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Municipality tables largest budget

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Drakenstein Municipality (DM) has tabled its largest funded budget to date, with a R4.5 billion spending plan focused on infrastructure upgrades, housing projects, economic development and support for vulnerable residents during its recent budget speech on 27 May.

The budget comprises a R3.9 billion operating budget and a R569 million capital budget. According to DM mayor Stephen Korabie, Drakenstein's economy continues to grow despite broader economic challenges, driven by ongoing commercial and residential development across the municipality.

TARIFF INCREASES

Drakenstein residents will face tariff increases in the 2026-27 financial year, with property rates increasing by 3.7%, water, refuse removal and sanitation tariffs by 4.5%, and electricity tariffs by an average of 6.3%.

Korabie said the water tariff increase was lower than initially anticipated due to a smaller-than-expected increase in bulk water purchase costs from the City of Cape Town.

Paarl Post reached out to the Paarl Ratepayers' Association, regarding the tariff increases, but did not receive comment.

DEVELOPMENTS

Korabie highlighted several major commercial and residential developments across the municipality, including the recently completed Winelands Square and Parelberg shopping centres, Alleman Square, extensions to Paarl Mall and the planned Cecilia Junction retail development.

He also pointed to ongoing residential developments such as Huguenot Estate, Zanddrift Estate, Firwoods Estate and Le Boutonne Estate, as well as infrastructure work at the Fraaigelegen Precinct, which is expected to unlock 1 400 residential units.

According to the mayor, continued private-sector investment is reflected in development activity, with 1 336 building plans worth approximately R2.92 billion approved between July 2025 and May 2026. According to Hanno Koen, principal of Greeff Christie's International Real Estate in Paarl, well-planned growth has historically had a positive impact on property values in the area.

"New residential estates, mixed-use developments and commercial investments often improve infrastructure, create employment opportunities and enhance the overall appeal of an area," he said. "The broader trend in Paarl has been one of steady property value growth, supported by strong demand and limited availability of quality housing in established areas." Koen said the town continues to attract



Drakenstein Municipality's new budget was announced on 27 May during a council meeting. Photo: Archive

strong interest from both buyers and investors, particularly from larger metros.

"People are looking for a better quality of life, good schools, access to nature and a more manageable cost of living. Investors continue to view Paarl as an attractive market due to its strong rental demand, growing population and ongoing economic development."

While some residents have raised concerns about the pace of development and its impact on Paarl's rural character, Koen believes growth and preservation can coexist. "These concerns are understandable and should not be dismissed. Paarl's unique character, natural beauty and agricultural heritage are among its greatest assets. As the town grows, careful planning becomes increasingly important to ensure that development is sustainable and that infrastructure keeps pace with population growth." He added that current demand appears strong enough to absorb the growing housing supply.

"Developments are catering to different market segments, ranging from first-time buyers to luxury estate living. While certain sectors may occasionally experience temporary increases in supply, there is currently little evidence of a significant oversupply across the broader market." Looking ahead, Koen remains optimistic about the local property market.

"The area benefits from a diversified economy, excellent educational institutions, proximity to Cape Town, a strong lifestyle offering and ongoing private-sector investment. Provided infrastructure investment keeps pace with development, Paarl is well positioned to remain one of the Western Cape's most sought-after property markets."

INFRASTRUCTURE SPENDING DOMINATES BUDGET

A large portion of the new budget has been allocated to bulk infrastructure and service delivery projects.

Water and sanitation projects will receive R289 million during the coming financial year, including R250 million for the rehabilitation and upgrading of the Paarl Wastewater Treatment Works.

Additional allocations include:

- R20.4 million for upgrading water networks and bulk water meters;
- R6 million for replacing and upgrading sewerage networks;
- R6 million for upgrading services in informal settlements, and
- R4.6 million for equipment replacement at the Wellington Wastewater Treatment Works.

The municipality also confirmed that work is continuing on the R1.4 billion Budget Facility for Infrastructure (BFI) grant project awarded by National Treasury to upgrade Drakenstein's bulk sewerage network and treatment capacity.

Korabie described the grant as a sign of confidence in the municipality's ability to manage and spend large-scale infrastructure budgets effectively.

Electricity infrastructure projects will receive R92.3 million, including funding for:

- a new 11kV Vlakkeland switching station; network upgrades;
- streetlight projects;
- electrification of informal settlements, and upgrades to the municipality's electricity management system.

Roads and stormwater infrastructure has been allocated R39.8 million, including:

- R18.3 million for road resealing;
- R10.4 million for planning upgrades to

the Paarl Taxi Rank;

- R6 million for stormwater refurbishment projects, and funding for traffic calming, sidewalks and traffic lights.

The municipality also allocated R32 million to modernise and expand its municipal fleet.

HOUSING AND COMMUNITY PROJECTS

Housing and urbanisation management featured prominently in the speech, with Korabie acknowledging increasing pressure caused by urban migration and growing numbers of backyard dwellers.

A grant allocation of R35.7 million has been awarded for housing projects during 2026/2027, with much of the funding earmarked for the Simondium Housing Development.

The municipality has also budgeted:

- R13 million for engineering services at the Lover's Lane informal settlement;
- R10 million for maintenance and repairs to municipal rental stock, and continued investment in the Vlakkeland Housing Project, where 755 houses have already been completed and occupied.

Korabie further announced that approximately 603 Expanded Public Works Programme (EPWP) job opportunities would be created at a projected cost of R21.6 million.

The programme will focus on refuse removal, cleaning projects, stormwater maintenance, public safety initiatives and maintenance of public spaces.

ICC CRICKET WORLD CUP

Korabie revealed that Drakenstein, in partnership with Boland Cricket, had been selected as one of eight host cities for the 2027 ICC Cricket World Cup.

The municipality has allocated R11 million toward sport facilities, parks and cemetery infrastructure during the 2026/2027 financial year.

Projects include upgrades to the Mbe-kweni B and C soccer fields, Die Kraal sports facility, David Samaai tennis courts and swimming pools in Gouda and Hermon. The Nieuwedrift Cemetery project will also continue, with further burial space, roads and ablution facilities planned.

Community development and poverty relief formed another key pillar of the budget speech, with Korabie announcing the opening of three new soup kitchens in Wards 12, 16 and 32.

This brings the total number of municipal-supported soup kitchens in Drakenstein to 22.

Korabie described the initiative as "compassion in action", saying the programme was aimed at supporting vulnerable residents while reinforcing dignity and shared community responsibility.

The municipality also committed itself to ongoing interventions addressing gender-based violence, homelessness, substance abuse and youth support programmes.