Nodal Economic Profiling Project
Khayelitsha
Western Cape
Context

In 2001, State President Thabo Mbeki announced an initiative to address underdevelopment in the most severely impoverished areas rural and urban areas ("poverty nodes"), which house around ten million people.

The Urban Renewal Programme (urp) and the Integrated Sustainable Rural Development Programme (isrdp) were created in 2001 to address development in these areas. These initiatives are housed in the Department of Provincial and Local Government (dplg).
Khayelitsha poverty node

- Research process
  - Overview
  - Themes
    - Residential life
    - Commercial activity
    - City linkages
  - Summary
- Appendix
- Activities
- Documents
- People
**Research process**  
**Summary of what we have done**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Documents</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk research</td>
<td>Socio-economic profiling of Urban Renewal Nodes – Khayelitsha and Mitchell’s Plain (2006)</td>
<td>Type of people met</td>
</tr>
<tr>
<td>– 24-26 Oct 2006</td>
<td>Do Retail Centres Enhance Township Economic Development? Lessons from Khayelitsha, Cape Town (Barnes, 1998)</td>
<td>– Local community people</td>
</tr>
<tr>
<td>Personal and</td>
<td>Economic and Human Development Strategy (2006)</td>
<td></td>
</tr>
<tr>
<td>telephonic interviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local business person surveys</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Khayelitsha poverty node

- Research process
- Overview
  - Introduction
  - Key data points
  - Current action
- Themes
  - Residential life
  - Commercial activity
  - City linkages
- Summary
- Appendix
# Overview

<table>
<thead>
<tr>
<th>Introduction</th>
<th>Key data points</th>
<th>Current action</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Introduces the node; summarises key issues</em></td>
<td><em>Lists pertinent facts and figures</em></td>
<td><em>Describes current interventions</em></td>
</tr>
<tr>
<td>Snapshot</td>
<td>Geography</td>
<td>Governance</td>
</tr>
<tr>
<td>Area summary</td>
<td>Spatial development</td>
<td>Projects</td>
</tr>
<tr>
<td>Key challenges</td>
<td>Demography</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income and employment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development scorecard</td>
<td></td>
</tr>
</tbody>
</table>
Introduction

Snapshot

Historical overview

- The demarcation of Khayelitsha as a residential area was the result of a cabinet decision in 1979.
- During the early 1980s, the apartheid government designated the Western Cape as a “Coloured Labour Preferential Area”; influx control was strictly enforced and development ceased in the African townships of Langa, Nyanga and Gugulethu.
- The Coloured Labour Preferential Policy, combined with the rapid growth of the African population in the early 1980s, caused a housing crisis in the Western Cape; furthermore, the government felt that it needed to control the movement of African men who flocked to the city in search of work.
- As a result, it was decided that a new township was to be located on the land comprising part of the old Drift Sands farms near Cape Town International Airport; the township of Khayelitsha (meaning “new home”) was thus established in 1983.
- The years before the first settlement in Khayelitsha were characterised by political violence and bloodshed, largely due to the decision by the government to control the movement of the African population by concentrating this group in areas where they could be permanently monitored and controlled.

Khayelitsha is Cape Town’s biggest township and the second largest in South Africa; it is located in the Western Cape province, approximately 35 km from Cape Town’s CBD.

It is part of the City of Cape Town’s Metro South East Region, commonly known as Cape Town’s poverty trap.

It is bordered by the N2 highway to the north, the False Bay Coast to the south, and by Mitchell’s Plain to the west.

Major tracts of land form buffer areas between Khayelitsha and Mitchell’s Plain; this pattern of land utilisation isolates the areas from each other.

Khayelitsha was established as a dormitory town and its residents are essentially commuters; as a result it lacks a significant economic base apart from the retail and service sectors.

Commuters make use of public transport to travel into the city; trains remain the cheapest and most popular means of transport, although taxis and buses are also available.

The Khayelitsha community is expanding due to the high influx of people migrating to the area from the Eastern Cape, however, the declining birth rate and the impact of HIV / AIDS has limited population growth.

The exact size of the population is unclear, although estimates range from 350,000 to 600,000.

Introduction
Some observations about Khayelitsha

“The infrastructure of Khayelitsha was planned to accommodate 250,000 people; the population is now more than double that!”

– Businessperson, ex-councillor

“Overcrowding is a real problem in many areas, particularly in informal settlements; it makes law enforcement difficult, not to mention the spread of disease. The wind, rain and sand doesn’t make things any easier”

– Consultant

“Everything that happens in the Western Cape is highly political; this can make an urban renewal project like this one extremely difficult to implement quickly and effectively”

– Developer

“The empty tracts of land we have available to us represent enormous opportunities; we must work with developers and investors in order to make the most of these areas”

– Urban planner

“Planners and developers should remember that due to its informality, Khayelitsha has great advantages for poor people, especially if they are located near public transport”

– Planner
Introduction

Summary of key development challenges

- **Spatial marginalisation**
  - Khayelitsha is isolated due to its distance from the city; transport costs are high and commuters have to travel for long periods each day
  - It is situated far from the centres of economic opportunity

- **Overcrowded living conditions**
  - In many areas population density is high and informal shack developments occupy much of the available land; overcrowding within particular areas and within households is common

- **HIV / AIDS**
  - Khayelitsha has an extremely high HIV infection rate; the rapid spread of this virus has devastating social and economic consequences for the nodal population

- **Crime**
  - 50% of the residents in Khayelitsha reported that they do not feel safe to move around in their area during the day; this percentage rose to a alarming 94% when residents were asked whether they feel safe to move around at night

- **Lack of access to public amenities**
  - Previous inequalities in spending in Cape Town are reflected by the lack of public amenities, including parks and recreational facilities, in Khayelitsha

Source: Interviews; *Urban Renewal Spatial Development Framework: 2005*
Overview

Introduction
- Introduces the node; summarises key issues
  - Snapshot
  - Area summary
  - Key challenges

Key data points
- Lists pertinent facts and figures
  - Geography
  - Spatial development
  - Demography
  - Income and employment
  - Education
  - Health
  - Development scorecard

Current action
- Describes current interventions
  - Governance
  - Projects
Key data points

Geography

Khayelitsha is located some 35 km from the Cape Town CBD; many residents travel this distance each day by taxi or by train

Sub-areas
- The node is made up of both formal and informal settlements; formal settlements include Bongweni, Ikwezi Park, Khulani Park, Khanya Park, Tembani, Washington Square, and Zolani Park.
- Informal settlements include Site B, Site C, Green Point, Litha Park, Makaza, and Harare.

Transportation
- Khayelitsha is located approximately 35 km from the Cape Town CBD so residents have to travel long distances each day if they work in the city.
- There are numerous taxi ranks in the area and Khayelitsha contains a highly developed internal road network.
- There are four public transport interchanges and there is a planned extension of the Khayelitsha rail line.

Terrain and natural resources
- The area is flat and sandy.

Key data points
Spatial development

The majority of the population live in informal dwellings; most have access to basic services

<table>
<thead>
<tr>
<th>Key indicators: 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population density: 6,267 persons / km²</td>
</tr>
<tr>
<td>Rural / urban split: Rural 0%, urban 100%</td>
</tr>
<tr>
<td>Dwellings: Formal 36%, informal 64%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khayelitsha contains a combination of formal low-cost housing and informal housing</td>
</tr>
<tr>
<td>Many of the people who live in informal dwellings reside in shacks; these are usually constructed out of timber and recycled materials such as plastics, cardboard, old newspapers, planks and corrugated iron that are collected from rubbish dumps or bought from informal traders</td>
</tr>
</tbody>
</table>

Note: 1For electricity, basic access is defined as having electricity as the home’s source of lighting. For piped water, it is defined as having running water within 200m of the home. For telephone, it is defined as having a landline or cellular phone at the home’s disposal. Note that data are from 2001.

Key data points

Demography

Nearly 70% of the population is under 30 years old; the most commonly spoken language is Xhosa.

- **Age Distribution: 2001**
  - Total population: 329,006
  - Khayelitsha: 36% (117,760), National Average: 24% (78,008)
  - Khayelitsha: 36% (117,760), National Average: 24% (78,008)
  - Khayelitsha: 24% (77,680), National Average: 9% (28,804)
  - Khayelitsha: 9% (29,160), National Average: 1% (3,204)
  - Khayelitsha: 1% (2,980), National Average: 0% (0)

- **Gender Distribution: 2001**
  - Total population: 329,006
  - Male: 58% (191,640), Female: 42% (137,366)

- **Household size: 2001**
  - Total no. of households: 85,629
  - Khayelitsha: 54% (45,862), National Average: 40% (34,767)
  - Khayelitsha: 52% (49,541), National Average: 39% (32,858)

- **Language Distribution: 2001**
  - IsiXhosa: 96% (319,940), Sesotho: 2% (6,580), Afrikaans: 1% (1,044), Other: 1% (318)

Source: Stats SA Census 2001
Key data points
Income and employment

The population is poor; many people are unemployed or not economically active and most people earn below the household subsistence level

Annual Household Income: 2001

Employment Figures: 2001

Employment by Industry (Top Five): 2001

Work Status: 2001

Source: Stats SA Census 2001
Key data points
Education

The proportion of Khayelitsha’s residents with higher education is only half that of the rest of SA, despite a similar level of attendance of tertiary institutions among young people.

