Kranshoek is situated approximately 15 kilometres from Plettenberg Bay, on the road to Airport. Kranshoek as Rural Area, had no links with a mission station. The land was purchased by the state during 1957, after representations from the Griqua community after the Van Riebeeck festival, that land should be acquired to provide a permanent home for them. The land had a number of Griqua tenants on it for years prior to the purchase. As an interim measure, the land was leased to the Griqua National Conference with the stipulation that 75 families with subtenants, could occupy the land. When the last lease agreement expired on 31 December 1968, the state found it difficult to identify the real leaders to negotiate a renewal of the agreement, due to internal strife between families. After a year of negotiations, it was decided at the end of 1969 that the area be incorporated as a Rural Area. The area was Reserved as a Board area by Proclamation no. 77 of 1971.

Kranshoek is mostly a residential town, as there is no real self sufficient agricultural activities. Income generation is mostly from pensions and employment in the area and in Plettenberg Bay.