Key findings: The Voices of Developers & Municipalities

A workshop hosted by Urban LandMark

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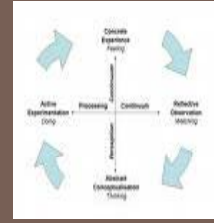
Midrand Conference Centre

4 February 2009

Structure

- The Study

- Methodology

- Cases

- Key Findings

The Studies

- Initiated and funded by Urban LandMark, conducted by UP and CSIR
- Aim: To enrich/deepen the knowledge & understanding of:
  - The *experiences* of developers and municipalities in their everyday interactions with (1) planning legislation and associated procedures and (2) each other
  - The *perspectives* of the two groups on:
    - The effectiveness, efficiency, fairness and quality of outcomes in and of urban land development practices
    - The type, form and nature of drivers (political, economic, social and ecological) that shape and/or impact upon their activities in the arena of land development
    - Their own intentions and actions, and those of their colleagues and counterparts in local government/the private sector
- This initial study was supplemented by further research into the trade-offs considered and made by developers in land development through an exploration of the use of the DFA and former TPOs by consultants

Methodology

- Initially the idea was to conduct interviews with developers and officials; over time a decision was taken to make use of case studies (ten in total) and to include town planning consultants on the list of interviewees
  - The logic was to focus attention of interviewees on a real case and record both (1) real/actual actions and (2) perceptions
  - Was useful, providing rich, textured stories in which the objective was by and large realised, and from which a set of key findings could be generated
- The further study entailed in-depth semi-structured interviews with developers, planning consultants & officials (thirteen in total)

Cases

Feather Wood Estate	**Gauteng**	**Upmarket retirement**
Kingswood Retirement Village	**Gauteng**	**Mixed income retirement**
Cosmo City	**Gauteng**	**Mixed income mixed land use**
Westonaria South	**Gauteng**	**Mixed income mixed land use**
Jabulani Mall, Soweto	**Gauteng**	**Shopping mall**
Waterberg Golf and Wildlife Estate	**Limpopo**	**Upmarket housing, golf, and wildlife estate**
Heartland – Somerset West Developments	**Western Cape**	**Large upmarket mixed land use**
2010 FIFA Stadium Precinct Upgrading	**North West**	**Redevelopment and upgrading**
Platinum City	**North West**	**Urban redevelopment, mixed use, theme park**
Umhlanga Ridgeside Development	**KwaZulu Natal**	**Upmarket mixed use**

Key Findings

- Findings based on both studies & structured and synthesised in accordance with today's three discussion themes:

  - What are the key issues (challenges, frustrations & opportunities) in the relationship between developers & municipalities?

  - What are the critical success factors that make development work?

  - How can urban development be made to work better for the poor? What are the implications for legislation and municipal and management processes? What roles can and/or must government, developers and planners play in these regards?

# Key issues in the relationship between developers & municipalities [1/5]

- Cost (especially holding costs) and benefit
  - Key driver, most probability strongest single driver – speed of decision-making hugely important
  - Developers often willing to pay for and/or install bulk services, "walk with applications", write reports, etc.
- Power
  - DFA versus Ordinance: "levelling playing field" – subpoenas
  - Ability to pay, legal representation
  - Who "writes" development – municipalities or developers?
- Consistency, clarity & predictability
  - DFA timeframes a strong draw-card
  - For many a quick, certain "no" preferable to a long-drawn out possible "yes"

Key issues in the relationship between developers & municipalities [2/5]

- Fairness, transparency, impartiality & accountability
  - DFA Tribunal: different perspectives
  - Greater openness of DFA seen as outweighed by ability "to subpoena and interrogate"
  - Appearance at DFA hearing – "removes unfairness of writing and hiding", accountability, but only for those who can pay(?)
- Networks
  - Key determinant in DFA or TPO choice
  - Tight rope between networking & improper behaviour
  - Sense that big players have too much to lose to act illegally
  - Can be highly dangerous when tied to power
- "Common sense" and non-sense
  - EIAs mentioned in particular in this regard
 - Becomes even bigger issue when it has cost implications

