

Residential urban renewal in a South African context

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Declaration

I, the undersigned, hereby declare that the work contained in this assignment is my own original work, and that I have not previously in its entirety or in part submitted it at any university for a degree.

Abstract

All cities experience urban deterioration in some form or other. This deterioration is caused by many, diverse factors. The deterioration leads to a loss of investment in the city and a downward cycle where the causes and consequences of urban deterioration can strengthen each other.

South Africa's fast population growth cause several problems for the country. One of these problems is suburban expansion, which creates urban sprawl; with its associated problem of ineffective land utilisation. Urban renewal can be applied to address urban deterioration and utilise Brownfield sites, which are derelict or underused sites; instead of Greenfield sites, which are sites that have not been previously developed. It has been found that South African policy still benefit the development of Greenfield sites. Urban renewal can be used as a tool to address South Africa's unequal development and opportunities among the different races by improving the people's living conditions. Development starts with human development.

This study gives a historical and theoretical overview of the urban renewal field of study. After the review of various authors and four case studies in Cape Town and Johannesburg, it can be concluded that the urban renewal process can be approached through various methods and should be included in any city's spatial development framework.

The potential roles local government can play were identified as being to implement a community-based redevelopment approach, designing area-specific strategies where redevelopment is feasible and making grants and tax incentives available. Local governments could also be involved in public-private partnerships.

The role of the planner within the renewal process has also increased to that of assessing the need and justification for urban renewal; initiating the projects; negotiating between various role players; implementing the projects; and monitoring the success thereof.

Special focus was given to gentrification in Cape Town and it was found that displacement of the original residents does indeed occur. The question within a free market economy is whether the authority should interfere in this process or not, especially with regard to historic and culturally sensitive areas such as Bo-Kaap. This could possibly be motivated as being in the "public interest" in the above case

Recommendations were that a community-based redevelopment approach should be followed; physical and social rehabilitation should be integrated; demolition and displacement must be avoided; and resources must be allocated to neighbourhoods rather than individuals. Projects must also be an intense, short termed action, using local institutions for implementation.

Opsomming

Enige stad ondervind stedelike verval in een of ander vorm. Hierdie agteruitgang word veroorsaak deur verskeie, uiteenlopende faktore. Stedelike verval lei tot 'n verlies aan investering in die stad en word gevolg deur 'n afwaartse siklus waar die oorsake en gevolge van stedelike verval mekaar versterk.

Suid Afrika se snelle bevolkingsgroei veroorsaak verskeie probleme. Een van dié probleme is voorstedelike uitbreiding wat stadskruip veroorsaak; met die geassosieerde probleem van oneffektiewe benutting van grond. Stedelike hernuwing kan aangewend word om stedelike verval aan te spreek, en die benutting van "Brownfield" terreine, wat vervalde, onderbenutte areas is; in plaas van "Greenfield" terreine, wat voorheen onontwikkelde terreine is, aan te moedig. Dit is gevind dat Suid Afrikaanse beleid steeds die ontwikkeling van "Greenfield" terreine aanmoedig. Stedelike hernuwing kan ook gebruik word as 'n instrument om Suid Afrika se ongelyke ontwikkeling en geleenthede, tussen die verskillende rasse, aan te spreek deur die mense se lewensomstandighede te verbeter. Ontwikkeling begin by die huis.

Hierdie studie gee 'n historiese en teoretiese oorsig van die stedelike hernuwing studiegebied, met die klem op residensiële hernuwing. Nadat die literatuur van verskeie skrywers, voorbeelde en gevallestudies in Kaapstad en Johannesburg ondersoek is, kan die gevolgtrekking gemaak word dat die stedelike hernuwingsproses aangepak kan word deur verskeie metodes. Stedelike hernuwing behoort ook by elke dorp se ruimtelike ontwikkelingsraamwerk ingesluit te wees.

Die potensiese rolle van plaaslike owerhede is gevind om te wees: die implementering van 'n gemeenskap-gebaseerde herontwikkelings benadering; die ontwerp van area-spesifieke strategieë waar herontwikkeling uitvoerbaar is; en die beskikbaarstelling van toegewing en belasting aansporings. Plaaslike regerings kan ook betrokke wees in publieke-private vennootskappe.

Die rol van die beplanner binne die hernuwingsproses het ook vergroot tot die bepaling van die behoefte en regverdiging van stedelike hernuwing; inisiëring van projekte; onderhandelings tussen die verskillende rolspelers; implementering van die projekte; en die monitering van die projek se sukses.

Daar is spesiale aandag gegee aan die gentrifikasie (“gentrification”) proses in Kaapstad waar daar gevind is dat die oorspronklike inwoners wel verplaas word in die proses. Die vraag binne ‘n vrye mark ekonomie is of owerhede moet inmeng in die proses of nie, veral met betrekking tot historiese en kultureel sensitiewe areas soos Bo-Kaap. Dit kon moontlik gemotiveer wees as om in die “openbare belang” te wees in bogenoemde geval.

Voorstelle wat gemaak was, is dat ‘n gemeenskaps-gebaseerde herontwikkelings benadering gevolg moet word; fisiese en sosiale rehabilitasie moet geïntegreer word; sloping en verplasing moet vermy word; en hulpbronne moet toegeken word aan woonbuurtes eerder as individue. Projekte moet ook ‘n intens, kort termyn aksie wees en plaaslike institusies vir die implementering gebruik.

Acknowledgement

Anneke Muller, my supervisor; my parents; family and friends: thank you.

Contents

Chapter 1 Introduction	1
1.1 The problem	1
1.2 Aim	2
1.3 Method	2
1.4 Definitions	2
Chapter 2. The causes of urban deterioration	5
2.1 Introduction	5
2.2 What is urban deterioration?	5
2.3 Causes of urban deterioration	5
2.3.1 Physical decline	5
2.3.2 Economic causes	6
2.3.3 Political causes	8
2.3.4 Social	8
2.3.5 Planning	8
2.3.6 Obsolescence	9
2.4 Consequences of urban decay	9
2.5 Theory of urban decline	10
2.5.1 Burgess's concentric-zone model	10
2.5.2 Conzen's fringe-belt concept	11
Chapter 3. Historical overview of urban renewal	12
3.1 Introduction	12
3.2 Origin of urban renewal	12
3.3 Stages / eras of urban renewal	12
3.3.1 Slum clearance or the bulldozer era	13
3.3.2 The neighbourhood rehabilitation Era: Renovation, refurbishment and incumbent upgrading	14
3.3.3 Era of gradual renewal / conservation and inner city revitalisation	14

Chapter 4. Urban renewal	16
4.1 Introduction	16
4.2 Theories of urban renewal	17
4.3 Reasons for urban renewal	18
4.4 Goals of urban renewal	19
4.5 Types of residential renewal	19
4.6 Critique against urban renewal	19
4.7 Methods of urban renewal	20
4.7.1 Prevention	20
4.7.2 Coersive techniques	21
4.7.3 Clean up, fix up	22
4.7.4 Addressing obsolescence	22
4.7.5 Revitalisation	22
4.7.6 Refurbishment	23
4.7.7 Incumbent upgrading	23
4.7.8 Redevelopment	23
4.7.9 City precinct	24
4.7.10 Low-cost housing and informal settlement development and upgrading	25
4.7.11 Waterfront development	26
4.8 Public participation	27
Chapter 5. Gentrification	28
5.1 Introduction	28
5.2 What is gentrification?	28
5.3 The gentrifiers	28
5.4 The gentrifiable area	28
5.5 The gentrification process	29
5.6 The displaced	30
5.7 Relocation	31
5.8 Theory on gentrification	31

5.9 Examples of gentrification	33
5.9.1 De Waterkant, Cape Town	33
5.9.2 Bo Kaap, Cape Town	36
Chapter 6. Conservationist perspective	37
6.1 Introduction	37
6.2 What is conservation?	37
6.3 The history of conservation	37
6.4 The need for conservation	38
6.5 Benefits/significance of the historical landscape	38
6.6 Tourism	38
6.7 Controls for conservation	40
6.8 Methods of conservation	40
6.8.1 Area-based renewal	40
6.8.2 Conservation districts	41
6.8.3 Trusts	41
6.9 Design aspects	43
Chapter 7. Role players and relevant legislation	44
7.1 Introduction	44
7.2 National Government	44
7.2.1 Assistance for development	44
7.2.2 The Housing Act no 107 of 1999	44
7.2.3 The National Heritage Resources Act no 25 of 1999	45
7.2.4 The Rental Housing Act no 50 of 1999	45
7.3 Local government	46
7.3.1 Housing associations	46
7.3.2 Trusts	47
7.3.3 Funds	47

7.4 Public-private	47
7.4.1 Citizen organisations	47
7.4.2 Partnerships	48
7.5 Private	48
Chapter 8. Case studies	49
8.1 Introduction	49
8.2 Revitalization	49
8.2.1 Adriaanse Project, Parow, Cape Town	49
8.2.2 Johannesburg	52
Chapter 9. Conclusion and recommendations	61
9.1 Conclusions	
9.2 Recommendations	
10. References	
11. Legislation	
12. Interviews	
Addendum	

List of figures, photos and tables

Figures

Figure 1. Burgess's concentric-zone model.	10
Figure 2. The bid-rent curve.	11
Figure 3. Comic strip to illustrate gentrification.	30
Figure 4. The Neighbourhood Life Cycle.	32
Figure 5. Smith's Rent-gap mode.	33
Figure 6. Location of De Waterkant, Cape Town.	34
Figure 7. Location of Adriaanse, Cape Town.	49
Figure 8. Location of the Western Joubert Park Precinct, Hillbrow, in relation to Greater Johannesburg.	54
Figure 9. Location of The Seven Buildings Project, Hillbrow, in relation to Greater Johannesburg.	57

Photos

Photo 1. Physical decline in a Cape Town suburb.	6
Photo 2. Some of the gentrified houses of De Waterkant, Cape Town.	35
Photo 3. On-street parking of residents causes traffic problems.	35
Photo 4. Beginning of gentrification at Signal Hill, Cape Town.	36
Photo 5. A historic building, renovated in Shortmarket Street, the juxta-positioning of historic.	43
Photo 6. Before renovation of 100 Shortmarket Street, Cape Town CBD.	43
Photo 7. After renovation of 100 Shortmarket Street, Cape Town CBD.	43
Photo 8. The inward-facing buildings create un-utilized and hostile open spaces.	50
Photo 9. The open spaces in Adriaanse are fragmented and neglected.	50

Tables

Table 1. Types of housing found in Adriaanse.	51
Table 2. Categories for assessing the condition of a structure.	74
Table 3. Subsidy levels by monthly household income.	75
Table 4. Building summary.	76
Table 5. Application of Bad Buildings Programme.	76
Table 6. An example of development appraisal for grant aid.	77

Chapter 1

Introduction

1.1 The problem

Urban deterioration and urban renewal are important phenomena in every city. Urban deterioration occurs in each city of the world. Urban renewal needs to follow deterioration to utilise the area to its fullest.

