



Prefeasibility Executive Summary Report

1. Project Details

Project Name	IAM: Provincial Pavement Testing Laboratory (PPTL)
Location	City of Cape Town
Sector	Economic
Department	Department Of Infrastructure
Project Owner	Lindelwa Mabuntane
Project Manager	Lindelwa Mabuntane

1.1 Project Scope

Site Redevelopment

1. Transform the **PPTL site** and adjacent **deproclaimed Buitengracht Road reserve** into a **mixed-use, mixed-income housing development**.
2. Total site area: **6,690 m2**.

Residential Development

1. Construct approximately **310 housing units**.
2. **120 units** allocated to **affordable and/or social housing**.
3. Remaining units are **open market**, used to **cross-subsidise** the affordable component.

Heritage Conservation

1. Preserve and repurpose the **heritage-graded Soils Lab building**.
2. Use for **retail and office activities**.
3. Demolition is prohibited due to heritage status.

Commercial and Public Amenities

1. Include **limited retail and office space** to stimulate local economic activity.
2. Integrate **public infrastructure upgrades** as part of the development.

Feasibility and Planning Studies

Conducted as part of site enablement:

1. **Heritage, landscape, and biophysical analysis**
2. **Civil and transportation services analysis**
3. **Financial feasibility**
4. **Spatial and land use analysis**
5. **Socio-economic analysis**

Stakeholder Engagement

1. Two-phased public and stakeholder consultation process completed.
2. Inputs incorporated into the final conceptual development plan.

Regulatory Compliance

1. All required **heritage approvals** granted.

2. **Land use management application** submitted and under review.

Delivery Mechanism

1. Implementation likely via a **Sale and Land Development Agreement (SADA)**.
2. Public-private partnerships and alternative funding mechanisms under consideration.

1.2 Justification

BACKGROUND

1. The project involves the redevelopment of the PPTL site and the adjacent deproclaimed Buitengracht Road reserve in Cape Town's Prestwich Precinct.
2. The site is part of the Regeneration Programme approved by Cabinet in 2010, which aims to repurpose underutilised public land for inclusive, mixed-use development.
3. The precinct is historically significant and centrally located, making it a strategic area for urban renewal.

JUSTIFICATION

Historical Significance

1. The site includes the heritage-graded Soils Lab building, which will be preserved and repurposed.
2. The development pays tribute to the site's legacy as one of Cape Town's earliest efforts to address urban poverty, dating back to 1898.

Spatial Justice and Inclusion

1. The project supports spatial redress by delivering mixed-income housing in a central urban area.
2. Of the 310 planned residential units, 120 are allocated to affordable and social housing, cross-subsidised by market-rate units.

Strategic Urban Development

1. Aligns with Western Cape Government priorities for sustainable urban growth and optimal use of public assets.
2. Promotes mixed-use development, including limited retail and office space.

Feasibility and Readiness

Informed by comprehensive studies:

1. Spatial and land use analysis
 2. Socio-economic analysis
 3. Heritage, landscape, and biophysical assessments
 4. Civil and transportation services analysis
 5. Financial feasibility
- Statutory approvals (heritage and land use) are expected by late 2025.

Economic and Social Impact

Expected outcomes include:

1. Job creation
2. Empowerment
3. Revenue generation
4. Upgraded public infrastructure

1.3 Sector Specific Analysis

• Other Sector Specific Analysis Methods

1. **Primary Sector: Urban Development & Housing** Mixed-Use, Mixed-Income Housing: 310 residential units planned 120 units allocated to affordable/social housing Market-rate units to cross-subsidize affordability Urban Regeneration: Located in Cape Town's Prestwich Precinct Supports the Regeneration Programme adopted by Cabinet in 2010 Aims to repurpose underutilized municipal land
2. **Heritage & Cultural Sector** Heritage Conservation: The Soils Lab building is heritage-graded and will be preserved Tribute to historical efforts to house the urban poor (dating back to 1898) Heritage Impact Assessment: Conducted as part of the site enablement process
3. **Infrastructure & Civil Services Sector** Civil and Transportation Services Analysis: Evaluated to support the development Infrastructure Planning: To be undertaken during the implementation phase
4. **Socio-Economic Sector** Socio-Economic Analysis: Informs the development concept Focuses on empowerment, job creation, and inclusive growth
5. **Private Sector & Investment** Public-Private Partnerships (PPPs): Considered as a delivery mechanism

