ANNEXURE G: SPECIALIST REPORTS

ANNEXURE G1: SOCIO-ECONOMIC IMPACT ASSESSMENT

Paternoster Short-Stay Accommodation

Socio-Economic Impact Assessment Update

May 2024

Report Prepared For:

VIRDUS

LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT

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About Us

We provide accurate & independent market insight solutions

DEMACON is a specialist research firm with a focus on topics in the fields of Demographics, Mapping (i.e., GIS – geographic information systems) and Economics, including real estate economics. Hence the acronym, DE-MA-CON.

The company is privately owned and offers clients the benefit of extensive in-house databases, including responses from more than 100 000 consumer surveys conducted all over South Africa and in time series format. DEMACON delivers a highly specialised product range of custom designed research reports, tailored to each client's unique research needs. The company's analytical processes are supported by specialised expertise, extensive experience, multi-variable databases and advanced information technology systems. In addition to our focused research reports, the company offers high calibre industry insights and project specific solutions.

Services & Solutions

Advanced market potential modelling techniques were developed for all sectors, based on international best practice and leading methods globally. The services offered by the company include:

- Market research
- 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)
- Urban and rural markets (Including township and traditional area)

DEMACON has developed specialised expertise and technically sound methodologies, aligned with international best practice, to address the complex research needs of our clients in a highly effective and efficient manner.

In this respect, we have developed a unique, customisable and flexible research system - deploying a combination of primary and secondary data assimilation techniques, tailored to suit, respectively, the client's and project's specific requirements.

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GLOSSARY

Hotel Accommodation

Hotel	A Hotel provides accommodation with full or limited service to the travelling public and has a minimum of 80 rooms. A Hotel has a reception area and offers a dining facility
Small Hotel	A Small Hotel provides accommodation with full or limited service to the travelling public and has up to approximately 10 rooms. A Small Hotel has a reception area and offers a dining facility
Apartment Hotel	An Apartment Hotel provides accommodation with full or limited service to the travelling public and has a minimum of 10 rooms. An Apartment Hotel has a reception area and offers a dining facility. There is a kitchenette and dining area in each room
Boutique Hotel	A Boutique Hotel provides accommodation with full or limited service to a travelling public. A Boutique Hotel offers unique rooms, has a reception area and offers a dining facility

Guest Accommodation

Country House	Accommodation provided in a house, renovated house or a specifically designed building. Includes the provision of breakfast and dinner and has public areas for the exclusive use of guests. Located in natural, peaceful surroundings
Guest House	Accommodation provided in a house, renovated house or a specifically designed building. Includes the provision of breakfast, and has public areas for the exclusive use of guests
Bed and Breakfast	Accommodation provided in a home with the host living in the house or on the property. Guests share the public facilities/areas (dining area, lounge, etc.) with the host. Includes the provision of breakfast

Self-Catering Accommodation

Self-Catering Exclusive	One or more exclusive use self-catering units, with no or very limited shared public facilities
Self-Catering Shared	Multiple self-catering accommodation units located on one property, with shared public facilities (minimum of reception) and recreational amenities

GLOSSARY

Caravan and Camping

Caravan and Camping	A caravan and/or camping facility provides space for guests to provide their own accommodation, such as tents, a motor home and/or caravan. Communal ablution facilities are always provided. Communal kitchen, laundry, recreational facilities and amenities, etc. may be provided. Self-catering accommodation units may be provided on the property. A camping facility that specifies that caravans can be accommodated
Campsite	A caravan and/or camping facility provides space for guests to provide their own accommodation, such as tents, a motor home and/or caravan. Communal ablution facilities are always provided. Communal kitchen, laundry, recreational facilities and amenities, etc. may be provided. Self-catering accommodation units may be provided on the property. A camping facility that does not specify that caravans can be accommodated

Backpackers and Hostels

Backpackers	An accommodation facility that provides social and communal guest facilities including dormitories and/or private rooms. Only establishments that cater for travellers may qualify for grading

Game/Nature Lodge

Nature Lodge	A nature lodge (incl. private nature reserves) is a formal accommodation facility, located in natural surroundings beyond that of an immediate garden area and, but not always, away from human settlements. At least one guided experience and/or activity is provided, i.e. natural or cultural experiences. Guests should have a reasonable probability of seeing/experiencing/viewing specific species of animal, or enjoying cultural experiences as stated in the marketing of the establishment.
Game Lodge	A game lodge is an accommodation facility, located in natural surroundings beyond that of an immediate garden area and, but not always, away from human settlements. At least one guided experience and/or activity is provided i.e., natural or cultural experiences. Guests should have a reasonable probability of viewing specific species of animal or experiencing cultural experiences as stated in the establishment's marketing collateral. If the lodge is a 'game lodge', then the wild animals accessible to guests need to be free roaming and not contained in enclosures.

EXECUTIVE SUMMARY

It is our reasoned opinion that the proposed expansion of the tourist node in Paternoster (includes the development of tourist orientated accommodation and sectional-title residential units) could positively contribute to the expansion and diversification of the local tourism market by introducing an integrated tourist node development that can cater to domestic and international tourists. **On this basis the proposed development should be authorised given that the project offers an acceptable diversification of the tourism industry and consequently will contribute to economic growth, socio-economic development and the general diversification of a key economic and socio-economic development driver**.

	Paternoster
Average Annual Local Economy Growth Rate (2017 to 2022)	**0.4%** (all sectors)
Labour Absorption Rate	**38.7%** of new economically active people since 2012 found employment locally
	78.5% of employment is formal
Demographic Profiling	**63.0%** aged 34 and younger
	23.2% of people moved into the area since 2011
	R12 537 average monthly household income
	51.0% of households can be classified as indigent
Quantitative Impact Analysis – Operational Phase (Total Impact – Provincial)	CAPEX = **R46.9** million OPEX = **R11.6** million
	Development Type = **Tourist Orientated Residential and Apartments**
	Additional Annual Business Sales **R21.3 million**
	Additional Annual GDP **R10.3 million**

	Paternoster
	Created and Sustained Additional Formal Employment **17 jobs** Skilled Formal Jobs = **5 jobs** Semi-Skilled Formal Jobs = **9 jobs** Low-Skilled Formal Jobs = **3 jobs**
	The proposed development could create economic impacts throughout the provincial economy. Most notably, the construction phase primarily impacts the construction, trade, transport and storage and financial services sectors. The operational phase generates economic impacts throughout the provincial economy and primarily influences trade, financial services, business services and the manufacturing of textiles, beverages and tobacco and wood products. These impacts are economy-wide, i.e. distributed throughout the provincial economy.
Qualitative Impact Analysis – Operational Phase	The expansion of the established tourist precinct by including additional short-stay accommodation grows and diversifies the short-stay accommodation offering in Paternoster **Positive**
	The integration of the proposed tourist accommodation with the existing tourist precinct could unlock agglomeration potential that would support the growth of economies of scale in the local tourist market **Positive**
	By adding additional tourist orientated residential units the development could initially impact on existing short-stay accommodation operators in the Paternoster area through an initial dissemination of market demand **Negative**
	A graded tourist orientated accommodation development in the local tourist market could enhance the local market's prowess and attraction factor **Positive**
	The operation and maintenance of additional tourist orientated accommodation positively influences the operational value chain of the tourism industry **Positive**

Chapter 1

1 Introduction and Project Background

Chapter One of the report provides an introduction and concise roadmap of the socio-economic impact assessment for the proposed expansion of the tourist precinct in Paternoster (Western Cape). 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.

1.1 Project Brief and Terms of Reference

DEMACON Market Studies were commissioned by **VIRDUS** to suitably update and expand on a socio-economic impact assessment completed for a proposed Tourism Precinct Development in Paternoster in October of 2022. Feedback received from the Department of Environmental Affairs and Development Planning in the Western Cape regarding the October 2022 Socio-Economic Impact Assessment identified that the impact assessment should be updated to include the most recent socio-economic data given the release of Census 2022 information and changes to the economic environment of South Africa. Additionally, the scope of the proposed development to be constructed as part of the Tourism Precinct Development has been changed and therefore the impact assessment must be reviewed in line with the updated project proposal.

Furthermore, it is understood that an assessment of short stay accommodation in and around Paternoster is still required in order to determine the range of quantitative and qualitative impacts, positive or negative, that could specifically influence the Paternoster short stay accommodation environment. More specifically, an update of the supply side assessment of the short stay industry in Paternoster and its surrounds will be undertaken and, *inter alia*, include the following components:

- An update and meaningful interrogation of the local short stay accommodation sector including *inter alia*:
  - Pertinent tourism trends
  - Assessment of existing facilities' start ratings, occupancy rates, available beds, room rates, etc.
- Review and measurement (where applicable) of a range of potential impacts
- Review and update (where applicable) of proposed mitigation measures
- Synthesis

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.

Diagram 1.1: Project Research Methodology

Step 1: Project Inception
- Determining project requirements

Step 2: Contextualisation of the Short-Stay Accommodation Industry
- Defining the area of influence
- Macro market profiling
- Supply side considerations

Step 3: Quantitative Impact Assessment
- Overview of key impacts
- Cost-benefit review

Step 4: Qualitative Impact Assessment
- Identification of potential impacts
- Measurement of impacts
- Mitigation measure identification

Report Structure

Project Overview and Socio-Economic Context → Contextualisation of the Short-Stay Accommodation Industry → Quantitative Impact Assessment → Qualitative Impact Assessment → Conclusions

Chapter 2

2 PROJECT OVERVIEW AND SOCIO-ECONOMIC CONTEXT

Chapter Two of the report provides an overview of the proposed project. The purpose is to provide a concise background to the project in order to understand the developmental objective of the project and its locational context.

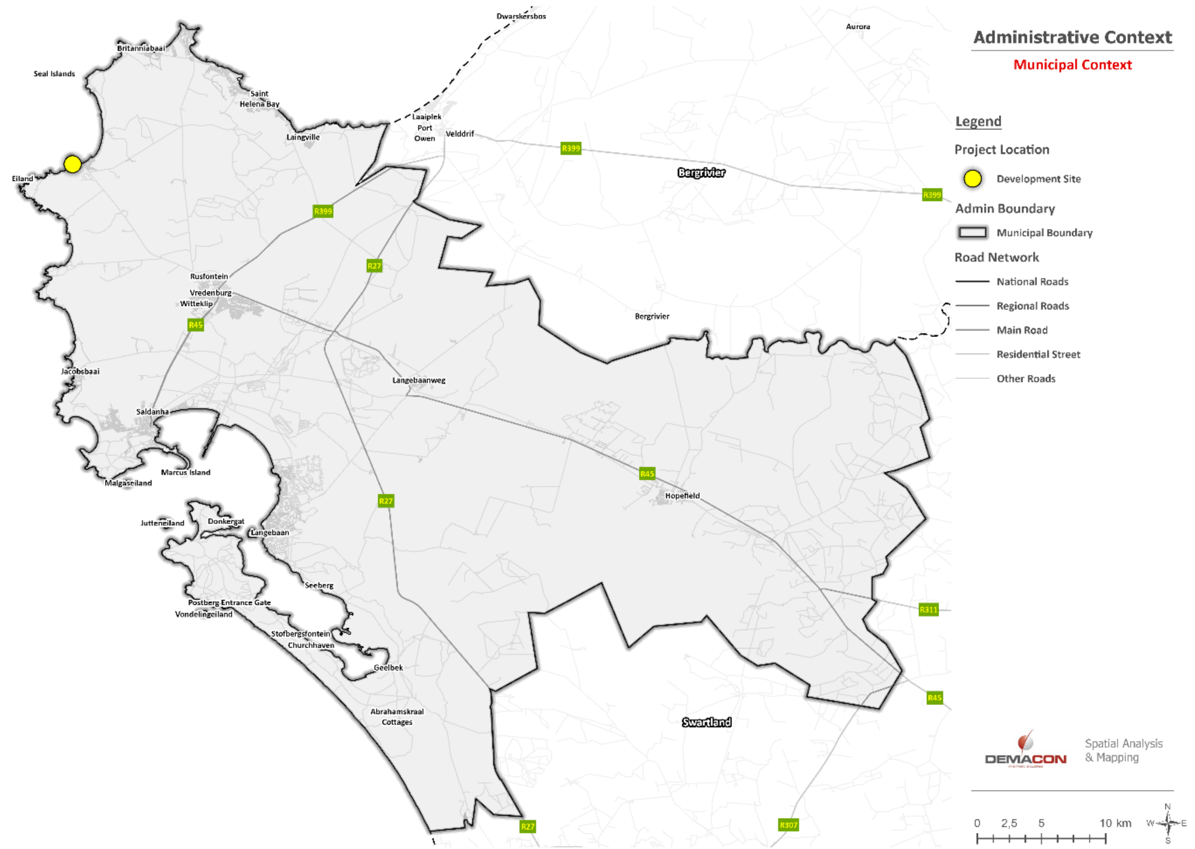
The chapter also provides an overview of the socio-economic context of the community that will host the proposed development. The purpose of this contextualisation is to provide a perspective on the community that will likely benefit or disadvantage from the proposed project.

2.1 Project Location and Overview

The proposed development is located in the town of Paternoster and represents a redevelopment and new build project that will integrate with the existing Paternoster Waterfront development. The Waterfront Development, and its overarching tourism precinct concept is considered to be a tourist node/destination in the wider municipal strategic context.

The proposed development is situated on several properties (Farm 1259 and Erven 583, 1613 and 1751 – 1753 Paternoster) in the northern most location of the town and forms part of a broader tourism precinct development which already includes an existing tourist complex (Waterfront Development) that has been repurposed from an existing fish factory. The proposed development seeks to expand on the existing tourism complex (which was recently redeveloped from an old fish factory to provide uses such as a bar, restaurant, art gallery, theatre/convention area and coffee shop) by expanding development opportunities on adjacent properties to the west and south. The expansion of the tourism complex focusses on:

Map 2.1: Municipal Context of the Proposed Development

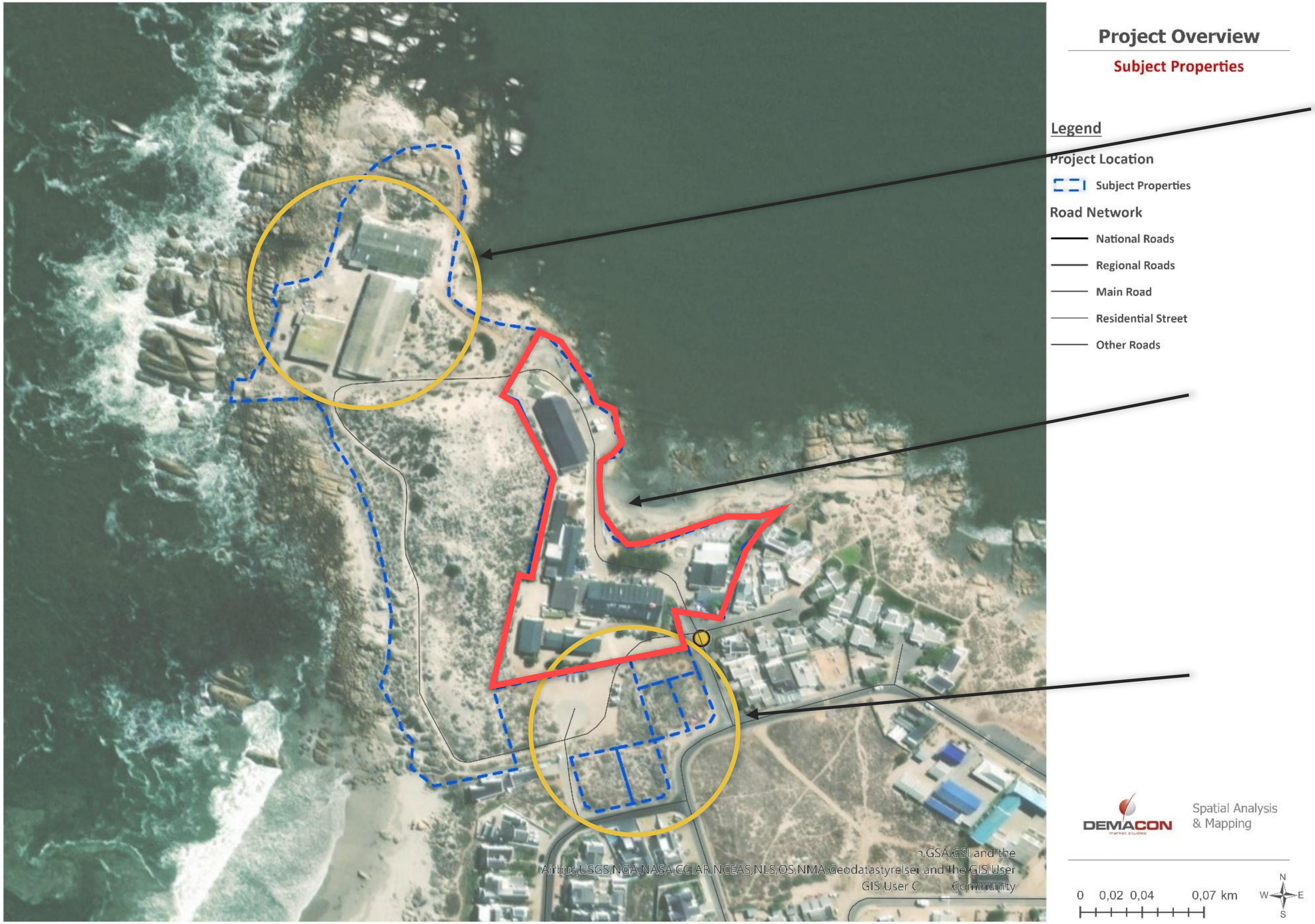


- the redevelopment of the existing crayfish factory facility in on Farm 1259 to 11 residential units for tourist accommodation purposes
- retaining approximately 551 m² of the existing crayfish factory as crayfish holding tanks that will serve the Waterfront Development
- the consolidation of Erven 583 and 1613 for the construction of 7 residential flats
- the consolidation of Erven 1751 to 1753 for the construction of 6 residential flats
- portions of the consolidated properties that will be used to for the widening of Kreeftegang Road and the construction of a private road from St Augustine Road

According to the Saldanha Bay Local Municipality Spatial Development Framework the proposed development site is considered to fall within the tourism node of the town. The local community's economy has steadily been shifting over time and has increased the function of tourism orientated activities such as hospitality and holiday accommodation over localised fishing and associated industries.

The following map provides an overview of the location of the existing tourist precinct and its proposed expansions.

Map 2.2: Proposed Development Spatial Development Plan



Proposed Expansion

- Tourist Orientated Accommodation
- Parking

Existing Tourism Precinct

- Bar
- Restaurant
- art gallery
- theatre/conventi on area
- coffee shop

Proposed Expansion

- Residential units
- Parking

2.2 PROJECT AREA OF INFLUENCE – HOST COMMUNITY

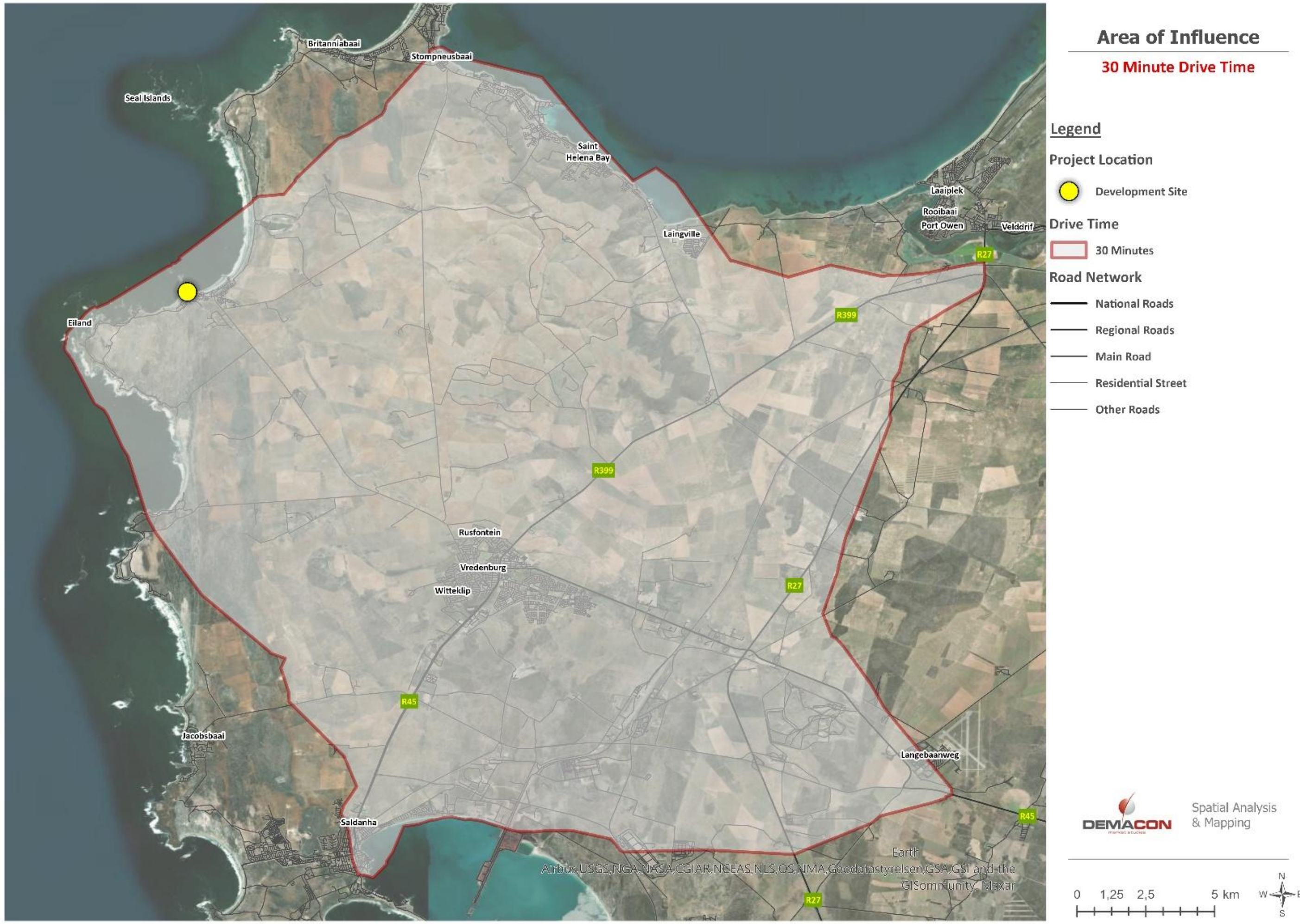
To gain insight into the socio-economic character of the communities within which the proposed development is located, an area of influence is delineated.

An area of influence assists with determining the main socio-economic market characteristics that could impact on, or be impacted by, the proposed development. The area of influence for the proposed development is based on an approximate 30-minute drive time isochrone from the proposed development site.

Key socio-economic indicators are informed by national and international trade area delineation 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

Map 2.3: Area of Influence of the Proposed Development - Host Community



Greater Paternoster Host Community

The host community (area of influence) of the proposed development consists of the key urban nodes of the Saldanha Bay local municipality – this includes Vredenburg, Saldanha Bay, Paternoster and St Helena Bay. Between the various urban nodes of the area of influence is farmland (rural areas), rural areas and protected/natural environments. The various nodes of the host community are interconnected by key regional transport routes which in turn connect the local communities to the broader Western Cape province.

2.3 Socio-Economic Context of the Proposed Development

A contextual analysis of the host communities is provided. The analysis provides a baseline account of the character and overarching trends present within the host community. Understanding the context of the host community provides a rounded perspective of the potential and range of impacts that could influence the baseline of the proposed development.

Geographic Location and Context

Urban Small-Town Environment – Tourist Influence

The proposed development site is situated within a tourist town. Although Paternoster is a small tourist destination the town offers an urban environment with established residential suburbs and municipal services. Paternoster is surrounded by agricultural land to the north-east, east and south-east. The town is an urban pocket along the coast and is connected to Vredenburg in the south-east.

Population Characteristics

88 112 people

29 486 households

63.0% of people are < 35

23.2% migratory population

24.9% unemployment rate

32.1% of people are enrolled at a **University**

It is estimated that the host community is home to more than 88 000 people and more than 29 000 households (2024). The growth of population and households are high – between 3% and 4% per annum.

The community is young in nature with more than 63% of the population below the age of 35. Research suggests that the fairly young community is typical of a developmental population whereby the community has moderate to high dependency ratios and a sizeable labour force.

Unemployment data shows that nearly a fourth of the host community's economically active population are unemployed. The data is exacerbated by the sizeable proportion of the community (32.3%) that are not economically active.

The data also suggests that the population is influenced by high in-migration trends. Data suggests that more than a fifth of population residing in the host community have migrated to the area – this can be attributed to people retiring in the area.

