



# S A P O A

THE VOICE OF COMMERCIAL PROPERTY





# THRESHOLD LIMITS TO URBAN TRANSFORMATION

**Bringing together perspectives on  
urban investment**



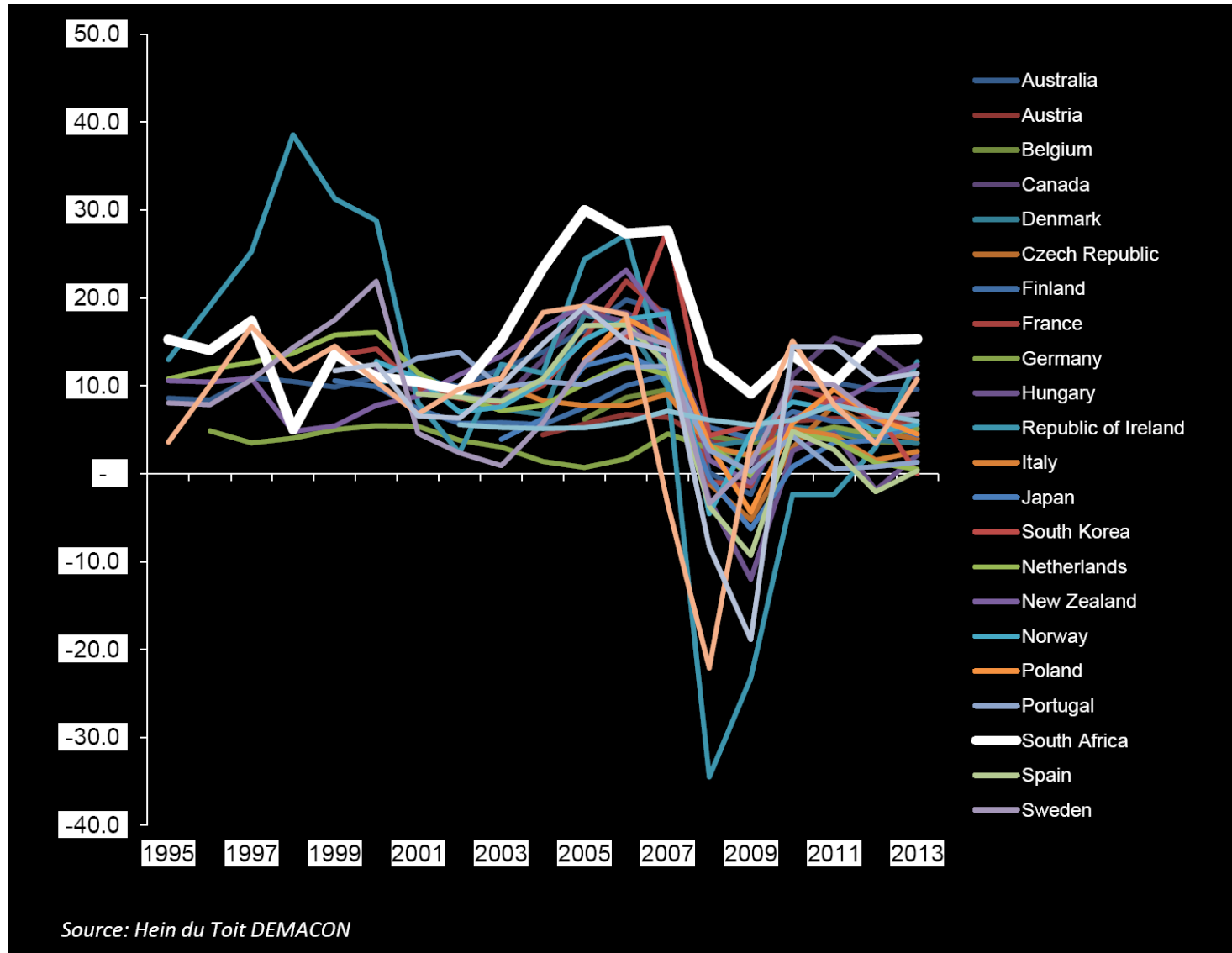
**Erky Wood**  
**GAPP**  
**Architects & Urban Designers**

**Johannesburg**  
27 August 2015

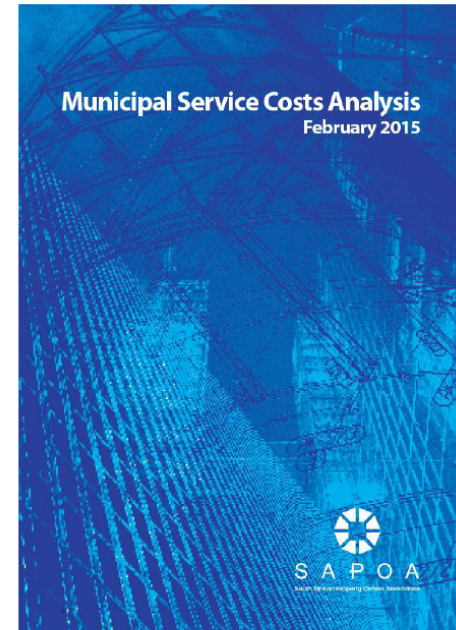
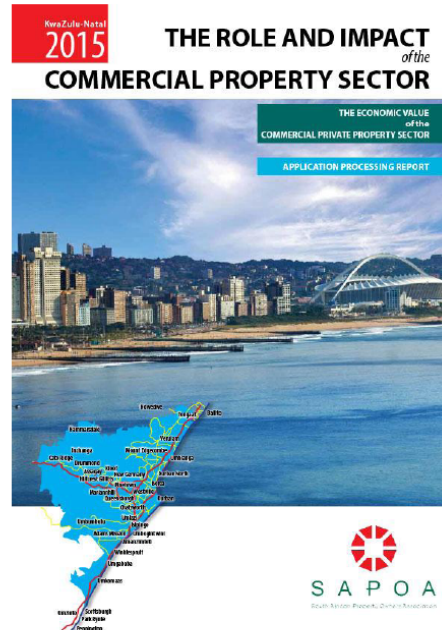
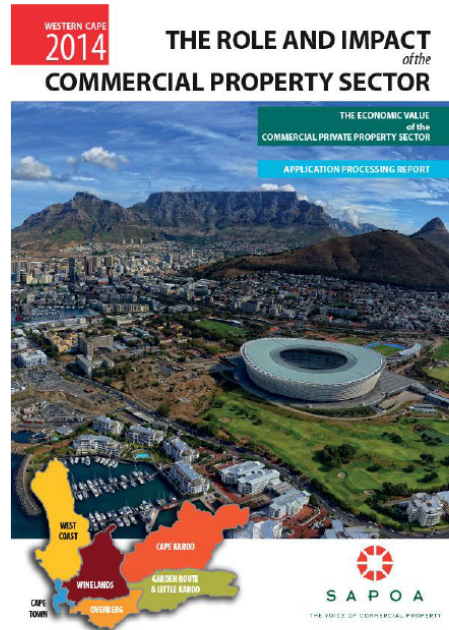


# SA AS A GLOBAL PROPERTY PLAYER

## Tracking Total Property Returns from 1995 - 2013



# SAPOA's GDP Reports



Research indicates that the property industry is one of the key contributors to the country's Gross Domestic Product

The multipliers into the economy are huge:

- in terms of short (construction) and long term (operational) job creation
- in terms of the economy generated

