



2025 INFRASTRUCTURE REPORT



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

MAYOR'S FOREWORD



This is the third Infrastructure Report published by the City of Cape Town, and it remains one of the most important accountability tools of this administration. When we introduced this report in 2022, our intention was clear: to transparently track progress on the City's growing, record-breaking infrastructure portfolio, valued at R120 billion over a ten-year period, and to show residents how we are building the Cape Town of the future.

Cape Town is unique among South African cities. Our infrastructure investment dwarfs that of other metros, and we match this ambition with an unwavering commitment to transparency. This matters. Open reporting builds trust, sharpens decision-making, and

is essential if we are to future-proof our city against rising demand. As South Africa's fastest-growing metro, and soon its largest, with a population expected to exceed five million people, we cannot afford complacency.

Infrastructure is not an abstract concept. It is the foundation of dignity, opportunity and hope. It is how we ensure clean water, reliable sanitation and access to energy. Almost half of the spending in our Integrated Development Plan (IDP) is directed at these basic services, because this is where investment most directly improves people's lives. The condition of many other South African cities offers a stark warning of what happens when these investments are neglected. Cape Town has chosen a different path.

This report is published as we enter the final year of this five-year term of office. It therefore offers our most comprehensive opportunity to look back on what has been achieved, to measure ourselves honestly against our commitments, and to make any necessary adjustments to ensure we finish the term strongly. This task is made more challenging by growing financial pressure, as national government funding has not kept pace with Cape Town's rapid growth. That reality makes disciplined prioritisation and getting maximum value from every rand invested more important than ever.

This Infrastructure Report is more than an exercise in transparency, although it is certainly that. It is also a statement of intent – proof that Cape Town will not accept decline and decay as inevitable, and that we are deliberately shaping a city defined by ambition, resilience and care.

I thank Capetonians for their continued support as we work together to build a world-class city that is both caring and future-focused – a place of dignity and opportunity, and ultimately, a city of hope.

Geordin Hill-Lewis

CITY MANAGER'S FOREWORD



It is my privilege to present the City of Cape Town's 2025 Infrastructure Report. The report is a testament to the City's steadfast progress and our continued commitment to realising our vision of a city of hope for all.

During this term of office, 2022 to 2027, the City has committed R43 billion towards infrastructure investment. Of this, R19,5 billion has been directed toward providing and improving basic services - water, sanitation and energy, which underscores the City's commitment to getting the basics right and ensuring the dignity of all of our residents.

I would like to extend my sincere appreciation to staff across the organisation who make this scale of delivery possible, often under complex and challenging conditions. The progress reflected in this report is a testament to your professionalism, resilience and dedication to serving our residents.

We acknowledge that it was not all plain sailing. However, the challenges, obstacles and difficulties allowed us to grow as a City and the lessons learnt is informing our future endeavours.

Developing long-range infrastructure plans is essential for any well-functioning municipality. Equally important is ensuring these plans remain fit-for-purpose and aligned to Cape Town's current and future needs. The analysis in this report helps us identify demand drivers, backlogs, changing circumstances and risk, while also highlighting opportunities for greater efficiency and collaboration at implementation level. We are committed to continual improvement so that service delivery and infrastructure provision can accelerate as key enablers of inclusive economic growth.

This year's work also deepens our focus on resilience, and we will be taking an area-based approach. Through enabling policy reform,

particularly in support of small-scale rental units (SSRUs), we are expanding location-based assessments to inform future planning and investment, and we are strengthening our resolve to climate resilience, ensuring that our portfolio increasingly prepares the City to respond to shocks such as drought, flooding, heat and coastline risks.

Our infrastructure pipeline is therefore not only about sustaining today's municipal services. The City is also preparing for tomorrow's uncertainties and transitioning from reactive maintenance to strategic, long-term investment.

The report it also highlights the difficult choices ahead. Funding constraints, climate risks and population growth will require careful prioritisation and innovative partnerships.

However, the City's message is clear: we are building with intent. The City's future will be shaped by the infrastructure decisions we make today, and this report shows that we are planning boldly, investing responsibly, and building sustainably for generations to come.

A handwritten signature in black ink, appearing to read 'Lungelo Mbandazayo'.

Lungelo Mbandazayo

WHAT IS INCLUDED IN THE 2025 INFRASTRUCTURE REPORT?

SECTION 1

The report reviews the 2022-2032 infrastructure portfolio and to provide updates and progress on spend, as well as providing a frame to reflect on the portfolio in terms of the current IDP term of office.

SECTION 2

This provides a detailed update on the bulk infrastructure pipeline per sector, including the newly introduced sectors of Coastal Infrastructure and Stormwater.

SECTION 3

This year's thematic section focuses on the work undertaken in the SSRU space, and how the City is embracing this new housing typology. An update on the climate resilience of the portfolio is also provided.

FINAL REMARKS

Where is Cape Town heading, and what still needs to be done? The report reflects on both progress so far and the challenge that lies ahead.



INTRODUCTION

The City's 2025 Infrastructure Report is the third report of its kind, continuing the momentum established by the inaugural 2022 report, which provided a view of the City's infrastructure portfolio then valued at R120 billion.

Together, these reports track progress across the growing infrastructure portfolio, providing a clear picture of how investments are shaping Cape Town's future.

This report highlights how capital investments have shifted from 2023 to 2025, aligning with City priorities and long-term planning. For each sector, it provides details on the priority capital investments, what these projects are, and how these projects contribute to sustained long-term service delivery for Cape Town.

A coastal scene featuring a white, multi-story building on the left, a wooden boardwalk with a swimming pool in the foreground, and waves crashing against a concrete pier. The sky is blue with light clouds.

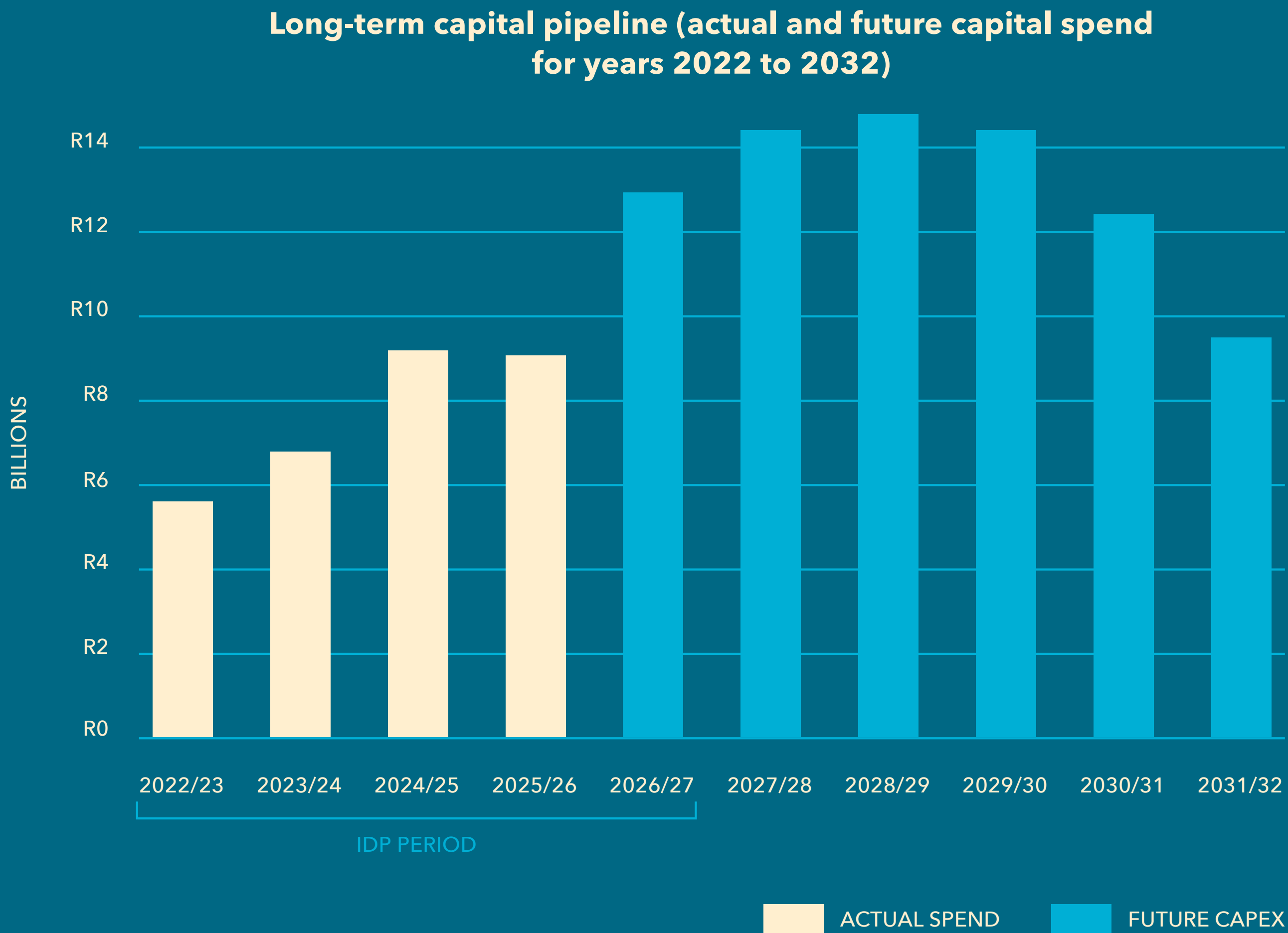
IDP 2022-2027

MIDWAY REVIEW ON PROGRESS

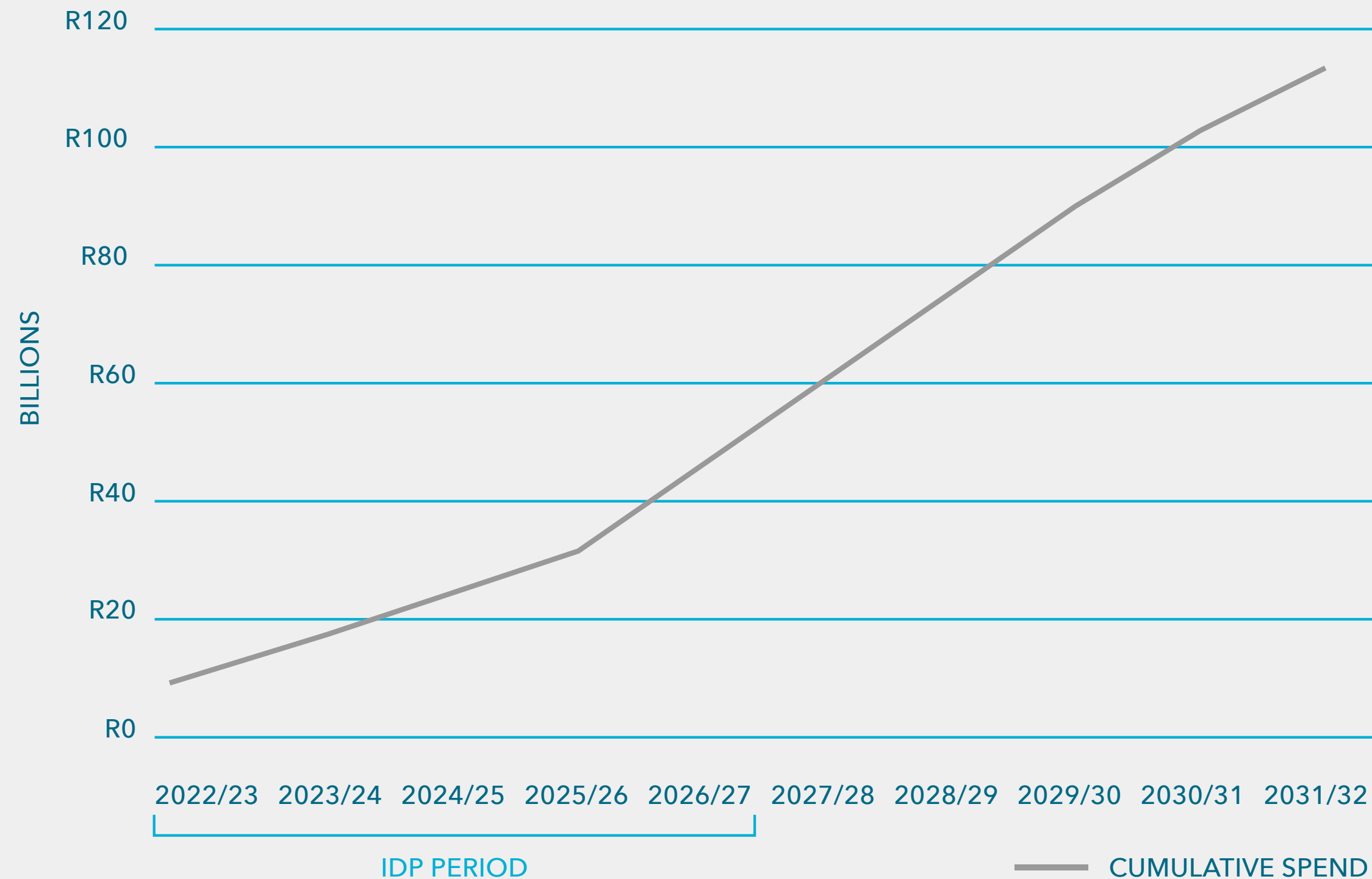
OVERVIEW OF THE LONG-TERM INFRASTRUCTURE PORTFOLIO

The IDP articulates the City’s long-term vision, strategic priorities, term of office programmes and projects, which are reflected through its long-term capital pipeline.

This 2025 Infrastructure Report demonstrates the progress to date made on these commitments in the 2022-2027 IDP. Being an infrastructure report, the focus is on the capital expenditure allocated to the infrastructure portfolio, as an enabler of the IDP vision and strategic priorities.



**Cumulative capital spend per year (actual and future)
for 2022 to 2032**



Growth in the overall pipeline from 2026/27 to 2031/32 highlights the emphasis being placed on outer years, and sectors planning for their needs. Comprehensive needs must be clearly articulated for long-term planning, with affordability as the final consideration when implementing projects.

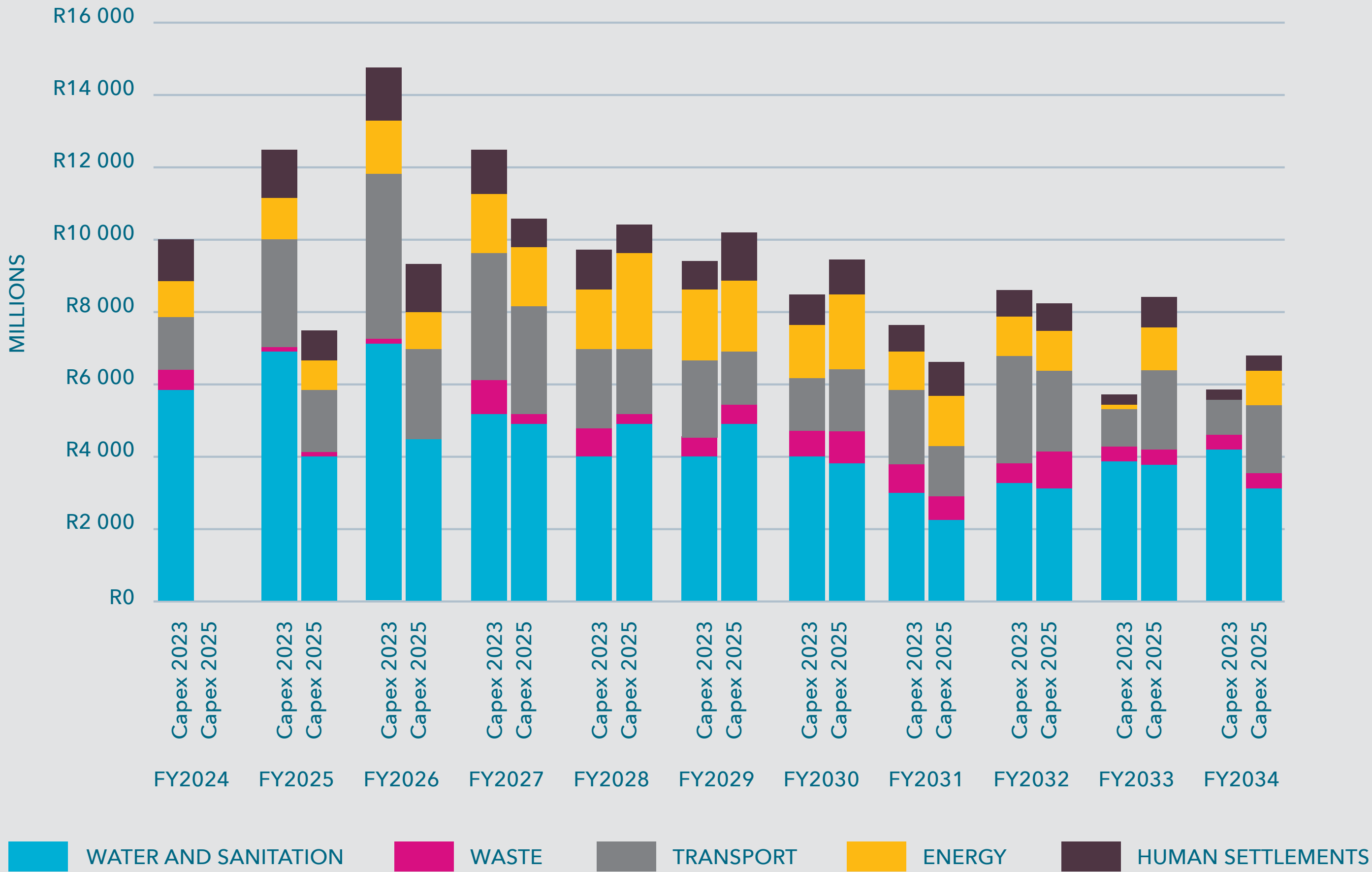
- The current IDP represents 36% of the City’s targeted R120 billion capital portfolio commitment for the 10-year period 2022 to 2032.
- Actual spend for 2022/23 to 2025/26 to date is R31 billion, which is approximately 26% of the total ten-year pipeline. This has been spent over four of the 10 years, suggesting that spending is behind.
- Project preparation and capital spend will need to be ramped up for the remainder of the period if the R120 billion, 10-year target is to be achieved.

AN INFRASTRUCTURE PORTFOLIO THAT IS DYNAMIC AND EXTENDS TO 2035

It is important to note that this is not a static pipeline, but it is dynamic and is constantly being reviewed for suitability and affordability. While the R120 billion portfolio was the anticipated requirement for the City over a 10-year period, this planning period is not fixed, as infrastructure project pipelines are for a rolling 10 to 15 year period. Expansion and adjustment to the pipeline are continuous, responding to projected need, not anticipated budget availability (i.e. affordability).

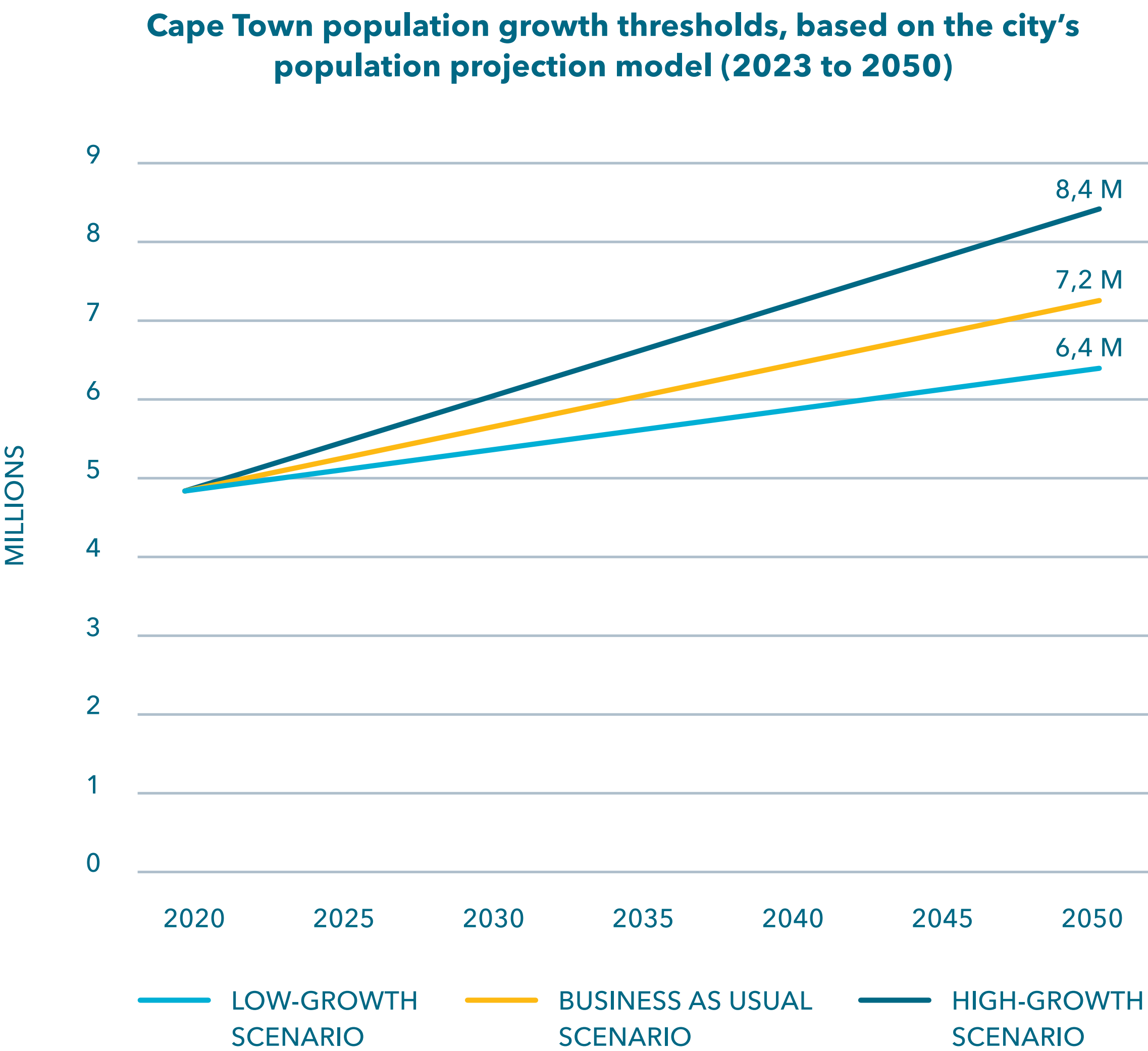
This snapshot of the full portfolio demonstrates how the pipeline has grown since the last Infrastructure Report in 2023 - Capex comparisons between 2023 and 2025 show improved investment in project preparation, and a concerted effort to establish a true needs-based future pipeline.

Full portfolio snapshot reveals growth since the 2023 Infrastructure Report



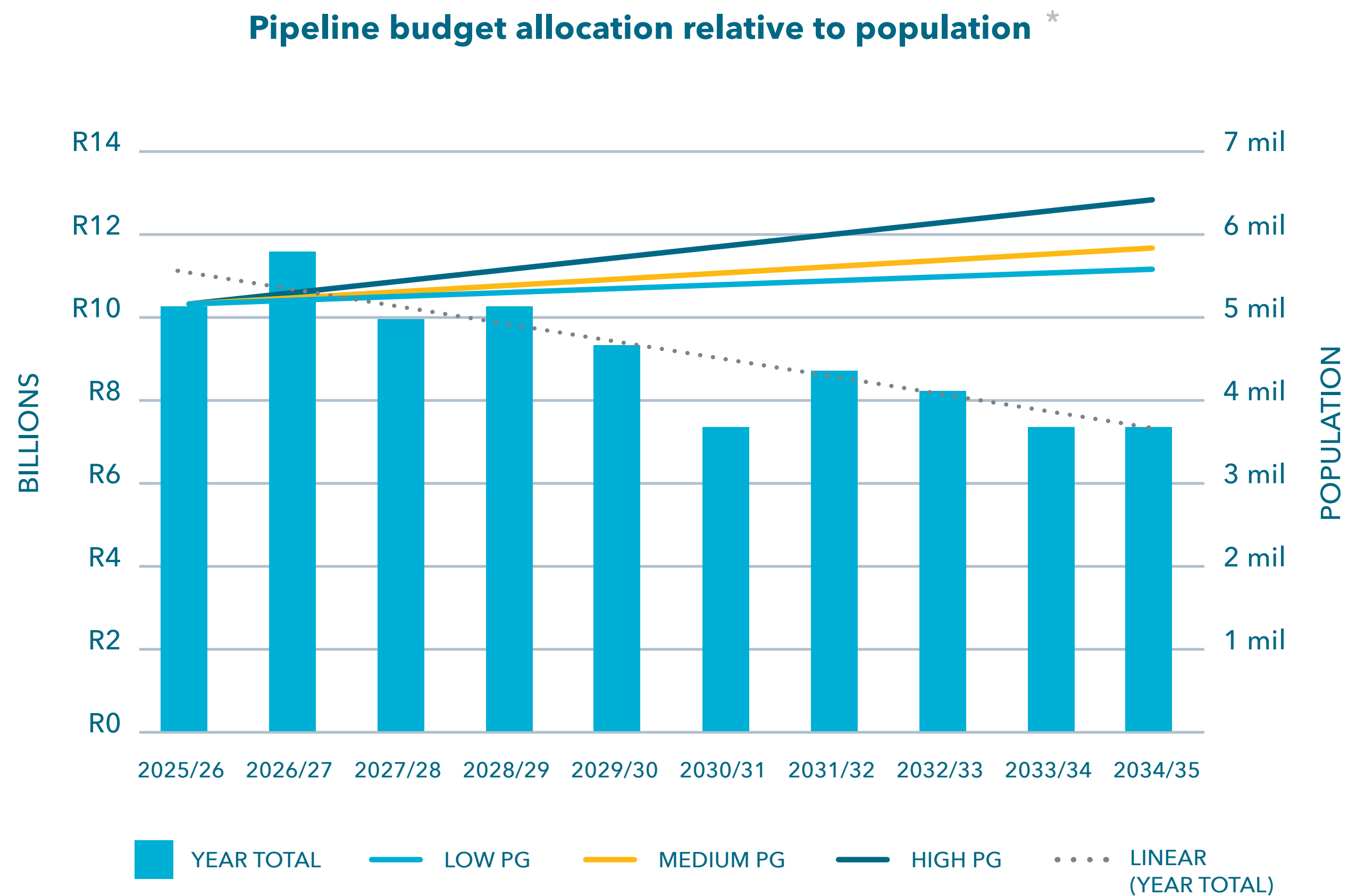
CAPITAL PIPELINE INVESTMENT AND POPULATION GROWTH

- Cape Town’s population will continue to grow, though at a slowing rate (about 1,8% in 2028 declining to 1,4% by 2036).
- Investment in Cape Town’s infrastructure must keep up with and meet population growth demands.



CAPITAL PIPELINE INVESTMENT AND POPULATION GROWTH

- The graph compares infrastructure budget allocations (left axis) with population growth (PG) (right axis).
- It highlights declining budgets alongside continued population growth.
- The comparison prompts a review of whether long-term planning aligns with actual future needs.
- The graph demonstrates the imperative to plan for the future and invest in infrastructure pipelines that have the capacity to carry future population demand.