Employment and Economic Context

The community has a skilled labour force with the majority of people employed in tertiary economic sectors. The skilled labour force is in response to the Saldanha Bay local economy, which is the largest contributor the West Coast region's economic output. The growth of employment in the local economy has been affected by the decelerating economic growth trend experienced by the local economy – aligned to national and provincial trends.

At present only approximately 36% of newly economically active population find employment in the local economy. The remaining job-seekers either consider employment opportunities in other economic regions or form part of 17.5% of economically active population who find employment in the informal economy.

33.2% contribution to the regional economy

Slowed from **2.3%** between '12 to '17 to **0.4%** between '17 to '22

30% of new EA find employment in the local economy

Household Characteristics

Households in the host community typically reside in formal houses. The formal dwelling profile is evident from the urban built-up nature Paternoster, Vredenburg and Saldanha Bay.

Although only 77% of households reside in a free-standing house, more than 36% of households rent the property in which they reside. The data suggests the prevalence of rental accommodation throughout the area of influence – typically in response to high property prices.

Households in the host community earn on average nearly R12 500 per month. The data suggests that households can be classified as middle-income households and typically reside in bonded or rental dwellings. SEM and household income data suggest that nearly 51% of households in the host community earn an income less than R3 700 per month. The high unemployment rate coupled with a sizeable proportion of households than earn a low income suggests high dependency ratios in the host community.

82.3% of households reside in a formal dwelling

R12 537 average monthly household income

50.4% of households are considered to be indigent

38.7% of households rent their property

2.4 SYNTHESIS

The following provides a summary of the preceding analysis.

Project Background and Description

- The proposed development seeks to expand on the existing tourism complex (which was recently redeveloped from an old fish factory to provide uses such as a bar, restaurant, art gallery, theatre/convention area and coffee shop) by expanding development opportunities on adjacent properties to the west and south. The expansion of the tourism complex focusses on:
    - the redevelopment of the existing crayfish factory facility in on Farm 1259 to 11 residential units for tourist accommodation purposes
    - retaining approximately 551 m² of the existing crayfish factory as crayfish holding tanks that will serve the Waterfront Development
    - the consolidation of Erven 583 and 1613 for the construction of 7 residential flats
    - the consolidation of Erven 1751 to 1753 for the construction of 6 residential flats
    - portions of the consolidated properties that will be used to for the widening of Kreeftegang Road and the construction of a private road from St Augustine Road

Area of Influence / Host Community

- The area of influence assists with understanding the overarching socio-economic factors that could influence the proposed development or be influenced by the proposed development
- The area of influence is based on a 30-minute drive time isochrone from the proposed development site
- The host community can be characterised as follows:
    - Approximately 88 100 people reside in the area of influence, expanding at an average annual rate of 3%
    - Approximately 29 500 households reside in the area of influence, expanding at an average annual rate of 4%
    - The unemployment rate is 24.9%
    - The average monthly household income is R12 537
- The host community has an expanding population. The population is typically young – between the ages of 20 and 30. The host community is also experiencing a high rate of in-migration
- The preceding data further indicates high unemployment levels. Employed persons in the host community are typically engaged in semi-skilled and skilled occupations in the tertiary economic sector
- The host community is also dominated by households residing in formal dwellings. On average more than 36% of households rent the dwelling in which they reside. The data is typical of areas where high property prices persist

Impact Considerations

- The preceding analysis suggests that the host community has a large unemployed, economically active population. The focus of the development is to provide a combination of tourist and non-tourist-related accommodation while retaining some of the economic value of the crayfish processing facility. Attracting and accommodating a select number of additional tourists to the host community could stimulate downstream and upstream employment demand, although this impact may be limited. Nevertheless, the stimulation of additional tourism-related transactions in the economy could further assist in easing the socio-economic factors that limit household livelihood growth,
- Furthermore, the diversification and growth of tourist opportunities in the area of influence could provide opportunities to expand businesses that could further enhance job creation and the solidification of tourism as a key economic output sector – especially given that tourism is, according to international studies, dependent on the growth and development of short-stay accommodation establishments and the short-stay industry as a whole.

Chapter 3

3 Contextualisation of the Short-Stay Accommodation Industry

The proposed development consists of the expansion of the proposed tourist precinct in Paternoster. The expansion of the precinct in combination with other uses is predicated on the development of tourist accommodation orientated residential units that can integrate with existing tourist related amenities and services in the Waterfront Development area.

Given the preceding, the following chapter focusses on an overview and interrogation of the short-stay accommodation industry in the local tourist market of Paternoster. The purpose of the analysis is to gauge the structure and composition of the local tourism industry in order to actively engage with potential impacts that may arise from the proposed development.

The chapter firstly establishes the geographic positioning of the proposed development in order to correctly contextualise the localised short-stay industry and the factors that potentially influence the local industry. Next the chapter provides an assessment of overarching local tourism dynamics influencing the local short-stay market and the supply side characteristics that define local short-stay supply.

3.1 Geographic Positioning of the Proposed Development

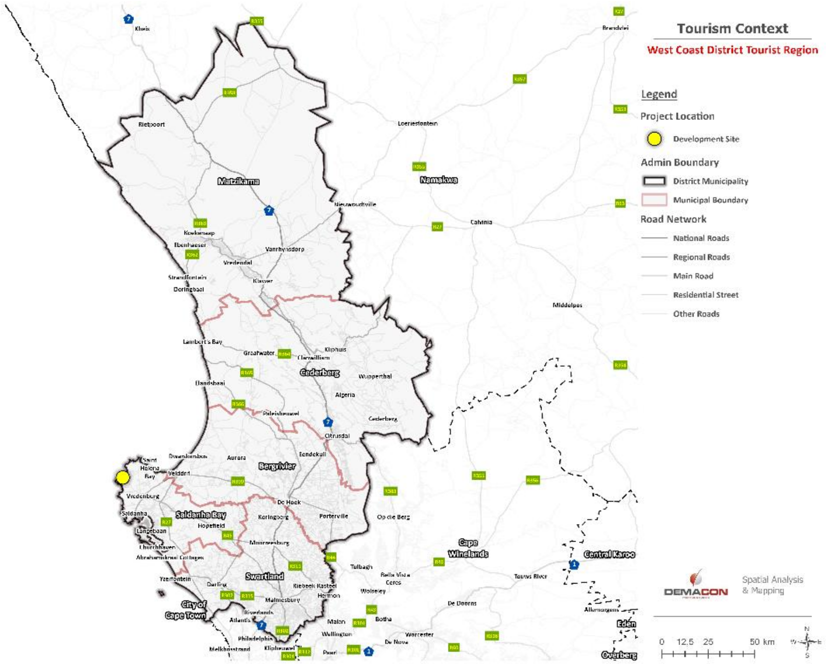
The following section provides an overview of the geographic location of the proposed development in order to understand the broader geospatial dynamic of the tourist market within which short-stay accommodation attributes are influenced.

The proposed development is located in the small town of Paternoster. Paternoster forms part of several urban and service delivery nodes in the Saldanha Bay Local Municipality. Saldanha Bay and Vredenburg are the largest urban areas in the local municipality. Other nodes such as Paternoster and St Helena Bay are tourist orientated areas that are sizeably smaller in terms of urban extent and population concentration when compared to other nodes in the local authority.

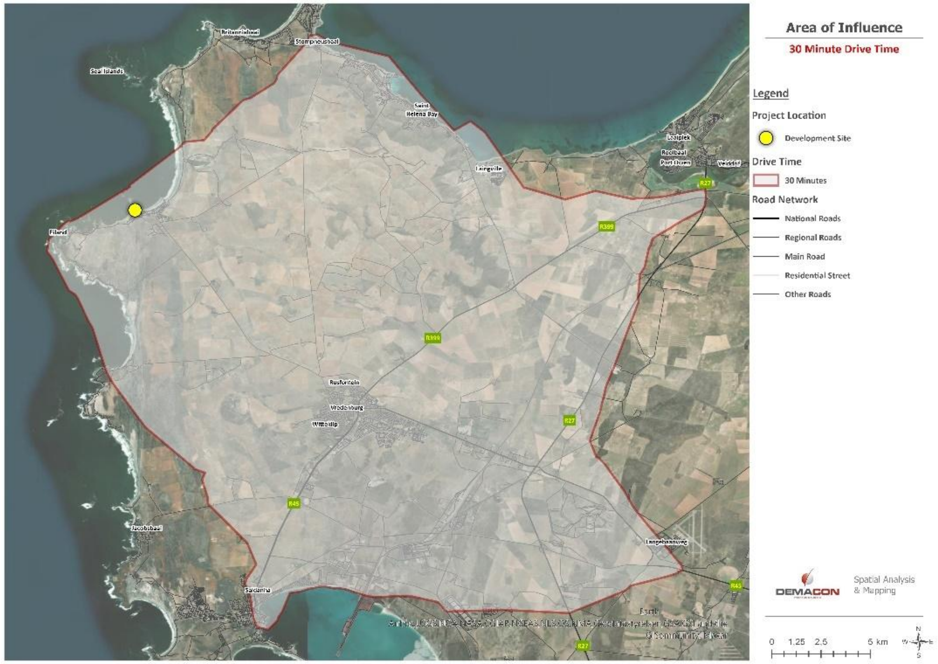
The Saldanha Bay Local Municipality is located in the West Coast District Municipality. The district is one of five district authorities in the Western Cape Province and represents the northern most geographic area of the province – represents a portion of the western coast of South Africa.

The approximate area of influence for the proposed development is defined by a 30-minute drive time. The drive time represents an acceptable travel distance from the proposed development to other key economic and social nodes. Vredenburg, St Helena Bay and Saldanha are all reachable by motor vehicle within 30-minutes from the proposed development.

Map 3.1: Project Location within the West Coast District Tourist Region



Map 3.2: Proposed Development within the Context of a 30-minute Drive Time - Area of Influence



3.2 Tourism Industry Trends in the West Coast District Tourism Market

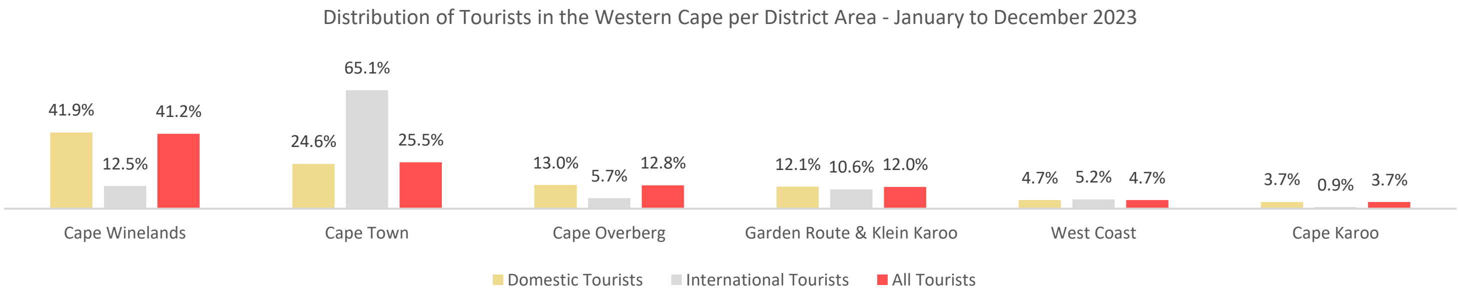
The following section focusses on profiling the tourism industry as a whole in the West Coast District. The purpose of the analyses is to provide an indication of the prominent and current trends affecting the broader tourism market and to establish any aspects that could be impacted on by the introduction of expansions to the proposed Tourism Precinct in Paternoster. The following provides an overview of the key trends that influenced the West Coast tourism market in 2023.

- Mobile data provides an insight into the distribution and travel of tourists within the Western Cape Province. Data shows that for the first half of 2023, approximately 4.7% of all domestic and international travellers to the Western Cape Province travelled to the West Coast District. Of this tourist base between 50% to 60% of domestic visitors and international visitors in 2023 stayed overnight in the West Coast district for, on average 3 to 4 days, i.e. 2 to 3 nights. Approximately 50% of domestic visitors spend only 1 night whilst international travellers tend to stay for 2 nights.
- Between January and December of 2023, the largest proportion of travellers to the West Coast District originated from domestic market (62.1%) and more specifically consisted primarily of travellers from the Western Cape Province (77.3%). The high proportion of domestic and Western Cape tourists can largely be attributed to the fact that the West Coast District remains an attractive destination for Western Cape locals.
- In 2023 the UK, Germany and the Netherlands were the West Coast District's top international source markets. Historically, travellers from the UK, Germany and the Netherlands have consistently remained the core cross section of international tourists traveling to the West Coast District.
- Over 86% of visitors travelled to the West Coast District for holiday and 2% for business. Leisure and business travel remain the core drivers of visitors to the District. Other travel such as visiting friends and family also represent a primary reason for tourists visiting the District.
  - Scenic drives ranked as the top tourism activity enjoyed in the district, followed by wine tasing, culture/heritage, cuisine and shopping. Seasonality primarily influences some attractions and reasons for visiting the District. For example, 5% of visitors travelled to the District to view the flowering occurrence in the District. This event represents a seasonally specific period and condenses visitors within a specific period in the year. Ultimately, several of the activities are season specific and therefore do not have year-round presence, hence a lower ranking.
- In the West Coast District the West Coast National Park, !Khwa ttu and the 6 Cape Nature Reserves are renowned attractions. These attractions collectively welcomed a total of 244 695 visitors between January and December 2023. Compared to 2022, the attractions have maintained resilience and have shown recovery rates in excess of 67% at the West Coast National Park, 93% at the !Khwa ttu and 112% at the Cape Nature Reserves, i.e. 82% of 2019 volumes.
  - It should be noted that the West Coast National Park is the largest attraction in the West Coast District (representing approximately 91% of visitors to key attractions in the District in 2023). The main attraction of the park is the annual flower season which only commences between August and September.
- In 2023 Wesgro attained the Tourism Sentiment Index (TSI) data which provides a Tourism Sentiment Score® for the Western Cape. One of the Western Cape towns included in the sentiment score is Paternoster.
  - Paternoster's Tourism Sentiment score is considered average at 32, compared to the rest of the world. Around 33% of online conversations were actively recommending or speaking positively about the town and 2% were discouraging or speaking negatively about Paternoster.
  - Over the period January to December 2021, the Tourism Sentiment in Paternoster was driven by positive conversations around beaches and restaurants/dining/takeaway, while the negative sentiments revolved around surfing and beaches as well.
  - The top three sentiment categories in terms of volume was outdoor activities, culture/history, and relaxation/wellness. Conversations around all sentiment categories were positive, apart from safety which revealed no emotional tone. "Relaxation/wellness" and "Culture/history was the categories that achieved the highest sentiment score at 47 and 36 respectively.

West Coast District Tourist Capture Rate

The West Coast District captures on average **4.7%** of all tourists in the Western Cape

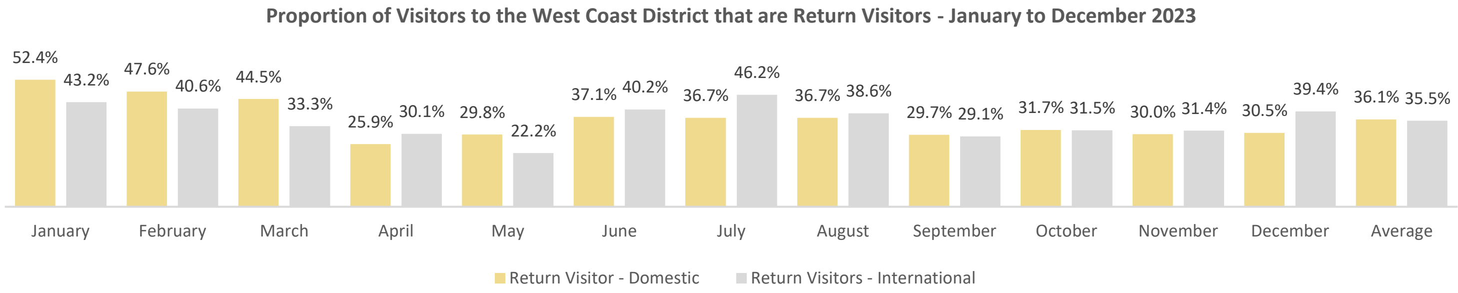
The district captures the **fifth greatest** number of tourists in the Western Cape and is primarily preferred by domestic tourists



West Coast District Return Visitor Capture Rate

On average more than **36%** of domestic visitors to the West Coast District are return visitors

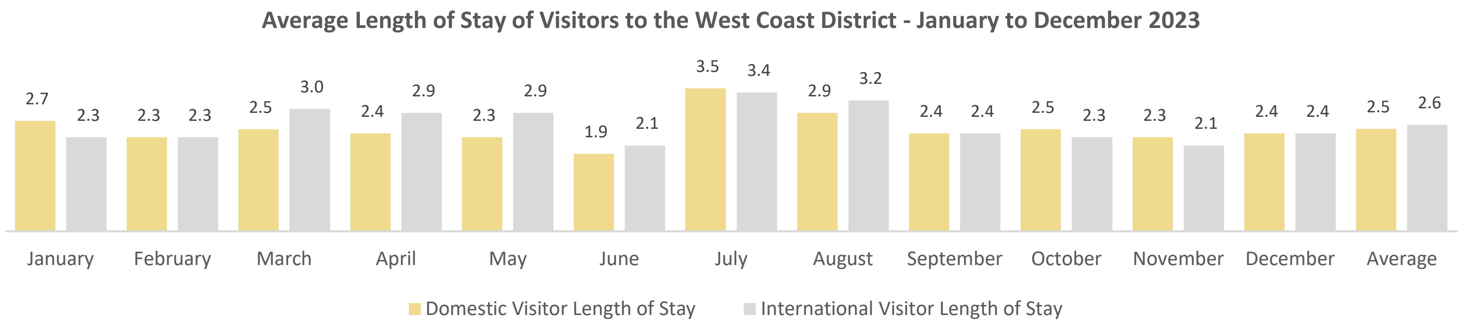
Comparatively, only **35%** of international visitors are return visitors



West Coast District Tourist Average Length of Stay - Nights

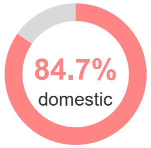
On average domestic tourists stay **2.5 nights** in the West Coast District – which remains fairly consistent except for December and January holiday periods when stay lengths increase

International tourists stay on average **2.6 nights** and maintains a consistent rate throughout the year

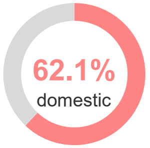


West Coast District Domestic Versus International Tourists

2022 Domestic and International Visitor Split

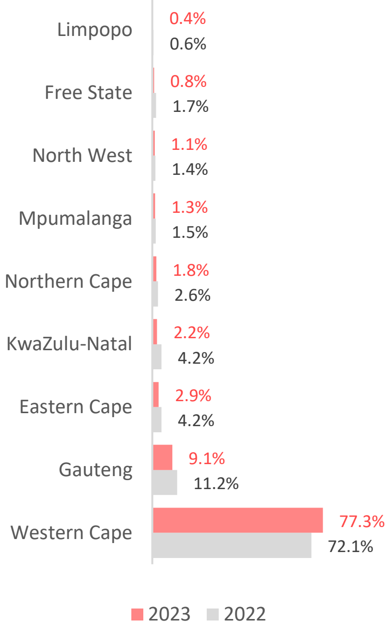


2023 Domestic and International Visitor Split

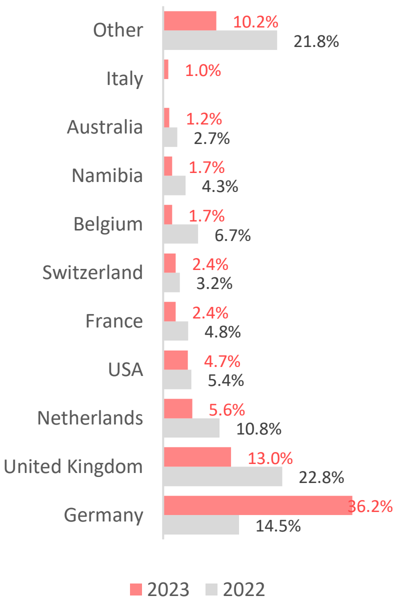


In 2023 the total number of international tourists travelling to the West Coast District increased, representing a sizeably larger share of tourists travelling to the District than in previous years.

Origin of Domestic Visitors in the West Coast District

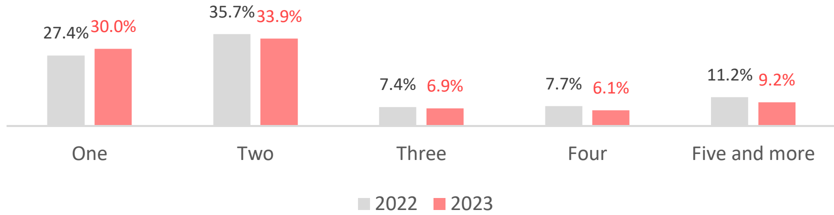


Origin of International Visitors in the West Coast District



Tourist Group Size

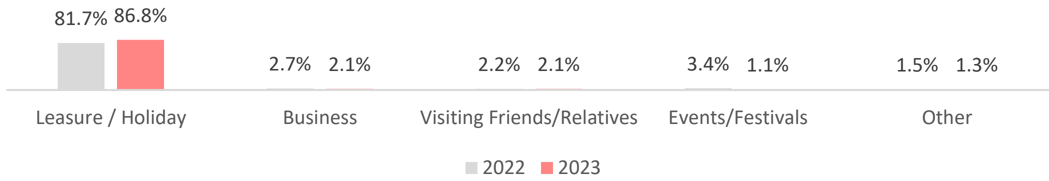
Average Group Size of Travellers to the West Coast



The majority of tourists that travel to the West Coast are either **travelling alone** or as a **group of two**

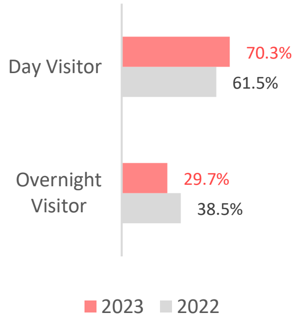
Purpose of Visit

Reasons for Visiting the West Coast District

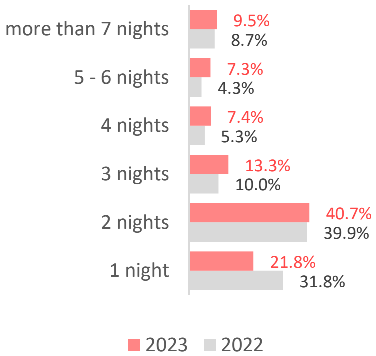


Overnight Visitors and Length of Stay

Overnight vs Day Visitors

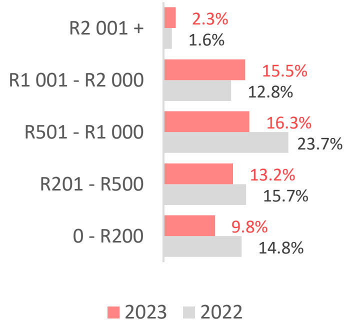


Length of Stay - Nights



Average Spend by Tourists

Average Spend - Excludes Accommodation

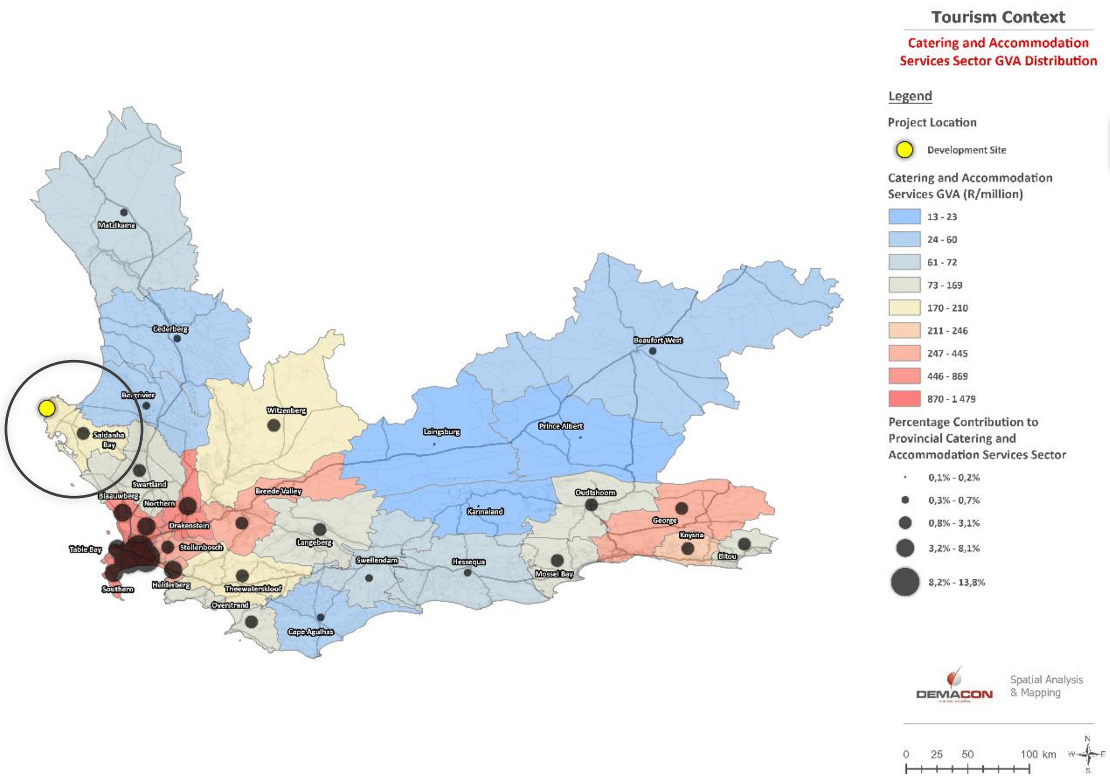


3.3 Local Economy Profile and Tourism Contribution

In light of the preceding tourism profile of the West Coast district it is important to consider the role and function of the tourism industry in the context of the broader local economy. The SDF of the Saldanha Bay Local Municipality noted that the local economy of Paternoster is moving from a fishing to a tourist dependent industry and therefore it is important to consider how tourism, and more specifically short-stay accommodation, links into the broader economic structure. Additionally, the West Coast District captures approximately 5% of tourists in the Western Cape and because of the partial share that the West Coast has in terms of tourist attraction it is conducive to understand the size of the industry potentially impacted on by the proposed expansion of the Paternoster Tourism Precinct.