The rates and services contributions to the city economy are vast

(Cogta) is pursuing to improve service delivery in local authorities. But treasury, which two years ago launched a five-year Cities Support Programme, is focusing more specifically on enabling investment in urban infrastructure and driving planning in ways that will overcome apartheid's spatial distortions — as well as on encouraging the

On average, only about a quarter of metropolitan municipalities' revenue comes from central government but that hides big differences among the cities, with smaller ones relying on central government for as much as 60%-70% of their funding. Treasury, Cogta and the Development Bank will hold an urban infrastructure investment

“

WE RECOGNISE THAT THE CITIES ARE THE ENGINES OF THE SA ECONOMY . . . BUT WE ALSO HAVE TO ACKNOWLEDGE THAT THEY NEED TO BECOME MORE COMPETITIVE TO BE REAL PLAYERS ON THE GLOBAL STAGE

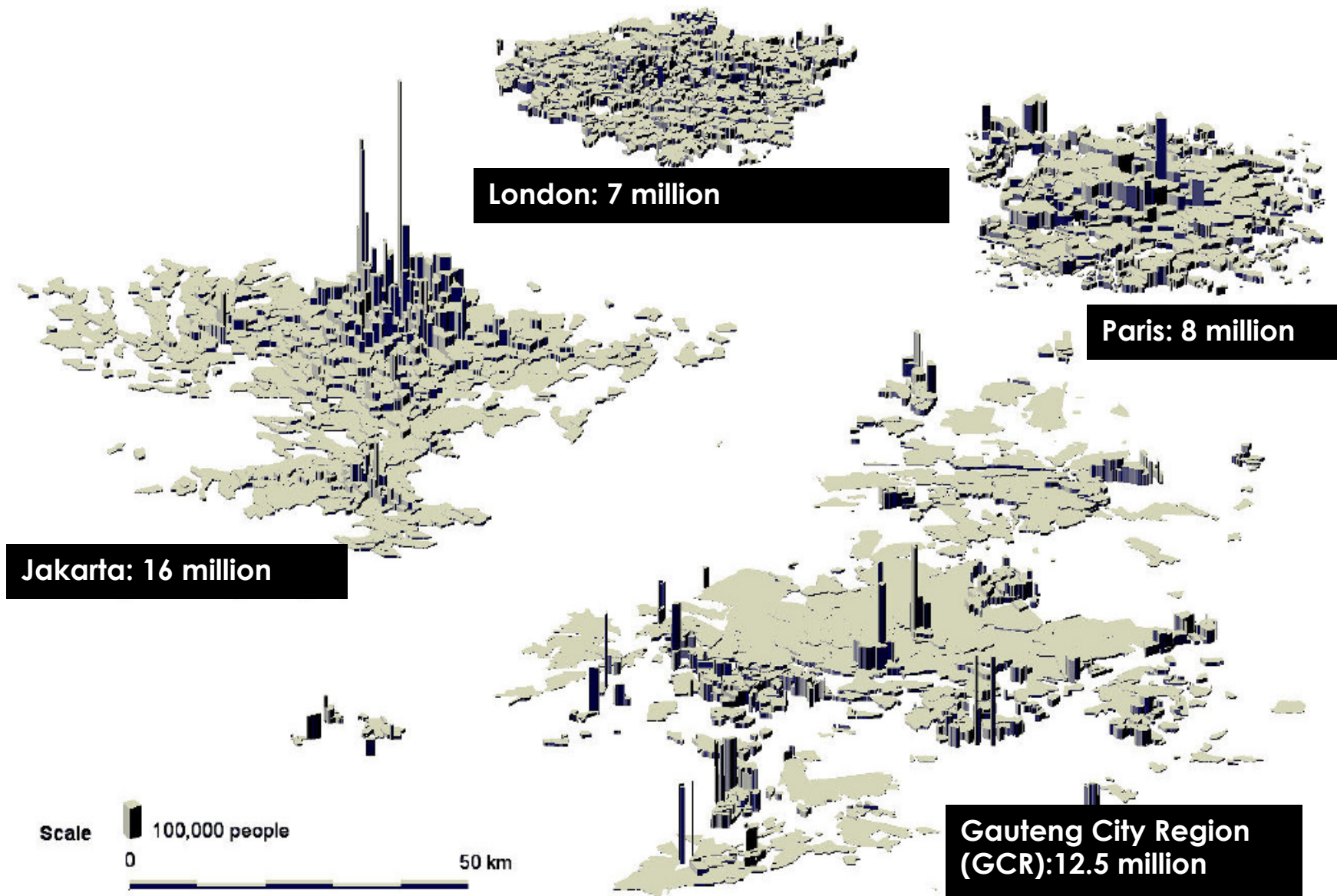
MCEBISI JONAS



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July 2 - July 8, 2015 Financial Mail 21



