



Feasibility Study of the Denel Site in Khayelitsha

Client

Housing Development Agency (HDA)

Objective

- Investigate long term project financial expectation : Commercial yield or breakeven
- Identify land parcels for social development needs (i.e. schools, clinics, public amenities, etc.) with these land parcels either being a grant to respective municipalities or a land swop or the purchase from HDA;
- Investigate the impact and ratio of environmental restraints to the land with the associated reduction to available land parcels for development which could impact on overall financial viability of land purchase;
- Investigate how land value (relative to development opportunities/ densification) could marginalise “seller” expectations;
- Investigate how infrastructure spending on bulk electrical supply and network reticulation, road networks, storm water, water supply, etc. could yield high upfront cost clarity funding sources.

Tactics

We have utilised the extensive experience we have in our team, consulted with different stakeholders and sourced literature which related to the Spatial Development Framework, Local Economic Development Strategies, Denel Swartklip Site Redevelopment Framework, Denel Presentation and other relevant themes.

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Outcomes

- The northern and eastern edges of the site are identified as potential development zones, as well as the south-eastern corner of the site. Development opportunities include high density residential and mixed use areas, medium and low density residential areas, new open spaces, public facilities and conservation areas.
- Cross subsidisation aimed at reducing the overall cost per residential stand can be effected through the net profit realised from commercial land sale.

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