Within the context of the economy, the catering and accommodation services sector is used as a proxy to measure the size of the tourist market. Although tourism has a value chain that is broad in terms of forward and backward linkages the main aim of this assessment is focused on the impact of the proposed project on the local short-stay accommodation market. The catering and accommodation services sector of the economy is, according to SIC information includes hotels, camping and other provisions of short-stay accommodation, as well as restaurants, bars and canteens. The economic sector is therefore an appropriate reflection of the size of the potential industry impacted on by the proposed development.

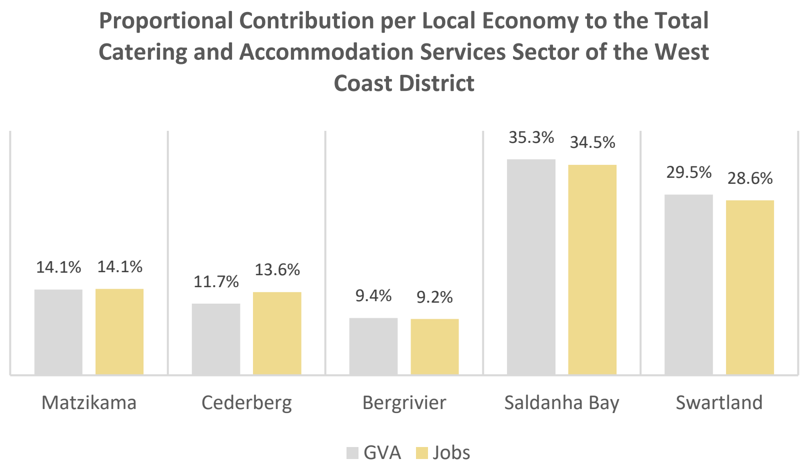
Figure 3.1: Catering and Accommodation Services Sector GVA Distribution in the Western Cape (Constant 2015 Prices)



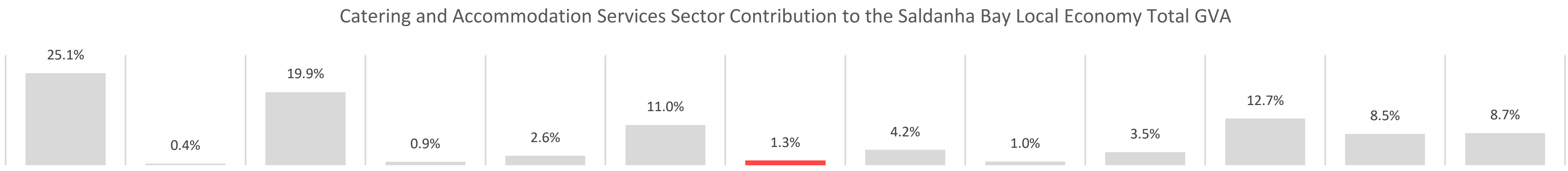
The proposed development is situated in Paternoster which is in turn located in the Saldanha Bay local economy. The local economy forms part of the greater West Coast district economy in the Western Cape

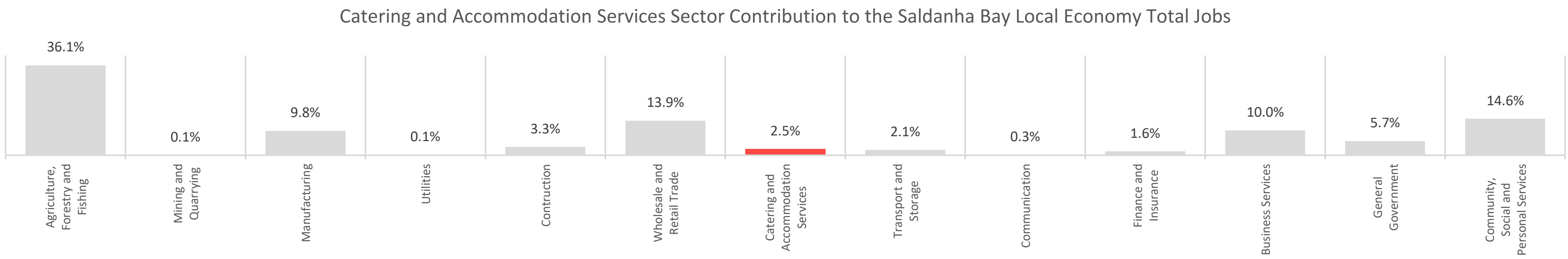
Saldanha Catering and Accommodation Sector Contribution

R6 177 004 000	1 237
Total GVA (R/million) - 2022	Total Jobs - 2022



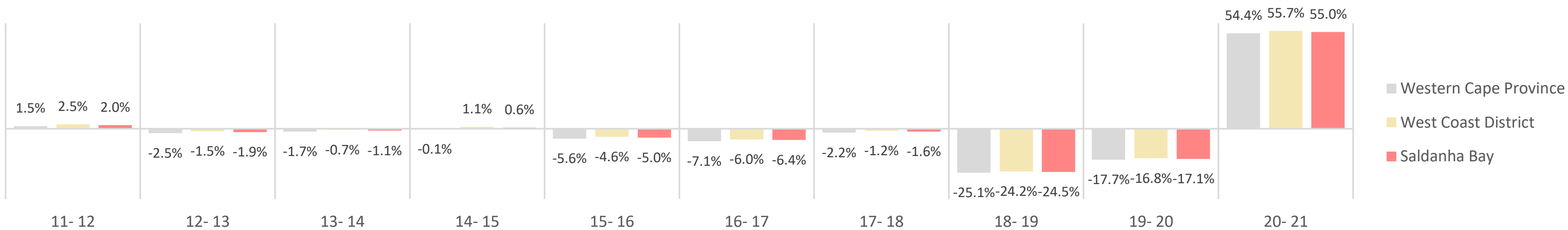
Catering and Accommodation Service Sector Contribution to the Saldanha Bay Local Economy





The data shows that although the Saldanha Bay local economy is the primary contributor to the catering and accommodation service sector GVA in the West Coast District, the sector represents 1.3% and 2.5% of the local economy's GVA and jobs.

Growth Trend of the Catering and Accommodation Service Sector in the Saldanha Bay Local Economy



The long-term (10-year outlook from 2012 to 2022) growth trajectory of the catering and accommodation service sector shows a continual deceleration with the Covid-19 severely contracting the sector in 2020. Prior to the pandemic the sector in the Saldanha Bay local economy contracted by 1.2% per year between 2011 and 2019. Since lockdown restrictions easing in 2021, growth in the sector has started to rebound but has no yet surpassed pre-pandemic levels.

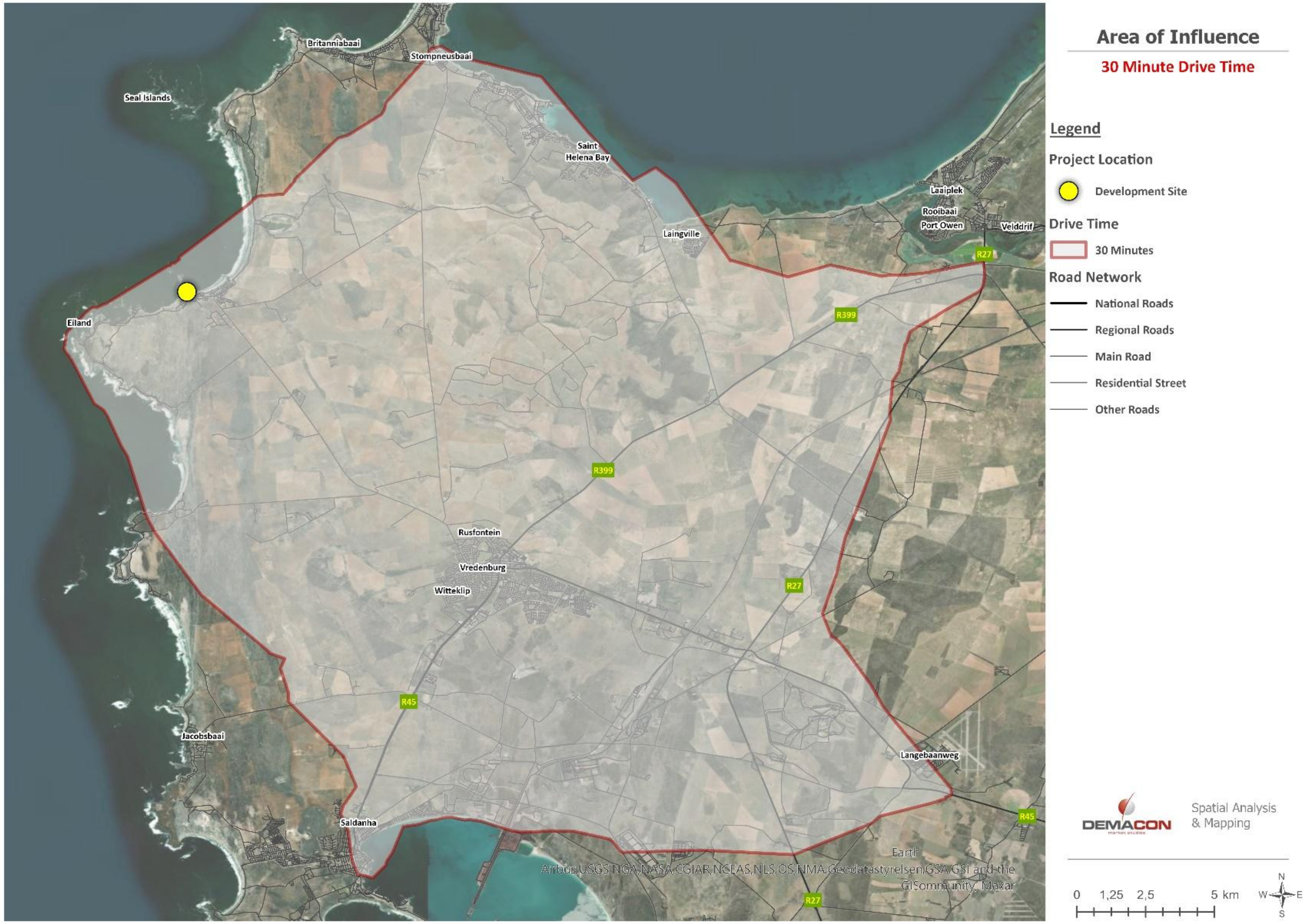
3.4 Profile of Short-Stay Accommodation in the Greater Paternoster Area

The preceding sections provided information regarding overarching tourism trends in the greater West Coast District as well as the local economy of Saldanha Bay. To compliment the afore mentioned analyses, short-stay accommodation in the immediate area of Paternoster was identified and used to profile the localised short-stay accommodation market. This information, alongside preceding sections, provide a multi-perspective outlook on the local short-stay accommodation market and the overarching trends affecting its growth and development.

In order to identify and profile local short-stay accommodation that could be influenced by the proposed development, a 30-minute drive time (local area of influence) from the proposed development was used. The local area of influence identified provides a perspective on the distribution of short-stay accommodation in the areas surrounding the development site and the variance of accommodation typologies on offer.

A 30-minute drive time from the proposed development includes Paternoster, Vredenburg, Saint Helena Bay and select areas of Saldanha Bay.

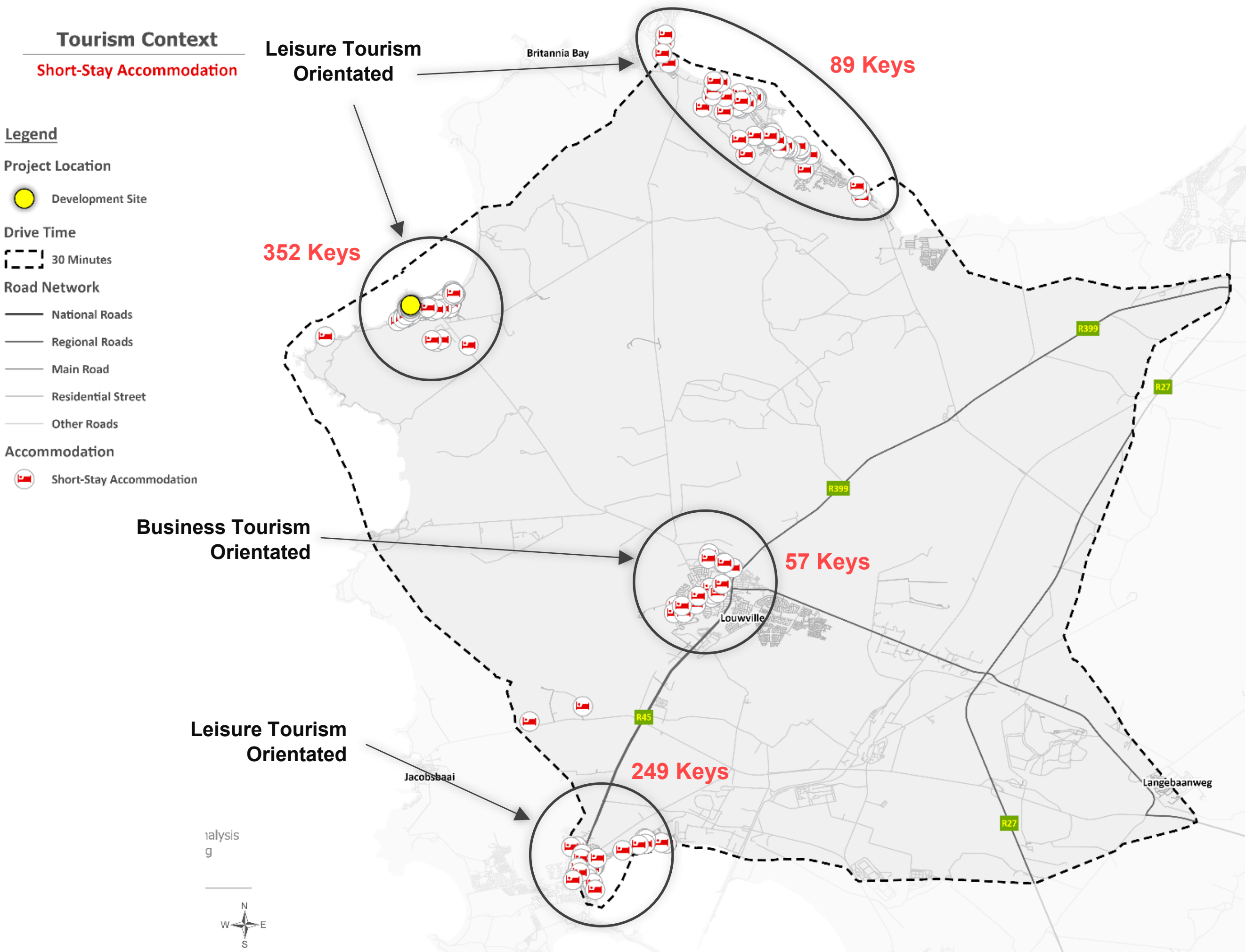
Map 3.3: 30-Minute Drive Time from the Proposed Development - Area of Influence



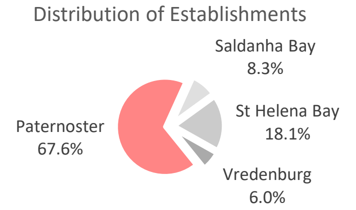
3.4.1 Macro Perspective on Short-Stay Accommodation Distribution

The following data provides an overview of the distribution of short-stay accommodation within a 30-minute drive time of the proposed development. The purpose of the information is to highlight where short-stay accommodation is clustered and assists with understanding the distribution of likely establishments that could be influenced by the proposed development. The information furthermore assists with identifying the orientation of accommodation in accordance with different tourism markets, i.e. leisure versus business travel.

Map 3.4: Distribution of Short-Stay Accommodation within 30-minutes of the Proposed Development



315 short-stay accommodation establishments are present within a 30-minute drive time of the proposed project



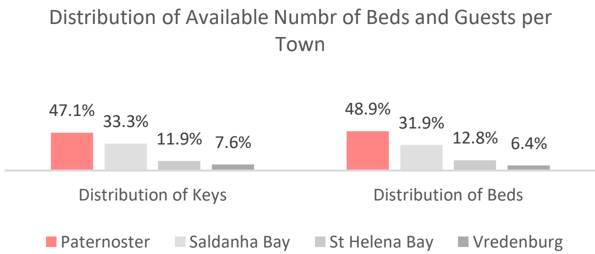
The majority of short-stay accommodation establishments are found in Paternoster town with sizeable clusters also found in Saint Helena Bay and Vredenburg.

Towns such as Paternoster, Saint Helena Bay and Saldanha Bay are primarily leisure tourism orientated (80% to 90% of visitors travel to these locations) whilst Vredenburg typically focusses on business tourists (3% to 10% of visitors travel to this location).

Because Paternoster is home to nearly 68% of short-stay establishments, close to 50% of available beds and accommodation for guests are situated in Paternoster.

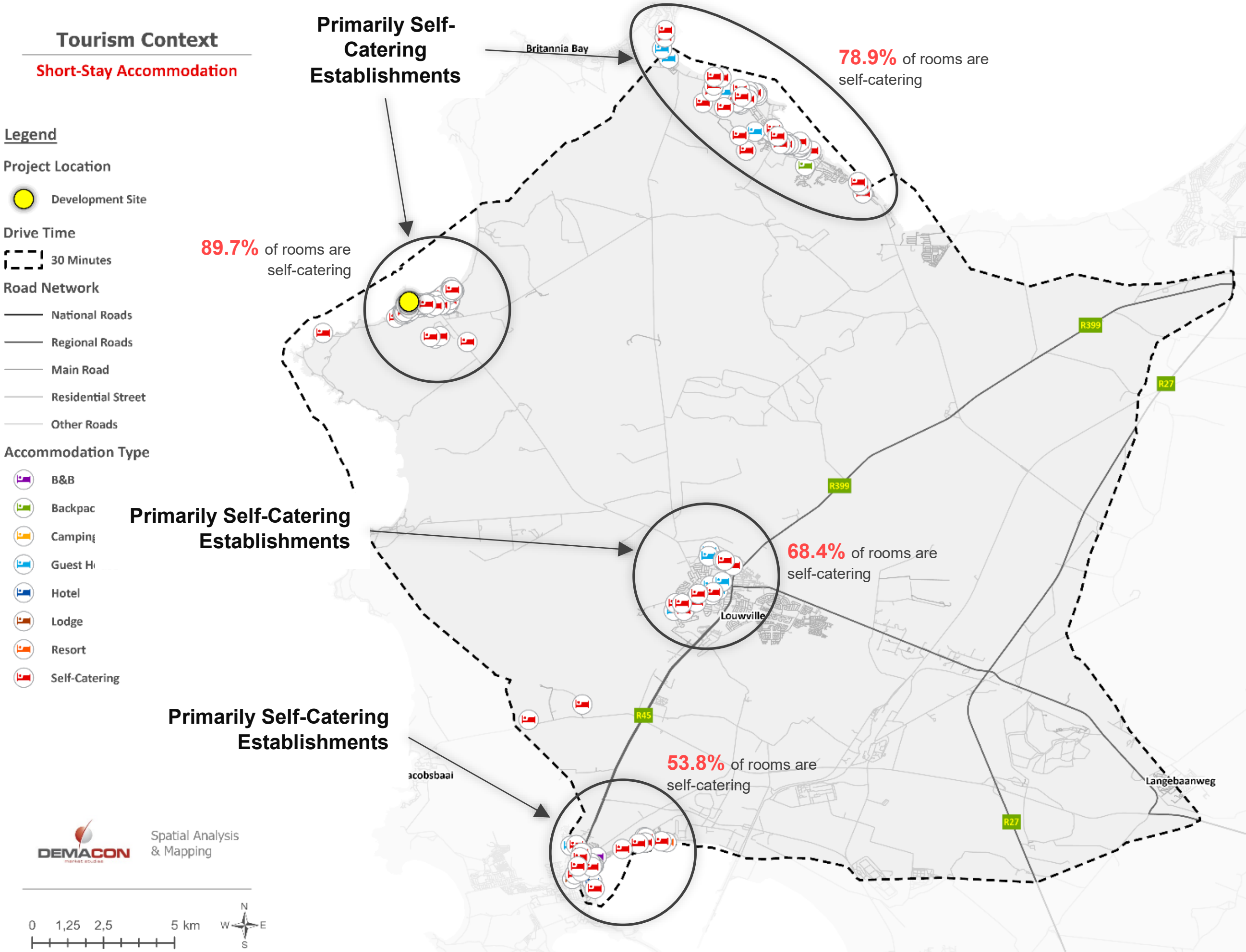
747 Keys

2 670 Beds

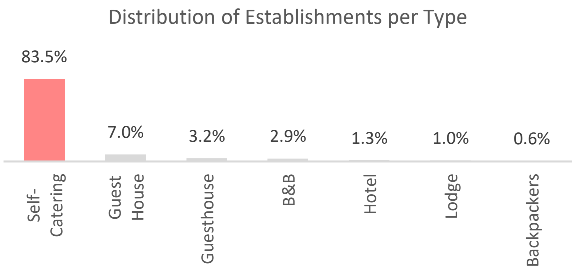


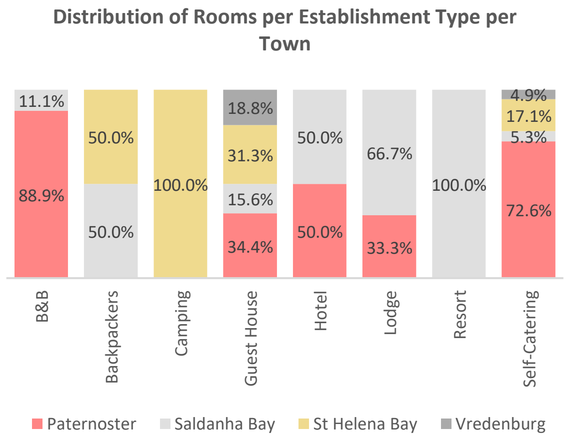
The preceding data suggests that the overwhelming majority of short-stay accommodation establishments are found in the Paternoster area given the leisure tourism focus of the local tourism node. Vredenburg, according to local establishment operators is primarily focused on business tourists. Within 30-minutes of the proposed development more than 700 keys and 2 600 beds are available to tourists. The majority of rooms and beds are once again found in the Paternoster area. Given the distribution of establishments throughout the influence area, the type of establishment and its distribution throughout the area of influence can furthermore assist with understanding potential impacts generated by the proposed development on existing establishment operators. The following provides an overview of the distribution of various types of short-stay accommodation within 30-minutes of the proposed development.