Key issues in the relationship between developers & municipalities [3/5]
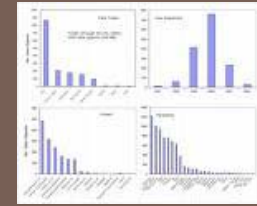
- Size & type of developer and development & level of activity
  - Strong determinant – power, approach, cost-benefit profile, time, ability to pay, knowledge of procedures, networks & risk-profile
  - Finds clear expression in choice of legal route
  - Holds important cues for "opening up of sector"
- Capacity & perceptions in this regard
  - Serious concerns expressed about lack of and/or inadequate technical and professional communication skills and institutional capacity, often n association with references to broader issues, such as:
    - Emigration and high turnover levels of officials
    - Low morale due to limited promotion prospects
    - Appointment of [senior] officials with limited land development experience
    - Lack of mentors in municipalities
    - Negative views about the suitability of planning education
  - Is also key driver in decision on DFA or TPO route

Key issues in the relationship between developers & municipalities [4/5]
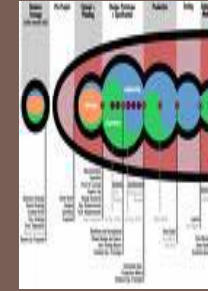
- Risk-aversion
  - *"Developers do not go through a lengthy and costly town planning application process because they would like the rights not to be granted – a key driver in all application process is success, and this means staying away from or managing risky situations"*
  - Again, has implications on legal route followed
  - Sometimes results in developers preparing development frameworks
- Developmental goals and imperatives & political agendas
  - Not necessarily or in principle negativity towards these on the side of developers, but issue is: "do they work for the developer or not", not how can development support these
  - Political imperatives and perceptions of *"subsidising the already privileged"* are increasingly playing a role in decision-making processes.

Key issues in the relationship between developers & municipalities [5/5]

- Perceptions
  - General feeling not one of large scale hostility
  - Small planning and land development profession: +'s and –'s
  - In most cases developers and municipalities expressed an interest in working more closely together
  - Negative interactions between developers and municipalities appear to be due to stereotyping, prejudices and misunderstandings
- "Recognition"
  - Key driver, often driven to the fore by lack of recognition in the workplace, frustrations about interference by politicians, etc.
  - Closely tied up to power, networks and (perceived) approach of developers, consultants and officials to each other

Critical success factors in making development work

- Strongest drivers in this regard seem to be:
  - Speed
  - Consistency, clarity & predictability
  - Fairness, transparency, impartiality & accountability
  - Networks
  - Appropriate types and levels/degrees of capacity & positive perceptions in this regard
  - Perceptions of role players of each other
  - Common sense and absence of non-sense
  - Mutual recognition

Making urban development work better for the poor [1/2]

- Land development is still practised 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

- Steep barriers of entry to land development exist, especially so for the poor, e.g.:
  - 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

- General economic conditions – land development is strongly driven and framed by the context in which it is practised
  - This means that the poor are by and large excluded from the process, and poses serious questions regarding the practice of tweaking the superstructure while leaving the base intact

Making urban development work better for the poor [2/2]

- Strategic municipal planning and land use management are generally not linked/integrated – today no different to pre-1994 era and internationally not unique in this regard
  - Strategic documents are the containers of developmental objectives, hence serious gaps in delivery
  - Disjuncture growing between land development driven by profit motive and strategic planning often framed and steered by a developmentalist agenda
  - Better links crucial, but equally so are "better strategic plans" and Land Use Management Systems
- Capacity building is crucial as planners in municipalities, often young and inexperienced, are often up against highly experienced consultants backed up by powerful legal teams
  - Confidence and recognition key components in this endeavour

Thank you