

# City of Cape Town

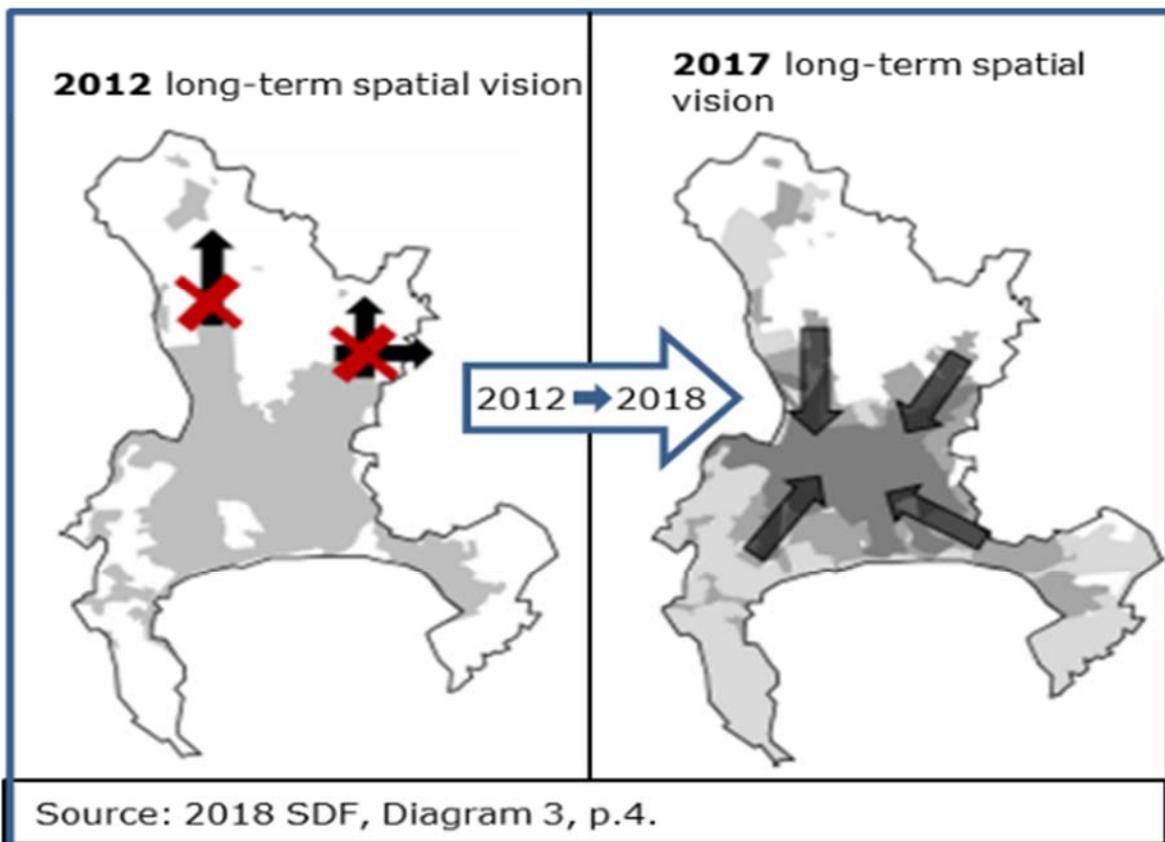
## Spatial Development Frameworks, 2012 and 2018:

### Evaluating the approach to spatial planning

**Erwin Rode** and **Berchtwald Rode** contemplate the last two 5-year Spatial Development Frameworks (SDFs) of the City of Cape Town and identify differences in the approach to spatial planning

