

not have unacceptable associated socio-economic impacts on existing businesses in the area. In addition, six national retailers have confirmed interest in the proposed retail facility include.

I am satisfied that the authorized alternative can address the needs within the primary and secondary catchment areas, and that the phasing of the development will ensure that the facility will remain economically viable.

6. Impact of the proposed development on tourism in terms of the issue related to:

The socio-economic impact of the proposed mall on tourism needs to be studied specifically and in detail and a specialist report attached to the BAR needs to propose mitigating and adaptive measures that need to be taken by the developer to ensure that there is no detrimental effect on the Whale Coast brand name and tourist attraction to Hermanus.

The retail facility will be located outside of the Hermanus CBD adjacent to the existing Sandbaai commercial node. This will result in the preservation of the character of Hermanus CBD, will continue to offer a unique experience to tourists with the small speciality stores and attractive restaurants with sea views.

I am satisfied that the impact on the tourism industry in the Hermanus area will be negligible and that the Whale Coast brand name will be maintained.

7. Planning Framework in terms of the issues related to:

(i) Perpetuation of apartheid spatial planning legacy-

The Department is by law required to place the people of Hawston and their needs at the forefront of its concern and the extremely weak argument that the Director attempted to develop to show that there is no need for a Hawston Mall fairly accurately reflects the general mind-set of more affluent societies, not that of the less affluent societies with high levels of poverty:

(ii) Disregard of functional framework-

The main purpose of the applicable legislation which requires environmental authorisation is to establish whether or not the listed activities under consideration, if permitted to commence, would have a substantial detrimental effect on the environment:

The EA which is the subject of the appeal under consideration relates to the proposed retail facility at the Sandbaai site and not the Hawston site.

The EIA process undertaken for the proposed retail facility was governed by NEMA, the EIA Regulations, 2010 and the triple bottom line, i.e. environment, social and economic spheres. The purpose of the EIA Regulations is-

"to regulate the procedure and criteria as contemplated in Chapter 5 of the Act relating to the submission, processing and consideration of, and decision on, applications for environmental authorisations for the commencement of activities in order to avoid detrimental impacts on the environment, or where it cannot be avoided, ensure mitigation and management of impacts to acceptable levels, and to optimise positive environmental impacts, and for matters pertaining thereto."

The EA was based on the:

- The information contained in the Basic Assessment Report ("BAR") and application form received on 11 December 2009, the draft BAR and application form received on 27 September 2009, the amended BAR and application form received on 21 October 2010 and the additional information which was received on 18 July 2012, 6 September 2012, 4 and 24 October 2012;
- The various specialist reports;
- Relevant information contained in the Departmental information base including the Guidelines on Public Participation, Alternatives and Exemption (dated October 2011);
- The objectives and requirements of the relevant legislation, policies and guidelines, including section 2 of NEMA;
- The comments received from interested and affected parties (IAPs), included key State Departments and organs of state, and the responses provided thereon;
- The site visits conducted on 6 October 2010 and 12 July 2011;
- The Overstrand Retail Study' dated 13 September 2011 compiled by Douglas Parker Associates (Pty) Ltd;
- Inputs received from the Overstrand Municipality in terms of the land use application.

The overall summary of the impacts associated with the authorized alternative are:

Positive impacts-

- The development is aligned with forward planning frameworks and policies for the area with only a minor amendment required for the local structure plan;
- The development is appropriate for the receiving environment and is anticipated to enhance the area;
- The heritage assessment did not identify any heritage resources on site, however some visual mitigation measures have been recommended;
- The visual impacts have been mitigated through proposed suitable recommendations and guidelines;
- The noise impacts have been mitigated through proposed suitable recommendations and guidelines;
- The development supports broadening of the tax base;
- The development ensures that approximately R240 million per annum of disposable income, based in Hermanus, will remain in and be spent in Hermanus;
- The opportunity for new, appropriately sized retailers and entrepreneurs to enter the Hermanus business community;
- The development provides a well-timed, planned, defined and appropriate regional retail facility to service the local and regional community; and
- The development provides worker opportunities for the unskilled and skilled labour market;
- The social, economic and environmental impacts for the proposed development and associated activities and anticipated the overall impacts to be a net positive cumulative impacts;

Negative Impacts

- Light, noise, vibration emissions and dust impacts will be evident as a result of the proposed development;
- Visual impacts will be evident with the nature of the landscape changing to accommodate a formal and structured retail facility development;
- Short term loss of income to the Hermanus CBD, related to retail spend now migrating to the proposed retail facility (approximately 7%);

- The proposed retail facility will result in an increase in natural resource use associated with the provision of energy and water.

On 28 November 2012, the BAR and the findings of the impacts assessment for the proposed retail facility were accepted by the Department in terms of regulation 24 of the EIA Regulations, 2010, which states:

"24. (1) A competent authority must within 30 days of acknowledging receipt of the basic assessment report and in writing-
(a) accept the basic assessment report, if the basic assessment report complies with the requirements of regulation 22"

In view of the above and the NEMA principles, I am satisfied that the proposed retail facility will not conflict with the general objectives of integrated environmental management stipulated in Chapter 5 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and that any potentially detrimental environmental impacts resulting can be mitigated to acceptable levels.

The appeals against the proposed retail facility in Hawston are subject to a separate appeal process and will be considered on its own merits.

