



MAKING IT EASIER TO DEVELOP

WITH THE INCENTIVE OVERLAY ZONE

INCENTIVE OVERLAY ZONES (IOZ) HAVE BEEN ESTABLISHED FOR FIVE DEVELOPMENT FOCUS AREAS IN ATHLONE, MAITLAND, PAROW/ELSIES RIVER; DIEP RIVER; AND BELLVILLE

The Incentive Overlay Zones for these five areas, and the designation of certain properties to have this overlay zoning, was approved by Council in June 2025 and officially gazetted in August 2025. It is effective as of 1 October 2025 in the Municipal Planning By-law (MPBL).



MAKING IT EASY AND COST-EFFECTIVE TO BUILD AND DEVELOP.



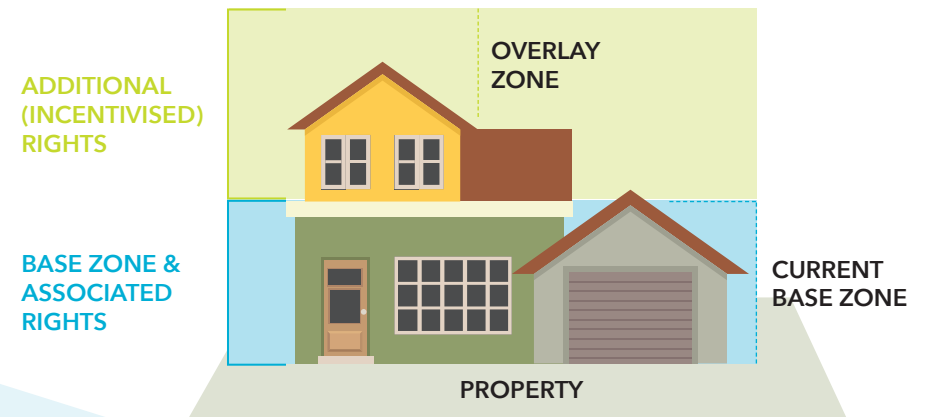
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1 WHAT IS AN INCENTIVE OVERLAY ZONE (IOZ)

Every property or erf within the metro's boundaries has a zoning that determines what it may be used for. This zoning is indicated in the Development Management Scheme that forms part of the Municipal Planning By-law. **This zoning is commonly known as the base zoning.**

An Incentive Overlay Zone creates a special zoning area, over and above the existing base zone(s), which identifies special provisions in addition to those of the base zoning.



An IOZ enables mixed uses for properties that fall within this overlay zone. Property owners and aspiring investors whose properties fall within an IOZ get additional or enhanced development rights such as height, floor factor, coverage and setbacks.

Thus, the **IOZ eliminates the need for a land use application**, provided that the proposed development complies with the rules prescribed in the IOZ.

WHAT ARE THE **2** BENEFITS OF AN IOZ?

- The IOZ makes it easier to develop in identified priority areas.
- It simplifies regulatory processes and requirements.
- It speeds up permissions.

In so doing, it supports the City's commitment to Ease-Of-Doing-Business in Cape Town, and enables development in prioritised areas, as stipulated in the City's Integrated Development Plan (IDP).

Those wanting to develop properties that fall outside of an IOZ need to apply through the Land Use Management Scheme (LUMS) for additional rights and departures from restrictions to increase the development opportunity on a site. Once approved, a building plan application needs to be submitted to the City for approval.

The IOZ eliminates the need for a land use application: saving developers and property owners' time, and therefore money.

A predetermined basket of development rights can be accessed in a single building plan application within around 30 working days if the application is compliant.

The City hopes that the IOZ will help achieve the type of development envisioned in planning and urban design policy for specific prioritised areas.

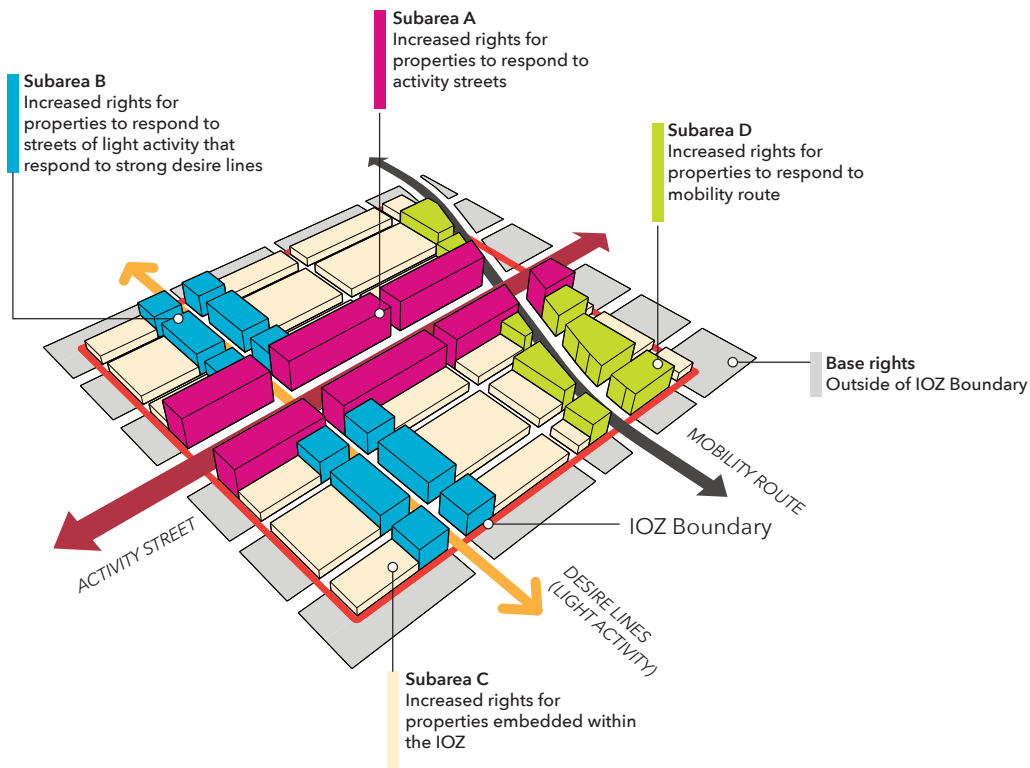
3 WHAT AREAS ARE TARGETED BY THE IOZ?