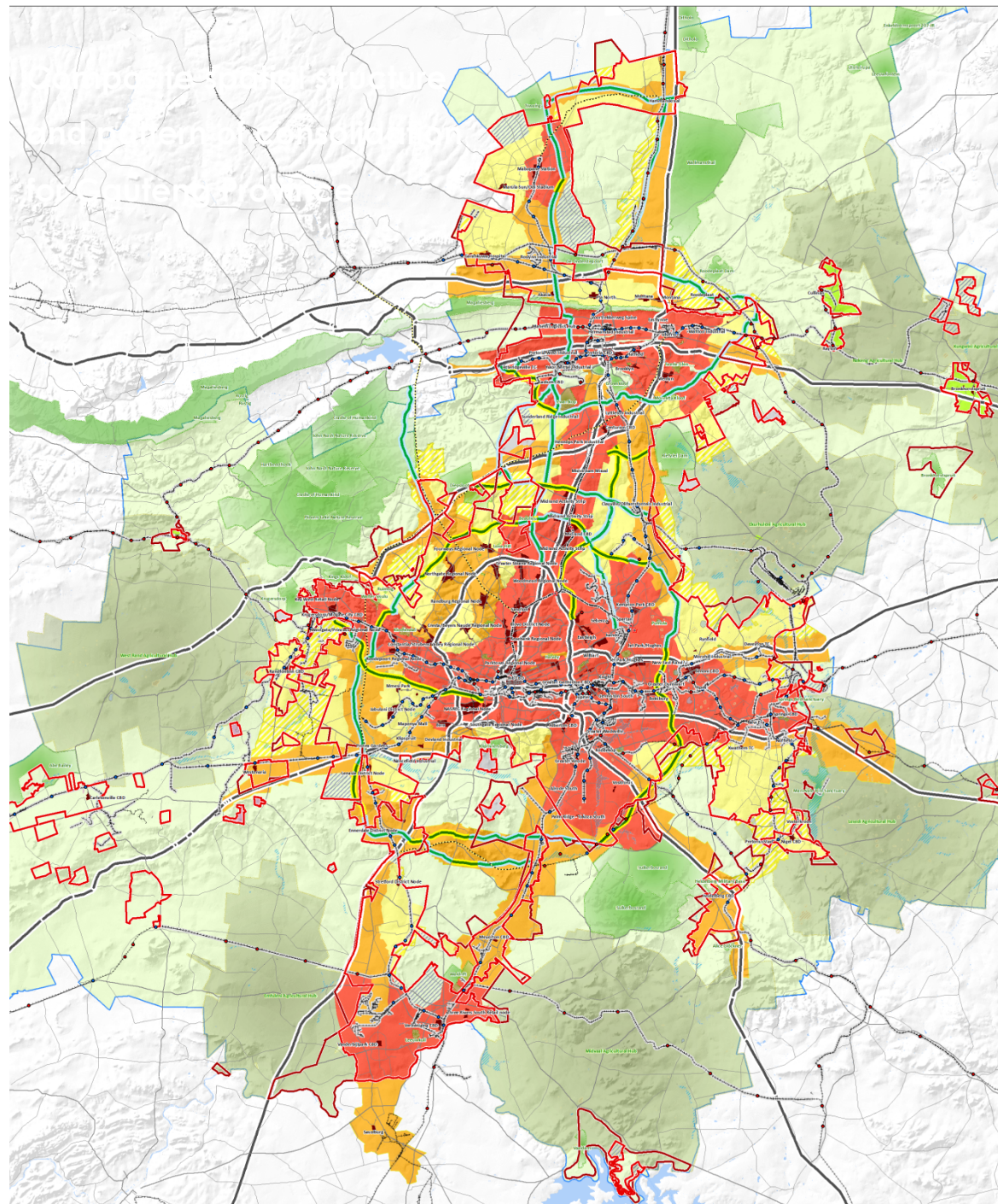


Average public transport trip length		Household Income	Spent on public Transport	Draft Land Use Management Bill 2010
Tshwane	25.4km	R0-500	35%	
London	8.7km	R501-1000	25%	
Moscow	7.7km	R1001-2000	14%	
				<ul style="list-style-type: none"> <li>Promote compact, sustainable settlements</li> <li>Discourage urban sprawl</li> <li>Promote residence/work-place proximity</li> </ul>

The GSDF –  
a development framework for  
The Gauteng City Region (GCR)

Gauteng Dept. of Economic Development





- ☆ Gautrain Stations
- Freight stations
- Passenger stations
- Urban edge as delineated in 2010
- Urban Edge as defined by Municipal SDF's
- Rail network
- Strategic Rail connectors
- Gautrain Rapid Rail
- Strategic Road connectors - New
- Strategic Road connectors - Upgrade
- Passenger Ring Rail
- Freeway and Primary
- Secondary
- Tertiary
- Urban nodes
- Protected Areas/Natural Systems
- Urban consolidation zones
- Future corridors
- Urban development corridors
- Anticipated extend of urban development by 2055\*
- Existing mining settlements
- Future urban consolidation within the urban edge
- Rural centres
- Existing Residential Estates
- Current urban expansion proposals subject to review
- Designated Agricultural Hubs
- Extensive general agricultural hinterland
- Waterbodies

\* Zones in which incremental urban consolidation may extend subject to sustainable economic, infrastructural, social and environmental performance criteria



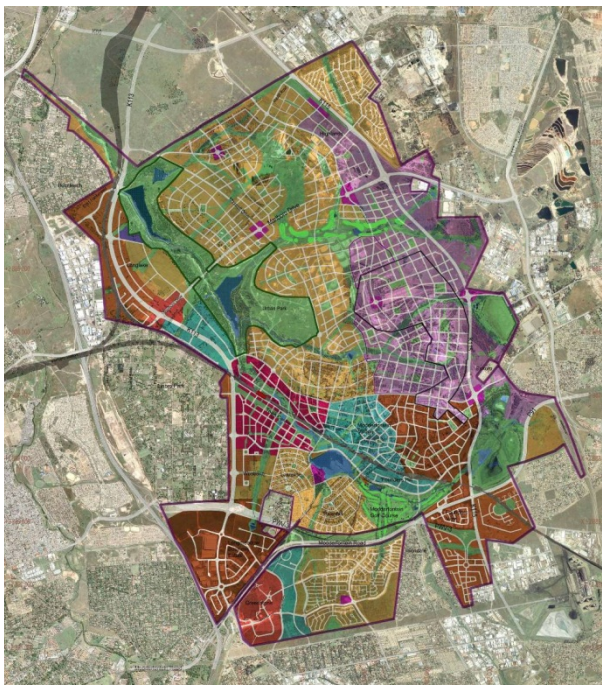
# THE UNDERPINNINGS OF SUSTAINABLE URBANISM

- Compact in extent (with emphasis on convenient walking distances)
- Complex in activity pattern (mixed-use, intense, dense)
- Structured on social integration (spatially inclusive and democratic)
- Growth of local economies (integration of dual logic economies)
- Public transport based (Mass transport and feeder systems)
- Reducing the need to commute (NMT as a default movement system)
- Incorporation of ecology and bio-diversity
- Energy efficiency (through spatial pattern/ waste-to-energy production)
- Smart cities and smart infrastructure
- Next generation logistics hubs
- Appropriate service infrastructure
- Urban agriculture (as an integral part of the urban economy)

## Some examples of imperfect alignment

- Only large-scale projects with personal involvement are cited
- All have the advantage of political buy-in and are transformative
- All are constrained by various threshold problems
- All are 'captured' in a model of approvals that sees them:
  - simply being considered as yet another 'hit and run' proposal
  - being made to carry disproportionate amounts of contribution
  - having to deliver up-front and not allowing for incrementalism
  - getting bogged down in bureaucracy
  - having retarded development potential as a consequence
- Change in urban structure is not led by city-building infrastructure but rather by a determination to make developers pay for arbitrary pieces of infrastructure as and when they go to market
- This leads to threshold impasses, disjointed, uneven delivery and, very often, visionary developments being delayed or even aborted

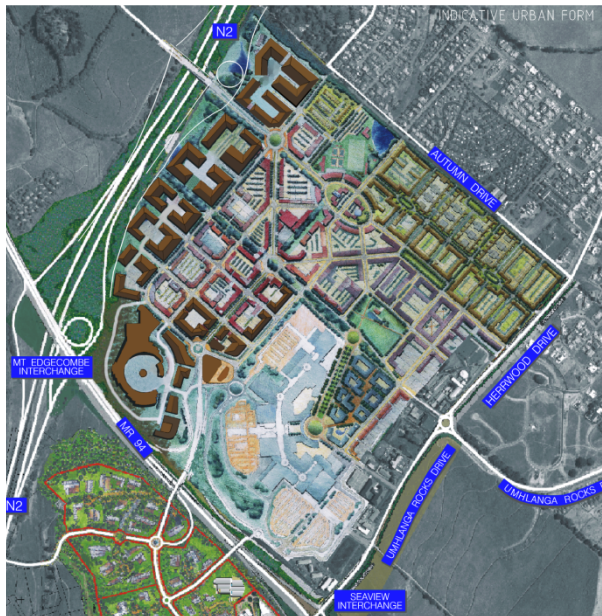




The Modderfontein development framework  
Heartland 2009



Riverfields -a new green town Ekurhuleni  
Trans-acht



Umhlanga Ridge New Town Centre  
Tongaat Hullet Developments



Oakland City Cape Town  
Oakland City Development Company





Lanseria Growth Node  
Harith, Workers Health, et al.