Map 3.5: Distribution of Short-Stay Accommodation Types within 30-minutes of the Proposed Development



The short-stay accommodation market in the defined area of influence is **primarily** characterised by **self-catering** accommodation with only select establishments focusing on service orientated accommodation such as guesthouses, bed and breakfasts and hotels

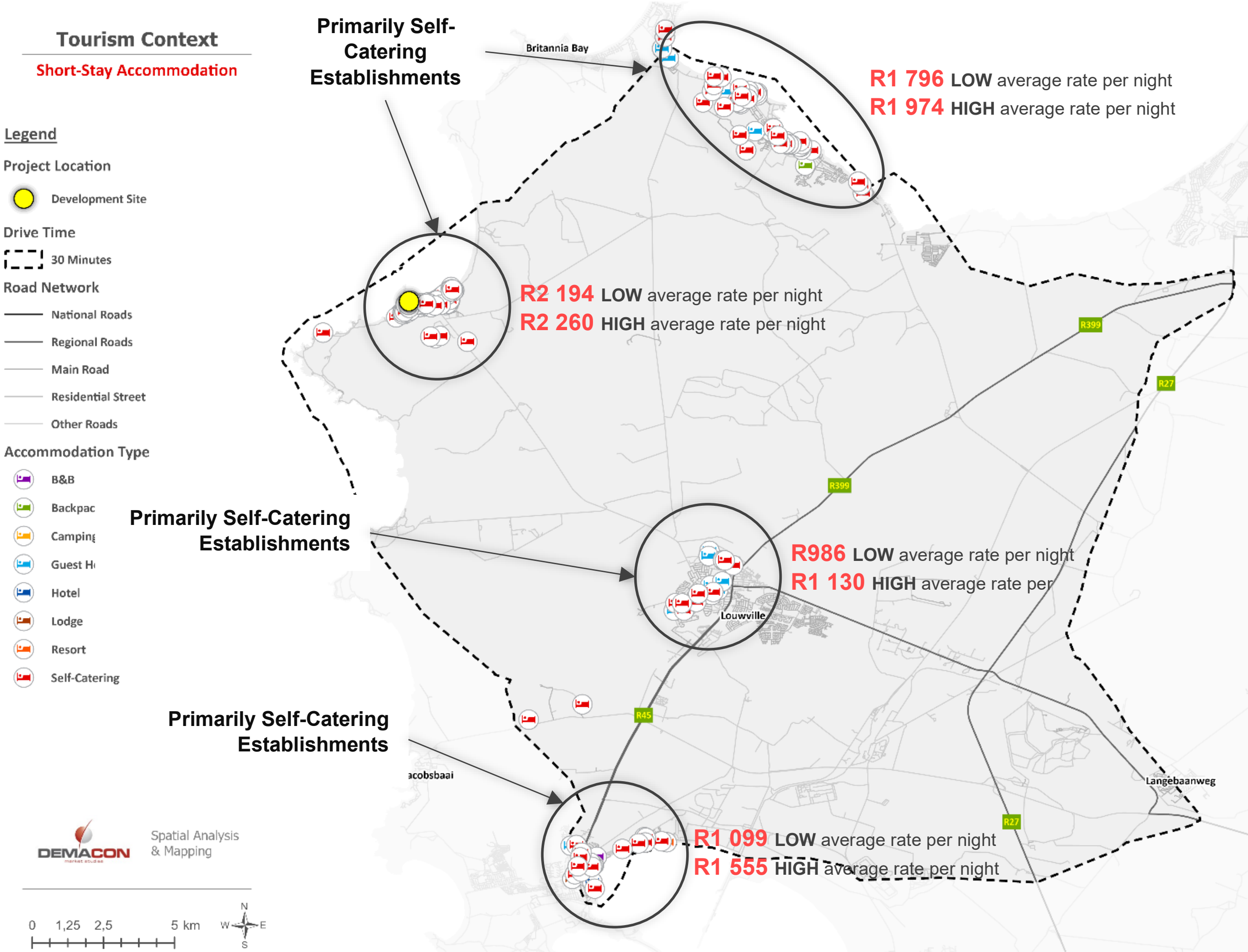




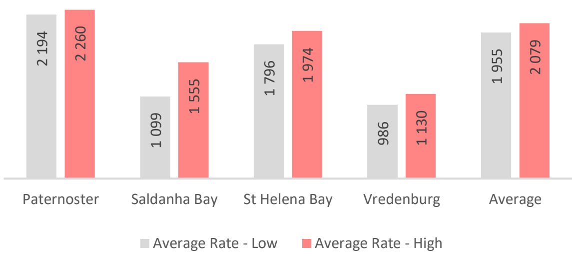
Self-catering rooms are distributed between all towns within the area of influence, with the majority of rooms concentrated in Paternoster.

The preceding data shows that self-catering units and rooms are the dominant short-stay accommodation typology in the area of influence. The tourism-oriented residential units of the proposed development will primarily compete with self-catering establishments in the short-stay accommodation market. Furthermore, a wide range of establishment types are found in select locations such as Paternoster or Vredenburg. Vredenburg for instance provides a sizeable share of guest houses whilst Paternoster hosts approximately half of hotel rooms. Although these locations provide a range of accommodation options, the level of activity that these locations offer in terms of occupancy and length of stay are important considerations – this is especially important given the District tourist profile and the 1 to 2 night stay preference of tourists.

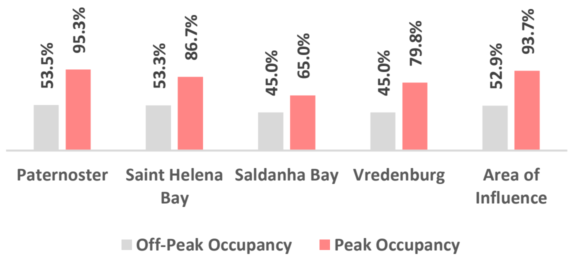
Map 3.6: Distribution of Short-Stay Accommodation Types within 30-minutes of the Proposed Development



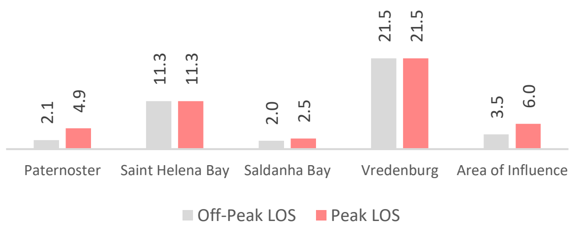
Average Low and High Room Rate per Night per Establishment Type



Average Occupancy per Town during Peak and Off-Peak Periods - % Full



Average Length of Stay (Nights) per Town During Peak and Off-Peak Periods - Nights



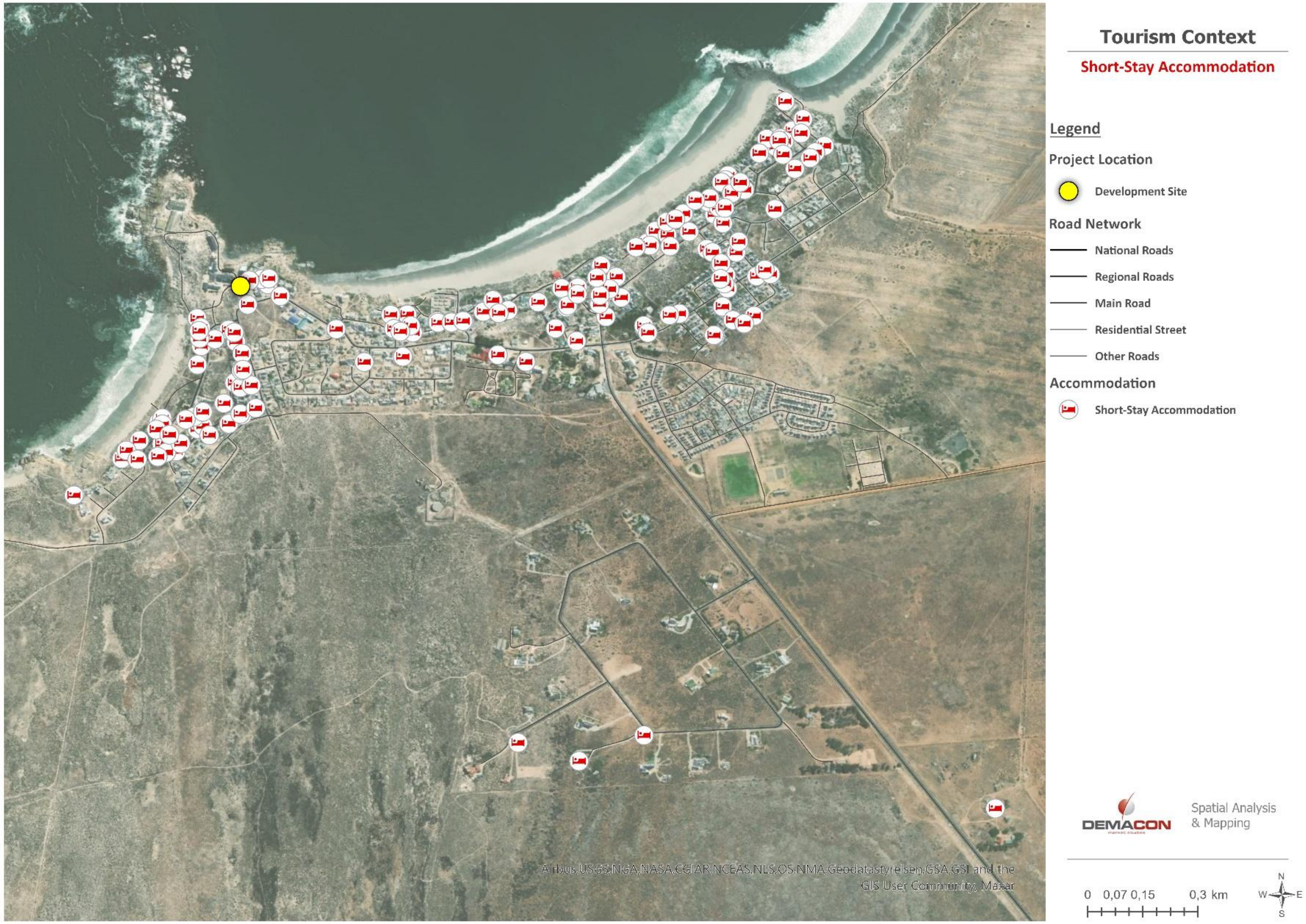
3.5 PROFILE OF SHORT-STAY ACCOMMODATION IN PATERNOSTER

Given the preceding profile, data suggests that a large cross-section of the short-stay accommodation market's establishments are found in the Paternoster area. Furthermore, Paternoster offers a range of accommodation types and therefore has the potential to accommodate a broad range of tourists.

The following section is focused on providing an overarching profile of the short-stay accommodation present in Paternoster. The purpose is to understand the distribution and typology of short-stay establishments that could be influenced by the proposed development.

Because of the small urban size of Paternoster, short-stay accommodation is found in high-concentrations throughout the town. The lion's share of short-stay accommodation is found in the Kliprug, Voorstrand, Tamaryn, Mosselbank and Strandloper areas. The remainder of establishments are found in the Bekbaai area.

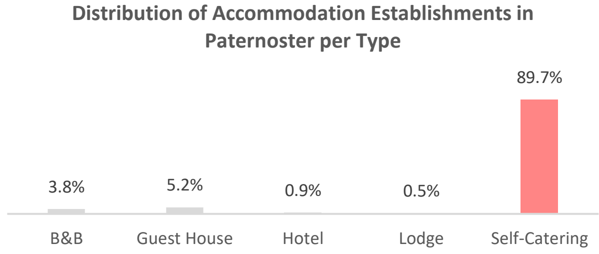
Map 3.7: Distribution of Short-Stay Accommodation in Paternoster

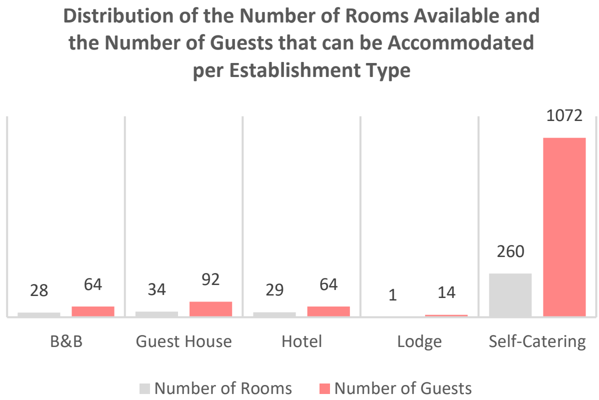


Within the Paternoster area approximately 213 short-stay accommodation establishments exist. These establishments consist of a range of typologies that include self-catering accommodation, guest houses, hotels, bed & breakfasts and lodging. Self-catering establishments represent the majority of providers in the local area – approximately 89.7% of all establishments. Self-catering establishments also provide 73.9% of all keys and 82.1% of all beds in the immediate area. These self-catering facilities will be the primary competitors to the proposed tourist accommodation focussed residential units to be constructed by the proposed development.

Map 3.8: Distribution of Short-Stay Accommodation in the Paternoster Area

213 short-stay accommodation establishments are present within Paternoster





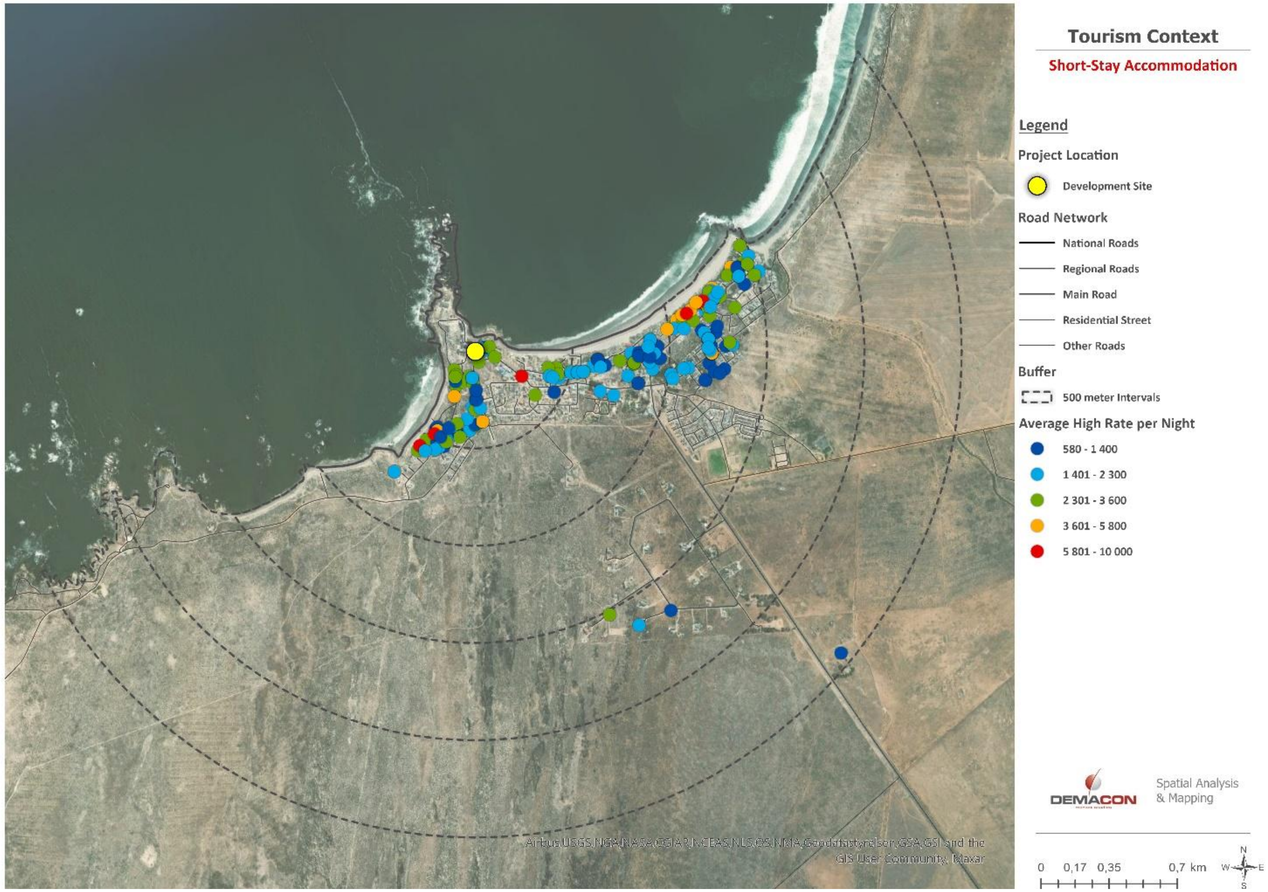
Number of Facilities within 2 km of the Proposed Development

Distance	Establishments	Rooms	Guests
500 meters	54	108	348
1 km	45	70	282
1.5 km	60	68	321
2.0 km	28	66	208

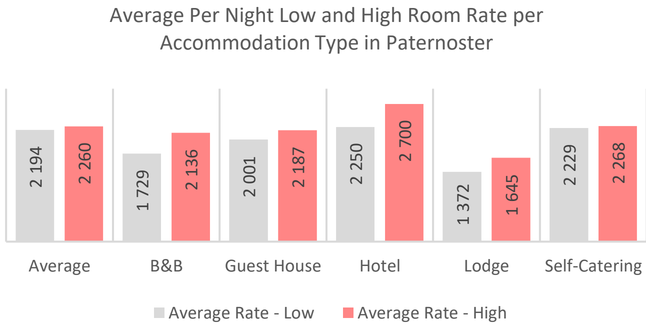
Spatial analysis reveals that 25.4% of establishments in Paternoster are within 500 meters of the proposed development site, whilst a further 21% are within 500 meters and 1 km of the development.

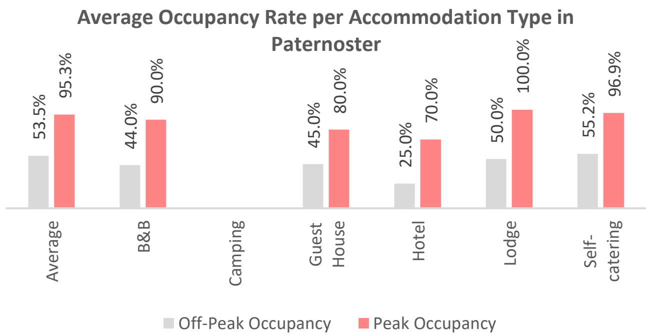
Because of the high concentration of short-stay accommodation in the immediate area of Paternoster, the localised market is highly competitive. The afore mentioned is especially true given the dominance of self-catering accommodation as the primary accommodation typology available to tourists. In order to contextually understand differences in the local market, further analysis is done to understand the per night accommodation rates, occupancy rates and lengths of stay. In Paternoster short stay accommodation's average per night and per room/unit asking price is between R2 100 and R2 400. The pricing of accommodation is fairly evenly distributed attesting to the competitive nature of the localised market. Occupancy for all establishment types is between 80% and 100% during peak months achieving between 3 and 7 days of stay.

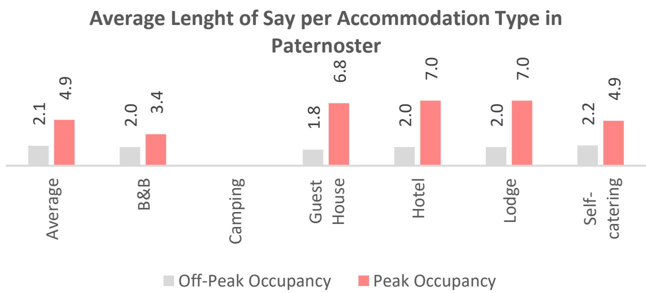
Map 3.9: Distribution of the Average High Price per Night per Room/Unit per Establishment Type in Paternoster



Interestingly in the Western Cape there are 1 171 establishments graded by the Tourism Grading Council of which only 11 (0.9%) are present in Paternoster, 1 (0.08%) in St Helena Bay, 1 (0.08%) in Vredenburg and 4 (0.3%) in Saldanha Bay. The data suggests that many establishments opt to not be graded by the Tourism Grading Council.







3.6 SYNTHESIS

The following provides a summary of the preceding analysis.

West Coast District Tourist Trends

- From a district tourism perspective, the West Coast is the fifth largest district in terms of tourist numbers with more than 60% of visitors originating from domestic markets. Visitors from the Western Cape predominantly travel to the district for tourist excursions and overnight stays. More than three quarters of domestic tourists originate from the Western Cape and on overage stay between 1 and 2 nights in the district. Approximately 36% of tourists to the area are return visitors that opt to come to the area for leisure purposes.
- Within the West Coast District the Saldanha Bay local economy is the prominent tourism centra. Nearly a third of the district's tourist GVA and jobs are created in the Saldanha local economy – the local economy provides in excess of a 1 200 catering and accommodation services sector jobs to locals.

Tourism Sector as part of the Saldanha Bay Local Economy

- Since the dampening effects of the Covid-19 pandemic on tourist activity in the West Coast, local tourist travel is once again starting to rise to pre-pandemic levels. The local economy's catering and accommodation services sector grew in 2022 by more than 55%.The sharp increase in growth is on account of the rapid rate with which tourism activity has started to regain traction in the local market, with data showing that the District is returning to tourist activity similar to those experienced prior to the pandemic. Although the local economy has seen sharp growth in the catering and accommodation services sector, historic trends up to 2019 show a decelerating and contracting industry. Future growth may largely be dependent on the capability of the district to capture more domestic and international travellers and to establish the tourism industry to such a measure that the margin of repeat customers is increased to a 50% level.

Paternoster Short-Stay Accommodation Context – Supply Side Considerations

- In spite of the contracting economic trend for the tourism sector in the area between 2011 and 2019, 315 short-stay accommodation establishment exist within a 30-minute drive time of the proposed development - more than 2 600 beds available to tourists. Approximately 68% of establishments are found in Paternoster which through profiling has come to light as a key leisure tourist node in the immediate area. Areas such as Vredenburg cater largely to business tourists. Data suggests that business tourists typically stay for a month in local guest houses and bed and breakfasts in Vredenburg whilst leisure tourists stay between 3 and 6 nights depending on the time of year.
- The proposed project would have an impact on the short-stay accommodation market as a whole because of the residential unit configuration with tourist accommodation focus of the project.
- Hotels, represent 1.3% of available establishments and are present in Paternoster and Saldanha Bay.
- Data suggests that approximately 50% of establishment capacity in the greater paternoster area is typically occupied during off-peak periods whilst between 90% and 100% of available capacity is occupied in peak periods.
- A similar composition of establishments can be observed when considering Paternoster as a localised market. 0.9% of available establishments are hotels that represent 64 guests in total. Self-catering accommodation overwhelms the local market with a share of nearly 90% of available accommodation. The data suggests that the tourism accommodation orientated residential units that the proposed development aims to develop will form part of the highly competitive short-stay accommodation market.
- For instance, the overwhelming prominence of self-catering facilities indicates that tourists that come the area prefer residence in self-catering units. Self-catering facilities in the peak season have 96% occupancy and therefore are preferred by domestic travellers. Nevertheless, the proposed development could influence pre-existing market dynamics.

Impact Considerations

- The expansion of the tourist precinct proposes the development of 11 tourist accommodation orientated residential units in Paternoster – an additional 13 residential units that do not cater to the tourism market is proposed for the precinct as well. The tourist residence units will ultimately compete to attract patrons that travel to Paternoster for leisure purposes – these patrons typically consist of domestic travellers, business travellers or long-stay tourists that make use of self-catering accommodation during peak holiday seasons.
- The short-stay accommodation market in the Paternoster area primarily consists of self-catering, bed & breakfast and guest house accommodation. The data suggests that visitors to the area typically prefer holiday home type lodging that can accommodate longer periods of stay as opposed to service orientated accommodation aimed at the travelling tourist market and shorter stay periods. Self-catering accommodation represent the core short-stay accommodation market with which the proposed project will likely compete for market share
- Approximately 25% of short-stay accommodation in Paternoster have beachfront access. The proposed development, although situated on the coastline, does not have direct beachfront access. Nevertheless, the proximity of the project to amenities as well as access to seaview accommodation provides the development with a competitive and comparative advantage.
- Beach fronting accommodation in the local competing market on average charge high per night rates (R3 000 to R3 400) than non-beach fronting accommodation (between R1 800 to R2 000). Additionally, properties situated along the coast that do not have access to a beach front (much like the proposed development) charge between R2 000 and R2 500 per night.
- The Paternoster tourist market has limited graded short-stay accommodation facilities. Approximately 0.9% of the Western Cape graded short-stay facilities are found in Paternoster, whilst the broader competing market area has 25 graded facilities.
- Data shows that self-catering accommodation in the greater Saldanha Bay area on average have a 94% occupancy rate during peak holiday periods and maintains a 53% occupancy rate during off-peak periods. The high rate of occupancy suggests that a need does exist for an expanded self-catering accommodation offering in the Paternoster short-stay accommodation market.
- The introduction of additional tourist orientated accommodation would expand the local tourism and short-stay accommodation offering and further enhance the capacity of the local tourism market to cater to the dominant visiting tourist to the immediate Paternoster destination. Agglomeration principles and economies of scale suggest that ongoing investment in economic incentives in the region will continue to stimulate the demand for short-stay accommodation in the local market. The initial impact that a proposed project could have on the existing short-stay accommodation market in the area is likely to be offset over the short- to medium-term (i.e. within 3 to 5 years). An expanded offering is considered to be a prerequisite for ongoing growth and development in the area – growth is not possible without expanding the competitive supply side base of a particular market area.
- The strategic location of the proposed tourist focused residential units provides the development with access to panoramic views of the oceanfront cradling Paternoster town. Other accommodation offerings have access to ocean views but are limited to a single perspective. It should be noted that the proposed development does not have access to a beach but is located within walking distance.
- The proposed development also forms part of a broader tourism precinct. International research suggests that short-stay accommodation that form part of centralised locations within which core tourist activities cluster has a competitive advantage to many other establishments. The proposed development has the opportunity to contribute to the growth and development of the precinct as a tourist node with integrated functions. This feature does provide a competitive advantage over other establishments in Paternoster and could be used as a platform through which local tourist industries are expanded.
- Considering the preceding, the proposed development could leverage its strategic location and precinct integration to attract and maintain self-catering specific tourist market share. The effect of the preceding enforces and expands on the capability of the local tourism market to attract local and international visitors.
- Since the start of 2023 the number of tourists that travel to the Western Cape have recovered to pre-pandemic levels, and in many cases

overachieve in terms of the growth of tourists travelling to the area. Recent data shows that during 2023 domestic traveller capacity at airports in the Western Cape recovered and exceeded 2019 capacity – an over-recovery of between 1% and 10% can be observed during 2023. Furthermore approximately 36% of domestic and international tourists are return visitors to the West Coast District – indicating that the growth of tourist travellers to the West Coast District is as a result of new visitors.

