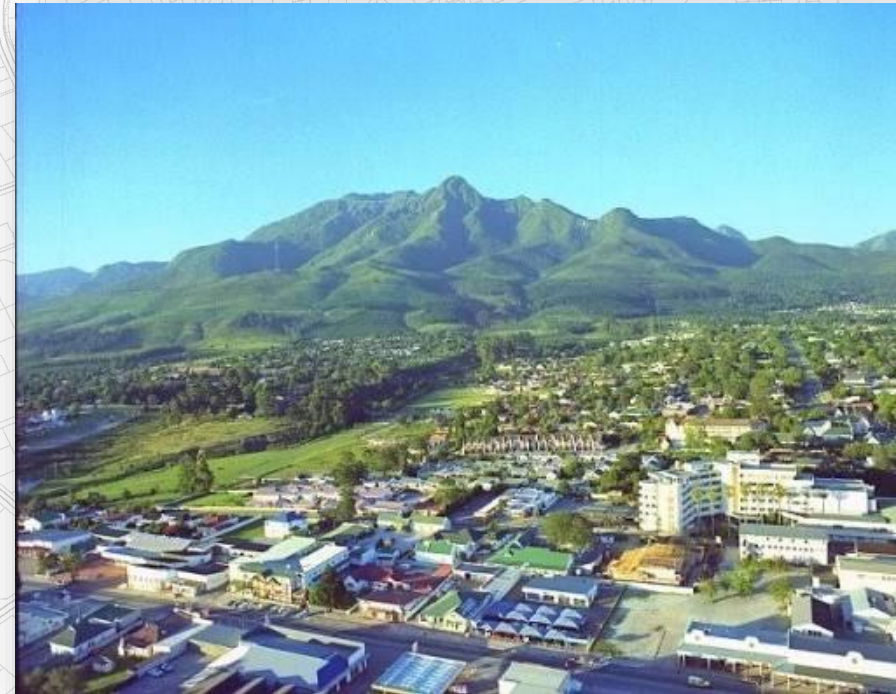


Appendix P: Socio-economic Impact Assessment (Including need and desirability)

REPORT PREPARED FOR:
Century Property Developments (Pty) Ltd

July 2026

George Residential Development Market Analysis



LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT



Market Studies

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Real Estate Feasibility
Studies | Economic
Assessments | Socio-
Economic Surveys |
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Incorporating
GIS TECHNOLOGY
for Advanced
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CONTACT US:
Dr. Hein du Toit



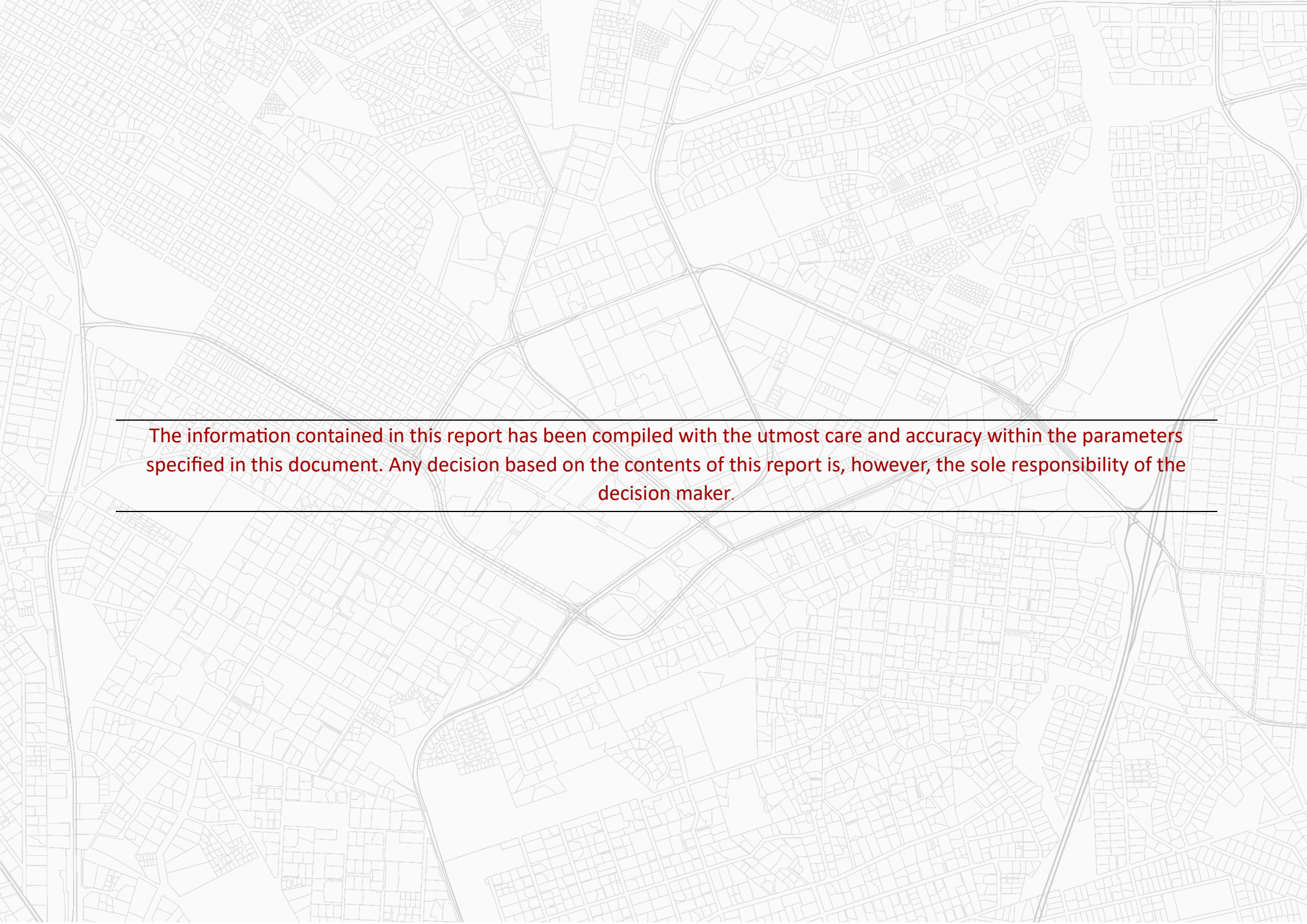
+27 12 460 7009

+27 12 346 5883

+27 82 8988 667

hein@demacon.co.za

www.demacon.co.za



The information contained in this report has been compiled with the utmost care and accuracy within the parameters specified in this document. Any decision based on the contents of this report is, however, the sole responsibility of the decision maker.

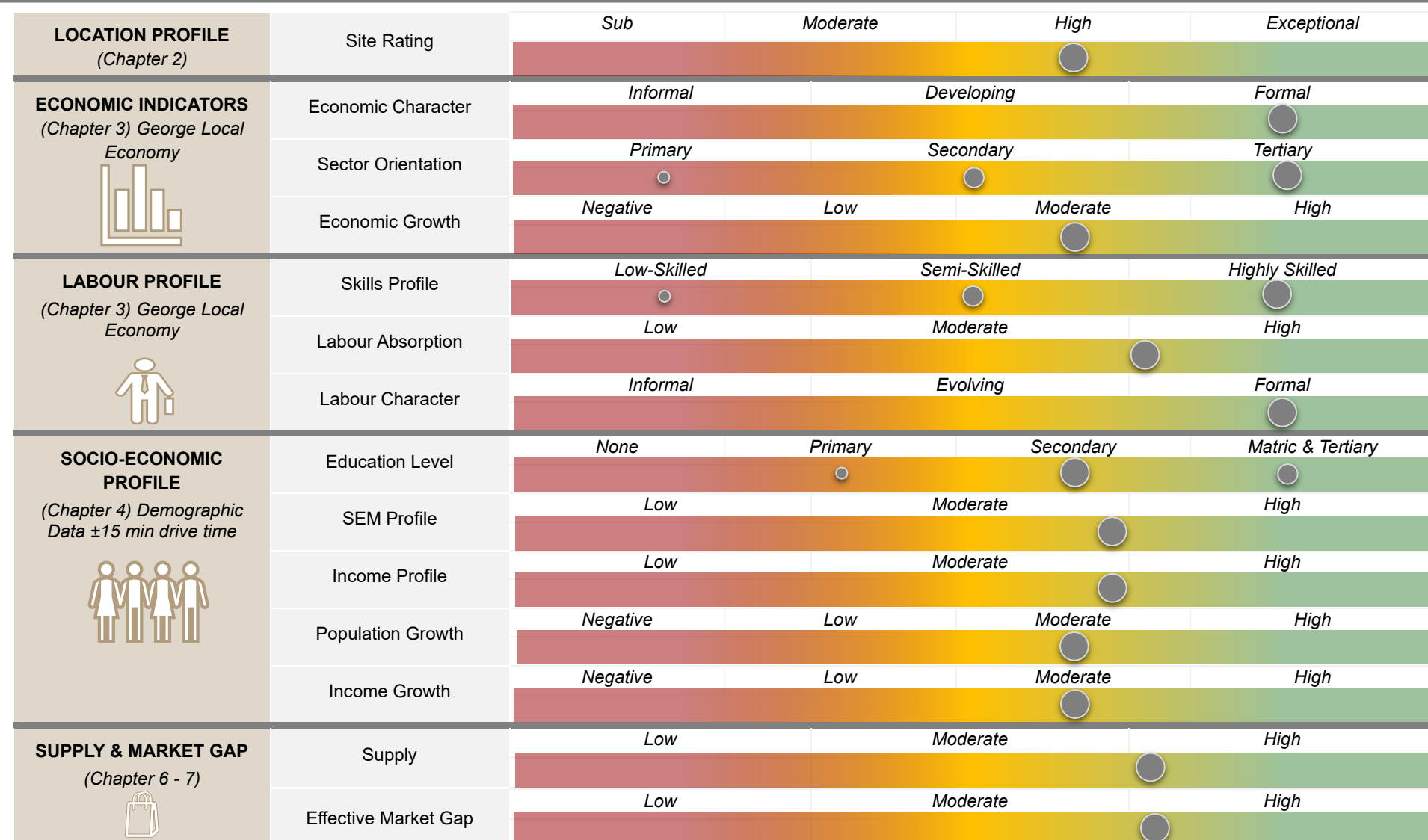
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SYNOPSIS

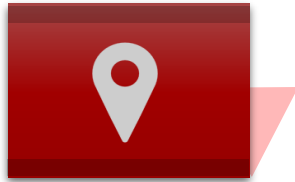
GRAPHIC SYNOPSIS OF MARKET INDICATORS



The infographic offers a qualitative interpretation of key quantitative variables analysed in the respective report chapters, including site/location rating(s), economic base and growth, labour market profile, consumer market profile, level of supply and perceived market gaps. The qualitative scales position each attribute on a scale from 'lesser' developed to 'more' developed. On a balance of scales, the concentration of ratings could be towards the left, indicating lesser developed markets, or towards the right, indicating formal and developed environments – each market type tends to offer unique development opportunities in the respective real estate market segments. Mixed markets with a scattering of scale ratings across the scales could also occur, which reflects on dualistic markets with developmental challenges and opportunities that are typical of such environments. In the case of economic sectors and educational profiles, the dot sizing's denote the relative contribution of the respective components (e.g. primary, secondary and tertiary).

DEVELOPMENT OPTIONS & COMPATIBILITY

Site Rating



High

Economic Base & Drivers



Compatible

Labour Profile



Semi -Skilled to Skilled
(Mixed)

Socio-Economic Profile Demand Base



Moderate to High
(Mixed)

GAP ANALYSIS

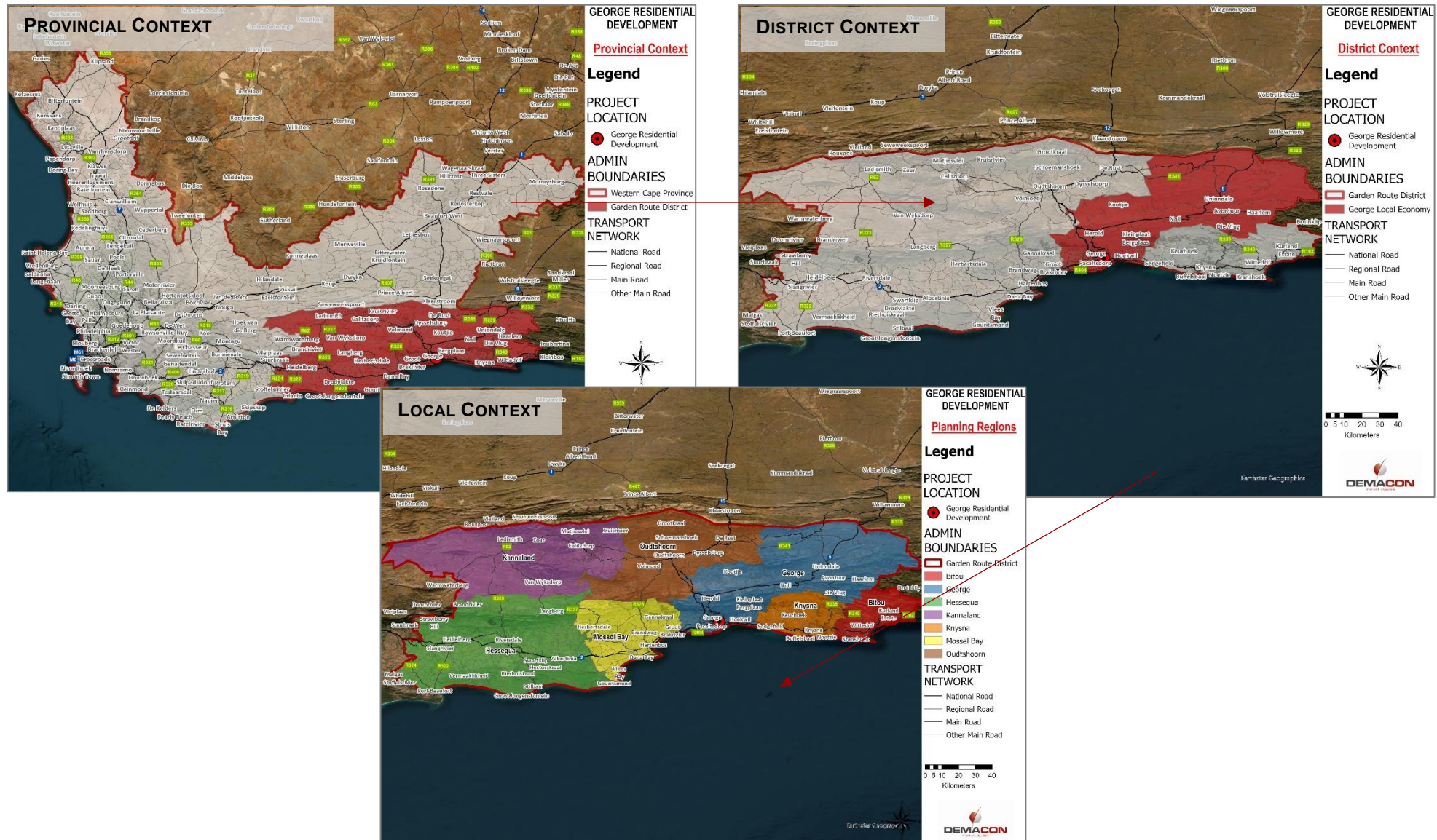
Residential Development	Effective Market Gap	Development Prospects
Bonded Units (Apartments)		Moderate - High

SUMMARY OF DEVELOPMENT OPTIONS & COMPATIBILITY

- ✓ Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- ✓ The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- ✓ Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- ✓ A total of **680 units** could be developed and taken-up over the short to medium term (80% take-up).
- ✓ Configuration: **Apartments**
- ✓ Optimum point of market entry: **2027+**

SITE ORIENTATION

Site in context of Western Cape Province, Garden Route District Economy & George Local Economy



SUMMARY OF LOCATION / AREA ANALYSIS

The following provides a summary of the preceding analysis



STRATEGIC ANALYSIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

AREA GROWTH

On average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

On average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.



SITE ASSESSMENT

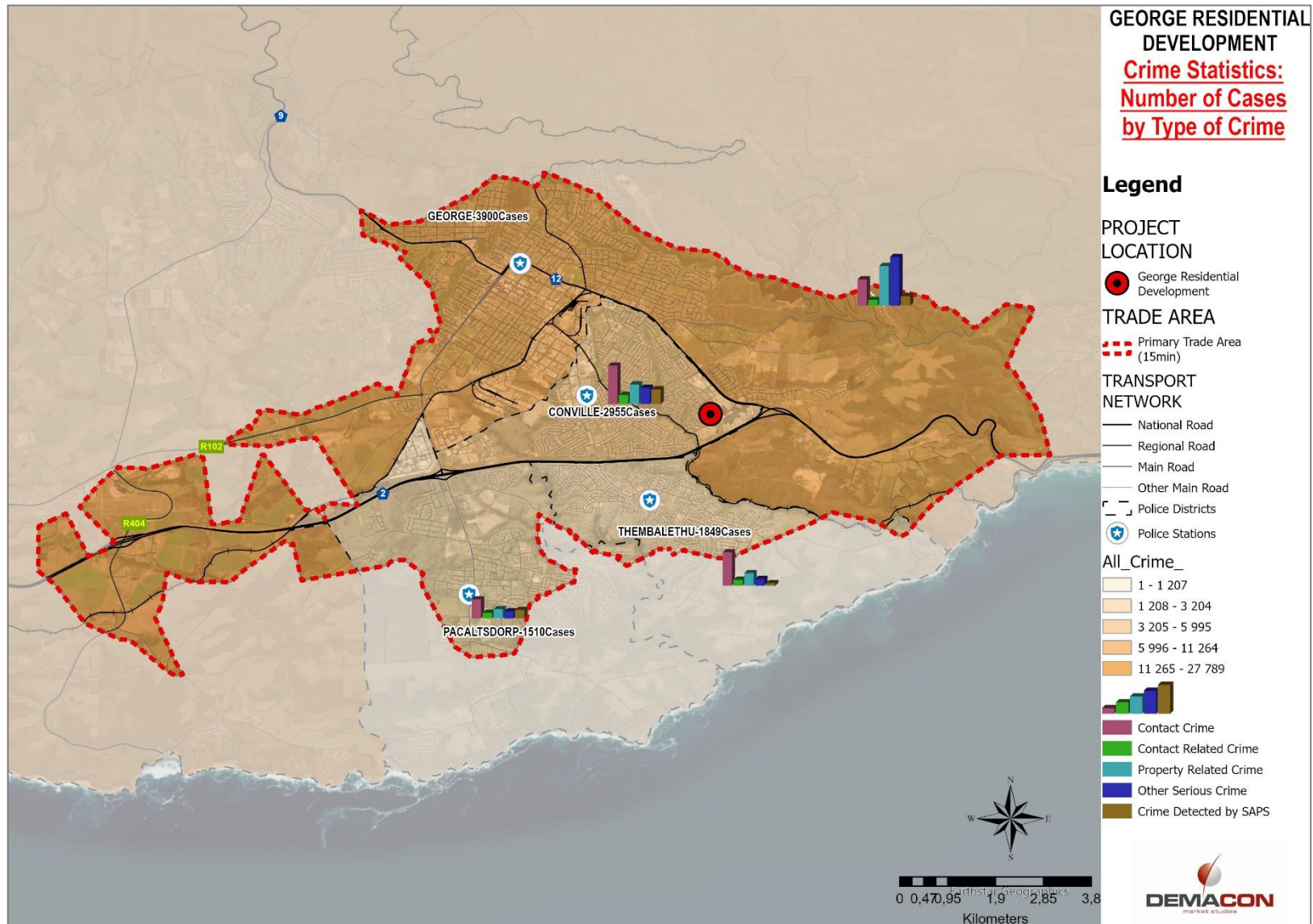
Summary of site assessments:

Residential Development	80.0%
-------------------------	-------

** Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for a successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could be addressed; projects with a sub 60% rating are not recommended for consideration*

The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

Crime Statistics



KEY ECONOMIC INDICATORS (George Local Economy)



Average
Annual
Economic
Growth

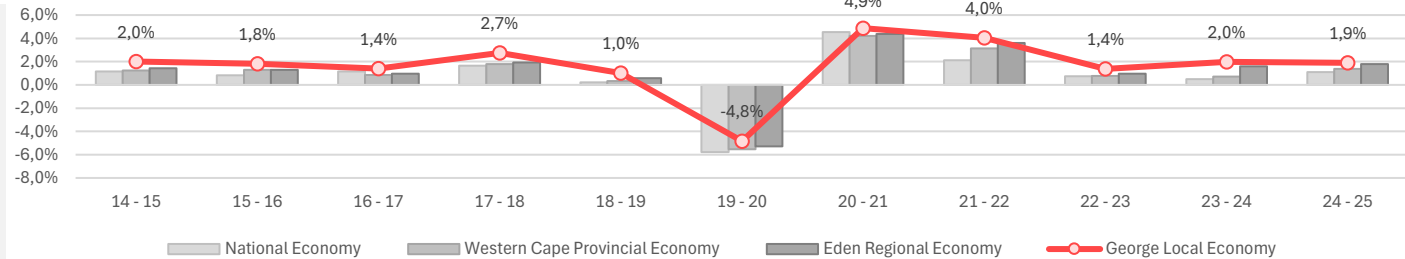
Garden Route District

2.5% 5-year growth
1.1% 10-year growth

George Local Economy

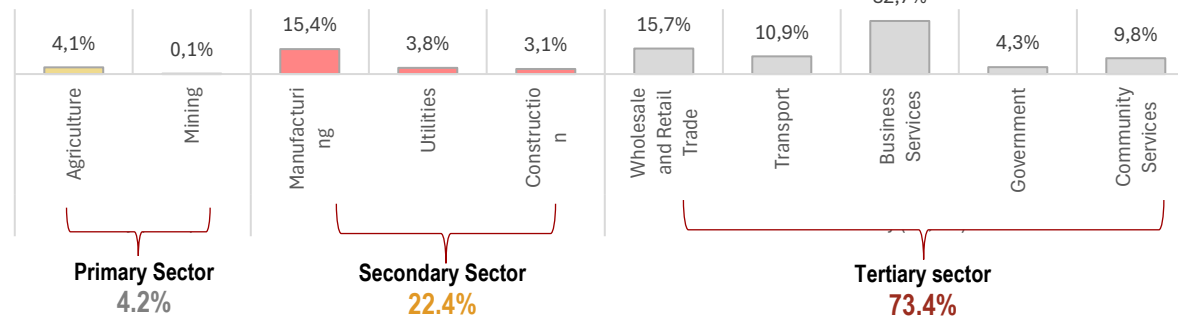
2.8% 5-year growth
1.6% 10-year growth

ECONOMIC GROWTH (constant)



ECONOMIC STRUCTURE

Proportional Contribution per Economic Sector - 2025



LABOUR FORCE PARTICIPATION

71.1% of the potential labour force participate in the local economy

71.1%
George Local Economy

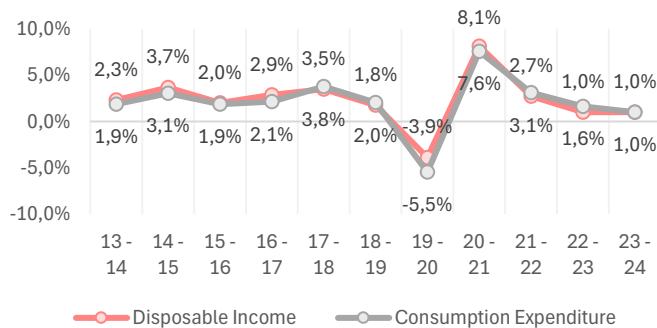
58.8%
National average

82 168 jobs (formal and informal) exist in George Local Economy in 2024.

- Formal Jobs: **64 642**
- Informal Jobs: **17 526**

The formal economy gained 10 994 jobs since 2014 at an average rate of 1 099 jobs per annum.

DISPOSABLE INCOME & CONSUMPTION EXPENDITURE GROWTH



George Local Economy

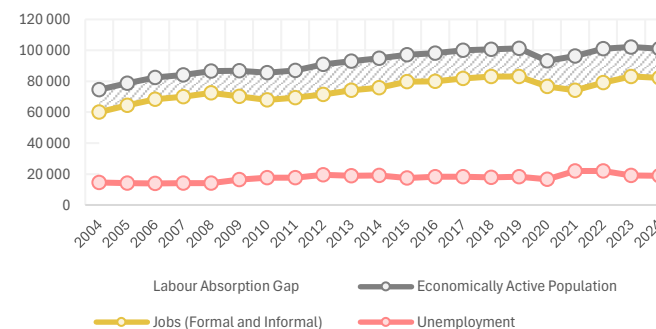
Disposable income:

1.7% 5-year growth
2.2% 10-year growth

Consumption Expenditure:

1.5% 5-year growth
2.0% 10-year growth

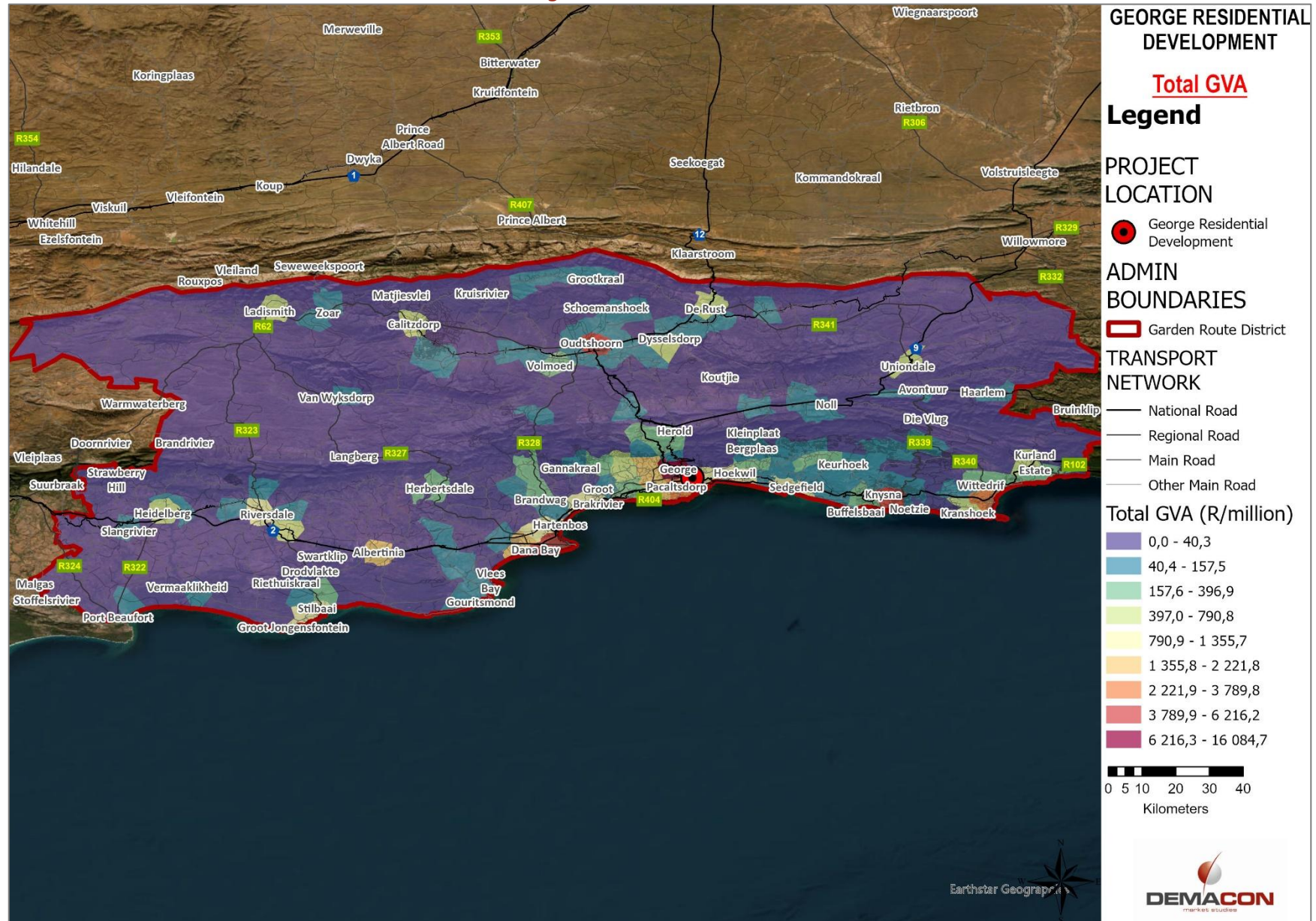
STRUCTURE OF EMPLOYMENT



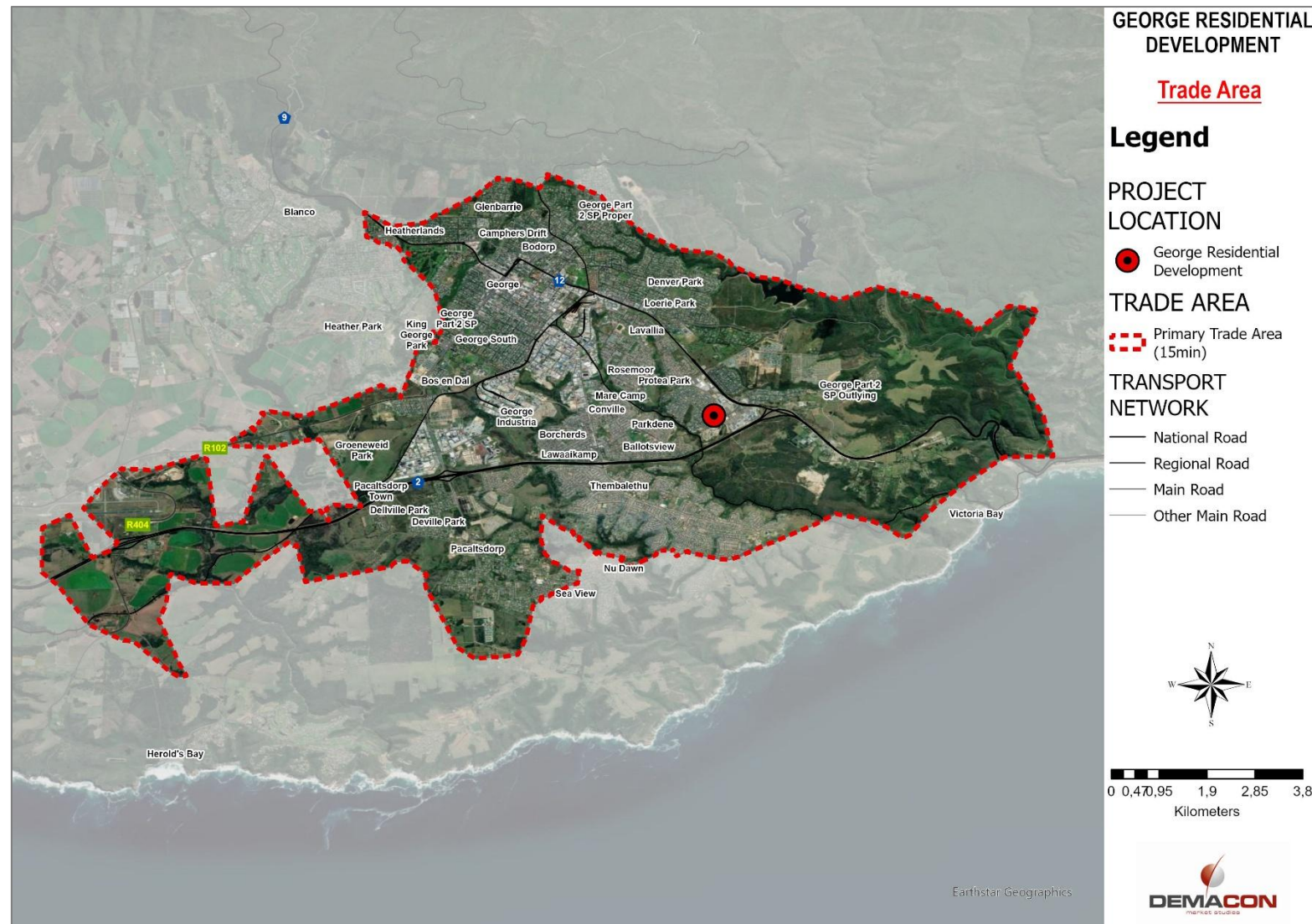
FORMAL JOBS (2024):

Skilled Jobs:
22 449
Semi-skilled Jobs:
25 035
Low-Skilled Jobs:
17 159

Total GVA – Garden Route District Economy



DEMOGRAPHIC SUMMARY (Primary Market Area – ± 15 min drive time)

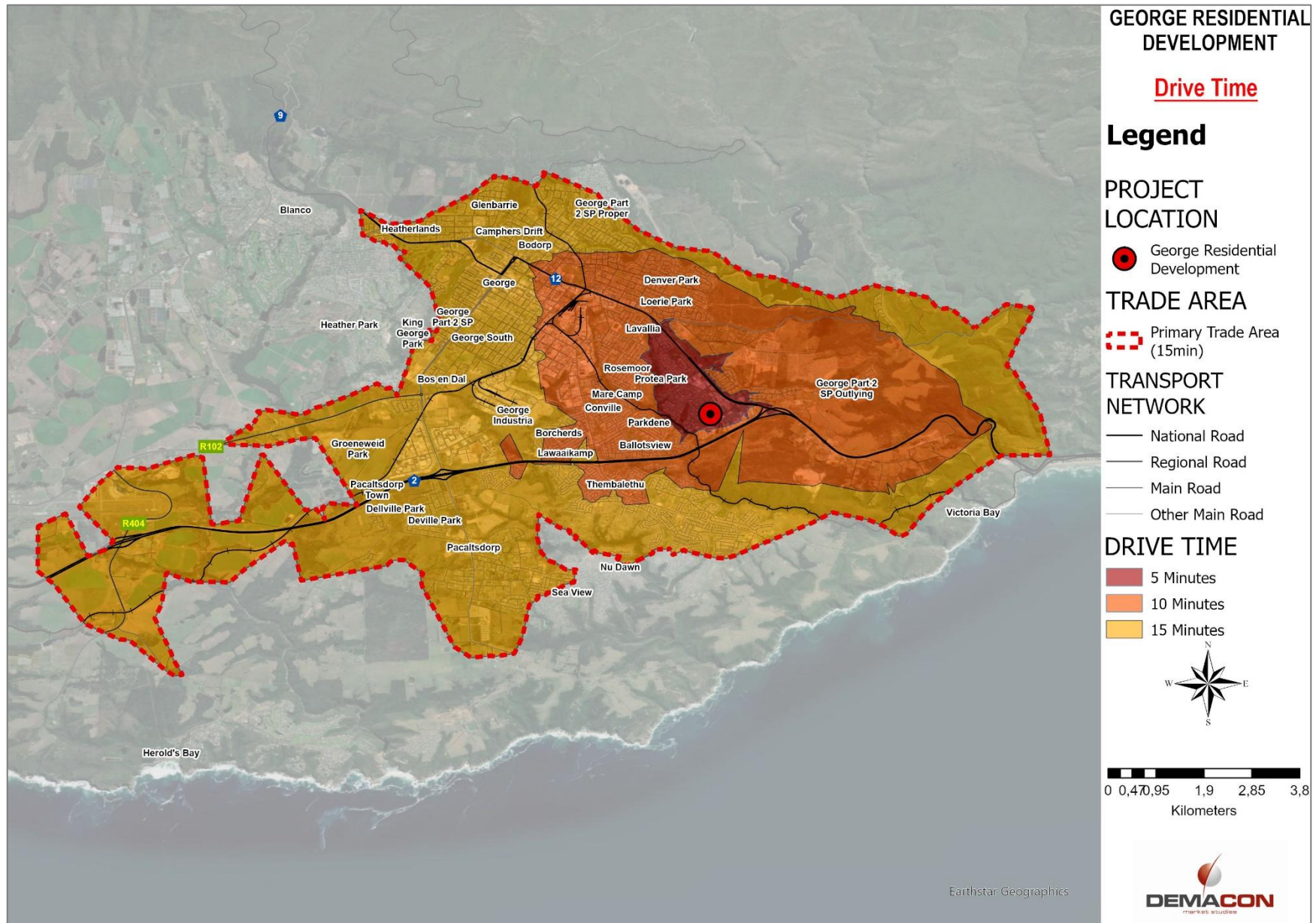


The primary market area for the project is based on an approximated **15-minute drive time** as seen on the map.

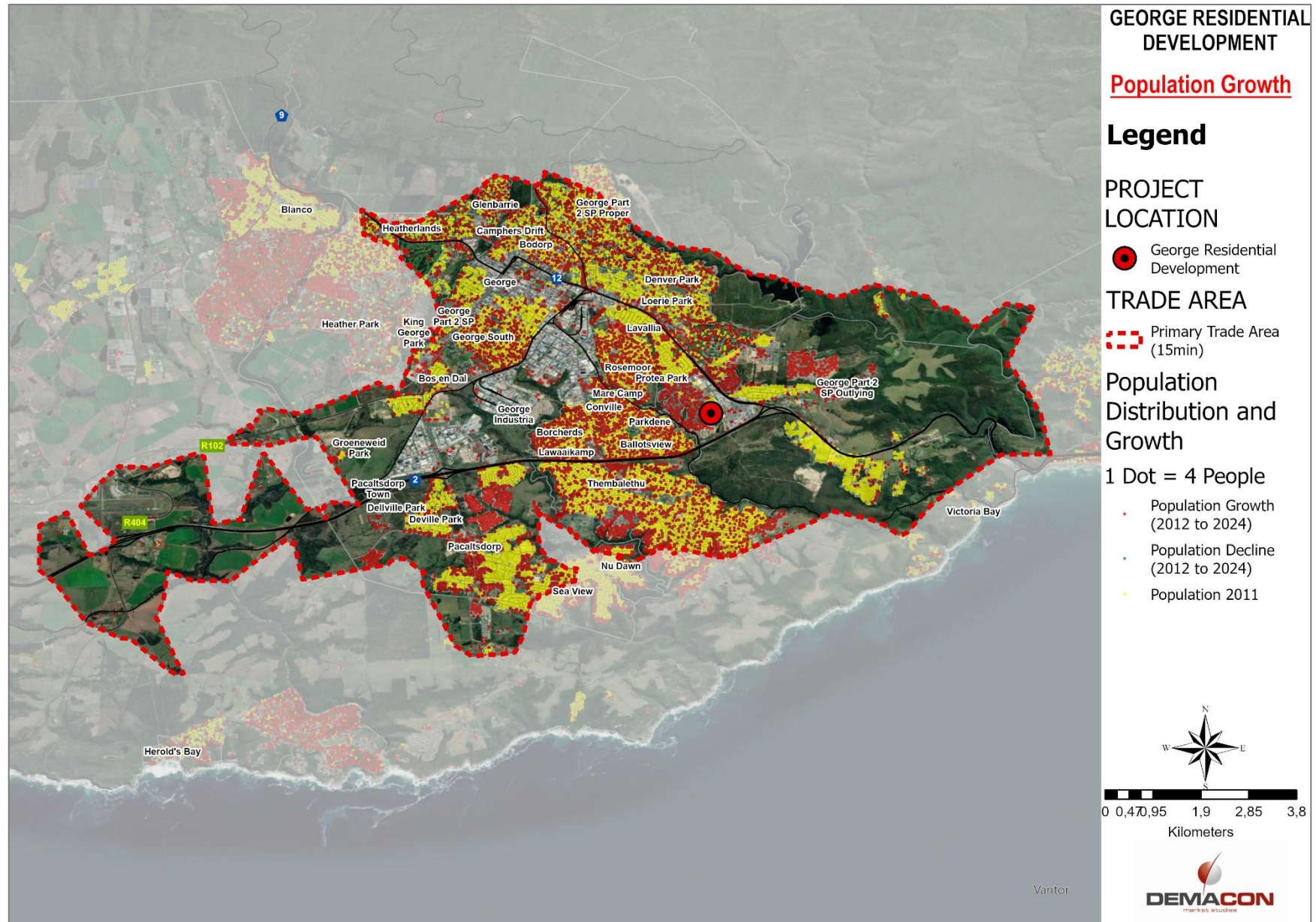
The key socio-economic indicators of the primary market, informed by general SACSC criteria, as well as the following:

- ✓ Consumer market behaviour and expenditure trends
- ✓ Regional and sub-regional levels of accessibility
- ✓ Geographic barriers
- ✓ General consumer mobility patterns and drive times.

Drive Time



Population Growth & Distribution (Primary Market Area)



DEMOGRAPHIC PROFILE (Primary Market Area - ±15 minutes)

The following section provides an analysis of the demographic profile of the **primary market area** of the proposed development. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

POPULATION SIZE (2026)

193 559

PEOPLE IN THE
PRIMARY
TRADE AREA



Population
Average Annual
Growth Rate
2.8%

56 884
HOUSEHOLDS

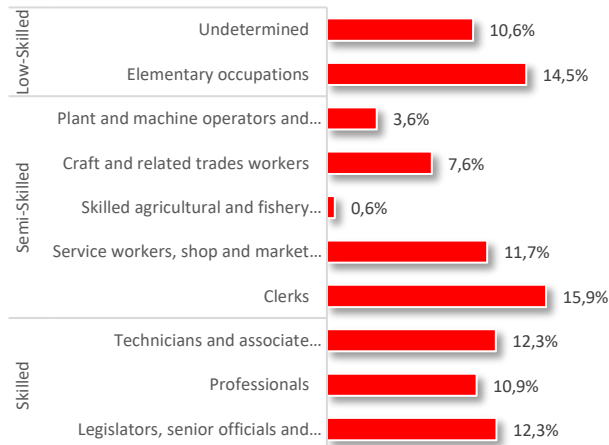


Household
Average Annual
Growth Rate
3.1%

**Biggest Employing Economic Sectors in the
Primary Trade Area**

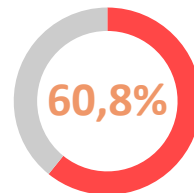
- 22.0%** - Business and Financial Services
- 21.6%** - Community, social and personal services
- 19.4%** - Wholesale and retail trade

OCCUPATION STATUS

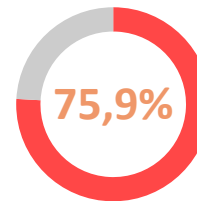


EMPLOYMENT PROFILE

Economically ACTIVE
population

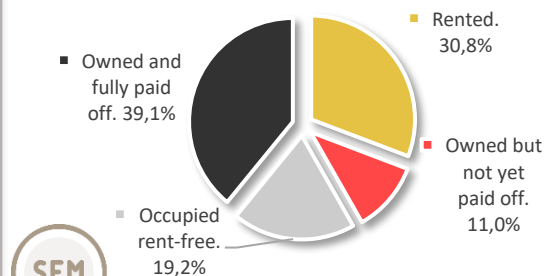


Employed



Employed and unemployed persons are economically active and thus is a segment of the economically active percentage.

TENURE STATUS



SEM

SEM Distribution



HOUSEHOLD INCOME (2026)

Average annual household income
for all SEM Groups (2026)

R154 581

Average annual household income
for SEM 2+ Groups (2026)

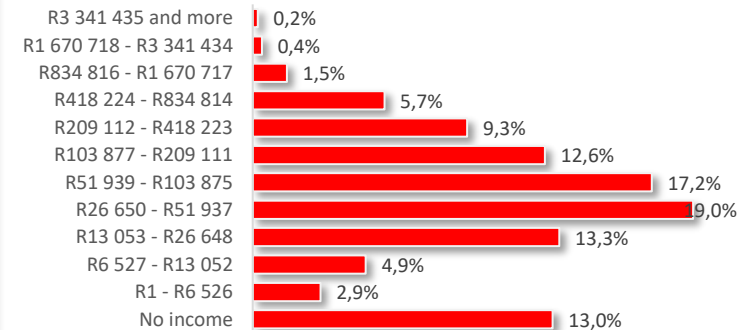
R347 070

Average monthly household income
for all SEM Groups (2026)

R12 882

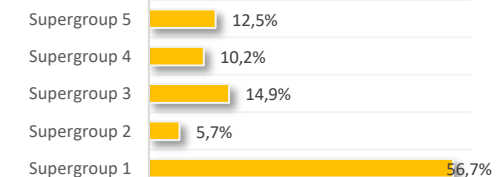
Average monthly household income
for SEM 2+ Groups (2026)

R28 923



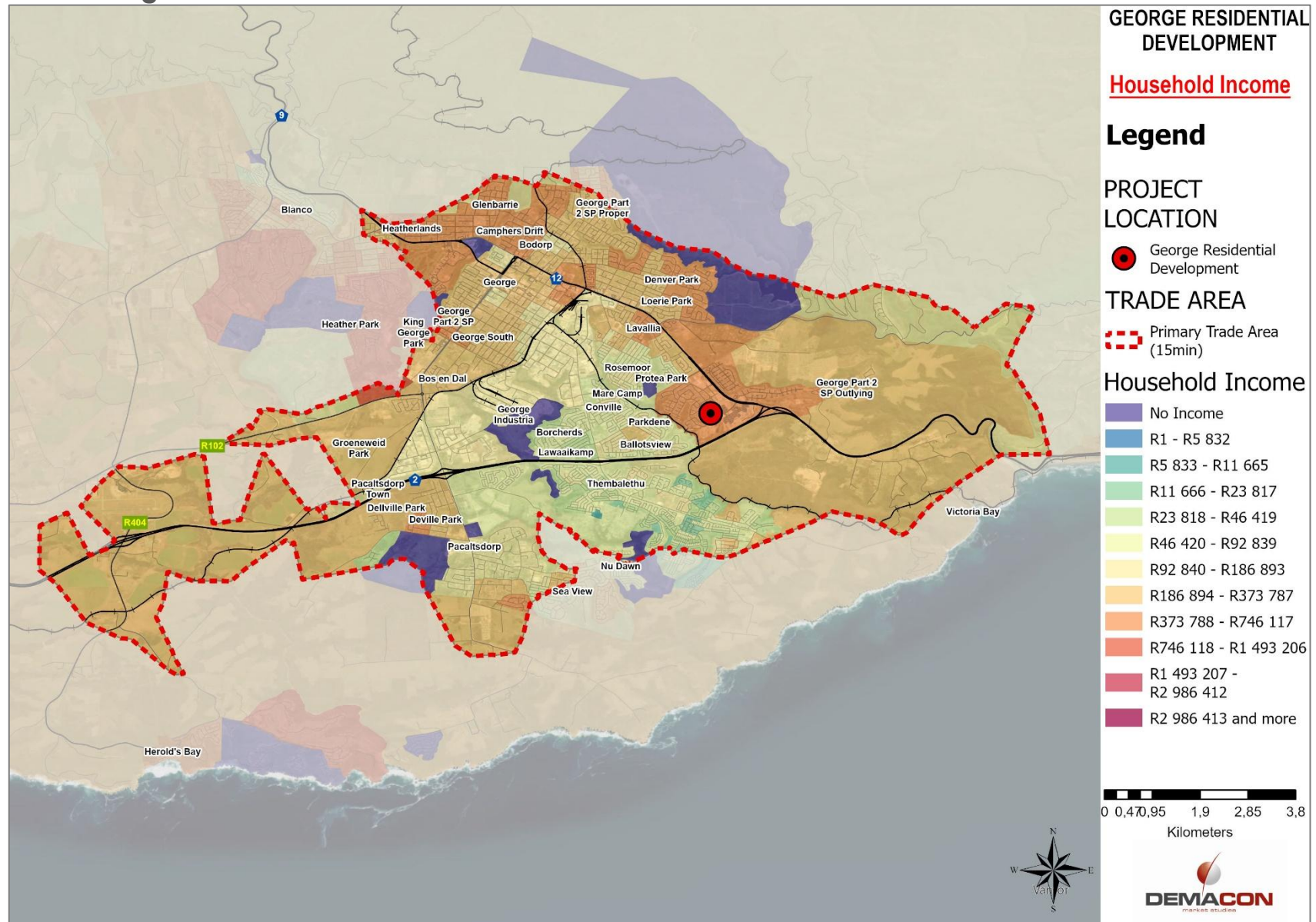
SEM PROFILE

SEM Supergroup Distribution



SEM 2 to 5+:
43.3%

Weighted Average Annual Household Income



LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

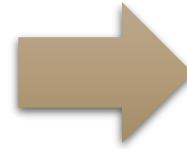
LSM

VS

SEM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cell phone in household
- 1 cell phone in household
- None or only one radio
- Living in a non-urban area

FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms

LIMITATIONS OF LSM

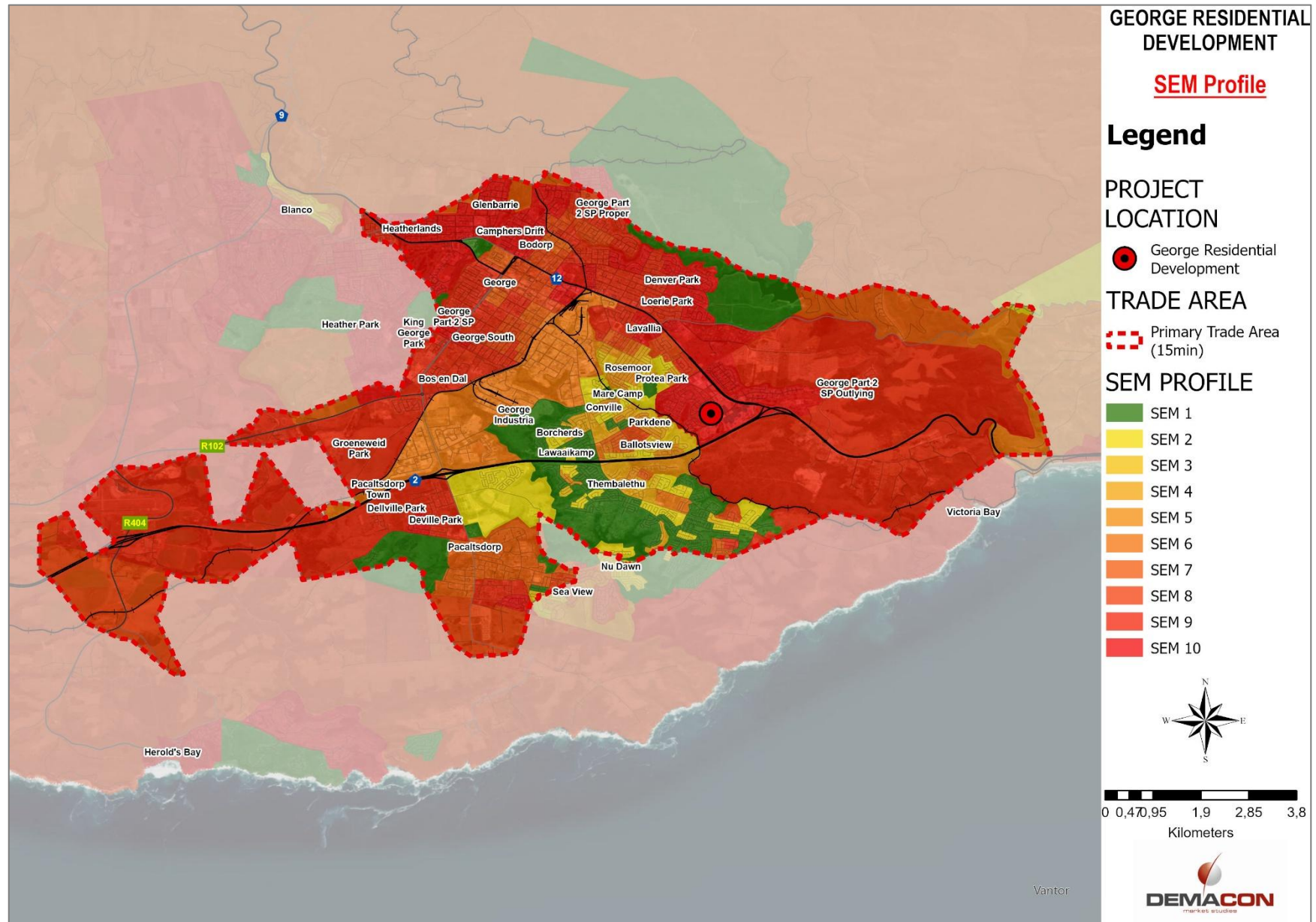
- ❌ LSM is not related to any specific brand or category
- ❌ LSM cannot accurately determine spending power
- ❌ Consumers have changed, LSM has not

ADVANTAGES OF SEM

- ✅ Focus on structural items
- ✅ Low reliance on durables
- ✅ No reliance on technology items
- ✅ Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and townships of SA.

SEM PROFILE



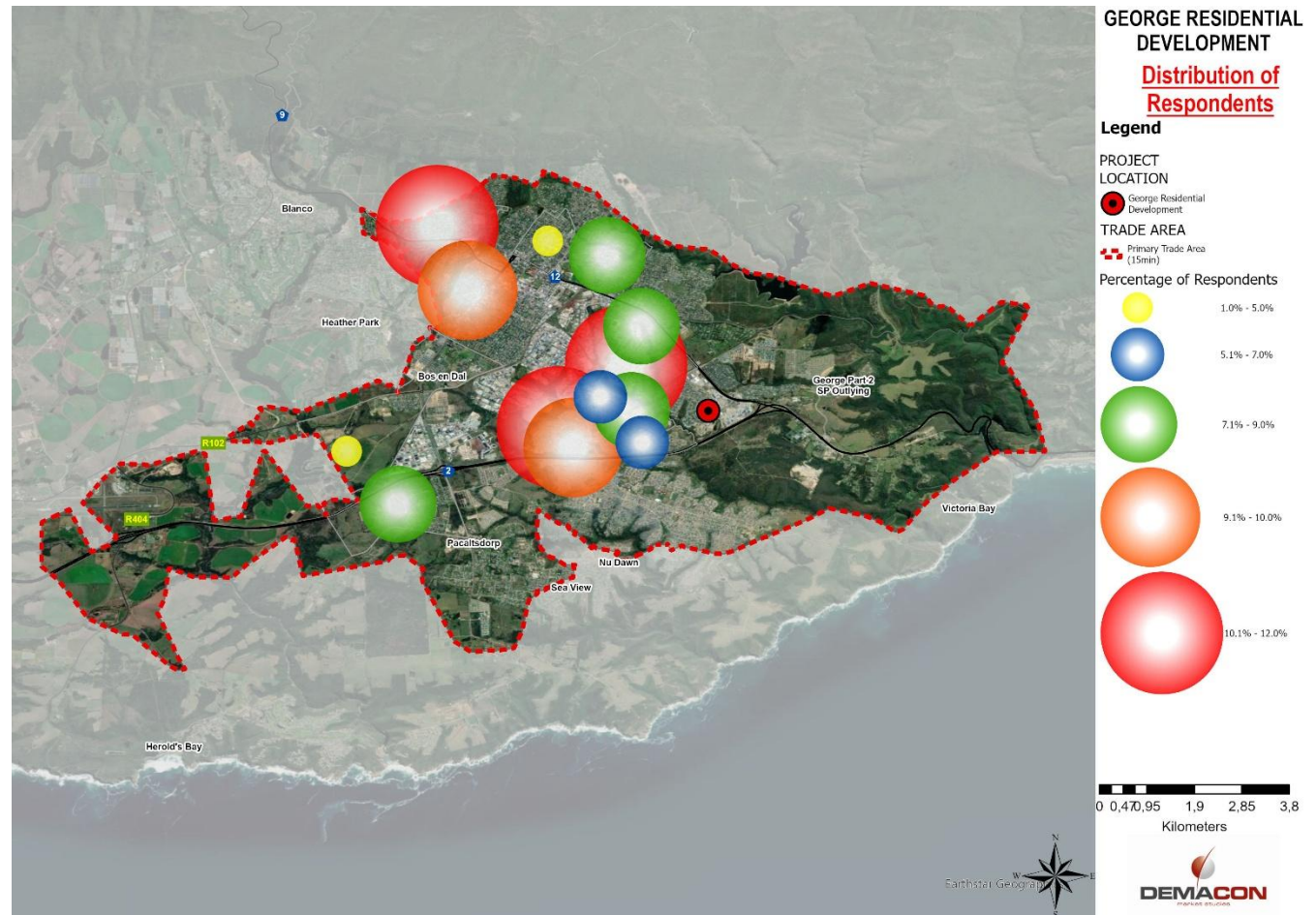
HOUSEHOLD SURVEY RESULTS

A proportionate stratified sample survey method was applied to test consumer preferences and perceptions with respect to the potential for the proposed development to be located in **in George**, situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development.

The map geographically illustrates the spatial distribution of the respondents who participated in the survey. The respondents were located in:

- ✓ Heatherlands
- ✓ Borchards
- ✓ Rosemore
- ✓ Dormehls Drift
- ✓ Lawaaiikamp
- ✓ Bergsig
- ✓ Delville Park
- ✓ Lavalia
- ✓ Parkdene
- ✓ Ballots View
- ✓ Conville
- ✓ Groeneweid Park
- ✓ Bodorp.



SOCIO-ECONOMIC PROFILE

Key outcomes from the survey include:

Describe your household

Respondent households are primarily characterised as

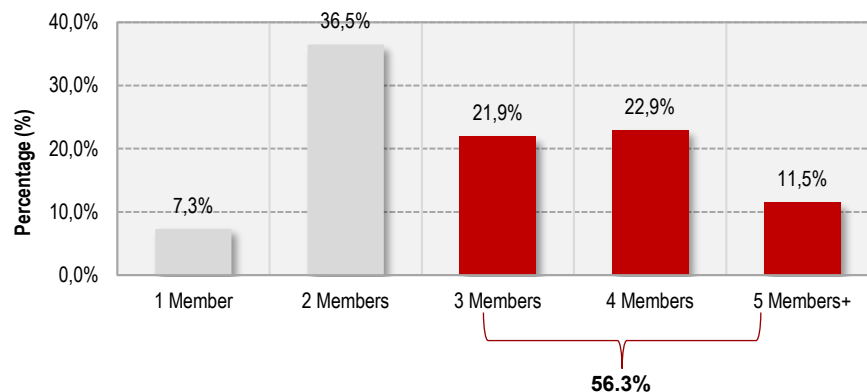


Parents with small children **37.5%**

Parents with adult children **13.5%**

Retired - golden nests/elderly **11.5%**

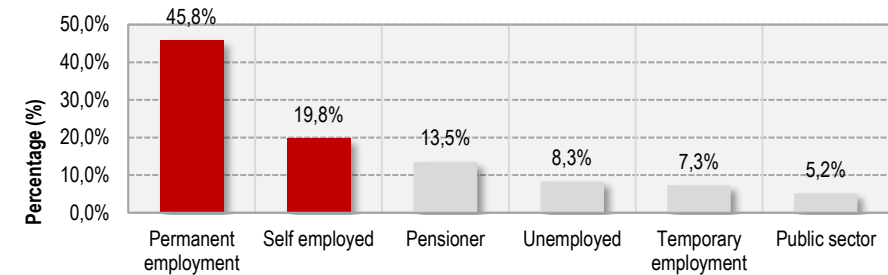
How many MEMBERS do you have in your household?



The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%)**, **3 people (21.9%)**, **4 members (22.9%)** and **5 people (11.5%)** in a household.

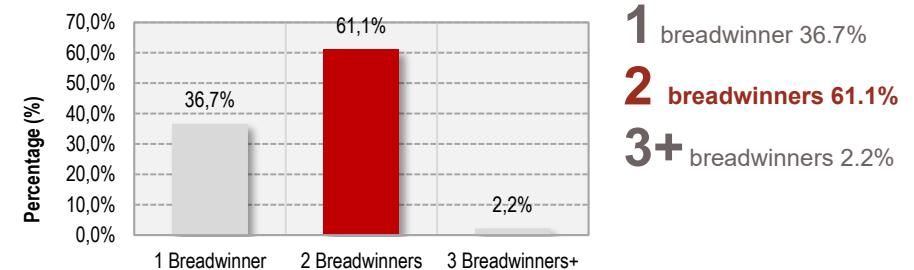
EMPLOYMENT Status

Respondents are typically **permanently employed (45.8%)** or **self-employed (19.8%)**.



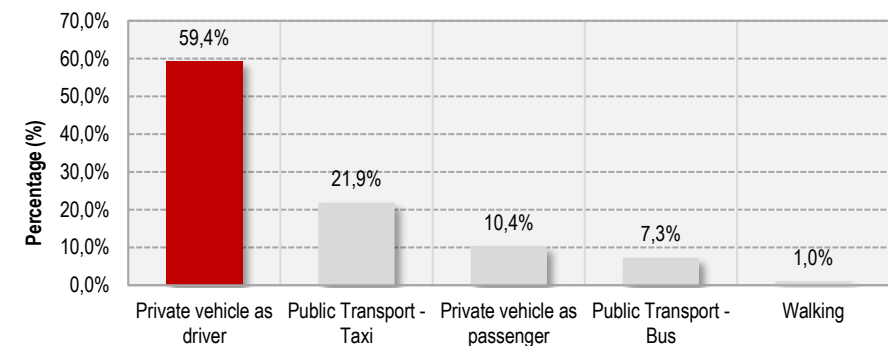
Number of BREADWINNERS in household:

The majority of households have 2 breadwinners in the household (61.1%).



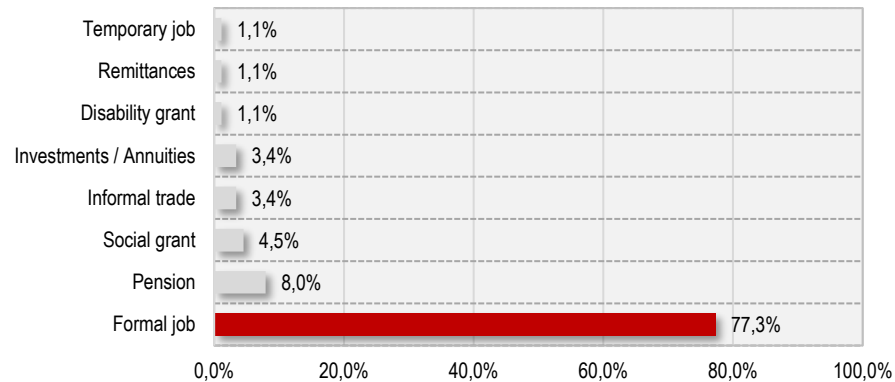
1 breadwinner 36.7%
2 breadwinners 61.1%
3+ breadwinners 2.2%

DOMINANT mode of TRANSPORT:

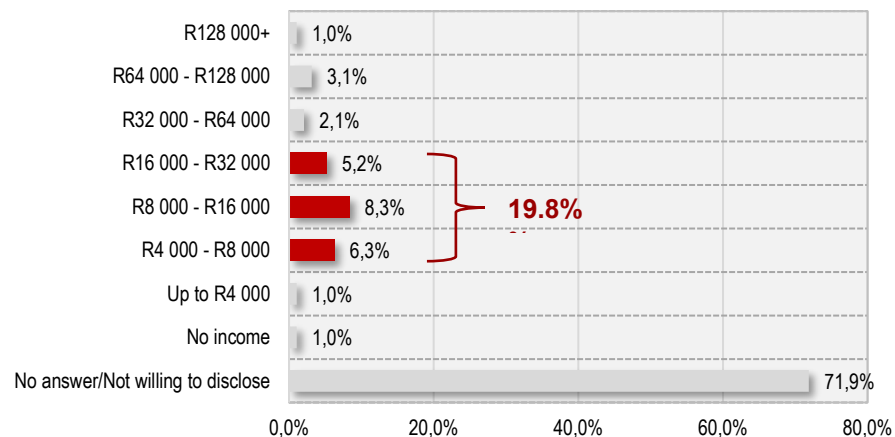


INCOME sources:

The majority of households (**77.3%**) earn their income from a **formal job**, 8.0% from pension.

Average monthly HOUSEHOLD INCOME profile (before deductions):

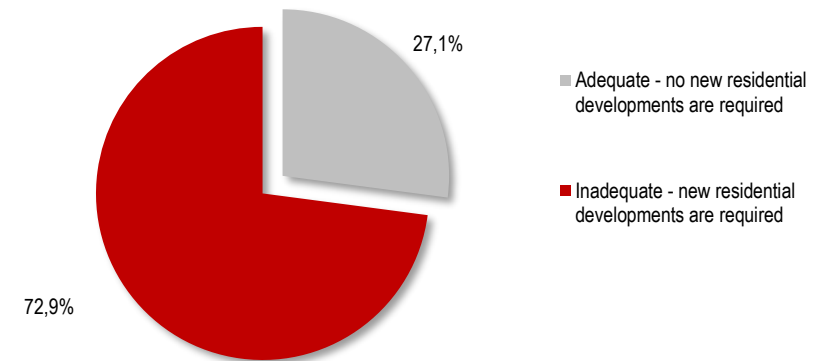
The vast majority of respondents did not want to disclose this information. The survey shows that 19.8% of respondents indicated their monthly household income range between R4 000 and R32 000 on average.



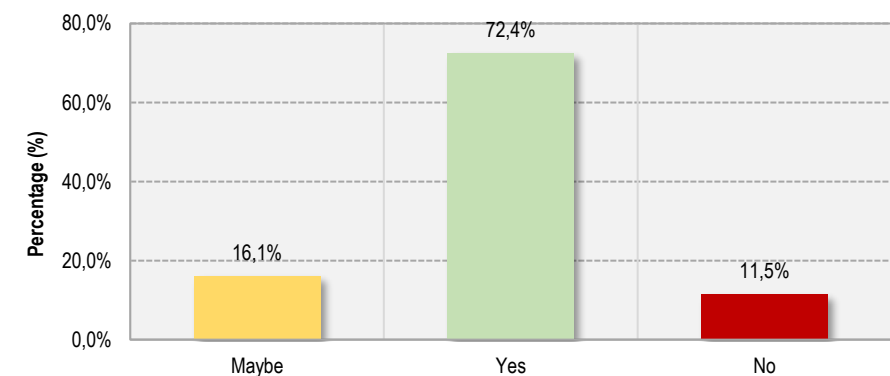
RESIDENTIAL SUPPORT AND PREFERENCES

How would you best describe the residential offer in the George area?

72.9% of respondents indicated there is current **residential offerings** in the George area is inadequate – new residential developments are required.

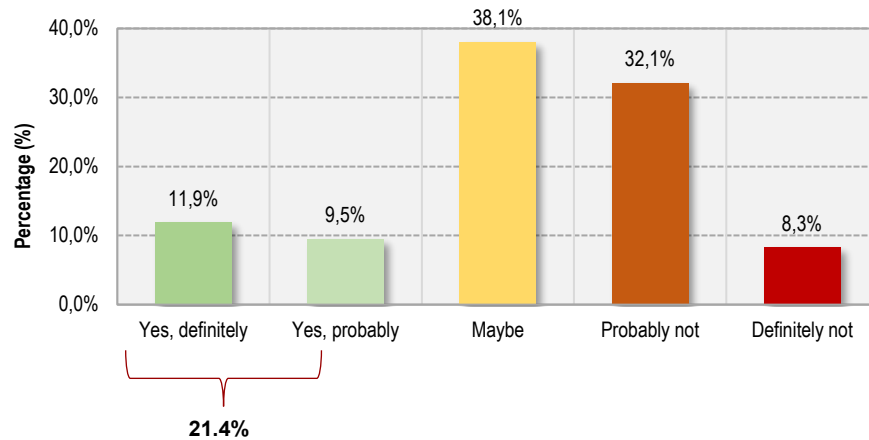
Perceived DEMAND for a new residential development in George?

72.4% of respondents indicated there is a **demand** for a new residential development in the area, 26.1% indicated “maybe” and 11.5% indicated there is no demand.

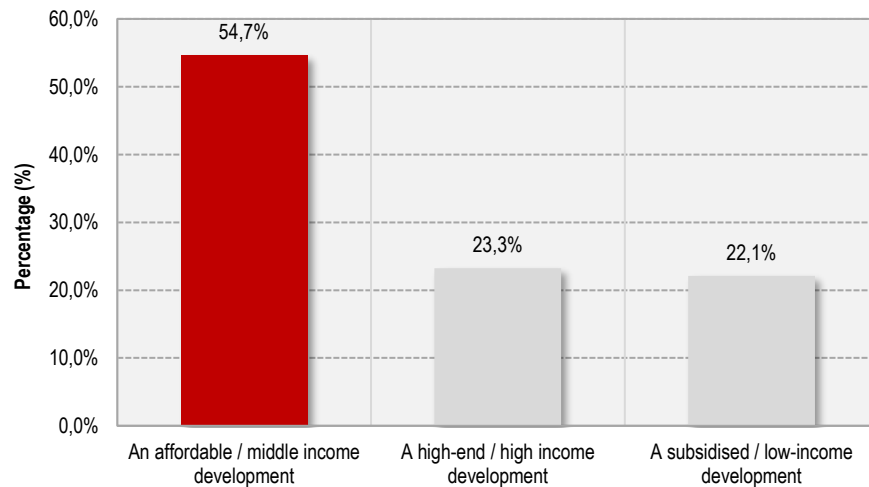


Would you consider MOVING to this development?

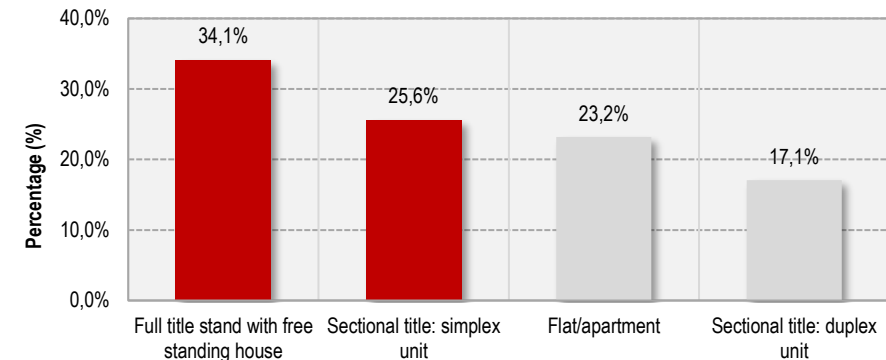
21.4% of respondents would definitely / probably consider move to this development.

Which of the following type of development is there the highest demand in the George Area

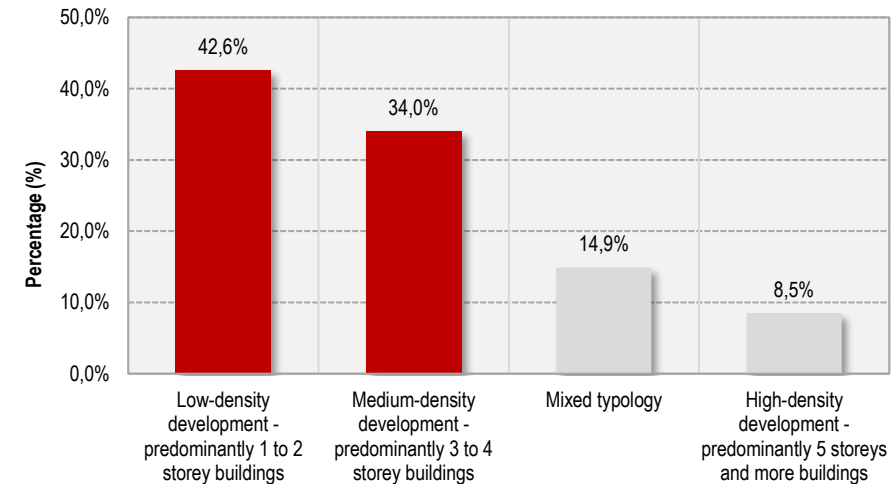
The highest demand for type of development is an affordable middle income development (54.7%) or a high-end / high income development (23.3%)

Preferred type of dwelling unit structure

The type of dwelling unit preferred is a full title stand with **freestanding house** (34.1%), followed by 25.6% a sectional title unit (simplex).