Ntshongweni Urban Growth Node eThekweni  
Tongaat Hulet Developments



Greenreef Urban Node Ekurhuleni  
Living Africa



Dunkeld Precinct Plan Johannesburg  
City of Johannesburg

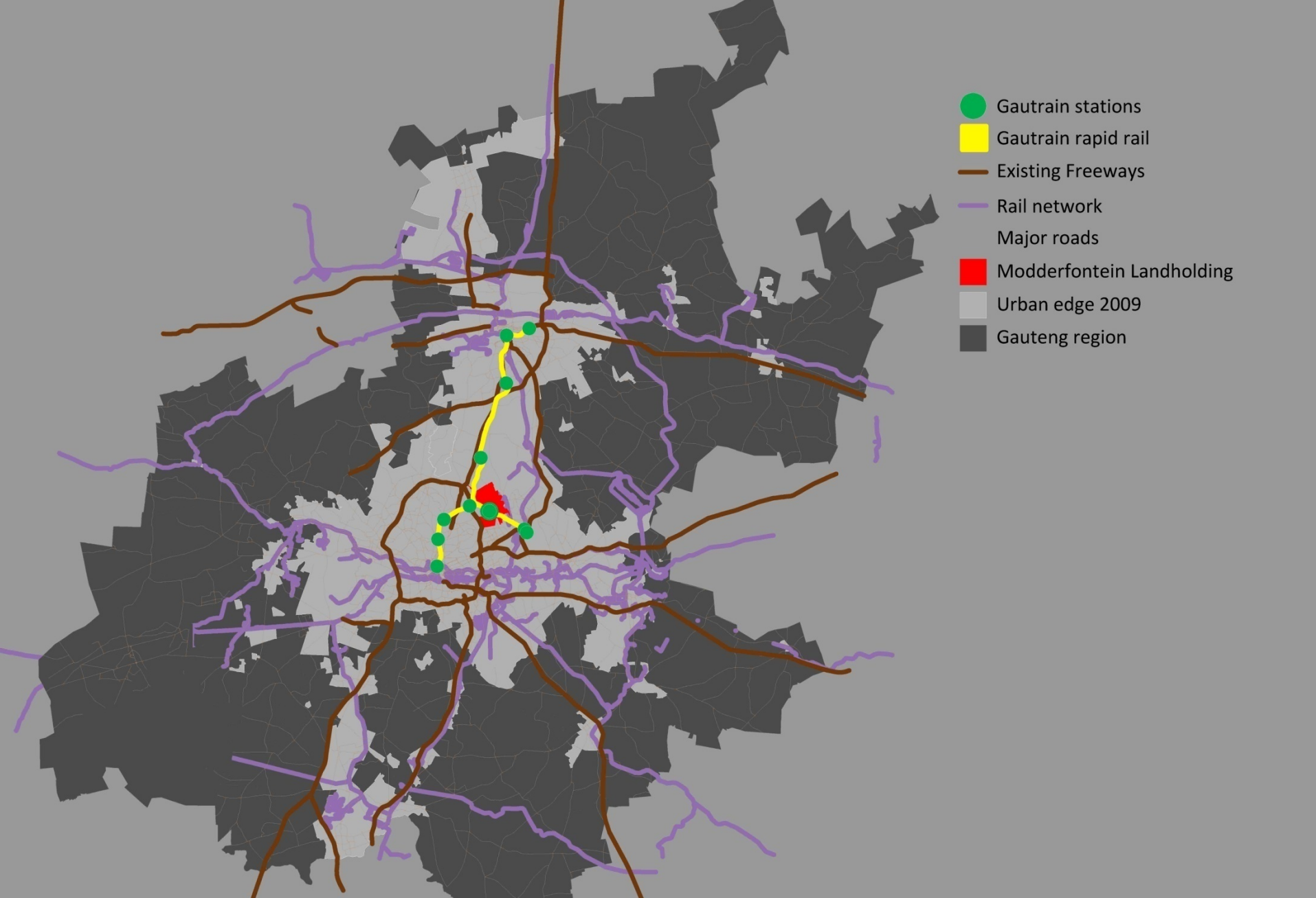




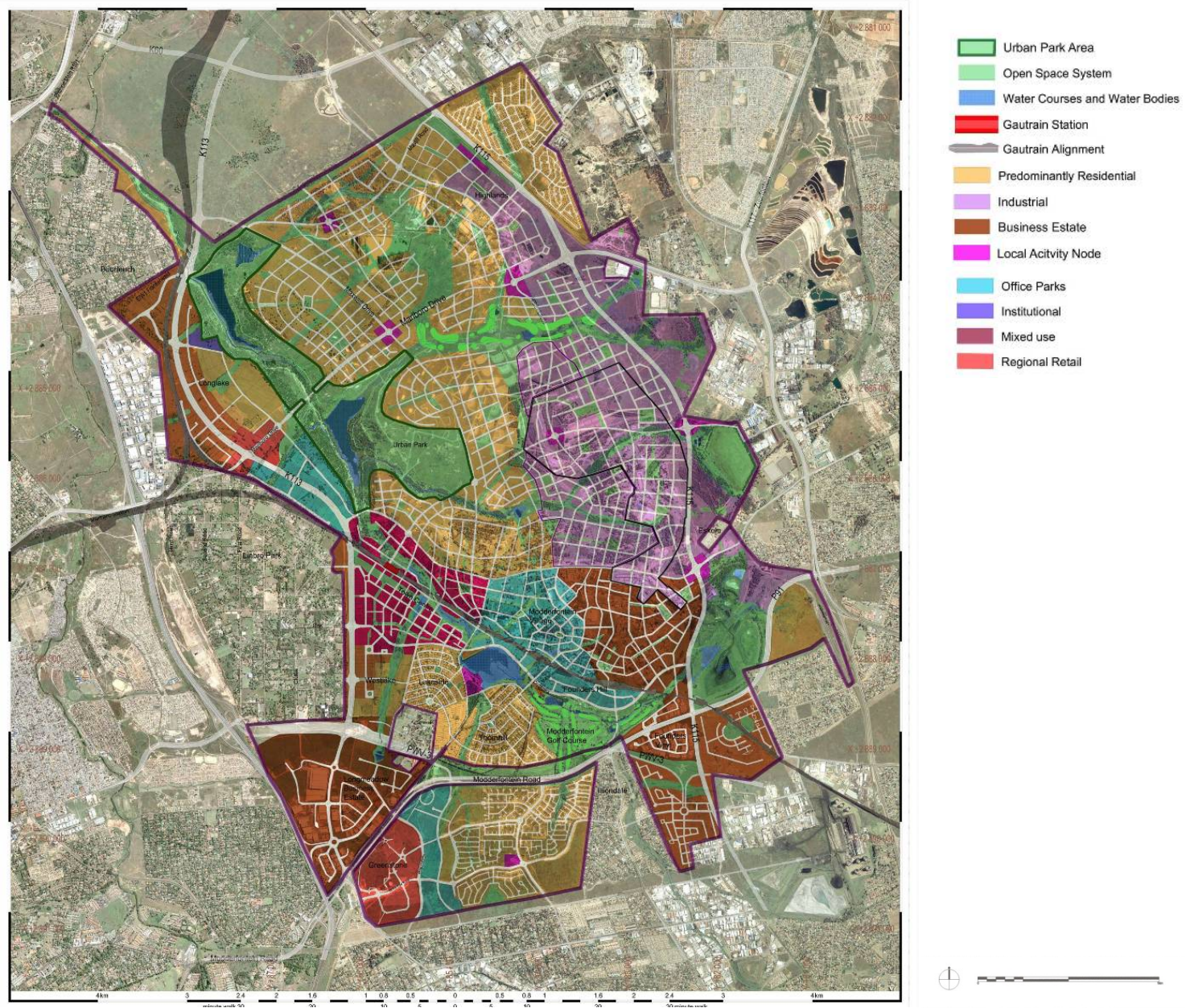
# The Modderfontein development framework