School Attendance (Age 5-24): 2001

- Khayelitsha: 25%, All Nodes: 65%, Rest of SA: 74%
- Khayelitsha: 3%, All Nodes: 67%, Rest of SA: 67%

Education Levels (Age 20+): 2001

- Khayelitsha: 15%, All Nodes: 29%, Rest of SA: 22%

Why 6-19-year-olds are not attending school: 2005

- No Money: 36%
- Left school, looking for work: 13%
- Pregnancy: 9.4%
- Illness: 9.4%
- Completed school, looking for work: 9.4%
- Left school, working: 11%
- Pre-school child: 4%
- Family commitment: 7.6%

Schools in Khayelitsha

- 38 primary schools
- 17 secondary schools
- Twelve adult centres
- Five new schools are being planned
- 55 school facilities
- One school for children with disabilities
- One technical college (False Bay College)

Note: Tertiary educational institutions include university, college, technikon and adult education
Source: Stats SA Census 2001; URP Socio-economic Report, 2006
Key data points

Health

One quarter of the Khayelitsha population is HIV positive

Per Capita Health Expenditure: 2001

<table>
<thead>
<tr>
<th></th>
<th>Khayelitsha</th>
<th>Node average</th>
<th>Rest of SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>R / Person</td>
<td>357</td>
<td>135</td>
<td>199</td>
</tr>
</tbody>
</table>

HIV Infection Rate: 2001

<table>
<thead>
<tr>
<th></th>
<th>Khayelitsha</th>
<th>Node average</th>
<th>Rest of SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Tested with HIV</td>
<td>25%</td>
<td>24%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Health care

- Khayelitsha has ten health centres that are easily accessible to the community
- There are three specific sites at which people may seek treatment for HIV / AIDS
- Support groups exist for HIV / AIDS patients
- The “Mothers to Mothers” programme (initiated by the City of Cape Town to assist mothers affected by the HIV / AIDS pandemic)
- 2,500 patients currently receive ARV treatment
- There are three community-based care centres and four ambulances that operate in Khayelitsha

Note: Statistics for City of Cape Town were used; 1HIV prevalence among antenatal patients (pregnant women)
## Key data points

### Development scorecard

**Although Khayelitsha ranks towards the bottom of the list of urban nodes, it performs better than the national average in most cases**

<table>
<thead>
<tr>
<th></th>
<th>Khayelitsha</th>
<th>Urban node average</th>
<th>All node average</th>
<th>National average</th>
<th>Difference vs national average</th>
<th>Rank out of urban nodes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty incidence (% of households below HSL)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>71.9%</td>
<td>67.1%</td>
<td>81.0%</td>
<td>65.3%</td>
<td>6.6%</td>
<td>4</td>
</tr>
<tr>
<td>Employment rate</td>
<td>34.6%</td>
<td>33.2%</td>
<td>19.3%</td>
<td>33.7%</td>
<td>0.9%</td>
<td>3</td>
</tr>
<tr>
<td>Households without basic access to water&lt;sup&gt;2&lt;/sup&gt;</td>
<td>17.0%</td>
<td>18.1%</td>
<td>55.1%</td>
<td>27.9%</td>
<td>10.9%</td>
<td>5</td>
</tr>
<tr>
<td>Households without access to electricity&lt;sup&gt;3&lt;/sup&gt;</td>
<td>24.0%</td>
<td>26.5%</td>
<td>50.3%</td>
<td>30.3%</td>
<td>6.3%</td>
<td>5</td>
</tr>
<tr>
<td>% of adults with low / no education&lt;sup&gt;4&lt;/sup&gt;</td>
<td>32.3%</td>
<td>32.2%</td>
<td>54.1%</td>
<td>40.3%</td>
<td>8.1%</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: <sup>1</sup> HSL = Household Subsistence Level and is equal to R19,200 per annum (R1,600 per month); <sup>2</sup>Defined as not having piped water within a distance of 200m of dwelling (govt. policy on minimum basic human need); <sup>3</sup>Based on households that do not use electricity as a source for lighting; <sup>4</sup>All adults aged 20+ with no schooling at secondary level or above (Stats SA indicator of educational deprivation)

Source: Stats SA Census 2001
Key data points

Income

A high proportion of households in Khayelitsha live below the household subsistence level; nodal income levels are well below the national average.

Annual Household Income: 2001

- Khayelitsha
- South Africa

% of Households Living Below Household Subsistence Level:
  - Khayelitsha: 72%
  - South Africa: 65.3%

Average Household Income in Khayelitsha, vs South Africa: 2004

- Monthly household incomes in Khayelitsha are well below the national average.

Note: 1Household income data for Khayelitsha are from 2006
Source: Stats SA Census 2001; URP Socio-economic Report, 2006
Key data points

Employment status

Low income is a result of low employment; two-thirds of people in Khayelitsha are unemployed or not economically active and employment growth has been slow over the last decade.


- Employed: Khayelitsha 35%, South Africa 34%
- Unemployed: Khayelitsha 36%, South Africa 24%
- Not economically active: Khayelitsha 42%

Employment Growth

- CAGR of number of employed persons: 1.1%
- 1995-2004: 0.5%
- 2000-2004: 1.1%

Source: Stats SA Census 2001; Quante
Key data points

Employment status (Continued)

Of those employed, about 40% work for a wage or salary in the private sector

Type of Employment (Employed Population): 2006

- Work for private person 30.6%
- Work for wage / salary in informal sector 4.5%
- Labour contractor 7.7%
- Self-employed / employer in informal sector 4.5%
- Work for FBO / NGO / CBO 1.8%
- Self-employed / employer in formal sector 1.3%
- Agriculture 0.9%
- Work for local / provincial / national govt 4.3%

Reason for Not Looking for Work: 2006

- Could not find work 51%
- Scholar / Student 32%
- Unable to find work due to illness 7%
- Pensioner / Retired 3%
- Homemaker or housewife 3%
- Choose not to work 2%
- Seasonal worker not working presently 1%

Note: 1The category “not completed” was left out of the graph; it amounted to approximately 4%
Source: URP Socio-economic Report, 2006
Key data points

Formal employment by sector

A high proportion of people in Khayelitsha are employed in the wholesale and retail sector or in private households

<table>
<thead>
<tr>
<th>Sector</th>
<th>% of Employed Population aged 15-65</th>
<th>No. of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale &amp; retail trade</td>
<td>18.9%</td>
<td>14,919</td>
</tr>
<tr>
<td>Private households</td>
<td>18.5%</td>
<td>14,595</td>
</tr>
<tr>
<td>Community, social &amp; personal services</td>
<td>14.4%</td>
<td>11,376</td>
</tr>
<tr>
<td>Construction</td>
<td>12.3%</td>
<td>9,724</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9.9%</td>
<td>7,828</td>
</tr>
<tr>
<td>Financial &amp; business services</td>
<td>9.2%</td>
<td>7,269</td>
</tr>
<tr>
<td>Transport, storage &amp; communication</td>
<td>5.3%</td>
<td>4,213</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>2.1%</td>
<td>1,673</td>
</tr>
<tr>
<td>Electricity, gas &amp; water supply</td>
<td>0.4%</td>
<td>318</td>
</tr>
</tbody>
</table>

No. of Jobs | 14,919 | 14,595 | 11,376 | 9,724 | 7,828 | 7,269 | 4,213 | 1,673 | 318

Note: ¹The categories “Mining and Quarrying” (0.1%) and “Undetermined” were left out; ²This covers the public sector, i.e., civil servants, teachers, health care workers, police, etc.

Source: Stats SA Census 2001
Key data points

Gross domestic product (GDP)

Khayelitsha’s GDP has increased gradually over the past decade, however, its GDP growth and GDP per capita figures are far below those of the Western Cape.
Key data points

GDP by sector

Wholesale and retail trade accounts for a large share of nodal GDP; this sector also shows promising growth.
Key data points
GDP and employment growth

The retail and financial services sectors have shown promising growth over the past decade; they are also relatively large employers and should aim to continue expanding.
Overview

Introduction
- Introduces the node; summarises key issues
- Snapshot
- Area summary
- Key challenges

Key data points
- Lists pertinent facts and figures
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- Spatial development
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Current action
- Describes current interventions
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- Projects
Governance

Urban renewal institutional framework structure
A large proportion of the URP’s budget is spent on anchor projects in Khayelitsha; the private sector is an important source of funding.

Source: Business Plan for Urban Renewal Programme: Khayelitsha and Mitchell’s Plain
## Projects

### Development projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Objectives</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khayelitsha Rail Extension</td>
<td>Extension of rail line to include two more stations with transport interchanges, four road-over-rail bridges and four pedestrian bridges</td>
<td>• To improve access to affordable public transport while allowing opportunities to access jobs in the city and surrounding areas</td>
<td>R161,300,000</td>
</tr>
</tbody>
</table>
| Khayelitsha CBD              | Construction of transport interchange, public space, sports facilities, a retail centre, municipal offices, a service station, housing and magistrates’ courts | • To leverage private investments, and generate job opportunities and disposable income for the Khayelitsha community  
• To create a catalyst for more private sector developments  
• To create job opportunities for local communities during and after the construction phase of CBD  
• To create potential for local empowerment | R380,000,000 |
| HIV / AIDS and related problems | • Upgrade of Matthew Goniwe Clinic, Kuyasa Clinic and Youth Facility, Site C  
• HIV / AIDS awareness / education, counselling and testing  
• Treatment of infections and provision of ARVs at the TB / HIV / AIDS Centre – Site B  
• Nutrition support and income generation of activities for HIV-positive mothers and families as well as TB sufferers  
• Rape survivor centre – Site B | • To prevent the further spread of HIV / AIDS  
• To deal with the current high level of HIV infections and related illnesses such as TB as well as the underlying causes of the pandemic such as poverty and malnutrition  
• To eradicate and prevent opportunistic illnesses such as HIV / AIDS | R79,640,000 |
| Housing / Land               | • Site C consolidation and tenure  
• Greenpoint phase 11 services and houses  
• Kuyasa phase 11 houses  
• Silvertown upgrade  
• Informal settlement upgrading | • To provide housing opportunities, services and secure tenure for those in need  
• To create jobs in construction | R167,710,000 |

Source: City of Cape Town website
Khayelitsha poverty node

● Research process

● Overview

● Themes
  – Residential life
    – Commercial activity
    – City linkages

Improving the quality of residential life
  ● Existing circumstances
  ● Priorities for the development

● Summary

● Appendix
Khayelitsha and Mitchell’s Plain

Note: Dreamworld Studio site not to scale
The housing crisis in Cape Town

A large proportion of Cape Town’s households live in shacks, but there is no consensus about the precise number or about the split between informal settlements and backyard shacks.

