



The Municipal Manager
Swellendam Municipality
P O Box 20

SWELLENDAM

6740

Attention: Mr. K Stuurman

SWELLENDAM MUNICIPALITY: RAILTON CBD HOUSING PROJECT: APPLICATION FOR FUNDING APPROVAL FOR (i) REDUCTION IN THE NUMBER OF SITES FROM 40 TO 22 SITES; (ii) THE INSTALLATION OF CIVIL ENGINEERING SERVICES; (iii) INCLUSION OF FUNDING FOR LINK SERVICES; AND (iv) ALLOCATION OF NHBRC PROJECT ENROLMENT FEES IN TERMS OF THE INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME [IRDPP]: GPS CO-ORDINATES: 34°02'10.03"S 20°26'39.72"E, HS NO. W18040019, PROJECT NO. 2079/3516.02

I have the pleasure to inform you that your application has been approved per resolution number **25/60** dated **09 September 2025** as set out below:

- (a) The reduction of the project from 40 to 22 sites;
- (b) The installation of civil engineering services to 22 sites (reduced with 18 sites) in the amount of **R 1 932 540.00** (based on the 2023/2024 subsidy quantum), as set out below:

INSTALLATION OF CIVIL ENGINEERING SERVICES			
DESCRIPTION	NO OF SITES	COST PER SITE	TOTAL AMOUNT
Direct Costs: Engineering Service Costs (2023/2024 SQ)	22	R 61 271.00	R 1 347 962.00
Indirect Director: Professional Services (2023/2024 SQ)	22	R 10 836.00	R 238 392.00
Geotechnical Variance (2023/2024 SQ)	22	R 2 454.00	R 53 988.00
Sub-total	22	R 74 561.00	R 1 640 342.00
Preliminary & General Internal Services (17.81324%)	22		R 292 198.00
Total (Incl. P&Gs)	22		R 1 932 540.00

- (c) The additional funding for Link Services to an amount of **R 852 935.00** (as quoted by the IA); as stipulated below:

Description	Rate	No of Sites	Amount/s (rounded off)	Comments
	R 36,575.28	22	R 804,656.00	includes 10% professional fees
Link Services				
Sewer Link			R 309,200.00	Supported: Quoted costs provided by Consulting Engineers and based on actual contracts of similar nature
Pro-Rate P&G Cost			R 181,810.00	
Water Link			R 35,550.00	
Pro-Rate P&G Cost			R 20,900.00	
Stormwater Link			R 58,450.00	
Pro-Rate P&G Cost			R 34,370.00	
Cable Ducts			R 15,570.00	
Pro-Rate P&G Cost			R 9,155.00	
10% Contingencies on Link Services			R 66,500.50	
Total (rate rounded)			R 731,505.50	
Plus: 10% Professional Fees			R 73,150.55	
Total (rate rounded)	R 36,575.28	22	R 804,656.05	

OVERBERG: SWELLENBAM MUNICIPALITY: RAILTON CBD HOUSING PROJECT: APPLICATION FOR FUNDING APPROVAL FOR (i) REDUCTION IN THE NUMBER OF SITES FROM 40 TO 22 SITES; (ii) THE INSTALLATION OF CIVIL ENGINEERING SERVICES; (iii) INCLUSION OF FUNDING FOR LINK SERVICES; AND (iv) ALLOCATION OF NHBRC PROJECT ENROLMENT FEES IN TERMS OF THE INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME [IRDP]: GPS CO-ORDINATES: 34°02'10.03"S 20°26'39.72"E, HS NO. W18040019, PROJECT NO. 2079/3516.02

6% escalation of Your Council's application			R 48 279.36	
Total			R 852 935.41	
Total (Rounded-off)			R 852 935.00	

- (d) The allocation of the NHBRC Project Enrolment Fees in the amount of **R 57 500.00**, based on the 2023/2024 subsidy quantum and calculated as follows:

$$R\ 261\ 364.00 \times 1\% = R\ 2\ 613.64 \times 22\ \text{sites} = \mathbf{R\ 57\ 500.00\ (Rounded-off)}$$

NOTE:

The NHBRC fees will only be released on actual claims submitted by the National Home Builders Registration Council.