To contain urban sprawl, intensification of residential areas is needed (MSDF, 2000:6). Sprawl is the uncontrolled urban expansion of the city on its periphery. Urban renewal is an important strategy to protect the urban edge. Urban sprawl can be decreased by developing Brownfield sites, which are derelict, inactive or underused industrial and commercial properties; instead of Greenfield sites, which are sites that has not been developed before.

In post-apartheid South Africa, the government can use urban renewal as a tool to improve the previous neglected areas and in the process integrate them with the rest of the city. "The fundamental principles of our economic policy are democracy, participation and development. We are convinced that neither a communalist central planning system nor an unfettered free market system can provide adequate solutions to the problems confronting us. Reconstruction and development will be achieved through the leading and enabling role of state, a thriving private sector, and active involvement by all sectors of civil society, which in combination will lead to sustainable growth." (Tomlinson, 1994:iii).

In this study urban deterioration and renewal will be dealt with separately. The definitions of the terms used will be given. A brief historic overview of urban renewal is given to form the basis of the study. The causes and consequences of urban deterioration will be discussed. Proposed methods of urban renewal will be discussed. Several case studies will be discussed to illustrate the urban renewal process. Gentrification, as a component of urban renewal, will receive special attention. The writer will give a comprehensive overview of the subject, rather than an in-depth study of one aspect of urban renewal. This approach will give the reader a more holistic picture of urban renewal.

1.2 Aim

The purpose of this study is to give a broad historical and theoretical overview of the urban renewal phenomenon. The factors that are responsible for urban deterioration and urban renewal are complex and interrelated.

This study has at its aim to specify some of the causes and consequences of urban deterioration. Methods of urban renewal will be mentioned and illustrated through case studies.

1.3 Method

For the purpose of this study, theoretical information about urban deterioration and –renewal were collected. The information was gathered from books, journals, the media, the Internet and interviews. Examples and case studies are discussed to illustrate certain aspects of urban renewal.

1.4 Definitions

Any field of study's nomenclature can be confusing and sometimes overlapping. To clarify the terms in this study and to ascribe the definitions to terms the writer will use, a brief list of definitions follows. Some elements of the terms will still, however, overlap.

The term “**urban renewal**” originated in America (Doxiadis, 1966:8). Renewal is either to restore something to its original state or to replace it with something fresh“ (Hawkins, 1985:558). Urban renewal is thus the restoration of buildings or a part of the city to its original state or to replace it with something new.

Urban renewal can involve the redevelopment or rehabilitation of the older city area. This includes the Central Business District and inner city residential neighbourhoods (Gibson and Langstaff, 1982:15). Urban renewal can also mean the transformation of housing for the urban poor.

Urban renewal will be used as a comprehensive term. All of the terms below are sub-components of urban renewal.

Brownfield development is the redevelopment of derelict, inactive or underused industrial and commercial properties. Here, expansion or redevelopment is hindered by real or perceived environmental contamination (Fields, 1995).

Greenfield development is the development of a site that has not been used for any function, except agriculture.

Conservation "...includes protection, maintenance, preservation and sustainable use of places or objects so as to safeguard their cultural significance." (National Heritage Resources Act no. 25 of 1999).

Conversion is the adaptation of a structure to a new functional use (Tiesdell et al., 1996:177).

Gentrification. The term is attributed to Ruth Glass. This process started in the 1960's in London. According to Gibson and Langstaff (1982:12) urban renewal, in practice, involves the displacing of an existing low-income population for higher valued uses and income classes, or for the creation of transport facilities. The decayed housing stock is renovated to meet the new owners' needs (Kotze, 1996:489).

Rehabilitation is seen by Tiesdell et al. (1996:171) as a generic term that comprises restoration, refurbishment and conversion.

Urban **restoration** is the process where a structure is returned to the physical condition in which it was in some earlier stage of its morphological development (Tiesdell et al., 1996:172).

Regeneration is the process to give new life or vigour to something (Hawkins, 1985:554). The building is kept intact.

Revitalisation is "...to put new life into cities" (Holcomb and Beauregard, 1981:1). Revitalisation involves investing in the repair or redevelopment of an area to reshape or rebuild that urban area. Its goal is to accommodate more profitable functions and more opportunities for consumers. According to Holcomb and Beauregard (1981:1), it can include gentrification and incumbent upgrading.

Upgrading is to raise something to a higher grade (Hawkins, 1985:745). Urban upgrading is thus the process of improving the current dilapidated urban environment to something of higher value.

Incumbent upgrading involves the investment of money and effort, of the original residents, in their neighbourhood (Holcomb and Beauregard, 1981:37). After their revitalisation effort they stay on in their homes. The socio-economic status of the area stays the same.

Chapter 2

The causes of urban deterioration

2.1 Introduction

The causes and consequences of urban deterioration are difficult to distinguish. They are both multiple and interrelated. It can be confusing to determine if a factor associated with the urban deterioration phenomenon is a cause or a consequence of the deterioration. Further, certain consequences of urban deterioration reinforce and promote urban decline.

This chapter discusses the causes and consequences of urban deterioration. Burgess's concentric-zone model and Conzen's fringe-belt concept are discussed to explain the urban deterioration phenomenon.

2.2 What is urban deterioration?

According to Pienaar (1984:2), urban deterioration is the degrading of the quality of the urban fabric. Urban decay is manifested through physical and social symptoms. The physical deterioration is the most visible element. It includes neglected, vacant buildings in need of repair. The buildings may still be structurally sound. The area is aesthetically unpleasant and unkept (Pienaar, 1984:5). Social deterioration, on the other hand, refers to the attitudes of the residents. They either cannot, or do not want to make the necessary repairs to their buildings. The blighted area is crime-ridden and other social ills triumph.

2.3 Causes of urban deterioration

The causes of urban deterioration will be divided into five categories: physical, economic, political, social, planning and obsolescence.

2.3.1 Physical decline

Physical deterioration is the consequence of the natural ageing of buildings. This ageing process can be depicted in a neighbourhood life cycle. Alhbrant and Brophy (1975) (as cited in Redfern, 1997:1280) present a neighbourhood cycle, consisting of five stages:

- *Healthy, viable neighbourhood.*

- *Incipient decline, occurring when the neighbourhood loses its competitive edge to attract residents.*
- *Clearly declining.*
- *Accelerated decline.*
- *Abandonment.*

The neighbourhood age cycle is discussed in greater detail under section 5.8.

Physical deterioration is also due to the neglect of buildings and the physical environment (Pienaar, 1984:2). This happens due to the property owner's lack of capability or willingness of making the necessary repairs.



Photo 1. Physical decline in a Cape Town suburb.

Medhurst and Lewis (1969:2) give another reason for physical decline as property speculation of the potential municipal extension. The property owners neglect improvements in anticipation of rezoning where they can make more profit. The associated aspect of obsolescence is when a structure becomes out of date or out of fashion (Hawkins, 1985:449). Obsolescence is a function of physical and economic shifts and the relative inertia of buildings and places (Tiesdell et al., 1996:53).

2.3.2 Economic causes

One economic explanation for urban decline is the outward movement of population and retail employment (Robertson, 1995:430). In the early urban years people lived in the inner city close to their work. As technology progressed, the higher income groups started moving outwards and formed suburbs on the city periphery. Most of the neighbourhoods, abandoned by this higher

income group, were filled by other groups of lower income status (Vernon, as cited in Wilson, 1968:6). When a residential neighbourhood loses its competitive edge to another neighbourhood, urban decline can start (Redfern, 1997:1280). This weakening is evident in the house prices the properties can command. This can also lead to lower socio-economic groups becoming able to move into such a neighbourhood.

The new tenants lived in much denser conditions than their predecessors had done. These tenants could not afford to maintain or repair the buildings. Thus, the former middle class areas became slums. This polarisation or selective decentralisation is one of the causes the majority of inner city residents are poor, unskilled or elderly (Gibson and Langstaff, 1982:170).

The initial heavy overcrowding became less as some of the low-income residents settled on the city periphery in squatter areas.

The outward population movement caused the retail function to follow their market. This movement of employment reinforces the outward movement of residents (Hall, as cited in Fox-Przeworski, 1991:12). As technology improves, buildings and areas become non-functional and the businesses move out, leaving the buildings vacant (Tiesdell et al., 1996:8).

Another reason is associated with the fact that any property's value is related to its neighbourhood's quality (Davies and Whinston, as cited in Wilson, 1968:59). Externalities are present in utility functions. This fact will be reflected in the capital values and rent income, as well as return on investment. From this it can be deduced that it is more profitable for a property owner to wait for its neighbour to invest in the neighbourhood, than it is for him to invest in his own property's repairs (Davies and Whinston, as cited in Wilson, 1968:54). In practice this means that no one in the neighbourhood is willing to make an investment that will benefit other owners more than it will him.

This is where the city planner comes in. He needs to co-ordinate the various property owners in the community to utilise the mutual gain they would get from everyone investing in their properties. Davies (as cited in Wilson, 1968:59) concludes that urban blight exists whenever strictly individual action does not result in redevelopment and where the costs of redevelopment to the owner, exceeds the benefits of redevelopment.

The above-mentioned processes destabilises a neighbourhood. It becomes a risk to invest in such a neighbourhood. Building societies are then hesitant to approve loans in these blighted areas. This is called “red-lining” of the area. (Medhurst and Lewis, 1969:2).