1.4 Market Size And Demand Analysis

1.4.1 Total Addressable Market (TAM)

1.4.2 Served Available Market (SAM)

1.4.3 Demand Forecasting

2. Project Status & Implementation

2.1 Regulatory & Environmental Approvals

2.1.1 National Level

- Environmental Management Frameworks (EMFs): Strategic planning tools for land-use and environmental management decisions

2.1.2 Provincial and Local Levels

- Municipalities: Play a role in environmental management, especially in land-use planning and development applications

2.1.3 Other Relevant Entities

- Councils for the Built Environment Professions (CBEP): Regulates professions involved in the built environment
- Regulatory and Environmental Approvals Western Cape Government (WCG) Level The project is aligned with WCG policies promoting: Spatial justice Spatial redress Effective use of public land The site is under the custodianship of the Western Cape Government and the City of Cape Town, which has influenced the planning and stakeholder engagement process. National-Level Approvals National Heritage Resources Act (NHRA), Act 25 of 1999 A Heritage Impact Assessment (HIA) was conducted and approved due to the presence of: Heritage-graded buildings (e.g., the Soils Lab) Former burial grounds City of Cape Town Municipal Planning By-law (2015, as amended) Approvals were sought for: Subdivision Rezoning Consolidation Permanent departure (land use changes) Status of Approvals All required heritage approvals have been granted. Community and stakeholder engagement processes have been completed. The Land Use Management application has been submitted and is pending review by the Municipal Planning Tribunal, expected by late 2025.

2.2 Identify Key Stakeholders

2.2.1 Government

- Department Of Infrastructure
- Department of Human Settlements
- Department of Cultural Affairs and Sport
- Department of Environmental Affairs and Development Planning

2.2.2 State-Owned Entities

- **Development Bank of Southern Africa (DBSA)**

A key player in funding and technical support for public infrastructure projects, including urban regeneration and housing.

2.2.3 Private Sector

- **Construction Companies**

Developers: To construct mixed-income housing and commercial spaces.

- **Engineering Firms**

Service Providers: For construction, engineering, environmental consulting, and digital infrastructure.

- **Financial Institutions**

Innovative Financing: The project encourages innovative finance options, which may include: Private equity Development finance institutions Real estate investment partnerships Investors: To co-finance the project through

structured agreements (e.g., Sale and Land Development Agreement – SADA).

2.2.4 Civil Society

- **Civil society organizations advocating for community needs**

Community-Based Organizations (CBOs) and Local Residents The project included a two-phase stakeholder engagement process: Phase 1 (October 2023): Focus group meetings with key stakeholders, likely including local community representatives. Phase 2: Public consultation as part of the Heritage Impact Assessment and Land Use Management processes. These engagements allowed civil society actors to: Review development concepts Provide feedback Influence the final design Heritage and Cultural Advocacy Groups Due to the presence of heritage-graded buildings and former burial grounds, it is likely that heritage preservation groups and cultural organizations were consulted or involved. Social Justice and Housing Advocacy Groups The project's emphasis on affordable and social housing, spatial justice, and urban redress suggests alignment with the goals of civil society groups focused on: Housing rights Anti-displacement Inclusive urban development Opportunities for Civil Society Involvement Ongoing monitoring of implementation and social impact Participation in procurement oversight (e.g., gender-responsive procurement) Community benefit agreements or local hiring initiatives

2.2.5 Other Stakeholders

- **Sustainable Infrastructure Development Symposium - South Africa (SIDSSA)**

The Sustainable Infrastructure Development and Financial Facility (SIDAFF) is a WCG-led initiative designed to: Aggregate municipal infrastructure projects into a bankable portfolio. Blend local and international finance, grants, and donor funding. Support municipal water, wastewater, and potentially housing infrastructure.

- **Private Developer / Ring-Fenced Developer Company Selected through a Request-for-Proposal (RFP)**

Potential State-Owned Entity Stakeholders (Inferred) 1. Human Settlements Development Bank (HSDB) Could be involved in financing the affordable housing component of the project. 2. Infrastructure South Africa (ISA) May support the project as part of the national infrastructure pipeline, especially if it aligns with the National Infrastructure Plan (NIP 2050). 3. South African Heritage Resources Agency (SAHRA) Although not a traditional SOE, SAHRA is a statutory body that may have been involved in the Heritage Impact Assessment (HIA) process under the National Heritage Resources Act. 4. Property Management Trading Entity (PMTE) If national public land or assets are involved, PMTE (under the Department of Public Works and Infrastructure) may play a role in land transfer or asset management.

