



Project Initiation Report

1. Project Details

Project Name	IAM: Oude Molen Precinct
Location	City of Cape Town
Sector	Social
Department	Department Of Infrastructure
Project Owner	Lindelwa Mabuntane
Project Manager	Lindelwa Mabuntane

1.1 Background & Justification

Strategic Context

The Oude Molen Precinct is located in Observatory, Cape Town, within the broader Two Rivers Urban Development Study Area.

The site spans approximately 13.15 hectares and is currently underutilized, presenting a strategic opportunity for urban regeneration using state-owned land.

Development Vision

The project aims to create a compact, large-scale, sustainable, residentially-led mixed-use development.

It is guided by live-work-play principles and transit-oriented development (TOD) to promote accessibility, reduce car dependency, and enhance urban livability.

Justification for Redevelopment

The site has significant heritage value, with buildings of cultural and historical importance to be retained and integrated into the new development.

The redevelopment will:

1. Address spatial justice by providing equitable access to housing and job opportunities.
2. Support affordability through a cross-subsidisation model, with 34% of units allocated to affordable housing.
3. Stimulate economic empowerment and job creation through infrastructure investment and public-private partnerships.

Evidence-Based Planning

A series of feasibility and impact studies were conducted to inform the precinct plan:

1. Spatial and land use analysis
2. Socio-economic and empowerment analysis
3. Property market demand analysis
4. Heritage, landscape, and biophysical analysis
5. Civil/bulk services and transportation services analysis
6. Financial feasibility assessment

Policy Alignment

The project aligns with provincial and municipal socio-economic mandates, including:

1. Spatial redress
2. Good governance
3. Effective use of government immovable assets
4. Integration of economic, environmental, heritage, and social infrastructure

1.2 Project Scope

Site Redevelopment

1. Transform a 2,881 m2 municipal-owned site in Cape Town CBD into a high-rise, residentially-led mixed-use development.
2. The site is currently used for temporary offices and parking.

Residential Development

1. Deliver approximately 830 residential units, with 37.5% allocated to social housing.
2. Residential component will be supported by open-market unit sales to cross-subsidise social housing.

Mixed-Use Integration

1. Include ground-floor retail and first-floor office space, subject to feasibility.
2. Create a vibrant, inclusive urban precinct with access to work, transport, and amenities.

Sustainable Design

1. Implement low-carbon design principles in construction and operations.
2. Promote environmental sustainability and urban density.

Legal and Regulatory Enablement

1. Secure necessary development rights and zoning approvals.
2. Subdivide and sectionalise the property to legally separate social housing and open-market components.

Procurement and Delivery

1. Execute the project through a Sale and Development Agreement (SADA) with a private developer or Social Housing Institution (SHI).
2. Follow a Request-for-Proposal (RFP) process for developer selection.
3. Delay land transfer and payment until practical completion of social housing and external facilities.

Infrastructure and Planning

1. Prepare and submit sectional title plans to the Surveyor General and Deeds Office.
2. Allocate and manage parking, retail, and commercial space across subdivided erven.

2. Objectives & Key Focus Areas

Objective	Key Focus Area
Maximise Social Housing	• Prioritising Infrastructure for Maximum Impact
Sustainable Urban Design	• Innovation & Futures Planning • Addressing Climate Change & Sustainability
Efficient Delivery Timeline	• Prioritising Infrastructure for Maximum Impact
Structured Public-Private Partnership	• Enhancing Private Sector Partnerships

3. Project Timeline & Cost

Estimated Duration	5 Year(s) & 0 Month(s)
Estimated Start Date	01 Apr 2026
Estimated Amt	R 2.356B

4. Submission & Approval

Self Approved By: **Lindelwa Mabuntane**

Self Approved On: **01 Sep 2025 06:40:32 AM**

Submitted By	
Submitted On	
Signed By	
Approved On	