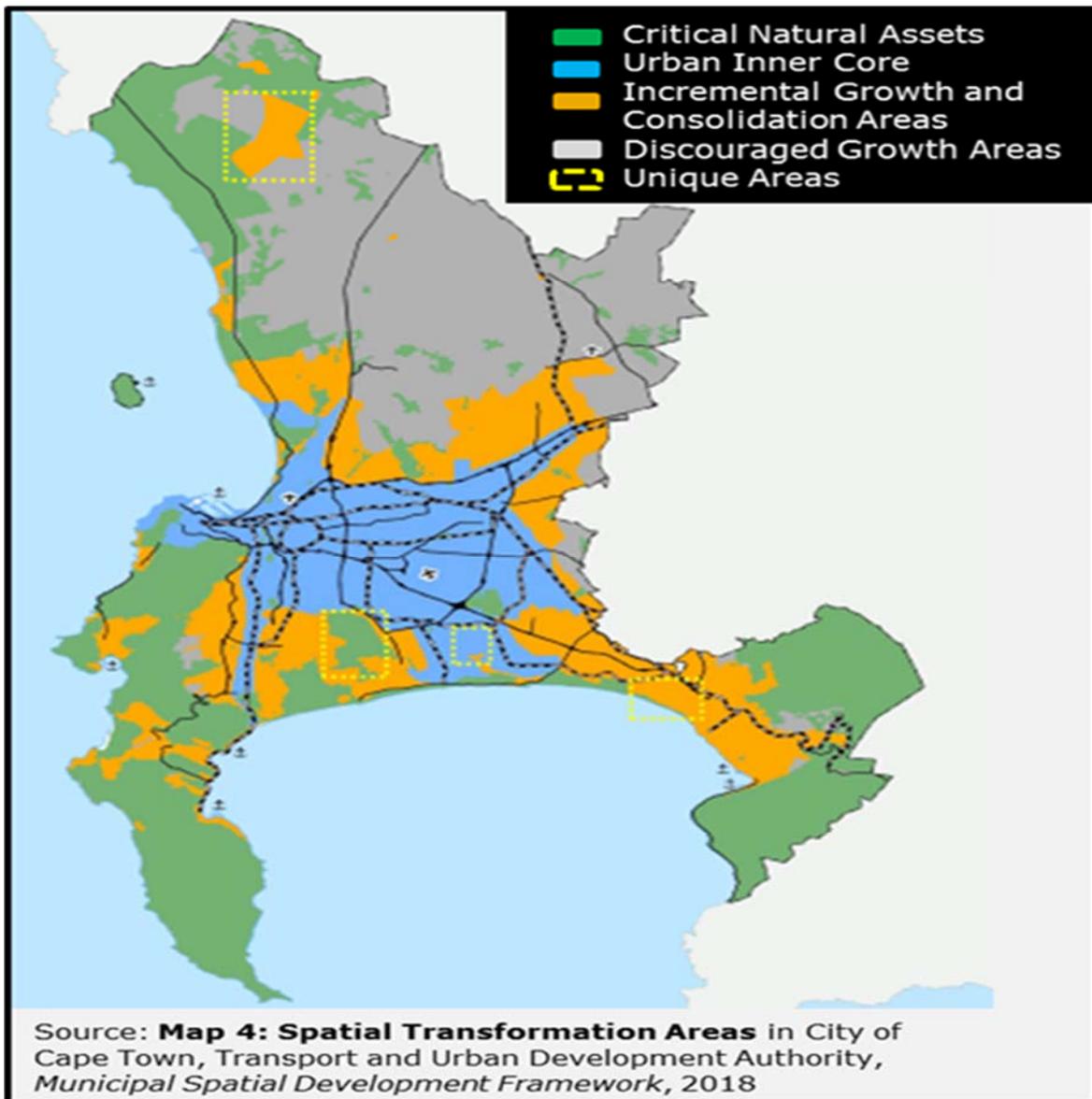
The City of Cape Town recently approved a revised Municipal Spatial Development Framework (MSDF) that pursues *a new spatial form for Cape Town*.<sup>1</sup> The aim of this report is to evaluate the **2018 SDF** and to compare it with the **2012 SDF**.<sup>2</sup>

The **2012** spatial vision was to allow medium- and long-term growth within the urban edge and along two northern growth corridors, *whereas the 2018 plan promotes inward growth* (see illustration). Urban expansion to the north would have resulted in the use of marginal (and cheaper) land and the strengthening of middle-income areas that are typically characterised by a reliance on the private car as transport mode (disregarding the BRT system along the Atlantic coastline).



<sup>1</sup> City of Cape Town, Transport and Urban Development Authority, *Municipal Spatial Development Framework*, approved by Council on 25 April 2018 (hereafter referred to as **2018 SDF**)

<sup>2</sup> *Cape Town Spatial Development Framework*, Statutory Report, 2012 (hereafter referred to as **2012 SDF**)



In contrast, the **2018 SDF** conceptually designates four spatial transformation areas (STAs) that focus on the 'where' of public sector infrastructure spend to promote inward growth (see illustration and map).<sup>3</sup> The practical implication of this approach is that land use management becomes more flexible and less prescriptive than current practice, provided the planners at the municipalities are sensitive to the signals the market is transmitting.

The focus of an SDF must be to develop, assess and map growth and development locations and set guidelines to nudge spatial decision making. A designated spatial path, *if coupled with an investment rationale*, promotes and guides land development (by the public and private sectors) to the preferred locations. However, without tracking crucial spatial statistics over time, the City will not be able to monitor the success of its policy. Without *knowing*, management is in no position to intervene should practice deviate from policy. For instance, a still-sprawling city is conceded in the **2018 SDF**, despite town planners' attempts of many years to create a more compact city.

<sup>3</sup> The Urban Inner Core is the area (indicated in blue on the map) where public and private sector investment and co-investment are prioritised. This area includes the majority of the city's *existing* industrial and commercial nodes.