2.3.3 Political causes

In South Africa’s Apartheid Era, the government only made finance available for the maintenance and upgrading of parks, streets and community facilities in white areas. The black and coloured areas had to pay for their own maintenance and upgrades (Carmon, 1992:136). This legislation led to coloured and black areas deteriorating due to a lack of funding. The Groups Areas Act no 69 of 1969 promoted this separate situation by establishing councils for each race group, which were responsible for its own management.

2.3.4 Social

It is the perception of crime that impacts the greatest on social and economic development. In South Africa gangster related violence is on the increase. Increased crime and violence forces people into their homes (Dirsuweit, 1999:48). This results in neighbourhood streets becoming deserted and loosing its vitality. Also, various welfare problems cause residents to alienate themselves from their neighbours. This can lead to the neighbourhood loosing its cohesiveness and its ability to act collectively against wrong doings.

2.3.5 Planning

Modernist planning and architecture designed each building as an isolated monument. It was not connected to its environment, and thus, the area did not form its own character. Le Corbusier’s plan for the redevelopment of Paris is an example of Modernist Planning, where neighbourhoods were created with no character or sense of place.

Single-use zoning also killed a lot of the vitality of the city, in that inner cities become mostly uninhabited after hours. This decreased the area’s sense of place and crime increases (Tiesdell et al., 1996:48).

Another example where planning leads to urban decline is where existing structures or networks are altered. Planning a by-pass for an area to divert traffic is just that, diverting traffic (and markets)

away from the existing commercial activities. This can lead to a decrease in demand for the properties by businesses, and area blight can step in. Apartheid planning in South Africa of segregated areas is mentioned in section 2.2.3.

2.3.6 Obsolescence

Obsolescence is defined by Hawkins (1985:449) as the process that occurs where a structure becomes out of use or fashion. Tiedell et al., (1996:53) gives different types of obsolescence:

- Physical/structural obsolescence.
- Functional obsolescence.
- Image obsolescence, which is a value judgement.
- Legal obsolescence due to building standards, set by the local authority.
- Location obsolescence.
- Economic obsolescence, which is the investment needed for the maintenance of a historic urban quarter

Obsolescence can follow the neighbourhood cycle and change from one type of obsolescence to another as the neighbourhood ages (Newman, personal communication, 2001).

2.4 Consequences of urban decay

Slum areas and blighted areas around the inner cities have several, some related, consequences. These blighted areas are aesthetically unattractive for potential residents, investors and tourists. Planned segregated dormitory housing estates have little growth prospects, due to the lack of economic activities. Violence in these lower income areas leads to the open spaces becoming inhospitable, dangerous and frequently serves as a dumping ground for rubbish (Newman, personal communication, 2001).

No one wants to make an investment in a blighted area that will not yield a high profit return. Building societies and financial institutions “red-line” blighted areas, making it even more difficult to attract investors. The area’s economic value and tax revenue capabilities decline, due to the disrepair of the structures and decline in investment. The cost of providing public services increases as the tax revenue decrease (Sogg and Wertheimer, as cited in Wilson, 1968:126). Population and commerce also withdraw from the inner city. Crime rates, disease and poverty become more disproportionate in the city area. This downward spiral intensifies the causes of urban deterioration.

2.5 Theory of urban decline

To try to understand the process of urban deterioration, one has to look at the available theories. Two of these theories will be discussed, namely Burgess's concentric-zone model and Conzen's fringe-belt concept.

2.5.1 Burgess's concentric-zone model

Burgess developed his concentric-zone model in the 1920's in America (Bester et al., 1991:30). The model states that the city develops in concentric zones from the central business district outward. He divided the city into five zones:

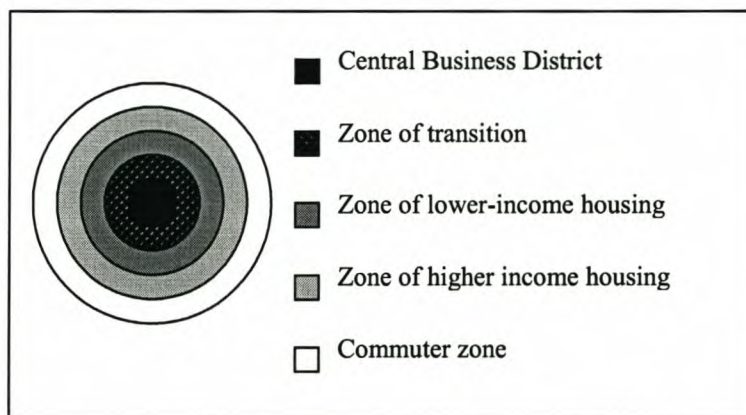


Figure 1. Burgess's concentric-zone model (Source: Bester et al., 1991:30).

Zone 1 represents the central business district. This zone has the highest property values and, thus, the most intensive development (Waugh, 1995:387).

Zone 2 is the zone of transition. This area surrounds the central business district. It consists of older buildings and houses. The area was formerly residential, but businesses and light industries started moving in. As the central business district expands, this area may become too expensive for residential uses. Many houses become vacant and crime increase.

Zone 3 is the zone of working class houses. The degree of decay in this zone is lower than that of zone 2, but the standard of housing is still lower than that of the outer suburbs. The residents mostly occupy apartments.

Zone 4 is the zone of better residences. This zone consists mostly of detached middle and higher-class houses.

Zone 5 is the commuter zone. This zone is on the city's periphery and consists of suburbs and satellite towns (Bester et al., 1991:31). In South Africa this zone is often occupied by low-cost housing projects and informal settlements.

Building on Burgess's concentric-zone model is the more recent approach of the multi-centred city (van der Merwe, 1983:142). The reasoning stays the same, with urban deterioration starting in the historic city centre.

Associated with Burgess's model is the bid-rent curve. The bid-rent curve is shown in figure 2.

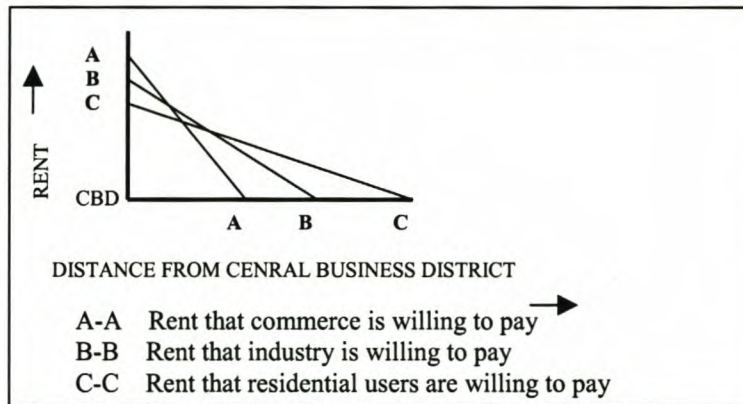


Figure 2. The bid-rent curve (Source: Waugh, 1995:392)

As the Central Business District expands, the older residential neighbourhoods around the city centre's value rises. The increased property value places pressure on the owners of these properties to sell it to investors who will develop it into higher order uses. The accompanied increased property tax can lead to some owners, either increasing their rent excessively, which promotes overcrowding; or abandoning their properties. Each case leads to urban decline.

2.5.2 Conzen's fringe-belt concept

Conzen (1981:85) stated that the outward expansion of a city changes with the fluctuation in population and economic development, and the introduction of different innovations. These factors also change the land-uses at the city edge. This process causes the city to have concentric fringe belts (Whitehand, 1992:135). Combining Conzen's theory of decline with Burgess's concentric model (Bester et al., 1991:30), one can explain the outward movement of residents and businesses. This movement leads to some buildings in the city centre becoming vacant. Physical and social deterioration starts when lower-income groups move in who cannot afford the maintenance of the buildings.

Chapter 3

Historical overview of urban renewal

3.1 Introduction

To be able to discuss the current urban renewal situation, it is necessary to know how this process developed over time. One can learn from the lessons of previous successes or failures of urban efforts. This chapter gives a brief historical summary of the urban renewal phenomenon. The historical course of urban renewal can roughly be divided into three stages or eras, namely slum clearance, neighbourhood rehabilitation and conservation.

3.2 Origin of urban renewal

Urban renewal has its roots in the City Beautiful Movement. The City Beautiful Movement was started to increase the quality of Britain's post-industrial cities. Due to the fast rate of urbanisation during the industrial revolution and poor urban planning many problems occurred; over-crowding, fires started frequently, congestion, pollution and poor services. Steps were taken to address these problems.

In the United States, on the other hand, urban renewal was started as projects to clear slums and to start building public housing schemes (Doxiadis, 1966:8). The United States Housing Act of 1949 strengthened this action through the statutory promotion of the elimination of substandard and other inadequate housing. This process was achieved through the clearance of slums and blighted areas. The goal of the United States Housing Act of 1949 was to create a decent home and a suitable environment for every American family (Doxiadis, 1966:9).

3.3 Stages / eras of urban renewal

According to Gibson and Langstaff (1982:12), the historical course of urban renewal can be summarised in three broad eras, namely slum clearance, neighbourhood rehabilitation, and gradual renewal and conservation. Each era will briefly be discussed.

3.3.1 Slum clearance or the bulldozer era

Slum clearance is concerned with social inequalities in housing standards. It involves clearing slum areas and building low-cost, subsidised housing (Gibson and Langstaff, 1982:12). These were usually large-scale projects (Carmon, 1997:132). Another goal of slum clearances is to improve the city quality and attract more investment (Holcomb and Beauregard, 1981:7). Slum clearances are the most profound component of urban renewal. Slum clearance was initially implemented to try and cure diseases in decaying areas. It was part of the sanitary movement (McKay and Cox, 1979:110).

In the United States, however, slum clearance projects were started as part of their Depression Relief Programme after their Great Depression of 1930's. A lot of employment opportunities were created in the public works sector, which did the slum clearance work (Holcomb and Beauregard, 1981:7).

Europe, too, experienced an era of extensive slum clearance after World War Two, peaking in the 1970's (Lemberg, 1989:37). This process was, however, part of the Modernism Movement (Tiesdell et al., 1996:51). During this era the architects played the leading role in the design and implementation of the clearance project. The planner only gave critique.

Clearance areas were mostly populated by minority groups. The target population for these renewed areas were, on the other hand, the middle and upper classes (Carmon, 1997:132). In South Africa, political factors also promoted slum clearances. District Six in Cape Town is an example where political reasons for destroying mixed racial living, led to the demolishing of a residential neighbourhood.

