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SECTION 1: INTRODUCTION

1.1 BACKGROUND

During the year 2000 the Polokwane Local Municipality commissioned the compilation of a Development Plan for the Polokwane Central Business District. This plan comprised a comprehensive situational analysis on the characteristics of the CBD, as well as detailed proposals pertaining to the economic growth and spatial development of the area. It was adopted by Council and has been used as development guideline for the CBD during the past five years. The physical, social, economic and institutional environment in and around the Polokwane CBD is however continuously changing, and therefore the Municipality deemed it necessary to review and update the 2000 plan five years later.

Subsequently the Polokwane Local Municipality commissioned the review of the Polokwane CBD/Inner City Development Plan during March 2005. The firms Plan Associates, Kenneth Maluleka and Associates and Viruly Consulting were appointed as service providers to Council to conduct the study.

The objective is that the 2000 plan should be revised to ensure that the proposals and objectives contained in it are still suitable to address the developmental needs of Polokwane, and in order to promote orderly planning and sustainable development over the long term.

Furthermore, the guidelines provided by Council as part of the study brief requires that the revised plan should also indicate the relationship of the CBD with suburban shopping facilities and decentralised secondary activity nodes, and therefore determine the impact of possible provision or extension of such facilities on the sustainability of the CBD/Inner City.

The plan should also take recent developmental issues contained in the IDP, for example Local Economic Development (LED) initiatives, into consideration, and indicate how these initiatives could be incorporated into the CBD and what impact it will have on regenerating the CBD.

Although the main focus of the study is on spatial planning and land use management issues, the land use economics are of great importance as well, in order to ensure economic sustainability over the long term.

1.2 STUDY OBJECTIVES

In line with the study brief the objectives of this study are as follows:

- To review the current policy titled “Pietersburg CBD/Inner City Development Plan, June 2000” which serves as policy and spatial framework plan for the Primary Activity Node (P1), as mentioned in the Spatial Development Framework (SDF) contained in the Polokwane
Municipality’s IDP. The current plan should be revised to ensure that the proposals and objectives are still relevant to address the developmental needs of Polokwane, and that it will promote orderly planning and sustainable development over the long term.

- To indicate the relationship of the CBD with suburban shopping facilities and decentralised secondary activity nodes/Regional Shopping Centers and thereby determine the impact of possible provision or extension of such facilities on the sustainability of the CBD/Inner City.
- To take recent developmental issues contained in the IDP into consideration, e.g. the transport hub, African market and the potential of cross-border shopping from neighbouring municipalities and countries.
- To indicate the great importance of land use economics in order to ensure economic sustainability to the CBD, as well as the greater Polokwane area over the long term.

1.3 STUDY AREA

Figure 1 reflects the study area for this study. The primary study area includes the entire area demarcated as the CBD area in the 2000 study, but also two secondary areas. The two secondary areas comprise areas adjacent to the CBD that currently experience significant development pressure – the residential areas to the south of the CBD as indicated, and the precinct to the north-west of the CBD which currently holds the bus terminus and long distance taxi rank.

1.4 METHODOLOGY

Table 1 below reflects the proposed methodology for conducting the study as well as the associated timeframes.

**Phase 1** relates to the **Inception and Orientation** towards the project. During this phase the project team met with officials of the Polokwane Municipality to finalise the terms of reference, to ensure that all parties agree on the methodology to be followed, and to agree to the final deliverables to result.

**Phase 2** of the project was quite extensive and comprised a multi-disciplinary **Situational Analysis**. This phase was subdivided into two components: the first dealing with the **Local Context**, and the second with the **Regional Context** within which the CBD functions.

**Phase 3** of the project involved the **Formulation of a Synthesis** based on the information collected as part of the Situational Analysis.

With the Situational Analysis completed (Phases 1, 2 and 3) the project team entered into **Phase 4** of the project which involved extensive **consultation with stakeholders** to:
a) discuss, verify and supplement information contained in the Situational Analysis;

b) formulate proposals/suggestions pertaining to the Development Framework, Policy Guidelines or Implementation Strategy.

This phase took place during June 2005.

The next phase (Phase 5) of the project dealt with the actual design of the Development Concept, Framework and the associated Guidelines and Implementation Strategy.

The project commenced on 8 April 2005 and the draft proposals were completed by the end of July 2005. The draft document was presented to a second public meeting which was held on 5 October 2005. The attendance registers of the two meetings and the inputs received from the community are included in Annexure B of this document.

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<td>Step 4: Conduct economic survey: vacancy rates, rentals etc.</td>
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SECTION 2: SITUATIONAL ANALYSIS

2.1 REGIONAL CONTEXT

Polokwane is the most strategic node in the Limpopo Province – both in terms of location and economic significance. It is the capital city of Limpopo Province and it serves as a central place to a vast number of surrounding towns and villages. It also houses the Limpopo Provincial Legislature (see figure 2).

The Limpopo Province in which the Polokwane Municipality is situated, encompasses an area of 122,839 km² and a population of 5.2 million. The province experienced a population growth of 6.98% from 1996 to 2001 and has an unemployment rate of 48.81%. Limpopo has a strong rural basis and the growth strategy of this province centers around addressing infrastructure backlogs, the alleviation of poverty, and social development.

Within Limpopo Province the Polokwane Municipality covers an area of 3,775 km², and according to Census 2001 has a population of 508,277 people (an increase of 19.60% compared to the 1996 census figures). There are a total of 170 settlements within the Polokwane jurisdiction, which houses approximately 90,700 households. It lies on the tropic of Capricorn, and is a stopping point for people coming in from Zimbabwe and other parts of Africa.

In the Limpopo Province Spatial Planning Initiative Polokwane is classified as a Provincial Growth Point. The definition of a Provincial Growth Point is "... the highest order in the hierarchy and therefore also the most important type of growth point. All the Provincial Growth Points have a sizable economic sector providing jobs to many local residents. They have a regional and some a provincial service delivery function, and usually also a large number of social facilities (e.g. hospitals, tertiary educational institutions). All of them have institutional facilities such as government offices as well as local and/or district municipal offices. The majority of these provincial growth points also have a large number of people. Provincial Growth points include settlements such as Polokwane (Pietersburg)/Seshego (which can also be classified as a National Growth Point), ....".

It is thus confirmed that the town has a significant local, regional and even national developmental role to play.

With the above as background, it is important to note that the Central Business District of Polokwane is the largest and most accessible activity node in the Province, and it offers a full range of economic and social services and facilities to the local and surrounding communities.
As a result the CBD of Polokwane also represents a provincial point of convergence to all the major roads and associated public (bus and taxi) and private transport in the province (see figure 2).

Polokwane town and its Central Business District are thus important assets not only to the residents of Polokwane, but also to the province as a whole.

Figure 3 reflects the Polokwane CBD in relation to its immediate urban and rural surroundings. What is firstly evident from this is the fact that the CBD of Polokwane is centrally located in the context of Polokwane town with the residential suburbs of Bendor, Welgelegen, Möregloed and Fauna and Flora Park adjacent to the east; Ivypark and Peninapark to the south; Nirvana and Westenburg to the west; and Annadale and Seshego to the north and northwest respectively.

There are a few prominent business nodes in the Polokwane area apart from the CBD which include the Savannah shopping center in the residential areas to the east; in Nirvana and Westenburg to the west; two in Annadale to the north, and one in Seshego. None of these business nodes can be compared with the CBD in terms of size or variety of goods and services provided.

The CBD is furthermore surrounded by a range of other economic activity nodes which are predominantly industrial in nature, but which also comprise some retail and office uses. The industrial areas are mostly located to the west and north to northeast of the CBD, and include areas like Superbia, Ladine, Industria, Laboria and Magna Via as illustrated on figure 3.

What is also evident is the fact that even at a local scale all the major regional routes (and railway line) link into the Polokwane CBD area.

The regional road network feeding into the CBD includes the following:

- route N1 towards Gauteng in the south and Makhado in the north;
- route R37 towards Chuniespoort and Lebowakgomo to the south;
- the route towards Molepo in the south-east;
- route R71 towards Mankweng to the east;
- route R81 towards Duiwelskloof to the north-east;
- the route towards Dendron to the north;
- the route towards Matlala towards the west.

Also prominent on figure 3 is the railway line which runs immediately to the north of the CBD. The railway line as it exists at present has very limited functional interaction with the CBD.

The areas immediately surrounding the CBD are fairly densely developed which leaves limited space for expansion of the CBD without intruding into other land use precincts.
To the east the CBD is bordered by well-established residential areas\(^7\) while to the south and southwest it borders onto a narrow strip of residential development\(^8\) as well as the Polokwane country club and golf course\(^9\). The Sterkloop River\(^10\) which runs along the western border of the CBD is also a prominent feature, as is the cemetery\(^11\). To the north the CBD borders onto the railway yard and Polokwane station\(^12\), as well as the bus terminus and taxi rank adjacent\(^13\) to the north of the railway line. The latter site is currently earmarked for the Itsoseng Entrepreneurial Center and the Transport Hub initiative is planned in the area immediately to the east of the railway station.

The area adjacent to the west of Grobler Street\(^14\) at the southern entrance to the town has recently seen the development of several motor car showrooms and dealerships as well as warehouses. The proposed Polokwane Expo Center\(^15\) is currently considered to be located to the southwest of Nirvana.

The Gateway Airport\(^16\) initiative is located a few kilometers to the north of the CBD along the main road (N1) towards Makhado.

### 2.2 DEVELOPMENT POLICY CONTEXT

The Spatial Development Framework for Polokwane which is a statutory component of its Integrated Development Plan makes the following pivotal points regarding the Polokwane CBD:

- The Polokwane CBD is viewed as the commercial center of Polokwane and it is emphasized that the functional status of the CBD core be sustained.
- It is underlined that there must be a proper plan for, and management of, the CBD and the general management of social and infrastructure decay of the CBD – in particular reference is made to areas that are attracting crime, grime, hawking and informal trading. The issue is particularly prevalent around retail development in the north-western part of the CBD, where large scale urban decay occurs.
- The CBD, it is argued, can play a major role in the integration of Seshego and other regions, and leverage economic linkages.
- It is further noted that an eastward expansion of the CBD may underpin urban decay in the CBD, and in addition, may focus attention away from disadvantaged communities located to the north-west and south-west of the CBD.

The SDF states the following regarding the CBD and its interaction with secondary activity nodes:

- “The Polokwane Central Business District which contributes largely to the municipality’s income should be the Primary Activity Node in the city and the region, serving the local and regional communities as well as the Provincial Legislature, and it should be managed in such a way that it retains such status and viability in future;
• Initiatives which will contribute to the re-generation and development of the CBD should be optimized and supported by the municipality as well as other role players such as business sectors and provincial government, since Polokwane plays a major role in the economy of the Limpopo Province as well as South Africa;

• Apart from the CBD, a hierarchy of Secondary Activity Nodes can be developed throughout the municipal area and especially within 1st and 2nd order settlements, aimed at serving the different local communities according to their specific basic needs, and optimizing the development opportunities as they occur in different parts of the municipal area. The development/expansion of secondary nodes should, however, not be allowed if the municipality is not convinced that these will not have a detrimental effect on the CBD”.

Regarding suburban shopping facilities, the IDP acknowledges that apart from the CBD, which is the primary activity node for the provision of specialized and expensive (higher order) goods and services, perspective should not be lost of the importance of permitting the development of secondary activity nodes which make provision for convenience shopping to the different residential areas in Polokwane.

Thus, prevailing policy makes the case for enhanced linkages and consolidation between the city center and secondary nodes. The crucial factor here is that the primary node and the secondary nodes are seen to operate holistically, as part of the wider urban area, and not in competition with each other, with the CBD performing the widest range of functions and the secondary nodes predominantly focusing on convenience goods.

2.3 LAND USE AND SPATIAL STRUCTURE

2.3.1 Land Use Survey

An extensive land use survey was conducted for the CBD area during May 2005. The survey was conducted per erf and per block in the CBD as illustrated on figure 4. A total of 72 blocks were demarcated for purposes of the survey. For purposes of future comparative trend analysis the same block demarcation and numbering system as was used during the 2000 land use survey, was adopted.

The following methodology was used in constructing/updating the CBD Land Use Database:

• A database was created linked to individual erf keys for each of the properties in the area. The database was also designed to the specifications of the Surveyor General regarding erf ID’s etc.

• Apart from the normal zoning and land use information, information regarding the type of land use per floor (multi-storey) as well as the general condition of the building was collected. Table 2 represents an extract from the database to illustrate the information recorded.
• As a next step the footprint of each building in the CBD was measured from aerial photography (2001) (see figure 5).
• With the floor size, number of storeys and land use per floor available, the floor area by land use type was calculated per erf, per block, per functional zone and for the CBD as a whole.
• The theoretical/mathematical development potential of the CBD was next calculated by using the specifications of the Polokwane Town Planning Scheme (1999) (erf size x FAR).
• Following from this, GIS based graphics and maps were generated.

The next section of this document deals with the land use characteristics of the CBD. Wherever relevant, information from the database will be used in this section to illustrate, verify or identify spatial trends or significant features.

2.3.2 Spatial Structure

The CBD of Polokwane comprises a rectangular grid which covers an area of about 221 hectares of land (see figure 6). This in comparison to the CBD of the City of Johannesburg (420 ha), Pretoria (435 ha), Mbombela (Nelspruit) (80 ha) and Rustenburg (60 ha) which indicates that the Polokwane CBD area is relatively large when compared to other prominent towns and cities in South Africa. It is made up of about 72 individual blocks (excluding the secondary area). On average the blocks are about 75 meters by 226 meters in size.

The spatial structure of the Polokwane CBD has not changed significantly since the compilation of the 2000 CBD Plan. Most of the retail, service industries and financial institutions are still situated in the area from Biccard Street in the east (between Grobler Street and Thabo Mbeki Street), stretching in a general north-westerly direction towards the Indian Plaza(1) and Game development(2) (see figure 6). The erven in this strip are reasonably well developed in terms of their development potential (rights). Buildings vary from fairly dilapidated structures to new office and business complexes that have been constructed in recent years. The majority of the structures are in a good condition. Some of the structures in the northern parts of the CBD do require maintenance and upgrading. In a recent trend the banks in the Polokwane CBD have relocated eastwards from their historical location in and around Landdros Maré Street towards Hans van Rensburg Street in the vicinity between Jorissen and Thabo Mbeki Streets.

The southern part of the CBD situated to the south of Thabo Mbeki Street has developed very well over the past ten years and a large number of office buildings have established in this area (including many of the provincial government offices). In the eastern and the southern sections of this part of the CBD many dwelling house offices have also established of which many have been converted into offices. The area generally represents good development, also from an aesthetical point of view.

The north-eastern section of the CBD (i.e. north of Grobler Street between Biccard and Schoeman Street and up to Excelsior Street) is also primarily an office area with some intermittent flats. Although new office (and also business) complexes were developed in this area since its inclusion
into the CBD in 1990, a relatively large number of dwellings were converted into dwelling house offices. Dwellings and vacant stands still occur in the area. This area has redeveloped at a much slower rate than the southern section of the CBD where office uses were permitted only five years later (1995).

The western section of the CBD between President Kruger Street and Dahl Street holds a variety of business activities such as offices, retail, service industries and motor industry related businesses. Only a few of the erven are still being used for residential purposes (dwellings), with some dwellings also being used as boarding houses.

The northern part of this area is characterized by a large number of retail facilities focusing on building materials while the southern portion between Grobler Street and Thabo Mbeki Street (including the area north of Grobler Street between Church and Dahl Street) has primarily developed as a motor town with a large number of erven being used for motor industry related businesses. Some of the motor trade uses have lately established to the south-west of the CBD at the entrance to Polokwane.

The most north-western section of the CBD (the 6 street blocks abutted by Excelsior, Buite, Devenish and Dahl Streets) is still the most problematic section of the CBD. This area is mostly used for residential purposes and specifically illegal boarding. Large numbers of people (up to 20 and more) use existing houses for informal accommodation purposes. Little or no attention is given to the maintenance of these properties with the result that most of them are in a very dilapidated state and pose a health and safety risk for people living in these structures. Some informal taxi stands have also established on the two vacant erven immediately to the east of this precinct. These erven belong to the Municipality.

Since the inclusion of this area into the CBD only a small number of properties (erven) were developed for business related purposes, of which the majority are situated adjacent to main streets such as Devenish, Rissik and Excelsior Street. Some of the houses are utilized for business or office purposes, but without any upgrading or maintenance to these structures.

2.3.3 Land Use Composition and Distribution

- Land Use Composition per Functional Area

This section deals with the land use composition of the CBD per functional area as determined from the land use survey and a qualitative, visual inspection of the area, maps, photographs etc. The functional zones referred to are the eight distinct functional areas identified in the 2000 CBD plan (see figure 6).

Table 3 is a summary of some of the most salient features pertaining to the land use survey. The table indicates the land use composition per functional zone and for the area as a whole. From this it is evident that there is about 382 200 m² of retail floor space (32% of total floor space) in the
CBD, while office covers about 565 250 m² (47% of total floor space), and the motor industry about 72 500 m² (6%). The only other significant land use in terms of floor space is flats which cover about 60 400 m² (5%). It is also interesting to note that residential dwellings currently represent about 2% of all floor space in the CBD. Figure 7 reflects the land use composition of each of the zones. This information will be elaborated on in the next section.

From table 3 and figure 7 it is evident that 80% of all retail in the CBD occurs in zone 3 with the remaining 20% more or less evenly distributed throughout the other zones.

As far as office is concerned zone 3 also holds the largest percentage (42%), with zone 2 holding 35%, and zones 1 and 4 in the order of about 7% and 8% respectively. More than 90% of the office space in the CBD thus occurs in these four zones.

As far as the motor industry is concerned zone 3 also holds the largest percentage (53%). This is mainly due to the motor trade occurring in the northeastern part of this zone. Zone 5 has the second largest motor trade floor area (about 22%).

The majority of dwelling floor space is located in zone 7 (60%), followed by zone 6 (19%) and 2 (7%). Most of the flats floor space in the CBD exists in zone 4 (58%), followed by zone 2 (30%). Zones 1 and 3 also recorded small percentages of flats floor space.

Sites under construction were recorded in zone 3 (90%) and 5 (10%).

In line with the CBD Development Plan (2000) the land use characteristics of each of the zones are discussed next and quantitatively substantiated with information from table 3 and figure 7.

- **Zone 1: Low density office zone**

  This area is primarily known for the large number of dwelling house offices, although office complexes also exist in this zone. Office represents about 86% of the floor space in this zone. Due to the fact that the majority of these erven were relatively small, most of them converted into dwelling house offices. A small section of the CBD north-west of this zone functionally also forms part of Zone 1, as it is also primarily a low density office area (see figure 6).

  Only a small number of residential properties (dwellings and flats) still exist in the area (1,2% and 6,5% respectively). As a result development pressure is currently mounting towards the adjacent strip of residential development to the south and south-west of zone 1.

- **Zone 2: Institutional Zone**

  This area was identified as an institutional zone primarily due to the very large number of government institutions which have established here. The Polokwane Municipal Offices, the Premier’s Office, a very large number of provincial government offices, the Capricorn District
Municipality, and national government departments have established in the area over the years. Parastatals such as ESKOM and TELKOM also have offices in this zone.

About 81,3% of the total floor area in this zone is covered by offices, 5,0% by retail, and 7,4% by flats.

• **Zone 3: Trading Zone**

This zone primarily includes retail with offices (being part of business complexes), service industries and some motor industry related activities. It can without any doubt be described as the core retail zone of the Polokwane CBD and Polokwane in general.

Retail is the dominant land use (48,6%), followed by office (38,3%) and motor trade (6,2%) (see table 3 and figure 7).

• **Zone 4: Trading/Office Zone (eastern CBD)**

This zone has a variety of business activities which include mostly retail, offices, and motor industry related businesses. A small number of flats also exist in this zone. The most southern part of this zone (along Hans van Rensburg Street (from Devenish up to Grobler)) has emerged as a prime office area and some of the financial institutions (banks) have also recently established in this area.

From figure 8 it is evident that office is the dominant land use in this zone (42,7%), followed by flats (33,2%), retail (12,3%), motor trade (4,1%) and services (3,5%).

• **Zone 5: Motor Town Zone**

A variety of motor industry related businesses exist in this area, which justifies the identification thereof as a motor town. Some accommodation facilities exist in the most southern section of this zone which include a hotel and a few overnight accommodation establishments.

Motor trade represents 36,4% of floor space in this zone, followed by hotel and overnight accommodation (29,6%), retail (17,8%) and office (10,9%).

• **Zone 6: Office/Trading Zone (West)**

This zone reflects a transitional character in terms of its present looks and the types of land-uses that exist in the area. A number of retail businesses and offices (of which the majority are dwelling house offices) are already established in the area. About 30% of the land (and also erven) in this zone is however potentially available for development, as they are either vacant or used for residential purposes.
As far as land use composition is concerned, 35% of floor space in this area is used for office, 40.9% by retail and 7.7% by the motor industry. Dwellings comprise about 8.0% of the floor area in this zone.

- **Zone 7: Transitional Zone**

  Although this zone currently forms part of the Polokwane CBD it is still primarily a residential area. Approximately 60% of the land (and also erven) in this area is used for retail, offices or motor related businesses, although structurally most of the buildings are still homes. Most of these non-residential developments are also situated at the street block end, abutting some of the most important streets in the area. The biggest problem is that almost all the dwelling houses in this area are illegally used as boarding houses, providing accommodation to large numbers of single people. This is also an indication of the need for housing in the Polokwane Municipal area, especially in close proximity of places of employment such as the CBD. The uncontrolled accommodation of people in this area is problematic, as it causes major health and safety risks. This uncontrolled accommodation also has a negative impact on future business development envisaged for the area.

  According to the land use survey database about 39% of the floor space in the area is still used for residential purposes, 40% for retail, and 9% for office.

- **Zone 8: Infill Zone**

  This zone consists of four street blocks to the north of the CBD which includes a street block which is exclusively used as a public open space with most of the remaining properties belonging to the government (i.e. Tshwane University of Technology\(^{(10)}\), SABC\(^{(11)}\), Department of Education\(^{(12)}\), etc.) as well as motor trade\(^{(13)}\) and retail\(^{(14)}\).

  Offices comprise about 35% of the floor space, retail about 20.9%, motor industry 21% and education 17.3%.

  In addition to the CBD area as analysed and proposed in the 2000 CBD Development Plan, the current plan also looks at two secondary areas as indicated on figure 6.