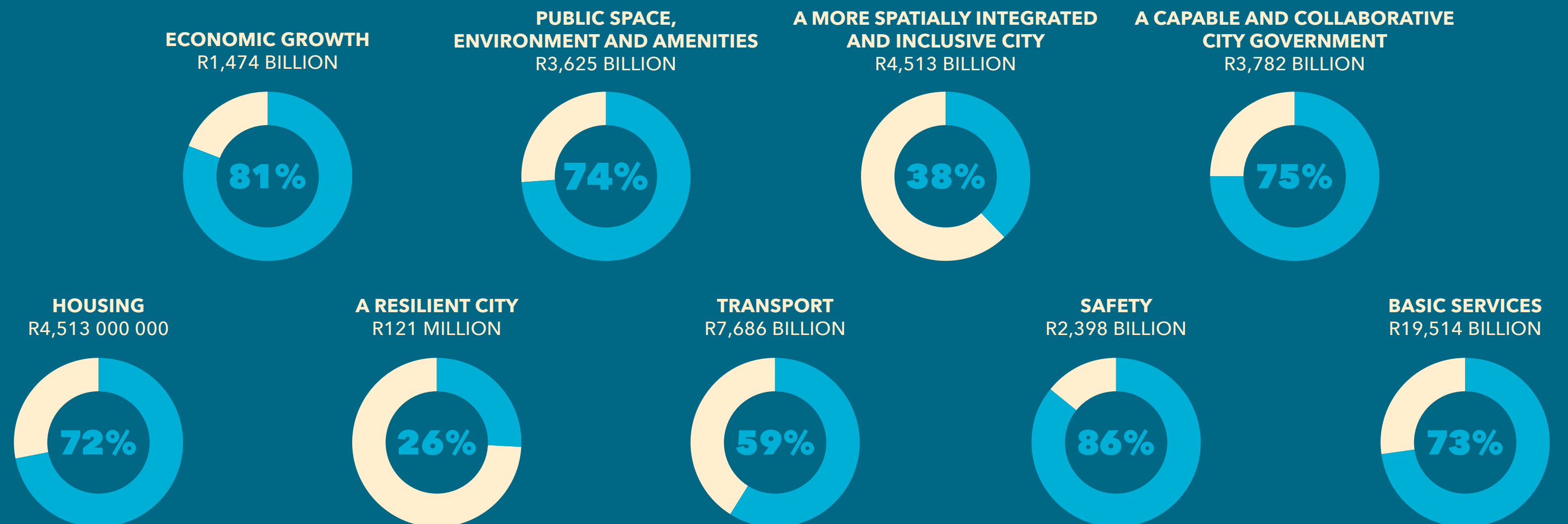
* All projected budget values (which are in nominal prices) have been converted to real values, deflating future estimates by using the Bureau of Economic Research's forecasted PPI inflation rates

2022-2027 IDP INFRASTRUCTURE SPEND AND PROGRESS TO DATE

Under the current administration, R30,5 billion of the total R43 billion IDP capital commitment has been invested at the halfway mark of the current IDP (2022-2027) - representing a 71% delivery rate. Infrastructure investment is driving service delivery, economic growth and employment across Cape Town's priority sectors.

CITY OF HOPE R43,223 BILLION

The infrastructure-related pillars represent 82% of the total IDP budget. Individual progress is provided per pillar as a percentage - Basic Services (73%), Transport (59%) and Housing (72%) are driving the capital expenditure and delivering on the original IDP commitments.



Capital allocations (commitments) per IDP pillar, totalling R43,2 billion over the five years

■ SPENT ■ UNSPENT

DELIVERING ON INFRASTRUCTURE COMMITMENTS

When reviewing expenditure per pillar, it is clear that the focus of the IDP capital programme has been on delivering basic services, followed by investment in transport, housing and public space and amenities.

Proportional allocations per pillar
of the R43 billion IDP capital budget



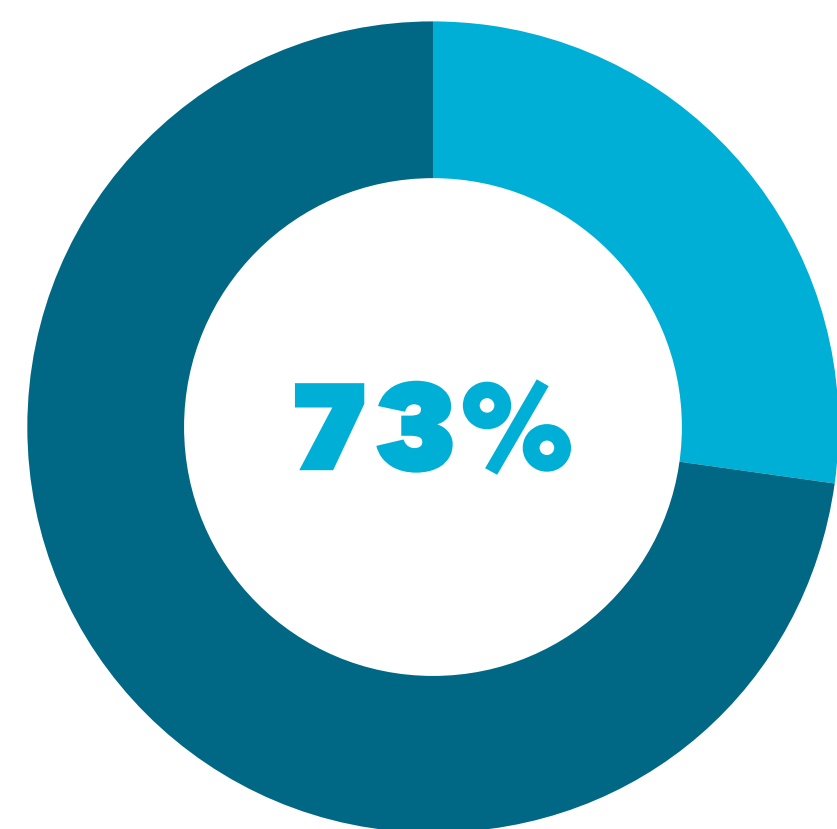
Basic services	45%
Safety	6%
Housing	11%
Public space, environment and amenities	8%
Transport	18%
A capable and collaborative city government	9%
Economic growth	3%

Expenditure across IDP categories:

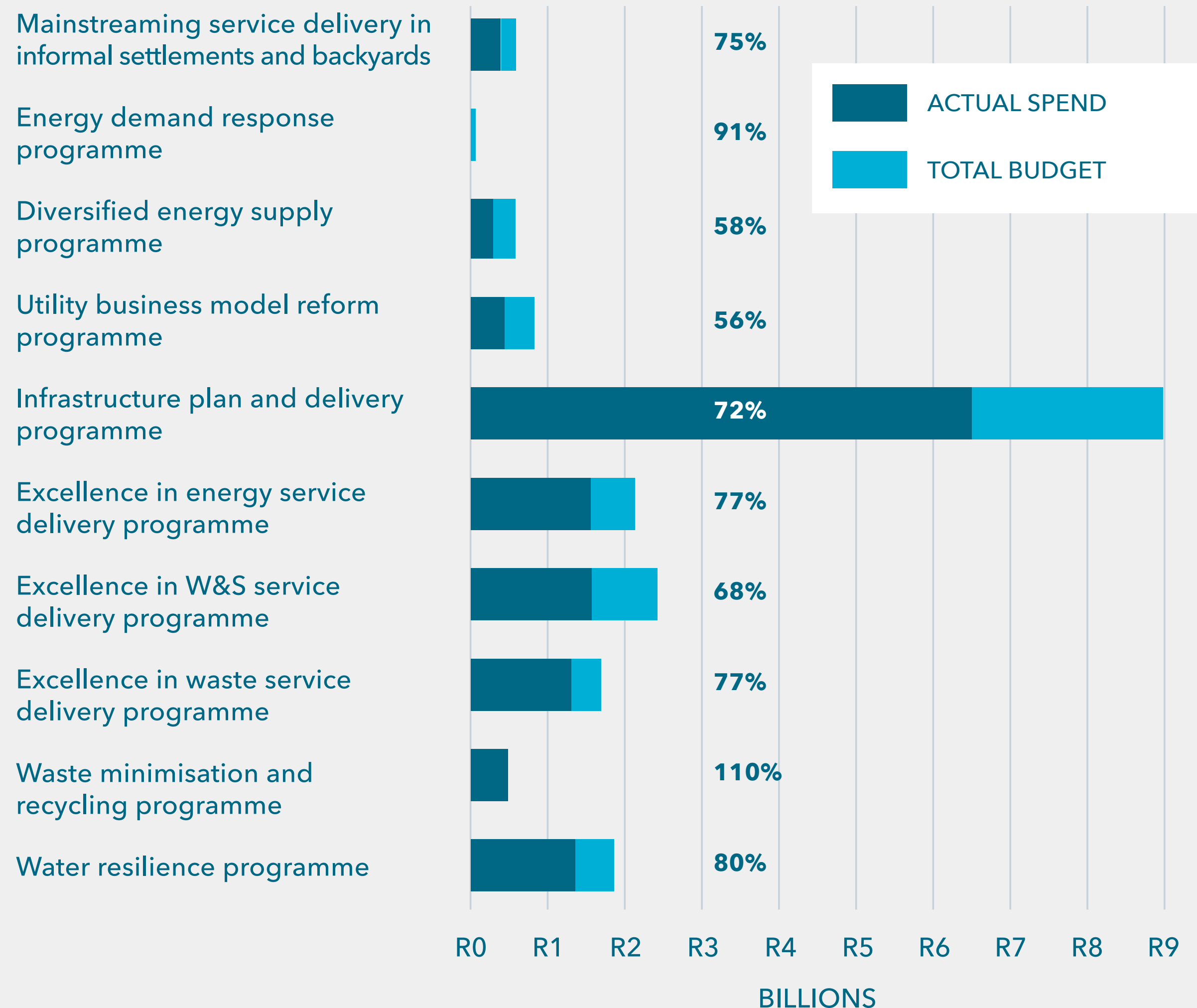
- 45% directed to Basic Services (water, sanitation, energy)
- 18% Transport, 11% Housing, 8% Public Space and Amenities
- Capital allocations reflect pro-poor, service-driven priorities

MID-TERM PROGRESS BASIC SERVICES

R19,5 BILLION
total budget



actual spend



The City's Annual Report has been used to extract this data, covering a three-year period from the 2022/23 to 2024/25 financial years.



2 286
new taps installed



17 371
new toilets installed



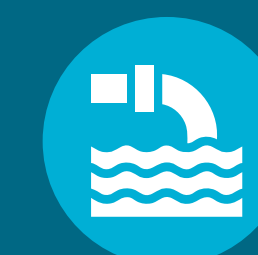
4 776
subsidised connections



12 800+
approved grid-tied
SSEG installations



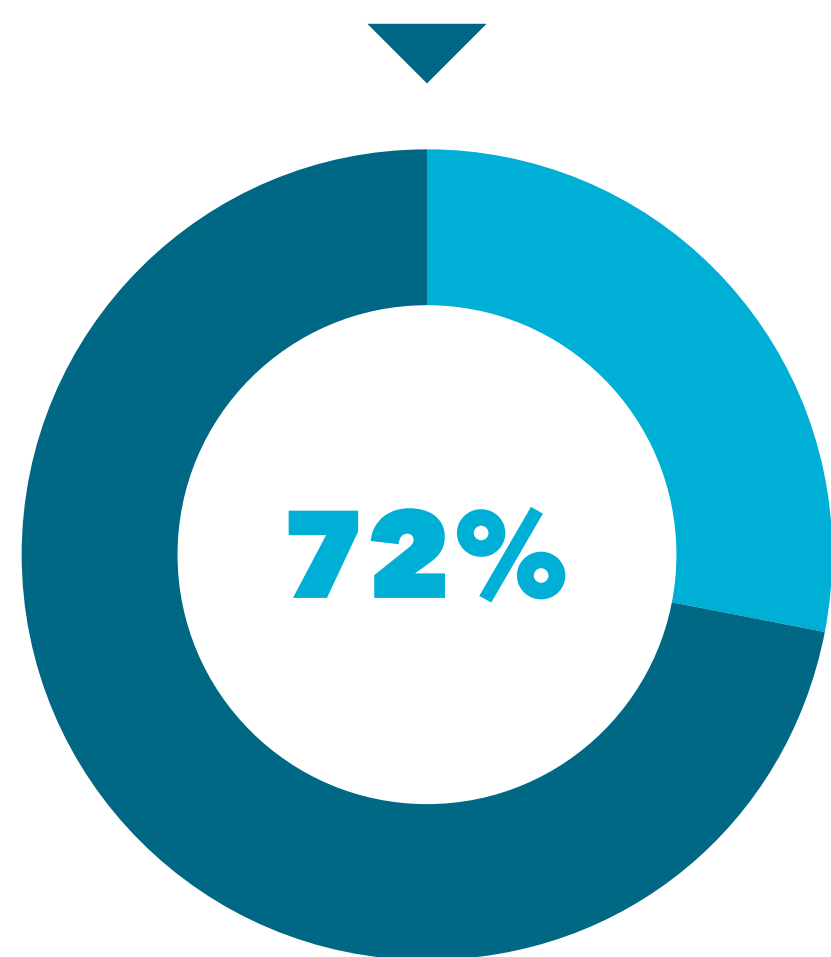
189 km
of water pipes
replaced



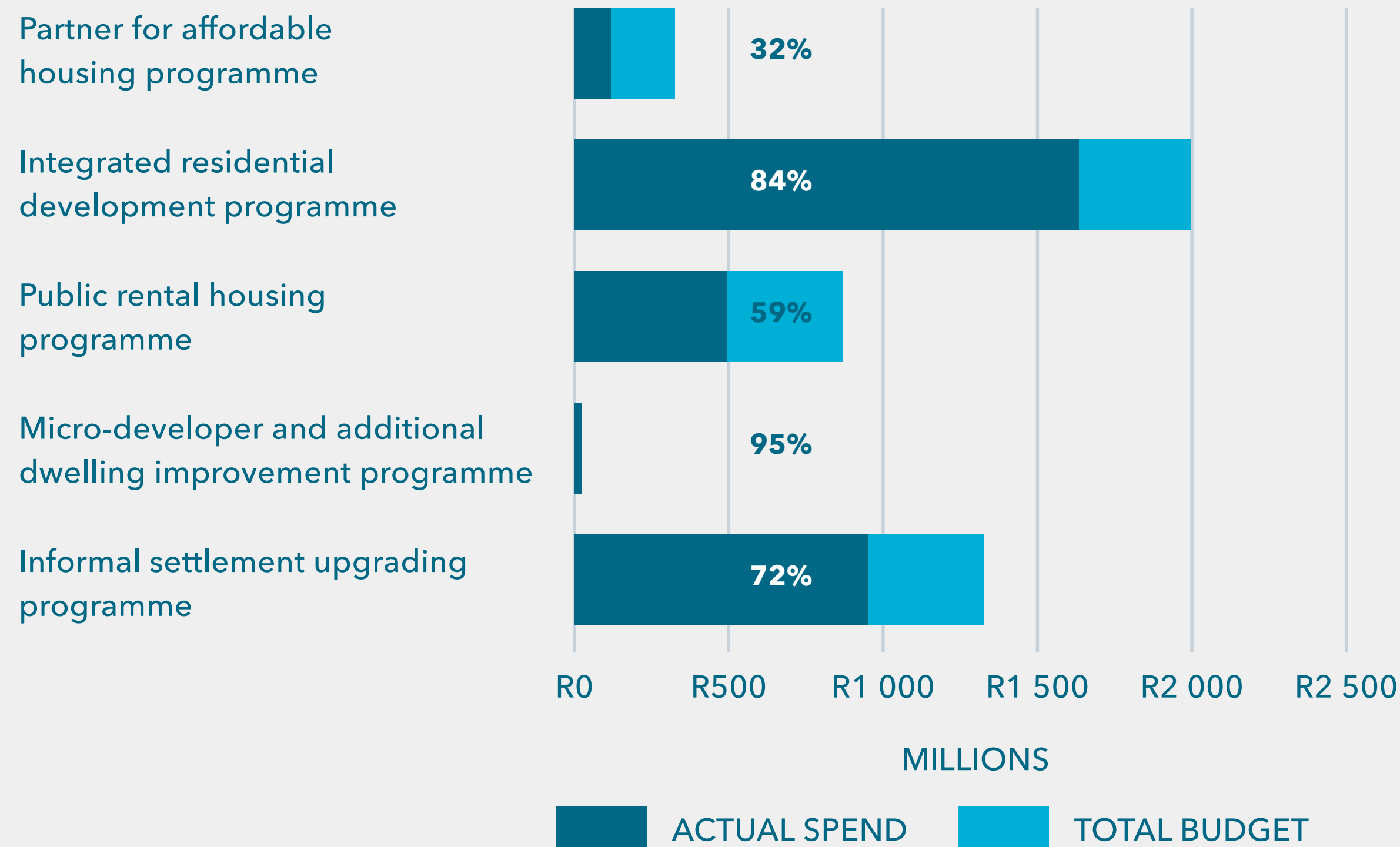
333 km
of sewer pipes
replaced

MID-TERM PROGRESS HOUSING

▼
R4,5 BILLION
total budget



actual spend



The City’s Annual Report has been used to extract this data, covering a three-year period from the 2022/23 to 2024/25 financial years.

 **238 HA**
of land acquired for human settlements

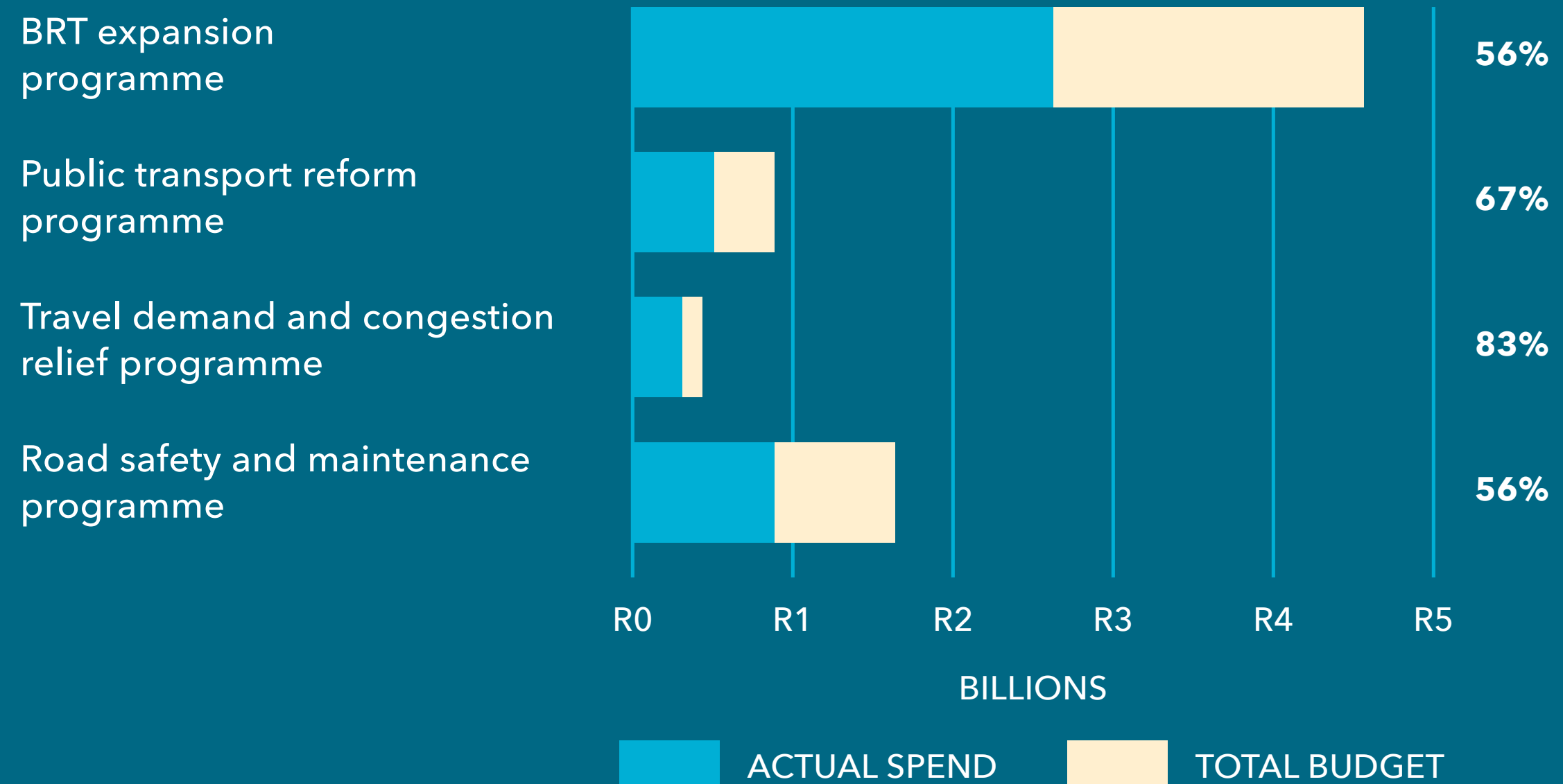
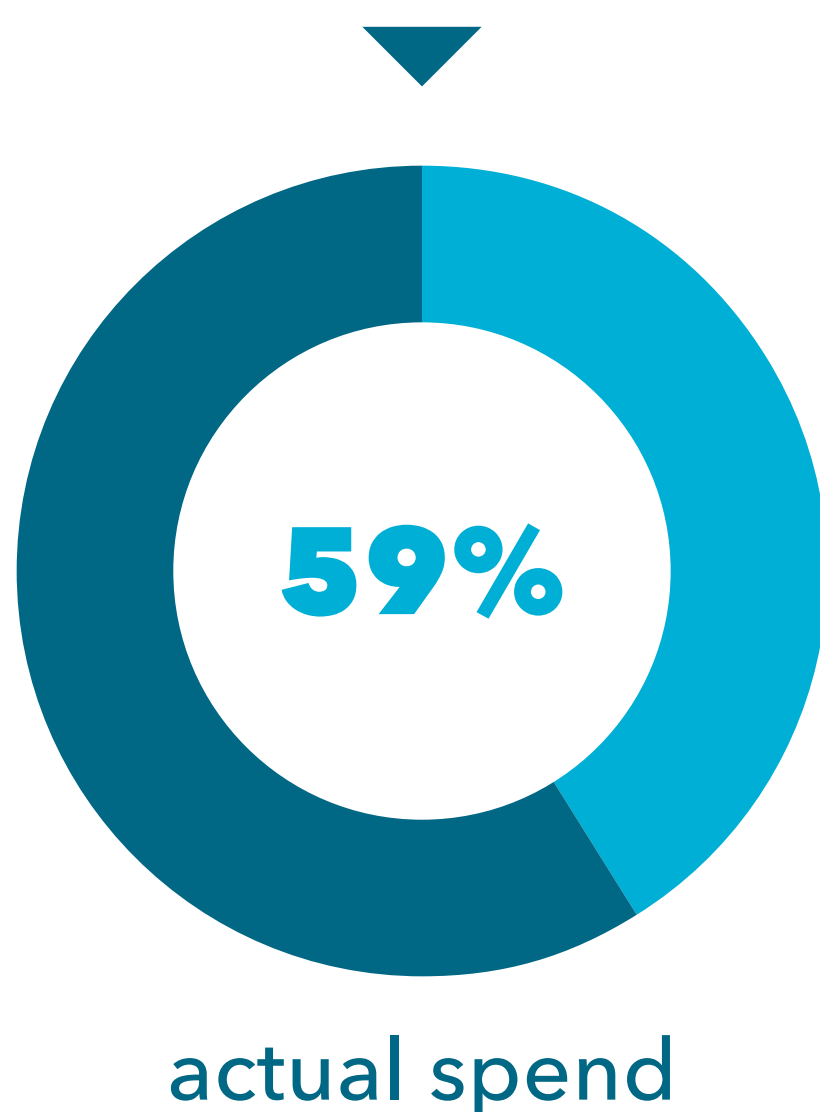
 **9 451**
title deeds registered to beneficiaries

 **5 975**
top structures provided

 **2 999**
informal settlement sites serviced

MID-TERM PROGRESS TRANSPORT

▼
R7,7 BILLION
total budget



The City's Annual Report has been used to extract this data, covering a three-year period from the 2022/23 to 2024/25 financial years.


R5,2 bn
public transport investments

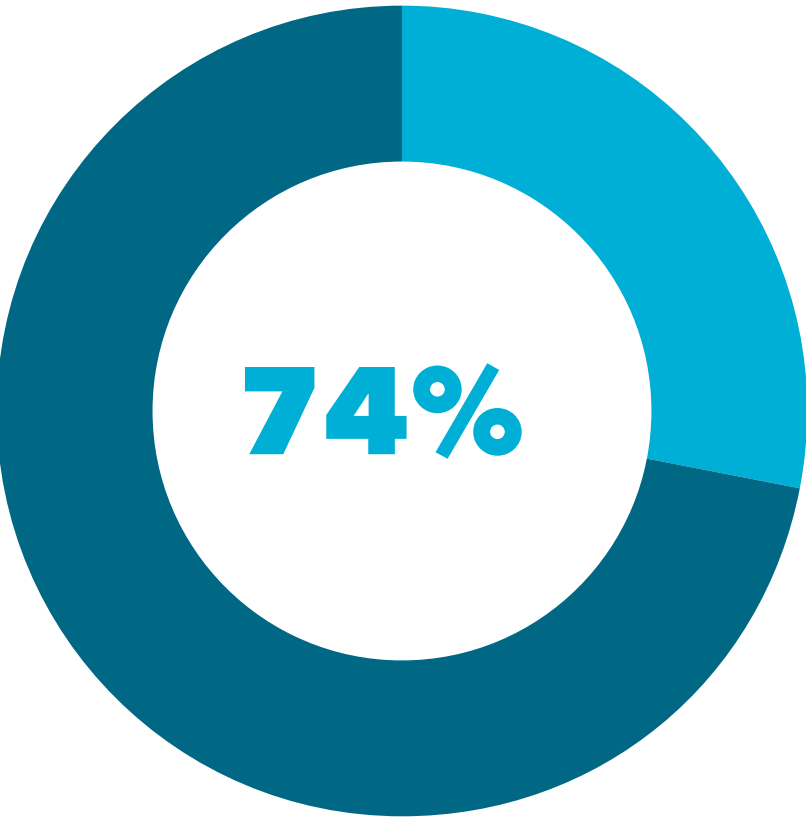

49
data collection stations installed to support real-time traffic signal management and reduce peak-period congestion


440 km
of roads resurfaced, rehabilitated or resealed

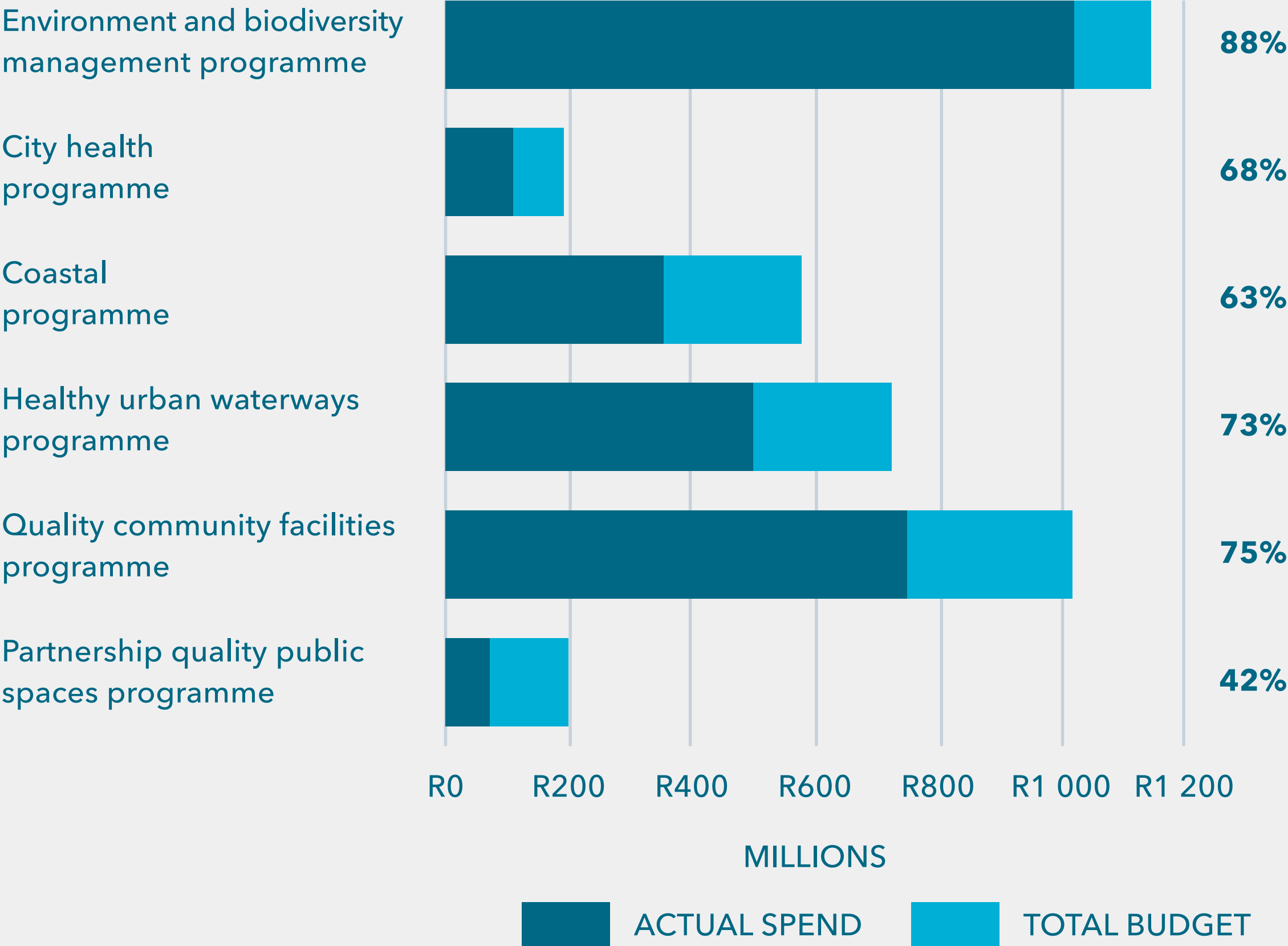


MID-TERM
PROGRESS
PUBLIC SPACE,
ENVIRONMENT
AND AMENITIES

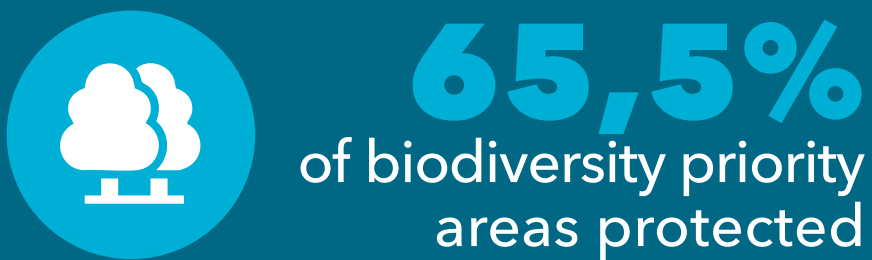
R3,6 BILLION
total budget



actual spend



The City's Annual Report has been used to extract this data, covering a three-year period from the 2022/23 to 2024/25 financial years.