(iii) Compromising municipal executive authority-

Municipalities have executive authority in respect of and the right to administer municipal planning. The national or a provincial government may not, whether through legislation or otherwise, compromise or impede a Municipality's ability or right to do so.

The EA forms part of the suite of approvals required for developments. Decisions are informed by the information included with the application and in based in its own merits within the legislative framework. Decisions are often issued sequentially and very often one decision informs the other and is not intended to supersede or curtail the powers of other legislation.

(iv) Failure to take due cognisance of the relevant zonings, schemes, frameworks etc-

The Department did not pay sufficient regard to the fact that the proposed use of the Retail Africa site, as well as the intended extension of the development in due course, is not permitted in terms of the legally applicable planning instruments.

The proposed retail facility on Erven 1449, 1450, 1452, 1734 and the Remainder of Erf 243 Sandbaai was recommended for approval to the Department of Environmental Affairs and Development Planning by the Mayoral Committee and the Overstrand Municipal Council on 25 April 2012 in terms of:

- The application for the amendment of the Greater Hermanus Spatial Development Framework, 2006 to change the reservation of Erven 1449, 1450, 1452 and 1734, Sandbaai from Urban Area to Commercial Node in terms of Section 4(7) of the Land Use Planning Ordinance, 1985;
- The application for amendment of the Overstrand Municipal Wide Spatial Development Framework, 2006 to change the reservation of Erven 1449 and 1452, Sandbaai from residential to commercial;
- In terms of section 16 of the Land Use Planning Ordinance, 1985 application for consolidation of the said erven and rezoning to Business Zone I purposes; and
- In terms of section 3(6) of the Removal of Restrictions Act, 1967 (Act 84 of 1967).

The Land Use Planning application has been considered separately in terms the relevant legislation and based on its own merits.

In addition, the OMSGMS states that the location can absorb and accommodate further economic activity with the establishment of a commercial node.

8. Alternatives in terms of the issue related to:

Failure to consider alternatives with regard to sites-

The only alternatives which were considered were different layout / design alternatives, different technology alternatives, and a "no-go" option. In other words, the only alternatives investigated (other than the non-development of the Retail Africa site) involved minor differences to the proposed retail development. *The developer and its environmental assessment practitioner did not consider any site alternatives, because (as it indicated in paragraph 3 of the BAR), it considered that such alternatives need not be explored.*"

Alternatives are defined as:

"Alternatives, in relation to a proposed activity, means different means of meeting the general purposes and requirements of the activity, which may include alternatives to –

- *the property on which, or location where, it is proposed to undertake the activity;*
- *the type of activity to be undertaken;*
- *the design or layout of the activity;*
- *the technology to be used in the activity;*
- *the operational aspects of the activity; and*
- *the option of not implementing the activity."*

In terms of the NEMA, the delegated competent authority considers an application for an environmental authorisation and must take into account all relevant factors, which may include, inter alia, *"...any feasible and reasonable alternatives to the activity which are the subject of the application and any feasible and reasonable modifications or changes to the activity that may minimise harm to the environment."*

The alternatives considered and investigated for the proposed retail facility included:

- i. Layout/design alternatives based on traffic, noise and visual impacts were investigated.
- ii. Technology alternatives were also investigated; as well as the no go-option.

Layout/design alternative based on traffic impacts (preferred alternative)

Different development layout alternatives were investigated based on alternative means of accessing the development site. Different development access points off the main R43 Road, as well as off Bergsig Road, were investigated.

The preferred development layout includes the access arrangements and the improvements to the surrounding road network approved by the Provincial Roads Engineer in a letter to the Overstrand Municipality, dated 9 February 2010. These improvements are the preferred alternative, as they will reduce the traffic impacts of the development to nationally acceptable levels.

The preferred development accesses and improvements to the surrounding road network were investigated and designed by professional traffic engineers, in consultation with the relevant roads authorities.

Layout/design alternative based on visual impacts (preferred alternative)

The layout and design of the development was investigated from the perspective of associated visual impacts. The visual specialist made a suite of recommendations, which have been included in the preferred design alternative. These include visual screening measures such as landscaped earth berms, indigenous landscaping and façade. The alternative of not including these screening measures in the development design was deemed to have unacceptable visual impacts on the receiving environment.

Alternative of phasing the development

The option of phasing the development was assessed to address the issue of what the appropriate scale of the development would be. This was based on market feasibility studies that were undertaken. As such, it was established that the development should be phased to allow the GLA to expand with the "warranted" market demand.

The "warranted" market demand was calculated to be as follows:

- 27 800m² of GLA (Phase 1)
- 31 100m² of GLA (Phase 2)
- 34 500m² of GLA (Phase 3); and
- 38 900m² of GLA (Phase 4).

In this regard, the following phasing options were considered:

Phasing option 1 (rejected alternative)

The alternative of developing the entire development in a single phase as soon as possible after the approval of the development is not considered by the applicant to be either reasonable or feasible. This is due to the unacceptable associated socio-economic impacts which would be experienced by existing businesses in the area.

Phasing Option 2 (preferred alternative)

The option of phasing the development so that the GLA aligns with the calculated warranted market demand is the preferred option. This will ensure that the development is of an appropriate scale and so will not have unacceptable associated socio-economic impacts on existing businesses in the area.