**Quantifying the housing backlog**

It is unclear how large the city’s housing backlog is.

- According to Census 2001, approximately 143,000 (18%) of the city’s 779,000 households live in shacks.
  - 33,000 (30%) live in backyard shacks.
  - 110,000 (70%) live in informal settlements.
- According to Cape Town’s IDP 2006/07, as many as 265,000 (30%) of the city’s 875,000 households live in shacks.
  - 150,000 (57%) live in backyard shacks.
  - 115,000 (43%) live in informal settlements.

Source: Census 2001; Cape Town, IDP 2006/07
The housing stock in Khayelitsha differs from that of Mitchell’s Plain

Housing in Mitchell’s Plain has a similar profile to that of the city as a whole; housing in Khayelitsha is predominantly informal

![Household Dwelling Types; Cape Town, Khayelitsha, Mitchell’s Plain: 2001](chart)

- **Cape Town**
  - House on Plot: 57%
  - Flat / Townhouse or Flat / Room on Shared Property: 30%
  - Backyard Shack: 4%
  - Informal settlement: 17%
  - Other: 5%

- **Mitchell's Plain**
  - House on Plot: 75%
  - Flat / Townhouse or Flat / Room on Shared Property: 19%
  - Backyard Shack: 7%
  - Informal settlement: 5%
  - Other: 3%

- **Khayelitsha**
  - House on Plot: 56%
  - Flat / Townhouse or Flat / Room on Shared Property: 19%
  - Backyard Shack: 5%
  - Informal settlement: 3%
  - Other: 3%

In Mitchell’s Plan, 75% of households live in formal houses. In Khayelitsha the proportion is only 32%

Although Khayelitsha accounts for only 11% of the city’s households, it contains 39% of its shacks

The scale and character of the housing crisis differs across the two nodes

Note: The Cape Town IDP does not provide details of its estimates of housing needs by area
Source: Census 2001
The differences in housing stock

Housing in Mitchell’s Plain tends to be formal

Housing in Khayelitsha tends to be informal
Comparing the Cape Town nodes’ housing crises

<table>
<thead>
<tr>
<th>Housing issues in Mitchell’s Plain</th>
<th>Housing issues in Khayelitsha</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Most households live in formal houses, but …</td>
<td>● Much of the housing in Khayelitsha is informal, and …</td>
</tr>
<tr>
<td>● … Overcrowding is frequently intense</td>
<td>● … Continued population growth and the decreasing size of households is putting increasing pressure on housing supply</td>
</tr>
<tr>
<td>The housing backlog is invisible, but is thought to be very large</td>
<td>There is a massive need for low-cost housing</td>
</tr>
<tr>
<td>Empty land is available, and present low-densities can be increased through infill housing</td>
<td>● There is very little empty land available and land required for other uses has been invaded</td>
</tr>
<tr>
<td>Residents are increasingly likely to seek to make their crisis visible by invading open land</td>
<td>Locating and securing land for low-cost housing is a serious challenge</td>
</tr>
</tbody>
</table>
Introduction

What would increase the willingness of individuals and developers to invest in housing in Khayelitsha?

The following issues are likely to matter most:

- Location in relation to work
- Quality-of-life issues
  - Quality of municipal services
  - Education
  - Safety and security
  - Access to shopping and entertainment
- The return on investment in housing
  - Supply and demand issues
  - Enforceability of contractual rights

Is Khayelitsha a good place for developers and home-owners to invest in?
Housing in Khayelitsha

Khayelitsha’s housing crisis is a result of its historical backlog combined with rapid population growth because it is a reception area largely for people from the Eastern Cape.

Khayelitsha’s population grows by 19,500 people (or 5,500 households) every year.

Note: Household growth rates exceed population growth rates because migrant households are often small and because existing households fragment.

Source: Census 2001; Western cape Population Unit, Khayelitsha Population Register Update, 2005
The pressure of migration to Cape Town in general, and Khayelitsha in particular, complicates the housing crisis. Because many migrants to Khayelitsha prefer to build homes in the Eastern Cape, population growth is not matched by increased availability of subsidies.

Source: Census 2001; City of Cape Town, Demographics Characteristics of Cape Town, 2004
Rapid population growth, combined with existing housing backlogs, explains the dominance of informal housing in the housing stock

Although some areas in the township have a mix of housing, there are none without some informal housing; nor is there much open space available

**Site B**
High-density informal settlement established in mid-1980s

**Site C**
High-density informal settlement established in mid-1980s

**Illitha Park / Harare**
Established area of old township stock and some RDP housing, with infill informal housing

**Kuyasa**
Large greenfields development for low-cost housing

**Enkanini**
Large low-density informal settlement established after land invasion in past 18 months

Source: MCA Planners, *UR SDF for Khayeltisha and Mitchell’s Plain, 2006*
The availability of appropriate land in Khayelitsha complicates the delivery of low-cost housing

The impact of land scarcity is felt in different ways in different parts of Khayelitsha

- The upgrading of the high-density informal settlements, especially in Site B and C, cannot progress unless households can be housed somewhere during construction.

- The invasion of strategic land – including road and rail reserves, flood plains and schools – undermines development in the township.

- The development of the area around Nolungile Station is obstructed by the presence of large numbers of shacks which must be cleared.

- Sensitive coastal areas, which are also areas with relatively high developmental potential, are threatened by invasion as population pressure mounts.

Khayelitsha’s housing crisis can be solved only by using land outside the area and/or by building low-cost housing at much higher densities.
Dealing with Khayelitsha’s housing crisis requires a number of strategies.

Some areas in Khayelitsha will have to be dedensified, while housing in other areas should be densified, and some building outside the area is needed.

Where not to build

- Dedensifying strategic areas
- Protecting open spaces

Where to build

- Focusing on the commercial / transport hubs
- Densifying residential areas
- Upgrading informal settlements
- Building outside of Khayelitsha’s current built-up areas

The strategic development of the urban form is essential if Khayelitsha is to become a sustainable human settlement.
The issue of where not to build or to dedensify is linked to the question of where development should occur.

Only by coordinating a strategy of de-densification and development can some of the challenges be overcome.

All of these elements must be managed simultaneously since each affects the others.
Dedensifying strategic areas, especially around transport hubs, is required if the quality of life in Khayelitsha is to improve.

Urban renewal needs to focus on key precincts in which the development of a sustainable human settlement can be achieved.

De-densification of strategic areas must be linked to:

- A number of areas in Khayelitsha consist exclusively of high-density informal settlements.
- These areas are unsafe, unhygienic, and, in some cases, the land is required for other purposes.
- Addressing this challenge is complicated by:
  - The lack of land in Khayelitsha, especially land that is close to transport hubs.
  - The lack of social capital and institutions capable of negotiating the orderly movement of people from one area to another while in situ upgrading takes place.

... the upgrading of transport / commercial hubs, and:

- Focusing de-densification efforts around transport hubs improves the sustainability of the human settlement, while increasing the viability of business in the area.
- Since areas around the transport hubs are the most desirable locations in which to live, de-densification and upgrading create the possibility of attracting developers of both commercial property and affordable housing.

... the upgrading of informal settlements:

- De-densification efforts need to be linked to the construction of formal housing both in situ and in new developments.
  - Getting people to move to new developments requires ensuring that the structures, services, and tenure is sound, and that the areas are accessible.
  - In situ upgrading of informal settlements such as Site B and Site C requires a high level of social capital and trust.
Improving the quality of residential life requires the protection of open spaces and the management of their development

In general, open spaces are most secure when the community believes that the spaces will be used for development

- Khayelitsha has very little open space, much of which is often under threat of invasion
- Invasion of land on the outskirts of Khayelitsha, as has been the case in Enkanini, is a perennial danger
- Some areas, such as Monwabisi and, when it becomes available, Swartklip, have a great deal of potential which needs to be protected

Increasing residential densities, especially around the transport hubs, would make Khayelitsha more viable and would address some of the effects of the area’s marginalisation
- Densification requires:
  - Formalising tenure in areas in which this is problematic
  - Developing affordable medium-rise building models in both the low-cost housing and affordable housing markets

Ultimately, Khayelitsha’s housing crisis is unlikely to be resolved entirely through construction within the area’s existing boundaries
- Potential areas for relocation / development include:
  - Open spaces closer to the CBD and other economic nodes in the city
  - Infill housing development in Mitchell’s Plain
  - The Swartklip site when it becomes available
In order to finance the upgrading of informal settlements, it is essential that migrants to Khayelitsha choose to use their housing subsidies there. Turning tenuous migrants into more committed ones requires an integrated strategy from the city.

“One of the big problems we have is that many of the people who come to Khayelitsha leave their families behind in the rural areas. So you’ve got a situation where they actually don’t want to build their houses here. They would much rather spend their subsidy at home and live in a shack here.”

– Planning official, City of Cape Town

The factors that might encourage migrants to commit to building homes in Khayelitsha include:

- Improving their prospects of being employed in Cape Town
- Improving the quality of education available in the area
- Building a greater sense of community in Cape Town
- Reconfiguring the terms of the subsidy to ensure that recipients live in areas in which the house is built

Building commitment to the cities
If the bulk of Khayelitsha’s housing problem lies in the low-cost housing space, then some opportunities in the gap housing market exist. Maximising these opportunities will help restructure Khayelitsha’s urban form, create new housing opportunities, and promote economic activity in the area.