Despite the best attempts of SDFs, residential sprawling is alive and well – and not only in Cape Town. One of the many reasons is that idealistic SDFs typically do not consider the real world of financial viability, implying the disregard of basics like the availability of large tracts of developable land (which reduces development costs) and, especially, the level of *market demand* for certain typologies of properties in certain locations. Conceptually, the **2018 SDF** aims to lure private sector developers into moving to the City's preferred locations that are directly linked to the optimum functioning of the public transportation network. However, this is unlikely to happen *on a large scale*, unless developers are *sufficiently* incentivised. It is worth repeating: the literature shows it is fundamental market demand that drives property development decisions around transit nodes – not ridership. Thus, developers regard 'transit oriented' as a bonus, not an incentive. In fact, successful transit-oriented nodes are nodes that were already successful as an economic agglomeration before the 'transit' was added to the mix.

For instance, transit-driven development potential of an area is substantially reduced when the land-use mix lacks one of the following functions: offices, housing, retail or commercial activities. Thus, it is unlikely that non-residential land uses will – as planned by the City – take hold in poor areas dominated by low-priced residential development, or that a rapid-bus system would ignite large-scale developments in poor areas. The literature simply does not support this notion. For example, substantial office developments are unlikely to be part of the development mix in poor areas, making significant transit-oriented developments (TODs) unlikely in townships or lower-middle-class suburbs.

The **2018 SDF** states that an *annual* delivery of 35 000 housing opportunities – including market-related units – over a 20-year period is required. This, on the back of a pitiful 5 000 state-assisted units that have historically on average been developed each year through the easy option of *large-scale developments on municipal-owned land*. In contrast, the document proposes a transition from the mass delivery of top structures (leading to sprawling) to the incremental (on-site) upgrading of informal settlements and backyard shacks. Although laudable by itself, this policy would reduce the annual delivery of state-assisted units even further, as the need for low-priced housing cannot be reduced without large-scale developments (think of the successful Mitchells Plain developments in the 1970s).

The **2018 SDF** includes a range of land-use (and transportation) scenarios to illustrate the potential spatial patterns/locations for a 20-year period. The modelling assumptions differed for each land use scenario, with Scenarios 3 and 4 assuming land use intensification in areas with public transport accessibility. Ultimately, the SDF's preferred future state, viz. the Transit-Oriented Development Comprehensive land use scenario (TOD C), is based on creating a more balanced and efficient city, linked directly to the optimum functioning of the transportation network (based on development corridors and transit-accessible precincts). However, the quantum of projected demand for developable land by land use (residential *and* non-residential) was held constant in all the modelled scenarios, implying growth in demand for land is impervious to the growth trajectory of the economy.<sup>4</sup> This is an important point because it so happens that many economists reckon South Africa is now on a lower growth trajectory than during most of the post-WWII period (2% growth versus 3%). On the other hand, Cape Town and the Western Cape in general are growing at a faster rate than the national economy, so maybe historical economic growth in Cape Town will be maintained in future, despite a slower national economy.

The prognosticated lower growth for the SA economy has important implications for job creation and state-assisted housing. The fact of the matter is that the economy already

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<sup>4</sup> The demand for land is significantly influenced by growth in the national and local economies, with the projected land use quantum to accommodate expansion until 2032 held constant at 500 000 residential units and 900 ha for non-residential land.

cannot offer give-away housing to everyone who moves to the cities, and national government acknowledges this. This can only get worse, so the practical implication is that self-help schemes on serviced sites are indicated. It is crucial that serviceable land be identified and acquired *proactively* – instead of waiting for land invasions.

### **In sum ...**

With respect to new infrastructure, the City of Cape Town will prioritise projects that would stimulate developments accessible to public transport. Like motherhood and apple pie, nobody can find fault with this. However, should the City run out of funds to also enable new infrastructure in the non-prioritised, automobile-dependent areas, then residential developers could in the long term run out of enough developable land for the middle classes. This would of course result in a deficit of supply to satisfy the growing demand, which would artificially inflate the prices of the existing stock of houses – holding all other factors constant. This is a risk that should be carefully monitored by the City.

Unless the City can come up with sufficient incentives to developers, the boosting of developments along public transport corridors could remain a pipe dream, as it is difficult to make brownfields high-rise but low-cost residential developments financially viable.

Finally, and as required by the Spatial Planning and Land Use Management Act (SPLUMA), investors would benefit from quantified and prioritised information about the *flow of public funds*. This information is not provided in the **2018 SDF**, which is a pity because it would have enabled:

- (a) The annual tracking through the Integrated Development Plan (IDP) and the Built Environment Performance Plan (BEPP) of changes to municipal budget allocations and expenditure, and
- (b) the 5-yearly evaluation by means of the municipal SDF of the practical execution of the spatial policy. ◊