The City's approved Municipal Spatial Development Framework and District Spatial Development Frameworks identify areas that are appropriate for **mixed-use intensification and further development**. Of these areas, five pilot areas were identified for IOZs as depicted in the map below.



4 IOZ SUBAREAS AND PROVISIONS

Each IOZ area is divided into “subareas”. Every subarea has its own additional or enhanced development rights for the properties falling in that subarea. In so doing, the City enables and incentivises appropriate developments specific to the local context. **The subareas and logic is depicted below.**



5 HOW TO DETERMINE IF YOUR PROPERTY IS ELIGIBLE:



IS YOUR PROPERTY LOCATED IN AN IOZ AREA?

Only properties that are located in one of the five IOZ areas are eligible for enhanced rights.



IN WHICH SUBAREA IS YOUR PROPERTY LOCATED?

Each IOZ is divided into four subareas. The enhanced rules or development rights differ for every subarea. Thus, you need to determine in which subarea your property is located.



WHAT ZONING IS APPLICABLE TO YOUR PROPERTY?

Enhanced rules or development rights are linked to the existing zoning of the property. All these eligibility criteria can be checked using the guide at this [link](#).

HOW CAN YOU ACCESS 6 THE ENHANCED RIGHTS?

Owners of eligible properties can access to the enhanced rights by following the steps below:



Prepare a building plan that complies with the general and specific provisions prescribed in the IOZ relevant to your subarea and zoning (see items 155 and 156 of the MPBL).



Submit your building plan through the Development Application Management System (DAMS).

The full guide to determining eligibility and taking up the enhanced rules has been made available on the City's website.

See the **IOZ Operational and Design Guidelines Manual**.

7 OTHER FREQUENTLY ASKED QUESTIONS

1. WILL THE IOZ CHANGE THE VALUE OF MY PROPERTY, AND THEREFORE INCREASE MY RATES?

No. The IOZ is not equivalent to a blanket rezoning. Your property value will only change should you take up the available rights, and build or extend your property.

2. FOR HOW LONG WILL THE IOZ APPLY?

Since the IOZ has been approved by the City Council and gazetted, it is now local planning law. Amendments to the IOZ are possible in future, but only as part of amendments to the Municipal Planning By-Law (MPBL). Any amendments will have to undergo a public participation process to give residents the opportunity to comment on the proposed amendments.

3. WHAT IS THE COST OF TAKING UP IOZ RIGHTS?

Two fees are applicable: a) the building plan scrutiny fee as per the Development Management Scheme; and b) the applicable Development Charge (DC). The DC is calculated as a percentage of the uptake of the additional bulk and is payable on the approval of building plans.

4. HOW WILL THE IOZ DENSIFY MY NEIGHBOURHOOD?

The IOZ promotes subtle densification, over time. Meaning, it allows for further development within the property's existing boundaries in relation to the current development rights.

5. MY HOUSE CURRENTLY HAS HERITAGE STATUS, HOW DOES THIS AFFECT MY PROPERTY AND THOSE AROUND ME?

Heritage protection still applies within an IOZ. The five Development Focus Areas that we have identified for the proposed IOZ do not fall within a Heritage Protection Overlay Zone (HPOZ).

6. WHAT ABOUT TRAFFIC, MORE DEVELOPMENT MAY CAUSE CONGESTION?

All development that generate more than 50 additional trips or change the primary property access point will be subject to Transport Impact Assessments (TIAs).

7. WHY HAS MY PROPERTY NOT BEEN INCLUDED IN THE IOZ?

This is our first pilot where we are focusing on five Development Focus Areas. Depending on the outcome, we may pursue more IOZs in other areas in future.

8. WILL MY NEIGHBOURHOOD CHANGE OVERNIGHT?

No. We anticipate that the uptake will be gradual, given the current economic climate.

8 FURTHER DETAILS AND CONTACT INFORMATION

Please visit the website using the QR Code or URL below to access further details and all relevant documentation regarding the Incentive Overlay Zones. The webpage includes various step-by-step guides and other helpful resources.



bit.ly/IncentiveOverlayZone



Alternatively, for specific queries or comments, we recommend you contact your **District Planning Office** via email.



Or call: **021 401 4702**.