

YOUR GUIDE TO DEVELOPMENT CHARGES



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD



Development charges are implemented in terms of the Municipal Planning By-law to facilitate sustainable engineering services for economic development.

The charge is based on the market-related cost to provide engineering services, and the unit cost is amended annually with the construction price adjustment factor (CPAF) as determined by Stats SA.

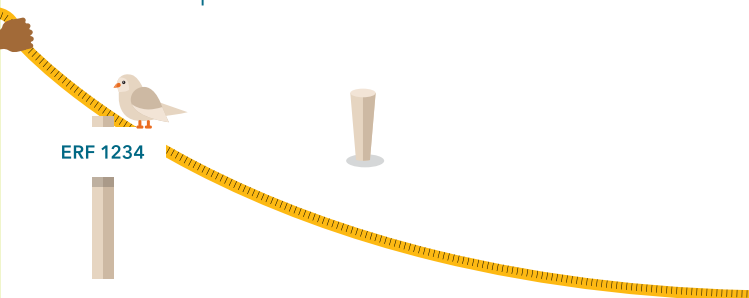


WHAT IS A DEVELOPMENT CHARGE?

A development charge (DC) is a once-off capital charge imposed as a condition of approval on a land-use application. It is imposed by the City on a developer in order to cover the cost of bulk municipal engineering services required as a result of the intensification of land use.

Development charges are calculated to determine the pro rata share or the actual capital cost of municipal infrastructure that is required to service a particular development and are imposed during the land-use application process. It is typically applied when there is a change in the lawful land use or when the zoning increases the service load on municipal infrastructure.

The development charge ensures the appropriate infrastructure to support sustainable social and economic development.



WHEN DO DEVELOPMENT CHARGES APPLY?

Once a land-use application is submitted to Development Management, fees paid and all relevant supporting documentation are uploaded and available, it is circulated to all relevant commenting service departments.

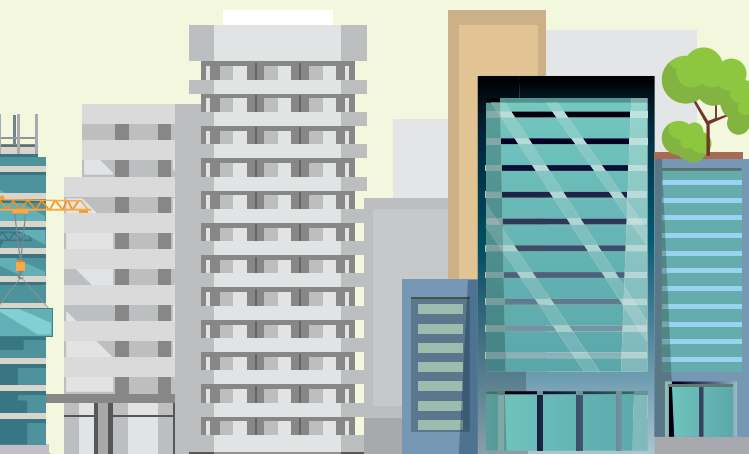
Applications that trigger a development charge are typically those that intensify the use rights on the land, such as:

- Rezoning applications that enable simultaneous subdivision of land, typically required for new developments, and rezoning that changes the permitted land use on the site and increases the permitted floor spaces.



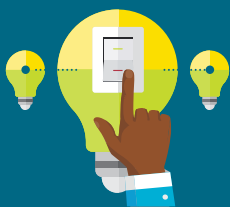
- Subdivision applications that increase the number of dwelling units.
- Applications for permanent departure that increases the permitted floor space, the gross leasable area (GLA), the number of occupants or number of rooms and applications that increase the permitted coverage.
- Consent-use applications that result in additional utilisation of infrastructure.

Further land-use application types where development charges are applicable are covered under the Development Charges Policy for Engineering Services.



WHO MAY IMPOSE A DEVELOPMENT CHARGE?

Internal departments that may put forward conditions include:



**Electricity
Generation and
Distribution**



**Solid Waste
Management**



**Water and
Sanitation**



**Transport
Planning**



Road Infrastructure Management

HOW IS A DEVELOPMENT CHARGE CALCULATED?

A developer's overall DC liability is calculated based on the impact a development will have on municipal services infrastructure. This is multiplied by a predetermined unit cost.

$$\text{DC} = \text{additional units of impact} \times \text{unit cost}$$

- The **determination of costs** is based on an estimated unit cost for each service, such as transport, water, sewerage, stormwater and solid waste, and corresponds with a future land-use scenario or a model used to plan for future densification.
- The **policy provides** further guidance on the factors determining demand, which includes, for example, Guidelines for Human Settlement Planning and Design. **Unit costs** are inflated annually by the Civil Engineering Index, which is used to develop the development charges calculator available on the City of Cape Town website for use in estimating the applicable charges.

- It is **important to note** that this calculator is available for information purposes only, and only calculations done by the City of Cape Town will be used to quantify an applicable development charge.

An implementation guide that accompanies the Development Charges policy must be read prior to using the calculator.



FURTHER INFORMATION ON DEVELOPMENT CHARGES?

Further information about development charges as well as access to the development charges calculator is available on the City's website with the following steps:

1. Go to **www.capetown.gov.za**
2. Click Work and Business tab
3. Click Planning Portal tab
4. Click Tariffs and Charges tab
5. Click Development Charges tab



PLEASE NOTE:

Enquiries related to development charges are application specific and should be directed to the applicable service department imposing the charge.

Alternatively call:

0860 103 089

FOR MORE INFORMATION



Visit www.capetown.gov.za/urbanmobility
to access and download this leaflet and other
useful guides.

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