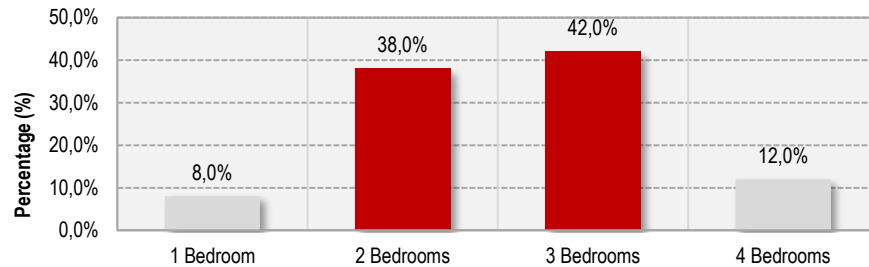
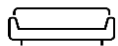
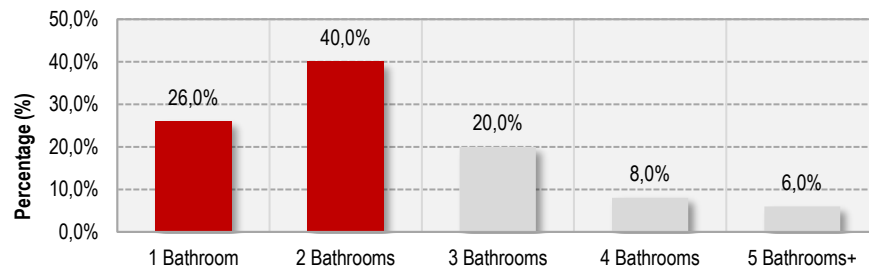
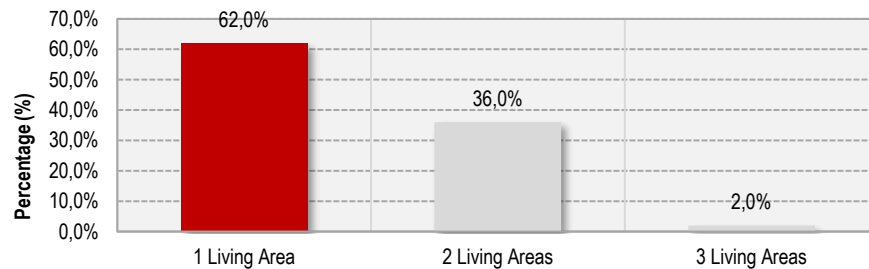
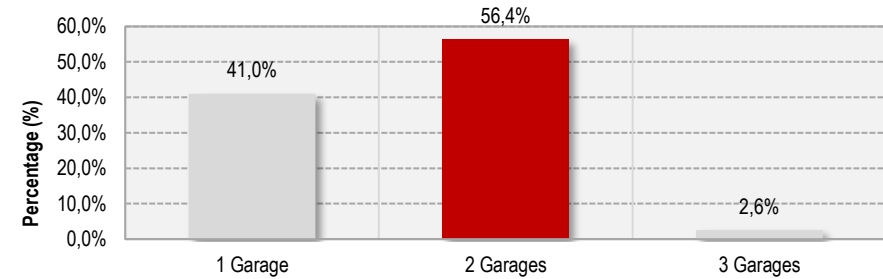
In your opinion, what is your overall density preference for a new residential development?

42.6% of respondents indicated the overall density preference is a **low-density development (1 to 2 storey buildings)**, followed by 34.0% of respondents a medium-density development (3 to 4 storey buildings).

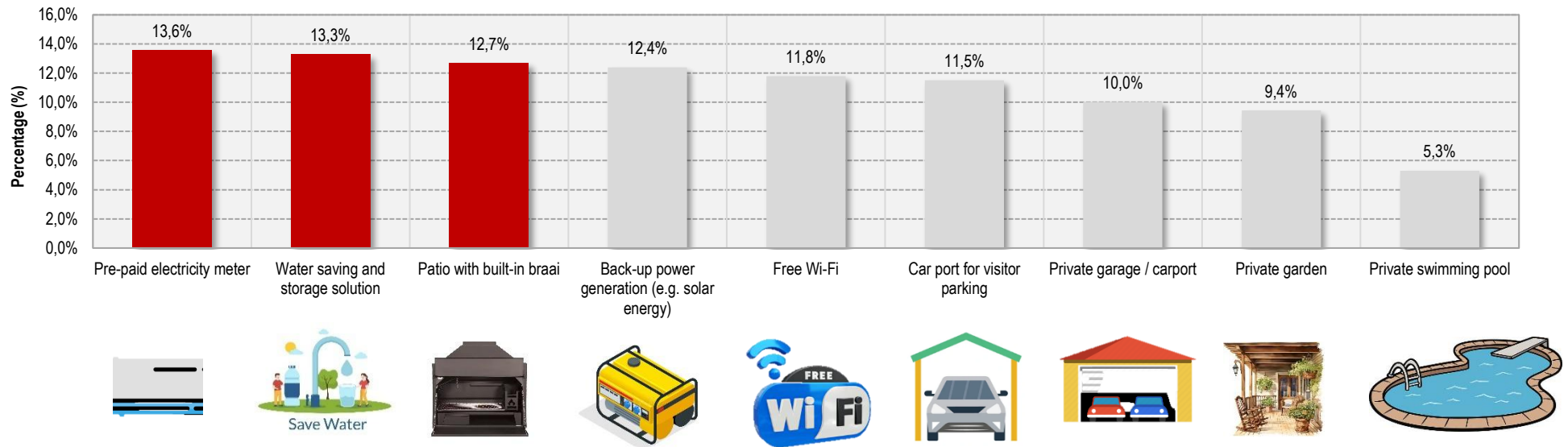


Preferred composition of residential units

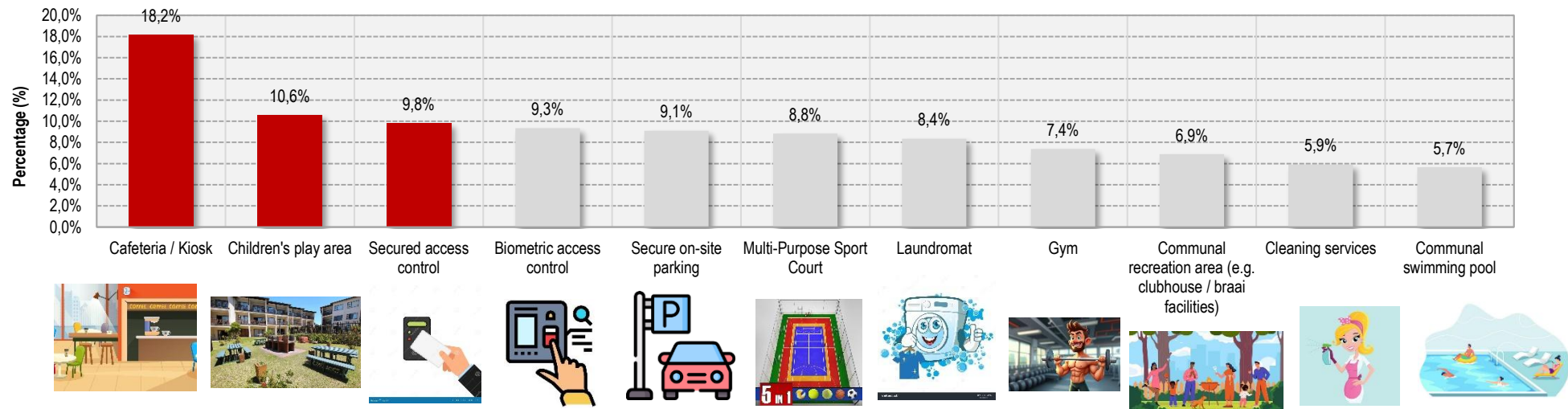
The preferred composition for the residential unit could be a 2 to 3 bedroom unit, with 1 or 2 bathrooms, 1 to 2 living areas, 1 to 2 garages and 1 to 2 carports.

**Bedrooms****Bathrooms****Living Areas****Garages****Carports**

Which of the following should also form part of the RESIDENTIAL UNIT offering?



Which of the following amenities should form part of the RESIDENTIAL DEVELOPMENT? (residential unit offering?)



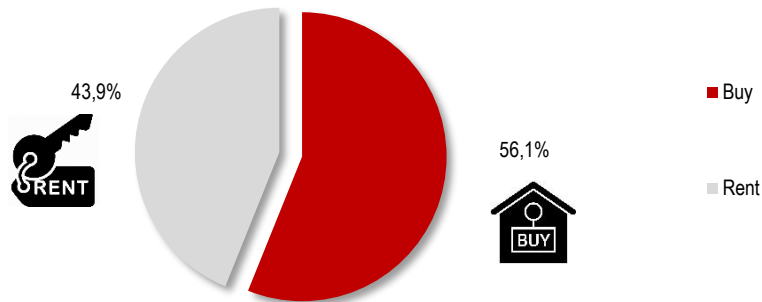


AFFORDABILITY



Affordability Profile

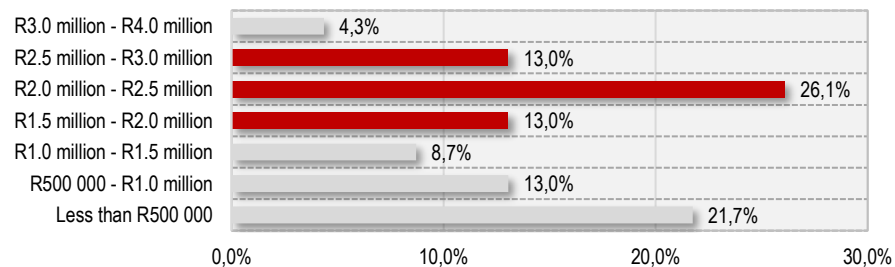
56.1% of respondents indicated they will be able to **BUY** and **43.9%** would **RENT** based on the affordability profile.



If you were to **BUY** a new residential property what would be a **REASONABLE MARKET PRICE?**



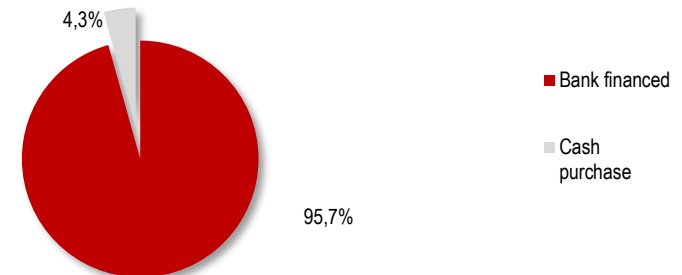
52.2% of the respondents indicated they would buy a property in the region of **R1.5 million to R3.0 million**.



Would the purchase of a property/house be **BANK-FINANCED OR BOUGHT CASH?**

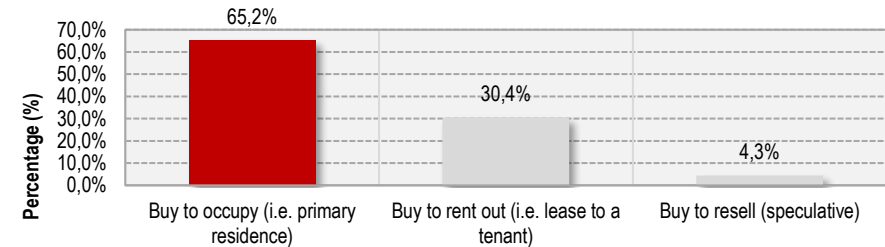


95.7% of the respondents indicated they would **bank-finance** the property / house.



Reason for purchase

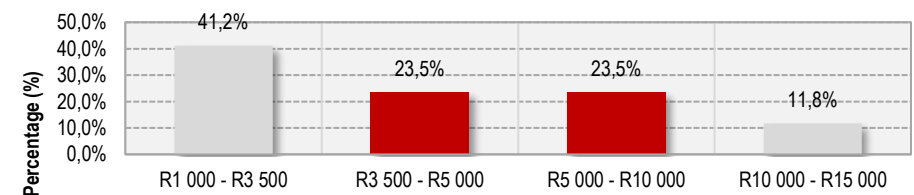
65.2% indicated they would **buy to occupy as a primary residence**.



RENTAL Profile

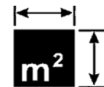
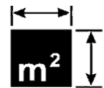
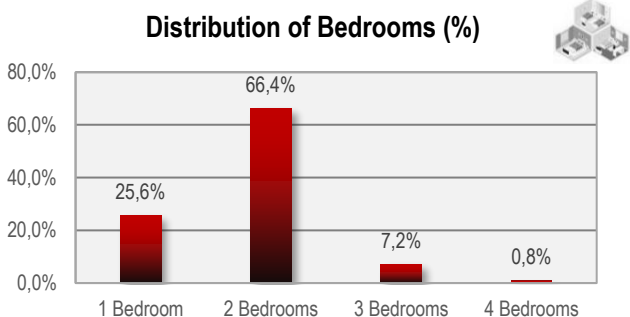
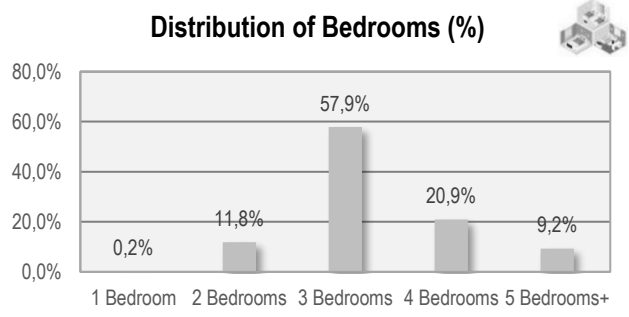
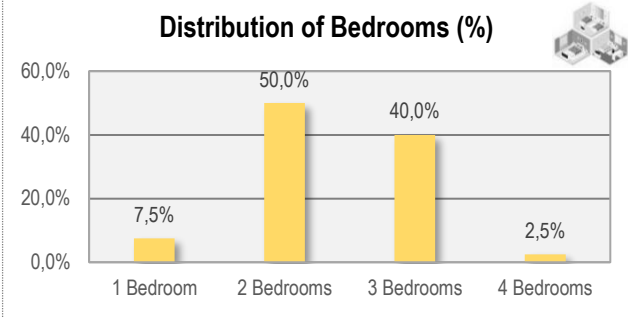
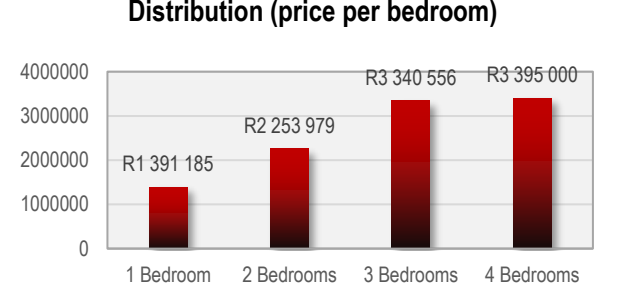
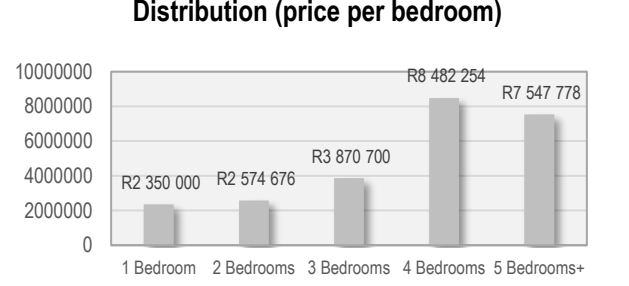
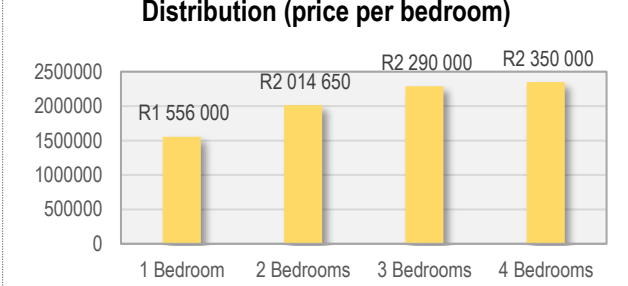


Respondents opting to **rent** a property are mainly willing to rent for R1 000 to R3 500 (**41.2%**) followed by 47.1% willing to rent for R3 500 to R10 000 per month.



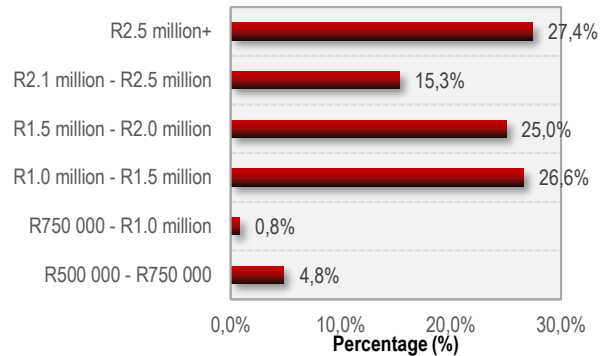
LOCAL RESIDENTIAL SALES & RENTALS

Key descriptive information of properties for sale

APARTMENTS / FLATS		FREE-STANDING HOMES		TOWNHOUSES																																	
	PROPERTIES in immediate surrounding area 125 (16.7%)		PROPERTIES in immediate surrounding area 584 (78.0%)		PROPERTIES in immediate surrounding area 40 (5.3%)																																
	Average Price R2 595 180		Average Price R4 965 082		Average Price R2 052 662																																
	Average Unit Size 35m² – 259m² 75.8m² (average)		Average Erf Size 116m² – 10 575m² 678.5m² (average)		Average Unit Size 21m² – 499m² 225.8m² (average)																																
Distribution of Bedrooms (%)  <table><tr><th>Bedrooms</th><th>Percentage</th></tr><tr><td>1 Bedroom</td><td>25.6%</td></tr><tr><td>2 Bedrooms</td><td>66.4%</td></tr><tr><td>3 Bedrooms</td><td>7.2%</td></tr><tr><td>4 Bedrooms</td><td>0.8%</td></tr></table>		Bedrooms	Percentage	1 Bedroom	25.6%	2 Bedrooms	66.4%	3 Bedrooms	7.2%	4 Bedrooms	0.8%	Distribution of Bedrooms (%)  <table><tr><th>Bedrooms</th><th>Percentage</th></tr><tr><td>1 Bedroom</td><td>0.2%</td></tr><tr><td>2 Bedrooms</td><td>11.8%</td></tr><tr><td>3 Bedrooms</td><td>57.9%</td></tr><tr><td>4 Bedrooms</td><td>20.9%</td></tr><tr><td>5 Bedrooms+</td><td>9.2%</td></tr></table>		Bedrooms	Percentage	1 Bedroom	0.2%	2 Bedrooms	11.8%	3 Bedrooms	57.9%	4 Bedrooms	20.9%	5 Bedrooms+	9.2%	Distribution of Bedrooms (%)  <table><tr><th>Bedrooms</th><th>Percentage</th></tr><tr><td>1 Bedroom</td><td>7.5%</td></tr><tr><td>2 Bedrooms</td><td>50.0%</td></tr><tr><td>3 Bedrooms</td><td>40.0%</td></tr><tr><td>4 Bedrooms</td><td>2.5%</td></tr></table>		Bedrooms	Percentage	1 Bedroom	7.5%	2 Bedrooms	50.0%	3 Bedrooms	40.0%	4 Bedrooms	2.5%
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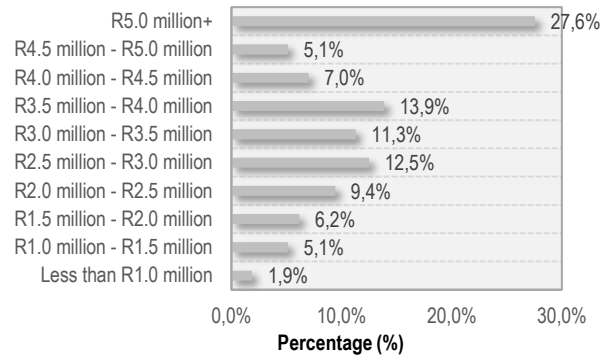
APARTMENTS / FLATS

Price Distribution



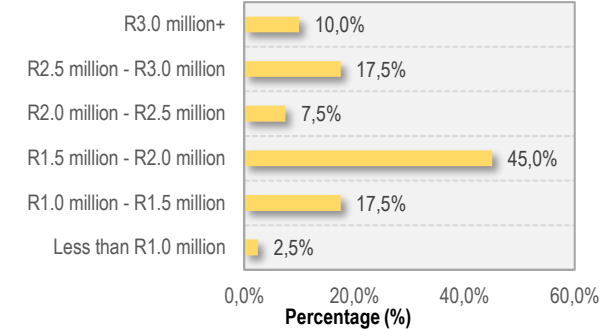
FREE-STANDING HOMES

Price Distribution

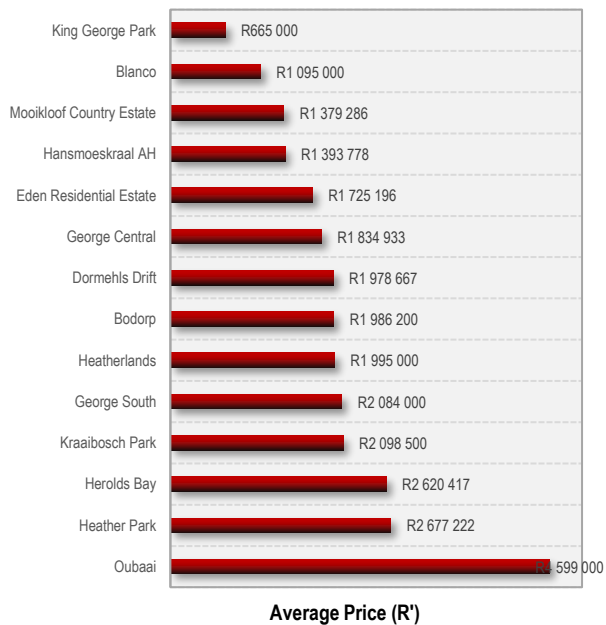


TOWNHOUSES

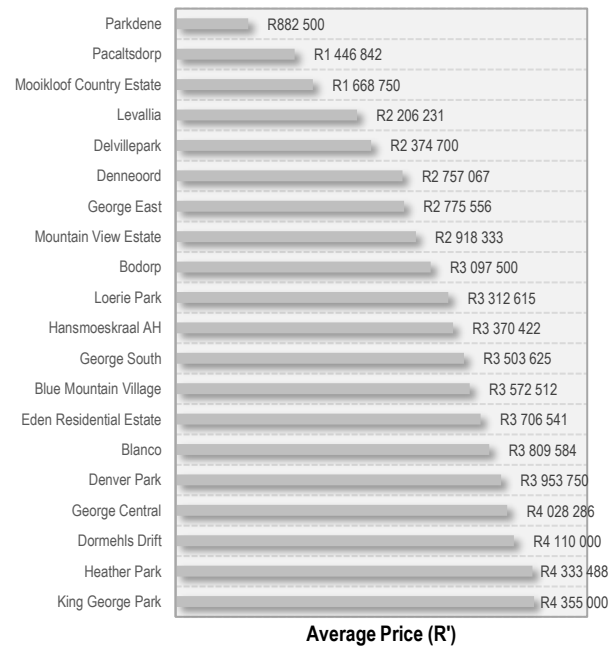
Price Distribution



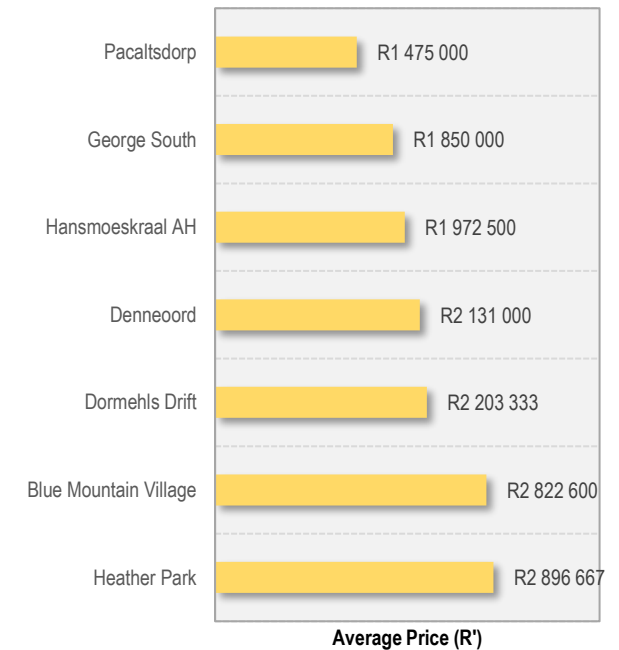
Average Price Per Suburb



Average Price Per Suburb

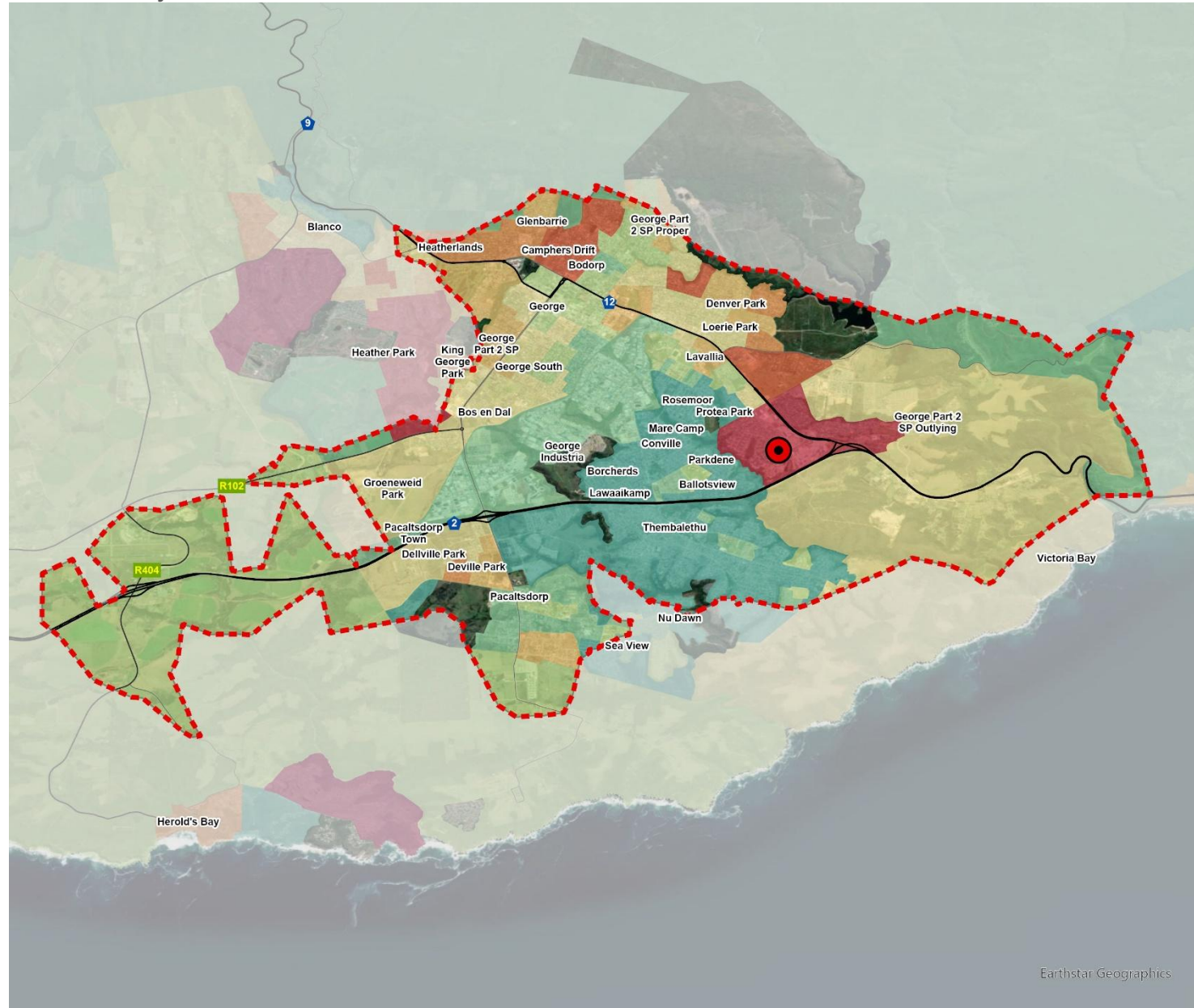


Average Price Per Suburb



Source: Demacon ex Property24 data, 2026

House Price Affordability



GEORGE RESIDENTIAL
DEVELOPMENT

Housing Affordability

Legend

PROJECT
LOCATION

George Residential Development

TRADE AREA

Primary Trade Area (15min)

House Price
Affordability

Up to R350k
 R351k - R500k
 R501k - R750k
 R751k - R1.0mil
 R1.1mil - R1.3mil
 R1.3mil - R1.5mil
 R1.5mil - R2.0mil
 R2.1mil - R2.5mil
 R2.5mil+



0 0,4 0,95 1,9 2,85 3,8
Kilometers

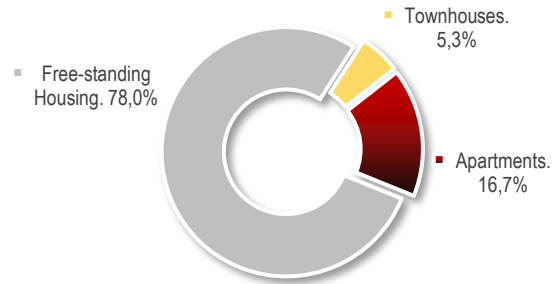
Earthstar Geographics



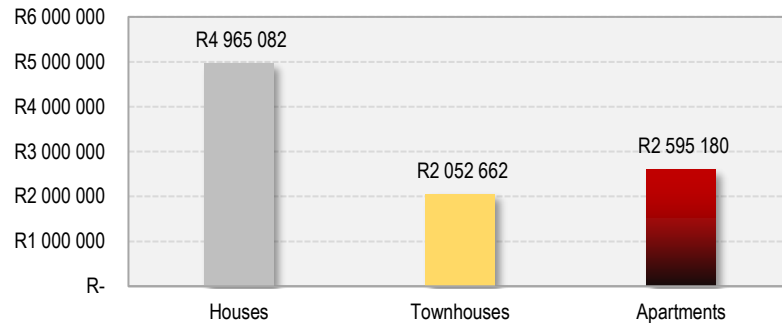
RESIDENTIAL SALES SUMMARY – LISTED PROPERTY

SUMMARY OF SALES

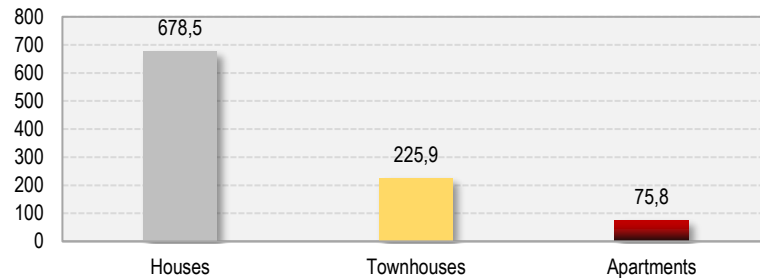
Summary of Residential Supply in terms of number of transactions



Average Selling Price



Average Unit Sizes



Townhouses

Average Price **R2 052 662**

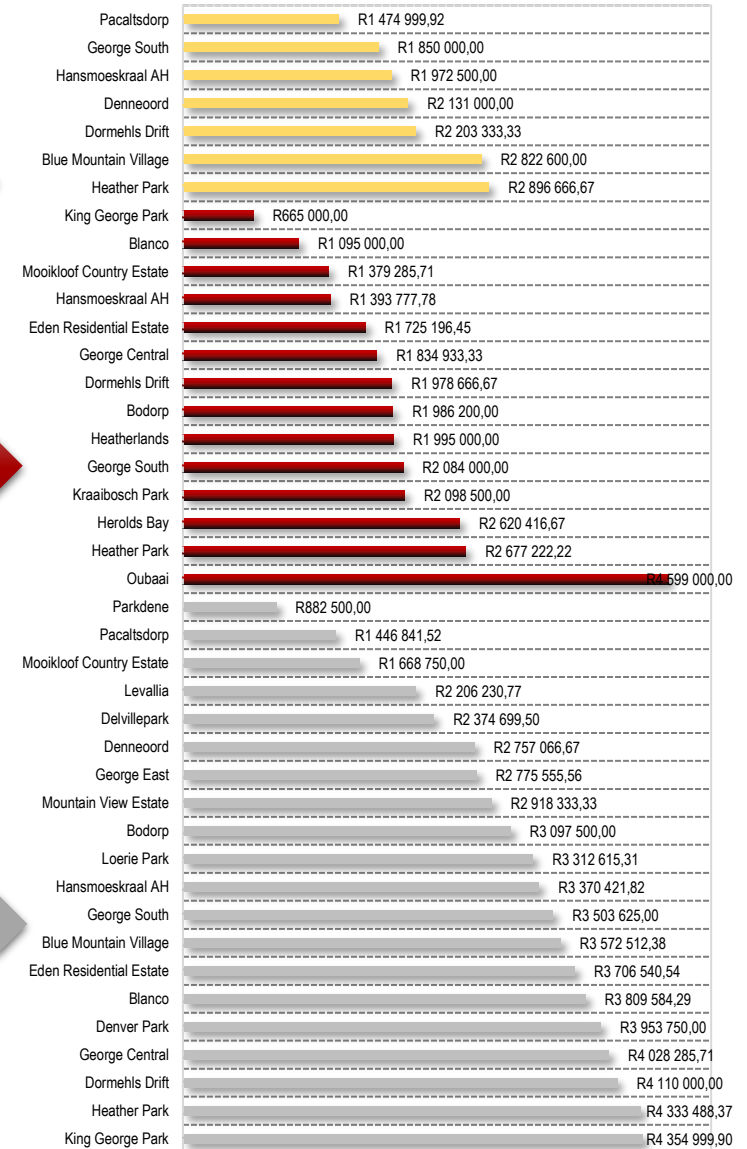
Apartment / Flats

Average Price **R2 595 180**

Houses

Average Price **R4 965 082**

AVERAGE SALES PRICE PER SUBURB



Residential Properties Listed to Rent*

Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	%
APARTMENTS / FLATS						
1 Bedroom	R6 000	R15 300	R2 128	R9 331	31	37,8%
2 Bedrooms	R8 750	R20 950	R3 426	R13 615	37	45,1%
3 Bedrooms	R9 995	R24 000	R3 468	R15 350	13	15,9%
4 Bedrooms	R22 500	R22 500	R0	R22 500	1	1,2%
Average rental				R15 199	82	100,0%
HOUSES						
1 Bedroom	R6 400	R8 800	R1 068	R7 900	3	4,3%
2 Bedrooms	R13 000	R45 000	R10 460	R19 786	7	10,0%
3 Bedrooms	R13 500	R68 000	R9 149	R22 256	41	58,6%
4 Bedrooms	R17 000	R45 000	R7 696	R30 000	13	18,6%
5 Bedrooms+	R25 000	R50 000	R10 335	R35 667	6	8,6%
Average rental				R23 122	70	100,0%
TOWNHOUSES						
1 Bedroom	R5 950	R5 950	R0	R5 950	1	3,3%
2 Bedrooms	R14 000	R22 500	R2 415	R16 167	18	60,0%
3 Bedrooms	R14 900	R30 000	R4 249	R17 353	11	36,7%
Average rental				R13 156	30	100,0%

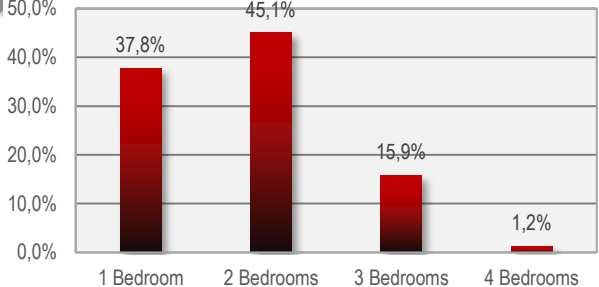
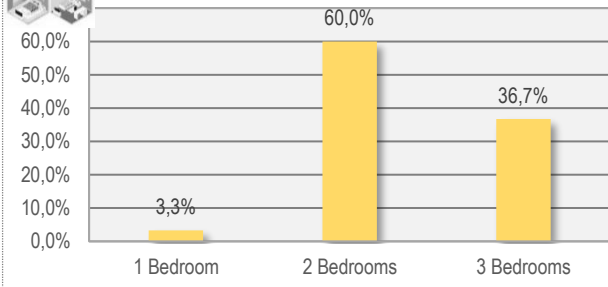
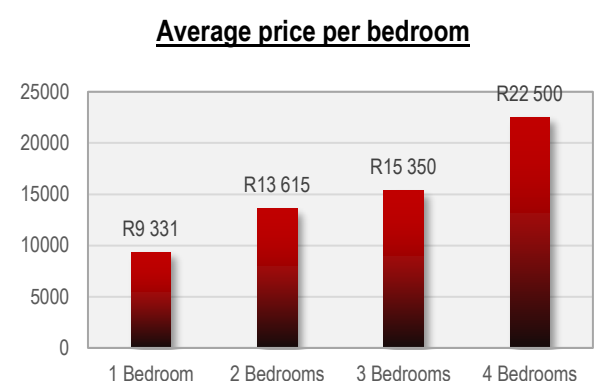
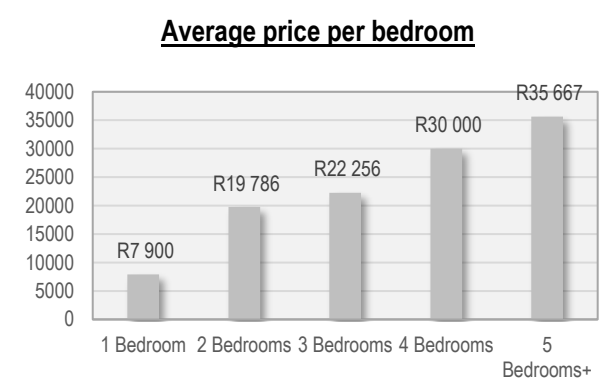
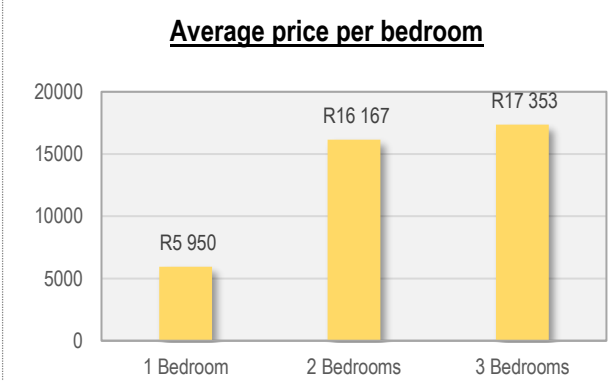
Source: Demacon ex Property24 data, 2026

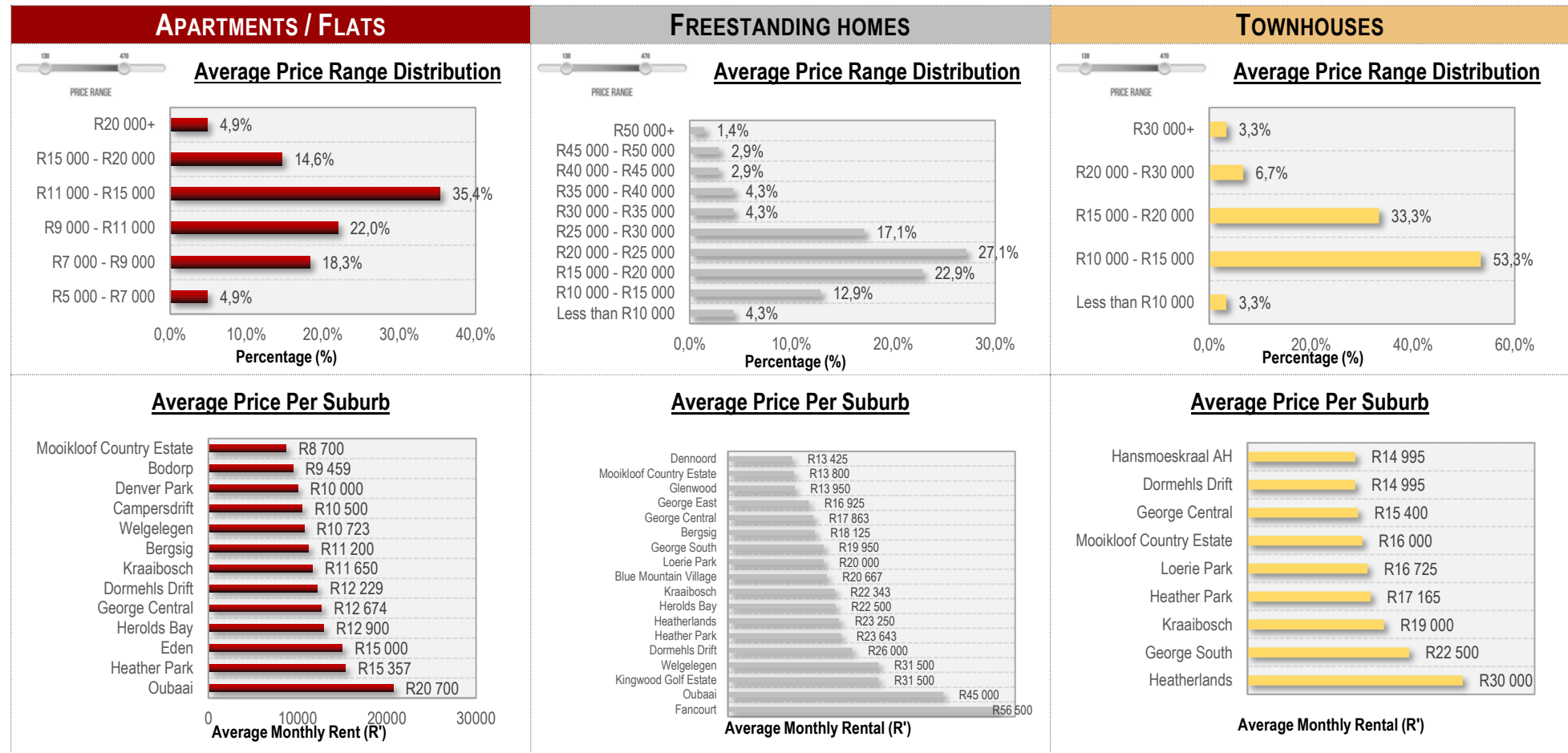
Findings:

- As seen from the table above, there are 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
- The **average rental prices** are as followed:
 - Apartment / flats – **R15 199**
 - Houses – **R23 122**
 - Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

The following information provides a summary of the rental properties followed by key descriptive information of properties to rent in the market.

Key descriptive information of properties to rent (Listings)

APARTMENTS / FLATS	FREESTANDING HOMES	TOWNHOUSES
 PROPERTIES in immediate surrounding area 82 (45.1%)	 PROPERTIES in immediate surrounding area 70 (38.5%)	 PROPERTIES in immediate surrounding area 30 (16.5%)
 Average Rental R15 199	 Average Rental R23 122	 Average Rental R13 156
Average Unit Size 21m² – 196m² 74m² (average)	Average Stand Sizes 180m² – 3 100m² 761m² (average)	Average Unit Size 97m² – 376m² 176m² (average)
 Distribution of Bedrooms 	 Distribution of Bedrooms 	 Distribution of Bedrooms 
Average price per bedroom 	Average price per bedroom 	Average price per bedroom 

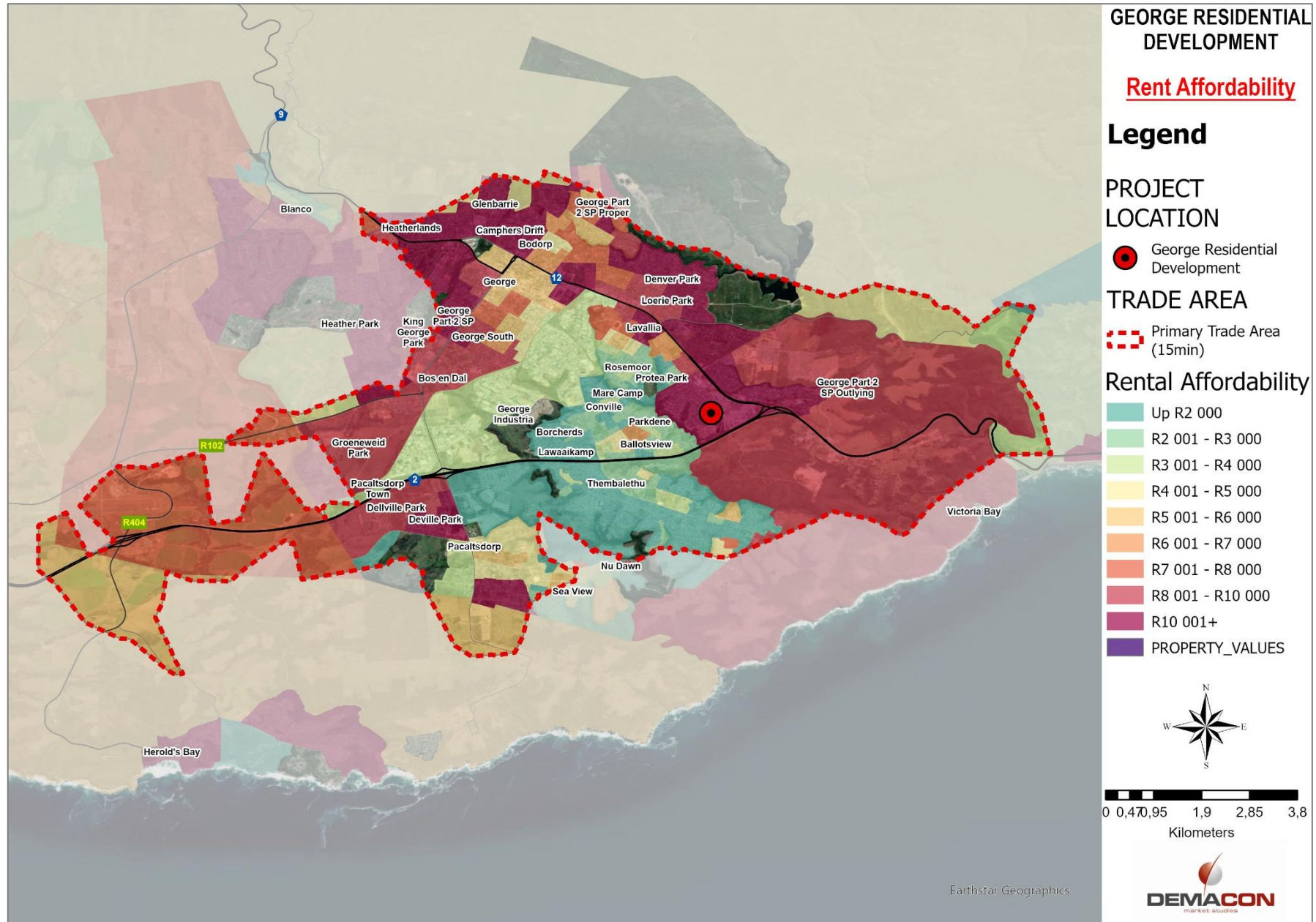


Source: Demacon ex Property24 data, 2026

Summary of properties to rent:

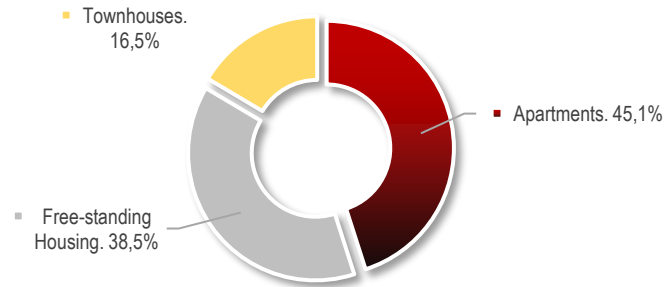
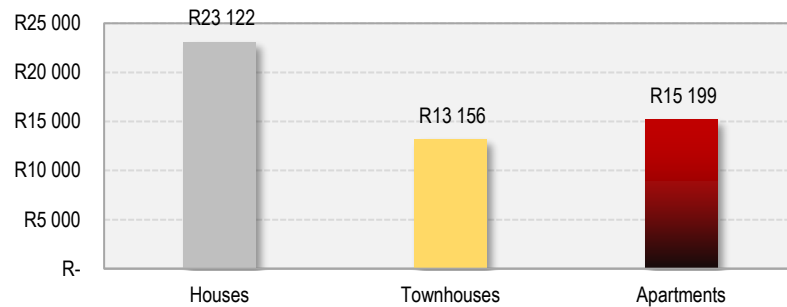
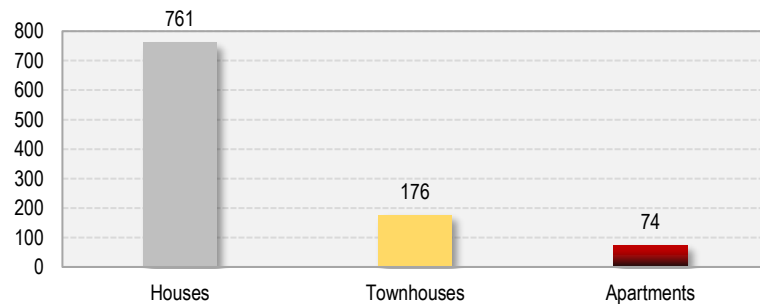
- ✓ Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.
- ✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.
- ✓ In total, there were **70 freestanding houses**, **82 apartments** and **30 townhouses** currently listed on the market.
- ✓ The **average rental price is:**
 - Houses: R23 122
 - Townhouses: R13 156
 - Apartments and Flats: R15 199

Rental Affordability (Primary Market Area)



RESIDENTIAL RENTALS SUMMARY – LISTED PROPERTY**SUMMARY OF RENTALS**

Summary of Residential Supply in terms of number of transactions

**Average Monthly Rent****Average Unit Sizes****Townhouses**

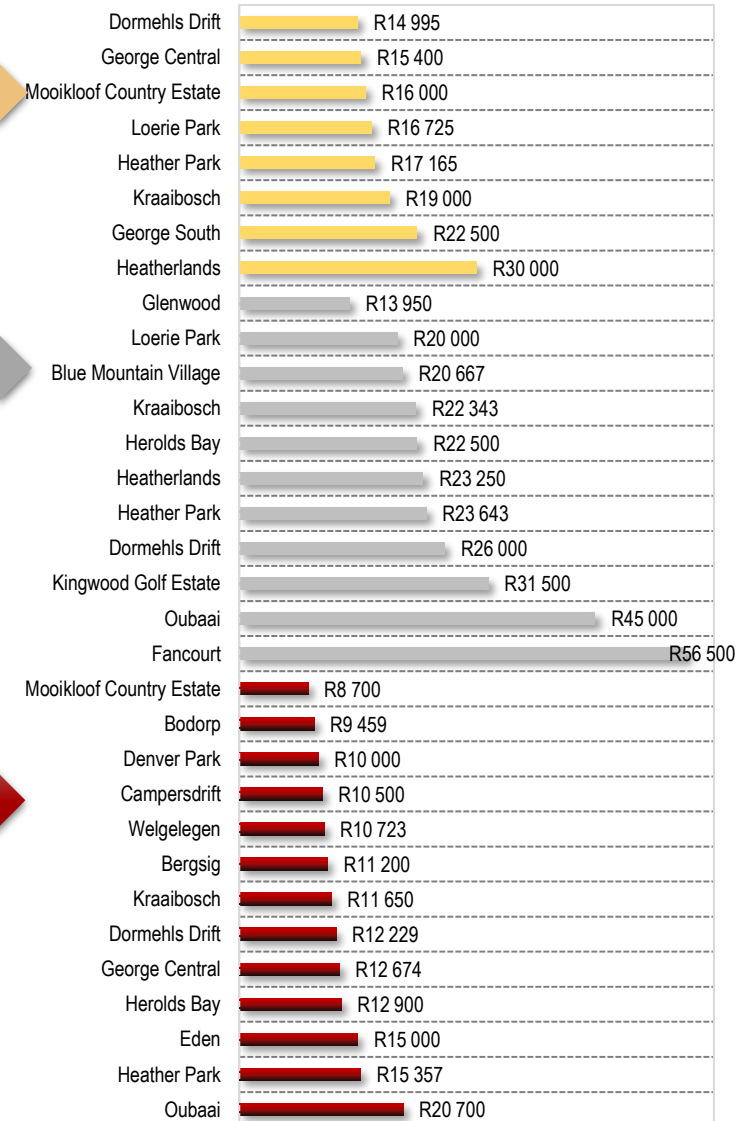
Average Rentals
R13 156

Houses

Average Rentals
R23 122

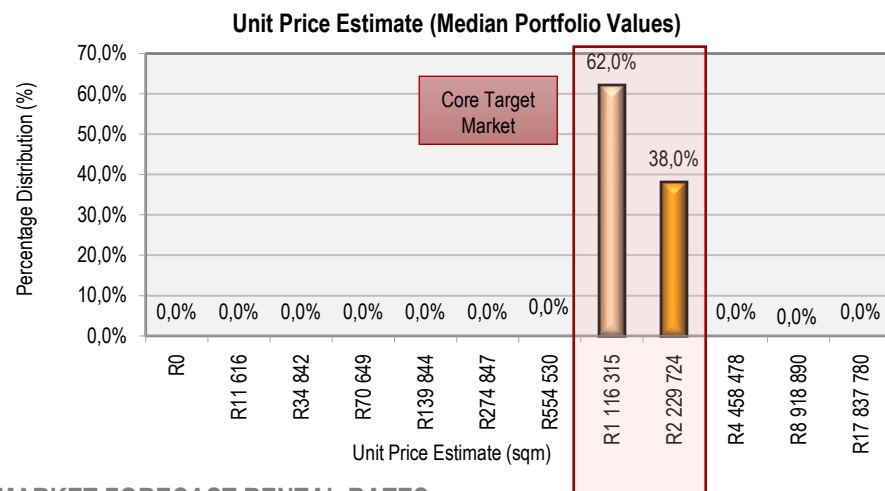
Apartment / Flats

Average Rentals
R15 199

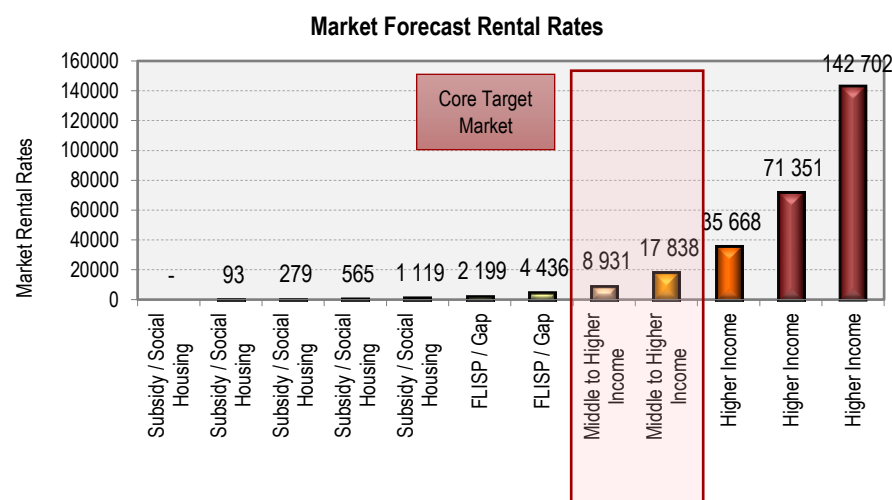
AVERAGE RENTAL PRICE PER SUBURB

RESIDENTIAL DEMAND MODELLING

UNIT PRICE ESTIMATE (MEDIAN PORTFOLIO VALUES)



MARKET FORECAST RENTAL RATES



SUMMARY OF MARKET RECOMMENDATIONS

TOTAL MARKET

	Additional Households: Base Year +5 Years	4 095	A
	Annualised Market Growth (Full Housing Spectrum)	819	B
	Bonded & Credit linked	46,9%	C
	Bonded & Credit Linked take-up per annum	384	D
	Annual secondary market contribution (units / annum)	Min 267 Max 534	E F
	Total annual Bonded & Credit Linked demand	Min 651 Max 918	G H

PROJECT SPECIFIC – BONDED / MARKET BASED HOUSING UNITS

	Project Bonded & Credit Linked Units	680	I
	Forecast market share of total market sales	Min 5% Max 10%	J K
	Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min 33 Max 92	L M
	Years to 80% Take-Up (Social Housing Units)	Min 7,4 Max 20,9 Avg 14,1	N O P
	Optimum point of market entry	2027+	

Explanatory Notes:

A = increase in demand for new units, 2026 – 2031

B = Annualised market growth, i.e., of A/5

D = B x C

E & F = Annual secondary market contribution (i.e., the contribution made by re-sales in the target affordability income brackets)

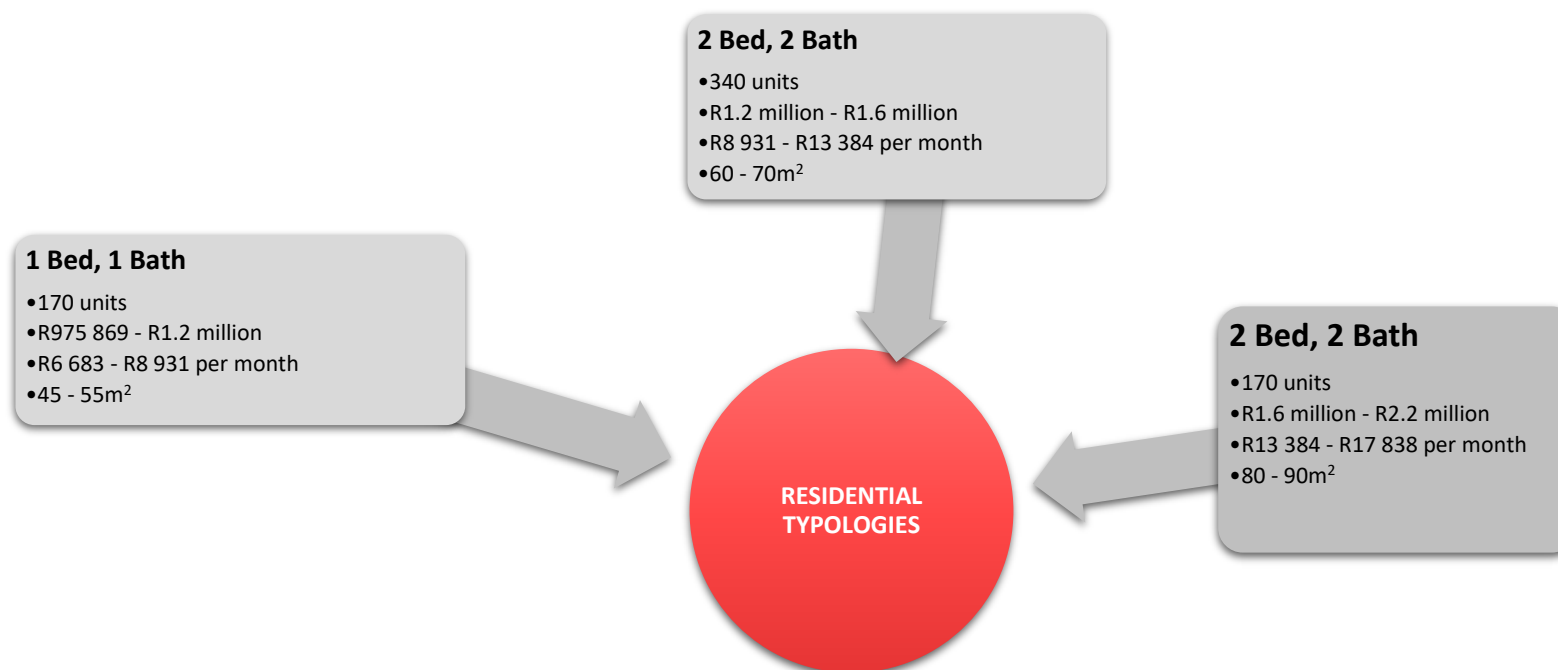
G & H = Annual new entry-level to executive flat/ apartment demand; D + E and D + F

I = Project entry-level to executive flat/ apartment units

J & K = assumed market share of market area

KEY FINDINGS & RECOMMENDATIONS

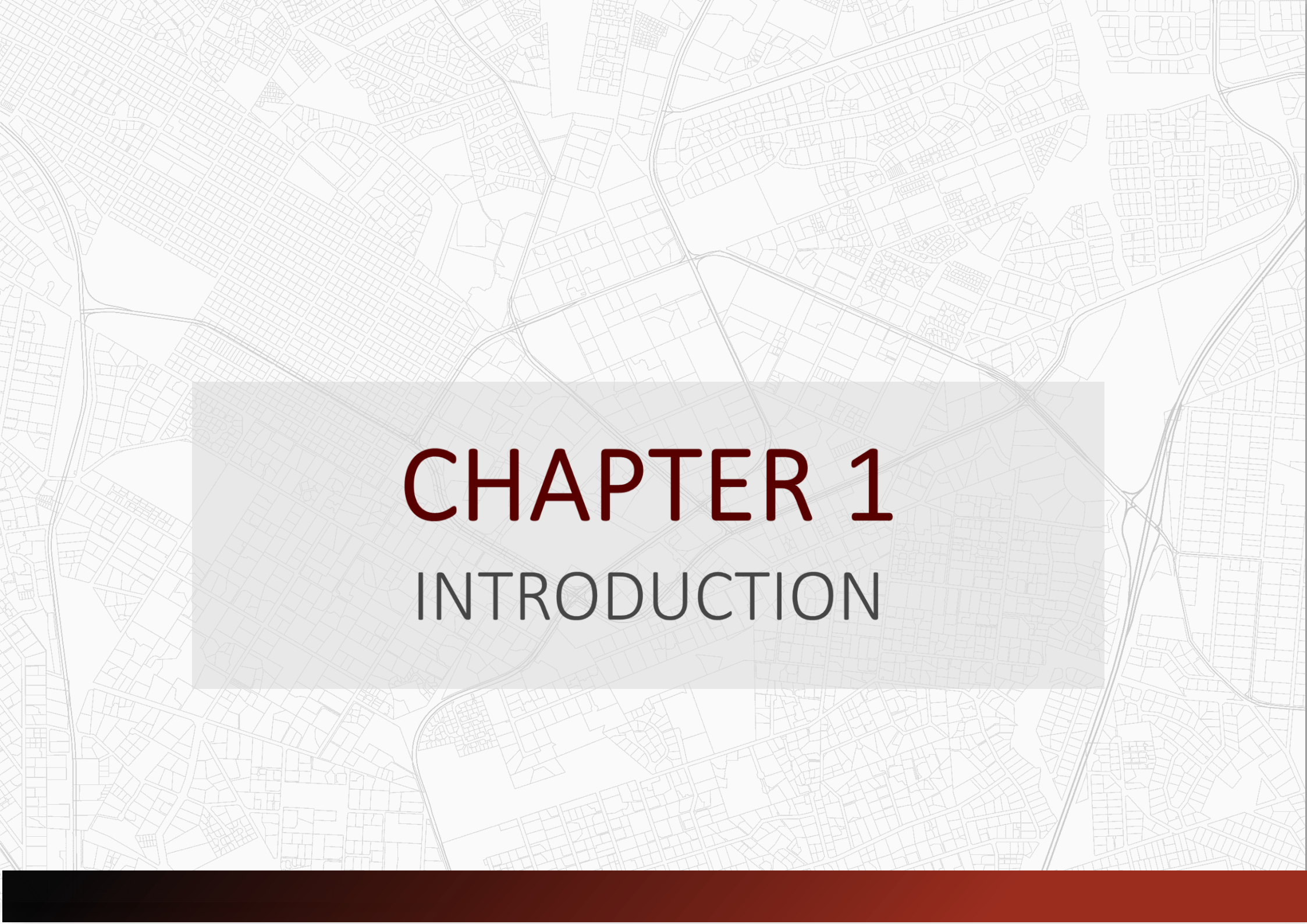
Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.



Optimum Typology and Pricing Distribution (Target Market)

Type	% Split	Number of Units	Sale Price	Rental Prices	Size (m ²)	R/sqm
1 Bed, 1 Bath	25.0%	170	R975 869 – R1.2 million	R6 683 – R8 931	45 – 55m ²	R21 686 – R22 804
2 Bed, 2 Bath	50.0%	340	R1.2 million – R1.6 million	R8 931 – R13 384	60 – 70m ²	R22 804 – R23 900
3 Bed, 2 Bath	25.0%	170	R1.6 million – R2.2 million	R13 384 – R17 838	80 – 90m ²	R22 804 – R24 775
Total	100.0%	680				

Source: Demacon Demand Modelling, 2026

A detailed, light gray line-art map of a city street grid serves as the background. The grid is dense and covers the entire frame. Overlaid on this is a semi-transparent gray rectangle containing the chapter title.

CHAPTER 1

INTRODUCTION

1. INTRODUCTION

1.1 BACKGROUND

Chapter one provides an introduction and concise roadmap of the proposed **George Residential Development**. The chapter also provides concise background to the project, a site description as well as a report outline.

1.2 PROJECT BRIEF & OBJECTIVES

DEMACON Market Studies were commissioned by **Century Property Developments (Pty) Ltd** to assess, *inter alia*, the socio-economic / demographic profile, economic drivers and trends, supply and demand, development & growth potential and socio-economic impact of the proposed **George residential development (Erf 28005)**.

In the context of the above, a residential market study is therefore required to assess the viability and optimum composition of a potential residential development concept in terms of, *inter alia*:

- ✓ Demographic status quo and trends of the anticipated **target market**, including point of origin, affordability levels, etc.
- ✓ Local and sub-regional economic status quo and trends, including **main economic drivers and trends** in the region
- ✓ **Location analysis and property description**, including proximity to amenities
- ✓ **SDF / Urban Design Framework Alignment**
- ✓ Catalytic effect of **new and or comparable projects** in the market
- ✓ **Market activity and growth**, including residential activity, sales and pricing analysis, etc.
- ✓ **Main competitors / supply** in the market, i.e. comparable projects aimed at similar target market (existing and proposed)
- ✓ Forecast **take-up** rates
- ✓ **Extrapolated market profile**, i.e., future resident population
- ✓ Corresponding **product offer and type**
- ✓ **Timing / phased implementation** and optimum point of market entry
- ✓ **Residential demand thresholds and target markets**
- ✓ **Market potential assessment** (including 5- and 10-year growth forecast)

- ✓ **Recommendations**, including **optimum project mix** and detailed recommendations pertaining to **project marketability**, including:
 - project composition (optimum ratio of various unit typologies)
 - unit pricing / rental profiles
 - unit sizes, etc.

DEMACON's approach is purely market-based, and we will apply our extensive involvement as well as recent research and market intelligence on the subject matter to complement the market study.

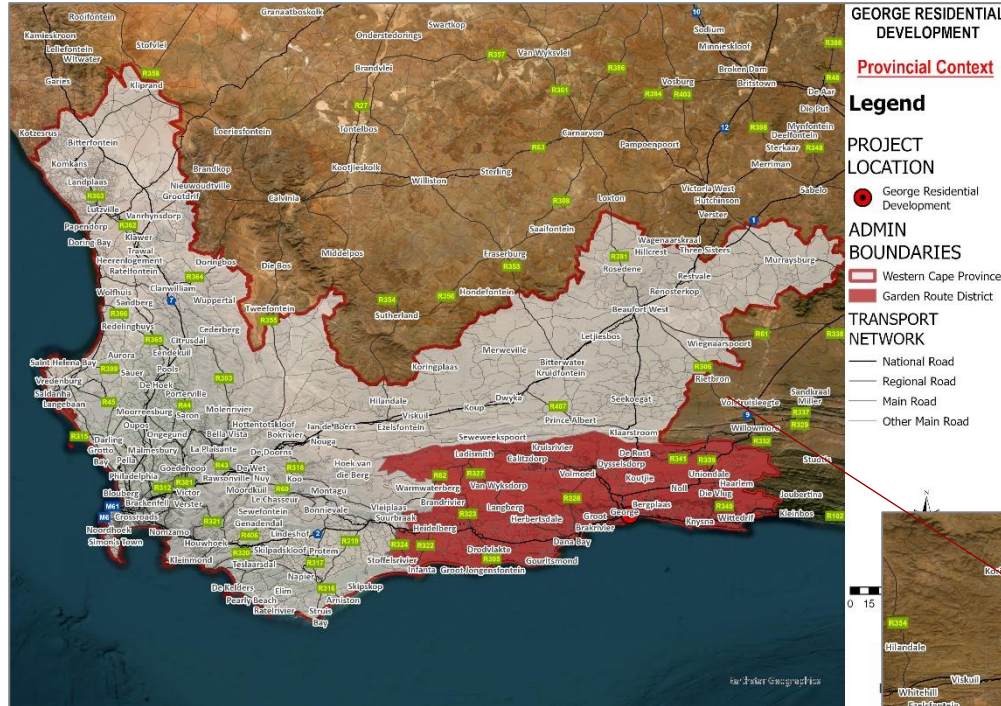
1.3 PROJECT OVERVIEW

The proposed Erf 28005 George residential development is a high-density residential project located opposite the Garden Route Mall and adjacent to the Eden Meander Lifestyle Centre in the Blue Mountain residential area of George, Western Cape.

The development will comprise 36 four-storey apartment blocks containing a total of 680 residential units. It will also include a clubhouse, gymnasium, padel and tennis courts, a swimming pool, and outdoor recreational areas as part of the amenities offered to residents.

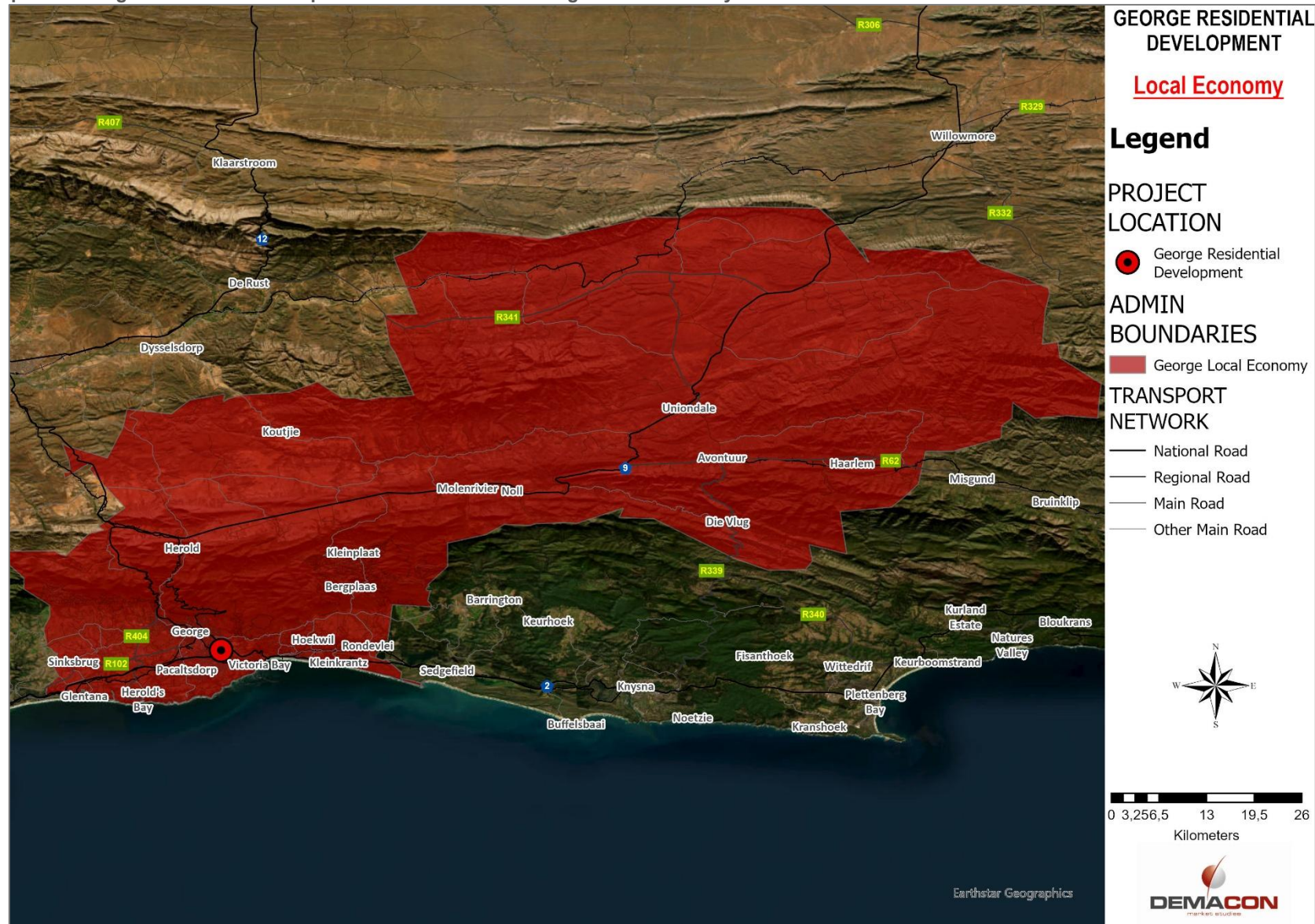
This proposal seeks to replace the currently authorised development, which comprises a two-storey mixed-use business development focused on office space, small-scale ground-floor retail, and apartments on the first floor. The preferred development option - a 680-unit residential apartment development - is considered the most appropriate alternative, as it will directly contribute to the spatial restructuring and densification objectives of the George Spatial Development Framework.