  The first is the predominant residential area to the south of the CBD which is experiencing increasing development pressure from the CBD in the form of home office establishment. As highlighted above zone 1 is virtually fully redeveloped and therefore it is inevitable that development pressure will spill over into the areas adjacent to the south.

  In the western part of this zone\(^{(7)}\) Church Street, which is the main access route to the CBD from the south, carries fairly large volumes of traffic which contributes towards pressure for the establishment of alternative land uses adjacent to it.
The second area is situated to the north-west of the CBD opposite to the north of the railway line. It comprises of a bus depot, a long distance taxi rank and some buildings which could be utilized for the planned Itsoseng Entrepreneurial Center.

The intention of the municipality (which is the landowner) is to develop uses surrounding the Itsoseng Entrepreneurial Center in order to make the whole area and node sustainable by upgrading the bus terminus, provide facilities for Small, Medium and Micro Enterprises (SMME’s), provide facilities for hawkers in close proximity of the bus and taxi terminus, and create an environment where other formal business and industries can locate and contribute towards agglomeration benefits.

The first phases of the development of the entrepreneurial center and bus terminus have been completed with an investment exceeding R3 million for the bus terminus alone. Another R3 million for the second phase of the bus terminus will be spent in due course.

The purpose of the Itsoseng Entrepreneurial Center is to serve as a manufacturing “incubator” center for SMME’s. The municipality endeavours to stimulate growth and development in the city. The center and node will target mainly members of the socially and economically disadvantaged groups, woman, youth, and the disabled.

Apart from the entrepreneurial center, bus terminus, and taxi terminus, the municipality also envisages creating a viable and vibrant node for SMME’s in providing additional facilities for formal businesses and industries. This node will be integrated with the CBD in order to ensure further improved sustainability of the northwestern parts of the CBD. This will be obtained by the linkage of Bok and Dahl Streets (CBD) with Blaauwberg Street (Pietersburg X17) by means of a bridge over the railway line.

These two precincts may thus be incorporated into the CBD as part of the final proposals of this study.

**Comparison of land use: CBDs in Gauteng vs the Polokwane CBD**

Table 4 and figure 8 compare the land use in Polokwane CBD with similar land use in several CBDs in Gauteng (excluding the CBDs of Tshwane, Johannesburg and Sandton, because of a lack of comparative data).

The following is evident from Table 4 and figure 8:

- The floor area in Polokwane is 2.7 times larger than the average CBD floor area in Gauteng;
- Retail in Polokwane (34%) is slightly higher compared to Gauteng (27%). One of the reasons could be that the development of new suburban shopping centres in Gauteng prevented the expansion of existing retail in CBDs.
• Offices (48%) is significantly higher in Polokwane compared to Gauteng (28%). An explanation could be that the main office function in Gauteng is seated in the CBDs of Tshwane, Johannesburg and Sandton, which are excluded from the comparison. The high office component in Polokwane CBD is however appropriate, because of the regional and capital function thereof.
• Motor trade compares well: Polokwane (6%) vs Gauteng (8%).
• The light industrial/commercial (wholesale and storage) land use in Polokwane is relatively low (1%) compared to Gauteng (5%).
• Residential land use: The (single residential) housing component compares very well (2% each) in Polokwane and Gauteng, but it is evident that Polokwane needs to provide more medium to high density residential units in the CBD, e.g. Polokwane (5%) vs Gauteng (14%).
• The percentage covered parking areas seems to be lower in Polokwane (2%) compared to Gauteng (6%). This could however be due to the method of surveying, since the parking area was calculated by using a parking ratio.
• The vacancy rate in Polokwane seems to be relatively low (1%) compared to Gauteng (6%).

2.3.4 Land Use per Floor

a) Ground Floor

Figure 9 reflects the distribution of land use at ground floor level in the Polokwane CBD. Several spatial trends are prominent in this regard. The first is the concentration of retail in the central area (zone 3). Also note the dominance of motor trade in blocks 22-24 and 26 in this predominant retail area. Another prominent spatial trend is the occurrence of office use at ground floor level to the south in zones 1 and 2.

The concentration of motor trade in zone 5 is also evident. The mixed use character of zone 4 which mainly comprises of flats and offices is evident while the western mixed use area (zone 6) comprises a combination of dwellings, retail, informal trading and limited office use. Zone 7 is still predominantly residential in nature with the exception of a few dwellings with a second use, retail, and a few sites comprising motor trade, overnight accommodation and offices.

b) Floor 1

Figure 10 reflects the spatial distribution of land uses throughout the CBD at first floor level. Office is the dominant land use at first floor level with the main concentration located to the east and south-east. Flat units at first floor level occurs in blocks 6 to 11 in the north-east, and blocks 2, 3 and 15,16 to the south-east. The third prominent land use at ground floor level is retail which occurs almost exclusively in zone 3.
c) Floor 2

Figure 11 illustrates the land use distribution at second floor level. The most significant difference from the first floor composition is the fact that there is virtually no retail at second floor level. The trend with regards to the distribution of offices and flats is more or less the same as in figure 10.

d) Floor 3

According to figure 12 the composition of land uses at third floor level is almost exclusively office with only two flats and one hotel also registered. This trend continues for all levels higher than third floor in the CBD of Polokwane.

2.3.5 Building Height

Figure 13 illustrates the height of various buildings in the CBD. It clearly indicates a core of higher developments (between 4 and 16 floors) around the municipal offices and surroundings. From here the height of buildings gradually declines outwards. The majority of buildings range between ground floor only and ground floor plus two storeys (white, yellow and orange on figure 13). The central, western and northwestern parts of the CBD are dominated by single storey buildings.

2.3.6 Zoning

The current zoning of individual erven in the CBD as contained in the Polokwane database (May 2005) is reflected on figure 14. The central core area around blocks 20, 21, 28, 29, 35 and 36 is zoned for Business 1. In terms of the Polokwane Town Planning Scheme (1999) Business 1 provides for a fairly wide range of land uses at a density of about 64 units/ha, 90-100% coverage, and a FAR between 5,0 and 6,0.

The bulk of the surrounding area is zoned as Business 2 which also allows a wide range of uses at similar density (64 u/ha), but at lower coverage (85-100%) and FAR (1,5-2,0).

Business 3 is limited to the Oriental Plaza (block 70). This zoning mainly provides for offices/medical consulting rooms, shops and restaurants at coverage ranging between 60-70% and FAR between 1,0 and 1,2.

Business 4 occurs mainly to the northeast of the CBD (blocks 6, 7 and 8), and to the south-east (blocks 1, 2, 3, 16, 17 and 32).

Residential 1 use is predominantly located to the west and south, while Residential 3 occurs in a linear strip along the eastern boundary of the CBD.
2.3.7 Development Capacity

Table 5 is an illustration of the theoretical/mathematical development potential/capacity of the Polokwane CBD in terms of the current zoning system. This information is provided per functional zone and for the CBD as a whole. As can be expected about 60% of the development capacity of the CBD is located in zone 3, followed by zone 2 (13%) and zones 4 and 6 (7% each). Business 2 represents about 55% of the total development rights (floor space), followed by Business 1 (19%) and Business 4 (11%).

2.3.8 Vacant Land

Figure 15 and Table 6 illustrate the spatial distribution and relative size of vacant erven identified in the Polokwane CBD from the land use survey. There are about 23 vacant erven/land parcels which represent an area of about 40 721m². Most of these erven are located in zone 2 and 7 while zones 3, 4, 5 and 6 also have some vacant erven. It should be noted that this does not include erven with existing buildings, e.g. houses which could be demolished and redeveloped, but only erven with no permanent structures on it.

In terms of the expected zoning of these erven, it could collectively be developed to an additional 48 000m² of floor space (see table 6).

2.4 ROADS AND TRANSPORT

2.4.1 Road Network

The regional road network around the Polokwane CBD has been dealt with in section 2.1 of this document. This section deals with the network within the CBD.

As illustrated on figure 3 and discussed in section 2.1 of this document the entire regional main road network converge in the CBD of Polokwane. These routes enter into/exit the CBD as follows (see figure 16):

- To the north the main entrance/exit points are represented by Market (out) and Landdros Maré Street (in) which are regional link roads, as well as Biccard Street (two directional) which is a local access to the eastern and northern suburbs of the town.
- To the east the main regional access points are represented by Thabo Mbeki (out) and Grobler Street (in), although all the local routes from the eastern suburbs of Polokwane link directly into the CBD, e.g. Rissik, Devenish, Bodenstein, Rabie, Marshall and South.
- To the south the main regional access points are represented by Church Street (in) and Landdros Maré Street (out).
There are four regional accesses to the Polokwane CBD from the west – Thabo Mbeki (out) and Grobler (in), as well as Rissik Street (in) and Devenish (out) further to the north which link into Nelson Mandela Drive which is the main link between Seshego and the CBD.

The Rissik Street/Nelson Mandela drive access is the main carrier of public transport into the CBD and this has to a large extent determined the location of the taxi ranks in the CBD, as well as the type and extent of land uses found in the northwestern part of the CBD.

Within the CBD the main routes are the following three one-way pairs:

- Grobler Street which is a one-way from west to east (i.e. from Tshwane to Tzaneen), and Thabo Mbeki Street from east to west (i.e. from Tzaneen to Tshwane);
- Landdros Maré Street from north to south (i.e. from Makhado to the CBD), and Market Street from south to north (i.e. from the CBD to Makhado);
- Rissik Street from west to east (linking Seshego to the CBD via Nelson Mandela Drive), and Devenish from east to west (linking back to Nelson Mandela Drive towards Seshego).

These one-way roads converge in the center of the CBD, being the street blocks surrounded by Thabo Mbeki, Market, Grobler and Schoeman Street with Landdros Maré Street (between Grobler Street and Thabo Mbeki Street) being the core area of the CBD area. (Also see figure 9).

2.4.2 Public Transport Network and Facilities

The Pietersburg (Polokwane) Public Transport Route was implemented in March 1998. It comprises a circular/ring route in the CBD which is linked to the main roads connecting the CBD to the outlying suburbs and other towns (see figure 16). The ring route in the CBD runs southward in Schoeman Street from Excelsior Street in the north to Bodenstein Street in the south, then westward in Bodenstein Street up to Church Street, and then northward along Church Street up to Excelsior Street (see figure 16).

Public transport operators are permitted to use the east-west streets between Excelsior and Bodenstein Streets as through routes. There are, however, no pickup- or drop-off points along these streets except in Grobler Street. Market Street and Landdros Maré Street are closed to public transport. This creates a ‘box’ around the central retail core of the CBD in which private vehicles and pedestrians are the dominant modes of transport. The intention is to stimulate the economy of the CBD by making it easily accessible for public transport, and promoting pedestrian through-traffic that stimulates business. A secondary aim and added benefit is calming of traffic in the CBD’s most important streets (the central core area).

The public transport system functions reasonably well, and some of the problems previously experienced (before the implementation of the transport route) have been addressed successfully.
Most of the public transport infrastructure (being taxi ranks, on street ranks for taxis and buses, as well as facilities for picking up and dropping off passengers) is situated in the north/north-western section of the Polokwane CBD (see figure 16).

One formal taxi rank exists in the eastern part of the CBD, being the rank\(^{(1)}\) at the Checkers Supermarket. Further to the west adjacent to Dahl Street, between Thabo Mbeki and Grobler Street is a taxi holding area\(^{(2)}\).

The bus rank\(^{(3)}\) is situated to the north-west adjacent to the CBD with a very large number of commuters making use of this facility, as they either work in Polokwane and/or do their shopping in the CBD. Official taxi ranks in the northwestern part of the CBD are the Pick ‘n Pay\(^{(4)}\) and Indian Plaza\(^{(5)}\) ranks. The SCORE supermarket taxi rank\(^{(6)}\) is an un-official rank. FELLDTA\(^{(7)}\) uses a privately owned property at 87 Paul Kruger Street to serve their long distance trips, and is therefore also a taxi rank.

On-street ranks include the facility on the corner of Church Street and Devenish Street in front of Mega Motors\(^{(8)}\) (referred to as Burgersfort), and the facility on the corner of Devenish and Genl. Joubert Street in Genl. Joubert Street (referred to as Westenburg)\(^{(9)}\).

The movement patterns in the northern and specifically the north-western section of the CBD differs substantially from those in the center and southern CBD. The emphasis is primarily on public transport, resulting in the need for adequate facilities associated with public transport modes such as buses and combi taxis, and pedestrian crossings. Only two prominent parking areas exist in or adjacent to this area, being the Pick ‘n Pay parking area, and the Indian Plaza parking area. The Pick ‘n Pay parking area is very accessible and centrally located with respect to the development in the surrounding area.

2.4.3 Parking

The availability and accessibility of parking areas and transport infrastructure has a definite impact on development in a CBD. Parking areas would primarily include parking provided by the local authority and private developers which is accessible to the general public, and could either be metered or free parking. There are about 20 distinct parking areas in the Polokwane CBD as illustrated on figure 16.

Most of the parking areas which are open to the general public are situated in or adjacent to the Core Business Area (see figure 16) for the following reasons:

- It is the center of the Polokwane CBD with most of the business activity being situated in and around this core business area; and
- Most of the activity which is created both in terms of business and movement (vehicle and pedestrian movement) on a daily basis, also takes place in this business area.
Areas to the west and north-west of this core business area are not yet fully developed and the type of development also differs (i.e. low density office development and motor industry related businesses).

Most of the parking areas are within a 5 minute walk from each other, which means that most destinations in the CBD are within 5 minutes walk of a parking area. The north-eastern part of the CBD is, however, an area that urgently requires intervention with regard to the provision of parking. On-street parking could also be rationalised or redesigned in certain streets to accommodate more vehicles.

It could be assumed that most of the parking problems that are experienced are due to:

- The fact that people do not obtain parking directly in front of a business (where they want to do shopping) and that they do not want to walk from the nearest parking area, which is in most instances 5 minutes walking distance;
- The perception (or reality) that parking areas are not safe. Consequently people want to be closer to their vehicles when they do shopping; and
- Inadequate parking, specifically at certain times of the month, with specific reference to month-ends.

Pressure exists for additional parking facilities in specific areas, especially peripheral areas where large developments took place in recent years. New high intensity development that will take place in future must be carefully monitored to ensure that adequate parking is provided before these areas are completely built-up. Suitable sites must be identified timeously and set aside to be developed for parking. Areas which increasingly come under pressure due to new development and which will require adequate and accessible parking are the eastern, north-eastern and western peripheral areas of the CBD.

2.4.4 Pedestrian Movement

Polokwane has high numbers of pedestrian users due to its social make-up and income structure. The majority of citizens of the Limpopo Province are in the lower income group. This group relies on either public transport or walking to get to their destinations. The higher income groups are also reliant on walking through the CBD, although to a lesser degree. The present pedestrian experience of the CBD is not positive due to a number of issues which need to be addressed. Should these issues be addressed, pedestrians will be encouraged to walk through the CBD, which will in turn stimulate the economy in both the formal and informal sectors.

At present the highest daily volumes of pedestrian movement occurs in the following streets:

- Landdros Maré Street
- Excelsior Street
2.5 URBAN DESIGN ELEMENTS

As part of the 2000 CBD Development Plan an extensive assessment was made on the urban design characteristics of the CBD. The following is a summary of the findings of that investigation – all of which are still relevant five years later.

a) Lack of definition of public transport stops

At present pickup and drop-off points and the route itself are poorly defined. The 22 stops on the ring route are indicated by blue signposts on the sidewalk and painted lines on the street. The passenger also has no indication of their position on the route.

These areas need to be defined more clearly by means of tree planting, shelters, etc. to ensure visibility from a distance. Special measures may also be required to separate public transport and pedestrians from vehicular traffic in streets.

b) No hawker facilities at public transport stops

Hawkers rely mostly on commuters and pedestrians for trade and would tend to congregate around public transport stops. This is clear from the successful stalls at the Church Street Taxi Rank. It would therefore be a requirement to locate some informal trade facilities near the public transport stops. Licensing could still be done from the traffic department stall at the Church Street Taxi Rank.

c) No waiting facilities at public transport stops

There are few waiting facilities at the public transport stops. This leads to discomfort whilst waiting and discourages use of the system. Waiting facilities should include trade space, seating, shelter, litterbins, lighting, drinking water and toilets (if feasible).

d) Sidewalk size and quality

Due to the widening of certain streets, the sidewalk widths on some streets have been reduced to less than 1 meter.

e) Mid-block crossings and arcades

Mid-block arcades and street crossings provide pedestrians with a 'short-cut', and also provide additional retail opportunities. The majority of the mid-block crossings and arcades
occur within the ‘Box’ defined by the Public Transport Route, which would encourage use of these arcades and crossings by public transport users. These arcades make a vital contribution to the overall permeability of the city as a result of Polokwane’s very large blocks (80m by 280m). To function properly, these arcades and crossings should be legible from street-corners.

f) Hawker/Pedestrian conflict

Facilities for hawkers should be created and sidewalks should be widened in order to prevent the conflict referred to above.

g) Intersections

During times of peak use, major conflicts between pedestrians and vehicles occur at intersections, often to the extent that traffic officers have to be placed on point duty to regulate traffic flow. This frequently occurs along Landdros Maré, Schoeman and Market Streets.

h) Lack of public spaces

At present there are only three public gathering areas for meetings, exhibitions, recreation and trade in the CBD. These are the Civic square, Siegfried Mare Park and Library Gardens. There is a need to create additional gathering areas of varying degrees of formality in the rest of the CBD.

i) Sufficient parking

There are more than 20 parking areas in the CBD. These are concentrated in the southern section of the CBD. Most destinations within the CBD are within 5 minutes walk of a parking area.

The north-eastern quadrant of the CBD appears to lack parking areas. The office/business land-uses are also less parking-intensive than the retail use that predominates further south. This parking is mostly informal on sidewalks and it is suggested that it be formalized. Of the 20 parking areas identified, only 25% are adequately shaded.

j) Connections

Street linkages to the residential areas and outlying towns are excellent. The major streets in the CBD all link up with major routes to Tzaneen, Makhado, Lebowakgomo, Dendron and Tshwane. The public transport system could also be expanded to cater for increased use from the suburbs into the CBD by office workers.
k) **Reluctance to walk in the CBD**

There is a reluctance to walk in the CBD. This may be because of a perceived security risk or because of lack of shade in most of the parking lots.

l) **Pollution**

Litter is especially prevalent at the ‘Taxi Center’ Taxi Rank. The sources are mainly pedestrians and informal traders.

Noise pollution occurs at most intersections as a result of stop-start traffic. The severity of the problem is proportional to the number of vehicles passing, and is therefore most severe at the intersections of Landdros Maré, Market, Grobler and Thabo Mbeki Streets.

Visual clutter is especially prevalent in the western part of the CBD. The uncontrolled erection of signage, banners and billboards adds to visual clutter causing the brain to become overloaded with stimuli. This problem occurs in most streets west of Hans van Rensburg Street, but is especially serious in Market and Church Streets.

Physical clutter occurs when the sidewalk is filled with signposts to such an extent that the capacity of the sidewalk to carry pedestrians is severely compromised. This occurs mainly on Church Street and Schoeman Street.

Soil erosion is especially prevalent in Biccard, Rissik, Devenish and Hans van Rensburg Streets. It also occurs in all streets south of Bodenstein Street.

Glare and heat radiation from paved surfaces and reflective glass also lower environmental quality generally in the CBD.

m) **Streetscape**

As pedestrians form the largest user group in the CBD, special consideration is required to ensure that a visually coherent and pleasing streetscape is produced. It must meet functional requirements such as accommodating pedestrian circulation, informal trade, public transport, vehicular circulation and other activities traditionally associated with urban living.

The problem of a lack of street furniture is a general one throughout the CBD. Essential items of street furniture aimed at meeting the needs of the pedestrian are lacking. These elements would include seating, bollards, drinking fountains, tree grids/protectors, litterbins, lighting and designated paved walking areas that are identifiable as pedestrian territory.

At present there are at least five different paving materials apparently used at random in the Polokwane CBD. This causes a fragmented image of the CBD in the minds of pedestrians.
A simple, flexible theme for paving and other elements will contribute positively to the legibility of the CBD and start a recognizable ‘language’ for identifying public transport pick up points, pedestrian crossings, arcade entrances, etc.

n) Hawkers/Informal trade

There are at present more than 450 spaces for hawkers spread over the CBD. These facilities are not all optimally utilised and other areas are being used illegally. This is due to the hawking spaces not being located at the most lucrative markets.

o) Architectural standard

The architectural standard of buildings in the CBD is low in certain areas, with degraded and inferior buildings lowering the overall visual quality of the CBD. This is contrasted with other areas, e.g. the areas east of Schoeman Street where the standard of finishes and designs is generally high.

2.6 ENGINEERING SERVICES

No serious problems are experienced in the CBD with any of the municipal infrastructure components. It is therefore unlikely that it will impact negatively on the future development of a specific area in the CBD. The 1990 Structure Plan identified the boundaries of the CBD (traffic box) and also earmarked areas for specific types of development, such as office zones, business zones, etc. Since then the planning of the CBD has been done within the demarcated area, although the boundary has been amended a few times since then. This forced all development to take place within the demarcated area. With the exception of the GAME business development to the north of the CBD, and the recent motor trade and warehouse development to the south-east along Grobler Street, business and office development mainly took place within the demarcated CBD area. This also enabled the various sections of the City Engineer’s Department to plan and upgrade the services timeously or as and when the need arose.

The capacity of the municipal services such as water, sewage, electricity, etc. is thus adequate in most areas of the CBD, although ad hoc upgrading has to take place from time to time. It is, however, not a problem that would hamper development over the short to medium term. Bulk and link services are adequate to accommodate any meaningful development in the CBD. It should be noted that the bulk water supply to the town is reaching capacity. There are, however, plans in place to augment the current supply with an additional system.

The internal sewage network poses ad hoc problems and may require upgrading in the future, mainly due to residential development and specifically densification east of the CBD. Main sewer lines are running through the CBD and if large scale densification takes place in the residential areas east of the CBD, together with the “marginal” increase in capacity requirements due to redevelopment in the CBD itself, these sewer lines may require upgrading.
From discussions with the Engineering Department it was indicated that the sewerage treatment plant which, amongst others, also serve the CBD, is currently being upgraded. It will be able to serve all developments in the medium term. In the long run, however, the entire sewerage network for the town will have to be redesigned in order to provide for additional treatment plants.

Stormwater is upgraded in terms of a long term programme, which is mostly dependant or linked to the nature and extent of upgrading and new development in specific areas. Stormwater is therefore addressed as problems occur and where the need arises for upgrading.