3. Governance, Policy & Enabling environment

3.1 Legal and Regulatory Framework

3.1.1 Procurement and Supply Chain Management

- Preferential Procurement Policy Framework Act (PPPFA)
- Western Cape Procurement Regulations
- Use of the Western Cape Supplier Evidence Bank (WCSEB)
- Compliance with tender procedures and transparency requirements

3.1.2 Environmental and Land Use Planning

- Western Cape Land Use Planning Act (LUPA)
- Environmental Impact Assessment (EIA)

3.1.3 Public Finance and Governance

- Public Finance Management Act (PFMA)
- Provincial Treasury Instructions and Budget Guidelines

3.1.4 Health and Social Services

- National Health Act
- Provincial health regulations

3.1.5 Education

- South African Schools Act
- Provincial education policies

3.1.6 Transport and Infrastructure

- Western Cape Road Traffic Act
- Related transport regulations

3.1.7 Human Settlements and Housing

- Housing Act
- Provincial housing frameworks

3.1.8 Economic Development

- Enterprise development
- Green Economy Strategy

3.1.9 Environmental Compliance

- Requires Environmental Impact Assessments (EIAs) for certain developments
- Must comply with waste management and biodiversity regulations

3.2 Governance policies

- National Development Plan (NDP)
- Strategic Infrastructure Projects (SIPs)
- Relevant Integrated Development Plans (IDPs)
- Infrastructure South Africa (ISA)
- Budget Facility for Infrastructure (BFI)

3.3. Investment Needs

3.3.1 Infrastructure Development

- Upgrades to water and sanitation infrastructure.
- Renewable energy installations and grid improvements.
- Roads, bridges, and public transport systems.

3.3.2 Human Settlements

- Affordable housing projects.
- Mixed-use urban development.

3.3.3 Healthcare

- Digital health systems and telemedicine.
- Expansion and modernization of clinics and hospitals.

3.3.4 Agriculture and Agri-processing

- Agro-logistics and cold chain infrastructure.

3.3.5 Green Economy

- Renewable energy (solar, wind, bioenergy).
- Waste-to-energy and recycling initiatives.
- Water conservation and efficiency technologies.

3.3.6 Tourism and Cultural Investment

- Infrastructure for eco-tourism and heritage sites.

3.4 Policy Incentives

3.4.1 Sector-Focused Incentives

- Agri-processing: Support for infrastructure, logistics, and export readiness.
- Green Economy: Incentives for renewable energy, water efficiency, and waste-to-energy projects.
- Technology and Innovation: Support for ICT hubs, fintech, and digital startups.
- Tourism and Film: Rebates and grants for film production and tourism infrastructure.

3.4.2 Investment Ecosystem Support

- Municipal Investment Readiness Programme: Helps municipalities prepare for and attract investment.
- Sector IQ: Provides data-driven insights to guide investment decisions.

3.4.3 Business Support and Facilitation

- Regulatory guidance
- Market intelligence
- Access to government incentives
- Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

4. Financial requirements & Funding strategies

4.1 Project Guestimate

Estimated Cost	R 356M
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5. Delivery Mechanism & procurement strategy

5.1 WCG Sector Priorities

Outcomes	Social	Energy & Water	Economic	Technology	Ecological
Households have increased access to basic services and improved shelter		Medium Term 5-15 YRS		Medium Term 5-15 YRS	
Infrastructure investment drives spatial transformation and improves spatial resilience	Medium Term 5-15 YRS		Medium Term 5-15 YRS	Medium Term 5-15 YRS	Medium Term 5-15 YRS
Investment in social infrastructure improves access to health, education, social development, and recreation opportunities	Medium Term 5-15 YRS			Medium Term 5-15 YRS	Medium Term 5-15 YRS
Mobility systems and transportation corridors provide safe and efficient connectivity to opportunities, services, and facilities				Medium Term 5-15 YRS	

5.2 Current Planning Phase