Slum clearance has, however, lost its appeal as an urban renewal process because of the disruption it causes in communities (Gibson and Langstaff, 1982:18). The perceived psychological effects of displacement differ from person to person. The individual will always compare the net gains and losses of the new area with that of the original area (Gibson and Langstaff, 1982:44). Topophilia is the affiliation an individual has to his place of residence (Tuan, 2001). When this feeling is disrupted, psychological problems can occur.

On the other hand, the biggest benefit of slum clearance is that the end product of the process is usually better quality housing for many. Another benefit is the temporary employment it creates in the construction sector (Doxiadis, 1966:9).

3.3.2 The neighbourhood rehabilitation era: Renovation, refurbishment and incumbent upgrading

Owner subsidised housing renovation became the most popular method of urban renewal after the slum clearance era (Gibson and Langstaff, 1982:50). Its aim was to modernise, rather than replace, the buildings. The homeowners, themselves, did the renovations to their properties (Carmon, 1997:137). This approach includes dealing with problems of education, welfare and employment creation (Carmon, 1997:133).

The economic benefits of renovation over clearance depend on three factors: the interest rate, the extended life of the renovated property, and the difference between the running costs of the renovated structure and that of a rebuilt structure (Gibson and Langstaff, 1982:62). Britain, under its Housing Act of 1964, created areas of “comprehensive improvement” (Gibson and Langstaff, 1982:57). In these areas all the property owners are obligated to use available grants to improve their property. This is similar to South Africa’s City Improvement District concept. City Improvement Districts are discussed under section 4.5.9.

The main benefit of neighbourhood rehabilitation is that the existing housing stock is not decreased, as in slum clearance. The community is also not disrupted. Further, sometimes it is economically more viable to repair a building than to replace it.

According to Carmon (1997:133), the planners from academia played the leading role in the neighbourhood rehabilitation process. They envisioned an end state of the ideal inner city residential area. They developed ways to try and achieve this ideal state. Another of their tasks was also to promote resident participation.

3.3.3 Era of gradual renewal / conservation and inner city revitalisation

Gradual renewal involves the incremental physical changes in response to social needs. It is a participatory process and combines improvement with limited clearance. Carmon (1997:135), however, believes that public involvement has decreased, with more emphasis placed on private investment. Improvement is seen as a substitute for redevelopment. Gentrification and incumbent upgrading forms part of this era. This all falls under a comprehensive renewal strategy (Gibson and Langstaff, 1997:97).

Conservation is part of the Postmodernist Movement where buildings are seen as part of their environment. The historic and cultural character of the neighbourhood is maintained (Tiesdell, et al., 1996:56).

Britain's inner-city policy of this time can be looked at to get some insight into this era. It had four proposals:

- Improve the economy of the inner city by preserving and promoting small firms in the area.
- Improve the inner city's physical fabric and aesthetic environment.
- Tackle social problems by improving social services.
- Reduce decentralisation to improve the balance in population and employment between the inner city and the rest of the city (Gibson and Langstaff, 1982:179).

The role of the planner in this era was to promote economic development. He or she had to negotiate deals with the various stakeholders and mediate between the relevant authority and investors (Carmon, 1997:138).

Chapter 4

Urban renewal

4.1 Introduction

In the previous chapter the causes and consequences of urban deterioration were discussed. The next step is to find the appropriate method to deal with each cause. These methods of urban renewal can range from the homeowner's own renovations or backyard clean up, to major redevelopment projects. Some of these methods will be discussed. In this chapter the reasons, but also the critique against urban renewal, will be discussed. The Political-economic theory will be used to explain why the urban renewal process is justified.

4.2 Theories of urban renewal

Four theories of revitalization have been formulated. These are: *demographic-ecological*, *community networks*, *political-economic* and *socio-cultural* (Palen and London, 1984:14).

The *demographic-ecological* approach, according to Palen And London (1984:15), states that there is a positive correlation between the reinvasion of the city centre and the high white-collar, administrative activity in the Central Business District, and a negative correlation with blue-collar, industrial activities. The demographic-ecological model does not fit the South African situation with the increasing decentralisation of business and activities to business parks and other decentralised nodes.

The second model of studying revitalizing areas is the *community network*. The community network sees the community as an interactive social group, which cooperatively contribute to revitalise their neighbourhood (Palen and London, 1984:19). This approach may only apply to South Africa's higher income groups who can afford to revitalize their neighbourhood. The poorer residents are dependant on the Local Government for upgrade projects.

The *political-economic* theory is in the writer's opinion most suited for South Africa's situation. This theory emphasises the role of economic interests and political power, in guiding neighbourhood change. The implication is that the government and property owners can intentionally, or unintentionally, neglect the inner city residential areas. Only at such a time that they can get the most benefit, will they invest in renewal of these areas (Palen and London,

1984:18). This unofficial coalition of business leaders, developers and financial institutions are responsible for the development or underdevelopment of the urban area. When the economic situation is favourable, these role players pressure the banks and other financial institutions to make finance available for renewal. Further, some higher-income groups see deteriorated inner city areas as potential homes, or as an investment to make a profit out of selling the renewed property. These groups benefit, while the lower income inner city residents have to pay the costs of displacement. According to Smith and LeFairre (as cited in Palen and London, 1984:52), if the profit rate in the industrial sector declines, people prefer to invest in real estate in a search for higher profits

The *socio-cultural* theory is supplementary to the political-economic theory. The socio-cultural theory considers people's culture, values and preferences as the reason to move to inner cities (London and Palen, 1984:16). These pro-urban values, attitudes, ideas and beliefs determine their behaviour, and partly explain the gentrification phenomenon. Gentrification is discussed in the next chapter.

4.3 Reasons for urban renewal

Urban renewal improves the urban environment's quality. As more functions decentralise many buildings in the inner city become vacant. Residential re-uses of these vacant buildings can keep these areas from blight. Private and public investment in these housing areas are needed to improve the built environment.

Further, revitalisation of the area gives the homeowners the confidence to invest in their own property's renewal (DeGiovanni, as cited in Palen And London, 1984:67). Thus, urban renewal can play a part in curbing declining central-city property values (Holcomb and Beauregard, 1981:22). This increases the municipality's tax revenue base.

Renewal projects also create employment in the construction sector (Robertson, 1995:430). These employment opportunities are, however, only temporary and mostly pay minimum wage.

Some people find the excitement, convenience and character of the inner city areas appealing. They have a changing lifestyle, values and ideology of pro-urbanism and individuality. City centre housing is suited for this group of people. This movement to inner city housing makes the city inhabited 24 hours of the day (Giesen, 2000:57). By creating inner city housing, many people will live closer to their place of employment, thus decreasing their transport costs.

The market mechanism is not perfect. Therefore, Davies and Wilson (1968:50) argue that the state must intervene in the urban renewal process. The government can play a role in dealing with the market shortcomings by subsidizing low-income groups to maintain and upgrade their neighbourhoods. To achieve this, public policy concerning urban renewal must satisfy the Pareto optimum (Isard, 1956:56). The Pareto optimum states that a social policy measure is satisfactory if it results in either everyone being made better off, or someone being made better off without anyone being made worse off. Additional to the Pareto Optimum, Davies and Whinston (as cited in Wilson, 1968:50) describe a more appropriate criterion for urban renewal policy. They call it the "Social welfare function": "If the sum of the benefits, measured by changes in capital values, exceeds the sum of the costs, then the action is termed desirable."

According to Tiesdell et al., (1996:171), the main justification for historic conservation, which is a component of urban renewal, is that the buildings have

- Aesthetic value.
- Value for environmental diversity.
- Value for architectural diversity.
- Value for functional diversity.
- Resource value where certain buildings can be better used than replaced.
- Value for cultural heritage.
- Economic and commercial value due to the historic building's scarcity.

4.4 Goals of urban renewal

Initially, urban renewal was seen as only physical renewal. Later on it was recognised that one has to approach the process holistically and also improve the overall living conditions within such an area. An example would be where squatter settlement upgrade is seen as part of urban renewal. The improvement of the quality of the built environment may produce temporary positive results, but to maintain the achieved situation, social development is essential. This must include the social and economic development of the community (Doxiadis, 1966:8). To achieve this, one must have a clear conception of the urban life to create an ideal physical form that will serve it.

Urban renewal can be a tool to increase an area's property value when the built environment is improved on. The restoration or refurbishment of a single property in an area can be enough to raise the whole area's value.

Lastly, where structures, which were previously used for uses other than residential, are converted into residential uses, housing are provided. This process is only economically viable where such a structure is no longer suitable for a higher order land use.

4.5 Types of residential renewal

Grigsby (1968:38) identified five groups of residential urban renewal. The first is the problem of low-income families living in substandard accommodation. The second type relates to families living in inadequate housing but who can afford better housing. The third type is concerned with structures that are not substandard but are surrounded by substandard structures. In redevelopment they too must be demolished. The next type is related to neighbourhood environment improvements. The final concern is with the improvement of areas in which neither the individual structure, nor surrounding structures are substandard, but where the overall quality is still substandard to other criteria.

4.6 Critique against urban renewal

It is necessary to be aware of the mentioned critique against urban renewal when urban renewal is discussed. These disadvantages of urban renewal must always be recognised. It is said that slum clearances destroy neighbourhoods, sometimes with habitable housing. It also displaces residents and small businesses. With gentrification, the lower income groups get displaced from the inner cities. They then have to spend more of their income on transport to their workplace; leaving them in an economically disadvantageous position. In addition, Topophilia is the attachment one feels to a place of residence (Tuan, 2001). If someone has to move involuntarily, it can cause psychological problems. To politicise the process, it is found that in the past more black people were removed, sometimes due to political strategies (Holcomb and Beauregard, 1981:11).

Urban renewal leads to the increased property values of the area as a whole (Havenga, personal communication, 2001). The increased property values increase the property taxes for the original owners too. To compensate for these higher taxes, landlords increase their rents. Some tenants may not be able to afford these increases. They either take in more tenants or move out (De Giovanni, 1984:79). Further, land values can lead to inequalities. Excessively high land values can stifle the regeneration process where property owners must be compensated for their renewed properties (McKay and Cox, 1979:69). As the property values increase in renewal areas, many land uses are displaced which could have employed local labour (Jones, 1996:433).