Map 1.1 - Map 1.2: Western Cape Province, Garden Route District Economy



LOCAL CONTEXT

Map 1.3: Proposed George Residential Development in the context of George Local Economy



Map 1.4: Local Context



GEORGE RESIDENTIAL DEVELOPMENT

Local Context

Legend

PROJECT LOCATION

George Residential
Development

TRANSPORT NETWORK

— National Road
— Regional Road
— Main Road
— Other Main Road

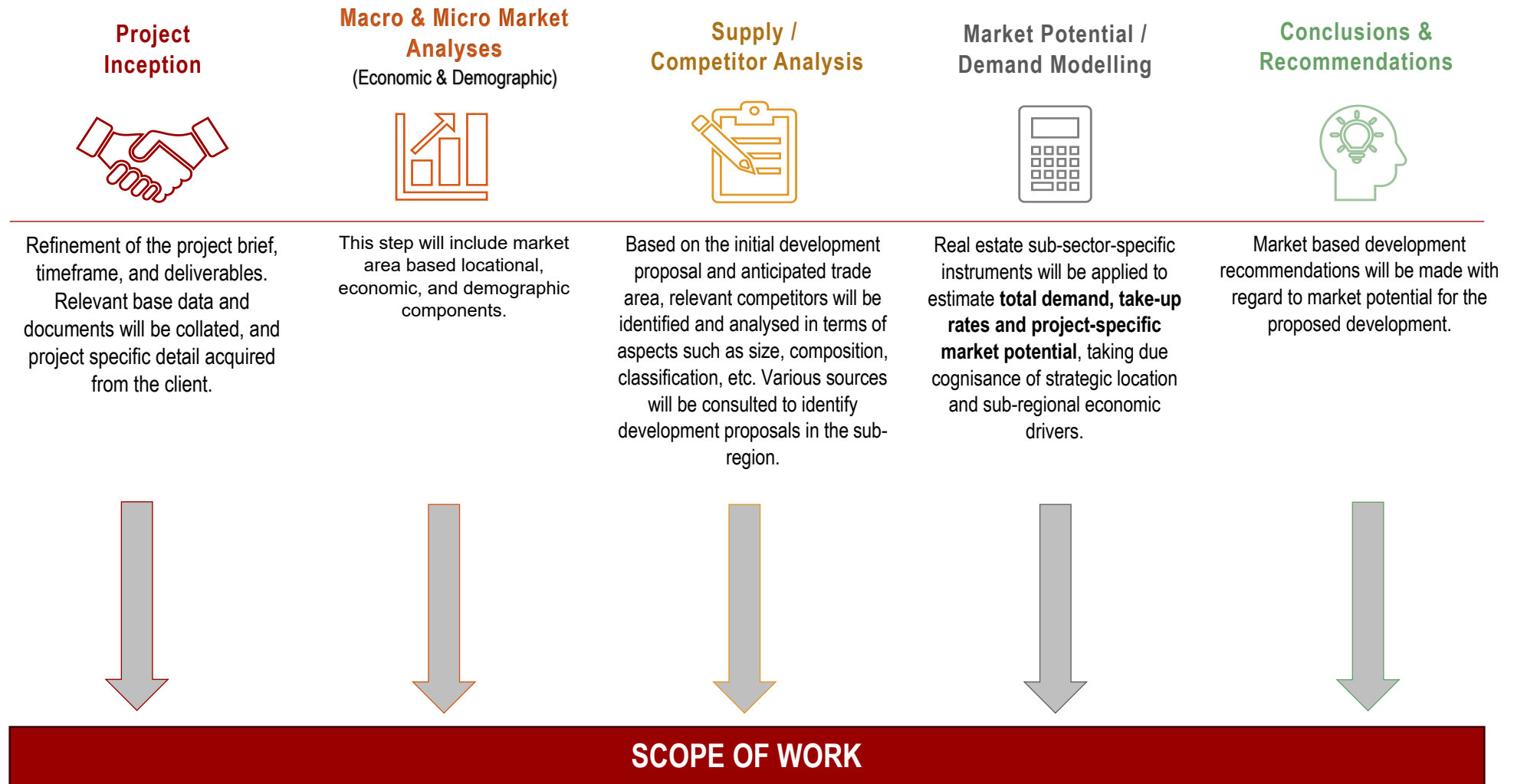


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1.4 RESEARCH METHODOLOGY

The methodology consists of five steps that provide key analysis outcomes used to assess the viability and optimum composition of a potential development concept. The following diagram provides a concise overview of the methodological approach employed for the study. In the context of the above, comprehensive market research will be structured in terms of the following main steps:

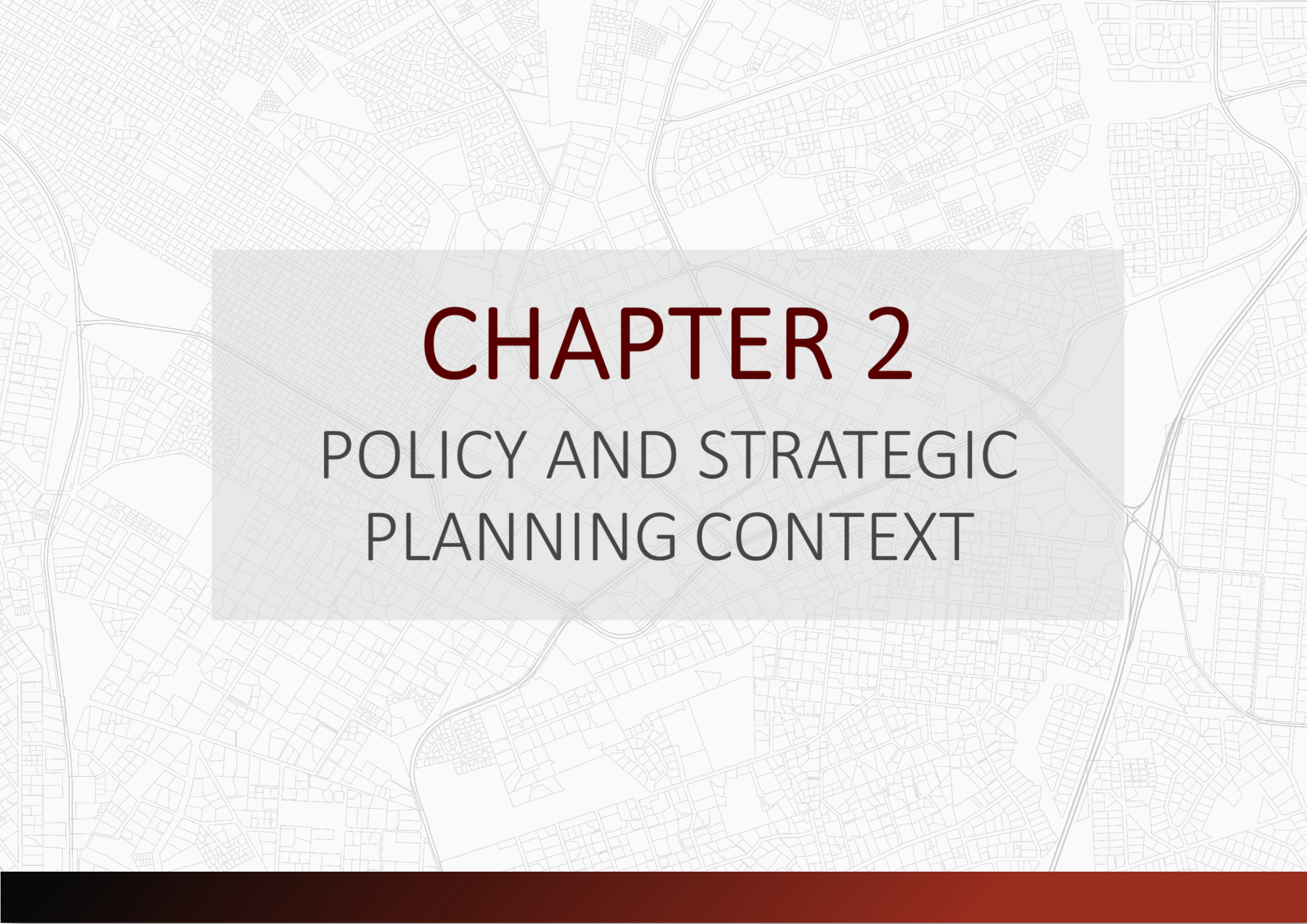


DEMACON's approach is market-based, and the company applies its extensive involvement as well as research and market intelligence on the subject matter to complement the market study.

1.5 REPORT OUTLINE

The report is outlined in the following sections:



The background of the slide is a detailed, light gray line-art map of a city street grid. The map shows a dense network of streets, with some larger, more prominent thoroughfares. The grid is slightly tilted and has a textured, hand-drawn appearance. A semi-transparent gray rectangle is centered over the map, containing the chapter title.

CHAPTER 2

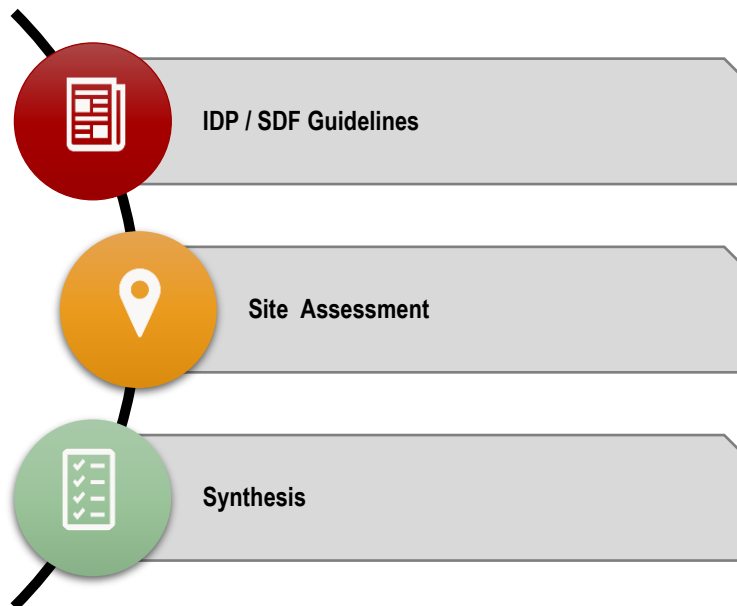
POLICY AND STRATEGIC PLANNING CONTEXT

2. POLICY & STRATEGIC PLANNING CONTEXT

2.1 INTRODUCTION

Chapter Two focuses on the location aspects in the market with the objective of estimating the development potential within the designated area of activity. The chapter therefore investigates the general character, development frameworks and development trends evident in the greater activity area to gain insight into urban processes and to inform development decisions.

Market potential is influenced by; *inter alia*, the characteristics of the development site. Certain types of developments each have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, various site evaluation models are utilised. The policy and strategic planning context chapter is outlined in terms of the following headings:



2.2 SPATIAL CONSIDERATIONS

The proposed residential development is located within the Western Cape Province, within the Garden Route District, forming part of George Local Economy. Given the location of the proposed development, the following planning framework have been considered in order to determine the general character of the area within which the development is located and to identify the strategic value of the property within the context of future development and municipal spatial development aspirations:

- George Local Municipal Integrated Development Plan (IDP) 2022 – 2027

2.3 GEORGE LOCAL MUNICIPALITY 2026-2027 IDP

2.3.1 MUNICIPAL LAND USE AND SPATIAL STRUCTURE

The municipal area is 5191km² and spans the Southern Cape and Little Karoo regions of the Western Cape Province and is situated halfway between Cape Town and Port Elizabeth. The area administered by the George Municipality forms part of the larger Garden Route District Municipality's jurisdictional area. The George Municipal Area is bordered by the Oudtshoorn- and Mossel Bay Municipal areas (Western Cape province; Garden Route District) in the west and north-west and by the Dr Beyers Naude- and Kou-Kamma Municipal areas to the north, north-east and east (Eastern Cape province: Sarah Baartman District) and by the Knysna- and Bitou Municipalities (Western Cape province; Garden Route District) to the south and southeast.

George Municipality administers a vast and diverse geographic area that extends from the dry and climatically extreme Little Karoo in the north, to the wetter more temperate Garden Route in the south. It is an area of considerable natural assets and beauty, including expansive mountains and forests, wilderness areas, a varied coastline, and extensive lakes, rivers and estuaries. Its natural assets include parts of the Garden Route National Park and the Baviaanskloof Wilderness Area. The municipal area also includes fertile farmlands and timber plantations along the coastal plain, fruit orchards in the Langkloof and arid grazing areas in the Little Karoo.

Three important national roads/ routes, the N2, N9 (R62) and N12, traverse the area, and George regional airport serves the Southern Cape and Little Karoo, including the neighbouring towns of Mossel Bay, Oudtshoorn, Knysna and Plettenberg Bay. The George city area is the primary urban centre of the Municipality. 84% of the municipal area's population is located here. Wilderness, Uniondale and Haarlem respectively host the bulk of the remaining urban population. 9% of the municipal area's population is rural. The rural population is declining evidenced by a negative population growth rate per annum of -4% between 2011 and 2016 (StatsSA, 2016)

The National Spatial Development Framework (NSDF), promulgated on 01 February 2023 by the Department of Agriculture, Land Reform and Rural Development identifies George, alongside other municipalities in the District as a Regional Development Anchor and an integral part of the existing national corridor (N2) that holds strong interconnection between (i) high-value rural resource production areas; (ii) ecological resource regions; (iii) popular tourist destinations; (iv) 'comfortable climatic zones'; and (v) urban nodes.

This presents opportunities for consolidation of existing cities with multi-modal connectivity infrastructure and includes strengthening of airport development in support of inter-regional trade. The NSDF prioritised the strengthening and consolidation of regional development anchors and in the case of George this translates into bigger nodes in denser regions.

George is identified, as the primary service centre of the entire garden route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure.

It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

The Regional Scholarship and Innovation Fund (RSIF) also notes the importance of continuity of critical biodiversity areas. The Garden Route District IDP (2021 Review) supports investment in George based on its role as a regional node, but also places emphasis on the protection of the Garden Route (Southern Cape Coastal belt) as a global biodiversity hotspot

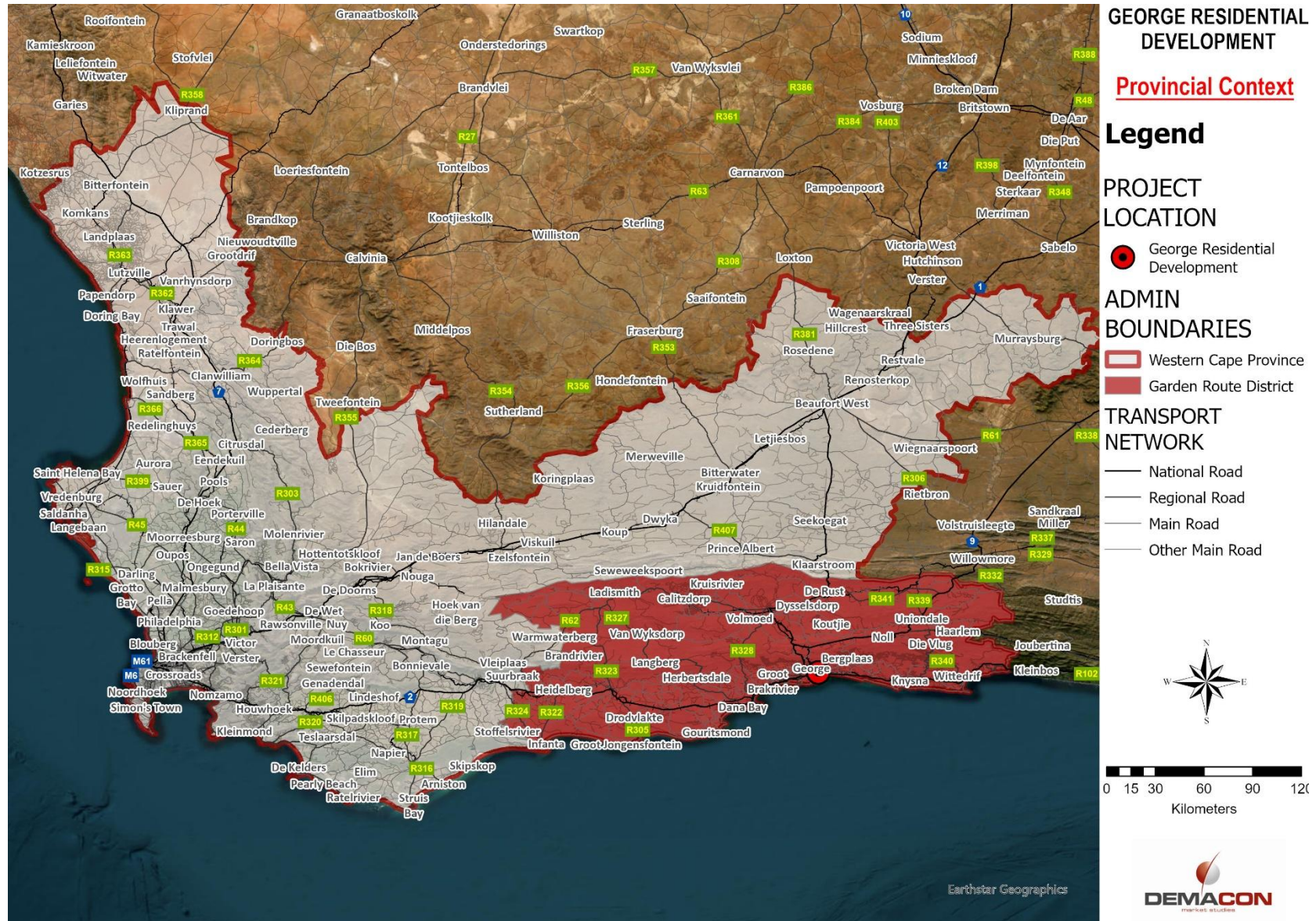
(Conservation International) and part of the Cape Floristic Region (CFR) (World Heritage status: UNESCO and IUCN).

George has a significantly higher population (double) than the second largest town in the Garden Route, Mossel Bay (DSD2021). In 2019, George municipality contributed over 40% (R18.6 billion) of the GDPR to the economy of the Garden Route. The economy of George is more than twice as big as the next biggest Garden Route municipal economy of Mossel Bay, and almost four times as big as the third biggest Garden Route economy: Knysna.

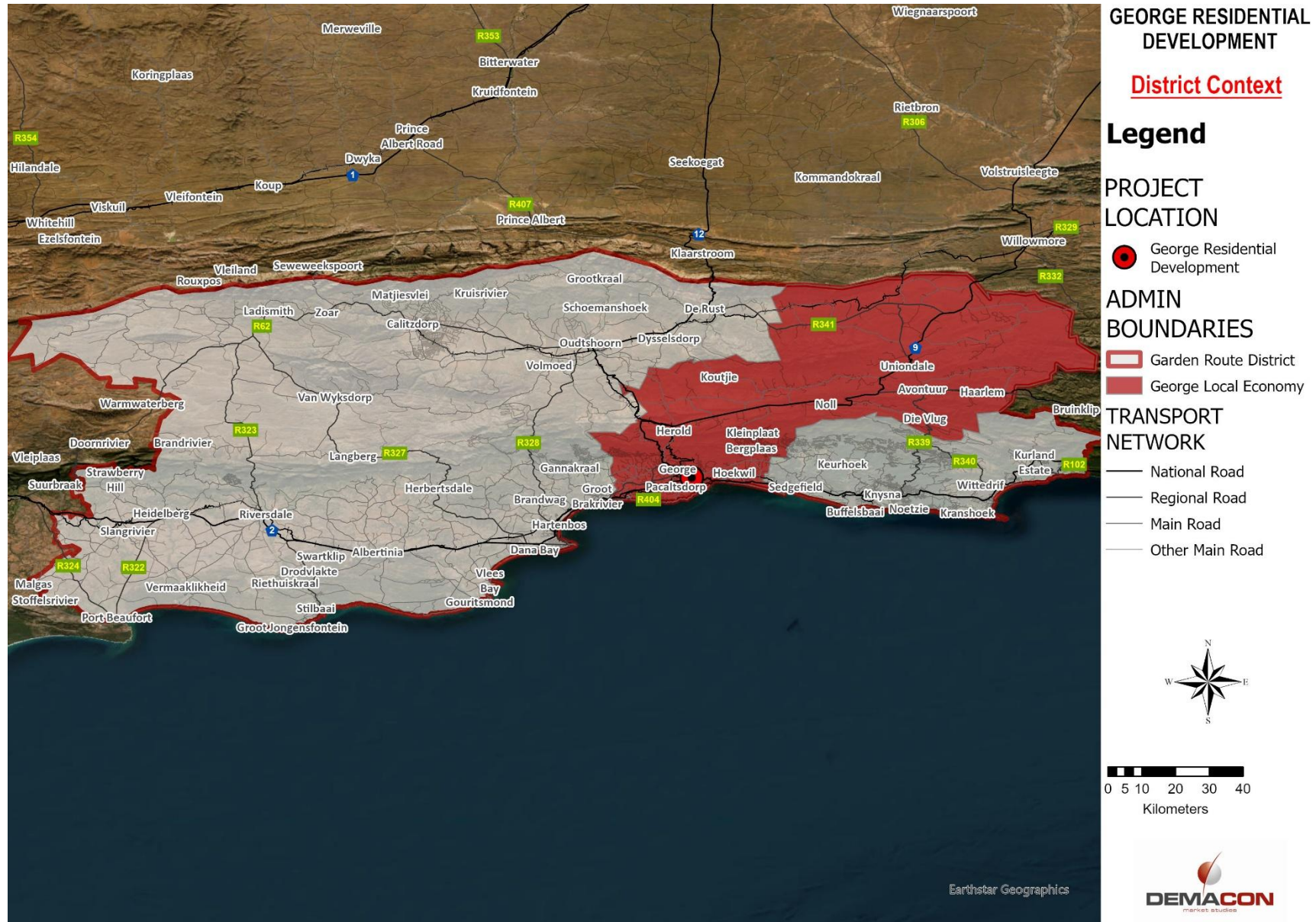
The economy of George Municipality is interdependent with the regional economy. George still dominates the regional economy and has the basis to perform better and create more jobs for those living in the region. In its role as a service centre, it is also reliant on the region to generate demand for services and beneficiation that will stimulate its growth. The performance of the region in relation to its natural resources, agricultural economy and accessibility, impacts directly on how well George performs in terms of servicing its population and attracting tourism and investors.

The Garden Route District SDF proposes that more robust infrastructure systems within George and Mossel Bay are better positioned to sustainably absorb economic- and settlement growth in the district than the neighbouring municipalities within the region.

Map 2.1: Provincial Context



Map 2.2: District Context



Map 2.3: Garden Route District Spatial Planning Regions



Map 2.4: George Local Municipality General Land Use



2.3.2 SETTLEMENT FOOTPRINT

The settlement footprint of the city area shows a compact form with residential neighbourhoods linked with a network of roads to the central/CBD area, the central industrial area, and the hinterland.

From a housing perspective the built environment includes a variety of housing typologies (houses, flats, townhouses, etc.) The southern City area includes dense urban fabric market. The George Sustainable Human Settlements Plan (draft 2022) shows that the current subsidized housing pipeline (in process and committed projects) falls within the George City area, district- and small towns, rural/tourism settlements. Expect for Blanco, the GSP (Government Subsidised housing Projects) is located within the PSHDA (Proclaimed Priority Human Settlements and Housing Development Area) within the City area. The proclaimed Restructuring Zone guides the spatial targeting of social housing projects and is included in the PSHDA.

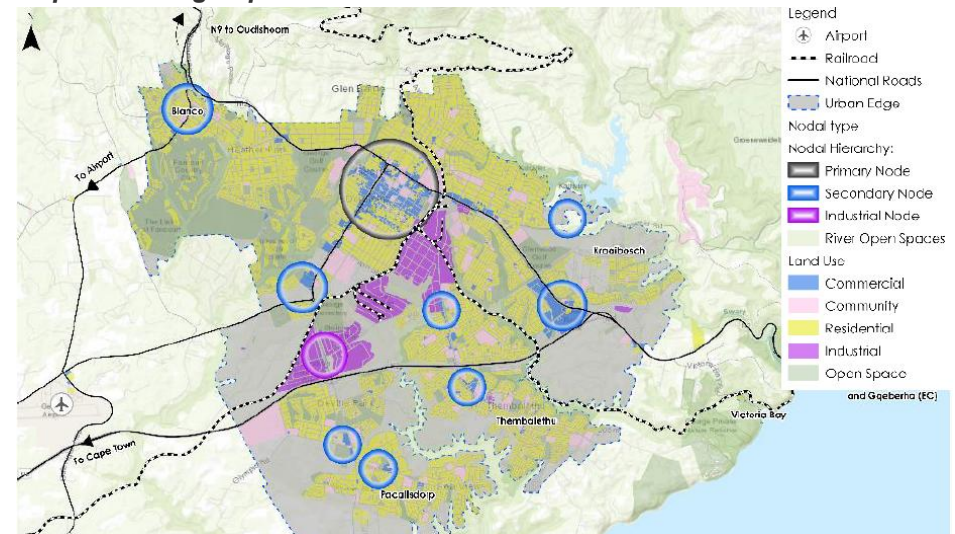
Several land portions are under investigation as possible future housing projects (public and private) for a variety of typologies and income levels, in addition to the projects identified for subsidy housing. The bulk of the current/short-medium term delivery will be accommodated on Erf 325 along the western boundary of Pacaltsdorp. Delivery will also be supported through the in-situ/infill housing projects.

Approximately 82% of the population of George resides in the George City area. The residential density dispersion within the city area.

- ✓ An “old” town, relatively well off in terms of access to opportunity, commercial activity, and public facilities.
- ✓ The space economy is concentrated in a triangle of opportunity comprising of the existing CBD Business node, the Kraaibosch / Blue Mountain Commercial Node, and the Pacaltsdorp Industrial Node.
- ✓ Map 2.5: The 2021 Spatial Structure of the George City Area: Land Use Zoning, Nodal Activity Centres and Primary Movement Network
- ✓ More deprived areas encircle the George CBD to the south and south-east, mostly serving as dormant neighbourhoods with little economic opportunities, namely:
 - ✓ The older settlements of Blanco and Pacaltsdorp.
 - ✓ George Southeast (north of the N2).
 - ✓ Thembaletu.

- ✓ The central and southern suburbs of the city area include a significant component of informal dwellings. These areas accommodate the majority of the residents of George in a very dense urban environment.
- ✓ The N2 and industrial area forms a major barrier between less privileged neighbourhoods in the south and better resourced neighbourhoods in the north, northeast and northwest.
- ✓ There has been a significant uptake of opportunities in estate/security type development, catering for urban based, affluent residents in developments such as Welgelegen, Kraaibosch, Kingswood, Blue Mountain, etc.
- ✓ Economic activity is generally contained in areas (nodes and corridors) as per the 2019MSDF, except for the lower income areas, where finer grain, dispersed economic activity is detected and the nodal areas have not yet developed to its full potential.
- ✓ A significant uptake in industrial land has been detected.

Map 2.5: George Spatial Structure



2.3.3 HOUSING DEMAND AND GROWTH ABSORPTION

An analysis of the space available for residential development within the current spatial structure of George (rural and urban) was performed (Land cover datasets and Spatial Budget update). The areas considered in the spatial budget and the absorption data related to these areas is included in Annexure 4.

The residential growth absorption in George and the spatial implications thereof, reflect:

- ✓ The vast majority of the population of George is settled in the city area.
- ✓ Building Plan approval data (yellow areas) on Map 2.6 and interval aerial photography illustrate that, in the past five years there has been significant construction within the city area. Building Plan approval within estates in various parts of George is noticeable, providing an indication of the demand trend.
- ✓ There is increasing pressure for growth absorption in the George City area.
- ✓ There is a significant increase (2016-2021) in population (households) in specific urban areas such as Thembaletu, Kraaibosch, Pacaltsdorp, and Ballotsview functional areas, although residential growth (densification/uptake) is noticeable in all functional areas.
- ✓ A housing demand (backlog and projected population growth) of approximately 33 000 units is estimated for the period 2021 to 2031, which includes the housing waiting list data (backlog) and projected household growth figures (DSD data).
- ✓ On a calculation basis, there is sufficient area available in the City Area to absorb 82-90% of the formal demand for residential units (backlog and growth) in the next 10 years at graded densities that support a compact urban form.
- ✓ There is sufficient space available within demarcated areas within the urban development boundaries to accommodate residential growth envisaged in rural nodes.
- ✓ Housing Market Studies, undertaken by DEA&DP confirm that the vast majority of registered properties area within the George City area, with the majority of the entry level properties located in Thembaletu and south of the industrial zone, luxury market properties to the north and with Pacaltsdorp indicated as the area where the most conventional market properties are located.
- ✓ The Market Study analysed Deeds Office data (Lightstone 2022), which show that 27% of freehold properties in George transacted at over R1.2 million (luxury market, of which 97% are in estates) and 50% below R300 000 (including GSP).

- ✓ The majority (48%) of sectional title units fall in the conventional market category, high end market (28%) and luxury market (27%). The proportion of formal, sectional title property valued below R600 000 is low (5%).
- ✓ The increase in the gap-middle income population segment and the resultant space demand (rental and ownership) must be addressed in relative proportion to the overall demand.
- ✓ The affordability analysis takes only current (and statistically projected) population into account. In-migration of the low-income population is evident in the significant increase of informal- and backyard-settlement since 2014. Settlement counts contributed to the data which informed spatial planning. The rate of increase in the uptake of medium- and higher income, bonded units is an indication of increased demand (investment from elsewhere). Future medium-higher income, and luxury, demand, based on the semi-gratification trend is difficult to estimate.
- ✓ The exilarated erf uptake (unit construction) is echoed in the building plan approval rate since 2016, (average 65 building plans approved per month in the past five years).
- ✓ The uptake of land, previously identified for low-income (fully/partially subsidized) housing units (ownership and rental) has been slow due to process-, budget and infrastructure constraints. The successful completion of projects such as Erf 325East points to the staged implementation of prioritized housing projects.

The growth absorption potential of George does, however, relate to more than just accommodating enough residential units to address backlog and future demand. It must reflect the ability of the spatial structure to absorb required facilities/areas to support the population. I.e., “is there allowance for enough space to accommodate all residential- and their socio-economic requirements, both in the urban and rural context?”

With respect to growth absorption, the MSDF needs to give clear direction – “is the priority to densify, restructure and renew areas within the George city area; or is it to yield to pressure for urban expansion, including substantial human settlement projects on the periphery of the built footprint of the George city area and speculative proposals for isolated, exclusive residential estates?”

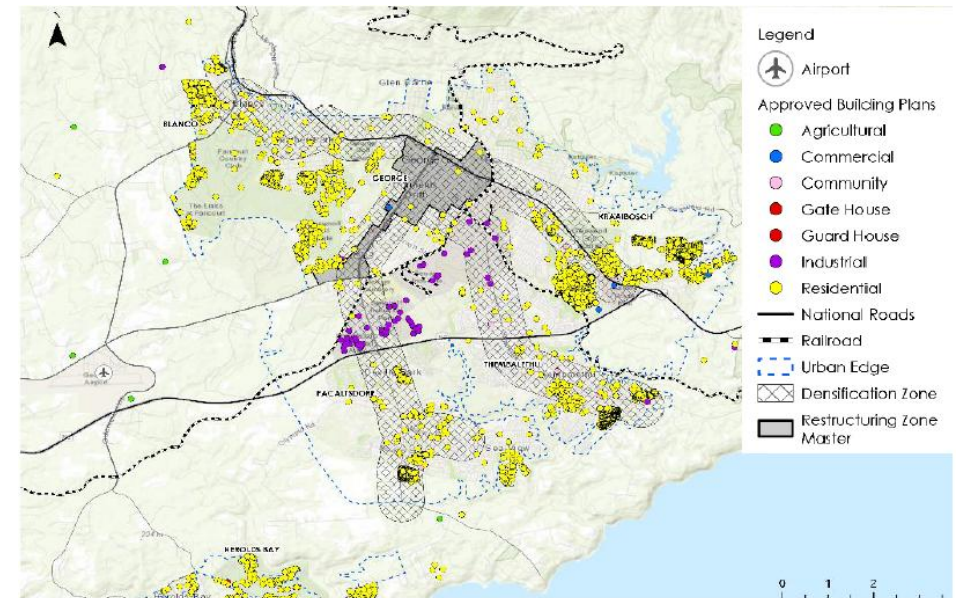
The importance of spatially focussing public investment in such a way as to attract private and household investment that reinforces the priority public transport corridors and nodes along these corridors must be embedded in the growth strategy. Clear policies are needed to achieve the articulated densities that will assist the sustainability and consolidate the basis for growth in these

corridors and nodes, off the back of the broader benefits of transit-oriented or transit-adjacent development. A high quality, affordable public transport system is key to overcoming spatial barriers through enhanced, inclusive accessibility, especially where it is an ongoing struggle to redirect private investment patterns towards disadvantaged areas – high quality public transport investment can be a catalyst for spatial transformation and urban regeneration.

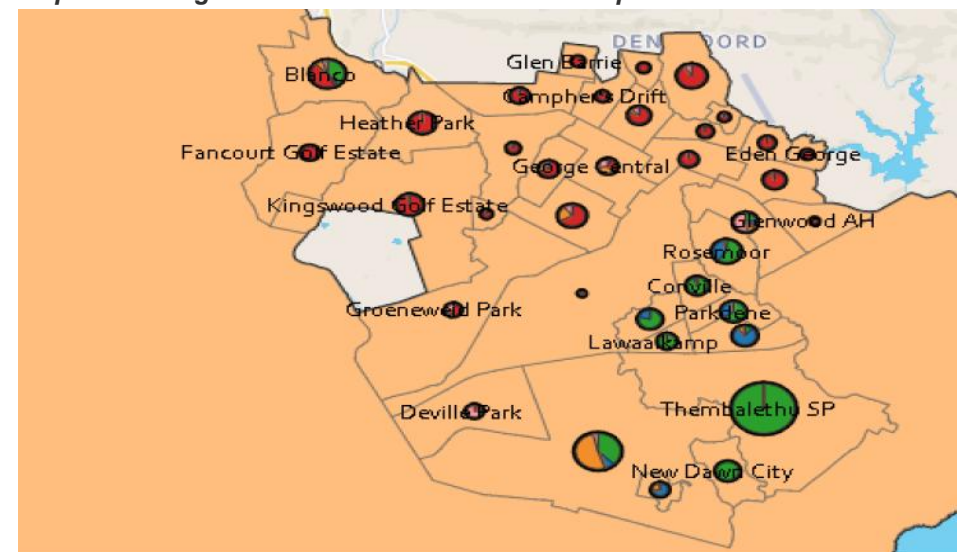
The Draft George Sustainable Human Settlements Plan 2021 (GSHSP) notes Strategic shifts directed by government policy in response to human settlement pressure. Spatial targeting through the PSHDA and the restructuring zones provides direction to placement of GSP. Note that only part of the George City area is demarcated as PSHDA. In addition to the noted spatial targeting, the draft GSHSP also notes the national priorities for human settlements, densification intent, shifts in grant funding (in-situ, site and service, prioritization of serviced sites), rapid land acquisition and government land release, comprehensive rental policy (various programs including backyard rental), inclusionary housing framework development, FLISP prioritization, creating a 'do-it-yourself' housing culture, recognizing innovative building technologies, the proposed establishment of a Human Settlements Land Bank, which will include access to rural housing funding, establishment of property transactional centres and the compilation of a project readiness matrix.

The shift towards incremental funding makes high density housing projects difficult. Investment in smaller serviced sites, rather than providing top structures as a 'start up intervention', and the provision of basic engineering services to blocks of informal settlements is part of the incremental approach. This limits the densification options available for tenure upgrading. Social housing and formalization of the backyard rental system addresses only rental housing at this stage.

Map 2.6: George Building Plan Approval



Map 2.7: George Distribution of Residential Properties



2.4 GROWTH TRENDS

Building Statistics is a publication by Statistics South Africa that outlines the results of a monthly survey of metropolitan and large local municipalities and the building plans that have been passed and buildings that have been completed. The purpose of this release is to provide an indication of the state of the economy and to assist in the formulation of economic policy. The results assist with the calculation of Gross Domestic Product and are also a useful tool used by the private sector.

Thus, this data is reviewed as part of this study to provide an understanding of the extent and context of development activities in the study area and the historical trends of development. The growth of households in a defined geography will require a concomitant increase in the supply of social amenities.

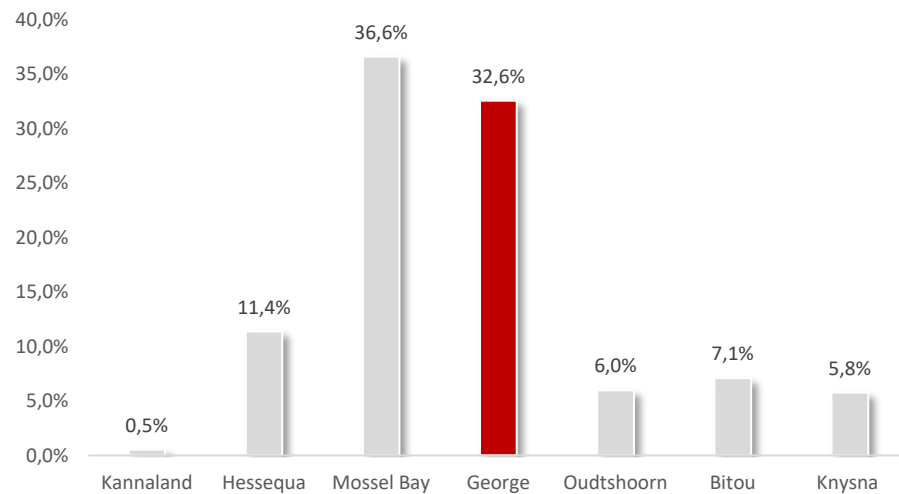
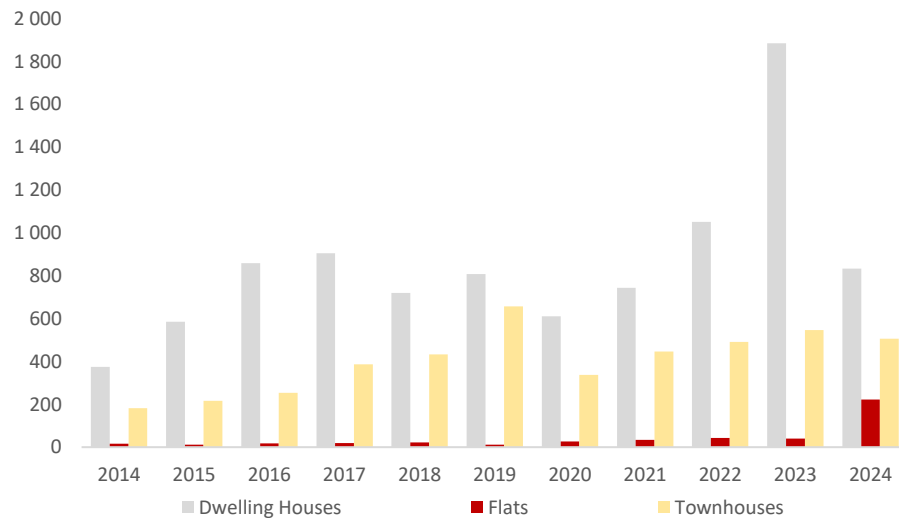
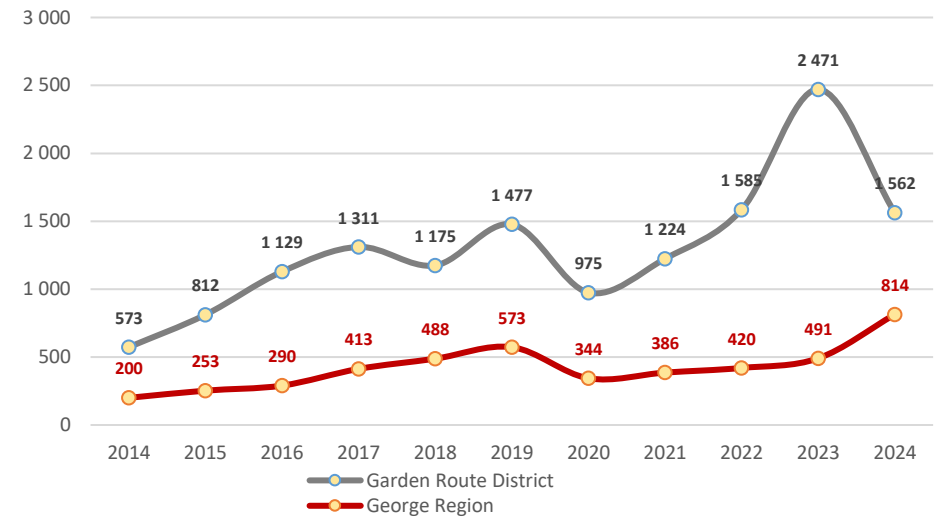
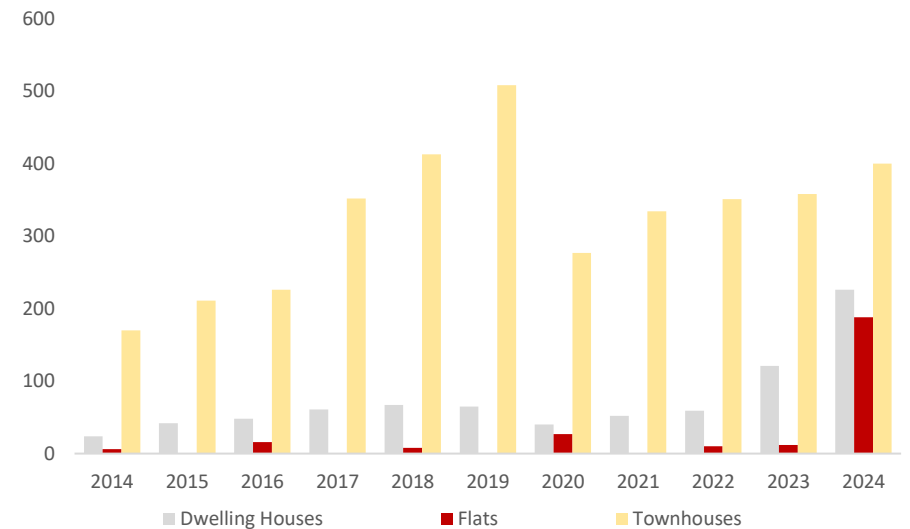
2.4.1 RESIDENTIAL DEVELOPMENT PERSPECTIVE

The following indicators show that on average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

Table 2.1: Average Number of Residential Unit Completed in George Region and the Garden Route District Municipality between 2014 and 2024

Unit Type	George Region		Garden Route District	
	Total Number of Units (2014-2024)	Average Number of Units per year	Total Number of Units (2014-2024)	Average Number of Units per year
 House	805	73	9 374	872
 Flat	267	24	464	43
 Townhouse	3 600	327	4 456	406
 Other Residential (incl. Tourism accommodation, casinos etc.)	1	0.1	47	4
Total	4 673	425	14 341	1 324

Source: DEMACON ex Stats SA, 2026

Figure 2.1: Distribution of Residential Dwelling Units Completed per Regional Authority in the Garden Route District Municipality – 2024**Figure 2.2: Residential Development Trend in the Garden Route District Municipality****Figure 2.3: Total Number of Residential Units Completed in George and the Garden Route District between 2014 and 2024****Figure 2.4: Residential Development Trend in the George Region**

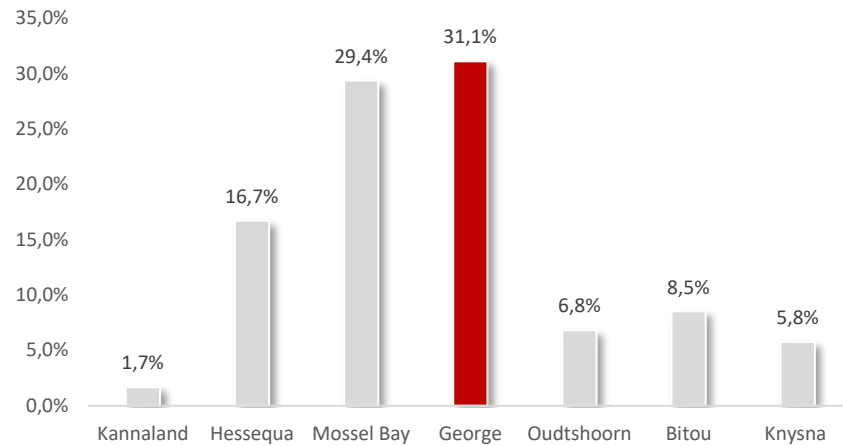
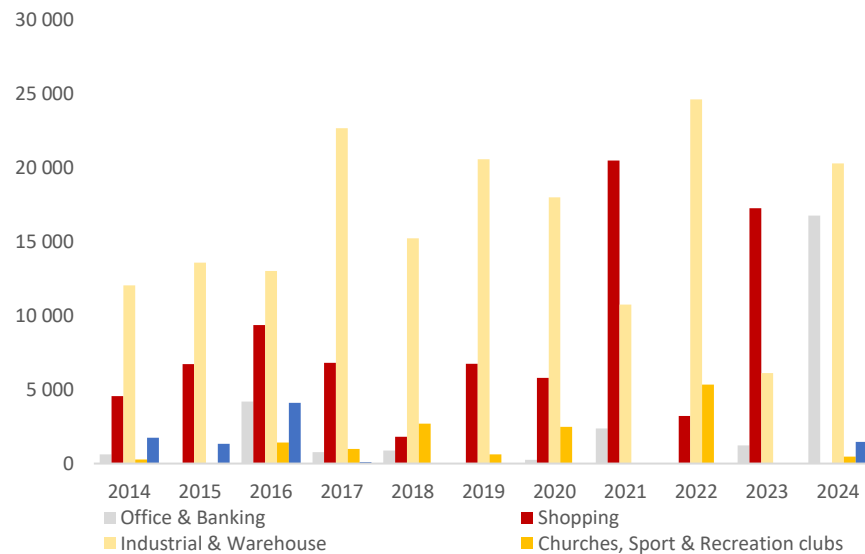
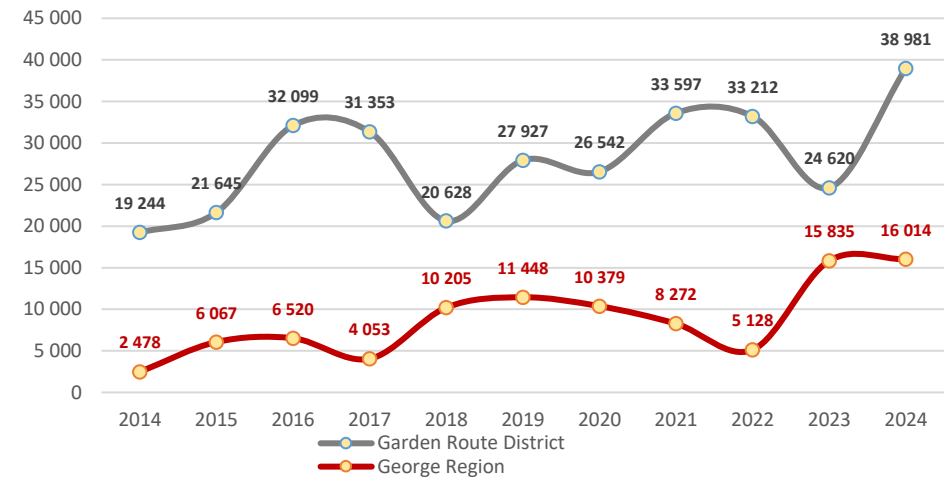
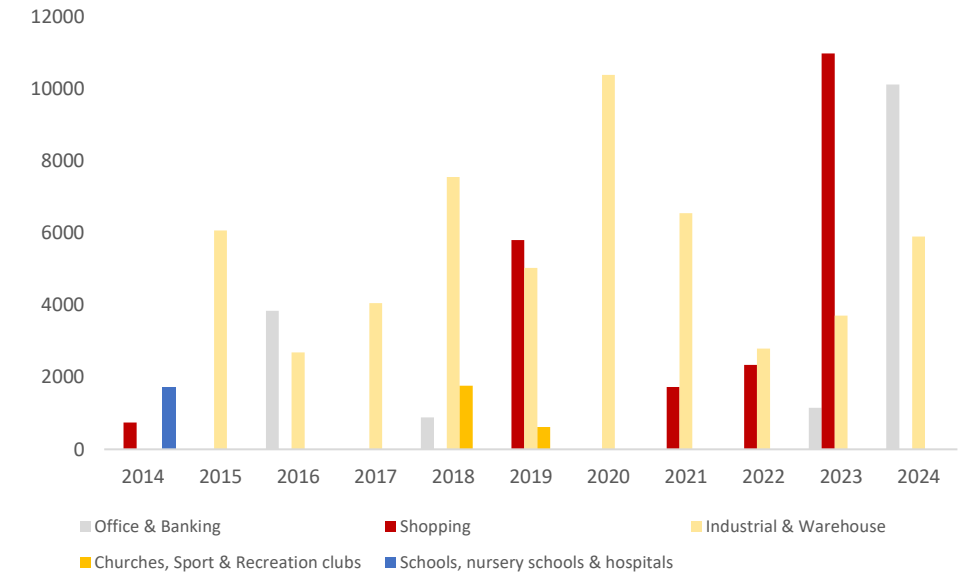
2.4.2 NON-RESIDENTIAL DEVELOPMENT PERSPECTIVE

The following indicators show that on average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.

Table 2.2: Average Number of Non-Residential Space Completed in George and the Garden Route District Municipality between 2014 and 2024

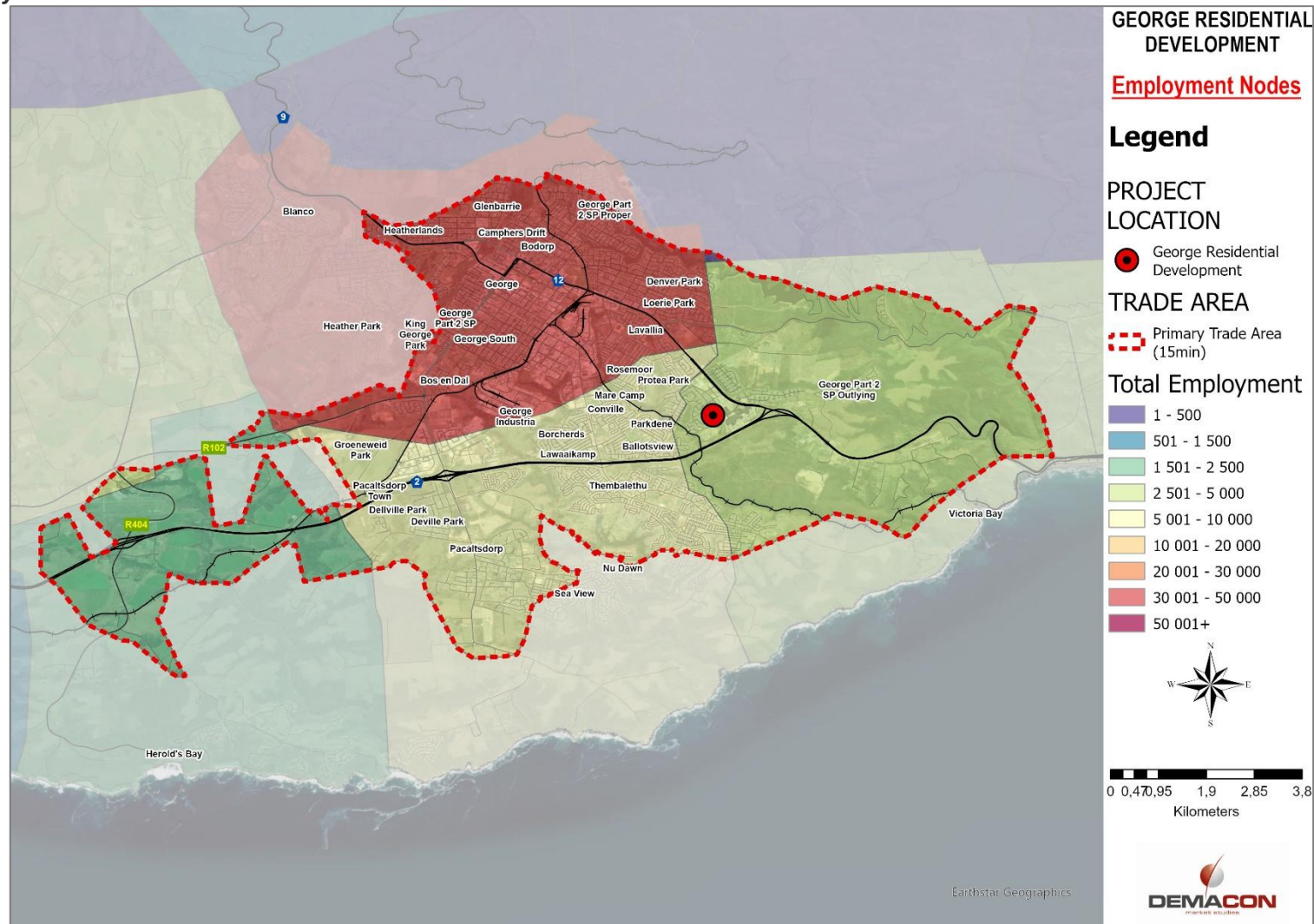
Unit Type	George Region		Garden Route District	
	Total Floor Space per year (m ²)	Average Floor Space (m ²) per year	Total Floor Space per year (m ²)	Average Floor Space (m ²) per year
 Office and Banking	15 993	1 454	27 157	2 471
 Shopping	21 578	2 158	82 755	8 298
 Industrial and Warehouse	54 708	4 973	176 912	16 764
 Churches, sport, and recreation clubs	2 382	217	14 280	1 320
 Schools, nursery schools, creches and hospitals	1 738	158	8 744	795
Total	96 399	8 960	309 848	29 648

Source: DEMACON ex Stats SA, 2026

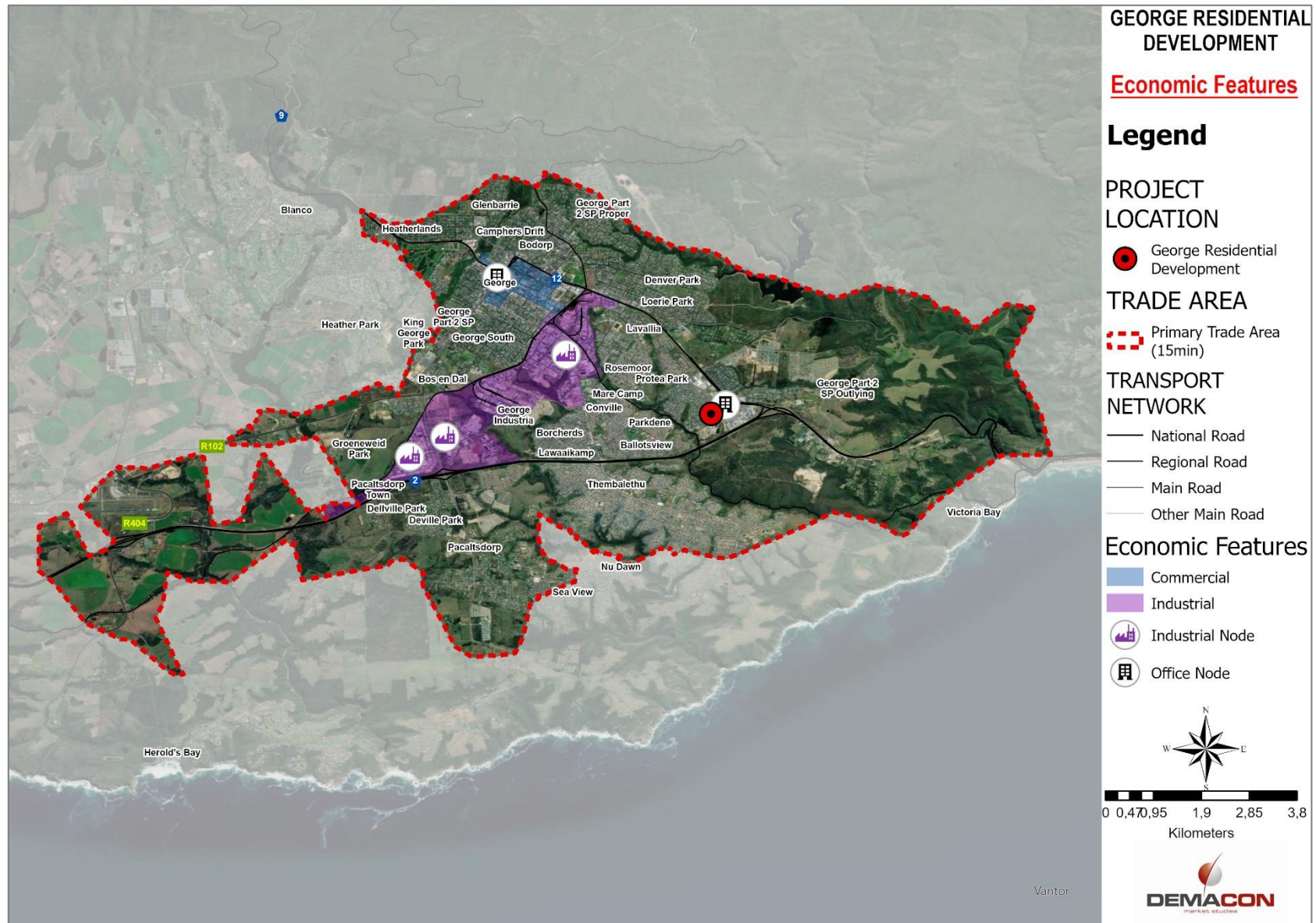
Figure 2.5: Distribution of Non-Residential Space Completed per Regional Authority in the Garden Route District Municipality – 2024**Figure 2.6: Non-Residential Development Trend in the Garden Route District Municipality****Figure 2.7: Total Non- Residential Space Completed in George and the Garden Route District Municipality between 2014 and 2024****Figure 2.8: Non-Residential Development Trend in George**

2.4.3 REGIONAL CHARACTERISTICS

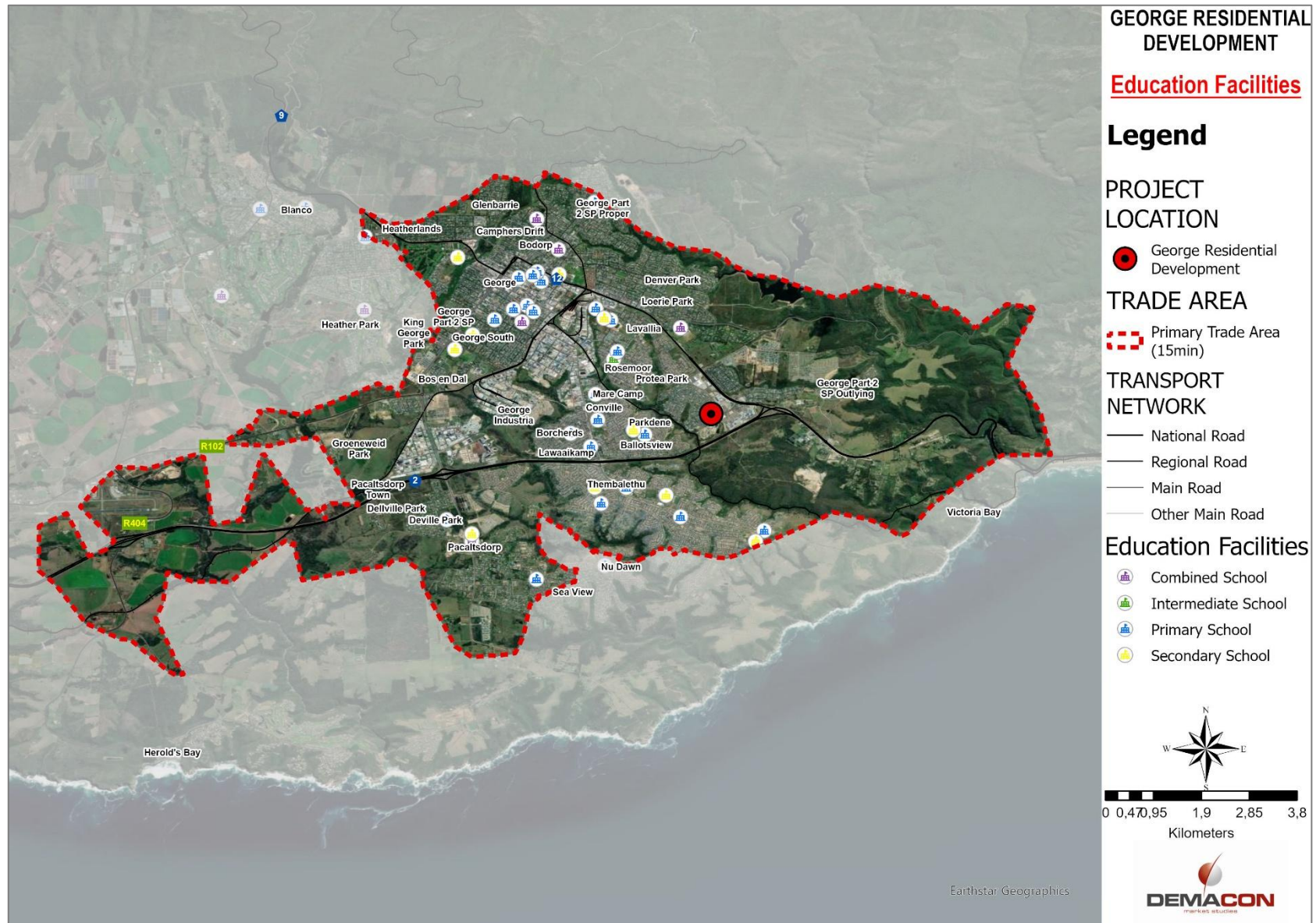
Map 2.8: Employment Nodes



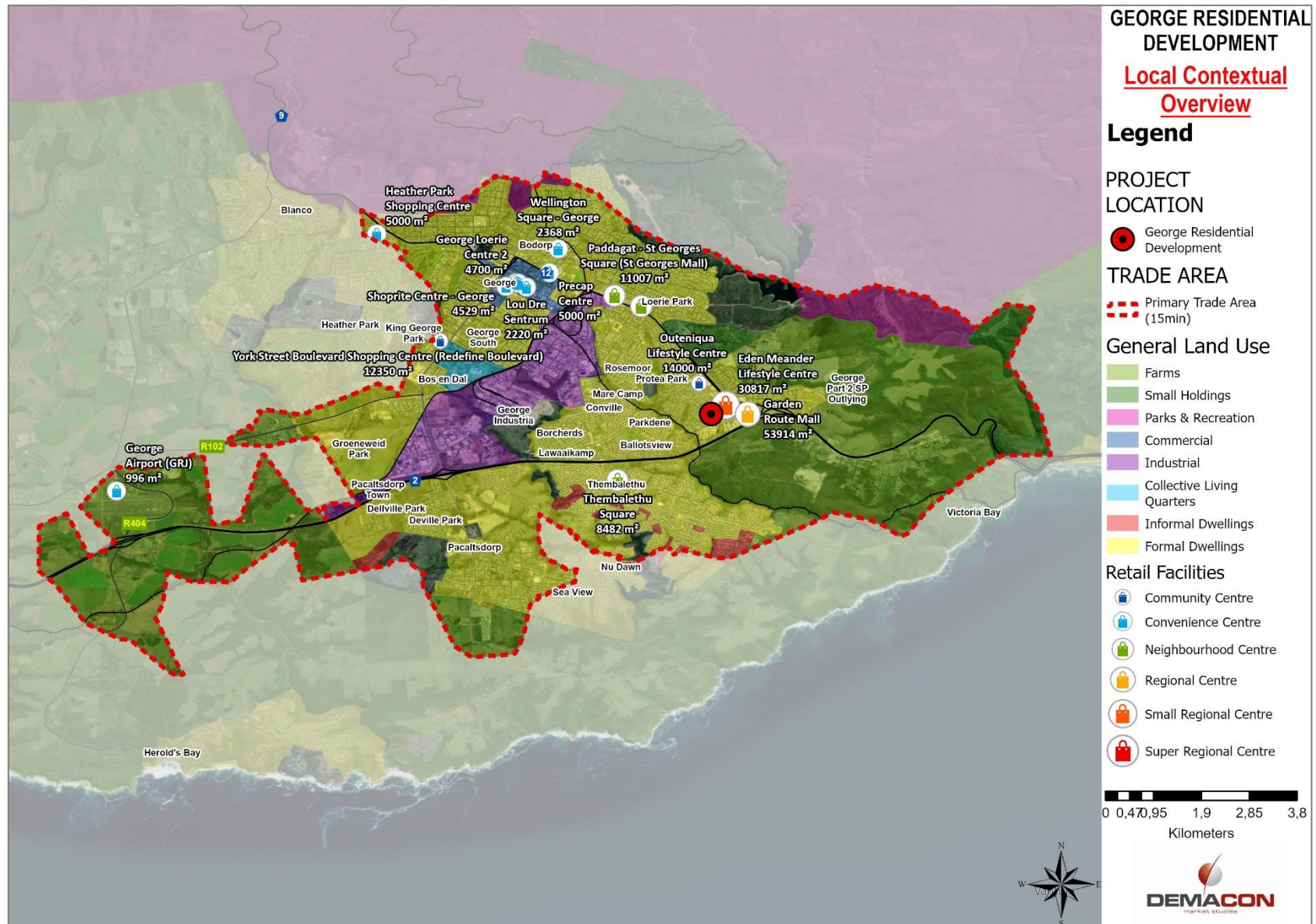
Map 2.9: Economic Features



Map 2.10: Educational Facilities

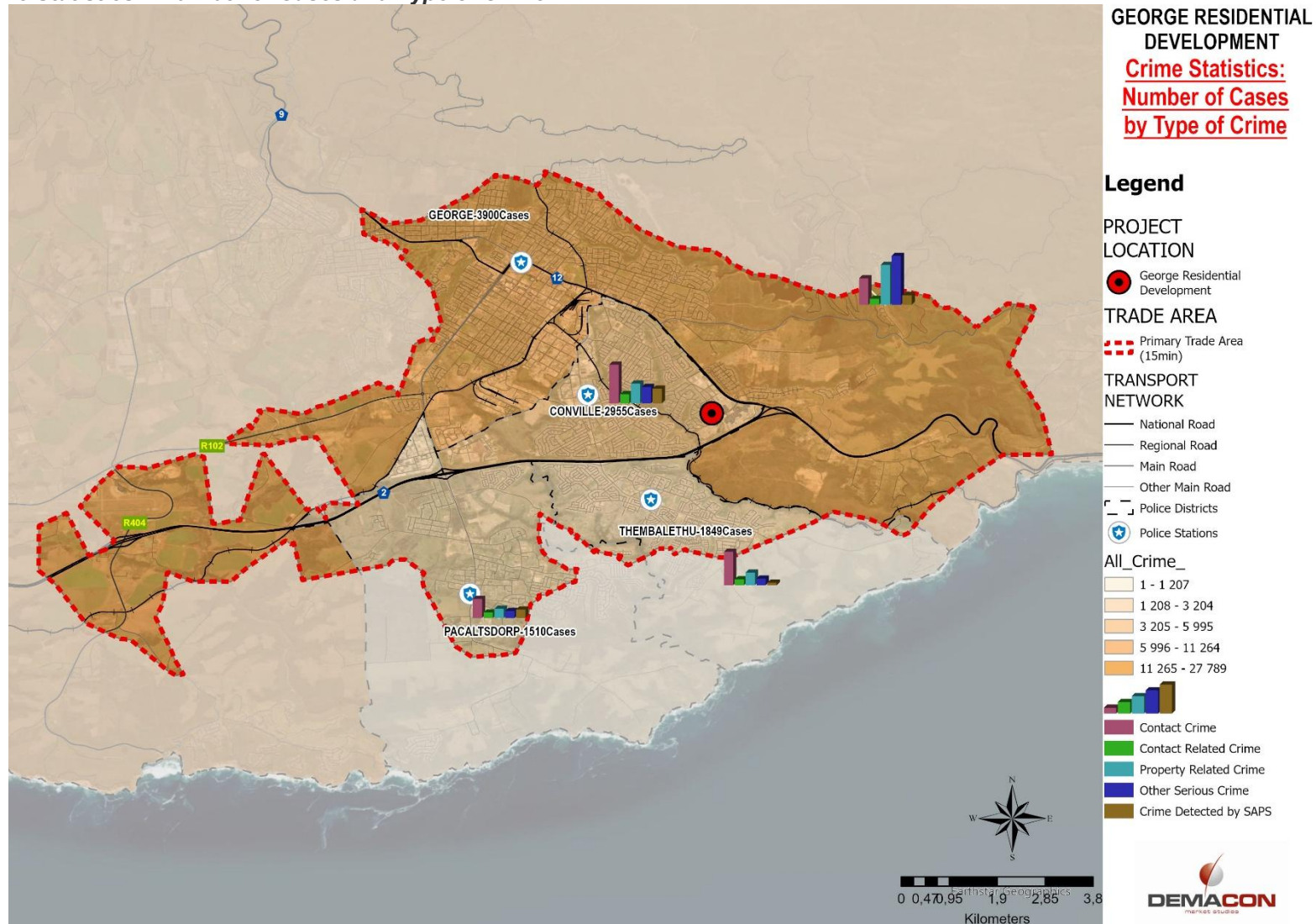


Map 2.11: Local Contextual Overview



2.5 CRIME STATISTICS

Map 2.12: Crime Statistics – Number of Cases and Type of Crime



2.6 LOCATION ASSESSMENT

Market potential is influenced not only by consumer income and expenditure, but in particular also by the characteristics of the specific location under consideration. Urban property markets have specific location requirements and should subsequently be assessed in terms of selected location criteria.

To this effect, a **DEMACON Site Evaluation Models © are utilised. The DEMACON models are** pragmatic and are based on the assignment of values to various location factors. Firstly, the site is evaluated on a ten-point scale, with ten being the highest. Secondly, weights are attached to these factors, in order of importance (1 to 5, with 5 being the most important).