QUANTIFYING THE ECONOMIC IMPACT OF INFRASTRUCTURE INVESTMENT

Given the size of City’s infrastructure portfolio, it is useful to estimate the economic impact that this investment will have on the Cape Town economy. Using the City’s Macroeconomic Impact Assessment Model (MEIAM) and the projected infrastructure investment for the IDP period, significant direct and indirect benefits can be projected.

Infrastructure investment projected GDP impact

R16,9BN

Projected to support

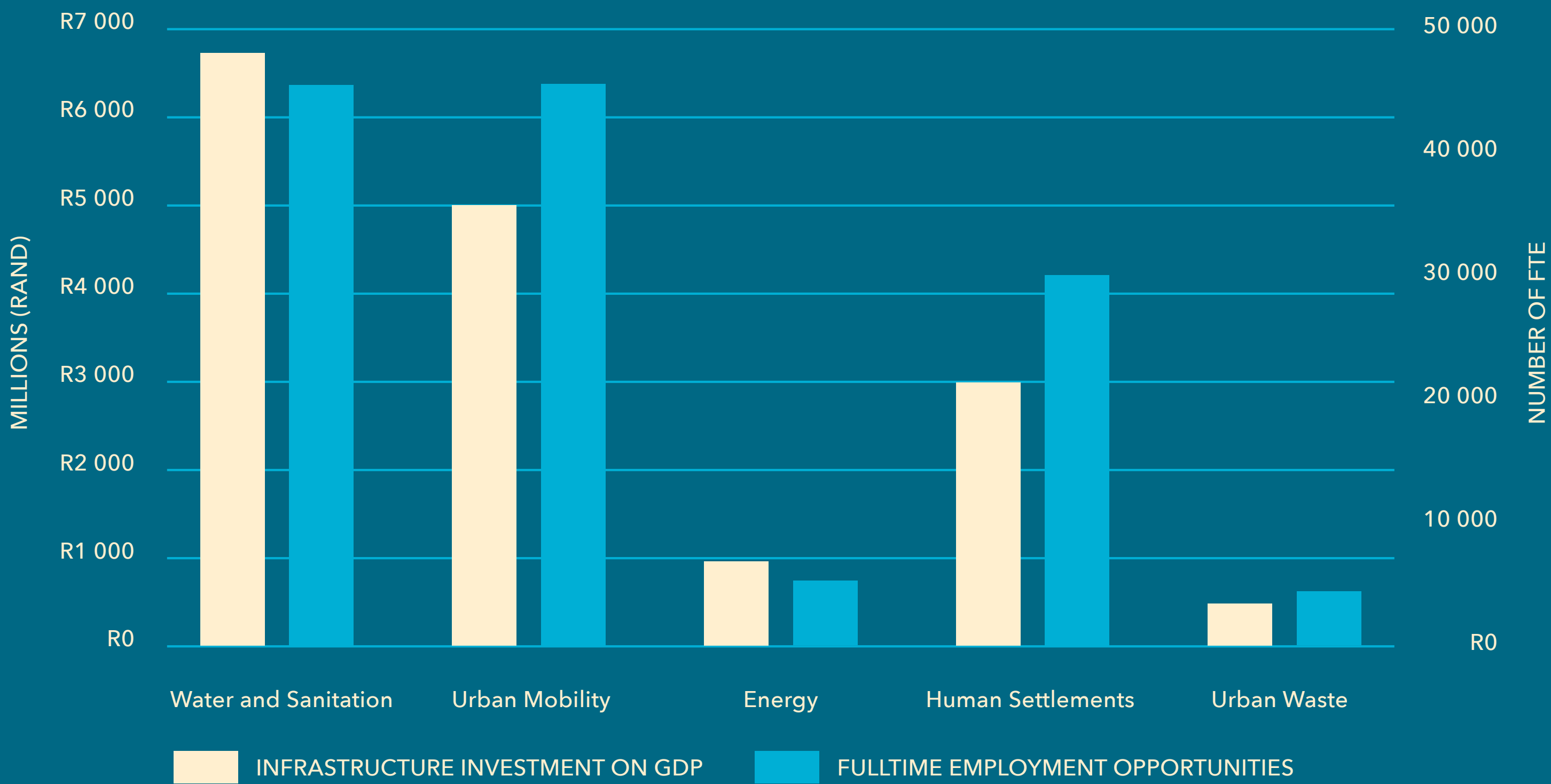
127 000 FTE* JOBS

Highest multipliers

WATER AND SANITATION, ENERGY AND URBAN MOBILITY

* Full-time employment

Projected economic impacts of infrastructure investment on GDP and fulltime employment opportunities over the 2022-2027 IDP



A high-angle photograph of a construction site for a bulk infrastructure project. In the foreground, a worker wearing a blue hard hat, a high-visibility orange and yellow vest, and blue pants walks across a gravel-covered area. The worker is carrying a long, thin object, possibly a rebar. To the right of the worker, there is a large, rectangular concrete structure, possibly a manhole or a section of a pipeline, which is surrounded by wooden formwork and metal scaffolding. Numerous steel reinforcement bars (rebar) are visible, some lying on the ground and others embedded in concrete structures. In the background, a paved road with white lane markings runs diagonally across the frame. A yellow and black striped traffic sign is visible on the right side of the road. The overall scene depicts an active construction site for a large-scale infrastructure project.

BULK INFRASTRUCTURE PROJECT PIPELINE

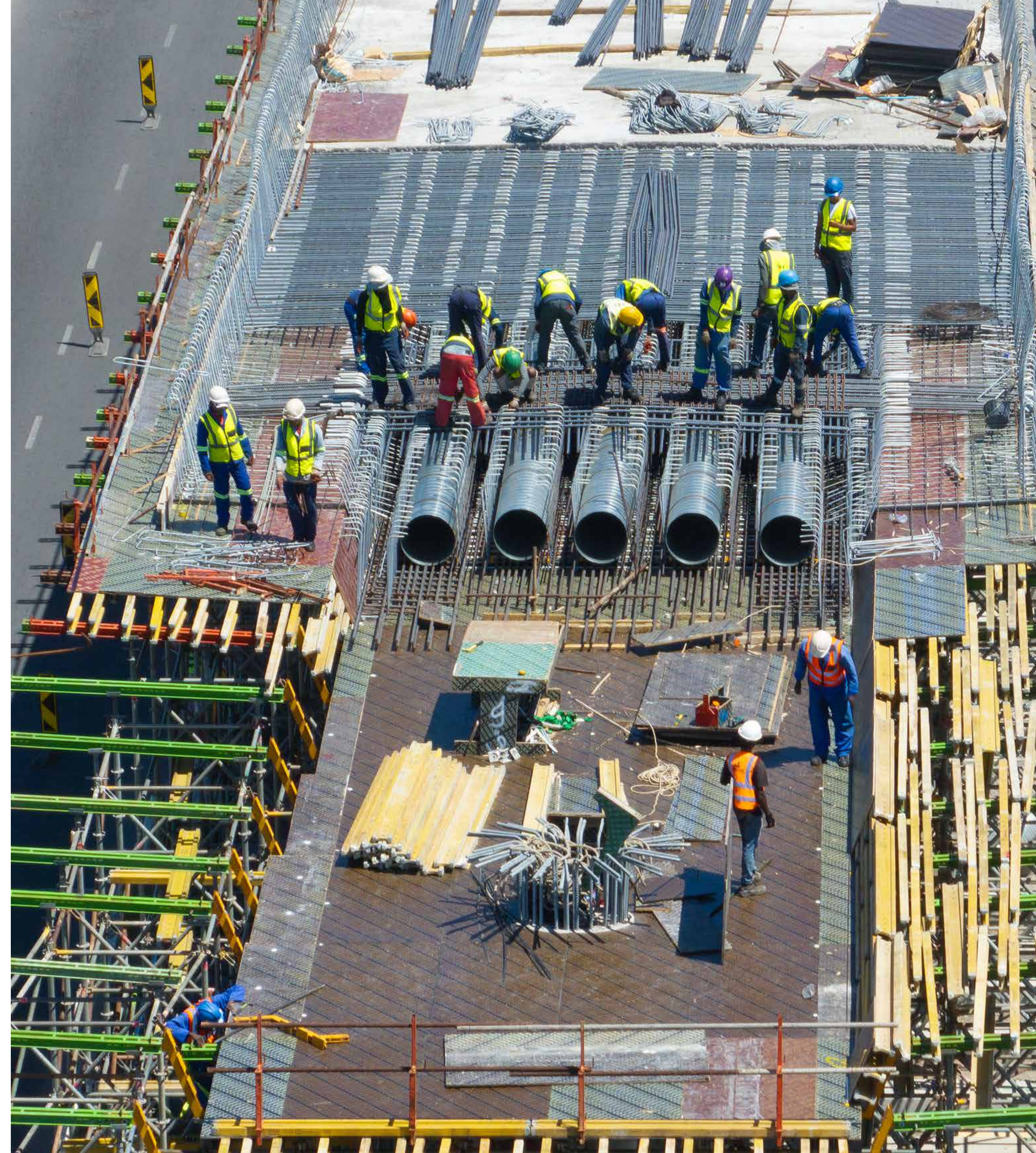
STATUS UPDATE

Following the approach of previous reports, this section focuses on the City's bulk infrastructure across the five infrastructure sectors - Energy, Urban Waste Management, Water and Sanitation, Human Settlements and Urban Mobility. It assesses the performance of critical projects and introduces new areas of analysis, including:

- The Water and Sanitation reticulation network, viewed through the Pipe Replacement Programme
- The introduction of the Coastal Infrastructure Programme
- Consolidating stormwater infrastructure as an independent sector

THIS SECTION SEEKS TO ANSWER KEY QUESTIONS:

1. Is the sector on track to deliver priority projects in the pipeline?
2. Are there any new developments or emerging risks in the City's infrastructure pipeline?
3. Do the outer-year plans of the capital portfolio adequately meet the City's future needs?



SAMPLE OF SIGNIFICANT PROJECTS



MyCiTi Sky Circle (completion in December 2026)

A key element of the MyCiTi phase 2 project, at the intersection of Govan Mbeki Road and Jan Smuts Drive.

The elevated circle facilitates grade separation between the bus routes and regular traffic, enabling dedicated bus mobility.



Coastal Park Landfill Waste to Energy (completed)

Conversion of landfill gas to power, which will generate sufficient electricity for 4 300 homes.

The plant will also generate carbon credit revenue to be used in waste infrastructure development.



Atlantis Solar PV Plant (completed)

A flagship project, being the first City-run solar PV plant in South Africa.

The facility will generate 7 - 10MW, directly injected into the grid.

HOW DOES THE CITY PLAN INFRASTRUCTURE PROJECTS?

Long-term infrastructure planning efforts are enabled by best available information and evidence based on data projections, which are then translated into actual planning practice. This approach accounts for key inputs such as future population, future density, and existing infrastructure backlogs and risks.

Assumptions, population projections, policy, demand analyses, risk assessments, backlogs

What can be seen in this Infrastructure Report is the product of the sector plans, reflected in the project pipelines, which is a component of the capital planning environment.

LAND USE MODEL (LUM)

Indicates potential densities and development patterns across the city, informed by and informing spatial policy



MASTER PLANS

Engineering plans for a 20-year horizon based on modelling of the LUM



SECTOR PLANS

Reflect the strategic planning for project pipelines, responding to different time horizons per sector



PROJECT PORTFOLIO MANAGEMENT

Establish projects as rationalised and prioritised by each sector plan



DRAFT BUDGET

Prioritised projects within the capital portfolio which pass the approval process are put forward for budget

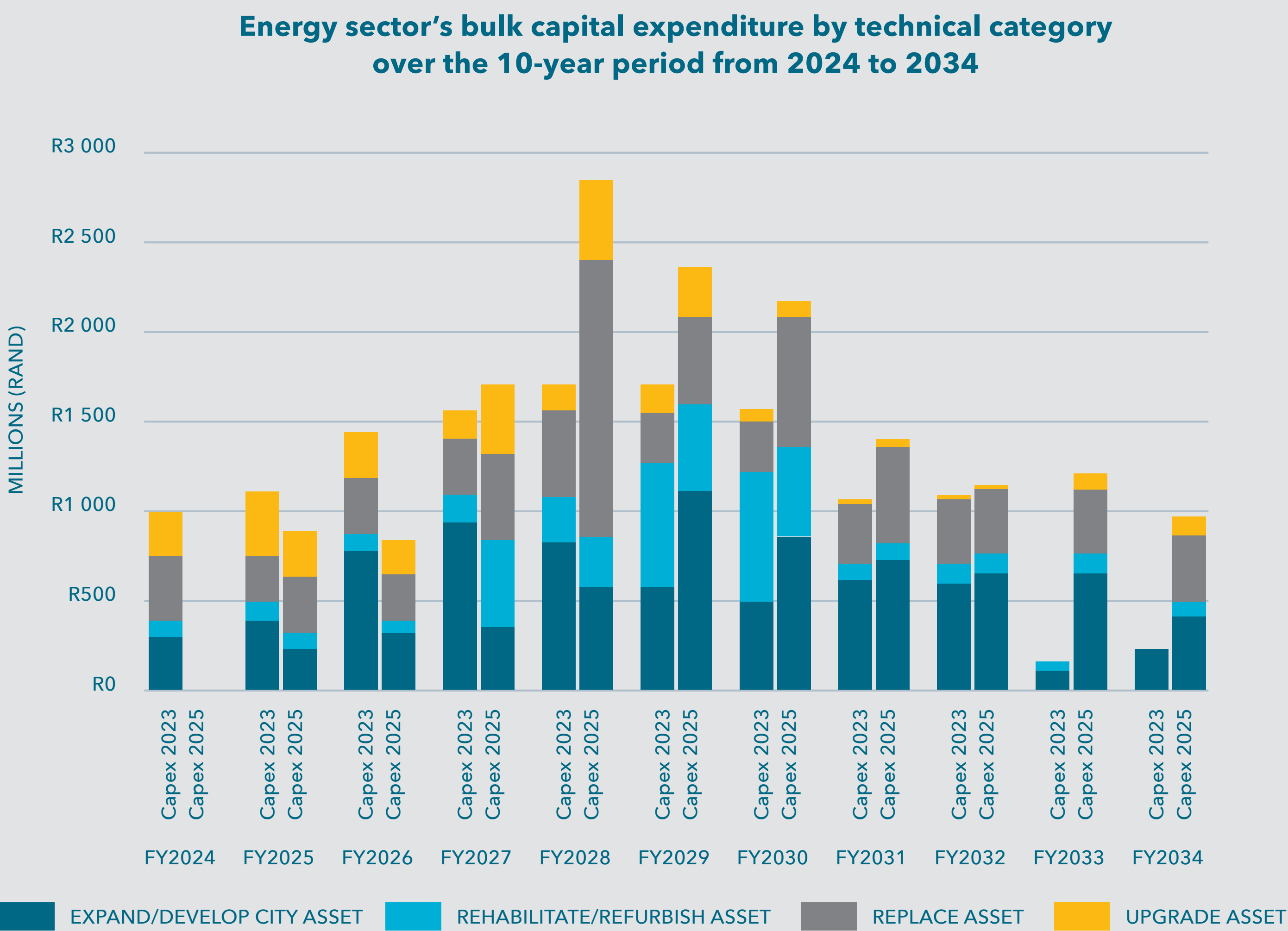
ENERGY



Since 2023, Energy has continued its increase in capital expenditure planned in the outer years of the 10-year portfolio. The growth is largely driven by a mix of new generation projects, grid refurbishment and expansion and targeted investment in innovative technologies, such as battery energy storage and distributed energy resource management systems.

Since the 2023 report, the following trends have remained consistent:

- Most of the capital expenditure remains committed to the **expansion and development of City assets**.
- **Rehabilitation** and refurbishment of assets **increases** over the next 10 years, peaking in 2030.
- The peak in FY2028 (asset replacement) is for open-cycle gas turbines (OCGT) amounting to approximately R1,54 billion, which is being considered for alternative financing arrangements.



IMPLEMENTING THE STRATEGY THROUGH INVESTMENT

This capital pipeline reflects the three-time horizons of the City’s Energy strategy, with the following projects contributing to the three horizons:

2026

OCGT refurbishments and City-initiated embedded generation (Atlantis PV).

2031

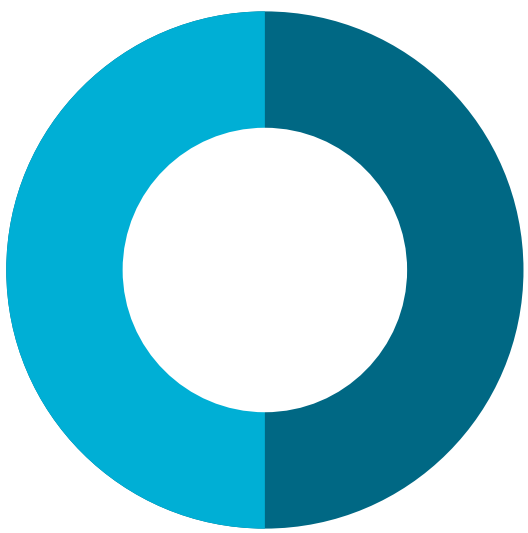
Asset rehabilitation and refurbishment including, Steenbras upgrades as well as network capability for wheeling.

2050

IPP facilitation and continued localised embedded renewables generation with grid investments.



SHORT TERM (BY 2026) Increase capabilities to mitigate up to four stages of load-shedding. Although load-shedding has reduced over the past year, it is necessary to prioritise interventions and investments that will directly contribute to stabilising electricity supply in the short term.



MEDIUM TERM (BY 2031) Reforms implemented to maintain a modernised and financially sustainable electricity utility. In the medium term, a modernised and financially resilient electricity utility is critical to ensure the long term financial sustainability of core utility services, such as network service provision and the continued provision of the energy social package to economically vulnerable households.

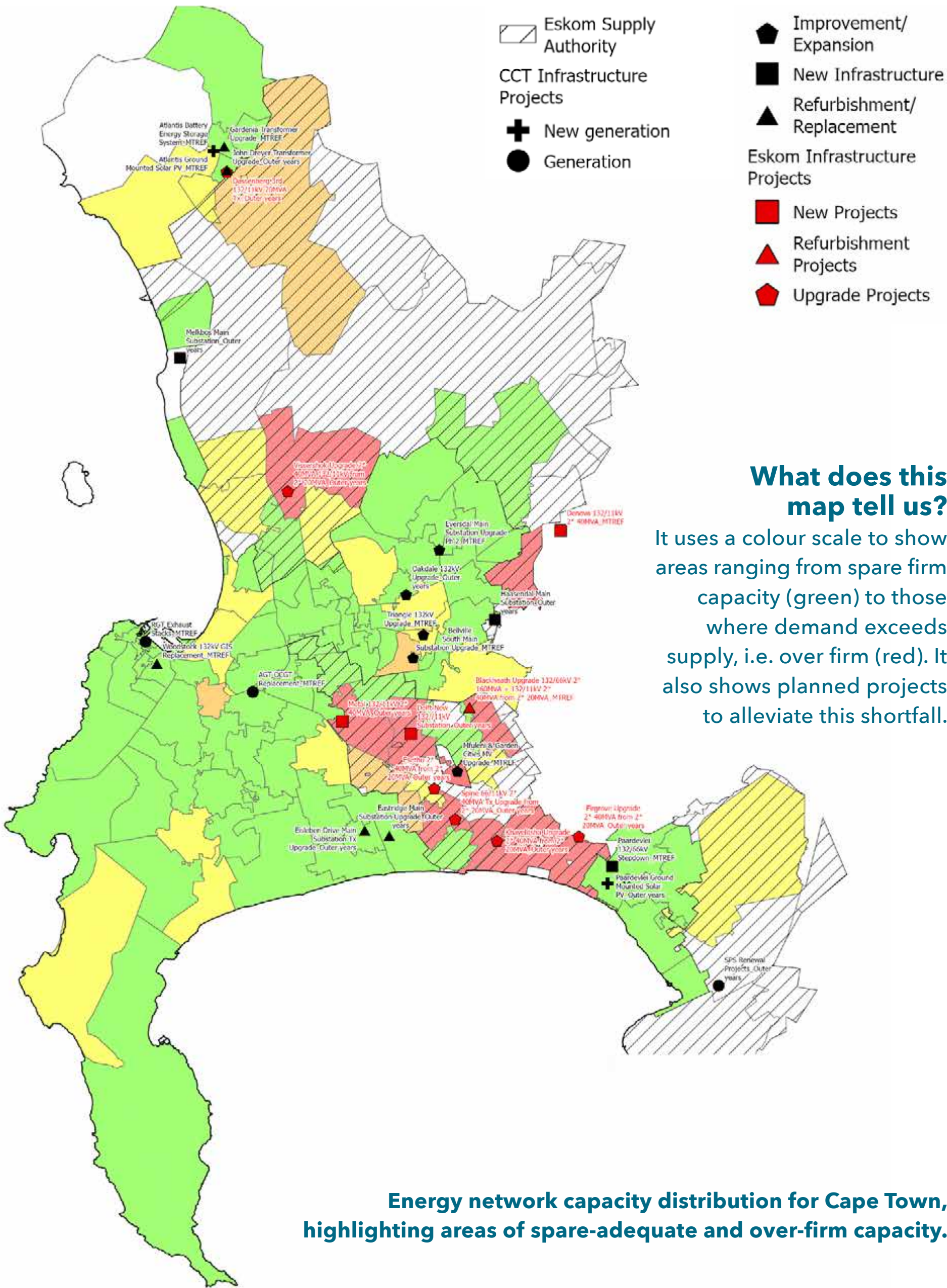


LONG TERM (BY 2050) Transforming the energy system to be carbon neutral. In line with global national, and local climate commitments for carbon neutrality by 2050. As a major contributor to greenhouse gas production, it is critical that the carbon intensity of the energy system is reduced. This not only speaks to the sources of energy used, but also to ensuring that the systems and value chains are in place to support a carbon neutral energy system.

CURRENT EXPECTED COMPLETION PERIOD	MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK			OUTER YEARS						
	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35

ELECTRICITY FIRM CAPACITY		
LEGEND COLOUR	DEFINITION	CAPACITY STATUS
GREEN	Electrical peak demand in 2024 was less than 70% of firm network capacity	Spare-firm capacity
YELLOW	Electrical peak demand in 2024 was less than 70% and 90% firm network capacity	Adequate-firm capacity
ORANGE	Electrical peak demand in 2024 was between 90% and 100% of firm network capacity	Risk of firm capacity being exceeded in the short to medium term
RED	Electrical peak demand in 2024 was over 100% of firm network capacity	Over-firm capacity
WHITE	The network is only designed for the normal system (N-0) condition. During a single system component failure electricity will be interrupted to the load supplied	Non-firm capacity

Source:
 Electricity Department: catchment areas and capacity (capacity as at 2024).
 Key infrastructure projects (SAP PPM and Eskom).



CAPACITY AND CAPITAL PROJECTS

Since the 2023 report:

- Inroads in responding to Belville, identified as overfirm.
- Mfuleni and Garden Cities remain over firm but have seen an improvement from 116% to 111% over-firm capacity.

Priority energy projects remaining on track:

- **Generation:** Steenbras refurbishment (2030); Roggebaai/Athlone OCGT replacement (2029).
- **Renewables and IPPs:** 30 MW IPP-1 tender awarded; Paardevlei and Atlantis PV under development.

- **Distribution and smart grid:** Substation upgrades; World Bank MoU signed to advance smart grid integration, focusing on the DERMS rollout.

- **Demand Management:** Cash-for-power and Power Heroes (60 MW demand reduction).

Priority energy projects delayed:

- City-initiated embedded generation (IPPs) (from 2026 to 2028).

RISKS AND FUTURE OUTLOOK

What are the key risks to the portfolio?

- **Ageing infrastructure coupled with a rapidly changing technology market** requires adaptability and the need to make decisions in complex environments.
- **Dependence on Eskom supply** continues to expose the city to external reliability and pricing risks - the City is advocating to assume supply responsibility for these areas.
- **Theft, vandalism, and system losses** are straining budgets and diverting funds from new investments - 12,6% of maintenance work in 2024 (R124 million) was used to resolve theft and vandalism.
- **Grid integration challenges** - from growing embedded generation and regulatory overlaps - may impact stability and project execution.

Do outer-year projects meet the needs of the future?

- **Capital investment continues to grow**, with expenditure focused on expanding and modernising City-owned energy assets.
- **Generation projects** are moving from planning to implementation, signaling real progress in local energy production.
- **Innovative programmes** such as wheeling and cash-for-power are empowering customers to become active participants in the energy market.
- Cape Town is **emerging as a national leader in municipal energy transition**, building a resilient, affordable, and low-carbon energy system.

The portfolio shows commitment to **mitigate load-shedding, reform and modernise the electrical utility** and a long-term transformation into a **carbon neutral energy system**.



URBAN WASTE MANAGEMENT

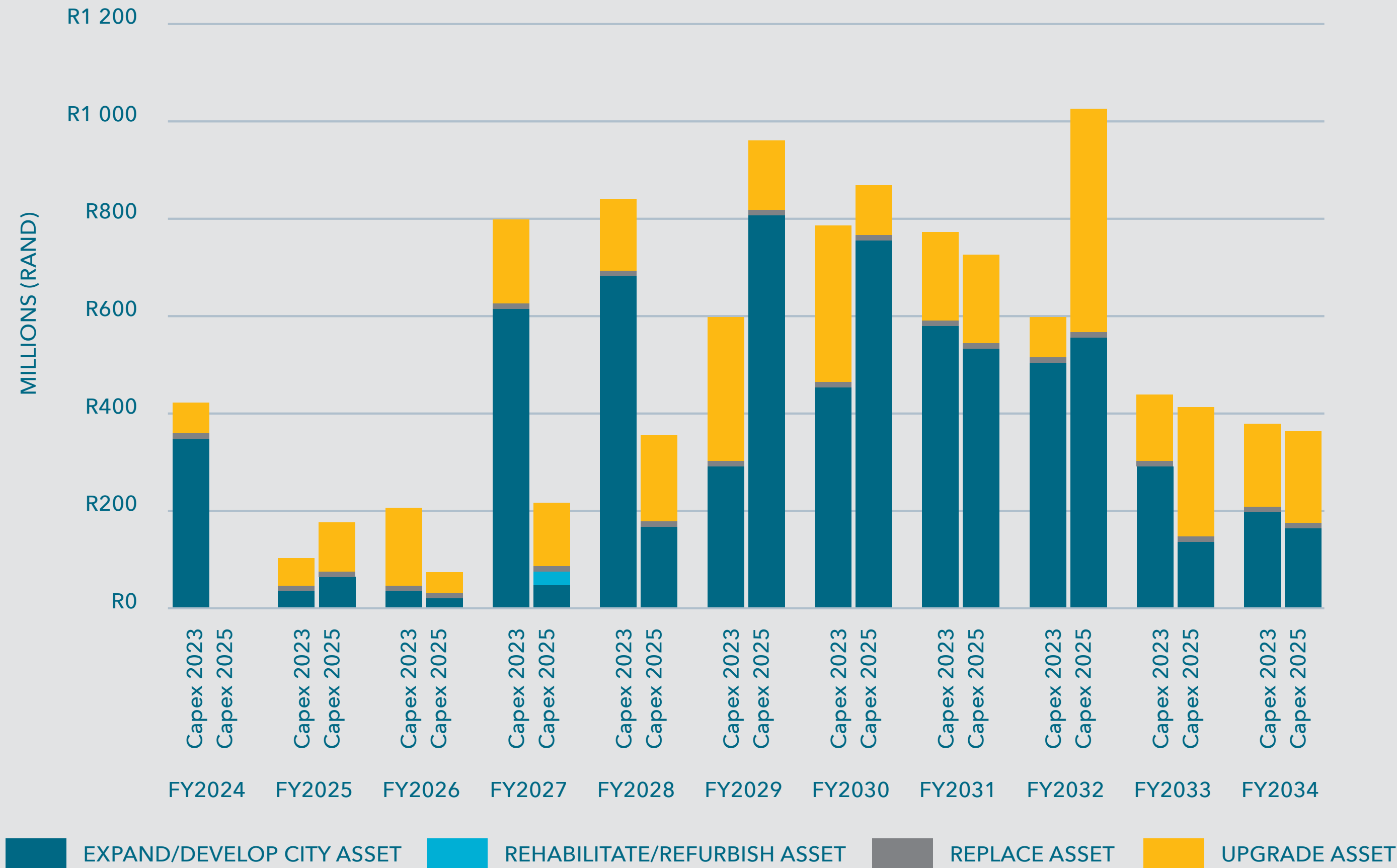


The 2025 Waste Strategy has prioritised landfill expansions as a priority investment, as well as focusing on operational efficiency and Urban Waste Management's (UWM) fleet. As such, since 2023, the integrated portfolio has undergone changes, relating to **adjustments in programming** and **deferment of projects relating to landfill upgrades, and drop-off facilities**.

