



Centre for Affordable
Housing Finance
in Africa

Integration and Spatial Transformation of South African Cities

Paper 4: Case studies from Cape Town, eThekweni, and Johannesburg

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1 Introduction

This paper is the fourth in a series of four papers that together look at how to use public property to realise value towards the integration and spatial transformation of South African cities. It provides a set of case studies that explore a number of projects located in three provinces. The purpose of these case studies is to assess how property (not necessarily public) can be used to realise value as defined in Papers 1 and 2. Two of the selected projects are located on private land and, although the focus is on public land, these demonstrate interesting approaches to the actual development which could be applied to public land.

The specific projects that have been selected have different circumstances, issues and approaches. The first project is the **Tafelberg site**, located on provincial government land in Sea Point, Cape Town. It is a relatively small portion, within a strategic node. The second is the old hospital site, **Conradie hospital** in Cape Town, which is located on provincial land between existing communities with different demographics and income levels. The third, **Athlone Power Station**, on municipal land, is also located between diverse communities on a major corridor. This site is highly constrained by an existing refuse depot and is in close proximity to sewer works. The fourth and fifth case studies are located in eThekweni.



Cornubia is situated on a large tract of private land, again located between diverse communities, on a major corridor in close proximity to uMhlanga. **Bridge City** is located on private land and lies on a corridor between Inando, and Phoenix and KwaMashu. The latter is located within a slightly lower income region than the former and has less access to the opportunities of the wealthier nodes. The final example, **Jabulani**, exists within the 'old traditional township' of Soweto, on public land.

The examples are used to understand the difference between focusing on realising value (best use) and integration, and on 'delivering' key priorities. Some are in line with municipal SDFs, while others are not. The projects are also different in their development arrangements – involving private or public players, or reflecting partnerships. They also differ in relation to the approach that has been adopted i.e focusing on best-use, or the delivery of priorities, or a combination of both.

The projects are assessed in terms of:

- Context, key issues and opportunities;
- Considering if the process and approach addresses issues and opportunities; and
- Key considerations

Given that some of the projects have recently been implemented, while others are being implemented or are still at a conceptual stage, this exercise is based on assumptions and opinions and not on actual outcomes.

2 Cape Town

2.1 Tafelberg Site, Sea Point

This case study examines the use of public land to integrate polarised areas and communities. It presents a particularly complex case as it involves direct contestation over use and users. Its strategic location is important and the contestation revolves around how best to use this value to realise different outcomes.

The case study considers how the Cape Town Metropolitan Municipality (CTMM) and the Western Cape Provincial Government (WCPG) identified the opportunities in this case, and assessed whether these could realize the value to the city and the community.



2.1.1 Context, key issues and opportunities

The site is 17,000m² and was home to the former Tafelberg Remedial High School. As a result, it has good infrastructure and services for educational purposes. It has an historic building in the centre which occupies 30% of the site and which has high heritage value. The WCPG declared the property surplus, despite an initial decision to consider it for mixed use and housing, and tendered it to the open market. It received a bid for R135 million even though it had been valued at R11 million. *Reclaim the City*, together with Ndifuna Ukwazi, contested the sale and managed to delay the transaction. However, the provincial government subsequently decided to proceed with the sale. It's argument was that the property falls outside of a restructuring zone that would allow for the necessary subsidy to make the project viable.



2.1.2 Process and approach

The approach that was adopted appears to have differed between the municipality and provincial government. Initially, provincial government and the municipality selected the site for mixed use with an emphasis on social and affordable housing. Pre-feasibility studies had been carried out on this basis. The provincial government then changed its approach and put the site out on tender as surplus. The amount offered for the site has also contributed to the debate as it was above the expected value. There is an argument that this amount could allow for government to provide more housing units elsewhere in that sub-region and district.

The approach adopted by the municipality seems to be strongly aligned to its SDF for that district. According to the Table Bay District Plan (2012-2017) there is a specific intention to:

- Transform the apartheid city;
- Proactively support public-led land reform and new housing delivery;
- Encourage integrated settlement patterns;
- Enhance the unique sense of place and quality of built form of Cape Town;
- Enhance the value of heritage resources and scenic routes; and
- Promote accessible, city wide destination places.

It also refers very specifically to civic precincts, destination places, open space systems and integrated human settlements within this district:

'The promotion of integrated human settlement patterns is based on the qualitative aspects of the built environment as it pertains to the new growth areas of the city as well as upgrading of existing areas. In principle these areas should support the creation of a wider mix of residential options and income groups, as well as make provision for an appropriate provision of social (including civic precincts) and economic opportunities'.

(Table Bay District Plan, 2012)

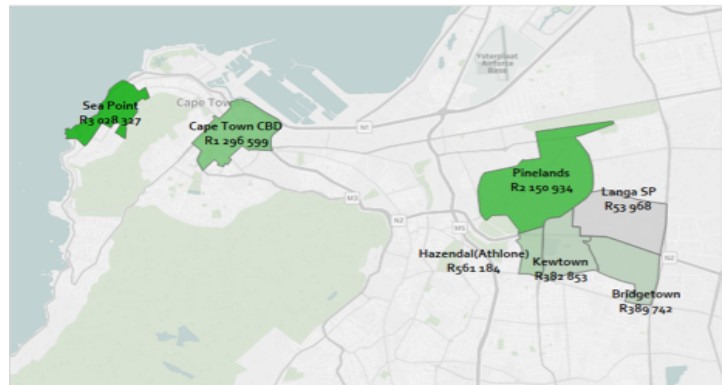
The emphasis by the CTMM is an attempt to alter the prevailing situation of disparity along income and racial lines. By focusing on strategic portions of land in high-income areas, the municipality intends to shift this urban configuration and social dynamic.