Residential Development Location Assessment

Table 2.3: Residential Development Assessment

	Grade 1 - 10	Weight 1 - 5	Score
Perceived Level of Safety and Security	8	5	40
Area Price Profile Compatibility	8	4	32
Address Value	8	4	32
SEM Profile	8	5	40
Perceived Quality of Residential Environment	8	4	32
Tempo of Residential Growth / Influx / Demand	8	5	40
Within direction of Current & Future Growth	8	5	40
Perceived investment value & Impact	8	4	32
Access to main roads	8	3	24
Proximity to work place	8	3	24
Proximity to schools	8	4	32
Proximity to retail facilities	8	4	32
Proximity to social amenities	8	3	24
Proximity to public transport	8	3	24
Availability of Land / Developable / Redevelopable Real Estate	8	3	24
Total			472
Score			80.0%

Source: Demacon, 2026

** Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for a successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could be addressed; projects with a sub 60% rating are not recommended for consideration.*

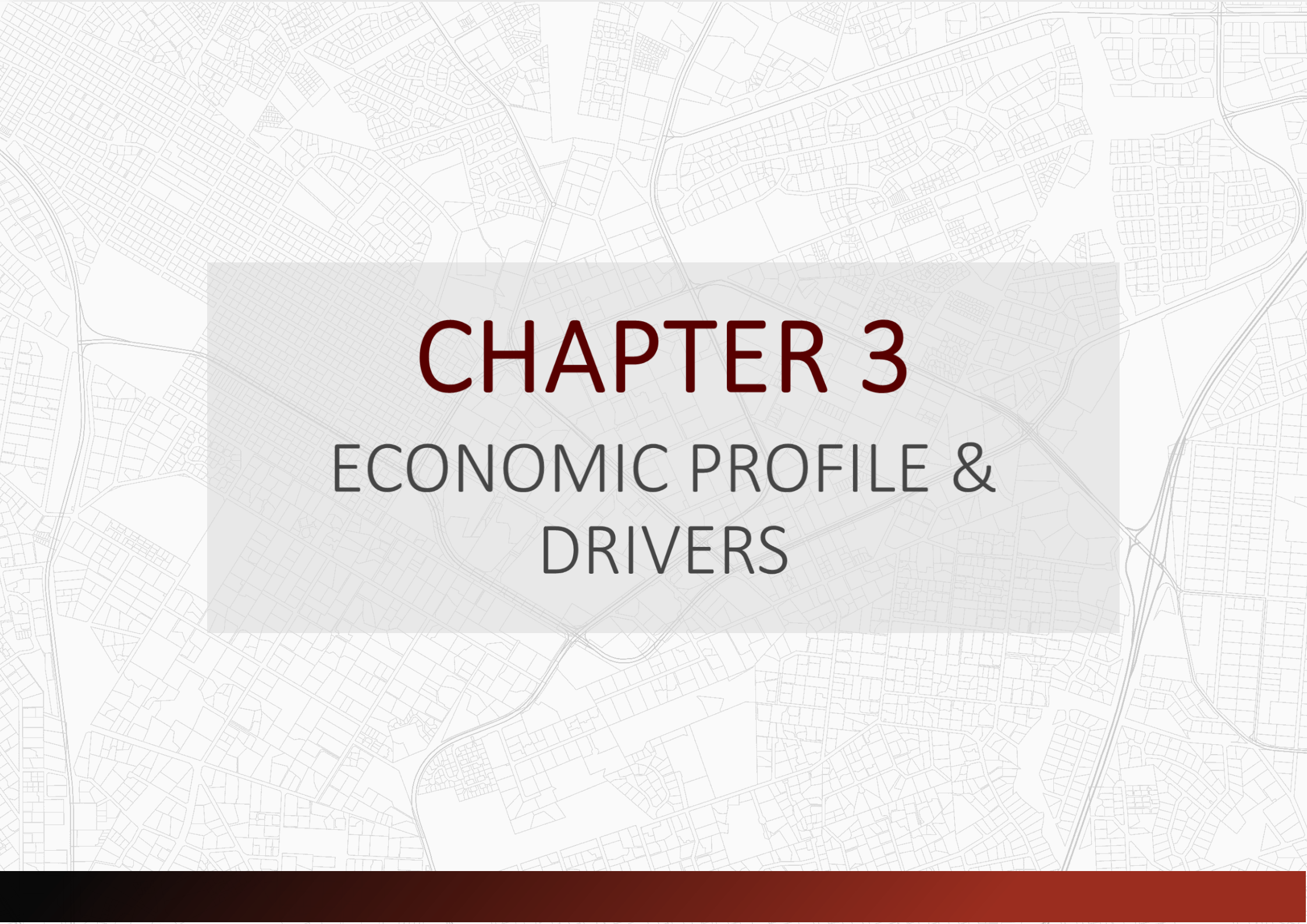
The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

2.7 SYNTHESIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

Building statistics indicated that over the last 10 years, 4 673 formal residential units have been constructed, amounting to 425 units per annum.

The background of the slide is a detailed, light gray line-art map of a city street grid. The map shows a dense network of streets, with some larger, more prominent roads and a few irregular shapes that might represent parks or water bodies. The overall tone is professional and urban.

CHAPTER 3

ECONOMIC PROFILE & DRIVERS

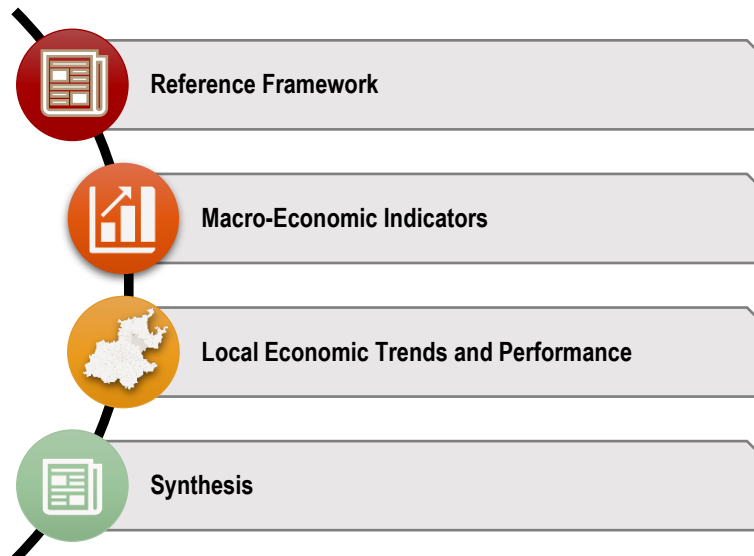
3. ECONOMIC PROFILE & DRIVERS

3.1 INTRODUCTION

An intricate, though well-defined relationship exists between the economy and urban real estate markets. The performance of specific economic sectors serves as proxy for the performance of these real estate markets.

The purpose of this chapter is to outline the salient features of the market area economy reference is made to the **Garden Route District and George Local Economy** in terms of selected time series economic indicators, most notably the economic profile and growth trends within the local economy.

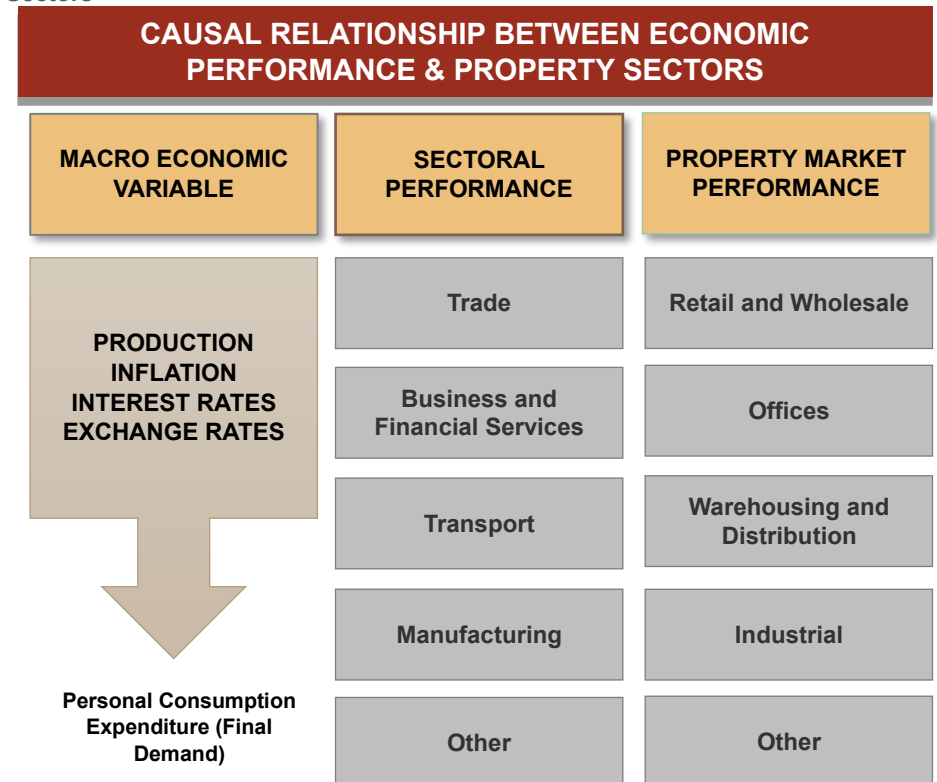
As such, this chapter provides insight into the composition and stability of the sub-region economy and hence, provides a more comprehensive assessment of medium- to long-term investment prospects than the conventional demographic analysis.



3.2 REFERENCE FRAMEWORK

The causal relationship between economic sector performance and property market performance is illustrated in Diagram 3.1

Diagram 3.1: Causal Relationship between Economic Performance and Property Sectors



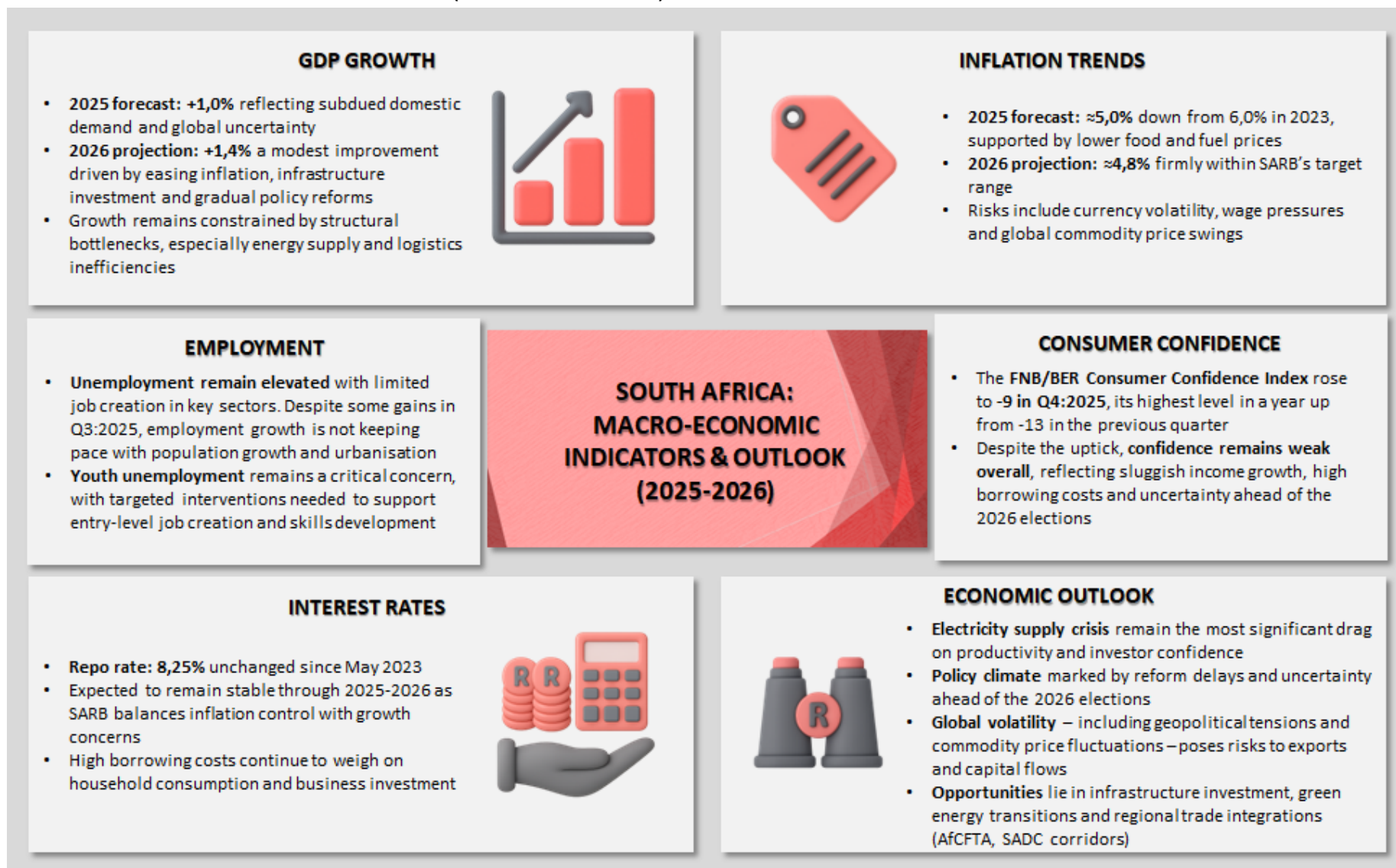
© 2026 H du Toit, MSc, PhD

The economic indicators of an area form the basis for current demand for residential product offering and serve as drivers for future growth in demand.

3.3 MACRO-ECONOMIC TRENDS AND PERFORMANCE

The following provides an overview of the current macro-economic trends and factors influencing national and local economic growth prospects, consumer demand growth and property market demand.

3.3.1 ECONOMIC OUTLOOK FOR SOUTH AFRICA (as of JANUARY 2026)

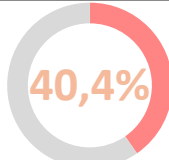


3.4 LOCAL ECONOMIC TRENDS AND PERFORMANCE

3.4.1 ECONOMY SIZE AND STRUCTURE (GEORGE LOCAL ECONOMY)

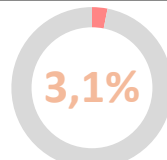
ECONOMY SIZE & ECONOMIC CONTRIBUTION, 2025

Economic Size:
George Local
Economy
R29.7 billion



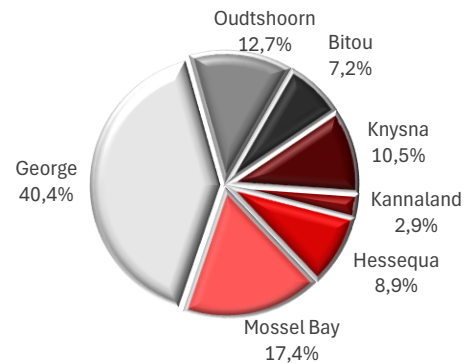
40.4% contribution to
the District Economy

Economic Size:
Garden Route District
R73.6 billion



3.1% contribution to the
Provincial Economy

SPATIAL CONTRIBUTION TO TOTAL ECONOMIC OUTPUT, 2025



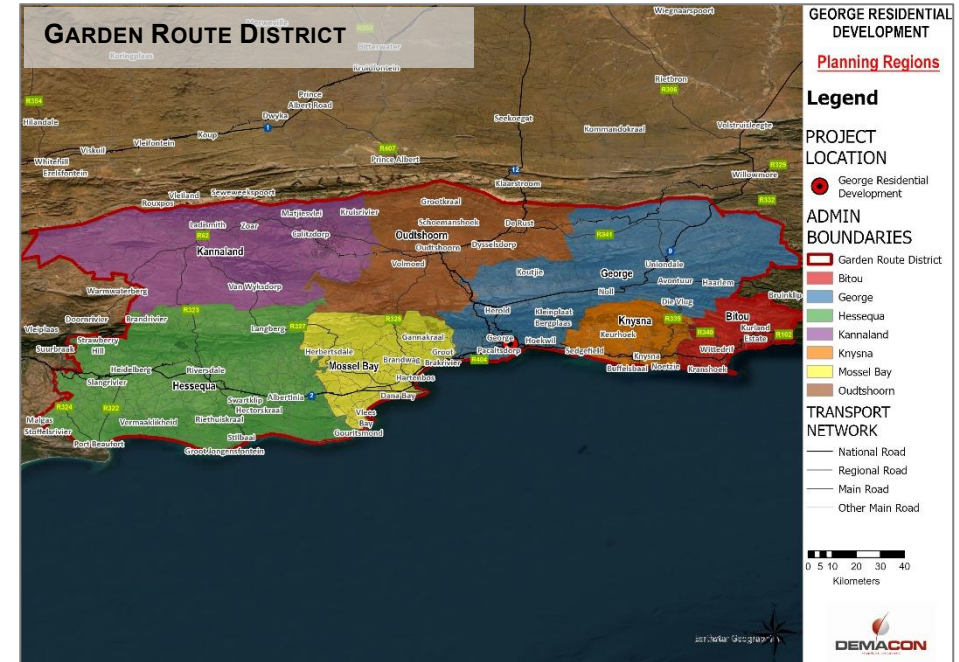
George Local Economy
is the **largest** contributor
to the total economy of the
Garden Route District.

The local economy is
characterized by **tertiary**
economy activities with a
strong reliance on
business services.

ECONOMY STRUCTURE, 2025



SPATIAL DISTRIBUTION OF THE LOCAL ECONOMY



3.4.2 ECONOMIC GROWTH AND HOUSEHOLD CONSUMPTION AND EXPENDITURE (GEORGE LOCAL ECONOMY)

ECONOMIC GROWTH (constant)



Average
Annual
Economic
Growth

Garden Route District

2.5% 5-year growth

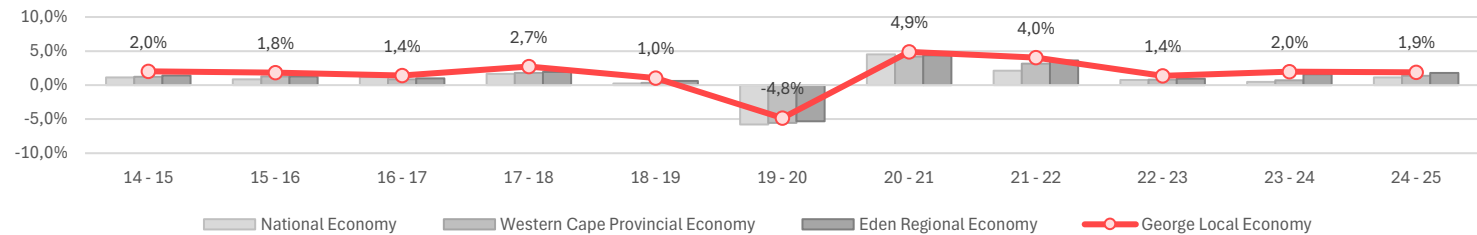
1.1% 10-year growth

George Local Economy

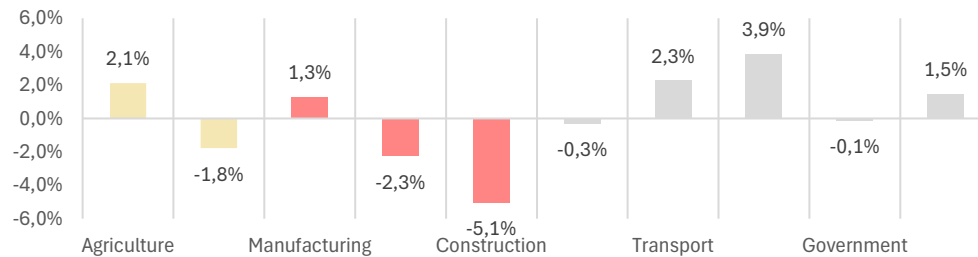
2.8% 5-year growth

1.6% 10-year growth

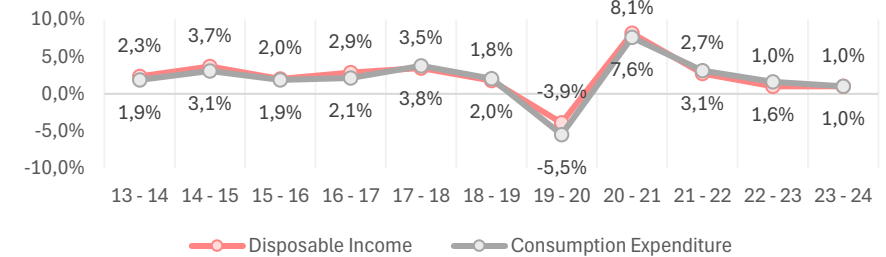
Local Economy Average Annual Growth Rate between 2015 and 2025



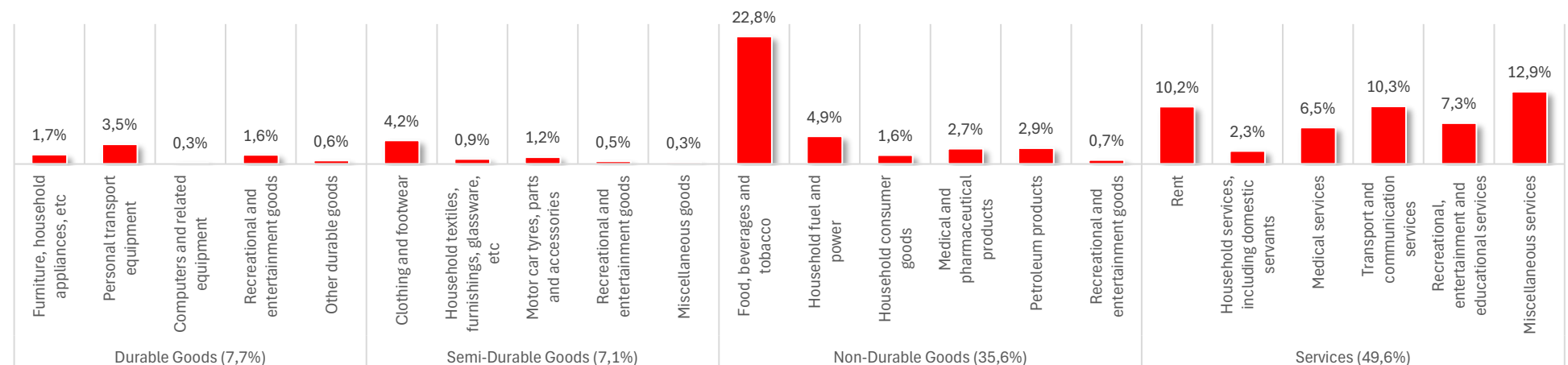
AVERAGE ANNUAL GROWTH PER ECONOMIC SECTOR ('15 – '25)



DISPOSABLE INCOME & CONSUMPTION EXPENDITURE GROWTH ('14 – '24)



HOUSEHOLD EXPENDITURE PER CONSUMPTION ITEM (2024)

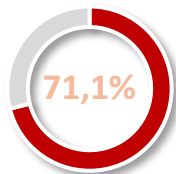


3.4.3 LABOUR FORCE PARTICIPATION (GEORGE LOCAL ECONOMY)

LABOUR FORCE PARTICIPATION

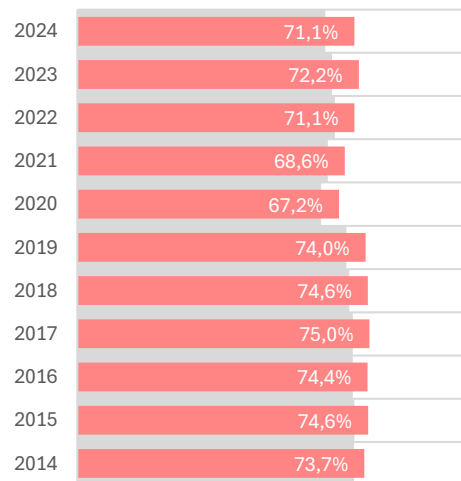
71.1% of the potential labour force participate in the local economy
58.8%
National average

Labour Force Participation Rate



Compared to the national average, the local economy maintains, on average, **higher** labour force participation rate compared to the district.

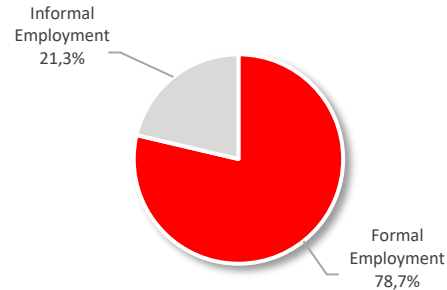
Local Economy



■ Western Cape Provincial Economy

■ George Local Economy

George Local Economy



82 168 jobs (formal and informal) exist in the George Local Economy:

- Formal Jobs: **64 642**
- Informal Jobs: **17 526**

The *formal economy* gained **10 994** jobs since 2014 at an average rate of 1 099 jobs per annum.

STRUCTURE OF EMPLOYMENT

21.3%
Informal employment.
17 526 informal jobs exist in the local economy (2024).

The informal economy **lost 4 591** jobs since 2014 at an average rate of **459 jobs per annum**.

Skilled Jobs



22 449 skilled jobs.
6 006 jobs gained since 2014.
601 jobs gained per annum.

Semi-Skilled Jobs



25 035 semi-skilled jobs.
3 473 jobs gained since 2014.
347 jobs gained per annum.

Low-Skilled Jobs



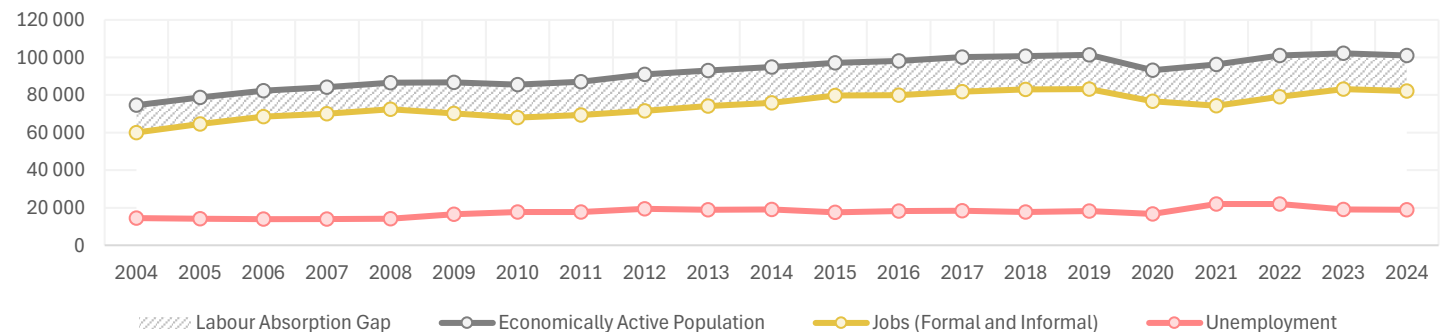
17 159 low-skilled jobs.
1 515 jobs lost since 2014.
151 jobs lost per annum.

STRUCTURE OF EMPLOYMENT (2023)

6 196 People became economically active since 2014

Jobs Created since 2014 **6 403**

-206 People became unemployed since 2014



/// Labour Absorption Gap

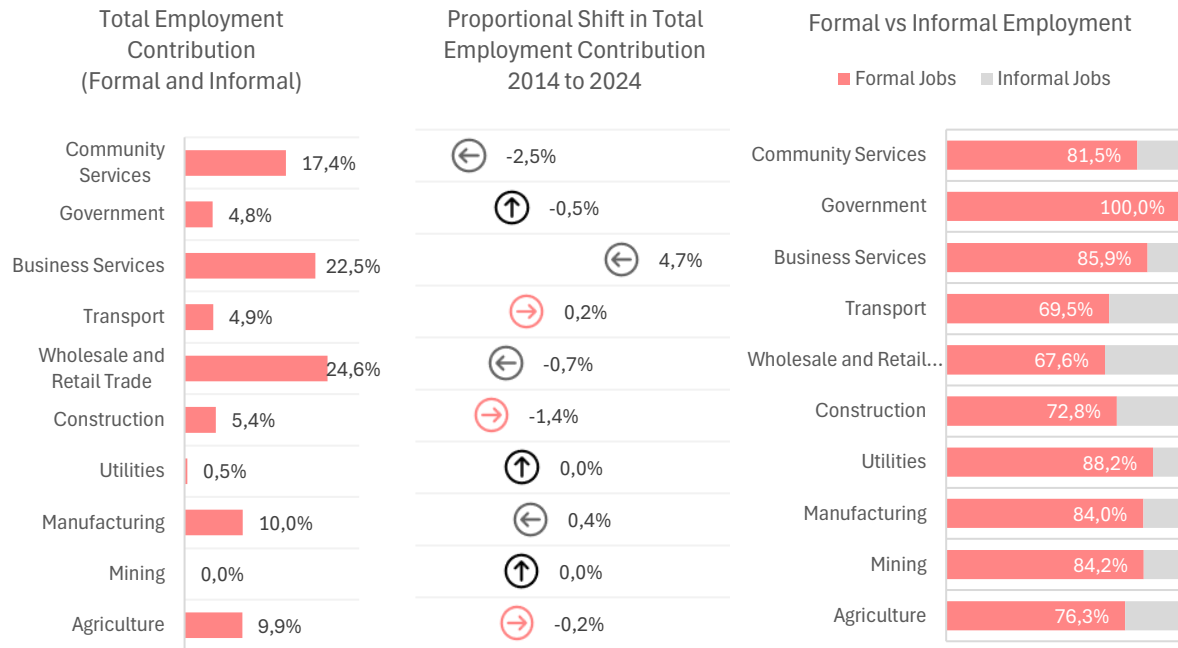
— Economically Active Population

— Jobs (Formal and Informal)

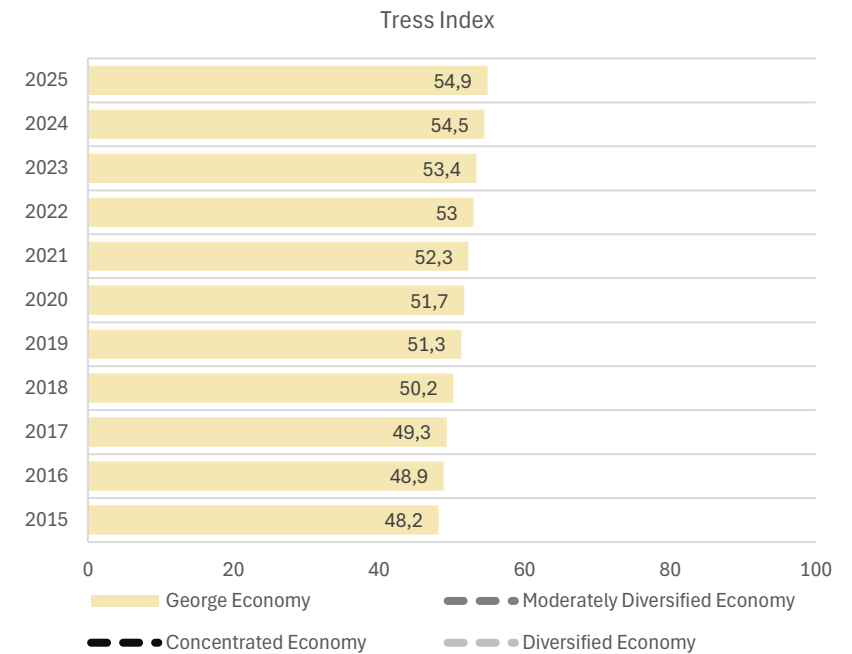
— Unemployment

3.4.4 LABOUR FORCE BREAKDOWN

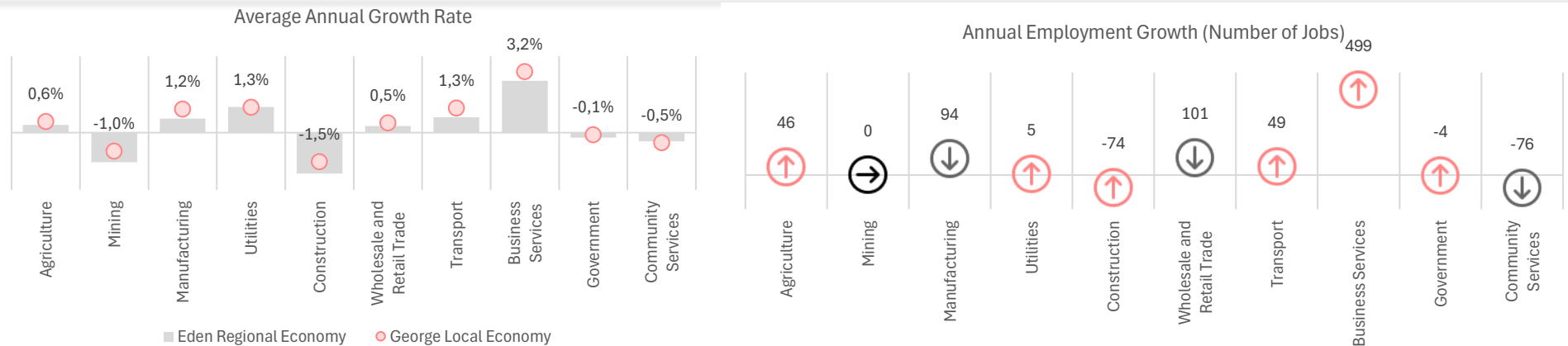
EMPLOYMENT CONTRIBUTION PER ECONOMIC SECTOR



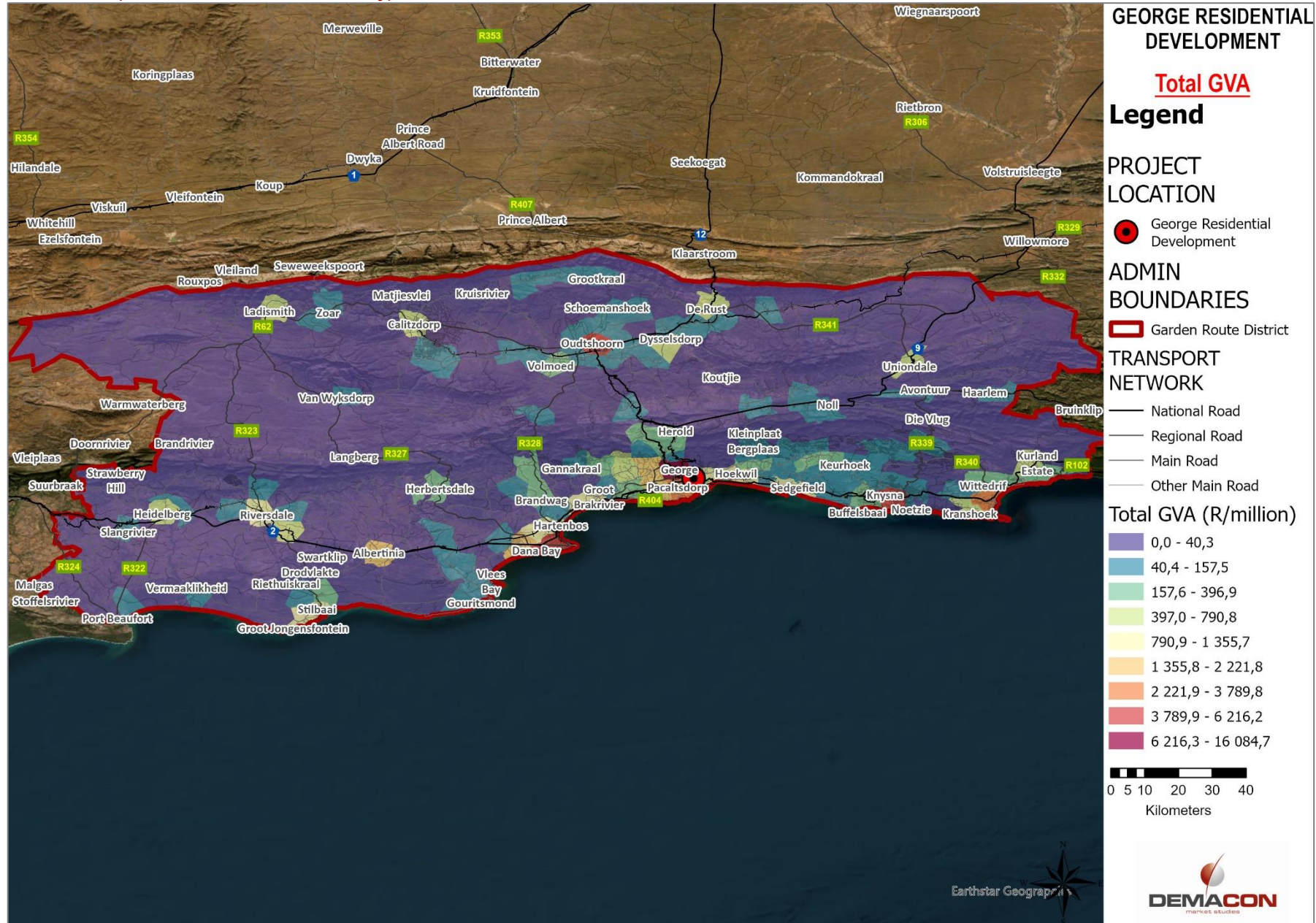
TRESS INDEX (10 INDUSTRIES)



EMPLOYMENT GROWTH PER SECTOR, 2014 – 2024



Map 3.1: Total GVA (Garden Route District Economy)



Map 3.2: Distribution of Economic Activity



3.5 SYNTHESIS



ECONOMY SIZE AND DISTRIBUTION

- ✓ The size of the local economy in relation to other economic geographies provides an indication of the relative importance of a local economy in the context of the broader economic environment within which it functions.
- ✓ **George Local Economy** proportionally contributes:
 - 40.4% to the Garden Route District
 - 3.1% to the total economy of Western Cape Province and
 - 0.4% to the national economy.
- ✓ **George Local Economy** is the largest contributor to the total economy of the Garden Route District. The local economy is characterized by tertiary economy activities with a strong reliance on the business services sector.



ECONOMIC PROFILE

- ✓ To highlight the economic growth trends of **George Local Economy**, reference is made to the growth and associated trends of sub-sectors that make-up the economy. The reference focus on the proportional contribution made by each economic sub-sector to the total Local Economy.
- ✓ The historical trends for the local economy as well as contributions made by each economic sub-sector to the total economy shows that in 2025:
 - the **primary sector** contributes **4.2%** to the local economy,
 - the **secondary sector** proportionally contributes **22.4%** to local economy and
 - the **tertiary economic sector** proportionally contributed **73.4%** to the total local economy.



ECONOMIC GROWTH

- ✓ **George Local Economy** achieved the following annual growth rates:
 - Over the short to medium term cycle, 2020 to 2025, the local economy experienced a growth rate of **2.8%**.

- An average annual growth rate of **1.6%** during a long-term cycle between 2015 to 2025.
- ✓ **Garden Route District** achieved the following annual growth rates:
 - Over the short to medium term cycle, 2020 to 2025, the district economy experienced a growth rate of **2.5%**.
 - An average annual growth rate of **1.1%** during a long-term cycle between 2015 to 2025.
- ✓ Economic growth in the local and regional economy reflects a similar cyclical trend that correlates with growth trends experienced in the SA domestic economy over the same period of time.



FINAL CONSUMPTION EXPENDITURE & DISPOSABLE INCOME

- ✓ A positive correlation exists between *final consumption expenditure* and *disposable income*, which in turn reveals similar up-and downturns to the business cycle as a whole.
- ✓ The average annual growth rate for disposable income for the period 2014 to 2024 is 2.2%.
- ✓ The average annual growth rate of final consumption expenditure in the local economy for the period 2014 to 2024 is 2.0%.



HOUSEHOLD EXPENDITURE PER CATEGORY

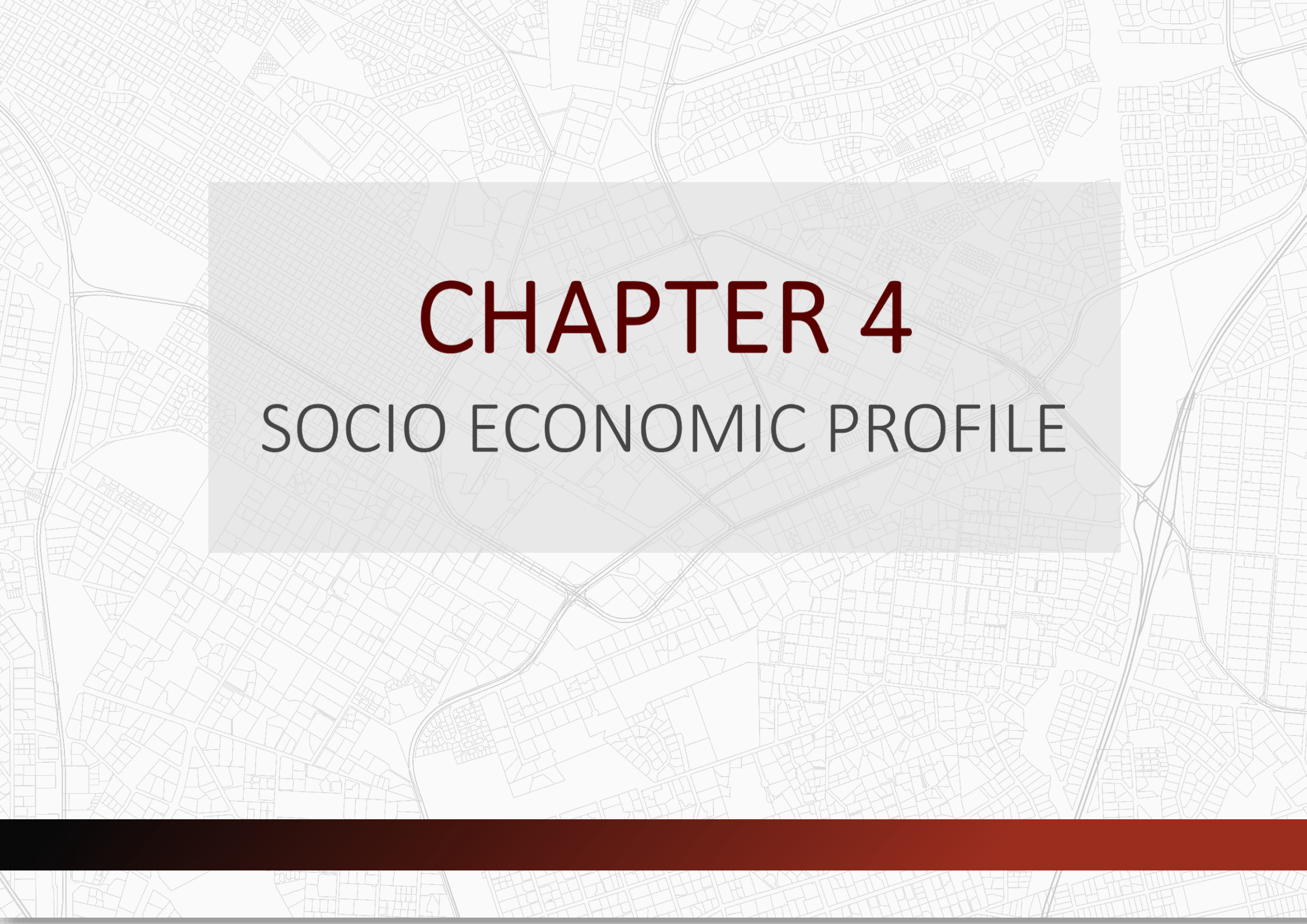
- ✓ The trade sector is largely driven by expenditure on goods and services (retail sales) by a wide variety of consumer elements such as households, businesses, government departments and exports. Retail sales can be classified in accordance with different types of goods and services.
- ✓ Goods, in this instance, can be considered in terms of durable, semi-durable and non-durable goods. *Durable goods* refer to items such as furniture, personal transport equipment and entertainment goods, while semi-durable goods refer to clothing, footwear, and household textiles.
- ✓ *Non-durable goods* refer to food, medicine, and petroleum products. These goods are consumed and used on a daily basis.
- ✓ A general urban South African trend indicates that the decrease in expenditure directed towards non-durable groceries is declining year-on-year with a rise in consumption expenditure on semi durables including clothes and footwear.

- ✓ These trends can be ascribed to the high rate of inflation on non-durables (especially meat) and unabated clothing and footwear deflation.
- ✓ **The food, beverages and tobacco sector** is the largest sector (22.8%) followed by the **miscellaneous services sector** with a proportional contribution of 12.9% in 2024.
- ✓ The smallest sector is computer and related equipment durable goods with a proportional contribution of 0.3% in 2024.



EMPLOYMENT AND LABOUR PARTICIPATION

- ✓ 82 168 formal and informal jobs exist in **George local economy**.
 - 64 642 formal jobs and
 - 17 526 informal jobs
- ✓ The formal economy gained 10 994 jobs since 2014 at an average rate of 1 099 jobs per annum.
- ✓ 17 526 informal jobs (21.3%) exist in the local economy in 2024.
- ✓ The informal economy lost 4 591 jobs since 2014 translating into 459 jobs per annum.
- ✓ 6 196 people became economically active since 2014, where 6 403 jobs were created since 2014.
- ✓ Total formal jobs of 64 642 in 2024, can be divided into the following categories:
 - Skilled: 22 449 jobs
 - Semi-skilled: 25 035 jobs
 - Low-skilled: 17 159 jobs.

The background of the slide is a detailed, light gray line-art map of a city street grid. The map shows a dense network of streets, with some larger, more prominent roads and a few irregular shapes that might represent parks or water bodies. The map is centered and covers the entire area of the slide.

CHAPTER 4

SOCIO ECONOMIC PROFILE

4. SOCIO ECONOMIC PROFILE

4.1 INTRODUCTION

The demand for economic/non-economic activities is, in part, based on demand generated by the demographic component of a specific market area or catchment. The current demographic composition in a market area coupled with past trends and future potential growth, impact on the current and future demand for economic activities.

The purpose of this chapter is to provide analysis of the demographic component of the resident market area that can be considered alongside Chapter 3 to complete a demographic and economic perspective of interactions between population and their local economic conditions.

The chapter sets out a delineated market area and reviews information about the population that reside in the market area, focusing on demographic and socio-economic characteristics of the resident market population influencing the proposed development location.

The consumer market profile is outlined in terms of the following headings:



4.2 PRIMARY MARKET AREA DELINEATION

To gain insight into the socio-economic character of potential market participants to the proposed development, a market area is delineated. A market area assists with determining the main socio-economic market characteristics affecting the hospital.

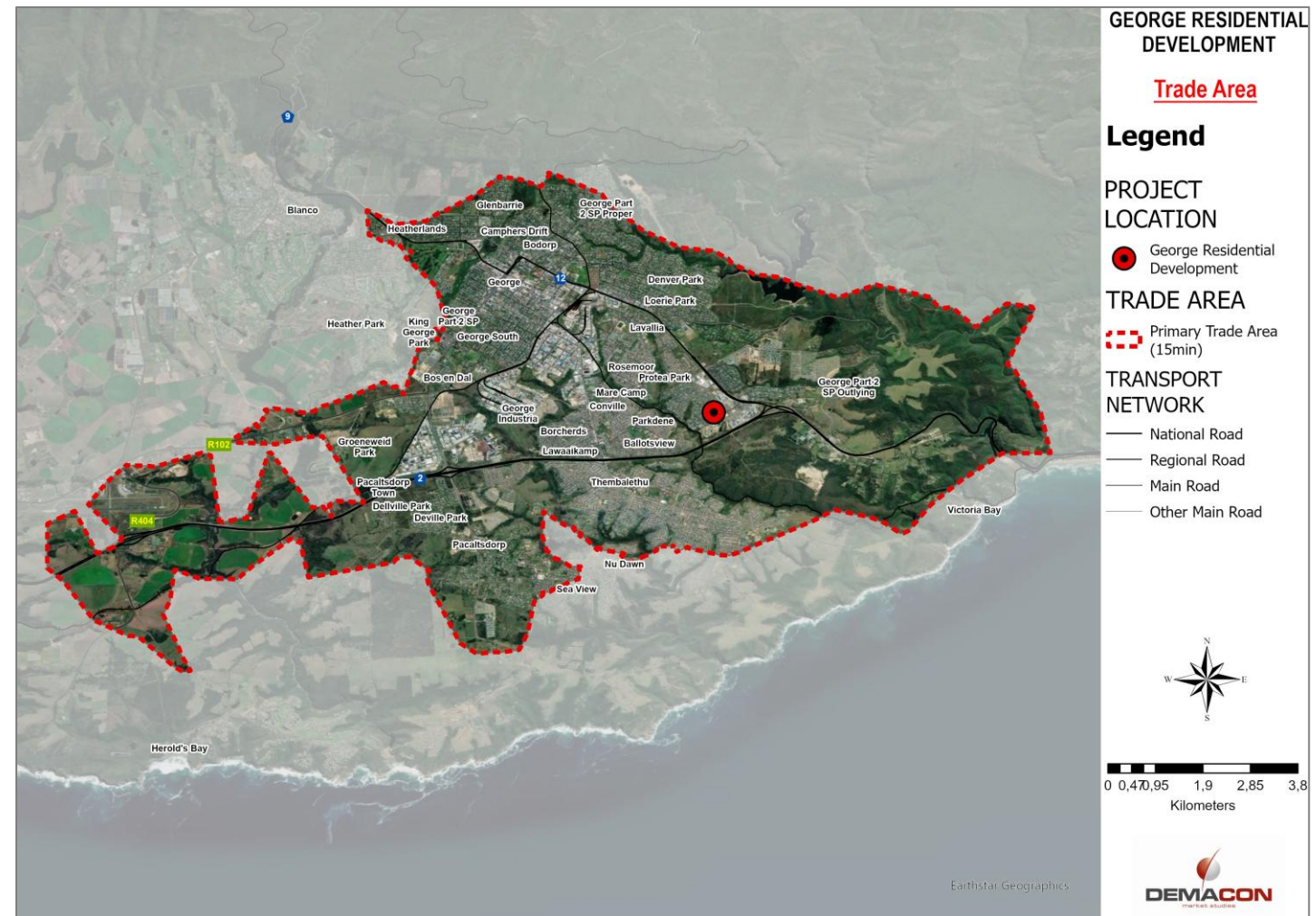
The primary market area for the project is based on an approximated **15-minute drive time** as seen on the map.

This chapter provides the key socio-economic indicators of the primary market, informed by general SACSC criteria, as well as the following:

- Consumer market behaviour and expenditure trends
- Regional and sub-regional levels of accessibility
- Geographic barriers
- General consumer mobility patterns and drive times.

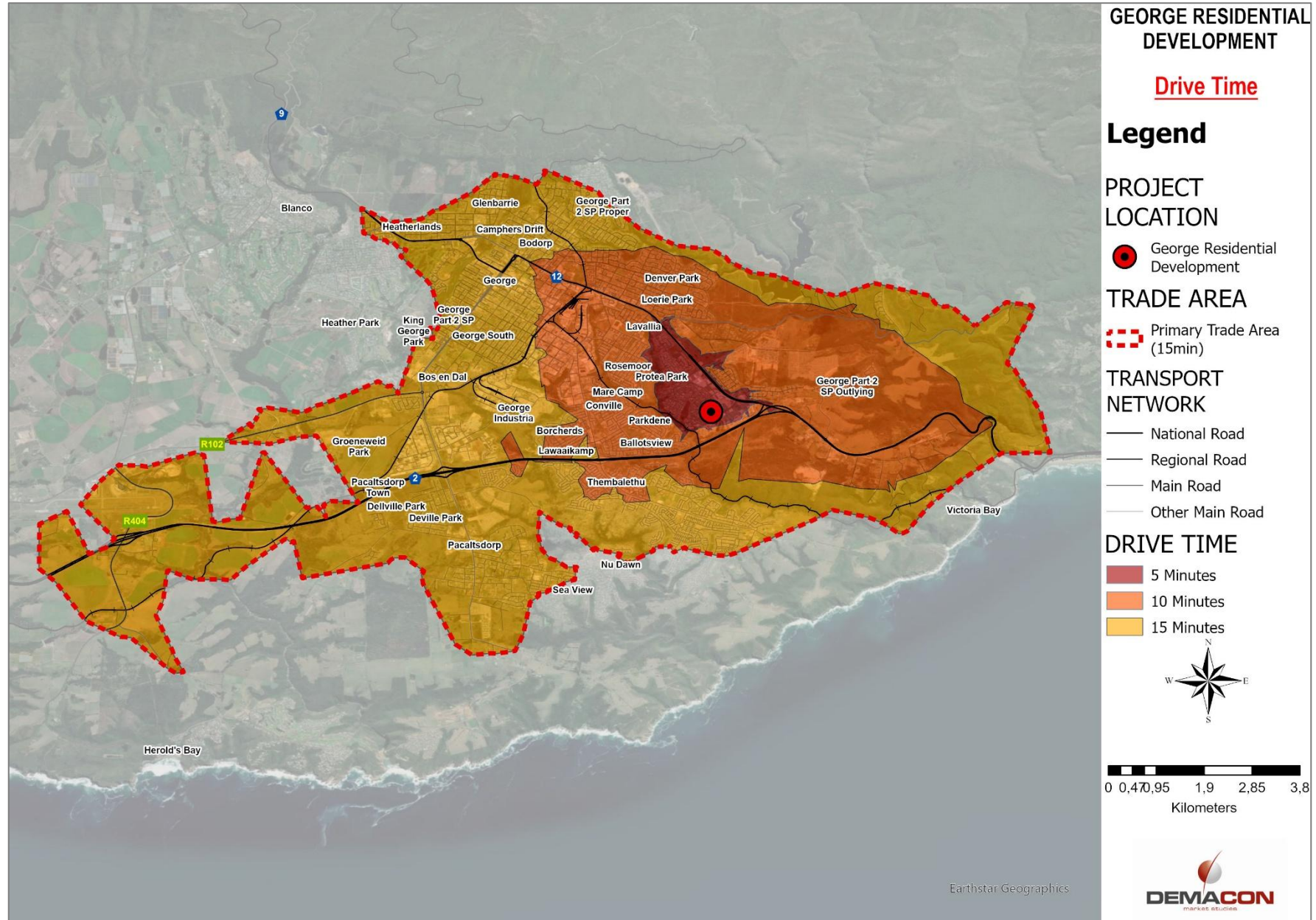
The following section provides an analysis of the demographic profile of the primary market area of the hospital. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

Map 4.1: Primary Market Area Polygon



Source: Demacon GIS, 2026

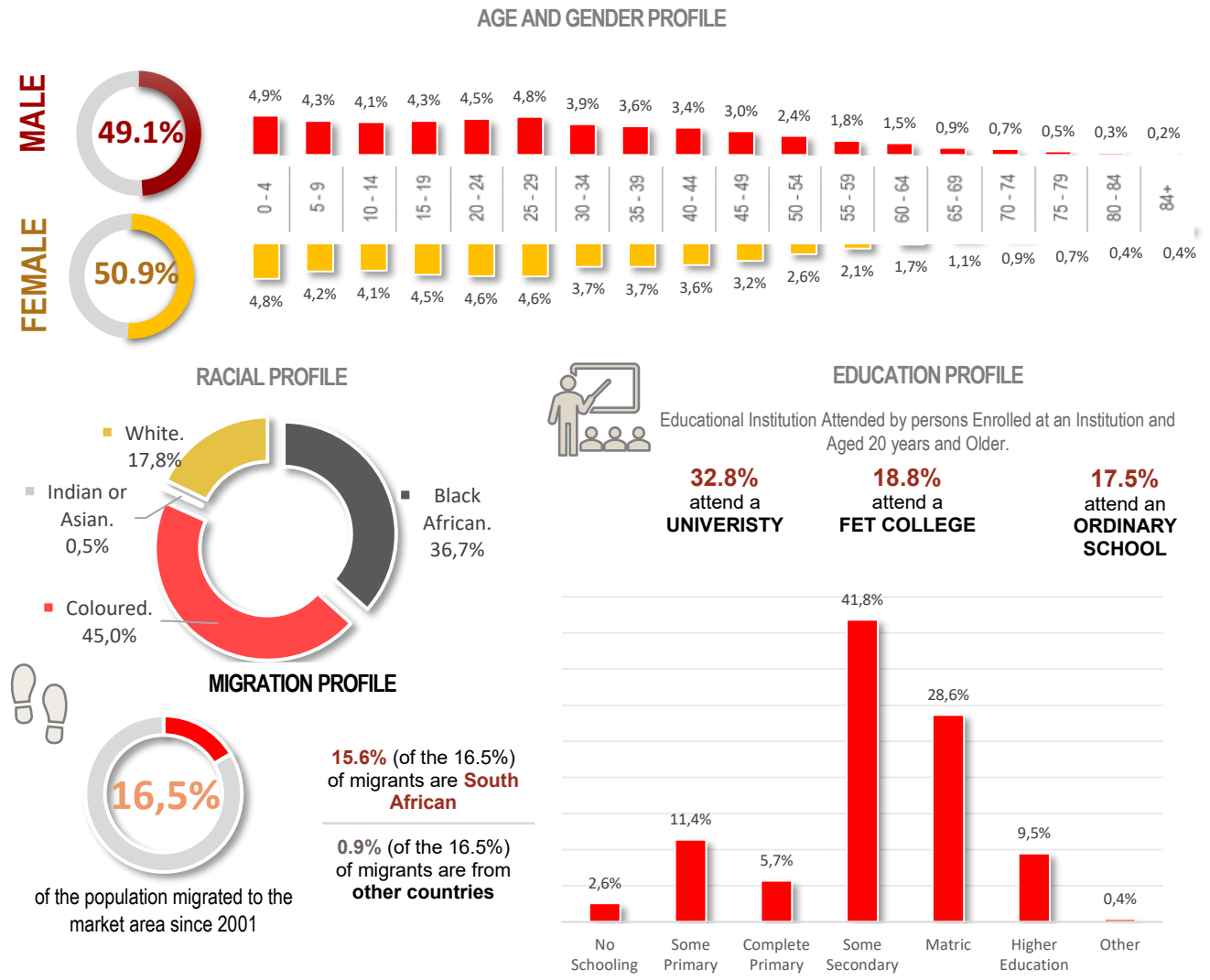
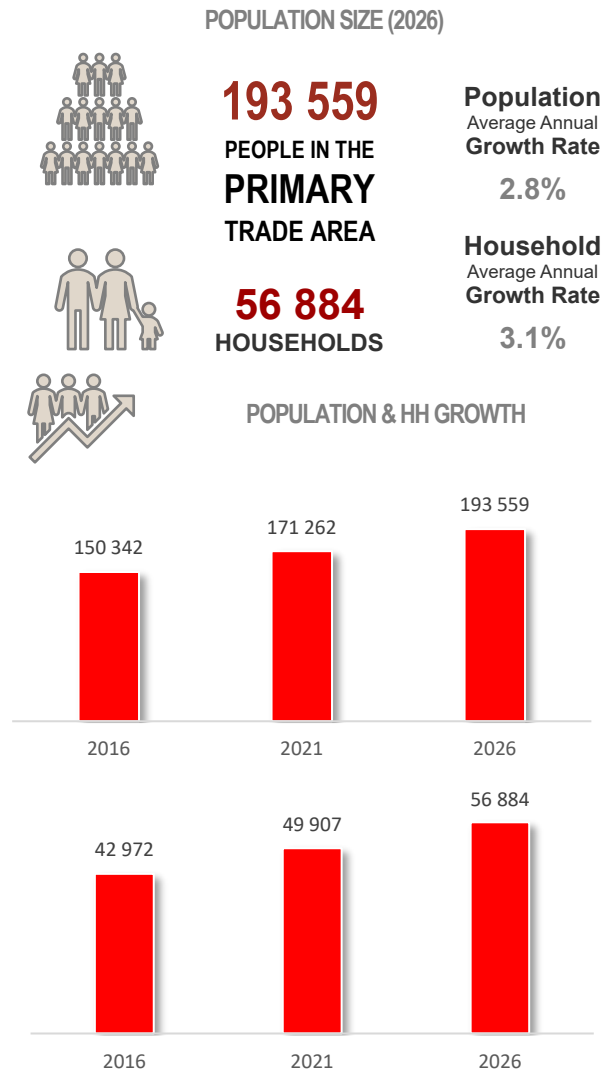
Map 4.2: Drive Time



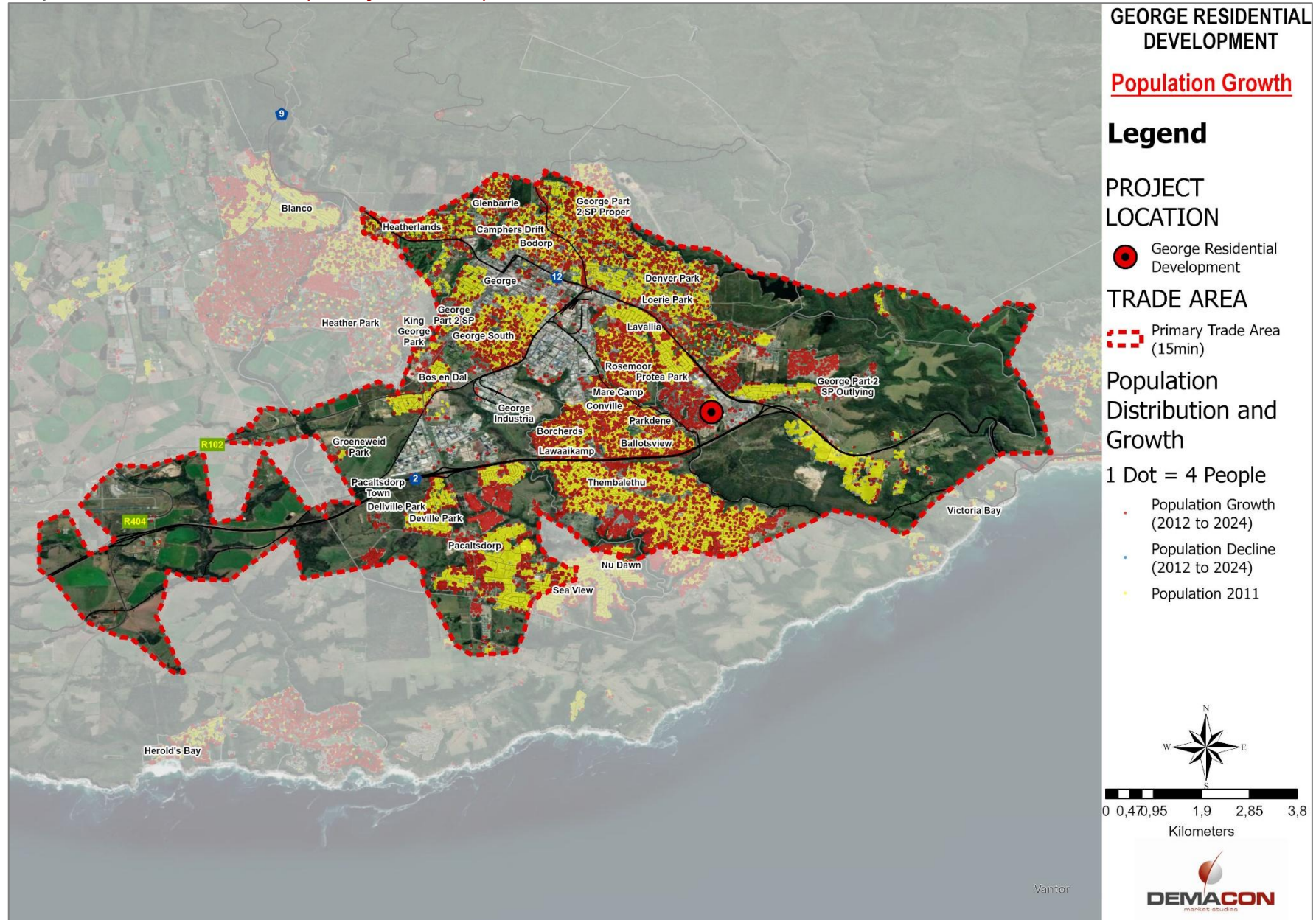
4.3 DEMOGRAPHIC PROFILE (PRIMARY MARKET AREA)

The following section provides an analysis of the demographic profile of the **primary market area** of the proposed development. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

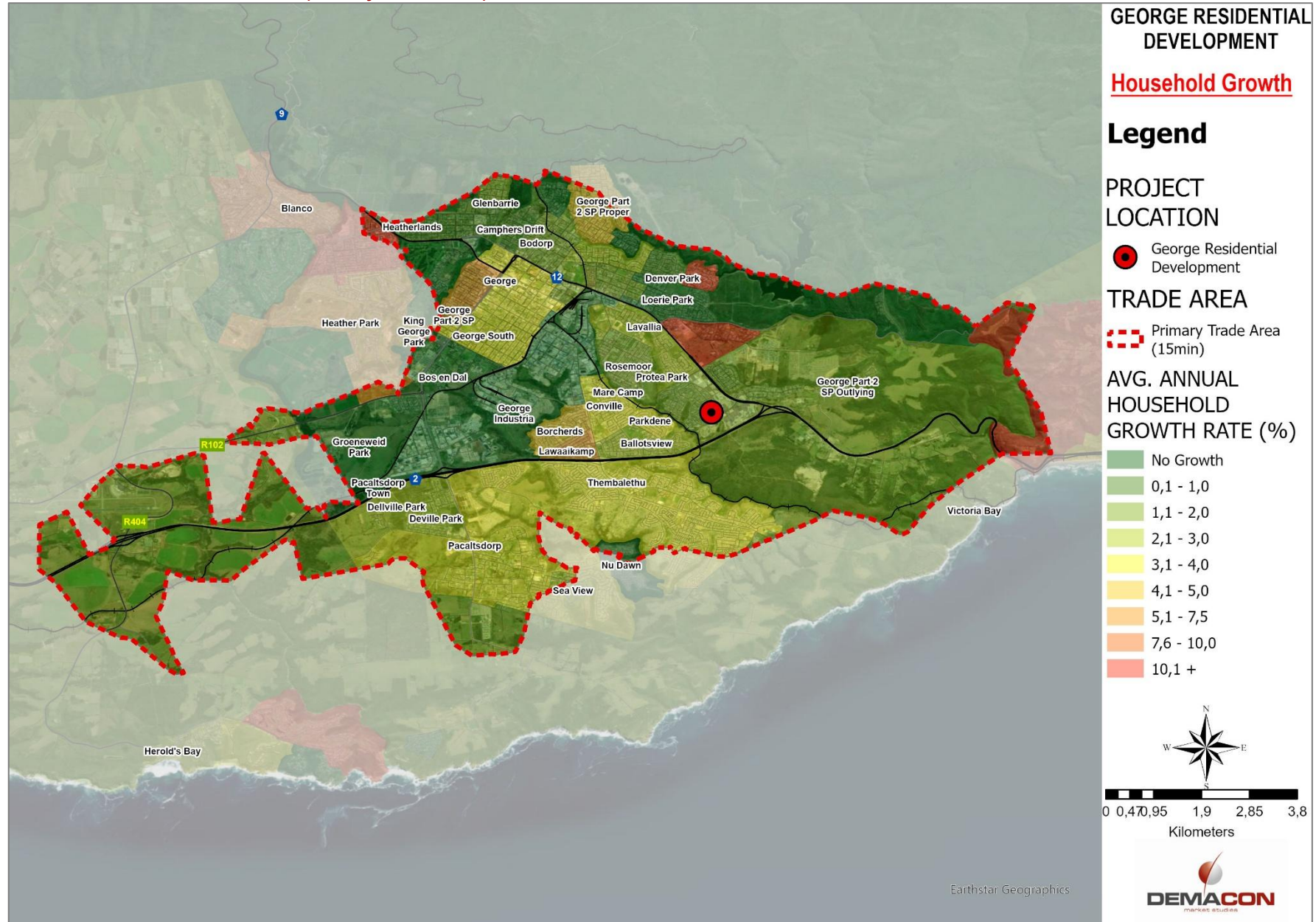
4.3.1 DEMOGRAPHIC SIZE AND COMPOSITION



Map 4.3: Population Growth & Distribution (Primary Market Area)



Map 4.4: Household Growth & Distribution (Primary Market Area)

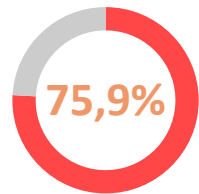
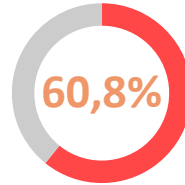


4.3.2 EMPLOYMENT & OCCUPATIONAL PROFILE



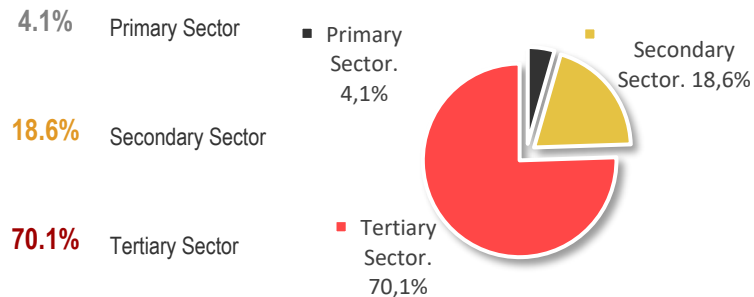
EMPLOYMENT PROFILE

ECONOMICALLY
ACTIVE
POPULATION



EMPLOYED
ECONOMICALLY
ACTIVE

EMPLOYMENT PER INDUSTRY



OCCUPATION PROFILE

Skilled
Occupations
35.5%



Semi-Skilled
Occupations
39.4%



Low-Skilled
Occupations
14.5%

Top 3 occupations:

①

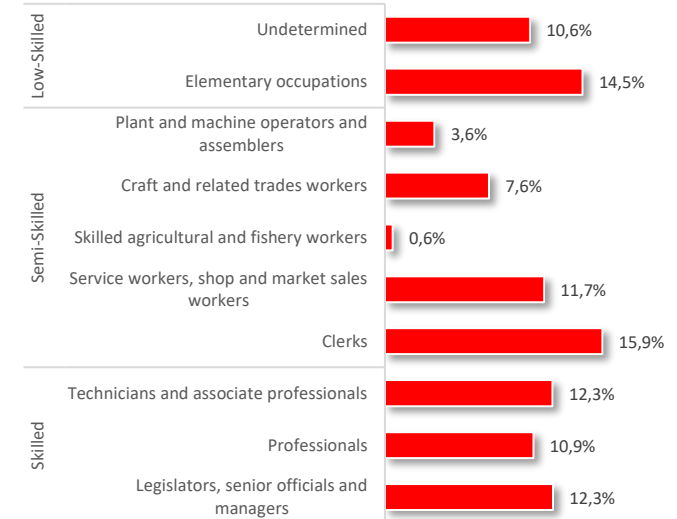
Clerks -
15.9%

②

Elementary
Workers -
14.5%

③

Legislators, senior
officials and
managers -
12.3%



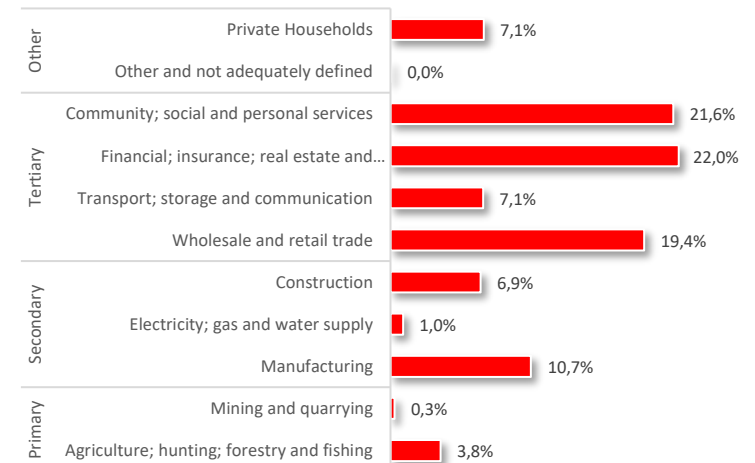
BIGGEST EMPLOYING ECONOMIC SECTORS IN THE MARKET AREA

Largest Sectors:

Finance and Business Services
22.0%

Community and Personal Services
21.6%

Wholesale and retail trade
19.4%



4.3.3 HOUSEHOLD PROFILE

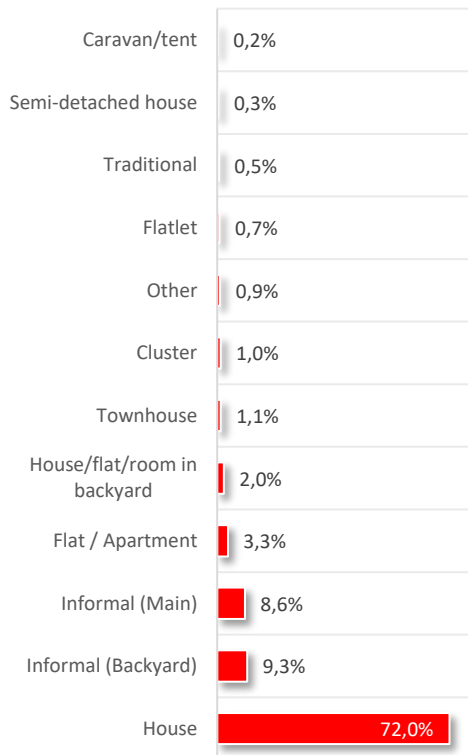


DWELLING TYPOLOGY

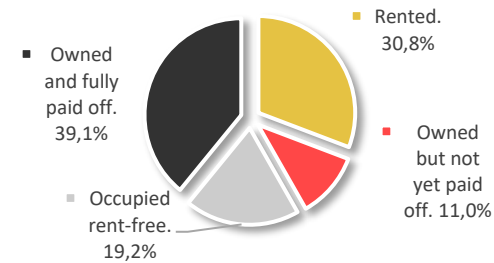
Majority of Households Reside in a Formal Dwelling **81.4%**

