



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

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Report of the Standing Committee on Human Settlements on its oversight visit to the Belhar Housing Project and Unibell Student Accommodation on Friday 3 March 2023, as follows:

Delegation

The delegation consisted of the following members:

Maseko, LM (Chairperson)
Murray, C
Sileku, I

1. Overview and background

Adjacent to the University of the Western Cape and the Cape Peninsula University of Technology, the Belhar projects was a mixed-use, high density residential project valued at R1,3 billion. The phased development will consist of approximately 3 616 units and comprised various types of residential units and forms of tenure that have specific economic target markets of social housing (subsidised rental), open market rental units, student accommodation, open market GAP units (Gap housing includes those who earn too much to qualify for a government-subsidised house but also earn too little to qualify for a bond from a bank to buy a house) as well as a small number of freestanding open market bonded units.

Various green initiatives of energy saving technologies such as solar water heaters, heat pumps, improved insulation, and gas were being implemented. Residential recycling projects, food gardening and urban greening initiatives were currently also being looked at. Besides the green component, the added benefit of these measures will also reduce electricity demand and make the precinct socially and visually more attractive.

The scope of works consisted of a complete township establishment process, upgrading of bulk and link infrastructure, construction of roads, storm water, sewer, water and electrical infrastructure as well as the marketing and sales of a wide range of residential units.

The Department of Human Settlements (the Department) entered into a Land Availability Agreement with Superstrike Investments (now Belhar Central Business District (CBD) Development Company) in 2006. The agreement related to the development of the Belhar CBD precinct. The developer was responsible to apply for all development rights. Subsequently, the developer lost the rights to develop the commercial and industrial components of the project due to not being able to secure finance for the project. As a result of this, limited cross subsidisation of the residential units was possible.

The developer created a subsidiary (Belhar CalgroM3) that was responsible for the development of the residential components. To date approximately 50% of the development footprint of over

4000 residential units has been completed, which included 630 social housing units at “Belhar Gardens”, 102 Military veteran units, over 1182 Walk-up apartments, including Finance Linked Individual Subsidy Programme (FLISP) units, and student accommodation.

The Standing Committee on Human Settlements resolved to undertake an oversight visit to the CalgroM3 building site in Belhar to observe, given the shortage of student accommodation in the Western Cape, progress with the development, the involvement of the Department in the project and to ascertain if the model could be replicated in land parcels that were close to other universities in the province.

The visit proceeded with a discussion among the Members, officials from the Department, staff members from the University of the Western Cape as well as project developers from CalgroM3, and was followed by a visit to the student accommodation and other living quarters. The student accommodation boasted facilities that created a conducive environment for studying as well as recreational facilities for a positive psychological mindset. This included lounges, an interactive kitchen and a gym.

2. Key issues discussed

- 2.1 The portion of land in the Belhar area that was earmarked for a hospital belonged to the Department. There was interest shown from the Western Cape Department of Health in mid-2010 to build a regional hospital to replace the Tygerberg hospital on that particular site. This was the proposal with the previous developer that fell through when they could not get finance for the commercial component as mentioned in the overview. At the same time there were discussions taking place between the Head of the Department of Human Settlements and the Head of the Department of Health, where the latter was looking for a site to purchase from the City of Cape Town (CoCT). Here was a site owned by the Department that could potentially be transferred to the Department of Health, with partial rights for rezoning. The application for rezoning for the purposes of a hospital would be for a higher order, six-story building. The reason the site was still in the name of the Department was that it was awaiting approval for the rezoning application and the approval for subdivision and conservation.

The first rezoning application was submitted approximately 18 months ago and there were several aspects that needed to be addressed. CalgroM3 initially started the application for the hospital land and then the land swap took place that necessitated a restart of the application process. This led to numerous delays. The application was resubmitted approximately 6 months ago and once approval has been received, the property would be transferred to the Department of Transport and Public Works. The Committee was informed that that the process of rezoning and tendering for an architect will have to be completed and that it would take approximately three years before anything starts to happen. The Committee expressed concern regarding this timeline as the land parcel was likely to be susceptible to land invasion because of delayed planning. The Committee was further informed that the area north of the proposed hospital would be used for a clinic and ambulance station which were a part of the negotiations with the Western Cape Department of Health.

The Committee expressed concern, although taking cognisance of the challenges experienced to date, of the lengthy timeframe for the transfer of land from one government department to another government department, stating their concern for the possibility of even longer timeframes for the private sector in terms of land transfers.

The Committee expressed further concern regarding the cost of land invasion and security.

- 2.2 The University of the Western Cape amended its policy relating to the requirements for student accommodation. The past policy stated that if a student lived in a 60km proximity of the university, that student could not apply for student accommodation. The university felt that this was unfair as many of the students lived in unsuitable, unforgiving circumstances and environments. The policy has since changed so that more students have access to student residences. The Committee welcomed this.
- 2.3 In terms of security operations, the university employed its own staff to provide security on the precinct. A major concern for the university was the safety of students. There were 2700 students walking over the bridge on a daily basis. This bridge was designed as a foot bridge for a few people crossing the subway, not for the number of foot traffic now being experienced.
- 2.4 The effect of loadshedding was an additional cost that had to be incorporated into financial planning and production. A generator was sourced for the construction site. The monthly expenditure in terms of diesel amounted to R500k, bringing the yearly cost to R6 million. Another effect of loadshedding was that handover of projects were delayed. Construction was not delayed due to the use of a generator. However, the Deeds Office was not in possession of a generator which caused administrative delays. Loadshedding also affected water supply and has also led to numerous delays in the manufacturing of products that were needed to complete the project.

3. Resolutions/Actions

- 3.1 The Committee **RECOMMENDED** that the:
- 3.1.1 Departments of Human Settlements liaises with the Department of Health to work on a roll out plan in respect of the land identified for a hospital and clinic on the Belhar precinct;
- 3.1.2 Department engages with the CoCT in relation to grass cutting in the precinct so as to prevent the potential risk of fires;
- 3.1.3 Department liaises with the Department of Community Safety to consider the establishment of a safety plan for the new development in partnership with law enforcement, the South African Police Services, the local private security companies, neighbourhood watches and other safety stakeholders;
- 3.1.4 Department engages with the CoCT in respect of the bulk services allocation for this site as well as the rezoning/redevelopment of the land parcel identified for the university; and
- 3.1.5 Department investigates and considers the possibility of replicating the model used at the university for housing opportunities to other University of the Western Cape satellite campuses, as well as other universities in the province.
- 3.2 The Committee **RESOLVED** that it would invite the Department to brief it on the criteria used for the exchange of land parcels and how timelines were monitored, with specific reference to the establishment of the hospital by the Department of Health in the Belhar precinct, as well as their engagements with other departments to ensure that essential infrastructure such as police stations are erected for the community.
- 3.3 The Committee **REQUESTED** that the Department provides it with a response as to whether there were any further development plans for the area adjacent to the Belhar development.

4. Acknowledgements

The Committee expressed its appreciation to the Department, CalgroM3 and the University of the Western Cape for coordinating the visit and for informative engagements.



MS LM MASEKO (MPP)
CHAIRPERSON: STANDING COMMITTEE ON HUMAN SETTLEMENTS

DATE: 29/06/2023