In the CTMM plan there is a strong emphasis on creating precincts and nodes that reflect a neighbourhood character which could allow for a mix of uses. This applies to settlements along roads, multi-storey and multi-use models, use of historic buildings for broader community purposes and creation of small scale open spaces for local residents and a mix of housing typologies.

In terms of the CTMM plans for the area, there are some obvious options to consider for the site:

- i. 'Mixed use': including residential, community and commercial;
- ii. Residential: allowing for an emphasis on affordable housing in line with the objective of integrating the general node, as well as responding to the need for housing;
- iii. Commercial: providing for commercial uses in line with the need for a greater mix of uses in that node;
- iv. Community: based on the historic existing infrastructure as well as a variety of auxiliary uses'.

**Average Transaction Prices by Subplace
Cape Town, 2015**



Data Source: CAHF Citymark, using Deeds Registry Data supplied by Lightstone Property

Average Transaction Price
R53 968 3M

Reflection of the average transaction prices of the sub-regions in these areas provides a useful insight into the disparities in property value. Despite, in some cases close proximity.

The SDF is all encompassing with a range of priorities. However, its emphasis on neighbourhood nodes and mixed income housing are important considerations. Sea Point is a civic precinct that is located along an activity route and is an important anchor according to the CCTMM's SDF. It is connected to the Inner City and to the largest transport hub in the Inner City. It poses opportunities for numerous options.

Based on the SDF and the value of the area, a more detailed precinct plan (prior to an urban design for the site) could present a series of options as to the mix of uses, incomes and densities and could integrate the public property into an overall intervention. Importantly precinct plans can provide for options that have feasibility and viability studies for public properties.

WCPG conducted a feasibility study based on the site being developed into affordable housing and concluded that it could accommodate 270 units for earners below R7500, 30% of which would be below R3500. The basis of the feasibility was that the land be included as a subsidy from provincial government and that the units be subsidised by national government as social housing, allowing for R154 000/unit for SHRA restructuring grant and R110 000/unit from the institutional housing subsidy (which are the increased subsidies) input. The costings were given excluding VAT, bulk service contributions and professional fees. This would require a recalculation of the full costs per unit. In addition, the feasibility is carried out is based on a construction cost of R6000/m² which in reality is closer to R9500/m².

In this proposal, the site could provide 270 units with a subsidy of R500 000/unit for the land and R110 000/unit for construction (after the subsidy of R154,000/unit). In addition, the operating costs per unit average R1000/month. The level of subsidy for the number of units needs to be questioned, as does the loss of R135 million which could provide for a much larger unit yield.

The processes, both in the case of provincial government's decision to sell, and previous decisions by provincial and municipal government to develop affordable housing, are lacking. Neither process included a detailed assessment of the district and its needs; a more detailed precinct level of planning to realise the SDF and its objectives / priorities; nor did it provide feasible and viable options for use.

2.1.3 Analysis

This example is useful in that it presents the very real dilemma around how best to use high property values for social needs. For R135 million purchase price, numerous buildings could be purchased in Sea Point and the CBD that are currently poorly managed and with informal rentals. R135 million could provide for 500 units, if land costs are included, without any other form of subsidy. However, an alternative site would need to demonstrate the same level of convenience and the funding would need to be ring-fenced.

An additional concern is the single-use approach that was adopted with little consideration for the various alternatives and potential mix of uses. Public property should be used to introduce alternative models of development that can address needs such as housing in a more sustainable manner and which can accommodate a range of needs and city priorities. This approach requires a more innovative form of planning which involves the property owner, municipal planning, infrastructure and finance to determine development options. The draft assessment of costs stated above indicates that it may be worth considering a mix of income groups and uses that would provide for a more sustainable model.

The overall concern is that no entity responsible for this property applied itself to considering all the issues, options or implications.

It needs to be recognized that public property is a scarce resource that should be used to make very strategic interventions in the urban system. Consideration also needs to be given to the forms of land release, land transactions and development.

2.2 Conradie Hospital site

The Conradie hospital site is an interesting case located along an important corridor and in a mixed district that is currently configured into isolated areas. It has been selected as a case study because it presents public land in an area that is strategically located and has potential to make a regional impact.



2.2.1 Context, key issues and opportunities

The 'Better Living Plan' of the CCTMM and the WCPG has identified the Conradie hospital site as a central development opportunity that can yield 3000 residential units with 49% being grant-funded and 51% being made available for sale, supported by the Finance Linked Individual Subsidy Programme (FLISP). According to the WCPG, the site is intended to be led by affordable housing but will include 10,000m² of retail and 14,000m² of commercial space. The development framework also includes schools, recreational spaces and facilities.



The urban design for the site has included two main routes running through the site connecting adjacent areas. The potential for this could be explored with more connections being made. There is an opportunity to consider transport connections through the site that would be catalytic in integrating the broader sub-region.

In terms of the CCTMM's plans for the region, the concept of a mixed use, higher density and mixed income development is well supported. It lies in close proximity to a Transit-oriented Development (TOD) which has as its desired outcomes:

- Inward growth and connectivity;
- Diversification and densification to support the objectives and aspirations of TOD-Comprehensive Modelling;
- Leveraging of TOD opportunities via Integration, Density, Mixed Use Development and intermodal interchange.