2.7 DEMOGRAPHIC CHARACTERISTICS

It goes without saying that demographic trends and demographics are a key driving force in any economic development strategy. Demographic profiles influence the level of expected demand for goods and services, the type of goods and services demanded, the pressure on social services. Added to this, demographic factors have spatial economic implications – namely where the demand and related economic growth will occur from a spatial perspective. A demographic transition also has a considerable impact on the size of the future labour force and expected employment and unemployment rates. The following discussion considers the demographic profile for Polokwane.

2.7.1 Population

As stated earlier in this report (section 2.1) the Limpopo Province has the fourth largest demographic concentration in South Africa with the Polokwane Municipality the second most populated municipality in Limpopo, after Thulamela. The Polokwane Municipality covers an area of 3,775km², which is approximately 3% of the total area of the Province and accounts for 9.24% of the total population of Limpopo. According to Census 2001, the population of Polokwane was 508,277, an increase of 19.60% compared to the 1996 census figures.

a) Population Projection

Population projections are important in the sense that they provide some feel of the future size of the labour force on the one hand and the size of the market for goods and services on the other.

Between 1996 and 2001 the average annual population growth rate for Polokwane was 3.63%. According to the Development Bank of South Africa (DBSA), this trend is expected to decline to 3.13% per annum in a low HIV/Aids scenario and to a lower figure of 2.13% per annum in a high HIV/Aids scenario. Moreover there are growing indications that the rate of population growth declined in recent years with the main reason for the slowdown since 1996 being attributed to HIV/Aids, low fertility rates and out-migration to other provinces, which offer better employment opportunities.
Of the total population of Polokwane, some 15.05% live in Seshego. This ratio is expected to increase to 16.29% in 2010. The growth in the number of individuals residing in Seshego can be attributed to the influx of illegal immigrants from countries to the north of the province.

Without an equivalent level of economic growth, the present population growth forecasts for Polokwane, and especially for Seshego, would start placing further strain on the social amenities and unemployment rates.

While it has been argued that HIV/Aids could play a role in reducing population growth forecasts, the net impact which such a scenario would have on the working population and on economic growth cannot be overlooked.

The conclusion is that the province needs to substantially improve economic growth rates to well above 3% if living standards are to be improved. Of equal importance is that this economic growth will need to have strong spatial attributes, reflecting the areas that are seeing the strongest in migration. Of course it can also be argued that areas showing the greatest growth prospects will see the highest in migration.

b) Age Distribution and Gender Composition

The age distribution of a population likewise plays an important role in influencing growth prospects and should therefore inform the long-term economic development strategy of Polokwane. A demographic analysis suggests that in 2001, the largest group of individuals in the city were found in the age category between 15 to 34 years, namely some 36.37%. The number of children in Polokwane under the age of fourteen represented 35.95% of the total population. Forecasts suggest that the growth rate in this latter age group may decrease over the next few years. This would also have implications for the economically active population over the next 10 to 20 years.

Figure 17: Age Distribution in Polokwane, 2001

![Age Distribution Chart]

Source: Stats SA
The age distribution depicted in figure 17 combined with the projected demographic growth forecasts as shown in figure 18 underline the pressures, which the municipality will experience in the future. This would be in terms of supplying required social services and providing the labour required for the local economy to grow.

Figure 18 : Age Distribution in Polokwane, 2005 and 2010

The gender composition at 2001, as shown in figure 19, which comprised 53.49% female and, 46.51% males and a male/female ratio of 86.96 males for every 100 female reveals a further potential social hurdle that will need to be met. The large number of females in Polokwane can be attributed to various factors. The absence of males reflecting high levels of migration is of significance. Of the total number of females in Polokwane, approximately 57% fall within the economically active population. Females are also playing as role as the head of the household, with approximately 53% of all the households headed by women. This indicates either a high level of migration or single parent households, which both place constraints of household spending.

Figure 19 : Gender Distribution in Polokwane, 2001
Age distribution and gender composition are further influenced by factors such as declining birth rates and decreasing life expectancies.

2.7.2 Education

Educational levels provide an indication of a community’s ability to provide skilled labour for specific employment opportunities while at the same time providing a social welfare indicator.

In 2001 (see figure 20), approximately 15.43% of the Polokwane population had no schooling, while 50.20% had attained a level of education below grade 12 and 10.80% of the population having grade 12 and tertiary schooling. The level of education composition for Polokwane reveals relatively high levels of schooling, compared to provincial figures.

Figure 20: Highest Education Level in Polokwane, 2001

The link between levels of education and economic output is well established and hence would need to receive a high level of priority in any economic growth strategy.

2.7.3 Labour Force

In 2001, the potential economically active population (between the age of 15 and 64) for Polokwane was estimated at 300,729, of which approximately 146,549 or 46.74% were not considered to be economically active. Of the total labour force (economically active population) some 41.46% where considered formally unemployed. This includes persons who are actively looking for a job but who are not in any type of paid employment.

Projections undertaken by the Demographic Information Bureau (DIB) expect the potential economically active population to grow by 13.19% between 2001 and 2005, and 15.42% to the
year 2010. The increase in the labour force is a result from normal population growth and the entrance in the market of females and youths.

In trying to understand the future of the South African, or for that matter the Polokwane labour force, consideration should once again be given to the potential impact of HIV/Aids. The labour force sector in South Africa that will be the worst affected is the unskilled and semi-skilled sector, with infection rates likely to top 30% by the end of 2006. However, the skilled and highly skilled sectors will also be affected, with infection rates reaching 23% and 13% respectively, placing a further strain on the already skill shortages.

a) Employment per Sector

In 2001, of the total labour force, only 58.54% were formally or informally employed, of which some 58.67% were employed in three sectors – namely community/social/personal 26.55%, wholesale/retail 19.25%, and private households 12.86%. The employment creation and absorption capacity of the remaining sectors were relatively low with percentages ranging from 0.04% in mining/quarrying to 9.11% in financial/insurance/real estate/business (see figure 21).

Figure 21 : Employment per Economic Activity in Polokwane, 2001

Looking at the percentage employment per sector, 72.3% of the labour force is employed in the tertiary (or service) sector compared to 15.9% in the secondary and 5.9% in the primary sectors.
b) Occupation

In analyzing the total employment by occupational group, shown in figure 22, the figures reveal that 26.33% of people employed in Polokwane were employed as labourers (elementary). Another 43.75% of the workers were active in relatively low or medium skilled and low income jobs, with 12.46% being clerks, 11.21% services workers, 10.78% in craft/trade, 7.10% plant and machine operators and 2.19% in agriculture/fishery. The low levels of highly skilled people in Polokwane is highlighted by the low percentage of the relatively higher skilled level occupational groups with technicians at 11.65%, professionals at 8.51% and legislators and senior officials at 5.74%.

Figure 22: Employment by Occupational Group in Polokwane, 2001

In conclusion, the high unemployment rate and low skills levels of the labour force, is placing a high burden on the economically active population of Polokwane. Limited job creation, low economic growth and the low skills levels will result in growing unemployment rates and an out migration of people to other areas and provinces in search of employment opportunities.

2.7.4 Household Income

There are a total of 170 settlements within the Polokwane jurisdiction, which, in terms of the Limpopo: Municipalities Infrastructure Indicators, 2001, houses approximately 135,449 households of which approximately 80.90% reside in formal dwellings.
Polokwane is characterized by high levels of poverty (see figure 23), with 22.56% of all households having no income and a further 34.64% having an income of less than R800 per month and 10.70% earning between R800 and R1 600 per month.

Figure 23 : Annual Household Income, 2001

Low levels of household income decrease disposable income which have a strong negative impact on consumption expenditure.

2.8 ECONOMIC PROFILE

Local economic development is largely based on the ability of local authorities through their resources and policies to reduce the risk and costs of investment – this also entails creating an appropriate enabling environment. To this could be added interventions, which promote economic clusters that are based on local comparative advantage in terms of inputs such as labour, power and land availability. If successful, such interventions should create the platform for employment generating investments by the private sector. The main aim of an economic development strategy should be to serve as a roadmap, which reflects the aspirations of local stakeholders and investors.

This section pays special attention to some of the demographic characteristics of the Limpopo Province and Polokwane, and ascertains the implications which these have for the future economic trajectory of the local economy. Moreover, cognisance is given to the observation that appropriate local and provincial government interventions can play a significant role in ensuring that spatial differences in economic growth potential is given the necessary attention.
While an appropriate economic strategy for the city would need to focus on some level of economic clustering, this section does not identify the critical components of such a strategy. In the next phase of the study those sectors that could be winners in capturing the specific factor benefits which the local economy, and more specifically the economy of the CBD, is able to offer, will be identified.

2.8.1 Limpopo Province

In terms of economic contribution to the national Gross Domestic Product (GDP), Limpopo has the second smallest economy of the nine provinces (see figure 24). Economic growth in Limpopo has slowed down marginally from 4.3% in 1996 to 4.2% in 2003.

Figure 24 : Gross Domestic Product per Province, 2003

Limpopo has shown positive economic growth over the past ten years if Gross Value Added (GVA) is considered, however the economic growth has slowed down between 2000 - 2003, to a mere 0.2%, from 2.1% between 1996 - 2000. Comparing the economic performance of Limpopo to the growth in the national economy namely 2.3% between 1996 - 2000 and 2.7% between 2000 – 2003 Limpopo has been under performing over the last ten years (see figure 25).
Looking at the sectoral composition of the Limpopo economy, depicted in figure 26, the largest economic sector in terms of contribution to GVA is the community, social and personal services sector (31.8%). Other major sectors include mining at 20.0%, commerce at 14.4% and the financial sector at 8.1%.

The various sectors in the Limpopo economy have not grown uniformly, only mining, electricity, gas and water, commerce and the service sector showed positive average growth rates between 2000 and 2003 compared to the previous four years.
Employment per R1 million GVA in the different economic sectors is an indication of labour intensity of the production process. In this respect, Limpopo is above the national average of 14.6 with on average 19.6 people employed in the province to produce R1 million GVA, which is a decrease from 20.8 people in 1996 (see figure 27). This suggests an increase in labour productivity.

**Figure 27 : Employment per R1 million real GVA by Economic Activity in Limpopo**

![Employment vs Economic Activity](chart.png)

Of the entire economic sector in Limpopo, only the agricultural and service sectors employ more than 20 workers per R1 million GVA. The service sector as mentioned before is the largest economic sector in the province in terms of contribution to GVA and the number of workers employed in this sector highlights the performance of this sector in terms of employment.

In terms of GVA per capita, Limpopo is regarded as the poorest province in South Africa. The GVA per capita, at R4,387, is three times less than the national average of R13,269. In order to alleviate poverty in the province, the economy will have to grow at a considerable rate – well above present levels.

In conclusion, in terms of economic growth, only the mining sector has shown a high level of positive growth in recent years, making the economy of Limpopo vulnerable to fluctuations in the mining industry in general. The decline in the growth of the manufacturing sector is also a cause of concern as the primary sector is dependant on manufacturing for the processing of their outputs.
2.8.2 Polokwane Municipality

The importance of the Polokwane economy to the provincial economy is shown in the following table. It illustrates the contribution, which the municipality makes to the provincial GVA. Table 7 below shows the contribution of the various district municipalities to the provincial GVA with Table 8 showing Polokwane’s contribution compared to the other local municipalities in the Capricorn Municipal District.

### Table 7: Contributions of District Municipalities to the Provincial GVA, 2003

<table>
<thead>
<tr>
<th>District Municipality</th>
<th>Nominal Gross Value Added (R1000)</th>
<th>Contribution to Provincial GVA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sekhukhune</td>
<td>R2,529,509</td>
<td>5.5</td>
</tr>
<tr>
<td>Bohlabela</td>
<td>R3,665,559</td>
<td>8.0</td>
</tr>
<tr>
<td>Mopani</td>
<td>R9,642,000</td>
<td>21.1</td>
</tr>
<tr>
<td>Vhembe</td>
<td>R8,109,852</td>
<td>17.7</td>
</tr>
<tr>
<td>Capricorn</td>
<td>R9,078,143</td>
<td>19.8</td>
</tr>
<tr>
<td>Waterberg</td>
<td>R12,735,167</td>
<td>27.8</td>
</tr>
</tbody>
</table>

*Source: DBSA*

Polokwane is situated in the Capricorn District Municipality, which was the third highest contributor to the provincial GVA in 2003.

### Table 8: Contribution of Polokwane to the Provincial GVA, 2003

<table>
<thead>
<tr>
<th>Capricorn District Municipality</th>
<th>Nominal Gross Value Added (R1000)</th>
<th>Contribution to Provincial GVA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blouberg</td>
<td>R459,673</td>
<td>1.0</td>
</tr>
<tr>
<td>Aganang</td>
<td>R458,498</td>
<td>1.0</td>
</tr>
<tr>
<td>Molemole</td>
<td>R642,822</td>
<td>1.4</td>
</tr>
<tr>
<td>Polokwane</td>
<td>R6,371,035</td>
<td>13.9</td>
</tr>
<tr>
<td>Lepele-Nkumpi</td>
<td>R1,146,116</td>
<td>2.5</td>
</tr>
</tbody>
</table>

*Source: DBSA*

As can be seen from Table 8, Polokwane is the main financial driver in the Capricorn District Municipality. It is also the highest contributor to all the local municipalities at 13.9%, followed by Thabazimbi at 11.8% and Ba-Phalaborwa at 9.2%. However, the average annual growth of the contribution to the provincial GVA between 2000 and 2003, shows that the Polokwane Municipality has had a negative growth at –5.1% (the lowest in the province), as did the Capricorn District Municipality as a whole at –4.8%. Both Ba-Phalaborwa and Thabazimbi had a positive growth of 10.2% and 1.2% respectively.
Polokwane nominal gross value added to the provincial total is the highest in the province at 13.9%, followed by Thabazimbi at 11.8% and Ba-Phalaborwa at 9.2%. The gross value added by kind of economic activity within Polokwane, as a percentage of the total nominal gross value added, is shown in figure 28.

**Figure 28 : Gross Value Added by Kind of Economic Activity, 2003**

![Gross Value Added by Kind of Economic Activity, 2003](image)

With regard to employment in the different local municipalities in the province, Polokwane is below the provincial and national average with an average 14.3 people employed in the municipality to produce R1 million GVA.

### 2.9 POLICIES AND DEVELOPMENT INITIATIVES

This section discusses current national and provincial policies and current and proposed local policies that may impact on the growth of the Polokwane CBD.

#### 2.9.1 Policies

There are various policies at national and local level that impact directly or indirectly on the proposed economic development strategy for the CBD.

#### a) National Policies

It can be argued that National Government's macro-economic policy has played a critical role in providing the basis for economic growth. Numerous indicators are presently suggesting that South Africa’s growth trajectory is improving. This section looks at national policies that will have economic implications, directly or indirectly, for the Polokwane CBD.
National Treasury - Urban Development Zones

In the 2003 Budget speech, the Minister of Finance announced the introduction of the Urban Renewal Tax Incentive. This was formally legislated in December 2003 and comprises a depreciation allowance to promote and stimulate development within the inner cities of South Africa.

The aim of the incentive is to provide the investor with the opportunity to write-off the cost of the improvements or the construction cost of a building over time. The tax write-off period relates to the manner in which value is added to the development zones viz. improvements to an existing building or the construction of a new building.

This initiative not only supports the refurbishment and construction of both commercial and residential buildings in the inner cities, but also supports other initiatives such as:

- Policies to write-off existing bad debt in the inner city to allow these buildings to be sold and refurbished;
- The Department of Housing’s policy on the provision of affordable rental housing in the inner city;
- The possible formation of public-private partnerships in mixed used developments that provide social facilities that are integrated into new commercial and residential developments.

It is worth noting that whilst this supply side intervention is positive, it is demand and not necessarily supply that needs to be encouraged. Whilst this incentive should benefit owner-occupiers, it needs to be seen to what extent smaller users, who primarily lease, will benefit from the intervention. It also seems at first glance, that mixed-use properties could fall out of the incentive, especially if residential units are owned rather than leased. The policy would generally encourage leasing instead of ownership in the residential property market.

It is important to underline that the tax initiative only takes effect when the urban development zone (UDZ) is published in the Government Gazette, to this extent, the UDZ for Polokwane, which covers most of the CBD, was promulgated on the 6th of June 2005.

It is also worth noting that the UDZ policy is largely a supply side intervention. The final decision by investors to invest will be determined by reigning vacancy rates, the take up of space and the rentals that investors are able to secure.
- **Department of Trade and Industry – Incentives, Development Finance and Strategies**

The Department of Trade and Industry objective to create a vibrant economic climate within South Africa is underpinned by various incentives and development finance initiatives to support the growth, employment and equity. Some of the most importance ones are:

- **Black Business Supplier Program**
  This program is a cash grant incentive scheme, aimed to support black-owned enterprises within South Africa in order for them to improve their expertise, upgrade their managerial skills and the restructuring of such companies in order to become more competitive.

- **Foreign Investment Grant**
  This scheme is a cash grant aimed at foreign investors investing in new manufacturing businesses in South Africa. The foreign investor will be compensated up to 15% of the cost of moving new machinery (excluding motor vehicles) and equipment from abroad.

- **Skills Support Program**
  The objective of this program is the encouragement of greater investment in training and the creation of opportunities for the introduction of new advanced skills by virtue of cash grants.

- **Strategic Industrial Projects**
  This program is an incentive by the government to entice private sector investment in innovative, profitable and wealth-creating business enterprises in South Africa. This incentive would also stimulate the creation of job opportunities within the industrial sector.

- **Industrial Development Zones (IDZ)**
  This program is designed to encourage international competitiveness in the manufacturing sector. An IDZ is an industrial estate linked to an airport or a port and has a controlled customs secured area, which is exempt from duties, VAT and import duties on machinery and assets.

- **Export Marketing and Investment Assistant Schemes**
  The purpose of this scheme is to partially compensate exporters for cost occurred through activities aimed at developing export markets for South African products and services and the recruitment of new foreign investment.
• **Small Business Development Finance Schemes**
  The aim of these schemes is to develop and strengthen business opportunities and create jobs for eligible entrepreneurs from the previous disadvantaged communities. Examples of these schemes are the Agro-industries Development Finance, Business-to-Business Program, Emerging Entrepreneur Scheme, Empowerment Scheme etc.

• **Integrated Manufacturing Strategy**
  In order to facilitate the long-term growth of the South African economy, the DTI has developed this strategy in order to create regional platforms for production-expanding opportunities, increasing value addition and knowledge-intensity and building equity and wider participation in the economy for participants in the manufacturing sector. In terms of this strategy, various programs, to be implemented by the DTI in partnership with the manufacturing sectors, are being developed. The eight areas that will benefit from these programs are:

  - **Clothing and textiles**: The DTI will promote the growth of a global competitive industry that provides sustainable employment opportunities and exports to the value of R5-billion.

  - **Agro-processing**: This area will be supported through appropriate assistance and regulatory measures including the creation of strong downstream value addition, providing an efficient logistical platform and negotiating greater market access for agricultural products in developed markets.

  - **Metals and minerals**: Opportunities through targeted investment promotion and the diversification of ownership.

  - **Tourism**: To promote investment in the tourism industry especially by black owned, women-owned and smaller firms.

  - **Automotive and transport**: The strengthening of linkages with local suppliers through the use of appropriate support measure.

  - **Crafts**: The creation of a craft export council and the promotion of craft cooperatives.

  - **Chemical and biotechnology**: The increase in exports of chemical, pharmaceuticals and botanical products.

  - **Knowledge-intensive services**: The growth of information and communication technologies (ICT) and electronic enterprises by the establishment of a joint business-government ICT Development Council, an effective accreditation system.
for black-owned ICT firms in order to assist them in tendering and the development of an ICT youth internship program within the industry.

b) Provincial Policies

- Limpopo Growth and Development Strategy (LGDS)

The purpose of the LGDS is “to provide a vision for development that reflects the development priorities in terms of social needs and competitive economic growth potential of the province, but that it is also consistent with national development imperatives”.

In drafting the LGDS, cognisance was taken of existing national, provincial and local policies, which is regarded as the point of reference for further development policies. The economic vision of Limpopo in term of the LGDS is “to be the major contributor to national wealth by 2020”.

The LGDS includes various development strategies including the Economic Development Strategy (EDS) for the Northern Province, dated September 1999, the Provincial Industrial Development Strategy (PIDS), the Limpopo Provincial Mining Development Strategy, dated June 2003, the Limpopo Transport Strategy and the Limpopo Tourism Growth Plan, dated February 2004. The following gives a brief overview of these strategies in terms of economic development.

- The Economic Development Strategy

The EDS identifies economic investment opportunities within Limpopo, spatial rationale and land development objectives, institutional issues and implementation strategies.

The strategic development needs of the province were identified and these include the provision of basic services, job creation, the realization of the vision and the development policies that have been formulated and the establishment of a development management structure. Based on these needs, specific projects or investment opportunities were identified, action plans were described and monitoring programs were discussed for each of the components of the development strategy.

A total of thirty-nine investment opportunities have been identified throughout the province, of which twenty are in the agricultural sector. The identification of these development opportunities was based on provincial competitive advantages and the mobilization of investment around these development opportunities is one of the major objectives of the provincial government.
• **The Provincial Industrial Development Strategy**

The PIDS identifies a range of economic, social and infrastructure challenges and formulated objectives to deal with these challenges. It also provides content to the broad economic objectives as a contribution towards the provincial vision of being a major contributor to national wealth by the year 2020.

The PIDS recognises the need for two types of projects, viz. catalytic and localized projects.

- Catalytic projects are aimed at the stimulation of large-scale industrial development with the emphasis of agglomeration advantages (the concentration of industrial activities in a select number of locations). Proposed projects include the upgrading of the Gateway International Airport, a Research and Development Centre at EduPark, coal liquefaction at Lephalale, decentralized industrial developments points and a cluster initiative development program.

- Localised projects are of a smaller scale than catalytic projects and are aimed at creating jobs in local communities, especially in rural areas.

The implementation of these projects has to be conducted in collaboration with strategic partners such as Trade and Investment Limpopo, the Limpopo Economic Development Enterprise, the Industrial Development Corporation, the Department of Trade and Industry and the various District and Local Municipalities.

• **The Limpopo Provincial Mining Development Strategy**

Even though this development strategy is only in the primary phase, the provincial government has done major groundwork for the second phase of this economic development strategy.

Some of the objectives of the mining strategy is to ensure mineral beneficiation, the facilitation of linkages between mining companies and local SMME’s, the promotion of BEE and small-scale miners, the identification for small-scale mining in the province and the development of a capacity building framework for women and youths relevant to the provincial mining sector.

