACON, 2026

3.3 IMPACT SYNOPSIS

Total Estimated Capital Investment and Annualised Operational Expenditure

The total estimated capital investment of the Proposed Residential Development on Erf 28005, George (Blue Mountain) (Net Present Value for the current year) is R1.34 billion - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational expenditure (annualised on-site operational expenses) of the development (Net Present Value for the current year) is R106.24 million.

Summary of Construction Phase Impacts

Impacts generated during the construction phase of the project are once-off and are sustained for as long as construction occurs. These impacts dwindle as construction activity comes to an end and the development becomes operational – then operational impacts, which are created and sustained annually, are activated.

The total CAPEX (Capital Investment) of the project could temporarily add approximately R2.94 billion in additional business sales, R1.25 billion in additional GDP (contributes +1.25% to the provincial economy) and approximately 4 414 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 12 formal small, medium and micro-enterprise opportunities could be created. Black-owned SMMEs would potentially represent 75% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment during the construction phase represents 3 454 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.75% semi-skilled labourers and 21.95% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R442.7 million.

It is estimated that approximately R360.37 million in additional taxes could be generated during the construction phase. The largest contributor to new taxes is as a result of corporate taxes, contributing 33.44% to all taxes collected economywide.

Summary of Operational Phase Impacts

Operational phase impacts are generated when the productive-land uses of the development commence with operations. Impacts created during the operational phase are "sustained" impacts. “Sustained impacts” are impacts that are continuously generated (i.e. created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

The total OPEX (operational expenditure) of the project could annually add approximately R188.01 million in additional business sales, R104.06 million in additional GDP (contributes +0.1% to the provincial economy) and approximately 199 sustained jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 0 formal small, medium and micro-enterprise opportunities could be created throughout the lifetime of the project. Black-owned SMMEs would potentially represent 0% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment opportunities created throughout the lifetime of the project represents 174 jobs (total direct, indirect and induced). Approximately 37.93% of formal employment opportunities are expected to be filled by skilled labourers compared to 41.95% semi-skilled labourers and 20.11% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R29.11 million.

It is estimated that approximately R21.99 million in additional taxes could be generated during the operational phase. The largest contributor to new taxes is as a result of personal income tax, contributing 44.65% to all taxes collected economywide.

Overall Outcome

Overall, the construction and operational phase of the project would have a measurable positive effect on the Western Cape provincial economy, generating sizeable GDP over the short- to long-term, high additional business sales and new business formation and a considerable number of new employment opportunities - across all skill levels. Additional taxes can contribute to national and local treasuries and households across the province can increase their livelihoods.

The increased demand for social amenities will influence the fiscus and operation of public sector entities. The increased pressure on the fiscus is offset by the addition of productive rateable assets through the envisaged capital investment in the project.

3.3.1 Construction Phase Impacts

The following section provides a concise overview of impacts that could arise during the construction phase of the proposed residential development. For a detailed breakdown of construction phase impacts, please refer to Annexure A. Please note that all effects of the construction phase are unsustained meaning that impacts are once-off and sustained for the duration of the construction phase.

Overarching Impacts

Total estimated **CAPEX** of the project: **R1.34 billion**

R2.9 billion	Additional Business Sales
R1.3 billion	Additional GDP
4 414 jobs	Additional Formal and Informal Jobs

Estimated Number of New Enterprise Opportunities

Micro Enterprises (1 to 10 employees)	Small Enterprises (11 to 50 employees)	Medium Enterprises (51 to 200 employees)
6	5	1

Calculations indicate that the total estimated GDP impact of the construction phase could create **12** new SMME enterprise opportunities

75.0% of opportunities could be **black owned**

Social Amenities Potentially Required

No social amenity impacts apply during the construction phase

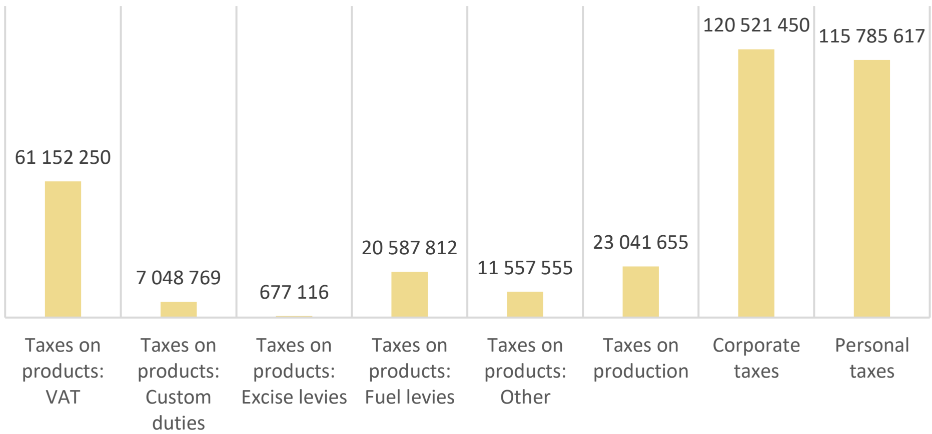
Formal Job Opportunities and Compensation

78.3% of total employment opportunities are **formal**

Skilled Jobs	21.3%
Semi-Skilled Jobs	56.7%
Low-Skilled Jobs	21.9%

	Skilled Jobs	Semi-Skilled Jobs	Low-Skilled Jobs
Jobs	736	1 960	758
Total Compensation for all Job Opportunities	R125.7 million	R177.9 million	R139.1 million

Impact on Taxation



3.3.2 Operational Phase Impacts

The following section provides a concise overview of impacts that could arise during the operational phase of the proposed residential development. For a detailed breakdown of operational phase impacts, please refer to Annexure A. Please note that all effects of the operational phase are sustained meaning that impacts are continuously generated (i.e., created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

Overarching Impacts

Total estimated **OPEX** of the project: **R106.2 million**

R188.0 million	Additional Business Sales
R104.1 million	Additional GDP
199 jobs	Additional Formal and Informal Jobs

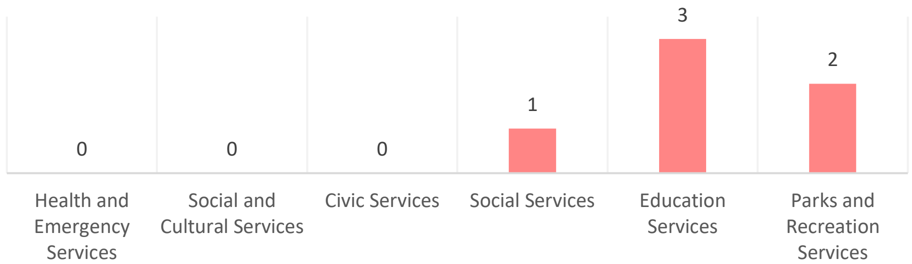
Estimated Number of New Enterprise Opportunities

Micro Enterprises (1 to 10 employees)	Small Enterprises (11 to 50 employees)	Medium Enterprises (51 to 200 employees)
0	0	0

Calculations indicate that the total estimated GDP impact of the construction phase could create **0** new SMME enterprise opportunities

0.0% of opportunities could be **black owned**

Social Amenities Potentially Required



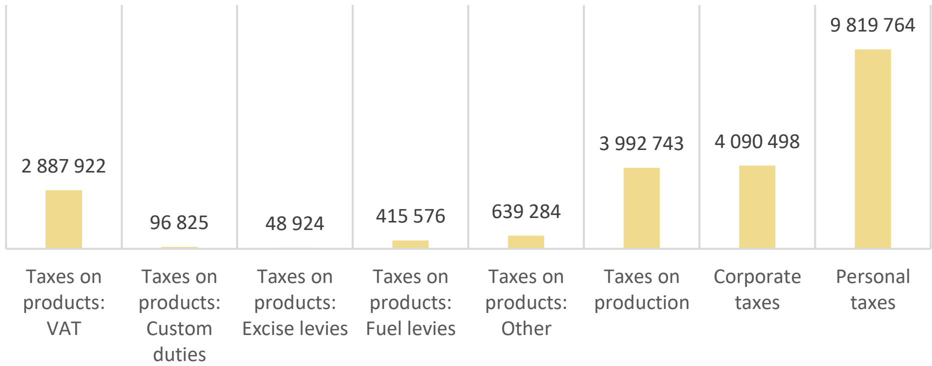
Formal Job Opportunities and Compensation

87.5% of total employment opportunities are **formal**

Skilled Jobs	37.9%
Semi-Skilled Jobs	42.0%
Low-Skilled Jobs	20.0%

	Skilled Jobs	Semi-Skilled Jobs	Low-Skilled Jobs
Jobs	66	73	35
Total Compensation for all Job Opportunities	R13.1 million	R9.8 million	R6.2 million

Impact on Taxation



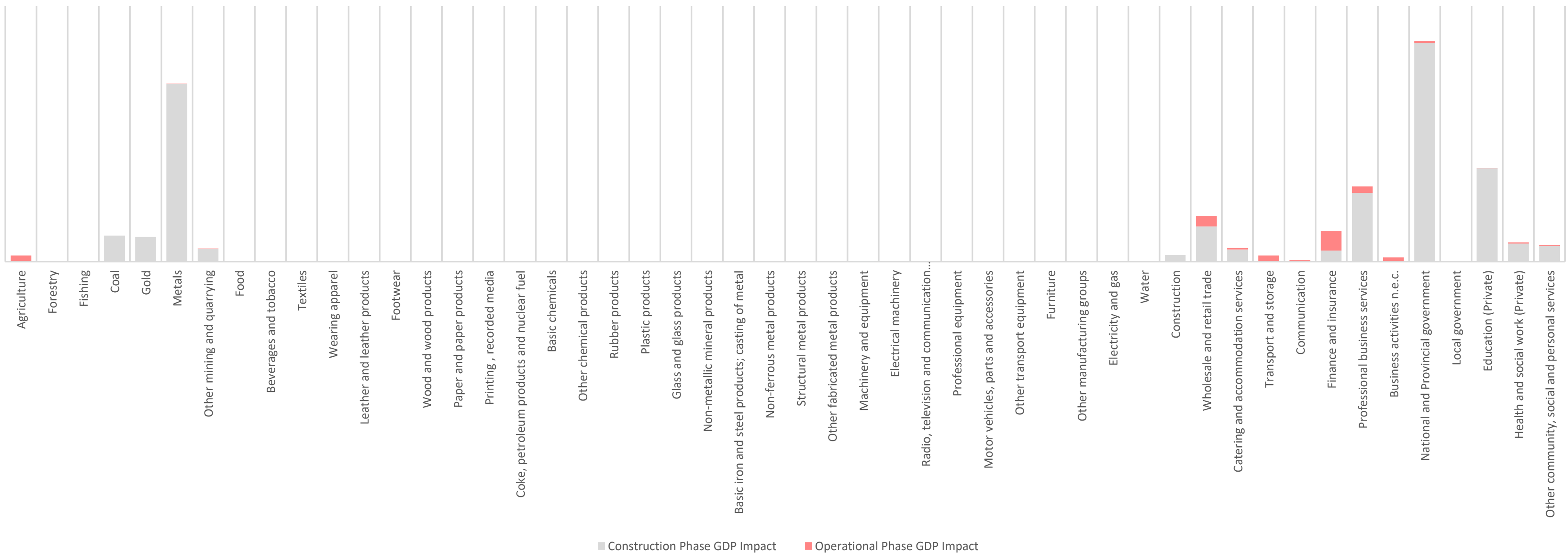
Property taxes total approximately **R7 743 515** per annum

3.3.3 Effects on the Provincial Economy

The following illustrates the impact that the proposed residential development has on the Western Cape provincial economy by providing a graphical representation of the distribution of added GDP as a result of the construction and operational phase of the project.

Distribution of Economic Impacts per Economic Sector

Detailed Distribution of Economic Impacts per Economic Sector



3.4 SUMMARY OF IMPACTS

The following provides a concise perspective on the inputs and outputs of the proposed development, taking into account the outcome of the preceding impact assessment.

Costs		**Benefits (Impact)**					
Construction Phase (CAPEX)		**Unsustained Impacts**		**Direct** (e.g. Industry and its suppliers)	**Indirect** (e.g. All other rounds of suppliers in the economy)	**Induced** (e.g. Increased consumption expenditure)	**Total** (e.g. Economy Wide)
		Financial Impact	Additional Business Sales	R2.0 billion	R359.2 million	R583.1 million	**R2.9 billion**
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R253.9 million	R39.5 million	R67.0 million	**R360.4 million**
			Property Rates and Taxes – Municipal				
		Economic Impact	Additional GDP (Market Prices)	R802.8 million	R159.9 million	R291.4 million	**R1.3 billion**
Total CAPEX	**R1.34 billion**	Business Impact – New business opportunities and/or business employment expansion	Micro Enterprise (1 to 10)	4	1	1	**6**
			Small Enterprises (11 to 50)	3	1	1	**5**
			Medium Enterprises (51 to 200)	1	0	0	**1**
		Social Impact	Additional Jobs (Formal and Informal)	3 203	395	816	**4 414**
			Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R288.9 million	R46.7 million	R107.2 million	**R442.7 million**
Operational Phase (OPEX)		**Sustained Impacts (annualised; at maturity)**		**Direct** (e.g. Industry and its suppliers)	**Indirect** (e.g. All other rounds of suppliers in the economy)	**Induced** (e.g. Increased consumption expenditure)	**Total** (e.g. Economy Wide)
		Financial Impact	Additional Business Sales	R123.9 million	R10.0 million	R54.4 million	**R188.0 million**
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R14.6 million	R1.1 million	R36.2 million	**R22.0 million**
			Property Rates and Taxes – Municipal	R7.7 million			
		Economic Impact	Additional GDP (Market Prices)	R71.8 million	R5.1 million	R27.2 billion	**R104.1 million**
Total OPEX	**R106.2 million**	Business Impact – New business opportunities and/or business employment expansion	Micro Enterprise (1 to 10)	0	0	0	**0**
			Small Enterprises (11 to 50)	0	0	0	**0**
			Medium Enterprises (51 to 200)	0	0	0	**0**
		Social Impact	Additional Jobs (Formal and Informal)	109	14	76	**199**
			Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R17.4 million	R1.7 million	R10.0 million	**R29.1 million**

3.5 Conclusion

The preceding socio-economic and fiscal impact assessment shows that the construction and operation of a proposed residential development could create economy-wide impacts that will benefit local and regional communities and economies.

The prospect of the impact occurring is identified as being moderate to high given that the development is strategically positioned to both integrate in to the broader real estate market and its key driving factors that support demand take-up by the proposed development and the capability of the project to contribute to the spatial aspirations of the local authority by enabling targeted high density residential development close to a key commercial and economic node.