Heartland

2009

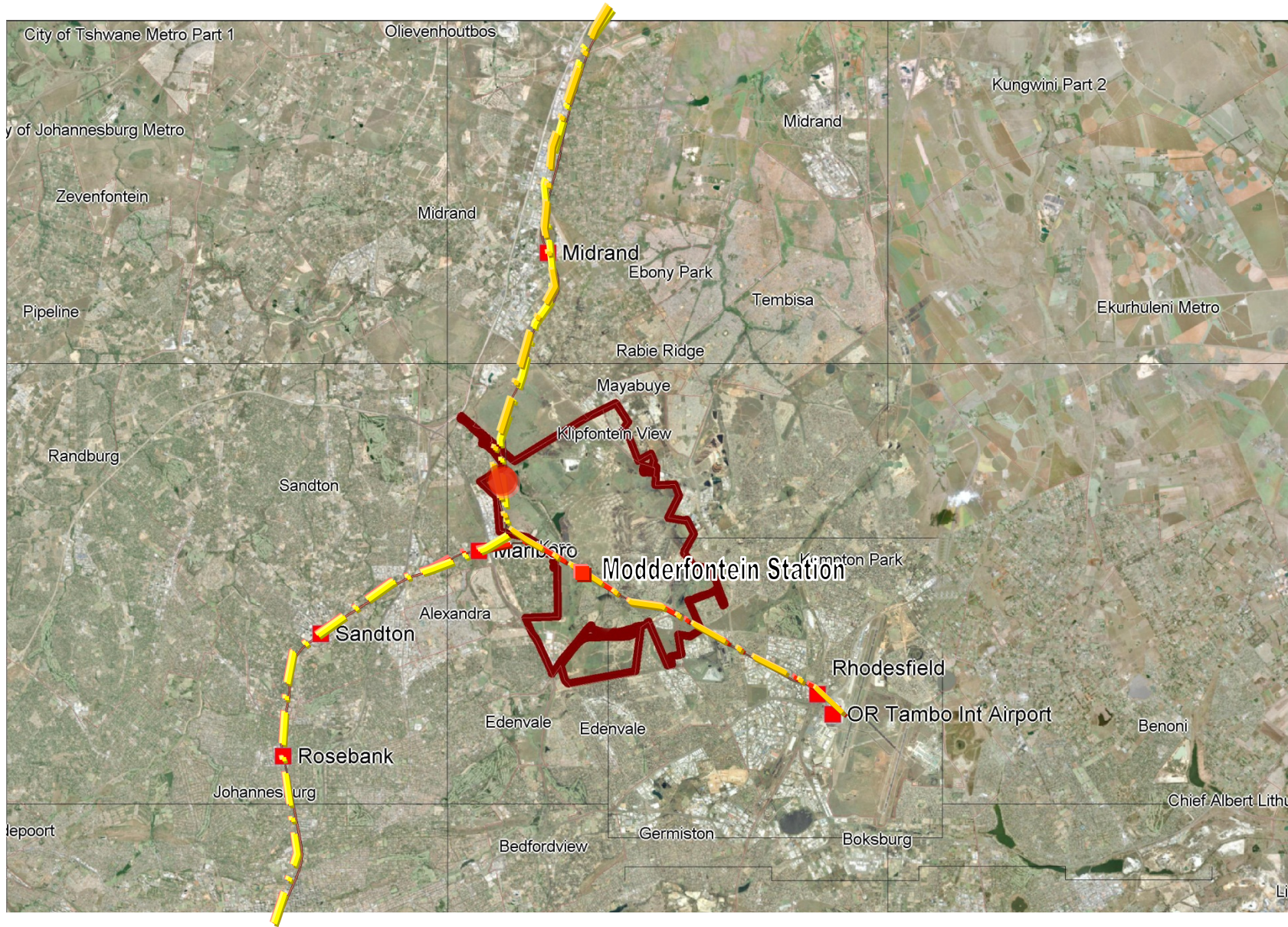






**Modderfontein Land use plan**



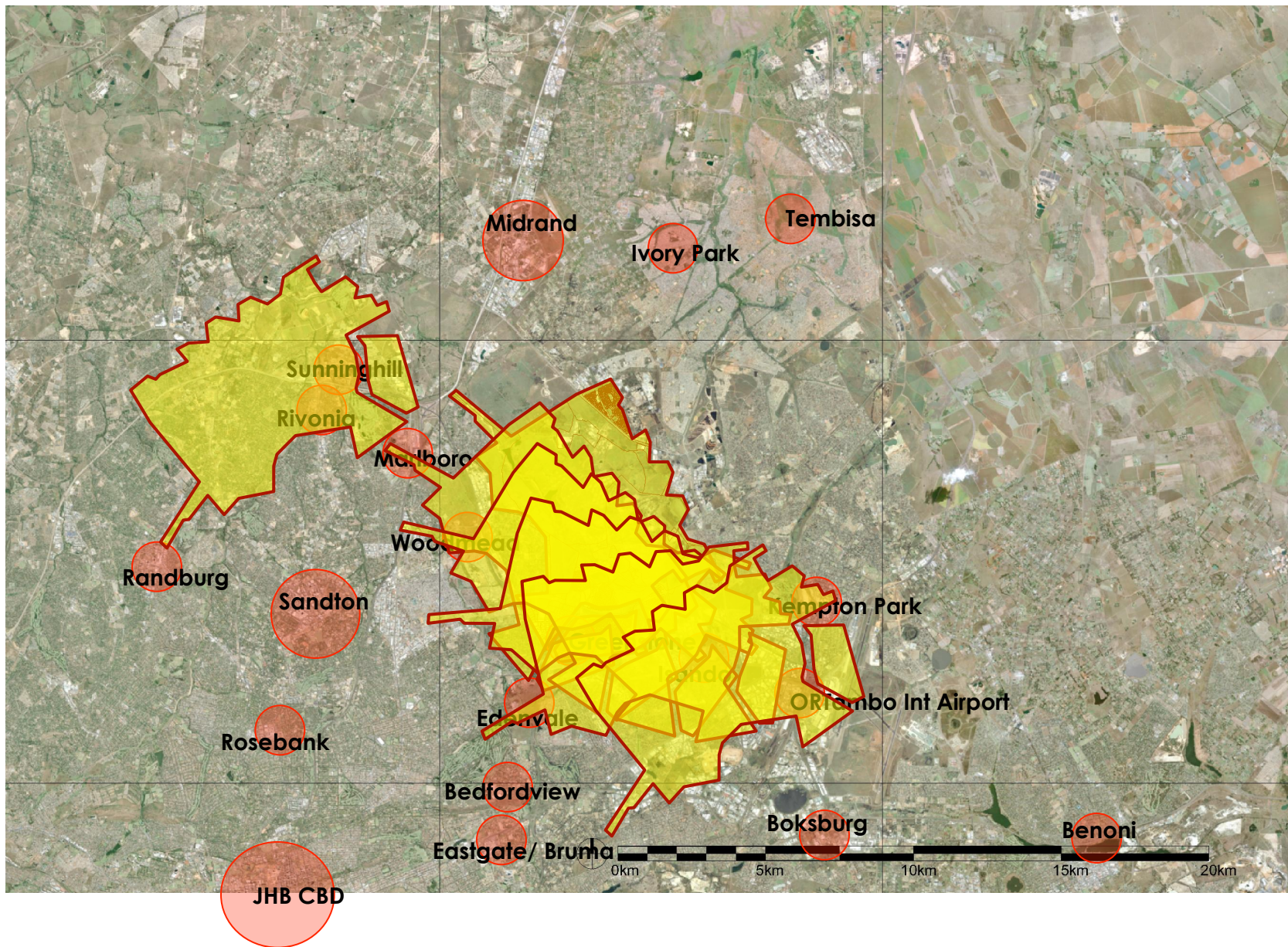


## Gautrain's influence on Modderfontein

## Summary of overall development potential

Original overall landholding	4200ha			
Completed development area	881ha			
Open space Area	886ha (including 275ha Urban Park)			
Non-residential net developable area for development	1269ha	Floor area (m <sup>2</sup> )	6 840 000 (at average FAR 0.5)	
Residential net developable area	872ha	Floor area (m <sup>2</sup> )		Units 33 275 @ 40du/ha
Total net developable area	2141ha	Floor area (m <sup>2</sup> )	11 MILLION m <sup>2</sup> !!!	Units 33 275