The TOD places a strong emphasis on mixed use and mixed income housing, as well as densification.

The one important key is that the surrounding communities operate as separate entities and the sub-region seems polarized between local communities.

2.2.2 Process and approach

'The project envisages the development of the 22ha former Conradie Hospital site into an integrated, sustainable, affordable residentially-led mixed use neighbourhood.'¹ This appears to be in line with the city's overall plans and emphasis on TODs, although it is a very general translation of city objectives into a brief for

¹ Western Cape, 'Better Living Model' document, internet, 2018

an urban design. The process undertaken is unclear, but from the outset, it appears as though there was a pre-determined emphasis on housing as an output. It is not clear if market analysis was considered for the retail and commercial components. This is not necessarily problematic, but could be better supported if consideration was given to potential regional uses that could service new housing and the surrounding communities and act as an anchor for the district and the newly created community. In addition, understanding 'market take-up' and conditions is useful to ensure successful integration of uses i.e. retail requires certain sizes dependent on demand and commercial needs to be geared specifically to tenants or users.

The approach that was adopted seems to have immediately considered the design and yield off the site in relation to housing and not necessarily mixed uses. It appears as though the proposal was responding to an obligation or city priority as opposed to the best use options for the site given its context.

What is important, however, is that the design allows for the site to be transgressed and connectors to be developed between communities.



2.2.3 Analysis

The precise mix of uses still needs to be determined based on a feasibility of costs (capital and operating), demand, affordability levels and subsidies. Best value for the land should also be based on using it to enhance the overall value and functional efficiency of the node and region. Perhaps consideration should be given to a broader set of opportunities. In other words, instead of focusing only on a 'mixed use and income' pro-forma, the property should be assessed for its potential to perform a regional role i.e. the development of a hospital, a school or a recreation space for the sub-region that will add substantial value, together with housing.

The development needs to ensure access to city-wide employment opportunities that would contribute to its sustainability and value.² A component of this should be the development of stronger linkages transgressing the site to connect the adjacent communities. This would fulfil a direct function in integrating the city and realising opportunities derived from increased commuter flow and use. Lastly, the detailed feasibility of the various development components is critical in determining the number of residential units, the pricing, the rentals required and the targeted income. Without this feasibility exercise it is impossible to comment on the viability and therefore the likelihood of the development.

In conclusion, the site is well located, has the potential to provide a wide range of housing options that respond to the needs of the broader city and can perform the role of integrating the surrounding communities and the sub-region region by means of connector routes, networks and regional or district activities. The proposed development is supportive of higher densities and a mix of uses, but requires more careful consideration of what is required by different commercial users in terms of space and location to make the development attractive. The overall financial feasibility of the development is critical to the development being a success. This needs to include an assessment of management costs post development and the affordability of these to the residents and users of the site.

² Western Cape Government, Better Living website, 2017

2.3 Athlone Power Station

Similar to the Conradie Hospital site, Athlone Power Station presents an interesting opportunity to play a catalytic role in the region. The approach used to develop the site is more engaging on broader opportunities, but remains within a 'planning' paradigm which may limit its potential.

2.3.1 Context, key issues and opportunities

The Athlone Power station project is similar to the Conradie Hospital site. It is located on municipal land along the TOD and has the same SDF objectives and priorities as the Conradie Hospital site. However, this site has some major constraints, including lack of access to the highway, a refuse depot, an initiation site and sewer works across the highway. It also houses a large disused turbine hall.

The site is located between Pinelands and Langa and offers some interesting opportunities to integrate these communities. It has good access to the internal roads and transport systems and is large enough to make a substantial contribution.



As with Conradie Hospital, the Athlone Power Station development also has the potential to create a strong linkage for the sub-region, provide for an integrated mixed development model and start a process where public property use and development is directed towards redefining the spatial form of the city. According to the CCTMM the Athlone Power Station site can yield approximately 57,000 m² development space with 20% being residential, 20% public, 35% commercial, 12% retail, 7% light industry and 6% arts. This is very substantial and is likely to occur over a 20-year period.

2.3.2 Process and approach

This proposed development is well directed by public plans and policies and presents an opportunity to address the demands and pressures, as well as the strategic objectives of the city. The mix of uses appears to be more considered in relation to the opportunities of the site i.e. A greater mix and use of the location for a wider range of activities to occur. However, there is no evidence of more detailed research and analysis or of a 'scaled-up' planning approach i.e. regional linkages, district context and local connections' that establish the best uses and values that could be derived from the site.



2.3.3 Analysis

The site is very seriously constrained and is unlikely to proceed unless a solution to the air pollution is addressed. The southern section of the site running along Jan Smuts Drive is less affected and could kick-start the project as a first phase. The property lies between Langa and Pinelands, which presents an ideal opportunity to integrate this sub-region of the city through strong through routes, connectors and commonly used transport hubs.

Consideration has been given to locating municipal and government offices in the very iconic turbine building that is situated in the centre. This would anchor the site and would be central to the success of the development. It might be worth considering formalising a 'tenant' in the turbine building as part of this initial phase. Residential and mix of uses along Jan Smuts Drive through routes and use of the Turbine should form the base for an initial feasibility study. Lastly, the key to the success of this project lies in defining an economic purpose and function of the site and consideration should perhaps be given to the potential of highway access and visibility, testing the market to determine potential interest and greater emphasis on building an identity for the site. Costing must include mitigating the existing uses (either in terms of moving, or containing), access the highway, linkages through the site, commercial viability.