Table 3.2: Summary of Key Impact Assessment Outcomes

Impact Measure	Construction Phase (Once-Off)	Operational Phase (Annual and Sustained)
Inputs	R1.3 billion	R106.2 million
Impacts		
Additional Business Sales	R2.9 Billion	R188.0 million
Additional GDP	R1.3 Billion	R104.1 million
Additional Formal Employment	3 545 jobs	174 jobs
Estimated Number of New Enterprise Opportunities	12 business opportunities	0 business opportunities
Compensation of Additional Formal Employment (Annual)	R442.7 million	R29.1 million
Total Additional Taxation (Taxes on Products and Production, Corporate Taxes, Personal Income Tax)	R360.4 million	R22.0 million
Additional Social Amenities	0	6
Total Additional Property Taxation	n/a	R7.7 million
Probability Rating		
★★★ Impact Prospects	**Moderate to High** The project is strategically located to support existing market demand and integrate into the long-term spatial development aspirations of the local municipality	

Source: DEMACON, 2025

Annexure A: Erf 28005 George Residential Development Socio-Economic and Fiscal Impact Assessment

Prepared For:

Century Property Developments (Pty) Ltd

July 2026

Proposed Residential Development on Erf 28005, George (Blue Mountain)

Fiscal and Socio-Economic Impact Model

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1

Table of Contents

Index and Glossary

Direct Impacts	Those economic effects caused by the new investment or proposed project
Indirect Impacts	Occurs to industries in the backward linked industries that supply goods and services to the proposed project. Economic activity triggered by the purchases made as a result of the initial round of project expenditure
Induced Impacts	Result from households spending some of the additional income they receive on goods and services within the local, regional and provincial economy
Construction Phase	Focuses on the period during which the proposed project is constructed
Operational Phase	Focuses on the period after construction has completed and operations are started
Capital Investment	The investment by public and private sector stakeholders in land, infrastructure, top structures and other items required to undertake and complete the construction of a project
Annual Turn Over	Estimated annual turn over expected by the project due to normal day to day operations
Gross Domestic Product	Gross domestic product (GDP) at market prices (value added originating) is the value that the production processes and services rendered in the economy adds to the value of goods sold or services delivered (Gross domestic product (GDP) at market prices = Gross value added at basic prices + Net indirect taxes on products (by government))
Formal Employment	Employment figures indicate the number of paid employees and include casual and seasonal workers. Employment consists of three main categories, namely high-skilled, semi-skilled and low skilled labour
Informal Employment	Number of paid employees that are employed by informal buisnesses - informal businesses are businesses not registered as a formal enterprise
Compensation	The compensation of employees is equal to the income received by employees, i.e. wages and salaries
SMME	Small, Medium and Micro Enterprises

Taxes on Products	Indirect taxes on products include all indirect taxes levied by the government on products. These taxes include the following: Value added tax (VAT) and customs and excise duties
Taxes on Production	Taxes on production are the value of all the money paid by producers to the government, in respect to taxes on their production
Corporate Taxes	Corporate taxes
Personal Taxes	Personal taxes include UIF and PAYE

Chapter 1
Project Information

The following section of the report is focused on providing an overview of the project modeled by the fiscal and socio-economic impact model. The purpose of the section is to introduce the project, highlight the broad land uses of the project, identify capital investment and operational expenditure frameworks and timeframes, and to highlight the intended target market.

1 Project Information

1.1 Project Description

Project Name: Proposed Residential Development on Erf 28005, George (Blue Mountain)

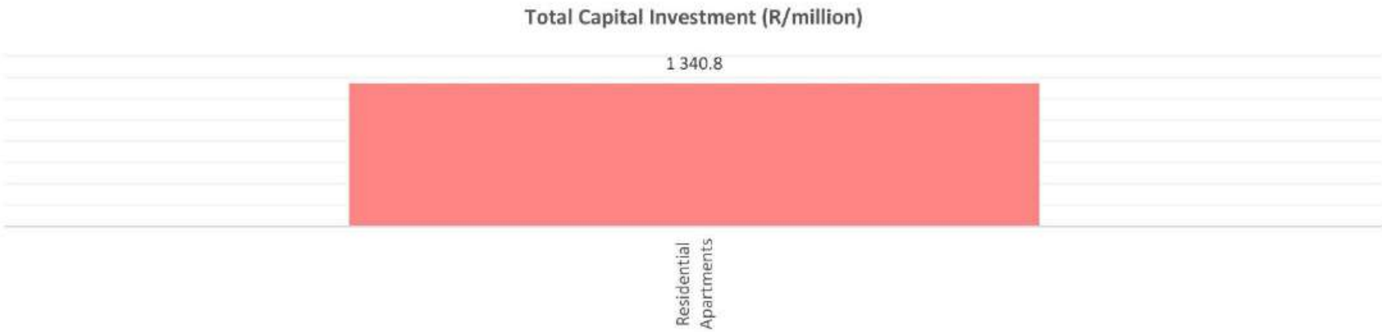
Project Description: Review of impacts that could arise as a result of the implmentation of the project

1.2 Land Use and Bulk Overview

Land Use Description	Number of Units / Keys / Seats	Bulk m²	% Contribution
Residential Apartments	680	48 450	100.0%
Total	**680**	**48 450**	

1.3 Capital Investment Overview

Land Use Description	Buildings	Infrastructure, Land & Furniture, Fittings & Other	Total Capital Investment	% Contribution
Residential Apartments	1 165 900 800	174 885 120	1 340 785 920	100.0%
Total	**1 165 900 800**	**174 885 120**	**1 340 785 920**	



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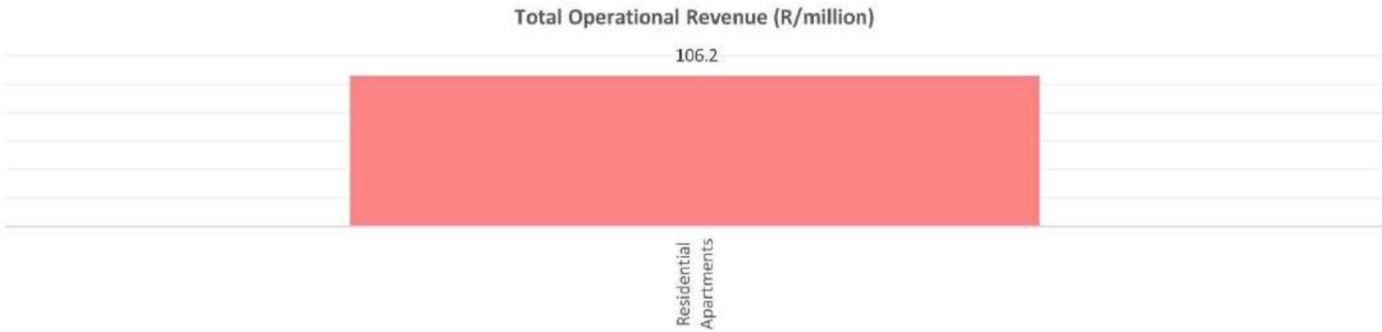
1.4 Operational Revenue Overview

Land Use Description	Total Operational Revenue	% Contribution
Residential Apartments	106 240 480	7.9%
Total	**106 240 480**	



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Chapter 2
Synopsis

This section of the report focuses on providing a concise and digestable overview of the outcomes of the socio-economic impact model. The purpose is to highlight key outcomes and considerations from the impact analysis. The Section also serves as an introduction to the remainder of the report which, from Secion 2 onwards, provide detailed information regarding every impact modeled.

2 Synopsis

2.1 Impact Outcome Synopsis

2.1.1 Total Estimated Capital Investment (CAPEX and Operational Expenditure (OPEX))

The total estimted capital investment of the Proposed Residential Development on Erf 28005, George (Blue Mountain) (Net Present Value for the current year) is R1.34 billion - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational expenditure (annualised on-site operational expenses) of the development (Net Present Value for the current year) is R106.24 million.

2.1.2 Summary of Construction Phase Impacts

Impacts generated during the construction phase of the project are once-off and are sustained for as long as construction occurs. These impacts dwindle as construction activity comes to an end and the development becomes operational – then operational impacts, which are created and sustained annually, are activated.

The total CAPEX (Capital Investment) of the project could temporarily add approximately R2.94 billion in additional business sales, R1.25 billion in additional GDP (contributes +1.25% to the provincial economy) and approximately 4 414 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 12 formal small, medium and micro-enterprise opportunities could be created. Black-owned SMMEs would potentially represent 75% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment during the construction phase represents 3 454 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.75% semi-skilled labourers and 21.95% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R442.7 million.

It is estimated that approximately R360.37 million in additional taxes could be generated during the construction phase. The largest contributor to new taxes is as a result of corporate taxes, contributing 33.44% to all taxes collected economywide.

2.1.3 Summary of Operational Phase Impacts

Operational phase impacts are generated when the productive-land uses of the development commence with operations. Impacts created during the operational phase are "sustained" impacts. "Sustained impacts" are impacts that are continuously generated (i.e. created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

The total OPEX (operational expenditure) of the project could annually add approximately R188.01 million in additional business sales, R104.06 million in additional GDP (contributes +0.1% to the provincial economy) and approximately 199 sustained jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 0 formal small, medium and micro-enterprise opportunities could be created throughout the lifetime of the project. Black-owned SMMEs would potentially represent 0% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment opportunities created throughout the lifetime of the project represents 174 jobs (total direct, indirect and induced). Approximately 37.93% of formal employment opportunities are expected to be filled by skilled labourers compared to 41.95% semi-skilled labourers and 20.11% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R29.11 million.

It is estimated that approximately R21.99 million in additional taxes could be generated during the operational phase. The largest contributor to new taxes is as a result of personal income tax, contributing 44.65% to all taxes collected economywide.

2.1.4 Overall Outcome

Overall, the construction and operational phase of the project would have a measurable positive effect on the Western Cape provincial economy, generating sizeable GDP over the short- to long-term, high additional business sales and new business formation and a considerable number of new employment opportunities - across all skill levels. Additional taxes can contribute to national and local treasuries and households across the province can increase their livelihoods.

The increased demand for social amenities will influence the fiscus and operation of public sector entities. The increased pressure on the fiscus is offset by the addition of productive rateable assets through the envisaged capital investment in the project.

2.2 Construction Phase Economic Impacts

Construction Phase CAPEX
1 340 785 920

Additional Business Sales	2 938 034 669
Additional GDP	1 254 095 153
Additional Employment (Formal and Informal)	4 414

2.3 Operational Phase Economic Impacts

Operational Phase OPEX
106 240 480

Additional Business Sales	188 011 508
Additional GDP	104 061 435
Additional Employment (Formal and Informal)	199

2.4 SMME Opportunities

Enterprise Type	Construction Phase	Operational Phase
Micro Enterprises (1 to 10 employees)	6	0
Small Enterprises (11 to 50 employees)	5	0
Medium Enterprises (51 to 200 employees)	1	0
Estimated Number of New Enterprise Opportunities	12	0
Estimated Number of New Black Owned SMME Opportunities	9	0
	75.0%	0.0%
	of new business opportunities could be black owned	of new business opportunities could be black owned

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2.5 Formal Jobs Created by Skill Level - Construction Phase Economic Impacts

Construction Phase CAPEX
1 340 785 920

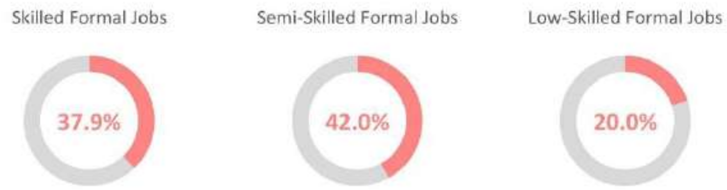
Skilled Formal Jobs	736
Semi-Skilled Formal Jobs	1 960
Low-Skilled Formal Jobs	758

2.6 Formal Jobs Created by Skill Level - Operational Phase Economic Impacts

Operational Phase OPEX
106 240 480

Skilled Formal Jobs	66
Semi-Skilled Formal Jobs	73
Low-Skilled Formal Jobs	35

Jobs per Skill Level and Phase



2.7 Impact on Compensation of Formal Jobs per Skill Level

Job Typer per Skill Level	Construction Phase	Operational Phase
Skilled Formal Jobs	125 705 313	13 097 816
Semi-Skilled Formal Jobs	177 903 789	9 824 317
Low-Skilled Formal Jobs	139 089 069	6 184 678
Total	442 698 171	29 106 812

Total Compensation of Formal Sustained Jobs Created (R/million)

Average Annual Compensation per Formal Job Created

128 160	167 088

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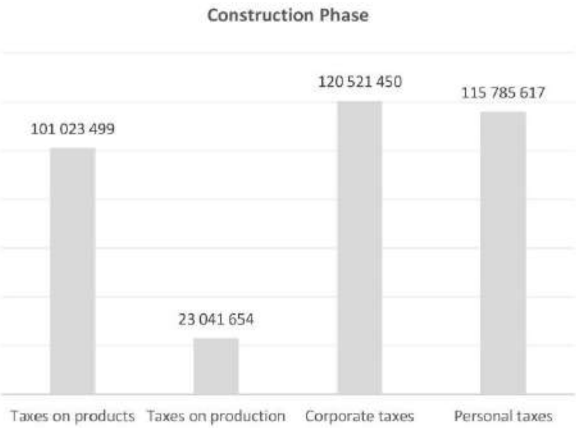
2.8 Additional Social Facilities Required

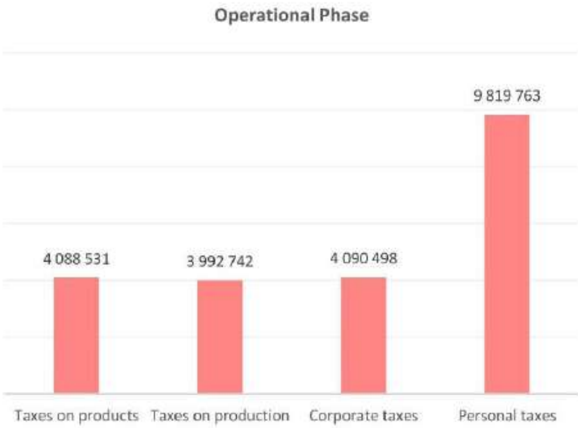
Social Facility Type (Main Category)	Additional Facilities Required (Sustained)
Health and Emergency Services	0
Social and Cultural Services	0
Civic Services	0
Social Services	1
Education Services	3
Parks and Recreation Services	2
Total	**6**

2.9 Additional Taxes Generated

Taxation Type	Construction Phase	Operational Phase
Taxes on products	101 023 499	4 088 531
Taxes on production	23 041 654	3 992 742
Corporate taxes	120 521 450	4 090 498
Personal taxes	115 785 617	9 819 763
Total Tax Impact	**360 372 221**	**21 991 534**

Property Taxation	Property Rates per Annum
Total Property Taxes (i.e. Taxable Property Types)	7 743 515
Total Property Taxes Foregone by Local Municipality (i.e. Subsidy Housing Programmes, etc.)	0
Total	**7 743 515**





2.10 Sector Profiling

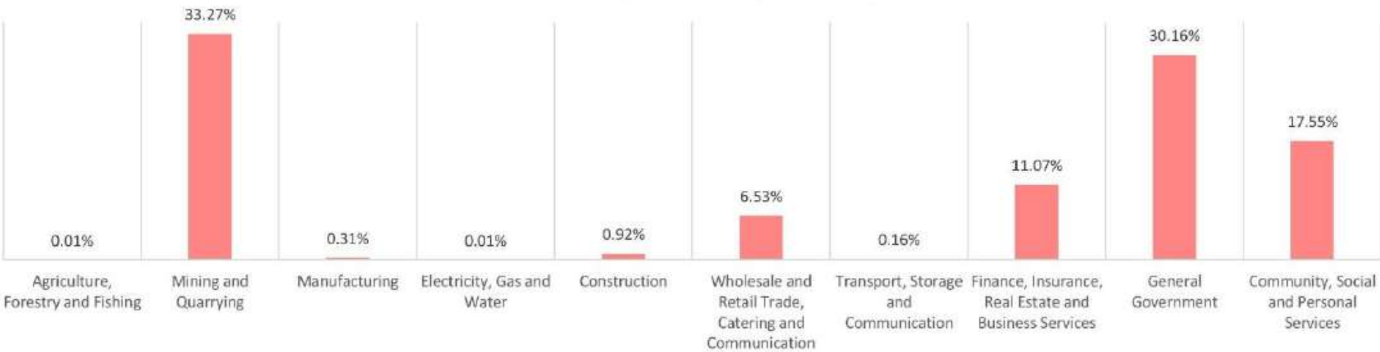
Impact on GDP during the Construction Phase (Different Economic Geographies)

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	1 155 385 023	1 309 846 797 023	0.09%
Eden Regional Economy	57 034 375 000		58 189 760 023	1.99%
George Sub-Regional Economy	22 821 357 000		23 976 742 023	4.82%