In terms of the identified objectives, provincial support programs and initiatives have been identified. These include, the mobilization of foreign and domestic investments, the facilitation of a financing vehicle and incentive package for mineral development within the province, an investment and funding strategy, strategies for the penetration of the national and international markets and the promotion of leading industries.
• **The Limpopo Transport Strategy**
  The vision of this strategy is to create an integrated, safe, reliable, efficient and affordable multimodal transport system. Some of the issues addressed in this strategy are the road and public transport infrastructure, traffic control facilities, civil aviation and rail and truck and freight terminal facilities. One of the goals set out in this policy is to create a transport system that will act as a catalyst for social upliftment and economic growth.

• **The Limpopo Tourism Growth Plan**
  The Limpopo tourist market is a significant market, however, in order for the tourist market to increase the size of the provincial economy, it is imperative that new tourist be attracted. In order for this to happen, the growth plan has recognized the importance of attractive destinations, the local market in terms of recreational and sporting facilities, the Gauteng market, markets on the subcontinent, international markets, effective links with tour operators and business travel.

- **Development Corridors**

  The Limpopo Provincial Government has identified four development corridors in the quest to further develop the natural resources of the province in order to improve the competitiveness of provincial manufactures and exporters and to enhance the products of Limpopo on both the local and international markets. Investment opportunities have been identified and projects have been designed to utilities these opportunities.

  The development corridors are known as Spatial Development Initiatives (SDIs) and are situated in areas with significant potential for private sector investment and in many cases involve the development of state owned assets in partnership with local communities. These corridors, shown in figure 29, are:
Figure 29: Limpopo Development Corridors (SDI’s)

Source: Trade and Investment Limpopo

- The Phalaborwa Corridor, which stretches from the N1 north of Polokwane eastwards through the agricultural areas of Tzaneen toward Phalaborwa. From there it turns south towards Hoedspruit and eventually links with the Maputo Development Corridor at Nelspruit.

- The Dilokong Corridor, which covers the platinum mining area in the east and central region of Limpopo Province.

- The East-West Corridor, which covers the eco-tourism and mining area in the west and central region of Limpopo Province.

- The Trans-Limpopo Corridor which follows the N1 from Polokwane to Zimbabwe

c) Local Policies

- The Spatial Development Framework (SDF)

  With regards to the Polokwane CBD itself, the SDF makes the following pivotal points:
• The Polokwane CBD is viewed as the commercial centre of Polokwane and it is emphasized that the functional status of the CBD core be sustained.

• It is underlined that there must be a proper plan for, and management of, the CBD and the general management of social and infrastructure decay of the CBD - in particular reference is made to areas that are attracting crime, grime, hawking and informal trading. The issue is particularly prevalent around retail development in the north-western part of the CBD, where large scale urban decay occurs.

• The CBD, it is argued, can play a major role in the integration of Seshego and other regions, and leverage economic linkages.

• It was further noted that an eastward expansion of the CBD may underpin urban decay in the CBD, and in addition, may focus attention away from disadvantaged communities located to the north-west and south-west of the CBD.

The SDF states the following regarding the CBD and its interaction with secondary activity nodes:

• “The Polokwane Central Business District which contributes largely to the municipality’s income should be the Primary Activity Node in the city and the region, serving the local and regional communities as well as the Provincial Legislature, and it should be managed in such a way that it retains such status and viability in future;

• Initiatives which will contribute to the re-generation and development of the CBD should be optimized and supported by the municipality as well as other role players such as business sectors and provincial government, since Polokwane plays a major role in the economy of the Limpopo Province as well as South Africa;

• Apart from the CBD, a hierarchy of Secondary Activity Nodes can be developed throughout the municipal area and especially within 1st and 2nd order settlements, aimed at serving the different local communities according to their specific basic needs, and optimizing the development opportunities as they occur in different parts of the municipal area. The development/expansion of secondary nodes should, however, not be allowed if the municipality is not convinced that these will not have a detrimental effect on the CBD (Primary Activity Node).”

The Integrated Development Plan (IDP)

The city’s IDP provides policy guidance on a more detailed spatial level. The IDP, for example, identifies the need to develop crime prevention strategies in the Polokwane CBD and to prioritize the creation of a transport hub.
A number of specific area plans have been formulated, and provide a strong indication of where development initiatives will be targeted in the wider metropolitan region. Examples include the Eastern Development Corridor Plan related to the platinum mining sector and the Seshego Cluster Plan, which focuses on the identified buffer zone between Seshego and Polokwane CBD and aims to integrate the two areas.

Regarding suburban shopping facilities, the IDP acknowledges that apart from the CBD, which is the primary activity node for the provision of specialized and expensive (higher order) goods and services, perspective should not be lost of the importance of permitting the development of secondary activity nodes which make provision for convenience shopping to the different residential areas in Polokwane.

Thus, prevailing policy makes the case for enhanced linkages and consolidation between the city centre and secondary nodes. The crucial factor here is that the primary node and the secondary nodes are seen to operate holistically, as part of the wider urban area, and not in competition with each other, with the CBD performing the widest range of functions and the secondary nodes predominantly focusing on convenience goods.

- **The Local Economic Development Interim Report (LED)**

  The purpose of the LED, dated March 2003, was to assess the economic competitiveness of Polokwane using a SWOT analysis in order to highlight the strengths and weaknesses of the economic sectors and sub-sectors of the city’s economy.

  Some of the local assets highlighted in the LED are the availability of industrial land, access to tourism opportunities, the international airport, access to mineral resources, a cheap production base and a productive and diverse farming sector.

  The obstacle to economic growth include limited skilled labour, HIV/AIDS, high unemployment rate, financial sustainability, spatial inefficiency, limited economic growth and the poor condition and service levels of the industrial areas.

  Opportunities identified include the proximity of Polokwane to neighbouring countries for the establishment of a regional trading hub, accessibility to mineral resources for the establishment of a mineral processing and beneficitation centre, the development of cultural and eco-tourism tourism, the development of an agri-processing cluster, the strengthening of the manufacturing sectors' linkages, and the stimulation of development in the CBD by developing the Gateway International Airport.
Based on the findings of the LED Interim Report, an opportunity scorecard had to be generated to be presented to all stakeholders for discussion. At the date of this report, this scorecard was not available.

2.9.2 Development Initiatives

a) Demarcation of the Urban Development Zone

The Polokwane Municipality has lodged, in November 2004, an application with National Treasury for the establishment of an Urban Development Zone (UDZ) in the Polokwane CBD. The UDZ for the Polokwane CBD was promulgated on 6 June 2005.

In terms of the SDF, the Polokwane CBD is regarded as the primary activity node of the municipality and the region as a whole. The CBD does not only serve the residents of Polokwane, but also, due to the fact that it houses the Limpopo Provincial Government, regional communities throughout Limpopo and even beyond the South African border. As one of the main contributors to the economy of the city, the municipality has recognized the need to re-generate and develop the CBD in order to utilized it to its full capacity.

Some of the reason used in the motivation for the proposed UDZ, include:

- **General decay** due to physical problems (lack of parking, traffic congestion, physical condition of buildings and pedestrians), social related problems (crime and grime, hawkers and negative perceptions by developers) and economical related problems (demand and supply of land and continued pressure for decentralized retail).

- **Rapid decay in certain areas** due to a large supply of available land for development, which is currently being used for illegal uses.

- **General reasons** which include improper linkages of uses in the CBD with associated uses in adjacent areas, decentralization of retail and entertainment facilities, decentralization of smaller offices, consumer demand and perceptions, high land and rental cost for office and retail space, improper maintenance and upgrading of buildings by owners and lack of interest from developers due to negative perceptions.

The areas within the CBD that are excluded in the proposed UDZ include the predominately government office zone in the south-western part of the CBD and the area to the south of Game and to the east of the Oriental Plaza. The final boundaries of the proposed UDZ, 145.9853-hectares in extent, are shown in figure 30.
Figure 30: The Polokwane Urban Development Zone
b) Support for Informal Businesses and SMMEs

The envisaged outcome of this initiative, as set out in the IDP 2004/2007, is to create a conductive working climate for informal businesses and SMMEs that will result in an increase in clientele and financial benefits for these operators. These initiatives include:

- The Itsoseng Entrepreneur Development Centre which is an initiative through the Local Economic Development strategy. This centre, which will nurture and train up to a hundred local entrepreneurs commenced in June 2004 with the training of the first ten entrepreneurs.

- The construction of functional market centres that will create a conductive climate for trading. These include:
  - The African Market, which will commence during the 2004/2005 financial year;
  - The Mankweng Hawkers Centre; and
  - The Limpopo Mall Hawkers Centre.

c) Transport Hub

The provincial government has realized the importance of Polokwane as the gateway to Africa, and the integrator of the regional economy. In the LGDS it thus proposed the establishment of a transportation hub or logistic cluster that will incorporate the Gateway International Airport, the rail station and the proposed Truck-inn.

One of the ideas proposed in the LGDS is an increase in air traffic by becoming a United Nation Logistic Depot for Sub-Saharan Africa. This additional air traffic would create opportunities for economic activities such as food production and manufacturing products. The proposed industrial development zone adjacent to the airport should therefore become part of this cluster.

Other proposals to be incorporated in this cluster include an International Convention Center, which may host NEPAD and SADC conferences, facilities for international and national sporting events, a procurement component with customs clearing facilities and a research and development component in order to promote product development and competitiveness in all clusters throughout science and technology.

d) Gateway International Airport

The inclusion of the airport in the logistic hub is not the only economic proposal for the airport. The Department of Sports, Arts and Culture are planning on implementing the Gateway Arts showroom. They are currently renting a room at the airport where they exhibit...
local artwork at a smaller scale. With an eye on 2010, they are planning on expanding this project.

e) Convention Centre

The provincial government, in its Tourism and Growth Plan, has realized the importance of the creation of a major convention and exhibition centre in Polokwane. It is proposed to “twin” the proposed conference centre with the ICC in Durban, which will give the proposed convention centre immediate access to potential markets and the contact network that the ICC has developed over the years. The establishment of a convention centre, especially if it is part of the proposed transport hub, will bring the Gateway International Airport into full production. Other opportunities envisaged through the establishment of a convention centre include:

- The construction of additional hotels and visitors attractions;
- The increase in air-flights from neighbouring countries;
- Tourism packages or excursions to sites of historical, cultural and natural interest for delegates;
- Opportunities for emerging entrepreneurs, in and around the city, linked to the provision of goods and services to the conventions centre and other established and new operators; and
- The development of day visitors recreational resorts in and around the city.

f) The Jewellery Hub

This R20-million initiative by Trade and Investment Limpopo is for the establishment of a Jewellery Hub, training school and incubation centre within Polokwane city. The main aim of this initiative is to source local raw material such as gold, platinum, diamonds, silver, copper and traditional crafts (ivory/beads) for the manufacturing of jewellery.

The proposed Jewellery Hub will make use of simple technology and will be based on Mintek’s Kgarbene Project. This project is set out to empower crafters who are mainly rural women, urban and rural emerging jewelers from previously disadvantage communities and retrenched mineworkers and their families. The project targets people in rural areas, preferably poverty nodes, with an existing skill such as for example basket weaving. The people that form part of this project is taught to apply their skills and use new material, including precious metals, to produce jewellery. The Kgarbene Project provides training and gives crafters the opportunity to showcase their products at international shows.

g) The Mapungubwe Theatre

The Department of Sports, Arts and Culture have proposed the establishment of a provincial arts theatre within Polokwane. This R40 million project is aimed at providing job opportunities
for local artists and entertaining tourists and guests during the 2010 Soccer World Cup, thereby exposing the artist to the national and international market. Some of the projects envisaged after 2010 will include theatre training for the youth of Polokwane and cultural exchanges programs.

h) Tourism

Over the last few years the Limpopo Province has started to emerge as a game and cultural heritage destination. Limpopo Economic Development Enterprise (LimDev) has recognized the tourism potential of the province and together with the Chief Directorate of Tourism and a private tour operator, proposed a Limpopo Tourism Route that links approximately 21 eco-tourism destinations and hot spots throughout the province. This route would include the African Ivory Route (a series of semi-permanent tent camps throughout the province with a central reservations office situated in Polokwane), luxury lodges and middle income resorts. This proposed route will be used by local tourism enterprises to market and position themselves in the tourism industry of Limpopo.

i) Sport and Recreation

With one eye on the 2010 Soccer World Cup, the aim of the municipality is to develop Polokwane into the international sporting venue in Limpopo by 2008. The existing sporting facilities do not meet international requirements and there is no indoor complex to host any sporting events. Some of the projects to reach this goal is the upgrading of the Peter Mokaba Stadium, the completion of the Ngoako Ramatholdi indoor complex and the continuous promotion of existing facilities by encouraging sport clubs to host provincial, national and international sporting events in the city.

2.10 THE COMMERCIAL MARKET IN POLOKWANE

As the capital city of Limpopo, Polokwane is the largest and most well developed urban area in the province. It provides many of the region’s provincial services – including state hospitals and government offices, which are located in the city centre and play a critical anchor role for the city’s commercial core. Other commercial activities concentrated in the city centre include professional practices, regional offices and services.

2.10.1 Polokwane in General

Retail property activity in Polokwane is mainly concentrated in the city centre, along the arterial roads; namely Schoeman, Hans van Rensburg and Landdros Maré Streets. Decentralised retail nodes have not been as evident in Polokwane as in other South African city centres, which have also assisted in maintaining the vibrancy of the CBD as a retail node. Savannah Mall, located in the eastern suburb of Fauna Park, dominates the decentralized retail landscape, and is the only centre in the suburbs that is classified as a community shopping centre, with a GLA of 21,565m².
The centre includes national tenants such as Pick ‘n Pay, Truworths, Clicks, Foschini and Ster Kinekor and caters for the higher-end shoppers, which mainly reside in the eastern suburbs. Critically, Savannah Mall is positioned to provide a retail destination that is in addition to the retail offerings of downtown Polokwane. However, indications are that many affluent shoppers travel to Gauteng to visit super-regional and regional malls such as Menlyn Park. This represents something of a loss of spending power from Limpopo into Gauteng.

The Savannah Mall is however not the only decentralized retail centre in Polokwane. Other decentralized retail centres, which are generally anchored by supermarkets, include Bendor Multisave in Bendor, Florapark Superette in Florapark, and Seshego Plaza in Seshego, which has a GLA 9,500m² and anchored by Score and Pep Stores.

The majority of office stock is situated in the CBD, however, there are some pockets of office developments in Bendor Park, while EduPark, an education institution development that houses tertiary institutions, are located in the south-eastern suburbs. This suggests that there may be some growing pressure for decentralized office space within the wider municipal area, but indications are that office decentralization should not be a threat.

Industrial property is located in nodes to the west and north-west of the city centre, such as Superbia, Laboria and Nadine with market indications of some under supply in industrial space.

In general, the commercial property market appears to be a well-established within the CBD with minimal decentralization except in the case of small pockets of office space, Savannah Mall and smaller convenience centres and the industrial suburbs.

2.10.2 The Central Business District

The extent of the CBD has been determined by a survey undertaken by Kenneth Maluleka Town Planners and Project Managers. This section looks at the supply of and demand for space within the CBD as well as sales that have taken place in the CBD from 2000.

Supply Analysis

a) The Retail Sector

Retail property activity in Polokwane is mainly concentrated in the city centre, along the arterial roads Schoeman, Hans van Rensburg and Landros Maré Streets. Typically the supply caters for tenants, which include national banks, and fashion retailers such as Edgars, Truworths and Foschini, which are mainly located on Landros Maré Street, and supermarkets. To this should be added Pick ‘n Pay and Shoprite Checkers. In many respects these are lower order retailing activities. There are also stand-alone retail centres within the CBD, such as the Game Centre, Checkers Centre and Middestad Centre on the corner of Rissik and Market Streets. Middestad Centre is located in close proximity to the main Polokwane taxi rank, and caters mainly for
shoppers reliant on public transport. Overall, as shown in Table 9, the Polokwane CBD retail environment offers some 59,990m² of retail space in the form of shopping malls.

Table 9: Polokwane: Estimated Total Retail Floor Area

<table>
<thead>
<tr>
<th>POLOKWANE CBD</th>
<th>Floor Area (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping Centres</td>
<td></td>
</tr>
<tr>
<td>Middestad Centre</td>
<td>19,280</td>
</tr>
<tr>
<td>Game Centre</td>
<td>14,761</td>
</tr>
<tr>
<td>Spar Plaza</td>
<td>12,221</td>
</tr>
<tr>
<td>Checkers Centre</td>
<td>8,167</td>
</tr>
<tr>
<td>The Taxi Centre</td>
<td>5,561</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>59,990</strong></td>
</tr>
<tr>
<td>Street Front Retail</td>
<td>322,218</td>
</tr>
<tr>
<td><strong>Total CBD</strong></td>
<td><strong>382,208</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DECENTRALIZED RETAIL SHOPPING CENTRES</th>
<th>Floor Area (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savannah Mall</td>
<td>21,565</td>
</tr>
<tr>
<td>Seshego Plaza</td>
<td>9,500</td>
</tr>
<tr>
<td>Flora Park Superette</td>
<td>3,100</td>
</tr>
<tr>
<td>Bendor Multiserve</td>
<td>2,225</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>36,390</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>418,598</strong></td>
</tr>
</tbody>
</table>

Source: 1) Plan Associates, 2005 measured from aerial photography, 2001  
2) South African Shopping Centre Director, 2003

Street-front retailing is most prominent along the main arterials, in the area to the north of Thabo Mbeki Street. This retail strip is characterized by business complexes (mixed use developments) that include retail on the ground floor and office on the additional floors and is regarded as the core retail area of the CBD and in terms of the survey undertaken, street-front retailing is estimated at 322,218m². This brings the total retail area in the CBD to 382,208m². This must be compared with the total 36,390m² of retail space situated at some of the prominent decentralised retail shopping centres in Polokwane. It should be emphasized that these two components of the retail supply market serve different shoppers. Figure 31 below shows the different forms of retail space within Polokwane CBD.
Potential new retail space, whether in the CBD or in a decentralized node, should be carefully monitored. If additional retail space is created it may rely on the relocation of existing retail activities in the town to occupy the space, as the market demand could possibly not be sufficient to justify new retail outlets. There have been talk over the past few years of the possible development of a regional shopping centre in the decentralized nodes of Polokwane. Such a centre has certain advantages such as retaining spending power in Limpopo, and seeing the introduction of new retail outlets, and job creation. However, this may pose risks to the city centre, which are:

- if the regional centre simply duplicates existing retail in the CBD, which is unlikely given that the target markets are different; or

- if negative forces in the CBD (such as crime and grime, inadequate parking or informal trading) are left unmanaged and unaddressed, retailers may move to the centre.

Local property practitioners report that gross rentals for street-front retailing space in the CBD ranges between R25/m² to R125/m² per month. Retail located on the CBD periphery, away from the main commercial concentration, falls in the lowest range of these rentals. This includes outlets along, for example, Bok Street and Dahl Street. Central CBD shopping centres are achieving typical gross rentals of between R35/m² to R60/m². Landros Maré Street sees the highest retail rentals in the CBD, typically in excess of R100/m². It is also reported that this street has the highest demand for space from retailers, demand that often cannot be met, as there is a shortage of available space.

**b) The Office Sector**

The CBD is characterised by a mix of high-rise offices, low-rise offices and self-standing residential
houses that have been converted for office use. Based on the survey undertaken, the size of the office market (all grades) in the Polokwane CBD is estimated at approximately 578,715m\(^2\) in total.

The southern section of the CBD is characterized by a large number of dwelling house offices and government institutions. It also includes the offices of the Polokwane Municipality, a large number of provincial government offices, the Capricorn District Council and national government departments. Parastatals such as ESKOM and Telkom are also present in this area. The area to the north of Jorissen Street, between Landdros Maré and Hans van Rensburg Streets, is characterized by office buildings housing financial institutions, with the area to the east of Landros Maré Street being characterized by dwelling house offices and office complexes. Residential homes converted to offices are also evident in the western part of the CBD, to the west of Church Street. New office developments are evident in the southern part of the CBD, particularly along Hans van Rensburg Street.

Overall, opportunities exist to further densify the existing office nodes. But to achieve this will require an appropriate level of infrastructure and investment parameters that meet developer requirements. It should also be underlined that successful office nodes increasingly provide an appropriate mix of office as well as retail space – it largely means that retailers must have greater access to different types of services.

Local property practitioners report that the CBD market has a mixture of A, B and C-grade office stock with reported low vacancies (less than 5%). Gross office rentals range from R25/m\(^2\) to R80/m\(^2\) gross, which provides an indication of the range of type of space available. Average A-grade gross rentals are in the region of R45/m\(^2\), however there are some government-occupied buildings that achieve rentals as high as R80/m\(^2\), but these rentals reflect specific tenant requirements.

Some supply-side features of the CBD office market include:

- The CBD office sector seems to offer a range of space at a range of rentals, ensuring that new tenants are able to find space that is appropriate for their use and price level.

- The core of government tenants should provide a high level of stability in the CBD office market especially in a particular section of the city.

- There appears to be scope (and demand) for new office development, especially to meet government requirements. Added to this there has been mention over the past years that provincial government wishes to consolidate space in the form of a government precinct.

c) Other Sectors and Uses

Other sectors present in the CBD include motor related uses totalling approximately 72,477m\(^2\) in the eastern and western parts of the city centre, storage and light industrial uses - 6,764m\(^2\), high
density residential developments - 60,411m² mostly in the in the eastern part of the CBD, hotel and overnight accommodation, service related uses, parking facilities and informal residential uses.

d) The Informal Sector

The informal sector plays an important role in the urban fabric of South African cities. Often formal and informal operations interact at close proximity. From an economic development perspective, an appropriate mix of formal and informal space permits informal retailers to gradually upgrade to better space.

Generally, SMME’s have a critical role to play in employment creation, income generation and economic growth at national as well as municipality level.

In a study undertaken by Strategic Pathways in 2002, it was estimated that SMME’s account for approximately 60% of the country’s employment and contribute towards 40% of the output. The informal sector of Polokwane consists of forty-three informal traders trading mostly in three trading areas, viz. Seshego, the taxi rank, and Indian Plaza in the northern part of the CBD. The profitability of these traders is dependent on their trading area and the products they sell. Their success is also reliant on the institutional framework in which the informal sector is expected to function. The neglect of this sector means that basic infrastructure such as shading from the elements and sanitary requirements are lacking.