Source: UR SDF for Khayelitsha and Mitchell’s Plain; Google Earth
Swartklip

Development in Swartklip could promote the local economy, unlock the development of Nolungile, integrate Khayelitsha and Mitchell’s Plain, and create environmental amenities

**Current use**
- Having been designed as a buffer zone between the two areas, Swartklip sits between Khayelitsha and Mitchell’s Plain, running 3 km along the border of each
- Owned by Denel
- Home to an ammunition factory that is likely to be relocated during Denel’s future restructuring
- Much of the land is undeveloped with “pristine” dunes and green areas

**Future use**
- The Urban Renewal SDF suggests that the key roles for Swartklip in the future revolve around:
  - Integrating Khayelitsha and Mitchell’s Plain communities through the creation of shared amenities
  - Mixed-use development of housing, commercial areas and possibly some light industrial activity
  - A green public amenity
- In addition to this, using development in Swartklip strategically could unlock the re-development of neighbouring Nolungile, since residents of Site C might be relocated to developments in Swartklip

**Issues to be addressed**
- The release of the land has yet to be secured
- Although the municipal authorities should take a view on the strategic use of Swartklip, experience in the Khayelitsha CBD suggests that planning should be done in collaboration with potential developers of commercial infrastructure and affordable housing
- In 2004, Swarklip products employed 550 people; many may lose their jobs if the factory relocates
**Old Mutual Properties site**

*Development of gap housing on the OMP site will help densify and formalise Khayelitsha, while also making housing available to people who work in the Khayelitsha CBD*

<table>
<thead>
<tr>
<th>Current use</th>
<th>Future use</th>
<th>Issues to be addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>• An area of about 10 ha was purchased in the mid-1990s with the intention of developing it in the future.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The land is currently empty, and has been protected from invasion by the community on the basis that it is the site of future development.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• OMP has plans for a mixed-use development with 540 affordable housing units in the R200,000-R300,000 range.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Building of show units to gauge the market will commence before the end of 2006.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• These plans are currently subject to some uncertainty as OMP is not convinced about the extent of demand for cluster housing and housing at these prices.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• It hopes to be able to negotiate that the city makes a contribution to the development by, for example, installing bulk infrastructure at its expense in order to manage final costs to buyers in an environment of steep building-cost inflation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Although this development would improve the urban form, whether this kind of investment should be subsidised, and to what extent, is controversial.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Access to decision-makers seems to be an obstacle.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Monwabisi Resort

### Current use
- A beach facility with pool, braai areas, toilets, etc. exists
- The land around the resort and across Baden Powell Drive is undeveloped
- Open spaces are sometimes used for initiation and for harvesting medicinal plants
- There appears to be some risk that the open land will be invaded as the Enkanini informal settlement grows

### Future use
- The beach amenities are being upgraded and could be sold off
- The potential of a development of affordable housing in the Monwabisi area is huge given the view
- Maintaining the quality of the natural environment must remain a priority, however

### Issues to be addressed
- There are some factors which will hamper development in the area
  - The area is extremely windy, which, together with the blown sand, might weaken demand and/or raise construction and maintenance costs
  - The requirements of a rigorous environmental impact assessment might not be met
- Ensuring the timeous and cost-effective release of land is key to development prospects
- Apart from setting broad strategic objectives for the area, the authorities should seek to work with developers in planning the development
## Evaluation sheet: Residential life theme

**Is Khayelitsha a good place for developers and homeowners to invest in?**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Comment</th>
<th>Attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in relation to work</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity to work</td>
<td>Khayelitsha is far from the CBD as well as the other areas of Cape Town in which the economy is growing</td>
<td></td>
</tr>
<tr>
<td><strong>The quality of life in Khayelitsha</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of municipal infrastructure / services</td>
<td>Although there have been some improvements, housing and roads are a problem in many areas</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>Apparently improving, but off a low, low base</td>
<td></td>
</tr>
<tr>
<td>Crime levels</td>
<td>High, but improving</td>
<td>0</td>
</tr>
<tr>
<td>Access to shopping and entertainment</td>
<td>Access to shopping is improving</td>
<td>0</td>
</tr>
<tr>
<td><strong>Return on investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply and demand</td>
<td>There is too little construction of low-cost housing</td>
<td></td>
</tr>
<tr>
<td>Property rights</td>
<td>In informal settlements, tenure problems remain</td>
<td>0</td>
</tr>
</tbody>
</table>
Khayelitsha poverty node

- Research process
- Overview
- Themes
  - Residential life
  - Commercial activity
  - City linkages

Stimulating commercial activity
- Existing commercial activities
- Future developments

- Summary
- Appendix
Introduction

Question

What would make business in Khayelitsha / Mitchell’s Plain more viable and, therefore, encourage investment into the sector?

Core issues

The following issues are likely to matter:

- The spatial concentration of spending
  - Density levels
  - Accessibility
- The existence of commercial infrastructure
  - Zoned land well integrated into the area
  - Available space of appropriate quality
- General environment
  - Levels of crime
  - The quality of governance
- Business opportunities exist
  - The extent of competition
  - The income of the community
  - Gaps in the market and attractiveness of the area to national brands

Is Khayelitsha / Mitchell’s Plain a good place for businesspeople to invest in?
Khayelitsha and Mitchell’s Plain are poor areas, where most households have to make do on incomes well below national averages.

Even though most of the Metropolitan South East area is relatively poor, residents of Mitchell’s Plain generally earn higher incomes than residents of Khayelitsha.

Although income and employment levels in Mitchell’s Plain compare reasonably well with the national averages, Khayelitsha’s residents are very poor.

Source: Stats SA Census 2001; URP Socio-economic Report, 2006
Notwithstanding household poverty in the area, the sheer number of people has created a market large enough to justify a number of commercial hubs.

Over 800,000 people live in Khayelitsha and Mitchell’s Plain, and their combined purchasing power is served through a number of large, formal commercial developments.

- **Westgate Shopping Centre** is located on one of Mitchell’s Plain’s main arterial roads.
  - It is a large banking and retail centre, with many national clothing and food retailers.

- The 58,000m² **Liberty Promenade** is within walking distance of the train station.
  - Most of its tenants are national brands.
  - The centre is highly successful and looking to expand.

- **Informal Trading Area** will host many of Mitchell’s Plain’s 1,000 informal traders from early 2007.

- **Station Plaza** is located between the Mitchell’s Plain train station and the taxi rank / town centre.
  - It is occupied mostly by local traders selling food and clothing.

- **Nolungile / OR Tambo** train station and taxi rank is close to the informal settlement of Site C.
  - Contains many informal traders and butchers.

- **Nonqubela Station** serves Site B.
  - The **Sanlam Centre**, adjacent to the station, contains some national chains as well as several locally owned stores.

- The **Khayelitsha CBD**, located next to the Khayelitsha Station, features an open-air retail centre, as well as space dedicated to informal traders.

The relationship between commercial developments in Khayelitsha and Mitchell’s Plain is, to some extent, competitive, but …

Mitchell’s Plain is a popular alternative shopping destination for Khayelitsha residents, so developments in one area affect the other.

### Shopping Areas Used by Khayelitsha Residents: 2001

<table>
<thead>
<tr>
<th>Area</th>
<th>% of Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khayelitsha CBD</td>
<td>84%</td>
</tr>
<tr>
<td>Mitchell’s Plain</td>
<td>74%</td>
</tr>
<tr>
<td>Khayelitsha (Other Shops)</td>
<td>73%</td>
</tr>
</tbody>
</table>

### Impact of Khayelitsha Shoppers on Mitchell’s Plain

- In rand terms, middle- to upper-income stores in Mitchell’s Plain tend to make around 10-20% of their sales from Khayelitsha residents.
- Low- to middle-income stores make 15-20% of their sales to people from Khayelitsha.
- Low-income chains currently have a major share of their business from Khayelitsha residents, sometimes up to 40% or more.

Source: *Khayelitsha Retail Strategy* (Market Decisions, 2001); Monitor interviews
... a glance at the map suggests that commercial development in Khayelitsha and Mitchell’s Plain must be coordinated.

Administrative boundaries notwithstanding, the economies of Mitchell’s Plain and Khayelitsha are bound together.

The Khayelitsha / Mitchell’s Plain area is too poor and too compact to justify more than a single high-order commercial node and a number of lower-order nodes.

Source: Khayelitsha Population Register Update, 2005; Stats SA Census 2001
By far the most developed commercial node in Khayelitsha / Mitchell’s Plain is the Mitchell’s Plain CBD

The development of the Mitchell’s Plain CBD is probably the most successful project in all the urban nodes

- The Mitchell’s Plain Town Centre, a URP anchor project, incorporates several developments, including a 58,000m² retail plaza, a smaller shopping centre in the train station, an extension of the town centre, two major transport interchanges, and improvements to public spaces in the area.
- R150m worth of public investment was invested over a period of four years, a large proportion of which was spent on public transport interchange infrastructure.
- A strong project team from the city led the Mitchell’s Plain CBD process; they took responsibility for implementation and decision-making at the project level.
- The team also helped to consolidate the highly fractured business community that operates in the area; they facilitated agreement between 24 taxi associations and five hawker associations.
- The project has created many temporary and permanent employment opportunities for local residents.

Source: Shared Learnings From the City of Cape Town’s URP (MCA Planners, 2006); Monitor interviews
The Khayelitsha CBD is a recently developed second-order commercial node in the area

The Khayelitsha Business District (KBD) is a landmark private / public investment that is designed to benefit the Khayelitsha community

- The R350m development is a mixed-use business district located next to a key train station through which thousands of people travel every day
- It includes a 17,500m² retail centre, a service station, public sector offices and facilities, offices for the private sector, sports facilities, residential units, a bus and a taxi terminal, landscaping, public spaces and “greening”
- Public services are also being located in the CBD, including a Home Affairs office, a hospital and offices for the Department of Social Development
- The KBD development is a joint venture between the city and the private sector; it also directly involves the community of Khayelitsha represented through the Khayelitsha Community Trust

Source: Shared Learnings From the City of Cape Town’s URP (MCA Planners, 2006); Monitor interviews
The success of commercial nodes in Khayelitsha / Mitchell’s Plain owes a great deal to their co-location with transport hubs.