- The data suggests that demand for short-stay accommodation could increase in the coming years due to the continued growth of domestic and international tourist arrivals in the Western Cape. The addition of the proposed tourist accommodation orientated residential units could drive the West Coast District's capacity to capture tourists and expand the proportion of Western Cape visiting tourists that travel to the West Coast. This is especially true in the context of domestic tourists who prefer self-catering accommodation options in desirable tourist destinations.

Chapter 3

4 QUANTITATIVE IMPACT ASSESSMENT

The following chapter of the report is focused on the assessment of potential economic impacts that may arise from the implementation of the proposed tourist precinct expansion in Paternoster.

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

The impact refers to the ripple effect throughout the economy caused by investment in a specific economic sector. 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.

4.1 Socio-Economic and Fiscal Impact Assessment Purpose

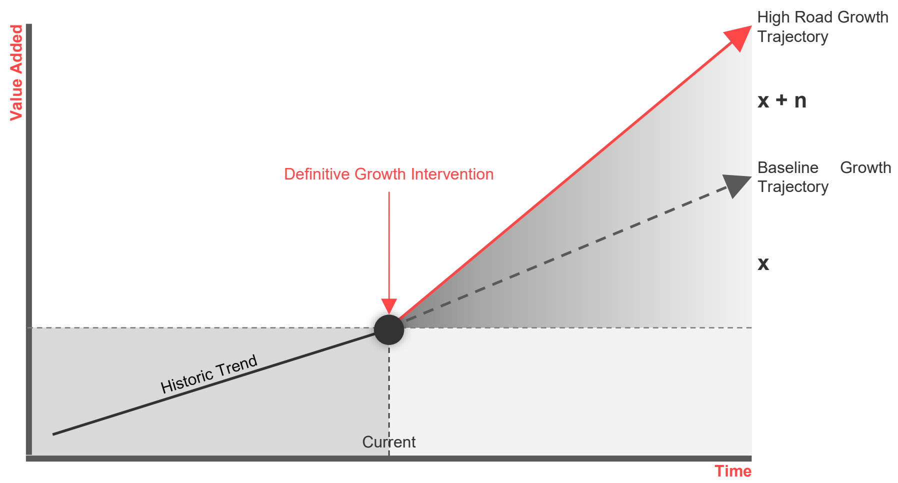
The purpose of the chapter is to assess the anticipated socio-economic impact that could be generated as a result of the implementation and operation of the proposed development. Capital investment during the construction phase and operational revenue during the operational phase are used to quantify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

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.

4.2 Input-Output Model Methodology

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

Diagram 4.1: Economic Impact of a Development

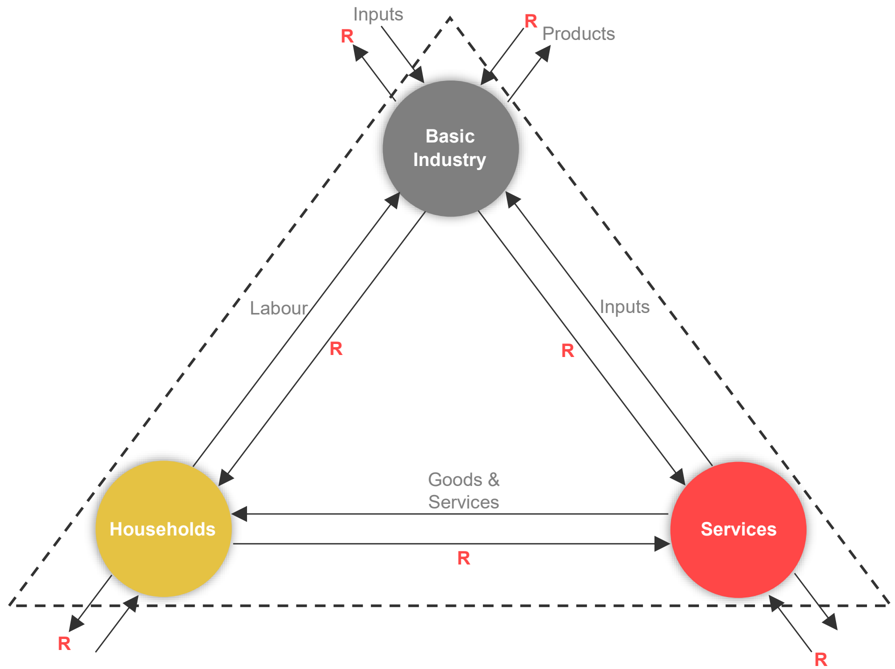


x = Baseline Economic Impact

x + n = High Road Economic Impact

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 4.2: 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 Inset-Output Model – as reflected in Table 2.1.

Table 4.1: Schematic Presentation of the Input-Output Model

	Intermediate Outputs	Final Demand	Total Production
Intermediate Inputs	**Quadrant I** x11 x12 x21 x22 xn1 xn2 m11 m12	**Quadrant II** C1 G1 I1 IC1 E1 C2 G2 I2 IC2 E2 Cn Gn In ICn En MC MG	X1 X2 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 xij, 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 2024 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 (Quantec derived multipliers based on StatsSA Annual Financial Statistics, GDP at various economic levels, employment data and quarterly labour force surveys, 2024).

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 project, it represents the impacts caused by the proposed construction activities.

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

4.3 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 operational revenue (OPEX) of the proposed development when fully developed and operational.

The following key indicators and inputs are based on the latest spatial development plan of the proposed development – compiled by Roon Architects on the 09 June 2021.

Table 4.2: Economic Impact Modelling Key Indicators and Inputs

Land Use Type	Estimated Bulk (m^2)	CAPEX	OPEX
Tourist Orientated Residential Units	2 626	R30 567 428	T1 145 731
Residential Apartments	1 278	R15 406 865	R902 698
Parking Areas (all)	1 020	R906 729	R9 498 240
Total	**4 924**	**R46 881 022**	**R11 546 669**

4.4 Impact Synopsis

Total Estimated Capital Investment (CAPEX) and Operational Revenue (OPEX)

The total estimated capital investment of the Paternoster Tourist Precinct Expansion (Net Present Value for the current year) is R46.88 million - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational revenue (annualised on-site business sales or turnover) of the development (Net Present Value for the current year) is R11.55 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 R102.73 million in additional business sales, R43.85 million in additional GDP (contributes +0.04% to the provincial economy) and approximately 154 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

Limited additional formal small, medium and micro-enterprise opportunities could be created as a result of the additional GDP being generated by the proposed development. The expansion of existing businesses is likely.

Formal employment during the construction phase represents 122 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.56% semi-skilled labourers and 22.13% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R15.48 million.

It is estimated that approximately R12.6 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 revenue) of the project could annually add approximately R21.31 million in additional business sales, R10.25 million in additional GDP (contributes +0.01% to the provincial economy) and approximately 20 sustained jobs (formal and informal) throughout the Western Cape provincial economy.

Limited additional formal small, medium and micro-enterprise opportunities could be created as a result of the additional GDP being generated by the proposed development. The expansion of existing businesses is likely.

Formal employment opportunities created throughout the lifetime of the project represents 16 jobs (total direct, indirect and induced). Approximately 31.25% of formal employment opportunities are expected to be filled by skilled labourers compared to 50% semi-skilled labourers and 18.75% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R2.98 million.

It is estimated that approximately R2.56 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 36.67% to all taxes collected economywide."

4.4.1 Construction Phase Impacts

The following section provides a concise overview of impacts that could arise during the construction phase of the proposed project. For a detailed breakdown of construction phase impacts, please refer to the Annexure. 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 **CAPEX** of the project **R46.9 million**

R102.7 million	Additional Business Sales
R43.9 million	Additional GDP
154 jobs	Additional Formal and Informal Jobs

Estimated Number of New Enterprise Opportunities

Micro Enterprises (1 to 10 employees)	Small Enterprises (11 to 50 employees)	Medium Enterprises (51 to 200 employees)
0	0	0

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

0% of opportunities could be **black owned**

Social Amenities Potentially Required

No social amenity impacts apply during the construction phase

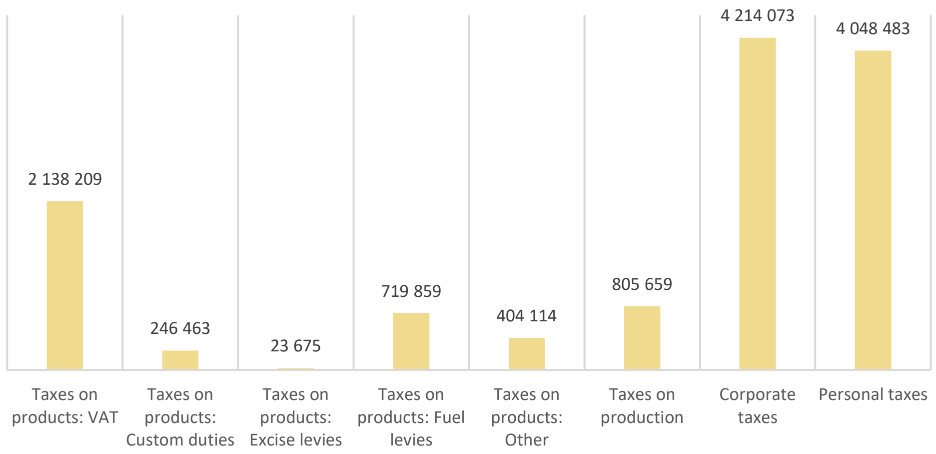
Formal Job Opportunities and Compensation

78.0% of total employment opportunities are **formal**

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

	Skilled Jobs	Semi-Skilled Jobs	Low-Skilled Jobs
Jobs	26	69	27
Total Compensation for all Job Opportunities	R4.4 million	R6.2 million	R4.9 million

Impact on Taxation



4.4.2 Operational Phase Impacts

The following section provides a concise overview of impacts that could arise during the operational phase of the proposed project. For a detailed breakdown of operational phase impacts, please refer to the Annexures. 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

Total estimated **OPEX** of the project: **R11.6 million**

R21.3 million	Additional Business Sales
R10.3 million	Additional GDP
20 jobs	Additional Formal and Informal Jobs

Estimated Number of New Enterprise Opportunities

Micro Enterprises (1 to 10 employees)	Small Enterprises (11 to 50 employees)	Medium Enterprises (51 to 200 employees)
0	0	0

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

0% of opportunities could be **black owned**

Social Amenities Potentially Required

Health and Emergency Services	Social and Cultural Services	Civic Services	Social Services	Education Services	Parks and Rereation Services
0	0	0	0	0	0

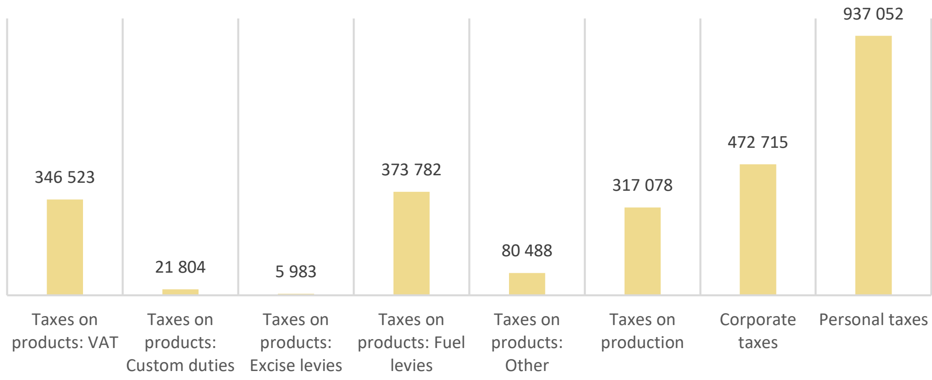
Formal Job Opportunities and Compensation

81.0% of total employment opportunities are **formal**

Skilled Jobs	30.5%
Semi-Skilled Jobs	49.2%
Low-Skilled Jobs	20.3%

	Skilled Jobs	Semi-Skilled Jobs	Low-Skilled Jobs
Jobs	5	8	3
Total Compensation for all Job Opportunities	R1.1 million	R1.2 million	R0.7 million

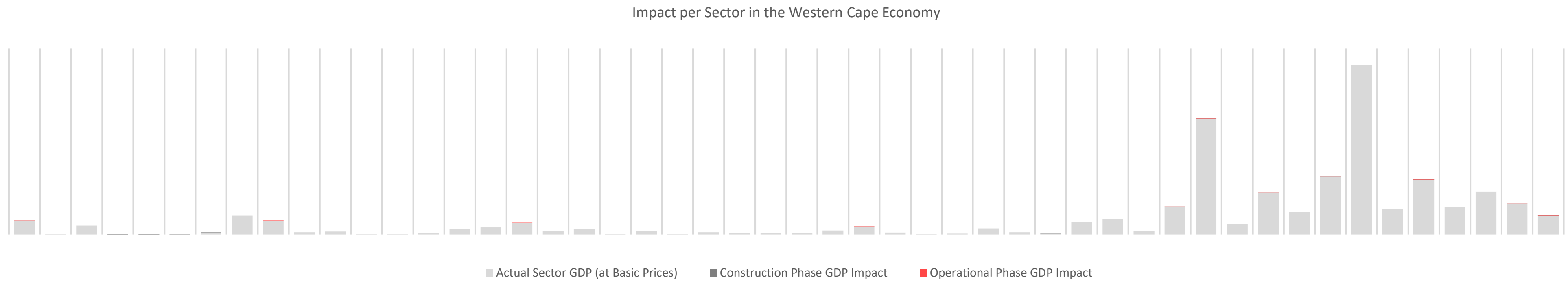
Impact on Taxation

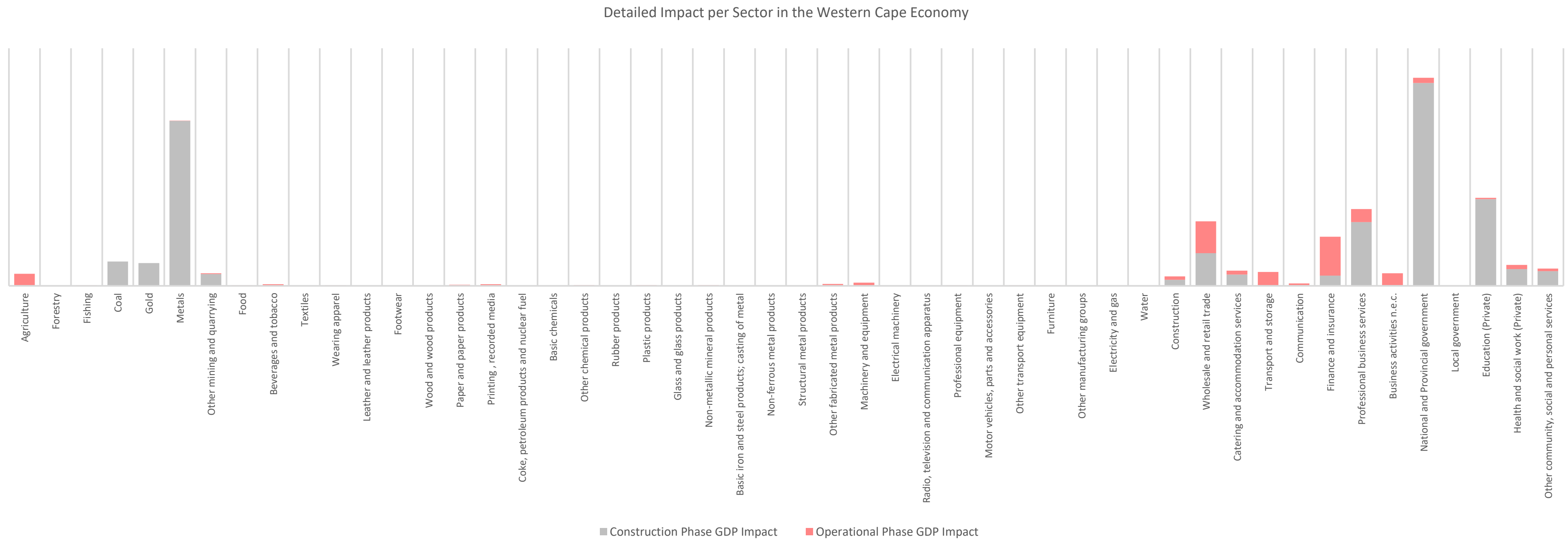


Property taxes total approximately **R29 699 348** per annum

4.4.3 Effects on the Provincial Economy

The following illustrates the impact that the proposed 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.





4.5 Cost and Benefit Analysis of the Impact

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

Cost		**Benefit (Impact)**					
Construction Phase (CAPEX)		**Unsustained Impacts**		**Direct (e.g. metro)**	**Indirect (e.g. province)**	**Induced (e.g. national)**	**Total**
Land, Buildings and Infrastructure	R40.8 million	Financial Impact	Additional Business Sales	R70.0 million	R12.6 million	R20.4 million	**R102.7 million**
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R8.9 million	R1.4 million	R2.3 million	**R12.6 million**
			Property Rates and Taxes – Municipal				
	+	Economic Impact	Additional GDP (Market Prices)	R28.1 million	R5.6 million	R10.2 million	**R43.9 million**
Furniture, Fittings and Related Services	R6.1 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**
Total CAPEX	**R46.9 million**	Social Impact	Additional Jobs (Formal and Informal)	112	14	29	**154**
			Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R10.1 million	R1.6 million	R3.8 million	**R15.5 million**
Operational Phase (OPEX)		**Sustained Impacts (annualised; at maturity)**		**Direct (e.g. metro)**	**Indirect (e.g. province)**	**Induced (e.g. national)**	**Total**
		Financial Impact	Additional Business Sales	R14.6 million	R1.5 million	R5.2 million	**R21.3 million**
			Total Production, Product and Operational Taxes (including VAT, Levies, Personal Income Tax, Corporate Taxes, etc.)	R1.8 million	R0.2 million	R0.6 million	**R2.6 million**
			Property Rates and Taxes – Municipal	R29.7 million			
Total OPEX	**R11.6 million**	Economic Impact	Additional GDP (Market Prices)	R7.0 million	R0.7 million	R2.6 million	**R10.3 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)	11	1	7	**20**
			Total Compensation Benefits of New Jobs Created (Salaries and Wages)	R1.8 million	R0.2 million	R1.0 million	**R3.0 million**

Chapter 5

5 Qualitative Impact Assessment

The following chapter is focused on the qualitative impact assessment of the proposed expansion of the tourist precinct in Paternoster. The purpose of this assessment is to:

- identify potential impacts that may arise from the project during the construction and operational phase,
- assess identified impacts based on a scientific methodology in order to outline the extent, scale, magnitude, probability and significance of each impact, and
- to propose potential mitigation measures that can be implemented to minimize the severity of negative impacts and encourage greater output from positive impacts.

The chapter outlines the potential qualitative impacts that could arise during the construction and operational phases of the proposed tourist precinct expansion. The primary focus of the assessment is to identify the impact that the proposed expansion could have on other short-stay accommodation establishments in the local market.

The section outlines potential mitigation measures to ensure that negative impacts are minimised, and positive impacts are enhanced within the local community and economy.

5.1 QUALITATIVE IMPACT ASSESSMENT METHODOLOGY

The evaluation of impacts is conducted in terms of the criteria detailed in the following tables. The various socio-economic impacts and benefits of the tourist precinct expansion is discussed in terms of the status, extent, duration, probability, and magnitude of the impact.

Finally, an accumulative impact and significance rating is applied to rate each identified impact in terms of its overall magnitude and significance.

In order to adequately assess and evaluate the impacts and benefits associated with the project, it was necessary to develop a methodology that would scientifically achieve this and reduce the subjectivity involved in making such evaluations.

For informed decision making it is necessary to assess all legal requirements and clearly defined criteria to accurately determine the significance of the predicted impact or benefit on the surrounding short-stay accommodation environment.

The nature or status of the impact is determined by the conditions of the environment prior to construction and operation. A discussion on the status of the impact will include a description of what causes the effect, what will be affected and how it will be affected. The status of the impact can be described as negative, positive or neutral.

The following provides an outline and overview of the methodological elements described above. The outline and overview form part of the overall qualitative impact assessment and is compiled into a singular feature that outlines the identified impact, its assessment based on the methodological elements and potential mitigation measures that can be considered.

Table 5.1: Status of the Impact

Description	Rating	Quantitative Rating
A benefit to the community	Positive	⊕
No cost or benefit to the community	Neutral	N
A cost to the community	Negative	⊖

Table 5.2: Extent of the Impact

Description	Rating	Quantitative Rating
Site-Specific (Occurs within the site boundary)	Low	1
Local (Extends beyond the site boundary - extending only as far as local community or urban area)	Medium - Low	2
Provincial / Regional (Extends far beyond the site boundary - Widespread effect)	Medium	3
National (i.e. South Africa)	Medium - High	4
Across International Borders	Very High	5

Table 5.3: Duration of the Impact

Description	Rating	Quantitative Rating
Immediate (less than a year)	Low	1
Short term (1-5 years)	Medium - Low	2
Medium-term (6-10 years)	Medium	3
Long term (longer than 10 years)	Medium-High	4
Permanent (no mitigation measures or natural process will reduce the impact after construction)	Very High	5

Note: The Duration of the impact refers to the time scale of the impact or benefit

Table 5.4: Magnitude of the Impact

Description	Rating	Quantitative Rating
Where the aspect will have no impact on the local social and/or economic environment	None	0
Where the impact affects the social and/or economic environment in such a way that neutral, cultural and social functions and processes are not affected	Low	1
Where the impact affects the social and/or economic environment in such a way that neutral, cultural and social functions and processes are slightly affected	Medium - Low	2
Where the impact affects the social and/or economic environment in such a way that neutral, cultural and social functions and processes continue albeit in a modified way	Medium	3
Where the impact affects the social and/or economic environment in such a way that neutral, cultural and social functions and processes are altered to the extent that it will temporarily cease	Medium-High	4
Where the impact affects the social and/or economic environment in such a way that neutral, cultural and social functions and processes are altered to the extent that it will permanently cease	Very High	5

Note: The magnitude of the severity of the impact is indicated

Table 5.5: Probability of the Impact

Description	Rating	Quantitative Rating
None	None	0
The impact will not occur	Improbable	1
The possibility of the impact materialising is very low as a result of design, historic experience or implementation of adequate mitigation measures	Low Probability	2
There is a possibility that the impact will occur	Medium Probability	3
The impact may occur	High Probability	4
It is expected that the impact will occur	Definite	5

Table 5.6: Cumulative Impact

Description	Rating	Quantitative Rating
The net effect is the same as the single development	Low	1
The impact of two developments of a similar nature is less than twice the impact of a single development. This implies it is better to place the two developments in the same environment rather than in separate environments.	Medium - Low	2
The impact of two developments is more than twice the impact of two single developments. This implies that it is better to split the two developments into separate environments	Medium	3

Note: The impact of the development is considered together with additional developments of the same or similar nature and magnitude

Table 5.7: Impact Significance Rating

Description	Rating	Quantitative Rating	Impact
The impact has limited influence, or the impact is unknown	No Impact	0	Negligible
The impact does not have a direct influence on the decision to develop in the area	Low	Up to 15	Negative / Positive
There is an impact, but can be mitigated	Low to Medium	**16 to 30**	
The impact could influence the decision to develop in the area unless it is effectively mitigated	Medium	31 to 45	
The impact will have a direct influence on the decision to develop but there are means of mitigating the impact, although these may be difficult as well as expensive	Medium to High	46 to 60	
The impact will have a direct influence on whether to develop, but there is limited scope to mitigate these impacts	High	Above 60	

5.2 QUALITATIVE IMPACT ASSESSMENT OUTCOME

The qualitative impact assessment considers potential impacts that may arise from the expansion of the existing tourist precinct in Paternoster on the local short-stay market during the construction and operational phase of the project. The intent is to identify the most likely socio-economic impacts, the extent, significance and magnitude of the identified impacts, and potential mitigation measures. Considering the preceding, the following section seeks to provide an overview of the qualitative impacts that could arise from the implementation of the proposed project. The following sections firstly seek to outline the core themes that underscore identified impacts. Secondly, an overview is provided of the impacts.