Top Economic Sectors that Benefit from Increased GDP

1	National and Provincial government	341 870 435	6	Coal	40 791 424
2	Metals	277 945 294	7	Gold	38 411 168
3	Education (Private)	146 008 376	8	Health and social work (Private)	28 439 209
4	Professional business services	107 265 371	9	Other community, social and personal services	24 517 787
5	Wholesale and retail trade	54 920 202	10	Other mining and quarrying	20 062 280

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector



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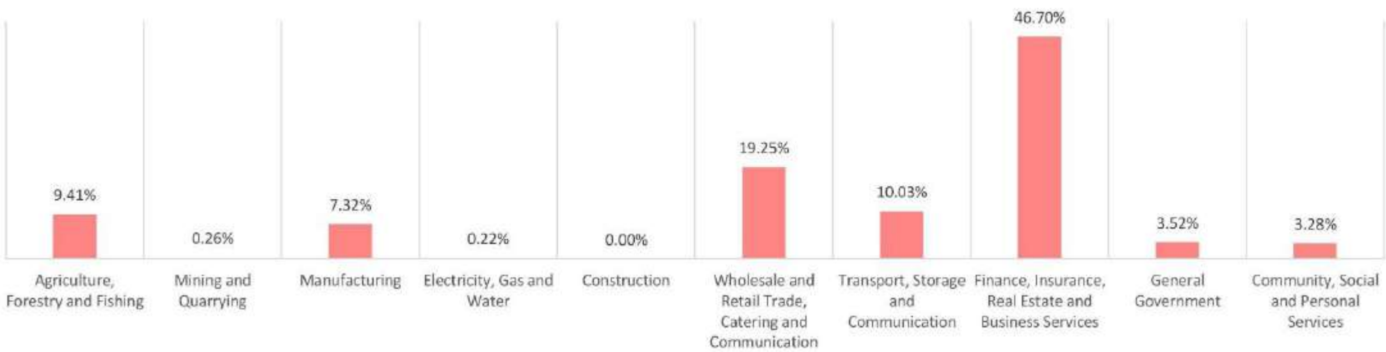
Impact on GDP during the Operational Phase (Different Economic Geographies)

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	100 047 293	1 308 791 459 293	0.01%
Eden Regional Economy	57 034 375 000		57 134 422 293	0.18%
George Sub-Regional Economy	22 821 357 000		22 921 404 293	0.44%

Top Economic Sectors that Benefit from Increased GDP

1	Finance and insurance	30 725 417	6	Business activities n.e.c.	5 689 904
2	Wholesale and retail trade	16 882 201	7	National and Provincial government	3 521 785
3	Professional business services	10 311 517	8	Catering and accommodation services	2 380 900
4	Agriculture	9 233 962	9	Other community, social and personal services	1 556 065
5	Transport and storage	8 946 605	10	Machinery and equipment	1 399 512

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector



Chapter 3

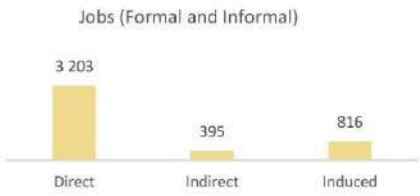
Construction Phase Economic Impacts

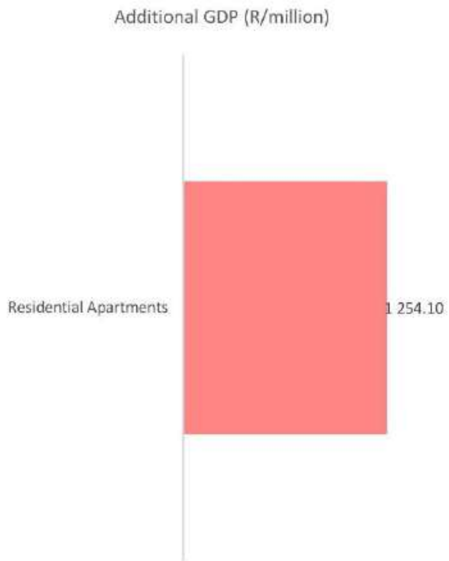
This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the construction phase of the proposed project. Impacts generated during this phase are not sustained impacts because the construction phase of a project only lasts up until the necessary land improvements, buildings, bulk infrastructure, other infrastructure, fittings and furnishings and operational machinery etc. have been constructed and completed.

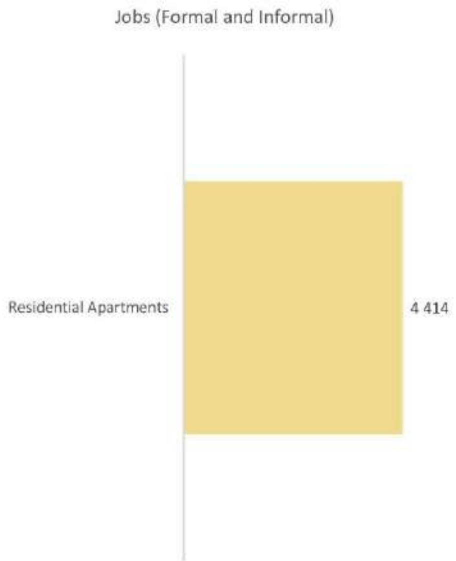
3 Construction Phase Economic Impacts

TOTAL estimated **CAPEX** of the project: **1.34 billion**

Additional Business Sales (Unsustained)	2.94 billion
Additional GDP - Market Prices (Unsustained)	1.25 billion
Additional Jobs - Formal & Informal (Unsustained)	4 414 jobs

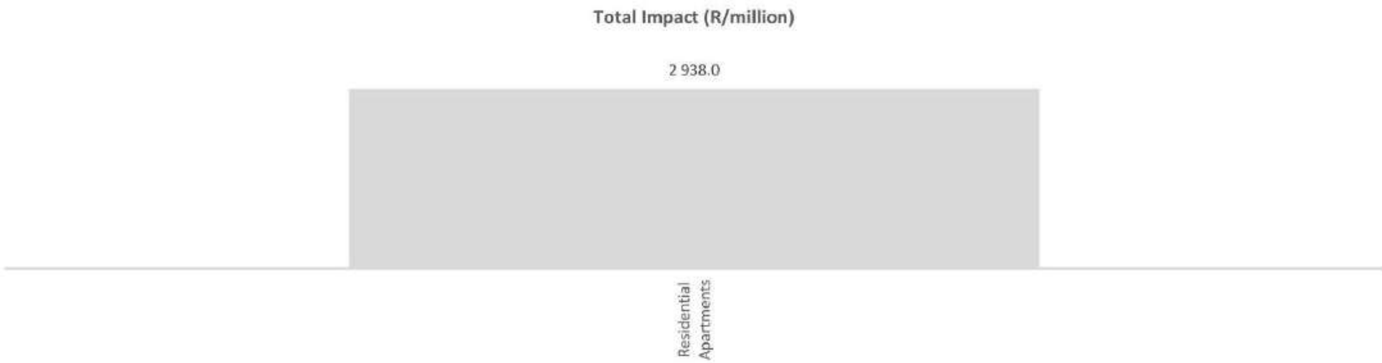






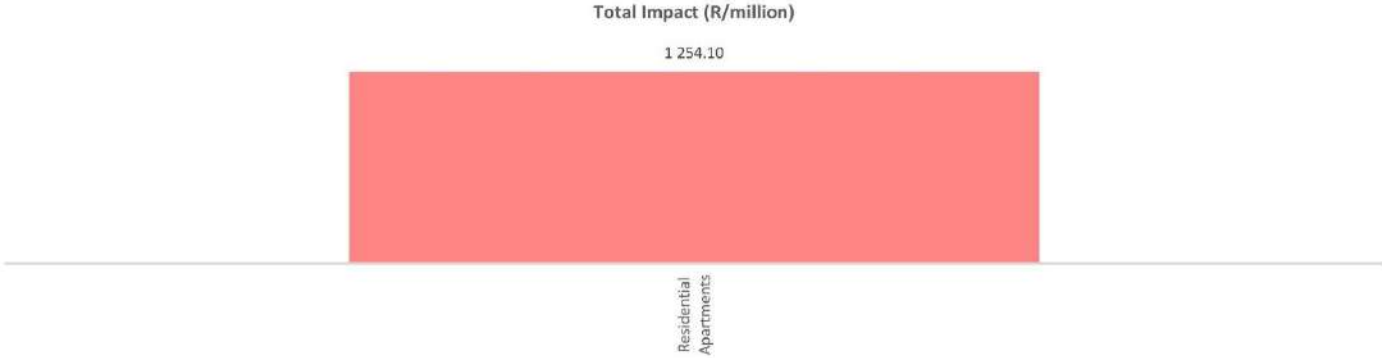
3.1 Impact on Additional Business Sales

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	1 995 690 454	359 242 129	583 102 086	2 938 034 669
Total	**1 995 690 454**	**359 242 129**	**583 102 086**	**2 938 034 669**



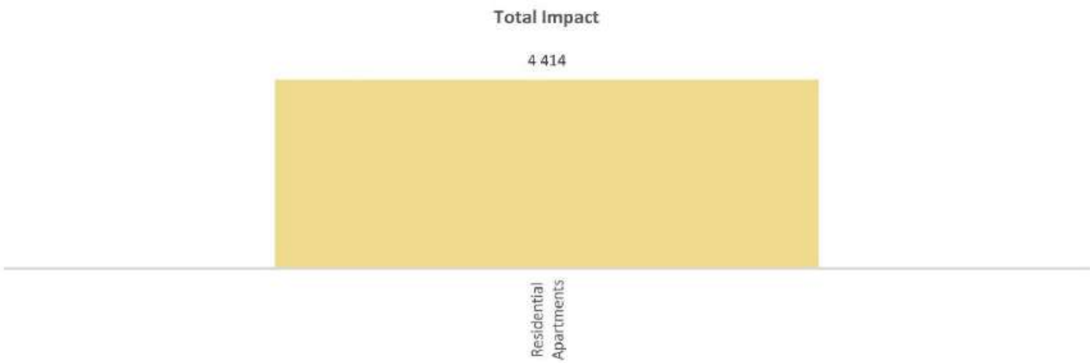
3.2 Impact on Gross Domestic Product

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	802 774 439	159 875 987	291 444 727	1 254 095 153
Total	**802 774 439**	**159 875 987**	**291 444 727**	**1 254 095 153**



3.2 Impact on Employment

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	3 203	395	816	4 414
Total	**3 203**	**395**	**816**	**4 414**



Distribution between the Formal and Informal Economy

Total Number of Formal Jobs Created	3 454
Total Number of Informal Jobs Created	959

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Chapter 4
Operational Phase Economic Impacts

This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the operational phase of the proposed project. Impacts generated during this phase are sustained impacts meaning, impacts generated are sustained for the duration of the the project lifecycle given that annual turn over remains constant.

4 Operational Phase Economic Impacts

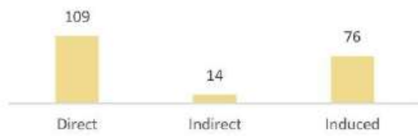
TOTAL estimated **OPEX** of the project **106.24 million**

Additional Business Sales (Unsustained)	**188.01 million**
Additional GDP - Market Prices (Unsustained)	**104.06 million**
Additional Jobs - Formal & Informal (Unsustained)	**199 jobs**

Additional Business Sales (R/million)

Additional GDP (R/million)

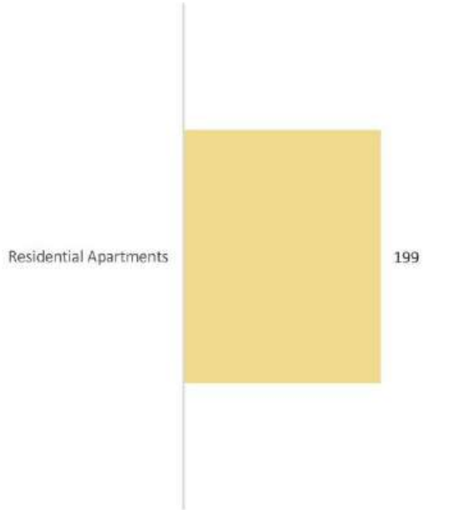
Jobs (Formal and Informal)



Additional Business Sales (R/million)

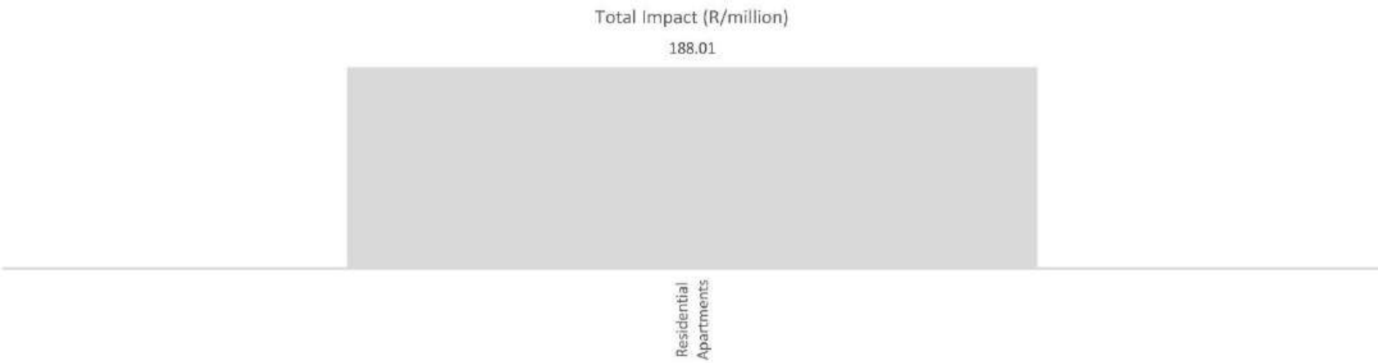
Additional GDP (R/million)

Jobs (Formal and Informal)



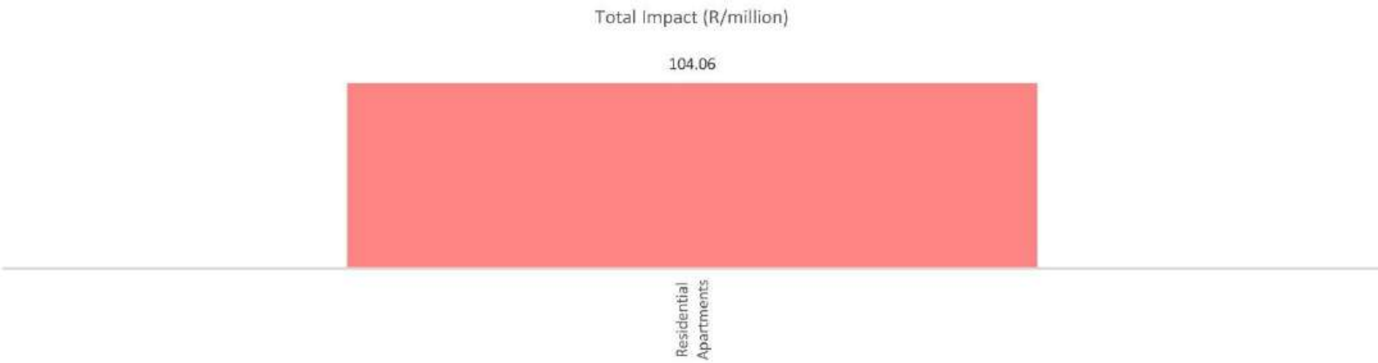
4.1 Impact on Additional Business Sales

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	123 887 923	9 772 330	54 351 256	188 011 508
Total	**123 887 923**	**9 772 330**	**54 351 256**	**188 011 508**



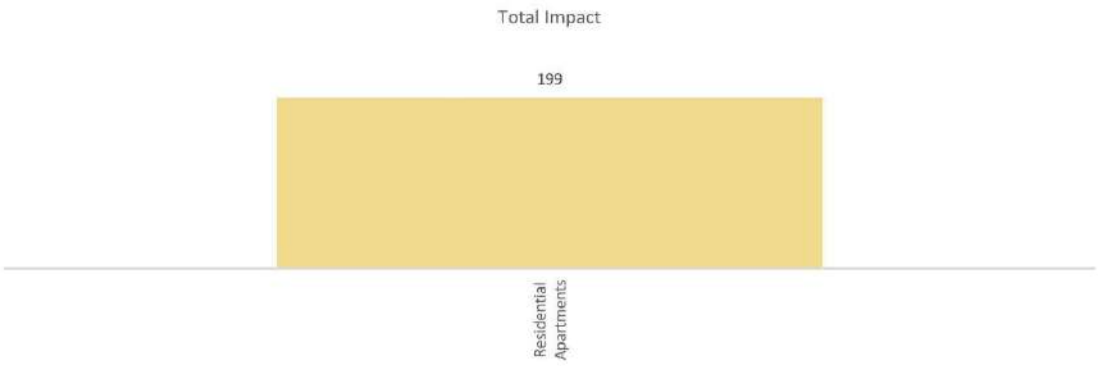
4.2 Impact on Gross Domestic Product

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	71 836 247	5 059 470	27 165 718	104 061 435
Total	**71 836 247**	**5 059 470**	**27 165 718**	**104 061 435**



4.3 Impact on Employment

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Residential Apartments	109	14	76	199
Total	**109**	**14**	**76**	**199**



Distribution between the Formal and Informal Economy

Total Number of Formal Jobs Created	174
Total Number of Informal Jobs Created	25

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Chapter 5
Estimated Number of Formal SMME Opportunities

This section of the report is focused on providing an overview of potential number of new small, medium or micro enterprises that could become operational as a result of the added GDP generated during the construction and operational phases. The impact considers the current impact (includes an historic perspective) that changes in the GDP of the regional economy has had on the number of SMME's operational and formally registered with SARS. The section thus estimates the number of potential new SMME's that could be established due to changes in the provincial economy's GDP and the segment that could potentially be black owned.