Urban renewal is a spatially concentrated phenomenon. It is often argued (Holcomb and Beauregard, 1981:3) that the benefits of urban renewal will “trickle down” to the lower socio-economic classes. In practice, though, the benefits are captured by middle and higher classes (Carmon, 1997:137). This is the exclusionary aspect of urban renewal. In some cases there are no participation of the residents in the renewal process. This can lead to the alienation of the residents to their neighbourhoods.

A practical issue concerning urban renewal is that each rebuilding tended to make the next one a little more difficult than the last (Vernon, 1968:4). The ad hoc situation, where private developers purchase property to renew or redevelop, but without regard to the area as a whole, must be avoided. Redevelopment must, thus, be undertaken in a holistic manner.

4.7 Methods of urban renewal

There exist a number of different methods to achieve each component of urban renewal. Some methods may overlap. Any one of the role players (public agencies, landowners, residents, private sector or local community groups) can take the lead in the revitalisation process. Public participation is necessary in every renewal project. The residents’ ideas must be taken into account, but to a limit. According to Jones and Watkins (1996:1129), initially, the public sector must subsidise the process. As the venture becomes economically viable the subsidies can gradually decrease.

4.7.1 Prevention

The saying “prevention is better than cure” rings true here. At the start of obsolescence lesser measures are often enough to decrease the declining process. Neighbourhood associations, civic action groups or individual leaders can promote these measures. City agencies can also intervene with sponsored block-by-block cleanup drives and street improvements. Related to these measures are City Improvement Districts, which is discussed under section 4.6.9. Also, according to Robertson (1995:432), the resale of decayed buildings with renewal incentives can help to curb urban blight.

4.7.2 Coersive techniques

Zoning

Zoning is used primarily to prevent future deterioration of existing or new neighbourhoods by separating incompatible land uses (Sogg and Wertheimer, as cited in Wilson, 1968:176). Retroactive zoning laws, where rezoning occurs only after a problem is perceived, are not widely used; but it can help to restore an area's quality. Non-conforming land-uses can gradually be eliminated.

Housing codes

1. Substantive standards

Housing codes must be applied to maintain satisfactory standards of health and safety (Sogg and Wertheimer, as cited in Wilson, 1968:177). These standards must however be low enough for most property owners to comply with. To accomplish this a city must enact a *zoned housing code* where different standards apply for different areas.

2. Inspection

A building inspector can at an early stage identify problems in an area. This will give the property owners sufficient time to rectify the fault before it worsens. Due to municipal's manpower shortages, regular, thorough inspection of buildings is, however, difficult. The criteria to assess a decayed building are included as addendum A.

3. Sanctions

For the effective enforcement of housing codes, leniency towards offenders must be reduced. To standardise court decisions a separate court can be created to handle only housing-code violations. Sogg and Wertheimer (as cited in Wilson, 1968:182) give another possibility as to create a special docket so that the same judge will try all housing-code violations

Nuisance

A building is deemed a nuisance if it causes immediate danger to the area. If the cost necessary for the correction of the violation is too high relative to the building's value, it may be demolished with the council's approval (Sogg and Wertheimer, as cited in Wilson, 1968:185).

4.7.3 Clean up, fix up

The Rental Housing Act no 50 of 1999 gives the government the power to rule that a property owner must make the necessary repairs to his or her property to fit the relevant housing standards (section 13(4)(c)). The example of one person cleaning up or renovating his property is often enough to motivate his neighbour to do the same (Robertson, 1995:432). City Improvement Districts can promote this process (discussed under section 4.6.9).

4.7.4 Addressing obsolescence

Obsolescence is a function of physical and economic shifts and the relative inertia of buildings and places (Tiesdell et al., 1996:202). The physical obsolescence component can be addressed by continually maintaining and repairing the structures. Functional obsolescence can be addressed by rehabilitating the structures to comply with modern technological needs (Tiesdell et al., 1996:203). Official obsolescence, on the other hand, can be removed by creating conservation districts or using the area for a different purpose. Related to this is image obsolescence that can be addressed by improving the area's environment and place-marketing. Lastly, to cure location obsolescence the area can be made more accessible by providing the appropriate infrastructure (Dabinett, 1998:203).

4.7.5 Revitalisation

To curb urban sprawl, older urban areas can rather be revitalized (Rental Housing Act no 50 of 1999). Relaxing the stringent building standards can encourage urban revitalisation. This can be done by having two code systems; one for new construction and another one for renovating existing structures (Ormsbee, 1994:34).

The renewal process must, however, follow the market conditions. A balance must be struck between demand and supply. Market Preference Research must be undertaken. To achieve this, and to manage the process, expert knowledge is needed. According to Tiesdell et al., (1996:203), stewardship by a public agency is beneficial for the area's continuous well-being. In recent trends, the short term, single purpose revitalisation project is being replaced by a multi-faceted approach like neighbourhood self-help projects, renewal incentives and supportive public improvements (Ormsbee, 1994:34).

4.7.6 Refurbishment

Refurbishment is normally done on old, monotonous buildings. It consists usually of a “face-lift” where the facade is changed first and later on the interior of the building (Evans, 1985:74). Refurbishment of street corner buildings is especially important, as these are key focus points in an area (Murdock, 1983:70). However, according to Evans (1985:78), too much diversity in one building is aesthetically not pleasing.

4.7.7 Incumbent upgrading

The incumbent upgrader is characteristically a stable, moderate-income homeowner. They are usually older couples with independent children (Holcomb and Beauregard, 1981:46). The buildings and area show some degree of deterioration. After the incumbent upgrade process the socio-economic status of the area remains the same, as it is the original residents that invest in the area. The neighbourhood is physically and socially stabilised. The process can spread out to neighbouring areas like streets and parks (Havenga, personal communication, 2001). Renewal does not always mean replacement. Very often the old, weathered building is of more worth than a totally new structure. Neighbourhood associations can play a role to lead the process. They can be publicly or privately managed. Financial institutions can promote this process by making loans available for renovating these areas (Holcomb and Beauregard, 1981:48). Homeowners can apply for financial assistance from the South African Housing Fund (Housing Act 107 of 1999).

4.7.8 Redevelopment

Sometimes it is economically necessary to redevelop an area. The current trend is to mix different land-uses in the redeveloped area (MSDF, 2000:18). Such a transformed neighbourhood provides a higher quality of living. The redevelopment also benefits the municipality. They get a return on their investment; save on the decreased need for policing and fire protection and the increased property taxes (Ormsbee, 1994:34). In the inner city, planners need to enforce gradual renewal. Gradual renewal can ensure that the city’s centre is developed to achieve long-term success. The poor residents must also benefit from the renewal process (Carmon, 1997:5). In contrast, a demand by higher income groups for city centre housing needs to be created. This group has the necessary funds needed to revitalise the inner city area, without state assistance. Spontaneous renewal occurs in areas that are in demand. To accommodate this trend building societies must make mortgages available for converted properties.

4.7.9 City precinct

The Greater Johannesburg Metropolitan Council formulated the City Precinct concept in 1996 (Gotz and Wooldridge, 1999:10). The Council's precinct approach strives to make the city a more compact and multi-faceted urban area. It implies that cities can be divided into clearly bounded segments. Each segment has its own character, functional features, development opportunities and latent energies. It is believed that each precinct has its own unique development potential that is hindered by specific local level problems. This precinct-specific development potential can only be exploited by spatially bounded strategies (Gotz and Wooldridge, 1999:9).

Related to the precinct approach is the City Improvement District (CID). A City Improvement District is an area where its residents pay an additional monthly levy for top-up municipal services (Rennie, 1995:75). Especially security and street cleaning services are provided through this approach (City of Johannesburg, 2001). The contributing levies may only be used in the area it was collected in; unlike rates that can be spent in any place. (Farr, 2001:7). Farr (2001:7) sees the advantages of having a City Improvement District as:

- The cost of providing additional services are shared by all property owners in the area.
- Costs are borne in proportion to the owner's property value.
- The Improvement District is a holistic approach.
- It creates a positive identity for the area.
- Enhancement of the environment and strengthening of investor confidence.

Venter (2001:7) believes further that a City Improvement District will promote tourist investment in such an area.

The process to establish a City Improvement District is as follows (Farr, 2001:7):

- Establish an association of concerned property owners.
- Define the area.
- Prepare a budget.
- Raise an initial monetary contribution to cover set up costs.
- Conduct a User Survey.
- Formulate a business plan.
- Hold a public meeting.
- Register a Section 21 Company.
- Appoint a CID Management Company.

- Appoint service providers.
- Council begins charging the levy to the involved ratepayers and pays it over to the Section 21 Company.

It is currently too soon to appraise the success of the City Improvement District concept in South Africa.

4.7.10 Low-cost housing and informal settlement development and upgrading

Local Government is increasingly allocating funding for informal settlement upgrading (Newman, personal communication, 2001). Gibson and Langstaff (1982:148), believe that economic development, with social equity, is required for this process. It is necessary to incorporate economic regeneration and employment creation in the upgrading process. It involves educating the people about their rights and the processes involved. It also includes employment creation, such as labour intensive, small-scale industries in the inner city, which can benefit the residents living there by providing employment for them (McKay and Cox, 1979:257). Community Development Projects can help in this regard. It is at grass root level and can find methods of satisfying the neighbourhood's immediate needs (Gibson and Langstaff, 1982:148). Carmon (1997:140) has a two-stage proposal for upgrading, which will apply to South Africa. The first stage is to improve the quality of the area by improving services and the physical environment. In this regard, many municipalities have started supplying engineering and other services to informal settlements. ESKOM, the public-private electricity supplier of South Africa, is supplying most of the informal settlements with electricity. The second stage is to reduce the area's segregation from the rest of the city. Segregation of the area can be reduced by attracting businesses to locate in the area (Carmon, 1997:141). Projects on the edges of these segregated areas and the extension of public transport routes can connect it with the surrounding areas.

To drive the upgrading process, funding is needed. The National Housing Subsidy Scheme is one of the main elements of the National Department of Housing's strategy to provide housing for South Africa's lower-income people (Behrens and Watson, 1998:40). The National Budget finances the subsidy schemes. These allocations are distributed through the nine Provincial Housing Development Boards.