5.2.1 CONSTRUCTION PHASE IMPACTS - OVERVIEW

The following table provides an overview of the qualitative impacts that could arise as a result of the construction of the expanded areas of the Paternoster tourist precinct on the local short-stay accommodation market. Please refer to Annexure A for the full schedule of impacts identified – includes mitigation measures.

Table 5.8: Qualitative Impacts - Construction Phase

Impact	Description	Area Affected	Impact Significance Rating		Mitigation Measures	Impact Significance Post Mitigation
Local Short-Stay Accommodation Industry						
Construction-related traffic increase in the area could influence the daily traffic flow and tranquillity of the immediate community	The movement of construction vehicles in and out of the construction site could influence established movement patterns in the local community and could impact on short-stay establishments close to areas where construction vehicles primarily operate	Paternoster	24	Low - Medium	Specific roads must be allocated for use by construction vehicles in order to limit the potential impact on tourist movement. Construction could also be scheduled for off-peak periods in order to minimise the potential effect that construction activity could have on tourist activity.	Low
Short-stay accommodation establishments in the immediate vicinity of the construction site could temporarily be influenced by an increase of air, noise and pollutant exposure during the construction phase	The construction phase could generate environmental factors that influence health on-site and in immediate communities and short-stay accommodation. Reference should be made to a detailed environmental assessment, noise assessment or visual assessment. Typical environmental factors such as increased noise during construction, increase dust and related air pollutants and visual impacts could arise.	Paternoster	24	Low - Medium	Appropriate environmental and pollutant mitigation measures should be implemented during construction. Mitigation measures could include: • Dust control • Noise control • Hazardous area indications, signs and buffers • Screenings and appropriate buffers, • Etc. Construction efforts could be scheduled for off-peak periods in order to allow affected short-stay establishments to capitalise on peak tourist demand.	Low

The preceding information shows that the expansion of the existing tourist precinct in Paternoster has several impacts on the existing short-stay accommodation market in Paternoster during its construction phase.

The movement of construction vehicles in the central tourist area of Paternoster could influence the movement of the local community and tourists. Construction activities could potentially also create environmental factors such as noise, visual and air factors that influence normal tourism and short-stay activities. Mitigation measures could include construction in off-peak periods, designating specific construction vehicle routes and implementing environmental control measures.

5.2.2 OPERATIONAL PHASE IMPACTS - OVERVIEW

The following table provides an overview of the qualitative impacts that could arise as a result of the construction of the expanded areas of the Paternoster tourist precinct on the local short-stay accommodation market. Please refer to Annexure B for the full schedule of impacts identified.

Table 5.9: Qualitative Impacts: Operational Phase

Impact	Description	Area Affected	Impact Significance Rating		Mitigation Measures	Impact Significance Post Mitigation
Short-Stay Accommodation Industry						
The expansion of the established tourist precinct by including 11 residential units that will be used for tourist accommodation grows the established short-stay accommodation offering in Paternoster	The introduction of additional tourist orientated accommodation would expand the local tourism and short-stay accommodation offering and further enhance the capacity of the local tourism market to cater to tourists visiting the immediate Paternoster destination. Agglomeration principles and economies of scale suggest that ongoing investment in economic incentives in the region will continue to stimulate the demand for short-stay accommodation in the local market.	Paternoster West Coast District	32	Medium	An expanded offering is considered to be a prerequisite for ongoing growth and development in the area – growth is not possible without expanding the competitive supply side base of a particular market area	Medium
Integration of tourist focussed short-stay accommodation as part of the broader and existing tourist precinct functions (restaurants, bar, performance venue) further expands, establishes and diversifies the central Paternoster tourist node	International research suggests that short-stay accommodation that form part of centralised locations within which core tourist activities cluster has a competitive advantage to many other establishments. The proposed tourist accommodation orientated development as part of the existing tourist precinct can offer a diversified tourism function in the core tourist node of Paternoster and could be used as a platform through which local tourism industries are expanded.	Paternoster	32	Medium	The proposed tourist accommodation orientated residential development could leverage it's strategic location and precinct integration to attract and maintain a share of the competitive tourist accommodation market of Paternoster. The effect of the preceding enforces and expands on the capability of the local tourist market to not only cater to the dominant tourist base of the local market (domestic tourists), but to also offer strategically located accommodation to international visitors.	Medium to High
By adding additional tourist orientated residential units the development could initially impact on existing short-stay accommodation operators in the Paternoster area through an initial dissemination of market demand	The introduction of additional tourist orientated accommodation in the local short-Stay accommodation market could initially disseminate market demand. The scenic location of the proposed development coupled with the project's strategic location close to the existing tourist precinct development, as well as the provision of a competitive short-stay accommodation product offering, the proposed development could create market share that would influence tourist stay choice. Given the competitive nature of the local short-stay accommodation market the initial impact that additional tourist orientated accommodation could have on existing short-stay providers in the area is likely to be offset over the short- to medium-term (i.e. within 3 to 5 years).	Paternoster	36	Medium	Data suggests that demand for short-stay accommodation has steadily been increasing since 2021 due to the systematic recovery and stabilisation of domestic and international tourist arrivals in the Western Cape. In The addition of the proposed tourist orientated accommodation could drive the West Coast District's capacity to capture tourists and expand the proportion of Western Cape visiting tourists that travel to the West Coast. Furthermore, local tourist experiences and activities should be enhanced and expanded in order to additionally bolster the attractiveness of Paternoster as a tourist destination.	Low

Impact	Description	Area Affected	Impact Significance Rating	Mitigation Measures	Impact Significance Post Mitigation
A graded tourist orientated accommodation development in the local tourist market could enhance the local market's prowess and attraction factor	Data from the Tourism Grading Council shows that only 0.3% of the Western Cape's graded establishments are found in Paternoster. Furthermore, of the 213 short-stay establishments within a 30-minute drive of the proposed tourist orientated accommodation development, only 25 (12%) have a grading with the Grading Council. The addition of tourist accommodation that is graded by the Tourism Grading Council could enhance the attractiveness of the local tourist accommodation market for domestic and international tourists whilst also offering tourists a selection of accommodation options at varying levels and pricing options.	Paternoster West Coast District Tourism Area	32 Medium	Establishments, where necessary, should seek to be graded and should focus on advertising to reach new markets.	Medium to High
The operation and maintenance of additional tourist orientated accommodation positively influences the operational value chain of the tourism industry	Businesses from which tourism related inputs and services are sourced during the operational phase may see an increase in turnover. The increase in output is relevant throughout the tourism market value chain. The increase in economic output also increases GDP and the potential for job creation.	Western Cape	28 Low to Medium	The operational phase should, as far as possible, focus on sourcing inputs from the local economy, i.e. businesses located in the immediate area of the construction site. Localised sourcing enables local businesses to benefit from economic opportunities in the area.	Medium

The preceding information shows that the expansion of the existing tourist precinct in Paternoster has several impacts on the existing short-stay accommodation market in Paternoster during its operational phase.

The short-stay accommodation and tourism market in Paternoster could benefit from the development of additional tourist orientated accommodation because the introduction of additional short-stay accommodation in a high-demand tourist environment could enhance and diversify the short-stay offering of Paternoster. Furthermore, an expanded offering is considered to be a prerequisite for ongoing growth and development in the area – growth is not possible without expanding the competitive supply side base of a particular market area.

In addition to the preceding, the diversification of the central Paternoster tourist node could, according to international research, cluster cultural, economic and service industry activities in a centralised location that can be used as a springboard to facilitate the expansion of the local tourism industry.

Although the proposed tourist node expansion could leverage its strategic location as a conduit for economic growth, the additional tourist accommodation could at first impact on existing short-stay providers in Paternoster by initially disseminating short-stay accommodation market demand.

The initial impact that the proposed development could have on existing short-stay accommodation providers in the area is likely to be offset over the short- to medium-term (i.e. within 3 to 5 years). Data suggests that the demand for short-stay accommodation has steadily been increasing because of the recovery and stabilisation of the domestic and international tourist markets in the Western Cape and because of the continued investment in economic incentives that stimulate short-stay accommodation demand.

The local short-stay accommodation market has several establishments that have been graded with the Tourism Grading Council. Although several of these establishments exist, the majority of establishments are not graded – primarily as a result of their self-catering accommodation typology orientation. The addition of a graded tourist orientated accommodation development would further enhance the attractiveness of the Paternoster tourist node – for domestic and international travellers.

During the new tourist orientated accommodation development operations, the growth of economic activity in the tourism value chain can be enhanced. Improving the attractiveness of the Paternoster tourist node furthermore allows for economic expansion and growth.

5.3 SYNTHESIS

The following provides a summary of the preceding analysis.

Construction Phase Qualitative Impacts

The analysis shows that the expansion of the existing tourist precinct in Paternoster could have several impacts on the short-stay accommodation industry during its construction phase and primarily relate to:

- The movement of construction vehicles in the central tourist area of Paternoster could influence the movement of the local community and tourists
- Construction activities could potentially create environmental factors such as noise, visual and air factors that influence normal tourism and short-stay activities. Mitigation measures could include construction in off-peak periods, designating specific construction vehicle routes and implementing environmental control measures

Operational Phase Qualitative Impacts

The analysis shows that the expansion of the existing tourist precinct in Paternoster could have several impacts on the short-stay accommodation industry during its operational phase and primarily relate to:

- The short-stay accommodation and tourism market in Paternoster could benefit from the development of additional tourist orientated accommodation because the development would expand the local tourism and short-stay accommodation offering and further enhance the capacity of the local tourism market to cater to tourists visiting the immediate Paternoster destination.
- The integration of the proposed tourist accommodation with the existing tourist precinct could unlock agglomeration potential that would support the growth of economies of scale in the local tourist market. The proposed development would, however, at first impact on existing short-stay accommodation providers in Paternoster by initially disseminating market demand
- The scenic location of the proposed development, coupled with its strategic position near the existing tourist precinct, as well as the provision of a competitive short-stay accommodation product, could create a market share that influences tourists' stay choices. Given the competitive nature of the local short-stay accommodation market, the initial impact of additional tourist-oriented accommodations on existing short-stay providers in the area is likely to be offset over the short to medium term (i.e., within 3 to 5 years)
- The local short-stay accommodation market has several establishments that have been graded with the Tourism Grading Council. The addition of a graded tourist orientated accommodation development would further enhance the attractiveness of the Paternoster tourist node – for domestic and international travellers
- During the new tourist orientated accommodation development operations, the growth of economic activity in the tourism value chain can be enhanced. Improving the attractiveness of the Paternoster tourist node furthermore allows for economic expansion and growth

Chapter 6

6 CONCLUSIONS

The following chapter focuses on providing an overview of the key outcomes and results of the preceding report's analysis and to provide considerations that could be reviewed when considering the potential of the proposed development.

6.1 Overview and Conclusions

The purpose of this report is to update a socio-economic and fiscal impact assessment completed for a proposed Tourism Precinct Development in Paternoster in October of 2022. The purpose of the assessment is to review short stay accommodation in and around Paternoster in order to determine the range of quantitative and qualitative impacts, positive or negative, that could specifically influence the Paternoster short stay accommodation environment. The update of the assessment is based on feedback received from the Western Cape Department of Environmental Affairs and Development Planning who requested that the impact assessment should be updated to include the most recent socio-economic data given the release of Census 2022 information and changes to the economic environment of South Africa. Additionally, the scope of the proposed development to be constructed as part of the Tourism Precinct Development has been changed and therefore the impact assessment must be reviewed in line with the updated project proposal.

The proposed development is situated in Paternoster (Western Cape) and seeks to expand on the existing tourism complex of the town (which was recently redeveloped from an old fish factory to provide uses such as a bar, restaurant, art gallery, theatre/convention area and coffee shop) by expanding development opportunities on adjacent properties to the west and south. The expansion of the tourism complex focusses on:

- the redevelopment of the existing crayfish factory facility in on Farm 1259 to 11 residential units for tourist accommodation purposes
- retaining approximately 551 m² of the existing crayfish factory as crayfish holding tanks that will serve the Waterfront Development
- the consolidation of Erven 583 and 1613 for the construction of 7 residential flats
- the consolidation of Erven 1751 to 1753 for the construction of 6 residential flats
- portions of the consolidated properties that will be used to for the widening of Kreeftegang Road and the construction of a private road from St Augustine Road

An update of the socio-economic context analysis of the proposed development was undertaken to establish the overarching elements that define the area of influence/host community of the project.

The host community of the project is a mixture of urban nodes and farming/rural areas. An assessment of the location of the proposed development sites reveals that prominent urban nodes such as Vredenburg, Saldanha Bay, Paternoster and St Helena Bay are within a 30-minute drive from the development site. The host community shows moderate to high growth in recent years, exceeding economic growth in the last 2 to 3 years. The host community is characterised as young (more than 63% aged 35 and younger) and is heavily influenced by in-migration.

Unemployment in the host community is medium to high due to the decelerating trend of local economic growth. The economic growth of the local economy has been decelerating since 2012 and at present absorbs approximately 30% of the new economically active population. The data, therefore, suggest that the local economy cannot keep pace with the growth of population and in the medium- to long-term unemployment is expected to maintain its current trajectory.

The host community is primarily formal due to its established suburban nature of key urban nodes. Households typically earn, on average, more than R12 500 per month. Approximately 51% of households are considered to be indigent (earning less than R3 500 per month).

The host community typically rents a dwelling, this is especially true in areas where high property prices limit community capacity to own property.

The quantitative impacts do indicate that the introduction of the proposed development (more than R46.8 million capital expenditure) could result in a sizeable economic multiplier effect whereby the operational phase of the project could stimulate more than 150 formal employment opportunities throughout the provincial economy. The development could positively impact opportunities for the establishment of new SMME’s, increased labour compensation and increased public sector fiscal benefits in the form of taxation.

The development of the tourist precinct expansion and specifically the addition of additional tourist orientated accommodation in the Paternoster short-stay accommodation market could have several impacts on the exist short-stay accommodation industry in Paternoster. The construction phase of the development could temporarily influence the established movement of the local community as well as tourists whilst environmental factors such as noise, air and visual pollution could impact on short-stay establishments directly adjacent to development activities. These impacts are temporary and last for the duration of the construction period.

Operationally, the proposed tourist orientated accommodation and related tourist precinct expansions offer the local tourism market an opportunity to expand and enhance it's short-stay accommodation offering and in effect assists with stimulating demand from tourists. An integrated tourist node that offers short-stay as well as entertainment and related facilities provides a springboard through which the attractiveness of the Paternoster tourist node could be increased for domestic and international tourists.

It is our reasoned opinion that the introduction of additional tourist orientated accommodation in the Paternoster short-stay accommodation market could initially disseminate tourist demand in Paternoster but, the initial impact that the proposed development could have on existing short-stay accommodation providers in the area is likely to be offset over the short- to medium-term (i.e. within 3 to 5 years).

The recovery in domestic and international tourist arrivals in the Western Cape, as well as continued investment in economic incentives that encourage short-stay accommodation demand, the demand for short-stay accommodations could move beyond existing patterns to systematically increasing demand in the coming years.

Overall, the proposed development could positively contribute to the expansion and diversification of the local tourism market by introducing an integrated tourist node development that can cater to domestic and international tourists. **On this basis the proposed development should be authorised given that the project offers an acceptable diversification of the tourism industry and consequently will contribute to economic growth, socio-economic development and the general diversification of a key economic and socio-economic development driver**.

Table 6.1: Summary of Key Indicators of the Impact Analysis

	Paternoster
Average Annual Local Economy Growth Rate (2017 to 2022)	0.4% (all sectors)
Labour Absorption Rate	38.7% of new economically active people since 2012 found employment locally
	78.5% of employment is formal
Demographic Profiling	63.0% aged 34 and younger
	23.2% of people moved into the area since 2011
	R12 537 average monthly household income
	51.0% of households can be classified as indigent

Paternoster

Quantitative Impact Analysis – Operational Phase (Total Impact – Provincial)

CAPEX = **R46.9** million
OPEX = **R11.6** million

Development Type = **Tourist Orientate Residential and Apartments**

Additional Annual Business Sales
R21.3 million

Additional Annual GDP
R10.3 million

Created and Sustained Additional Formal Employment
17 jobs

Skilled Formal Jobs = **5 jobs**
Semi-Skilled Formal Jobs = **9 jobs**
Low-Skilled Formal Jobs = **3 jobs**

The proposed development could create economic impacts throughout the provincial economy. Most notably, the construction phase primarily impacts the construction, trade, transport and storage and financial services sectors. The operational phase generates economic impacts throughout the provincial economy and primarily influences trade, financial services, business services and the manufacturing of textiles, beverages and tobacco and wood products. These impacts are economy-wide, i.e. distributed throughout the provincial economy.

Qualitative Impact Analysis – Operational Phase

The expansion of the established tourist precinct by including additional short-stay accommodation grows and diversifies the short-stay accommodation offering in Paternoster **Positive**

The integration of the proposed tourist accommodation with the existing tourist precinct could unlock agglomeration potential that would support the growth of economies of scale in the local tourist market **Positive**

By adding additional tourist orientated residential units the development could initially impact on existing short-stay accommodation operators in the Paternoster area through an initial dissemination of market demand **Negative**

A graded tourist orientated accommodation development in the local tourist market could enhance the local market's prowess and attraction factor **Positive**

The operation and maintenance of additional tourist orientated accommodation positively influences the operational value chain of the tourism industry **Positive**

Annexure A

Qualitative Impact Assessment – Construction Phase

Impact	Description	Area Affected	Status	Extent	Duration	Magnitude	Probability	Impact Significance Rating		Mitigation Measures	Impact Significance Post Mitigation
Local and Regional Economy											
Construction-related traffic increase in the area could influence the daily traffic flow and tranquillity of the immediate community	The movement of construction vehicles in and out of the construction site could influence established movement patterns in the local community and could impact on short-stay establishments close to areas where construction vehicles primarily operate	Paternoster	+	2	2	2	4	24	Low - Medium	Specific roads must be allocated for use by construction vehicles in order to limit the potential impact on tourist movement. Construction could also be scheduled for off-peak periods in order to minimise the potential effect that construction activity could have on tourist activity.	Low
Short-stay accommodation establishments in the immediate vicinity of the construction site could temporarily be influenced by an increase of air, noise and pollutant exposure during the construction phase	The construction phase could generate environmental factors that influence health on-site and in immediate communities and short-stay accommodation. Reference should be made to a detailed environmental assessment, noise assessment or visual assessment. Typical environmental factors such as increased noise during construction, increase dust and related air pollutants and visual impacts could arise.	Paternoster	+	2	2	2	4	24	Low - Medium	Appropriate environmental and pollutant mitigation measures should be implemented during construction. Mitigation measures could include: • Dust control • Noise control • Hazardous area indications, signs and buffers • Screenings and appropriate buffers, • Etc. Construction efforts could be scheduled for off-peak periods in order to allow affected short-stay establishments to capitalise on peak tourist demand.	Low

Annexure B

QUALITATIVE IMPACT ASSESSMENT – OPERATIONAL PHASE

Impact	Description	Area Affected	Status	Extent	Duration	Magnitude	Probability	Impact Significance Rating	Mitigation Measures	Impact Significance Post Mitigation
Local and Regional Economy										
The expansion of the established tourist precinct by including 11 residential units that will be used for tourist accommodation grows the established short-stay accommodation offering in Paternoster	The introduction of additional tourist orientated accommodation would expand the local tourism and short-stay accommodation offering and further enhance the capacity of the local tourism market to cater to tourists visiting the immediate Paternoster destination. Agglomeration principles and economies of scale suggest that ongoing investment in economic incentives in the region will continue to stimulate the demand for short-stay accommodation in the local market.	Paternoster West Coast District	⊕	2	4	2	4	32 Medium	An expanded offering is considered to be a prerequisite for ongoing growth and development in the area – growth is not possible without expanding the competitive supply side base of a particular market area	Medium
Integration of tourist focussed short-stay accommodation as part of the broader and existing tourist precinct functions (restaurants, bar, performance venue) further expands, establishes and diversifies the central Paternoster tourist node	International research suggests that short-stay accommodation that form part of centralised locations within which core tourist activities cluster has a competitive advantage to many other establishments. The proposed tourist accommodation orientated development as part of the existing tourist precinct can offer a diversified tourism function in the core tourist node of Paternoster and could be used as a platform through which local tourism industries are expanded.	Paternoster	⊕	2	4	2	4	32 Medium	The proposed tourist accommodation orientated residential development could leverage it's strategic location and precinct integration to attract and maintain a share of the competitive tourist accommodation market of Paternoster. The effect of the preceding enforces and expands on the capability of the local tourist market to not only cater to the dominant tourist base of the local market (domestic tourists), but to also offer strategically located accommodation to international visitors.	Medium to High
By adding additional tourist orientated residential units the development could initially impact on existing short-stay accommodation operators in the Paternoster area through an initial dissemination of market demand	The introduction of additional tourist orientated accommodation in the local short-Stay accommodation market could initially disseminate market demand. The scenic location of the proposed development coupled with the project's strategic location close to the existing tourist precinct development, as well as the provision of a competitive short-stay accommodation product offering, the proposed development could create market share that would influence tourist stay choice. Given the competitive nature of the local short-stay accommodation market the initial impact that additional tourist orientated accommodation could have on existing short-stay providers in the area is likely to be offset over the short- to medium-term (i.e. within 3 to 5 years).	Paternoster	⊖	2	4	3	4	36 Medium	Data suggests that demand for short-stay accommodation has steadily been increasing since 2021 due to the systematic recovery and stabilisation of domestic and international tourist arrivals in the Western Cape. In The addition of the proposed tourist orientated accommodation could drive the West Coast District's capacity to capture tourists and expand the proportion of Western Cape visiting tourists that travel to the West Coast. Furthermore, local tourist experiences and activities should be enhanced and expanded in order to additionally bolster the attractiveness of Paternoster as a tourist destination.	Low

Impact	Description	Area Affected	Status	Extent	Duration	Magnitude	Probability	Impact Significance Rating		Mitigation Measures	Impact Significance Post Mitigation
A graded tourist orientated accommodation development in the local tourist market could enhance the local market's prowess and attraction factor	Data from the Tourism Grading Council shows that only 0.3% of the Western Cape's graded establishments are found in Paternoster. Furthermore, of the 213 short-stay establishments within a 30-minute drive of the proposed tourist orientated accommodation development, only 25 (12%) have a grading with the Grading Council. The addition of tourist accommodation that is graded by the Tourism Grading Council could enhance the attractiveness of the local tourist accommodation market for domestic and international tourists whilst also offering tourists a selection of accommodation options at varying levels and pricing options.	Paternoster West Coast District Tourism Area	+	2	4	2	4	32	Medium	Establishments, where necessary, should seek to be graded and should focus on advertising to reach new markets.	Medium to High
The operation and maintenance of additional tourist orientated accommodation positively influences the operational value chain of the tourism industry	Businesses from which tourism related inputs and services are sourced during the operational phase may see an increase in turnover. The increase in output is relevant throughout the tourism market value chain. The increase in economic output also increases GDP and the potential for job creation.	Western Cape	+	2	4	1	4	28	Low to Medium	The operational phase should, as far as possible, focus on sourcing inputs from the local economy, i.e. businesses located in the immediate area of the construction site. Localised sourcing enables local businesses to benefit from economic opportunities in the area.	Medium

Annexure C

Fiscal and Socio-Economic Impact Model

Prepared For:
Virdus

May 2024

Paternoster Tourist Precinct Expansion

Fiscal and Socio-Economic Impact Model Update

DEMACON LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT

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Table of Contents

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, seasonal and informal workers. Employment consists of three main categories, namely skilled, semi-skilled, low skilled and informal labour
Informal Employment	Number of paid employees that are employed by informal buisnesses - 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.