Technology alternatives:

In order to reduce noise, porous tar will be used on the road surfaces where recommended by the noise specialists. In order to further reduce noise, the specialists have recommended noise reducing structures, such as earth berms and screening measures. These measures include general heights, materials and dimensions and provide a framework for the project architects to work within. The alternative of implementing these noise reducing technologies is preferred to the alternative of not implementing them, as they will ensure that noise associated with the development is within the legally defined and acceptable limits of the receiving environment.

Energy saving technologies such as compact Florescent Light Bulbs (CFL's) and Light Emitting Diodes (LED's) and other appropriate energy efficient lighting alternatives will be used in the development (as far as practicably possible), as opposed to standard tungsten/halogen type light bulbs which utilize significantly more electricity than CFL's and LED's and place further strain on natural resource usage and the relevant service providers. The development will also implement natural lighting schemes to reduce the energy requirements for heating and cooling and lighting of the facility. In addition, roof insulation and energy efficient geyser blankets, solar heated geysers and/or geyser timers will be implemented. This alternative is preferred as it will reduce the energy requirements of the development.

Water saving technologies such as rainwater harvesting technologies, drip irrigation technologies for all landscaped areas, auto-stop taps, dual flush cisterns, waterless urinals and aerated taps will be implemented. This alternative is preferred as it will reduce the water usage associated with the development.

No-go option

This alternative was assessed in terms of retaining the status quo which was found not to be feasible for the following reasons:

- The anticipated capital investment and socio-economic benefits associated with developing the site for retail purposes would not result; and
- The outflow of retail expenditure to other areas will continue.

Site alternatives were not considered by the developer as the specialists did not identify any site constraints that would prohibit the proposed retail facility from being developed. The Douglas Parker Retail Study found that *"the site selected Retail Africa (B) is well located. They are more central to the residential areas than the CBD itself, have excellent visibility, are easily accessible from all areas, form part of the Sandbaai/Hemel en Aarde retail precinct, and are within easy walking distance of the lower income areas."*

I am satisfied that the consideration and investigation of alternatives for the proposed retail facility complied with the criteria of *"feasible and reasonable alternatives to the activity which is the subject of the application and any feasible and reasonable modifications or changes to the activity that may minimise harm to the environment"* in terms of NEMA.

9. Access/Traffic Impacts in terms of the issues related-

- (i) Failure to take due cognisance of necessary traffic mitigation measures-
The traffic and road conditions on which the municipality insisted have been ignored, and the Department has again disregarded the wishes and strategic concerns of the municipality. As a result, the proposed development will lead to the negative consequences which the municipality was determined to avoid.
- (ii) Public transport facilities –
The transportation investigation undertaken as part of the Basic Assessment process only includes an Impact Assessment, and it omitted a Public Transport Assessment. Only four taxi lay-bys appear to have been specified on external access roads, whereas public transport facilities are also required to be provided on the site itself.

(iii) Inappropriate access to the site through residential areas –

Access to the site via the Sandbaai Main Road and Bergsig Road is most undesirable as it passes through residential areas where traffic noise and traffic hazards would be most disruptive to the quiet nature of the residential environment. The upgrading of the road to take the traffic and traffic noise would certainly have a negative effect on the amenities of this residential area.

The Department of Transport and Municipal Engineering at the Overstrand Municipality require the following upgrades as per the recommendations of the Traffic Impact Assessment:

- The upgrade of Bergsig Street between Sandbaai Main Road and Schulphoek Road;
- The upgrade of the R43 District Road (dual road) from Sandbaai Main Road to Mimosa Road, with a bus stop, sidewalks and pedestrian crossing at the R43 District Road/Sandbaai Main Road and R43 District Road/Mimosa Road crossing;
- The upgrade of Schulphoek Road from the R43 District Road to Bergsig Street (dual road from R43 District Road to Adam Road);
- The upgrade of Sandbaai Main Road from the R43 District Road to Bergsig Road;
- A traffic signal must be installed at the R43 District Road/Swarddam Road crossing and a single lane roundabout must be provided at the Sandbaai Main Road/Bergsig Street crossing; and
- Lay bays for taxis must be constructed along Bergsig Street.

The Department of Transport and Municipal Engineering at the Overstrand Municipality stated that- *"Although the proposed development would lead to an increase of traffic in the area, the upgrade of especially Bergsig Street would help to create the important additional distributor road that would help to alleviate the impact of any addition traffic into the area; and the site is also very accessible from four possible access/egress points."*

The fact that traffic related requirements/conditions were not included in the EA does not imply that the delegated competent authority disregarded the "wishes and concerns of the municipality". The requirements of the Western Cape Department of Transport and Public Works have been incorporated in design of the development and the Overstrand Municipality adjudicated on the road upgrades in terms of the Land Use application.

I am satisfied that the anticipated traffic impacts associated with the proposed retail facility can effectively be managed and mitigated by the implementation of the recommendations of the Traffic Impact Assessment.

C. ENVIRONMENTAL IMPACTS

In addition to the reasons provided in the section B, Appeal Review, the following section provides a discussion of the environmental impacts associated with the retail facility.

1. Activity Need and Desirability

Hermanus is a town of regional significance, due to its function as the main mode for retail, commerce, financial and administrative activity in the greater Overstrand area. It also fulfills above through its provision of restaurants and retail aimed at the tourism market, both international as well as local.