5 Estimated Number of Formal SMME Opportunities

5.1 Construction Phase Enterprise Opportunities

TOTAL estimated CAPEX of the project: 1.34 billion

Micro Enterprises (1 to 10 employees)	6 enterprises
Small Enterprises (11 to 50 employees)	5 enterprises
Medium Enterprises (51 to 200 employees)	1 enterprises

Enterprise Type	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Micro Enterprise Opportunities	4	1	1	6
Small Enterprise Opportunities	3	1	1	5
Medium Enterprise Opportunities	1	0	0	1
Estimated Number of New Enterprise Opportunities	8	2	2	12
Estimated Number of New Black Owned Entrprise Opportunities				9

Calculations indicate that the total estimated GDP impact of the construction phase could create 12 new SMME enterprise opportunities. Approximately 75% of opportunities could be black owned.

5.1 Operational Phase Enterprise Opportunities

TOTAL estimated OPEX of the project: 106.24 million

Micro Enterprises (1 to 10 employees)	0 enterprises
Small Enterprises (11 to 50 employees)	0 enterprises
Medium Enterprises (51 to 200 employees)	0 enterprises

Enterprise Type	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Micro Enterprise Opportunities	0	0	0	0
Small Enterprise Opportunities	0	0	0	0
Medium Enterprise Opportunities	0	0	0	0
Estimated Number of New Enterprise Opportunities	0	0	0	0
Estimated Number of New Black Owned Entrprise Opportunities				0

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Chapter 6

Formal Jobs Created per Skill Level

This section of the report focuses on providing an overview of the impact on formal job creation per skill level during the construction and operational phases of the proposed project. The purpose of the section is to estimate the potential number of new jobs created throughout the provincial economy and the distribution of those jobs per skill level required.

The information provides an indication as to the extent to which the implementation of the proposed project could influence the growth and demand for new skilled labourers. The information also provides a contextual background as to the opportunity to develop skills in the provincial economy.

6 Formal Jobs Created per Skill Level

6.1 Construction Phase Skills Demand

TOTAL estimated **CAPEX** of the project **1.34** billion

Skilled Jobs	736 jobs
Semi-Skilled Jobs	1 960 jobs
Low-Skilled Jobs	758 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	430	88	218	736
Semi-Skilled Jobs	1 525	153	282	1 960
Low-Skild Jobs	486	82	190	758
Estimated Number of New Employment Opportunities	**2 441**	**323**	**690**	**3 454**

The data shows that the majority of employment opportunities generated as a result of the project primarily consist of semi-skilled job opportunities.

6.2 Operational Phase Skills Demand

TOTAL estimated **OPEX** of the project **106.24** million

Skilled Jobs	66 jobs
Semi-Skilled Jobs	73 jobs
Low-Skilled Jobs	35 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	42	4	20	66
Semi-Skilled Jobs	42	5	26	73
Low-Skild Jobs	15	2	18	35
Estimated Number of New Employment Opportunities	**99**	**11**	**64**	**174**

The data shows that the majority of employment opportunities generated as a result of the project primarily consist of semi-skilled job opportunities.

Chapter 7
Impact on Compensation

This section of the report focuses on providing an overview of the impact on employee compensation for potentially new formally employed persons during the construction and operational phases of the proposed project. The purpose of the section is to identify the additional compensation that could be generated as a result of additional employment.

7 Impact on Compensation

7.1 Construction Phase Impact on Compensation

TOTAL estimated **CAPEX** of the project **1.34** billion

Skilled Jobs Total Compensation	125 705 313
Semi-Skilled Jobs Total Compensation	177 903 789
Low-Skilled Jobs Total Compensation	139 089 069

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	66 341 268	16 181 891	43 182 154	125 705 313
Semi-Skilled Jobs	125 203 128	17 142 862	35 557 799	177 903 789
Low-Skild Jobs	97 311 116	13 371 892	28 406 061	139 089 069
Estimated Number of New Employment Opportunities	**288 855 512**	**46 696 645**	**107 146 014**	**442 698 171**
Average Annual Compensation per Job Created	118 335	144 572	155 284	128 170

7.2 Operational Phase Impact on Compensation

TOTAL estimated **OPEX** of the project **106.24** million

Skilled Jobs Total Annual Compensation	13 097 817
Semi-Skilled Jobs Total Annual Compensation	9 824 317
Low-Skilled Jobs Total Annual Compensation	6 184 678

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	8 328 701	744 084	4 025 032	13 097 817
Semi-Skilled Jobs	5 928 700	581 256	3 314 361	9 824 317
Low-Skild Jobs	3 126 637	410 297	2 647 744	6 184 678
Estimated Number of New Employment Opportunities	**17 384 038**	**1 735 637**	**9 987 137**	**29 106 812**
Average Annual Compensation per Job Created	175 596	157 785	156 049	167 281

Chapter 8

Impact on Social Facilities

This section of the report focuses on providing an overview of the impact on social amenities as a result of the growth of new employment in the provincial economy due to the construction and operation of the proposed project. The purpose of the section is to illustrate the range of social amentities that could be required should the added employment generated within the provincial economy become a reality.

8 Impact on Social Facilities

8.1 Operational Phase Impact on Social Facilities

Primary Category	Secondary Category	Additional Amenities
Health and Emergency Services	Tertiary Hospital	0
	Regional Hospital	0
	District Hospital	0
	Community Health Centre	0
	Primary Health Clinic	0
	Small- to Medium-Sized Clinic	0
	Large Clinic	0
	Extra Large Clinic	0
	Fire Station	0
	Police Station	0
Social and Cultural Services	Performing Arts Centre	0
	Museum	0
	Local Library	0
	Regional Library	0
Civic Services	Civic Centre	0
	Major Public Event Venue	0
	Home Affairs Office	0
	Regional Home Affairs Office	0
	District Office	0
	Permanent Service Point	0
	Thusong Service Centre	0
Social Services	Community Hall	0
	ICT Access Point	0
	Post Office / Agency and Post Boxes	0
	Large Cemetery	0
	Medium Cemetery	0
	Small Cemetery	0
	Very Small Cemetery	0
	Local Market	0
	Place of Worship	1

Primary Category	Secondary Category	Additional Amenities
Education Services	University	0
	Colleges	0
	Secondary School	0
	Primary School	0
	Grade R ECD	2
	Creche ECD	1
	Resource Hub and Xare Centre ECD	0
Parks and Recreation Services	Small Park	1
	Large Park	0
	Community Parks	0
	Neighbourhood Sports Fields	1
	Community / Sub-District Sports Field	0
	District / Sub-Regional Sports Field	0
	Metro / Regional Sports Field	0
	Multi-Purpose Sports Halls	0
	Swimming Pools	0
	Sports Complexes	0
	Sports Stadiums	0
	Regional Sports Arenas	0
	Interntional Sports Complex	0

Primary Category	Additional Amenities
Health and Emergency Services	0
Social and Cultural Services	0
Civic Services	0
Social Services	1
Education Services	3
Parks and Recreation Services	2
Total	**6**

Chapter 9
Impact on Taxation

This section of the report focuses on providing an overview of the possible taxation and related impacts that could arise during the construction and operational phase of the proposed project. The purpose of the analysis is to estimate the impact, be it direct, indirect or induced, that the construction and operation of the proposed project could have on the provincial economy.

The data provides an informative basis from which to consider the range of tax related revenue that could be generated throughout the provincial economy and as a result of the value chain of the proposed project. Tax related revenue could include taxation of production, products, corporate taxes and personal income taxes.

9 Impact on Taxation

9.1 Construction Phase Impact on Taxation

Tax Type	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impact
Value Added Tax	44 020 036	7 118 851	10 013 363	61 152 250
Custom Duties	6 024 770	335 751	688 248	7 048 769
Excise Levies	128 109	59 658	489 349	677 116
Fuel Levies	14 851 149	2 692 509	3 044 154	20 587 812
Other Taxes	7 855 917	1 547 239	2 154 399	11 557 555
Taxes on Production	11 509 030	4 494 009	7 038 616	23 041 655
Corporate Taxes	95 918 836	8 554 094	16 048 520	120 521 450
Personal Income Tax	73 589 836	14 729 899	27 465 882	115 785 617
Total Impact	253 897 683	39 532 010	66 942 531	360 372 224

9.2 Operational Phase Impact on Taxation

Tax Type	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impact
Value Added Tax	1 787 063	167 508	933 351	2 887 922
Custom Duties	24 244	8 429	64 152	96 825
Excise Levies	1 247	2 064	45 613	48 924
Fuel Levies	72 417	59 412	283 747	415 576
Other Taxes	403 073	35 398	200 813	639 284
Taxes on Production	3 199 299	137 371	656 073	3 992 743
Corporate Taxes	2 370 956	223 651	1 495 891	4 090 498
Personal Income Tax	6 783 143	476 511	2 560 110	9 819 764
Total Impact	14 641 442	1 110 344	6 239 750	21 991 536

9.3 Operational Phase Property Taxation

Property Taxation	Total Annual Property Taxes
Total Property Taxes (i.e. Taxable Property Types)	7 743 515
Total Property Taxes Foregone by Local Municipality (i.e. Subsidy Housing Programmes, etc.)	0

Chapter 10
Sector Profiling

This section of the report focuses on the value chain reaction created within the sectoral profile (50 sub-sectors) of the provincial economy by the construction and operational impact of the proposed mixed-use project.

Ultimately, the profile provides an overview as to where within the provincial economy construction and operational phase impacts will generate added GDP and employment. The data is used to illustrate the value chain impact that the proposed project could have on the economy and where in the economy changes and benefits can be expected.

10 Sector Profiling

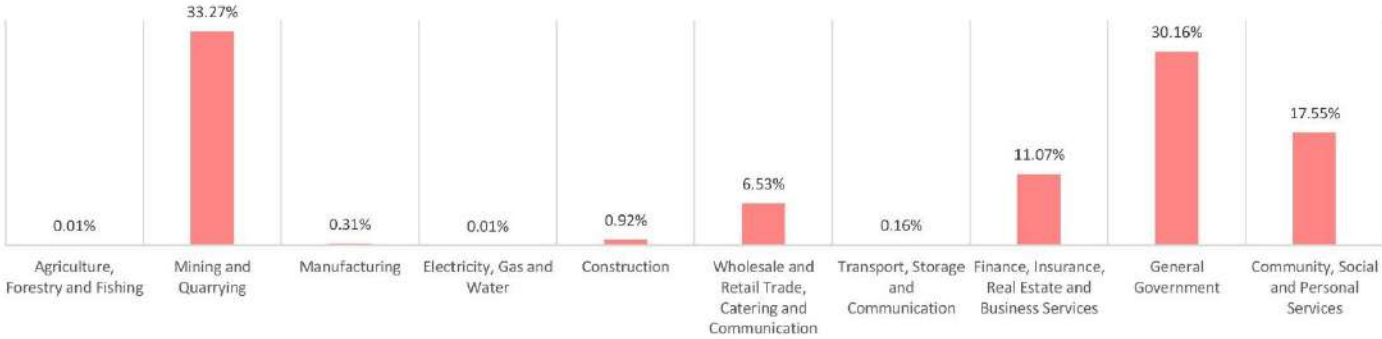
10.1 Construction Phase Sector Profiling Impact

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	1 155 385 023	1 309 846 797 023	0.09%
Eden Regional Economy	57 034 375 000		58 189 760 023	1.99%
George Sub-Regional Economy	22 821 357 000		23 976 742 023	4.82%

Top Economic Sectors that Benefit from Increased GDP

1	National and Provincial government	341 870 435	6	Coal	40 791 424
2	Metals	277 945 294	7	Gold	38 411 168
3	Education (Private)	146 008 376	8	Health and social work (Private)	28 439 209
4	Professional business services	107 265 371	9	Other community, social and personal services	24 517 787
5	Wholesale and retail trade	54 920 202	10	Other mining and quarrying	20 062 280

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector



DEMACON

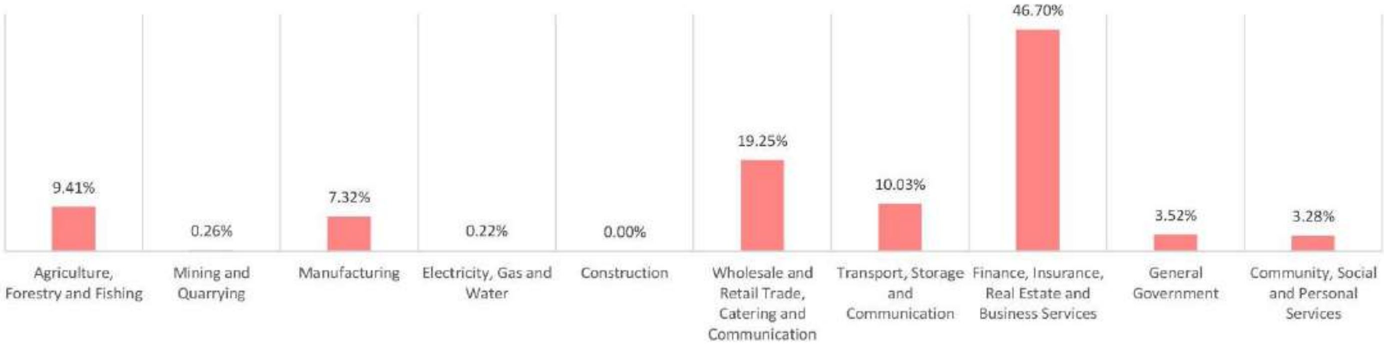
10.2 Operational Phase Sector Profiling Impact

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	100 047 293	1 308 791 459 293	0.01%
Eden Regional Economy	57 034 375 000		57 134 422 293	0.18%
George Sub-Regional Economy	22 821 357 000		22 921 404 293	0.44%

Top Economic Sectors that Benefit from Increased GDP

1	Finance and insurance	30 725 417	6	Business activities n.e.c.	5 689 904
2	Wholesale and retail trade	16 882 201	7	National and Provincial government	3 521 785
3	Professional business services	10 311 517	8	Catering and accommodation services	2 380 900
4	Agriculture	9 233 962	9	Other community, social and personal services	1 556 065
5	Transport and storage	8 946 605	10	Machinery and equipment	1 399 512