1 Project Information

1.1 Project Description

Project Name: Paternoster Tourist Precinct Expansion

Project Description: Review of impacts that could arise as a result of the implmentation of the project

1.2 Land Use and Bulk Overview

Land Use Description	Number of Units / Keys / Seats	Bulk m²	% Contribution
Tourist Orientated Residential Units	11	2 626	53.3%
Sectional Title Apartments	13	1 278	26.0%
Parking	51	1 020	20.7%
Total		**4 924**	

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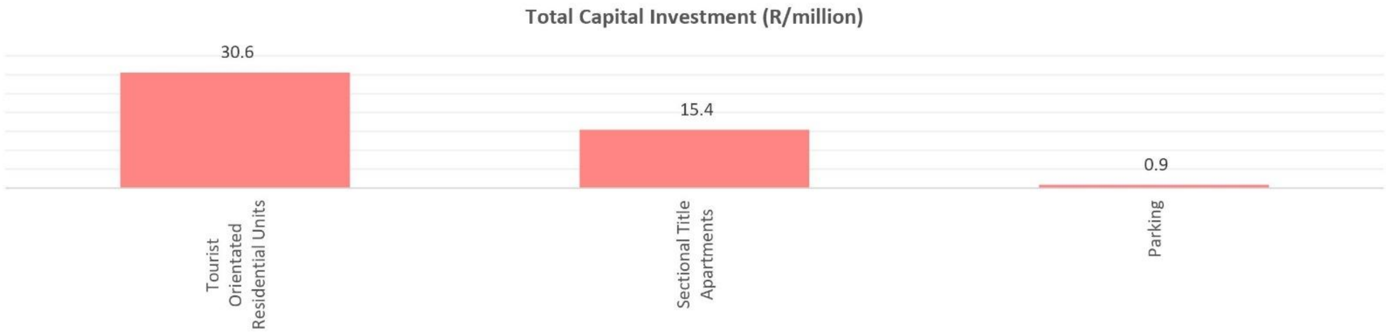
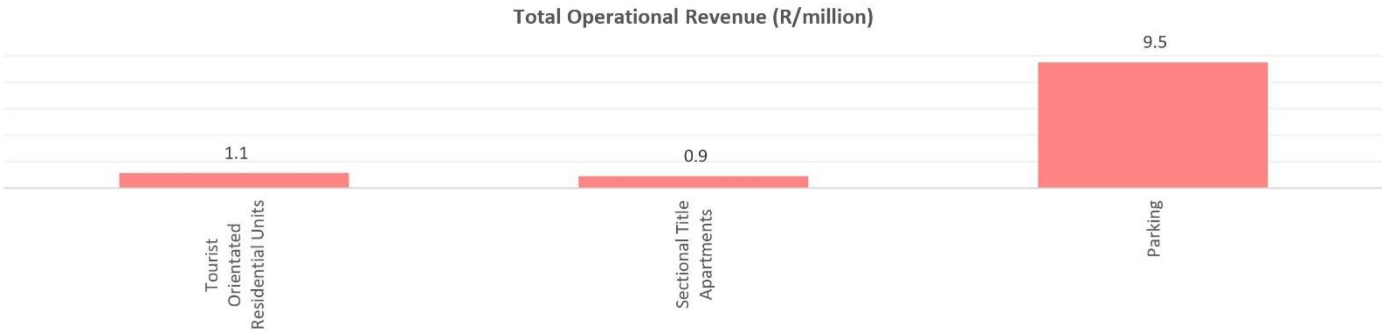
1.3 Capital Investment Overview

Land Use Description	Buildings	Infrastructure, Land & Furniture, Fittings & Fixtures	Total Capital Investment	% Contribution
Tourist Orientated Residential Units	26 580 372	3 987 056	30 567 428	65.2%
Sectional Title Apartments	13 397 274	2 009 591	15 406 865	32.9%
Parking	788 460	118 269	906 729	1.9%
Total	**40 766 106**	**6 114 916**	**46 881 022**	



1.4 Operational Revenue Overview

Land Use Description	Total Operational Revenue	% Contribution
Tourist Orientated Residential Units	1 145 731	9.9%
Sectional Title Apartments	902 698	1.9%
Parking	9 498 240	20.3%
Total	**11 546 669**	



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Chapter 2
Synopsis

This section of the report focuses on providing a concise and digestable 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 Secion 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 Revenue (OPEX)

The total estimted capital investment of the Paternoster Tourist Precinct Expansion (Net Present Value for the current year) is R46.88 million - It should be noted that the Total CAPEX includes expenditure on furniture, fixtures, fittings and related services.

The total estimated operational revenue (annualised on-site business sales or turnover) of the development (Net Present Value for the current year) is R11.55 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 R102.73 million in additional business sales, R43.85 million in additional GDP (contributes +0.04% to the provincial economy) and approximately 154 once-off jobs (formal and informal) throughout the Western Cape provincial economy.

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

Formal employment during the construction phase represents 122 jobs (total direct, indirect and induced). Approximately 21.31% of formal employment opportunities are expected to be filled by skilled labourers compared to 56.56% semi-skilled labourers and 22.13% low-skilled labourers.

Additional compensation paid to employees during the construction phase is estimated to be approximately R15.48 million.

It is estimated that approximately R12.6 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 revenue) of the project could annually add approximately R21.31 million in additional business sales, R10.25 million in additional GDP (contributes +0.01% to the provincial economy) and approximately 20 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 16 jobs (total direct, indirect and induced). Approximately 31.25% of formal employment opportunities are expected to be filled by skilled labourers compared to 50% semi-skilled labourers and 18.75% low-skilled labourers. Additional annual compensation paid to employees during the operational phase is estimated to be approximately R2.98 million.

It is estimated that approximately R2.56 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 36.67% 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

Construction Phase CAPEX
46 881 022

Additional Business Sales	102 729 351
Additional GDP	43 849 851
Additional Employment (Formal and Informal)	154

2.3 Operational Phase Economic Impacts

Operational Phase OPEX
11 546 669

Additional Business Sales	21 311 109
Additional GDP	10 251 808
Additional Employment (Formal and Informal)	20

2.4 SMME Opportunities

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

2.5 Formal Jobs Created by Skill Level - Construction Phase Economic Impacts

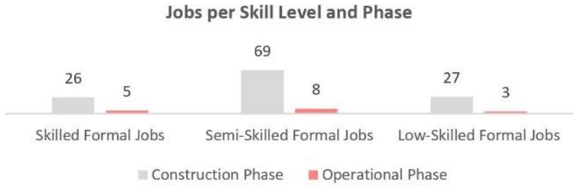
Construction Phase CAPEX
46 881 022

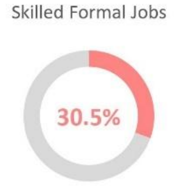
Skilled Formal Jobs	26
Semi-Skilled Formal Jobs	69
Low-Skilled Formal Jobs	27

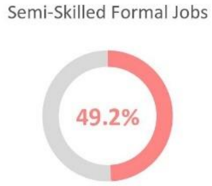
2.6 Formal Jobs Created by Skill Level - Operational Phase Economic Impacts

Operational Phase OPEX
11 546 669

Skilled Formal Jobs	5
Semi-Skilled Formal Jobs	8
Low-Skilled Formal Jobs	3







2.7 Impact on Compensation of Formal Jobs per Skill Level

Job Typer per Skill Level	Construction Phase	Operational Phase
Skilled Formal Jobs	4 395 328	1 054 291
Semi-Skilled Formal Jobs	6 220 465	1 177 770
Low-Skilled Formal Jobs	4 863 295	744 096
Total	**15 479 088**	**2 976 157**

Average Annual Compensation per Formal Job Created

128 160	183 586

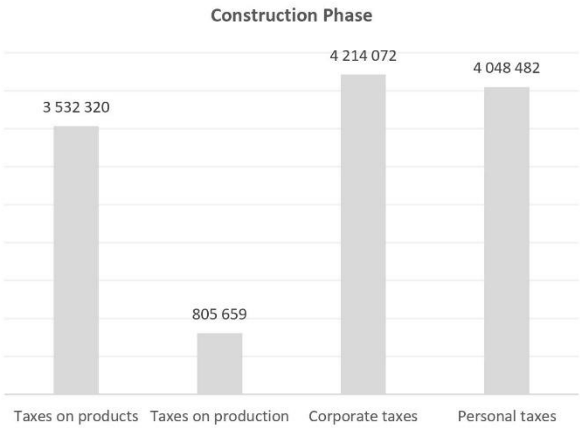
2.8 Additional Social Facilities Required

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

2.9 Additional Taxes Generated

Taxation Type	Construction Phase	Operational Phase
Taxes on products	3 532 320	828 580
Taxes on production	805 659	317 079
Corporate taxes	4 214 072	472 715
Personal taxes	4 048 482	937 052
Total Tax Impact	**12 600 534**	**2 555 426**

Property Taxation	Property Rates per Annum
Total Property Taxes (i.e. Taxable Property Types)	29 699 348
Total Property Taxes Foregone by Local Municipality (i.e. Subsidy Housing Programmes, etc.)	0
Total	**29 699 348**



2.10 Sector Profiling

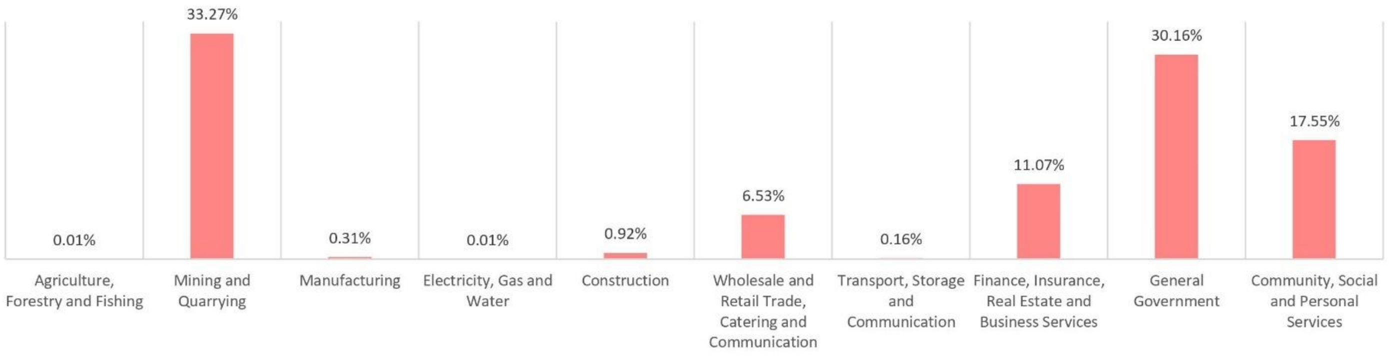
Impact on GDP during the Construction Phase (Different Economic Geographies)

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	40 398 418	1 308 731 810 418	0.00%
West Coast Regional Economy	37 461 482 000		37 501 880 418	0.11%
Saldanha Bay Sub-Regional Economy	12 113 027 000		12 153 425 418	0.33%

Top Economic Sectors that Benefit from Increased GDP

1	National and Provincial government	**11 953 613**	6	Coal	**1 426 286**
2	Metals	**9 718 449**	7	Gold	**1 343 059**
3	Education (Private)	**5 105 231**	8	Health and social work (Private)	**994 386**
4	Professional business services	**3 750 569**	9	Other community, social and personal services	**857 273**
5	Wholesale and retail trade	**1 920 303**	10	Other mining and quarrying	**701 484**

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	9 456 403	1 308 700 868 403	0.00%
West Coast Regional Economy	37 461 482 000		37 470 938 403	0.03%
Saldanha Bay Sub-Regional Economy	12 113 027 000		12 122 483 403	0.08%

Top Economic Sectors that Benefit from Increased GDP

1	Finance and insurance	**2 293 022**	6	Agriculture	**704 965**
2	Wholesale and retail trade	**1 885 917**	7	National and Provincial government	**312 626**
3	Transport and storage	**794 668**	8	Health and social work (Private)	**245 401**
4	Professional business services	**769 362**	9	Catering and accommodation services	**228 388**
5	Business activities n.e.c.	**709 196**	10	Construction	**197 839**

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

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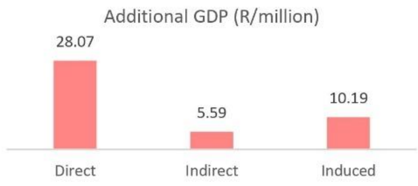
Chapter 3
Construction Phase Economic Impacts

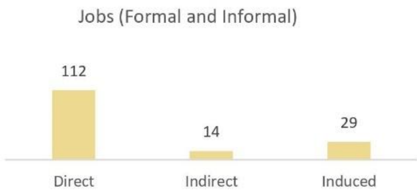
This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the construction phase of the proposed project. Impacts generated during this phase are not sustained impacts because the construction phase of a project only lasts up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

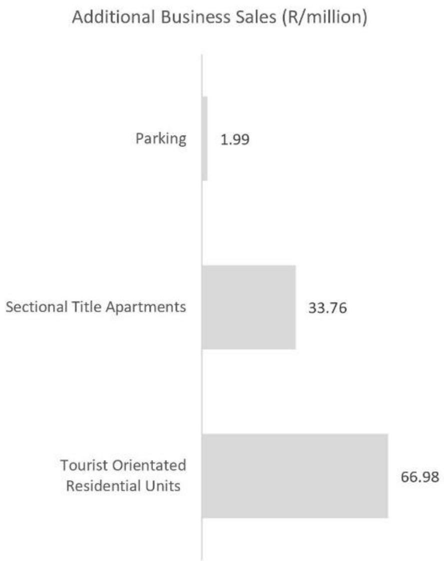
3 Construction Phase Economic Impacts

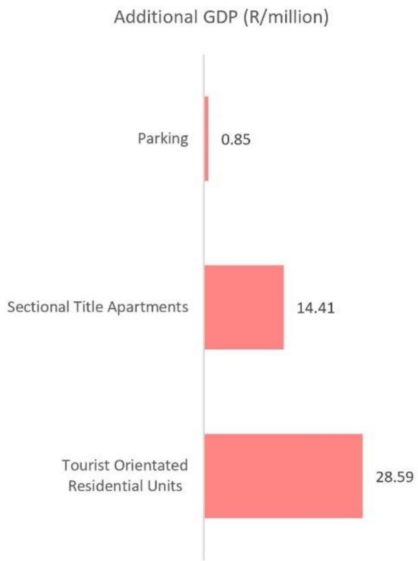
TOTAL estimated **CAPEX** of the project **46.88 million**

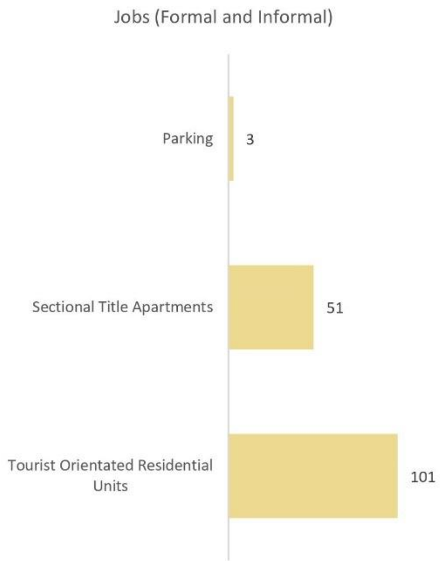
Additional Business Sales (Unsustained)	**102.73 million**
Additional GDP - Market Prices (Unsustained)	**43.85 million**
Additional Jobs - Formal & Informal (Unsustained)	**154 jobs**





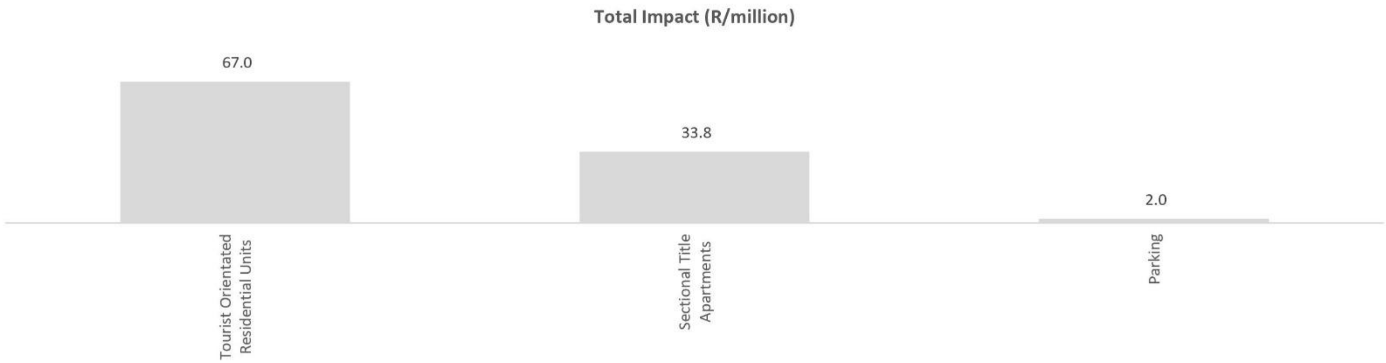






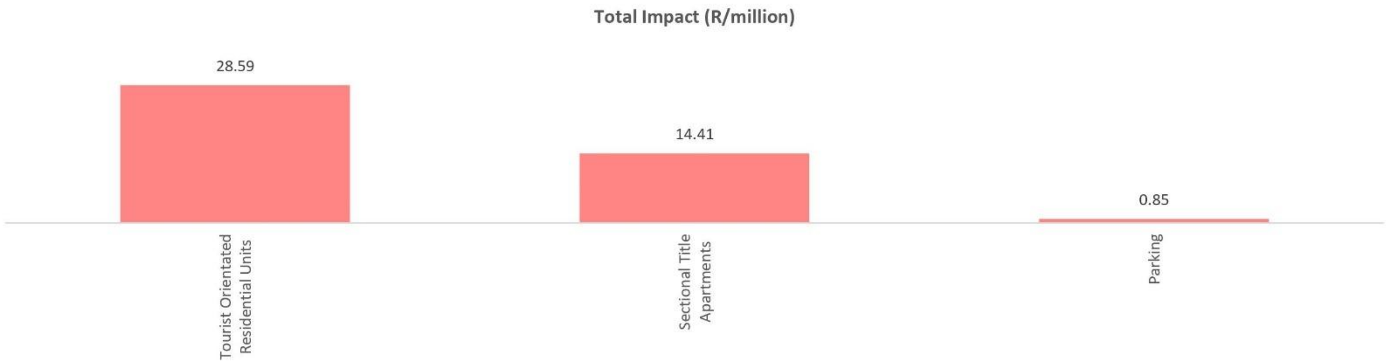
3.1 Impact on Additional Business Sales

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	45 498 034	8 190 053	13 293 644	66 981 732
Sectional Title Apartments	22 932 321	4 128 023	6 700 380	33 760 724
Parking	1 349 619	242 944	394 333	1 986 895
Total	**69 779 975**	**12 561 020**	**20 388 357**	**102 729 351**



3.2 Impact on Gross Domestic Product

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	18 301 766	3 644 875	6 644 398	28 591 039
Sectional Title Apartments	9 224 618	1 837 122	3 348 968	14 410 708
Parking	542 890	108 119	197 094	848 103
Total	**28 069 273**	**5 590 117**	**10 190 461**	**43 849 851**



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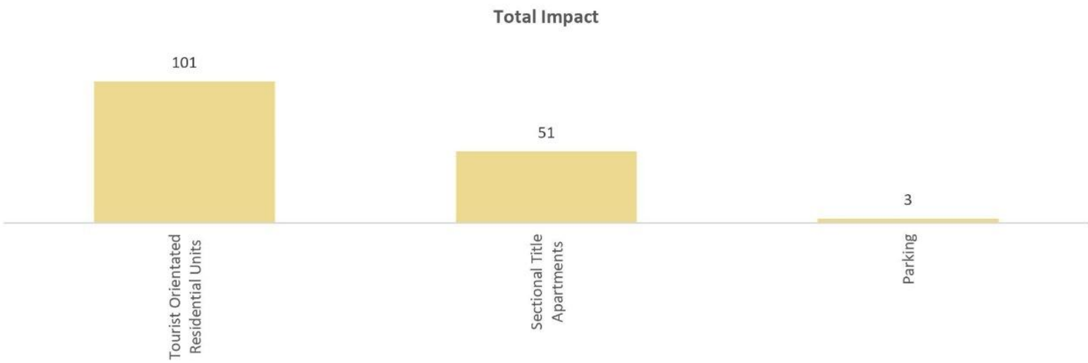
3.2 Impact on Employment

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	73	9	19	101
Sectional Title Apartments	37	5	9	51
Parking	2	0	1	3
Total	**112**	**14**	**29**	**154**



Distribution between the Formal and Informal Economy

Total Number of Formal Jobs Created	**121**
Total Number of Informal Jobs Created	**34**

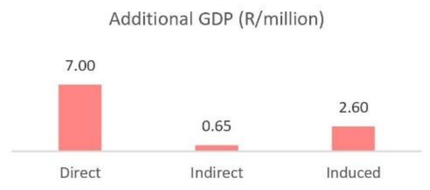
Chapter 4
Operational Phase Economic Impacts

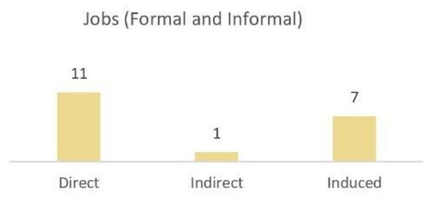
This section of the report is focused on providing an overview of potential economic and socio-economic impacts that may arise during the operational phase of the proposed project. Impacts generated during this phase are sustained impacts meaning, impacts generated are sustained for the duration of the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

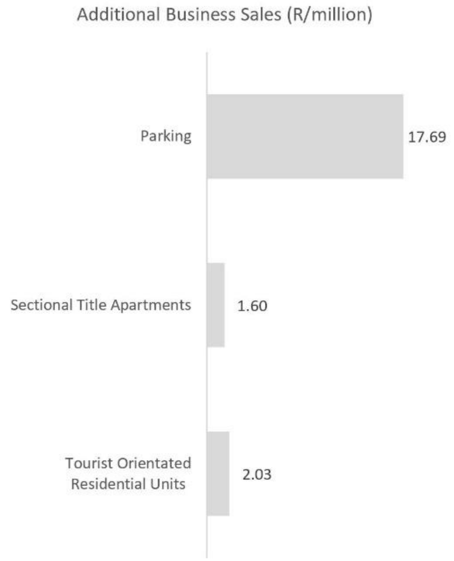
4 Operational Phase Economic Impacts

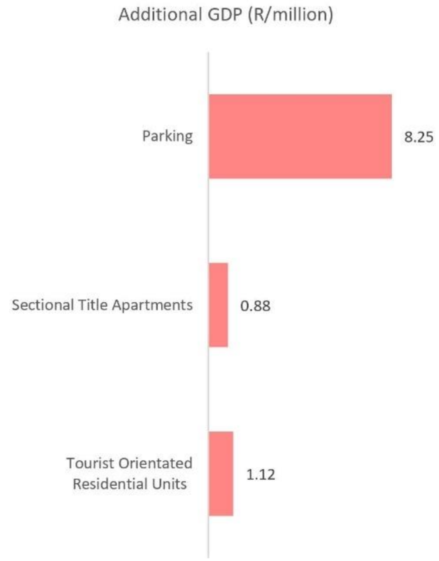
TOTAL estimated **OPEX** of the project **11.55 million**

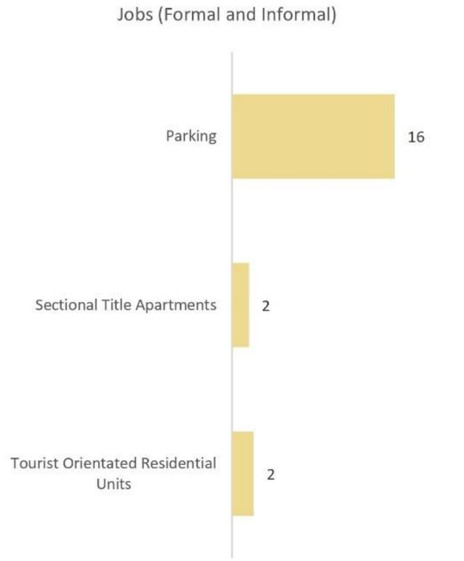
Additional Business Sales (Unsustained)	**21.31 million**
Additional GDP - Market Prices (Unsustained)	**10.25 million**
Additional Jobs - Formal & Informal (Unsustained)	**20 jobs**