In terms of the aforementioned study, the monthly profits for the different trading areas are shown in Table 10.

Table 10: The Polokwane Informal Sector

<table>
<thead>
<tr>
<th>Trading Area</th>
<th>Profit</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seshego</td>
<td>R1,462</td>
<td>Fruit and vegetables, food, cold drinks, bread and eggs, car wash services, exhaust and tyre repairs and hairdressers.</td>
</tr>
<tr>
<td>Taxi Rank</td>
<td>R2,045</td>
<td>Fruit and vegetables, food and cold drinks.</td>
</tr>
<tr>
<td>Indian Plaza</td>
<td>R946</td>
<td>Mostly vegetables.</td>
</tr>
</tbody>
</table>

Source: Strategic Pathways

This suggests that the sector provides a welfare net for the poorest.

The informal sector of Polokwane can be divided into two categories, namely survivalists and micro enterprises. It is especially the second group which are often not catered for by the supply side of the built environment.
• Survivalists have no paid employees and a minimal asset value. It generates a minimal level of subsistence means for the unemployed and their families. Activities include hawking, vending and subsistence farming.

• Micro enterprises have a turn-over of below the VAT registration limit and have less than five employees. Activities include spaza shops, mini taxis and household industries.

• The informal sector has an important role to play in the Polokwane economy as it has the potential to absorb unskilled labour.

From a property perspective it is of importance that the CBD built environment offers a range of property types that cater for the needs of small scale users (in the informal sector) to space requirements for national users. The challenge lies in ensuring that these different needs are offered in a manner that doesn’t reduce the attractiveness of the CBD to particular users.

**Demand Analysis**

The CBD caters for a government cluster and this feature is a critical one in terms of establishing agglomeration economies and positioning the city centre within the wider property market.

**a) The Retail Sector**

The Polokwane CBD is already an established retail centre and serves a relatively wide area supported by a strong presence of national tenants. Retail rentals are also relatively lower than the decentralized Savannah Mall. Local brokers point out that the cluster of retail in the CBD, combined with little urban sprawl, contains the city’s commercial core and has protected the CBD from a retail perspective. There is, however, evidence of insufficient infrastructure and a higher level of urban decay (including perceptions of crime, and unmanaged informal trading - especially around the Taxi Centre and Middestad Centre, close to the main tax rank.

From a retail perspective the following is worth noting:

• The main attractions for shoppers remain easy public transport access; proximity to places of work; an established retail cluster that offers the deepest and widest selection of goods and services to a wide range of consumers; and relatively competitive rentals for retailers with different needs.

• The CBD has an opportunity to offer appropriate retailing space for different users, from the national retailer to the informal hawker. These attractive forces mainly relate to convenience, proximity and choice of shopping destinations and should be actively reinforced.
• The main repellent forces in the city centre include concerns around crime and grime, especially to the south-west and north-west of the CBD; unmanaged informal trading; and arguably lack of easy parking and access. These repellent forces relate mainly to lack of convenience and concerns around urban degeneration, and may be more perceptual than actual. These negative factors need to be effectively managed.

b) The Office Sector

The clear government profile retained in the Polokwane CBD is arguably a key strength of the city and underpins demand. This government driven demand provides an important catalyst for smaller professionals and financial services companies to locate in the CBD.

Local experts report that demand for office space in Polokwane as a whole is vibrant, especially from emerging local professionals and small companies with space requirements ranging between 150m$^2$ to 250m$^2$. The issue remains whether with time this demand will start to shift to decentralised nodes or not.

In other South African cities, the first wave of decentralized office demand has tended to be driven by small professional practices and companies attracted to the cheaper land and proximity to residential suburbs. Other contributing issues have included crime and grime and the lack of parking resulting in buildings becoming functionally obsolete.

This rise in demand has often resulted in companies moving into residential homes – often without the required town planning authorization. Although there is already evidence of home offices and smaller decentralized office uses (e.g. in Bendor), the local authority and provincial government commitment and capacity to retain office uses in the Polokwane CBD has been critical in underpinning demand.

Future demand for CBD space will be influenced by both macro and micro factors. Macro drivers include the growth of the domestic economy, while micro drivers primarily relate to the CBD’s ability to retain existing tenants and promote new demand arising from its specific characteristics.

From a policy perspective this means identifying the interventions that are required to provide the CBD with locational advantages for specific users. These will invariably differ whether one considers SMME’s or larger corporate users. At one extreme it can be argued that the gentrification of the CBD could crowd out smaller entrepreneurs on the basis of affordability.

From a demand perspective it has been argued that decentralization of commercial uses does not necessarily negatively impact on a city center. The economic growth generated from an economically growing city can result in a greater demand for space in for instance the CBD, the counter argument being that urban sprawl comes at a cost. The potential to gain from this growth arising from the growth of decentralized nodes does, however, require appropriate urban management and other interventions.
c) Land Sales in the CBD

An important indication of demand and possibly future supply for commercial and residential space in the CBD is to assess the quantum of land sales (with and without improvements). A historical analysis of land sales for the period 2000 to May 2004 in the Polokwane CBD indicates that the commercial market has been relatively active with some 214 erven exchanging hands in 175 transactions. These transactions total some 38.5275ha or 25.62% of the total CBD land area. This suggests a take-up of some 7.7055ha per annum.

However, it is important not to misinterpret this take-up as an indicator of new demand for space in the CBD – these figures are gross take up (absorption) and hence do not indicate whether a user is new or has shifted from one site to another leaving vacant space behind elsewhere. Figure 32 below shows the take of land from 2000 to May 2004. The investment market only reflects that investors see opportunities in properties in term of present or future uses. It may also reflect that properties may have new uses that can provide the necessary returns. Typical examples would include the conversion of offices to residential use.

![Figure 32: CBD Land Take-up (m²) – 2000 to May 2004](image)

Source: Deeds Office

The highest number of sales took place in 2003 with 54 transactions occurring in that year, worth R124 million. This was equivalent to 69 erven exchanging hands. The next higher year was 2002 with 47 transactions occurring, worth R178 million, representing 66 erven. Figure 33 shows the sales that have taken place per year. This would suggest that investors are seeing potential in this component of the market.

During this period the most active market in the CBD was the commercial market (retail and offices), with 147 erven exchanging hands in 113 transactions with a total value of R375 million.
This was followed by sales in residential buildings, which one expects to be lower, 32 properties in 29 transactions with a total value of R12.5 million which may be an indication of the conversion of residential buildings to commercial uses. The sale of sectional title units in and around the CBD was also relatively active during this period, with 202 units exchanging hands in 182 transactions with a total value of R38 million. The average price per unit has increased from R195,000 in 2000 to just under R250,000 in 2004.

Three vacant properties have been sold during this period with property values increasing from R344/m² in 2001 to R406/m² in 2004. This suggests an increase of some 18%. Please refer to Table 11 (overleaf) for a summary of all sales that have taken place from 2000 to May 2004.

An analysis of sales by spatial sector shows that during the period 2000 to May 2004, sales were primarily focused in Precincts 1, 3 and 5 with the highest value/m² for buildings being achieved in Precinct 2 at R1,806/m² and the lowest in Precinct 7 at R870/m² – these values would be in line with values achieved in for example the Johannesburg CBD. Figure 34 attached shows the percentage land sold during this period as well as the value/m² in each precinct. The total value of all sales during this period amounted to R438 million with R331 million worth of sales having taken place in Precinct 3 and only R5.5 million in Precinct 7. Table 12 shows the values of all sales per zone.

Table 12: Value of Sales per Zone

<table>
<thead>
<tr>
<th>Precinct Name</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Low density office zone</td>
<td>R 14,993,000</td>
</tr>
<tr>
<td>2 Institutional zone</td>
<td>R 35,097,913</td>
</tr>
<tr>
<td>3 Trading Zone</td>
<td>R 331,330,174</td>
</tr>
<tr>
<td>4 Eastern office/retail zone</td>
<td>R 16,564,000</td>
</tr>
<tr>
<td>5 Motor Town/accommodation zone</td>
<td>R 24,898,100</td>
</tr>
<tr>
<td>6 Western office/trading zone</td>
<td>R 10,489,112</td>
</tr>
<tr>
<td>7 Transitional Zone</td>
<td>R 5,569,600</td>
</tr>
<tr>
<td>8 Infill zone</td>
<td>R 0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R 438,941,899</strong></td>
</tr>
</tbody>
</table>

An analysis of sales per block in each precinct suggests that in general activity in the northern and eastern parts of the CBD were low, with less than 30% of land exchanging hands during this period. The southern part of the CBD was a high activity area with between 30% and 50% of land exchanging hands with the area to the south of the municipal offices showing no or little activity during this period. The attached map, Figure 35 shows the percentage land per block that exchanged hands in the CBD.
### Table 11: Summary of Sales from 2000 to 2004

#### Commercial Buildings

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR OF SALES</td>
<td>21</td>
<td>23</td>
<td>25</td>
<td>36</td>
<td>6</td>
<td>113</td>
</tr>
<tr>
<td>NR OF ERVEN</td>
<td>21</td>
<td>25</td>
<td>42</td>
<td>52</td>
<td>7</td>
<td>147</td>
</tr>
<tr>
<td>TOTAL ERF SIZE</td>
<td>44,658</td>
<td>35,316</td>
<td>78,030</td>
<td>119,272</td>
<td>3,340</td>
<td>280,616</td>
</tr>
<tr>
<td>TOTAL BUILDING SIZE</td>
<td>46,989</td>
<td>74,462</td>
<td>85,830</td>
<td>90,181</td>
<td>3,272</td>
<td>300,734</td>
</tr>
<tr>
<td>TOTAL PRICE</td>
<td>R 51,949,249</td>
<td>R 65,875,700</td>
<td>R 144,286,306</td>
<td>R 106,481,631</td>
<td>R 6,660,100</td>
<td>R 375,251,986</td>
</tr>
<tr>
<td>R/m² (BUILDING)</td>
<td>R 1,106</td>
<td>R 885</td>
<td>R 1,681</td>
<td>R 1,181</td>
<td>R 2,035</td>
<td>R 2,248</td>
</tr>
<tr>
<td>AVERAGE LAND SIZE</td>
<td>2,127</td>
<td>1,413</td>
<td>1,858</td>
<td>2,294</td>
<td>477</td>
<td>1,909</td>
</tr>
<tr>
<td>AVERAGE BUILDING SIZE</td>
<td>2,238</td>
<td>2,978</td>
<td>2,044</td>
<td>1,734</td>
<td>467</td>
<td>2,046</td>
</tr>
<tr>
<td>AVERAGE PRICE</td>
<td>R 2,473,774</td>
<td>R 2,635,028</td>
<td>R 3,435,364</td>
<td>R 2,047,724</td>
<td>R 951,443</td>
<td>R 2,552,735</td>
</tr>
</tbody>
</table>

#### Medical Uses

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR OF SALES</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>NR OF ERVEN</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL ERF SIZE</td>
<td>3,420</td>
<td>1,427</td>
<td>1,427</td>
<td>1,427</td>
<td>6,274</td>
<td></td>
</tr>
<tr>
<td>TOTAL BUILDING SIZE</td>
<td>750</td>
<td>658</td>
<td>334</td>
<td>1,742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL PRICE</td>
<td>R 1,000,000</td>
<td>R 765,000</td>
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## Residential Buildings

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## Sales Summary - All Uses

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### Land Sales and Prices

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### Sectional Title Units

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In conclusion, some key observations regarding the sale of properties within the CBD are as follows:

- The sale of residential buildings that may be an indication of the conversion of residential buildings to commercial uses. However it can also be an indication of new buyers entering the market.

- Limited activity in the northern and eastern parts of the CBD.

- The rise in the R/m² value of vacant land.

From an intervention perspective, the latter suggest that the city should primarily focus on areas that can either grow or have the risk of losing existing users of space to decentralised nodes. This means paying particular attention to zones 4, 6 and 7, ensuring that potential developers are aware for example UDZ incentives. In zone 7, which is at risk, attempts should be made to heighten demand, this could for instance be in the form of the creation of functioning City Improvement Districts and the implementation of other urban regeneration programmes.

Again the success of interventions will be influenced by both supply side and demand side interventions. Supply side interventions entail ensuring that the quantum and type of space entering the market is sufficient. It also means the creation of an enabling environment that promotes development and investment activity. From a demand perspective the objective should be to create an urban environment that attracts new tenants and keeps existing tenants in the CBD. In this process consideration should also be given to the role which the built environment plays in providing the space for small businesses to grow into, and make it possible to move from a hawking environment to a more formal stock. This means that the CBD property environment should provide an array of space.

2.10.3 CBD: Historical Issues and Concerns

In the initial development plan for the CBD (2000), the Polokwane Chamber of Commerce and SAPOA were required to provide their input on issues pertaining to the development of the CBD. These inputs are summarized in this section.

In 1999, stakeholders generally agreed that the CBD has a very effective infrastructure with enough space available for further expansion. However, crime and grime, lack of parking, inadequate loading and refuse facilities, public transport and the informal trading sector were creating a negative business climate deterring retail spending and investment.

Positive issues include a central location that has attracted a variety of shopping opportunities, accessibility from surrounding residential areas and its proximity the Gateway International Airport.
A major issue was the absence of a Supreme Court in Polokwane with the effect of many man-hours being spent out of town by the legal fraternity. An opportunity for enhancing the CBD was seen in the lobbying for the establishment of the Supreme Court in Polokwane.

Other suggestions in providing a positive business climate in the CBD during 1999 were:

- the reduction of rates and taxes, which was regarded as too high,
- demarcated trading areas for the informal sector,
- the privatisation and outsourcing of the general maintenance of the CBD,
- the development of high density residential areas in close proximity to the CBD,
- increased shopping hours,
- visible policing,
- the creation of a pedestrian mall and a pedestrian friendly environment and
- a continuous marketing drive to entice investment.

In conclusion the stakeholders in general felt that the CBD is subject to various negative factors which, if not attended to, would lead to a negative business environment causing further degradation and decentralization. Development opportunities needed to be unlocked through various incentive schemes in order to ensure the long-term sustainability of the CBD.

It can thus be stated that Polokwane is the financial and administrative capital of the Limpopo Province and remains the most developed commercial and industrial centre in the province. The city centre retains its position as the dominant retail and office node, although market demographics are changing, and with it the retailers themselves. The Polokwane city centre has managed to maintain its core of economic activity, and landowners in the area have taken an active role in preventing a strong decentralization trend. However, the appeal of suburban commercial development may remain a risk and should be monitored carefully.
SECTION 3: CONCLUSIVE SUMMARY: DEVELOPMENT ISSUES, OPPORTUNITIES AND CONSTRAINTS

Conclusive Summary

Following from the Situational Analysis conducted and the information obtained to date, the following can be summarized as the most salient characteristics/features of the Polokwane CBD:

Regional Context

- Polokwane town in general and its Central Business District specifically have a very important role to play in Limpopo Province as it is the highest order service center in the province.
- It is the capital city of Limpopo Province and its CBD accommodates the Provincial Legislature and offices of the provincial government departments.
- The town is the central nerve center of the provincial transport network as all the main regional routes converge in the town, as do the national railway line linking into Zimbabwe, and it also holds the Gateway airport.
- About 10% of the population of Limpopo Province (508 000 people) live in the area of jurisdiction of Polokwane. The majority of these people live in the 170 villages surrounding the town.
- The town not only serves the urban and rural communities within its area of jurisdiction, but also the population of the province as a whole.

Land Use Composition

- The CBD is relatively large in size (221 ha).
- Office is the dominant land use in the CBD (47%), followed by retail (32%) and motor trade (6%).
- About 80% of all retail in the CBD is concentrated in the central part of the CBD (zone 3).
- In terms of development capacity zone 3 is also dominant as about 60% of the development capacity of the CBD is located in this zone.
- There are about 23 vacant erven comprising a total area of 40 721m² in the CBD.
- There are extensive opportunities for redevelopment, upgrading and expansion of activities in the CBD.
- The expansion potential of the Polokwane CBD is fairly limited as it is surrounded by developments and other physical constraints.
- As far as spatial trends are concerned the CBD comprises a few distinct functional precincts. These include a predominant office area, an emerging office area mostly comprising home offices, a distinct retail core area, two mixed use zones, a residential area in transition, and an infill area.
Transportation

- Road linkages to the adjacent residential areas are excellent.
- The majority of the communities being served by Polokwane, and specifically its CBD, are poor people that are dependent on public transport as their only means of transport.
- The regional and local public transport services and systems converge in the Polokwane CBD which provides a one-stop, multi-purpose service to these commuters.
- The CBD is not a pedestrian friendly environment and much still needs to be done to improve this situation as pedestrians represent the main mode of transport in the CBD.
- Noise, visual and air pollution is prevalent in the CBD and needs to be addressed in order to create a clean and green environment.
- Parking is a major issue in the CBD. From a technical point of view there is not necessarily a significant shortage of parking areas, but the spatial distribution thereof and safety risks associated with walking distances from parking areas are problematic.
- The existing bulk service infrastructure (water, sanitation and electricity) is sufficient to deal with the anticipated development driven demand.
- The extension of Dahl and Bok Streets to link up with Blaauwberg Street to the north across the railway line may open up an opportunity to expand the CBD to the north of the railway line, but also to launch an extensive urban renewal programme in the northwestern part of the CBD.
- There are some severe signs of urban decay in the northwestern quadrant of the CBD as this area has never been planned as a functional unit structured around public transport and pedestrian users.
- The decay or the decentralisation of services/facilities currently provided by the Polokwane CBD will have a huge negative impact on the public transport user community.

Economic Activity and Incentives

- Polokwane is characterized by high levels of poverty with more than 68% of all households earning between R0 and R1600 per month.
- The town is the highest contributor to the provincial GVA of all local authorities in Limpopo Province (13,9%).
- The Urban Renewal Tax Incentive Programme of the National Treasury may significantly benefit development and upgrading in the Polokwane CBD.
- There are several programmes run by the Department of Trade and Industry which could support activities associated with the different functional areas of the CBD.
- Eastward expansion of the CBD may underpin urban decay and may focus attention away from disadvantaged communities located to the north-west and south-west of the CBD.
- The Polokwane CBD which contributes largely to the municipality’s income should be the Primary Activity Node in the city and the region, serving the local and regional communities as well as the Provincial Legislature.
Apart from the CBD, a hierarchy of Secondary Activity Nodes can be developed throughout the municipal area and especially within 1st and 2nd order settlements, aimed at serving the different local communities according to their specific basic needs, and optimizing the development opportunities as they occur in different parts of the municipal area.

Initiatives which will contribute to the re-generation and development of the CBD should be optimized and supported by the municipality as well as other role players such as business sectors and provincial government, since Polokwane plays a major role in the economy of the Limpopo Province as well as South Africa.

There are several local initiatives that could support, supplement and strengthen the Polokwane CBD. These include the Gateway International Airport, Transportation Hub, International Convention Center, Jewellery Hub, and Itsoseng Entrepreneurial Training Center.

Economic growth in the city remains a point of concern, and will ultimately determine the future of activity in the commercial and industrial property sectors. In this regard cognisance should be taken of economic sector policies that will influence the spatial allocation of investment and therefore economic growth.

Some key observations regarding the sale of properties within the CBD are as follows:

- The sale of residential buildings that may be an indication of the conversion of residential buildings to commercial uses. However it can also be an indication of new buyers entering the market.
- Limited activity in the northern and eastern parts of the CBD.
- The rise in the R/m² value of vacant land.

From the consultation process the following issues and proposals were noted:

- The presence of the informal sector, deterring clients to visit shops.
- Grime in the CBD, dilapidated buildings, untidy sidewalks, packing material on sidewalks, no facilities for informal sector in certain areas, etc.
- Total lack of parking in the CBD. There is a need for a secure parking area where people can park vehicles on a monthly basis. The increase in availability of own transport for the workforce in the CBD, adds to the problem.
- Lack of proper loading zone facilities adds to traffic congestion, causing an unfriendly environment for shoppers.
- Lack of enough refuse containers for public use. This causes the public to dispose of papers, etc. on sidewalks.
- Lack of public transport and the lack of specific standards for taxis (i.e. unroadworthiness, dirty, etc.).
- User unfriendly sidewalks and walkways (i.e. construction works, no paving, uneven paving, hawkers, etc.).
- Unsynchronised traffic lights on arteries leading to and from the CBD.
- Lack of visible policing on a daily basis to deter criminal activities in the CBD.
• The development of a controlled parking area in the CBD to cater specifically for the workforce within the CBD and a parking garage for public use.
• The lowering of rental structures to draw prospective clients to the CBD.
• A demarcated area for hawkers, which can generate an income for the CBD and also assist in clearing hawkers from the sidewalks in the CBD.
• Privatising and outsourcing of certain maintenance and other responsibilities of the CBD, such as cleaning of the roads, cutting of grass on the sidewalks, upkeeping of public open spaces (garden services), refuse removal, running of the nursery, etc.
• Developing high-density residential areas close to the CBD (i.e. cluster homes).
• To empower the City Police to its full capacity therefore releasing more visible policing in the CBD.
• To vigorously lobby for the Supreme Court to be seated in Polokwane.
• To investigate the viability of late hour shopping to be the norm rather than the exception.
• A specific marketing drive on an ongoing basis for the CBD.
• The drawing of entertainment to the CBD such as performers, street mimes, cycle races, etc.
SECTION 4: DEVELOPMENT OBJECTIVES

Following from the situational analysis, the following development objectives represent the priorities to be achieved in the Polokwane CBD:

- To maintain the status of the Polokwane CBD as the Primary Activity Node to the city and the surrounding region.
- To expand the boundary of the Polokwane CBD in certain areas in order to achieve specific objectives.
- To enhance the economic development potential of the CBD by granting optimum development rights to individual functional areas.
- To differentiate between the various functional areas in the CBD in order to provide for functional specialization and to accommodate local needs in various parts of the CBD.
- To cater for all transport and movement needs in the CBD area (public/private, local and regional).
- To manage and maintain the public space in the Polokwane CBD in order to ensure a clean and safe environment.
- To actively pursue the opportunities associated with existing national and local incentive schemes to promote urban renewal and upgrading in the CBD.
- To retain existing business activities and expansion potential, but also attract new business and investment.
- To implement economic interventions in order to unlock the full economic development potential of the CBD.
SECTION 5: DEVELOPMENT PLAN

5.1 POLOKWANE CBD: ROLE AND FUNCTION IN REGIONAL CONTEXT

From the situational analysis it is clear that the CBD of Polokwane has a very important function and role to play, not only in the context of the town, but also to the wider region. It is the most accessible service centre in the region (especially to people dependant on public transport) and it should be managed in such a way that it continues to provide the full range of services and facilities associated with a Primary Activity Node.