The following trends have been observed:

- Bulk infrastructure projects to build **new drop-off sites have been delayed**, with none expected to be operational before 2030. The focus is on improving existing facilities.
- Increase to the **upgrading category** accounts for upgrades at these existing drop-off facilities.
- Comparatively lower allocations are observed for **asset replacement and rehabilitation** over the planning horizon.
- Anticipated completion of regional landfill site has been **delayed to 2036**.

Urban Waste Management sector’s bulk capital expenditure by technical category over the 10-year period from 2024 to 2034



IMPLEMENTING THE STRATEGY

The City’s Waste Strategy was updated in 2025, and focuses on three commitments – **optimising existing services, minimising waste to landfill** and **maximising the basket of service offerings**. While some projects contribute to achieving these commitments, the pipeline does not currently reflect the strategy and requires updating to reflect the following categories of projects.

- **Optimise existing services:** landfill upgrades, fleet management and transfer station improvements.
- **Minimise waste to landfill:** accessibility to waste minimisation services and public awareness.
- **Maximise basket of service offerings:** private sector partnerships and development of tailored service standards.

COMMITMENTS	PRINCIPLES
1. Optimise existing services: Improving efficiencies in the existing service offering	• Quality • Sustainability
2. Minimise waste to landfill: Making waste reduction easy and part of the culture of Cape Town	• Sustainability
3. Maximise basket of service offerings: Expanding services through tailoring, localisation and partnering	• Affordability

CAPACITY AND CAPITAL PROJECTS

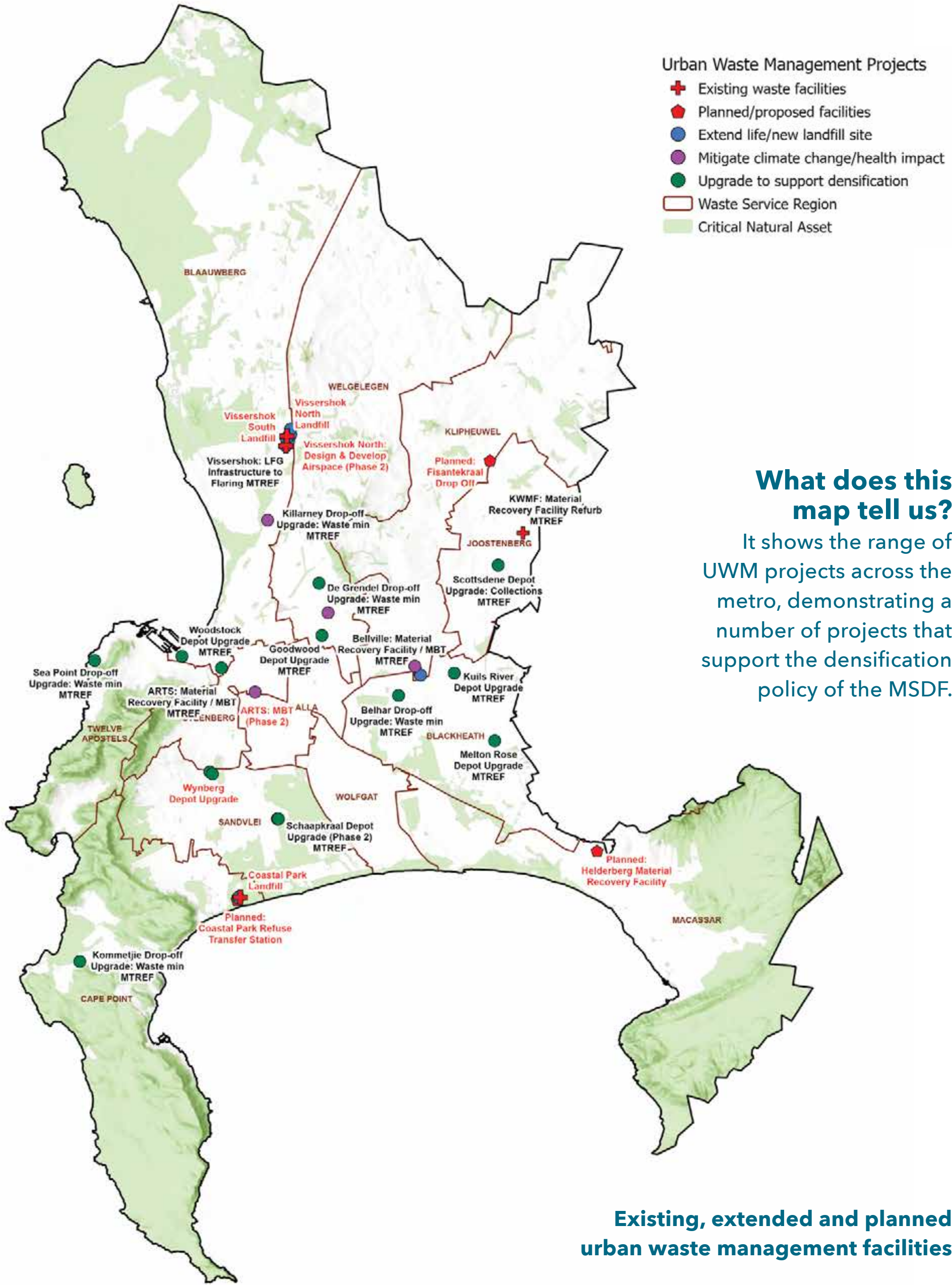
Priority waste projects remaining on track:
Drop-offs and refuse transfer stations (RTS): Kraaifontein waste management facility remains on track (2028).

- Landfills:**
- Coastal Park height expansion is on track pending approval (2026).
 - Vissershok South landfill cell extension.
 - New landfill to be completed by 2036.

- Priority waste projects delayed:**
- Refuse transfer stations (RTS) facilities at Helderberg and Coastal Park, are delayed by one year to 2030.
 - Athlone RTS delayed from 2028 to 2031.
 - Vissershok expansions - (phase 1- delayed by one year to 2026) / (phase 2 - 2031).

The establishment of the regional landfill remains the cornerstone capital project for UWM to alleviate the current capacity constraints.

Source:
NGA, USGS, Urban Waste Management. Critical Infrastructure Projects (SAP PPM).



RISKS AND FUTURE OUTLOOK

What are the key risks to the portfolio?

- **Approaching landfill capacity limits** – Coastal Park expected to reach capacity by 2026, Vissershok by 2036.
- Delays in new RTS and drop-off projects, which **constrain network coverage** and operational efficiency.
- **Illegal dumping** (R348 million annually) and **service accessibility gaps**, especially in informal and peripheral areas.
- **UWM's sector plan is currently not strong enough** to adequately plan for the long-term.

Do outer year projects meet the needs of the future?

- **New landfill cells, the Coastal Park MRF, and Vissershok expansions** are extending site lifespans and improving efficiency.
- **A new regional landfill**, underpinned by a land suitability study and environment impact assessment (EIA) (not initiated), is essential for long-term resilience.
- **Implementation of a citywide drop-off facility strategy** will support improved waste diversion and accessibility.

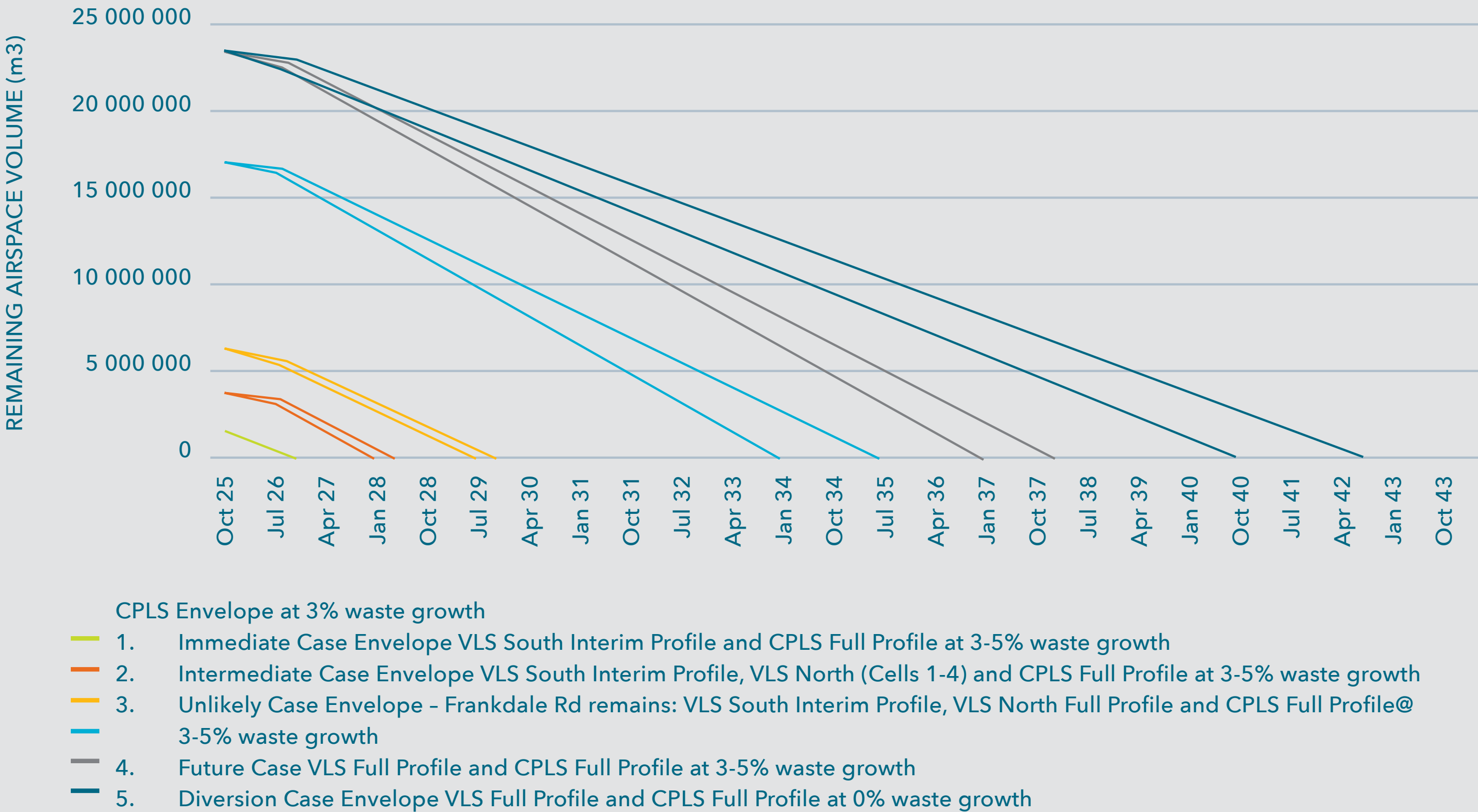


VISSERSHOK LANDFILL AIRSPACE CONSUMPTION

What does this diagram tell us?

It shows how many years Vissershok can continue to receive waste, under a range of conditions (low and high outcomes for each condition). With the introduction of interventions, such as extension of certain Vissershok cells (unlikely case envelope), the lifespan increases.

Remaining Useful Life: Vissershok Landfill Site.



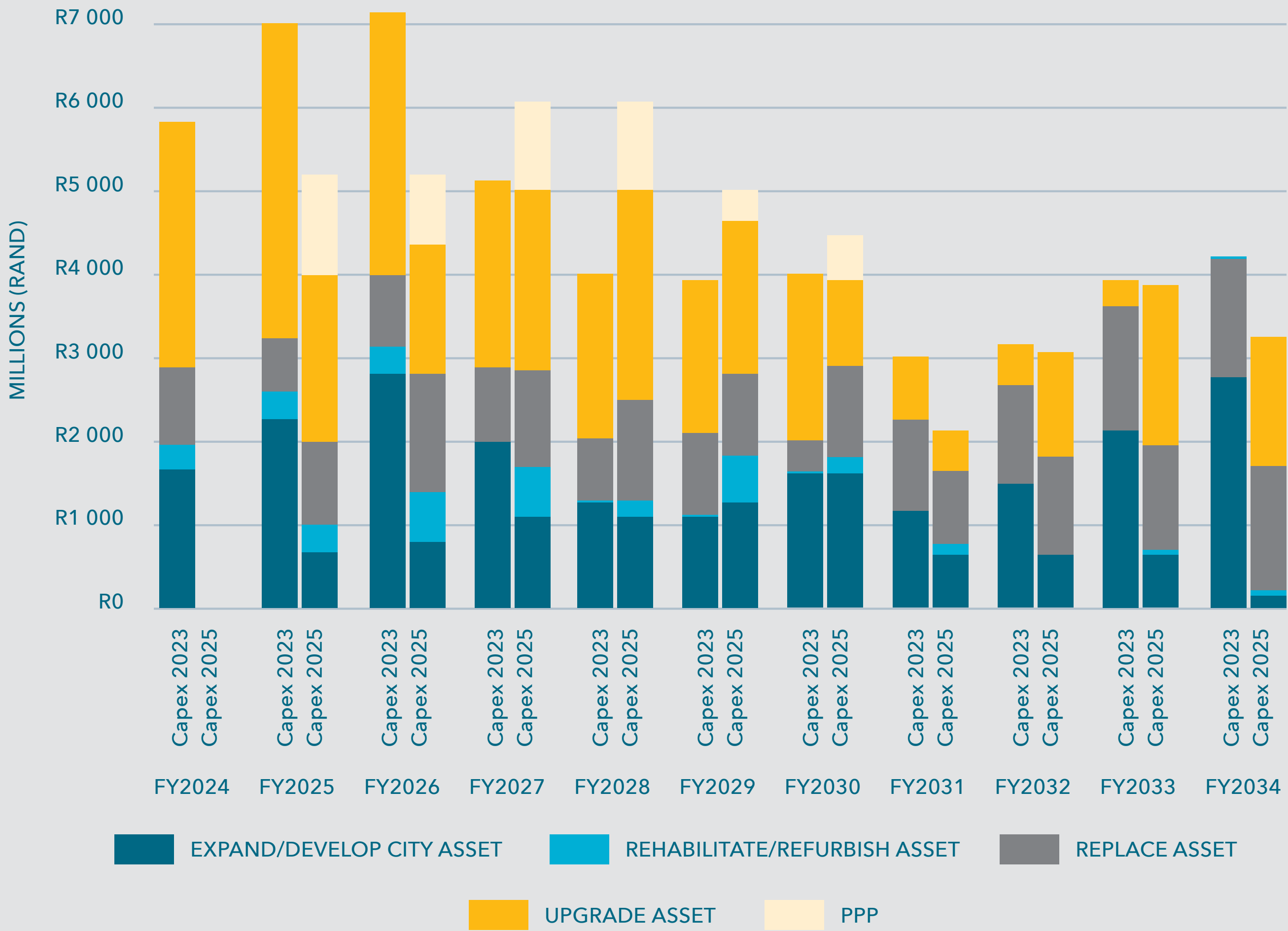


WATER AND SANITATION

The Water and Sanitation Directorate represents the largest portion of total capital expenditure within the infrastructure portfolio. Since 2023, acknowledging affordability within the financing strategy has led to a **slight reduction in planned expenditure** over the 10-year horizon.

- The adjustment is primarily due to projects being **proposed for public-private partnerships (PPPs)** and subsequently removed from the City’s capital portfolio.
- **Deferments** in the bulk water augmentation scheme (**BWAS**) have also contributed to this overall adjustment.
- **The reticulation pipeline has expanded** significantly, with a 45% increase in the new portfolio compared to previous projections.

Comparison between 2023 and 2025 Water and Sanitation sector’s bulk capital portfolio (including reticulation) by technical category over the 10-year period from 2025 to 2034



DELIVERY AND KEY PROJECTS

Priority W&S projects remaining on track:

- **The New Water Programme**, which aims to secure the city's water future by diversifying supply beyond dams, is on track to secure long-term water supply, with the **Infrastructure Stability Programme** strengthening treatment and storage capacity.
 - Various aquifer and desalination projects (Atlantis, Table Mountain, Cape Flats) are proceeding with completion ranging from 2026 to 2040. While individual projects have experienced delays, the overall programme is on schedule to be completed by 2040.
- **Major WWTW upgrades** have been completed or are nearing completion, addressing critical capacity constraints across key plants – as the capacity map illustrates, upgrades at Potsdam and Macassar will alleviate current capacity shortfalls in these areas.
 - Potsdam is on track to be completed in 2029.
 - Athlone expansion brought forward to 2027.
- **Pump station and sewer upgrades** are expanding rapidly; pipe replacement programme budgets have increased by **60% since 2023**, reducing spills and environmental risks.



DELIVERY AND KEY PROJECTS

Priority W&S projects delayed:

- **The New Water Programme:**
 - Desalination, reuse, and aquifer recharge projects, including the **Faure New Water Scheme** and **Table Bay Desalination project** (phase 1), are commencing in 2026, will be fully operational by 2031, and are both targeting a PPP arrangement.
 - The committed programme is **delayed by one year to 2031** – this overall delay poses minimal risk to the City’s current water security.
- **Bulk Water Augmentation Scheme (BWAS):**
 - Surface and groundwater expansion has been deferred due to planned PPP arrangements.
 - The Berg River Voëlvlei Augmentation Scheme (BRVAS), implemented by the national DWS, represents a significant component of the committed programme. While the project has already commenced, it is delayed by one year, with completion due in 2028.
- **Wastewater treatment works upgrades (all commenced):**
 - Macassar extension delayed from 2029 to 2030
 - Zandvliet capacity expansion delayed from 2027 to 2039
 - Mitchells Plain delayed from 2027 to 2036



WHAT DOES A PUBLIC-PRIVATE PARTNERSHIP APPROACH MEAN FOR DELIVERING FUTURE POTABLE WATER FOR CAPE TOWN?

As of December 2025, Council has given in principle approval for PPPs to be adopted for two of the New Water Programme projects - the Faure New Water Scheme and the Paarden Eiland Desalination Plant.

The private sector brings **capital, skills and long-term operational capacity** while the City **retains ownership** and regulatory control.

A PPP is **not privatisation**. It is a tightly regulated partnership, and not a sale of public water services.

- It does not involve selling City water assets.
- It does not hand over ownership or long-term control of public water services to private companies.
- It does not allow private operators to set water tariffs or run water services independently.

FAURE NEW WATER SCHEME

70-100
MILLION
litres per day

completion by
2030/31

**R2,83
BILLION**
capital value



This approach enables the City to reduce its own capital burden, focusing on longterm affordability of critical infrastructure while ensuring services are delivered to the requisite standard.

PAARDEN EILAND DESALINATION PLANT

50-70
MILLION
litres per day

completion by
2030/31

**R2,38
BILLION**
capital value



Wastewater treatment capacity

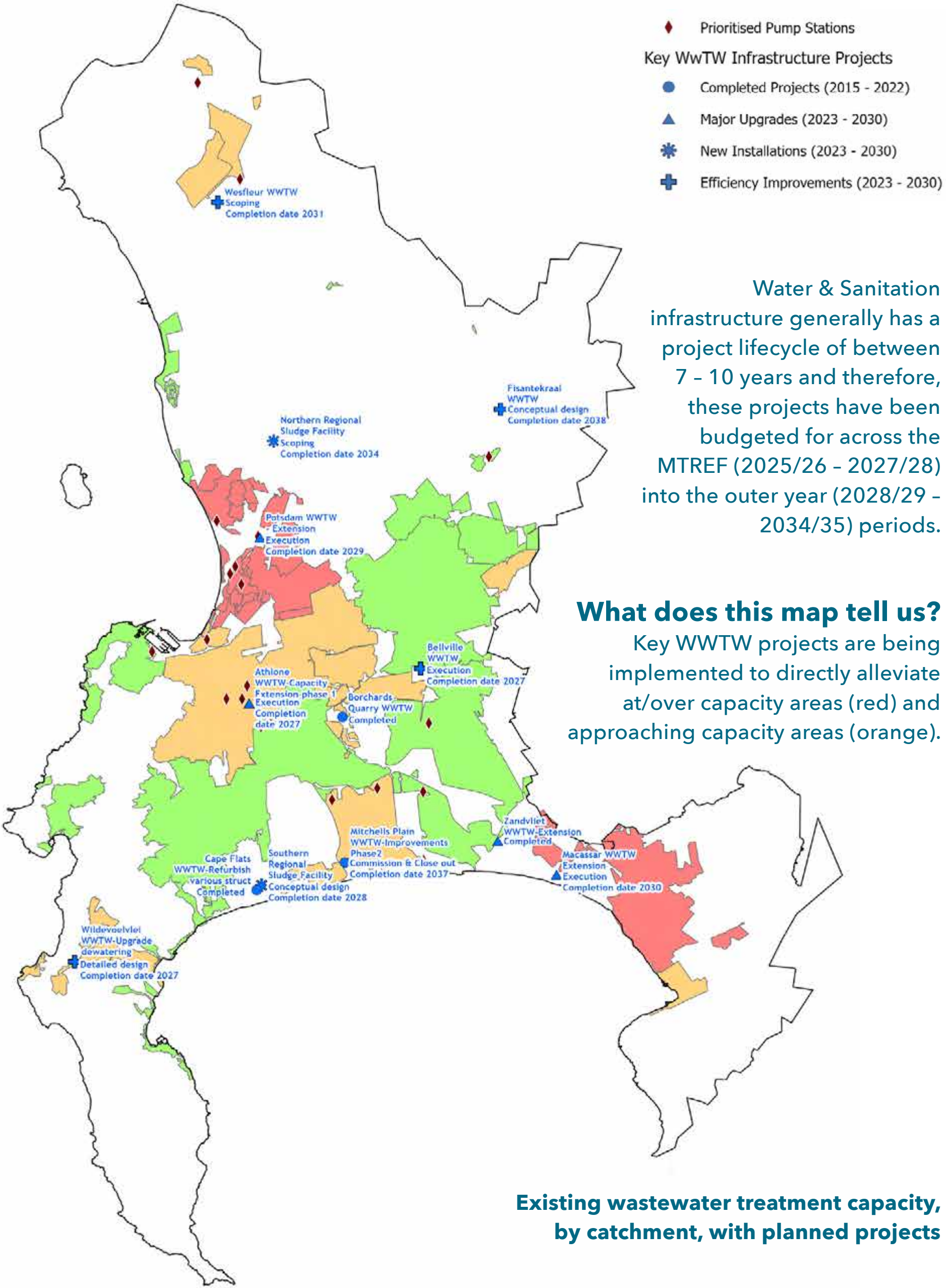
Wastewater treatment capacity is an essential function that promotes and protects public and environmental health, while also enabling city intensification and development. Without sufficient capacity to treat wastewater, no new development can be unlocked, and can lead to significant environmental and public health challenges.

Cape Town is currently implementing upgrades at Potsdam (completion 2029) and Macassar (completion 2030). The two catchments are highlighted in red on the map. These upgrades will directly alleviate existing capacity pressures, enabling additional, much sought-after investment, particularly in the Blaauwberg district that is served by Potsdam.

Additional projects include expansions at Athlone (2027) and Mitchells Plain (2037), which will continue to serve much of the Cape Flats catchment area.

WASTEWATER CAPACITY		
LEGEND COLOUR	DEFINITION	CAPACITY STATUS
GREEN	Signifies that WWTW are below 90% indicator and therefore no project implementation is required at present	Less than 90%
ORANGE	Trigger capacity reached: Start planning process for WWTW capacity expansion. Projects are conceptualised at >80% capacity for implementation >90%	Between 90% and 99%
RED	At/over-capacity: Requires treatment capacity expansion and measures to be put in place to limit additional flow to WWTW before upgrade is completed.	100% and above

Source:
Water and Sanitation Department – Wastewater Capacity (December 2024). Critical Infrastructure Projects (SAP PPM).



WHAT IS THE PROJECTED ECONOMIC VALUE UNLOCKED BY UPGRADING THE POTSDAM WWTW?

The lack of capacity at Potsdam has constrained development in the Blaauwberg District for a number of years. With the works now being upgraded, this will unlock the approval of building plan applications and new developments. By assessing application backlogs and residual demand within Potsdam's catchment, and using the City's Macroeconomic Impact Assessment Model (MEIAM), it is anticipated that the following can potentially accrue:

Construction value:

**R1,4
BILLION**

low demand

**R2,9
BILLION**

high demand

Full time
employment:

4 000

low demand

8 000

high demand

Total economic
impact:

**R920
MILLION**

low demand

**R1,9
BILLION**

high demand

*Total Economic Impact is an estimate of the broader economic effects to sectors beyond construction due to economic linkages.



Sewer network capacity

As important as wastewater treatment capacity is the mechanism of transporting wastewater to the various plants. To do this, the City relies on a network of gravity pipes and rising mains (pumped, pressurised pipes) to collect wastewater at catchment nodes before transferring it to wastewater treatment works.

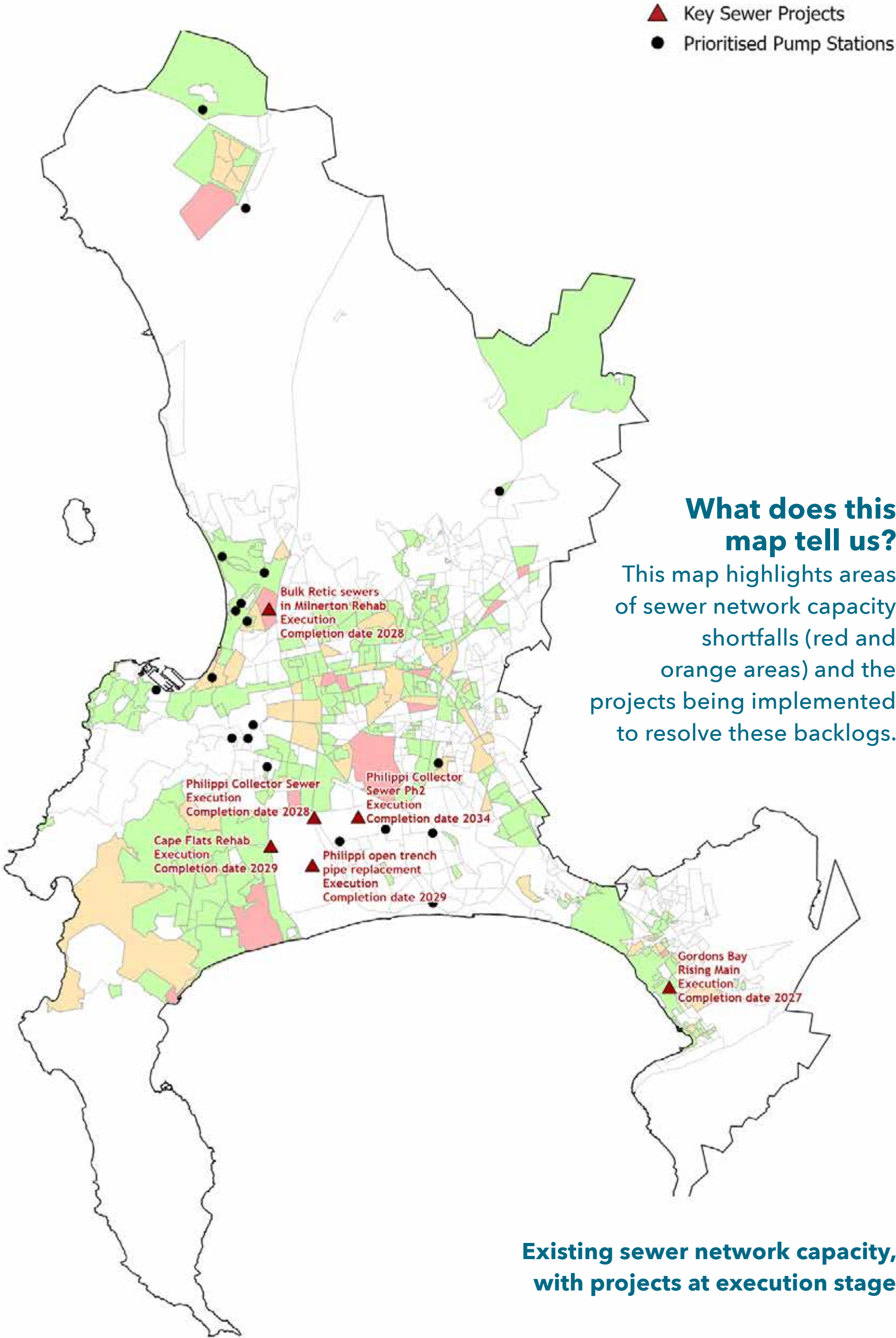
This map highlights varying degrees of network capacity across the city, with areas of greater concern highlighted in red and yellow particularly Strandfontein, Philippi, Delft and portions of

Milnerton. A series of projects are under way, as illustrated on the map, that are addressing the lack of capacity in these areas, as well as other areas of concern across the city.