18.1% of households reside in an informal dwelling

0.5% of households reside in a traditional dwelling



TENURE STATUS

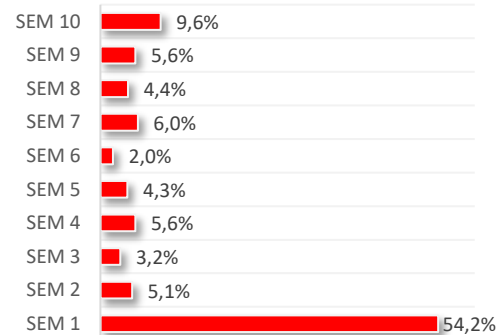


- 39.1%** of households **own** and have **paid** for the property where they reside
- 11.0%** of households **own** but have not **finished paying** for the property where they reside
- 30.8%** of households **rent** the property where they reside
- 19.2%** of households **occupy** the property where they reside **rent-free**



SEM PROFILE DISTRIBUTION

SEM Distribution



HOUSEHOLD INCOME PROFILE (2026)

Average annual household income for all SEM Groups (2026)

R154 581

Average annual household income for SEM 2+ Groups (2026)

R347 070

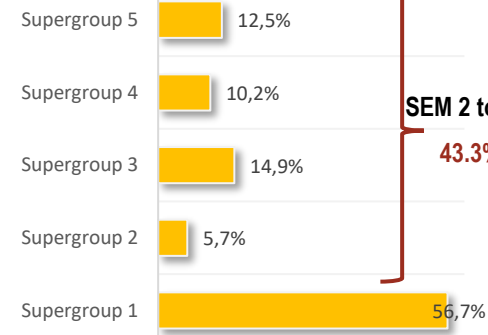
Average monthly household income for all SEM Groups (2026)

R12 882

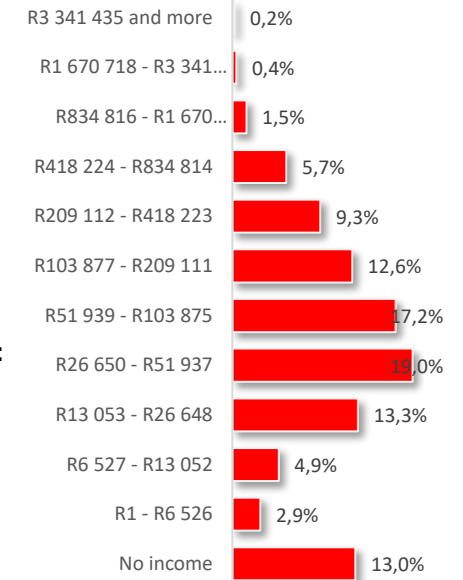
Average monthly household income for SEM 2+ Groups (2026)

R28 923

SEM Supergroup Distribution



**SEM 2 to 5+:
43.3%**



4.3.4 LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

LSM

VS

SEM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cell phone in household
- 1 cell phone in household
- None or only one radio
- Living in a non-urban area



FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms

LIMITATIONS OF LSM

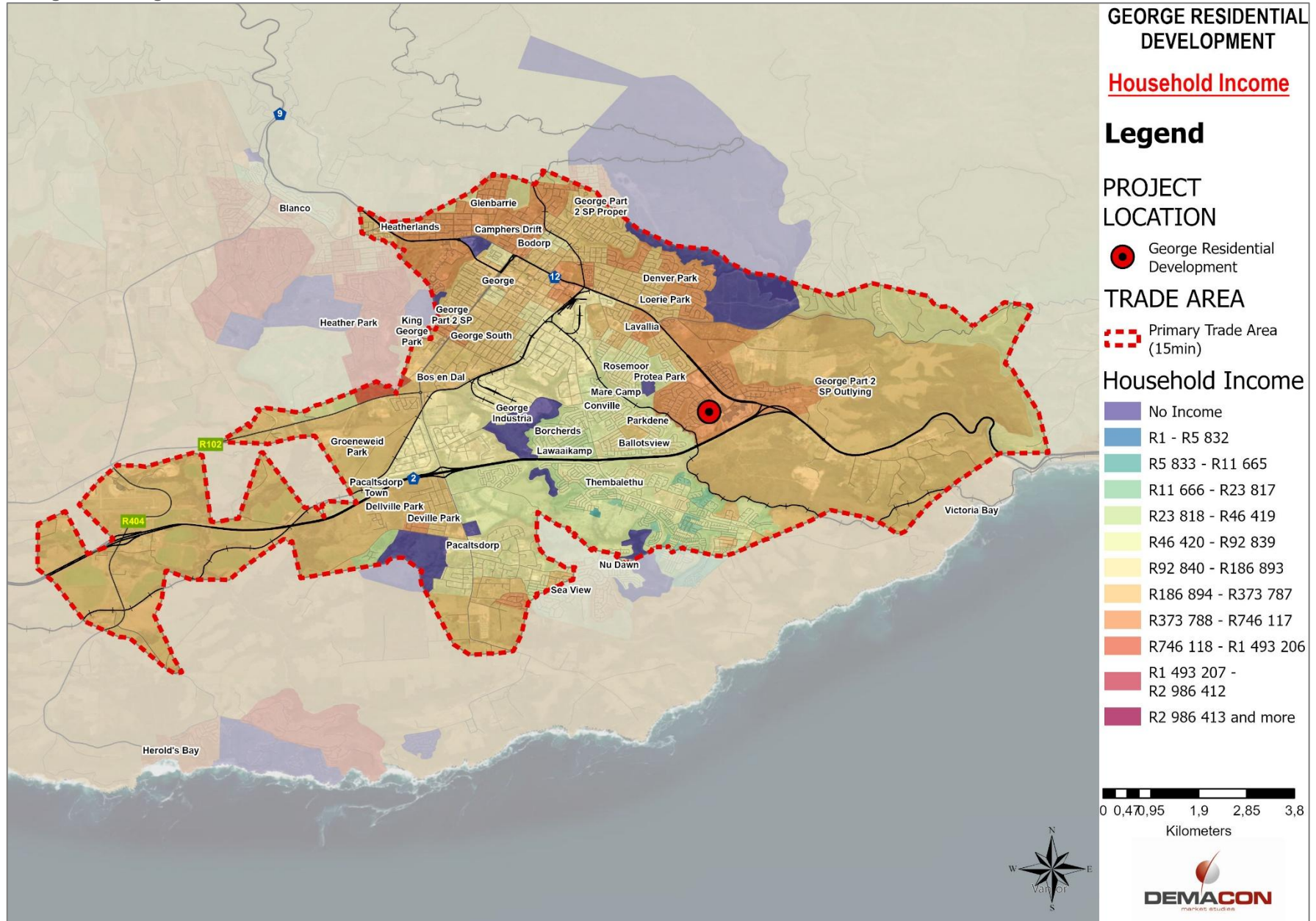
-  LSM is not related to any specific brand or category
-  LSM cannot accurately determine spending power
-  Consumers have changed, LSM has not

ADVANTAGES OF SEM

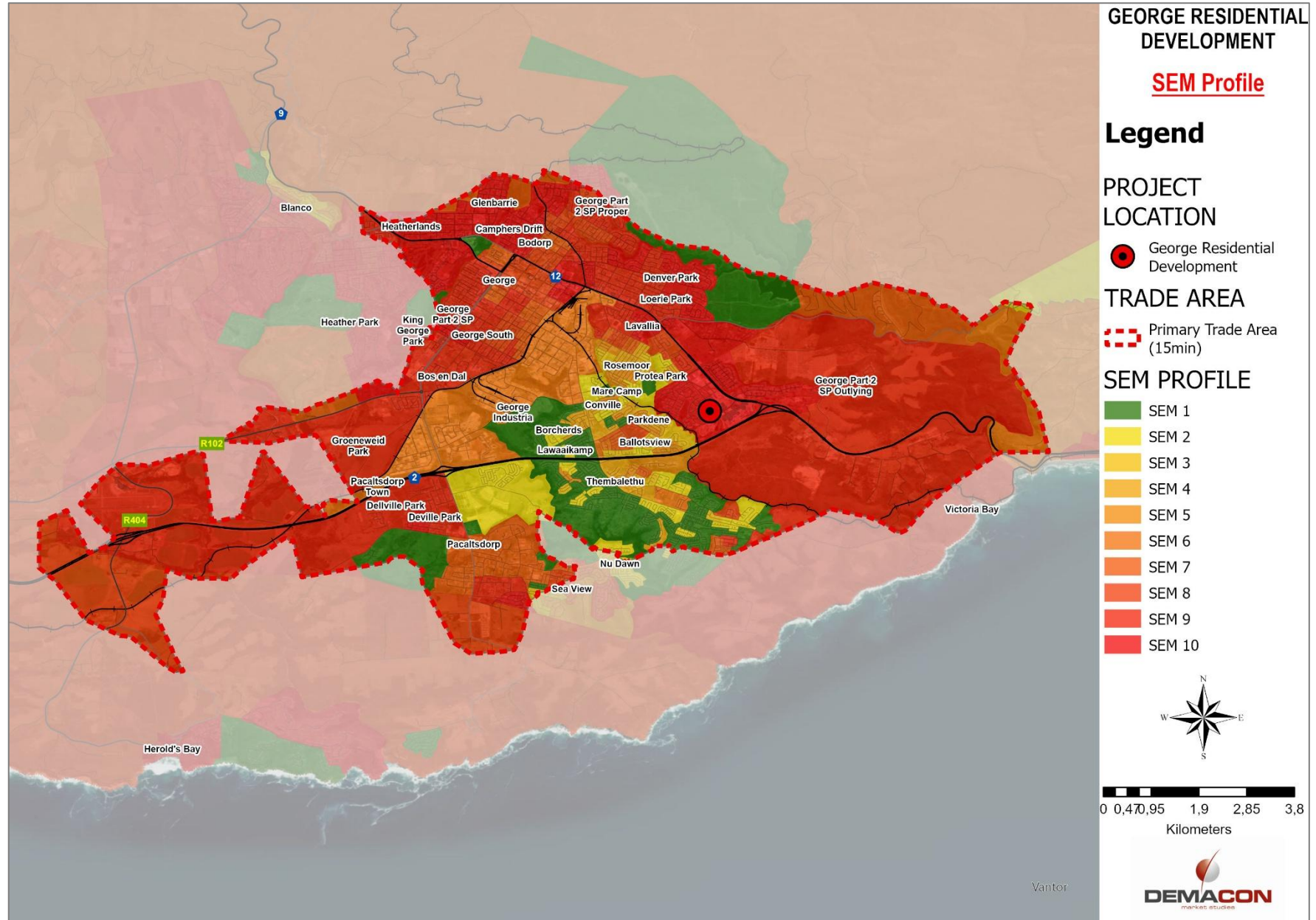
-  Focus on structural items
-  Low reliance on durables
-  No reliance on technology items
-  Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and townships of SA.

Map 4.5: Weighted Average Annual Household Income

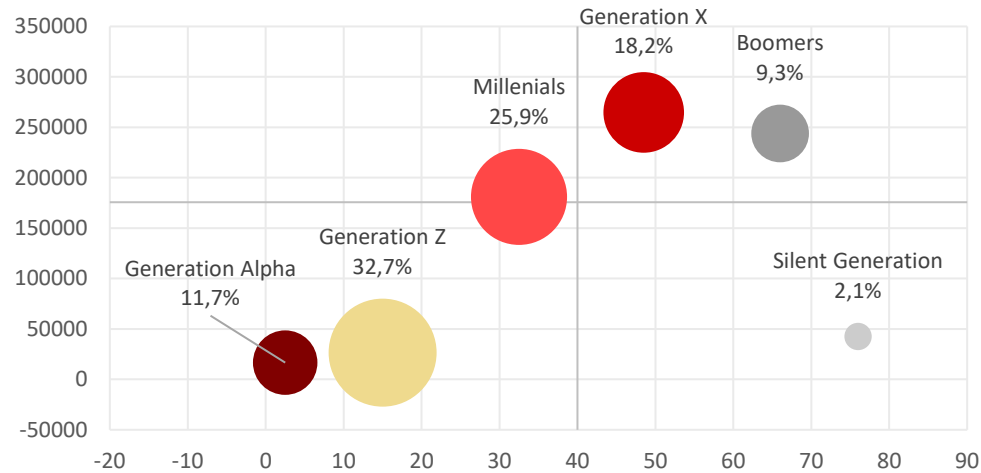


Map 4.6: SEM Profile

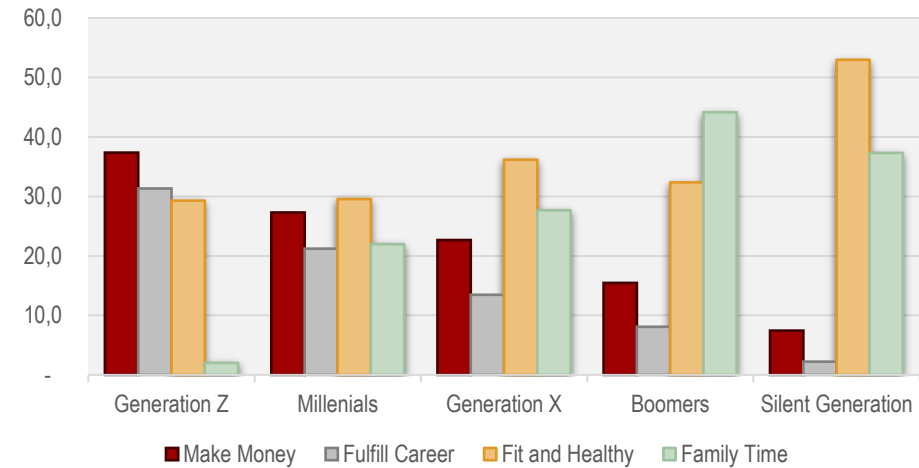


4.3.5 GENERATION CONSUMERS

Consumer Market Segments



Main Aspirations of Consumer Segments



GENERATIONAL CHARACTERISTICS

	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
Current Age	0-5 years	6-24 years	25-40 years	41-56 years	57-75 years	76+ years
Percentage of Target Market	11.7%	32.7%	25.9%	18.2%	9.3%	2.1%
Characteristics	• Raised in homes with smart speakers & devices. • Technology is built into everyday items. • Many attend schools virtually – gravitating towards online schooling	• Flexible work environments • Clear directions & transparency • Seek personal growth in reaching performance goals. • Value offline relationships and person-to-person interaction	• Seek meaningful work. • Want to grow and use creative skills. • Technology savvy • Grow professionally. • Skills training, mentorship & feedback are necessary to stay at the company.	• Laid back • Low-key & independent • Entrepreneurial spirit • Value-friendly, flexible workplaces & productivity over hours spent at work. • Seeks out efficiency & innovation.	• Hardworking • Ambitious • Seek luxury status symbols in their personal lives. • Take risks to pursue goals. • Dedicated to their jobs.	• Traditional values • Financial prudence • Interpersonal respect • Determination • Resilience • Work ethic • Analogue sensibilities • Loyal

GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		• Prioritise authenticity, truth & connectivity in their relationships & expect it from society	• Self-confident • Not afraid to challenge the status quo/management	• Value autonomy to make own choices. • Create relationships with mentors. • Effectively manage work-life balance	• Attribute self-worth to their occupations • Finding work-life balance is challenging	• Financially conservative
Social Media Channel of Choice	• Instagram, TikTok	• TikTok, Snap Chat, YouTube	• Instagram, Facebook, Pinterest	• Facebook, LinkedIn	• Facebook	
Most responsive to	• Video, Influencers	• Video, Influencers	• Reviews, Blogs	• Word-of-mouth, E-mail, Marketing	• Traditional Advertising	• Traditional Advertising
Device of Choice	• Smartphones/ tablets & voice-demand devices	• Smartphones	• Multi-Device	• Desktop and Laptop	• Prefer in-person interactions	• Prefer in-person interactions
Shaping Events	• A global pandemic, social justice movement, Brexit	• Smartphones, social media, seeing the financial struggles of parents	• The Great Recession, Technological Explosion of the Internet, social media	• End of the Cold War, with the Rise of personal computing, feeling lost between the two huge generations	• Post-WWII, Cold War, Hippie Movement	• World War II
Finances	• Digital natives will expect fully integrated, personalised consumer experiences. It is expected that they will be one of the most educated and wealthy generations.	• Like GenX (their parents) in financial attitudes but wanting to avoid debt after seeing Millennials' struggles	• Massive student debts delay major life purchases.	• Carrying the highest debt load while still raising children and saving for retirement	• Managing retirement with life expectancies on the rise	• Retired & financially vulnerable. • Lack of financial stability • Think of finances in terms of the rest of their lives
Shopping Characteristics	• Value- & service-driven consumers • Prefer one-day delivery, lightning-fast payments, value-added loyalty schemes & content creation. • Wants to use technology to make a difference.	• Have never known life without the internet. • Distrusting of branding and advertising • Prefers testimonials/ influencer content • Prefers to see real people in real situations.	• The largest group in the workforce • Does not like traditional ads • Prefers user-generated content, social selling, and word-of-mouth • Suspicious of being sold or lied to by brands.	• Prefers honest and clear product and marketing messages. • Require clear paths to purchase. • Most likely to conduct online research at home and shop in purchase • Most influenced by email marketing.	• Holds customer service above all other factors. • Most likely to abandon purchase based on customer service interaction. • Unlike testing new products	• Attracted loyalty and rewards programmes and places that offer discounts to pensioners. • Focused on value for money and product quality. • Prioritises products that are reliable, fairly priced & budget friendly.

GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
	• Prefers brands that have a positive impact on the world • Environment & Sustainability largest looming issues • Interest in products from sustainable sources that weren't made from or packaged in plastic • Desire to be engaged with on issues that matter to them	• Prefers brands that contribute to social & economic causes • Most likely to pre-shop on smartphones • Does not like Facebook/ Twitter • Dislikes ads that make life look perfect	• Prefers companies that support a cause • Very price conscious/ seeks the best value • Motivated by brand engagement, especially through social media	• Prefers unique, high-quality products. • Customer service is the most important driver of loyalty. • Incentivised by discounts/ freebies/ coupons. • Does not care for brand engagement	• Maintain brand loyalty. • Unlike using friend/ family referrals in decision making • Prefer in-store shopping • Prefers loyalty programmes that are straightforward. • Prefers simplicity and easy-to-understand content. • Will use social media as an entry point into brand or product research	• Purchases necessities & only small luxuries • Prefers brand names. • Prefers to shop in-store. • Prefers products that are practical and solve a problem that they have
Tourism Preferences and Travel Trends	• Starting to influence their families' travel choices	• Influences their families' travel choices. • Most likely to rely on metasearch engines when planning a travel • Rely on travel agents, blogs & social sites • When booking, they prefer search engines. • Prefer hotels, but also like to stay at relatives' or friends' house • Budget is a key factor while travelling & they tend to spend more on flights and shopping • When choosing a destination, they consider	• Take more trips than other generations. • No longer mostly relying on Online Travel Agencies during travel planning even if it's still the favourite platform to book. • Least likely generation to stay in alternative accommodations – prefers hotels • Oriented towards once-in-a-lifetime experiences & beaten-path locations • Also interested in relaxing all day in spas and resorts	• When planning a trip, they mostly rely on Online Travel Agencies but also show interest towards travel review sites. • Prefer Online Travel Agencies when booking. • Shows more interest towards resorts & alternative accommodations. • Their travel choices are family-oriented • Choosing the destination on social media, they prefer watching videos posted by experts to get inspired, while they do not pay too	• More aware of the destination where they're going but still want help & support during the booking process. • My main travel motivation is relaxation & sightseeing. • Can afford to take the longest holidays • During the planning of a trip, they mostly rely on Online Travel Agencies' portals & search engines	• Health factors significantly into their travel plans • Demonstrates loyalty to travel agents

GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		the number of pictures they will be able to share on social media and the uniqueness of the experience • Social media are very important to Gen Zs, & they get inspired by pictures posted by friends and are attracted by appealing ads & pictures • Most are inclined to use smartphones in more stages of their holiday, now competing with desktop devices.	• Gets inspired on social media - prefers watching pictures and videos posted by friends • More likely to get inspired by blogs and by hashtags • Desktop is the preferred device, but there is a growing use of smartphones and tablets in every stage of the holiday	much attention to blogs and articles • More inclined to use tablets before and during their holiday, even if the desktop is still their favourite device	• Visits more destination sites compared to other generations • Inspired by a good offer advertisement & by pictures posted by experts • Usually attracted by informative ads & less by pictures • When booking, they prefer Online Travel Agencies mainly accessing the internet from a desktop device • Budget is not a key component while travelling and compared to other generations, they tend to spend more on food & less on attractions and tours and shopping	
Real Estate Behaviour	• Not applicable underage	• Usually, first-time home buyers or rent property. • Rented an apartment or house prior to buying a house or lived rent-free with their parents/friends/relatives. • Has a large desire to own a home of their own due to a	• Largest share of home buyers, mostly being married couples. • Mostly move directly from a family member's home before buying property • Most likely to purchase property in urban areas,	• Purchases are based on buying larger and more expensive properties. • Mostly buying multi-generational homes as a large segment of this population have dependents.	• Mostly buy due to a desire to own a home of their own, and to be closer to friends and family, and to live in a better area. • Mostly buy newly build homes.	• The smallest share of buyers. • They most likely purchase to be closer to friends and family. • Will opt for a smaller home, most likely in a senior-related housing or retirement house.

GENERATIONAL CHARACTERISTICS						
	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
		change in their family situation, i.e. marriage, birth. • Location is based on commute to job. • Will compromise on the condition of the property. • Look online for information about the home buying process. • Will opt for Townhouses and apartments	ensuring convenience to their jobs and ensuring commuting costs remain low. • Mostly buy on a loan. • Own more than one investment properties. • Will compromise for the size of the property. • Systematic shift from flats and apartments to townhouses and family homes. •	• Want to move close to schools. • Own more than one investment properties. • No compromises are made in buying a house. • Depend on real estate agents during the home buying process. • Prefer larger family homes.	• Own properties for the longest period of time of up to 20 years. • Usually move to a smaller home. • More willing to buy apartments than other generations. • No compromises are made in buying a house • Most likely buy in secure estates. • Downscaling to townhouse or apartment	• Mostly buy in smaller towns. • Least likely to compromise in their home search. • No compromises are made in buying a house • Apartment and retirement options are considerations.

4.4 SYNTHESIS

The findings of the preceding Chapter are summarised below.

PRIMARY MARKET AREA SUMMARY (polygon)



POPULATION SIZE AND GROWTH

- ✓ Approximately 193 559 people / 56 884 households reside in the primary market area.
- ✓ The average annual growth rate of population is 2.8% per annum, while the average annual growth rate of households is 3.1% per annum.



AGE AND GENDER PROFILE

- ✓ The age and gender profile reveals that:
 - The largest segment of the resident population is between the ages of 15 to 34 (34.9%) – classified as the youth to mature population,
 - The second largest segment of the resident population is between the ages of 35 to 64 (32.5%) – classified as the adult population,
 - The third largest segment of the resident population are between the ages of 0 to 14 year (26.5%) – classified as children,
 - The smallest segment of the resident population is older than 65 years (6.1%) – classified as elderly.
- ✓ The profile shows a large contribution from the below 35-year categories (61.4%), indicating a young expanding working age population.



RACIAL PROFILE

- ✓ The racial profile of the primary market area shows that the vast majority of the market 45.0% is Coloured followed by African Black 36.7%, White 17.8% and Indian / Asian 0.5%.



MIGRATION PROFILE

- ✓ Since 2001, the primary market area has experienced a moderate influx of population, 16.5% of the population are migrants of which, 15.6% of the 16.5% of migrants are South African, while 0.9% of the 16.5% are from outside the South African border.



EDUCATION PROFILE

- ✓ **Highest Level of Education Attained**
Of the population 2.6% have obtained no education. The largest portion of the primary market area has obtained some secondary education (41.8%), followed by 28.6% who obtained Grade 12. 9.5% has obtained a higher education.
- ✓ **Attendance at an Education Institution (Persons Aged 20 and Older)**
Of the persons aged 20 years and older, 32.8% are currently enrolled at a university and 18.8% at a FET College.



EMPLOYMENT PROFILE

Economically Active Population and Employment

- ✓ Of the population of the primary market area, 60.8% are economically active, meaning that more than half of the population are of working age and are actively participating in the economy or seeking employment.
- ✓ The remaining 39.2% represent population that fall outside the scope of the economically active population definition and represent people who are not available for work such as full-time scholars and students, full-time homemakers, those who are retired and those who are unable or unwilling to work.
- ✓ Of the economically active population, 75.9% are employed and 24.1% are unemployed. The primary market area reflects low dependency ratios.

Biggest Employing Economic Sectors in the Market Area

- ✓ The biggest employment economic sectors in the market area include:
 - Finance and Business Services (22.0%)
 - Community, social and personal services sector (21.6%)
 - Wholesale and retail trade services (19.4%) are most prominent.
- ✓ Employment per sector:
 - Primary sector (4.1%)
 - Secondary sector (18.6%)
 - Tertiary sector (70.1%)

Employment per Occupation

- ✓ Occupation within the primary market area is divided into:
 - Skilled occupations – 35.5%
 - Semi-skilled occupations – 39.4%
 - Low skilled occupations – 14.5%

**DWELLING TYPOLOGY**

- ✓ The primary dwelling type for households in the primary market area are house or brick structures – formal dwellings (81.4%) and 18.1% in informal dwellings.
- ✓ The largest segment of formal dwellings are freestanding houses on a single erf (72.0%), followed by 9.3% informal main dwellings.

**TENURE STATUS**

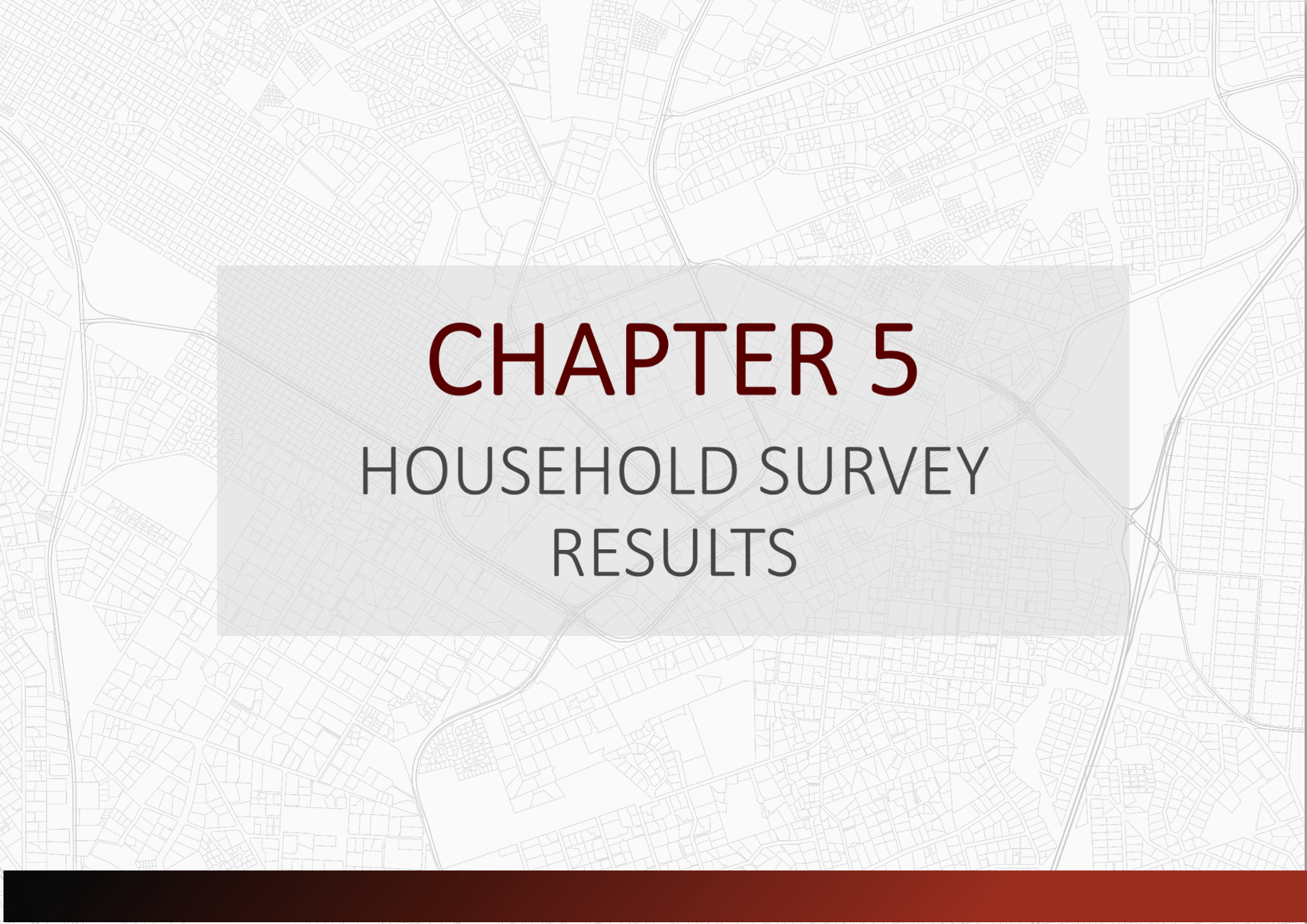
- ✓ 39.1% of households own and have paid for the property they reside, whereas 11.0% of households own a property but have not finished paying for the property.
- ✓ Of households in the primary market area, 30.8% are renting a property where they reside.
- ✓ 19.2% of households occupy the property where they reside rent-free.

**HOUSEHOLD INCOME PROFILE**

- ✓ Affluent households (R1.6 million and more) make up 0.6% of households.
- ✓ Approximately 13.0% of households in the primary market area earn no income.
- ✓ The weighted average annual household income for the resident population for 2026 amounts to **R154 581 per annum**, which amounts to **R12 882 per month** for all SEM groups.
- ✓ For SEM groups 2 and higher, the average income is **R347 070 per annum**, which amounts to **R28 923 per month**.

**SEM PROFILE**

- ✓ The discontinuation of the All-Media Products Survey (by the South African Audience Research Foundation (SAARF), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The newly released SEM model is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.
- ✓ Approximately **56.7%** of the primary market area's households are classified within the SEM Supergroup 1 with **43.3%** of households classified within the **SEM Supergroup 2 to 5** categories.



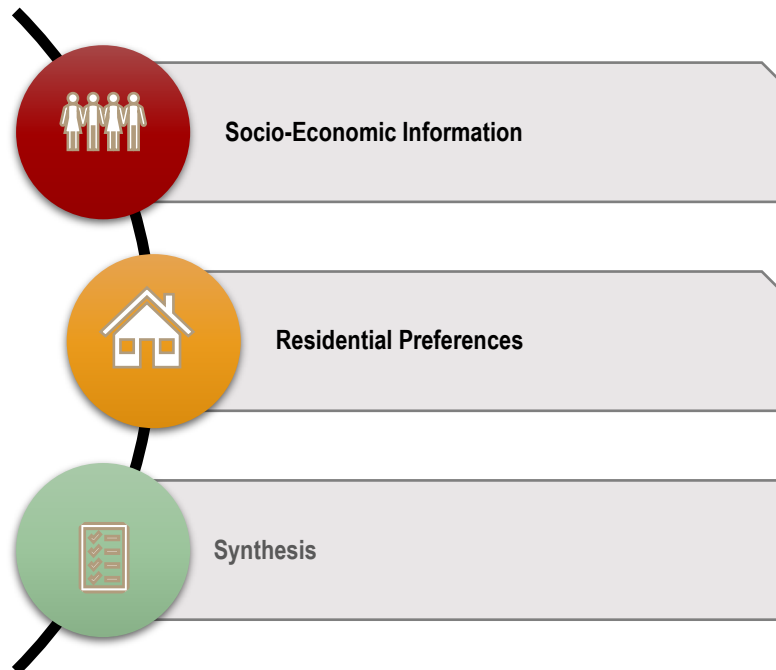
CHAPTER 5

HOUSEHOLD SURVEY RESULTS

5. HOUSEHOLD SURVEY RESULTS

5.1 INTRODUCTION

Subsequent paragraphs provide survey results to assess the potential for a residential development in the primary trade area. A proportionate stratified sample survey method was applied to test consumer preferences and perceptions with respect to the potential for the proposed development to be located in **in George**, situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.



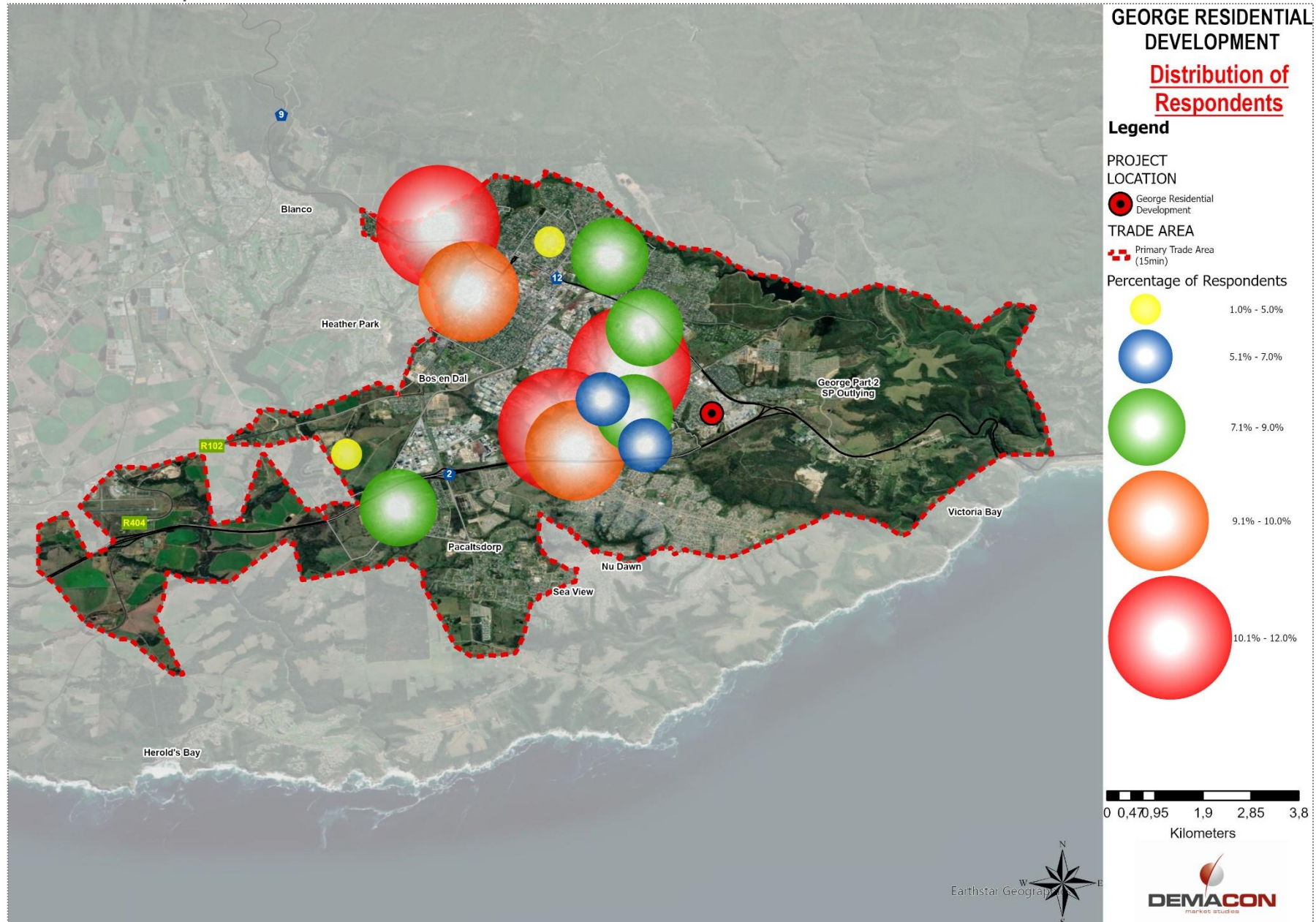
5.2 DISTRIBUTION OF RESPONDENTS

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development.

The map below geographically illustrates the spatial distribution of the respondents who participated in the survey. The respondents were located in:

- ✓ Heatherlands
- ✓ Borchards
- ✓ Rosemore
- ✓ Dormehls Drift
- ✓ Lawaaikamp
- ✓ Bergsig
- ✓ Delville Park
- ✓ Lavalia
- ✓ Parkdene
- ✓ Ballots View
- ✓ Conville
- ✓ Groeneweid Park
- ✓ Bodorp.

Map 5.1: Distribution of Respondents



5.3 SOCIO-ECONOMIC PROFILE

Key outcomes from the survey include:

Describe your household

Respondent households are primarily characterised as

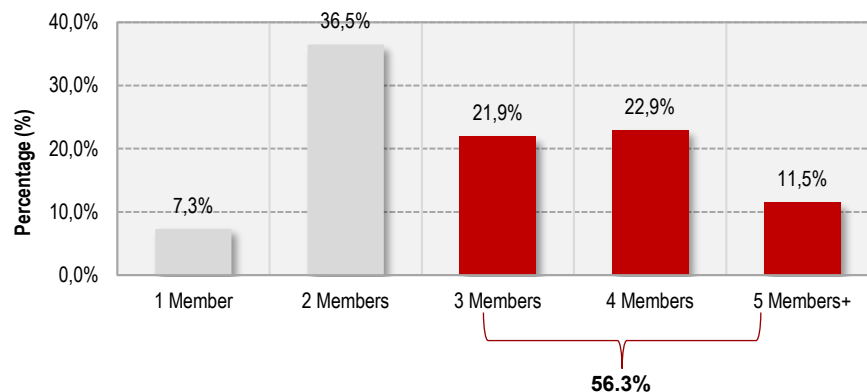


Parents with small children **37.5%**

Parents with adult children **13.5%**

Retired - golden nests/elderly **11.5%**

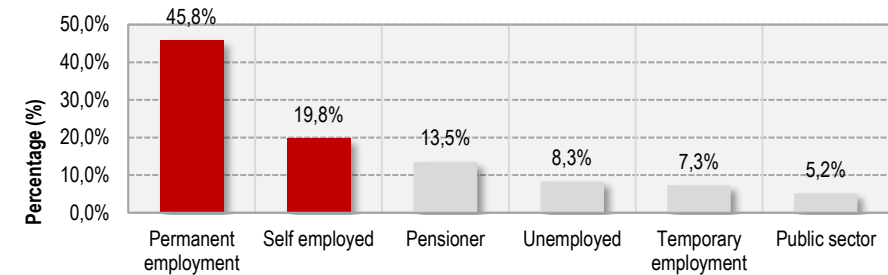
How many MEMBERS do you have in your household?



The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%) 3 people (21.9%), 4 members (22.9%) and 5 people (11.5%)** in a household.

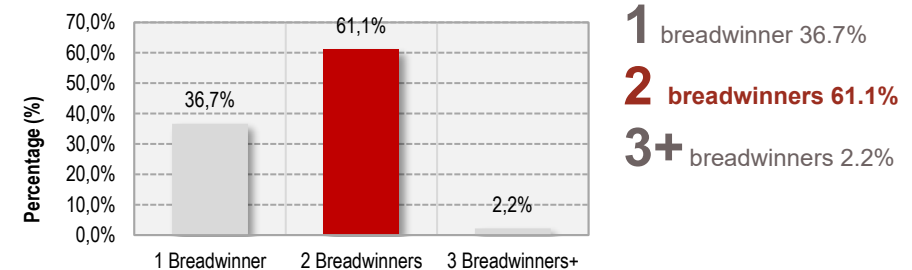
EMPLOYMENT Status

Respondents are typically **permanently employed (45.8%)** or **self-employed (19.8%)**.

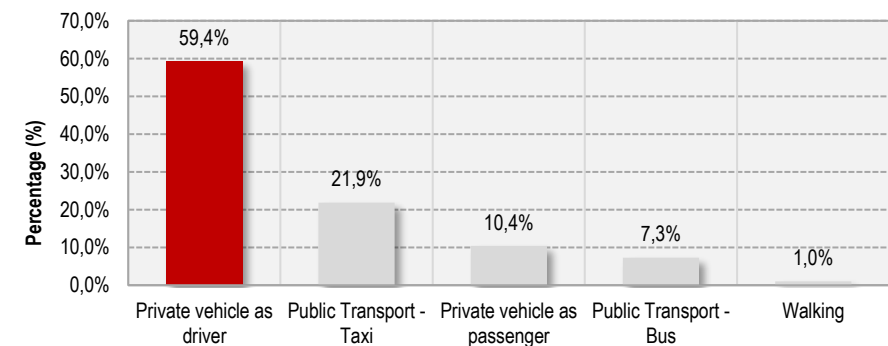


Number of BREADWINNERS in household:

The majority of households have 2 breadwinners in the household (61.1%).

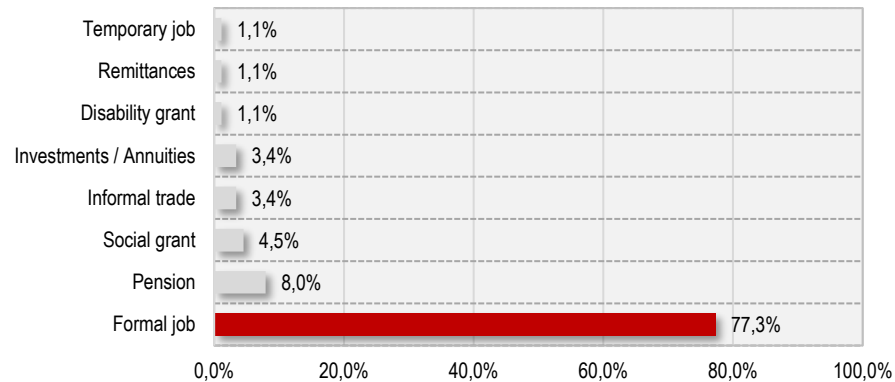


DOMINANT mode of TRANSPORT:

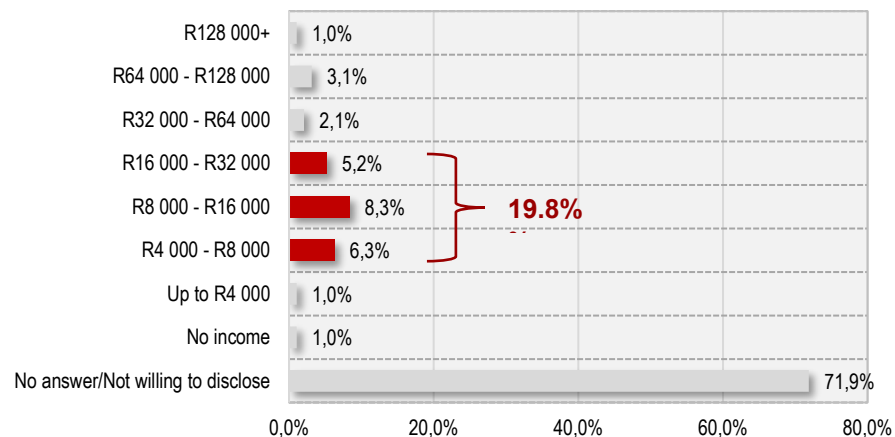


INCOME sources:

The majority of households (**77.3%**) earn their income from a **formal job**, 8.0% from pension.

Average monthly HOUSEHOLD INCOME profile (before deductions):

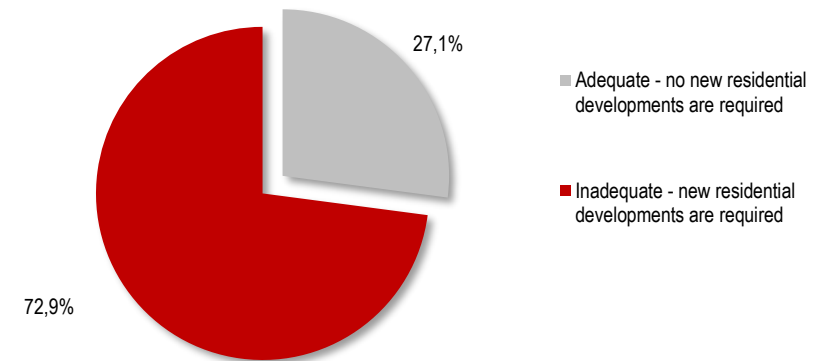
The vast majority of respondents did not want to disclose this information. The survey shows that 19.8% of respondents indicated their monthly household income range between R4 000 and R32 000 on average.



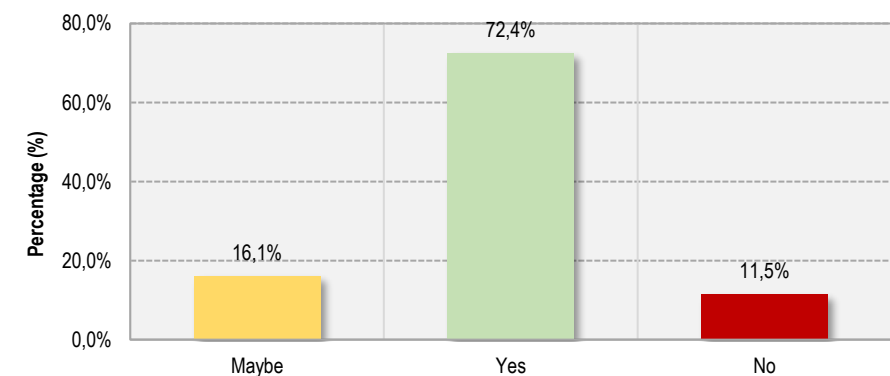
5.4 RESIDENTIAL SUPPORT AND PREFERENCES

How would you best describe the residential offer in the George area?

72.9% of respondents indicated there is current **residential offerings** in the George area is inadequate – new residential developments are required.

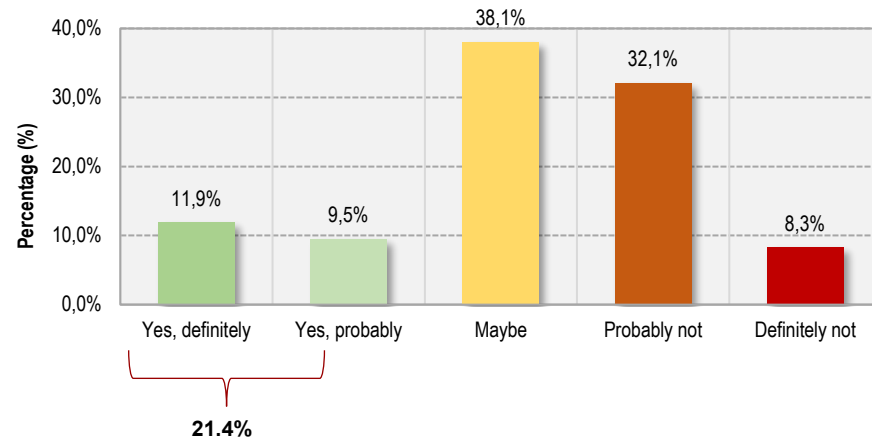
Perceived DEMAND for a new residential development in George?

72.4% of respondents indicated there is a **demand** for a new residential development in the area, 26.1% indicated “maybe” and 11.5% indicated there is no demand.

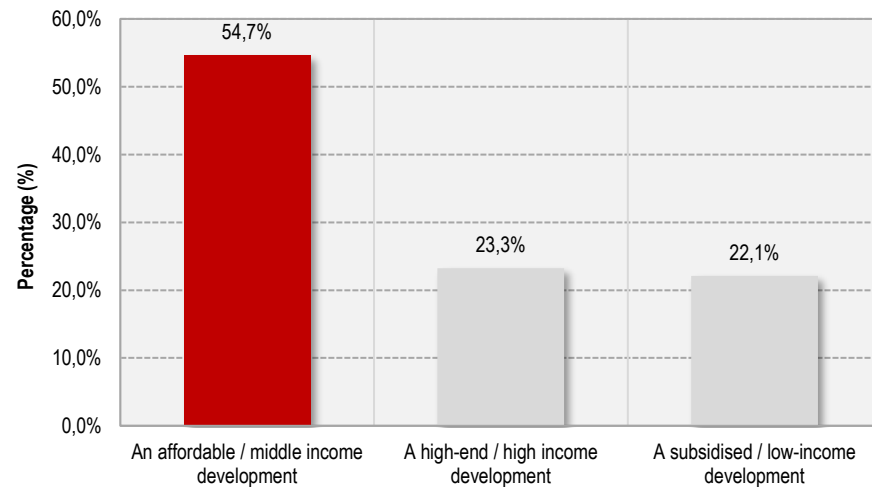


Would you consider MOVING to this development?

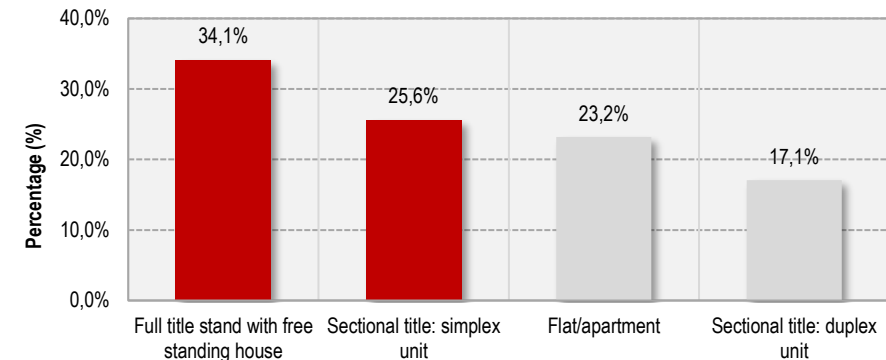
21.4% of respondents would definitely / probably consider move to this development.

Which of the following type of development is there the highest demand in the George Area

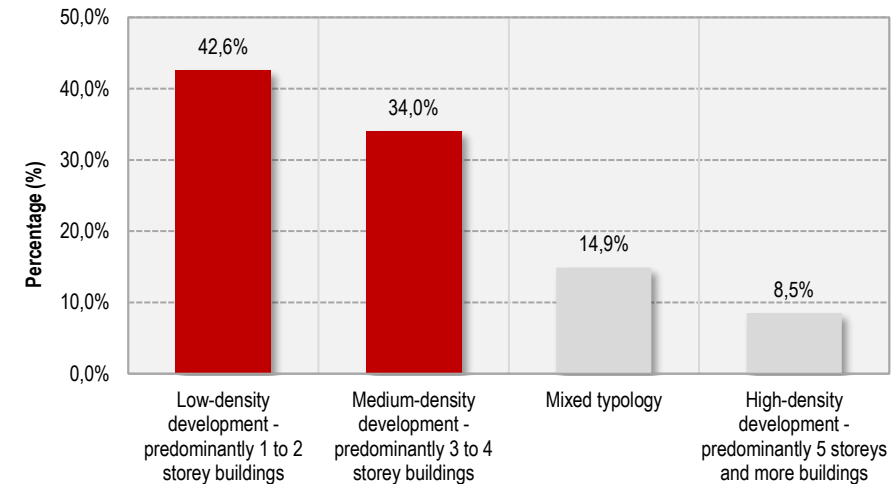
The highest demand for type of development is an affordable middle income development (54.7%) or a high-end / high income development (23.3%)

Preferred type of dwelling unit structure

The type of dwelling unit preferred is a full title stand with **freestanding house** (34.1%), followed by 25.6% a sectional title unit (simplex).

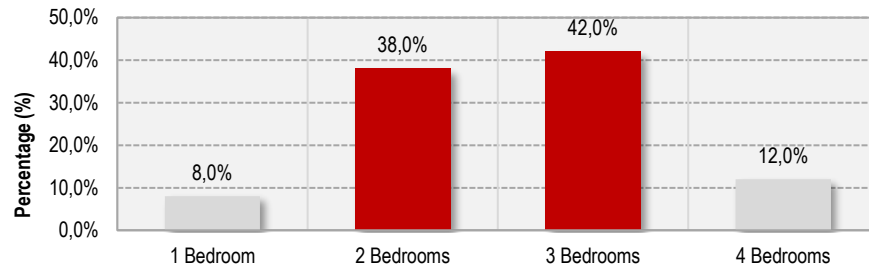
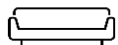
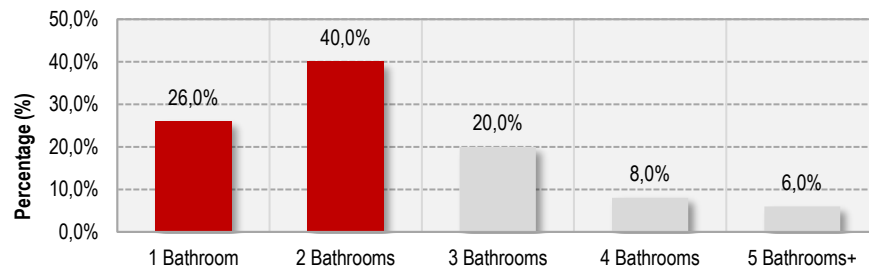
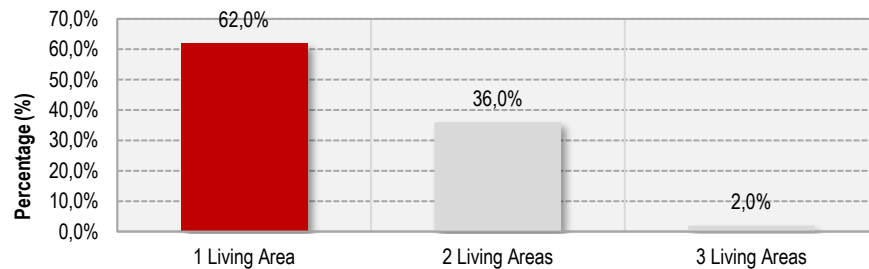
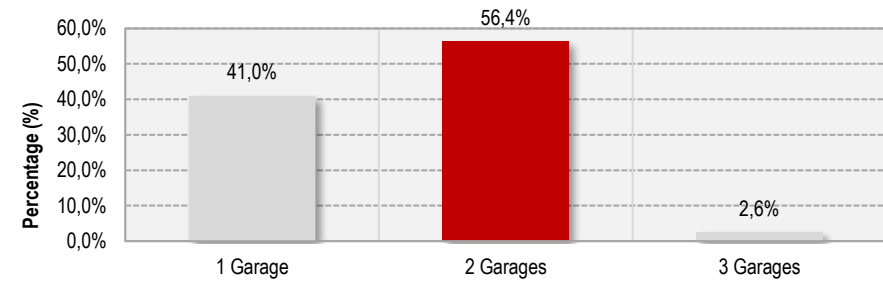
In your opinion, what is your overall density preference for a new residential development?

42.6% of respondents indicated the overall density preference is a **low-density development (1 to 2 storey buildings)**, followed by 34.0% of respondents a medium-density development (3 to 4 storey buildings).

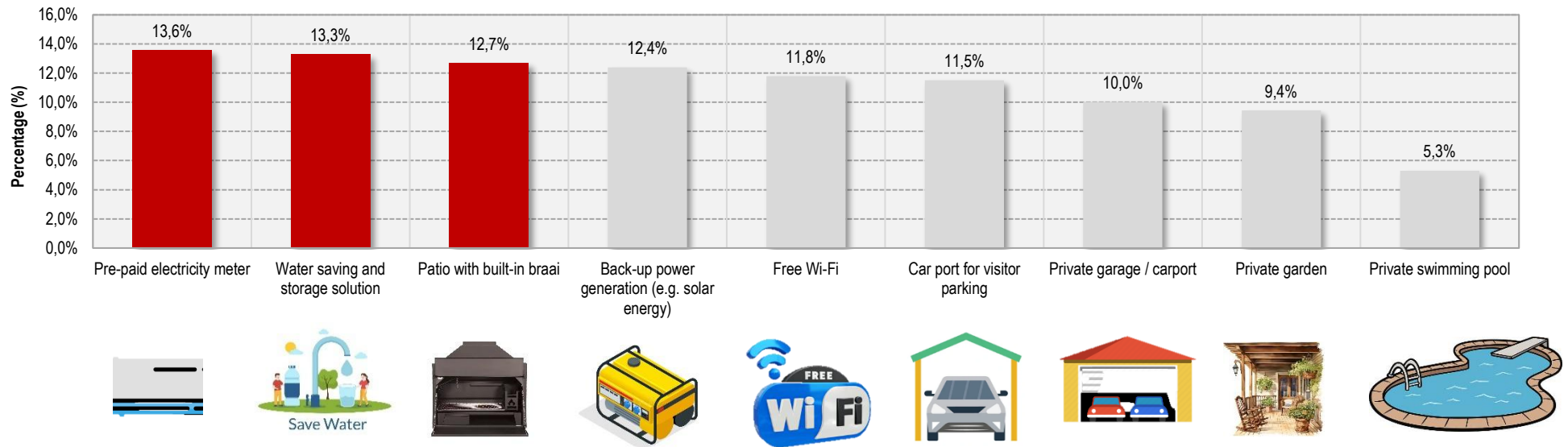


Preferred composition of residential units

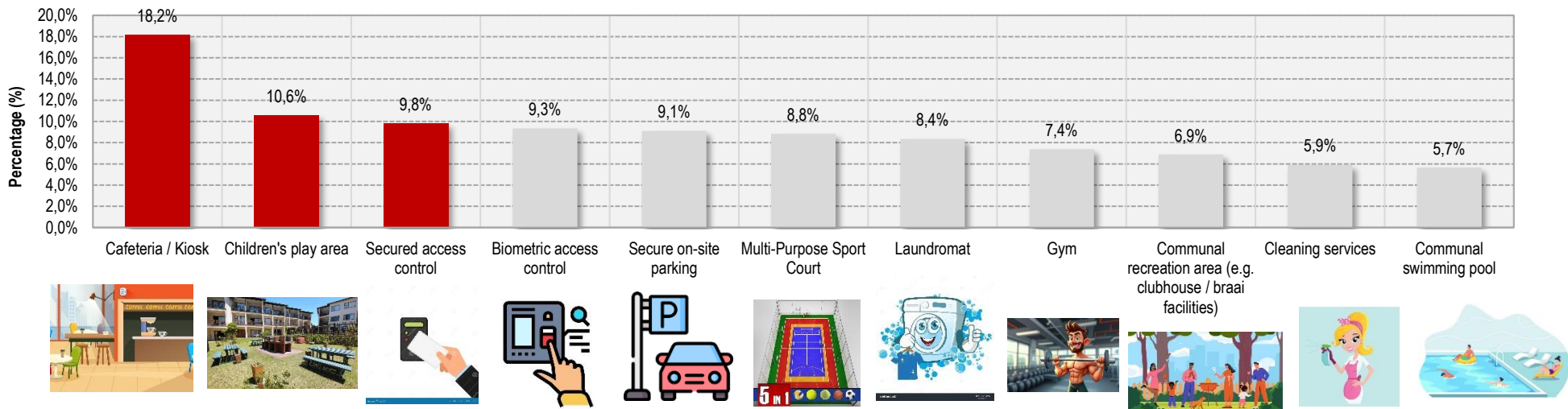
The preferred composition for the residential unit could be a 2 to 3 bedroom unit, with 1 or 2 bathrooms, 1 to 2 living areas, 1 to 2 garages and 1 to 2 carports.

**Bedrooms****Bathrooms****Living Areas****Garages****Carports**

Which of the following should also form part of the RESIDENTIAL UNIT offering?



Which of the following amenities should form part of the RESIDENTIAL DEVELOPMENT? (residential unit offering?)



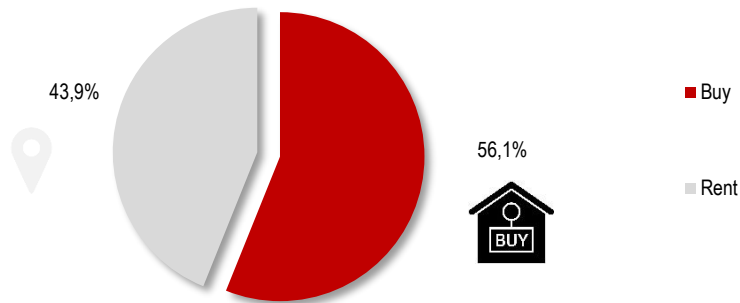


AFFORDABILITY



Affordability Profile

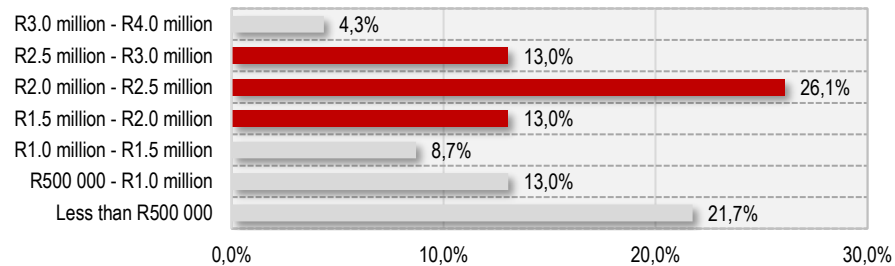
56.1% of respondents indicated they will be able to **BUY** and **43.9%** would **RENT** based on the affordability profile.



If you were to BUY a new residential property what would be a REASONABLE MARKET PRICE?



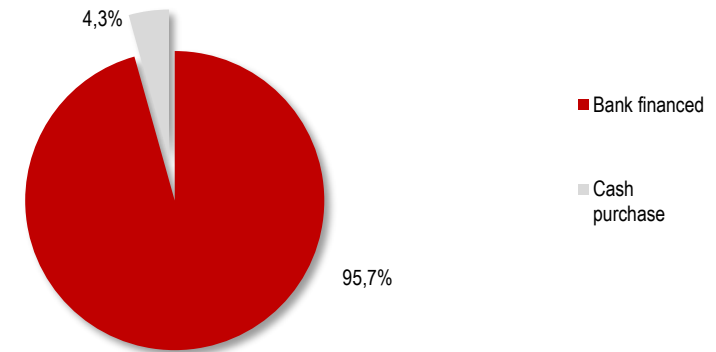
52.2% of the respondents indicated they would buy a property in the region of **R1.5 million to R3.0 million**.



Would the purchase of a property/house be BANK-FINANCED OR BOUGHT CASH?

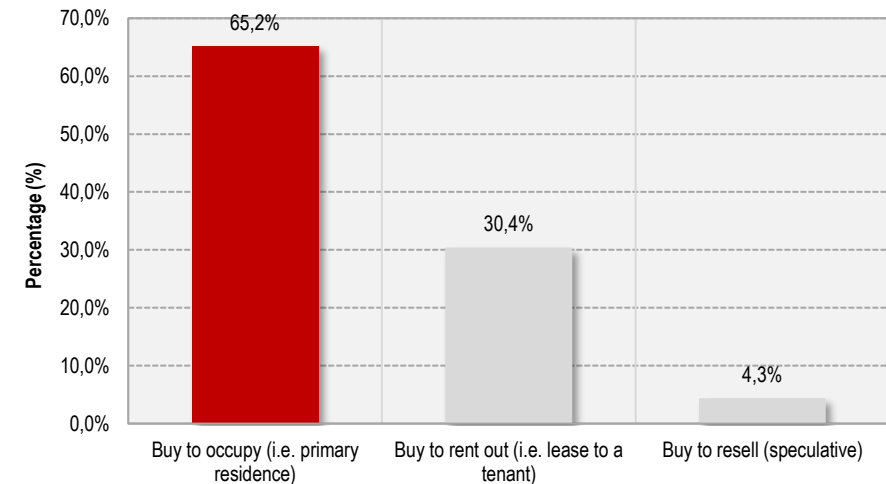


95.7% of the respondents indicated they would **bank-finance** the property / house.



Reason for purchase

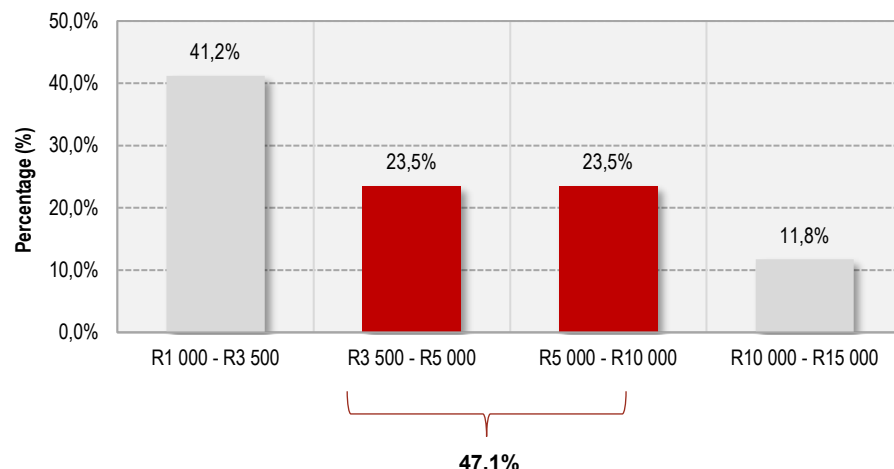
65.2% indicated they would **buy to occupy as a primary residence**.



RENTAL Profile



Respondents opting to **rent** a property are mainly willing to rent for R1 000 to R3 500 (**41.2%**) followed by 47.1% willing to rent for R3 500 to R10 000 per month.



5.5 SYNTHESIS

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development. The consumer survey seeks to highlight stated consumer preferences with regard to a proposed **residential** development to be located in **George**, situated on the corner of Park Road and Platinum Drive in the Blue Mountain neighbourhood, on the southern side of the Eden Meander Lifestyle shopping centre.

Key outcomes from the survey include:

SOCIO-ECONOMIC INFORMATION & INCOME

- ✓ The prevalence of retired people and parents with adult and small children highlights that a sizeable cohort of households surveyed consist of **2 people (36.5%) 3 people (21.9%), 4 members (22.9%) and 5 people (11.5%)** in a household.

- ✓ **Employment status:**
Respondents are typically permanently employed (45.8%) or self-employed (19.8%).
- ✓ **Dominant households** represent the following:
 - Parents with small children – 37.5%
 - Parents with adult children – 13.5%
 - Retired – golden nests – 11.5%
 - Couple / married – 10.4%
- ✓ **Breadwinners:**
The majority of households have 2 breadwinners in the household (61.1%) and a single breadwinner 36.7%.
- ✓ **Dominant mode of transport:**
The majority of respondents (59.4%) indicated a private vehicle as a driver.
- ✓ **Income sources:**
The majority of households (77.3%) earn their income from a formal job and 8.0% from pension.
- ✓ Average monthly household **income profile** (before deductions):
 - The majority of respondents was not willing to disclose their household income (71.9%)
 - 19.8% indicate their income range between R4 000 to R32 000 per month.

RESIDENTIAL SUPPORT & PREFERENCES

Potential Support towards New Residential Development:

- ✓ 72.9% of respondents indicated that residential offerings in George is inadequate – new residential developments are required.
- ✓ 72.4% of respondents indicated there is a demand for a new residential development in the area, 16.1% indicated “maybe” and 11.5% indicated there is no demand.
- ✓ Would you **consider moving** to a new development?
21.4% of respondents would definitely / probably consider move to this development.
- ✓ **Which type of development is there a demand for:**
 - An affordable / middle income development – 54.7%
 - A high-end / high income development – 23.3%
 - A subsidised / low-income development – 22.1%

✓ **Preferred type of dwelling structure** in the new residential development:

- Full title stands with free standing house – 34.1%
- Sectional title: simplex unit – 25.6%
- Flat / apartment – 23.2%
- Sectional title: duplex unit – 17.1%

✓ **Preferred overall density:**

- Low-density development - predominantly 1 to 2 storey buildings – 42.6%
- Medium-density development - predominantly 3 to 4 storey buildings – 34.0%
- Mixed typology – 14.9%
- High-density development - predominantly 5 storeys and more buildings – 8.5%

✓ What **composition** of **residential units** would you prefer? (Majority options)

- 2 to 3 bedrooms (80.0%)
- 1 to 2 bathrooms (66.0%),
- 1 living area (62.0%)
- 2 garages (56.4%)
- 2 carports (59.5%)

✓ Which of the following should form part of the **residential unit offering**?

- Pre-paid electricity meter - 13.6%
- Water saving and storage solution - 13.3%
- Patio with built-in braai - 12.7%
- Back-up power generation (e.g. solar energy) - 12.4%
- Free Wi-Fi - 11.8%
- Car port for visitor parking - 11.5%
- Private garage / carport - 10.0%
- Private garden - 9.4%
- Private swimming pool - 5.3%

✓ Preferred amenities part of the residential development

- Cafeteria / Kiosk - 18.2%
- Children's play area - 10.6%
- Secured access control - 9.8%
- Biometric access control - 9.3%
- Secure on-site parking - 9.1%
- Multi-Purpose Sport Court - 8.8%
- Laundromat - 8.4%
- Gym - 7.4%

- Communal recreation area (e.g. clubhouse / braai facilities) - 6.9%
- Cleaning services - 5.9%
- Communal swimming pool - 5.7%

Affordability

✓ **56.1%** would **BUY** based on their affordability profile and **43.9%** of respondents indicated they will be able to **RENT**.

✓ 52.2% of the respondents indicated they would buy for R1.5 million to R3.0 million and this would be a bank-financed property.

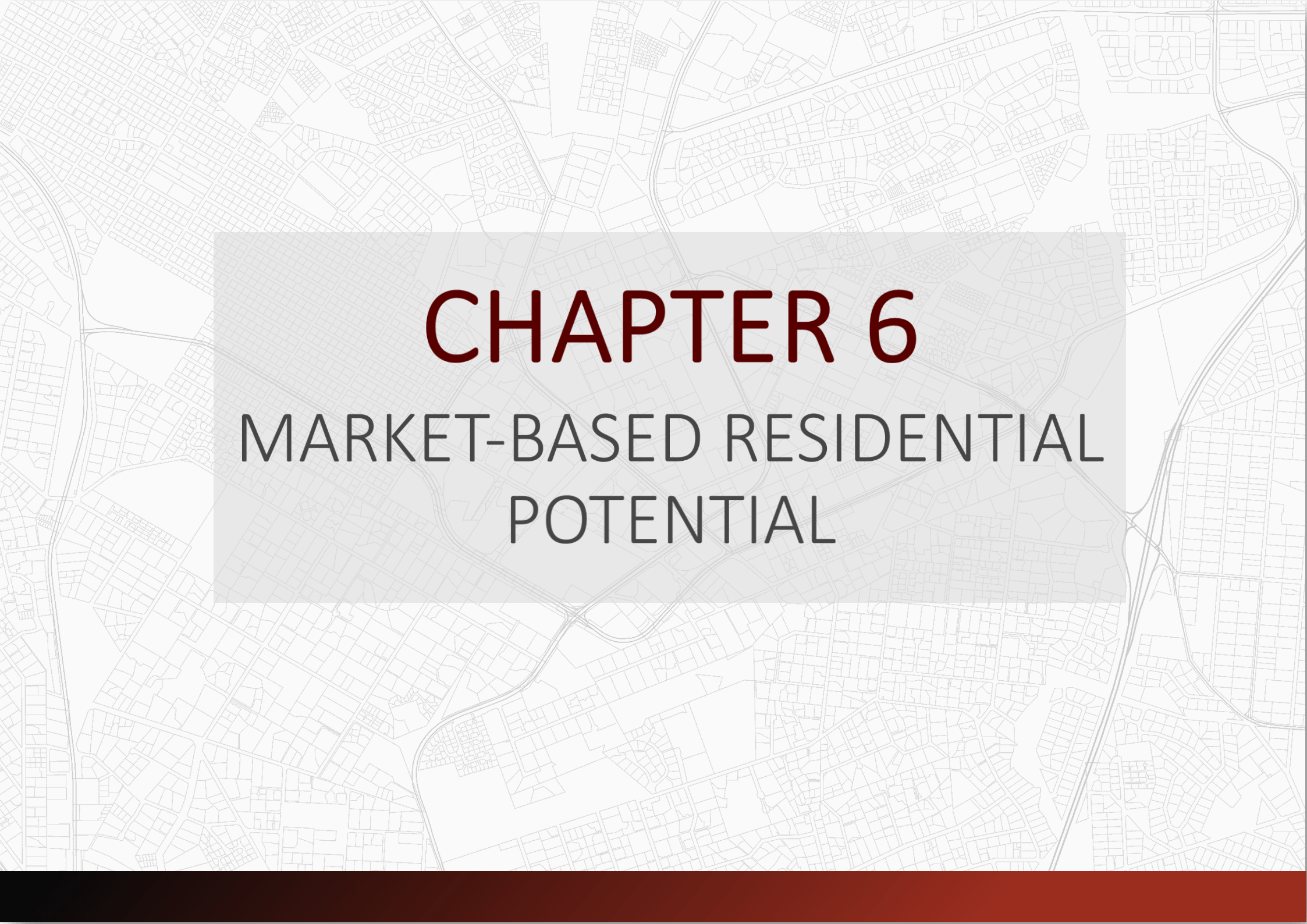
✓ **Reason for purchase:**

- Buy to occupy (i.e. primary residence) - 65.2%
- Buy to rent out (i.e. lease to a tenant) - 30.4%
- Buy to resell (speculative) - 4.3%

✓ What would be a **reasonable monthly rental**?