- (e) The revised financial details of the project to an amount of **R 2 896 963.00** (i.e. R 150 113.00 previously approved, increased by R 2 746 850.00 (based on the 2023/2024 subsidy quantum); as stipulated below:

INSTALLATION OF CIVIL ENGINEERING SERVICES			
DESCRIPTION	NO OF SITES	COST PER SITE	TOTAL AMOUNT
Engineering Service Costs (2023/2024 SQ)	22		R 1 932 540.00
Geotechnical Variance (2023/2024 SQ)	22		R 53 988.00
Link Roads (Stormwater pipes, cable ducts and sewer mains)	22		R 852 935.00
NHBRC Project Enrolment Fees	22	R 2 613.64	R 57 500.00
Total	22		R 2 896 963.00
Less Tranche 1.1 (32 sites) & 1.2 (40 sites)			R 150 113.00
Total cost	22		R 2 746 850.00

WITH THE FOLLOWING STANDARD CONDITIONS:

- (f) The Developer to ensure that the standard of services for each existing erf and the internal services comply with the Minimum Design and Construction Standards for Internal A-Grade Engineering services of Circular C7 of 2014 and amended in April 2018;
- (g) The Developer to note that funding disbursed under the Planning Approval (Project Initiation [Tranche 1.1] and Project Feasibility [Tranche 1.2]) would be off set against the Conditional Approval (Project Implementation) amount as paid on the Housing Subsidy System (HSS);**
- (h) The Developer to confirm that the land lies above 1:50 year flood line;
- (i) The Developer to comply with all relevant Environmental and Town Planning Legislation and to ensure that all relevant environmental authorisations are obtained prior to construction;
- (j) The installation of civil engineering services and payment thereof is subject to NHBRC Project Enrolment;
- (k) The Developer to submit a construction and milestone schedule/ cash flow programme, as soon as the project has received final approval by the Department;
- (l) The Developer to formulate a strategy for the management of the settlement, which includes community support during the decanting and relocation process, to prevent re-invasions and informal settlement growth within 3 months of signing of the Contract Agreement;
- (m) The non-residential sites will be sold by the Developer under the following conditions: Institutional stands and stands earmarked for disposal to None Profit Organisations (NGOs), at a price equal to the per stand input cost, and Business and commercial stands at a price equal to the fair market value but may not be less than the per stand input cost. All income generated through said sales must be paid to the Department on transfer;

- (n) The Department will not recover land or servicing costs from Your Council for Public Open Spaces, which includes streets and retention ponds, which will eventually be transferred Your Council;
- (o) The Developer to confirm that adequate protection/diversion measures will be put in place to prevent damage to the surrounding environment or threats to life due to storm-water run off;
- (p) The Developer to confirm that there are no servitudes or rights over the erven to be developed, which may negatively influence the proposed development;
- (q) Your Council to note that claims will only be paid on achievement of the payment milestones schedule and progress payments will be made against proof of actual expenditure. Your Council must fund all claims exceeding the approved funding amounts and therefore, payments to this project will only be made to the maximum amount available within the Indicative allocation to Your Council;
- (r) The Developer to ensure that the bulk services are in place prior to the occupation of the sites and funded from other sources;
- (s) The Developer to confirm in writing that the preliminary approval of the General Plan has been granted by the Surveyor General (WC) and submit proof thereof to the Department, prior to commencement of construction;
- (t) The Developer to ensure that the pre-emptive right referred to in Section 10A (1) of the Housing Amendment Act, 2001 (Act 4 of 2001) is written into the Sale Agreement and Title Deed of every Beneficiary:

"... It is hereby recorded that the Purchaser, on the strength of his/her personal information as provided by him/her, will be granted a housing subsidy, as defined in the National Housing Code, for this property. As a result, this sale shall be subject to the statutory condition, imposed by Section 10(A) of the Housing Amendment Act, Act 4 of 2001 in favour of the Western Cape Provincial Government, which condition inter-alia prescribes that the Owner shall not sell or otherwise alienate the property within a period of eight years from the date of sale, unless it has first been offered to the Housing department of the Western Cape Provincial Government at no cost to the said Provincial Government.";

- (u) The Developer to implement the project using "Green Procurement" throughout the procurement processes, which includes water saving measures, as stated in the Department's Water Crisis Response Policy guidelines of November 2017 and Circular C1 of 2018; and
- (v) **The Developer shall adhere to obligations as set out in the Division of Revenue Act ("DORA"), published annually, in respect of Your Council, as recipients of the grant and noting the requirements imposed on the department. The reporting requirements and monitoring mechanisms will be discussed between the department and Your Council attached thereafter as an annexure hereto.**

Yours sincerely



HEAD OF BRANCH: HUMAN SETTLEMENTS

DATE: 11/09/2025