A priority project is the Cape Flats bulk sewer upgrade, which is nearing its halfway mark, upgrading 28 km of bulk sewer pipelines across the Cape Flats. Much of these challenges are also being addressed by the Pipe Replacement Programme, which is discussed later in this report.

SEWER NETWORK CAPACITY		
LEGEND COLOUR	DEFINITION	CAPACITY STATUS
WHITE	Signifies that the sewer pipes have a low combined likelihood and consequence of failure relative to the rest of the network	Less than <60%
GREEN	Signifies that the sewer pipes have moderate risk and assets warrant monitoring and possible targeted inspections	Between 60% and 90%
ORANGE	Sewer pipes have an elevated risk profile and are considered priority candidates for detailed condition assessments for refurbishment and upgrade	Between 91% and 98%
RED	Sewer pipes have the highest relative risk within the entire sewer network and are considered urgent priorities for inspection and potential intervention	100% and above

Source:
Water and Sanitation Department - Sewer Pipe Replacement as reflection of network capacity (2025)

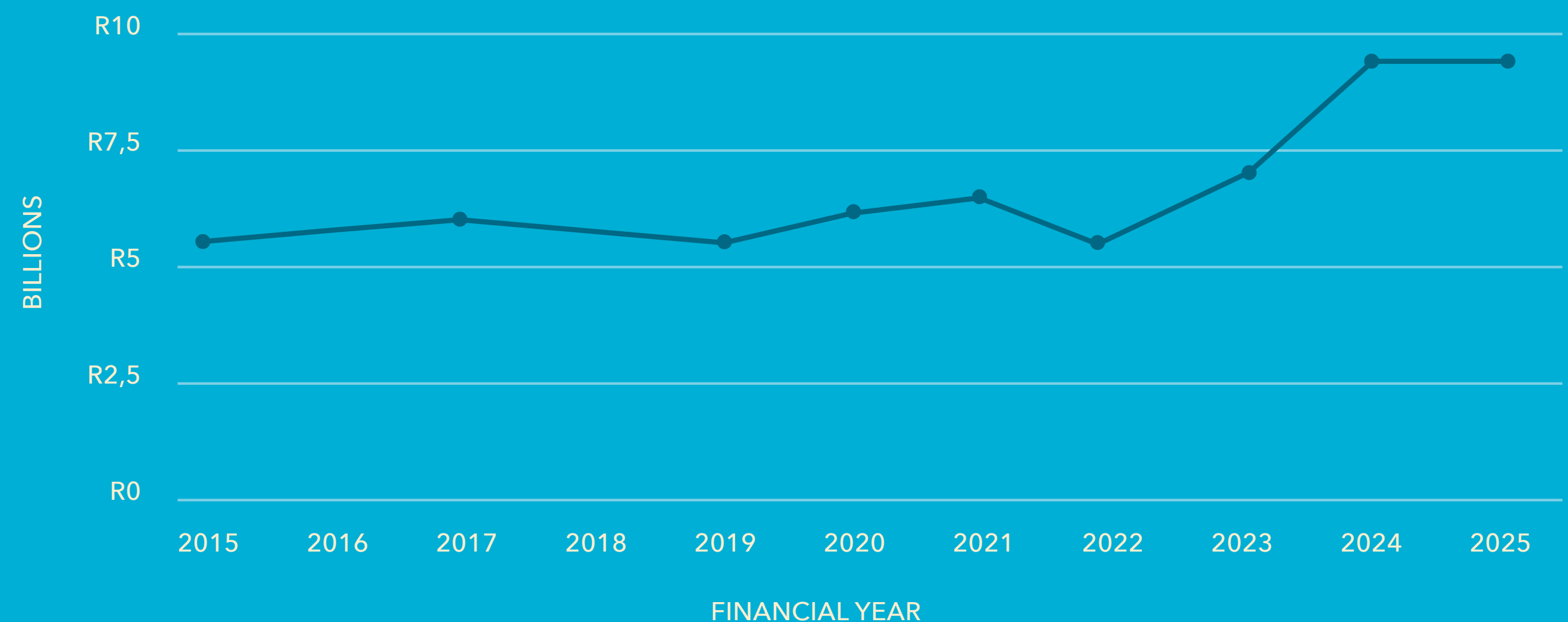


Existing sewer network capacity, with projects at execution stage

PROGRESS SUMMARY

The Water and Sanitation Directorate has consistently invested in new and refurbished infrastructure over the past 10 years, with a demonstrable track record of investing where it is needed, to overcome the capacity constraints highlighted in the preceding maps, as well as in sourcing of new bulk water through its various schemes. The directorate is projected to maintain this investment trajectory, albeit through alternative funding mechanisms to address the real challenges of affordability.

W&S capital spend - 10-year trend



This trend reflects the City's ambition to replicate growth across all infrastructure sector pipelines.

PIPE REPLACEMENT PROGRAMME

Why is the programme important?

- Ageing infrastructure causes bursts, leaks, and sewer collapses, disrupting services and posing health risks.
- Approximately 18% of the system input water is lost as non-revenue water through leaks and pipe failures.
- Sewage spills contaminate rivers and vleis, harming ecosystems and public health.

What is the City's approach?

- Accelerated replacement targets: 50 km of water and 100 km of sewer pipes replaced per year (up from 25 km).
- Data-driven prioritisation: 2 100+ water and 2 700+ sewer pipes ranked by failure risk and criticality.
- Trenchless technologies (CIPP lining) minimise disruption and extend asset life.
- Security personnel deployed in high-risk areas and undocumented services mapped to improve planning.



PIPE REPLACEMENT PROGRAMME

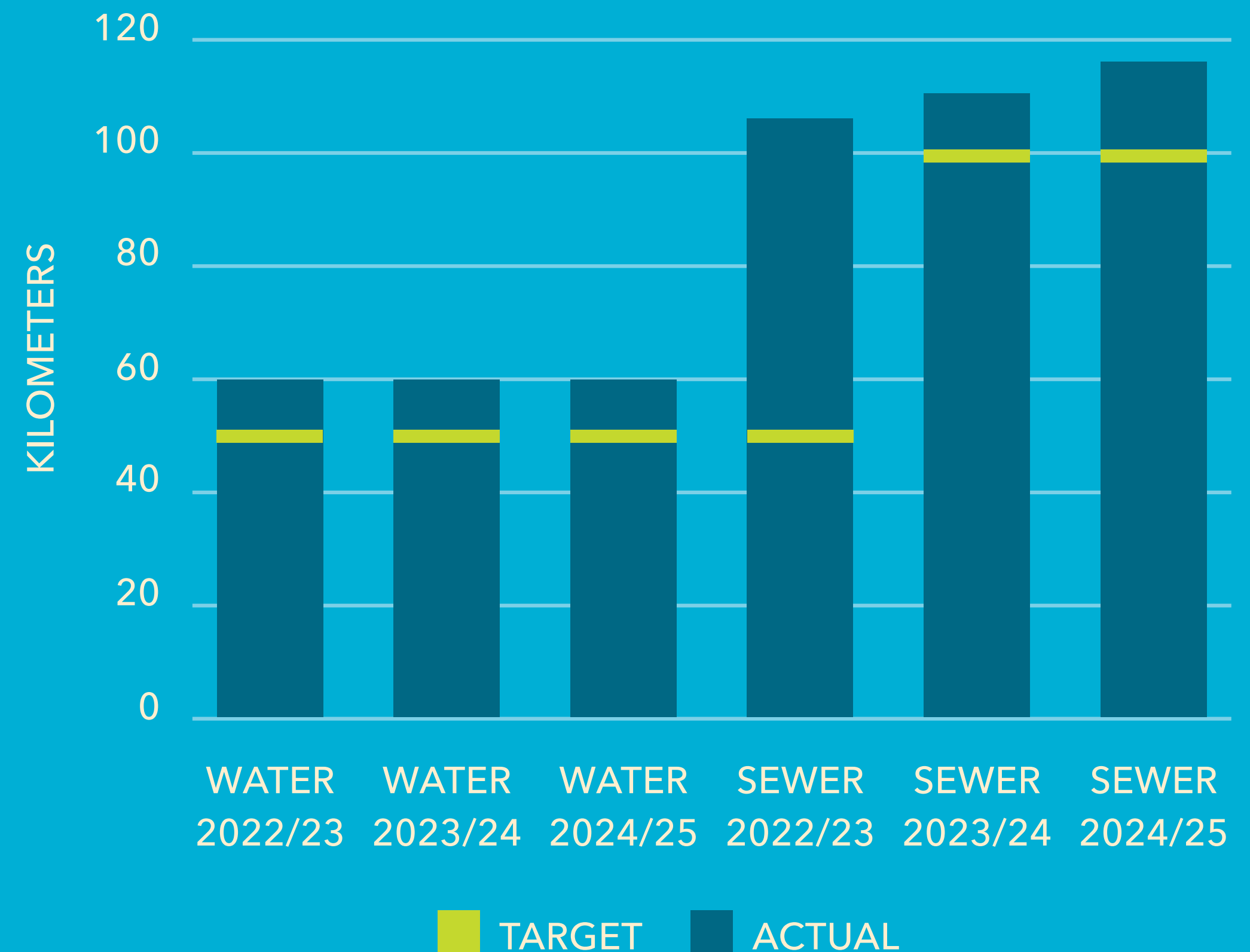
Progress to date

- Annual replacement targets have consistently been met or exceeded; sewer renewals are now at global best-practice levels (1-2%).
- Investment is up 60% since 2023, reducing backlogs and improving system reliability.
- The programme is shifting from reactive to proactive maintenance, building long-term resilience.

Ongoing goal:

To align water pipe replacement rate with sewer renewals for a balanced system performance.

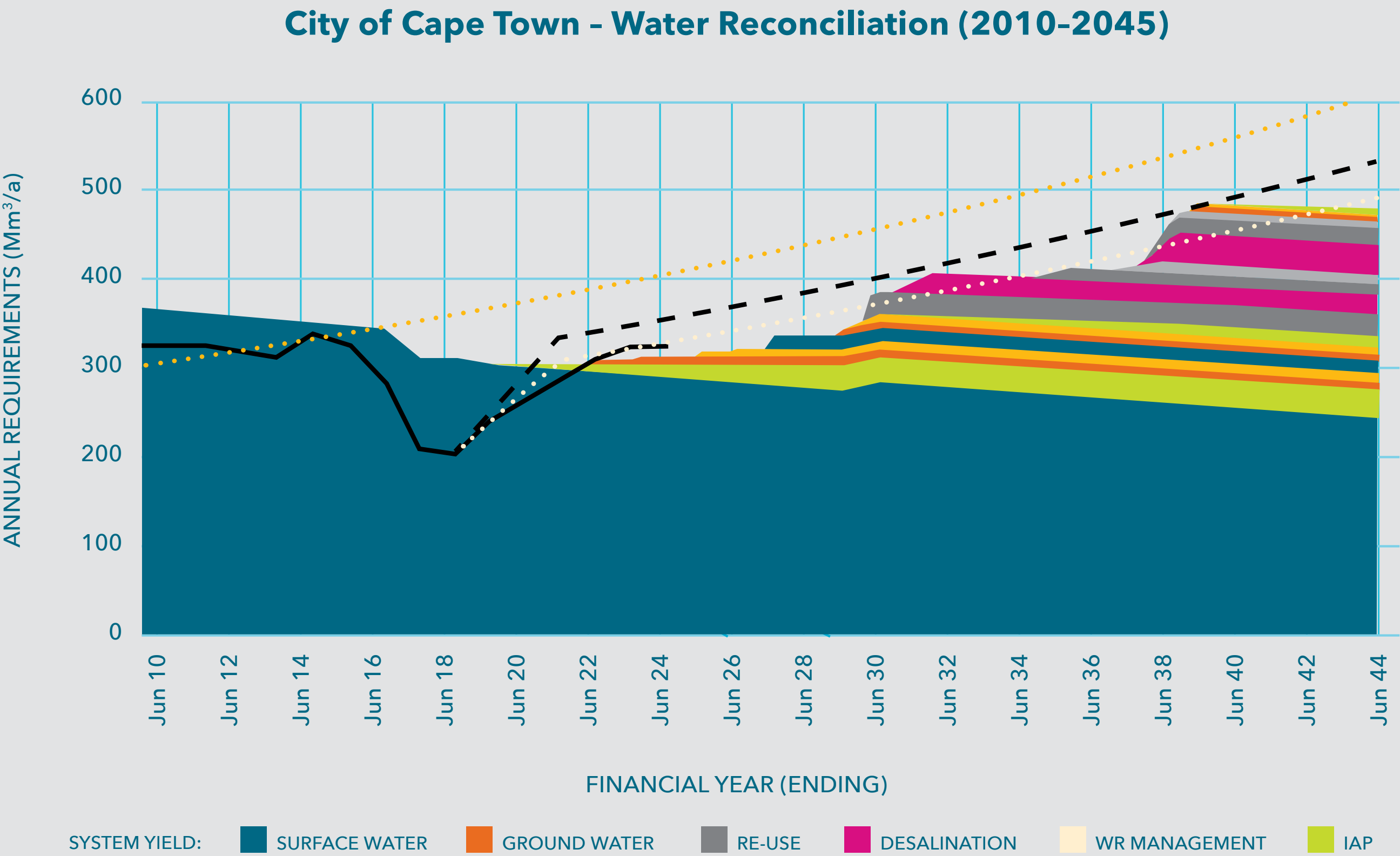
Pipe Replacement Programme progress since commencement of programme



RISKS AND FUTURE OUTLOOK

What are the key risks?

- Project schedule delays, especially within the New Water Programme, risk short-term supply resilience if demand rises faster than planned.
- The shift towards PPP models for improved technical execution and capital budget reduction have extended completion timelines for key desalination and wastewater projects (Faure, Table Bay).
- Delays to regional sewage sludge treatment continues to impact operational costs, with PPP arrangements being investigated to resolve the regional facilities.
- Delays in land acquisition and climate variability could undermine long-term bulk storage capacity and system resilience.



City of Cape Town water balance, including the New Water Programme (with a 1 in 200-year assurance of supply and 50-percentile impact of climate change)

RISKS & FUTURE OUTLOOK

Do outer year projects meet future needs?

- Outer-year projects remain well aligned with longterm sustainability and water security targets.
- The New Water Programme balances immediate delivery with long-term adaptability to meet future climate and demand scenarios.
- Wastewater expansions and sludge re-use projects through 2039 will support population growth and urban development.
- While some bulk projects are deferred, network redundancy, pump station upgrades, and PPP mechanisms strengthen resilience and service reliability.

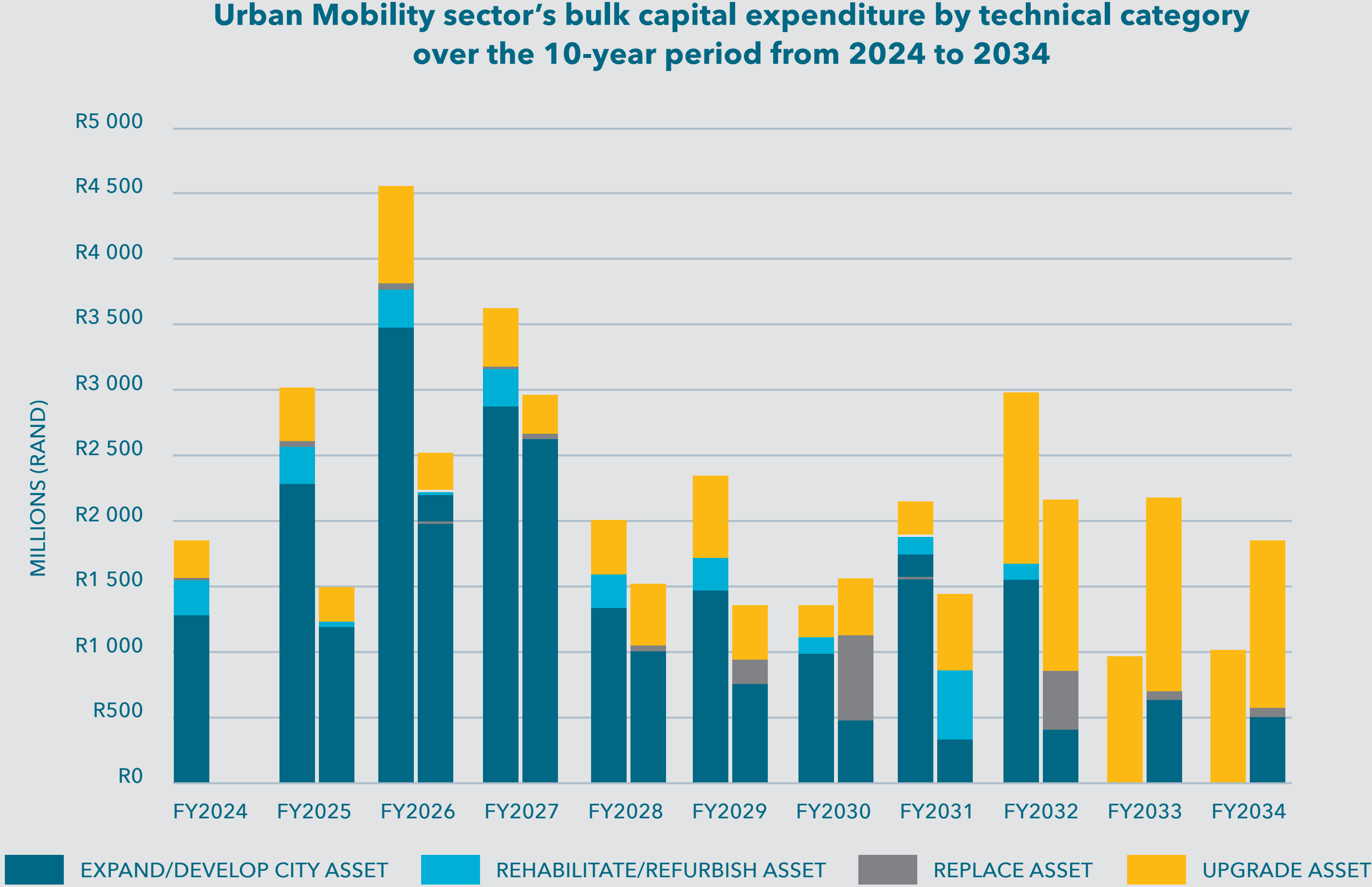




**URBAN
MOBILITY**

Since the 2022 report, the 10-year capital portfolio has shown **overall growth**, driven largely by investment in **road and stormwater infrastructure**.

- **Capital allocation has been deferred** to the medium term to align with updated implementation priorities, budget availability and delivery capacity, and this delay needs to be acknowledged.
- The **MyCiTi Phase 2A remains** the focus of current public transport investment, with this investment **peaking from 2025 to 2027**.
- The medium-term portfolio has been expanded to include additional **road reconstruction and rehabilitation projects**.
- Outer-year investment relates to transport corridor development and congestion relief initiatives.



DELIVERY AND KEY PROJECTS

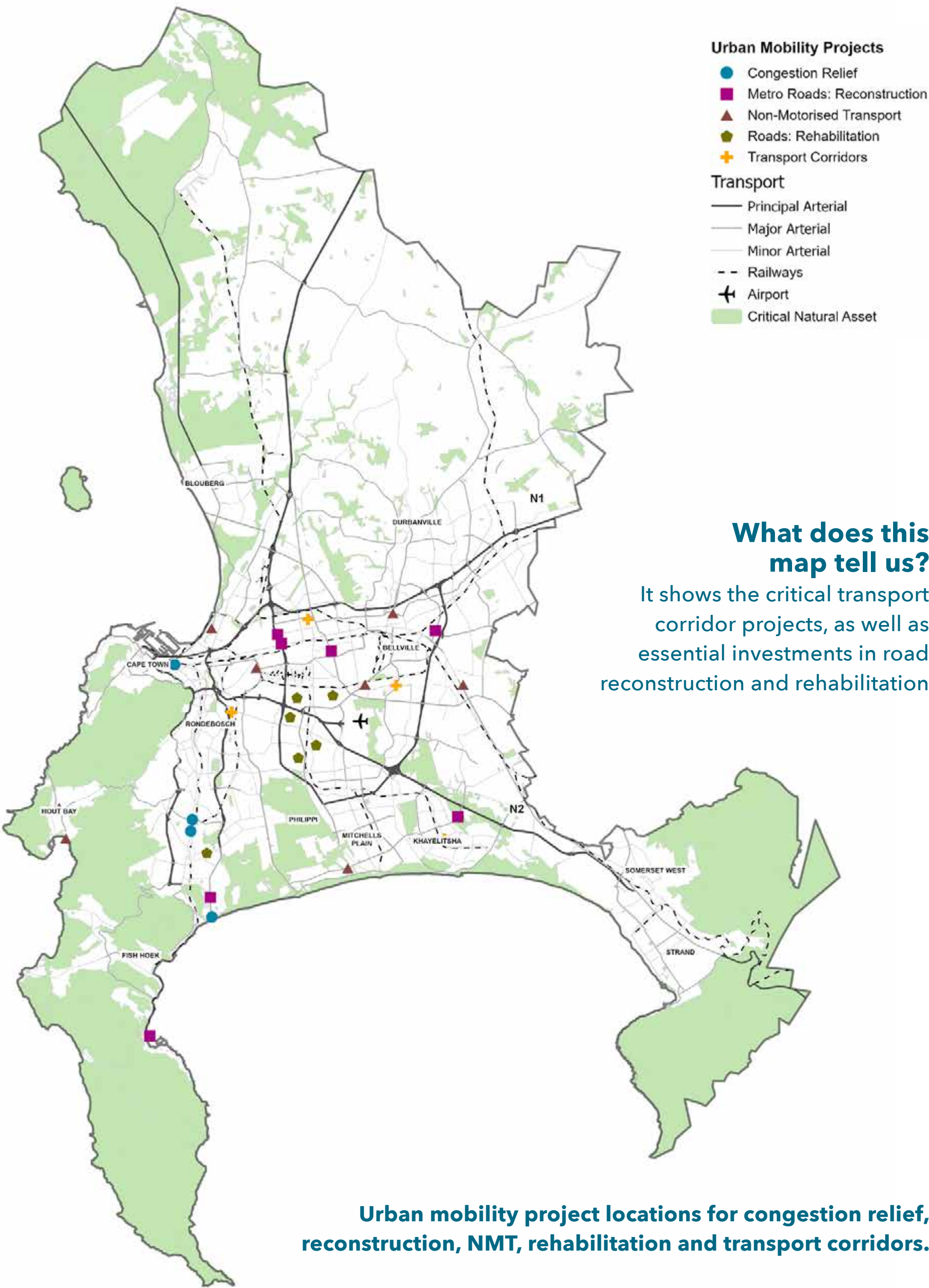
Prioritised projects remaining on track:

- MyCiTi Phase 2A: Corridor development from Khayelitsha to Wynberg/Claremont
- Road rehabilitation: Resurfacing and maintenance across arterial networks
- NMT Infrastructure: Expansion of sidewalks and cycling networks, particularly in marginalised areas

Priority projects delayed:

- Khayelitsha - Century City corridor (2035 to 2040+)
- Symphony Way (Delft) corridor (2035 to 2040+)
- Klipfontein corridor (2035 to 2040+)

Map source:
Urban Mobility (2023). Critical Infrastructure Projects (SAP PPM).



MYCITI PHASE 2A

The MyCiTi Phase 2A project represents a major expansion of the city's public transport network, extending reliable, safe, and affordable bus rapid transit services to the Metro Southeast, one of Cape Town's most underserved regions. The project connects Khayelitsha and Mitchells Plain with Claremont and Wynberg, improving access to jobs, education, and services.

Construction across multiple work packages is progressing well, with major components such as dedicated lanes, stations, depots, and associated roadworks under way. Despite disruptions related to extortion and criminal activity, the project remains largely on schedule, with most infrastructure expected to be completed by late 2027.



ROAD REHABILITATION PROGRAMME

This is a citywide programme designed to **rehabilitate and reconstruct critical road infrastructure**, ensuring long-term serviceability, safety, and mobility across the metropolitan area.

The City's road network faces a **maintenance backlog of approximately R14,8 billion**, with over **1 700 km of roads** now requiring resurfacing.

Metro Road Reconstruction Programme

- this targets **major metropolitan roads**, ensuring structural integrity and improved mobility along key corridors that connect the city's economic centres.

- **Jakes Gerwel Drive** - currently under construction; completion expected by 2027.
- **Simon's Town Main Road** - in scoping phase; completion anticipated by 2033.
- **Seven additional projects** have been added since 2023 and are now at varying stages of design and procurement.

Roads Rehabilitation Programme - focusing on district and local roads, this programme addresses surface deterioration and structural defects in priority communities.

- Active rehabilitation projects are underway in:
 - Bonteheuwel
 - Gugulethu
 - Manenberg
 - Heideveld
 - Bishop Lavis

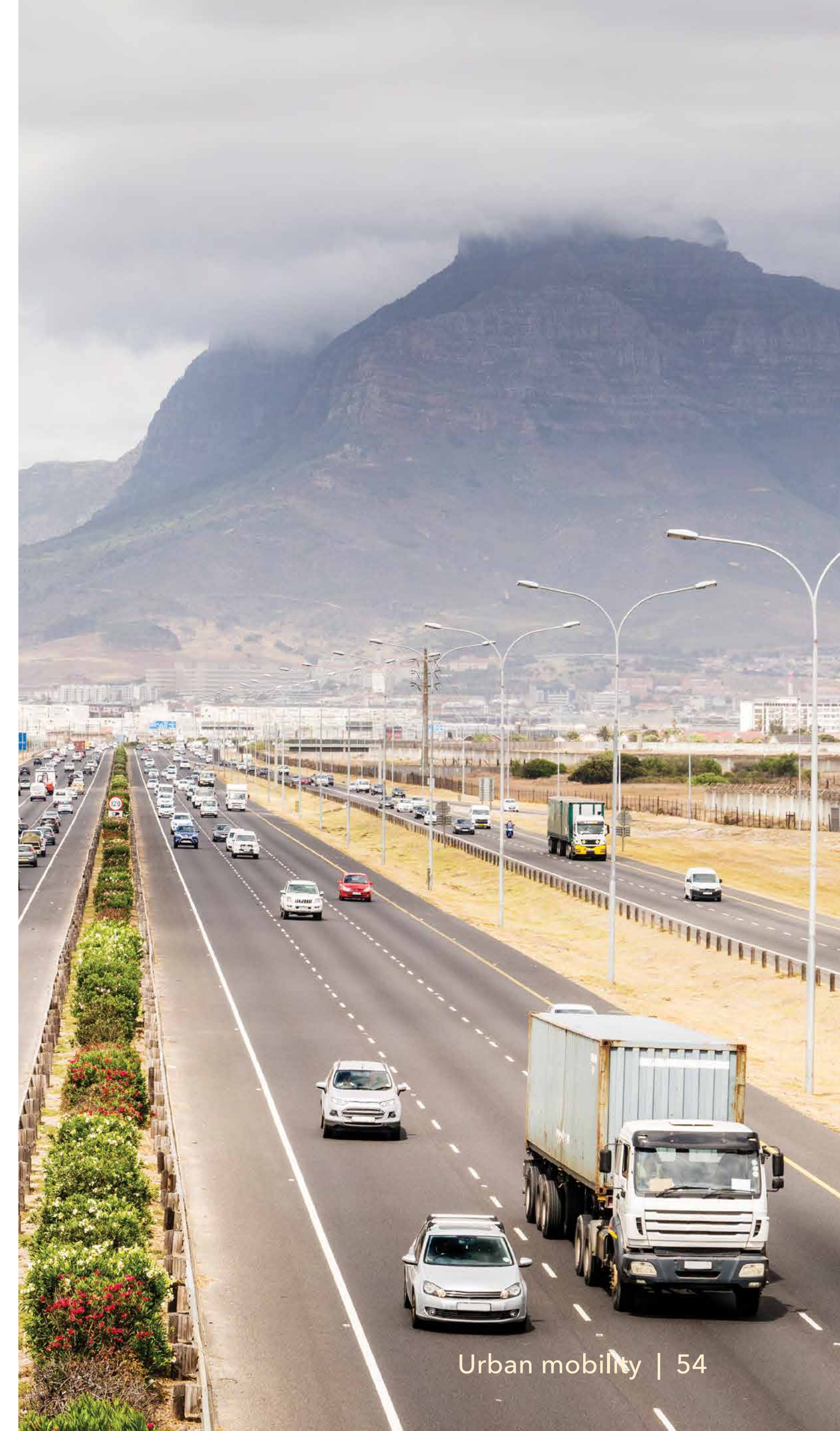
RISKS AND FUTURE OUTLOOK

What are the key risks?