- Less than R3 500 – 41.2%
- R3 500 to R5 000 – 23.5%
- R5 000 to R10 000 – 23.5%
- R10 000 to R15 000 – 11.8%

} **47.1%**

The background of the slide is a detailed, light gray map of a city grid, showing streets, blocks, and some larger open spaces. The map is centered and covers the entire area of the slide.

CHAPTER 6

MARKET-BASED RESIDENTIAL POTENTIAL

6. MARKET-BASED RESIDENTIAL POTENTIAL

6.1 INTRODUCTION

This section of the report focuses on the residential market, with the objective of estimating the development potential within the designated area. To reach this objective, the supply and demand for residential facilities within the market area should be identified and assessed in terms of current trends.

Subsequent paragraphs highlight the following main headings to identify the aforesaid beneficiaries:



6.2 GENERAL RESIDENTIAL MARKET INDICATORS

6.2.1 RESIDENTIAL PROPERTY MARKET EXPECTATIONS FOR 2026

- The residential market in 2026 is expected to experience healthy, sustainable growth rather than the rapid price surges of previous years.
- House price inflation will likely continue at more measured levels, offering more accessible entry points for buyers.
- First-time buyers are poised to play a central role, encouraged by favourable interest rates and increased confidence.
- Younger buyers are also adopting the **rent-vesting** approach, purchasing property in affordable areas for rental income while renting closer to work or lifestyle hubs.
- Urban living continues to evolve, with demand rising for **sectional title units** in areas near employment hubs, schools, and transport.
- Hybrid work trends further support this shift, making compact, well-located homes highly attractive.

Rental Market Resilience:

- Limited supply of quality long-term rentals is driving stronger yields and attracting buy-to-let investors.
- Short-term rentals, particularly in tourist and lifestyle hotspots, continue to tighten inner-city rental availability.
- Policymakers are exploring regulations to protect long-term tenant supply, a factor that buyers and investors should monitor closely in 2026.

Regional Trends and Opportunities:

Different regions of South Africa are shaping the opportunities available to buyers and investors.

- **KwaZulu-Natal:** Lifestyle hubs like Umhlanga and Ballito are emerging as key growth areas, driven by strong rental demand.
- **Western Cape:** Coastal metros continue to perform well, attracting semi-grants seeking security, lifestyle, and scenic appeal.
- **Gauteng:** Johannesburg **remains** an economic engine, benefiting from infrastructure investment and increasing international visibility

6.3 LOCAL RESIDENTIAL MARKET ACTIVITY

6.3.1 RESIDENTIAL PROPERTIES LISTED FOR SALE IN THE MARKET AREA (CURRENT LISTINGS)

The Garden Route is no longer just about holidays and retirement, but has seen a tremendous influx of families and professionals in recent years as they search for a safer, quality lifestyle, according to Pieter Jordaan, licensee for Seeff George. Consequently, property values have surged by around 35.5% on average over 5 years, with areas such as Knysna seeing a 70% rise in median prices, and 100% in Plettenberg Bay. The area has become the perfect alternative to busy metros, offering almost no traffic and a laid-back lifestyle, yet with access to good schools, an airport, a regional mall, top hospitals and medical care, and sought-after retirement facilities. The areas are clean, and generally well managed. The coastal lifestyle is a big drawcard, featuring beautiful blue flag beaches, marinas, spectacular scenery and natural attractions.

The Garden Route is a golfer's paradise with estates such as Fancourt (Goerge), Pezula (Knysna), Pinnacle Point (Mossel Bay), Simola (Knysna), and Oubaaai and Kingswood (George), and Goose Valley (Plettenberg Bay) seeing top prices paid for luxury homes. The tremendous growth of lifestyle and security estates which are a big drawcard for semigration buyers, is also seeing prices increasingly paid upwards of R5 million to over R10 million and higher in some estates.

The City of George property market is thriving, recording R3bn in property transactions for the year ending September, per Lightstone data. Average prices have grown over 30% in three years, fuelled by strong demand, limited supply, and ongoing stock shortages. Jordaan notes that development delays will likely keep inventory tight.

The city is highly sought after for its excellent quality of life, mild climate, scenic beaches, reputable schools, and top golf courses. With robust local businesses and infrastructure, including hospitals and a regional mall, George has become a preferred semigration destination, offering a more affordable alternative to Cape Town for families and professionals.

Top performing estates are increasingly seeing prices over R5 million to R10 million, such as Kingswood, Welgelegen, Earls Court and Kraaibosch Country

Estate. Fancourt achieves the highest prices upwards of R15 million. Jordaan says rentals are also in high demand, boosted by semigration. Rates range from R5,500 (sectional titles) to R40,000 on average for high end houses, but can go to R75,000 per month in Fancourt.

The following provides a concise overview of property market activity of selected suburbs in the immediate vicinity of the proposed development. It should be noted that these properties are properties currently for sale / available in the market.

Surrounding areas include:

Bergsig	Hansmoeskraal AH
Blanco	Heather Park
Blue Mountain Village	Heatherlands
Bodorp	Herolds Bay
Bos en Dal	Highlands
Camphersdrift	King George Park
Delvillepark	Kingwood Golf Estate
Dennoord	Kraaibosch
Denver Park	Le Grand Estate
Dormehls Drift	Levallia
Earls Court Lifestyle Estate	Loerie Park
Eden Residential Estate	Mooikloof Country Estate
Fancourt	Mount Fleur Mountain Estate
Fernridge	Mountain View Estate
George Central	Oubaaai
George East	Pacaltsdorp
George Rural	Panorama
George South	Parkdene
Glen Barrie	Rooi Rivier Rif
Glenwood	Victoria Bay
Glenwood Ridge	Welgelegen
Groeneweide Park	

Table 6.1: Residential Properties Listed for Sale

Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	Percentage
Apartment / Flat						
1 Bedroom	R590 000	R2 995 000	R522 268	R1 391 185	32	25,6%
2 Bedrooms	R1 100 000	R5 250 000	R918 685	R2 253 979	83	66,4%
3 Bedrooms	R2 400 000	R8 700 000	R1 898 763	R3 340 556	9	7,2%
4 Bedrooms+	R3 395 000	R3 395 000	R347 500	R3 395 000	1	0,8%
Average price				R2 595 180	125	100,0%
Houses						
1 Bedroom	R2 350 000	R2 350 000	R0	R2 350 000	1	0,2%
2 Bedrooms	R520 000	R10 900 000	R1 529 593	R2 574 676	69	11,8%
3 Bedrooms	R595 000	R18 000 000	R2 349 063	R3 870 700	338	57,9%
4 Bedrooms	R1 630 000	R29 995 000	R5 852 245	R8 482 254	122	20,9%
5 Bedrooms+	R1 499 000	R38 000 000	R7 821 357	R7 547 778	54	9,2%
Average price				R4 965 082	584	100,0%
Townhouses						
1 Bedroom	R1 050 000	R1 850 000	R359 359	R1 556 000	3	7,5%
2 Bedrooms	R999 999	R3 995 000	R759 884	R2 014 650	20	50,0%
3 Bedrooms	R1 555 000	R3 950 000	R731 616	R2 290 000	16	40,0%
4 Bedrooms+	R2 350 000	R2 350 000	R0	R2 350 000	1	2,5%
Average price				R2 052 662	40	100,0%

Source: Demacon ex Property24 data, 2026

Findings:

- As seen from Table 6.1, there are 125 apartments / flats, 584 houses and 40 townhouses listed in the market, totalling **749** property listings.
- The **average selling prices** are as follows:
 - Apartment / flats: **R2 595 180**
 - Houses: **R4 965 082**
 - Townhouses: **R2 052 662**
- The majority of apartments listed in terms of configuration are 2-bedroom units; the majority of houses are 3- and 4-bedrooms; and townhouses are 2- and 3-bedroom units.

Summary of Residential Supply in terms of number of transactions

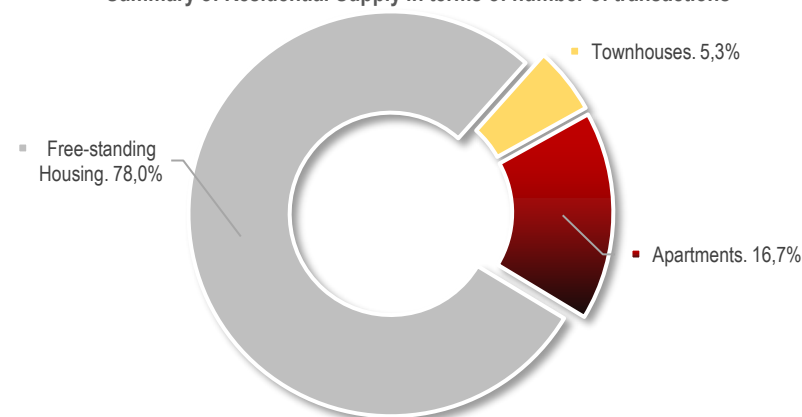
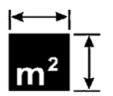
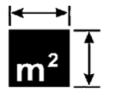
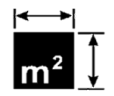
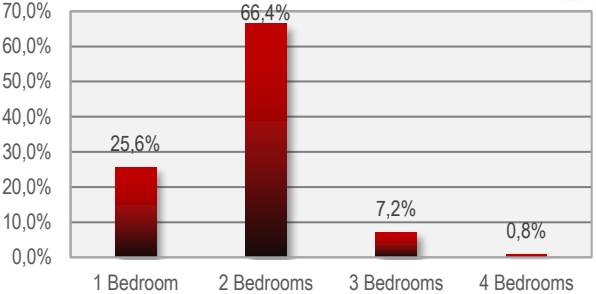
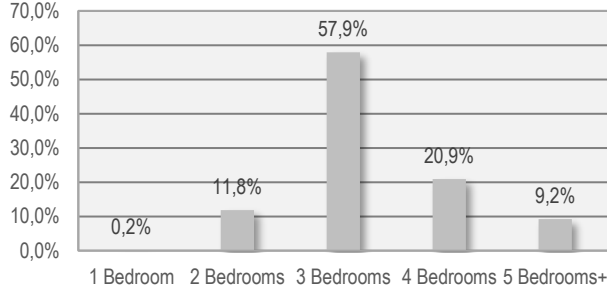
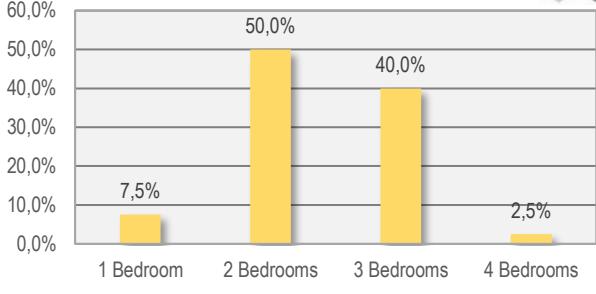
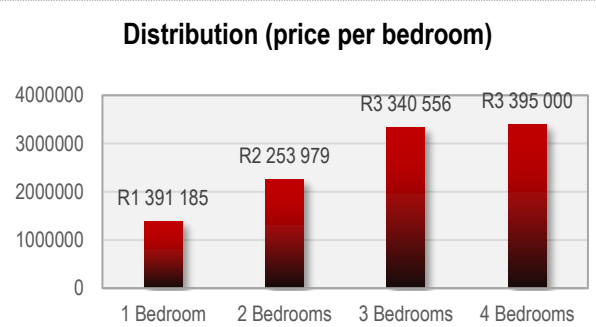
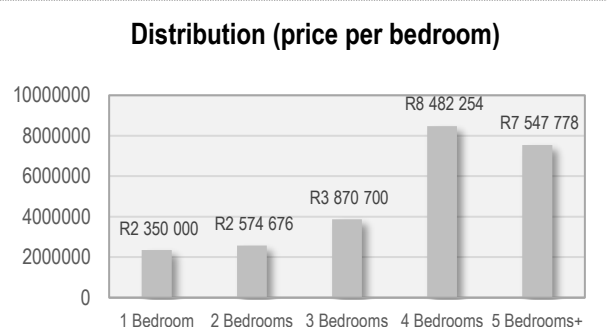
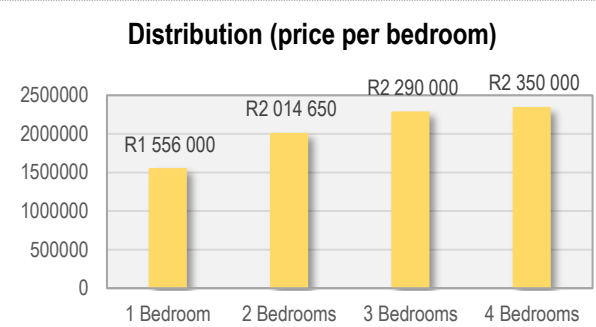
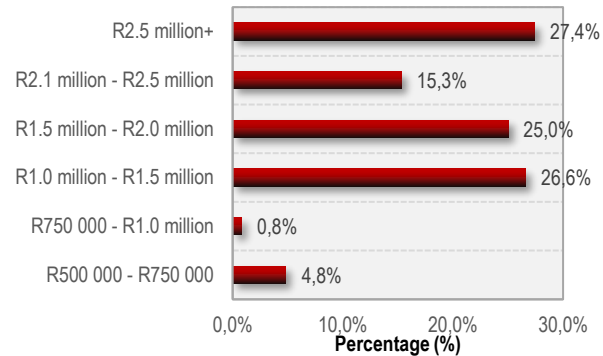


Table 6.2: Key descriptive information of properties for sale

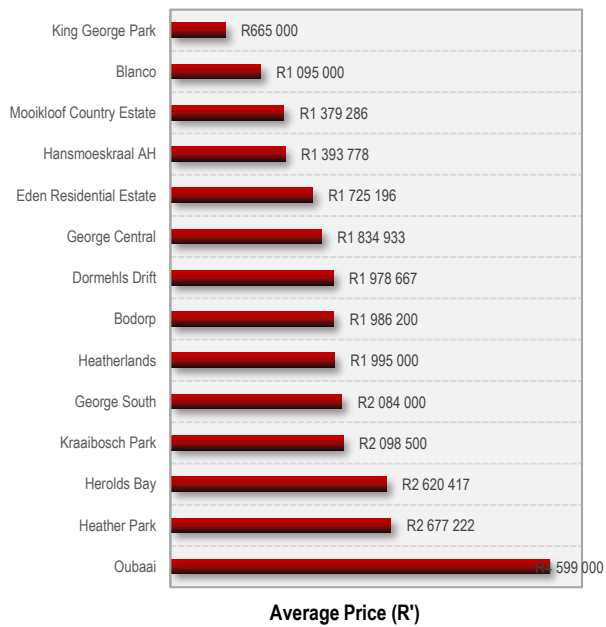
APARTMENTS / FLATS	FREE-STANDING HOMES	TOWNHOUSES
 PROPERTIES in immediate surrounding area 125 (16.7%)	 PROPERTIES in immediate surrounding area 584 (78.0%)	 PROPERTIES in immediate surrounding area 40 (5.3%)
 Average Price R2 595 180	 Average Price R4 965 082	 Average Price R2 052 662
 Average Unit Size 35m ² – 259m ² 75.8m² (average)	 Average Erf Size 116m ² – 10 575m ² 678.5m² (average)	 Average Unit Size 21m ² – 499m ² 225.8m² (average)
Distribution of Bedrooms (%)  	Distribution of Bedrooms (%)  	Distribution of Bedrooms (%)  
Distribution (price per bedroom) 	Distribution (price per bedroom) 	Distribution (price per bedroom) 

APARTMENTS / FLATS

Price Distribution

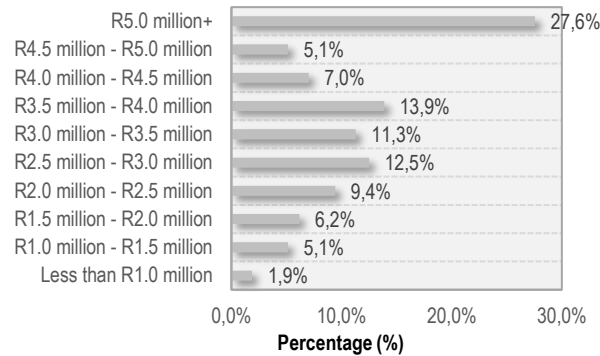


Average Price Per Suburb

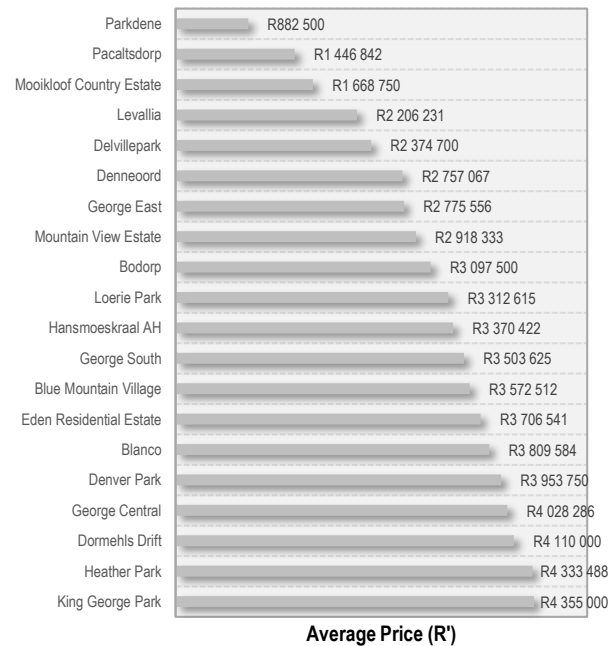


FREE-STANDING HOMES

Price Distribution

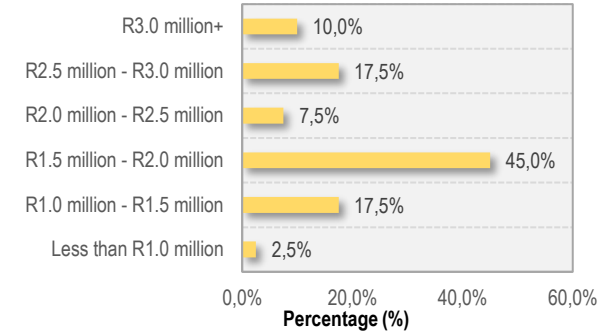


Average Price Per Suburb

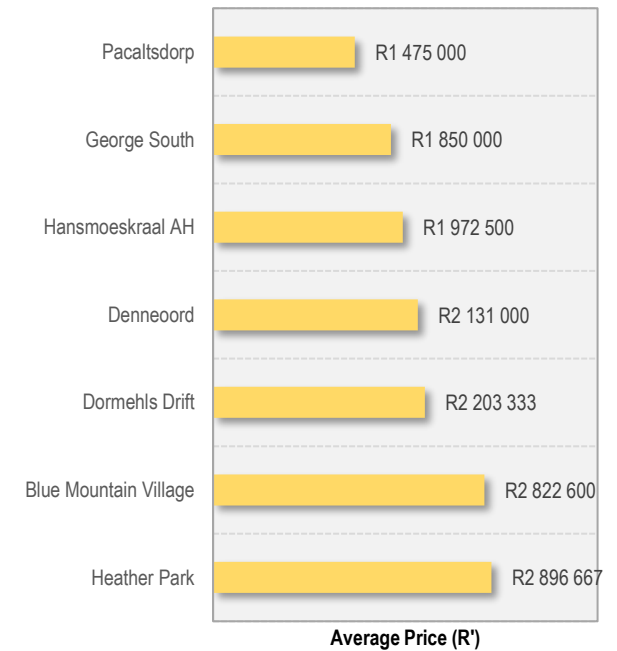


TOWNHOUSES

Price Distribution

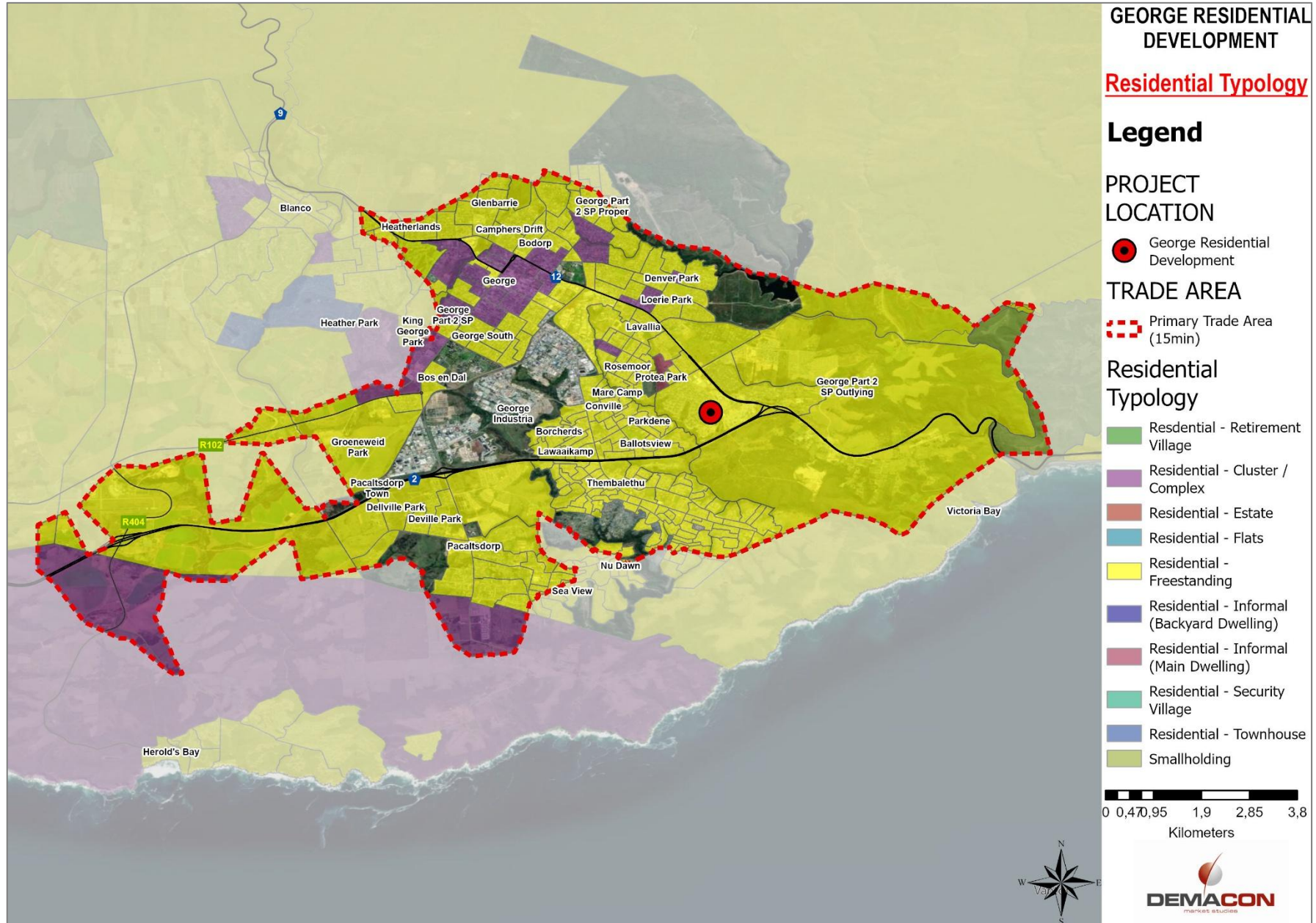


Average Price Per Suburb

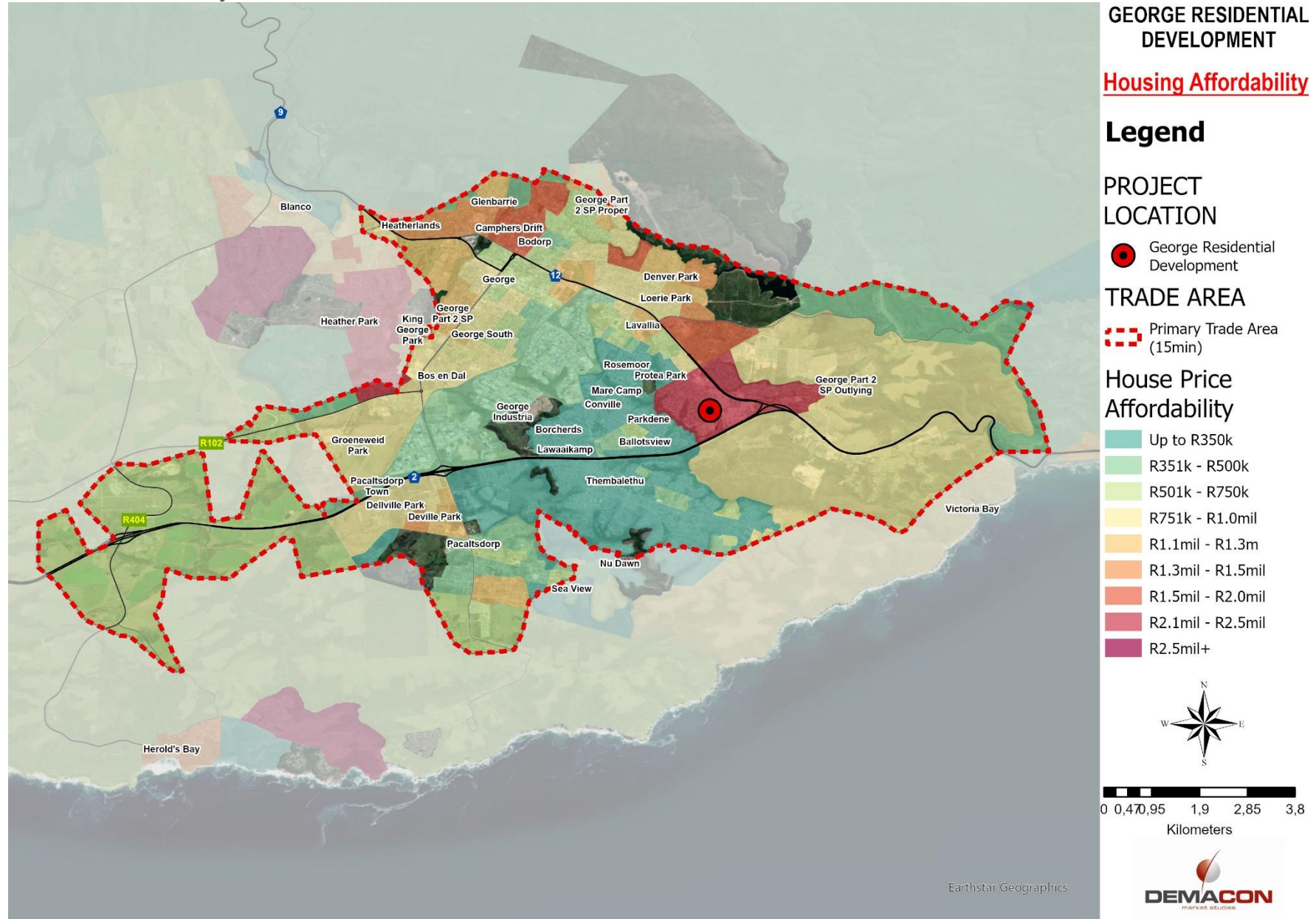


Source: Demacon ex Property24 data, 2026

Map 6.1: Residential Typology (High-Level)



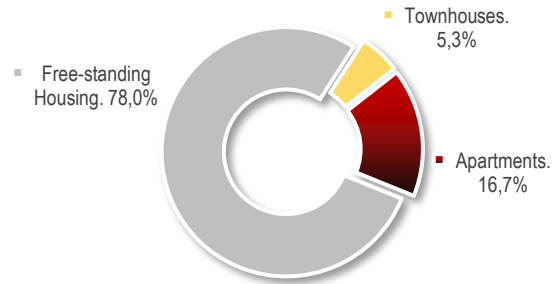
Map 6.2: House Price Affordability



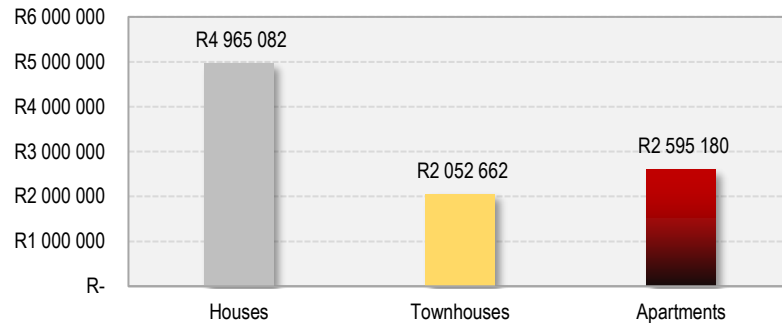
RESIDENTIAL SALES SUMMARY – LISTED PROPERTY

SUMMARY OF SALES

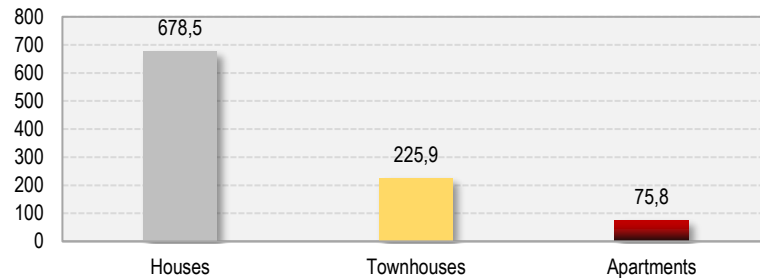
Summary of Residential Supply in terms of number of transactions



Average Selling Price



Average Unit Sizes



Townhouses

Average Price **R2 052 662**

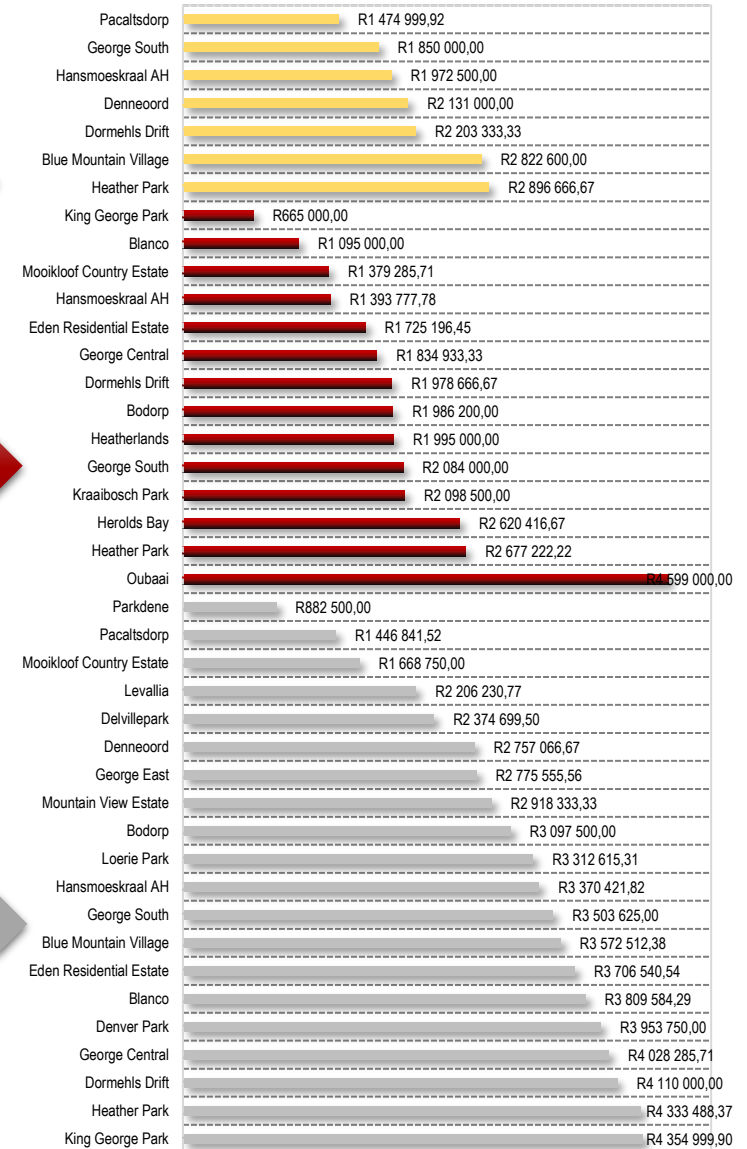
Apartment / Flats

Average Price **R2 595 180**

Houses

Average Price **R4 965 082**

AVERAGE SALES PRICE PER SUBURB



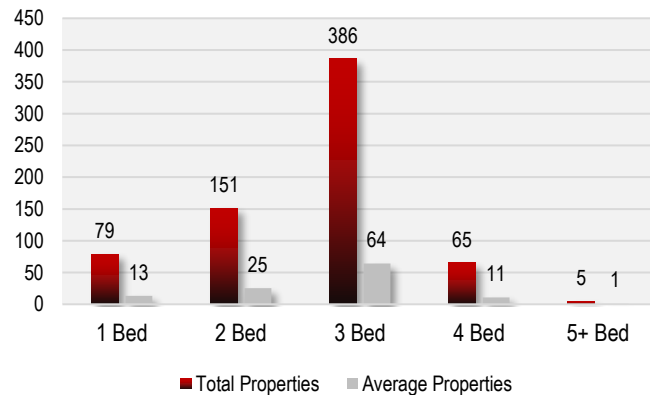
6.3.2 LOCAL PROPERTY TRENDS & STATISTICS (SALES REGISTERED IN THE DEEDS OFFICE) – **BLUE MOUNTAIN VILLAGE**¹

AVERAGE PRICE

1		R1 850 000
2		R2 505 000
3		R3 695 000
4		R4 300 000
5+		R5 990 000

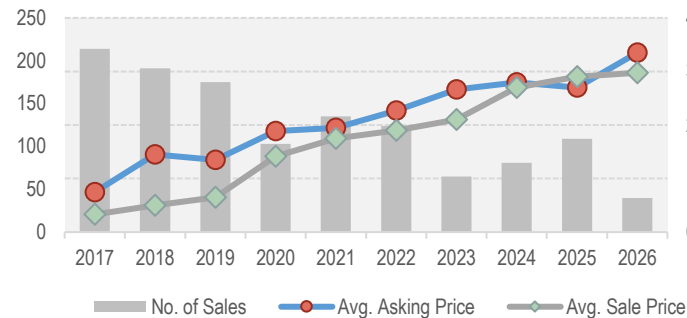
**AVERAGE PRICE
PER BEDROOM**
R3 668 000

TOTAL PROPERTIES BY BEDROOM COUNT (6-MONTH PERIOD)



ANNUAL PROPERTIES FOR SALE

This graph shows the annual number of sales registered in the deed's office, as well as the average selling price and asking price of all listings for the same time period.

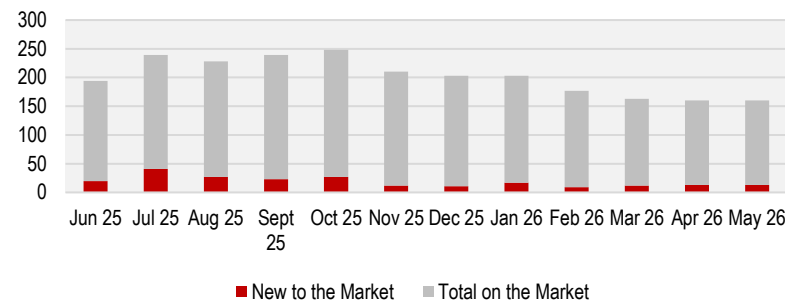


Blue Mountain Village

- **1 237 sales** since 2017, averaging 124 properties per year.
- Average asking price: **R2.1 million**
- Average sales price: **R1.7 million**
- Sales prices achieved in 2025 are, on average, **10.5%** higher compared to the listing price in 2025.

MONTHLY PROPERTIES FOR SALE

This graph shows the monthly number of properties and properties new to the market.



Blue Mountain Village

- New units: **225 new units** from Jun 2025 to May 2026, average of 19 per month.
- A total of **2 199 units** from Jun 2025 to May 2026, average of 183 per month.

¹ Property sales in **BLUE MOUNTAIN VILLAGE** that have been formally registered in the Deeds Office.

LOCAL PROPERTY TRENDS & STATISTICS (Sales registered in the deeds office) – BLUE MOUNTAIN VILLAGE

SOLD ERVEN (House plus erf)

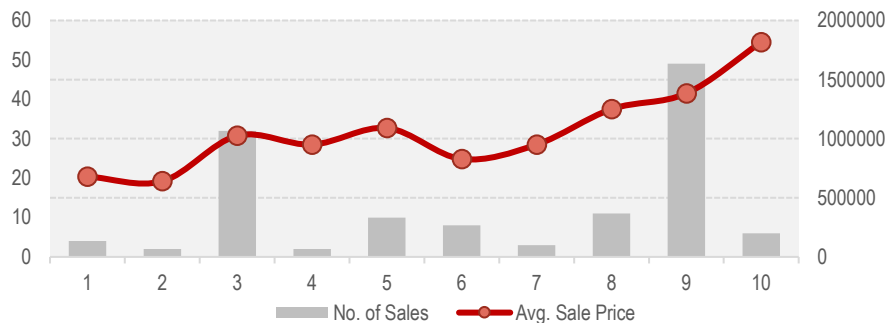
This graph depicts the annual number of sold houses plus erf in **Blue Mountain Village** and the average sold price as recorded at the South African Deeds office.



- There have been **1 110 sold erven** since 2017, an average of 111 per annum.
- The average price per erven is approximately **R1 761 250**
- In 2025, 60 erven were sold, with a selling price of R2 900 000.

Sold Sectional Scheme Units

This graph depicts the annual number of **sectional scheme units** in **Blue Mountain Village** as recorded in the South African Deeds office.

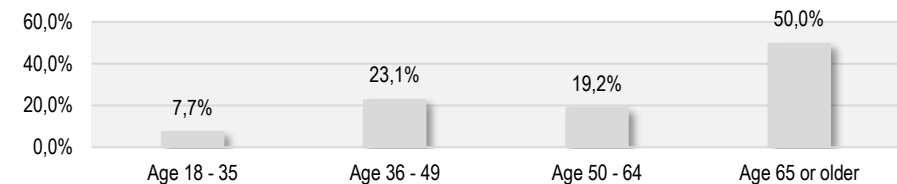


- Since 2017, **127 sectional scheme units** have been sold, an average of 13 each year.
- The average selling price is approximately R1 061 347.

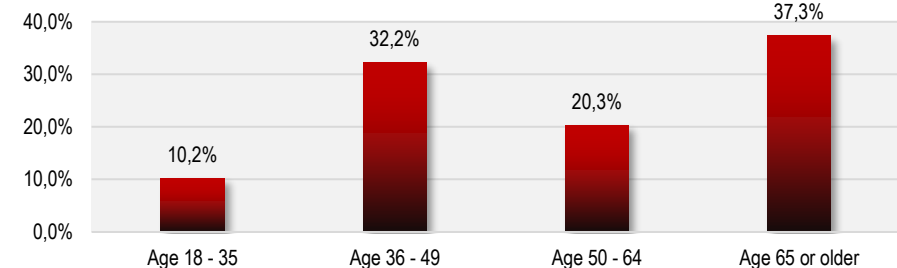
AGE PROFILE

This graph shows the property buying and selling trends relative to age in **Blue Mountain Village**, as registered in the South African Deeds office. Buyers and Sellers are those who have appeared in a registered transfer in their respective roles within the last 6 months, while owners are those who purchased their property more than 6 months ago.

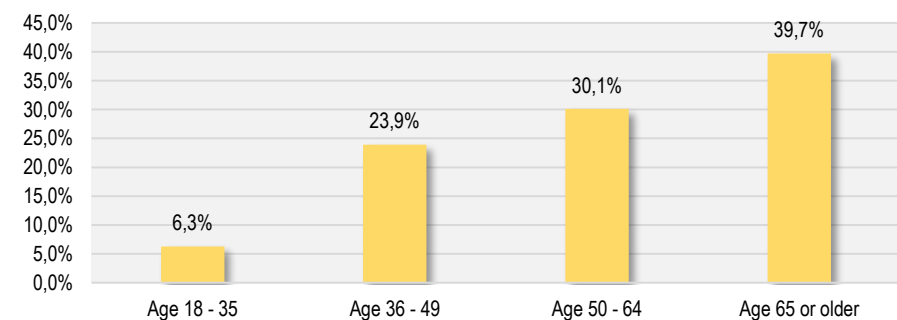
Age Profile of Sellers



Age Profile of Recent Buyers



Age Profile of Owners



Source: Demacon ex Property24 data, 2026

6.3.3 RESIDENTIAL RENTALS LISTED IN THE MARKET AREA

Table 6.3: Residential Properties Listed to Rent*

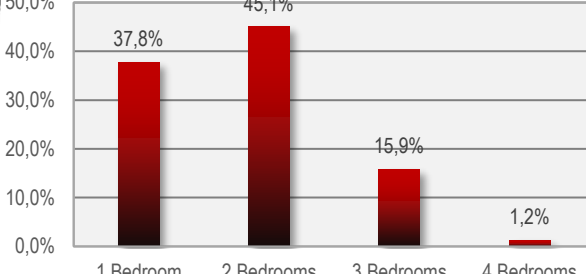
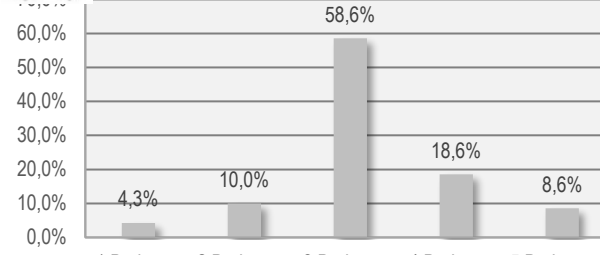
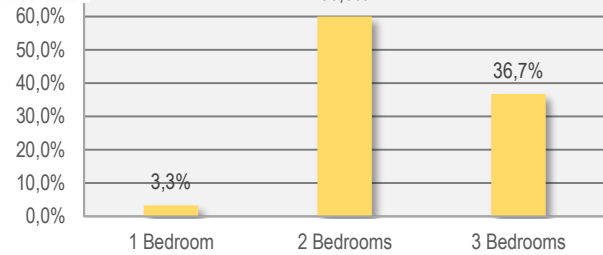
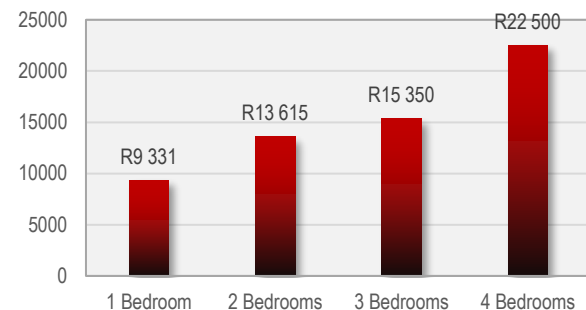
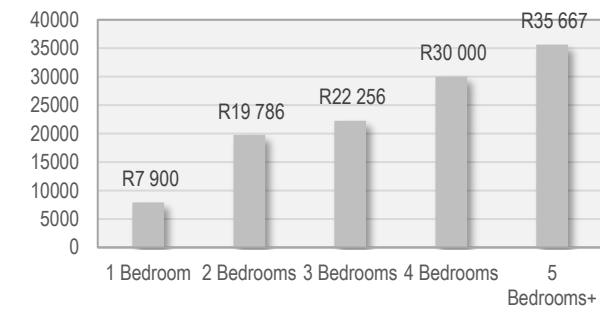
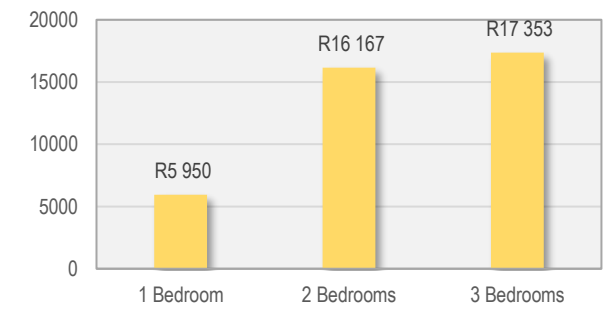
Size	Minimum	Maximum	STD Deviation	Average asking price	Number of properties	%
APARTMENTS / FLATS						
1 Bedroom	R6 000	R15 300	R2 128	R9 331	31	37,8%
2 Bedrooms	R8 750	R20 950	R3 426	R13 615	37	45,1%
3 Bedrooms	R9 995	R24 000	R3 468	R15 350	13	15,9%
4 Bedrooms	R22 500	R22 500	R0	R22 500	1	1,2%
Average rental				R15 199	82	100,0%
HOUSES						
1 Bedroom	R6 400	R8 800	R1 068	R7 900	3	4,3%
2 Bedrooms	R13 000	R45 000	R10 460	R19 786	7	10,0%
3 Bedrooms	R13 500	R68 000	R9 149	R22 256	41	58,6%
4 Bedrooms	R17 000	R45 000	R7 696	R30 000	13	18,6%
5 Bedrooms+	R25 000	R50 000	R10 335	R35 667	6	8,6%
Average rental				R23 122	70	100,0%
TOWNHOUSES						
1 Bedroom	R5 950	R5 950	R0	R5 950	1	3,3%
2 Bedrooms	R14 000	R22 500	R2 415	R16 167	18	60,0%
3 Bedrooms	R14 900	R30 000	R4 249	R17 353	11	36,7%
Average rental				R13 156	30	100,0%

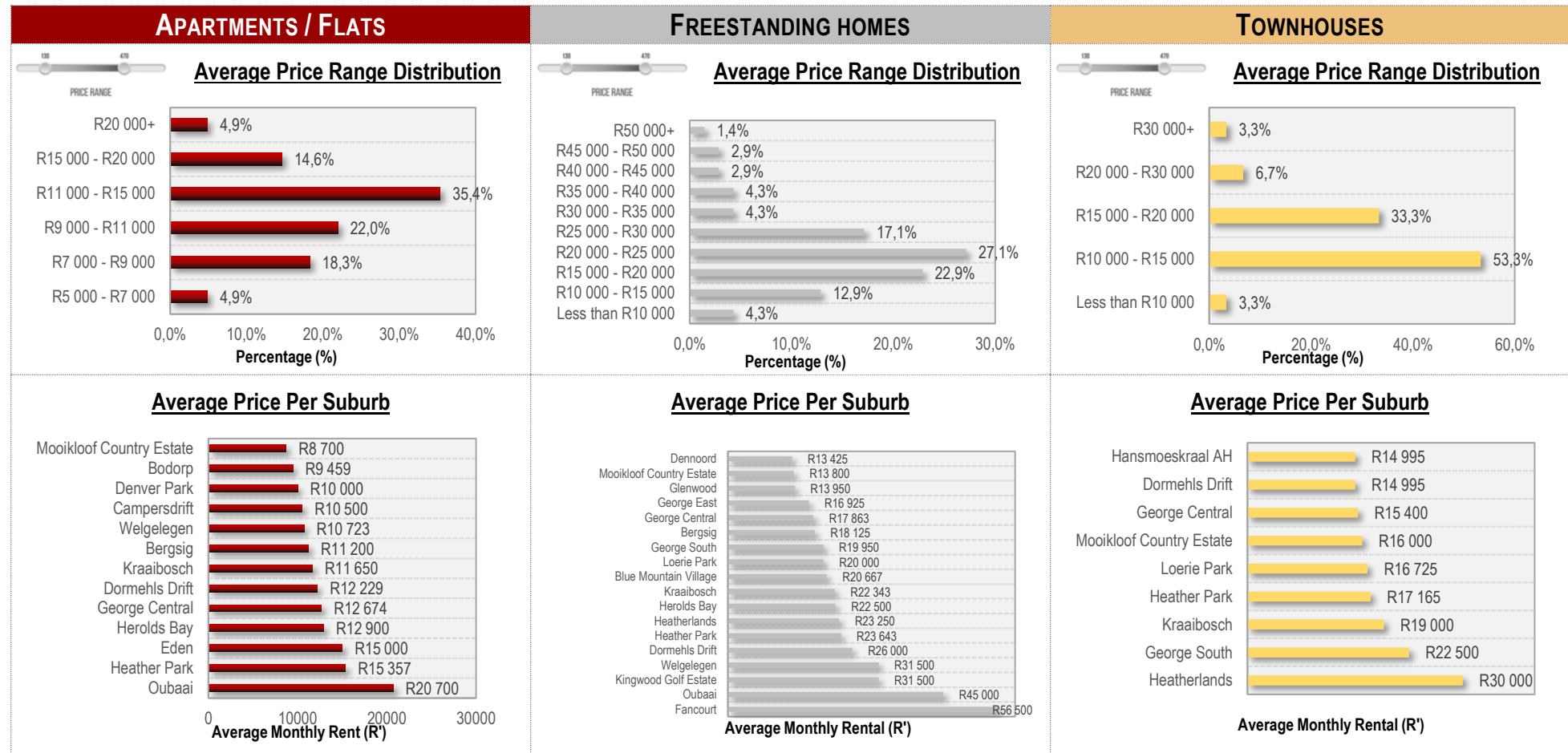
Source: Demacon ex Property24 data, 2026

Findings:

- As seen from the table above, there are 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
 - The **average rental prices** are as followed:
 - Apartment / flats – **R15 199**
 - Houses – **R23 122**
 - Townhouses – **R13 156**
 - The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.
- The following information provides a summary of the rental properties followed by key descriptive information of properties to rent in the market.

Table 6.4: Key descriptive information of properties to rent (Listings)

APARTMENTS / FLATS	FREESTANDING HOMES	TOWNHOUSES
 PROPERTIES in immediate surrounding area 82 (45.1%)	 PROPERTIES in immediate surrounding area 70 (38.5%)	 PROPERTIES in immediate surrounding area 30 (16.5%)
 Average Rental R15 199	 Average Rental R23 122	 Average Rental R13 156
Average Unit Size 21m² – 196m² 74m² (average)	Average Stand Sizes 180m² – 3 100m² 761m² (average)	Average Unit Size 97m² – 376m² 176m² (average)
 Distribution of Bedrooms 	 Distribution of Bedrooms 	 Distribution of Bedrooms 
Average price per bedroom 	Average price per bedroom 	Average price per bedroom 

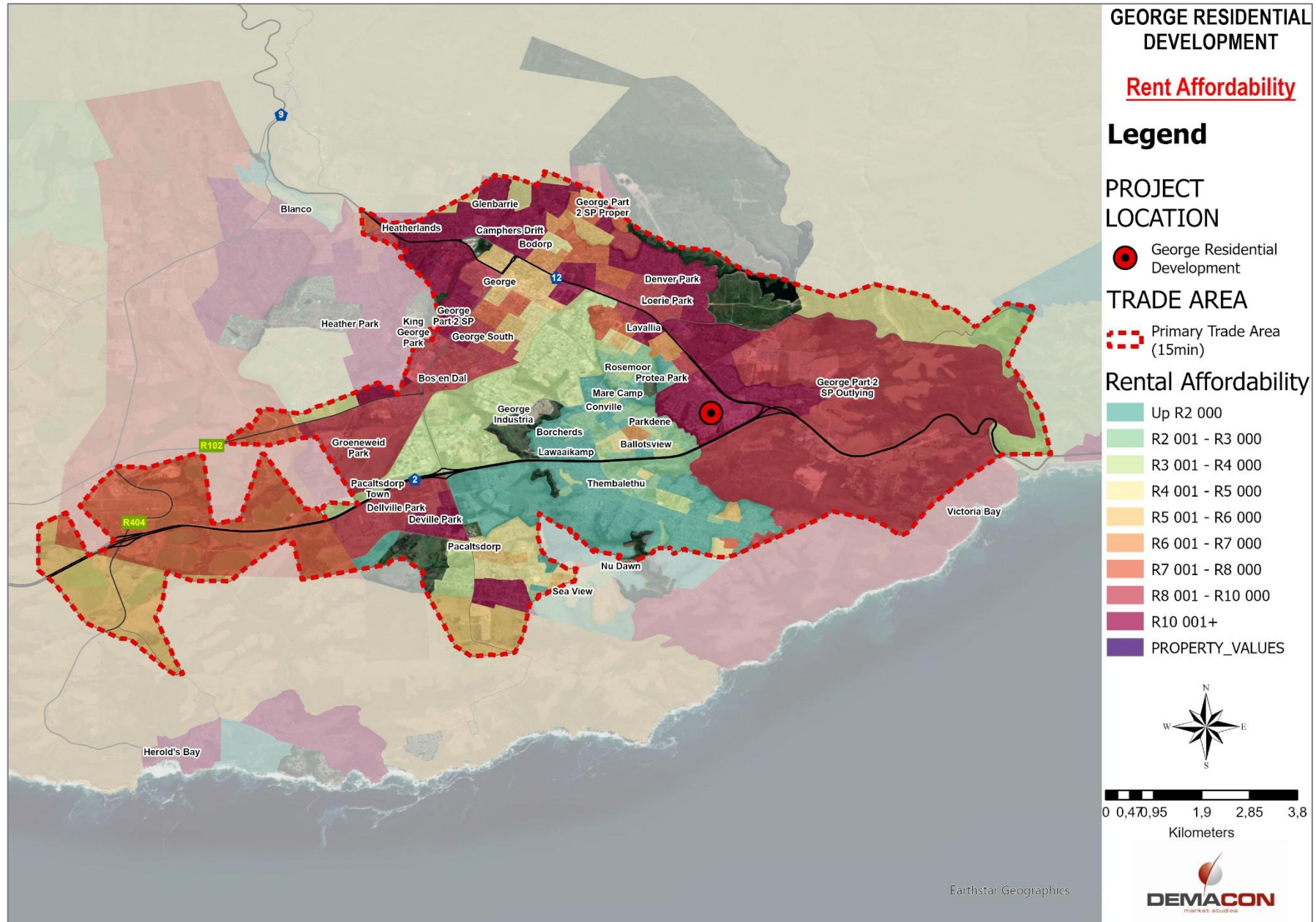


Source: Demacon ex Property24 data, 2026

Summary of properties to rent:

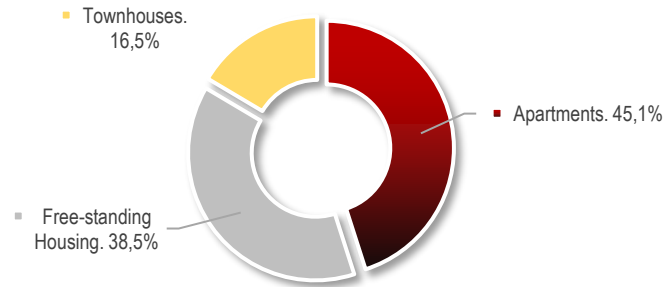
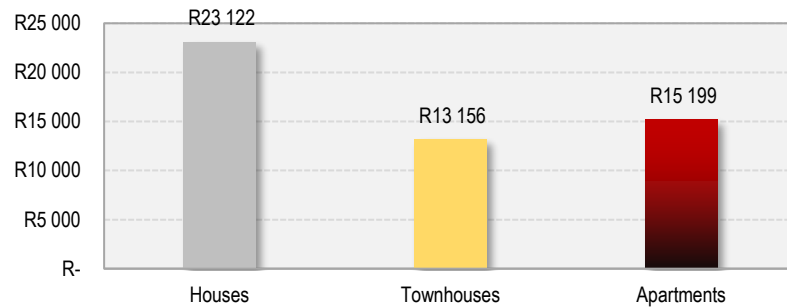
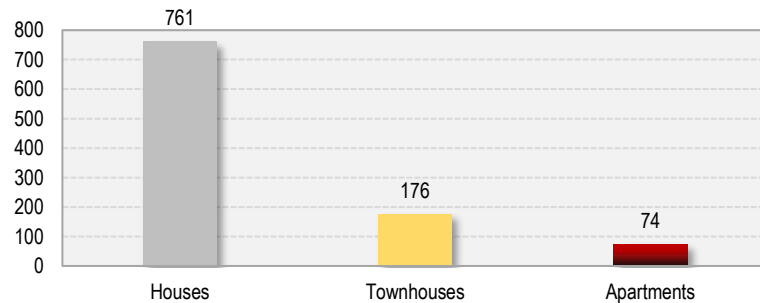
- ✓ Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.
- ✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.
- ✓ In total, there were **70 freestanding houses**, **82 apartments** and **30 townhouses** currently listed on the market.
- ✓ The **average rental price is:**
 - Houses: R23 122
 - Townhouses: R13 156
 - Apartments and Flats: R15 199

Map 6.3: Rental Affordability (Primary Market Area)



RESIDENTIAL RENTALS SUMMARY – LISTED PROPERTY**SUMMARY OF RENTALS**

Summary of Residential Supply in terms of number of transactions

**Average Monthly Rent****Average Unit Sizes****Townhouses**

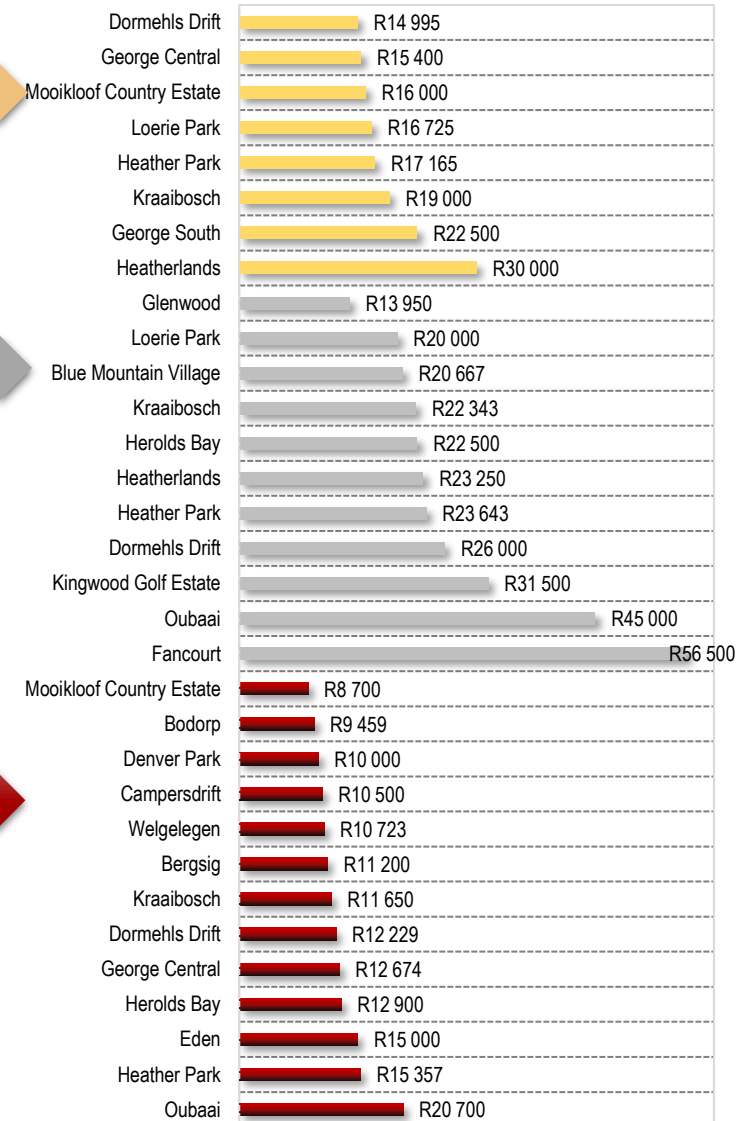
Average Rentals
R13 156

Houses

Average Rentals
R23 122

Apartment / Flats

Average Rentals
R15 199

AVERAGE RENTAL PRICE PER SUBURB

6.3.4 RESIDENTIAL PROJECTS IN THE MARKET AREA

The following table provides the residential projects as listed on Property 24 within the primary trade area. The table below summarizes data in terms of bedroom units, type of units / configuration of development, the number of bedrooms, unit sizes and the average sale pricing.

Table 6.4: Residential Projects in the Market Area

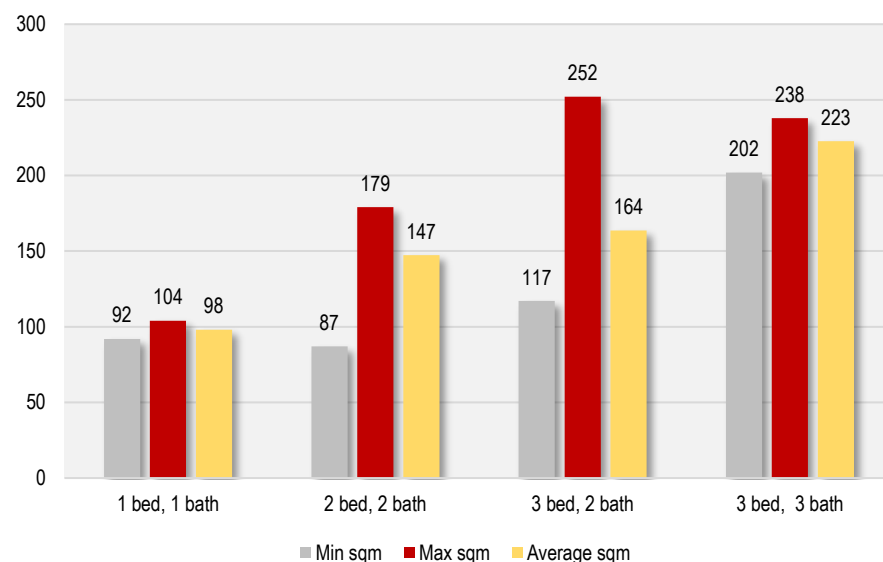
Name of development	Location	Nr of units	Type of units	Composition	Average Unit Sizes	Average Pricing
Glenwood Ridge Estate 	Glenwood Ridge	238	Houses	3 bed, 2 bath	3 bed, 2 bath: 221m² - Erf Size – 413m² - 582m²	3 bed, 2 bath: R5 462 556
Urban Country Estate 	Heather Park	110	70 Houses 40 Apartments	2 bed, 2 bath Apartments 2 bed, 2 bath House 3 bed, 2 bath House 3 bed, 2.5 bath House	- Apartments: 2 bed, 2 bath: 87m² - House 2 bed, 2 bath: 160m² - House: 3 bed, 2 bath: 176m² - House: 3 bed, 2.5 bath: 188m²	- Apartments: 2 bed, 2 bath: R2 650 000 - House: 2 bed, 2 bath: R3 775 000 - House: 3 bed, 2 bath: R3 942 000 - House: 3 bed, 2.5 bath: R4 175 500
The Cascades 	Harolds Bay	15	Houses	2 bed, 2.5 bath 3 bed, 3.5 bath	2 bed, 2.5 bath: 179m² 3 bed, 3.5 bath: 230m²	2 bed, 2.5 bath: R6 210 000 3 bed, 3.5 bath: R6 760 000
Groenkloof Gardens Retirement Village	George Central	25	Houses	1 bed, 1 bath	1 bed, 1 bath: 98m²	1 bed, 1 bath: R2 840 000

Name of development	Location	Nr of units	Type of units	Composition	Average Unit Sizes	Average Pricing
				2 bed, 2 bath	2 bed, 2 bath: 148m²	2 bed, 2 bath: R3 965 000
Arbour Nature Estate 	Heather Park	19	Houses	2 bed, 2 bath 3 bed, 2.5 bath	3 bed, 2 bath: 121m² 3 bed, 2.5 bath: 135m²	3 bed, 2 bath: R4 083 571 3 bed, 2.5 bath: R3 795 000
The Glades 	Heather Park	9	Houses	3 bed, 3 bath	3 bed, 3 bath: 217m²	3 bed, 3 bath: R4 390 000
Mooikloof 	Hansmoeskraal AH	38	Houses	2 bed, 2 bath 3 bed, 3 bath	2 bed, 2 bath: 129m² 3 bed, 3 bath: 146m²	2 bed, 2 bath: R2 015 000 3 bed, 3 bath: R2 345 190

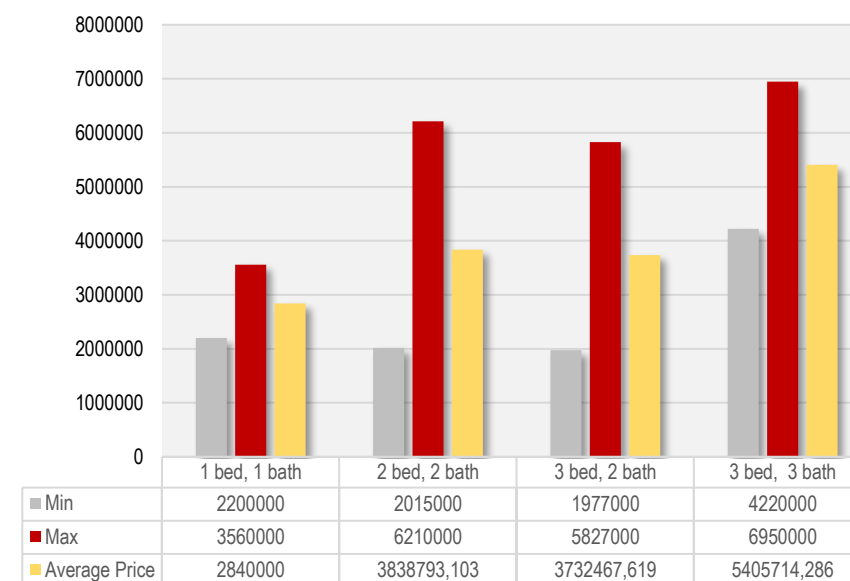
From the table above the developments can be summarized as follows:

- ✓ The majority of developments in the primary market area is middle to high income housing with apartments and houses being developed
- ✓ The developments consist of between 9 units to a maximum of 238 units.
- ✓ Developments in the area include a variety of different residential product offerings namely:
 - 1 bed, 1 bath
 - 2 bed, 2 bath
 - 3 bed, 2 bath
 - 3 bed, 3 bath.
- ✓ Unit sizes can be summarized as follows:

Figure 6.1: Summary of Unit Sizes



- ✓ Unit sizes range from 87m² to 252m² (average ±158m²)
- ✓ Pricing can be summarized as follows:



- ✓ Unit prices vary between R2.2 million to a maximum of R7.0 million for a 3-bedroom unit.

Figure 6.2: Summary of Unit Prices

6.4 RESIDENTIAL DEMAND MODELLING

6.4.1 INTRODUCTION

The residential market demand dynamics sub-section focusses on the residential market, with the objective of estimating the development potential within the market area. Demand modelling was completed for the **short to medium term** and is reflected in five-year intervals.

6.4.2 DEFINING MARKET DEMAND

Definition

The residential market refers to land uses associated with human habitation such as housing or dwelling units. Residential use can vary in typology, density, tenure, structure, layout, and affordability. 'Residential' does not include hotels or guesthouses, which are defined as being 'short stay' accommodation.

Defining demand

Residential demand depends on a variety of factors. In this context, residential demand can be conceptualised as follows:

$$Dres. = f \{P_o; P_{\%}; Q; P_r; P_{r\%}; ROI; I; T_x; Y; H_h; R; C_i; H_s; H_p\}$$

Where:

P_o	=	Population Size
$P_{\%}$	=	Population growth rate
Q	=	Existing quality of residential environment
P_r	=	House prices
$P_{r\%}$	=	Growth in house prices
ROI	=	Return on investment
I	=	Interest rates
T_x	=	Rates and Taxes
Y	=	Household income
H_h	=	Household size
R	=	Rent
C_i	=	Cap Rates
H_s	=	Housing shortage
H_p	=	Housing preferences

In essence, market demand for housing is a function of:

- ✓ Socio-economic characteristics – size, distribution, etc
- ✓ Socio-economic growth trends – distribution, rate of change, etc

- ✓ Household annual income profiles
- ✓ Current subsidised housing demand and backlogs
- ✓ Urban development trends
- ✓ Real estate market indicators – rental rates, supply, etc

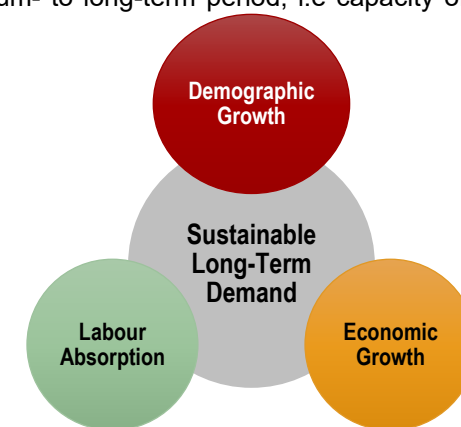
In order to purposefully estimate demand for social housing, a multi-layer data analysis is undertaken – the purpose is to define the target market, and its trends based on various data sources at designated points in time. This is done to understand the possible future direction of growth and market demand based on credible and substantiated historic data (such as Statistics South Africa) and considering any potential trends that influence beneficiaries of the social housing product (market rental trends, development influencers and economic climate).

Sustainable Long-Term Demand

The multi-layered approach allows for estimating medium- to long-term sustainable demand. Sustainable demand refers to demand that may exist within the market area that would enable social housing institutions and projects to become sustainable over a medium- to long-term period, i.e. capacity of a market area and its associated economy to generate employment that in turn provides the target market with the capability to rent a social housing unit.

Economic factors influence the sustainability of semi-subsidised housing schemes, i.e. social housing. Social housing projects are dependent on a target market that has the ability to pay rental rates.