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector



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LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT

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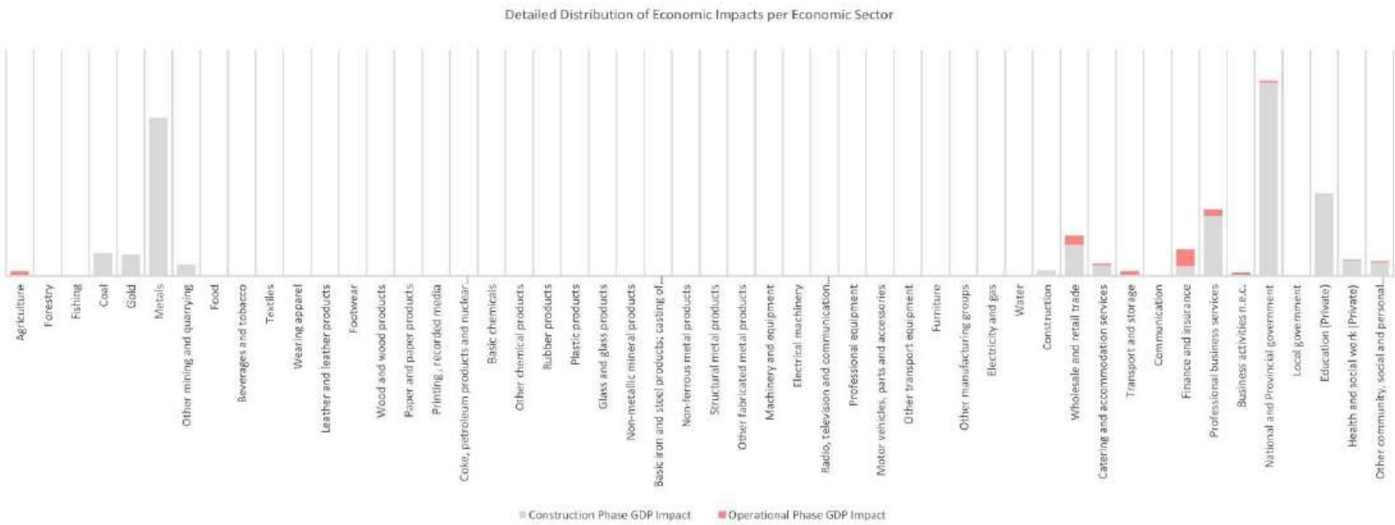
10.3 Detailed Added GDP Breakdown

Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational
Agriculture	22 522 083 000	160 738	9 233 962	
Forestry	575 365 000	0	879	
Fishing	14 365 971 000	3 664	178 657	
Coal	0	40 791 424	0	
Gold	0	38 411 168	0	
Metals	162 378 000	277 945 294	16 619	
Other mining and quarrying	3 292 175 000	20 062 280	246 408	
Food	30 995 475 000	137 992	165 324	
Beverages and tobacco	22 143 021 000	186 201	826 590	
Textiles	3 603 622 000	24 263	156 412	
Wearing apparel	4 941 307 000	84 826	205 341	
Leather and leather products	363 383 000	5 440	13 247	
Footwear	495 566 000	241 081	51 673	
Wood and wood products	2 800 914 000	12 183	34 460	
Paper and paper products	8 730 823 000	137 387	741 067	
Printing , recorded media	11 464 457 000	549 348	733 610	
Coke, petroleum products and nuclear fuel	18 806 712 000	46 884	13 816	
Basic chemicals	5 128 976 000	59 957	139 420	
Other chemical products	9 449 321 000	411 395	574 903	
Rubber products	934 989 000	72 068	0	
Plastic products	5 446 268 000	122 871	286 987	
Glass and glass products	995 868 000	6 849	0	
Non-metallic mineral products	3 374 224 000	174 347	184 865	
Basic iron and steel products; casting of metal	2 694 565 000	2 522	4 992	
Non-ferrous metal products	2 265 260 000	661	1 477	
Structural metal products	2 700 220 000	106 760	77 858	
Other fabricated metal products	6 340 519 000	12 707	931 726	
Machinery and equipment	13 013 007 000	112 881	1 399 512	
Electrical machinery	3 004 959 000	3 893	18 077	
Radio, television and communication apparatus	467 769 000	27 013	106 191	
Professional equipment	1 394 954 000	462 510	181 884	
Motor vehicles, parts and accessories	9 718 287 000	14 091	39 284	
Other transport equipment	3 592 352 000	32 767	286 854	
Furniture	1 275 043 000	448 045	139 323	
Other manufacturing groups	19 696 777 000	3 417	6 247	

Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational
Electricity and gas	25 044 354 000	27 266	0	
Water	5 576 456 000	87 946	218 995	
Construction	44 914 547 000	10 433 431	0	
Wholesale and retail trade	187 123 870 000	54 920 202	16 882 201	
Catering and accommodation services	16 154 835 000	19 086 673	2 380 900	
Transport and storage	67 739 522 000	644 917	8 946 605	
Communication	36 090 722 000	1 174 967	1 087 475	
Finance and insurance	93 707 260 000	17 370 313	30 725 417	
Professional business services	273 289 664 000	107 265 371	10 311 517	
Business activities n.e.c.	40 586 807 000	896 212	5 689 904	
National and Provincial government	88 609 414 000	341 870 435	3 521 785	
Local government	44 231 750 000	20 350	0	
Education (Private)	68 570 162 000	146 008 376	356 332	
Health and social work (Private)	49 364 548 000	28 439 209	1 372 429	
Other community, social and personal services	30 930 891 000	24 517 787	1 556 065	
Total	**1 308 691 412 000**	**1 133 638 382**	**100 047 293**	



10.4 Detailed Added Jobs Breakdown

Economic Sector	Actual Sector Jobs	Construction Phase Jobs Impact	Operational Phase Jobs Impact	Distribution (Operational
Agriculture	195 143	1	18	
Forestry	11 155	0	0	
Fishing	64 007	0	0	
Coal	0	159	0	
Gold	0	150	0	
Metals	48	1 082	0	
Other mining and quarrying	2 061	78	0	
Food	74 806	1	0	
Beverages and tobacco	17 511	1	2	
Textiles	12 363	0	0	
Wearing apparel	18 375	0	0	
Leather and leather products	1 405	0	0	
Footwear	2 880	1	0	
Wood and wood products	13 136	0	0	
Paper and paper products	9 052	1	1	
Printing , recorded media	25 772	2	1	
Coke, petroleum products and nuclear fuel	6 199	0	0	
Basic chemicals	5 745	0	0	
Other chemical products	15 462	2	1	
Rubber products	2 719	0	0	
Plastic products	22 111	0	1	
Glass and glass products	3 691	0	0	
Non-metallic mineral products	10 219	1	0	
Basic iron and steel products; casting of metal	4 605	0	0	
Non-ferrous metal products	1 456	0	0	
Structural metal products	10 259	0	0	
Other fabricated metal products	19 883	0	2	
Machinery and equipment	36 391	0	3	
Electrical machinery	12 319	0	0	
Radio, television and communication apparatus	2 178	0	0	
Professional equipment	4 576	2	0	
Motor vehicles, parts and accessories	25 946	0	0	
Other transport equipment	8 535	0	1	
Furniture	7 842	2	0	
Other manufacturing groups	14 310	0	0	

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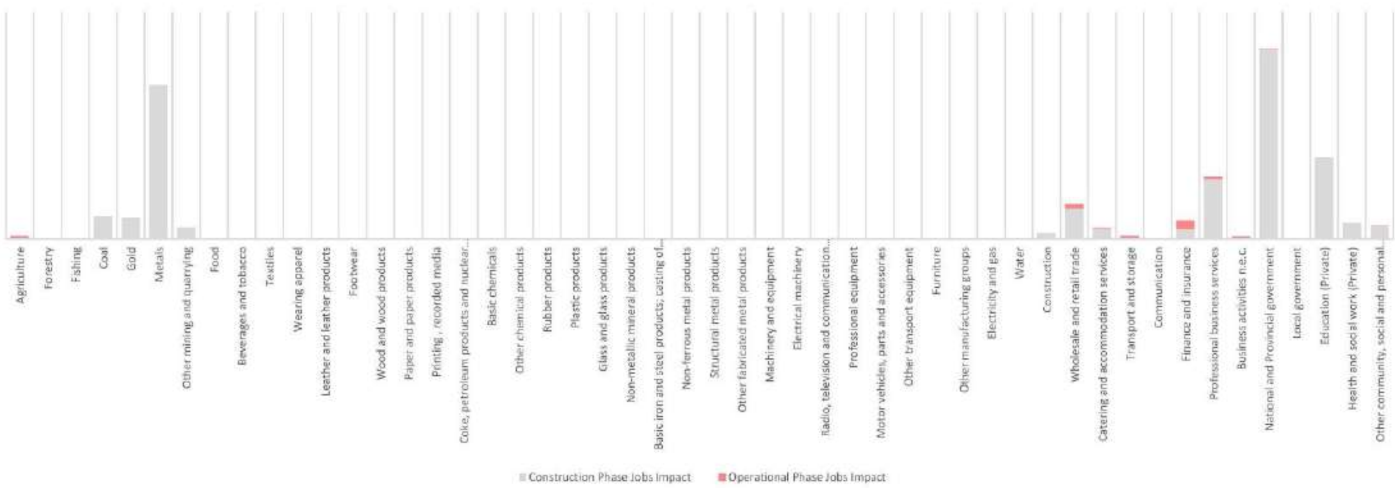
Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational
Electricity and gas	10 919	0	0	
Water	3 013	0	0	
Construction	213 755	41	0	
Wholesale and retail trade	739 147	214	34	
Catering and accommodation services	106 612	74	5	
Transport and storage	129 691	3	18	
Communication	30 123	5	2	
Finance and insurance	122 653	68	61	
Professional business services	319 157	418	21	
Business activities n.e.c.	363 028	3	11	
National and Provincial government	156 546	1 331	7	
Local government	105 446	0	0	
Education (Private)	247 752	568	1	
Health and social work (Private)	176 278	111	3	
Other community, social and personal services	378 696	95	3	
Total	**3 764 976**	**4 414**	**199**	

Distribution of Economic Impacts per Economic Sector



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43

Fiscal and socio-economic impact model developed by DEMACON Market Studies.

Should you have any questions, please contact Hein du Toit on:

Telephone: +27 12 460 7009'
Cellphone: +27 82 898 8667
E-mail: hein@demacon.co.za

Or visit our website at:
www.demacon.co.za

ANNEXURE "R": ENVIRONMENTAL APPROVALS

Western Cape Government
Environmental Affairs and Development Planning

DIRECTORATE: LAND MANAGEMENT (REGION 3)

EIA REFERENCE NUMBER: 16/3/1/5/D2/19/0021/12
ENQUIRIES: Shireen Pullen
DATE OF ISSUE: 2013 -02- 26

The Director
Laritza Investments (Pty) Ltd
PO Box 4628
GEORGE-EAST
6539

For Attention: Mr. C. Roodt

Tel: (044) 805 7112
Fax: (044) 805 7113

Dear Sir

APPLICATION FOR AMENDMENT OF THE ENVIRONMENTAL AUTHORISATION (EA) ISSUED ON 22 AUGUST 2011 FOR THE PROPOSED DEVELOPMENT ON PORTION 22 OF FARM KRAAIBOSCH NO. 195 AND ERF 23333, GEORGE

With reference to your application for the abovementioned, find below the amendment to the Environmental Authorisation with respect to this application.

ADDENDUM TO ENVIRONMENTAL AUTHORISATION

A. DECISION

By virtue of the powers conferred on it by the National Environmental Management Act, 1998 (Act No. 107 of 1998, as amended) and the Environmental Impact Assessment Regulations, 2010 ("NEMA EIA Regulations) the competent authority herewith grants the amendment of the Environmental Authorization issued on 22 August 2011

The Environmental Authorisation is amended as set out below:

1. The description of the activity under section A of the environmental authorisation must read as follows:

   "The proposal is for the construction of a mixed development comprising of Portion 1 - Business Zone I (i.e. business, townhouses, flats, residential buildings, places of assembly, place of entertainment, place of instruction, institution, bottle store, supermarkets and service trade), Portion 2 - Public Open Space (i.e. remains open space), Portion 3 - Authority Zone (remains as before), Portion 4 - Residential Zone III (accommodates the N2 interchange), Portions 5, 6 and 9 - Business Zone I (business premises, by consent townhouses, flats, residential buildings, place of assembly, place of entertainment, institution, bottle offices, supermarket and service trades etc.), Portion 7 - Transport Zone III, Portion 8 - Business Zone I (building height limited to two storeys), Portion 10 – Business Zone I (building height is limited to three storeys), Portion 11 – Business Zone II (i.e. shop, townhouses by consent, flats, residential buildings, places of assembly, offices, supermarkets and restaurants) on the respective portions, of which the total area proposed for building construction covers approximately 240 000m² and the first phase of the development proposal will consist of approximately 120 000m². Portions 1 – 11 collectively represent the subject property, namely portion 22 of Farm Kraaibosch and Erf 23333, George."

2. All other information contained in the Environmental Authorisation issued on 22 August 2011, Reference Number: EG12/2/3/2/D2/11-1192/08 remains unchanged and is still in force.

B. REASONS FOR THE DECISION:

In reaching its decision, the Department took, inter alia, the following into consideration:

1. The application is for a non-substantive amendment to the Environmental Authorisation.

2. The environment and the rights and interests of other parties are not likely to be adversely affected by this decision to amend the Environmental Authorisation.

3. The motivation submitted by the applicant, which states the following:
   3.1 The applicant submits that a recent market study in furtherance of condition 8 of the above-mentioned EA found that the total GLA of office space in the George market is 91 892m², of which 88 496 m² is occupied, which excludes the medical precinct, industrial area and government buildings. It is further submitted that 90% of this office space is located in the George Central Business District (CBD). There is thus a current over supply of 3 396m² (3,37%) of total floor area and therefore no immediate demand in the local market. The study also projects that the current over supply in office space will change into an under supply of 13 134m² in 2021.

   3.2 The applicant states that the aim of the Blue Mountain Development is to address economic growth demand with a mixed use development and does not aim to compete with the CBD. He further submits that the approved development is located in close proximity of the N2 and will attract motorists passing the area and tourists to the area. This will lead to investments and spending in the area.

   3.3 The applicant further submits that that this is a non-substantial amendment and will not result in any negative environmental impacts.

4. All the information presented to the Department was taken into account in the Department's consideration of the application.

C. CONDITIONS

1. The applicant must, in writing, within **12 (twelve)** calendar days from the date of the Department's decision –
   1.1 notify all registered interested and affected parties of –
      1.1.1 the outcome of the application;
      1.1.2 the reasons for the decision;

1.1.3 the date of the decision; and
1.1.4 the date of issue of the decision;

1.2 draw the attention of all registered interested and affected parties to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of the Environmental Impact Assessment Amendment Regulations, 2010 detailed in section D below;
1.3 draw the attention of all registered interested and affected parties to the manner in which they may access the decision, and
1.4 publish a notice in the newspapers contemplated in regulation 54(2)(c) and (d), and which newspaper was used for the placing of advertisements as part of the Public Participation Process, that –

1.4.1 informs all interested and affected parties of the decision;
1.4.2 informs all interested and affected parties where the decision can be accessed; and
1.4.3 informs all interested and affected parties that an appeal may be lodged against the decision in terms of Chapter 7 of the Regulations;

2. One week's written notice must be given to the Directorate: Land Management (Region 3), before commencement of construction activities. The said notice must also include proof of compliance with Condition 1 described in Section C of this Addendum to Environmental Authorisation.