- **Deferred capital expenditure and funding shortfalls** are slowing the delivery of key transport infrastructure.
- **Major corridor deferrals** (Khayelitsha-Century City, Symphony Way, Klipfontein) are delaying public transport network expansion.
- **Security risks** - including extortion and criminal activity - have disrupted several MyCiTi construction packages.
- **Ageing road network and R14,8 billion maintenance backlog** threaten long-term sustainability and road quality.
- **Delayed rail devolution from PRASA to the City** is hindering progress on rail integration and multimodal connectivity.

Do outer year projects meet future needs?

- **There is clear alignment between the outer-year projects** (integrated corridors, active mobility, and resilient road networks) **and the City's long-term mobility vision.**
- **While major corridors have been deferred** (e.g. Khayelitsha-Century City, Klipfontein), they do remain within the **2040 planning horizon** and will be revisited post-IPTN update (2026).
- **To ensure future needs are met, sustained funding** needs to be prioritised for long-term transformation goals.
- **City-wide congestion** remains a critical long-term challenge that the sector acknowledges and needs to address in future iterations of pipeline development.



WHAT IS HAPPENING WITH RAIL?



Rail remains the strategic backbone of Cape Town’s integrated transport system, providing a high-capacity, affordable, and sustainable mode of travel that supports spatial transformation, congestion reduction, and economic inclusion.

Significant progress has been made by PRASA on the restoration of passenger rail services, particularly on the Central Line, where upgrades to tracks, traction, and signalling systems have enabled partial service recovery.

Passenger volumes are gradually increasing as infrastructure rehabilitation continues.

The following institutional options, as identified in the Alternative Institutional Report and endorsed by Council, provide the possible models for implementing this devolution:

- Institutional option 2.1: The City owns, operates and maintains the network, stations, and trains. PRASA personnel are absorbed by a public entity to be established.
- Institutional option 2.2: The City owns all assets and manages the network, stations, train operations and maintenance through contracts with multiple contractors who absorb PRASA personnel.

- Institutional option 5: The City procures a large-scale, integrated solution through a comprehensive concession.

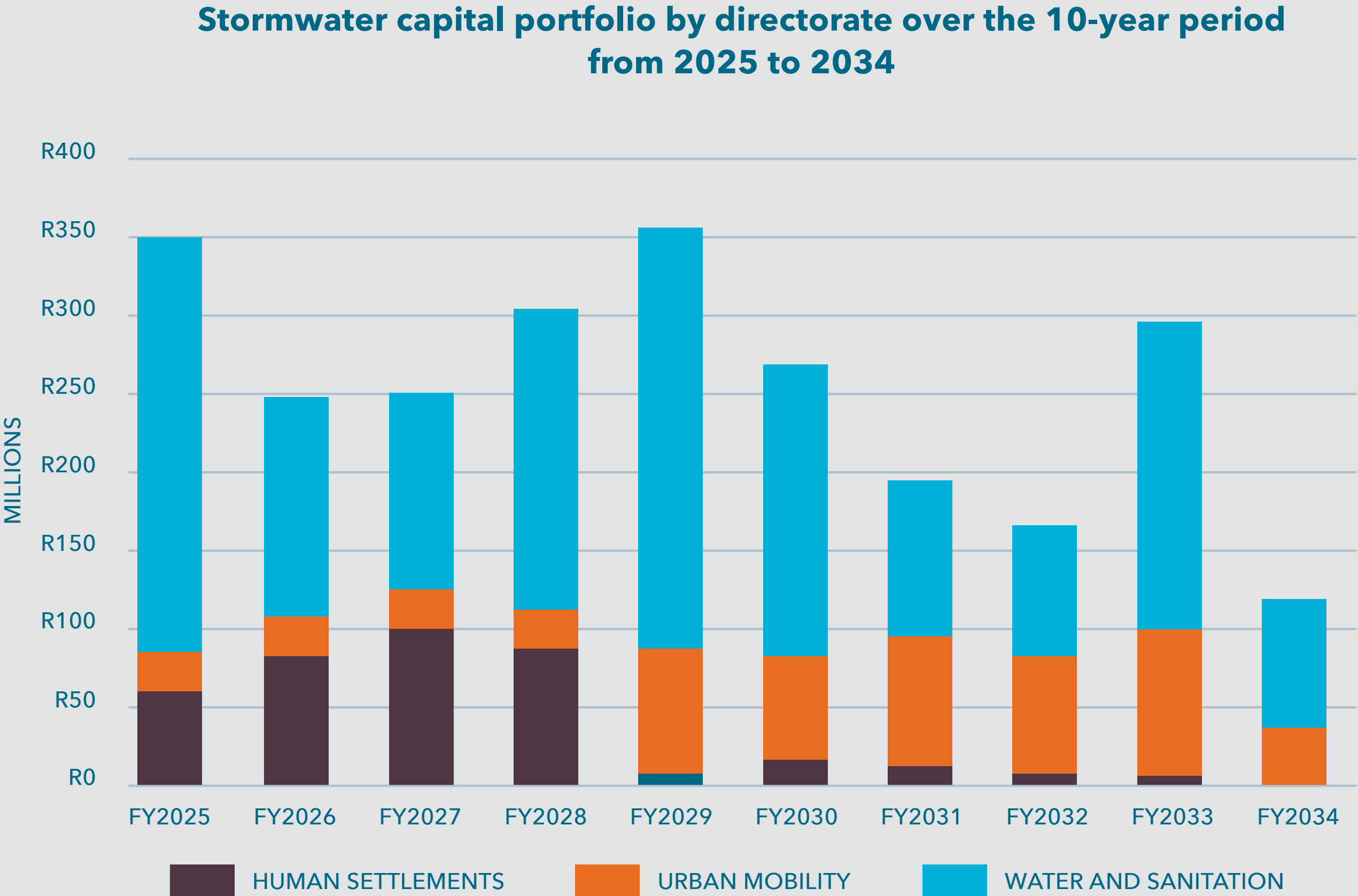
Through continued investment and institutional reform, the City aims to restore rail’s role as the foundation of the IPTN, enabling a shift from road to rail and enhancing long-term operational reliability.

As of December 2025, the City has adopted the Rail Business Plan. It specifies that the City engages the national Department of Transport to ensure proper effect is given to the control and administration of an integrated public transport system by the City, of which passenger rail forms an integral part.



STORMWATER

- Flooding remains a persistent and costly challenge facing Cape Town.
- Most severe effects are felt by lower-income neighbourhoods.
- Those living in informal settlements, which are often located in floodplains and flooding zones, are particularly vulnerable and exposed.
- Investment in stormwater infrastructure has not kept pace with the rate of development (both formal and informal).
- The sector remains **underfunded with multiple directorates responsible** for stormwater management.
- Flooding, such as the R700-million July 2024 event, highlights the urgent need for sustained investment, coordinated planning, and a long-term, climate-resilient project pipeline.



CAPITAL PORTFOLIO

Most of the planned investment is concentrated within the first five years, tapering off in the outer years.

Water and Sanitation constitutes a substantial portion of the overall stormwater portfolio.

The Human Settlements component of the portfolio is heavily weighted towards the short term, with most projects scheduled within the next four years.

The portfolio shows limited short-term activity within the UM portfolio, coupled with growth in the outer years.

Stormwater capital portfolio
by type over the 10-year period
from 2025 to 2034



Upgrade asset	47%	Rehabilitate/ refurbish asset	10%
Expand/develop city/asset	42%	Replace asset	1%



UPDATE ON MASTER PLANS

- Both the 2022 and 2023 Infrastructure Reports outlined the risks related to the City’s lack of a full set of stormwater master plans.
 - Since the last report, several key catchment master plans have been prioritised, funded, and scheduled for completion in the next two years.
- In addition to this, several localised studies or local stormwater management plans (LSWMPs), are under way to inform actions required in areas of highest flood and stormwater risk.
 - The outcomes of these master plans and studies will inform the development of targeted projects to address current stormwater management challenges.

CATCHMENT	CURRENT STUDIES	COMPLETION
Silvermine	Updated master plan	2026
Muizenberg	Updated master plan	2026
Zeekoevlei	Updated master plan	2027
Atlantis/South/West Coast	Witsands LSWMP	Complete
Diep River	Doornbach and environs LSWMP	Complete
Salt River	Uitsig, Bonteheuwel and airport LSWMP	Complete
Hout Bay	Floodline study and Longkloof weir	2026

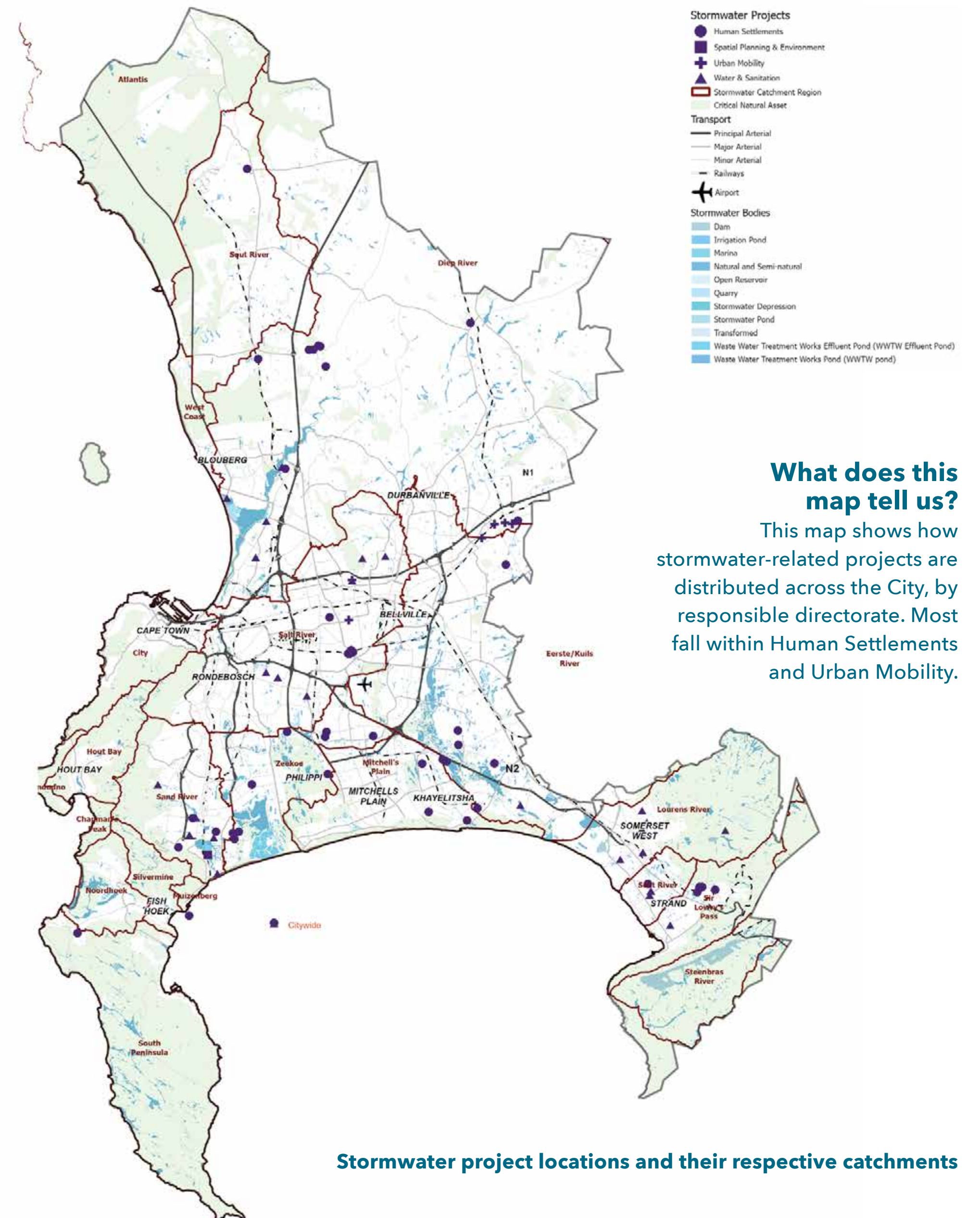
DELIVERY AND KEY PROJECTS

Prioritised projects remaining on track:

Priority projects delayed:

These delays pose a risk given the critical nature of the projects and the fact that they do not yet meet the City's full infrastructure requirement.

Source:
Emergency Policing Incident Control Disaster Risk Management Winter Readiness Plan. Coastal, Stormwater and River Management Roads Infrastructure Management Services.



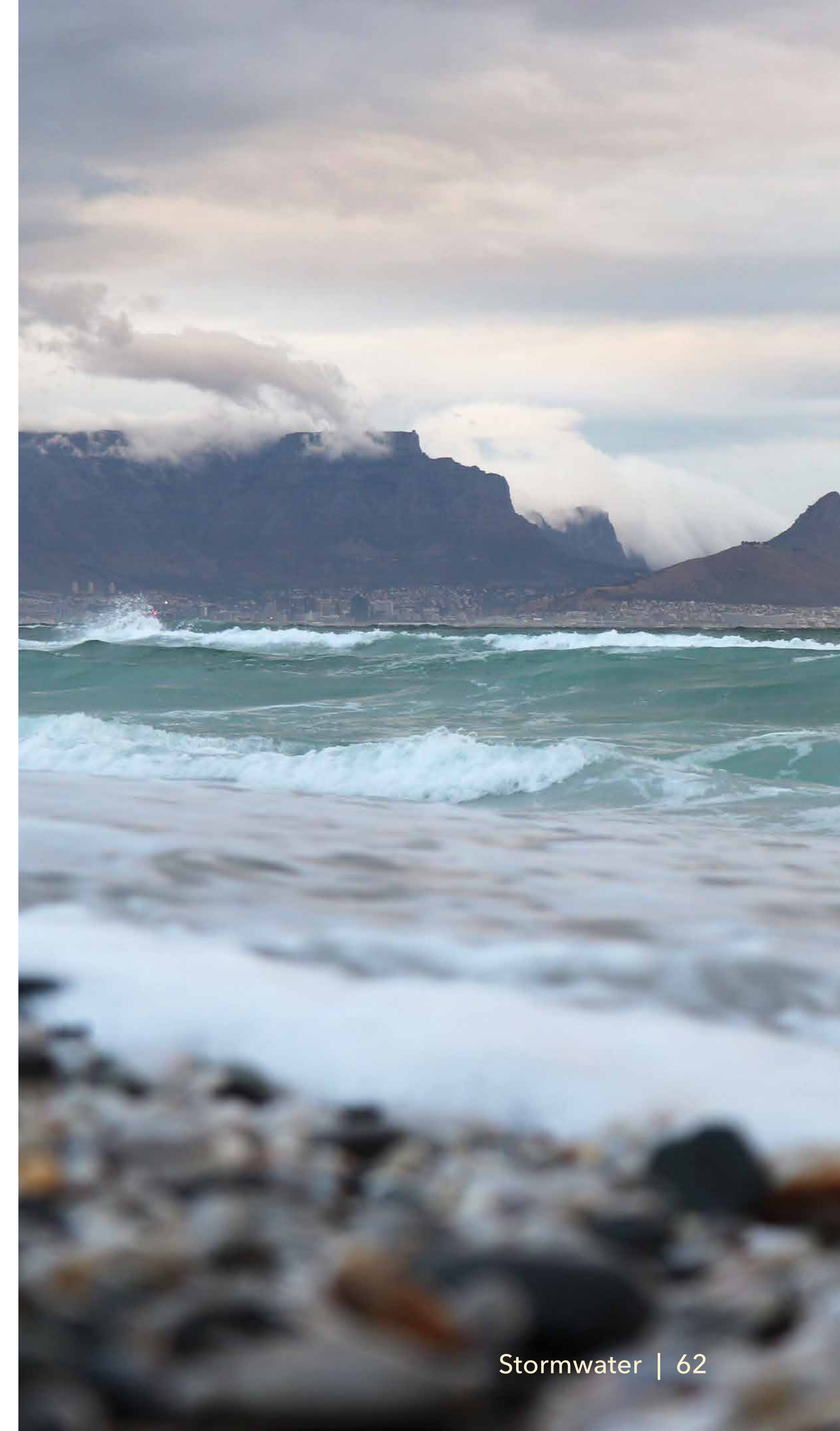
RISKS AND FUTURE OUTLOOK

What are the key risks?

- **Inadequate funding and incomplete master planning** leave many flood-prone areas with a constrained project pipeline.
- **Climate change and rapid urbanisation** are increasing rainfall intensity and runoff, straining ageing and undersized drainage systems.
- **Infrastructure deterioration** is being caused by vandalism and limited technical capacity, as well as blockages and resultant flooding from waste and foreign objects collecting in stormwater networks.
- **The absence of a unified stormwater sector plan** has hindered project delivery and long-term resilience.

Do outer year projects meet future needs?

- **Outer-year projects lay a foundation for resilience**, but current investment levels remain insufficient to fully address long-term flood risks.
- **Updated catchment master plans and expansion of the LUW Programme** demonstrate progress toward sustainable stormwater management.
- **Declining capital allocations after 2030** may limit the City's capacity to meet future drainage and resilience demands.
- **A new Stormwater Sector Plan** will guide project prioritisation, strengthen collaboration, and embed water-sensitive design in future planning.

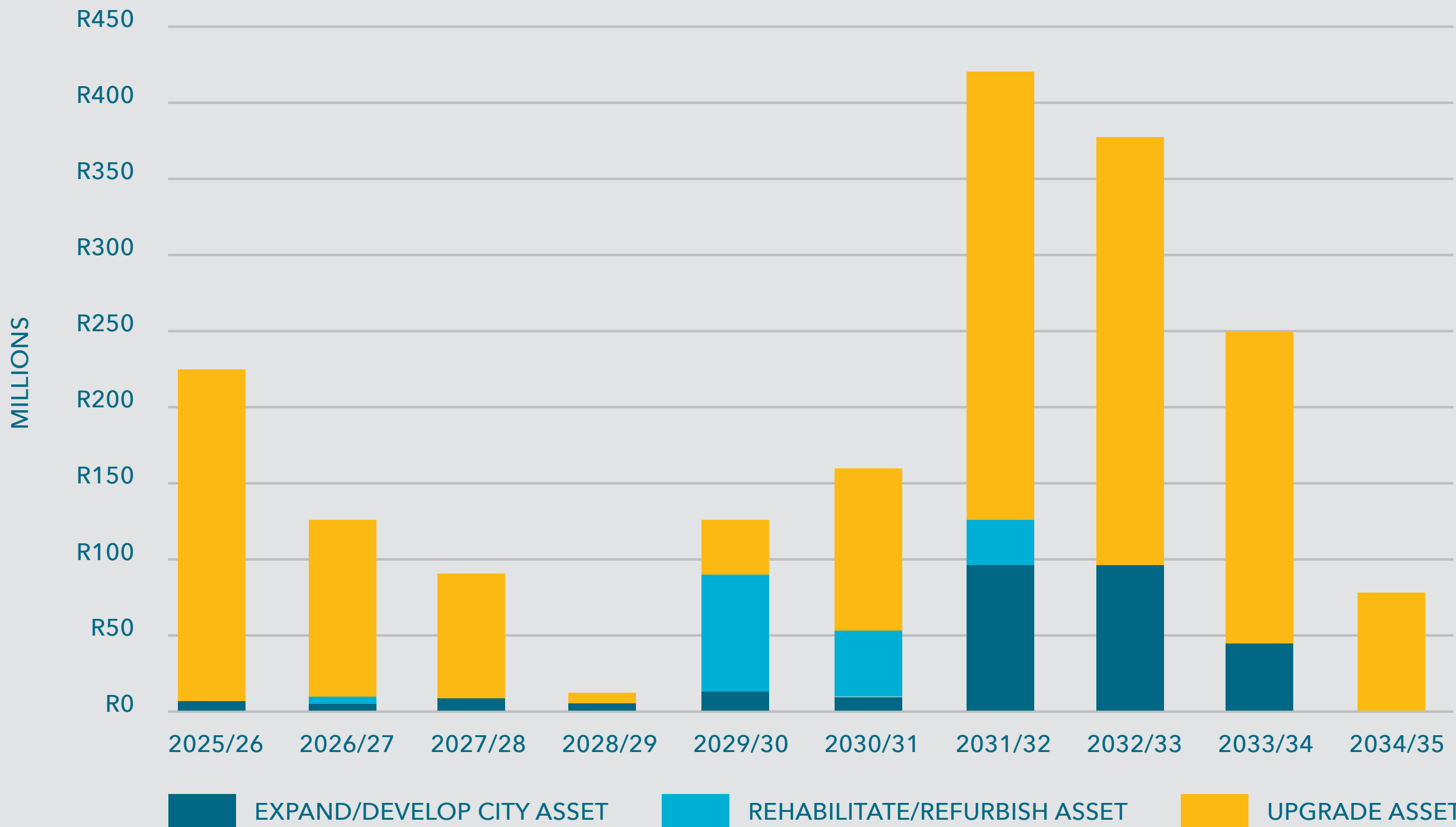


An aerial photograph of a coastal city during the 'golden hour' of sunset. The scene captures a mix of urban development and natural beauty. In the foreground and middle ground, several modern, multi-story buildings with glass facades are prominent, reflecting the warm light of the setting sun. These buildings are situated along a wide, multi-lane road that runs parallel to the coast. To the right of the road is a wide, sandy beach where gentle waves are washing onto the shore. The ocean is a deep blue, with white foam from the waves visible. In the background, a range of mountains stretches across the horizon under a clear, light blue sky. The overall atmosphere is serene and highlights the integration of modern infrastructure with the coastal environment.

COASTAL INFRASTRUCTURE

- Coastal Management focuses on protecting coastal infrastructure, maintaining public access, and improving resilience to erosion, storm surges and sea-level rise.
- Since 2020, the capital programme has shifted from emergency repairs to long-term adaptation and investment, with over 45 projects completed or underway.
- Delivery capacity has improved through in-house engineering expertise and better cross-directorate coordination.
- Funding remains well below the estimated R10 billion needed for comprehensive coastal protection over the next two decades.

Coastal Infrastructure Capital Portfolio by technical category (2024 to 2034)



DELIVERY AND KEY PROJECTS

The coastal capital pipeline has an inconsistent capital spending plan for the next 10 years. Much of this can be explained by the nature of the large capital outlay of specific projects.

- The majority of the pipeline is committed to the **upgrading of existing assets.**
- Spending on the rehabilitation and refurbishment of assets is projected to increase post the MTREF.
- Spike in the 2031/32 and 2032/33 financial years relate to the planned upgrades to the Sea Point seawall.



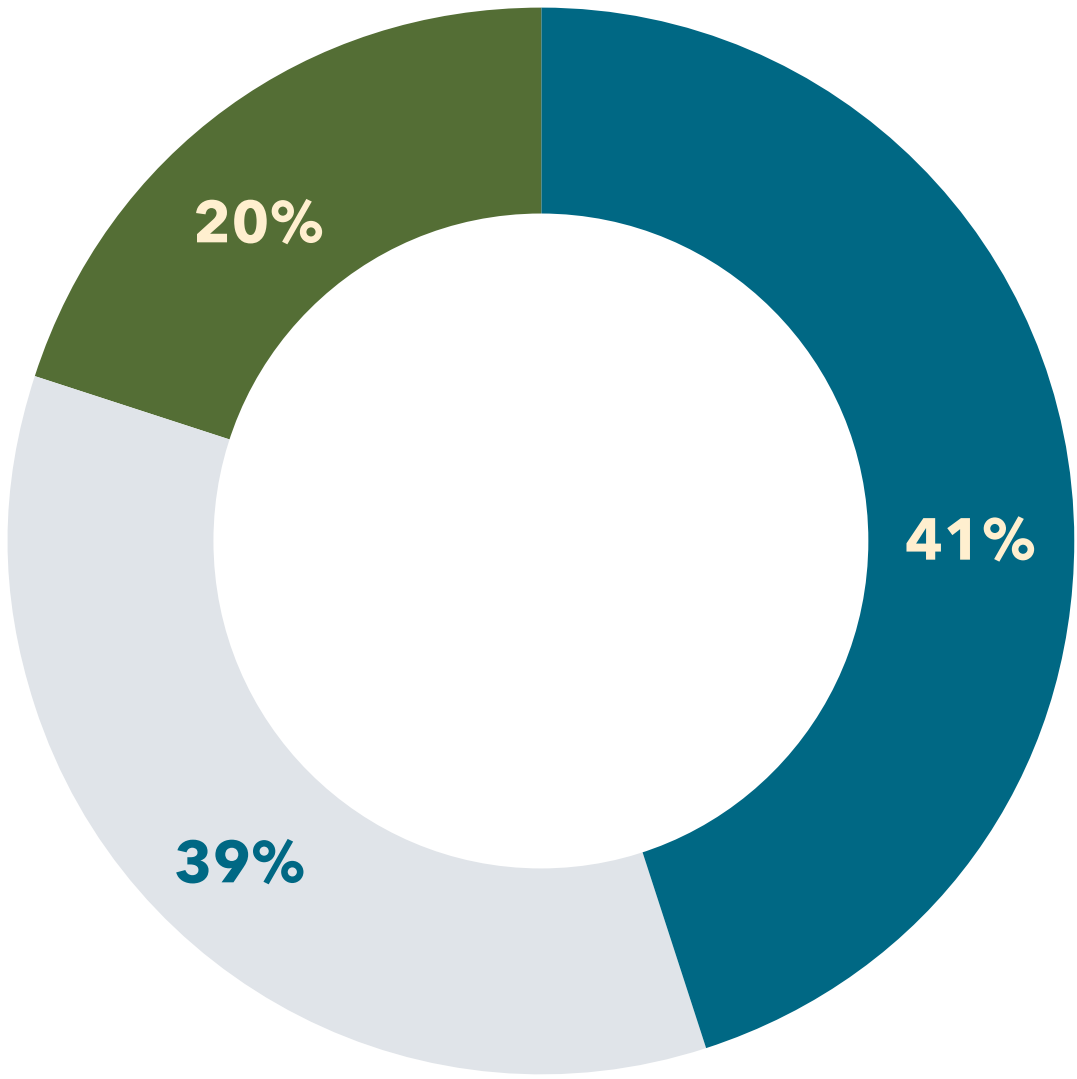
INVESTMENT FOCUS

The capital allocation has a proportionate distribution between **supporting biodiversity, protecting the shoreline**, and **improving public access**, reflecting a balanced investment.

Infrastructure age and condition are the most significant risks, with many coastal assets exceeding their design life, some over 100 years old, such as the Sea Point sea wall. Vulnerability assessments highlight infrastructure age, poor maintenance, and exposure to hazards such erosion, sea-level rise, and storm surges as critical concerns.

The most vulnerable components include coastal recreation areas, parking facilities, ablution blocks, and ecological zones. In response, the City has developed a risk-informed pipeline and adopted a staggered approach to project initiation, aligned with implementation capacity and available budget.