In both Khayelitsha and Mitchell’s Plain, commercial areas have emerged around transport interchanges, “pinch points” through which thousands of people travel every day.

Working with the natural flow of people through the area means that commercial developments are more likely to be viable.
Existing developments, however, have not exploited all the opportunities in Khayelitsha / Mitchell’s Plain

- The Mitchell’s Plain CBD development is not complete
- Additions include the development of a taxi terminal, road extensions, construction of new parking areas, upgrading of the town centre and creating “pedestrian-friendly” streets
- The highly successful Liberty Promenade is looking to increase its gross lettable area (GLA)

- Nolungile serves Khayelitsha’s northern areas, especially the densely populated Site C
- The site has the potential to become a thriving commercial centre but will have to be rebuilt so that trading in the area can become more organised
- The reconstruction of Nolungile is expected to increase the viability of the Sanlam Centre

- The Khayelitsha CBD is not yet complete
- Many of the informal traders from the area have yet to occupy the space that has been designated to them

- Kuyasa is one of the new stations that will be built once the Khayelitsha train line has been extended
- The commercial centre that will be developed around the station should be based on the station plaza in Mitchell’s Plain (i.e. an accessible corridor linking the station to the centre in which local residents can locate their businesses)

- From a commercial point of view, Mnandi and Monwabisi beaches remain completely unexploited

Source: MCA Planners, *Urban Renewal SDF for Khayelitsha and Mitchell’s Plain*, 2006; Monitor interviews
An ongoing challenge in Mitchell’s Plain is the high level of gang activity in the area.

Many of the challenges faced by the Mitchell’s Plain community are related to gang activity in the area.

- Gang activity on the Cape Flats is rife in less affluent areas such as Tafelsig.
- Gangs are territorial and gang wars are often started over “turf” issues.
- In some cases gangsters threaten, intimidate and extract “tribute” from businesses.
- Gangs are also responsible for most of the drug deals in the area, as gang leaders are also drug lords.

Gangs in Mitchell’s Plain vandalised this shopping area in Tafelsig, forcing the businesses to shut down or move elsewhere.

Source: URP Socio-economic Report, 2006; Monitor interviews
Crime is a problem for businesses operating in Khayelitsha

Attitudes Towards Crime: Results of the URP socio-economic profile of Khayelitsha

- Khayelitsha residents were asked whether they feel safe to move around in their area and whether or not safety has improved in the past year
- 50% of the residents in Khayelitsha feel that it is not safe to move around in their area during the day; this percentage rises to a disturbing 94% when residents were asked whether they feel unsafe to move around at night
- When asked whether the safety in Khayelitsha has improved in the last year, 74% said it has not

Crime at the Sanlam Centre

- Shop owners have had to hire additional security or have left the centre
- Banks cited crime as the main reason for closing
- Muggings and attempted robbery are the main crimes that are committed in the area

Source: URP Socio-economic Report, 2006; Khayelitsha Retail Strategy (Market Decisions, 2001); Monitor interviews
Another challenge faced by the commercial sector is continued leakage to competing shopping areas.

The most popular alternative shopping areas for residents of Khayelitsha / Mitchell’s Plain are the Cape Town CBD, Claremont, Bellville and Parow.

Source: Khayelitsha Retail Strategy (Market Decisions, 2001); Google Earth; Monitor interviews
This could be limited by addressing crime and improving public facilities, particularly in Khayelitsha

Research conducted in Khayelitsha reveals that alternative shopping areas offer a greater variety of stores and products in addition to increased security

<table>
<thead>
<tr>
<th>Reasons for shopping in Khayelitsha</th>
<th>Reasons for shopping in other areas</th>
<th>What can be done to improve shopping in Khayelitsha?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close to home</td>
<td>Close to work</td>
<td>Improve security</td>
</tr>
<tr>
<td>Better prices</td>
<td>Store variety</td>
<td>Provide public toilets</td>
</tr>
<tr>
<td>Cheaper to travel</td>
<td>Feel safer</td>
<td>Increase range of stores</td>
</tr>
<tr>
<td>Convenient</td>
<td>Better prices</td>
<td>Increase range of banking services</td>
</tr>
<tr>
<td>Product variety</td>
<td>Provide ATMs</td>
<td></td>
</tr>
<tr>
<td>Cleaner</td>
<td>Change open design to under-cover retailing</td>
<td></td>
</tr>
</tbody>
</table>

Reasons for patronage of shopping centres, Khayelitsha residents: 2001

Source: Khayelitsha Retail Strategy (Market Decisions, 2001)
# Assessment of shopping in Khayelitsha

*Competition exists between local shopping facilities and commercial centres outside Khayelitsha*

<table>
<thead>
<tr>
<th>Variety of products on offer</th>
<th>Shopping in Khayelitsha</th>
<th>Shopping in other areas</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>+</td>
<td>Groceries are easy to obtain within Khayelitsha and most goods can be found in the CBD, however, competing shopping centres sometimes offer a greater variety</td>
</tr>
</tbody>
</table>

| Quality of facilities       | -                       | +                       | Facilities such as public toilets and convenient parking are lacking in Khayelitsha’s shopping areas; cleaner, nicer facilities exist in nearby areas such as Mitchell’s Plain |

| Opening hours suitable to shoppers’ requirements | +                       | -                       | Many informal traders and spaza shops begin operating before 7am and close late in the evening; large shopping malls are more likely to keep office hours |

| Safety and security         | -                       | +                       | Khayelitsha residents are wary of crime, particularly on trains and when it begins to get dark; therefore, other shopping centres may be perceived to be safer than those in Khayelitsha |

| Accessibility               | +                       | -                       | Khayelitsha’s shopping centres are all located near train stations or taxi ranks; informal traders and spaza shops can also be found throughout the area |

| Social acceptance           | +                       | +                       | Khayelitsha residents believe in supporting local business, although shopping outside Khayelitsha is associated with increased wealth and social rising |

| Convenience                 | +                       | -                       | Residents of Khayelitsha find shops nearer their homes more convenient as they are closer; this also means that shoppers have to carry parcels a shorter distance |

Source: Monitor interviews; *Khayelitsha Retail Survey*, 2001
The informal sector is an important employer in Khayelitsha / Mitchell’s Plain, but informal traders face many constraints

A vibrant informal sector exists in both Khayelitsha and Mitchell’s Plain

Demarcated Informal Trading Bays: 2003

Goods and services sold by the informal sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Goods</th>
<th>Services</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>Fruit</td>
<td>Hairdressers</td>
<td>Tobacco</td>
</tr>
<tr>
<td></td>
<td>Vegetables</td>
<td>Barbers</td>
<td>Clothes</td>
</tr>
<tr>
<td></td>
<td>Bread</td>
<td>Beauty salons</td>
<td>Shoes</td>
</tr>
<tr>
<td></td>
<td>Milk</td>
<td>Shoe repairs</td>
<td>Accessories</td>
</tr>
<tr>
<td></td>
<td>Sweets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Drinks</td>
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<td></td>
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<tr>
<td></td>
<td>Snacks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
<td>Tobacco</td>
<td></td>
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<tr>
<td></td>
<td>Clothes</td>
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<tr>
<td></td>
<td>Shoes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accessories</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Constraints faced by the informal sector

- Inability to obtain financing
- Cash flow difficulties that arise from customers buying goods on credit
- High levels of competition
- Misconceptions about tax regulations
- Lack of technical support
- Lack of space
- Lack of security

Source: City of Cape Town Economic and Human Development Strategy, 2006; Monitor analysis
Helping informal businesses to formalise would help them to increase turnover and employ more people

- Informal business
  - Have the capacity to hire more employees
  - Increased turnover
  - Able to devote time to marketing and promoting business

- Formal business now a registered taxpayer
  - Able to obtain loans
  - Able to purchase equipment / vehicles / storage facilities / premises
  - Able to upgrade services and infrastructure
Recommendations for increasing business viability focus on encouraging formalisation and increasing the longevity of existing entrepreneurs

- Informal businesses require support in terms of the provision of infrastructure
  - Both the Khayelitsha and the Mitchell’s Plain CBDs have allocated space and facilities for informal traders

- Many informal traders fear formalisation
- They over-estimate the tax implications of registering with SARS and under-estimate the benefits, including:
  - Access to capital
  - Access to training
- Traders therefore require information explaining how and why they should formalise

- LED strategies should focus on helping informal businesses to formalise and helping formal businesses to increase their longevity
Some successful projects may be worth replicating elsewhere; the Khayelitsha CBD is unique in that it is designed to benefit the local community.

- In 2001, the city signed an agreement with Rand Merchant Bank to secure R260 million **private sector funding** for the Khayelitsha CBD project.
- An additional R90 million was funded by the **public sector** in order to provide bulk services and infrastructure.
- The development is currently owned by the **Khayelitsha Community Trust** and managed by **Futuregrowth Properties**.
- The trust is responsible for assisting local residents to obtain employment in the retail centre and will **reinvest in the community** once its financial obligations are settled.
- Through the trust, the Khayelitsha community will eventually own the CBD development.
- It has been suggested, however, that it is difficult to get all of the members of the Khayelitsha Community Trust to meet on a regular basis.

**KBD financial and institutional arrangements**

Source: *Shared Learnings From the City of Cape Town’s URP* (MCA Planners, 2006); Monitor interviews
The Station Plaza is another example of a retail development that enables local people to benefit in the long run.

The Station Plaza has managed to capitalise on a transport hub; it also employs local residents.

- The **Station Plaza** is a particularly successful retail development, largely due to its **accessibility** and its **location in a viable area**.
- It is situated in a corridor linking Mitchell’s Plain station to the town centre.
- Floor space in the Plaza is relatively **expensive to rent** (R350/m² per month), yet the mall has a 100% occupancy rate.
- This is largely because tenants occupy **small shops** of around 10m², so local businesses can afford to rent premises in the plaza.
- Almost all the stores are owned by **local residents** and employ people from Mitchell’s Plain.
- The success of the centre is attributable to **effective planning** and project leadership.