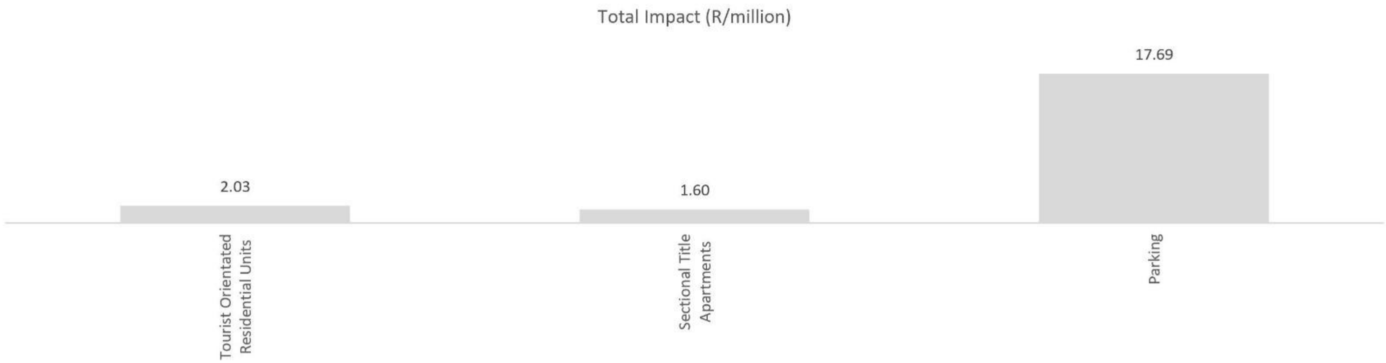






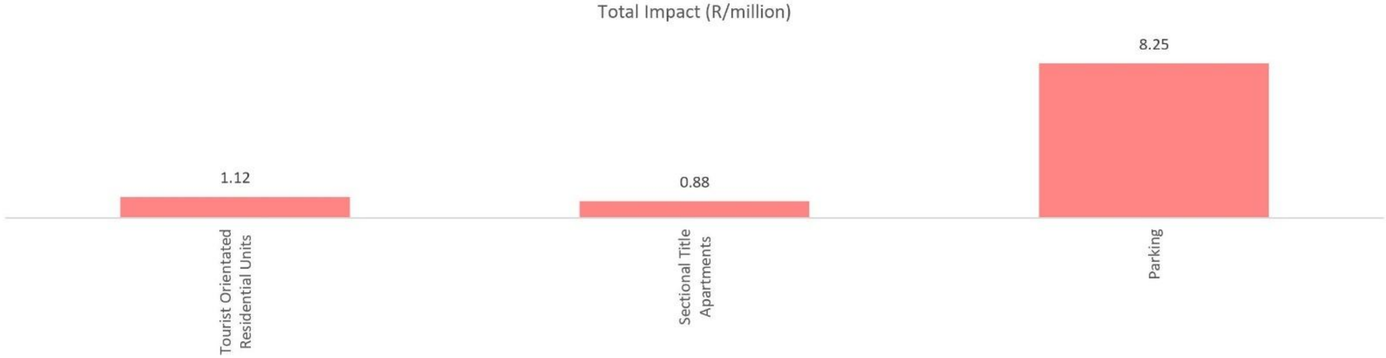
4.1 Impact on Additional Business Sales

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	1 336 047	105 388	586 141	2 027 576
Sectional Title Apartments	1 052 643	83 033	461 808	1 597 484
Parking	12 228 621	1 294 093	4 163 334	17 686 048
Total	**14 617 311**	**1 482 514**	**5 211 284**	**21 311 109**



4.2 Impact on Gross Domestic Product

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	774 705	54 563	292 964	1 122 232
Sectional Title Apartments	610 374	42 989	230 820	884 183
Parking	5 613 260	551 225	2 080 908	8 245 393
Total	**6 998 339**	**648 777**	**2 604 692**	**10 251 808**

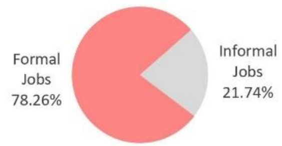


4.3 Impact on Employment

Land Use	Direct Impacts	Indirect Impacts	Induced Impacs	Total Impacts
Tourist Orientated Residential Units	1	0	1	2
Sectional Title Apartments	1	0	1	2
Parking	9	1	6	16
Total	**11**	**1**	**7**	**20**

Distribution between the Formal and Informal Economy

Total Number of Formal Jobs Created	16
Total Number of Informal Jobs Created	4



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

46.88 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 Entrprise Opportunities				**0**

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5.1 Operational Phase Enterprise Opportunities

TOTAL estimated **OPEX** of the project

11.55 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 Entrprise Opportunities				**0**

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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 **46.88 million**

Skilled Jobs	26 jobs
Semi-Skilled Jobs	68 jobs
Low-Skilled Jobs	27 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	15	3	8	26
Semi-Skilled Jobs	53	5	10	68
Low-Skild Jobs	17	3	7	27
Estimated Number of New Employment Opportunities	**85**	**11**	**25**	**121**

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 **11.55 million**

Skilled Jobs	5 jobs
Semi-Skilled Jobs	9 jobs
Low-Skilled Jobs	3 jobs

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	3	0	2	5
Semi-Skilled Jobs	5	1	3	9
Low-Skild Jobs	1	0	2	3
Estimated Number of New Employment Opportunities	**9**	**1**	**7**	**17**

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

0.05 billion

Skilled Jobs Total Compensation	**4 395 327**
Semi-Skilled Jobs Total Compensation	**6 220 465**
Low-Skilled Jobs Total Compensation	**4 863 295**

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	2 319 644	565 805	1 509 878	4 395 327
Semi-Skilled Jobs	4 377 769	599 406	1 243 290	6 220 465
Low-Skild Jobs	3 402 515	467 553	993 227	4 863 295
Estimated Number of New Employment Opportunities	**10 099 928**	**1 632 764**	**3 746 395**	**15 479 087**
Average Annual Compensation per Job Created	**118 823**	**148 433**	**149 856**	**127 926**

7.2 Operational Phase Impact on Compensation

TOTAL estimated **OPEX** of the project

0.01 billion

Skilled Jobs Total Annual Compensation	**1 054 291**
Semi-Skilled Jobs Total Annual Compensation	**1 177 770**
Low-Skilled Jobs Total Annual Compensation	**744 096**

Skill Level	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Skilled Jobs	588 251	80 114	385 926	1 054 291
Semi-Skilled Jobs	791 909	68 075	317 786	1 177 770
Low-Skild Jobs	442 736	47 490	253 870	744 096
Estimated Number of New Employment Opportunities	**1 822 896**	**195 679**	**957 582**	**2 976 157**
Average Annual Compensation per Job Created	**202 544**	**195 679**	**136 797**	**175 068**

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 amentities 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
Health and Emergency Services	Tertiary Hospital	0
	Regional Hospital	0
	District Hospital	0
	Community Health Centre	0
	Primary Health Clinic	0
	Small- to Medium-Sized Clinic	0
	Large Clinic	0
	Extra Large Clinic	0
	Fire Station	0
	Police Station	0
Social and Cultural Services	Performing Arts Centre	0
	Museum	0
	Local Library	0
	Regional Library	0
Civic Services	Civic Centre	0
	Major Public Event Venue	0
	Home Affairs Office	0
	Regional Home Affairs Office	0
	District Office	0
	Permanent Service Point	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	0

Primary Category	Secondary Category	Additional Amenities
Education Services	University	0
	Colleges	0
	Secondary School	0
	Primary School	0
	Grade R ECD	0
	Creche ECD	0
	Resource Hub and Xare Centre ECD	0
Parks and Recreation Services	Small Park	0
	Large Park	0
	Community Parks	0
	Neighbourhood Sports Fields	0
	Community / Sub-District Sports Field	0
	District / Sub-Regional Sports Field	0
	Metro / Regional Sports Field	0
	Multi-Purpose Sports Halls	0
	Swimming Pools	0
	Sports Complexes	0
	Sports Stadiums	0
	Regional Sports Arenas	0
	Interntional Sports Complex	0

Primary Category	Additional Amenities
Health and Emergency Services	0
Social and Cultural Services	0
Civic Services	0
Social Services	0
Education Services	0
Parks and Recreation Services	0
Total	**0**

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	1 539 175	248 913	350 121	2 138 209
Custom Duties	210 658	11 740	24 065	246 463
Excise Levies	4 479	2 086	17 110	23 675
Fuel Levies	519 275	94 144	106 440	719 859
Other Taxes	274 685	54 100	75 329	404 114
Taxes on Production	402 417	157 134	246 108	805 659
Corporate Taxes	3 353 834	299 097	561 142	4 214 073
Personal Income Tax	2 573 093	515 036	960 354	4 048 483
Total Impact	8 877 616	1 382 250	2 340 669	12 600 535

9.2 Operational Phase Impact on Taxation

Tax Type	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impact
Value Added Tax	227 630	29 402	89 491	346 523
Custom Duties	13 841	1 812	6 151	21 804
Excise Levies	1 451	159	4 373	5 983
Fuel Levies	325 476	21 100	27 206	373 782
Other Taxes	55 253	5 981	19 254	80 488
Taxes on Production	237 879	16 294	62 905	317 078
Corporate Taxes	302 146	27 141	143 428	472 715
Personal Income Tax	632 699	58 886	245 467	937 052
Total Impact	1 796 375	160 775	598 275	2 555 425

9.3 Operational Phase Property Taxation

Property Taxation	Total Annual Property Taxes
Total Property Taxes (i.e. Taxable Property Types)	**29 699 348**
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	40 398 418	1 308 731 810 418	0.00%
West Coast Regional Economy	37 461 482 000		37 501 880 418	0.11%
Saldanha Bay Sub-Regional Economy	12 113 027 000		12 153 425 418	0.33%

Top Economic Sectors that Benefit from Increased GDP

1	National and Provincial government	**11 953 613**	6	Coal	**1 426 286**
2	Metals	**9 718 449**	7	Gold	**1 343 059**
3	Education (Private)	**5 105 231**	8	Health and social work (Private)	**994 386**
4	Professional business services	**3 750 569**	9	Other community, social and personal services	**857 273**
5	Wholesale and retail trade	**1 920 303**	10	Other mining and quarrying	**701 484**

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

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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	9 456 403	1 308 700 868 403	0.00%
West Coast Regional Economy	37 461 482 000		37 470 938 403	0.03%
Saldanha Bay Sub-Regional Economy	12 113 027 000		12 122 483 403	0.08%

Top Economic Sectors that Benefit from Increased GDP

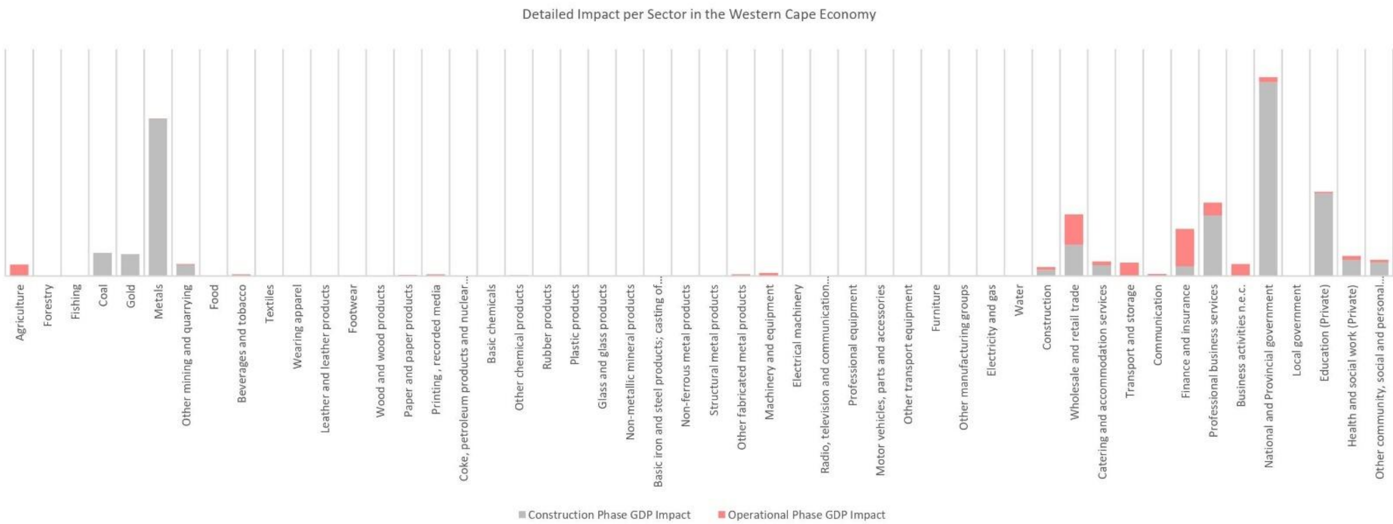
1	Finance and insurance	**2 293 022**	6	Agriculture	**704 965**
2	Wholesale and retail trade	**1 885 917**	7	National and Provincial government	**312 626**
3	Transport and storage	**794 668**	8	Health and social work (Private)	**245 401**
4	Professional business services	**769 362**	9	Catering and accommodation services	**228 388**
5	Business activities n.e.c.	**709 196**	10	Construction	**197 839**

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	5 620	704 965	
Forestry	575 365 000	0	419	
Fishing	14 365 971 000	128	27 393	
Coal	0	1 426 286	0	
Gold	0	1 343 059	0	
Metals	162 378 000	9 718 449	2 147	
Other mining and quarrying	3 292 175 000	701 484	42 004	
Food	30 995 475 000	4 825	32 521	
Beverages and tobacco	22 143 021 000	6 511	93 667	
Textiles	3 603 622 000	848	19 174	
Wearing apparel	4 941 307 000	2 966	28 346	
Leather and leather products	363 383 000	190	2 450	
Footwear	495 566 000	8 429	5 744	
Wood and wood products	2 800 914 000	426	4 595	
Paper and paper products	8 730 823 000	4 804	64 210	
Printing , recorded media	11 464 457 000	19 208	83 558	
Coke, petroleum products and nuclear fuel	18 806 712 000	1 639	10 047	
Basic chemicals	5 128 976 000	2 096	10 402	
Other chemical products	9 449 321 000	14 385	42 895	
Rubber products	934 989 000	2 520	6 353	
Plastic products	5 446 268 000	4 296	43 661	
Glass and glass products	995 868 000	239	0	
Non-metallic mineral products	3 374 224 000	6 096	39 791	
Basic iron and steel products; casting of metal	2 694 565 000	88	2 912	
Non-ferrous metal products	2 265 260 000	23	411	
Structural metal products	2 700 220 000	3 733	10 051	
Other fabricated metal products	6 340 519 000	444	103 956	
Machinery and equipment	13 013 007 000	3 947	189 532	
Electrical machinery	3 004 959 000	136	3 717	
Radio, television and communication apparatus	467 769 000	945	10 264	
Professional equipment	1 394 954 000	16 172	16 680	
Motor vehicles, parts and accessories	9 718 287 000	493	12 362	
Other transport equipment	3 592 352 000	1 146	29 495	
Furniture	1 275 043 000	15 666	16 686	
Other manufacturing groups	19 696 777 000	119	3 353	

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	953	1 667	
Water	5 576 456 000	3 075	16 726	
Construction	44 914 547 000	364 808	197 839	
Wholesale and retail trade	187 123 870 000	1 920 303	1 885 917	
Catering and accommodation services	16 154 835 000	667 372	228 388	
Transport and storage	67 739 522 000	22 550	794 668	
Communication	36 090 722 000	41 083	96 944	
Finance and insurance	93 707 260 000	607 359	2 293 022	
Professional business services	273 289 664 000	3 750 569	769 362	
Business activities n.e.c.	40 586 807 000	31 336	709 196	
National and Provincial government	88 609 414 000	11 953 613	312 626	
Local government	44 231 750 000	712	0	
Education (Private)	68 570 162 000	5 105 231	86 652	
Health and social work (Private)	49 364 548 000	994 386	245 401	
Other community, social and personal services	30 930 891 000	857 273	154 236	
Total	**1 308 691 412 000**	**39 638 040**	**9 456 403**	

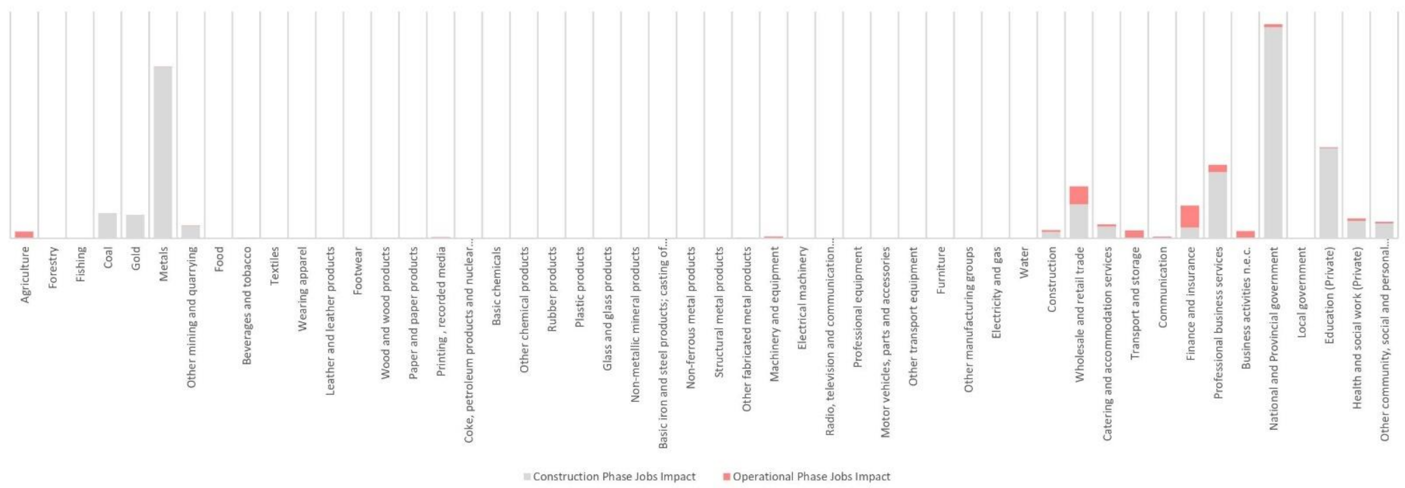


10.4 Detailed Added Jobs Breakdown

Economic Sector	Actual Sector Jobs	Construction Phase Jobs Impact	Operational Phase Jobs Impact	Distribution (Operational
Agriculture	195 143	0	1	
Forestry	11 155	0	0	
Fishing	64 007	0	0	
Coal	0	6	0	
Gold	0	5	0	
Metals	48	38	0	
Other mining and quarrying	2 061	3	0	
Food	74 806	0	0	
Beverages and tobacco	17 511	0	0	
Textiles	12 363	0	0	
Wearing apparel	18 375	0	0	
Leather and leather products	1 405	0	0	
Footwear	2 880	0	0	
Wood and wood products	13 136	0	0	
Paper and paper products	9 052	0	0	
Printing , recorded media	25 772	0	0	
Coke, petroleum products and nuclear fuel	6 199	0	0	
Basic chemicals	5 745	0	0	
Other chemical products	15 462	0	0	
Rubber products	2 719	0	0	
Plastic products	22 111	0	0	
Glass and glass products	3 691	0	0	
Non-metallic mineral products	10 219	0	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	0	
Machinery and equipment	36 391	0	0	
Electrical machinery	12 319	0	0	
Radio, television and communication apparatus	2 178	0	0	
Professional equipment	4 576	0	0	
Motor vehicles, parts and accessories	25 946	0	0	
Other transport equipment	8 535	0	0	
Furniture	7 842	0	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	1	0	
Wholesale and retail trade	739 147	7	4	
Catering and accommodation services	106 612	3	0	
Transport and storage	129 691	0	2	
Communication	30 123	0	0	
Finance and insurance	122 653	2	5	
Professional business services	319 157	15	2	
Business activities n.e.c.	363 028	0	1	
National and Provincial government	156 546	47	1	
Local government	105 446	0	0	
Education (Private)	247 752	20	0	
Health and social work (Private)	176 278	4	1	
Other community, social and personal services	378 696	3	0	
Total	**3 764 976**	**154**	**20**	

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:

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www.demacon.co.za

Annexure D

SPECIALIST DETAILS

The following provides an overview of the specialists who form part of the team that participated in preparing this report.

DR. HEIN DU TOIT

Economic Assessment Specialist

Name:	Dr Hein du Toit
Date of Birth:	12 February 1972
Profession:	Development Economist and Market Analyst
Years of Experience:	30+ years

Education:

- University of Pretoria (Cum Laude), 1991 – 1994 BTRP
- University of Pretoria (Cum Laude), 1999 – 2002 MSc (Real Estate)
- University of Pretoria in association with SAPOA, 2005 (Cum Laude)
- Certificate in Shopping Centre Management (CSCM)
- University of Pretoria (2018) PhD (Real Estate)

Dr Hein du Toit. Hein du Toit is the Managing Director and founding member of DEMACON Market Studies. Hein is a specialist development economist and expert real estate analyst. He obtained a degree in Town and Regional Planning (Cum Laude) at the University of Pretoria in 1994 and a Masters Degree (MSc) in real estate market studies in 2002 (Cum Laude). He has completed specialist courses in, inter alia, Industrial Cluster Development for Cluster Practitioners (1999) and Shopping Centre Management – the Certificate in Shopping Centre Management (CSCM) in 2005 (Cum Laude). Hein completed his PhD in real estate market analytical techniques in 2018 and was awarded Academic Honorary colours by the University of Pretoria in 2002 and in 2018. His research has been published in, inter alia, the South African Journal of Economic and Management Sciences as well as the international Journal of Business and Retail Management Research. Hein was invited to read a paper on his research at the International Real Estate Conference in Brisbane in January 2003. He has also been invited as presenter to the South African Council of Shopping Centres' Research Conference. Hein has more than 26 years field related experience. He has over the years been affiliated with various professional bodies and organisations, including the SA Property Owners Association (SAPOA), the SA Council of Shopping Centres (SACSC), the International Council of Shopping Centres (ICSC), SA Planning Institution (SAPI) and the South African Research and Innovation Management Association (SARIMA). He has been extensively involved in real estate market studies both locally and beyond SA borders including Angola, Botswana, Burundi, Central African Republic, Ghana, Mozambique, Namibia, People's Republic of China, Swaziland, The Gambia and Zambia. His fields of expertise include, inter alia, real estate market studies, urban and rural economics, as well as economic and fiscal impact assessments.

Hein regularly consults to SA's leading commercial banks, listed funds, private funds, investors and developers, advocates' chambers, attorneys, economic development agencies, all tiers of government (national, provincial, metropolitan/local) as well as parastatals, etc. Hein is part-time lecturer and guest lecturer for Bachelor and Master degree students. Hein periodically acts as external examiner and study leader for post graduate students.

JEAN-PIERRE DU PLESSIS

Economic Assessment Specialist

Name: Jean-Pierre du Plessis

Date of Birth:	03 May 1986
Profession:	GIS Specialist and Market Analyst
Years of Experience:	16 years

Education:

- University of Pretoria (2005 – 2008) - Bachelors Degree – Town and Regional planning
- ESRI South Africa (2014) - SAQA Accredited ArcGIS Basic Course: NQF 5 and 6
- ESRI South Africa (2014) - SAQA Accredited ARCGIS Standard Course: NQF 4 and 6
- University of Sydney (2024) – Financial Modelling an Economic Cost Benefit Analysis

Jean-Pierre du Plessis joined Demacon Market Studies in 2016. Jean-Pierre obtained his Baccalaureus Degree in Town and Regional Planning (including economics, statistics & sociology) from the University of Pretoria in 2008. In Jean-Pierre's second year of study he was inducted into the Golden Key

International Honour Society for excellence in his chosen field of study. The Town Planning course taught Jean-Pierre skills in verbal and graphic representation, strategic knowledge and approaches to urban and rural planning and skills pertaining to data gathering, capturing and analysis. Jean-Pierre is now furthering his career on a full-time basis at Demacon Market Studies. In the years following the completion of his degree, Jean-Pierre has been part of various studies and has gained excellent skills and expertise in the field of Geographic Information Systems (GIS). He has also recently completed multiple SAQA Accredited ArcGIS courses with Esri South Africa. He has ±16 years of field related experience.

In 2013, Jean-Pierre registered as a Professional Planner (PR. PLN 1/1768/2013) with the South African Council for Planners (SACPLAN).

Annexure E

SPECIALIST DECLARATION

DECLARATION OF THE SPECIALIST *(SOCIO-ECONOMIC)*

Note: Duplicate this section where there is more than one specialist.

I, Dr Hein du Toit, as the appointed Specialist hereby declare/affirm the correctness of the information provided or to be provided as part of the application, and that:

- In terms of the general requirement to be independent:
  - other than fair remuneration for work performed in terms of this application, have no business, financial, personal or other interest in the development proposal or application and that there are no circumstances that may compromise my objectivity; or

  - am not independent, but another specialist (the "Review Specialist") that meets the general requirements set out in Regulation 13 of the NEMA EIA Regulations has been appointed to review my work (Note: a declaration by the review specialist must be submitted);

- In terms of the remainder of the general requirements for a specialist, have throughout this EIA process met all of the requirements;

- I have disclosed to the applicant, the EAP, the Review EAP (if applicable), the Department and I&APs all material information that has or may have the potential to influence the decision of the Department or the objectivity of any Report, plan or document prepared or to be prepared as part of the application; and

- I am aware that a false declaration is an offence in terms of Regulation 48 of the EIA Regulations.

	08/08/2024
Signature of the EAP:	Date:

DEMACON Research & Projects (Pty) Ltd, trading as DEMACON Market Studies

Name of company (if applicable):