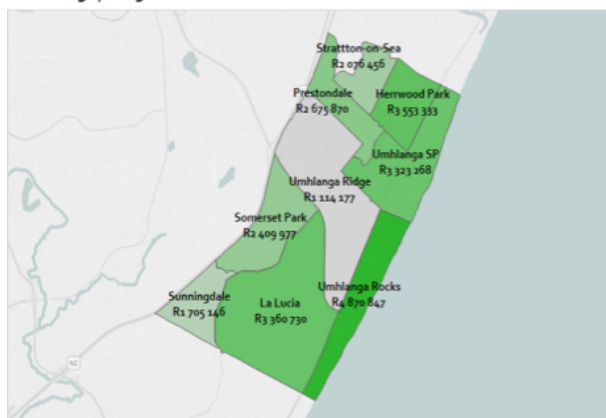
3 eThekweni: Bridge City and Cornubia

In eThekweni, an interesting set of developments have been implemented by Tongaat Hulett Developments north of Umhlanga on reclaimed sugar cane land. The two developments that are useful examples of integration are Cornubia and Bridge City. Although these are private developments on private land, their focus has been on creating an integrated urban system that incorporates a wide range of residential offerings (including affordable options). The developments have been undertaken in partnership with the eThekweni Metropolitan Municipality (EMM) as well as the KZN Provincial Government, which has ensured synergy in plans and policies and a clear direction of resources.

These cases present a different, more commercially-orientated approach to development. They are also located on a development trajectory corridor that is becoming a strong economic base for the city and between wealthier and poorer communities.

The following maps demonstrate the varying property markets in the region surrounding Cornubia and Bridge City. These markets reflect the disparity in the value of areas and in income between settlements and communities. Cornubia and Bridge City are developments located between these communities and have the potential to integrate the regional economy and property markets.

Average Transaction Prices by Subplace
Umhlanga, 2015

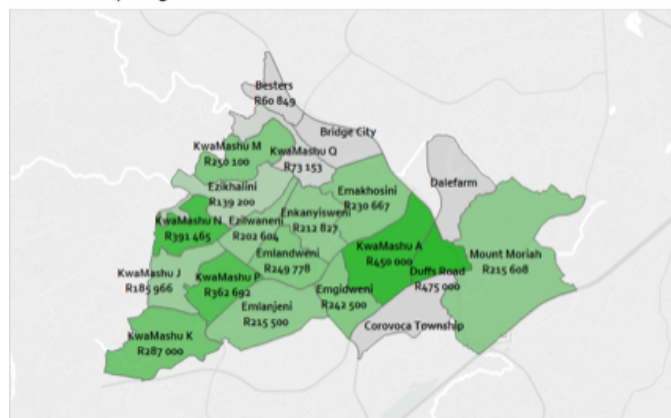


Data Source: CAHF Citymark, using Deeds Registry Data supplied by Lightstone Property

Average Transaction Price

R1 114 177 5M

Average Transaction Prices by Subplace
KwaMashu, 2015

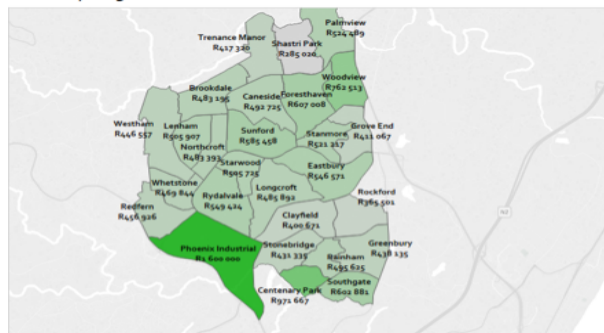


Data Source: CAHF Citymark, using Deeds Registry Data supplied by Lightstone Property

Average Transaction Price

R60 849 R475 000

Average Transaction Prices by Subplace
Phoenix, 2015

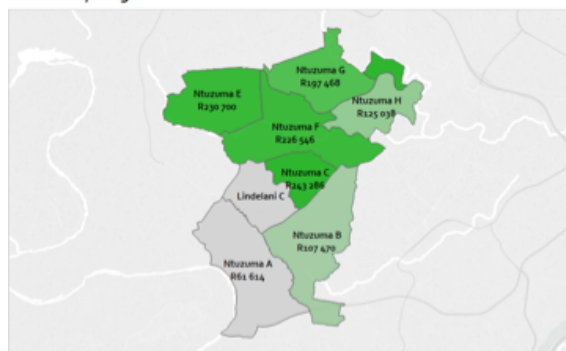


Data Source: CAHF Citymark, using Deeds Registry Data supplied by Lightstone Property

Average Transaction Price

R285 020 2M

Average Transaction Prices by Subplace
Ntuzuma, 2015



Data Source: CAHF Citymark, using Deeds Registry Data supplied by Lightstone Property