In view of the above this study confirms the following policy statements from the Polokwane Integrated Development Plan and the Spatial Development Framework regarding the status of the Polokwane CBD:

- The Polokwane Central Business District, which contributes largely to the municipality’s income, should be the Primary Activity Node in the city and the region, serving the local and regional communities as well as the Provincial Legislature, and it should be managed in such a way that it retains such status and viability in future;
- Apart from the CBD, a hierarchy of Secondary Activity Nodes can be developed throughout the municipal area and especially within 1st and 2nd order settlements, aimed at serving the different local communities according to their specific basic needs, and optimizing the development opportunities as they occur in different parts of the municipal area. The development/expansion of secondary nodes should, however, not be allowed if the municipality is not convinced that these will not have a detrimental effect on the CBD (Primary Activity Node).

It is important that these decentralized activity nodes do not provide opportunities for relocation of existing activities from the CBD, but accommodates real growth (incremental growth) in the town. Because of the competitive advantages that decentralised activity nodes normally hold (accessibility, parking, convenience, more buying power etc.) they tend to attract especially the higher order activities from the CBD areas which in turn leads to a degrading in the general quality and vitality of the CBD.

5.2 CBD BOUNDARY EXPANSION OPTIONS

Figure 36 illustrates the possible expansion of the boundary of the CBD area of Polokwane. Three main amendments to the previous boundary are to be considered:

- That the eastern boundary of the CBD be extended to include some of the erven fronting onto the eastern side of Biccard Street.
That the southern boundary of the CBD which currently runs along Marshall Street be extended southwards up to Suid Street to include all the residential erven in the area as illustrated in figure 36.

That in the northwestern section of the CBD, the existing boundary which runs along Buite Street be extended westwards up to Nelson Mandela Drive, and to the north thereof the boundary be extended across the railway line to include the area bordered by Nelson Mandela Drive, Fluorspar Street and Blaauwberg Street (see figure 36).

From the public consultation process some strong arguments were received against the expansion of the CBD boundary to the east of Biccard Street and to the south of Marshall Street. There was, however, general support for the expansion of the CBD in the northwestern section of the CBD across the railway line.

The arguments against the south- and eastward expansion of the CBD evolved around the following:

- It goes against the philosophy of the Urban Renewal Tax Incentive Programme which main aim is to make it economically viable to redevelop or upgrade existing buildings in the CBD. This can only happen if land/buildings in the CBD remain a scarce commodity. If the CBD boundary is expanded at once as illustrated in figure 36, it will significantly increase the number of alternative development opportunities, and could thus impact negatively on the Urban Renewal Programme.

The table included on figure 39 in this report (see section 5.4.2) indicates that the Biccard Street expansion would add an additional 8.92 hectares of land to the CBD, while the southward expansion up to Suid Street would increase the CBD size by 23.13 hectares. If developed in line with Business 4 zoning, this could result in an additional 250 000m² of building floor space to the CBD which is excessive.

- It was furthermore indicated that there are still several opportunities for development/redevelopment in the CBD which should be utilised before expanding the existing boundary (see the input by SAPOA in Annexure B).

These comments are valid and were taken into consideration when the report was finalised. This report thus recommends as follows on the above matter:

- **Biccard Street Eastward Extension**

  The Biccard Street extension is proposed merely for the fact that town planning experience has shown that it is virtually impossible to maintain a residential character on one side of a prominent activity street while allowing retail and office on the other. The development trends around Biccard Street during the past five years supports this point. Council experiences
continuous pressure for office uses along the eastern front of Biccard Street, and in several cases such rights have been granted by the Townships Board. In addition to this there are several illegal non-residential uses in this area as well, which indicates that there is market pressure for alternative uses along both sides of Biccard Street. This situation will prevail in future and Council can expect even more pressure in time to come. Technically it is more appropriate to have a mid-block boundary in such high-pressure areas, and therefore it is recommended that Council approve the eastward expansion of the CBD boundary subject to the following:

- There are about five church sites along in this row of erven which may become even more isolated from the surrounding residential uses as surrounding residential uses convert to non-residential uses. Some of these churches have already enquired about the possibility of converting some of the buildings (e.g. church halls) into conference facilities, and in terms of this amendment in the CBD boundary, Council should support this notion.

- Erven falling within the midblock area but which do not front directly onto Biccard Street (e.g. Erf 566/2 along Rissik Street and Erf 568/7 along Devenish Street) should be consolidated with adjacent erven fronting onto Biccard Street, and all access should be gained from Biccard Street. This is in order to minimize/limit the impact of these uses on the residential uses adjacent to the east.

  In the case of Erf 569/1 along Devenish Street and Erf 571/1 along Jorissen Street, both erven have a church to the west bordering onto Biccard Street, and it is highly unlikely that these erven will consolidate with the churches. These two erven are thus excluded from the CBD.

- Erf 580, 580/3 and Erf 607 in Bodenstein Street are included in the CBD area as these sites have already obtained Business 4 rights.

- Erven 581, 582, 608 and 609 in the area between Biccard Street, Bodenstein Street and Voortrekker Street belong to Council and are currently vacant, apart from the cultural-historic building situated on Erf 582. It is proposed that all four these erven, as well as Erf 608/1 (which is currently used for residential purposes) be included in the CBD. This then represents an opportunity for a fairly large development which could be private or public sector driven, and which could incorporate the existing building which is of cultural-historic value. If there are no obvious public sector needs that could be addressed by this land, then Council should seriously consider making the land available to the private sector by way of a public tender (or even a call for development proposals).

- The block of flats located on Erf 1521 should be retained in order to strengthen/support the residential component in the CBD.
- **Marshall Street Southward Extension**

This is a fairly large area (23,1 hectares compared to the 8,3 hectares in the area east of Biccard Street), and it could significantly impact on the viability of the remainder of the CBD if opened to be developed at once. There is, however, also pressure for land use change in the area with home office dwellings being fairly prominent.

Some comments/input received suggested that the area be opened up for development by way of a phased approach. Pressure for land use change is, however, fairly widely spread throughout this area which would make it very difficult to determine which parts should be opened for development first, and which not.

Essentially, Council has two options regarding this area:

- **Option 1:** Open the area for Business 4 development up to Suid Street. This would provide new opportunities for development to people previously excluded from the CBD and could lead to the redevelopment of this narrow strip of residential use to the south of the CBD.

  On the negative side, however, this would add significant developable area to the CBD which could be to the detriment of the Urban Renewal Programme (23,1 hectares of additional land or 185 000m² of potential additional floor space).

- **Option 2:** Alternatively, Council may decide to retain the existing southern boundary of the CBD along Marshall Street, but to allow home office development/conversions in the interim in the strip between Marshall and Suid Street. This would allow entrepreneurs to utilise the potential of the area in the short term, without adding large potential additional floor space to the CBD.

  Depending on the success of the Urban Renewal Programme, Council may then at any time in future decide to expand this boundary and to allow Business 4 rights on these sites in stead of home office rights which are much more limited.

The CBD Spatial Development Framework as reflected in figures 38(a) and 38(b) makes provision for either of these options.

### 5.3 TRANSPORTATION SYSTEM

From the situational analysis it became evident that transportation issues in the CBD evolve around three main themes:

- movement of local and regional traffic through the CBD and the associated traffic congestion;
- public transport movement in the CBD;
• parking for private vehicles as well as parking facilities and holding areas for taxis and buses.

Each of these elements is next addressed as part of the development framework.

5.3.1 Western Bypass

From the inputs received during the consultation process it became evident that the movement of regional traffic through the CBD area is a major contributor to the congestion problems currently experienced. The best possible way to deal with this problem is to separate the through traffic from the local traffic by means of a bypass around the CBD to carry the regional traffic. Plans for a western bypass around the CBD are apparently already far advanced. This route will broadly follow the alignment of the Sterkloop to the west of Nirvana and Westenburg, Superbia, Ladine and Laboria, from where it will link back to the current alignment of the N1 freeway/toll road to the north and south of the town.

From a traffic management point of view this will certainly address some of the problems in the Polokwane CBD, but it should be kept in mind that it could also impact negatively on the economic viability of the CBD as less people and vehicles will visit the area, which could result in reduced spending in the Polokwane CBD.

However, the western bypass could in turn stimulate economic development to the west of the CBD in the areas which it passes through. This could benefit the disadvantaged communities residing in the western parts of Polokwane specifically.

The Polokwane Local Municipality needs to take a principal decision regarding a western bypass as soon as possible.

5.3.2 Main Routes through the CBD

As far as local traffic movement is concerned, it is also important for Council to ensure that the transport system within the CBD sufficiently caters for all local traffic movement along all movement desire lines.

It is thus hereby confirmed that the existing one way road system which links to all the main entrances to the CBD should be retained. This includes the following pairs of one ways (see figure 37):

• Mark and Landdros Maré Street (north / south directions);
• Rissik and Devenish Street (east / west directions in the north of the CBD).
• Thabo Mbeki and Grobler Street (east / west directions in the south of the CBD);
There are several other concepts or schemes under consideration to improve traffic movement within and around the CBD area. These include the following:

- The conversion of Marshall and Suid Street to a one-way pair to cater for movement needs in the southern parts of the CBD and to alleviate the pressure on Thabo Mbeki and Grobler Streets. This option may become even more viable once the southern parts of the CBD redevelop from residential to office uses and thus generate more traffic.

- The conversion of Church and President Kruger Streets into a one-way pair to support the Market Street-Landdros Maré Street one-way pair, and the northward extension of President Kruger Street between the Asiatic Bazaar and the Tshwane University of Technology Campus before linking up with the main road to Dendron further to the north.

This scheme will provide for a more even distribution of traffic through the Polokwane CBD, and it will unlock the development potential of the Transnet Land to the west and north of the Game complex.

- The conversion of Biccard- and Voortrekker Road into a one-way pair as an eastern alternative/supplementary system to the Market-Landdros Maré Street one-way pair. The main concern with this alternative from a land use point of view is the fact that it would immediately extend the functional boundary of the CBD one block to the east. At this stage in time it is not to be considered as it will impact negatively on the CBD by adding a large area of land to it.

5.3.3 Strategic Linkages

There is one very important strategic linkage that need to be created in the CBD:

- The northward extension of Bok- and Dahl Streets as a one-way pair across the railway line to link up with Blaauberg Street in the vicinity of the proposed Entrepreneurial Centre.

This scheme will functionally incorporate the area to the north of the railway line into the CBD area as it will provide an effective link which will enhance movement in this area. It will thus automatically accommodate the northwestern expansion of the CBD, support the proposed new Itsoseng Entrepreneurial Centre, and facilitate the optimum utilisation of existing infrastructure in the form of the bus depot and long distance taxi rank. It could also contribute significantly towards addressing the current congestion problems with taxis in the northwestern parts of the CBD.

Of the four schemes discussed above the latter is the most important one to implement in the short term as it could immediately contribute towards alleviating some of the most prominent traffic related problems in the CBD.
As far as the three proposed one-way schemes are concerned, the Marshall-Suid Street scheme would seem to be the most important one in the context of serving the CBD as it will serve the southern extension of the CBD, and alleviate pressure on the Grobler-Thabo Mbeki system.

The construction of the western bypass as discussed above could limit the need for any of the two proposed north-south one-way pairs referred to above.

5.3.4 Public Transport Network

Figure 37 indicates the Public Transport Route, consisting of a ring road in the CBD linked up with the main roads connecting the CBD at local and regional level. All public transport stops are consolidated within this public transport route or “box”, which runs from Excelsior Street southwards along Schoeman Street up to Bodenstein Street, westward in Bodenstein Street to Church Street and northwards up to Excelsior. Public transport operators are permitted to use the east-west streets between Excelsiro and Bodenstein Streets as through routes, but there are no stops on the through routes, except in Grobler Street. Landdros Maré Street and Market Street are closed to public transport, to give priority to private vehicles and pedestrians.

It was confirmed to the project team that the current Public Transport Route functions satisfactorily and should be retained. The public transport character of this Route could, however, be enhanced by way of improved signage, shelter and toilet facilities at the bus/taxi stops along the Route (refer to Section 2.5). If Option 1 is adopted by Council and the CBD is expanded southwards then the Public Transport Route should be expanded further southwards up to Marshall Street.

Parking is cited as being a problem, which could be attributed to:

- the fact that people do not obtain parking directly in front of a business (where they want to do shopping) and that they do not want to walk from the nearest parking area, which is in most instances 5 minutes walking distance;
- the perception (or reality) that parking areas are not safe. Consequently people want to be closer to their vehicles when they do shopping; and
- inadequate parking, specifically at month-ends.

From discussions with officials it was indicated that there are several sites that could be used to increase the number of private vehicle parking bays in the CBD should the need arise in future. These sites are illustrated on figure 37 and include the following:

- Erf 360/1 on the corner between Hans van Rensburg and Jorissen Street\(^1\);
- the area along Genl. Joubert Street between Grobler and Thabo Mbeki Street\(^2\);
- the northern section of the site where the Council Offices are located\(^3\);
- the eastern section of the site where the Council Offices are located\(^4\);
- the four sites\(^5\) located along Bodenstein Street to the south of the municipal offices.
Any of these sites could be converted into multi-storey parking areas should it be required, and could address shortages. It is, however, a costly solution to the problem and should only be considered if there is a severe (and well defined and quantified) problem with private vehicle parking in the CBD.

If, as part of the strategy to provide for additional taxi parking facilities and holding areas, the taxis vacate the areas they currently occupy in Genl. Joubert Street and at the Checkers shopping centre parking area, it would also result in more parking bays available for private vehicles in the CBD.

5.3.5 Public Vehicle Parking and Storage Areas (Taxis and Buses)

Figure 37 illustrates the location and spatial distribution of the proposed taxi and bus facilities in the CBD of Polokwane.

As part of the public participation process the following principal ideas forthcoming from the CDM Taxi Industry and Polokwane Transport Forum were submitted as input to the CBD planning process:

- that taxi ranking rights at the so-called “Feldta House” (President Kruger Street) should be revoked;
- that the so-called “Feldta House” should be expropriated and developed as an additional taxi rank facility for the existing Pick ‘n Pay Taxi Rank that mainly serves shorter distances;
- that a permanent long-distance taxi rank should be developed on a portion of Erven 275 and 276. All legal long-distance taxi operators should be accommodated at the relevant site;
- that Erven 275 and 276 should also accommodate all taxi operators that do not have an origin and destination in the CDM District;
- that the development of Erven 275 and 276 could be multi level and the possibility to involve commercial developers should not be excluded;
- that a bridge should be constructed to link the unused Polokwane Taxi Rank with Polokwane’s CBD. In addition, the existing unused Polokwane Taxi Rank should be developed as a holding area, since the infrastructure already exists;
- that attention should be given to the provision of additional taxi ranking and holding facilities on the south and south-eastern side of the CBD. The last mentioned implies that taxi facilities would be decentralised to a certain extent.

Following from these inputs and discussions with officials from the Polokwane local authority, the following strategy is suggested to deal with bus and taxi parking and storage areas:
• the Bok- and Dahl Street link across the railway line should be constructed in order to make the existing facilities and infrastructure situated to the north of the railway line easily accessible;
• to open up the Polokwane Taxi Rank\(^6\) as a holding area for the short distance taxi industry;
• to earmark the existing Pick ‘n Pay Taxi Rank\(^7\) as well as the Feldta House\(^8\) facility for use by the short distance taxi industry;
• to use Erven 275 and 276\(^9\) as a permanent long distance taxi rank. This site could be developed as a multi-level facility and could also make structural provision for informal trade and hawkers which is normally associated with public transport facilities;
• to develop an additional facility\(^{10}\) to the south of Devenish Street.

A general principle that should be adhered to is that all taxis that are non-operational should be parked in any of these five facilities (e.g. during day time outside peak hours). This will clear the on-street parking bays in the surrounding streets as well as the parking areas around the Score supermarket and the Oriental Plaza, and make these facilities accessible to private vehicles again. It will also alleviate the congestion in this precinct significantly and allow free movement of pedestrian and vehicles.

This concept also implies that the informal taxi ranks at the Checkers Centre, in Genl. Joubert Street, and north and south of Thabo Mbeki Street/Dahl Street intersection should be cleared.

As far as bus transport is concerned, the existing bus depot between the railway line and Silicon Street should be retained, while the pedestrian bridge across the railway line linking the bus depot to Excelsior Street will also improve the viability of the bus depot.

5.4 SPATIAL FRAMEWORK

5.4.1 Strategic Land Uses

In section 2.3.3 of this document it was indicated that about 32% of floor space in the Polokwane CBD represents retail space, 47% office space, 6.1% is utilized by the motor industry, and 5.1% and 1.9% for flats and dwellings respectively.

Compared with other CBDs in South Africa the office component seems to be high, but this could be attributed to the fact that the Polokwane CBD holds the Limpopo Provincial Legislature. The CBD is, however, low on the residential side when compared with the other cities.

Figures 38(a) and 38(b) illustrate the proposed Development Framework for the study area based on the two options defined in section 5.2 of this document. These plans should be read together with figure 37 which contains the transportation proposals. It is proposed that the main concentration of Business 1 rights in the CBD be retained in the central core area of the CBD\(^{11}\) between Jorissen, Landdros Maré, Thabo Mbeki and Mark Street. This area has the highest
concentration of retail uses in the CBD. Business 1 allows for the highest mix of land uses, which includes retail, business, restaurants and dwelling units.

This core is surrounded by a broad concentric strip of Business 2 rights, which allow for similar primary rights as the core. This area contains a mix of retail and business uses and includes a number of banks and office buildings.

Business 4 rights currently mainly occur in a linear strip along Biccard Street and in the low intensity office zone to the south. The Business 4 zoning limits land uses to offices, medical consulting rooms and dwelling units and no retail or businesses are permitted. It is suggested that the newly incorporated areas to the east of Biccard Street and to the south up to Suid Street (Option 1) be earmarked for primarily Business 4 uses as illustrated on figure 38(a). Uses which support the office function, such as coffee shops and IT support functions could also be considered in this area, but no retail should be allowed. Land assembly and development of office parks should be promoted in this area. Figure 38(b) indicates that, should Option 2 be adopted, the area to the south of Marshall Street should be earmarked for Home Office purposes.

In the northwestern part between Dahl, Devenish, Buite and Excelsior Streets it is suggested that the development of Residential 3 uses be the primary objective in order to create an opportunity for more people – also from disadvantaged communities, to reside in the CBD.

The area across the railway line is earmarked for the bus terminus, taxi rank, Itsoseng Entrepreneurial Centre (Business 2), SMME development with dwellings, and three Industrial 2 sites as illustrated in figure 38. This will create a dedicated area focused on capacitating and training people, but also unlocking development/job creation opportunities.

It is important that as many as possible of the existing flats in the northeastern and southeastern parts of the CBD be retained as there is always a need for rental stock in a Central Business District. This type of housing fulfils an important function as entry level housing into a town and ensures a vibrant 24-hour environment in the CBD. The comparison with other CBDs also indicated that Polokwane has a lower percentage floor area comprising flats in its CBD than most of the CBDs in Gauteng.

It is also proposed that the existing tourism precinct and information centre to the north of the municipal offices be retained and strengthened as it is centrally located near two prominent hotels, the museums and cultural historic sites of Polokwane, and it is easily accessible from the Peter Mokaba Stadium to the south, and the Gateway International Airport to the north. The two sites adjacent to Thabo Mbeki Street at the western exit from the CBD also hold some potential to be developed as a tourism node and curio shops especially as it holds some underutilised water features. Extensive retail development should, however, not be allowed on this site.
5.4.2 Potential Incremental Floor Space

Figure 39 reflects the areas added to the CBD area by way of the expansion of the Polokwane CBD to the east of Biccard Street and to the south of the CBD up to Suid Street depending on which option is decided upon. From the table included in figure 39 it is evident that the areas to the east of Biccard Street (Area B) can add a potential additional 66 000 m² of development if developed as Business 4. The southern part of the CBD indicated as Area A on figure 39 represents about 185 000 m² of developable floor space which will also be predominantly office in nature (if Option 1 is adopted).

The vacant erven in the CBD, if developed to maximum potential, holds a potential of about 39 000 m² of floor space. The existing dwellings with a second use on the site could add an additional 7 400 m² of floor space if rezoned and fully developed, while the existing dwellings within the CBD area currently used for residential purposes could add an additional 38 600 m² of floor space which could include office as well as retail.

In total the vacant erven as well as erven with dwellings and the expansion areas to the east and south represent about 336 951 m² of potential floor space. It must be noted that this excludes the northwestern part of the CBD which will be dealt with separately.

From the above it is evident that there are ample opportunities for additional development within the proposed development boundary of the CBD. It should however be noted that large retail outlets would be required to consolidate and redevelop sites as there is no large vacant pockets of land available within the CBD on which a single large commercial development can be established. The Urban Renewal Tax Incentive may improve the economic viability of consolidating and redeveloping existing facilities.

5.4.3 Northwestern Precinct

As far as urban redevelopment and upgrading is concerned, one precinct is fairly prominent in the CBD of Polokwane: the northwestern precinct. This precinct holds the bulk of public transport services and facilities and is also characterised by high volumes of pedestrian movement and extensive informal trade taking place on the pavements.

There are several strategic projects currently planned within the area which, if combined, could make a significant difference to the general character and efficiency of this precinct. It is proposed that the northwestern precinct of the Polokwane CBD be dealt with as a special precinct which comprises a few strategic projects. This initiative could even be classified as a mayoral pilot project towards urban renewal in the CBD of Polokwane. This is not to say that urban renewal should not take place within the remainder of the CBD. The urban renewal tax incentive is applicable to most other parts of the CBD as well, but in most of the other areas the private sector is actively involved and could contribute hugely towards the redevelopment and upgrading of those
areas. The urban renewal tax incentive programme would obviously support and enhance these processes as well.

In the case of the northwestern precinct however, it is essential that certain strategic catalytic projects be initiated through government intervention in order to set development in this area in motion. The section below details these catalytic projects. Figure 40 reflects the development proposals for the northwestern precinct of the Polokwane CBD.

- **Functional Linkage**

  The first critical aspect to be addressed in the northwestern precinct is the functional linkage of the area north of the railway line to the remainder of the CBD to the south via the Bok- and Dahl Street connection as illustrated on figure 40.

- **Public Transport Facilities**

  The next important feature to be addressed in this precinct is the proposed public transport facilities to the north and south of the railway line. These comprise the taxi holding area in the area adjacent to Blaauwberg Street, at the Pick ‘n Pay Centre to the south and also to the western exit of the CBD along Devenish Street.