D. APPEALS:

Appeals must comply with the provisions contained in Chapter 7 of the Environmental Impact Assessment Regulations, 2010.

1. An appellant must –

1.1. submit a notice of intention to appeal to the Minister, within 20 (twenty) calendar days of the date of the decision;

1.2. submit the appeal within 30 (thirty) calendar days after the lapsing of the 20 (twenty) calendar days contemplated in regulation 60(1), for the submission of the notice of intention to appeal; and

1.3. within 10 (ten) calendar days of having lodged the notice of intention to appeal, provide each person and organ of state registered as an interested and affected party in respect of the application, or the applicant, with –

1.3.1. a copy of the notice of intention to appeal form; and

1.3.2. a notice indicating where and for what period the appeal submission will be made available for inspection by such person, organ of state, or applicant, on the day of lodging it with the Minister, and that a responding statement may be made on the appeal within 30 (thirty) calendar days from the date the appeal submission was lodged with the Minister.

2. A person, organ of state or applicant who submits a responding or answering statement in terms of regulation 63 must within 10 (ten) calendar days of having submitted the responding or answering statement, serve a copy of the statement on the other party.

3. If the person, organ of state or applicant fails to meet a timeframe with respect to the requirements as detailed above, the person, organ of state or applicant must immediately submit a written explanation to the Ministry providing a concise explanation for the non-compliance.

4. All notice of intention to appeal and appeal forms must be submitted by means of one of the following methods:

By post:	Western Cape Ministry of Local Government, Environmental Affairs and Development Planning Private Bag X9186 CAPE TOWN 8000
By facsimile:	(021) 483 4174; or
By hand:	Attention: Mr J. de Villiers Room 305 A 3rd Floor Leeusig Building (Entrance at: Utilitas Building, 1 Dorp Street, Cape Town, 8001)

5. A prescribed notice of intention to appeal form and appeal form as well as assistance regarding the appeal processes is obtainable from the office of the Minister at: Tel. (021) 483 3721, E-mail Jaap.deVilliers@pgwc.gov.za or URL http://www.westerncape.gov.za/eadp.

E. DISCLAIMER

The Western Cape Government, the Local Authority, committees or any other public authority or organisation appointed in terms of the conditions of this Addendum to Environmental Authorisation shall not be responsible for any damages or losses suffered by the holder, developer or his/her successor in any instance where construction or operation subsequent to construction is temporarily or permanently stopped for reasons of non-compliance with the conditions as set out herein or any other subsequent document or legal action emanating from this decision.

Your interest in the future of our environment is appreciated.

Yours faithfully

MR. KOBUS MUNRO
DIRECTOR: LAND MANAGEMENT (REGION 3)

DATE OF DECISION: 26 · 2 · 2013

Copied to: Mr. Dupre Lombaard (EAP) Fax: 086 5181285

Western Cape Government
Environmental Affairs and Development Planning

Land Management
(Region 3)

REFERENCE: EG12/2/3/2/D2/11-1192/08
ENQUIRIES: Shireen Pullen
DATE OF ISSUE: 2012 -09- 04

The Director

Laritza Investments 183 (Pty) Ltd

P.O. Box 4628

GEORGE EAST

6539

Attention: Mr. Chris Roodt

Tel: (044) 805 7112

Fax: (044) 871 0086

Dear Sir

ACCEPTANCE OF THE ENVIRONMENTAL MANAGEMENT PROGRAMME FOR THE PROPOSED DEVELOPMENT ON PORTION 22 OF FARM KRAAIBOSCH NO. 195 AND ERF 23333, GEORGE

1. The abovementioned Environmental Management Programme dated, May 2012 and received by the Directorate: Land Management (Region 3) (hereinafter referred to as "this Directorate") on 20 June 2012 refers.

2. This letter serves to inform you that the abovementioned document has been reviewed and accepted by this Directorate, subject to the following conditions:

   2.1 All requirements or specifications contained and stipulated in the Environmental Management Programme ("EMP") are strictly implemented and adhered to by all construction and rehabilitation personnel.

   2.2 Any failures or inability to comply with any of the prescribed requirements of the Environmental Management Plan must be reported or communicated beforehand with the appointed Environmental Control Officer ("ECO").

   2.3 The appointed ECO must report any modification to the approved EMP to this Directorate, prior to the undertaking such modifications.

3. This Department further takes note that all construction activities currently taking place on the site constitutes the implementation of the Environmental Authorizations pertaining to Blue Mountain Village and Blue Mountain Gardens.

4. It is further acknowledged that Mr. Duprè Lombaard was appointed as the Environmental Control Officer ("ECO"). Please provide this Directorate with a copy of the appointment letter for record keeping purposes.

5. This Directorate reserves the right to revise initial comments and may request further information from the applicant based on the revised information received.

Yours faithfully

HEAD OF DEPARTMENT

CC: Mr. D. Lombnaard Fax: 086 518 1285

Broadcast Report

P 1
04/09/2012 14:35
Serial No. A0PN041001480
TC: 72937

Destination	Start Time	Time	Prints	Result	Note
0865181285	09-04 14:20	00:02:30	002/002	OK	
0448710086	09-04 14:34	00:00:56	000/002	No Ans	

Note TMR: Timer TX, POL: Polling, ORG: Original Size Setting, FME: Frame Erase TX, MIX: Mixed Original TX, CALL: Manual TX, CSRC: CSRC, FWD: Forward, PC: PC-Fax, BND: Double-Sided Binding Direction, SP: Special Original, FCODE: F-code, RTX: Re-TX, RLY: Relay, MBX: Confidential, BUL: Bulletin, SIP: SIP Fax, IPADR: IP Address Fax, I-FAX: Internet Fax

Result OK: Communication OK, S-OK: Stop Communication, PW-OFF: Power Switch OFF, TEL: RX from TEL, NG: Other Error, Cont: Continue, No Ans: No Answer, Refuse: Receipt Refused, Busy: Busy, M-Full:Memory Full, LOVR:Receiving length Over, POVR:Receiving page Over, FIL:File Error, DC:Decode Error, MDN:MDN Response Error, DSN:DSN Response Error.

Western Cape Government
Environmental Affairs and Development Planning

Land Management
(Region 3)

REFERENCE: EG12/2/3/2/D2/11-1192/08
ENQUIRIES: Shireen Pullen
DATE OF ISSUE: 2012 -09- 0 4

The Director
Laritza Investments 183 (Pty) Ltd
P.O. Box 4628
GEORGE EAST
6539

Attention: Mr. Chris Roodt

Tel: (044) 805 7112
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DEPARTMENT of
ENVIRONMENTAL AFFAIRS
& DEVELOPMENT PLANNING
Provincial Government of the Western Cape

Directorate Land Management
(Region 1)
tel: +2744 8058616fax:+27448742423
York Park Building, York Street,
P/Bag x6509, George, 6530
www.capegateway.gov.za

REFERENCE: EG12/2/3/2-D2/11/1192/08

ENQUIRIES: Shireen Pullen

DATE: 2011 -08- 22

The Director
Laritza Investments 183 (Pty) Ltd
P.O. Box 4628
GEORGE-EAST
6539

Attention: Mr. Chris Roodt

Tel: (044) 805 7112
Fax: (044) 871 0086

Dear Sir

APPLICATION: PROPOSED DEVELOPMENT ON PORTION 22 OF FARM KRAAIBOSCH NO. 195 AND ERF 23333, GEORGE

With reference to your application, find below the environmental authorization in respect of this application.

ENVIRONMENTAL AUTHORISATION

A. DESCRIPTION OF ACTIVITY:

The proposal is for the construction of a mixed development comprising of Portion 1 - Business Zone III (i.e. offices, townhouses, flats, residential buildings, places of assembly, entertainment and supermarkets), Portion 2 - Public Open Space (i.e. remains open space), Portion 3 - Authority Zone (remains as before), Portion 4 - Residential Zone III (accommodates the N2 interchange). Portions 5, 6 and 9 - Business Zone I (business premises, by consent townhouses, flats, residential buildings, place of assembly, place of entertainment, institution, bottle offices, supermarket and service trades etc.), Portion 7 - Transport Zone III, Portion 8 - Business Zone I (building height limited to two storeys), Portion 10 –

Business Zone I (building height is limited to three storeys), Portion 11 – Business Zone II (i.e. shop, townhouses by consent, flats, residential buildings, places of assembly, offices, supermarkets and restaurants) on the respective portions, of which the total area proposed for building construction covers approximately 240 000m². Portions 1 – 11 collectively represent the subject property, namely portion 22 of Farm Kraaibosch and Erf 23333, George.

The following listed activities are identified in Government Notice No. R386 of 21 April 2006, being

Activity 1(k): The construction of facilities or infrastructure, including associated structures or infrastructure, for the bulk transportation of sewage and water, including storm water, in pipelines with -

(i) an internal diameter of 0,36 metres or more; or

(ii) a peak throughput of 120 litres per second or more;

Activity 15: The construction of a road that is wider than 4 metres or that has a reserve wider than 6 metres, excluding roads that fall within the ambit of another listed activity or which are access roads of less than 30 metres long.

Activity 16: The transformation of undeveloped, vacant or derelict land to –

(a) establish infill development covering an area of 5 hectares or more, but less than 20 hectares; or

(b) residential, mixed, retail, commercial, industrial or institutional use where such development does not constitute infill and where the total area to be transformed is bigger than 1 hectare.

Activity 20: The transformation of an area zoned for use as public open space or for a conservation purpose to another use.

The following listed activities are identified in Government Notice No. R387 of 21 April 2006, being:

Activity 2: Any development activity, including associated structures and infrastructure, where the total area of the developed area is, or is intended to be, 20 hectares or more.

Activity 5: The route determination of roads and design of associated physical infrastructure, including roads that have not yet been built for which routes have been determined before the publication of this notice and which has not been authorised by a competent authority in terms of the Environmental Impact Assessment Regulations, 2006 made under section 24(5) of the Act and published in Government Notice No. R. 385 of 2006, where–

(a) it is a national road as defined in section 40 of the South African National Roads Agency Limited and National Roads Act, 1998 (Act No. 7 of 1998);

(b) it is a road administered by a provincial authority;

(c) the road reserve is wider than 30 metres; or

the road will cater for more than one lane of traffic in both directions.

The following activity identified in terms of Government Notice R544 of 18 July 2010 was also considered during the assessment process. These are:

Activity 23: The transformation of undeveloped, vacant or derelict land to –

(i) residential, retail, commercial, recreational, industrial or institutional use, inside an urban area, and where the total area to be transformed is 5 hectares or more, but less than 20 hectares, or

(ii) residential, retail, commercial, recreational, industrial or institutional use, outside an urban area and where the total

area to be transformed is bigger than 1 hectare but less than 20 hectares; -

Except where such transformation takes place –

(i) for linear activities; or

(ii) for purposes of agriculture or afforestation, in which case Activity 16 of Notice No. R. 545 apply.

The following activity as identified in terms of Government Notice R545 of 18 July 2010 was also considered during the assessment process. These are:

Activity 15: Physical alteration of undeveloped, vacant or derelict land for residential, retail, commercial, recreational, industrial or institutional use where the total area to be transformed is 20 hectares or more

Activity 18: The route determination of roads and design of associated physical infrastructure, including roads that have not yet been built for which routes have been determined before 03 July 2006 and which have not been authorised by a competent authority in terms of the Environmental Impact Assessment Regulations, 2006 or 2009, made under section 24(5) of the Act and published in Government Notice No. R. 385 of 2006,—

(i) it is a national road as defined in section 40 of the South African National Roads Agency Limited and National Roads Act, 1998 (Act No. 7 of 1998);

(ii) it is a road administered by a provincial authority;

(iii) the road reserve is wider than 30 metres; or

(iv) the road will cater for more than one lane of traffic in both directions.

The following activity as identified in terms of Government Notice R546 of 18 July 2010 was also considered during the assessment process. These are:

Activity 4: The construction of a road wider than 4 metres with a reserve less than 13,5 metres.

(d) In Western Cape:

i. In an estuary;

ii. All areas outside urban areas;

iii. In urban areas:

(aa) Areas zoned for use as public open space within urban areas; and

(bb) Areas designated for conservation use in Spatial Development Frameworks adopted by the competent authority, or zoned for a conservation purpose

Activity 6: The construction of resorts, lodges or other tourism accommodation facilities that sleep 15 people or more.

(d) In Western Cape:

i. In an estuary;

ii. All areas outside urban areas;

iii. In urban areas:

(aa) Areas seawards of the development setback line or within 1 kilometre from the high-water mark of the sea if no such development setback line is determined;

(bb) Areas on the watercourse side of the development setback line or within 100 metres from the edge of a watercourse where no such setback line has been determined.

Activity 9: The construction of facilities or infrastructure exceeding 1 000 metres in length for the bulk transportation of water, sewage or storm water with an internal diameter of 0,36 metres or more

(ii) with a peak throughput of 120 litres per second or more, excluding where:

(a) such facilities or infras tructure are for bulk transportation of water, sewage or storm water or storm water drainage inside a road reserve; or

(b) where such construction will occur within urban areas but further than 32 metres from a watercourse, measured from the edge of the watercourse.

Activity 10: The construction of facilities or infrastructure for the storage, or storage and handling of a dangerous good, where such storage occurs in containers with a combined capacity of 30 but not exceeding 80 cubic metres.

(e) In Western Cape:

i. In an estuary;

ii. All areas outside urban areas;

iii. Inside urban areas:

(aa) Areas seawards of the development setback line or within 200 metres from the high-water mark of the sea if no such development setback line is determined;

(bb) Areas on the watercourse side of the development setback line or within 100 metres from the edge of a watercourse where no such setback line hos been determined.

Activity 13: The clearance of an area of 1 hectare or more of vegetation where 75% or more of the vegetative cover constitutes indigenous vegetation, except where such removal of vegetation is required for:

(1) the undertaking of a process or activity included in the list of waste management activities published in terms of section 19 of the Notional Environmental Management: Waste Act, 2008 (Act No. 59 of 2008), in which case the activity is regarded to be excluded from this list.

(2) the undertaking of a linear activity falling below the thresholds mentioned in Listing Notice 1 in terms of GN No 544 of 2010.

Activity 19: The widening of a road by more than 4 metres, or the lengthening of a road by more than 1 kilometre.

(d) In Western Cape:

i. In an estuary;

ii. All areas outside urban areas;

iii. In urban areas:

(aa) Areas zoned for use as public open space within urban areas;

(bb) Areas designated for conservation use in Spatial Development Frameworks adopted by the competent authority, or zoned for a conservation purpose, within urban areas.

hereinafter referred to as "the activity".

B. LOCATION:

The proposed site is located south of Knysna Road on portion 22 of the Farm Kraaibosch 195 and Erf 23333 George..

Co-ordinates:

Latitude (S): 33°59'53.08" Longitude (E): 22°29'12"

SG Digit codes: C02700000000019500022 & C02700020002333300000

hereinafter referred to as "the site."

C. APPLICANT:

The Director
Laritza Investments 183 (Pty) Ltd
P.O. Box 4628
GEORGE-EAST
6539
Tel: (044) 805 7112
Fax: (044) 871 0086

D. ENVIRONMENTAL ASSESSMENT PRACTITIONER:

Calidris Development Management Services
C/o Mr D. Lombaard
P.O. Box 1201
PLETTENBERG BAY
6600
Tel: (044) 544-0424
Fax: 086 518 1286

E. SITE VISIT(S):

No site visit was conducted. The case officer is familiar with the site. The information submitted in the application documentation (i.e. photographs and maps of the site) together with all relevant information contained in the Departmental information base, was considered sufficient to provide adequate information on the nature of the receiving environment.

F. DECISION:

The Department is satisfied, on the basis of information available to it and subject to compliance with the conditions of this environmental authorisation that the applicant should be authorized to undertake the activities specified above, but excluding the construction of a filling station on portions 8 or 11 as part of this development.