Average Transaction Price

R61 614 R243 286

3.1 Cornubia

3.1.1 Context, key issues and opportunities

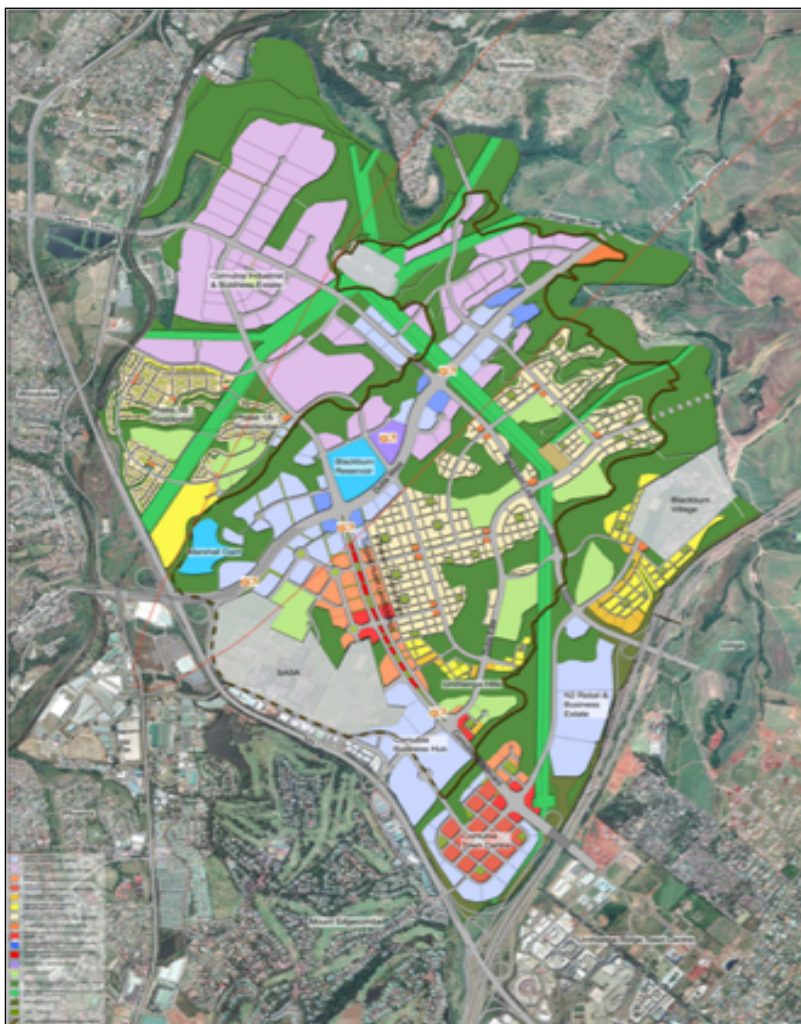
The land is owned by Tongaat Development and was previously used for sugar cane farming. It lies north-west of Umhlanga and links directly into the Umhlanga Town Centre and is adjacent to Mount Edgecombe, Phoenix and Waterloo. Currently there is a vast difference in income levels and property values between these nodes. There is also a separation of transport routes towards the centre of Durban and little connection between these areas.

The scale of the land, access to the main transport routes, and regional location are all important factors that make this property significant. The site also has the opportunity to create a space where the current different communities can converge and interact. Connector routes that transgress the site, regional activities, and attractive landmarks will ensure that the site realizes its potential value.

3.1.2 Process and approach

The Cornubia development has been directed from the beginning by the need to create connections between the various areas and to provide a core urban node that is mixed, intense and performs the function of integrating the region. The approach has been based on demand and opportunity, understanding the market and engaging directly with the planning department about the uses and design. Viability of the proposed yields off the land have been central (although from a private sector perspective). The positioning of the site as the **'connector'** has created the market.

The development has been carried out through a partnership between Tongaat Developments and EMM and has envisaged to integrate commercial and residential (including affordable residential). The urban design of the site has linked directly into the integrated Rapid Public Transport Network and the GoDurban bus route which connects Pinelands to Bridge City. In addition, it is well connected to the road networks linking to Durban central.



Cornubia comprises approximately 1300ha of which 80ha is earmarked for industrial and the remaining for commercial, retail, and residential uses. Residential will consist of 28,000 units of which 10,000 will be

affordable and middle-income units and 18,000 will be subsidised units. The approach was to develop a framework guided by the EMM's plans and the SDF that informed the potential of the land. The interconnection with the city's transport network will determine the success of the development. In addition, the planning for the site has been based on creating neighbourhoods with all of the necessary social amenities and facilities.

The development is currently underway, with the road network and the subsidised housing development being part of the initial stages. In addition, the Cornubia Mall is being developed as the connector to Mt Edgecombe. It is useful to review this development because it has created a node that is well integrated (internally and externally), is able to service a wide community and has provided for a substantial subsidised housing component within a well-resourced and managed area. The ability to leverage the EMM and THD partnership and the ability to plan in detail, thus ensuring financial and implementation synergy, have been the determining factors.



3.1.3 Analysis

Despite the intention of the development to create a functional and integrated node there are several concerns including:

- The densities (100-120du/ha) are low and could be increased along the main routes.
- The form of commercial retail as a mall potentially sterilises transgression of the site and connections between it and the adjacent Mount Edgecombe.
- A separation between low-income and high-income housing (although this was the result of an expropriation of land by HDA and the implementation of a conventional RDP model with very low densities).
- Distance from the centre of the Durban CBD creates a form of sprawl that has been the result of movement of businesses and high-income residents out of the centre. However, the strategies to connect provide for a better form of decentralisation than is the case in many of the publicly led new settlement developments and the connections to existing low income communities provide for greater forms of social and economic integration.