The individual subsidy, available from the Provincial Housing Board, is in the form of a once-off capital grant of up to R15 000. The subsidy is graded on a sliding scale, according to the household's income. An additional subsidy may be granted where construction costs may be higher (Behrens and Watson, 1998:40). See table 2 in addendum B for the available subsidy levels.

The consolidation subsidy, on the other hand, is available to individuals who already received ownership of property before the commencement of the National Housing Scheme. The consolidation subsidy can be used to upgrade the “top structure” on the property. The subsidy amount is fixed at R7 500 for households who earn R800 per month or less, and R5 000 for households who earn between R801 and R1 500 per month. An institutional subsidy is available to persons to create social housing. Social housing can, however, create certain negative consequences, as can be seen from the Seven Buildings Project. The Seven Buildings Project is discussed in chapter 8. The total subsidy amount which is allocated to an institution, is the sum of the individual subsidies the individuals qualify for (Behrens and Watson, 1998:40).

The Hostel Upgrading Programme was started in 1995 to provide state assistance for the upgrading of rental hostel accommodation. The subsidy amounts are R15 000 per family and R3 750 per individual. These subsidies are, however, not paid to the individuals, but to the private sector owner of the rental hostel accommodation (Behrens and Watson, 1998:40).

4.7.11 Waterfront development

Certain port cities of the world have seen a deterioration of its waterfront sites. This decline is due to a decrease of activities on these sites. As technology changes and airfreight became cheaper, activity around water ports decreased. Many of the old warehouses and structures became functionally obsolete, and left vacant (Breen and Rigby, 1994:14).

There do, however, exist a demand for residential uses on waterfront sites. Breen and Rigby (1994:13) state it as “The lure of water is powerful and universal”. This demand for waterfront development is almost totally market-driven and targets only the higher income groups (Gordon, 1998:91). South Africa has in recent years seen a substantial number of new waterfront developments. Some of these are: the Victoria and Alfred Waterfront, Cape Town; Knysna; Roodepoort; Durban and Lamberts Bay. Many of these are Greenfield developments and will not be discussed here. Cape Town’s Victoria and Alfred Waterfront is a good example of Brownfield redevelopment for commercial use. South Africa, however, have no Brownfield residential redevelopment.

The London Docklands on the Thames River in London, on the other hand, has many warehouses that were converted for residential uses. There are also many examples of historic urban quarters that are newly renovated. This is an attempt to concentrate development and create higher

population densities (Breen and Rigby, 1994:6). The London Docklands has, however, a number of critics. Breen and Rigby (1996:57) believe that the mistake of the London Docklands was to lift the planning controls. The projects were totally market-driven and had a project-by-project approach, lacking a holistic vision.

It is a difficult choice between developing a waterfront for private enterprise or for public open space (Robertson, 1995:432). There exists a conflict between the homeowners' need for privacy and security, and the inherently publicity of waterfronts (Marsh, 2001:1). An unfortunate consequence of this is that, with large projects, the public is often cut off from the water's edge.

4.8 Public participation

To achieve a successful renewal project, public participation is essential. A community conference can help in this regard to stimulate public awareness of the need and benefits of change. It will also create a climate of opinion where the community can participate to formulate the general goals (Wilson, 1968:411). Participation is different between the socio-economic classes. The lower-income neighbourhood will produce collective action when a threat is sensed. They will focus on the short-term effects (Adler, 2000:2). On the other hand, the higher income classes will more likely think in terms of the overall plan and the longer-term benefits of change. These differences must be recognised when an urban renewal project is undertaken. If a planner can anticipate the involved community's response, he or she can use their capabilities to the best advantage.

In practice it is found that citizen participation works better when renewal strategies are dealt with, than with total clearance. It is also less successful when the residents must themselves pay for the repair to their homes to bring it up to standard (Wilson, 1968:414).

Chapter 5

Gentrification

5.1 Introduction

Gentrification is the phenomenon where a working class neighbourhood gets invaded by groups of higher socio-economic status. Gentrification has the benefit of providing the necessary needed investment to rehabilitate the neighbourhood. The downside of gentrification is the displacement of the original residents. This chapter deals with the gentrification process. To illustrate gentrification, the examples of De Waterkant and Bo-Kaap, Cape Town, will be discussed.

5.2 What is gentrification?

Gentrification is the process where middle or higher income groups invade a working class neighbourhood. The original, decayed housing stock is renovated to meet the new owners' needs (Kotze, as cited in Davies, 1996:489). The term is attributed to Ruth Glass, where this process started in the 1960's in London. The owners mostly do the renovations themselves.

5.3 The gentrifiers

According to Carmon (1992:7), the characteristics of gentrifiers can be generalized. They are mostly young, white, single adults of between 20 and 35 years of age. Few of the married couples have children. They are mostly well educated with white-collar employment. Others are artists and artisans who want to live in the city, which they find exciting and unconventional.

5.4 The gentrifiable area

The gentrified area, itself, has some corresponding characteristics. It is typically a blighted area which deteriorated, but which have structurally sound houses. It is usually close to the Central Business District and other amenities. It mostly has a unique and desirable characteristic like historical or architectural significant buildings (Kotze, as cited in Davies, 1996:489).

5.5 The gentrification process

Gentrification normally starts in the late *transition* and *blighted* phases of the Neighbourhood Ageing Cycle (Smith and LeFairre, as cited in Palen and London, 1984:48). The Neighbourhood Ageing Cycle is discussed under section 5.8. Mortgage rates partly determine if a property owner sells his property, or if he rather renovates his current property (Smith and LeFairre, 1984:51). If the rate is low, owners will rather sell their properties to willing buyers. Palen and London (1984:5) states three motives for gentrification:

- Practical motive, which is an economic incentive.
- People's preferences for specific neighbourhoods.
- Ideological factors.

Gentrification can be divided into three stages (Holcomb and Beauregard, 1981:44). The process is started with a few pioneers buying inexpensive houses in a blighted area and renovating them to live in. Little displacement occurs in this stage. The second stage consists of mostly professionals moving in, who see the area as an attractive venture. This second wave of residents is less tolerant of the difference of class of the original residents. Displacement increases during this stage. The neighbourhood transformation gets completed in the third, mature phase. Most of the buildings are renovated and the neighbourhood is stabilized. Most of the original residents are displaced in the mature phase.

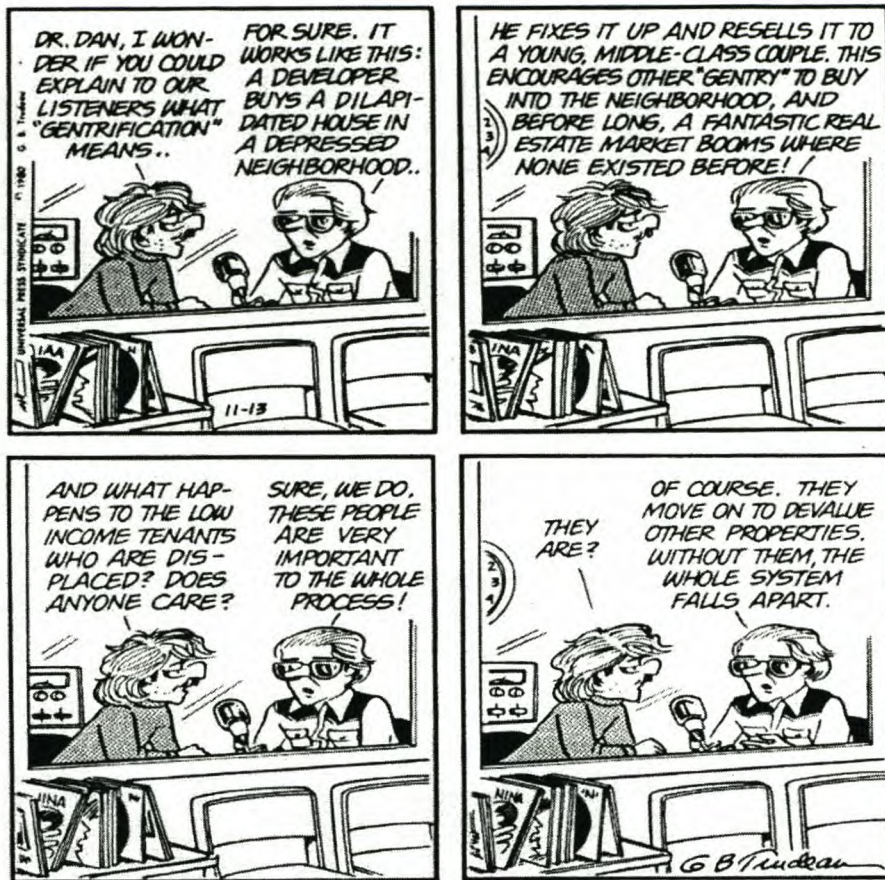


Figure 3. Comic strip to illustrate gentrification. (Source: Holcomb & Beauregard, 1981:43)

5.6 The displaced

According to Dreyer (2001:5), the displacement of lower-income residents is an intentional step by the gentrifiers. They try to increase the area's market value by removing the original low-income residents (Anderson, 1990:2). The means of displacing tenants vary. Some tenants voluntarily move because of rising rents and property taxes. Others have to move when their leases expire and are not renewed. Some are forced to move with unofficial harassment by landlords who want to vacate the building for resale (Holcomb and Beauregard, 1981:44).

It is mostly the minorities, elderly and low-income tenants who are displaced (Dreyer, 2001:5). It is found that the displaced moves only short distances from their original residency (if opportunities are available) to stay close to their employment and friends (Holcomb and Beauregard, 1981:44). Often, however, no such accommodation are available. What has to be remembered, though, is that the neighbourhood normally were not stable before renewal. Further, renters are highly mobile and do not have an inherent investment in their accommodation (DeGiovanni, as cited in Palen and London, 1984:67).

5.7 Relocation

The relocation element is essential for the successful renewal of an area. Grigsby (1968:38) states further that the relocation of displaced low-income residents will set the pace of a city's renewal process. To enforce this, some cities demand that the developer takes financial and administrative responsibility for relocation of the displaced residents (Sogg and Wertheimer, as cited in Wilson, 1968:158). This is ineffective though, because some developers do not have the necessary professional competence to handle such a multi-faceted task. Some cities give displaced persons priority in public housing schemes.

