

The consolidated concept of development is depicted on the Diagram 5 (refer to the Mt Ruth Nodal Precinct Development Concept).

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## **7. ECONOMIC DEVELOPMENT CONCEPT**

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An economic investigation, appraisal and analysis of Mount Ruth Nodal Precinct was conducted by Messrs Urban Econ. The detailed report is contained in Appendix 4. Having considered the implications of possible nodal development around Mount Ruth Station, the economic report contains certain conclusions and recommendations which are summarised below:-

### **7.1 Hierarchy of Nodes**

The economic analysis highlights the importance of recognising the relationship of existing nodes to proposed new nodes. In relation to Highway, the document advises as follows:-

“Highway is the CBD of Mdantsane and in theory, Highway should be able to sustain almost four times as much GLA as is currently provided. However, due to the large leakage of spending to other areas of East London, there is actually an *over-supply* of retail floor space at Highway.

Businesses at Highway face problems of over competition and limited diversification potential in addition to high viability thresholds (because of low spending). Diversification is also problematic because the Mdantsane population has limited money to spend on luxury, or higher order goods. At present, certain lower order goods (i.e. goods required on a daily basis) are overtraded at Highway.

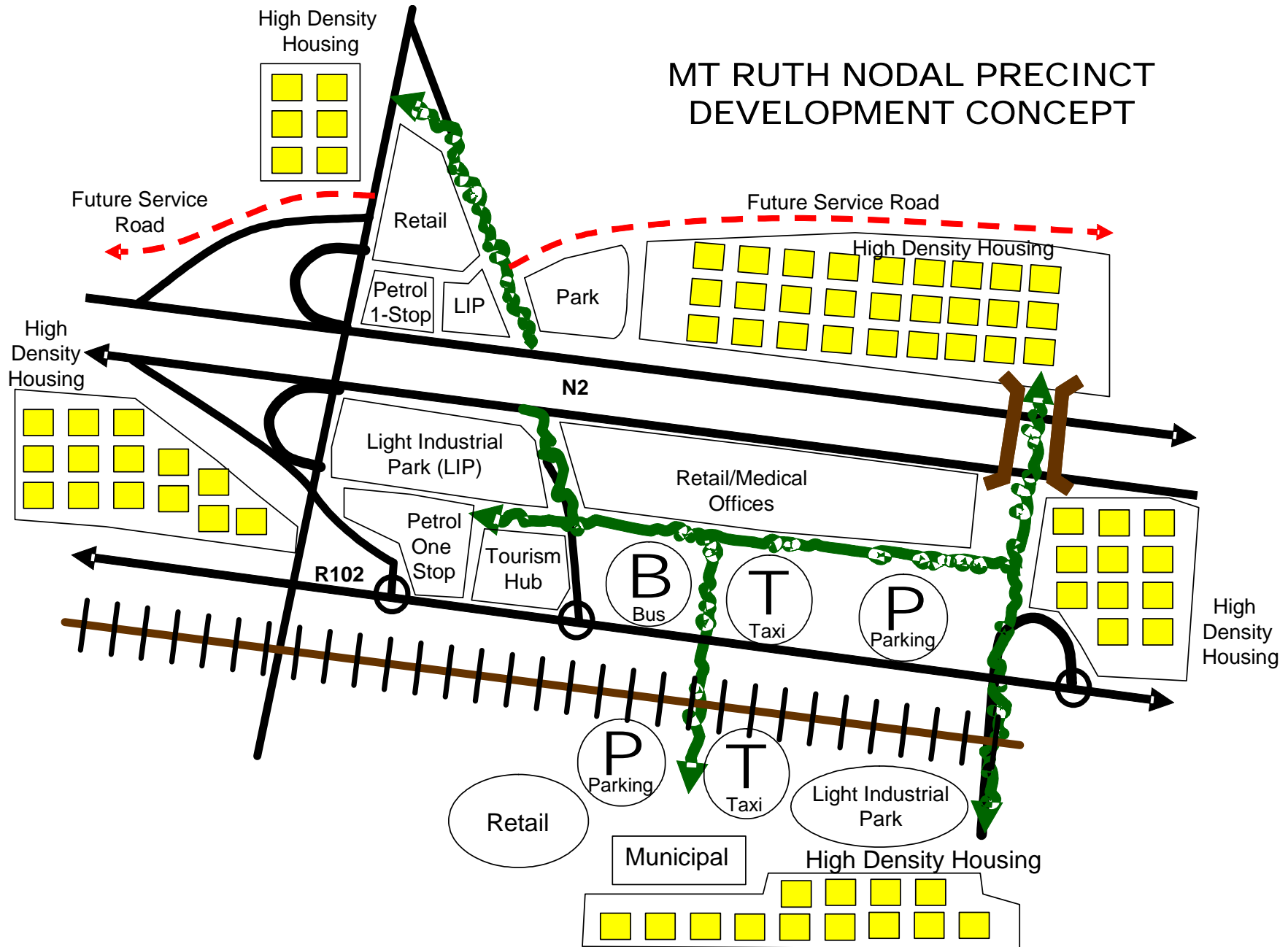
It is important to recognise that Mount Ruth has the potential to become an important regional central place node and attention must be given to the development of Mount Ruth to ensure that it does not lead to a decline of Highway. From the primary research conducted in the area surrounding Mount Ruth, it is apparent that entertainment/sport and social service related functions are more important to residents than commercial/retail facilities which is an important distinction.”