3.2 Bridge City

3.2.1 Context, key issues and opportunities

Bridge City, which comprises almost 60 ha of land, is located between Inanda, KwaMashu and Ntuzuma, known as INK. Despite the proximity, there are vast disparities in income and value of properties between these areas. It is also located along the corridor of development to the north. The land has been earmarked specifically as a connector to the sub-region and city.



The development was focused on industrial in the initial phase and subsequently on a commercial and retail node. Residential has been included as a mix with 4500 affordable and middle income housing units, however, the overall viability of the site has been created through the industrial, commercial and retail. These uses are very central to the needs of the surrounding communities and the 'commercial' use includes:

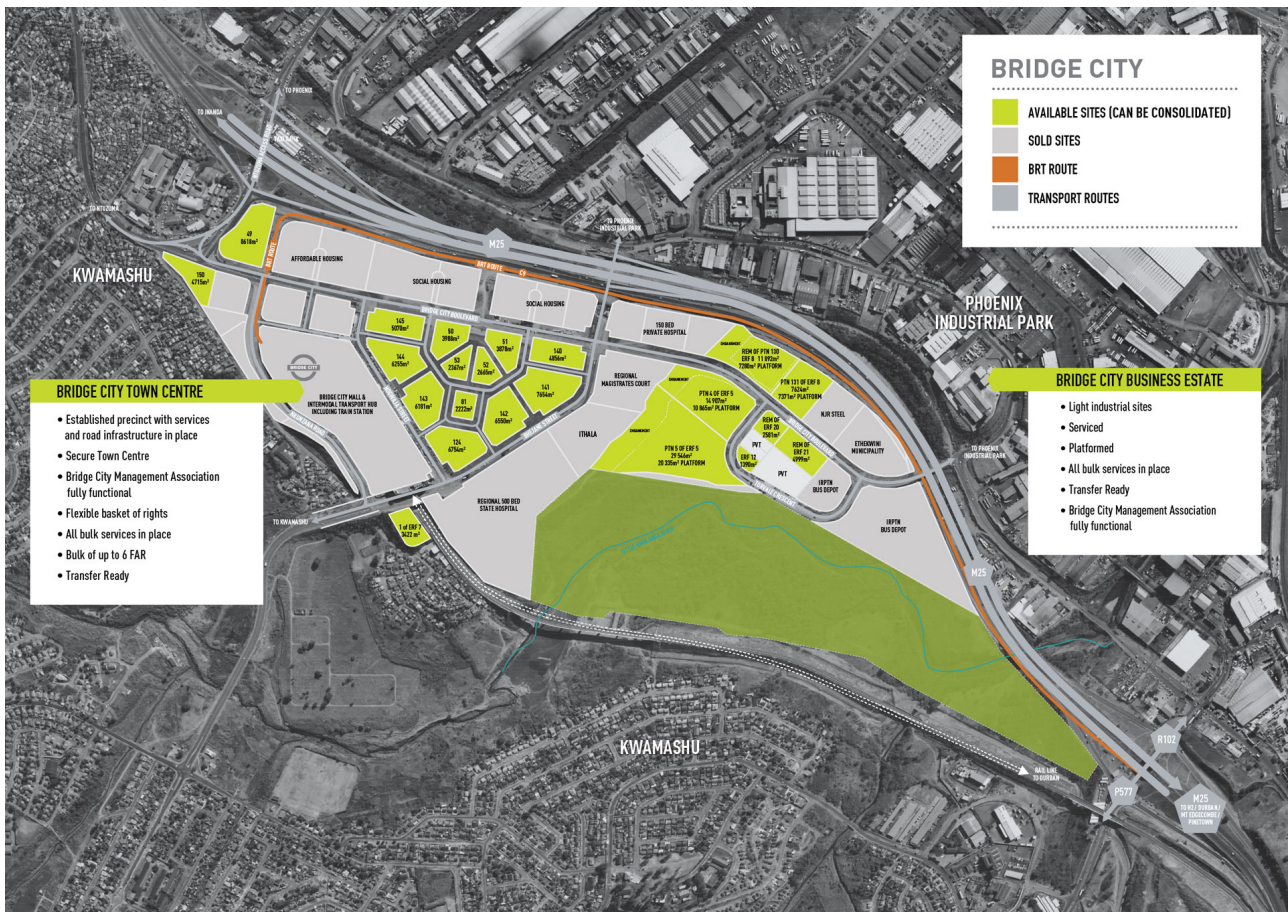
- A 500-bed regional public hospital
- A Magistrates court
- A 'Government Mall' (services hub) of 21 747m² housing Home Affairs, Department of Social Development and municipal departments
- 300 000m² businesses

It is also a hub for the IRPTN with GoDurban route linking Bridge city to Pinetown. In fact, the Bridge City development has one of the most integrated transport nodes in the region with rail, road and bus intersecting in the development and allowing residents (of the sub-region and users of the site) access to the whole of eThekweni.

3.2.2 Process and approach

The development is founded on an understanding of the needs of the surrounding communities and linking these as opportunities to the viable implementation of the project. The development has been financed through a partnership agreement between the developer and the municipality, which has leveraged resources for very significant infrastructure development.

By creating linkages and connections between the surrounding areas to the site and from the site to the metropolitan region, opportunity has been created to begin transforming the economic disparities in the region through spatial integration. To achieve this, the development has had to provide viable infrastructure investments that are both socially and economically integrated and financially viable.