Source: Monitor interviews
New developments should replicate successful models

- Replicate and improve on the Khayelitsha trust model in other communities
- Replicate the management and operational model of Mitchell’s Plain Station Plaza in Kuyasa
## Assessment of the retail market in Khayelitsha

<table>
<thead>
<tr>
<th>Category</th>
<th>Locally owned businesses</th>
<th>National chains / brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>General groceries</td>
<td>A variety of Spaza shops and hawkers may be found throughout Khayelitsha</td>
<td>Shoprite and Pick ‘n Pay both have branches in Khayelitsha</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Local taverns and shebeens are active in the area; there is potential for local restaurants and cinemas</td>
<td>There are several national restaurant chains in Khayelitsha</td>
</tr>
<tr>
<td>Clothing &amp; apparel</td>
<td>A variety of clothing can be bought from formal and informal traders in Khayelitsha</td>
<td>Most of the popular national chains can be found in Khayelitsha</td>
</tr>
<tr>
<td></td>
<td>There is little evidence of locally owned furniture stores; second-hand furniture is sold at the side of the road</td>
<td>Most national furniture stores have branches in the area including Protea, Morkels, Joshua Doore, Bears</td>
</tr>
<tr>
<td>Furniture &amp; durables</td>
<td></td>
<td>National brand hardware is active in the market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A number of petrol stations can be found</td>
</tr>
<tr>
<td>Petrol &amp; automotive</td>
<td>Informal car repairs and backyard mechanics can be found in the area</td>
<td>Limited representation of small trading activity, but of questionable viability</td>
</tr>
<tr>
<td>Small retail, e.g. flowers, gifts, stationery</td>
<td>Some hawkers and informal businesses may be found selling this type of product</td>
<td></td>
</tr>
</tbody>
</table>

Source: Monitor interviews
### Evaluation sheet: Commercial activities

**Is Khayelitsha a good place for business people to invest in?**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Comment</th>
<th>Attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The spatial concentration of spending</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Density levels</td>
<td>Density levels vary throughout the area</td>
<td>0</td>
</tr>
<tr>
<td>Accessibility (public transport)</td>
<td>Commercial centres are easily accessible</td>
<td>+</td>
</tr>
<tr>
<td>Distance to city and spending leaving area</td>
<td>Much spending leaves the area, particularly to shopping centres in Mitchell’s Plain</td>
<td>−</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of commercially zoned land for development</td>
<td>Limited zoned land is available for commercial development</td>
<td>−</td>
</tr>
<tr>
<td>Availability of commercial space</td>
<td>Most commercially developed land is occupied although the CBD is still being developed</td>
<td>−</td>
</tr>
<tr>
<td>Quality of commercial space</td>
<td>Some problems with existing facilities exist</td>
<td>0</td>
</tr>
<tr>
<td>Commercial space integration into town planning</td>
<td>Main commercial precincts are easily accessible and close to a transport hub</td>
<td>+</td>
</tr>
<tr>
<td><strong>General environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levels of crime</td>
<td>Crime rates are high</td>
<td>−</td>
</tr>
<tr>
<td>Governance</td>
<td>Governance is good</td>
<td>+</td>
</tr>
<tr>
<td><strong>Business opportunity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The extent of competition</td>
<td>Market is intensively served</td>
<td>−</td>
</tr>
<tr>
<td>The income of the community</td>
<td>Community is very poor, low disposable income</td>
<td>−</td>
</tr>
<tr>
<td>Remaining opportunities in the market</td>
<td>There are several opportunities in the market that have good potential</td>
<td>+</td>
</tr>
<tr>
<td>National brands attract spending active in area</td>
<td>Many national brands attract spending, especially in grocery and clothing retail</td>
<td>−</td>
</tr>
</tbody>
</table>
Khayelitsha poverty node

- Research process
- Overview
- Themes
  - Residential life
  - Commercial activity
- City linkages

Linking the nodes to cities’ economies
- Physical linkages
- Virtual linkages

- Summary
- Appendix
Introduction

Question

What would help Khayelitsha and Mitchell’s Plain become places in which members of the working class would want to live?

Core issues

The following issues are likely to matter:

- Better access to employment prospects
- Better access to training
- Other factors:
  - Better access to capital for home loans or to start businesses
  - Better social and political integration into the life of the city

Are Khayelitsha and Mitchell’s Plain better integrated into the circuits of the economy of Cape Town?
Most people living in Khayelitsha and Mitchell’s Plain work outside the area

Few of the people that live in Khayelitsha and Mitchell’s Plain actually work there; the railway lines and taxi routes feeding these areas are among the busiest in Cape Town

Location of Employment (Khayelitsha Population): 1998

Number of boarding passengers per line each week day: 2004/05

Minibus-taxi facilities with the highest number of departing passengers: 2004/05

Source: Integrated Transport Plan for the City of Cape Town, 2006; Khayelitsha: Upgrading of Minibus Taxi Facilities (Shand, 1998)
Khayelitsha and Mitchell’s Plain are a long way from Cape Town’s CBD and economic centres in the north

- The Cape Town CBD as well as centres such as Claremont, Bellville, Parow and Wynberg are far from Khayelitsha and Mitchell’s Plain
- Long travel distances and high costs are combined with long commuting times and lack of personal safety

Distance to Cape Town centre

<table>
<thead>
<tr>
<th>Location</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khayelitsha</td>
<td>35 km</td>
</tr>
<tr>
<td>Mitchell’s Plain</td>
<td>20 km</td>
</tr>
</tbody>
</table>

Source: Integrated Transport Plan for the City of Cape Town, 2006; The Social Economy of Khayelitsha (dplg website)
The transport infrastructure linking Khayelitsha and Mitchell’s Plain to Cape Town is reasonably well developed, but…

*Cape Town’s public transport system includes extensive rail, bus and taxi networks; walking times to public transport nodes are mostly under ten minutes*

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*Cape Town’s public transport system includes extensive rail, bus and taxi networks; walking times to public transport nodes are mostly under ten minutes*
... different modes of public transport compete rather than cooperate, making transport delivery difficult to coordinate.

Public transport facilities in Cape Town have different owners and differing interests; the lack of cooperation means that passengers must buy separate tickets for every mode they use.

- The rail network in Cape Town is run by Metrorail, part of the Department of Transport.
- Trains run every five minutes and the cost of a single train ticket from Khayelitsha / Mitchell’s Plain to the Cape Town CBD is about R8.
- The Khayelitsha and Mitchell’s Plain lines together account for 250,000 passengers or 45% of total boarding passengers in the city.
- Trains are often congested, particularly during peak hours.

- Buses are operated by Golden Arrow Bus Services.
- Each bus has capacity for 90 passengers.
- Bus services are subsidised by the government, although it is still the most expensive means of public transport.
- Cost of a trip from Khayelitsha to Cape Town centre: R17.60; Mitchell’s Plain to Cape Town centre: R16.10.

- Minibus taxis are usually 15-seat vehicles.
- They are operated by their owners or owners of small fleets and are usually part of an association or union.
- They do not receive a government subsidy.
- Taxis operate on 565 routes around the city and carry 332,407 passengers per day.
- The cost of a taxi trip from Khayelitsha / Mitchell’s Plain to the city centre is about R10.

Source: Integrated Transport Plan for the City of Cape Town, 2006; Khayelitsha Retail Strategy (Market Decisions, 2001); Urban Renewal SDF for Khayelitsha and Mitchell’s Plain, 2006; Cape Metrorail website, Golden Arrow Bus Services website.
This contributes to the difficulty of developing new routes to improve the transport efficiency of Cape Town’s radial system.

- Service levels of different modes of transport are not coordinated efficiently.
- The Metropolitan Transport Authority, designed as a central planning and coordinating unit, is not yet operational, despite being made official in recent National Transport Policy.
- This makes the development of new routes difficult.

Source: Integrated Transport Plan for the City of Cape Town, 2006

Road and rail networks in Cape Town are essentially radial, with multiple branch lines leading to Cape Town Station in the city centre.

- Many people have to commute to Cape Town’s CBD first before travelling to other destinations.
- New routes to growth areas need to be established.
The city is investing in improving physical linkages to Cape Town’s metro, although the potential of some transport hubs is currently underutilised.

The Khayelitsha railway line is being extended to Kuyasa and new rolling stock is being purchased.

- The CBD in Mitchell’s Plain is still under development.
- It is on its way to becoming a primary transport hub for the Metropolitan South East and includes a train station and taxi terminus.

The Khayelitsha railway line extension includes:

- Two new stations: Kuyasa (Station 4) and Station 4A to its east.
- R100 million investment in new rolling stock.

Various improvements have been proposed regarding the upgrade of rail infrastructure including:

- The Khayelitsha railway line extension including two new stations; Kuyasa (Station 4) and Station 4A to its east.
- R100 million investment in new rolling stock.

Nolungile Station is a node well linked in all directions with the rest of the metro; a taxi rank and a train station are located there.

- It is being targeted for improvement in transport and economic infrastructure.
- It is currently underutilised in terms of its potential as a transport hub and a retail centre.

Source: Urban Renewal SDF for Khayelitsha and Mitchell’s Plain, 2006; Monitor interviews.
Recommendations

The distance between the Metropolitan South East and the Cape Town CBD will remain a key constraint to integrating nodal residents into the circuits of Cape Town’s economy.