Given the proposed function of the development as a retail facility, the following characteristics deem the development to be desirable:

- the development will integrate with the existing Sandbaai commercial node, preventing leapfrog development or sprawl far outside the main town;
- the development will be accessible *via* an off-route from the R43, the main road to Hermanus as well as Bergsig Road;
- the increase in residential expansion of Hermanus serves a growing demand for retail areas such as the proposed development;
- the development will increase the offer of retail shops in Hermanus and could thereby attract shoppers who would otherwise travel to Cape Town to access retail facilities;
- the development will add to economic diversification and retail facilities within the existing Sandbaai commercial node.

2. Regional/ Planning Context

The WCPSDF identifies Hermanus as priority fixed investment urban settlement, which means that it shows high economic growth potential with high population thresholds. Towns and settlements with this characteristic in terms of the Western Cape Provincial Spatial Development Framework ("WCPSDF") should be prioritized as locations for fixed infrastructure, which includes urban services and facilities. In this regard, the proposed development will offer some infrastructure upgrades which could benefit the greater Hermanus area. These include the upgrade of an existing 30MVA substation in Hermanus, the upgrading of the R43 between the Sandbaai Main Road intersection and the Gateway, the upgrade of Bergsig Road and the upgrade of existing water, sewer and storm water systems. Another strategy of the WCPSDF that the development will strive to meet includes the conservation and strengthening of the sense of place by means of implementing appropriate landscaping and architectural styles that is sensitive to the existing environment while at the same time enhancing it. In the same way the proposal will also strive to meet the strategies of restructuring urban settlements, promoting socio-economic integration, integration of urban activities, promotion of public and non-motorised transport and allocation of public space for public life and be located inside the urban edge. These strategies are achieved in that the development will be in walking distance from the settlements of Kwasa-Kwasa and Zwelihle, bringing people closer to possible work and shopping opportunities. Furthermore, the development will be situated amongst residential areas consisting of all socio-economic groups. The proposed development will also occur on the last remaining vacant land within an existing Mixed Use Node (Sandbaai). This node already has industrial, minor retail, offices, general commercial and high as well as low density residential land uses. As part of the overall development, concepts such as squares and landscape features will aim to create the retail facility as a space for public/communal enjoyment.

In accordance with the WCPSDF it is anticipated that the development will lead to the provision of a diverse range of economic opportunities close (within walking distance) to where people live, with specific reference to the residents located in the primary catchment area.

According to the Greater Hermanus Sub-Regional Structure Plan (2000) the site is reserved as "urban area". This reservation allows for land uses such as commercial. However, commercial refers to small businesses and offices, which does not include a mall of the size proposed, given its high impact business use with regional influence. This plan will therefore have to be amended to make provision for the proposed retail facility.

3. Services/ Bulk Infrastructure

The internal stormwater will consist of a series of grid and kerb inlets, which will be drained to an attenuation pond, located at the low point of the site. From the attenuation pond, the stormwater will be connected to the municipal system.

The sewer system will comprise of a gravity flow piped system. The internal sewer network will consist of 110mm and 160mm diameter uPVC Class 34 heavy-duty drain pipes with manholes at a maximum spacing of 80m. The sewer system will tie into the municipality's sewer line.

The water reticulation system will comprise of a high pressure internal pipe network, which will include 110mm and 160mm diameter uPVC Class 9 pressure pipes. A separate facility with booster pumps will be supplied for the fire sprinkler system.

Associated road upgrades will include access roads and internal roads as well as infrastructure for power supply.

The main infrastructure for power supply will include the upgrade of an existing 66k V distribution point in Hermanus.

4. Geology

The site is underlain by rocks of the Table Mountain Group with a covering of recent transported soils. The soil profile consists mainly of fine to medium sand (hillwash) with increasing silt and clay content deeper down the profile. A shallow "drainage course" crosses the site from the north east corner towards the central part of the site. Saturated ground conditions with flowing surface water are also evident.

No noteworthy heavy geotechnical constraints are present on the site but specific measures are required to ensure that activities such as foundation construction, infilling and stormwater management are adequately carried out.

5. Biodiversity

i. Botany

The proposed site comprises veld dominated by alien species, bare soil and invasive grass (Kikuyu). The site furthermore has a flat to slightly undulating topography while certain portions of the site also comprise seasonally wet soils due to a shallow water table. According to the Botanical Impact Assessment no indigenous vegetation units occur on the site. It is only along the R43 which borders the site that patches of indigenous vegetation occurs. Two of the undeveloped erven (1149 and 1734) have no conservation value as the substrate has been transformed by earthworks and in-filling with rubble and has subsequently been invaded by invasive alien vegetation. The site is not connected to any natural (untransformed) vegetation and does not contain remnants of any listed vegetation unit or sensitive ecosystems.

ii. Freshwater

A wetland is present on the site which can be classified as a riparian / hillslope seepage wetland changing to a wetland flat in the broad drainage line in the southern section of the site. The wetland owes its existence to the presence of water stored within the soil profile. More recently, it

is likely that surface water is discharged onto the site via the culvert which is playing a significant role in maintaining a high moisture content on the site. The wetland was found to be in a severely degraded state, having suffered a large loss of natural habitat and basic ecosystem functioning. Given the fact that it is a degraded system, the wetland's value lies primarily in that it reflects the storage and subsequent release of water through both evapotranspiration and seepage.

CapeNature responded on 24 July 2009 that they have no objection to the proposed development.

6. Heritage

As part of the Heritage Impact Statement, no archaeological material was noted on the site. In addition, all the structures present in the surrounding area are modern, with the exception of one house on Erf 1450 which is built in a 'Tudor' style.