The viability of the development is based on:

- It's ability to respond to the needs and demands of the surrounding communities and region;
- It's urban design (strong internal connections as well as numerous linkages to adjacent areas);
- It's mix, with a strong emphasis on public facilities that serve the broader region, and of its residential offerings including affordable housing units;
- It's high level of internal infrastructure including pavements, roads, street lights, street furniture etc;
- It's development programme that started with the commercial sites ensuring capital to proceed with the next phases; and
- the creation of a regional transportation hub in the centre of the development, thus allowing for maximum access by Bridge City residents to the region as well as making the public facilities available to those outside of the development.

In comparison to any of the large scale public developments where housing is often the dominant, if not the only feature, this development delivers a very wide range of services and offerings and a well-integrated transportation system. Its location and connections have directly linked the existing dislocated communities and its use of common retail spaces and a strong CBD makes for greater interaction between communities. As a result, it provides a far greater capacity for integration and should be used as a model. The location of key institutions on the site will ensure its success and provide the foundation for a viable property development.

The development does not provide for RDP units but has instead focused on the gap and missing middle market (which is currently not catered for in that region) and on economic opportunities and provision of public services including a transportation hub. The form of affordable housing being offered in this development is entirely privately led, and includes forms of cross-subsidisation on infrastructure. This may be a better best use option than subsidised housing for this particular region given the need and lack of

supply to the gap market. However, this development is ideally placed to also provide for a far greater number of subsidized housing units.

3.2.3 Analysis

In both of the above cases there is clear direction from EMM planning frameworks and a strong partnership in creating integrated nodes and precincts and in building sustainable neighbourhoods. The emphasis on transport hubs, the investments into regional social facilities and the development of options for housing all allow for a model of integration. Of importance in both of these cases is:

- the emphasis on physical and tangible integration through diverse housing options, transport networks and the use of retail and social facilities that provide common spaces for integration;
- the functional urban design of the nodes including a CBD that provides a strong core to the development; and
- integration of affordable housing development within the framework of the development.

The one concern is that these developments are part of a growth trajectory to the north of the core of the Durban city and, although they provide economic activity, the majority of people residing in these developments will commute to the more central regions for jobs. The developments are well integrated into the northern region allowing for greater access to resources, amenities and opportunities, but again, this is a tension that cities have to consider carefully in creating new settlements.

These forms of development are driven from a point of financial viability which includes phasing, co-financing and leveraging value at the outset by putting in place large-scale well designed infrastructure. This is not always possible with public properties which may then require private partnerships.

The partnership approach to development allows for a convergence of interests and requirements using planning, financing and agreed outcomes. This partnership needs to translate into more options for subsidized housing that is integrated into the nodes.

4 Johannesburg: Jabulani, Soweto

The last case study to be explored in this paper is Jabulani in Soweto. It has been selected because it presents an interesting case of a strategically located site in a low-income area where there is a demand for recreation, social facilities and retail. These demands present opportunities for developments, and the case study demonstrates how there are opportunities to realize value (for both property owners and residents) by responding to social needs.

4.1.1 Context, key issues and opportunities

This development was initiated in 2010 on 34ha of public land owned by the City of Johannesburg (CoJ). It stemmed from the desire of the existing adjacent Jabulani Shopping mall to expand and evolved to become a development of housing, commercial, retail, transport and public services.



The site is located in the centre of Soweto and has the capacity to transform an area that has a lack of different housing opportunities, to provide economic opportunity and to address social needs.

4.1.2 Process and approach

According to the COJ SDF, Soweto is to be unlocked as a true city district:

‘Transform Soweto into a liveable city district in its own right with access to jobs and the full array of urban amenities. Create a series of self-sufficient mixed-use nodes as growth points for jobs within the area. Develop mixed land uses (particularly economically productive ones) and social services, making use of a good street pattern and public transport’.

This development is directly aligned with the need to ensure that Soweto as ‘a city district’ includes important destination attractions, regional health and retail and a transportation hub that enables residents to access greater Johannesburg. The emphasis on ‘compact’ in the SDF is reflected in this development increasing densities and intensity of uses.

At the same time the site has been considered for its potential to re-position the node in the broader region. Its best use value in this context is to function as a catalyst by providing the key requirements for a neighbourhood as well as a regional location. Soweto theatre, a regional hospital and a transport hub all entrench it as a strategic node that integrates and transforms the broader node and region. In addition, there is a wider range of residential options that ensures a mix of incomes, and increases densities and use of common spaces and facilities

The approach that was adopted aimed to understand the potential market in the area and to draft a development framework which assessed opportunities, constraints and planning objectives. The request for additional retail space by the shopping centre already indicated a demand for retail. Instead of simply expanding the mall, the COJ and the developer decided to use this opportunity to build a core mini-CDB hub which would have a much bigger impact on the area. They also understood that there was a lack of gap

housing in the centre of Soweto (most of this housing is being developed on the western border of the township) which, if developed could change the demographic makeup and the potential economy of the district. Regional facilities together with a transport hub provided an important 'anchor' i.e. they created a core for the site in terms of financial viability and as an economic catalyst. The Soweto theatre defines the district and gives it a strong identity, which is similar to Vilakazi Street in that it acts as a destination venue. These factors then determined the framework that established the need to include a mix of uses, densities, the required social services and amenities and the links to the transport hub.