  In addition to the above the two erven between Bok- and Dahl Street to the north of Rissik Street are also earmarked for a future public transport facility. If all these taxi ranks are properly constructed and well maintained it could draw the public transport vehicles from the private parking areas and pavements in the CBD, and consolidate these into these few areas. This would clear the pavements and shop fronts of retailers and significantly enhance the economic viability of businesses in this area which currently suffer due to the high levels of congestion associated with taxis occupying parking areas, informal trade on pavements, and pedestrian movement.

- **African Market**

  Another prominent land use initiative which would promote the development and redevelopment of this area is the African Market\(^{(1)}\) which is earmarked to be situated between Mark- and Church Street and to the north of Jorissen Street. This facility is intended to accommodate a large component of informal trade in the CBD.

- **Social Housing**

  Another prominent proposal in this precinct is the conversion of the existing single residential units in the six blocks to the east of Dahl Street into medium and high density residential units. It is proposed that Council use this opportunity to create social housing in the northwestern part of the CBD which would make the area accessible to a large number of people.
Figure 41 indicates the existing erven zoned for residential purposes and if these erven were redeveloped at an average gross density of 60 units per hectare (social housing), it could create a potential 385 residential units which could easily accommodate a population up to 1 600 people. Obviously if some of the erven that are currently zoned for business purposes were also converted for residential purposes this could increase the number of units even further. The closure of parts of Onder- and Boom Street could increase the area available for development even more.

It is proposed that these six blocks then be redeveloped for purposes of social housing and that the block between Buite- and Rissik Street\(^{(3)}\) (see figure 40) be earmarked for the provision of community facilities to serve the needs of the future population residing in this area. The southern portion to the west of Buite Street between Rissik- and Devenish Street will most probably develop for business purposes.

- **Mixed Use Zone**

To the north of the railway line a combination of residential development, public transport facilities, light industrial activities, SMMEs as well as the entrepreneurial centre will be developed in terms of current plans of Council.

If properly developed according to the development concept put forward, the northwestern precinct would thus eventually cater for the following main activities (see figure 40):

- Informal trade at the African market\(^{(1)}\);
- Residential development by way of social housing\(^{(2)}\);
- Community facilities to serve the new population residing in the area\(^{(3)}\);
- A training centre in the form of the Itsoseng Entrepreneurial Centre\(^{(4)}\);
- Sites for SMME development as well as residential units\(^{(5)}\);
- Light industrial development in the area to the north of the railway line\(^{(6)}\);
- A strategic link between the northern and southern part of this precinct by way of the Bok- and Dahl Street extension up to Blaauwberg Street\(^{(7)}\);
- A bus terminus,
- Several taxi ranks located to the north and south of the railway line.

In addition to the above the area will obviously continue to provide the retail, office and other businesses services it currently provides to the broader community. It should also be kept in mind that it currently holds the Oriental Plaza and the Pick ‘n Pay centre.

This could thus become a very prominent and vibrant precinct in the context of the Polokwane CBD.
5.5 URBAN MANAGEMENT AND MAINTENANCE

The Polokwane Local Municipality has to balance the diverse needs of all the stakeholders in the CBD, which ranges from business to government, commuters, public transport operators, hawkers etc. These needs have to be managed within the ambit of the Municipality’s responsibility to create an environment conducive to investment and growth in the CBD.

Apart from the provision of infrastructure, the Municipality is also responsible for urban management and crime prevention in the CBD. There are various mechanisms that the Municipality could use to manage the urban environment, such as urban design, urban renewal, Business Improvement Districts and specific interventions. These mechanisms also have a direct or indirect impact on overall safety and security.

The sections below expound the main aspects to be addressed by the Municipality to ensure a clean, healthy, legible and safe environment in the CBD.

5.5.1 Urban Management

5.5.1.1 Specific Intervention – Restore Sidewalks and Parking Areas

One of the main problems in the Polokwane CBD is the insufficient facilities provided for taxis, commuters and hawkers. Due to the absence of an adequate taxi rank and market, taxis and hawkers are dispersed across the CBD, hence the sidewalks are no longer safe and accessible for pedestrians. This has a negative impact on business and on overall environmental quality.

Specific intervention is required to open up the sidewalks and parking areas in the CBD. The provision of a dedicated taxi rank with appropriate facilities for commuters and public transport operators is essential, as discussed in Section 5.3. The provision of a formal market area with stalls and conveniences for hawkers should also be undertaken at the long distance taxi rank, to ensure connectivity between public transport, commuters and hawkers. The development of a multi-level market and taxi centre is proposed with the market on the ground floor and taxis on the upper level. The market would offer secure, clean trading areas for informal traders and would ensure a high volume of people passing through the market on a daily basis. This concept was successfully implemented by the City of Johannesburg at the Metro Mall near Park Station.

By restoring sidewalks and parking areas to their primary use, many of the negative perceptions and problems in the CBD can be overcome, with positive spin-offs for business.

5.5.1.2 Urban Design

There are a number of specific design elements which need to be addressed, to improve the physical environment in the CBD for users, specifically pedestrians. The following proposals were
extracted and consolidated from the Pietersburg CBD Development Plan, 2000. It is proposed that these urban design aspects be addressed as part of the establishment of a Business Improvement District, as detailed in Section 5.5.1.4.

- **Sidewalks**
  - Widen sidewalks where these have been narrowed due to road widening.
  - Retain and plant trees on sidewalks to provide shade for vehicles and pedestrians and create a unifying edge to all developments. These trees should form a unifying element throughout the CBD and should define street edges. Due to the warm climate in Polokwane and the high radiation levels caused by buildings and vehicles, the provision of shade in the CBD is very important.
  - Promote the use of transparent fences (e.g. palisades) along roads to create safe environments for pedestrians and cyclists (i.e. prevent dead street fronts).
  - Pave sidewalks with uniform small unit pavers in patterns to improve overall environmental quality and ensure uniformity throughout the CBD.

- **Mid-block Crossings**
  - Strengthen pedestrian linkages by means of mid-block crossings, arcades and safer intersections.
  - Install mid-block crossings at:
    - Landdros Maré Street opposite the post office arcade.
    - Between Civic Square and Market- and General Joubert Street.
  - These crossings should be paved in a similar manner as intersections, to provide for traffic calming and safe pedestrian crossings. These crossings should also be marked with appropriate signage and bollards.
  - Arcades make a vital contribution to the overall permeability of the city as a result of Polokwane's very large blocks (80m by 280m). To function properly, these arcades and crossings should be legible from street-corners and safe.

- **Public Transport Stops**
  - Clearly define public transport stops through lay-by's, signage (such as route maps and time tables), and lighting.
  - Provide waiting facilities at these stops, which should include seating, shelter, litterbins, lighting, drinking water and toilets (if feasible).

- **Parking along Major Streets**
  - Redesign parking along major roads to provide parking bays at a 45° angle, instead of parallel parking. This would provide additional parking space.
• **Signage**
  o Visual clutter is especially prevalent in the western part of the CBD. The uncontrolled erection of signage, banners and billboards adds to visual clutter causing the brain to become overloaded with stimuli. This problem occurs in most streets west of Hans van Rensburg Street, but is especially serious in Market and Church Streets.
  o Rationalise signage and develop clear guidelines for signage and advertisements in the CBD.

• **Streetscape**
  o Create a strong image and streetscape in the CBD through the use of design elements such as similar trees, light poles, bollards, refuse bins, seating, paving and signage.
  o A simple, flexible theme for paving and other elements will contribute positively to the legibility of the CBD and start a recognizable ‘language’ for identifying public transport pick up points, pedestrian crossings, arcade entrances, etc.

• **Street Furniture**
  o Rationalise signage along Market and Landdros Maré Streets to reduce visual and physical clutter.
  o Install street furniture along the major pedestrian routes and public transport box to make these areas more legible and pedestrian friendly. A general palette should be developed and applied throughout the CBD. Specific aspects to be addressed are lighting, street names, refuse bins and seating at public transport stops.

• **Intersections**
  o During times of peak use, major conflicts between pedestrians and vehicles occur at intersections, often to the extent that traffic officers have to be placed on point duty to regulate traffic flow. This frequently occurs along Landdros Maré, Schoeman and Market Streets.
  o Intersections should be redesigned to accommodate increased volumes of pedestrians with increased safety. This could be done by elevating kerb lines within functional limits, paving pedestrian crossings with unit pavers or pigmented asphalt / slurry of contrasting colours as part of part of paving the entire intersection and installing bollards to prevent vehicles from driving onto sidewalks. Focal trees should also be provided for greater legibility of intersections and shading. Ramps for the physically disabled and bicycles should also be provided.

• **Public open space**
  o Civic Square: Redesign the Civic Square to function as the symbolic heart of Polokwane. Link the Civic Square to Market and General Joubert Streets and redesign Thabo Mbeki Street to link Market Street and General Joubert Street to the Civic Square.
o Sterkloop Spruit: Improve safety and security of the open space by providing lighting and a fence with post and rail.

o Siegfried Maré Park: Develop this area as an entrance feature for Polokwane.

o All public open spaces should be provided with adequate lighting and should be visible from the surrounding streets and land uses, to improve security. Street furniture, such as bollards, benches, trees and drinking fountains should be provided. There should be public toilets at the open spaces or at land uses in close proximity thereof.

o Complimentary uses should be considered to ensure optimal utilisation public open space. This could include uses such as bird sanctuaries, sport clubs, coffee shops, restaurants, conference centres, arts and craft markets or similar uses permitted by the municipality. These uses should only be permitted with the consent of the municipality and should not limit public access to parks and recreation areas. Coverage of buildings should be limited (a guideline of 20% is proposed) to ensure that the function of open space is retained.

5.5.1.3 Urban Renewal

Urban renewal may be defined as “a fundamental intervention in the physical, economic, social and institutional space of cities to achieve particular policy objectives” (Zukin, 1997). It refers to the general process of transforming the urban environment through multi-sectoral interventions that are undertaken within a specific geographic area.

There are different ways in which urban renewal can take place, in either a natural way or through public intervention, as listed below:

- **Natural Urban Renewal** refers to either:
  1. Expanding of the city, by creating new and business areas without redeveloping the run down areas in the city; or
  2. Redeveloping the “obsolete” parts of the city in a natural way through private initiatives.

- **Public Urban Renewal** refers to the process whereby there is public intervention in rebuilding decaying urban areas, usually with government funding, due to the private individuals’ lack of capital to bring about renewal.

Currently natural urban renewal is occurring in the eastern and southern parts of the Polokwane CBD, but public urban renewal is required to bring about renewal in the northern and western parts of the city.

Decline in city centres, such as the Polokwane CBD, is often caused by economic and political factors, such as economic restructuring, political transitions, demographic shifts, collapse in property markets, the global trend towards suburbanisation and promotion of home offices. Aspects such as crime, grime and lack of enforcement of by-laws exacerbate the decline.
Although the Polokwane CBD has not been adversely affected, such as e.g. the Johannesburg CBD, it is important to undertake renewal in a proactive manner to uphold environmental quality.

The following is a summary of the main generic interventions applied to address decline worldwide, with specific proposals for the Polokwane CBD:

<table>
<thead>
<tr>
<th>INTERVENTION</th>
<th>APPLICATION IN POLOKWANE CBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flagship and prestige projects – these aim to</td>
<td>• The proposed African Market, Entrepreneurial Centre and social housing project should be</td>
</tr>
<tr>
<td>highlight the unique facilities of a city.</td>
<td>marketed as prestige projects, reflecting public confidence and investment in the CBD.</td>
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<tr>
<td></td>
<td>• The proposed Mapungubwe Theatre to be developed by the Department of Sports, Arts and</td>
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<td></td>
<td>Culture, aimed at attracting tourists to Polokwane.</td>
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<td></td>
<td>• Upgrading of the Peter Mokaba Stadium and Ngoako Ramatholdi sport complex in support of</td>
</tr>
<tr>
<td></td>
<td>the 2010 Soccer World Cup.</td>
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<tr>
<td>Support for key economic sectors – this typically</td>
<td>• Establishment of a Transportation Hub, which will incorporate the Gateway International</td>
</tr>
<tr>
<td>entails the identification and support of these</td>
<td>Airport, railway station and the truck-in.</td>
</tr>
<tr>
<td>sectors to kick-start or support the development</td>
<td>• Establishment of the Jewellery Hub, training school and incubation centre, with the aim</td>
</tr>
<tr>
<td>of economic agglomerations. These could</td>
<td>of sourcing raw materials and manufacturing jewellery.</td>
</tr>
<tr>
<td>include cultural districts, high tech areas,</td>
<td>• The eastern and southern extension of the CBD boundaries to provide for growth in the</td>
</tr>
<tr>
<td>fashion districts etc., as is currently being</td>
<td>office market could spur growth in this sector.</td>
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<tr>
<td>applied in the Inner City of Johannesburg.</td>
<td></td>
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<tr>
<td>Supply side land interventions – this includes</td>
<td>• The inclusion of Erven 581, 582, 608 and 609 in the area between Biccard Street, Bodenstein</td>
</tr>
<tr>
<td>land acquisition, land assembly, land rehabilitation</td>
<td>Street and Voortrekker Street (see Section 5.2) which are currently owned by the Local</td>
</tr>
<tr>
<td>and release, development of planning frameworks</td>
<td>Municipality into the CBD presents an opportunity for a fairly large development which could</td>
</tr>
<tr>
<td>and installation of services, subsidisation of</td>
<td>be private or public sector driven. The existing building on the properties, which is of</td>
</tr>
<tr>
<td>development costs, tax incentives and reduced</td>
<td>cultural-historic value, could be incorporated to enhance the tourism potential of the site</td>
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<tr>
<td>service contributions</td>
<td>and the CBD.</td>
</tr>
<tr>
<td><strong>Visible policing, installation of CCTV, policing partnerships, by-law enforcement and establishment of municipal courts all contribute to reduced crime levels and increasing investor’s confidence</strong></td>
<td>• The redevelopment of the northwestern part of the CBD for Social Housing would increase the residential component in the CBD, with positive effects on retail and use of public facilities.</td>
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<tr>
<td><strong>Enhanced urban management through aspects such as Business Improvement Districts, partnerships, enhanced cleansing and detailed precinct plans lead to the overall improvement of conditions, with positive effects on the market</strong></td>
<td>• These aspects should be addressed through the establishment of a Business Improvement District, as detailed in Section 5.5.1.4 below.</td>
</tr>
<tr>
<td><strong>Slums clearance and law enforcement targeting “no-go areas” send out strong messages to investors and crime syndicates</strong></td>
<td>• The establishment of a Business Improvement District is proposed, to forge public-private partnerships in the management and maintenance of the Polokwane CBD, as detailed in Section 5.5.1.4 below.</td>
</tr>
<tr>
<td><strong>Focus on improvement of public infrastructure, specifically public transport and inter-modal transportation hubs have positive spin-offs, but need to address all modes of transport</strong> Public Trading markets are a closely associated activities in view of the synergies which exist between public transport and informal trade.</td>
<td>• It is important to prevent decay and the creation of slum areas through maintenance of the public environment, collection of service fees due to the Municipality and service providers. • Law enforcement, especially by-laws dealing with smaller issues, send out a strong message that neither small nor more serious crimes and transgressions will be tolerated. • The redevelopment of the northwestern precinct for Social Housing will assist in addressing the problems of overcrowding currently experienced in the area, which could exacerbate into slum formation.</td>
</tr>
<tr>
<td><strong>Place marketing – a dedicated marketing programme is the key to the success of many of the other interventions</strong></td>
<td>• The provision of adequate facilities for the taxi industry, specifically the taxi ranks and hawker facilities, is emphasised. • The urban design proposals, specifically those focusing on public transport and pedestrians, should be attended to. • The Spatial Development Framework for the Polokwane CBD should be used as the basis in compiling marketing material and disseminating information to existing</td>
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</table>
For more details regarding Urban Renewal, please refer to **Annexure A** which provides a detailed literature review.

### 5.5.1.4 Business Improvement Districts

**Concept**

The concept of Business Improvement Districts (BIDs) is often applied in urban centres to bring about Urban Renewal. Bids are fundamentally a legal mechanism to raise funds to enhance the management of a particular place. A BID is based upon the benefit district concept, which allows for an assessment on property within a defined geographic boundary. Revenues from this assessment are directed back to the defined area to finance a myriad of enhanced services, including security, maintenance, marketing, economic development, parking and special events.

Business Improvement Districts are defined by four key concepts, namely:

- Privately directed activities, in a
- Geographic area, providing
- Supplementary services, that are
- Sanctioned by the public (Hoyt, 2003).

Improvement Districts in South Africa have contributed to a greater or lesser extent to slum clearance, redevelopment and/or the provision of housing and have thus been applied as a successful tool in Urban Renewal. The Improvement Districts in South Africa aspire to eliminate decay, rejuvenate and revitalise business / neighbourhoods and industrial areas, mainly for the purpose of economic gain.
Output

Improvement Districts generally have the following outputs:

- They create cleaner, safer and more attractive business districts.
- They ensure a stable and predictable resource base to fund supplemental services and programmes.
- They provide non-bureaucratic and innovative management of cities.
- They respond quickly to market changes and community needs.
- They help maintain and increase property values.
- They help improve sales and occupancy rates thereby increasing the community’s overall tax base.
- They give the urban area a distinct identity and make it more competitive with surrounding suburban retail and business centres.

Critical Success Factors

Local government support is however crucial for the successful implementation of an Improvement District, as the additional taxes needed to support this implementation are connected via the local authority’s financial taxation system. Thus public-private partnerships (PPPs) are a requirement for the establishment of successful Improvement Districts.

To create successful and sustainable Improvement Districts, the Polokwane Local Municipality should ensure the following:

- Improvement Districts are not used as a mechanism to increase property taxes.
- Improvement Districts do not lose credibility. This happens when local authorities are over-involved in their affairs as they are not seen as private initiatives. It is therefore best if the funding and organisation of the Improvement Districts are left to the private sector.
- Local authorities should maintain at least the same or improve on the existing baseline services that they provide in the Improvement District area. If municipalities do not keep to a minimum agreed service level, Improvement Districts become less effective and could easily fail.

Private institutions should ensure the following to attain success and sustainability:

- Improvement District Management Boards should always remain representative of property owners in any given Improvement District Area.
- Acknowledgement is given to Local Authorities that they provide the basic service, and should those be taken away the Improvement District would be ineffective.
• The Chairperson of an Improvement District should build a sound relationship with the Mayor of the Local Authority, as an Improvement District (and in particular the manager) can become a powerful political roleplayer.

• For purposes of transparency and public accountability, the finances of an Improvement District should be regularly audited and the results made available to the Local Authority and its constituent members.

**Specific Proposals for Polokwane CBD**

It is proposed that the concept of a Business Improvement District (BID) be applied to a specific pilot area in the Polokwane CBD. Once the concept is successfully applied, it could be extended to include other areas of the CBD. It is proposed that the area fronting directly onto Grobler Street and Thabo Mbeki Street be included as the first phase of the BID, as these routes constitute the main entrances and exits from the CBD. The following specific proposals and incentives are suggested for this area:

• **Improved security**: Provide local security guards per street block to ensure visible policing and enhance the sense of security for pedestrians. The guards should be equipped with two way radio's linked to the control room of the municipality’s Security Department (to be incorporated in a Municipal Police Force). These security guards should also be responsible for ensuring that the area is clean and tidy (thus are responsible for street sweeping, collecting litter and reporting lack of refuse removal) and should be trained to provide directions and information to tourists. This concept is applied successfully in the Sandton CBD. Install closed circuit television cameras (CCTV) to monitor crime hot-spots (a project in this regard funded by the Local Municipality is already underway).

• **Improvement and maintenance of the public environment**: The BID should implement the urban design proposals in this area first to create a distinct identity. Specific proposals in this regard include the widening of sidewalks, uniform trees, paving, lamp posts, bollards, dustbins, seating and signage, as detailed in Section 2.5. General maintenance of the area, such as refuse collection, tending to public gardens, grass cutting, repairing faulty street lights and traffic lights and maintenance of public conveniences, is also essential to the overall improvement of the area.

• **Improvement and maintenance of private properties**: The BID could provide incentives for property owners to conduct small improvements and maintenance work on their properties, which are not covered by the incentive scheme applied by National Treasury. A reduction in rates and taxes for a certain period could be applied to properties which improve building frontages and facades, gardens, parking areas, fences, sidewalks, roofs etc.
5.5.1.5 Development Guidelines

Apart from specific interventions, the Local Municipality should lay down guidelines to ensure that development complies with the overall vision for the Polokwane CBD and proposals emanating the Spatial Development Framework. The following guidelines are proposed:

- Development and re-development of properties in the CBD should be undertaken in terms of a Site Development Plan and Landscape Development Plan to be submitted to the municipality for approval, prior to the approval of building plans or commencement of any construction work. The SDP should, over and above the requirements in terms of the Town Planning Scheme, indicate elevations, boundary treatment and signage.

- On-site landscaped areas should be multi-functional and should provide environmental, recreational and aesthetic benefits. These areas and proposed vegetation should be indicated on Site Development Plans.

- In parking areas at least one tree should be provided for every two parking bays for purposes of providing shade and stormwater attenuation.

- The following conditions may be applied as part of an approval for the conversion of a dwelling house (over and above the conditions of the Pietersburg / Seshego Town Planning Scheme, 1999):

  1. Ingress and egress shall be to the satisfaction of the Local Municipality.
  2. Activities causing any noise or disturbance shall not be allowed.
  3. Retail shall not be allowed.
  4. Delivery vehicles with a load carrying capacity in excess of 2 metric tons shall not be allowed.
  5. A mini-storage area subordinate or related to the office use shall be considered on merit.
  6. No advertisements may be displayed on the premises; provided that the name of the company may be displayed on the boundary walls or palisade fencing. This name board must be indicated on the site development plan, or otherwise on a separate plan to be approved by the local authority.
  7. The registered owner of the erf shall erect and maintain a physical barrier consisting of a 2m high wall along the side boundaries of the erf abutting residential properties, to the satisfaction of the local authority.
  8. No parking on sidewalks shall be allowed.
9. A Site Development Plan shall be submitted addressing the general conditions as well as the following:
   - Visitors parking to be provided to the satisfaction of the local authority. The parking area shall be screened off from the street by a landscaped area of at least 1m and a pedestrian walkway of at least 1m;
   - The parking area shall be surfaced to the satisfaction of the local authority;
   - At least 20% of the property should be landscaped to the satisfaction of the local authority.