Full Capex portfolio for Coastal Infrastructure Portfolio
by technical category



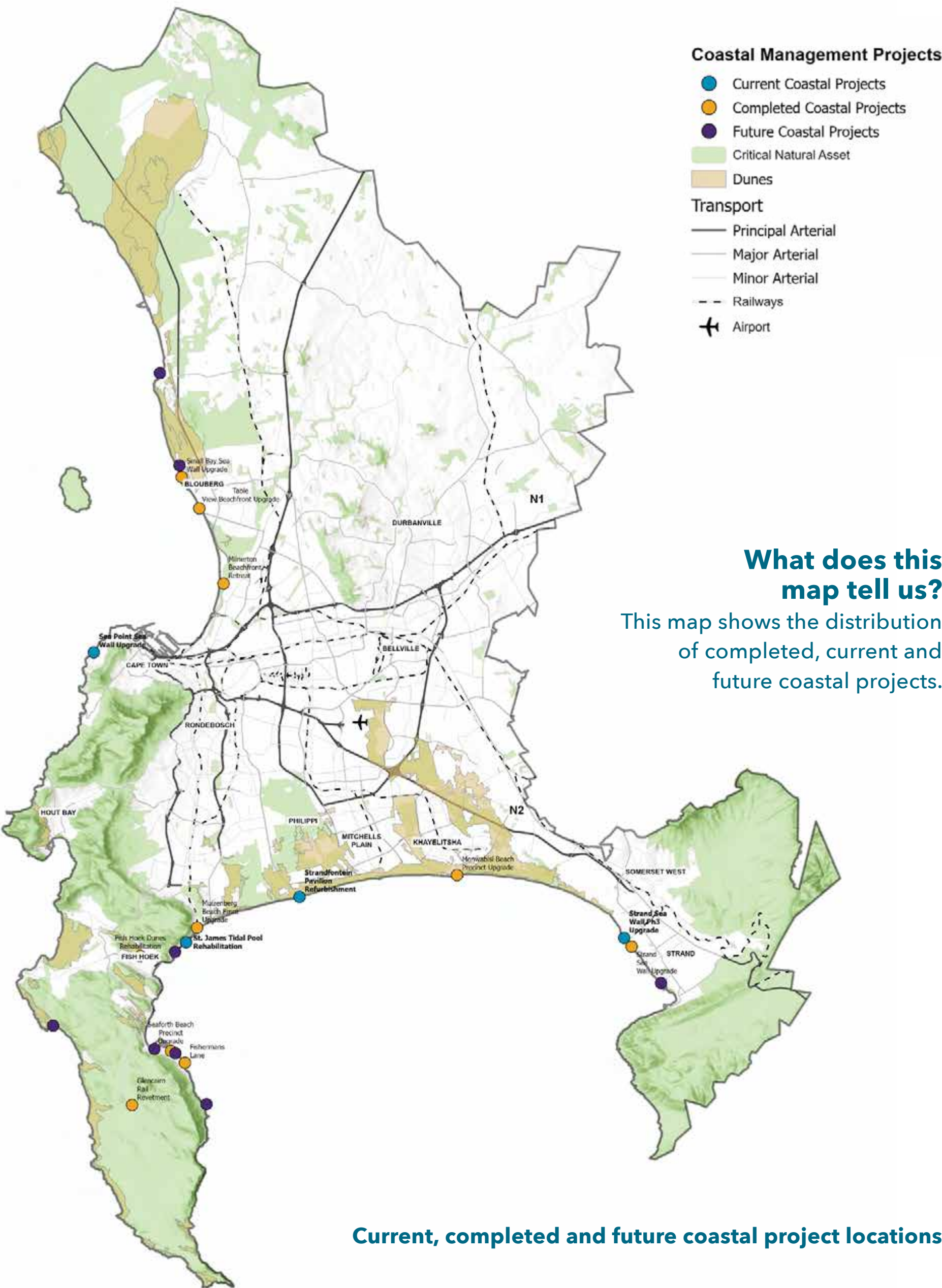
Supporting biodiversity and natural buffers against erosion	R200 million
Shoreline protection Hard Infrastructure	R410 million
Improving public access and amenities	R390 million

DELIVERY AND KEY PROJECTS

Prioritised projects remaining on track:

- Sea Point seawall refurbishment (2032)
- Blouberg coastline rehabilitation and dune stabilisation (2034)
- Strand Phase 3: Stormwater and coastal infrastructure upgrades (2034)
- Harbour Island and Melkbosstrand coastal protection works (2034)

Source:
NGA, USGS Coastal Management Branch (2023). Critical Infrastructure Projects (SAP PPM).



RISKS AND FUTURE OUTLOOK

What are the key risks?

- **Ageing coastal infrastructure** - much of it over 70 years old - faces increasing damage from **stronger storms, erosion and sea-level rise**.
- **Climate change impacts** have intensified, with major storm events in 2023-2024 causing extensive damage along both the False Bay and Atlantic coasts.
- **Funding and capacity constraints** remain critical, with no dedicated coastal protection budget and complex environmental approval processes delaying delivery.

- **Vandalism, sand theft and unmanaged coastal access** incur damage and increase maintenance costs.
- There is a **local technical dearth of specialized coastal contractors** that can work in breaker zones.

Do outer-year projects meet future needs?

- The **outer-year coastal portfolio provides a strong foundation** for long-term resilience but requires **sustained investment** to address rising climate risks.

- The **Coastal Management Programme (2025-2045)** identifies **87 priority projects** targeting highrisk areas such as Witsands, Burghers Walk, Bikini Beach and Melkbosstrand.
- **Nature-based defences** - including dune rehabilitation and ecosystem restoration - will complement engineered solutions and help manage costs.
- Achieving future resilience will depend on **stable funding and expanded coastal engineering capacity**.

HUMAN SETTLEMENTS

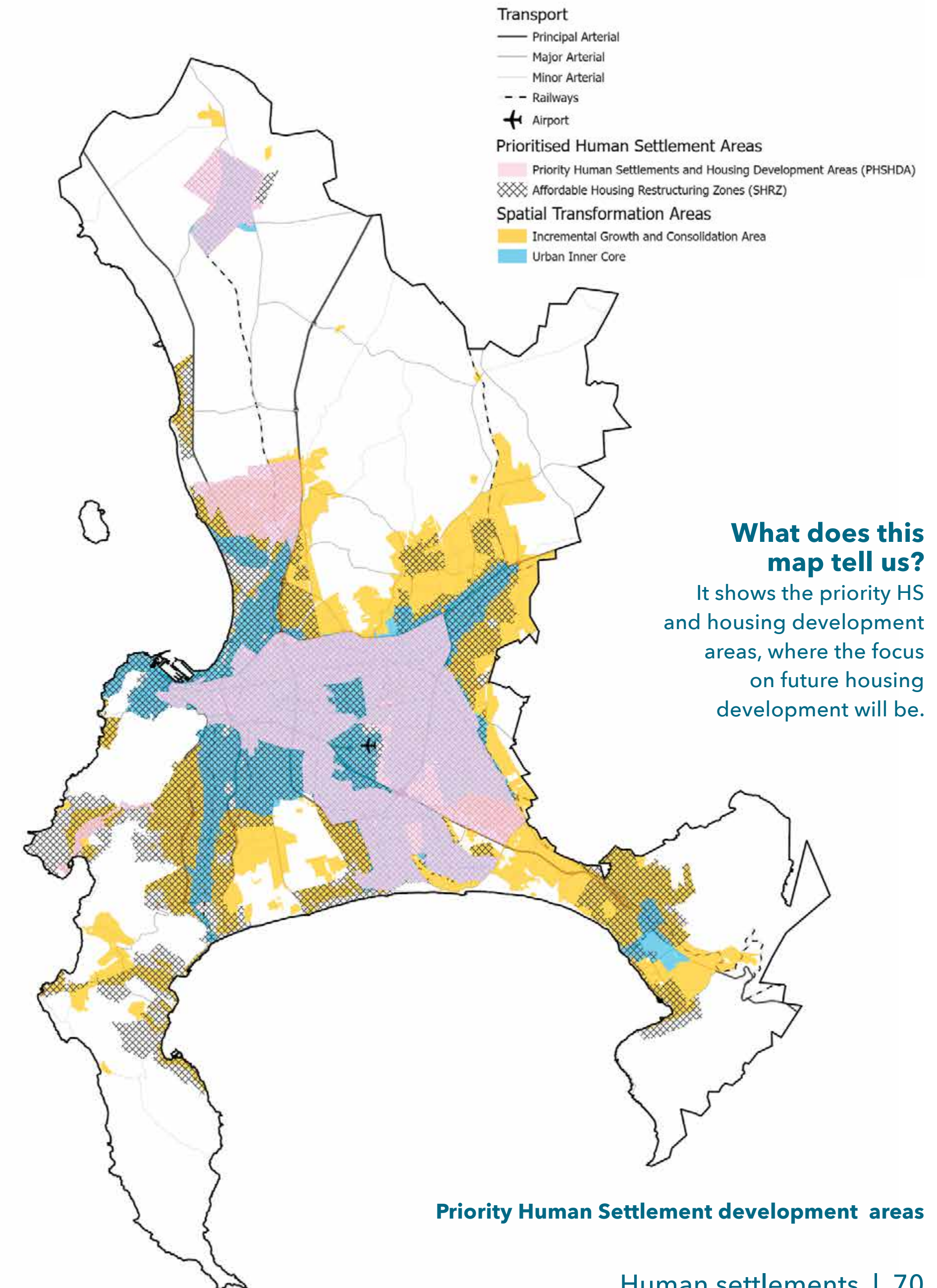


UPDATE ON SECTOR PLAN

The 2023 report identified the need for a review of the Human Settlements Sector Plan. This has been undertaken, providing a clear roadmap to understanding the future of Human Settlements (HS) demand and supply.

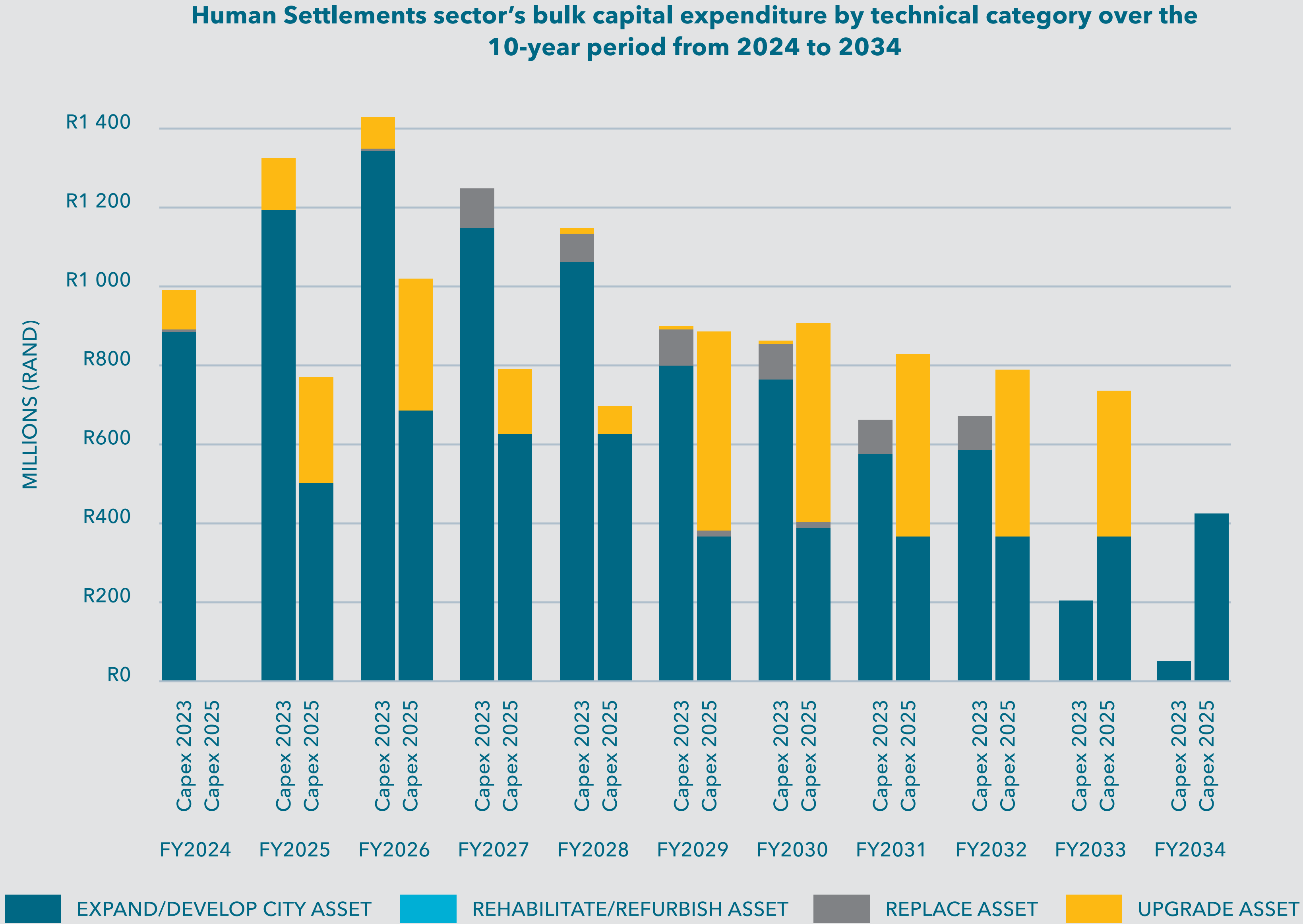
- The outlook reflects growing housing demand, projected to reach 630 000 additional opportunities by 2040. While most of this will be private-sector delivered, it demonstrates the depth of the housing need.
- The revised sector plan provides a strategic framework to match housing typologies with income levels and available land.
- It adopts a demand-driven approach to align housing delivery with infrastructure and budget priorities.
- At current City supply levels, housing supply does not meet housing demand. The City is therefore leveraging the private sector, with infrastructure and development management services provided, to augment public delivery of housing.

Source: Human Settlements Directorate



Since 2023, there have been several changes to the capital portfolio while overall trends have not changed.

- There is an increase in planned projects per financial year since 2023, but the pipeline still tapers.
- The number of planned projects in the 'expand/develop city asset' category has decreased.
- The "upgrade assets" category, is populated well into the outer years, while other categories remain limited. This is largely associated with the investment in the Community Rental Units.
- The City acknowledges that this pipeline needs to see significant growth in outer years, consisting of non-BNG typologies.



DELIVERY AND KEY PROJECTS

To assist with addressing immediate needs as well as building out the long-term pipeline, Human Settlements are focusing on three key initiatives:

- **Land pipeline development:** Over **2 000 ha identified** for future housing; **half development-ready**, with remaining sites requiring bulk infrastructure investment. Priorities include **Bellville, Philippi, Atlantis**, and the **Metro Southeast Integration Zone**.
- **Informal settlements upgrading:** **1 051 ha earmarked** for upgrading through **in-situ, re-blocking and managed settlement** approaches. Progress is advancing in **Kosovo, Imizamo Yethu, Vrygrond and Delft**.
- **Infrastructure integration:** **70+ infrastructure-linked projects** under way across housing and upgrading areas. Strengthened collaboration with **Water, Energy, and Urban Mobility** directorates has **reduced project delays** and improved service readiness for new developments.

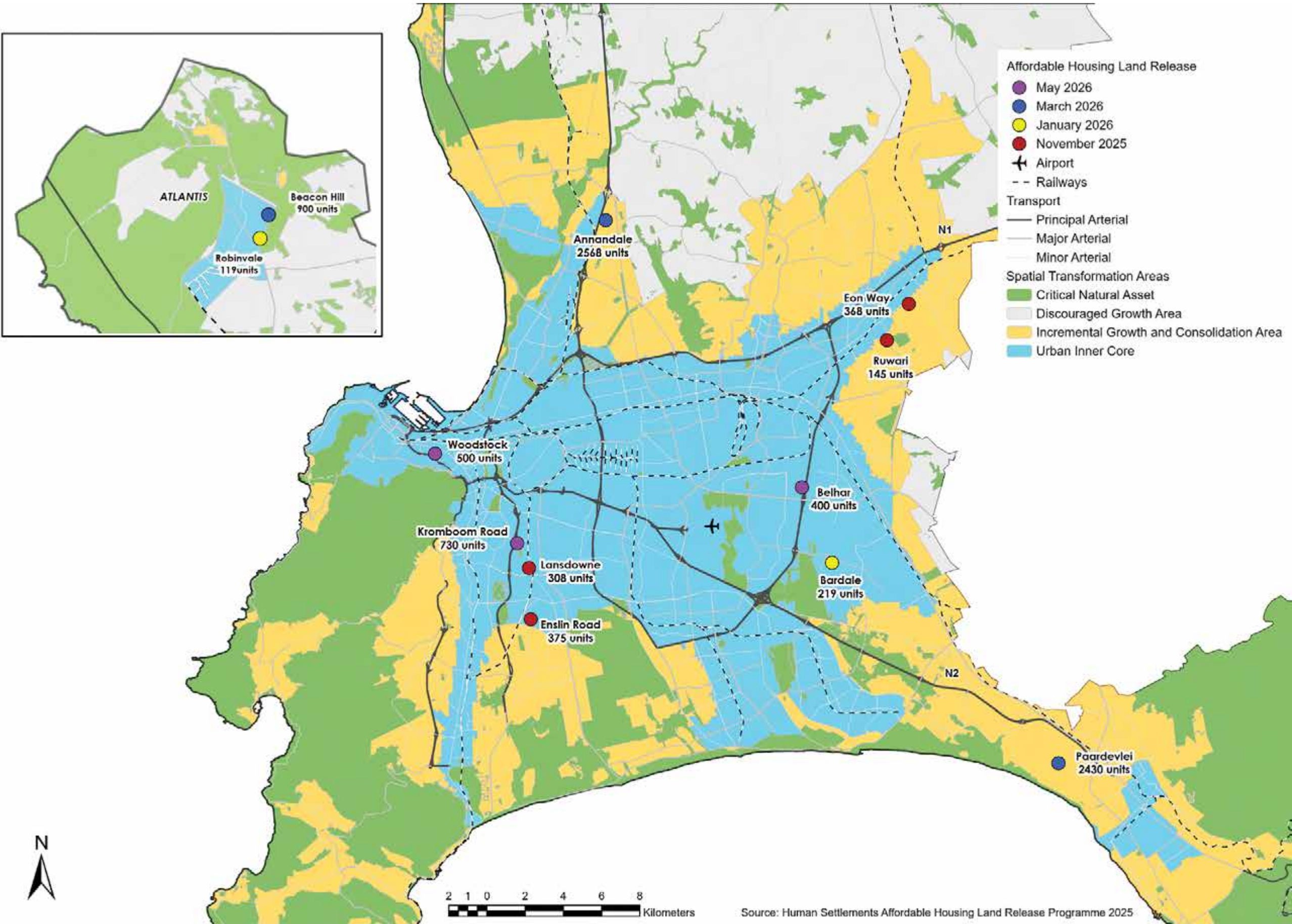


LAND RELEASE

The mayoral **Land Release Programme** focuses on the identification and optimisation (and/or release) of City-owned land and buildings for affordable housing (as per the District SDFs and Local SDFs). These projects will not necessarily reflect in the City’s capital portfolio as they are not capital items but represent an important signal for the priority of the sector.

LAND PARCEL	DEVELOPMENT TYPE	OVERALL STATUS	TOTAL YIELD	PLANNED CONSTRUCTION START DATE
Eoan Way	Mixed	Procurement	386	Sep 2027
Mountain View Brackenfell (Ruwari)	Mixed	Procurement	145	Sep 2027
Enslin Road, Ottery	Affordable housing	Procurement	375	Sep 2027
Erf 62594, Lansdowne	Affordable housing	Procurement	308	Sep 2027
Annandale	Mixed	In-principle Council approval	2 568	Sep 2027
Paardevlei	Mixed	In-principle Council approval	2 430	Nov 2027
Beacon Hill	Mixed	In-principle Council approval	900	Nov 2027
Kromboom Road	Mixed	In-principle Council approval	730	Jan 2028
Woodstock Hospital	Mixed	In-principle Council approval	500	Jan 2028

What does this map tell us?
It shows land release locations and their release dates.



RISKS AND FUTURE OUTLOOK

What are the key risks?

- **Unmet housing demand and a growing backlog** – current delivery cannot keep pace with demand, with both public and private investment required.
- **Declining HSDG and USDG allocations** are limiting project rollout and delaying implementation across key sites.
- **Infrastructure capacity constraints** in bulk water, sanitation, and energy are restricting densification and new developments.
- **Land readiness and rising construction costs** can delay delivery, while informal settlement upgrades require detailed coordination between sectors in challenging environments.

Do outer year projects meet future needs?

- The sector faces a **persistent long-term housing backlog** that cannot be resolved through public-sector delivery alone.
- **Outer-year projects** focus on partnerships, private-sector participation, and **scaling up informal settlement upgrading**.
- A shift toward **mixed typologies, affordable rental and private sector enablement** supports a more inclusive and sustainable housing model.
- While project volumes taper after 2032, the **Human Settlements Sector Plan** provides a clear pathway forward to balance future demand and supply, based on housing typology.



THEMATIC SECTION

The final section deepens the analysis by exploring specific cross-cutting themes, including:

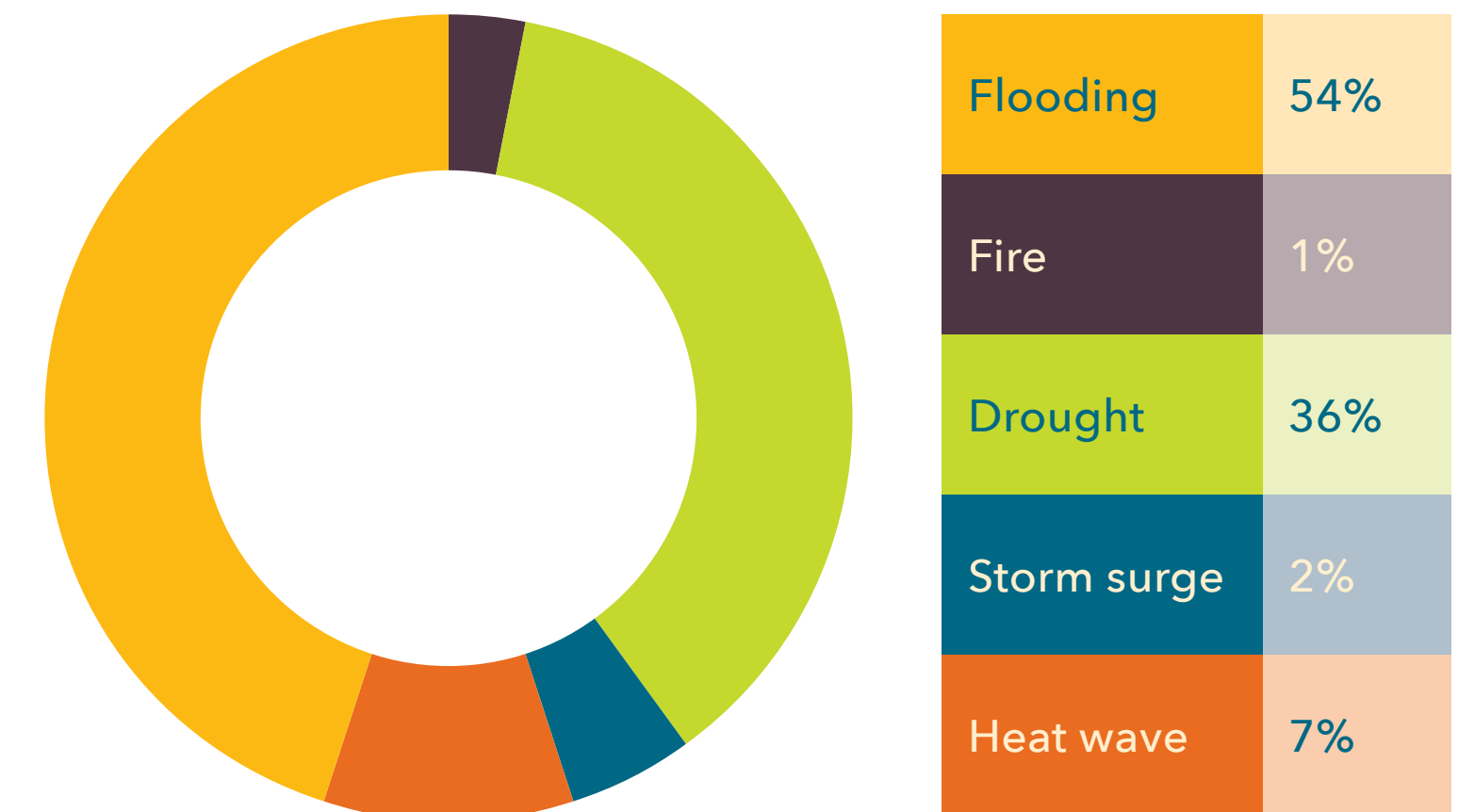
- An update on the **climate resilience** of the infrastructure portfolio.
- An **area-based assessment** focusing on **small-scale rental units (SSRUs)** and their role in shaping more inclusive urban development.
- Capabilities and partnerships relating to driving infrastructure investment.

CLIMATE RESILIENCE OF THE PORTFOLIO

CAPITAL PROJECTS

Building on the previous climate assessment analysis of the 10-year capital portfolio projects that looked to address identified climatic shocks for Cape Town, including fires, storm surges, heat waves, droughts and floods, the infrastructure report assesses all new capital projects (2 389) added to the system over the past two years.

Percentage of new climate resilience projects per climate shock

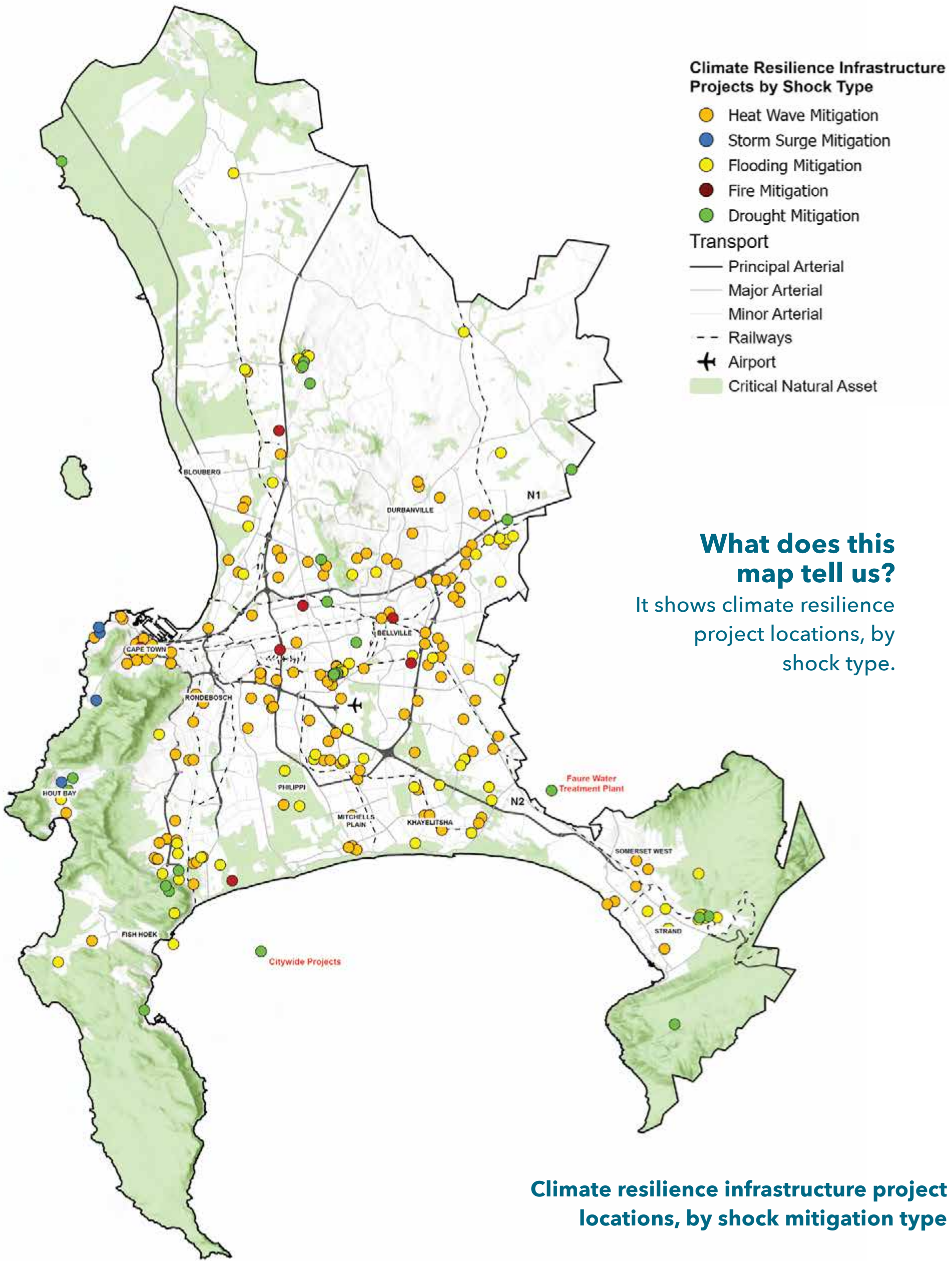


LOCATIONS BY SHOCK MITIGATION

There are **477 projects** that will contribute to improving climate resilience, with a value of approximately **R18,6 billion**.