Johannesburg Property Company (JPC) tendered the site in 2014 and awarded it to Inkanyeli project managers in partnership with CalgroM3. The developer was required to commit to deliver a development that included social facilities, affordable and fully subsidised housing, as well as open spaces and recreational amenities. This was represented in an urban design drafted by the developer and approved by JPC. This framework established required development parameters, m² yields of uses, densities and social infrastructure.

The additional social components were costed either as a subsidy off the land or as a straight grant (as was the case with housing). The scale allowed for common property costs to be partly covered. The management of the site was budgeted for and included in the cost of the project and ongoing service fees. This management cost was dependent on the scale and the sustainability of the management institutions.

The development was awarded on the basis that the various non-commercial outputs would be incorporated into the development and be undertaken by the developer. The financial modeling for this development including financing for the social facilities and theatre, but required the developer to contribute to the overall non-commercial activities.

The development includes plans for a wide range of housing options (4199 units) including:

- hostel conversions into fully subsidised and CRU units (1919 units);
- FLISP and Gap apartments;
- social housing; and
- non-subsidised, stand-alone units and apartments.



Above: The Urban Design framework for Jabulani



Above: The Urban Design framework for Jabulani

At the centre of the development is a CBD which includes an 18,000m² mall, 30,000m² office park and a hotel. The development is based on an urban design framework that has ensured an open space system, integration of the node into the region and neighbourhood of Jabulani, the construction of a district hospital, the building of a theatre for Greater Johannesburg (adjacent to the famous Jabulani amphitheatre which has been upgraded) and a transport hub which includes a taxi rank, railway station and BRT.

Another addition is the proposed extension of the Gautrain that will start in Jabulani and connect Roodepoort, Fourways, Sunninghill up to the Pretoria line. As with the current Gautrain lines, the impact on integrating the various nodes on these lines has been substantial as has the change in property values.



4.1.3 Analysis

The form of the development has the potential to transform the broader region into a strong economic hub. It provides a wide range of uses and activities that benefit the immediate and broader community and which make the area sustainable in the longer term. Its linkages into Soweto benefit the general area. It also begins to address Soweto's linkages into the broader area.

The diverse housing opportunities and wide range of social amenities create an integrated neighbourhood as well as a strong economic core within Soweto. The economic investment in Soweto increases the functionality and value of the general area and the diverse housing options build a mixed income base to the node. It provides for innovative housing options (gap apartments, sectional title RDP apartments, varying commercial housing typologies) which promotes an alternative model for housing. The longer-term sustainability of the housing models requires strong management of units and the urban environment. This is dependent on beneficiaries and home owners investing time, skills and additional revenues (levies) into managing institutional systems. This may be too risky given the affordability levels and lack of constant subsidy (as is the case in the social housing model).

It would be useful to track the value appreciation of the node given the capital and urban management /operational investments made.

5 Conclusion

These various forms of development on public and private land provide different examples of how to undertake projects that can assist in integrating cities and responding to the high demand for housing. They also give guidance on how to realise value from public property by:

- Ensuring that the overall role of the region is enhanced by the property development;
- Considering the best use and value proposition for the site;
- Positioning sites i.e. defining the role of each site and ensuring that this guides the development (CBD, connector, regional services hub, transport hub, cultural centre);
- Realising value in terms of financial, economic and social returns;
- Maximising access and connections through multi-nodal transport hubs, integrated road networks and well-serviced internal road transport systems;
- Ensuring financial viability and providing for the 'hidden' costs of managing and maintaining high density and mixed-use developments; and
- Maximising the impact and 'value' of an area by using and leveraging the functionality of adjacent nodes and development trends.

Public property is a scarce resource and should be carefully considered in each case. A standard process to evaluate opportunity should not be confused with a standard response. In each case the process should result in a well-informed strategy and approach to address the specific advantages of the site and needs of the area and region.

Spatial integration of cities using public property needs to be understood as a means of addressing social, economic and spatial segregation and disparities. Economic transformation of cities should be the basis of spatial and social transformation and public land should be considered as a strategic tool to create opportunities for economic growth that is able to accomplish this. Similarly, social interventions into spatial configurations and formations of cities can affect the manner in which communities and residents interact and engage. Creating well managed, designed and active public spaces, including transport hubs, recreational facilities, pedestrian walk ways etc, all contribute to building cities and social integration. Best use and value should be the primary driver of the use of public properties.

Considering the function and use of public property should always involve a recognition of the opportunities that the specific property and its development can present in relation to the overall functioning and integration on the city.

The approach to ensuring that developments play a critical role in integrating cities, are sustainable and viable to implement should include:

- Establishing suitable institutional arrangements and ensuring that these are capacitated to manage developments;
- Financial modelling that considers the costs of the development in detail, including the operating and management costs post implementation;
- Agreement on financial and operational responsibilities post-development from the various parties and entities;
- A commitment to high levels and standards of infrastructure that will in turn create greater value for the development, the user and the beneficiary (both social and economic). It will also lead to lower operational costs to the municipality and the property user in the longer-term. This needs to be budgeted for as part of the project;

- Accessing and managing the various forms of financing available for integrative, TOD, urban and mixed developments to ensure that the required capital is available. This links back to ensuring suitable institutional arrangements and capacity are put in place at the outset; and
- Involvement and commitment by all responsible parties (municipal service delivery, departments of housing, education, social development etc.)