By virtue of the powers conferred on it by the National Environmental Management Act, 1998 (Act No. 107 of 1998) and the Environmental Impact Assessment Regulations, 2006 and 2010, the Department hereby authorizes the activity described above, but excluding the construction of a filling station on portions 8 or 11 as part of this development.

By virtue of the powers conferred on it by the National Environmental Management Act, 1998 (Act No. 107 of 1998) and the Environmental Impact Assessment Regulations, 2006 the Department refuses authorization for the construction of a filling station on portions 8 or 11 as part of this development.

The applicant has applied for Activity 18 listed in Government Notice No. R386 of 21 April 2006, being: "*The subdivision of portions of land 9 hectares or larger into portions of 5 hectares or less.*" but as the new Environmental Impact Assessment Regulations, 2010 came into effect on 02 August 2010 this activity is no longer listed and is regarded as being withdrawn.

The granting of this environmental authorisation is subject to the conditions set out below.

G. CONDITIONS OF AUTHORISATION:

1. **The activity, including site preparation, may not commence within 20 (twenty) days after having received this environmental authorisation. In the event that an appeal notice and subsequent appeal is lodged with the competent authority, the effect of this environmental authorisation will be suspended until such time as the appeal is decided.**
2. **The applicant, must, in writing, within 20 days of the issue of this authorisation, confirm acceptance of the conditions of this authorisation, failing which the Environmental Authorisation may be suspended until such time that these conditions of authorisation are accepted.**

3. One week's notice, in writing, must be given to the Directorate: Land Management (Region 1), (hereinafter referred to as "this Directorate"), before commencement of construction activities.

   3.1 Such notice shall make clear reference to the site location details and reference number given above.

   3.2 The said notice must also include proof of compliance with the following conditions described herein:

   Conditions: 1, 2, 4, 6, 12, 13, & 16

4. A minimum buffer of 40 meters must be maintained on either side of the natural drainage lines that occur on the property. These areas must be demarcated prior to commencement of construction activities.

5. No development must take place on 1:4 slopes, as well as slopes steeper than 1:4 along the Meul River and its tributary.

6. A final layout plan that shows all the components of the proposed development must be submitted to this Department, prior to the commencement of construction activities. It should be noted that the proposed layout plan should take due cognizance of the limitation on the development phases that can be accommodated at a specific stage, based on the traffic requirements stipulated in Section H of this environmental authorization.

7. The final lay-out plan must make provision for high density residential units (middle to low income to the satisfaction of the Town Planning component of the local authority.

8. Preference must be given to large scale commercial undertakings such as warehousing, which cannot be accommodated within the Central Business District or in the industrial area of George due to its scale.

9. Provision must be made for the utilization of local labour as far as possible. This may include, but need not be restricted to, the establishment of a local labour registration office and preferential employment and training policy.

10. The following recommendations as contained in the Traffic Impact Assessment dated January 2010 must be strictly implemented and adhered to:

 10.1 A pedestrian pathway must be provided along the southern boundary of the site and sidewalks along the internal roads must be constructed for pedestrians and cyclists;

 10.2 Minibus-taxi off-loading and pick-up bays with proper facilities must be provided along Park Drive in the proximity of the high traffic generators;

 10.3 The proposed new interchange must accommodate sufficient facilities for pedestrians and adequate pedestrian links must be created.

11. An architectural guideline must be developed to the satisfaction of the visual specialist and all the recommendations of the Visual Impact Assessment pertaining to height restrictions on the different portions that will be developed must be strictly adhered to and implemented.

12. The Environmental Management Programme ("EMP") submitted as part of the application for environmental authorisation must be amended. The contents of such an EMP must:

 12.1 be approved by the Department before the commencement of any construction activities;
 12.2 be submitted to the Department for consideration at least three weeks prior to the commencement of construction activities;
 12.3 meet the requirements outlined in Section 24N (2) & (3) of the National Environmental Management Act, 1998 (Act no 107 of 1998, as amended) ("NEMA") and regulation 34 of the Environmental Impact Assessment Regulations 2006;
 12.4 incorporate the conditions of authorisation given in this Environmental Authorisation;
 12.5 set out an environmental policy, objectives and targets;

12.6 set out how the applicant and management body of the proposed development will adopt and implement the approved Environmental Management Programme;

12.7 identify and allocate environmental management roles, responsibilities and accountability within the organisation, as well as funding requirements, measurable targets and timeframes for the implementation of the EMP;

12.8 include environmental procedures which cover the construction activities for every phase of the development (Construction Environmental Management Programme ("CEMP")) pertaining to major services (e.g. roads, water, sewage and electricity);

12.9 describe the method and program, including clear targets and remedies for invasive alien vegetation clearance within five years of commencement of construction activities;

12.10 make provision for the compilation of method statements to the satisfaction of the appointed Environmental Control Officer ("ECO");

12.11 -iInclude and describe stormwater management measures, such as swales, artificial wetlands, retention dams, etc. These management measures must be to the satisfaction of George Municipality, prior to submission thereof to this Department for consideration;

12.12 provide for the utilisation of local labour as far as possible. This must include, but need not be restricted to the establishment of a local labour registration office, recordkeeping and reporting procedures for monitoring purposes;

12.13 make provision for preferential employment and environmental training of staff, including contractors/service providers both for the construction phase and in relation to on-going operations;

12.14 include architectural guidelines for the construction of all buildings;

12.15 detail visual resource management guidelines and mitigation measures. These must incorporate, but need not be restricted to, those mitigation measures as detailed in the Visual Impact Assessment, September 2007, as compiled by VRM Africa.

12.16 include procedures for the search and rescue of conservation worthy vegetation. These procedures must detail the compilation of an inventory of plants, especially bulbous species, by a qualified botanist to inform the search and rescue program;

12.17 include operating activities (Operational Environmental Management Programme) which includes, but is not limited to:

- management of the built environment;
- utilisation of resource conservation measures, including rainwater harvesting from hardened surfaces and solar heating devices;
- an integrated waste management approach which is based on waste minimisation and incorporates reduction, recycling, re-use and disposal where appropriate;
- waste management and pollution control measures, including disposal of any solid waste which must be disposed of at a landfill licensed in terms of section 20 of the Environment Conservation Act, 1989 (Act No. 73 of 1989) or the National Environmental Management: Waste Act (Act No. 59 of 2008);
- management of stormwater;
- management of the open space;
- management of landscaped areas; and

12.18 include procedures for communication and reporting on environmental performance;

12.19 include corrective action procedures;

12.20 be included in all contract documentation for the construction phase of the development;

12.21 describe the level and type of competency required of the Environmental Control Officer, ("ECO");

12.22 define and allocate the roles and responsibilities of the ECO referred to above, and the Environmental Site Agent where applicable;

12.23 determine the frequency of site visits; and

12.24 include detail on Preferential Employment and Skills Training.

13. The holder of the authorisation must appoint a suitab[illegible] Environment Control Officer for the [illegible] development, before com[illegible] activities t[illegible]

this environmental authorisation, which relates to the construction phase of the proposed development.

14. Should any heritage remains be discovered during excavations, these must immediately be reported to the Provincial Heritage Resources Authority of the Western Cape, Heritage Western Cape (in terms of the National Heritage Resources Act, 1999 (Act No. 25 of 1999)). Heritage or archaeological remains uncovered or disturbed during earthworks must not be disturbed further until the necessary approval has been obtained from Heritage Western Cape.

    14.1 If any archaeological remains (including but not limited to fossil bones and fossil shells, coins, indigenous and/or colonial ceramics, any articles of value or antiquity, marine shell heaps, stone artefacts and bone remains, structures and other built features, rock art and rock engravings) are discovered during construction they must immediately be reported to Heritage Western Cape and must not be disturbed further until the necessary approval has been obtained from Heritage Western Cape.

    14.2 If any graves or unmarked human burials are discovered, they must be treated with respect and SAHRA must be notified immediately and must not be disturbed further until the necessary approval has been obtained from SAHRA. An archaeologist must be contracted to remove the remains at the expense of the developer.

15. The holder of this authorisation must submit an Environmental Audit Report, ("audit report") to this Directorate (six months) after construction has been completed and also one year after the commencement of operation.

    15.1 The audit report must indicate the date on which the construction commenced, and detail compliance with the conditions of this authorisation and the status of the rehabilitation programme.

    15.2 The audit must be conducted by a suitably qualified independent person.

    15.3 This Directorate may require remedial action should the audit report reflect that rehabilitation is inadequate.

    15.4 If the audit report is not submitted, this Directorate may give 30 days written notice and may have such an audit undertaken at the inventory of plants, especially bulbous species, by a qualified botanist to inform the search and rescue program;

12.17 include operating activities (Operational Environmental Management Programme) which includes, but is not limited to:

- management of the built environment;
- utilisation of resource conservation measures, including rainwater harvesting from hardened surfaces and solar heating devices;
- an integrated waste management approach which is based on waste minimisation and incorporates reduction, recycling, re-use and disposal where appropriate;
- waste management and pollution control measures, including disposal of any solid waste which must be disposed of at a landfill licensed in terms of section 20 of the Environment Conservation Act, 1989 (Act No. 73 of 1989) or the National Environmental Management: Waste Act (Act No. 59 of 2008);
- management of stormwater;
- management of the open space;
- management of landscaped areas; and

12.18 include procedures for communication and reporting on environmental performance;

12.19 include corrective action procedures;

12.20 be included in all contract documentation for the construction phase of the development;

12.21 describe the level and type of competency required of the Environmental Control Officer, ("ECO");

12.22 define and allocate the roles and responsibilities of the ECO referred to above, and the Environmental Site Agent where applicable;

12.23 determine the frequency of site visits; and

12.24 include detail on Preferential Employment and Skills Training.

13. The holder of the authorisation must appoint a suitably experienced Environment Control Officer for the construction phase of the development, before commencement of any land clearing or construction activities to ensure compliance with the mitigation/rehabilitation measures stipulated in the environmental management programme and provisions of

expense of the applicant and may authorise any person to take such measures necessary for this purpose.

16. The applicant must in writing, within 12 (twelve) calendar days of the date of the decision on the application –
    - 16.1 notify all registered interested and affected parties of –
        - 16.1.1 the outcome of the application;
        - 16.1.2 the reasons for the decision; and
        - 16.1.3 the date of the decision;
    - 16.2 Inform all registered interested and affected parties of the appeal procedure provided for in Chapter 7 of the Regulations.
    - 16.3 Inform all registered interested and affected parties of the manner in which they can access the decision;
    - 16.4 Advise all registered interested and affected parties that, should they wish to appeal, they must lodge a notice of intention to appeal with the Minister within 20 (twenty) days of date of the Department's decision and must submit their appeal within 30 (thirty) days after the lapsing of the 20 (twenty) days contemplated in regulation 60(1), for the lodging of the notice of intention to appeal.
    - 16.5 Inform all registered interested and affected parties that the prescribed Notice of Intention to Appeal form and Appeal form are obtainable from the Minister's office at telephone number (021) 483 3721, email jaap.deVilliers@pgwc.gov.za or via the URL http://www.capegateway.gov.za/eadp.
    - 16.6 Inform all registered interested and affected parties that should they wish to appeal, the appellant must serve on the applicant, within 10 (ten) days of having submitted the notice of intent to appeal with the Minister, a copy of the Notice of Intention to Appeal form as well as a notice indicating where and for what period the appeal submission will be available for inspection by the applicant.
    - 16.7 If the applicant should decide to appeal the decision, the applicant must -
        - 16.7.1. lodge a notice of intention to appeal with the Minister, within 20 (twenty) days after the date of the decision.

16.7.2 submit the appeal within 30 (thirty) days after the lapsing of the 20 (twenty) days contemplated in regulation 60(1), for the lodging of the notice of intention to appeal.

16.7.3. within 10 (ten) days of having lodged the notice of intention to appeal, provide each person and organ of State registered as an interested and affected party in respect of the application, with –

16.7.3.1 a copy of the Notice of Intention to appeal form; and

16.7.3.2 a notice indicating where and for what period the appeal submission will be made available for inspection by such person or organ of State, on the day of lodging it with the Minister, and that a responding statement may be made on the appeal within 30 (thirty) days from the date the appeal submission was lodged with the Minister. A person, organ of state or applicant who submits a responding statement in terms of regulation 63(1) must within 10 (ten) days of having submitted the responding statement, serve a copy of the statement on the appellant.

17. The holder of this authorisation shall be responsible for ensuring compliance with the conditions by any person acting on his behalf, including but not limited to, an agent, sub-contractor, employee or any person rendering a service to the holder of this authorisation.

18. Any changes to, or deviations from the project description (phase 1) set out in this authorisation must be approved, in writing, by the Department before such changes or deviations may be effected. In assessing whether to grant such approval or not, the Department may request such information as it deems necessary to evaluate the significance and impacts of such changes or deviations and it may be necessary for the holder of the authorisation to apply for further authorisation in terms of the regulations.

19. The holder of this authorisation must notify this Directorate and any other relevant authority, in writing, within 24 hours thereof if any condition of this authorisation is not adhered to.

20. A copy of this authorisation must be kept at the property where the activities will be undertaken. The authorisation must be produced to any authorised official of the Department who requests to see it and must be made available for inspection by any employee or agent of the holder of the authorisation who works or undertakes work at the property.

21. Where any of the applicant's contact details change, including the name of the responsible person, the physical or postal address and/ or telephonic details, the applicant must notify the Department as soon as the new details become known to the applicant.

22. Non-compliance with a condition of this authorisation may result in the withdrawal of the authorisation and may render the holder liable for criminal prosecution.

23. This Department must be notified, within 30 days thereof, of any change of ownership and/or project developer. A request for the transfer of the rights and obligations contained in this environmental authorisation must be submitted in the following manner:

    (i) The current holder of the environmental authorisation must submit an original signed letter to the Department stating that he wish the rights and obligations contained in this environmental authorisation to be transferred, provide the Department with (a) confirmation that the environmental authorisation is still in force (i.e. validity period have not yet expired or the activities was lawfully commenced with), (b) the contact details of the person to whom the rights and obligations are to be transferred, and (c) the reasons for the requested transfer.

    (ii) The person to whom the rights and obligations are to be transferred must also submit an original signed letter to the Department (a) accepting the rights and obligations contained in this environmental authorisation and (b) must indicate that he/she has the ability to implement the mitigation measures and to comply with the conditions of authorisation. If the transfer is found to be appropriate by the Department, the Department will issue a letter confirming the transfer of the rights and obligations contained in this environmental authorisation.

24. Departmental officials shall be given access to the property referred to in section B above for the purpose of assessing and/or monitoring compliance with the conditions contained in this environmental authorisation, at all reasonable times.

25. The activities which are authorised may only be carried out at the property indicated above.

26. Notwithstanding this authorisation, the holder of the authorisation must still comply with any other statutory requirements that may be applicable to the undertaking of the activity.

27. The activities must commence within a period of **five (5) years** from the date of issue of this authorization. If commencement of the activities do not occur within this period, this authorization lapses and a new application for environmental authorization must be made in order for the activities to be undertaken, unless the holder of this environmental authorization has lodged a valid application for the amendment of the duration of expiry of this authorization before the expiry of this authorization, in which case, the validity of this environmental authorization is automatically extended from the day before this environmental authorization would otherwise have expired until the amendment application for extension is decided ("the period of automatic extension"). The activities including site preparation may not commence during the period of automatic extension.

H. REASONS FOR THE DECISION:

In reaching its decision, the Department took, *inter alia*, the following into consideration -

a) The information contained in the Final Scoping Report, Amended Final Environmental Impact Report and Environmental Management Programme;

b) Findings and recommendations of the Visual Impact Assessment submitted as part of the application for Environmental Authorisation;
c) Findings and recommendations of the specialist Geotechnical Study submitted as part of the application for Environmental Authorisation;
d) The comments received from interested and affected parties during the assessment process; and
e) The objectives and requirements of relevant legislation, policies and guidelines, including section 2 of the National Environmental Management Act, 1998 (Act No. 107 of 1998).

