



Content of presentation



Aim and objectives of the research



• The case studies



- Key findings
- Recommendations
- Conclusion





1





Aim and objectives of the research

- An in-depth understanding of perspectives and everyday experiences of developers and municipalities around urban land development
 - How urban land development and governance 'actually work in practice'
 - Political, economic and social factors that influence urban land development
 - Interaction between developers and municipalities





The case studies









Gauteng	Upmarket retirement
Gauteng	Mixed income retirement
Gauteng	Mixed income mixed land use
Gauteng	Mixed income mixed land use
Gauteng	Shopping mall
Limpopo	Upmarket housing, golf, and wildlife estate
Western Cape	Large upmarket mixed land use
North West	Redevelopment and upgrading
North West	Urban redevelopment, mixed use, theme park
KwaZulu Natal	Upmarket mixed use
	Gauteng Gauteng Gauteng Gauteng Limpopo Western Cape North West North West

UNIVERSITY OF PRETORIA

FACULTY OF ENGINEERING. THE BUILT ENVIRONMENT AND INFORMATION TECHNOLOGY











 Profit, corporate profile, reputation and branding are primary concerns for developers, whereas broader developmental objectives for LD, viz. (1) shared and inclusive growth and (2) equitable and sustainable development, are at best secondary and at worst, non-existent concerns



'We have to consider the profitability of a development first. Once profitability has been established, we can look at more normative development in a kind of creative trade-off with the profitable part of the development' - Developer













Key findings: How land development works in practice...

- Land development (LD) is a highly specialised, legalistic and technical activity. Submitting applications via the Ordinance or DFA is pivotal in terms of what, how, when and where development will take place
- The DFA tends to be more expensive, and typically used for bigger applications, warranting higher professional and application costs. The DFA seems to offer a quicker route, as it sidesteps local dynamics and public opposition to applications. It is, however, not clear whether developers use it to sidestep municipalities. In one case the municipality opted for the DFA because of lack of capacity in the municipality to process an Ordinance application
- Where the municipality is the developer, the Ordinance is the preferred option. The same applies is cases where the developer has established strong networks with officials in a municipality











Key findings: How land development works in practice...

- 'Deal-making', in a negative, corrupt sense, is not a given. If so, it happens at a level far above the planning officials who process such applications
- 'Deal-making', in a positive sense, and referring to win-win negotiations is far more prevalent. The 'social good' that emerges from these processes is, however, not a given, and by and large a function of the power both parties wield in the process – the stronger the municipality in terms of capacity, status and influence the better the chance of a 'better outcome for the municipality and all its people'. The less so, the greater the benefit for the developer, and the small elite who will use the development
- Interactions between developers and municipal officials are often about bulk services agreements. Developers tend to give way here as holding costs usually outweigh servicecontribution costs











KEY FINDING 4

 In contrast to the often negative perceptions about LD, it can have beneficial outcomes for all parties concerned. Good outcomes are dependent on a combination of factors, including professional ethics, technical skills, institutional capacity, pro-active planning, mutual understandings, proper communication, and just plain common sense

'If both parties have the right attitude, then there shouldn't be a problem with development in the country' – Municipal official













- Developers have no problem working within parameters of municipal planning policies and frameworks, but under proviso that the municipality is consistent in applying such frameworks, and does not 'change the rules half way'.
 Especially so in cases where change in political leadership results in dismissals or out-movement of officials taking with them institutional memory and a wherewithal about the municipality
- EIAs angered almost all developers interviewed, where officials dealing with environmental issues were often seen as unreasonable, callous or even grossly ignorant
- Some developers do prepare development frameworks for large developments themselves. These are often elaborations on, or interpretations of municipal frameworks. In such cases is not clear whether the development is plan/policy-driven or discretionary













Key findings: Political, economic and social factors...

- Both developers and municipalities expressed serious concerns about lack of technical and professional communication skills and institutional capacity, relating to broader issues, including:
 - Emigration of skilled professionals
 - Low morale due to limited promotion prospects for white municipal officials
 - The appointment of officials with limited LD-experience
 - High turn-over of officials
 - Lack of mentors in municipalities
 - Perceptions of developers, planners and municipalities
 - Negative views about the suitability of planning education
- In addition to this, a lack of basic planning knowledge and a lack of appreciation of LD-economics amongst councillors and other decision-makers (e.g. Tribunals) were seen as a hindrance on development 'that benefits all'

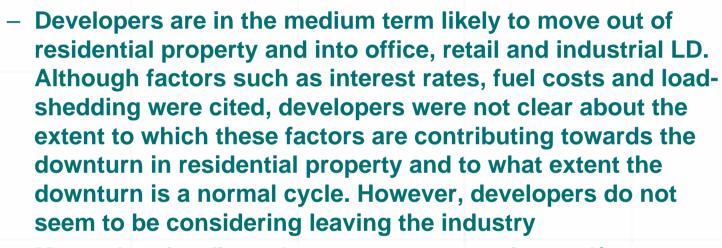














 Many planning firms, however, are expecting and/or encountering a strong downturn in the LD-market, and are not considering hiring new employees soon















The developmental mandate allocated to local government exerts great pressure on municipalities to take equitable and sustainable development seriously. Political imperatives and perceptions of 'subsidising the already privileged' are increasingly playing a role in decision-making processes. Sometimes it was argued that the interaction between the municipality and the developer took on a negative, vindictive nature, thereby negating the fact that such developments, albeit catering for the middle and higher end of the market, actually formed part of the same municipality. This was especially pronounced in contests between municipalities and developers with regards to the spatial location of bulk services











Key findings: Interaction between role players...

- Planning consultants are important role players in LD as they:
 - Serve as an interface between developers and municipalities who can make or break communications
 - Are ideally suited to act as project coordinators to streamline LD
 - Can potentially use their planning knowledge to formulate alternative concepts, plans and layouts so as to ensure that developments are more inclusive, equitable and sustainable













- KEY FINDING 9 (Cont...)
 - Developers, in turn, are key role players in providing municipalities with "assets for life", i.e. taxable properties.
 The trick is of course for municipalities to protect and maintain the value of these assets
 - Municipal officials are not only responsible for mediating individual and public benefit, but also in ensuring that the municipality gains assets, and not liabilities through LD

'Who you appoint as a planning consultant has a very big influence on one's success with a municipality' - Developer











Key findings: Interaction between role players...

KEY FINDING 10

 Negative interactions between developers and municipalities appear to be due to stereotyping, prejudices and misunderstandings. In most cases developers and municipalities expressed an interest in working more closely together

'If the rules are clear, there are good social relationships' - Developer





Conclusion







- LD is mostly practised (and gained from) by a small elite group of individuals and companies in SA through a tight, intricate network of developers, planning consultants, municipal officials and local politicians
- LD is not yet the economic prevail of the poor, or extensively utilised to uplift the poor. The small elitist nature of LD raises questions about opening it up to emerging entrepreneurs, or ensuring that the poor benefit more directly from it. Of key concern here are steep barriers of entry to LD, which are generally not accessible/available to the poor, i.e.
 - High skills levels in the built environment, financial service and project management disciplines
 - Ownership of well-located land, funds and access to finances
 - Political influence
- Creative responses are clearly required to make LD more inclusive, equitable and sustainable





Creative responses...







- A number of proposals/suggestions were put forward by interviewees as to how LD could be improved upon for the benefit of the community, developers and municipal officials. These were included in the report. In general they relate to:
 - Simple measures that can be taken to streamline development processes and to help ensure more sustainable and equitable development
 - Raising greater awareness and sensitivity towards the challenges faced by, position, role and responsibilities of different role players

