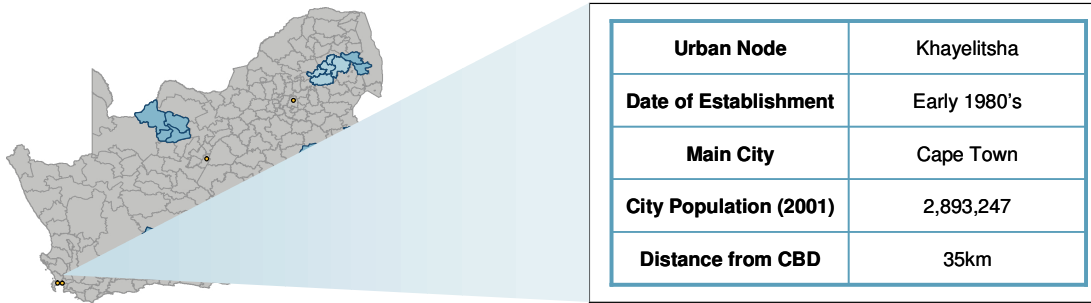


Economic snapshot: Khayelitsha, Western Cape



Base data (Based on the Stats SA 2001 Census, unless indicated otherwise)

<i>Population</i>	406,779 (Khayelitsha Population Register Update, 2005)	<i>Urban population</i>	100%
<i>Employment rate</i>	35% (average for urban nodes: 33%; average for SA: 33%)	<i>Min Grade 12 education</i>	24% of population aged 20+
<i>Potential labour pool*</i>	69% of total population	<i>Access to electricity</i>	76% (average for urban nodes: 74%; average for SA: 70%)
<i>% of people living below HSL**</i>	67%; average for SA: 65%		

* Percentage population aged 15 to 64; ** Household Subsistence Level is defined as earning an annual income of R19 200

Urban themes

- Residential** Much of the housing in Khayelitsha is informal. This is particularly because continued population growth, migration to Khayelitsha and the decreasing size of households puts pressure on housing supply. There is 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** Even though Khayelitsha's residents are poor, the commercial sector is vibrant. This is because density levels are high and commercial activity is concentrated around transport hubs. However, the proximity of Mitchell's Plain, combined with the higher quality of that infrastructure, leads to spending leakages out of the area. The Khayelitsha CBD is a noteworthy development that benefits the community and may be worth replicating elsewhere.
- Linkages** Khayelitsha is a long way from Cape Town's CBD and the other economic centres in the north of the city. Public transport is available to residents, but it is uncoordinated and costly. The node faces challenges in integrating its residents into the circuits of Cape Town's economy. In this respect, the establishment of FET colleges and Dreamworld Studios aims to improve "virtual linkages".

Public sector performance: General observations

- Frequent political changes have resulted in some institutional instability and delays in decision making.
- The Urban Renewal Programme's involvement in dedensifying and upgrading Khayelitsha has made a significant difference to the quality of life in the area, as has investment in municipal and commercial infrastructure.
- Housing remains the area's most significant development challenge.

General actions

- The Metro Council should encourage investment in the south-east of the city.
- The erection of decent housing in the area is a continuing priority; it is necessary to dedensify strategic areas while protecting open spaces in order to do this.
- Transport infrastructure needs to be coordinated to increase the efficiency of public transport.
- To become a thriving commercial centre, the development of the transport node at Kuyasa should be based on the model of Mitchell's Plain's Station Plaza.
- Many businesses in Khayelitsha are highly informal, and assistance with formalisation is needed.