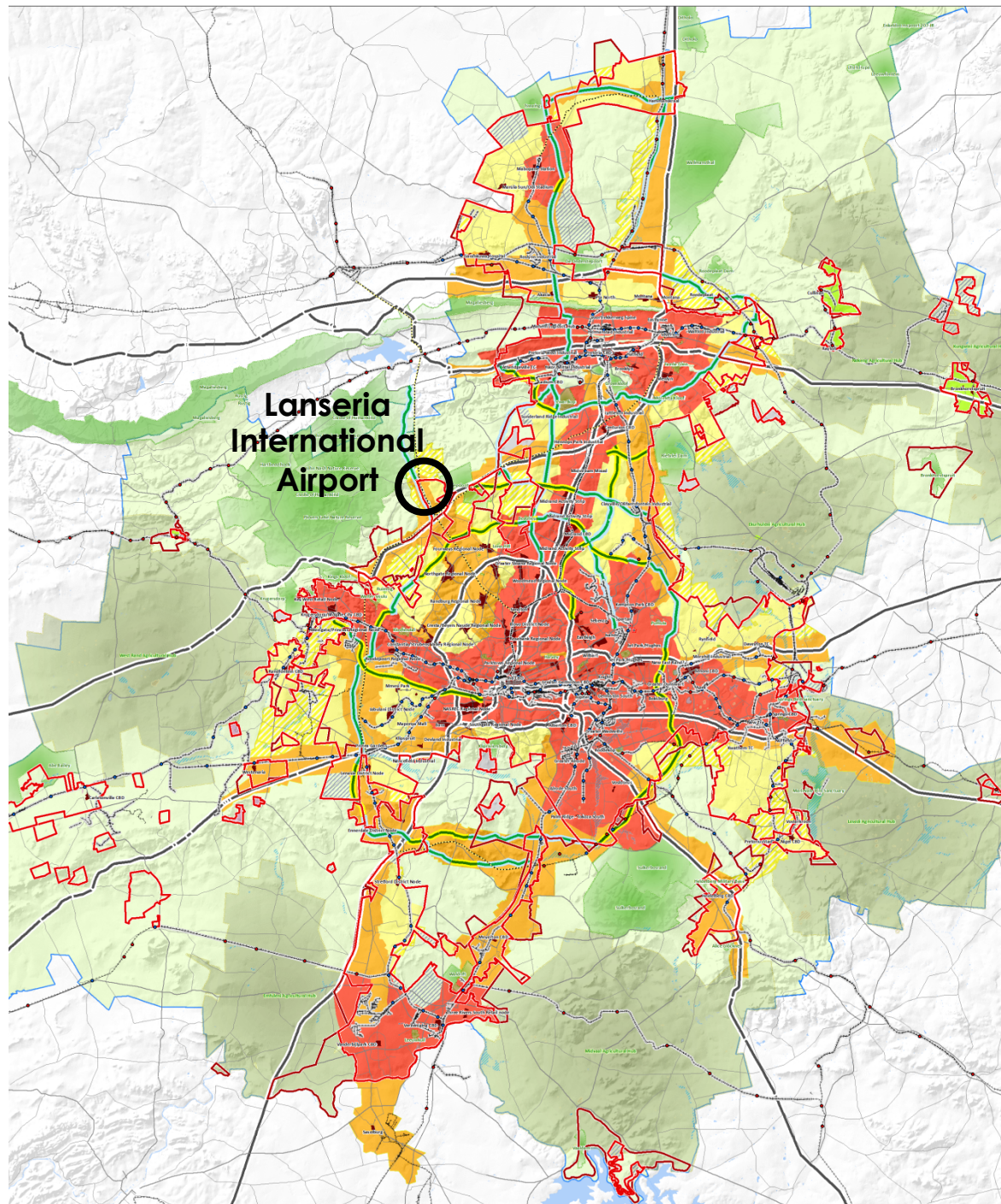


Putting Modderfontein's rights in context

# Lanseria Growth Node - going beyond the apartheid city

Harith, Workers Health, *et al.*

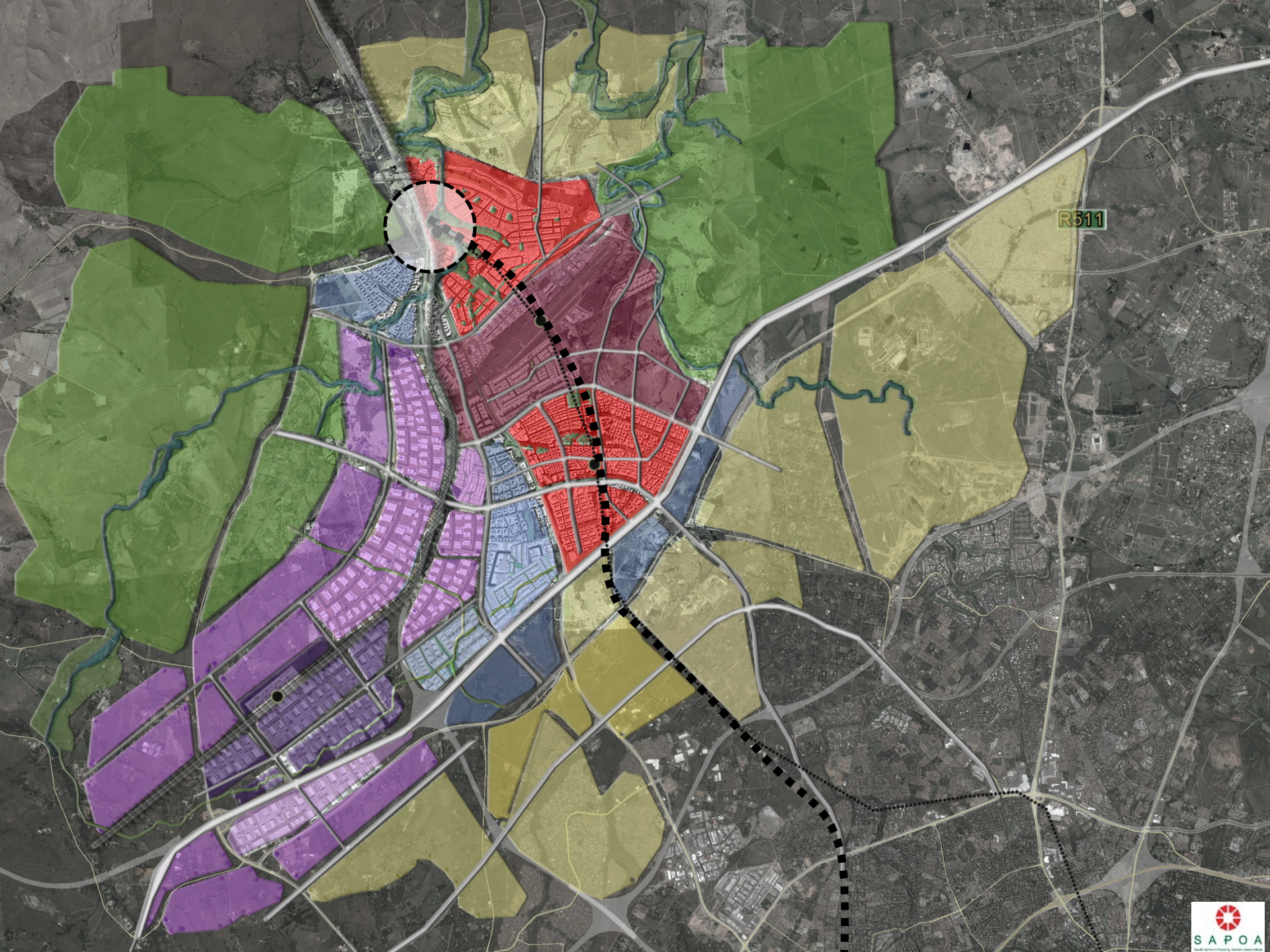






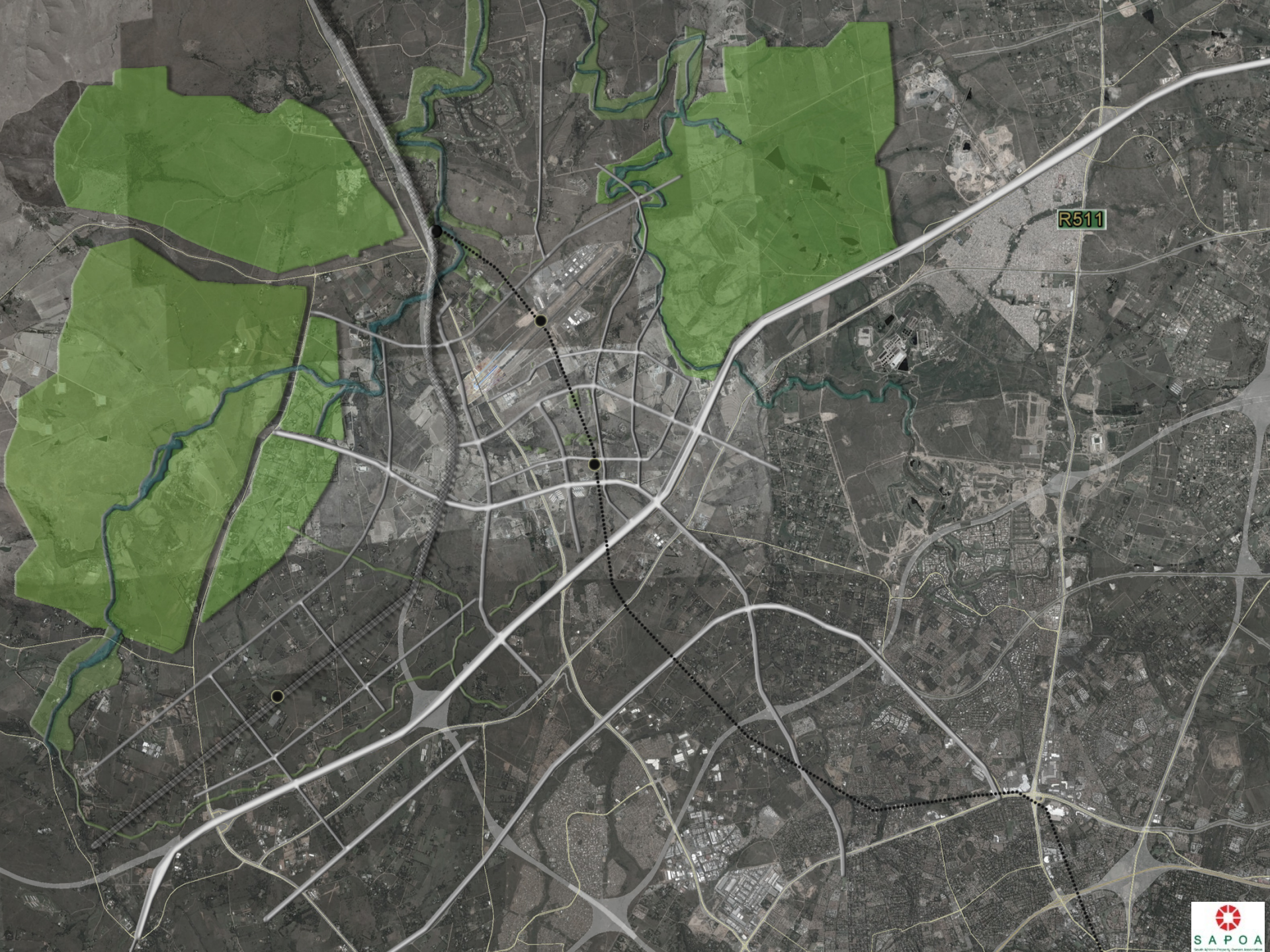






R511





R511

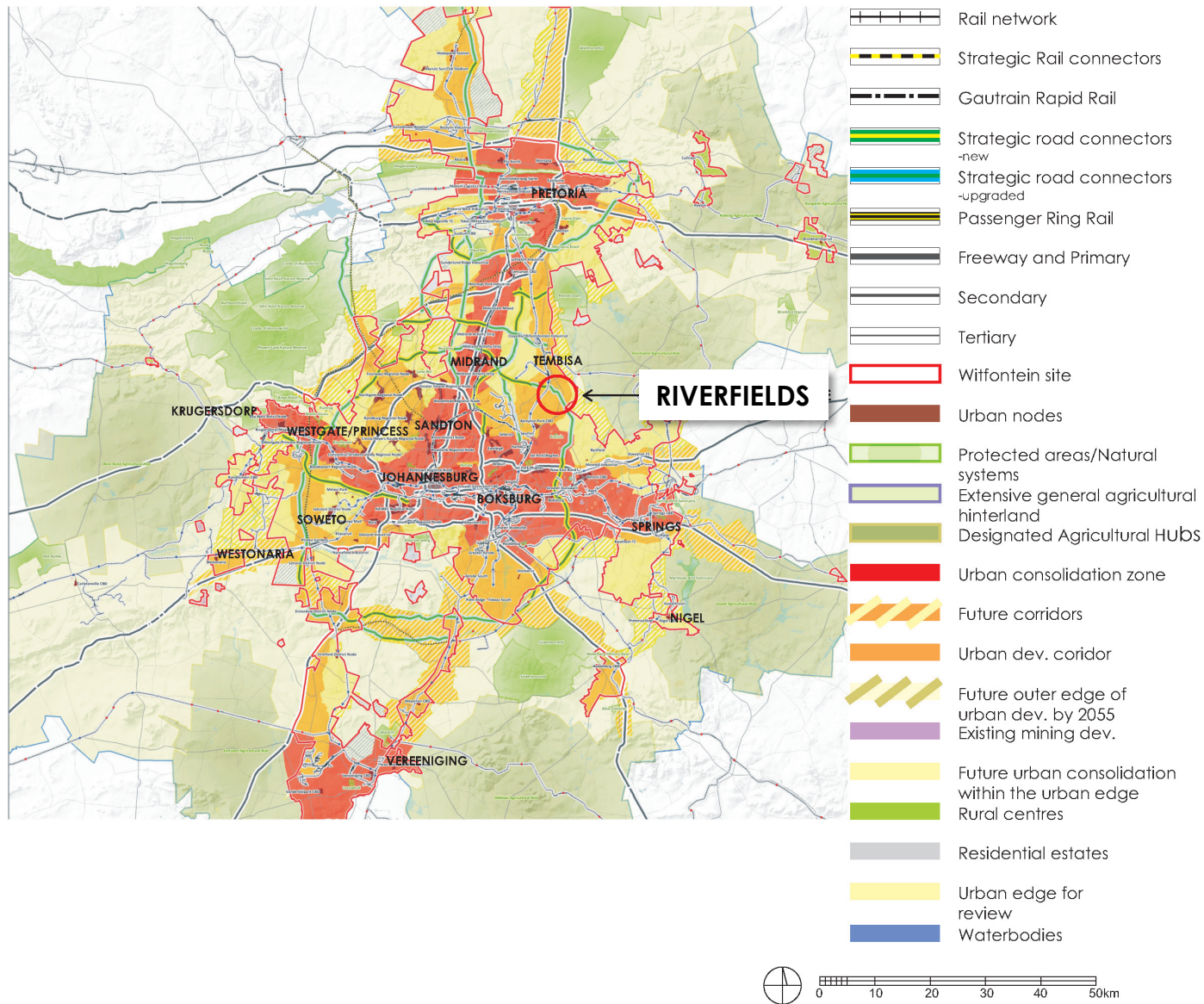






Riverfields -  
a new green town  
Ekurhuleni

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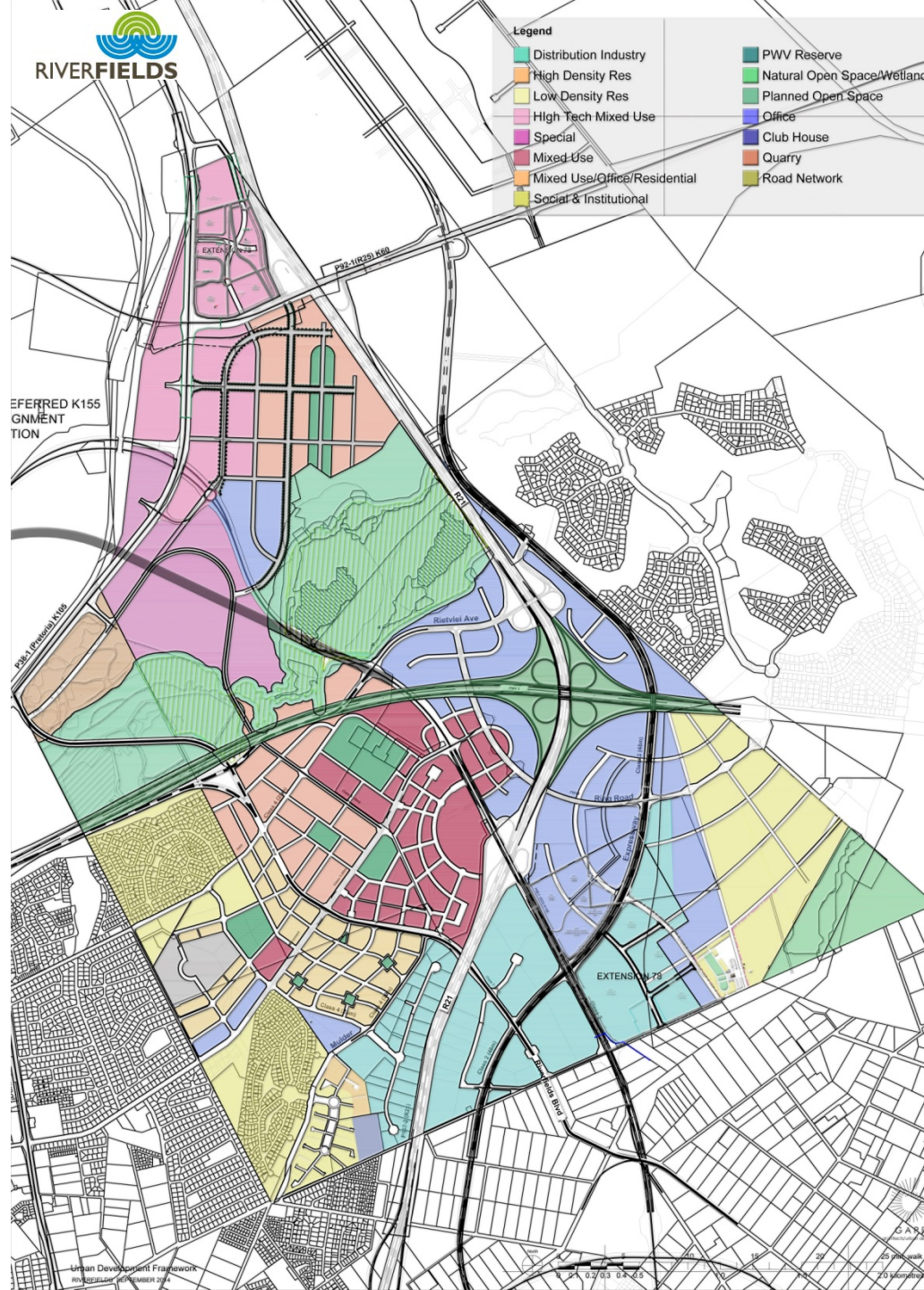






**Legend**

- |                              |                            |
|------------------------------|----------------------------|
| Distribution Industry        | PWV Reserve                |
| High Density Res             | Natural Open Space/Wetland |
| Low Density Res              | Planned Open Space         |
| High Tech Mixed Use          | Office                     |
| Special                      | Club House                 |