### **7.2 Development Concept**

The development concept aims to provide Mount Ruth with a unique, marketable identity which will distinguish it from other development nodes in the region (e.g. Highway).

The development concept consists of three primary aspects, namely:-

Diagram 5: Development Concept for Mount Ruth



- ❖ **Central Place Functions** - which will act as the main 'hub', where Mdantsane residents can pay their accounts, shop, make use of entertainment facilities, etc;
- ❖ **Tourism Functions** - Mount Ruth is ideally situated next to the N2 freeway, but also acts as a unifying location for Mdantsane and the Newlands area and can act as a "Gateway for Tourism" in the area; and
- ❖ **Light Industrial Park** - envisaged to encompass small scale industry (e.g. dyeing, value adding, etc.), retail and cultural/heritage functions.

In addition to the three primary components, the development concept also includes a number of peripheral functions into account as it is envisaged that Mount Ruth will be a mixed land use node in which business, residential, social and transport functions all take place.

An important integral function within the development concept is envisaged to be skills development and training, both through the three clusters discussed above, and as a stand alone activity. Mdantsane residents have identified the following areas as high priority areas for training:-

- i. Sports;
- ii. Financial;
- iii. Sewing;
- iv. Building and Construction;
- v. Gardening; and
- vi. Business Skills.

The proposed development concept encompasses almost all of the economic sectors such as trade, manufacturing, services, tourism, etc. In addition to this, the proportion of activities between the three clusters can be adjusted according to demand. For example, tourism functions may not be a focus area in the short term, but may become more important in future. Likewise, the textile/clothing industry may recover some of its past growth in future.

The central place function cluster will likely act as the main draw card for the local population (i.e. Mdantsane/Newlands) and there are specific functions that the community would like to see at mount Ruth. Many of these are social functions such as a police station, sports fields, and a post office. Mount Ruth is strategically positioned to service the surrounding community and commuters using the Mount Ruth train station with their everyday requirements, however, care should be taken that spending patterns do not shift away from existing businesses at Highway to Mount Ruth. This is why two additional concepts have been introduced to the proposed development concept, namely: tourism and light industrial park.

The key concept related to the proposed development concept is that the tourism cluster will not be a stand alone function at Mount Ruth; rather it will function as an additional income stream for the central place functions and light industrial park. At present the demand for tourism in East London and Mdantsane does not warrant tourism as a stand alone activity at Mount Ruth:-