Little to no heritage impact is therefore expected as a result of the proposed development.

Visual / Sense of Place

The proposed site is visible from the R43 which is a scenic route for much of its length. The section in the vicinity of the proposed site however comprises of densely built-up areas. According to the Visual Impact Assessment the local area is not visually sensitive as it is already a heavily built-up area. The existing commercial and industrial land uses also implies that the proposed development will not be out of place with its surrounds, but will however be visible from R43 and some neighbouring areas. Specific design and landscaping measures which form part of the conditions of authorisation will mitigate the visual impact of the proposed development.

HWC had no objection to the proposed development.

7. Socio-economic

The direct socio-economic impacts of the development include the provision of employment during both the construction and operational phase of the development. However, the impacts on the existing Hermanus CBD were also assessed given the risk of 'cannibalism' wherein retailers open the same retail outlets within the same trade area. This risk of cannibalism on the existing Hermanus CBD was seen as limited, as it is proposed that the retail development will only house stores not already established in the CBD, unless the performance of the existing one has reached certain levels which warrants an additional store. It is therefore also expected that the retail facility and CBD would be able to co-exist, with the latter remaining unique in its offering as a very attractive tourist destination which will be able to continue to successfully offer small speciality stores and very attractive and good restaurants. This quality may help preserve the CBD as an attractive tourist destination.

8. Traffic

According to the Traffic Impact Assessment ("TIA") the expected traffic volumes along the roads in the vicinity of the proposed development will be higher, but will still be within acceptable standards. The following measures are proposed to ensure that the traffic levels will be operating at acceptable levels at the intersections of:

- Skulphoek / Adam Street: A 2-lane roundabout with an inscribed circle diameter of 38 meters will be constructed. The southern and western approaches will be a single lane per direction while the northern approach will be 2 lanes per direction.
- Main Road / Skulphoek intersection: Two dedicated northbound right-turn lanes and a dedicated northbound left-turn lane must be constructed. Two receiving lanes on the southbound departing leg must also be constructed to accommodate the turning movements from Main Road.

The abovementioned measures along with other traffic/road improvements have been made part of the conditions of authorisation to ensure that the traffic generated by the proposed development will operate at the acceptable levels.

9. Noise

It was established that the main sources for noticeable noise to be generated will include:

- the noise of construction, which will last throughout the construction phase of the retail facility;
- the car park of the retail facility in the form of vehicular motor noise;
- increased road noise due to the increased traffic on the roads in the surrounds;
- the delivery trucks and service vehicles at the rear of the retail facilities along the service road;
- mechanical / electrical building services; and
- emergency backup generator motor and exhaust noise.

Although it was established that the noise to be generated by the abovementioned elements will not exceed levels where it will register as "disturbing noise", it should be noted that certain measures will be implemented to mitigate noise (see condition 22).

D. NATIONAL ENVIRONMENTAL MANAGEMENT ACT PRINCIPLES

The National Environmental Management Act Principles (set out in section 2 of the NEMA, which apply to the actions of all organs of state, serve as guidelines by reference to which any organ of state must exercise any function when taking any decision, and which must guide the interpretation, administration and implementation of any other law concerned with the protection or management of the environment), *inter alia*, provides for:

- the effects of decisions on all aspects of the environment to be taken into account;
- the consideration, assessment and evaluation of the social, economic and environmental impacts of activities (disadvantages and benefits), and for decisions to be appropriate in the light of such consideration and assessment;
- the co-ordination and harmonisation of policies, legislation and actions relating to the environment;
- the resolving of actual or potential conflicts of interest between organs of state through conflict resolution procedures; and
- the selection of the best practicable environmental option.

E. CONCLUSION

The overall summary of the impacts associated with the authorized alternative are:
Positive impacts-

- The development is aligned with forward planning frameworks and policies for the area with only a minor amendment required for the local structure plan;
- The development is appropriate for the receiving environment and is anticipated to enhance the area;
- The heritage assessment did not identify any heritage resources on site, however some visual mitigation measures have been recommended;
- The visual impacts have been mitigated through proposed suitable recommendations and guidelines;
- The noise impacts have been mitigated through proposed suitable recommendations and guidelines;
- The development supports broadening of the tax base;
- The development ensures that approximately R240 million per annum of disposable income, based in Hermanus, will remain in and be spent in Hermanus;
- The opportunity for new, appropriately sized retailers and entrepreneurs to enter the Hermanus business community;
- The development provides a well-timed, planned, defined and appropriate regional retail facility to service the local and regional community; and
- The development provides worker opportunities for the unskilled and skilled labour market;
- The social, economic and environmental impacts for the proposed development and associated activities and anticipated the overall impacts to be a net positive cumulative impacts;

Negative Impacts

- Light, noise, vibration emissions and dust impacts will be evident as a result of the proposed development;
- Visual impacts will be evident with the nature of the landscape changing to accommodate a formal and structured retail facility development;
- Short term loss of income to the Hermanus CBD, related to retail spend now migrating to the proposed retail facility (approximately 7%);
- The proposed retail facility will result in an increase in natural resource use associated with the provision of energy and water.