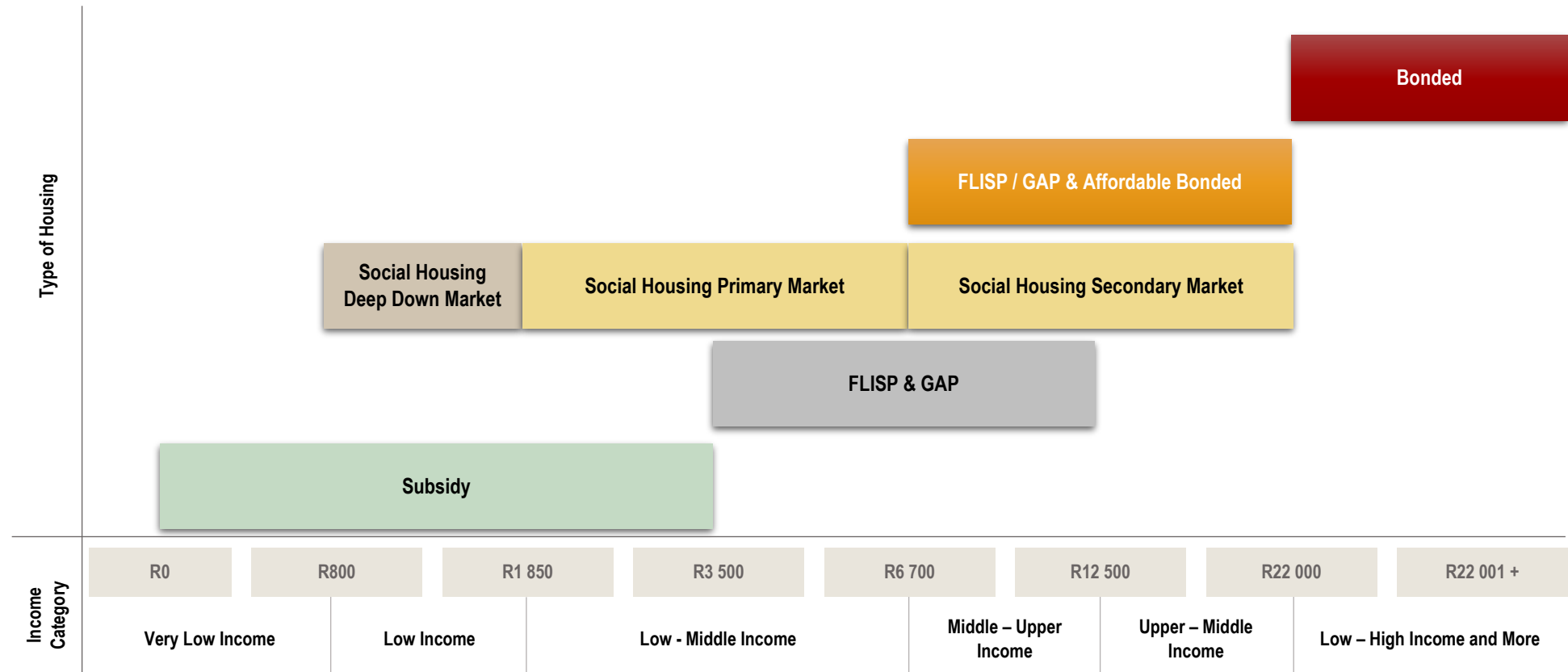
Without income generated from rental rates, social housing projects would become financially unfeasible due to not having operational capital. It is thus important to consider the effects that economic factors such as economy size and growth trends; and labour absorption trends have on the social housing target market within market area.



In the context of the preceding, the growth of the housing market demand is calibrated by considering, not only long-term demographic growth attributes,

but also considering economic growth trends and labour absorption capabilities of the local economy. The calibration ensures that demand estimations generated for housing is sustained demand and not short-term high growth with medium- to long-term under performance.

Diagram 6.1: Housing Income Categories



Source: Demacon, 2026

BONDED HOUSING (SHORT- TO MEDIUM-TERM – 3 TO 5 YEARS)**INCOME AND HOUSING AFFORDABILITY RECOMMENDATIONS**

The table below indicates a range of income midpoints, midpoint house prices and classifications attainable by the source market area.

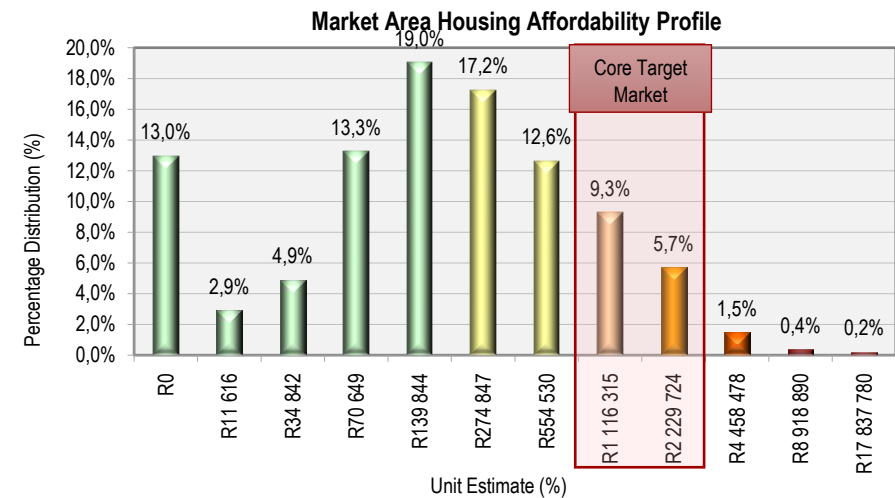
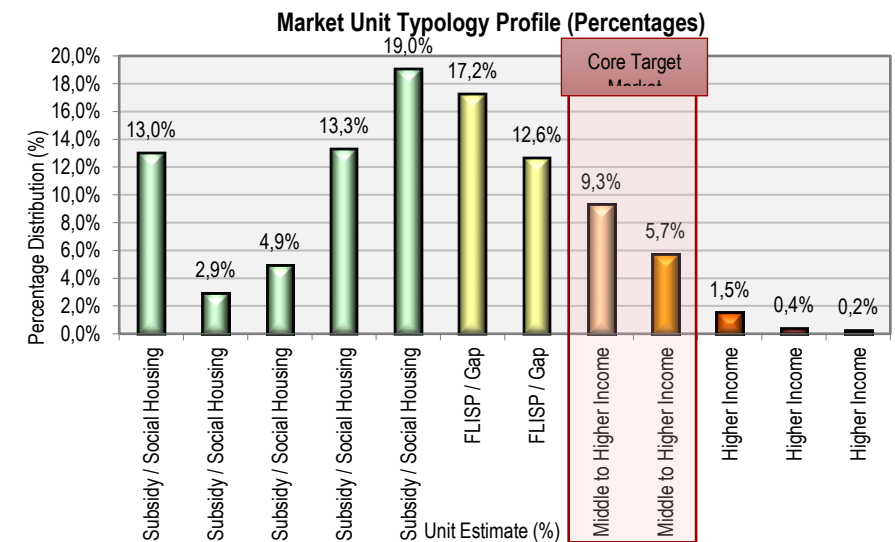
Table 6.5: Residential Affordability Profile

Income Midpoint 2026 (R)	House Price (Midpoint)	Generic Indicative Unit Size	(%)	Number of Units (±680)	Classification
R0	R0	40m² - 50m²	-	-	Subsidy / Social
R3 426	R11 616	40m² - 50m²		-	Subsidy / Social
R10 277	R34 842	40m² - 50m²		-	Subsidy / Social
R20 839	R70 649	40m² - 50m²		-	Subsidy / Social
R41 248	R139 844	50m² - 60m²		-	Subsidy / Social
R81 068	R274 847	60m² - 70m²	-	-	FLISP / Gap
R163 563	R554 530	80m² - 90m²	-	-	FLISP / Gap
R329 267	R1 116 315	120m² - 140m²	62.0%	421	Middle to Higher Income
R657 676	R2 229 724	140m² - 400m²	38.0%	259	Middle to Higher Income
R1 315 067	R4 458 478	420m² - 750m²	-	-	Higher Income
R2 630 704	R8 918 890	780m² - 1000m²	-	-	Top-End
R5 261 407	R17 837 780	1 000m²+	-	-	Top-End

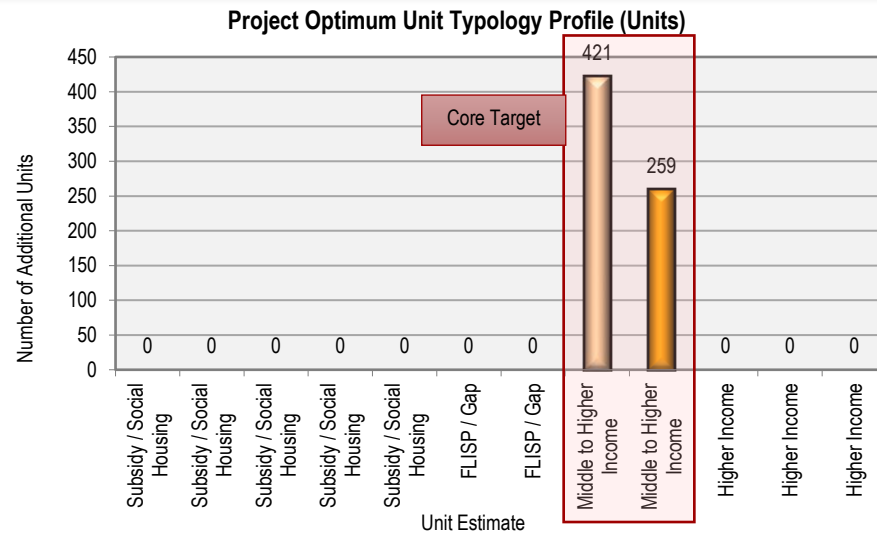
Source: Demacon Demand Modelling, 2026

- ✓ The core target market of the bonded segment is households earning on average between **R329 267** and **R657 676** annually.
- ✓ This segment can afford houses between **R1 116 315** and **R2 229 724**
- ✓ The total units recommended for the project is a maximum of **±680 units**.

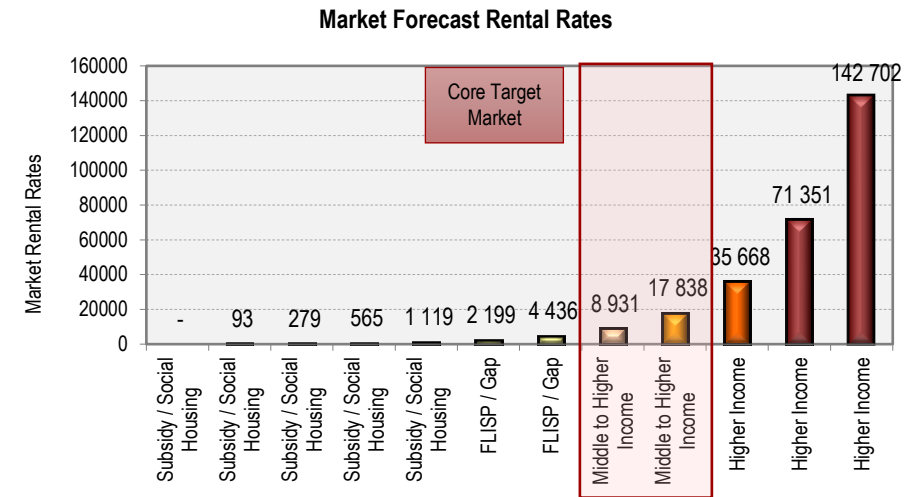
The following graphs indicates the target market housing profile based on the affordability analysis within the delineated source market.

MARKET AREA HOUSING AFFORDABILITY PROFILE**MARKET OPTIMUM UNIT TYPOLOGY (PERCENTAGES)**

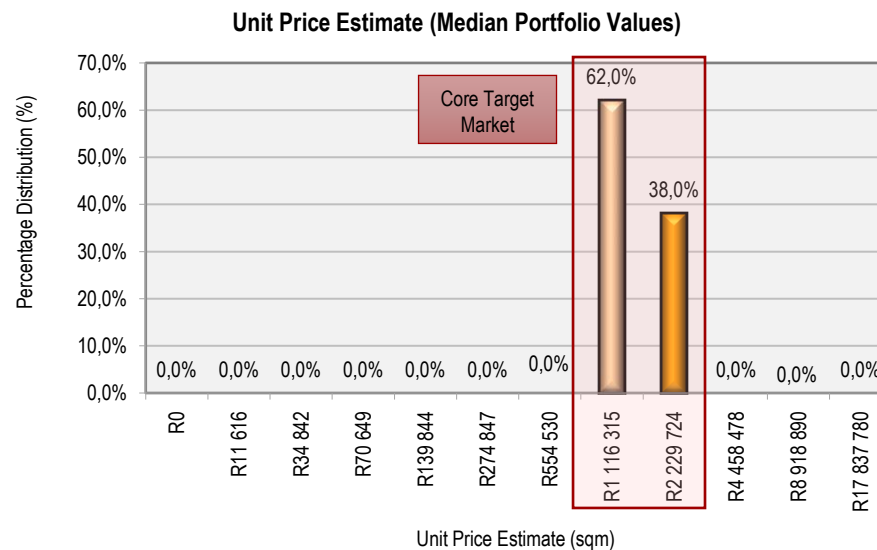
PROJECT OPTIMUM UNIT TYPOLOGY (UNITS)



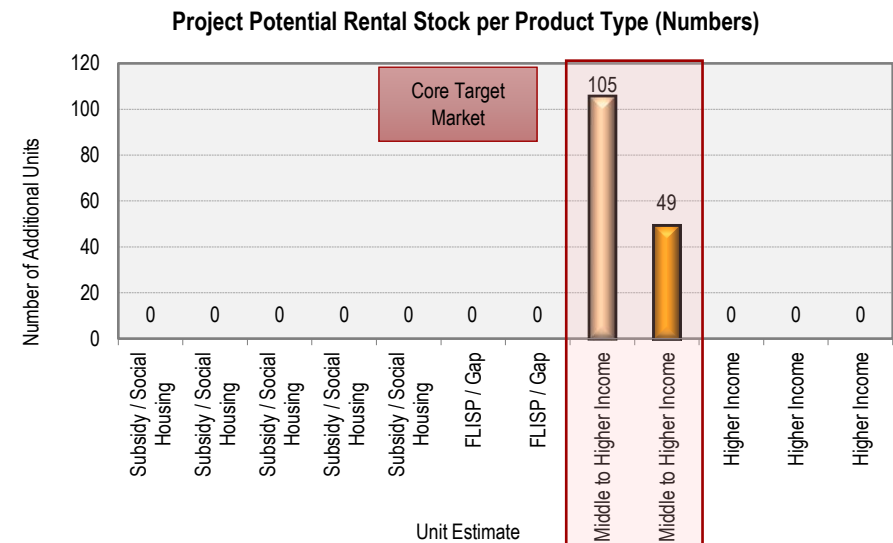
MARKET FORECAST RENTAL RATES



UNIT PRICE ESTIMATE (MEDIAN PORTFOLIO VALUES)



PROJECT POTENTIAL RENTAL STOCK PER PRODUCT TYPE (numbers)



SUMMARY OF MARKET RECOMMENDATIONS

TOTAL MARKET				
	Additional Households: Base Year +5 Years		4 095	A
	Annualised Market Growth (Full Housing Spectrum)		819	B
	Bonded & Credit linked		46,9%	C
	Bonded & Credit Linked take-up per annum		384	D
	Annual secondary market contribution (units / annum)	Min	267	E
		Max	534	F
	Total annual Bonded & Credit Linked demand	Min	651	G
		Max	918	H
PROJECT SPECIFIC – BONDED / MARKET BASED HOUSING UNITS				
	Project Bonded & Credit Linked Units		680	I
	Forecast market share of total market sales	Min	5%	J
		Max	10%	K
	Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min	33	L
		Max	92	M
	Years to 80% Take-Up (Social Housing Units)	Min	7,4	N
		Max	20,9	O
		Avg	14,1	P
	Optimum point of market entry		2027+	

Explanatory Notes:

A = increase in demand for new units, 2026 – 2031

B = Annualised market growth, i.e., of A/5

D = B x C

E & F = Annual secondary market contribution (i.e., the contribution made by re-sales in the target affordability income brackets)

G & H = Annual new entry-level to executive flat/ apartment demand; D + E and D + F

I = Project entry-level to executive flat/ apartment units

J & K = assumed market share of market area

6.5 SYNTHESIS

This chapter provided an overview of the residential market trends underlining the source market area. The following summarise the findings of the residential supply and demand in terms of the housing affordability and the net demand modelling.

RESIDENTIAL SUPPLY

Properties for sale in the market area:

Properties for sale in the market area were analysed to determine market activity in the primary catchment.



- ✓ The results indicate that **freestanding houses** constitute 78.0% of all properties for sale, with 5.3% townhouses and 16.7% apartments / flats.
- There were 125 apartments / flats, 584 houses and 40 townhouses listed in the market, totalling **749** property listings.
- The **average selling prices** are as follows:
 - Apartments / flats: **R2 595 180**
 - Houses: **R4 965 082**
 - Townhouses: **R2 052 662**
- The majority of apartments listed in terms of configuration are 2-bedroom units; the majority of houses are 3- and 4-bedrooms; and townhouses are 2- and 3-bedroom units.

Properties to rent in the market area:

Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.



- ✓ The results indicate that **apartments** constitute 45.1% of all properties up for rental, followed by 16.5% of townhouses and 38.5% of freestanding houses.
- There were 182 listings consisting of 82 apartments / flats, 70 houses and 30 townhouses in the market.
- The **average rental prices** are as followed:

- Apartments / flats – **R15 199**
- Houses – **R23 122**
- Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

GAP ANALYSIS

The gap analysis indicates that there is moderate to high demand for rental units.

DEVELOPMENT TYPE	EFFECTIVE MARKET GAP	DEVELOPMENT PROSPECT
Apartments		Moderate to High

DEVELOPMENT RECOMMENDATIONS

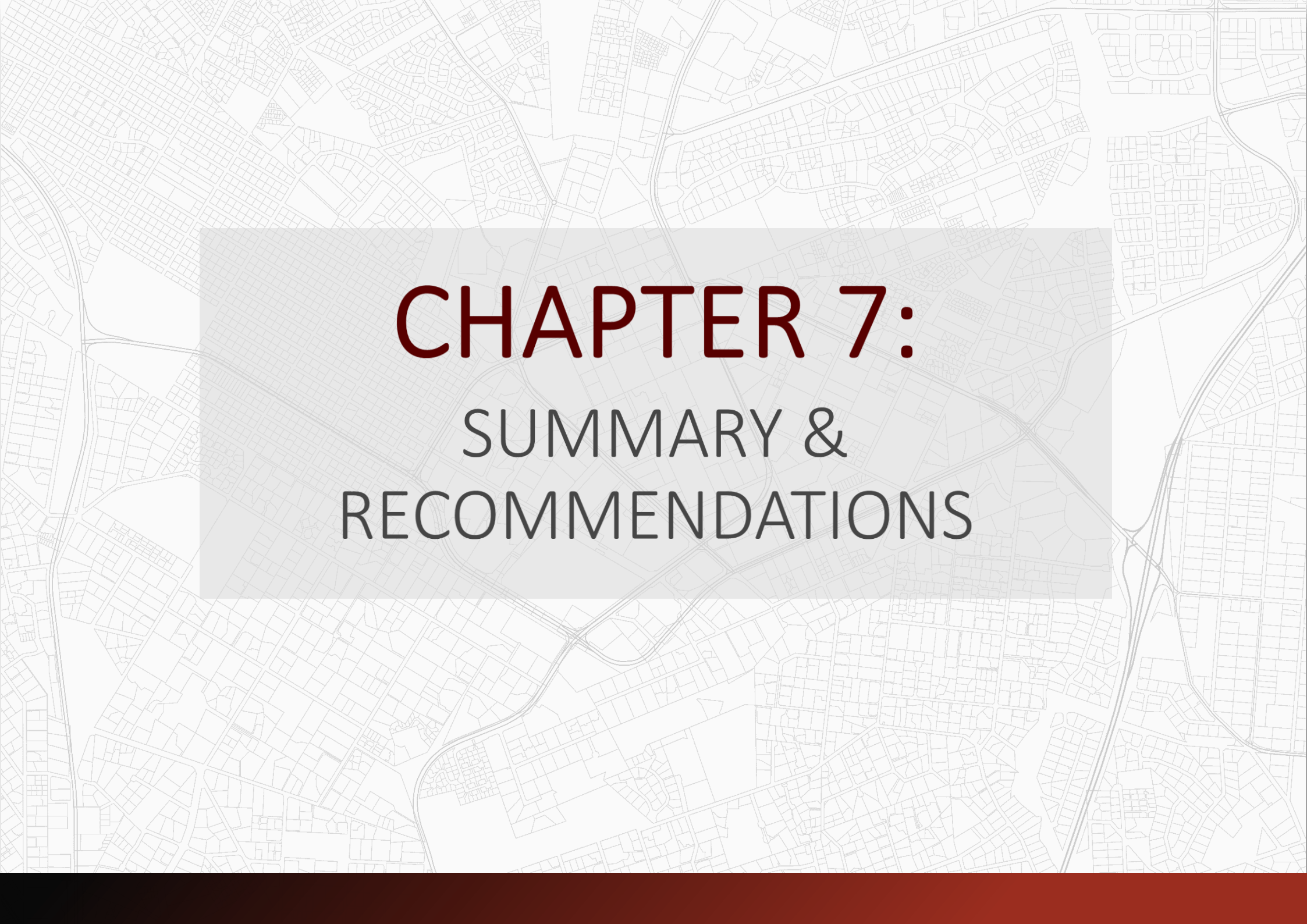
BONDED UNITS:

- ✓ Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- ✓ The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- ✓ Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- ✓ A total of **680 units** could be developed and taken-up over the short to medium term (80% take-up).
- ✓ Configuration: **Apartments**
- ✓ Optimum point of market entry: **2027+**
- ✓ Optimum Unit Typology and Pricing Distribution (Refer to table below)

Table 6.6: Optimum Typology and Pricing Distribution (Target Market)

Type	% Split	Number of Units	Sale Price	Rental Prices	Size (m ²)	R/sqm
1 Bed, 1 Bath	25.0%	170	R975 869 – R1.2 million	R6 683 – R8 931	45 – 55m ²	R21 686 – R22 804
2 Bed, 2 Bath	50.0%	340	R1.2 million – R1.6 million	R8 931 – R13 384	60 – 70m ²	R22 804 – R23 900
3 Bed, 2 Bath	25.0%	170	R1.6 million – R2.2 million	R13 384 – R17 838	80 – 90m ²	R22 804 – R24 775
Total	100.0%	680				

Source: Demacon Demand Modelling, 2026

The background of the slide is a detailed, light gray line-art map of a city street grid. The map shows a dense network of streets, including major thoroughfares and smaller residential streets, creating a complex geometric pattern. A semi-transparent gray rectangle is centered over the map, serving as a backdrop for the chapter title.

CHAPTER 7:

SUMMARY & RECOMMENDATIONS

7. SUMMARY & RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this chapter is to integrate the findings of the previous chapters into a concise set of development recommendations with reference to the optimum capacity of the **George Residential Development**.

7.2 MARKET DEMAND SUMMARY AND OUTCOMES

The following provides a summary of the preceding analysis



STRATEGIC ANALYSIS

The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The town's ideal location between Cape Town and Port Elizabeth, exceptional natural surroundings, temperate climate, outstanding tourism offering, low crime rate, good schools and a national airport are among the many reasons the town has seen significant growth over the past two decades – and is a sought after tourism, lifestyle, business and investment destination.

George is identified, as the primary service centre of the entire Garden Route region, offering most of the higher order services and facilities one would expect to receive in a metropolitan city, including modern airport infrastructure. It houses the primary administrative and regional offices of companies (and government departments) offering services in the region but is also the heart of the vast tourism offering, and a thriving agricultural sector specialising in export quality berries and other agricultural produce used in beer making and other agri-processing activities.

AREA GROWTH

On average 425 residential units are completed in George per year (from 2014 to 2024). When compared to the Garden Route District Municipality, it is evident that George contributes 32.6% to the total number of residential units completed in the District Municipality. Data shows that residential development in George are mainly focused on houses and townhouses, similar to the Garden Route District Municipality.

On average 8 960m² of non-residential space is completed in George per year (2014 – 2024). The Garden Route District Municipality in total completes on average approximately 29 648m² of non-residential space per year. When compared to the Garden Route District Municipality, it is evident that the George Region contributes 31.1% to the total non-residential GLA completed in the District Municipality.



SITE ASSESSMENT

Summary of site assessments:

Residential Development	80.0%
-------------------------	-------

** Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for a successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could be addressed; projects with a sub 60% rating are not recommended for consideration*

The proposed development site scored a site rating of 80.0%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful development are in place. The proposed site scored high in most of the location factors, but mainly in respect of the accessibility of the site, the compatibility of the area and the quality of the residential environment. The development site is also situated within the direction of current and future growth in the area, increasing the site rating.

PRIMARY MARKET AREA SUMMARY (±15-minute drive time isochrone)**POPULATION SIZE AND GROWTH**

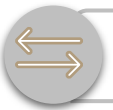
- ✓ Approximately 193 559 people / 56 884 households reside in the primary market area.
- ✓ The average annual growth rate of population is 2.8% per annum, while the average annual growth rate of households is 3.1% per annum.

**AGE AND GENDER PROFILE**

- ✓ The age and gender profile reveals that:
 - The largest segment of the resident population is between the ages of 15 to 34 (34.9%) – classified as the youth to mature population,
 - The second largest segment of the resident population is between the ages of 35 to 64 (32.5%) – classified as the adult population,
 - The third largest segment of the resident population are between the ages of 0 to 14 year (26.5%) – classified as children,
 - The smallest segment of the resident population is older than 65 years (6.1%) – classified as elderly.
- ✓ The profile shows a large contribution from the below 35-year categories (61.4%), indicating a young expanding working age population.

**RACIAL PROFILE**

- ✓ The racial profile of the primary market area shows that the vast majority of the market 45.0% is Coloured followed by African Black 36.7%, White 17.8% and Indian / Asian 0.5%.

**MIGRATION PROFILE**

- ✓ Since 2001, the primary market area has experienced a moderate influx of population, 16.5% of the population are migrants of which, 15.6% of the

**EDUCATION PROFILE**

- ✓ **Highest Level of Education Attained**
Of the population 2.6% have obtained no education. The largest portion of the primary market area has obtained some secondary education (41.8%), followed by 28.6% who obtained Grade 12. 9.5% has obtained a higher education.
- ✓ **Attendance at an Education Institution (Persons Aged 20 and Older)**
Of the persons aged 20 years and older, 32.8% are currently enrolled at a university and 18.8% at a FET College.

**EMPLOYMENT PROFILE****Economically Active Population and Employment**

- ✓ Of the population of the primary market area, 60.8% are economically active, meaning that more than half of the population are of working age and are actively participating in the economy or seeking employment.
- ✓ The remaining 39.2% represent population that fall outside the scope of the economically active population definition and represent people who are not available for work such as full-time scholars and students, full-time homemakers, those who are retired and those who are unable or unwilling to work.
- ✓ Of the economically active population, 75.9% are employed and 24.1% are unemployed. The primary market area reflects low dependency ratios.

Biggest Employing Economic Sectors in the Market Area

- ✓ The biggest employment economic sectors in the market area include:
 - Finance and Business Services (22.0%)
 - Community, social and personal services sector (21.6%)
 - Wholesale and retail trade services (19.4%) are most prominent.

**DWELLING TYPOLOGY**

- ✓ The primary dwelling type for households in the primary market area are house or brick structures – formal dwellings (81.4%) and 18.1% in informal dwellings.

- ✓ The largest segment of formal dwellings are freestanding houses on a single erf (72.0%), followed by 9.3% informal main dwellings.



TENURE STATUS

- ✓ 39.1% of households own and have paid for the property they reside, whereas 11.0% of households own a property but have not finished paying for the property.
- ✓ Of households in the primary market area, 30.8% are renting a property where they reside.
- ✓ 19.2% of households occupy the property where they reside rent-free.



HOUSEHOLD INCOME PROFILE

- ✓ Affluent households (R1.6 million and more) make up 0.6% of households.
- ✓ Approximately 13.0% of households in the primary market area earn no income.
- ✓ The weighted average annual household income for the resident population for 2026 amounts to **R154 581 per annum**, which amounts to **R12 882 per month** for all SEM groups.
- ✓ For SEM groups 2 and higher, the average income is **R347 070 per annum**, which amounts to **R28 923 per month**.



SEM PROFILE

- ✓ Approximately **56.7%** of the primary market area's households are classified within the SEM Supergroup 1 with **43.3%** of households classified within the **SEM Supergroup 2 to 5** categories.



RESIDENTIAL SUPPLY

Properties for sale in the market area:

Properties for sale in the market area were analysed to determine market activity in the primary catchment.



- ✓ The results indicate that **freestanding houses** constitute 78.0% of all properties for sale, with 5.3% townhouses and 16.7% apartments / flats.
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Properties to rent in the market area:

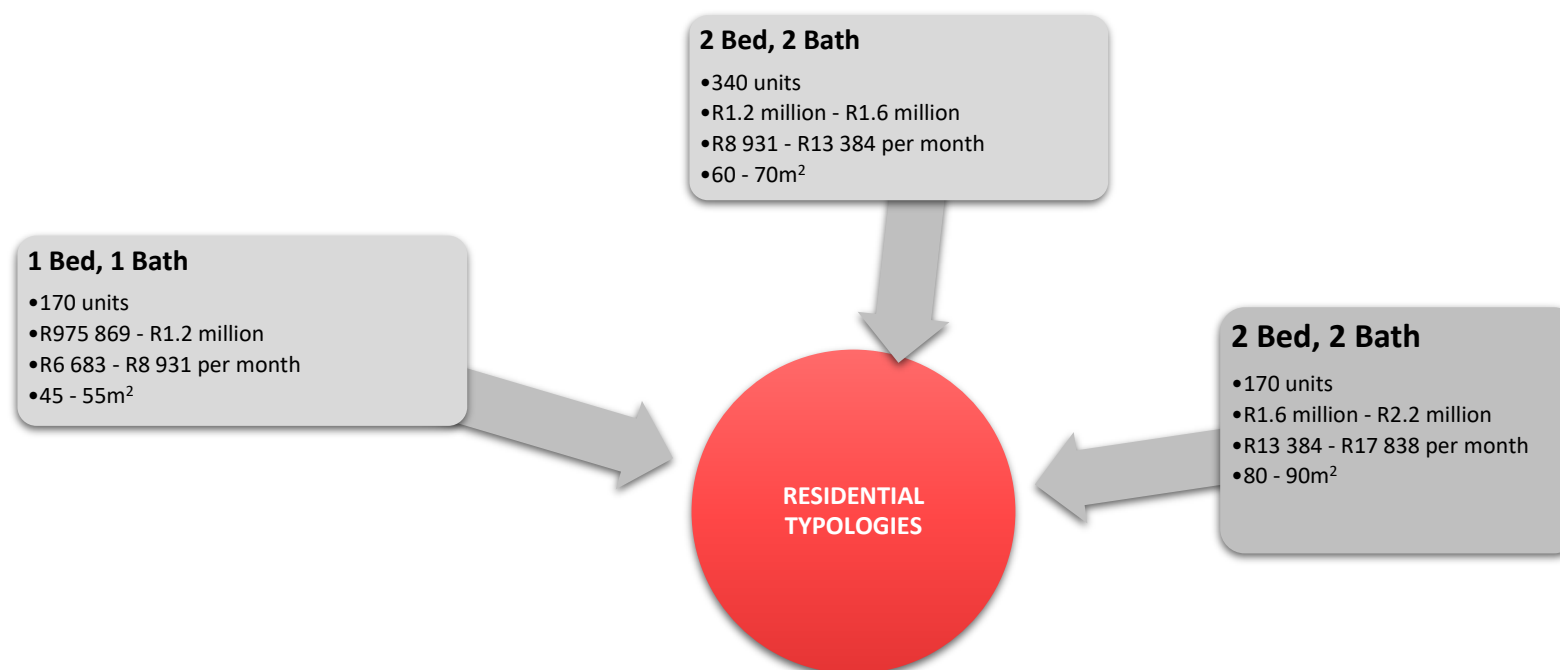
Properties to rent in the primary market area were analysed to determine market activity in the primary catchment.



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 - Townhouses – **R13 156**
- The majority of apartments listed in terms of configuration are 2-bedroom apartments, 3-bedroom houses and 2-bedroom townhouses.

7.3 OPTIMUM DISTRIBUTION RANGE CONFIGURATION

Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.



Optimum Typology and Pricing Distribution (Target Market)

Type	% Split	Number of Units	Sale Price	Rental Prices	Size (m ²)	R/sqm
1 Bed, 1 Bath	25.0%	170	R975 869 – R1.2 million	R6 683 – R8 931	45 – 55m ²	R21 686 – R22 804
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Total	100.0%	680				

Source: Demacon Demand Modelling, 2026



Report Prepared For:
Century Property Developments (Pty) Ltd

July 2026



Erf 28005 George Residential Development

Socio-Economic and Fiscal Impact
Report



LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT



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Studies | Economic
Assessments | Socio-
Economic Surveys | Impact
Assessments



Incorporating
GIS Technology
for Advanced
Geo-Spatial Analysis



Contact Us:
Dr. Hein du Toit

+27 460 7009

+27 12 346 5883

+27 82 8988 667

hein@demacon.co.za

www.demacon.co.za



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- Economic analyses (Macro, meso and micro level)
- Socio-economic analyses (Macro, meso and micro level)
- Feasibility studies
- Business plans
- Real estate market analyses (Macro, meso and micro level)
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Annexure A: Erf 28005 George Residential Development Socio-Economic and Fiscal Impact Assessment	23

EXECUTIVE SUMMARY

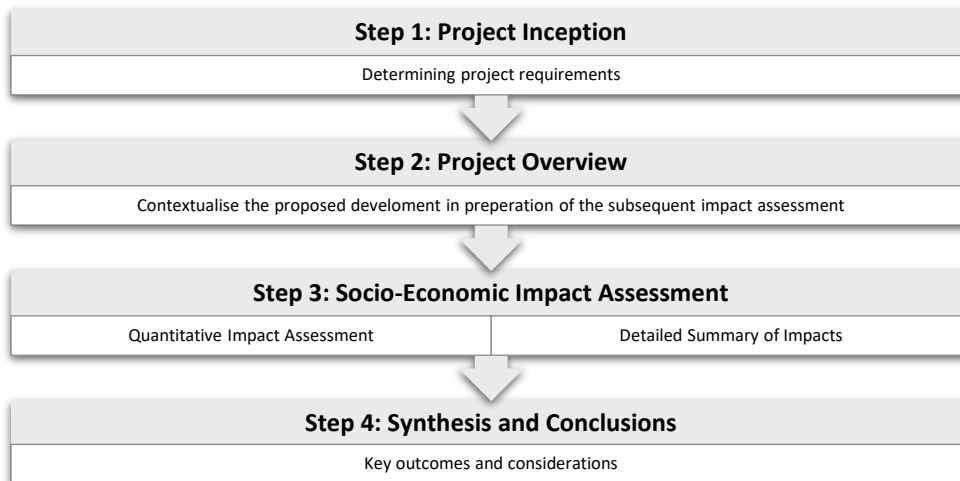
Project Purpose – Erf 28005 George Residential Development

To evaluate the anticipated fiscal and socio-economic impact resulting from the full implementation and operation of the Erf 28005 George residential development. This impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector or land use. This impact extends beyond the jobs and income generated by the original project

Impact Assessment Methodology and Key Outcomes

Within the context of the preceding, the socio-economic and fiscal impact assessment focusses on the development of an impact model that measures (for the construction and operational phases) the anticipated direct, indirect and induced impacts of the residential development concept in terms of, inter alia:

- Jobs created by skills level
- Impact on GDP
- Impact on business sales
- Estimated number of formal SMMEs opportunities (including estimated number of black owned SMMEs)
- Compensation impacts (i.e., wages & salaries)
- Taxes on products (value added tax; custom duties; excise levies; fuel levies; other), production, business operations and employees
- Impact on property rates
- Sector profiling, etc.



Key Impact Outcomes of the Erf 28005 George Residential Development

Impact Measure		Construction Phase (Once-Off)	Operational Phase (Annual and Sustained)
	Inputs	R1.3 billion 	R106.2 million 
Impacts			
	Additional Business Sales	R2.9 Billion	R188.0 million
	Additional GDP	R1.3 Billion	R104.1 million
	Additional Formal Employment	3 545 jobs	174 jobs
	Estimated Number of New Enterprise Opportunities	12 business opportunities	0 business opportunities
	Compensation of Additional Formal Employment (Annual)	R442.7 million	R29.1 million
	Total Additional Taxation (Taxes on Products and Production, Corporate Taxes, Personal Income Tax)	R360.4 million	R22.0 million
	Additional Social Amenities	0	6
	Total Additional Property Taxation	n/a	R7.7 million
Probability Rating			

★★★ Impact Prospects

Moderate to High

The project is strategically located to support existing market demand and integrate into the long-term spatial development aspirations of the local municipality

1 INTRODUCTION AND PROJECT BACKGROUND

1.1 INTRODUCTION AND PURPOSE OF THE REPORT

Chapter One of the report provides an introduction and concise roadmap of the socio-economic and fiscal impact assessment of the Erf 28005 George (Blue Mountain) residential development. To understand the scope, objectives and outline of this document, Chapter 1 seeks to introduce the project brief and its intended outcomes and the outline of the remainder of the report.

1.2 PROJECT BRIEF

DEMACON Market Studies were commissioned by **Century Property Developments (Pty) Ltd** to conduct a Socio-Economic and Fiscal Impact Assessment of the Erf 28005 George (Blue Mountain) residential development.

The purpose of the Impact Assessment is to evaluate the anticipated fiscal and socio-economic impact resulting from the full implementation and operation of the proposed residential development. Capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial, and national economies – these inputs are informed by the development concept, market study and DEMACON estimations.

This impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector or land use. This impact extends beyond the jobs and income generated by the original project. An input-output model is used to estimate the total fiscal and socio-economic impact.

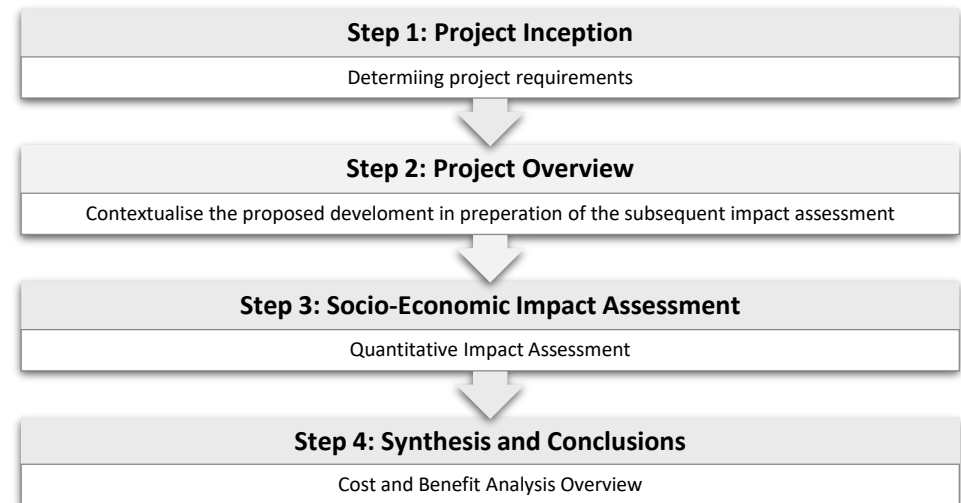
Within this context, the socio-economic and fiscal impact assessment focuses on developing an impact model that measures (for the construction and operational phases) the anticipated direct, indirect, and induced impacts of the proposed project. These impacts include:

- Jobs created, categorized by skill level
- Impact on GDP
- Impact on business sales
- Estimated number of formal SMMEs created (including the estimated number of Black-owned SMMEs)
- Compensation impacts (i.e., wages and salaries)

- Taxes on products (value-added tax, customs duties, excise levies, fuel levies, and other taxes), production, business operations, and employees
- Impact on property rates
- Sector profiling

DEMACON's approach is market-based, and the company leverages its extensive involvement, research, and market intelligence on the subject matter to complement the impact assessment.

Diagram 1.1: Socio-Economic and Fiscal Impact Assessment Overarching Research Methodology



This report first provides an overview of the proposed development. The purpose of this information is to establish the development's location and to contextualise its aim and pertinent development considerations. A fiscal and socio-economic impact assessment is then conducted to understand the fiscal, social and economic potential that the proposed project could unlock. Finally, the report synthesizes the project's cost-benefit potential within the economic, fiscal, and socio-economic context.

1.3 PROJECT LOCATION AND OVERVIEW

The proposed Erf 28005 George residential development is a high-density residential project located opposite the Garden Route Mall and adjacent to the Eden Meander Lifestyle Centre in the Blue Mountain residential area of George, Western Cape.

The development will comprise 36 four-storey apartment blocks containing a total of 680 residential units. It will also include a clubhouse, gymnasium, padel and tennis courts, a swimming pool, and outdoor recreational areas as part of the amenities offered to residents.

This proposal seeks to replace the currently authorised development, which comprises a two-storey mixed-use business development focused on office space, small-scale ground-floor retail, and apartments on the first floor. The preferred development option - a 680-unit residential apartment development - is considered the most appropriate alternative, as it will directly contribute to the spatial restructuring and densification objectives of the George Spatial Development Framework. Furthermore, the DEMACON Residential Market Analysis (2026) indicates that the supply-side market profile and demand assessment demonstrate sufficient market potential to support the proposed development.

Map 1.1: Aerial Perspective of the Proposed Development Site



Source: DEMACON ex George Residential Development Market Analysis, 2026

1.4 SOCIO-ECONOMIC CONTEXT AND CONSIDERATIONS

POPULATION SIZE

193 559
PEOPLE IN THE
PRIMARY
TRADE AREA



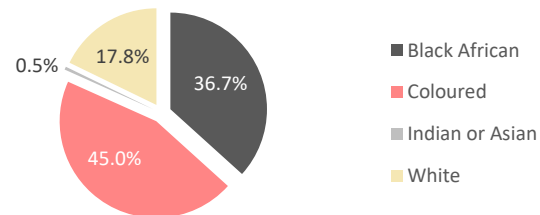
Population
Average Annual
Growth Rate
2.8%

56 884
HOUSEHOLDS

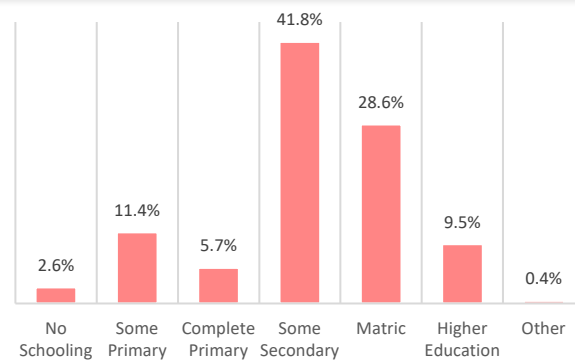


Household
Average Annual
Growth Rate
3.1%

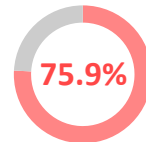
RACIAL PROFILE



EDUCATION PROFILE

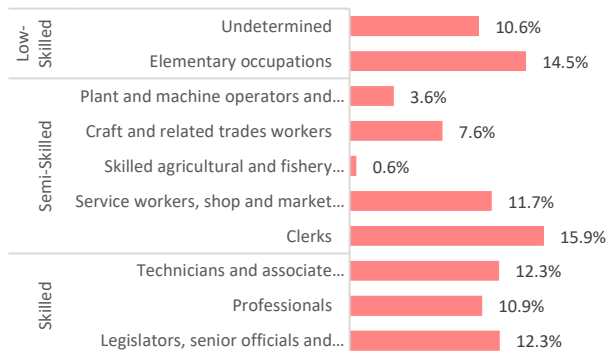


EMPLOYMENT PROFILE

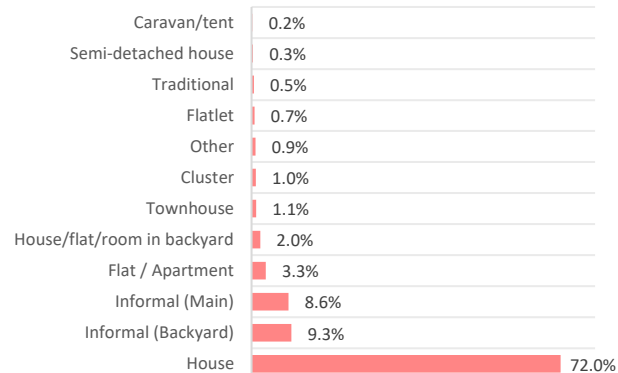


Employed
Economically
Active
24.1%
Unemployed

OCCUPATION PROFILE



DWELLING TYPOLOGY & TENURE STATUS



HOUSEHOLD INCOME

Average annual household
income for all SEM groups
(2026)

R151 581

Average monthly household
income for all SEM groups
(2026)

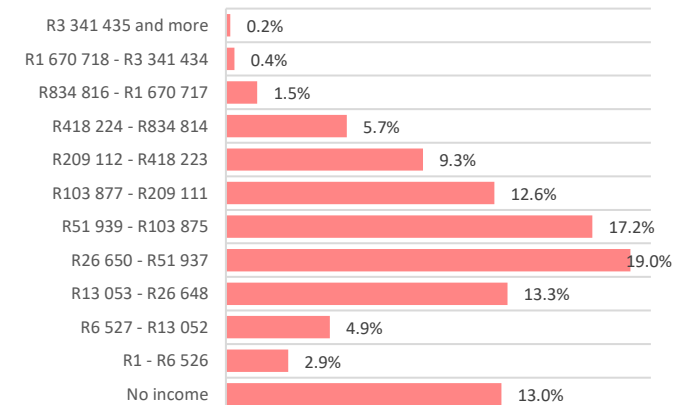
R12 882

Average annual household
income for SEM Groups 2+
(2026)

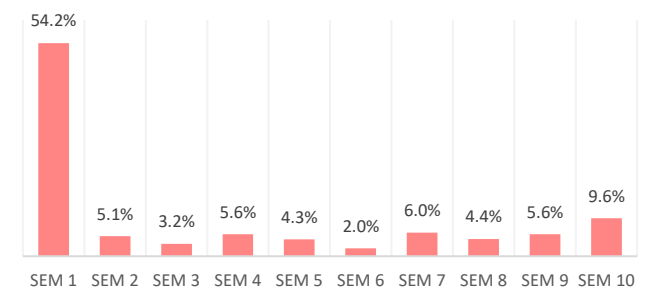
R347 070

Average monthly household
income for SEM Groups 2+
(2026)

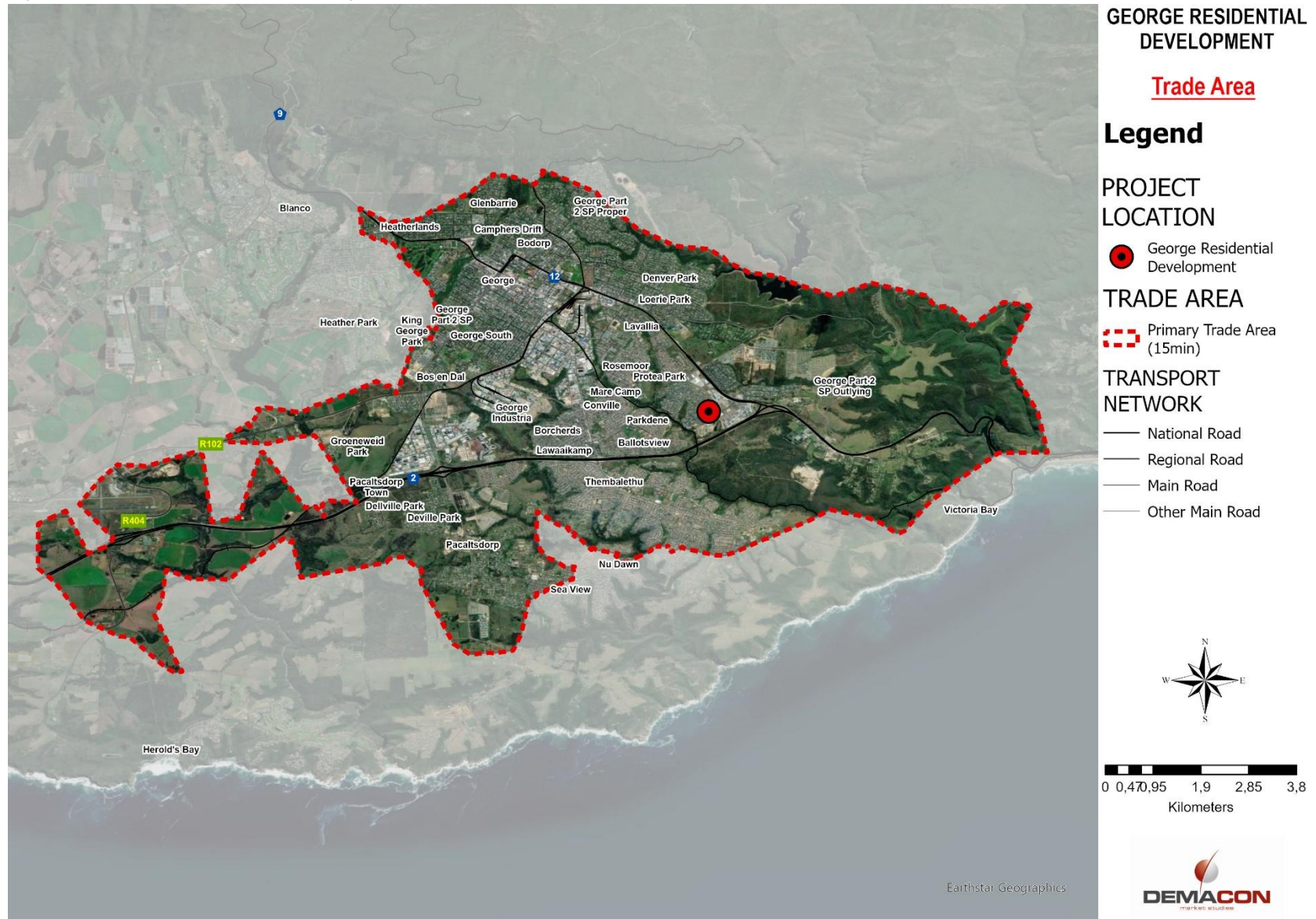
R28 923



SEM PROFILE

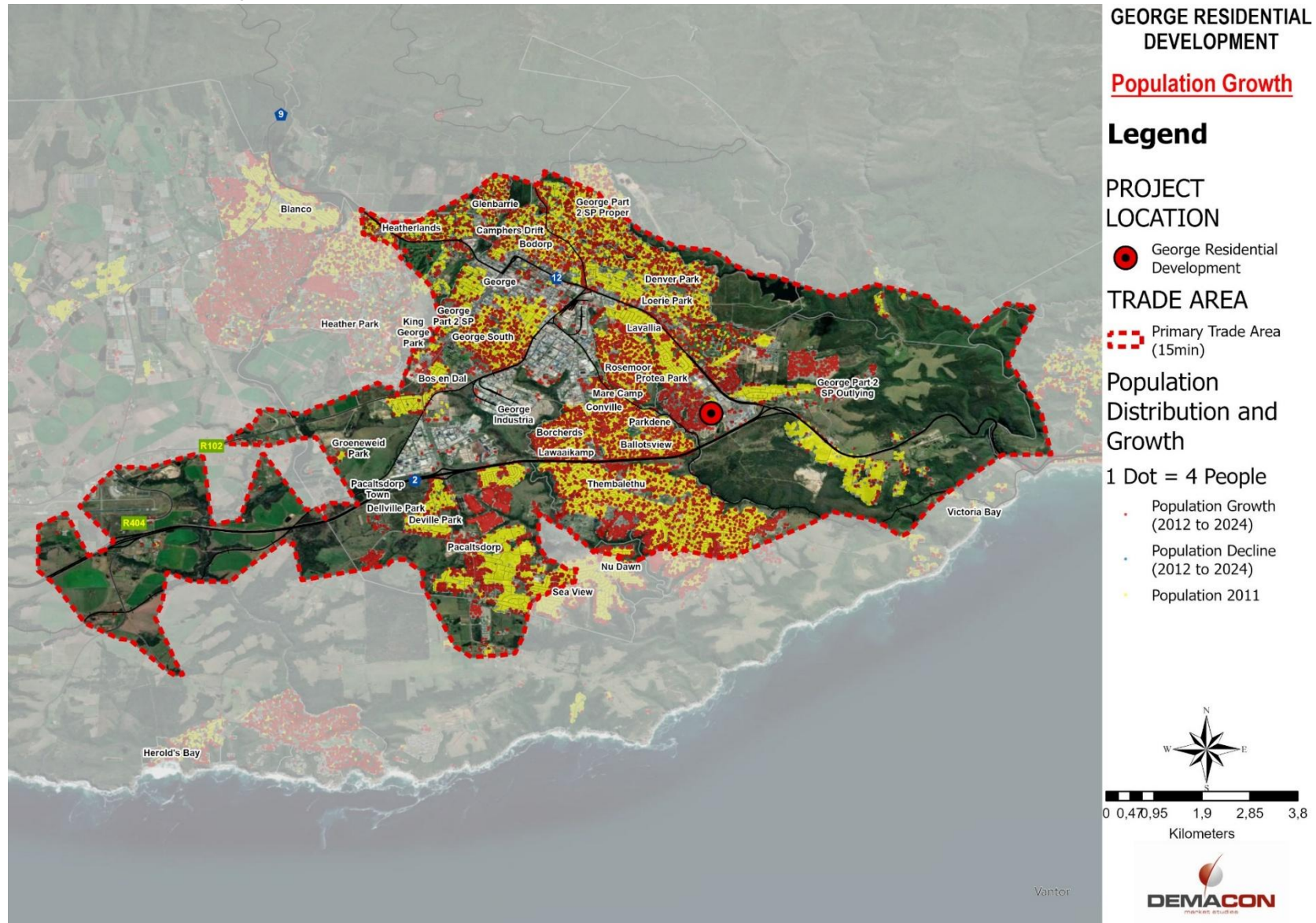


Map 1.2: Primary Market Area Delineation (Guided by a 15-Minute Drive Time Isochrone)



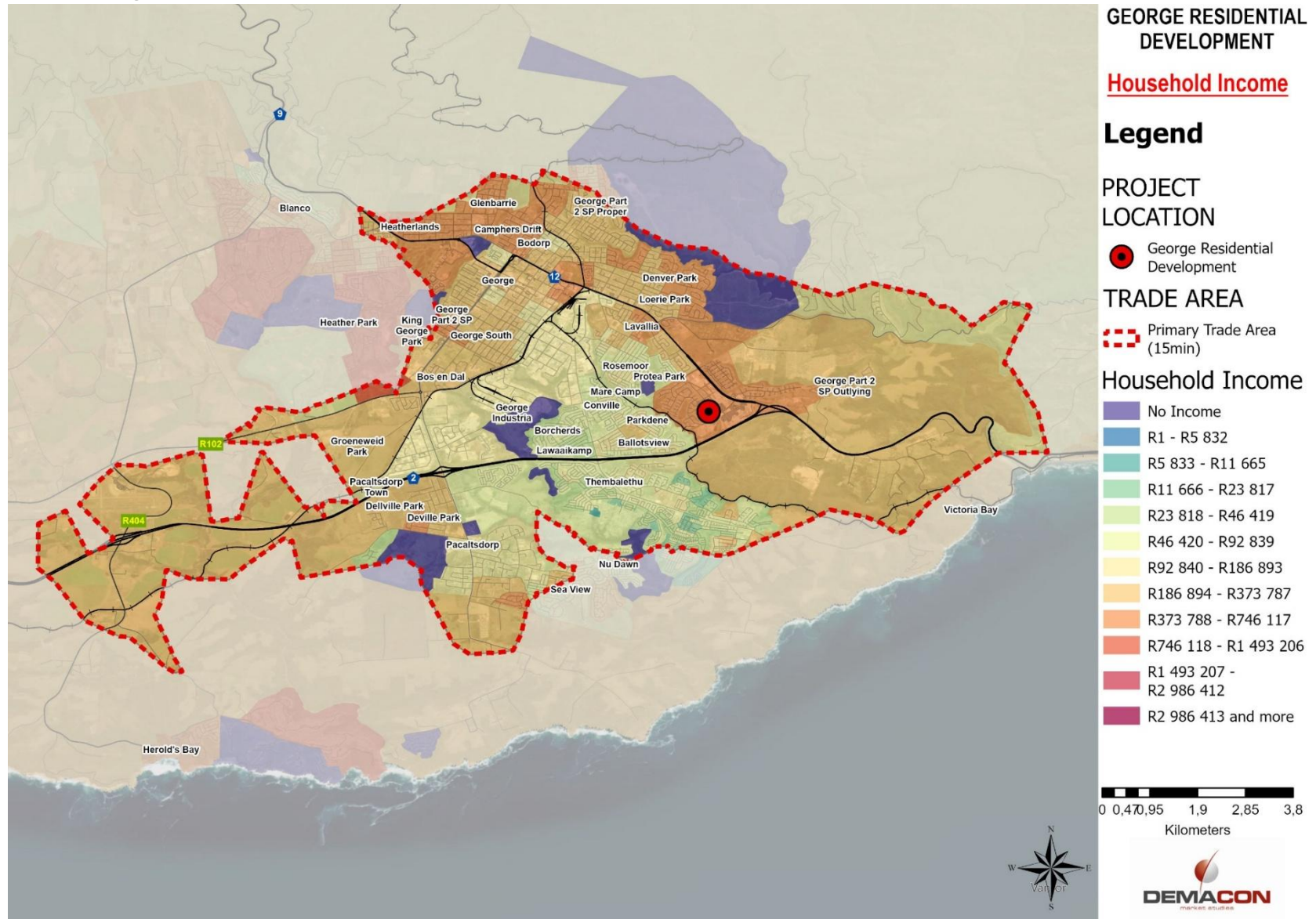
Source: DEMACON ex George Residential Development Market Study, 2026

Map 1.3: Market Area Population Density and Growth



Source: DEMACON ex George Residential Development Market Study, 2026

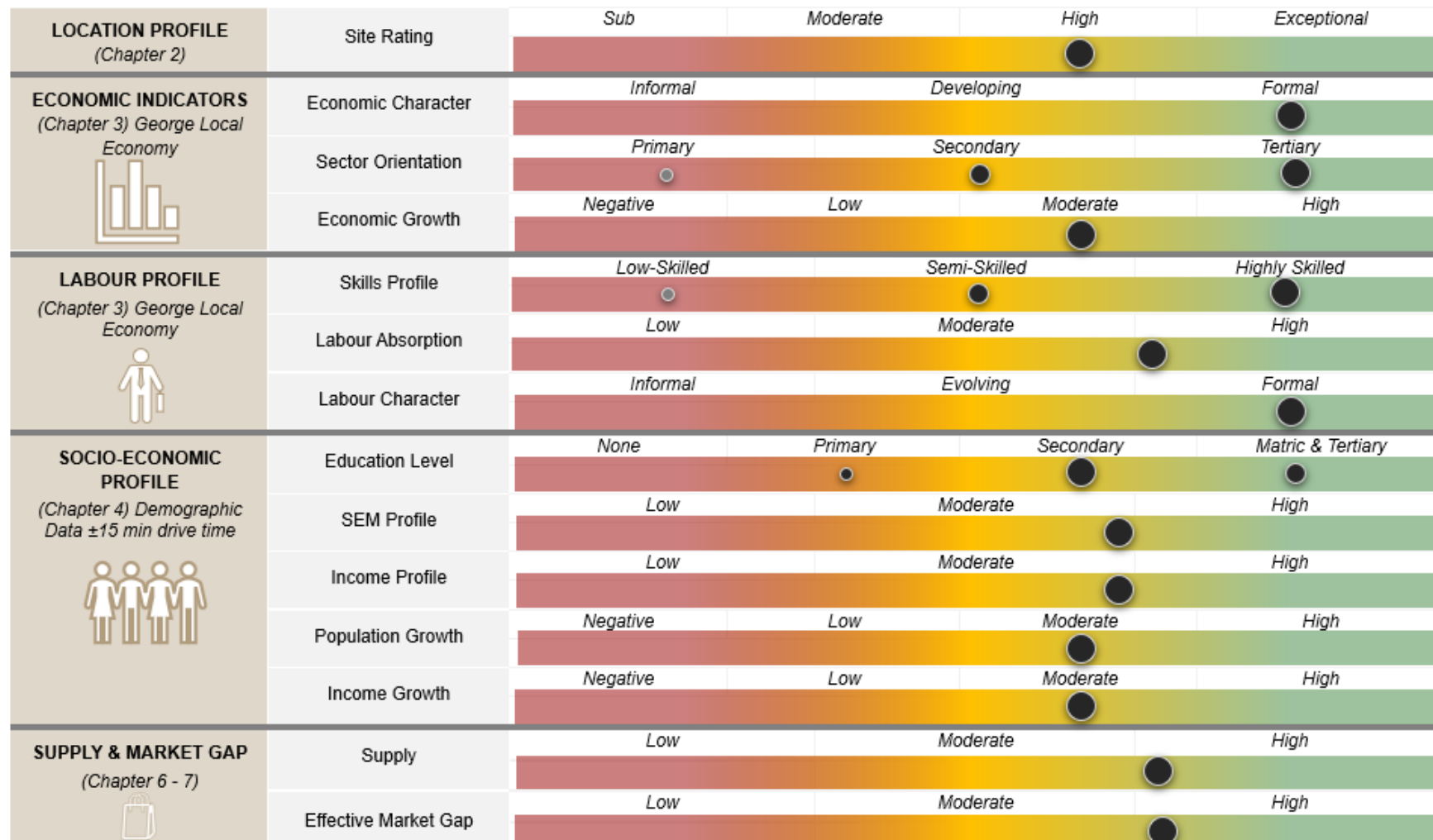
Map 1.4: Market Area Average Annual Household Income



Source: DEMACON ex George Residential Development Market Study, 2026



1.5 MARKET SYNOPSIS

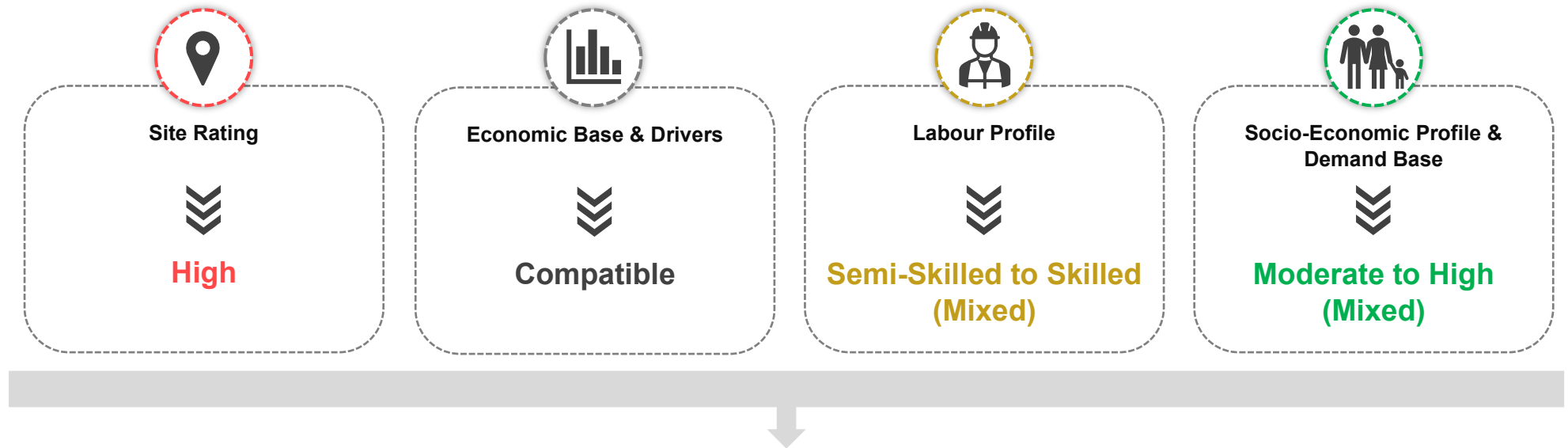


The infographic offers a qualitative interpretation of key quantitative variables analysed in the respective report chapters, including site/location rating(s), economic base and growth, labour market profile, consumer market profile, level of supply and perceived market gaps. The qualitative scales position each attribute on a scale from 'lesser' developed to 'more' developed. On a balance of scales, the concentration of ratings could be towards the left, indicating lesser developed markets, or towards the right, indicating formal and developed environments – each market type tends to offer unique development opportunities in the respective real estate market segments. Mixed markets with a scattering of scale ratings across the scales could also occur, which reflects on dualistic markets with developmental challenges and opportunities that are typical of such environments. In the case of economic sectors and educational profiles, the dot sizing's denote the relative contribution of the respective components (e.g. primary, secondary and tertiary).

1.6 DEVELOPMENT OPTIONS AND COMPATIBILITY

The following provides an overview of the compatibility of the project to the local market and the development options available to the project.

Diagram 1.2: Development Options and Compatibility



Market Gap Determination

Residential Development	Effective Market Gap	Development Prospects
Bonded Units (Apartments)		Moderate - High

Summary of Development Options & Compatibility

- Modelling portrays demand and take-up based on prevailing market trends. As such, it can be expected that demand conditions may continue to improve.
- The table above shows two sections, 1) total market and 2) project specific. Between 2026 and 2031 an estimated 4 095 new households will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately 819 units.
- Under present market conditions, the bonded segment (46.9%) will yield a take-up rate of 384 units per annum.
- A total of 680 units could be developed and taken-up over the short to medium term (80% take-up).
- Configuration: Apartments

Source: DEMACON ex George Residential Development Market Study, 2026

2 SOCIO-ECONOMIC AND FISCAL IMPACT ASSESSMENT METHODOLOGY

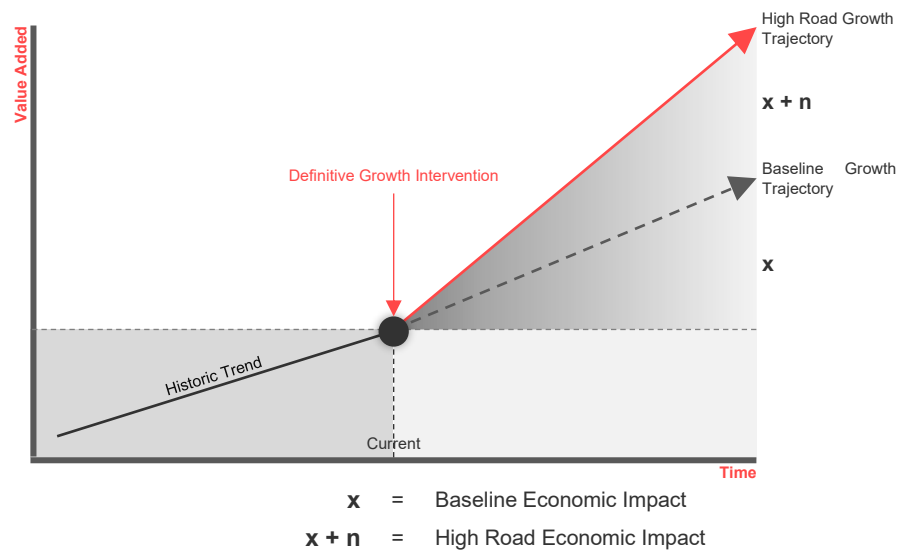
2.1 SOCIO-ECONOMIC AND FISCAL IMPACT ASSESSMENT PURPOSE

The purpose of the chapter is to provide an overview of the approach employed in this study to assess the socio-economic and fiscal impacts that may arise as a result of the proposed development's implementation and operation. Capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial and national economies. The impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector/land use. This impact stretches beyond the jobs and income generated by the original project. To estimate the total socio-economic impact, the input-output model is employed.

2.2 INPUT-OUTPUT MODEL METHODOLOGY

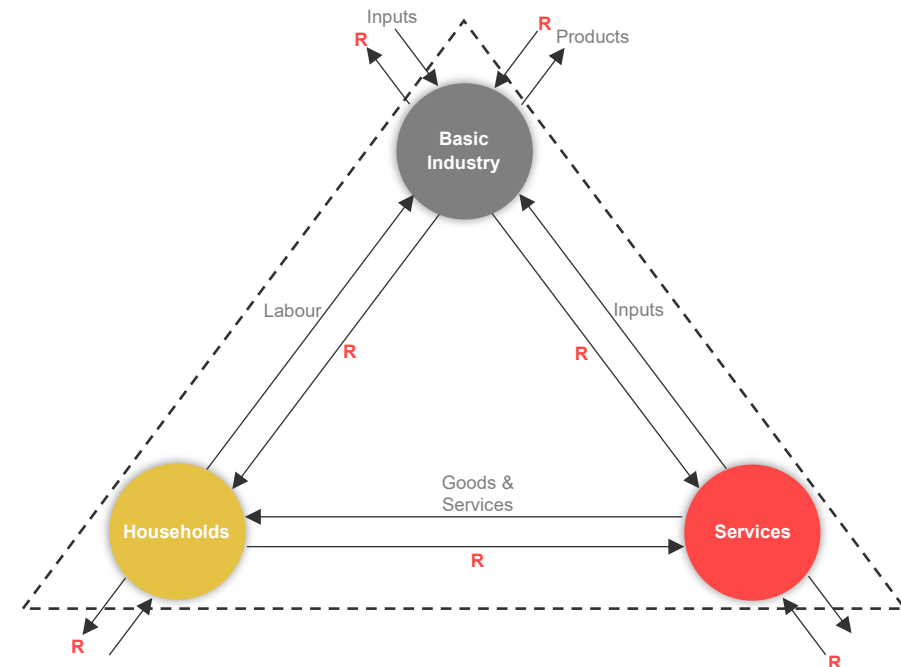
The following figure conceptually illustrates the socio-economic impact that the proposed development could have on the economy in terms of additional GDP.

Diagram 2.1: Economic Impact of a Development



Before the input-output model is discussed it is necessary to understand the community economic system and underlying interrelationships (Refer to Diagram 2.2).

Diagram 2.2: Community Economic System



There is a strong interrelationship and interdependence between the three dominant sectors of the local economy: Basic industry, households and services. These interrelationships refer to sectors purchasing from other sectors, sectors selling to other sectors, sectors selling outside of the local economy and sectors buying outside of the local economy.

This results in the flow of labour, inputs, goods and services as well as money within and beyond the local economy. The input-output analysis creates a picture of a provincial economy describing the flows to and from industries and

institutions. In other words, it describes the provincial economy and predicts the estimated impacts resulting from a change in the economy.

The Input-Output Model depicts economic relationships between different components of an economy by identifying monetary flows (expenditures, receipts) between various units. The relationship between the initial spending and the total effects generated by the spending is known as the multiplier effect of the sector, or more generally as the impact of the sector on the economy. The input-output table represents the nucleus of the Input-Output Model – as reflected in Table 2.1.

Table 2.1: Schematic Presentation of the Input-Output Model

	Intermediate Outputs	Final Demand	Total Production
Intermediate Inputs	Quadrant I x11 x12 x21 x22	Quadrant II C1 G1 I1 IC1 E1 C2 G2 I2 IC2 E2	X1 X2
	xn1 xn2 m11 m12	Cn Gn In ICn En MC MG	Xn Mn
Primary Inputs	Quadrant III A1 A2 B1 B2 T1 T2	Quadrant IV VC VG Vi VIC VE	A B T
Total Production	X1 X2 Xn	C G IC E	Z

Final demand (Y) can be presented by the following formula:

$Y = C + I + G + (X - Z)$ where:

C: Private consumption expenditure
I: Gross domestic fixed investment
G: Government consumption expenditure
X: Exports
Z: Imports

Both the intermediate inputs as well as intermediate outputs for the different production sectors are shown in Quadrant I. This quadrant is usually referred to as the transaction table or transaction matrix and is an indication of the transfer of goods and services between the industrial sectors for production purposes.

The different final demand components as applied in the input-output table are shown in Quadrant II. Components of final demand are private consumption expenditure (C), government consumption expenditure (G), gross domestic fixed investment (I), change in inventories (IC) and total exports (E).

Quadrant III represents the demand for primary inputs by the industrial sector. The elements of primary input, which are referred to are the remuneration of employees (A), the gross operating surplus (B) as well as net indirect taxes (T).

Quadrant IV is that portion of primary input, which is part of the final demand.

The linkage effects between the various sectors in the transaction matrix can be presented by x_{ij} , which shows the flow of goods from sector i to sector j.