The main aim of renewal and rehousing is to improve the housing quality of those living in substandard living conditions (Hartman, as cited in Wilson, 1968:315). Housing for relocated persons should thus be of better quality than their previous homes. It must also not unreasonably exceed the former price or rental. This is the ideal. In practice this rarely happens.

The spatial dimensions of human behaviour must be recognized in the relocation process: "A sense of spatial identity is fundamental to human functioning" (Fried, as cited in Wilson, 1968:359). The psychological and social consequences involved in the relocation of persons must also be anticipated and alleviated.

Sogg and Wertheimer (as cited in Wilson, 1968:158) proposed that a city should create a separate agency responsible for the relocation of displaced residents of a redevelopment project. Currently, South Africa's Provincial Housing Boards are responsible for providing housing for the province's people (Housing Act 107 of 1999).

5.8 Theory on gentrification

The explanation for gentrification can be viewed from either the supply or the demand side. To explain gentrification Burgess's concentric-zone model and Alonso's bid-rent model were initially used (Redfern, 1997:1279). Both theories are concentric-zone models. The difference is that Burgess's model is dynamic whereas Alonso's model is static.

Alonso's neo-classical model describes residential differentiation as the competition among socio-economic groups to pay the rent to live in a specific location. The rich can afford to pay the transport costs, and will thus live on the outskirts of the city, and the poor in the centre.

According to Burgess's and Alonso's theories, if equilibrium exists, there should be no middle-class residents in the inner city. Gentrification, however, contradicts these models, in that middle-class residents want to live in the inner city; reversing the demand for suburban housing.

In more recent times Redfern (1997:1279), on the other hand, sees gentrification as an additional stage in the filtering-down process of the neighbourhood life cycle. "A neighbourhood is a bounded area where certain land use activities are attracted and retained by a set of linkages." (Newman, personal communication, 2001). The neighbourhood age cycle consists of four stages.

Stage 1: The development period is the period of growth.

Stage 2: The period of maturity is when the neighbourhood is at its peak. The neighbourhood cohesiveness is at its strongest and has the greatest appeal to investors and its residents.

Stage 3: The neighbourhood decline stage occurs when the older properties no longer fulfil the needs of their original buyers.

Stage 4: The transition to lower economic inhabitants stage steps in when the demand for these houses decreases. The demand rises again for these low priced houses, but eventually a gradual decline will set in until the neighbourhood gets to the stage of blight and slum conditions.

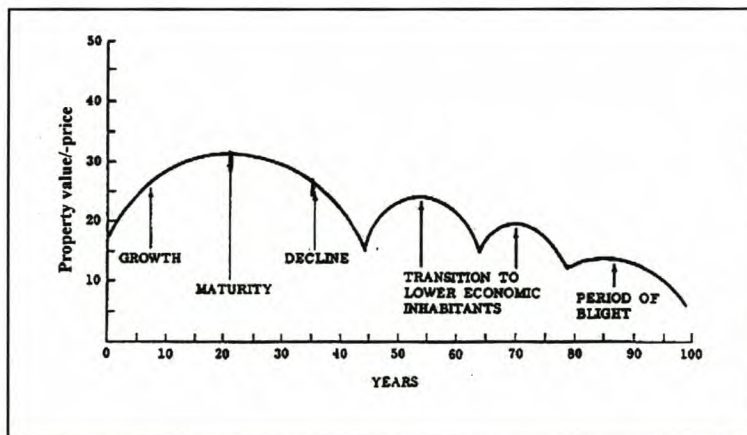


Figure 4. *The Neighbourhood Life Cycle* (Source: Newman, 2001).

Redfern (1997:1279) sees the *neighbourhood decline* stage as a transitional stage towards gentrification. Post-industrialism, which supports Alonso's model, sees gentrification as overcoming the neighbourhood cycle's filtering-down process.

Building on Alonso's model, is Smith's rent-gap model, which is the only current model to keep the neighbourhood cycle concept. It explains gentrification in terms of changing opportunities for the satisfaction of unchanged demand (Redfern 1997:1282). Smith believes capitalism creates uneven

development. When new neighbourhoods are created, the older neighbourhoods depreciate in value. Smith states further, that: "The creation of these new suburbs is itself predicated on the continued growth of wealth in the city, which translates into higher ground rents generally. Eventually a rent gap develops whereby the return from the capitalized ground rent exceed the cost of redeveloping the buildings in the old suburbs." (Redfern, 1997:1282). Gentrification can occur when a sufficiently large gap exists between the actual and potential land values. See figure 5. Gentrifiers then use this situation to purchase the blighted properties. The rent gap can form because of two reasons. Firstly, it can result from the filtering-down process of the neighbourhood cycle. The second explanation is that it can be the result of upward revaluation of potential land values, when comparing it to the alternative uses for the site. Developers use this rent gap to supply rehabilitated houses to the middle classes.

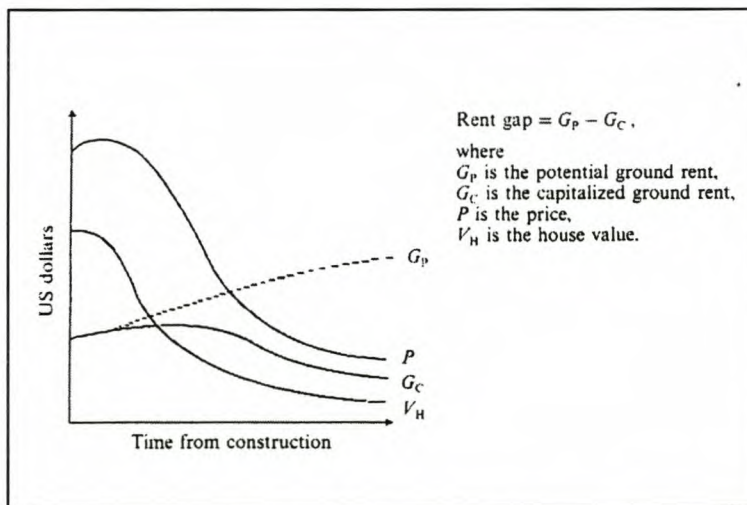


Figure 5. Smith's Rent-gap mode. (Source: Redfern, 1997:1283)

5.9 Examples of gentrification

5.9.1 De Waterkant, Cape Town

Gentrification will be illustrated by means of the example of De Waterkant, Cape Town. The research on De Waterkant, Cape Town, was done by Kotze (as cited in Davies, 1996:489). His research findings will be discussed, and commented on where necessary.

The area and background

De Waterkant is a 0,05 square kilometre area situated against Signal Hill. It was established as a residential neighbourhood between 1793 and 1894. Urban decline started in the early twentieth

century. The area is close to the Central Business District of Cape Town, the Victoria and Alfred Waterfront, and other amenities. The area is surrounded by light industries.

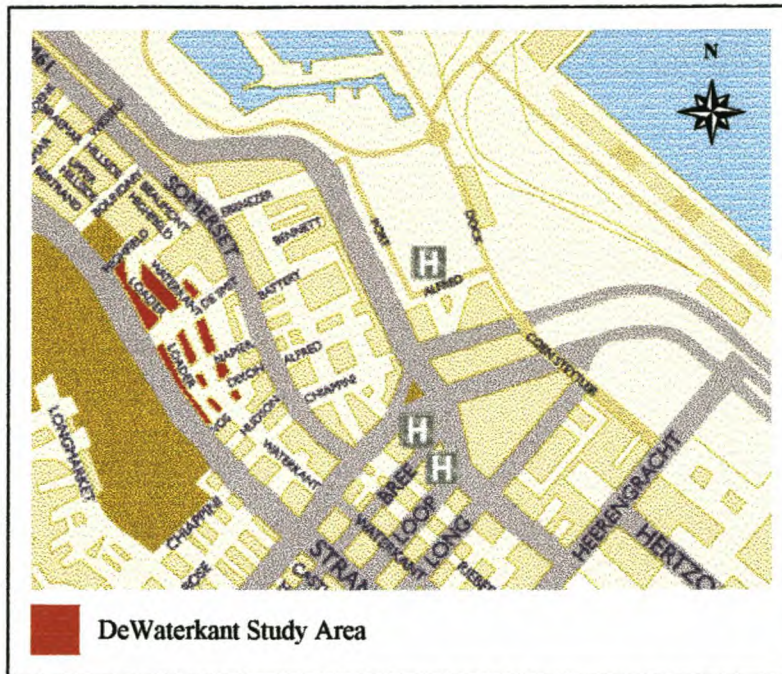


Figure 6. Location of De Waterkant, Cape Town.

The residents

In 1996 most of the residents of De Waterkant were single males of 30 years and younger with no children. Of the respondents of Kotze's survey, 89% had white-collar employment and a high level of education. The area had a 56% owner-occupation figure in 1996 (Kotze, as cited in Davies, 1996:494).

Gentrification and urban renewal

De Waterkant can be seen as a gentrifiable area. It has a strategic location, is close to amenities and has old houses. The area was previously occupied by residents of a lower socio-economic status, who let the area decline. Of the new residents, 22% were suburbanites who moved back to Cape Town (Kotze, as cited in Davies, 1996:495). The area started to decline in the twentieth century. In 1968, however, the first renewal process started. The area created a Rate Payers Association who started the renewal process.

Current situation

Most of the current houses are old, row houses, which have been renovated. They are mostly very small. Sensitively designed town houses have been added and do not infringe on the area's character. Most of the houses have been gentrified, with gentrification still taking place. Although some of the houses are painted bright colours, it gives the area a unique feel.

A probable negative consequence of the De Waterkant gentrification process is that forty-two of the renovated houses were turned into guesthouses. This means that no permanent residents can live in these forty-two houses.



Photo 2. Some of the gentrified houses of De Waterkant, Cape Town.

Another problem the writer noticed was the lack of parking for the residents. Only street parking in the narrow, one-way streets can be used. This causes some traffic problems in the area.



Photo 3. On-street parking of residents causes traffic problems.

5.9.2 Bo Kaap, Cape Town

Other areas on Signal Hill, Cape Town, are also undergoing gentrification. This area, known as the Bo Kaap is an established Malay quarter. The Bo Kaap is well-known and has a rich cultural history. The area, including the Muslim mosque and –cemetery, is a well-visited tourist attraction of Cape Town.