However, the City should focus on:

- Coordinating modes of public transport
- Introducing improved safety and security on taxis and trains
- Establishing new routes to growth areas
- Maximising the potential of new and existing transport hubs
There is a trend towards growth in Cape Town’s northern areas

- Cape Town is located as a gateway to West Africa; it is strategically positioned and has the largest port in the region
- The West Coast of Africa is one of the world’s fastest growing oil and gas production areas
- It makes sense that economic development is expanding in a northerly direction, towards Saldanha
- Improved transport infrastructure, particularly for freight and cargo, is being developed between Cape Town harbour, Cape Town International Airport and Saldanha

Source: Economic and Human Development (EHD) Strategy, 2006
Philippi East Industrial Area could also be a location for development

The Philippi node links Mitchell’s Plain and Khayelitsha to the north

- The Philippi East industrial area has been recognised as a potential development node for the South East of the city
- The area was originally developed as an industrial township because inexpensive land was plentiful and it was in close proximity to the airport and other major transport routes
- Current thinking is that economic development in the area should include:
  - The expansion of industrial developments by investing in major capital projects; this would generate economic and job opportunities
  - The promotion of Philippi East as an attractive investment prospect to the business community
- The Philippi-Khayelitsha railway line extension as well as the construction of an additional station at Stock Road should help stimulate private sector interest

- Philippi is included in the Klipfontein transport corridor, which runs from Khayelitsha to Cape Town
- It is also part of the Wetton-Lansdowne Corridor project and is therefore earmarked for major infrastructure and related investments
- However, it should be noted that these types of corridors take time to develop; growth is expected to be steady but gradual

Source: Integrated Transport Plan for the City of Cape Town, 2006; Urban Renewal SDF for Khayelitsha and Mitchell’s Plain, 2006; Monitor interviews
Philippi is of strategic importance for the city’s spatial development and is attractive to potential investors, but there are serious constraints to developing this area.

- When development around the airport becomes saturated, industry is likely to spill over into the Philippi area.
- Its location is ideal as it has access to the north and west parts of Cape Town as well as to Claremont and the N2; it is strategically located within the east-west corridor which links the West Coast (including Saldanha) to the airport, the harbour and the CBD.
- The area has potential for agriculture (crops), industry, cement manufacturing and high-density housing.
- Philippi has plenty of open land that has been earmarked for development.
- Property prices are low relative to the rest of the province.
- The city provides incentives for private sector investment through infrastructure provision.
- The development of an employment and service node in Philippi will inevitably benefit its surrounding areas (including Khayelitsha / Mitchell’s Plain) as it would improve access to higher-level services and economic opportunities.

- There seems to be a lack of investor confidence and private sector interest in the area, particularly when viewed as relative to other commercial and industrial nodes.
- Other open space in Cape Town may be more suitable for the development of an industrial zone.
- Investing in the growth of Philippi would be contrary to the trend of development in a northerly direction towards Saldanha.
- It is uncertain whether road and rail infrastructure is adequate to transport freight to and from Philippi.
- There is a need for a highway offramp leading directly to Philippi from the N2.
- There is demand for small pieces of land in the area, however, a large share of the land is only being sold in large “parcels”.
- Many people have a “crime and grime” perception of the area.

Source: Urban Renewal SDF for Khayelitsha and Mitchell’s Plain, 2006; Monitor interviews.
Repackage the land so that it may be bought / rented in smaller pieces
Convert Philippi to being a bonded area; this would increase safety and security and contribute towards alleviating the “crime and grime” perception of the area
Assess whether a highway offramp to the area is needed and feasible
The region faces continued challenges in integrating its residents into the circuits of Cape Town’s economy

One of the most pressing challenges facing residents of Khayelitsha and Mitchell’s Plain is a lack of job opportunities, in many cases due to a lack of skills

“Cape Town’s workforce lacks the skills demanded by key growth industries. A recent survey revealed that jobs in a range of firms could not be filled, despite the prevailing 23.4% unemployment rate. Technical skills, language skills for business and the ability to manage small businesses are known to be in short supply”

- Economic and Human Development (EHD) Strategy, 2006

Source: URP Socio-economic Report, 2006; City of Cape Town Economic and Human Development Strategy, 2006
FET Colleges are designed to equip learners with skills that can be applied in Cape Town’s growth sectors

- There is currently a mismatch between the skills base of the community and the skills that are required by the city’s key economic sectors
- Investment in Further Education and Training (FET) institutions is addressing this problem
- FET colleges aim to equip learners with marketable skills that enable people to become economically productive members of society
- Six FET colleges currently operate over 44 different sites in the Western Cape
- Khayelitsha is served by False Bay College’s Good Hope Branch; the college also has a temporary branch in Mitchell’s Plain
- FET colleges operate according to a “user pay model” which makes further education accessible to the poor as fees increase with people’s ability to pay
- Minimum fees are R650 per annum, while the average annual fee is R3,750 per annum
- FET falls under the mandate of the province; its target is to have 6% of the population enrolled in an FET college at any one time

Source: Monitor interviews; False Bay College website
Training initiatives should focus on economic sectors that the city has prioritised

The City of Cape Town works in partnership with the province to promote and develop key sectors that possess growth potential

<table>
<thead>
<tr>
<th>Priority sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craft and jewellery</td>
</tr>
<tr>
<td>Film</td>
</tr>
<tr>
<td>Agriculture and agri-business</td>
</tr>
<tr>
<td>Boat-building and supplies</td>
</tr>
<tr>
<td>Alternative energy</td>
</tr>
<tr>
<td>Tourism</td>
</tr>
<tr>
<td>Business process outsourcing (BPO)</td>
</tr>
<tr>
<td>Information communications technology (ICT)</td>
</tr>
<tr>
<td>Oil and gas supplies</td>
</tr>
<tr>
<td>Clothing and textiles</td>
</tr>
</tbody>
</table>

- Limited activity in these sectors may be found in Khayelitsha and Mitchell’s Plain, aside from tourism, crafts and film

Source: Economic and Human Development (EHD) Strategy, 2006
Crafts and tourism are two key sectors that are being developed in Khayelitsha and Mitchell’s Plain

Craft centres in Khayelitsha have excellent growth potential; however, it seems that tourism initiatives such as Lookout Hill, for example, have limited viability

Craft centres

- Sibanye and Philani are both examples of successful arts and crafts stores that are operating in Khayelitsha
- In order to expand and become more profitable, they need to find a suitable location in the city
- Locating in Cape Town’s CBD, at the V&A Waterfront or at the airport, for example, would give these stores access to larger, more affluent markets

Lookout Hill and coastal developments

- The potential of tourism developments such as Lookout Hill is not being maximised
- Lookout Hill, originally designed as a tourist attraction and panoramic viewpoint, has been dismissed by some as a “white elephant”
- The site needs to be linked to other tourist attractions, restaurants and township sites
- Monwabisi and Mnandi Beach Resorts, in addition to the Blue Flag Strandfontein beach, are failing to attract high numbers of tourists
- This is largely due to the stigma of the area, the distance from the CBD, and the windy weather conditions

Source: Monitor interviews
Dreamworld Studios aims to create jobs and boost the film industry

- The **R500 million** Dreamworld Studios are being built in **Faure**, just outside Cape Town.
- The Western Cape Government and the City of Cape Town are contributing some **R60 million** towards the development.
- The value of film production in the Western Cape is currently estimated at **R2-billion** and the bulk of the provincial film industry is located in **Cape Town**.
- Hence, Dreamworld is being developed in order to support the growth of the **local film industry** by empowering and training local talent.
- Dreamworld aims to become an **internationally competitive** film studio complex, to help the Western Cape become a world-class film destination.
- The location of the studio will primarily benefit **disadvantaged communities** along the N2 corridor.
- It is estimated that 8,300 **direct and indirect jobs** will be created in the construction period, and 7,800 in the operational period.
- The studio will contain a backlot, digital post-production facilities, eight acoustically treated sound stages and various other facilities.
- Concerns have been expressed regarding the viability of the studio, particularly considering the absence of an output contract or a committed client.

Source: Dreamworld website, Engineering News website
Evaluation sheet: City linkages

Is Khayelitsha integrated into the circuits of the economy of Cape Town?

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Comment</th>
<th>Attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better access to employment prospects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport links</td>
<td><em>Even though Khayelitsha is far from the city centre, transport infrastructure is good; the rail extension and purchase of new rolling stock should alleviate congestion to some extent</em></td>
<td>0</td>
</tr>
<tr>
<td>Business incubation</td>
<td><em>There is little being done to integrate Khayelitsha businesses into areas outside the node</em></td>
<td>–</td>
</tr>
<tr>
<td>Preferential job selection and training</td>
<td><em>No job selection preference exists in either the public or private sector</em></td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better access to training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport links</td>
<td><em>Khayelitsha is far from the city centre, however, there are training facilities located within Khayelitsha</em></td>
<td>0</td>
</tr>
<tr>
<td>Business incubation</td>
<td><em>Institutions such as Red Door play a business incubation role; Dreamworld film studio aims to foster local talent in the film industry</em></td>
<td>0</td>
</tr>
<tr>
<td>Access to education</td>
<td><em>The Good Hope branch of False Bay College is located in Khayelitsha and attracts people from the community</em></td>
<td>–</td>
</tr>
</tbody>
</table>
Various other institutions are focused on skills development designed to increase employment ...

- Learn to Earn, a Section 21 company, has a branch in Khayelitsha as well as in other previously disadvantaged communities.
- Their mandate is to train unemployed people so that they may become self-supportive and independent.
- Skills taught include sewing, carpentry and crafts.
- Learn to Earn also equips people with basic business skills, functional literacy and life skills.
- They charge each learner a nominal fee and are funded by the Nelson Mandela Children’s Fund and various corporates.

- Red Door’s aims are to help new businesses start up, strengthen and develop existing businesses, and build more black-owned businesses.
- Red Door helps people to write business plans, access finance and access the services of professionals like accountants and lawyers.
- They offer Internet access, conference rooms and access to mentors.

Source: Learn to Earn website; Red Door website
Khayelitsha poverty node

- Research process

- Overview

- Themes
  - Residential life
  - Commercial activity
  - City linkages

Summary

- Understanding the Khayelitsha poverty node
- Potential sources of economic growth – Short term
- Potential sources of economic growth – Long term
- Assessment of current activities
- What needs to be done now?