I am satisfied that all the negative impacts of significance will be addressed by the conditions contained in the EA and the mitigation measures contained in the EMP, and that:

- the delegated competent authority adhered to the legislated required and the principles of procedurally fair administrative actions;
- the PPP undertaken and confirmed that the PPP complied with the minimum requirements of the EIA Regulations, 2006, EIA Regulations 2010 and the EIA Regulations, 2014;
- the developer provided sufficient opportunities to IAPs to access and review the information that was submitted to the Department in support of the application;
- The EA was informed by the information included with the application form and based in its own merits, within the legislative framework;
- the socio-economic impact associated with the proposed retail facility at Sandbaai will be effectively mitigated, in turn, it is anticipated that it will retain retail spending within the municipal area;
- the authorized alternative will be sufficient to address the needs within the primary and secondary catchment areas, and that the phasing of the development will ensure that the facility will remain economically viable;

- the impact on the tourism industry in the Hermanus area will be negligible and that the Whale Coast brand name will be maintained;
- the anticipated traffic impacts associated with the proposed retail facility can effectively be managed and mitigated by the implementation of the recommendations of the Traffic Impact Assessment.

The Overstrand Municipality confirmed that sufficient bulk services capacity exist to accommodate the retail facility.

This appeal EA forms part of the suite of approvals required for developments. The Land Use Planning application has been considered separately in terms the relevant legislation and based on its own merits.

I note that the delegated competent authority had granted partial approval of 27 800m² GLA only and the Overstrand Municipality limited the retail space at the Sandbaai site at 30 000m² GLA and any future expansion must be in line with the Douglas Parker Retail Study or any other retail study. The environmental assessments do not prohibit authorizing the full extent of the application and the developer will be required to apply to amend the land Use approval as necessary over time to allow the full extent of 38 900m² GLA.

In view of the above, the NEMA principles, compliance with the conditions stipulated in this environmental authorisation, and compliance with the EMP, I am satisfied that the proposed listed activities will not conflict with the general objectives of integrated environmental management stipulated in Chapter 5 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and that any potentially detrimental environmental impacts resulting from the listed activities can be mitigated to acceptable levels.



REPORT

**OVERSTRAND
RETAIL STUDY**

STRICTLY CONFIDENTIAL

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1. BRIEFING

The Overstrand Municipality has requested that an impartial study of the retail market within the area be made, to assess the amount of new retail space that can be warranted over the next ten to fifteen years to satisfy consumer demand with minimum negative impact on the existing businesses within the municipal area and particularly the central business district of Hermanus

As experts in this field, Douglas Parker Associates (DPA) was appointed to carry out the study and outline an appropriate retail development strategy.

2. PURPOSE OF THE RESEARCH

The purpose of the research was to determine the optimum development potential for a new shopping centre in the Overstrand Municipality over the next ten to fifteen years, and to make recommendations accordingly.



3. RESEARCH METHODOLOGY

In order to provide an accurate assessment of the need for additional retail facilities and the potential for a major shopping centre within the Overstrand municipality, it was considered necessary to obtain measurements of both the Demand for and Supply of retail space within the Overstrand Municipal area as well as adjacent municipal areas that could be affected by such development. This entailed primary as well as secondary research within three of the four municipalities that make up the Overberg District Municipality, ie; Overstrand, Theewaterskloof and Agulhas. (See map on the following page)

The following modules of research were conducted:

3.1 Household Survey

A study area was determined including the whole Overstrand area, as well as the adjacent municipal areas of Theewaterskloof and Agulhas. From this a sample of 360 households was drawn, and the householders interviewed in depth to obtain a comprehensive picture of their present shopping patterns for food and groceries, clothing and footwear, furniture and appliances, recreation and entertainment and other goods and services.

Particular focus was placed on shopping outside their own areas, in Hermanus, and over the mountain: the reasons for doing so, and the extent to which this may be curtailed should the retail infrastructure in Hermanus be increased. The questionnaire also sought opinions on additional stores required at the proposed new centre.

Interviewing was carried out by telephone, except in low income areas such as Zwelihle where it was necessary to conduct interviews face to face because of the low incidence of landline telephones in the area.



3.2 Local Authority Information

Appropriate personnel in the Local Authority (Overstrand Municipality) were interviewed to establish up to date information on population levels and growth rates, housing development, commercial and industrial development and planned and possible changes to the transport infrastructure in and around the municipal area. Information was also sought on electricity consumption and the number of electrical connections by area as well as water consumption by month and year and other useful indicators of growth and the seasonal inflow of visitors into the area.

3.3 Retail Census

A census of all existing retail facilities was undertaken to establish the current "supply side" of the market throughout the Overstrand area and other towns in the study area. All stores were personally visited and their sizes estimated by experienced DPA personnel. An approximation of each store's allocation of space to each of the 5 major product groups was also recorded for each town and precinct within Hermanus. The results were used to 'balance' the market estimates in terms of supply and demand, and to provide a sound foundation for a predictive model that was constructed to estimate the potential of the proposed development both in terms of turnover and space. The results were also important in recommending an appropriate and sustainable tenant mix for the Overstrand Area.

3.4 Delineation of Catchment Area

Catchment areas were delineated on the basis of reactions to the proposed centre in the Household Survey, as well as traffic routes, driving times, physical and perceptual barriers, competitive facilities and mobility of the population. The catchment areas will also be a function of the type and extent of retail developed at the site, and several assumptions were made in this regard, principally that the centre would be an effective alternative to Somerset Mall.