This represents **20% of projects**, and over **61% of a total budget** of R30,45 billion.

Source: Resilience Infrastructure Projects (SAP PPM)



AREA-BASED ANALYSIS: SSRU

Small-scale Rental Units (SSRUs). Why the City must respond

A growing people-led housing solution

- SSRUs have **transformed Cape Town's housing landscape**, providing thousands of affordable rental units through micro-developers and homeowners.
- It is estimated that **thousands of informal SSRU units** already exist, often built outside formal approval systems.
- Rapid densification is **outpacing infrastructure design**, creating pressure on water, sewer, and mobility networks.
- Without structured support, **service failure and unsafe conditions** could escalate; with a proper enabling policy, SSRUs can **add up to 400 000 affordable units** sustainably by 2040.
- The City's response (via the 2025 by-law amendment) formalises SSRUs in **Single Residential Zone 2**, allowing **8 to 12 rental units per property** without rezoning – a major housing policy milestone.

POTENTIAL YIELD

To develop a sound, evidence-based method for understanding the yield and infrastructure implications of small-scale rental units (SSRUs), the City piloted assessments in **three diverse areas** - **Dunoon, Langa and Philippi**.

These sites represent **high, medium, and emerging uptake** of SSRUs respectively, providing a cross-section of urban contexts.

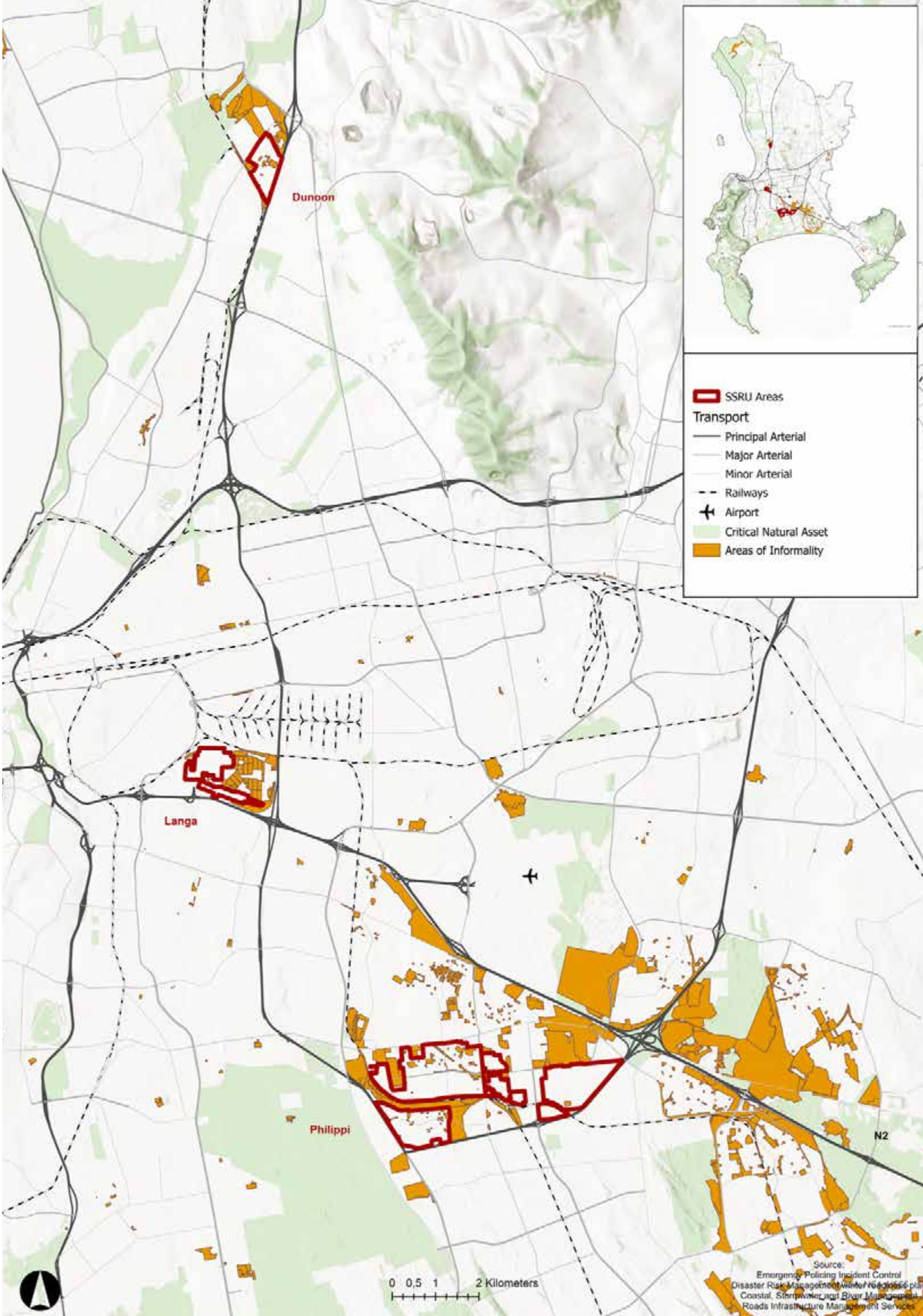
Rigorous projections of potential densification outcomes were undertaken, considering:

- Current densification levels, and current typologies

- Demographic projections based on historical trends and future growth scenarios
- SSRU take-up potential, based on land parcel size, arrangement and spatial yield

The yields in the table below have been generated to both demonstrate the potential housing yield of the scheme, but also critically, to assess the impact on municipal infrastructure and what it will take to provide suitable services for the higher-density yields.

STUDY AREA	NO. OF ERVEN	TOTAL ESTIMATED UNITS	TOTAL PROJECTED SSRU UNITS BY 2050	MAX POSSIBLE UNITS
Dunoon	2 940	11 799	17 000	29 400
Langa	1 728	7 200	13 300	17 280
Philippi	17 918	56 042	106 300	179 180



INFRASTRUCTURE **CAPACITY** ASSESSMENT

- Municipal infrastructure needs to fulfil essential functions, including grappling with externalities and ensuring service provision. SSRUs present a new challenge for infrastructure provision within existing urban environments.
- The study sought to determine both the **current state of infrastructure** and the **impact of future densification** on key services, through a desktop study.
- As illustrated in the table below, the impact of SSRUs on municipal infrastructure is significant, and in many instances will require direct intervention.
- While the challenges are clear, the City is demonstrating a **cohesive, multi-sector programme per area** within a clearly defined **programmatic approach** to facilitate SSRU development.

INFRASTRUCTURE SECTOR	DU NOON CURRENT	DU NOON FUTURE	LANGA CURRENT	LANGA FUTURE	PHILLIPPI CURRENT	PHILLIPPI FUTURE
Water	Moderate	High pressure	Adequate	Severe constraints	Low pressure	Major upgrades needed
Sanitation	Blockages	Major upgrades	Spare capacity	At risk	Partial capacity	Severe overload
Energy	Stable	Reinforcements	Adequate	Expansion needed	Spare capacity	New substation required
Stormwater	Undersized pipes	Flooding risk	Limited capacity	High flood risk	Overwhelmed	Major attenuation upgrades
Urban mobility	Congested roads	Increased demand	Moderate congestion	Rank overcapacity	Over capacity	Severe congestion
Urban waste management	Under pressure	Increased pressure	Under pressure	Increased pressure	Under pressure	Increased pressure

THE WAY FORWARD AND LESSONS FOR OTHER CITIES

Where to for the City?

- **A programmatic approach:** The City is focusing on a multi-sector delivery programme for each area.
- **Prioritisation of SSRU areas:** Apply a structured methodology to sequence assessments and upgrades in high-impact zones.
- **Infrastructure capacity analysis:** Undertake detailed technical studies for the next five priority areas to guide investment.
- **Integration with Land Use Model (LUM) 2050:** Update master and sector plans to incorporate expanded SSRU rights and infrastructure needs in the LUM, which is the anticipated future population and housing demand model that the City uses.

- **Ongoing reporting:** Include SSRU pipeline progress in the next City Infrastructure Report.

What can other South African cities learn from Cape Town's approach?

- **Recognise and enable formalisation:** Municipal by-laws need to enable a structured approach to enabling formalisation.
- **Strengthen data systems:** Build reliable, granular service data to support evidence-based infrastructure investment.
- **Adopt multi-sector programmes:** Specific locations require their own multi-sector programme that understand both current and future demand.

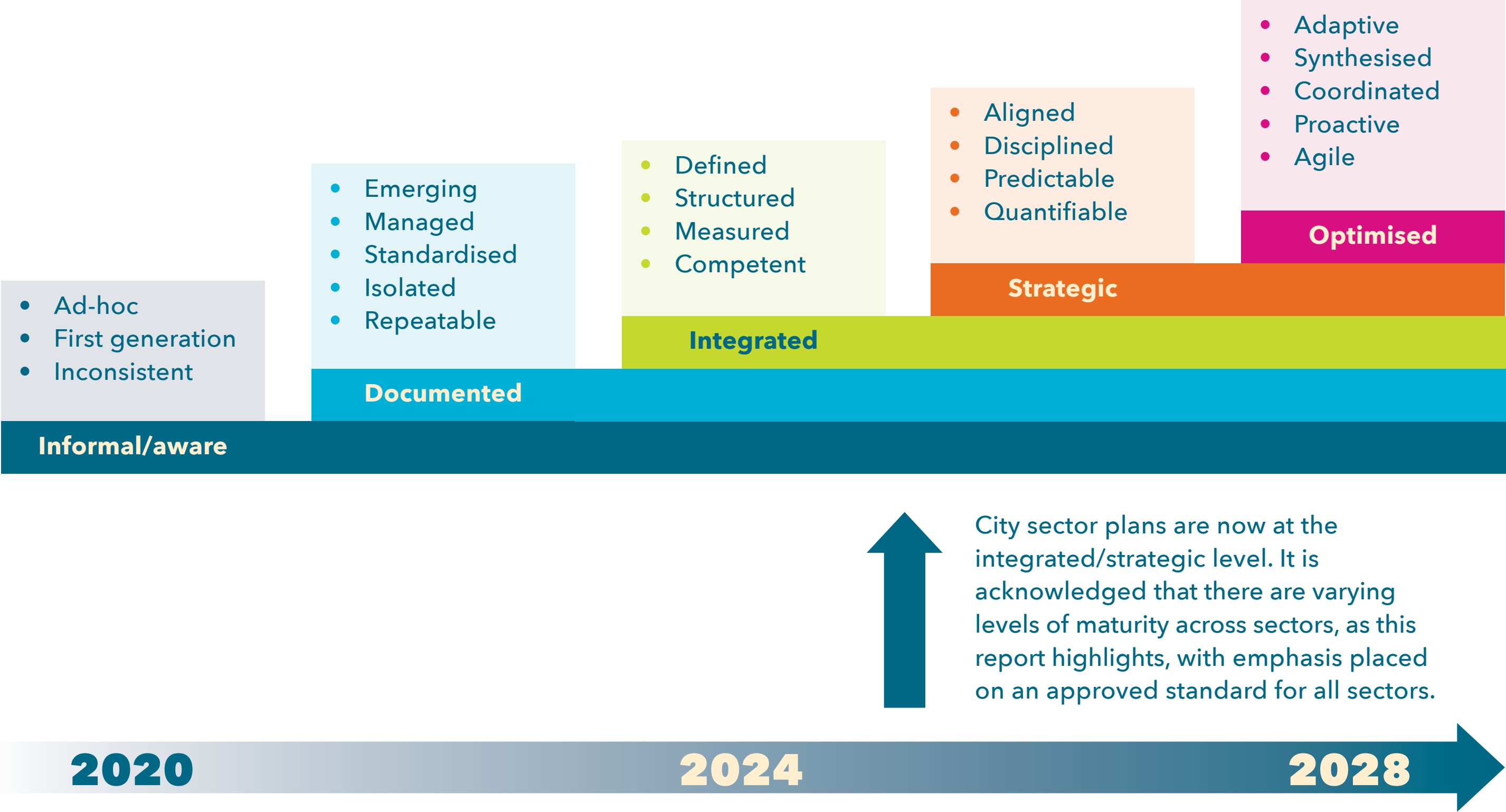
- **Update master and sector plans:** Align planning instruments with real densification patterns to mitigate infrastructure strain.
- **Sequence and integrate investments:** Balance short-term upgrades with long-term expansion, ensuring mobility and social services support liveable density.

CAPABILITIES AND PARTNERSHIPS

SECTOR PLAN PROGRESS

The City has recently undertaken an assessment of the maturity of skills and capacity in each infrastructure sector of the City **for sector plans**. This was done to understand and quantify the need, from a capability and capacity perspective, that each sector has - the difference between current capacity and actual capacity needs.

This work is enabling individual sectors with both 1) identifying the key capacity and capability gaps in their teams, and 2) being able to motivate for funding to fill these gaps. This is essential to the City's plan to integrate sector planning deeply within the organisation to ultimately reach an optimised level of maturity for long-term pipeline development and prioritisation.



City sector plans are now at the integrated/strategic level. It is acknowledged that there are varying levels of maturity across sectors, as this report highlights, with emphasis placed on an approved standard for all sectors.

City evolution to decision support analysis

The Sector plan journey so far, from inception in 2020 through to the target in 2028

PROGRESS ON PROFESSIONALISATION

At the same time, the City has embarked on a multi-year journey of professionalisation for built environment staff. This journey aims to foster internal professional skills, with staff registered with relevant professional bodies, to both increase the capability of staff and to increase capacity to deliver work internally. This rests upon the City's commitment in the IDP to be a capable and collaborative city government.



PARTNERSHIPS

Since the last edition of the report, the City has signed MOUs with several government departments and professional entities, representing a concerted effort to improve the capabilities of the City's professionals:

- The national Department of Public Works and Infrastructure
- Council for the Built Environment
- The South African Council of Planners
- The South African Council for Natural Scientific Professions
- SA Council of the Architectural Profession
- Project Management Institute of South Africa

This represents a first for a municipality in South Africa and is a unique South African story. It demonstrates the City's commitment to scaling its internal capabilities and its assurance to delivering public services professionally.



FINAL REMARKS



WHAT THE INFRASTRUCTURE REPORT TELLS US ABOUT CAPE TOWN'S FUTURE

The scale of delivery

- The City has entered a period of **record infrastructure investment**, with **R43 billion committed** this term and **71% already delivered**.
- Over **R31 billion allocated to capital programme** in the last three years reflects a decisive pivot toward **infrastructure-led growth**.
- A focus on **programmatic approaches to investing in area-based infrastructure** recognises the need to understand local contexts to assist with formalising informal areas.

The strategic shift

- Cape Town is transitioning from **reactive maintenance to strategic, long-term investment** guided by data and resilience objectives.
- New programmes – such as the New Water Programme, **pipe replacement, energy transition and small-scale rental units** – show the City's **adaptive and evidence-based planning approach**.
- However, **capacity and budgetary constraints** will require **trade-offs between urgent service delivery and long-term infrastructure resilience** over the next decade.

The economic payoff

- Infrastructure investment over the five years is anticipated to yield a benefit of **R16,9 billion to GDP** and support **127 000 FTE jobs**.
- Allocations in **Water and Sanitation, Energy and Urban Mobility** will yield the highest local economic multipliers.
- The pipeline strengthens **business confidence, local supply chains, and SME participation**, reinforcing Cape Town's position as South Africa's most investment-ready city.

Looking ahead

- Despite major progress, **funding limitations and climate** risks remain critical constraints.
- Outer-year projects must stay **protected and accelerated** to safeguard Cape Town's infrastructure resilience through 2040 and beyond – **growth in the outer years of the pipeline** needs to be prioritised to continue ensuring sufficient investment to meet future demand.
- The City will continue to **plan for what the future needs** will be, irrespective of budgetary constraints – and then make the difficult choices around what to fund.

THE MESSAGE IS CLEAR: CAPE TOWN IS LEADING

Delivering more infrastructure investment than all other metros combined – but sustaining this pace will demand continuous reform, innovation and collaboration.

ANNEXURE A

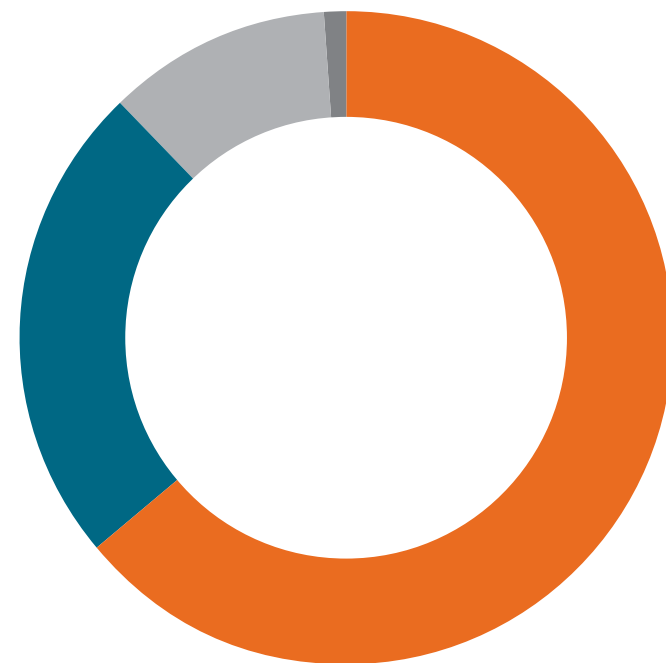
CAPITAL EXPENDITURE FRAMEWORK

CAPITAL EXPENDITURE FRAMEWORK (2023/24 TO 2024/25)

Over R23,4 billion is being invested in infrastructure across two financial years – R11,4 billion in 2023/24 and R12 billion in 2024/25 – supporting infrastructure-led growth, spatial transformation and improved service delivery. **More than 80% of the capital budget** is directed toward **infrastructure assets**, reflecting a **10% increase in infrastructure investment** from the previous cycle.

1. Capital budget funding sources (2023/24 to 2024/25):

- Funded through internal reserves, grants and external loans
- Consistent growth in infrastructure allocations ensures long-term stability



External financing fund (EFF)	64%
Capital grants and donations	24%
Capital replacement reserve (CRR)	11%
Revenue (internal funding source)	1%

2. Categories of capital allocation (2023/24 to 2024/25):

- 75% directed toward new infrastructure and capacity expansion
- Remaining allocations focus on refurbishment and rehabilitation



New	42%
Upgrade	30%
Renewal	28%

3. Largest spending contributor by directorate (2024/25):

- Water and Sanitation - R5,1 bn (42%)
- Urban Mobility - R2,6 bn (21%)
- Energy - R1,2 bn (10%)
- Human Settlements - R982 m (8%)



Water and sanitation	43%
Remaining departments	26%
Urban mobility	21%
Energy	10%

GROWTH ACROSS SECTORS

While capital expenditure has remained largely consistent, certain sectors have undergone expenditure changes between 2023/24 and 2025/26.

- Urban Mobility has increased from 17% to 21%, largely due to the Road Rehabilitation Programme
- Urban Waste Management has reduced from 7% to 3%, due to a reduction in waste

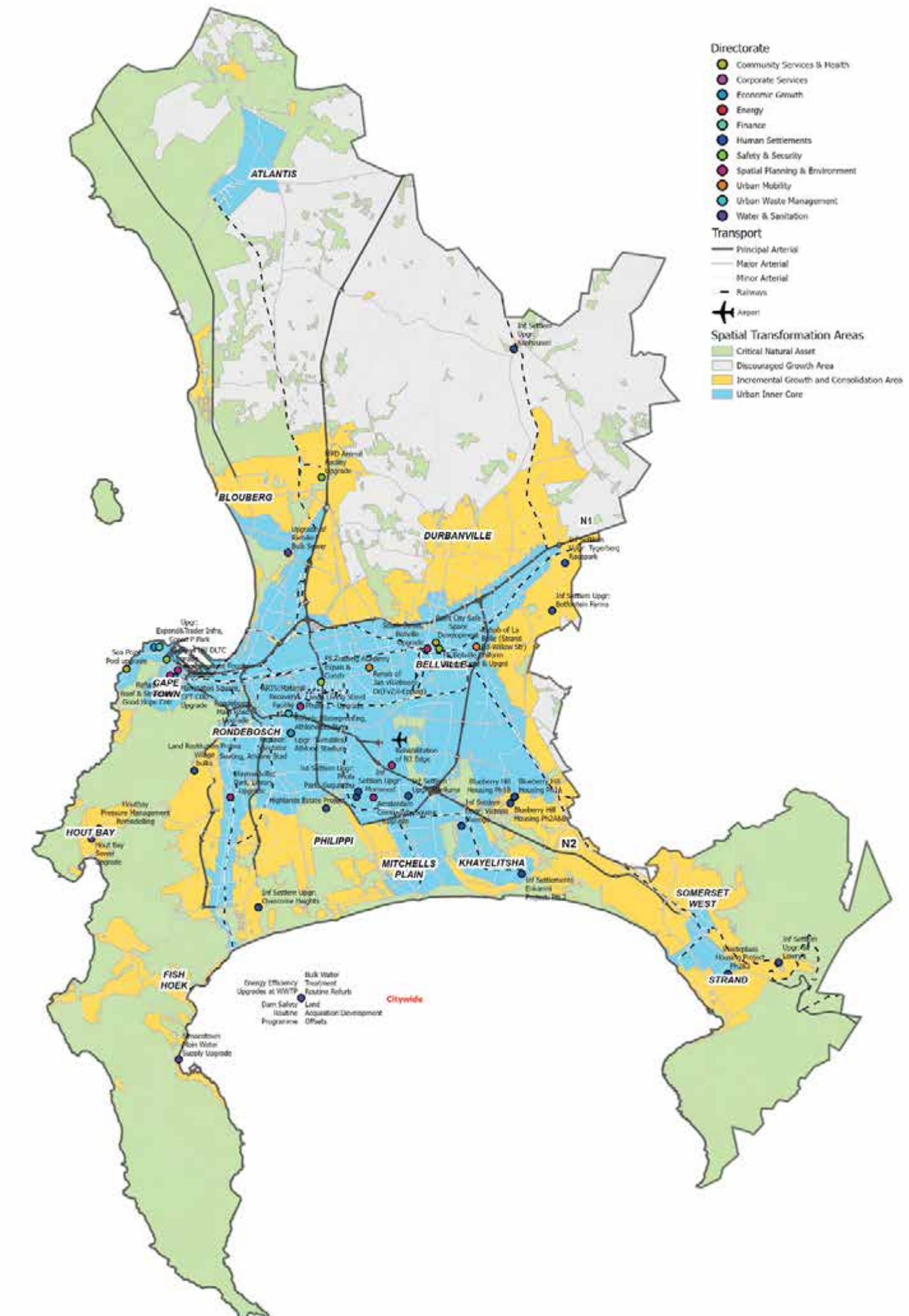
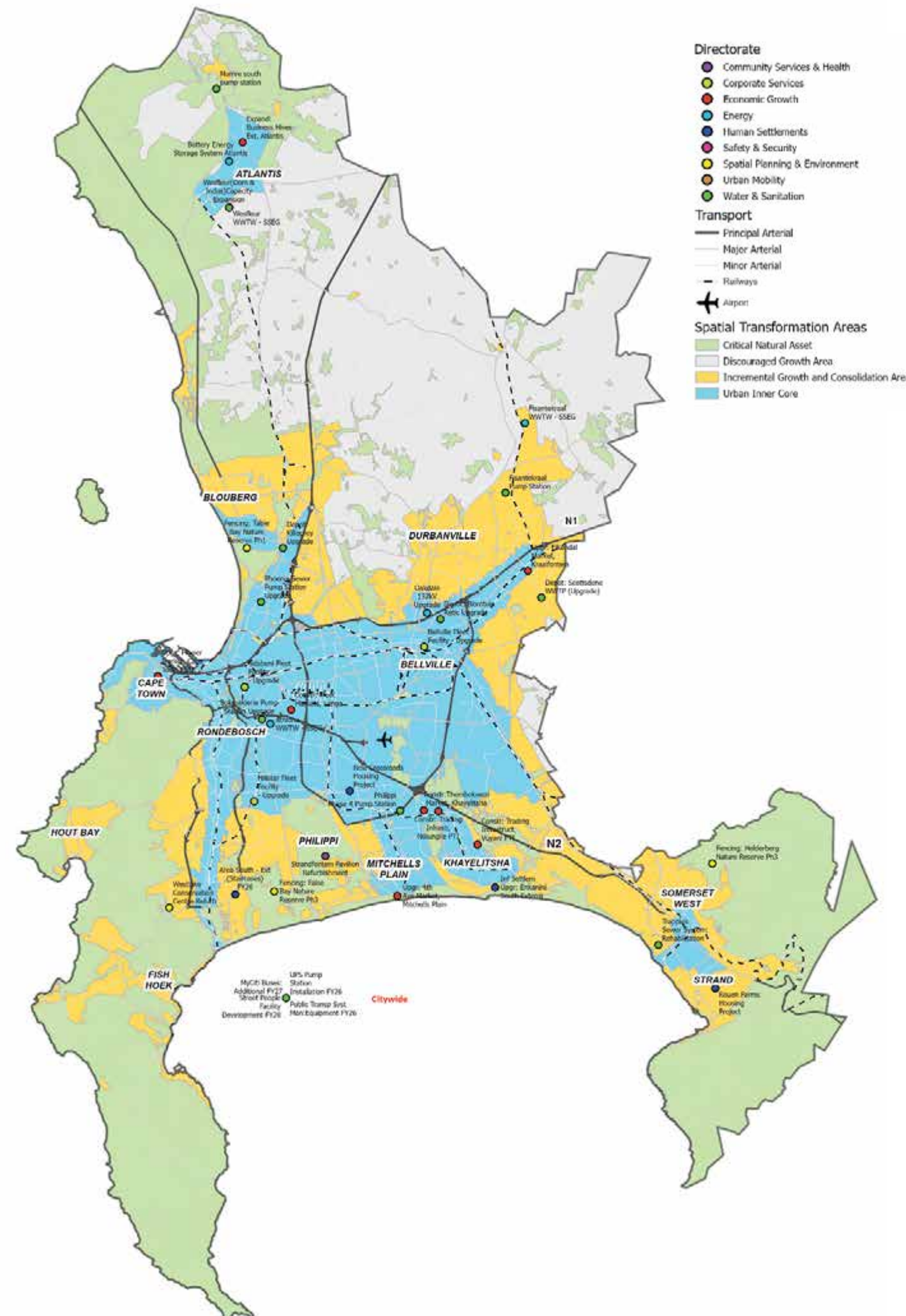
* Percentages will not total to 100%, since not all directorates are included in this analysis - it is limited to the largest contributors

	LARGEST SPENDING CONTRIBUTOR BY DIRECTORATE FOR 2023/24 AND 2024/25 (ZAR AND %)*			
	2023/24		2024/25	
Energy	1 234 025 978	11%	1 233 594 944	10%
Human Settlements	789 429 547	7%	982 278 347	8%
Safety and Security	443 830 461	4%	483 669 181	4%
Spatial Planning and Environment	403 611 768	4%	390 286 218	3%
Urban Mobility	1 984 731 718	17%	2 567 589 487	21%
Urban Waste Management	750 303 089	7%	300 619 107	3%
Water and Sanitation	4 488 337 492	39%	5 093 381 931	42%

SPATIAL OVERVIEW

New projects within the capital portfolio are overlaid on the Municipal Spatial Development Framework (MSDF)

- Approximately 40% of the newly added long-term capital pipeline projects are mapped, while the remaining projects provide citywide benefits and therefore lack specific locational data
- Newly added projects are well aligned with the City's spatial priorities
- Where projects intersect with the Critical Natural Asset STA, they are specifically designed to support the City's mandate to protect, enhance and expand public access to these areas, in accordance with the MSDF



Spatially referenced capital projects added to the portfolio for the 2023/24 year (left) and 2024/25 year (right)

ANNEXURE B

DATA ANALYSIS AND RELEVANT NOTES

DATA ANALYSIS AND RELEVANT NOTES

CHALLENGES

Incomplete datasets were noted for several programmes, including Spatial Integration and Transformation, Integrated Urban Health, Climate Change, Promoting Cleanliness and Addressing Illegal Dumping, Advocacy and Intergovernmental Relations, Tenure Security, Primary Healthcare, and Rail Improvement programmes.

CAPITAL PROGRAMME

R120 billion portfolio assessed using the current approved budget and latest plan for the 10-year period against actual spend for the 2022/23-2025/26 financial years.

DATA SOURCE

The analysis was based on the 15 September 2025 extract from SAP PPM, incorporating three key datasets:

Latest approved plan
Current budget
Actual expenditure

IMPACT

Impact of infrastructure spend was assessed using the Macroeconomic Impact Assessment Model.







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STAD KAAPSTAD

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