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Dear Hlalelo

**Re: Tinley Manor Southbanks Economic Impact Assessment Update to Layout as at 08-02-2017**

Further to your email of 07 March 2017 and subsequent discussions, Urban-Econ has reviewed the changes to the layout of Tinley Manor South Banks and we have undertaken the impact modeling on the proposed new layout.

The proposed new layout has an associated total capital expenditure of R9.8b (provided by email on 16-03-17) while this is lower than the initial capital figure R12b used in our 2013 report the impact remains very positive.

Construction of the internal infrastructure (includes among others, internal roads, internal sewer, internal electricity reticulation) as well as the building cost can be viewed as a short-term impact on the construction industry within the Province. Total capital expenditure is estimated at R 9.8bn inclusive of infrastructure and superstructure that will be injected into the provincial economy during the construction of the proposed development. The results of the I/O Model for this component of the development is identified in the table below:

**Table 1: Economic impact of capital expenditure (Internal Infrastructure Build Cost and Total Building Cost)**

Economic impact multiplier	Direct	Indirect	Total
Additional new business sales	R12,123,154,122	R15,200,999,885	R27,324,154,007
Additional Gross Value Added	R4,011,773,955	R5,696,145,864	R9,707,919,818
Additional income created	R2,124,853,389	R4,792,110,610	R6,916,964,000
Additional employment created	26331	20453	46784

Source: (Urban-Econ modelling, 2017)

The following can be highlighted:

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- A total of R12 billion of new business sales will be created directly and indirectly in the regional economy;
  - This will translate to a total value addition of R4 billion to Gross Geographic Product;
  - The households benefitting from economic activity created by the capital expenditure will see their income increase by R 2,1 billion;
  - The capital expenditure phase is anticipated to create a total of 46784 job opportunities (direct and indirect) throughout the total value-chain over the lifetime of the development's construction.
  - Additional municipal rates are calculated at R31m per annum,

In our view, the outcome of the proposed new layout remains very positive for the regional and provincial economy.

Kind regards



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