3.5 Desk Research

Additional information on population numbers, household income levels and expenditure patterns were sourced from Statistics South Africa, the Bureau of Market Research, Towns of South Africa (DPA) and DPA's own databank. The Overstrand area is a major tourist destination, and this element of the market was carefully addressed to assess the contribution of tourism to the area's retail market

3.6 Estimates of Market Potential

All information and ratings gathered in the previous modules were used in a computer model constructed to predict the demand for retail and consumer service facilities in the Overstrand over the next fifteen years, the development potential of a major new centre and the likely impact of the proposed new centre on the existing retail facilities in the area.



4. SUMMARY OF RESULTS

The Overstrand municipal area has a total of some 161 000 square metres of retail space at the present time, generating retail sales of R2,3 billion per annum. With population projected to grow at 4,7% per annum over the next ten years, the supply of retail space could be expected to increase at a similar pace, representing some 7 500 square metres per year or about 69 000 square metres net over the next ten years after allowing for 20 000m² that is presently vacant.

The Overstrand is made up of the principal town of Hermanus, two secondary towns Kleinmond and Gansbaai, the villages of Stanford and Betty's Bay and several smaller areas. As the biggest town in the area, Hermanus draws retail spend from the whole of the Overstrand as well as the adjacent Municipal areas of L'agulhas and Theewaterskloof. These latter areas include the towns of Caledon and Bredasdorp as well as villages such as Arniston and Napier. When this greater area is considered, there is an existing supply of retail space of some 209 000m², generating a total of some R3.0 billion in retail sales.

It is clear from the study that there is a substantial flow of retail spending taking place over the mountain in Somerset West and Cape Town because none of the towns in this broader area is large enough to warrant the presence of the major retail chains. It is also clear that should a major retail facility be established in Hermanus, it would serve the whole area, and would reduce much of the outflow of expenditure.

Taking this into account, it is found that a centre of some 28 000 square metres could be justified in Hermanus by 2013, and that the potential for such a centre would increase to 34 000 metres by 2019 and about 39 000 metres by 2024



Hermanus is the obvious location for a centre to serve the broader region, but a development of such scale would not be without impact on the existing retail facilities in that town. The smaller towns and villages would not be affected much because Hermanus would deflect most of the spend that is already going elsewhere. But within Hermanus itself there would be consequences.

Hermanus is a very special place, and no-one would like to see the CBD or any of the other retail precincts damaged or blighted because of the development of a new one –stop shopping centre that would draw the business away. When one considers what it is that makes Hermanus special, particularly the CBD, it clearly is the beautiful setting, the festive buzz of activity, the proliferation of restaurants, coffee shops and interesting little shops.

A regional shopping centre typically focuses on fashion retailing, with an assortment of the major clothing chains dominating the centre. In this respect, The Hermanus CBD could lose a fairly substantial part of its clothing retail business. The smaller specialized stores would not be much affected, and the restaurants and coffee shops are expected to gain from the development because of the additional patronage from further afield, which would undoubtedly have a spin –off affect.

A major one stop shopping centre would typically also contain a fair mix of electronics, electrical appliances and other goods in stores such as Game. At present this element of the market is substantially under-served in the area, and is one of the major reasons for people shopping in Somerset Mall.

To minimize potential negative impacts on the CBD and other retail precincts within Hermanus, it is recommended that the proposed new centre contain allocations of space broadly in line with our detailed estimates of potential, and that the tenant mix focus strongly on the chain stores, with only a limited range of specialized independent operators.



5. HOUSEHOLD SURVEY

5.1 Survey Sample

The sample was drawn to cover the Overstrand, Theewaterskloof and Agulhas area as follows:

Central Hermanus (Voelklip, Hermanus Heights, Northcliff etc.)	80
Mount Pleasant, Westcliffe and the Hemel en Aarde estate	45
Zwelihle	20
Sandbaai	15
Fisherhaven and Hawston	30
Onrus and Vermont	30
Gansbaai, Die Kelders Franskraal etc.	40
Stanford	20
Kleinmond	25
Betty's Bay	15
Arniston, Bredasdorp, L'Agulhas, Struisbaai	30
Napier	10
Caledon	40
Total Sample	360

This sample covered 220 households in the Primary (Greater Hermanus) area and 140 in the Secondary area. The results of the survey were weighted to the adult population of the respective areas on the basis of the registered number of voters in each ward in 2011



5.2 Profile of Respondents

The weighted profile of respondents showed 69% were married or living with a partner; 16% were previously married and 15% single. The home language was 58% Afrikaans, 21% English and 20% Xhosa. In the secondary areas the sample was quota controlled to exclude people who fell into the EF group as they would be outside the economic bracket to have any interest in a regional type shopping centre. We asked to speak to the person in the household who was responsible for the bulk of the household shopping, and 79% of respondents were female. In terms of age breakdown there was a fairly even distribution in 5 year intervals among the under 60's, and 20% of the respondents were over 60 years of age. Some 41% of household heads were working full time, 15% were self-employed and 6% working part time. 35% were retired.

In terms of ethnic group, 55% were white, 24% coloured and 22% black.

5.3 Distribution of Retail Expenditure

Asked where they buy certain goods and services, it emerged that some 12% of food and groceries is purchased over the mountain as is some 35% of clothing and footwear, and 47% of electronic goods.

People living in the secondary area tend to do considerably more of their shopping in Somerset West and Cape Town; buying 18% of their food, 48% of their clothing and 59% of their electronic goods there.

5.4 Impact of Toll Plaza's

Told that there are likely to be 3 toll plazas's erected between Bot River and Cape Town, costing some R50 to R100 for a round trip in a motor car, 55% of respondents claimed they would reduce their frequency of travel over the mountain, and the same percentage of people claimed it would reduce the amount of money they spent there.