The input-output model consists of three basic components:

- Transaction Table: illustrate the monetary flows of goods and services in a local economy for a given period
- Direct Requirements Table: indicates the purchases of resources (inputs) by a sector from all sectors to produce one Rand of output (creating a production recipe)
- Total Requirements Table: indicates the indirect and induced transactions caused by the purchases of resources (inputs) by a sector from all sectors

The input-output table is also based on certain basic assumptions:

- It is possible to group the different production activities in homogeneous industries
- The demand for intermediates by a particular sector will change in direct proportions to the specific sector's change in output
- No substitution of intermediates is possible due to price changes
- No technological change takes place
- Each sector produces only one primary product

It should be noted that:

- All rand values in the report represent 2026 current prices
- The different measures of economic impact cannot be added together and should be interpreted separately

- The model quantifies the economic impacts for a specific amount of time, and it is not derived gradually over time
- The input-output table is based on provincial supply and use tables, therefore, the multipliers and other related data measure economic impacts throughout the provincial economy (Derived multipliers based on StatsSA Annual Financial Statistics, GDP at various economic levels, employment data and quarterly labour force surveys, 2026).

Impacts are traced through the provincial economy in terms of the application of a set of multipliers derived from provincial economic accounts (only local transactions are used to create the multiplier effect).

A multiplier summarises the total impact that can be expected throughout the economy from one-unit change for a given sector. There are several types of multipliers used by the model:

- Output multipliers (Business revenue or sales): it estimates the total change in sales volume
- Employment multipliers: measures the total change in employment resulting from an initial change in output/production of a specific industry
- Value-added multiplier (GDP): provides an estimate of the additional value added to the products as a result of this economic activity. Value-added includes employee compensations, corporate profits, indirect business taxes, and proprietary and other property income. It is the sum of the remuneration of employees and the gross operating surplus.
- Income multiplier: measures the total increase in income in the local economy resulting from a 1 Rand increase in total output/production
- Taxation multiplier: measures the increase in tax revenue that the national treasury could collect from the operation of business activities
- SMME opportunities measure the potential of the economy to create opportunities for new SMME's based on the causal relationship with an increase in the GDP of the economy. The analysis also considers the relationship between SMME growth and black ownership. The relationship takes into consideration GDP growth (StatsSA) and concomitant business registration and ownership data (SARS).
- Potential skills requirements: measures the demand for jobs based on different skill levels, i.e., low, semi and skilled jobs

- Sector profiling: measures the linkage of defined land uses with sectors of the economy and estimates the impact that increased economic activity could have on the various components of the economy.
- In addition to the preceding multipliers, reference is also made to the need and demand for social amenities based on economic growth. The growth of the economy increases the demand for jobs. Consequently, an increased demand for jobs, aligned with increased livelihoods increases demand for social amenities. The impact tool seeks to measure the increased demand for a spectrum of social amenities.

Difference between multipliers and turnover:

Turnover is typically used as a synonym for the output or production of business. Turnover refers to the number of times some of the initial Rand that is received from outside the community, changes hands within the community. Example: 1 Rand received from a new investment changes hands five times within the local economy. The multiplier is 1.66, although some portion of the initial Rand turns over five times.

During each exchange of money for goods or services, some of the original Rand leaves the local economy, which reduces the amount spent locally during the next exchange. Multipliers measure the full impact of a Rand on the local economy, whereas turnover merely indicates the number of times some of the initial Rand is spent locally.

The economic impact can be measured in terms of three effects:

- Direct effects: those economic effects caused by the new investment or proposed project
- Indirect effects: occurs to industries in the backward linked industries that supply goods and services to the proposed development. Economic activity triggered by the purchases made as a result of the initial round of project expenditure
- Induced effects: result from households spending some of the additional income they receive on goods and services within the local, regional and provincial economies.

There are two types of multipliers:

- Type 1 multipliers: Include direct or initial spending, as well as indirect spending or business buying and selling to each other
- Type 2 multipliers: Include Type 1 multiplier effects, plus household spending based on the income earned from the direct and indirect effects – the induced effects

In summary: Economic impacts represent the positive or negative effects caused by the expansion or contraction of an area's economy, resulting from the changes in a facility or project. In the case of the proposed residential development, it represents the impacts caused by the proposed construction activities and resulting operational state of the project.

Subsequent sections provide an overview of the estimated socio-economic impacts that could be caused by the implementation and operation of the proposed residential development. The project's impact is also estimated in terms of two project phases – the construction and the operational phases.

3 ERF 28005 GEORGE RESIDENTIAL DEVELOPMENT SOCIO-ECONOMIC AND FISCAL IMPACT ASSESSMENT

3.1 INTRODUCTION

The purpose of the chapter is to assess the anticipated socio-economic impact that could be generated as a result of the implementation and operation of the proposed residential development. The estimated capital investment during the construction phase and operational revenue during the operational phase are used to quantify the potential impact on the regional, provincial and national economies.

The impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector/land use. This impact stretches beyond the jobs and income generated by the original project. To estimate the total socio-economic impact, the input-output model is employed.

3.2 KEY INDICATORS AND INPUTS

The following section provides an overview of the key indicators and inputs used to inform the input-output model. The data used as input to the model assists with calculating an estimated capital expenditure (CAPEX) and estimated annualised operational expenditure (OPEX) for the proposed residential development when fully developed and operational.

The following key indicators and inputs are based on capital investment and operational revenue estimations by DEMCON for the proposed development.

The capital expenditure includes an estimation for additional expenditure on furniture, fittings, fixtures and related services.

Table 3.1: Modelling Key Indicators and Inputs

Land Use	Total CAPEX	Total Annualised OPEX
 Residential Apartments	R1 340 785 920	R106 240 480
Total	R1 340 785 920	R106 240 480

Source: DEMACON, 2026

3.3 IMPACT SYNOPSIS

Total Estimated Capital Investment and Annualised Operational Expenditure

The total estimated capital investment of the Proposed Residential Development on Erf 28005, George (Blue Mountain) (Net Present Value for the current year) is R1.34 billion - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational expenditure (annualised on-site operational expenses) of the development (Net Present Value for the current year) is R106.24 million.

Summary of Construction Phase Impacts

Impacts generated during the construction phase of the project are once-off and are sustained for as long as construction occurs. These impacts dwindle as construction activity comes to an end and the development becomes operational – then operational impacts, which are created and sustained annually, are activated.

The total CAPEX (Capital Investment) of the project could temporarily add approximately R2.94 billion in additional business sales, R1.25 billion in additional GDP (contributes +1.25% to the provincial economy) and approximately 4 414 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 12 formal small, medium and micro-enterprise opportunities could be created. Black-owned SMMEs would potentially represent 75% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment during the construction phase represents 3 454 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.75% semi-skilled labourers and 21.95% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R442.7 million.

It is estimated that approximately R360.37 million in additional taxes could be generated during the construction phase. The largest contributor to new taxes is as a result of corporate taxes, contributing 33.44% to all taxes collected economywide.

Summary of Operational Phase Impacts

Operational phase impacts are generated when the productive-land uses of the development commence with operations. Impacts created during the operational phase are "sustained" impacts. "Sustained impacts" are impacts that are continuously generated (i.e. created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

The total OPEX (operational expenditure) of the project could annually add approximately R188.01 million in additional business sales, R104.06 million in additional GDP (contributes +0.1% to the provincial economy) and approximately 199 sustained jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 0 formal small, medium and micro-enterprise opportunities could be created throughout the lifetime of the project. Black-owned SMMEs would potentially represent 0% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment opportunities created throughout the lifetime of the project represents 174 jobs (total direct, indirect and induced). Approximately 37.93% of formal employment opportunities are expected to be filled by skilled labourers compared to 41.95% semi-skilled labourers and 20.11% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R29.11 million.

It is estimated that approximately R21.99 million in additional taxes could be generated during the operational phase. The largest contributor to new taxes is as a result of personal income tax, contributing 44.65% to all taxes collected economywide.

Overall Outcome

Overall, the construction and operational phase of the project would have a measurable positive effect on the Western Cape provincial economy, generating sizeable GDP over the short- to long-term, high additional business sales and

new business formation and a considerable number of new employment opportunities - across all skill levels. Additional taxes can contribute to national and local treasuries and households across the province can increase their livelihoods.

The increased demand for social amenities will influence the fiscus and operation of public sector entities. The increased pressure on the fiscus is offset by the addition of productive rateable assets through the envisaged capital investment in the project.

3.3.1 CONSTRUCTION PHASE IMPACTS

The following section provides a concise overview of impacts that could arise during the construction phase of the proposed residential development. For a detailed breakdown of construction phase impacts, please refer to Annexure A. Please note that all effects of the construction phase are unsustained meaning that impacts are once-off and sustained for the duration of the construction phase.

Overarching Impacts

Total

estimated **R1.34 billion**
CAPEX of the project

- **R2.9 billion** Additional Business Sales
- **R1.3 billion** Additional GDP
- **4 414 jobs** Additional Formal and Informal Jobs

Estimated Number of New Enterprise Opportunities


Micro Enterprises
(1 to 10 employees)
6


Small Enterprises
(11 to 50 employees)
5


Medium Enterprises
(51 to 200 employees)
1

Calculations indicate that the total estimated GDP impact of the construction phase could create **12** new SMME enterprise opportunities

 **75.0%** of opportunities could be **black owned**

Social Amenities Potentially Required

No social amenity impacts apply during the construction phase

Formal Job Opportunities and Compensation



78.3%

of total employment opportunities are **formal**

Skilled Jobs **21.3%**
Semi-Skilled Jobs **56.7%**
Low-Skilled Jobs **21.9%**



Skilled Jobs

736



Semi-Skilled Jobs

1 960



Low-Skilled Jobs

758

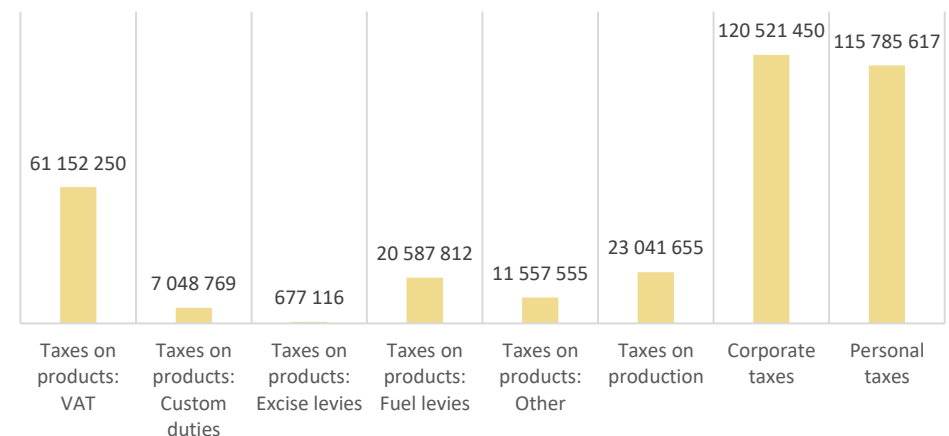
Total Compensation for all Job Opportunities

R125.7 million

R177.9 million

R139.1 million

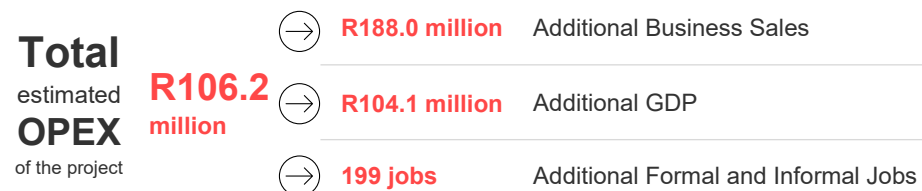
Impact on Taxation



3.3.2 OPERATIONAL PHASE IMPACTS

The following section provides a concise overview of impacts that could arise during the operational phase of the proposed residential development. For a detailed breakdown of operational phase impacts, please refer to Annexure A. Please note that all effects of the operational phase are sustained meaning that impacts are continuously generated (i.e., created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

Overarching Impacts



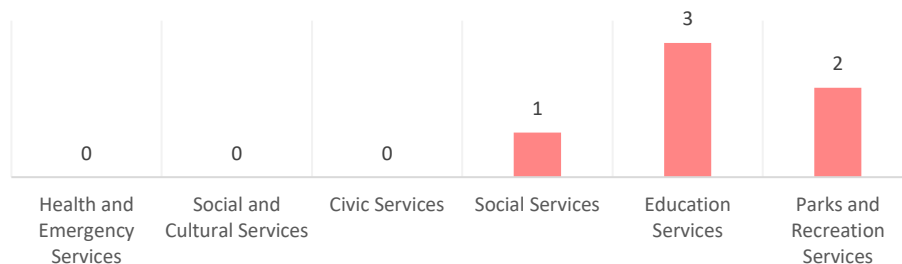
Estimated Number of New Enterprise Opportunities



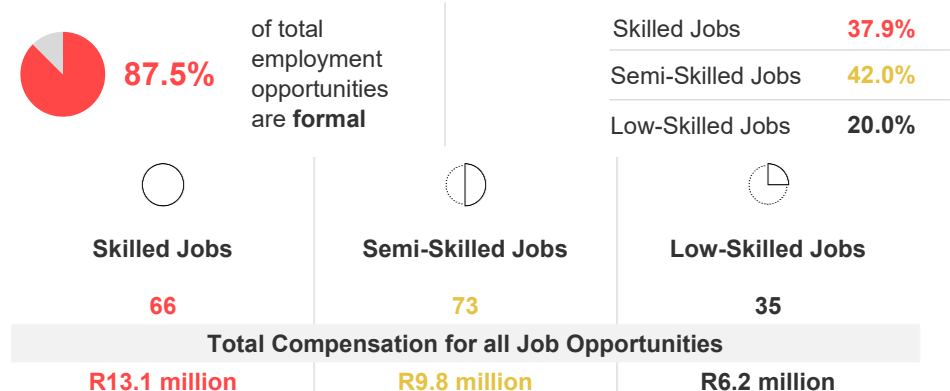
Calculations indicate that the total estimated GDP impact of the construction phase could create **0** new SMME enterprise opportunities



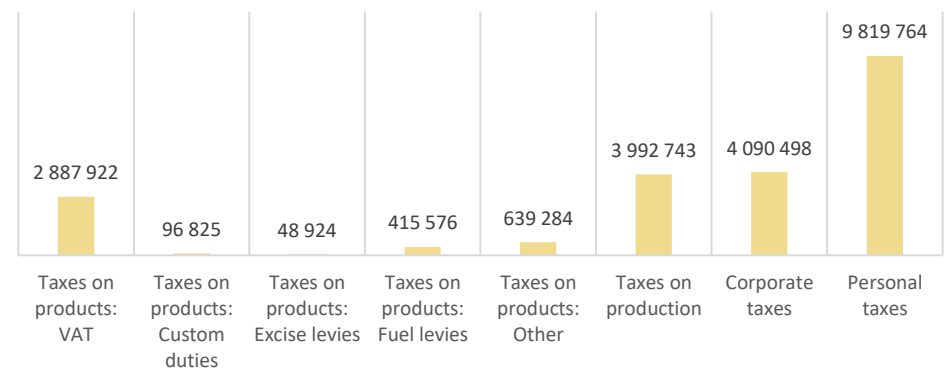
Social Amenities Potentially Required



Formal Job Opportunities and Compensation



Impact on Taxation



Property taxes total approximately **R7 743 515** per annum

3.3.3 EFFECTS ON THE PROVINCIAL ECONOMY

The following illustrates the impact that the proposed residential development has on the Western Cape provincial economy by providing a graphical representation of the distribution of added GDP as a result of the construction and operational phase of the project.



3.4 SUMMARY OF IMPACTS

The following provides a concise perspective on the inputs and outputs of the proposed development, taking into account the outcome of the preceding impact assessment.

Costs		Benefits (Impact)					
Construction Phase (CAPEX)		Unsustained Impacts		Direct (e.g. Industry and its suppliers)	Indirect (e.g. All other rounds of suppliers in the economy)	Induced (e.g. Increased consumption expenditure)	Total (e.g. Economy Wide)
Total CAPEX	R1.34 billion	Financial Impact	Additional Business Sales	R2.0 billion	R359.2 million	R583.1 million	R2.9 billion
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R253.9 million	R39.5 million	R67.0 million	R360.4 million
			Property Rates and Taxes – Municipal				
		Economic Impact	Additional GDP (Market Prices)	R802.8 million	R159.9 million	R291.4 million	R1.3 billion
		Business Impact – New business opportunities and/or business employment expansion	Micro Enterprise (1 to 10)	4	1	1	6
			Small Enterprises (11 to 50)	3	1	1	5
			Medium Enterprises (51 to 200)	1	0	0	1
		Social Impact	Additional Jobs (Formal and Informal)	3 203	395	816	4 414
			Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R288.9 million	R46.7 million	R107.2 million	R442.7 million
		Operational Phase (OPEX)		Sustained Impacts (annualised; at maturity)		Direct (e.g. Industry and its suppliers)	Indirect (e.g. All other rounds of suppliers in the economy)
Total OPEX	R106.2 million	Financial Impact	Additional Business Sales	R123.9 million	R10.0 million	R54.4 million	R188.0 million
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R14.6 million	R1.1 million	R36.2 million	R22.0 million
			Property Rates and Taxes – Municipal	R7.7 million			
		Economic Impact	Additional GDP (Market Prices)	R71.8 million	R5.1 million	R27.2 billion	R104.1 million
		Business Impact – New business opportunities and/or business employment expansion	Micro Enterprise (1 to 10)	0	0	0	0
			Small Enterprises (11 to 50)	0	0	0	0
			Medium Enterprises (51 to 200)	0	0	0	0
		Social Impact	Additional Jobs (Formal and Informal)	109	14	76	199
Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R17.4 million		R1.7 million	R10.0 million	R29.1 million		

3.5 CONCLUSION

The preceding socio-economic and fiscal impact assessment shows that the construction and operation of a proposed residential development could create economy-wide impacts that will benefit local and regional communities and economies.

The prospect of the impact occurring is identified as being moderate to high given that the development is strategically positioned to both integrate in to the broader real estate market and its key driving factors that support demand take-up by the proposed development and the capability of the project to contribute to the spatial aspirations of the local authority by enabling targeted high density residential development close to a key commercial and economic node.

Table 3.2: Summary of Key Impact Assessment Outcomes

Impact Measure		Construction Phase (Once-Off)	Operational Phase (Annual and Sustained)
	Inputs	R1.3 billion 	R106.2 million 
Impacts			
	Additional Business Sales	R2.9 Billion	R188.0 million
	Additional GDP	R1.3 Billion	R104.1 million
	Additional Formal Employment	3 545 jobs	174 jobs
	Estimated Number of New Enterprise Opportunities	12 business opportunities	0 business opportunities
	Compensation of Additional Formal Employment (Annual)	R442.7 million	R29.1 million
	Total Additional Taxation (Taxes on Products and Production, Corporate	R360.4 million	R22.0 million

Impact Measure		Construction Phase (Once-Off)	Operational Phase (Annual and Sustained)
Taxes, Personal Income Tax)			
	Additional Social Amenities	0	6
	Total Additional Property Taxation	n/a	R7.7 million
Probability Rating			

		Moderate to High	
★★★	Impact Prospects	The project is strategically located to support existing market demand and integrate into the long-term spatial development aspirations of the local municipality	

Source: DEMACON, 2025

ANNEXURE A: ERF 28005 GEORGE RESIDENTIAL DEVELOPMENT SOCIO-ECONOMIC AND FISCAL IMPACT ASSESSMENT

Prepared For:
**Century Property Developments
(Pty) Ltd**

July 2026

**Proposed Residential
Development on Erf
28005, George (Blue
Mountain)**

**Fiscal and Socio-Economic
Impact Model**

DEMACON LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT

 **Market Studies**
Retail Studies | Centre
Repositioning | Consumer
Surveys

 **Special Projects**
Mixed Use Developments |
Inclusionary Housing Projects |
Economic Impact Assessments

 **Africa**
Real Estate Feasibility Studies |
Economic Assessments |
Socio-Economic Surveys |
Impact Assessments

 Incorporating
GIS Technology
for Advanced
Geo-Spatial Analysis

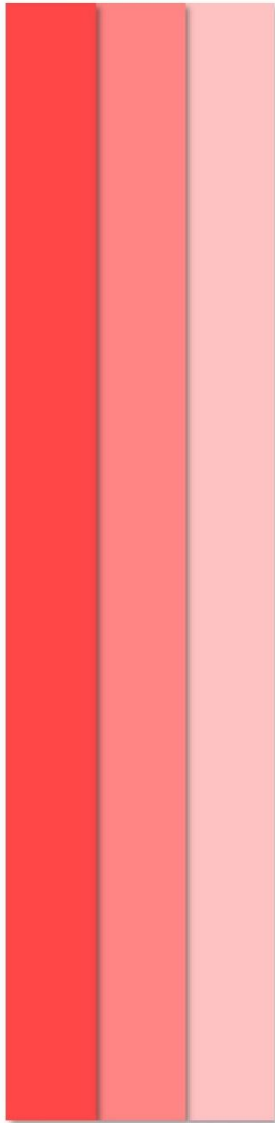
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Chapter 4: Operational Phase Economic Impacts	22
Chapter 5: Estimated Number of Formal SMME Opportunities	27
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Index and Glossary

Direct Impacts	Those economic effects caused by the new investment or proposed project
Indirect Impacts	Occurs to industries in the backward linked industries that supply goods and services to the proposed project. Economic activity triggered by the purchases made as a result of the initial round of project expenditure
Induced Impacts	Result from households spending some of the additional income they receive on goods and services within the local, regional and provincial economy
Construction Phase	Focuses on the period during which the proposed project is constructed
Operational Phase	Focuses on the period after construction has completed and operations are started
Capital Investment	The investment by public and private sector stakeholders in land, infrastructure, top structures and other items required to undertake and complete the construction of a project
Annual Turn Over	Estimated annual turn over expected by the project due to normal day to day operations
Gross Domestic Product	Gross domestic product (GDP) at market prices (value added originating) is the value that the production processes and services rendered in the economy adds to the value of goods sold or services delivered (Gross domestic product (GDP) at market prices = Gross value added at basic prices + Net indirect taxes on products (by government))
Formal Employment	Employment figures indicate the number of paid employees and include casual and seasonal workers. Employment consists of three main categories, namely high-skilled, semi-skilled and low skilled labour
Informal Employment	Number of paid employees that are employed by informal businesses - informal businesses are businesses not registered as a formal enterprise
Compensation	The compensation of employees is equal to the income received by employees, i.e. wages and salaries
SMME	Small, Medium and Micro Enterprises

Taxes on Products	Indirect taxes on products include all indirect taxes levied by the government on products. These taxes include the following: Value added tax (VAT) and customs and excise duties
Taxes on Production	Taxes on production are the value of all the money paid by producers to the government, in respect to taxes on their production
Corporate Taxes	Corporate taxes
Personal Taxes	Personal taxes include UIF and PAYE



Chapter 1 Project Information

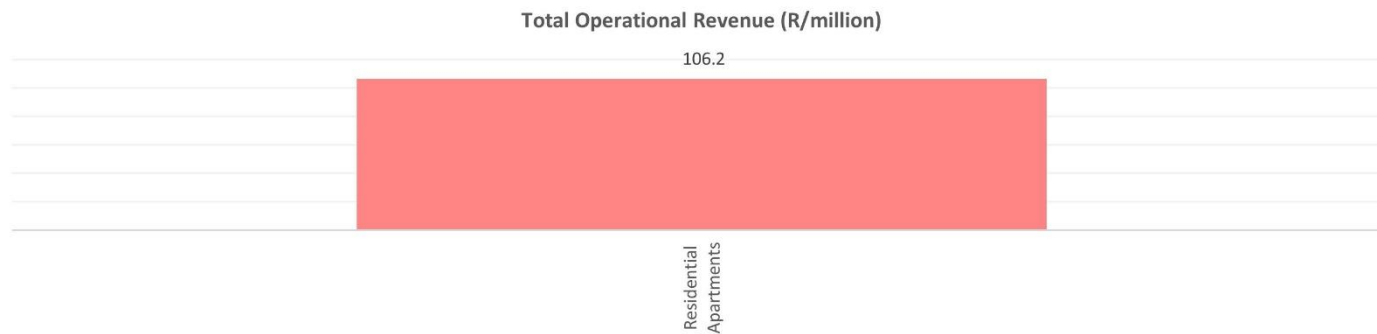
The following section of the report is focused on providing an overview of the project modeled by the fiscal and socio-economic impact model. The purpose of the section is to introduce the project, highlight the broad land uses of the project, identify capital investment and operational expenditure frameworks and timeframes, and to highlight the intended target market.

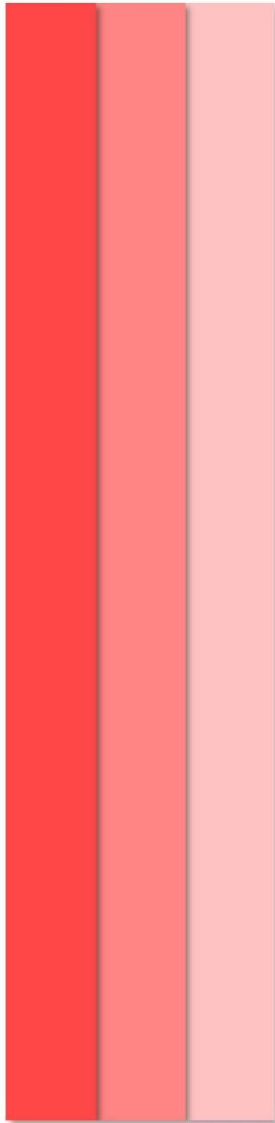
Project Description:	Review of impacts that could arise as a result of the implementation of the project
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[illegible]

Total Capital Investment (R/million)



[illegible]



Chapter 2 Synopsis

This section of the report focuses on providing a concise and digestible overview of the outcomes of the socio-economic impact model. The purpose is to highlight key outcomes and considerations from the impact analysis. The Section also serves as an introduction to the remainder of the report which, from Section 2 onwards, provide detailed information regarding every impact modeled.

2 Synopsis

2.1 Impact Outcome Synopsis

2.1.1 Total Estimated Capital Investment (CAPEX and Operational Expenditure (OPEX))

The total estimated capital investment of the Proposed Residential Development on Erf 28005, George (Blue Mountain) (Net Present Value for the current year) is R1.34 billion - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational expenditure (annualised on-site operational expenses) of the development (Net Present Value for the current year) is R106.24 million.

2.1.2 Summary of Construction Phase Impacts

Impacts generated during the construction phase of the project are once-off and are sustained for as long as construction occurs. These impacts dwindle as construction activity comes to an end and the development becomes operational – then operational impacts, which are created and sustained annually, are activated.

The total CAPEX (Capital Investment) of the project could temporarily add approximately R2.94 billion in additional business sales, R1.25 billion in additional GDP (contributes +1.25% to the provincial economy) and approximately 4 414 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 12 formal small, medium and micro-enterprise opportunities could be created. Black-owned SMMEs would potentially represent 75% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment during the construction phase represents 3 454 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.75% semi-skilled labourers and 21.95% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R442.7 million.

It is estimated that approximately R360.37 million in additional taxes could be generated during the construction phase. The largest contributor to new taxes is as a result of corporate taxes, contributing 33.44% to all taxes collected economywide.

2.1.3 Summary of Operational Phase Impacts

Operational phase impacts are generated when the productive-land uses of the development commence with operations. Impacts created during the operational phase are "sustained" impacts. "Sustained impacts" are impacts that are continuously generated (i.e. created and then sustained annually) as soon as the full operation of the project commences (long-term impacts).

The total OPEX (operational expenditure) of the project could annually add approximately R188.01 million in additional business sales, R104.06 million in additional GDP (contributes +0.1% to the provincial economy) and approximately 199 sustained jobs (formal and informal) throughout the Western Cape provincial economy.

An estimated 0 formal small, medium and micro-enterprise opportunities could be created throughout the lifetime of the project. Black-owned SMMEs would potentially represent 0% of new formal SMME opportunities, given the prevailing legislative environment.

Formal employment opportunities created throughout the lifetime of the project represents 174 jobs (total direct, indirect and induced). Approximately 37.93% of formal employment opportunities are expected to be filled by skilled labourers compared to 41.95% semi-skilled labourers and 20.11% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R29.11 million.

It is estimated that approximately R21.99 million in additional taxes could be generated during the operational phase. The largest contributor to new taxes is as a result of personal income tax, contributing 44.65% to all taxes collected economywide.

2.1.4 Overall Outcome

Overall, the construction and operational phase of the project would have a measurable positive effect on the Western Cape provincial economy, generating sizeable GDP over the short-to long-term, high additional business sales and new business formation and a considerable number of new employment opportunities - across all skill levels. Additional taxes can contribute to national and local treasuries and households across the province can increase their livelihoods.

The increased demand for social amenities will influence the fiscus and operation of public sector entities. The increased pressure on the fiscus is offset by the addition of productive rateable assets through the envisaged capital investment in the project.

2.2 Construction Phase Economic Impacts



2.3 Operational Phase Economic Impacts



2.4 SMME Opportunities

Enterprise Type	Construction Phase	Operational Phase
Micro Enterprises (1 to 10 employees)	6	0
Small Enterprises (11 to 50 employees)	5	0
Medium Enterprises (51 to 200 employees)	1	0
Estimated Number of New Enterprise Opportunities	12	0
Estimated Number of New Black Owned SMME Opportunities	9	0
	75.0%	0.0%
	of new business opportunities could be black owned	of new business opportunities could be black owned



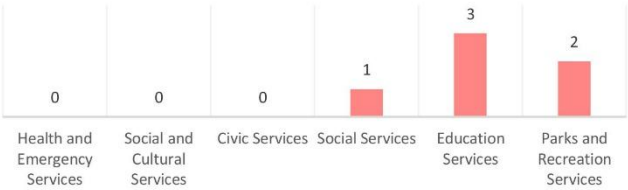


Job Typer per Skill Level	Construction Phase	Operational Phase
Skilled Formal Jobs	125 705 313	13 097 816
Semi-Skilled Formal Jobs	177 903 789	9 824 317
Low-Skilled Formal Jobs	139 089 069	6 184 678
Total	442 698 171	29 106 812



2.8 Additional Social Facilities Required

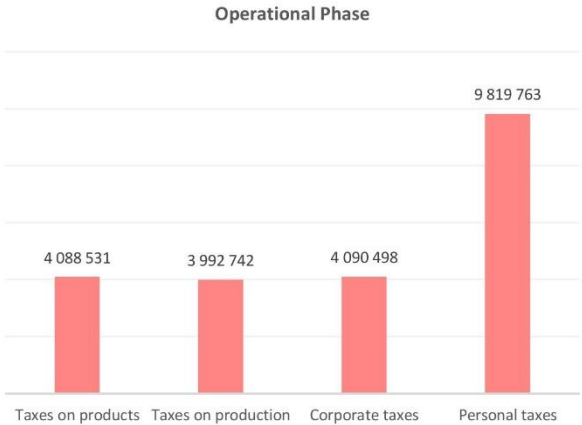
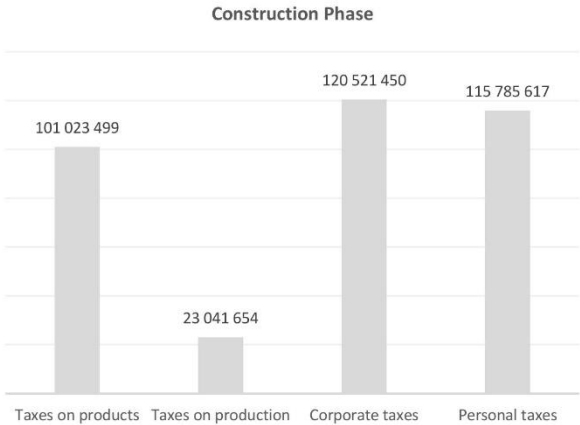
Social Facility Type (Main Category)	Additional Facilities Required (Sustained)
Health and Emergency Services	0
Social and Cultural Services	0
Civic Services	0
Social Services	1
Education Services	3
Parks and Recreation Services	2
Total	6



2.9 Additional Taxes Generated

Taxation Type	Construction Phase	Operational Phase
Taxes on products	101 023 499	4 088 531
Taxes on production	23 041 654	3 992 742
Corporate taxes	120 521 450	4 090 498
Personal taxes	115 785 617	9 819 763
Total Tax Impact	360 372 221	21 991 534

Property Taxation	Property Rates per Annum
Total Property Taxes (i.e. Taxable Property Types)	7 743 515
Total Property Taxes Foregone by Local Municipality (i.e. Subsidy Housing Programmes, etc.)	0
Total	7 743 515



2.10 Sector Profiling

Impact on GDP during the Construction Phase (Different Economic Geographies)

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	1 155 385 023	1 309 846 797 023	0.09%
Eden Regional Economy	57 034 375 000		58 189 760 023	1.99%
George Sub-Regional Economy	22 821 357 000		23 976 742 023	4.82%

Top Economic Sectors that Benefit from Increased GDP

① National and Provincial government	341 870 435	⑥ Coal	40 791 424
② Metals	277 945 294	⑦ Gold	38 411 168
③ Education (Private)	146 008 376	⑧ Health and social work (Private)	28 439 209
④ Professional business services	107 265 371	⑨ Other community, social and personal services	24 517 787
⑤ Wholesale and retail trade	54 920 202	⑩ Other mining and quarrying	20 062 280

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector

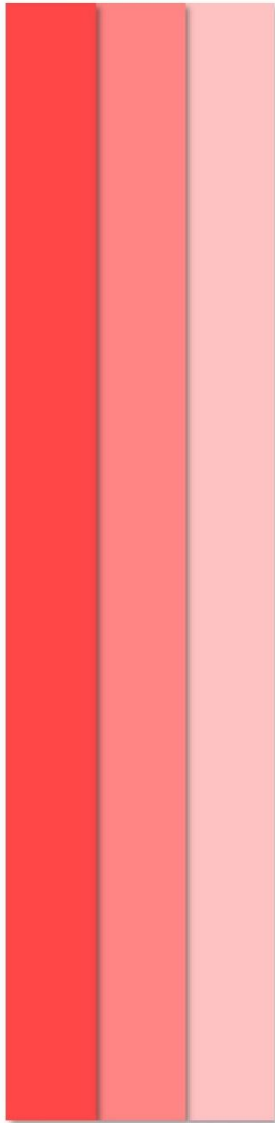


Impact on GDP during the Operational Phase (Different Economic Geographies)				
Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	100 047 293	1 308 791 459 293	0.01%
Eden Regional Economy	57 034 375 000		57 134 422 293	0.18%
George Sub-Regional Economy	22 821 357 000		22 921 404 293	0.44%

Top Economic Sectors that Benefit from Increased GDP			
①	Finance and insurance	30 725 417	⑥ Business activities n.e.c. 5 689 904
②	Wholesale and retail trade	16 882 201	⑦ National and Provincial government 3 521 785
③	Professional business services	10 311 517	⑧ Catering and accommodation services 2 380 900
④	Agriculture	9 233 962	⑨ Other community, social and personal services 1 556 065
⑤	Transport and storage	8 946 605	⑩ Machinery and equipment 1 399 512

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector





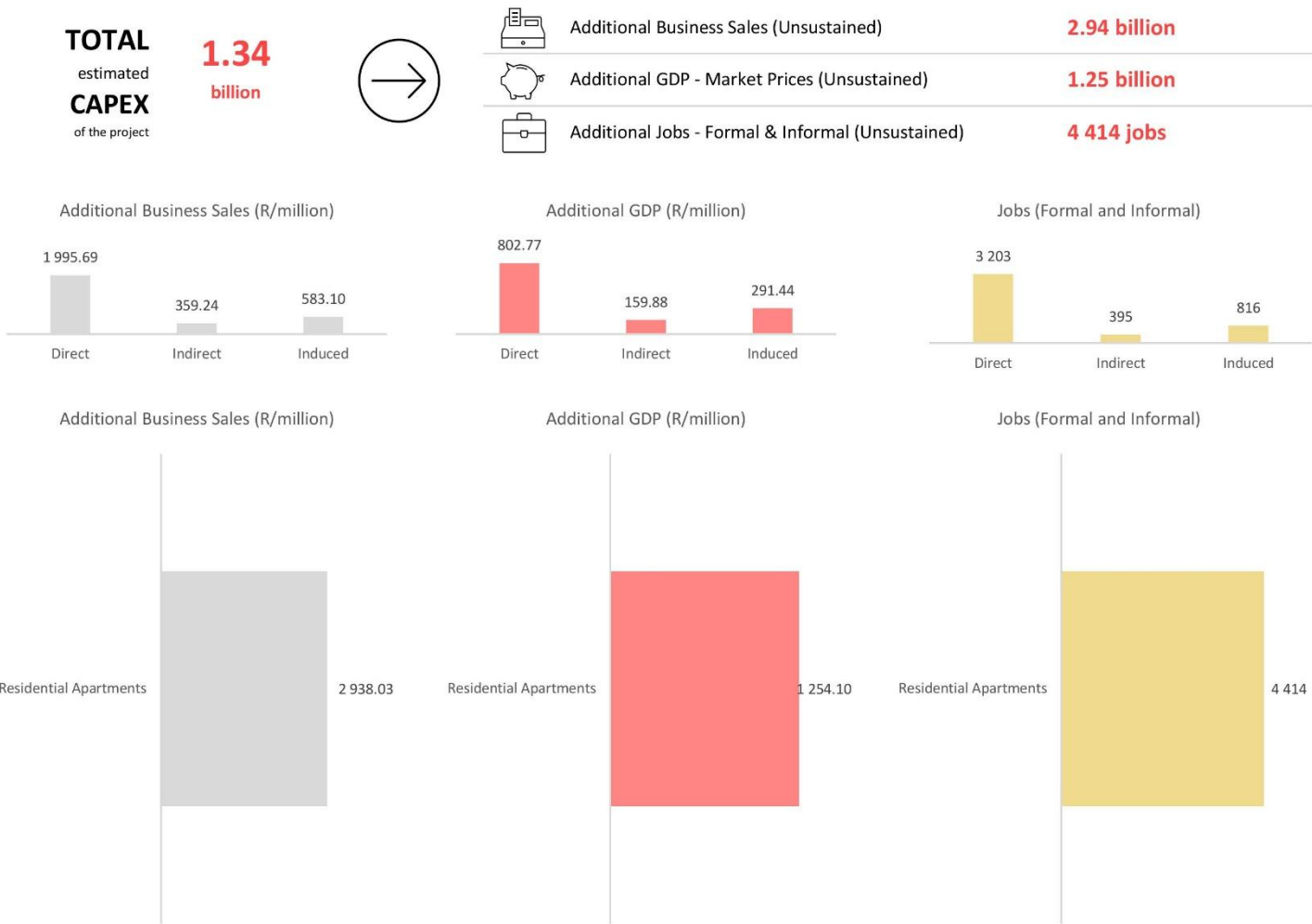
Chapter 3

Construction Phase Economic Impacts

This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the construction phase of the proposed project. Impacts generated during this phase are not sustained impacts because the construction phase of a project only lasts up until the necessary land improvements, buildings, bulk infrastructure, other infrastructure, fittings and furnishings and operational machinery etc. have been constructed and completed.



3 Construction Phase Economic Impacts

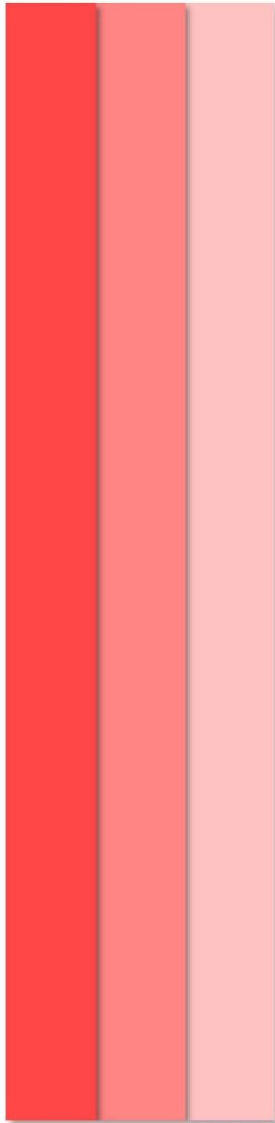


Residential
Apartments

[illegible]

1 254.10

Residential
Apartments



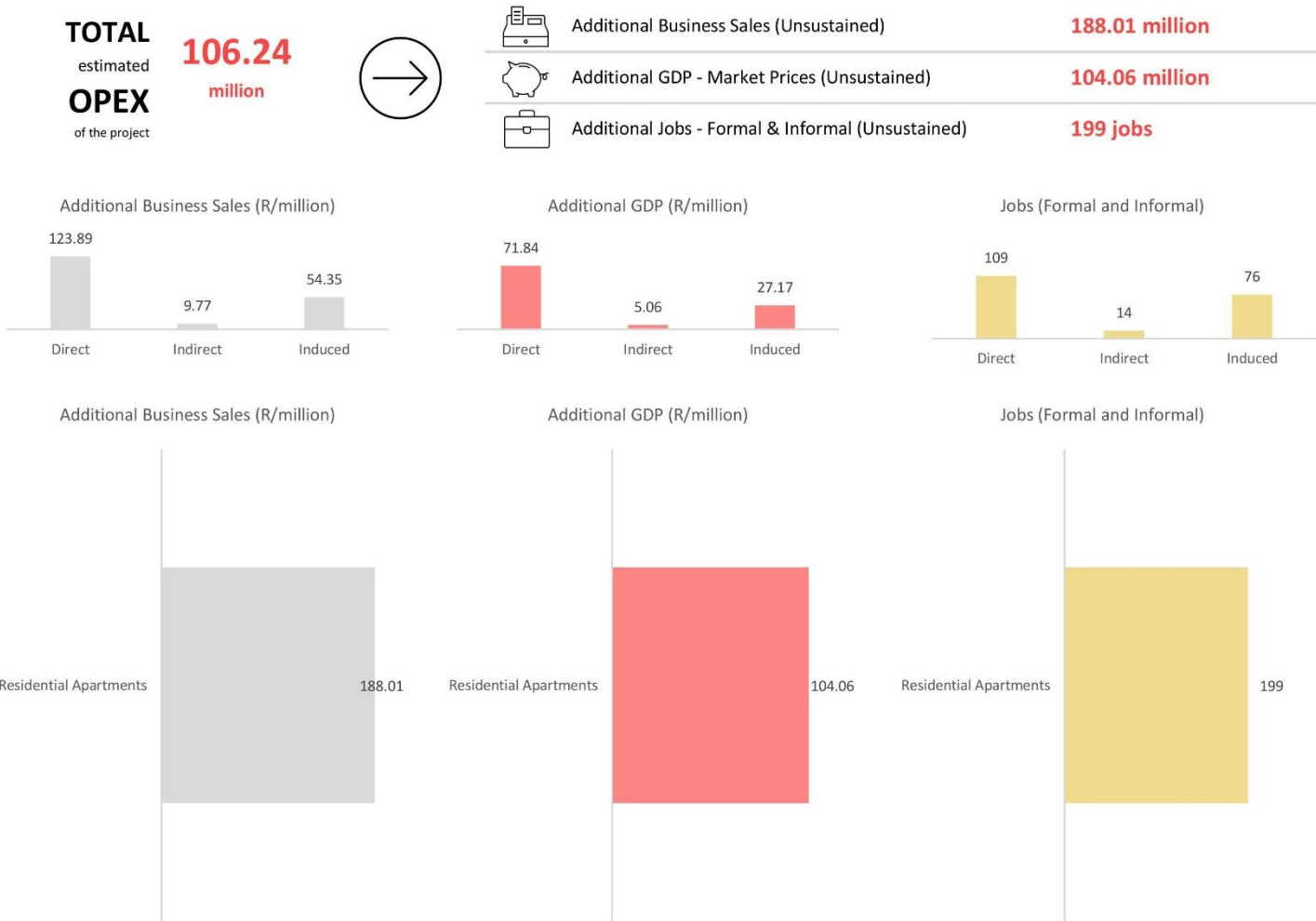
Chapter 4

Operational Phase

Economic Impacts

This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the operational phase of the proposed project. Impacts generated during this phase are sustained impacts meaning, impacts generated are sustained for the duration of the the project lifecycle given that annual turn over remains constant.

4 Operational Phase Economic Impacts



[illegible]

188.01

Residential
Apartments

[illegible]

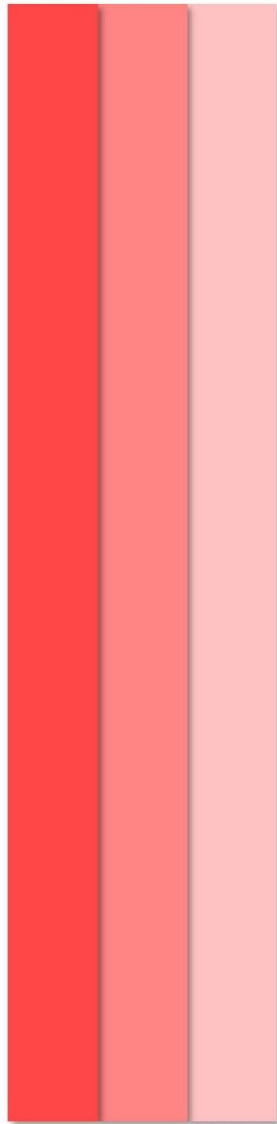
100

Residential
Apartments

[illegible]

Distribution between the Formal and Informal Economy	
Total Number of Formal Jobs Created	174
Total Number of Informal Jobs Created	25





Chapter 5

Estimated Number of Formal SMME Opportunities

This section of the report is focused on providing an overview of potential number of new small, medium or micro enterprises that could become operational as a result of the added GDP generated during the construction and operational phases. The impact considers the current impact (includes an historic perspective) that changes in the GDP of the regional economy has had on the number of SMME's operational and formally registered with SARS. The section thus estimates the number of potential new SMME's that could be established due to changes in the provincial economy's GDP and the segment that could potentially be black owned.

5 Estimated Number of Formal SMME Opportunities

5.1 Construction Phase Enterprise Opportunities

TOTAL
estimated
CAPEX
of the project

1.34
billion



Micro Enterprises (1 to 10 employees)

6 enterprises

Small Enterprises (11 to 50 employees)

5 enterprises

Medium Enterprises (51 to 200 employees)

1 enterprises

Enterprise Type	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Micro Enterprise Opportunities	4	1	1	6
Small Enterprise Opportunities	3	1	1	5
Medium Enterprise Opportunities	1	0	0	1
Estimated Number of New Enterprise Opportunities	8	2	2	12
Estimated Number of New Black Owned Enterprise Opportunities				9

Calculations indicate that the total estimated GDP impact of the construction phase could create 12 new SMME enterprise opportunities. Approximately 75% of opportunities could be black owned.

5.1 Operational Phase Enterprise Opportunities

TOTAL
estimated
OPEX
of the project

106.24
million



Micro Enterprises (1 to 10 employees)

0 enterprises

Small Enterprises (11 to 50 employees)

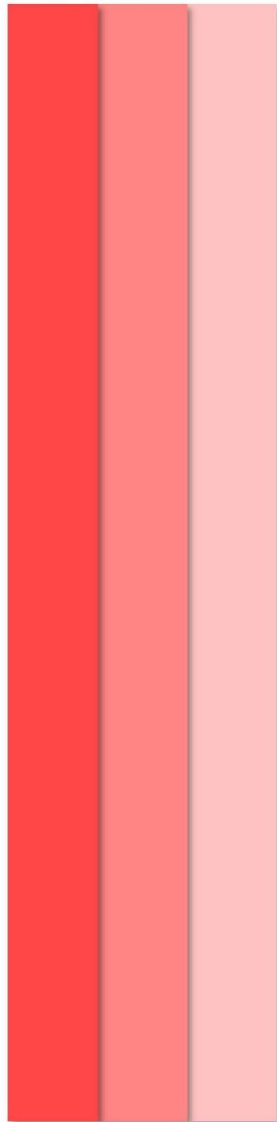
0 enterprises

Medium Enterprises (51 to 200 employees)

0 enterprises

Enterprise Type	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Micro Enterprise Opportunities	0	0	0	0
Small Enterprise Opportunities	0	0	0	0
Medium Enterprise Opportunities	0	0	0	0
Estimated Number of New Enterprise Opportunities	0	0	0	0
Estimated Number of New Black Owned Enterprise Opportunities				0

#DIV/0!



Chapter 6 Formal Jobs Created per Skill Level

This section of the report focuses on providing an overview of the impact on formal job creation per skill level during the construction and operational phases of the proposed project. The purpose of the section is to estimate the potential number of new jobs created throughout the provincial economy and the distribution of those jobs per skill level required.

The information provides an indication as to the extent to which the implementation of the proposed project could influence the growth and demand for new skilled labourers. The information also provides a contextual background as to the opportunity to develop skills in the provincial economy.

6 Formal Jobs Created per Skill Level

6.1 Construction Phase Skills Demand

TOTAL
estimated
CAPEX
of the project

1.34
billion



Skilled Jobs

736 jobs

Semi-Skilled Jobs

1 960 jobs

Low-Skilled Jobs

758 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	430	88	218	736
Semi-Skilled Jobs	1 525	153	282	1 960
Low-Skilled Jobs	486	82	190	758
Estimated Number of New Employment Opportunities	2 441	323	690	3 454

The data shows that the majority of employment opportunities generated as a result of the project primarily consist of semi-skilled job opportunities.

6.2 Operational Phase Skills Demand

TOTAL
estimated
OPEX
of the project

106.24
million



Skilled Jobs

66 jobs

Semi-Skilled Jobs

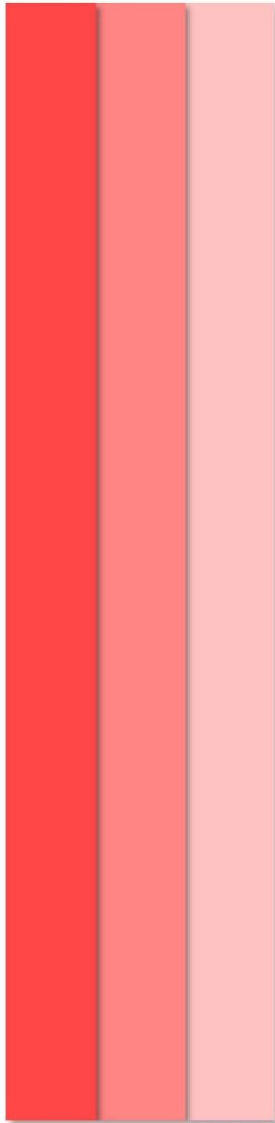
73 jobs

Low-Skilled Jobs

35 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	42	4	20	66
Semi-Skilled Jobs	42	5	26	73
Low-Skilled Jobs	15	2	18	35
Estimated Number of New Employment Opportunities	99	11	64	174

The data shows that the majority of employment opportunities generated as a result of the project primarily consist of semi-skilled job opportunities.



Chapter 7 Impact on Compensation

This section of the report focuses on providing an overview of the impact on employee compensation for potentially new formally employed persons during the construction and operational phases of the proposed project. The purpose of the section is to identify the additional compensation that could be generated as a result of additional employment.

7 Impact on Compensation

7.1 Construction Phase Impact on Compensation

TOTAL
estimated
CAPEX
of the project

1.34
billion



Skilled Jobs Total Compensation

125 705 313

Semi-Skilled Jobs Total Compensation

177 903 789

Low-Skilled Jobs Total Compensation

139 089 069

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	66 341 268	16 181 891	43 182 154	125 705 313
Semi-Skilled Jobs	125 203 128	17 142 862	35 557 799	177 903 789
Low-Skilled Jobs	97 311 116	13 371 892	28 406 061	139 089 069
Estimated Number of New Employment Opportunities	288 855 512	46 696 645	107 146 014	442 698 171
Average Annual Compensation per Job Created	118 335	144 572	155 284	128 170

7.2 Operational Phase Impact on Compensation

TOTAL
estimated
OPEX
of the project

106.24
million



Skilled Jobs Total Annual Compensation

13 097 817

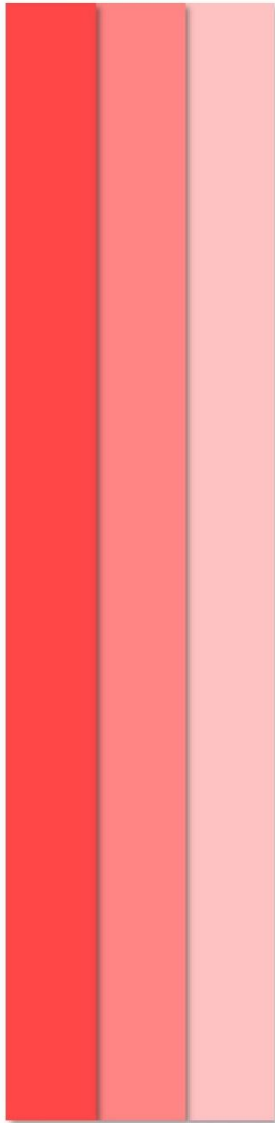
Semi-Skilled Jobs Total Annual Compensation

9 824 317

Low-Skilled Jobs Total Annual Compensation

6 184 678

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	8 328 701	744 084	4 025 032	13 097 817
Semi-Skilled Jobs	5 928 700	581 256	3 314 361	9 824 317
Low-Skilled Jobs	3 126 637	410 297	2 647 744	6 184 678
Estimated Number of New Employment Opportunities	17 384 038	1 735 637	9 987 137	29 106 812
Average Annual Compensation per Job Created	175 596	157 785	156 049	167 281



Chapter 8

Impact on Social Facilities

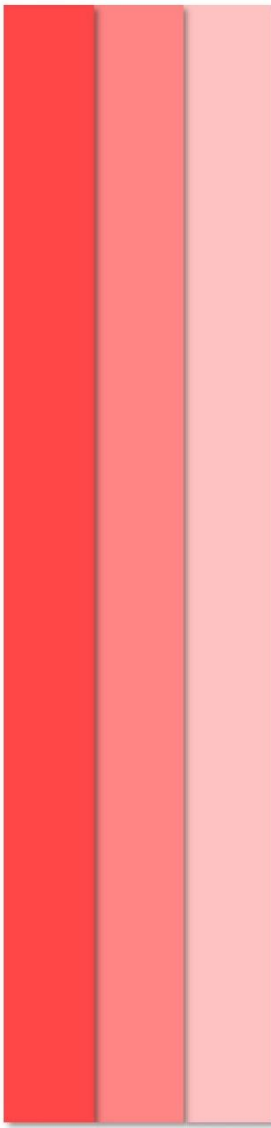
This section of the report focuses on providing an overview of the impact on social amenities as a result of the growth of new employment in the provincial economy due to the construction and operation of the proposed project. The purpose of the section is to illustrate the range of social amenities that could be required should the added employment generated within the provincial economy become a reality.

8 Impact on Social Facilities

8.1 Operational Phase Impact on Social Facilities

Primary Category	Secondary Category	Additional Amenities	Primary Category	Secondary Category	Additional Amenities
Health and Emergency Services	Tertiary Hospital	0	Education Services	University	0
	Regional Hospital	0		Colleges	0
	District Hospital	0		Secondary School	0
	Community Health Centre	0		Primary School	0
	Primary Health Clinic	0		Grade R ECD	2
	Small- to Medium-Sized Clinic	0		Creche ECD	1
	Large Clinic	0		Resource Hub and Xare Centre ECD	0
	Extra Large Clinic	0	Parks and Recreation Services	Small Park	1
	Fire Station	0		Large Park	0
	Police Station	0		Community Parks	0
Social and Cultural Services	Performing Arts Centre	0		Neighbourhood Sports Fields	1
	Museum	0		Community / Sub-District Sports Field	0
	Local Library	0		District / Sub-Regional Sports Field	0
	Regional Library	0		Metro / Regional Sports Field	0
Civic Services	Civic Centre	0		Multi-Purpose Sports Halls	0
	Major Public Event Venue	0		Swimming Pools	0
	Home Affairs Office	0		Sports Complexes	0
	Regional Home Affairs Office	0		Sports Stadiums	0
	District Office	0		Regional Sports Arenas	0
	Permanent Service Point	0		Interntional Sports Complex	0
	Thusong Service Centre	0			
Social Services	Community Hall	0			
	ICT Access Point	0			
	Post Office / Agency and Post Boxes	0			
	Large Cemetery	0			
	Medium Cemetery	0			
	Small Cemetery	0			
	Very Small Cemetery	0			
	Local Market	0			
	Place of Worship	1			

Primary Category	Additional Amenities
Health and Emergency Services	0
Social and Cultural Services	0
Civic Services	0
Social Services	1
Education Services	3
Parks and Recreation Services	2
Total	6



Chapter 9

Impact on Taxation

This section of the report focuses on providing an overview of the possible taxation and related impacts that could arise during the construction and operational phase of the proposed project. The purpose of the analysis is to estimate the impact, be it direct, indirect or induced, that the construction and operation of the proposed project could have on the provincial economy.

The data provides an informative basis from which to consider the range of tax related revenue that could be generated throughout the provincial economy and as a result of the value chain of the proposed project. Tax related revenue could include taxation of production, products, corporate taxes and personal income taxes.

9 Impact on Taxation

9.1 Construction Phase Impact on Taxation

Tax Type	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impact
Value Added Tax	44 020 036	7 118 851	10 013 363	61 152 250
Custom Duties	6 024 770	335 751	688 248	7 048 769
Excise Levies	128 109	59 658	489 349	677 116
Fuel Levies	14 851 149	2 692 509	3 044 154	20 587 812
Other Taxes	7 855 917	1 547 239	2 154 399	11 557 555
Taxes on Production	11 509 030	4 494 009	7 038 616	23 041 655
Corporate Taxes	95 918 836	8 554 094	16 048 520	120 521 450
Personal Income Tax	73 589 836	14 729 899	27 465 882	115 785 617
Total Impact	253 897 683	39 532 010	66 942 531	360 372 224

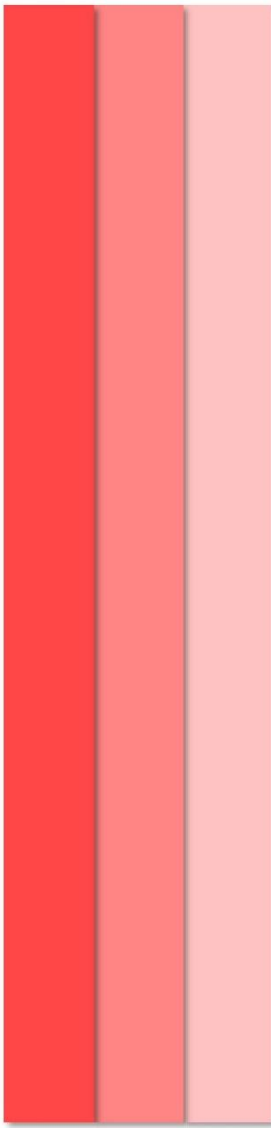
9.2 Operational Phase Impact on Taxation

Tax Type	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impact
Value Added Tax	1 787 063	167 508	933 351	2 887 922
Custom Duties	24 244	8 429	64 152	96 825
Excise Levies	1 247	2 064	45 613	48 924
Fuel Levies	72 417	59 412	283 747	415 576
Other Taxes	403 073	35 398	200 813	639 284
Taxes on Production	3 199 299	137 371	656 073	3 992 743
Corporate Taxes	2 370 956	223 651	1 495 891	4 090 498
Personal Income Tax	6 783 143	476 511	2 560 110	9 819 764
Total Impact	14 641 442	1 110 344	6 239 750	21 991 536

9.3 Operational Phase Property Taxation

Property Taxation	Total Annual Property Taxes
Total Property Taxes (i.e. Taxable Property Types)	7 743 515
Total Property Taxes Foregone by Local Municipality (i.e. Subsidy Housing Programmes, etc.)	0





Chapter 10 Sector Profiling

This section of the report focuses on the value chain reaction created within the sectoral profile (50 sub-sectors) of the provincial economy by the construction and operational impact of the proposed mixed-use project.

Ultimately, the profile provides an overview as to where within the provincial economy construction and operational phase impacts will generate added GDP and employment. The data is used to illustrate the value chain impact that the proposed project could have on the economy and where in the economy changes and benefits can be expected.

10 Sector Profiling

10.1 Construction Phase Sector Profiling Impact

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	1 155 385 023	1 309 846 797 023	0.09%
Eden Regional Economy	57 034 375 000		58 189 760 023	1.99%
George Sub-Regional Economy	22 821 357 000		23 976 742 023	4.82%

Top Economic Sectors that Benefit from Increased GDP

① National and Provincial government	341 870 435	⑥ Coal	40 791 424
② Metals	277 945 294	⑦ Gold	38 411 168
③ Education (Private)	146 008 376	⑧ Health and social work (Private)	28 439 209
④ Professional business services	107 265 371	⑨ Other community, social and personal services	24 517 787
⑤ Wholesale and retail trade	54 920 202	⑩ Other mining and quarrying	20 062 280

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector



10.2 Operational Phase Sector Profiling Impact

Economic Geography	Current GDP (at Basic Prices)	Additional GDP (at Basic Prices)	New GDP (at Basic Prices)	% Contribution
Western Cape Provincial Economy	1 308 691 412 000	100 047 293	1 308 791 459 293	0.01%
Eden Regional Economy	57 034 375 000		57 134 422 293	0.18%
George Sub-Regional Economy	22 821 357 000		22 921 404 293	0.44%

Top Economic Sectors that Benefit from Increased GDP

① Finance and insurance	30 725 417	⑥ Business activities n.e.c.	5 689 904
② Wholesale and retail trade	16 882 201	⑦ National and Provincial government	3 521 785
③ Professional business services	10 311 517	⑧ Catering and accommodation services	2 380 900
④ Agriculture	9 233 962	⑨ Other community, social and personal services	1 556 065
⑤ Transport and storage	8 946 605	⑩ Machinery and equipment	1 399 512

Distribution of Additional GDP (at Basic Prices) per Secondary Economic Sector

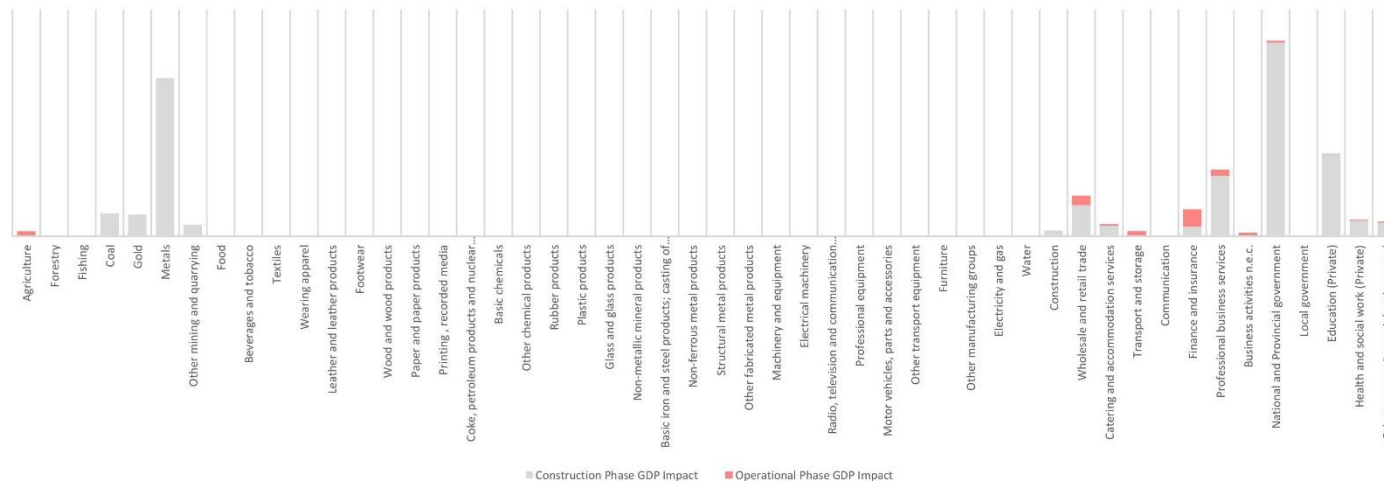


10.3 Detailed Added GDP Breakdown

Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational)
Agriculture	22 522 083 000	160 738	9 233 962	
Forestry	575 365 000	0	879	
Fishing	14 365 971 000	3 664	178 657	
Coal	0	40 791 424	0	
Gold	0	38 411 168	0	
Metals	162 378 000	277 945 294	16 619	
Other mining and quarrying	3 292 175 000	20 062 280	246 408	
Food	30 995 475 000	137 992	165 324	
Beverages and tobacco	22 143 021 000	186 201	826 590	
Textiles	3 603 622 000	24 263	156 412	
Wearing apparel	4 941 307 000	84 826	205 341	
Leather and leather products	363 383 000	5 440	13 247	
Footwear	495 566 000	241 081	51 673	
Wood and wood products	2 800 914 000	12 183	34 460	
Paper and paper products	8 730 823 000	137 387	741 067	
Printing , recorded media	11 464 457 000	549 348	733 610	
Coke, petroleum products and nuclear fuel	18 806 712 000	46 884	13 816	
Basic chemicals	5 128 976 000	59 957	139 420	
Other chemical products	9 449 321 000	411 395	574 903	
Rubber products	934 989 000	72 068	0	
Plastic products	5 446 268 000	122 871	286 987	
Glass and glass products	995 868 000	6 849	0	
Non-metallic mineral products	3 374 224 000	174 347	184 865	
Basic iron and steel products; casting of metal	2 694 565 000	2 522	4 992	
Non-ferrous metal products	2 265 260 000	661	1 477	
Structural metal products	2 700 220 000	106 760	77 858	
Other fabricated metal products	6 340 519 000	12 707	931 726	
Machinery and equipment	13 013 007 000	112 881	1 399 512	
Electrical machinery	3 004 959 000	3 893	18 077	
Radio, television and communication apparatus	467 769 000	27 013	106 191	
Professional equipment	1 394 954 000	462 510	181 884	
Motor vehicles, parts and accessories	9 718 287 000	14 091	39 284	
Other transport equipment	3 592 352 000	32 767	286 854	
Furniture	1 275 043 000	448 045	139 323	
Other manufacturing groups	19 696 777 000	3 417	6 247	

Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational)
Electricity and gas	25 044 354 000	27 266	0	
Water	5 576 456 000	87 946	218 995	
Construction	44 914 547 000	10 433 431	0	
Wholesale and retail trade	187 123 870 000	54 920 202	16 882 201	
Catering and accommodation services	16 154 835 000	19 086 673	2 380 900	
Transport and storage	67 739 522 000	644 917	8 946 605	
Communication	36 090 722 000	1 174 967	1 087 475	
Finance and insurance	93 707 260 000	17 370 313	30 725 417	
Professional business services	273 289 664 000	107 265 371	10 311 517	
Business activities n.e.c.	40 586 807 000	896 212	5 689 904	
National and Provincial government	88 609 414 000	341 870 435	3 521 785	
Local government	44 231 750 000	20 350	0	
Education (Private)	68 570 162 000	146 008 376	356 332	
Health and social work (Private)	49 364 548 000	28 439 209	1 372 429	
Other community, social and personal services	30 930 891 000	24 517 787	1 556 065	
Total	1 308 691 412 000	1 133 638 382	100 047 293	

Detailed Distribution of Economic Impacts per Economic Sector

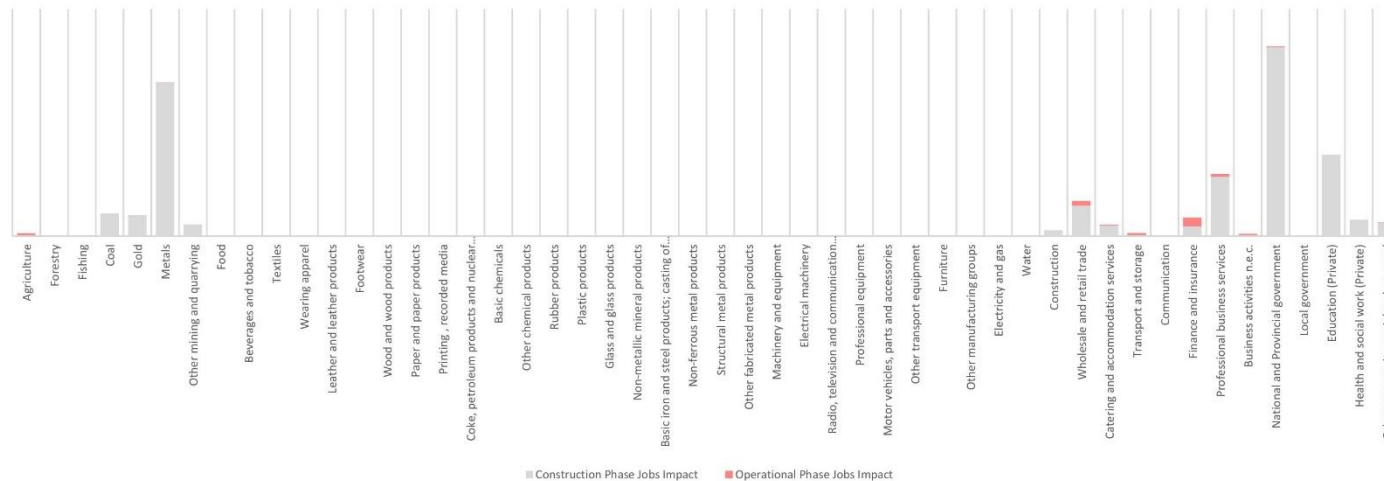


10.4 Detailed Added Jobs Breakdown

Economic Sector	Actual Sector Jobs	Construction Phase Jobs Impact	Operational Phase Jobs Impact	Distribution (Operational)
Agriculture	195 143	1	18	
Forestry	11 155	0	0	
Fishing	64 007	0	0	
Coal	0	159	0	
Gold	0	150	0	
Metals	48	1 082	0	
Other mining and quarrying	2 061	78	0	
Food	74 806	1	0	
Beverages and tobacco	17 511	1	2	
Textiles	12 363	0	0	
Wearing apparel	18 375	0	0	
Leather and leather products	1 405	0	0	
Footwear	2 880	1	0	
Wood and wood products	13 136	0	0	
Paper and paper products	9 052	1	1	
Printing , recorded media	25 772	2	1	
Coke, petroleum products and nuclear fuel	6 199	0	0	
Basic chemicals	5 745	0	0	
Other chemical products	15 462	2	1	
Rubber products	2 719	0	0	
Plastic products	22 111	0	1	
Glass and glass products	3 691	0	0	
Non-metallic mineral products	10 219	1	0	
Basic iron and steel products; casting of metal	4 605	0	0	
Non-ferrous metal products	1 456	0	0	
Structural metal products	10 259	0	0	
Other fabricated metal products	19 883	0	2	
Machinery and equipment	36 391	0	3	
Electrical machinery	12 319	0	0	
Radio, television and communication apparatus	2 178	0	0	
Professional equipment	4 576	2	0	
Motor vehicles, parts and accessories	25 946	0	0	
Other transport equipment	8 535	0	1	
Furniture	7 842	2	0	
Other manufacturing groups	14 310	0	0	

Economic Sector	Actual Sector GDP (at Basic Prices)	Construction Phase GDP Impact	Operational Phase GDP Impact	Distribution (Operational)
Electricity and gas	10 919	0	0	
Water	3 013	0	0	
Construction	213 755	41	0	
Wholesale and retail trade	739 147	214	34	
Catering and accommodation services	106 612	74	5	
Transport and storage	129 691	3	18	
Communication	30 123	5	2	
Finance and insurance	122 653	68	61	
Professional business services	319 157	418	21	
Business activities n.e.c.	363 028	3	11	
National and Provincial government	156 546	1 331	7	
Local government	105 446	0	0	
Education (Private)	247 752	568	1	
Health and social work (Private)	176 278	111	3	
Other community, social and personal services	378 696	95	3	
Total	3 764 976	4 414	199	

Distribution of Economic Impacts per Economic Sector



Fiscal and socio-economic impact model developed by DEMACON Market Studies.

Should you have any questions, please contact Hein du Toit on:

Telephone: +27 12 460 7009'
Cellphone: +27 82 898 8667
E-mail: hein@demacon.co.za

Or visit our website at:
www.demacon.co.za