All information presented to the Department was taken into account in the Department's consideration of the application. A summary of the issues which, in the Department's view, were of the most significance is set out below:

Biophysical Environment

The development site forms part of a site where the following developments were approved and municipal services installed.

1. (Blue Mauntain Villiage (EG12/2/1-37- Farm Kraaibasch 195/2 & 71, George (4855)):
    - Consisting of unspecified volume of business uses, an institutional use (church) and 414 Residential Zone 1 (single dwelling) units, 348 Residential Zane 3 (graup housing retirement village) units, 245 Residential Zone 4 (flats or town houses) units were approved on the western portion of the property; and

2. Blue Mountain Gardens EG12/2/i-AG3 - Farm Kraaibosch 195/22, George (5571)):
    - Cansisting of roughly 9 hectares of Residential Zane 1,6ha Residential Zone 2,13ha Residential Zone 3,7ha Residential Zone 4 and 5ha of Open Space Zone 2 (private open space) with inclusionary housing (housing aimed at the lower and lower middle income groups with average household incomes between R3 500,00 and R18 500,00 per month)

Due to historical disturbance (forestry, vegetation clearance and the most recent construction of the existing Kraaibosch Blue Mountain Retirement Village), the site is considered to be highly transformed. At present, the vegetation cover on the site is dominated by grass *(Urochloa sp. & Melinis sp.)* and Helichrysum species *(Helichrysum periolare & Helichrysum cymosum)*. According to the Fine Scale Biodiversity mapping conducted for the Gorden Route, the site is neither recognised as part of a Critical Biodiversity or Ecological Support Area. The vegetation on-site is considered to be of very low conservation value and does not form part of any riparian habitat or conservation worthy indigenous vegetation. Natural vegetation on the site is limited to the river corridor of the Meul River, as is the case with the entire surrounding area (1 500 m radius).

The site is characterised by moderate slopes with a substantial slope down towards the natural drainage watercourses to the south east / the N2 (in Blue Mountain Gardens) and the north / Knysna Road (in Blue Mountain Villiage). The small drainage lines transversing the subject properties feed the Klipkuilen River, which is still a relatively healthy river from an ecological perspective and the water quality and aquatic life still resembles a river that is in a good natural state. Previous vegetation surveys or overviews indicated no vegetation that is of conservation significance.

Social Environment

The areas surrounding the development consist of a mixture of low and middle income (e.g. Lawaaikamp, Conville, Thembalethu, Rosemoore, Parkdene and Lavalia) to high income (e.g. Blue Mountain Village, Blue Mountain Gardens and Kraaibosch Country Estate) residential establishments. The components of this development will offer employment opportunities to residents in the surrounding low income areas with the main focus on the operational components, which will offer sustainable benefits to the local residents over the long time.

Economic Environment

The Central Business District ("CBD") of George has gradually experienced more competition from decentralised nodes, as the economy grows and competition for space becomes limited in the CBD. This has led to nodal development outside the CBD, such as the Garden Route Mall, Destiny Africa and the proposed development. However, there is a difference between the business targets of the CBD and the proposed development. The CBD targets to a large extent smaller businesses, which can afford lower rent, while the proposed development is aimed towards attracting large national and corporate businesses that can afford higher rental. The proposed development will further strengthen the George regional node, based on the assumption that there is steady growth in the region's population. This Department further submits that the CBD of George cannot accommodate this type of commercial and industrial economic activity, both in terms of scale and magnitude, due to the limited space and land available within the CBD area.

Regional/Planning Context

The proposed site is located within the urban edge of George. The delineation of this section of the urban edge is supported by this Department's Directorate: Environmental and Spatial Planning.

The George Municipality has stated in their letter dated the 20 December 2010 that the proposed site is located within an area identified as a Regional Node in the Spatial Development Framework ("SDF") and it is envisaged that this area will be used for large scale commercial undertakings, which cannot be easily accommodated in the Central Business District. The Directorate: Environmental and Spatial Planning further concurs with George Municipality not to have land uses in the CBD area, which undermines the functioning of the CBD. Therefore, Spatial Planning supports the development on condition that only large businesses and office types are accommodated within the development proposal, which cannot be accommodated in the CBD. The proposed development should therefore provide land for large scale commercial undertakings, which alleviates the pressure on industrial_zoned land within the CBD to accommodate such uses.

Traffic

The Traffic Impact Assessment ("TIA") dated January 2010 done by ITS Engineers (Pty) Ltd and submitted as part of the final Environmental Impact Report showed that the surrounding road network, even if expanded to its maximum capacity, will only be able to accommodate 80% of the proposed development. It further states that the existing road network, with minor adjustments, would be able to accommodate the first phase of the proposed development (120 000m^2) and that the rest of the development can only take place in phases over the next 10-12 years, depending on the road infrastructure with time.

Furthermore, the Traffic Impact Assessment indicates that 100% of the traffic from the first 50% of the development could be accommodated with:

- extension of Park Drive by adding dual lanes per direction to the second roundabout of the Garden Route Mall;
- provision of turning lanes on all approaches to the intersection of the Knysna and Saosveld Roads; and
- Installation of a traffic signal and minor widening of the Knysna Road/N2 On-Ramp intersection.

The other 50% of the development can be accommodated by implementing one of the following three alternatives:

- The construction of a new interchange with the N2 and a connector road from the extension of Park Drive. The N2 interchange will provide the best joint access to the GRE / Eden Meander and the Destiny Africa developments, according to the TIA, should Destiny Africa be implemented.
- The extension of the Servitude Road to Sandkraal Road;
- Widening of Knysna Road to three lanes pre-direction; or

Taking the above into consideration all the recommendations from the Traffic Impact Report, 100% of the proposed development can be accommodated in phases over next 10 – 12 years.

Heritage

Section 38(3)(d) of the National Heritage Resources Act ("NHRA") refers to the impact of development on heritage resources in relation to the sustainable social and economic benefit to be derived from the development. According to the Heritage Impact Assessment the proposed development will contribute to the growth of the town's economy and create job opportunities.

Visual Impact Assessment

The results of the visual impact assessment indicate that the development will be visible in the critical 1km range, particularly along the N9 and N2 for northern and southern portions respectively. It is further stated that the proposed development will have a moderate to high impact on the landscape at the local level, causing noticeable change to the visual environment.

However, the proposed development and the already approved high density development (assessed as the no-go alternative) are categorised in the same manner, as they would similarly detract from the visual attraction of the area.

It is further submitted that the implementation of an approved architectural guideline, the enhancement of the landscape and architectural character of the buildings, as well as the limitations on building heights will mitigate any potential visual impacts to an acceptable level. The proposed development is within the regional node as identified in the Spatial Development Framework ("SDF")

Services

Water Services: According to the Bulk Services study that was completed by KV3 Engineers (2009), it was established that the George Municipality will have sufficient capacity to supply the proposed development in terms of water demand. According to the assessment, the available municipal services (e.g. water supply, sewage and waste disposal) are sufficient for the proposed development.

Filling Station

There are existing approved filling station in proximity of the proposed development. The impact of this filling station on the proposed filling station was not cumulatively assessed during this EIA process and therefore this Department refuses the construction of a filling station as part of this development.

Need and Desirability

The proposed development will strengthen the regional node and further enhance economic growth of the town. The aim of the proposed development is not to compete with the CBD, but rather to attract a different market. Due to the location of the proposed development, the development will further attract motorists and tourists to the area. This may potentially lead to further investment and spending and subsequently stimulate economic growth in the area. The development will be located in close proximity of Thembalethu, Borcherds, Rosemoore, Lavalia and Parkdene and may potentially create much needed employment opportunities, which in turn may contribute to increase household income, poverty alleviation and skills development.

The development has the potential to contribute positively towards the local economy in a substantial manner. It will not only contribute in terms of infrastructure and services, but will also have a positive impact on the living conditions of the community of George and surrounding areas as a whole. The proposal will also create nodal strength, which would encourage economies of scale and agglomeration of business activities. It is further submitted that the proposed development will also significantly increase municipal rates income.

Alternatives

Applicants Preferred Alternative

The development proposal entails the construction of a mixed use development of approximately 450 Residential Units consisting of Residential Buildings, Townhouses and Flats , retail components, an auto-Boutique, an office park, a hotel, a Conference facility, a Restaurant, Private Hospital , a Filling Station, Industrial components, Commercial Market, institutional uses, parking and open space according to the following:

- Portion 1 is proposed for Business Zone III, i.e. primarily for offices with consent for the erection of townhouses, flats, residential buildings, places of assembly, places of entertainment and supermarkets. The suggested building height is two storeys and coverage of 30% is envisaged.
- Portion 2 is proposed for the development of public open space.
- Portion 3 is proposed for the establishment of an Authority Zone the construction of access infrastructure and electrical substations.
- Portion 4 remains as is - Residential Zone III and accommodates the N2 interchange.
- Portions 5, 6, and 9 are proposed for Business Zone I. This zoning allows the establishment of business premises in terms of the business uses allowed by the relevant zoning scheme, and by consent townhouses, flats, residential buildings, place of assembly, place of entertainment, place of instruction, institution, bottle offices, supermarket and service trades. A building height of three storeys and coverage of 50% are proposed for Portions 5 and 6 whilst a building height of five storeys and coverage of 65% are proposed for Portion 9.
- Portion 7 is proposed for Transport Zone III, i.e. public parking.
- Portion 8 is similarly indicated for Business Zone I, however the building height is limited to two storeys and the coverage is limited to 50%.
- Portion 10 is also indicated for Business Zone I, however the building height is limited to three storeys and the coverage is limited to 40%.
- Portion 11 - Business Zone II, which allows for a shop as primary use and by consent townhouses, flats, residential buildings, places of assembly, offices, supermarkets and restaurants, with a proposed coverage of 100% and a height of two storeys.

The total area proposed for building construction covers approximately 240 000 m²· It is proposed to phase the development over a 10 year period, with the first phase consisting of approximately 120 000 m², which is to proceed immediately after authorisation of the development. The first buildings are proposed to be erected on various portions, depending on the market demand.

High Density Residential Development Alternative

This alternative entails the construction of a higher density residential development consisting of 1,900 units and a business development component of approximately 1,5ha in extent. This alternative was decided against as the development in this form will not contribute to the economic well-being of the town.

No-Go Alternative

This alternative entails the current status quo with residential expansion consisting of 1 283 units and business development of approximately 1,5ha in extent.

Departmental Approved Alternative

The Departmental approved alternative includes the construction of a mixed use developmen t as described under the preferred alternative, which will include residential uses, retail components, industrial components, commercial market, institutional uses, parking and open space, but excluding the filling station proposed on portion 8 or 11. This alternative was considered by the Department as the most preferred option as other filling stations exists in close proximity of the site where the filling station is proposed. The cumulative impacts thereof on the proposed filling station were not assessed.

Public Participation

The public participation process entailed the following:

- Consultation with key government departments and other authorities such as, the Department of Health, South African Roads Agency Limited, Heritage Western Cape, Department of Water Affairs and Forestry, CapeNature, Eden District Municipality, District Roads Engineer, Department of Transport and Public Works, George Municipality, Department of Agriculture, etc.;
- The development was first advertised in the George Herald on 05 February 2009;
- Placement of Notices on-site;
- Issuing of registered notices to adjacent land owners and relevant stakeholder institutions;
- All residents within 100m of the proposed site (whose addresses could be obtained from the municipal resources) were notified of the proposed activity, together with other role-players.
- The draft Scoping Report was made available in the George library, town planning section of the Municipality and "Cuppachinos" at the Garden Route Mall on 3 July 2009.
- Notice was sent to registered I &APs on 29 April 2010 indicating the availability of the draft EIR.
- A Public meeting was held on 20 May 2010 to discuss the Draft Environmental Impact Report ("EIR").

The public participation process did not elicit notable input from the local residents of George. However, the Central Business District of George was well represented by Setplan, who has raised several concerns regarding the alleged negative impact that the development will have on the Central Business District of George. According to Setplan, the specialist assessment of the economic impact study does not address the effect of the proposed development on the George CBD and does not acknowledge the impact. Setplan also submits that the proposed development does not offer any mitigation for the impact on the CBD. In response Demacon argued that all development is not equal and that development of this scale and nature cannot be accommodated in the

CBD. This opinion was supported by the Spatial Planning component of this Department and George Municipality.

Setplan also indicated that the proposal requires an amendment of the Kraaibosch Roads Masterplan, but comment from George Municipality shows the contrary at this location.

Comments from George Municipality and the Directorate: Spatial Planning of this Department indicated that the proposal is in compatible with the George Spatial Development Framework (GSDF), which makes provision for large scale commercial undertaking, such as warehousing at this location.

CapeNature indicated that they do not support development on steep slopes and within watercourses. This was taken into account in the decision making process and in the conditions of this authorisation.

In view of the above, this Directorate is satisfied that, subject to compliance with the conditions contained in this environmental authorisation, the proposed activity will not conflict with the general objectives of integrated environmental management laid down in Chapter 5 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and that any potentially detrimental environmental impacts resulting from the proposed activity as approved by the department can be mitigated to acceptable levels.

I APPEAL:

Appeals must comply with the provisions as outlined in Chapter 7 of the Regulations.

If the applicant should decide to appeal, the applicant must, *in terms of*, regulation 60(1), lodge a notice of intention to appeal with the Minister, within 20 (twenty) days after the date of the decision, and must within 10 (ten) days of having submitted the notice contemplated in regulation 60(1), provide each person and organ of State registered as an interested and affected party in respect of the application with a copy of the Notice of Intention to Appeal; a notice indicating where and for what period the appeal submission will be made available for inspection by such person or organ of State on the day of lodging it with the Minister, and indicate that a responding statement may be made on the appeal within 30 (thirty)days from the date the appeal submission was lodged with the Minister.

A person, organ of state or applicant who submits a responding statement in terms of regulation 63(1) must within 10 (ten) days of having submitted the responding statement, serve a copy of the statement on the appellant.

If the applicant should decide to appeal, the applicant must submit the appeal within 30 (thirty) days after the lapsing of the 20 (twenty) days contemplated in regulation 60(1), for the lodging of the notice of intention to appeal.

Should any other person, or an interested and affected party, decide to appeal, they must, in terms of, regulation 60(1), lodge a notice of intention to appeal with the Minister, within 20 (twenty) days after the date of the decision. An appeal must be submitted within 30 (thirty) days after the lapsing of the 20 (twenty) days contemplated in regulation 60(1).

The appellant must provide the applicant, within 10 days of having lodged the notice contemplated in regulation 60(1), with a copy of the notice referred to in regulation 60(1), and a notice indicating where and for what period the appeal submission will be available for inspection by the applicant. A responding statement may be made on the appeal within 30 (thirty) days from the date the appeal submission was lodged with the Minister.

The prescribed Notice of Intention to Appeal form and Appeal form are obtainable from the Minister's office, as well as assistance regarding the appeal processes, at telephone number (021) 483 3721, email jaap.deVilliers@pgwc.gov.za or via the URL http://www.capegateway.gov.za/eadp.

All Notice of Intention to Appeal and Appeal forms must be submitted by means of one of the following methods:

By post: Western Cape Ministry of Local Government, Environmental Affairs and Development Planning
Private Bag X9186
CAPE TOWN
8000

By facsimile: (021) 483 4174; or

By hand: Attention: Mr. Jaap de Villiers
3rd Floor Leeusig Building (Entrance Utilitas Building)
1 Darp Street
CAPE TOWN
8001

Your interest in the future of our environment is greatly appreciated.

Yours faithfully

AYUB MOHAMED
DIRECTOR: LAND MANAGEMENT (REGION 1)
DATE OF DECISION: 22/08/2011

Copies: Mr D. Lombaard	Environmental Assessment Practitioner	Fax: 086 518 1285
DEA&DP	George	Fax: (044) 874-2423