Uncertain



5.5 Attitude to Proposed Shopping Centre

The question was posed; If there was a one – stop shopping centre in Hermanus with a wide variety of stores under one roof, such as a smaller Somerset Mall, including Game, a full Woolworths and a wide selection of national and other chains, how would you feel about that? Do you think that would be a good idea? 89% of respondents rated that a Good or Very good idea. Asked why they said that, 46% said Hermanus needs a proper shopping centre and 39% said Hermanus needs additional shops. For the 11% of respondents who did not feel a new shopping centre was a good idea, 47% said there was no need for more shops and 43% said such a development would damage the CBD.

5.6 Reduction in Over the Mountain Shopping

Respondents were asked “If such a shopping centre were to be built, to what extent do you think it would reduce your expenditure over the mountain?”

The results show that some 60% reduction in outflow could be expected: 67% from the Primary area and 50% from the Secondary.



5.7 Shops wanted at the new Centre

Respondents were asked "Bearing in mind what shops there are in Hermanus and the Overstrand, what shops would you like to see and would use at the proposed new centre?" The question was open ended, allowing respondents to volunteer whatever stores they wished. The top mentioned results are arranged by category below in rank order.

5.7.1 Branded Supermarkets

- ↘ • Pick n Pay
- Shoprite
- ↗ • Checkers
- ↘ • Woolworths

5.7.2 Other Food stores

- Butchery
- Bakery
- Farm Stall
- Home Bakes
- Delicatessen

5.7.3 Branded Clothing Chains

- Woolworths
- ↘ • Edgars
- Jet
- ↘ • Mr Price
- ↗ • Ackerman's
- ↗ • Foschini
- ↗ • Milady's

5.7.4 Other Clothing & Footwear Stores

- Shoe stores
- Family Clothing
- Ladies everyday Clothing
- Children's clothing
- Menswear

**5.7.5 Branded Furniture, Appliances & Décor stores**

- Game
- Lewis
- Mr Price Home
- Boardman's
- @ Home
- Russell's
- Tafelberg Furnishers

5.7.6 Other Furniture, Appliances and Décor stores

- Appliances
- Furniture Store Curtaining
- Hi Fi; TV & Video
- Beds
- Carpets

5.7.7 Branded Gifts, Music, and Books etc.

- † • C N A
- † • Musica
- C U M Books
- Exclusive Books
- † • Bargain Books

5.7.8 Other Gifts, Music, Books etc.

- Gifts
- Books & Stationery
- Music Store
- † • Musical Instruments

**5.7.9 Branded Miscellaneous Goods**

- ✓• Dischem
- Game
- ✗• Clicks
- f• Vodacom
- f• MTN

5.7.10 Other Miscellaneous Goods

- f• Pharmacy
- Variety store
- Discounter
- Homeware
- Cellphones
- ✗• Art & Craft materials
- ✓• Arts & Crafts

5.7.11 Restaurants & Coffee shops

- Mugg & Bean
- ✗• Spur
- △• Wimpy
- △• Ocean Basket
- /• Nando's
- ✗• KFC



5.8 Future Shopping Behaviour

Respondents were asked "If such a shopping centre was built, containing all the shops and services that we have discussed, what proportion of your household expenditure on the following categories do you think would go to the new centre, how much would remain with the stores you presently use in Hermanus or your local area and how much would go over the mountain?"

The results show insignificant additional spend in Hermanus by Primary area residents on Food and Restaurants, but some 25% additional expenditure on clothing and 38% on furniture and appliances. Amongst the Secondary area residents there is a substantial change in claimed expenditure distribution, with all categories rising from around 15-20% spend in Hermanus to between 56% and 61%. These changes all reflect increases of above 100%.

The results of the Household survey confirmed that the greater Hermanus area should be considered as the Primary catchment area and the Secondary catchment area should include Kleinmond and Betty's Bay as well as Stanford and Gansbaai, Caledon and parts of the Theewaterskloof area and the bulk of the L'agulhas district.



6. RETAIL CENSUS

All retail stores within the Overstrand area as well as Caledon, Napier and Bredasdorp were listed, and estimates made of their floor space, the allocation of space by major merchandise group, their overall business quality and the likely contribution of tourism and non-retail customers. No interviews were carried out, and the estimates were made by a senior Researcher with extensive experience in this field. Nonetheless, no claims are made as to the accuracy of individual measurements or ratings, and the information is intended as a broad guideline in the macro context.

6.1 Greater Study Area Retail

The total amount of retail space in the greater study area is close to 209,000m², of which some 9% is vacant. The bulk of the space is devoted to Consumer Services, followed by Other Retail Goods, then Food and Groceries. There is relatively little space devoted to Clothing and Footwear, and even less to Furniture and Appliances.

PRODUCT GROUP	Gross Sqm	Sales Rm	No of Stores
Food & Groceries	39 370	1 450	194
Clothing & Footwear	19 130	330	142
Furniture & Appliances	11 130	114	81
Other Retail Goods	54 050	630	411
Consumer Services	65 570	570	565
Vacant	19 470		114
Total	208 710	3 100	1507

Within the greater study area, Hermanus is by far the biggest town, 3 times bigger than the next contender at nearly 100,000 square metres. Hermanus accounts for 47% of the total retail space in the region