Appendix
Summary
Understanding the Khayelitsha poverty node

Key observations from Khayelitsha

Overview
- Khayelitsha is one of the largest townships in South Africa and was established in the early 1980s
- It is a dormitory area far from the economic nodes in the city
- Its most significant challenge is the housing backlog, worsened by continued in-migration
- Development around transport hubs is transforming the area

Residential life
- Much of the housing in Khayelitsha is informal
- Continued population growth, migration and the decreasing size of households puts pressure on housing supply
- There is very little empty land available and land required for other uses has been invaded
- Sites that provide opportunities for housing development include Swartklip, the Old Mutual Properties Site and Monwabisi

Commercial activity
- Even though Khayelitsha’s residents are poor, the commercial sector is vibrant as density levels are high and commercial activity is concentrated around transport hubs
- The proximity of Mitchell’s Plain, combined with the higher quality of that infrastructure, leads to spending leakages to the area
- The Khayelitsha CBD is a noteworthy development that benefits the community and may be worth replicating elsewhere

City linkages
- Khayelitsha is a long way from Cape Town’s CBD and the other economic centres in the north; public transport is available but uncoordinated
- The node faces challenges in integrating its residents into the circuits of Cape Town’s economy; the establishment of FET colleges and Dreamworld Studios aims to improve “virtual linkages”

Key characteristics of node

- Established in early 1980s
- Far from Cape Town’s CBD
- Housing is very informal and very dense
- Housing crisis, worsened by migration
- Development is focused on transport hubs
- Transport to town is available, but not coordinated
- Better virtual linkages are needed
Summary

Potential sources of economic growth – Short term

Economic growth of individual household in Khayelitsha

Increase income?
- Provide job
- Within the node: Skills, Other
- External to node: Other

Decrease cost?
- Housing
- Food
- Transport
- Other

Where to focus?

- Encourage investment in the south east of the city
- Improve physical links to economic areas in north of city
- Model Kuyasa and Nolungile nodes on the Mitchell’s Plain Station Plaza development
- Focus training on growth sectors including services, tourism, film, BPO and ICT
- Business support and skills development
- Upgrade informal settlements
- Improve transport links to Bellville and to north of city
Summary

Potential sources of economic growth – Long term

Economic growth of individual household in Khayelitsha

Increase income?

Provide job

Increase quality of job

Decrease cost?

Housing Food Transport Other

Where to focus?

- Improve ‘virtual linkages’ between the node and the wider regional economy
- Focus on the development of commercial / transport hubs
- Improve the quality of primary and secondary education
- Increase attendance at FET colleges
- Dedensify strategic areas
- Protect open spaces

Not a Focus Area Key Focus Area
### Key observations from Khayelitsha

<table>
<thead>
<tr>
<th>What is being done?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The upgrading of informal settlements has been identified as a priority; the consolidation of Site C has begun and a transit camp has been set up at Enkanini</td>
</tr>
<tr>
<td>- The Khayelitsha railway line will be extended to include two more stations with transport interchanges, four road-over-rail bridges and four pedestrian bridges</td>
</tr>
<tr>
<td>- The Khayelitsha CBD development is yet to be completed; municipal facilities, a service station, housing and infrastructure for informal traders still need to be established</td>
</tr>
<tr>
<td>- Swartklip, the Old Mutual Property Site and Monwabisi have been identified as areas with good potential for development</td>
</tr>
<tr>
<td>- The city is making an effort to integrate Khayelitsha and Mitchell's Plain both spatially and socially</td>
</tr>
</tbody>
</table>

### Strategic choice

- **Do more of the same**
- **Do different things; do things differently**

- The URP's efforts to den densify and upgrade overcrowded informal settlements are necessary to enable Khayelitsha to become a sustainable human settlement
- Efforts to improve transport infrastructure and coordination will serve to link Khayelitsha more effectively with Cape Town's CBD
Summary
What needs to be done now?

Key observations from Khayelitsha

Solutions to constraints / Investment opportunities

- The erection of decent housing in the area is a continuing priority
- The transport infrastructure needs to be coordinated to increase the efficiency of public transport
- The development of the transport node at Kuyasa should be based on Mitchell’s Plain’s Station Plaza in order to become a thriving commercial centre
- Many businesses in Khayelitsha are highly informal, and assistance with formalisation would be helpful

Requires involvement of key stakeholders

- Urban Renewal Programme
- Municipal and Provincial Government
- Department of Housing and Local Government (DHLG), Cape Town’s planning and housing officials
- Community leaders
- Local people
- Private sector: potential developers
Khayelitsha poverty node

- Research process
- Overview
- Themes
  - Residential life
  - Commercial activity
  - City linkages
- Summary

Appendix

- Itineraries of field trips
- Key stakeholders
- Key documents
## Appendix

### Itinerary of field trips

<table>
<thead>
<tr>
<th>Travel schedule / Locations</th>
<th>Main activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monday, 16 October 2006</strong></td>
<td>• Arrived Cape Town 08h00</td>
<td>• Met with URP team, travelled around Khayelitsha</td>
</tr>
<tr>
<td>• Spent the day with URP representatives</td>
<td>• Interviews in Cape Town CBD, tour of Mitchell’s Plain</td>
<td>• Khayelitsha is enormous and overwhelming</td>
</tr>
<tr>
<td><strong>Tuesday, 17 October 2006</strong></td>
<td>• Khayelitsha, UCT</td>
<td>• Meetings / interviews and spent time visiting the anchor projects in Mitchell’s Plain</td>
</tr>
<tr>
<td><strong>Wednesday, 18 October 2006</strong></td>
<td>• UCT, Khayelitsha</td>
<td>• Tour of Khayelitsha with local tour guide, interviews in Khayelitsha and UCT</td>
</tr>
<tr>
<td><strong>Thursday, 19 October 2006</strong></td>
<td>• Office</td>
<td>• Meetings / interviews</td>
</tr>
<tr>
<td><strong>Friday, 20 October 2006</strong></td>
<td>• Office</td>
<td>• Travel plans for the second node visit, setting up interviews, consolidating information</td>
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<tr>
<td><strong>Saturday, 21 October 2006</strong></td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td><strong>Sunday, 22 October 2006</strong></td>
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## Appendix

### Itinerary of field trips (Continued)

<table>
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<tr>
<th>Date</th>
<th>Travel schedule / Locations</th>
<th>Main activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, 23 October 2006</td>
<td>Office</td>
<td>• Travel plans for visit, setting up interviews, consolidating information</td>
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<tr>
<td>Tuesday, 24 October 2006</td>
<td>Arrive Cape Town 10h00</td>
<td>• Interviews – city centre and Mitchell’s Plain</td>
<td>• Conversation with local business owner was informative</td>
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<td>Wednesday, 25 October 2006</td>
<td>City centre / Mitchell’s Plain</td>
<td>• Interviews – city centre and Mitchell’s Plain</td>
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<tr>
<td>Thursday, 26 October 2006</td>
<td>City centre / Mitchell’s Plain</td>
<td>• Meetings, tour of Tafelsig and Mitchell’s Plain with a particular focus on gangs</td>
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<td>Friday, 27 October 2006</td>
<td>UUP-WRD Offsite</td>
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<td>Sunday, 29 October 2006</td>
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## Appendix

### Key stakeholders, actors, information carriers

<table>
<thead>
<tr>
<th>Government</th>
<th>Public sector</th>
<th>Private sector / Business</th>
<th>Local people</th>
<th>NGOs</th>
<th>Other</th>
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<tbody>
<tr>
<td>George Penxa</td>
<td>Pieter Terreblanche</td>
<td>Clifford Sithonga</td>
<td>Thope Lekau (Local Tourguide &amp; Guesthouse Owner)</td>
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<td>Vanessa Watson (Urban Planning)</td>
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<tr>
<td>Monwabisi Booi (URP)</td>
<td>David Gretton (Housing)</td>
<td>Sue Tosh</td>
<td>Kenny Brinkhuis (Informal Business)</td>
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<td>Roger Behrens (Transport)</td>
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<tr>
<td>Ivan Anthony (URP – Mitchell's Plain)</td>
<td>Zimlo / Zolile (LED)</td>
<td>Vusi Ndaba</td>
<td>Norman Jantjies</td>
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<tr>
<td>Andre Human</td>
<td></td>
<td>Nicolette (Liberty Promenade)</td>
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<tr>
<td>Patrick Nquadini (URP – Khayelitsha)</td>
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<td>Dr Roomaney (Mitchell's Plain CBD)</td>
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<tr>
<td>Simon Phankisa (URP)</td>
<td></td>
<td>Riaan Van Eeden (MCA Planners)</td>
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<td>Hanief Tiseker (LAED)</td>
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<tr>
<td>Alastair Graham (URP)</td>
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- □ = have appointment
- ▼ = have met
- ▶ = key person, suggest to involve in future discussions
### Appendix

#### Key documentation

<table>
<thead>
<tr>
<th>Title</th>
<th>Main issues covered</th>
<th>Author / Org.</th>
<th>Year</th>
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<td>City of Cape Town IDP Review</td>
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<td>Socio-economic Profiling of Urban Renewal Nodes – Khayelitsha and Mitchell's Plain</td>
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<td>Presidential Urban Renewal Programme Business Plan</td>
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<td>Shared Learnings Document</td>
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<td>Urban Renewal Spatial Development Framework for Khayelitsha and Mitchell's Plain</td>
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<td>Khayelitsha Market Research Study (Market Decisions)</td>
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<td>2001</td>
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<td>Do Retail Centres Enhance Township Economic Development? Lessons from Khayelitsha, Cape Town (Barnes)</td>
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<td>1998</td>
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<td>Economic and Human Development Strategy</td>
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*Tick if on file*