| Mixed Use                    | Quarry                     |
| Mixed Use/Office/Residential | Road Network               |
| Social & Institutional       |                            |



REFERRED K155  
GNMENT  
TION

K156 (Industrial K156)

K157

EXTENSION 3







# The importance of city leadership

- No city got to where it is today other than by **incrementalism**
- Targeted **selective addition**, focused on **city-building** infrastructure
- Delivered by **city vision** underpinned by **political will**
- Remembering that **managing what one has** is as important as adding new dimensions and infrastructure to the city
- Business as usual can take us only so far: **the market must be directed**
- But be prepared to back that direction with **public policy and resource allocation**
- Remembering that there is vast energy to be harnessed in **using that market's dynamic**
- But new injections and interventions must all be part of **a consistent set of policies** aimed at **urban transformation**

# Towards a city-building charter

- SAPOA recognises the importance of **the urban agenda** and promoting it onto national, provincial and city platforms
- SAPOA recognises the need for **urban transformation** and participating in the building of the sustainable city
- SAPOA is committed to **the performance of the property industry** as one of the key contributors to GDP, job creation and poverty alleviation
- SAPOA remains committed to **constructive engagement** with city authorities, urban management and delivery agencies
- SAPOA can assist in **preparing consistent models** of development contributions, property rating and rebates
- SAPOA can assist with putting **models of city partnerships** together and with the consistent roll-out of Urban Improvement Precincts