5.5.2 Crime Prevention

The Polokwane Local Municipality currently has a number of initiatives planned, focused on the improvement of safety and security in the Polokwane area in general and specifically in the CBD.

One of the main proposals is the establishment of a Municipal Police Force, consisting of personnel previously employed in the Traffic Department and Security Department. The personnel will receive specific training and the Municipal Police Force will deal with a wide range of issues, specifically hawker management, security and enforcement of by-laws. One of the main functions of the Municipal Police will be crime prevention in the CBD, which will be done in conjunction with the SA Police.

A project is currently underway to install the infrastructure required for the operation of closed circuit television cameras (CCTVs) in the CBD. Between 15 and 20 cameras will be installed by the end of 2005. Public-private partnerships will be sought to enable the installation of cameras throughout the CBD.

These crime prevention initiatives will make a considerable contribution towards the improvement of safety and security in the CBD. It is proposed that these initiatives join forces with the proposals regarding the establishment of a Business Improvement District in the CBD, in order to allow for the creation of partnerships in preventing crime and grime.

5.6 ECONOMIC STRATEGY

The proposed economic strategy or the Polokwane CBD is divided into business retention and expansion, business and investment attraction, and economic development goals.

5.6.1 Business Retention and Expansion

A Business Retention and Expansion Program (BREP) is critical to the survival of the CBD as the CBD is a major contributor to the provision of jobs to the people of Polokwane as well as a provider of retail facilities to people dependant of public transport. The creation of a BREP by the
municipality and the business community will strengthen the relationship between the parties and will ensure that regulatory issues imposed by the municipality, such as land uses, zonings, infrastructure and taxes are matched with the needs of the local business community and thereby encouraging successful businesses not to relocate out of the CBD.

By regularly surveying the business community the BREP will be able to establish the business community’s attitude toward the CBD as a place to conduct business, as well as their needs. Issues such as taxes, the attitude of the municipality, quality of infrastructure and quality of life factors should also be addressed in the proposed surveys.

However, a BREP should not only survey the attitude of the business community, but should also provide supporting functions such as:

- The use of government and provincial programs to provide training for the workforce that allows businesses and industries to remain competitive.

- The promotion of cluster developments as a way of developing strategic advantages in infrastructure, zoning, quality of life, workforce and business climate.

- Support to SMME’s by packaging and promoting financial incentives, low-interest loans for purchasing land, or refurbishing buildings and the acquisition of equipment.

In conclusion, every industry and business has its own competitive issues and a successful BREP is one that is sensitive to the different issues thus converting the CBD into a successful place to conduct business. A successful BREP will also lay the foundation for successful relationship building between the municipality and the business community that will contributes to the economic sustainability of the CBD.

5.6.2 Business and Investment Attraction

Business investment and attraction programs are the foundation of regional economic development because new companies generally bring with them new jobs, economic diversity and the potential to encourage further development in related sectors. Potential investors have many towns and cities to choose from and its is therefore important for Polokwane to engage in business recruitment through marketing, in order to create awareness of the benefit of Polokwane as a whole and the CBD in particular as a place to conduct business.

The municipality and the local business community should therefore give attention to marketing in order to raise awareness of community and municipal issues for attracting investment, business and visitors to the CBD. Some tools that may be utilised in the successful marketing of Polokwane include:
• The Internet as a recruitment tool.

• Financial incentives such as rebates in building plan submission and rezoning fees, rebates in bulk service contributions from prospective developers, and contributions by the municipality towards cost for internal and external engineering services.

• Administrative support to potential developers and investors through the streamlining of application procedures.

• Workforce development incentives.

• The improvement in the quality of life within the CBD by establishing quality of life factors such as arts and cultural activities.

• Affordable housing in and around the CBD for attracting and retaining workers.

In order to effectively market Polokwane as a whole and the CBD in particular, it is important for the business community, land owners and the municipality to successfully mobilise strategies such as safety and security, parking, BID’s etc. to reposition Polokwane as the premier business hub in the Limpopo Province.

5.6.3 Economic Development Goals

In order for the CBD to become economically viable it would be important to set some economic development goals. These would include:

• The positioning of the Polokwane CBD as the central economic hub for the Limpopo Province with a more functional environment where people can work, live and shop in the CBD.
  o Develop a mix of housing with densification and more opportunities for multi-unit, lifestyle-associated accommodation and different types of tenure such as social housing.
  o Densify the CBD with mixed uses to handle population growth.

• Intensive marketing of the CBD in order to exploit its strengths.
  o Create a brand or identity for the CBD, e.g. “The Place to Be”.
  o Promote unique features of the CBD.
  o Change the perception of safety.

• Continue towards creating an environment of personal safety by creating safe, inviting streets and general safety measures in order to prevent the loss of business.

• Build a transport system that contributes to economic sustainability.
Polokwane Local Municipality

- Improve vehicle access and parking in the CBD in order to encourage more visitors to the CBD.
- Reduce congestion and improve the flow of traffic in the CBD.
- Construct strategic linkages.

- Tourism affects many sectors in the local economy, including hospitality, transportation, retail and personal services. The municipality should therefore exploit Polokwane’s potential for new tourism products by creating a destination for cultural tourism, where the culture and diversity of the Limpopo Province is celebrated and where the visitor environment is a safe and positive experience.

- Universities and colleges play a key role in regional economies as a source of innovation, talent and even new companies. As leading institutions in the region, they are powerful economic drivers, technology centres, employers, developers and investors. The municipality and business community should be encouraged to develop a closer network with educational institutions in order to pursue opportunities of mutual benefit.

5.7 Economic Interventions

One of the critical features of the office market in Polokwane, apart from the fact that it is almost exclusively located in the city centre, is its strong government character. With an increasing move in South African cities towards establishing nodes with clear profiles and clusters of specific users, this is a strong location advantage of the city centre. The local authority and provincial government therefore should commit to retaining government office uses in the CBD.

The following section looks at possible economic interventions by the local authority that may establish the CBD as the economic hub of not only Polokwane but also the Limpopo Province.

5.7.1 Economic Clustering

The presence of economic clusters is increasingly seen as a key contributor to the economic competitiveness of a region. Where businesses cluster together, critical mass is created, which stimulates growth, cooperation, competition and opportunities for investment.

A clustering exercise (also known as the Michael Porter Diamond Approach) would normally consider four categories of issues. The first set fall under the heading “cluster strategy, structure rivalry”. This means analysing how a particular industry or sector is affected by existing rivalry (competition), it also includes barriers to entry for a sector or land usage. The second category related to “supporting industry” is focussed around the issue of linkages that may already exist, as well as the strength of such networking opportunities. The third category is focused around ‘factor conditions’ or the availability of factors of production that are required to ensure the long-term viability of the cluster. The final category considers conditions around demand and supply.
• **Cluster Strategy, Structure Rivalry**
  - Rivalry (other similar developments).
  - Barriers to entry, exit (funding availability).
  - Legal, labour, fiscal structure.

• **The Cluster: Related to Supporting Industry**
  - Linkages between uses.
  - Collaboration (what can be put in place to ensure this).
  - Strength of networking.

• **Factor Conditions**
  - The economic foundation (what is the Alex economic foundation).
  - Attractions / requirements (what is attractive about the site).
  - Technology.
  - Human Resources (available in the community – skills training)
  - Capital (what available capital is there in the community and investors).

• **Demand Conditions**
  - Demand / type of demand.
  - Market.

In a clustering exercise the abovementioned criteria must play a role in identifying development activity for the CBD, which can form the basis for further economic activity. Examples would for instance include the growth of educational and public sector services as well as other sectors such as automobile dealerships.

The main differences between a cluster approach and more traditional approaches to economic development are summarized in Table 13 below.

**Table 13 : Traditional Sectoral Approach vs Cluster-Based Approach**

<table>
<thead>
<tr>
<th>Sectoral Approach</th>
<th>Cluster-based Approach</th>
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</thead>
<tbody>
<tr>
<td>Groups with similar network positions</td>
<td>Strategic groups with mostly complementary and dissimilar network positions</td>
</tr>
<tr>
<td>Focus on end product industries</td>
<td>Include customers, suppliers, service providers and specialised institutions</td>
</tr>
<tr>
<td>Focus on direct and indirect competitors</td>
<td>Incorporate the array of interrelated industries sharing common technology, skills, information, inputs and customers</td>
</tr>
<tr>
<td>Hesitancy to co-operate with rivals</td>
<td>Most participants are not direct competitors but share common needs and constraints</td>
</tr>
<tr>
<td>Sectoral Approach</td>
<td>Cluster-based Approach</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Dialogue with government often gravitates towards subsidies, protection and limiting rivalry</td>
<td>Wide scope for improvements on areas of common concern that will improve productivity and raise the plane of competition</td>
</tr>
<tr>
<td>Looking for diversity in existing trajectories</td>
<td>A forum for more constructive and efficient business-municipality dialogue</td>
</tr>
<tr>
<td></td>
<td>Looking for synergies and new combinations</td>
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</tbody>
</table>

Source: OECD 1998, adapted from Porter, 1997

- **Potential Clustering Opportunity**

A rezoning application is currently under consideration for the rezoning of municipal owned land in the north-western part of the CBD, to the north of the railway line. The proposed rights include a combination of residential development, public transport facilities, light industrial activities as well as an entrepreneurial center. If developed to full potential, this proposed mixed-use precinct together with ancillary and complementary uses (proposed and existing) in the north-western part of the CBD, to the south of the railway line will form an economic cluster which will include the following:

- Informal trade at the African Market;
- Bus and taxi ranks and holdings that are sufficient to cater for the prevailing needs;
- Residential development by way of social housing;
- Community facilities to serve the new population residing in the area;
- A training center in the form of the Itsoseng Entrepreneurial Center;
- Sites for SMME development as well as residential units;
- Light industrial development in the area to the north of the railway line;
- A strategic link between the northern and southern part of this economic cluster by way of the Bok and Dahl Street Extension up to Blaauwberg Street.

The compliance of this proposed economic cluster in the northwestern precinct to the four categories of issues is set out below.
Cluster Strategy, Structure Rivalry

The proposed development would largely be focussed on supporting the property market in general. The public transport facilities and entrepreneurial center become the anchor and these facilities will be developed in order to stimulate developments. Some level of urban design would play a role in directing such developments.

It is important to note that the proposed mixed-use development would provide greater exposure to the area and at the same time, it reduces the risk of undertaking a single and focussed development. To a degree the proposed development would entail an urban regeneration programme that stimulates private sector developments.

Demand Conditions

The proposed mixed-use development has the ability to cater for various needs within the community and will stimulate activities that already exist close to the proposed development and will further be stimulated through appropriate interventions, such as the stimulation of the property market for existing and new businesses, service providers, SMME’s and social housing institutions.

The Cluster: The Relationship between Supporting Industries

Retailing, community services, business services, residential use, and even a medical centre could be offered in and around the proposed mixed-use development. Such an intervention would therefore need to go beyond the site and lead to the urban regeneration of the area.

The main clustering exercise would be to support linkages between CBD businesses in close proximity and the public transport facilities.

Factor Conditions

The success of the development would be strongly reliant on creating an environment that encourages further development in the area. The level of support to new investors would also need to be considerable.

5.7.2 Functional Relationship Between Nodes

CBD areas are traditionally the core areas of towns and cities comprising the widest range and diversity of services and facilities. There are many agglomeration benefits derived from the fact that a variety of goods and services are provided in a constrained area in a CBD. Within such a core area provision is made to provide low, middle and high order goods and services. The fact that lower and higher order services and facilities have to co-exist in the same area results in
internal discipline in an area, which ensures that a good environmental quality (aesthetics, safety etc.) is maintained.

It is thus important to provide a diversity of middle, low and high order goods and services in the CBD in order to prevent urban decay. It is also important to note that the typologies in terms of shopping or retail facilities within a CBD can vary significantly. The traditional typology is shops facing the street with office and residential functions above. It is, however, also possible to provide for malls, arcades and a variety of other typologies within a CBD area. What is, however, important is that such facilities be provided within the CBD and not at a decentralised activity node. Another important element associated with CBDs, is the fact that it can develop to provide specialized services in specific areas or precincts, e.g. motor towns, health areas, governmental areas etc. CBDs can thus accommodate all current retail trends – shopping malls, specialized areas etc.

What is also important for the long-term sustainability of any CBD area is that it should preferably comprise a combination of office, retail, commercial and residential uses. This ensures that the area is utilized 24-hours per day, for seven days a week, which is one of the main objectives for a sustainable CBD.

Another major advantage of a CBD in the South African context is that it is usually accessible via public transport and gives all potential users access to a full range of services and facilities whether they own a car or not. Even if people cannot afford to make use of some of the higher order services or functions in the CBD, they at least have a choice.

Decentralised economic activity nodes are intended to serve local functions and therefore their primary objective is often to provide convenience goods at a convenient distance to the surrounding community (within about 3 to 5 kilometers around it). It is not intended to be a mini CBD that takes over the function of the traditional CBD.

But as has become evident in numerous South African cities decentralized nodes are located in residential areas, and if left uncontrolled have a negative impact on surrounding residential areas in terms of increased traffic volumes, noise and light pollution, and non-residential traffic penetrating the residential area. This in turn reduces the attractiveness of these residential nodes. As the decentralization process accelerates there is a greater call for shopping facilities. This demand is met with a supply of retailing facilities, which often starts with a neighbourhood shopping centre and as experience has shown, culminates into regional shopping centres, which rely on large catchment areas.

As such retail facilities expand, they draw in more functions (especially the higher order functions) from the traditional CBD. Ultimately a polycentric city is created with centres having different characteristics. In the South African context this has often led to decentralized nodes with a relatively high income and the former CBD catering for lower income group. Thus it can be argued that decentralization can play a role in polarizing the city.
Another important aspect to consider is that in many cases the development of a decentralised activity node is a reflection of economic activity rather than economic growth itself.

Decentralization in South further suffers from the application of concepts applicable in highly industrialized countries to local conditions. For example in North America it is not uncommon for decentralised nodes to be developed at distances of about 20 to 30 kilometers away from the CBD. In industrialized countries it is possible to develop decentralised activity nodes without drawing tenants from the CBD (real growth instead of relocation). In South African cities decentralized nodes can be no more than 2 to 3 kilometers away from the CBD areas.

While there is little doubt that decentralization has negatively impacted on cities such as Johannesburg and Tshwane, the effect has been even more pronounced in smaller cities. For instance Rustenburg developed the Waterfall Mall and immediately recorded decay in its CBD, whilst Emalahleni (Witbank) also developed a decentralised activity node a few kilometers to the east of its rapidly decaying CBD. In the case of Nelspruit, the Riverside Mall drew the bulk of higher order retail and the government functions from the CBD.

In the South African scenario, land availability and the resulting cost of land has played a role in stimulating the tendency to decentralization. In certain cases municipalities were prepared to supply the necessary infrastructure to enhance the property market in such new “green field’ areas. Often this also happened at the expense of infrastructural expenditure in the traditional CBD and elsewhere in the city. Where infrastructural expenditure has not been forthcoming the result has been a growing pressure on road and other infrastructure.

Yet, there is growing evidence that environmental and infrastructural costs are reducing the financial viability of such “green field” developments. In larger cities there is growing evidence that developers are turning to renovations and the re-use of existing sites.

5.7.3 Urban Renewal Tax Incentive

In the first part of this report, under national policies, reference was made to the Urban Renewal Tax Incentive. With the recent promulgation of the UDZ of Polokwane it is important to clarify the working of this incentive in order to promote the usage thereof to make the Polokwane CBD a better place for conducting business.

In terms of the regulations of the incentive any investor is eligible for the incentive provided that the following conditions are met:

- The investor has to improve an existing building or construct a new building within the UDZ. In the improvement of existing buildings the investor must preserve a substantial part of the building’s existing structure or exterior framework.
The investor has to use the improved or new building solely for trade i.e. commercial, industrial or the rental of residential apartments.

The investor has to have a certificate of occupancy as well as a certificate from the municipality indicating that the building falls within the UDZ.

The aim of the incentive is to provide the investor with the opportunity to write-off the cost of the improvements or the construction cost of a building over time. The tax write-off period relates to the manner in which value is added to the development zones viz. improvements to an existing building or the construction of a new building. An investor will benefit more from improving an existing building than from building a new one as illustrated in the examples below.

In the case of the refurbishment or improvement of an existing building the investor will receive a 20% straight-line depreciation write-off over a five-year period once the building is brought into use. Example – If R10 million is spent on the refurbishment of a building originally acquired for R5 million, the investor can deduct 20% of the refurbishment cost over each of five years (i.e. R2 million per annum over five years). The original purchase cost fall outside the incentive.

In the case of the construction of a new building, the investor will receive a seventeen-year write-off period. This write-off allows for a deduction of 20% for the first year the building is brought into use and thereafter, annual deductions of 5% for the following sixteen years. Example – If construction cost amounts to R10 million, the investor can deduct a maximum of 20% (i.e. R2 million) of the construction cost in the first year and thereafter deduct 5% of the construction costs for each of the next sixteen years (i.e. R500,000 per annum for the next sixteen years).

This incentive is advantageous in the sense that if the investor meets all the criteria for the tax incentive, he may deduct the cost incurred for refurbishment or construction (in terms of the depreciation allowance) against his entire taxable income in other words, the write-off of the building can be setoff against any other income of the investor, regardless whether this income relates to the building. In the case where the write-off exceeds the investor’s income, it may be carried forward indefinitely until fully absorbed.

When an investor that qualified for the tax incentive sells the building it is deemed that the sale triggers ordinary revenue to the extent that any gain of the sale represents the recoupment of the prior write-off. Example – The investor constructs a new building at a cost of R10 million and writes of 30% of the building over three years. He then sells the building for R18 million, a gain of R11 million (R18 million less the written down cost of R7 million). Of this amount R3 million represents a recoupment of the prior write-off and R8 million represents capital gain.
In order for the investor to qualify for the tax incentive, the investor must submit the following with their tax return:

- A certificate of occupancy as well as a certificate from the local authority confirming that the building falls within the UDZ;

- A statement from the investor showing the actual and estimated costs incurred during refurbishment or construction; and

- A breakdown of erection vs. improvement costs in both the five-year and seventeen year write-off periods.
SECTION 6: STRATEGIC PRIORITY PROJECTS AND INITIATIVES

The Polokwane CBD framework is intended to guide land use changes for the next five years. There are however a number of actions which should be undertaken, in support of the implementation of this plan. These are:

| POLOKWANE CBD SPATIAL DEVELOPMENT FRAMEWORK : PRIORITY PROJECTS AND INITIATIVES |
|-------------------------------------------------|-----------------|-----------------|-----------------|
| **6.1 Extension of the CBD Boundary**            | Short Term      | Medium Term     | Long Term       |
| 1. Incorporate Erven 581, 582, 608, 609 and Erf 608/1 into the boundary of the CBD. Formulate development proposals for this land, considering the cultural-historic potential of the building situated on Erf 582 and facilitate land assembly and development (either public or private). |                             | X               |                 |
| **6.2 Transportation System**                    | Short Term      | Medium Term     | Long Term       |
| 2. Take a principle decision on the western bypass intended to re-route regional traffic around the CBD. | X               |                 |                 |
| 3. Extend Bok and Dahl Streets northwards as a one way pair across the railway line to link up with Blaauwberg Street. | X               |                 |                 |
| 4. Convert Marshall and Suid Streets to a one way pair to cater for movement in the south of the CBD. | X               |                 |                 |
| 5. Convert Church and President Kruger Streets to a one way pair to support the Landdros Maré one way pair. |                 |                 | X               |
| 6. Extend President Kruger Street northwards between the Asiatic Bazaar and the Tshwane University of Technology Campus, to link up with the main road to Dendron. |                 | X               |                 |
| 7. Convert Biccard and Voortrekker Roads to a one way pair to supplement the Market – Landdros Maré Street pair. |                 |                 | X               |
| 8. Consider additional land for private parking areas: | X               |                 |                 |
| • Erf 360(1) on the corner between Hans van Rensburg and Jorissen Street; |                             |                 |                 |
| • the area along Genl. Joubert Street between Grobler and Thabo Mbeki Street; |                             |                 |                 |
| • the northern section of the site where the Council Offices are located; |                             |                 |                 |
| • the eastern section of the site where the Council Offices are located; |                             |                 |                 |
| • the four sites located along Bodenstein Street to the south of the municipal offices. |                             |                 | X               |
### 9. Address the requirements of the bus and taxi industry through the following strategies:

- Open up the Polokwane Taxi Rank as a holding area for the short distance taxi industry;  
- to earmark the existing Pick ‘n Pay Taxi Rank as well as the Feldta House facility for use by the short distance taxi industry;  
- to use Erven 275 and 276 as a permanent long distance taxi rank. This site could be developed as a multi-level facility and could also make structural provision for informal trade and hawkers which is normally associated with public transport facilities;  
- to develop an additional facility to the south of Devenish Street.

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### 6.3 Spatial Development Framework

| 10. | Restrict the conversion of dwelling units in the northeastern and southeastern parts of the CBD to offices and other uses. | X |
| 11. | Strengthen and promote the tourism and information centre north of the municipal offices and possibly at western end of Thabo Mbeki Street. | X |
| 12. | Promote the conversion of home offices to office parks in the new areas added to the CBD boundaries and allow supportive uses to locate in these areas. | X |

### 6.4 Northwestern Precinct

| 13. | Support the redevelopment of the Northwestern Precinct (bus terminus, taxi rank, Itsoseng Entrepreneurial Centre, SMME development and industrial stands). | X |
| 14. | Promote the development of the African Market between Mark and Church Street. | X |
| 15. | Facilitate the conversion of the single dwelling houses in the northwest of the CBD to social housing units. | X |

### 6.5 Urban Management and Maintenance

| 16. | Restore sidewalks and parking areas through management of taxi’s and hawkers. | X |
| 17. | Implement the Urban Design Proposals to improve the overall environmental quality in the CBD. | X |
| 18. | Implement the Urban Renewal proposals. | X |
| 19. | Establish a Business Improvement District in the area fronting onto Grobler Street and Thabo Mbeki Street, focusing | X |
### POLOKWANE CBD SPATIAL DEVELOPMENT FRAMEWORK: PRIORITY PROJECTS AND INITIATIVES

specifically on:
- Improved security
- Improvement and maintenance of the public environment
- Improvement to private properties:

#### 6.6 Economic Interventions

- Implement the three legs of Economic Strategy:
  - Business Retention and Expansion
  - Business and Investment Attraction (Incentives)
  - Economic Development Goals

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