Developers buy rent-controlled apartments and houses and convert them into sectional title units. These units are then sold or rented out at increased prices, which the original tenants cannot afford (Dreyer, 2001:5). The area contains many houses in various stages of deterioration. The renewed houses are isolated between these structures. The streets are narrow and on-street parking can create a problem in the future when more car-owning gentrifiers move in.

Gentrification is still in a preliminary stage in this area. If gentrification should continue, the area can lose its distinct identity and lose tourist investment. The tourism concept is discussed in the next chapter.



Figure 4. Beginning of gentrification at Signal Hill, Cape Town.

Chapter 6

Conservationist perspective

6.1 Introduction

Preserving the country's historical and cultural heritage is important for the foundation of community life. It is, further, economically usually more viable to build a new building than to restore or convert an old building. For this reason planners and other interested parties must intervene to preserve these areas. This chapter discusses the need and methods of conservation. Tourism, as an outcome of conservation, will be commented on.

6.2 What is conservation?

Conservation "includes protection, maintenance, preservation and sustainable use of places or objects so as to safeguard their cultural significance" (National Heritage Resources Act no. 25 of 1999). Urban conservation is not only the protection of past architecture because they are old, scarce and have heritage value; it also involves the retaining of environments with positive urban qualities that enhance the overall quality of city living (Tiesdell et al., 1996:65).

Buildings, as a group, have more value than each separate one's value totalled (Robertson, 1995:432). The context of each conservation project needs to be taken into account. To achieve this, a holistic approach to conservation is needed (Giesen, 1996).

An example of conservation is the London Docklands. Here, old warehouses were transformed into business and residential functions. These developments created a renewed sense of place, preserved the area's character and regained a sense of historic lineage (Tarn, 1985:248).

6.3 The history of conservation

Conservation is not a new phenomenon. It dates back to 1877 with William Morris and *The Society for the Protection of Ancient Buildings in England* (Tarn, 1985:248). In the past the quantity of housing was of greater importance than the cost of maintaining and running it (Robertson, 1995:432). At first, individual buildings and artefacts were preserved for their religious or historic value. In some cases context, setting, historic lineage and architectural quality were sacrificed for

urban redevelopment. Only later was the structure's context also taken into account (Tiesdell et al., 1996:68). It is believed that old buildings are not perfect but can be restored to perform its function.

6.4 The need for conservation

The town's form is determined by the satisfaction of its inhabitants' needs. As the inhabitants' needs and preferences change, the town form becomes outdated. It must then be decided to either redevelop the area or preserve it. To complicate the choice, the economic pressures for development are the greatest in these inner city historical areas. They are often the commercial and business cores of a town (Conzen, 1981:85). Public opinion plays an important role in deciding which structures to protect. The conservation lobby started in reaction to the changes brought by the motorcar. These are mostly private groups, independent of the state. They are normally influential in the community.

6.5 Benefits/significance of the historical landscape

The historical area has a utility function and it can be maintained by integrating it with the city's modern functions. These areas also have intellectual value as something to be studied (Robertson, 1995:432). According to Dirsuweit (1999:200), the main justification for historic conservation is as follows:

- Aesthetic value, which is a subjective measure.
- Value for environmental diversity.
- Value for architectural diversity.
- Value for functional diversity.
- Resource value where certain buildings can be better used than replaced.
- Value for cultural heritage.
- Economic and commercial value due to the historic building's scarcity.

Additionally, the conservation of historic areas promotes tourism. Conservation and tourism is discussed in the next section.

6.6 Tourism

Post-apartheid South Africa sees tourism as a means to economic and environmental regeneration in certain urban areas (Grant and Scott, 1996:125). A strong conservation policy plays an important role to promote tourism (Giesen, 1996). South Africa has over 4 000 national monuments. Not

only the major cities of South Africa, but also the smaller towns can benefit from tourism investment. Bianchini (1993; as cited in Dirsuweit, 1999:56) state that culture in the inner city can be used to enhance the area's identity. This can lead to more inward investment and the revitalisation of unused space. A heritage area is used to attract tourists. The tourism investment can be used to prevent an area's image obsolescence (Tiesdell et al., 1996:68). The Bo Kaap, Cape Town, is an example where this well-known Malay quarter generates tourism investment. Such place-marketing is part of local economic development and seeks to promote the area for investment and public-private partnerships to achieve economic regeneration (Tiesdell et al., 1996:68). Several writers in Dirsuweit (1999:187), however, believe that culture revitalisation excludes the lower classes.

The Fietas of Johannesburg will be discussed here as a conservation project where part of South Africa's heritage was saved. Dirsuweit (1999:198) believes that the Fietas can be a way of historical-political tourism for Johannesburg.

The Fietas was an area where mixed races lived, during President Kruger's National Government (1883-1902). In the Fietas' history, forced removals happened repeatedly, with resettlement following it. Even under poor living conditions, overcrowding and a lack of infrastructure, the area was a 'flourishing enclave'. In 1965 the Fietas was dissolved and evictions of residents and shop owners followed (Dirsuweit, 1999:198). Dwellings were gradually demolished.

The Newtown Cultural Precinct was developed for this area in the 1970's (Dirsuweit, 1999:203). Unique strategies for the precinct were developed and implemented. The local council is the owner of most of the land. Its role here is as a facilitator for private investment. The local council has helped by investing in infrastructure to draw more private investors who funded the project (Dirsuweit, 1999:205). Importantly, the most attractive aspect of this project is that the Department of Trade and Industry declared the Newtown Cultural Precinct a Special Economic Zone (Dirsuweit, 1999:205).

The area, however, do have certain problems. For instance, there is a lack of funding because the local authority is already cash-strapped. Crime in the inner city has a negative impact on potential investors and the confidence of city residents to live there. A further concern for the area's future is the informal dwellers that settled in some of the still vacant buildings (Dirsuweit, 1999:186).

The current situation is an area where the survived houses are renovated in the previous face-brick style. Today this precinct consists of several small theatres, clubs, cultural activities and residential

units. These functions are a continuous source of income for the area. These sources help to make the area economically self-sufficient.

6.7 Controls for conservation

Conservation related issues are currently regulated and managed under the National Heritage Resources Act no 25 of 1999. The National Heritage Resources Agency is the main functioning body. To assist the South African National Heritage Resource Agency, the government proposes implementing provincial and local heritage resources authorities (section 6(2), National Heritage Resource Act no 25 of 1999).

Three grades of heritage significance were introduced:

Grade I: National significance,

Grade II: Provincial significance, and

Grade III: Local significance.

Any project, that can affect heritage areas, must comply with the South African Heritage Resources Act (no 25 of 1999). To assist in the renewal process, the South African National Heritage Resource Agency may buy property for renewal purposes (section 21(5), no 25 of 1999). The National Heritage Resources Act is discussed in more detail in chapter 8 under section 8.2.2.

6.8 Methods of conservation

Several different methods exist to promote the conservation and preservation of our natural and cultural heritage. To help achieve this, the local authority, with approval from the provincial heritage resources authority, may make by-laws for the protection and management of protected areas (section 54, National Heritage Resources Act no 25 of 1999).

6.8.1 Area-based renewal

The area's economic value must be increased at two levels; the level of the individual building and the level of the collective buildings in the area (Tiesdell et al., 1996:36). A necessary step is to restore confidence in the area's economy. One way to achieve this is to make the area safer. Another motivation is to give the buildings more utility value by providing infrastructure and necessary technology. It is sometimes necessary to adopt the building to a new use to make it economical viable (Giesen, 1996). To improve the environment, the local authority can invest some

funds, or the local businesses can pay a special levy for the area's upkeep (Robertson, 1995:430). A mixed land-use approach can also increase the investment potential in the area. This approach draws on diverse sectors for investment.

6.8.2 Conservation districts

The proclamation of an area as a conservation district implies a cost to the owners. It is a permanent commitment by the area's property owners, to the maintenance, rehabilitation and renovation of the area as a whole (Tiesdell et al., 1996:4). Incentives for the conservation of heritage sites, which is part of the national estate, is available with consent of the Minister of Finance (section 43(1), National Heritage Resource Act no 25 of 1999). The South African National Heritage Resources Agency, formerly the National Monuments Council, approves the application of a structure to be listed in the national estate.

When a structure in a conservation area has been neglected or has fallen into disrepair, the responsible heritage resources authority may serve the owner an order to repair or maintain such a structure (section 45, National Heritage Resources Act no 25 of 1999). Attempts to restore historic urban quarters must remedy obsolescence and extend the economic life of the historic structures (Robertson, 1995:430). The buildings must stay functional, otherwise the area will be an open-air museum.

Another way to conserve an area is to see the area as a historic urban quarter. An urban quarter is a relatively small area with mixed uses, a mixture of type and sizes of buildings and pedestrian-friendly streets. It contains diverse tenure types (Tiesdell et al., 1996:23).

6.8.3 Trusts

An example of a trust is The Cape Town Heritage Trust, which is a private sector, independent, non-profit organization. The Heritage Trust is engaged in a partnership with the Cape Town council and individual property owners. The goal of the Cape Town Heritage Trust is the conservation of the cultural, architectural and natural heritage of Cape Town and its surroundings (Robinson, 2001). This conservation is for the benefit of the city's inhabitants and of the nation at large. From 1987 the Cape Town Heritage Trust has been involved in a number of conservation

projects in Cape Town's inner city. These projects include the preservation of historic buildings in Church, Burg, Hout and Shortmarket Streets and also Heritage Square. The trust is managed by a Board of Trustees, which includes four nominees of the Cape Town City Council and representatives of several interest groups.

An example of inner city conservation is Heritage Square, Cape Town. In early 1980's an extensive ring road system were proposed for Cape Town. This would have caused the demolition of the entire Breë/Shortmarket block in Cape Town's central business district to make way for a parking garage and several historic buildings on Hout and Shortmarket Streets would also have been destroyed for road-widening (www.heritage.org.za/square, 2001). The proposed Buitengracht Freeway evoked a lot of public criticism and protest. The Simon van der Stel Foundation, a conservationist organisation, was very active in the campaign against the proposed road system. The proposed road development was fortunately shut down when the historic importance of the area was recognised.

The Heritage Square is the largest renewal project undertaken in Cape Town. The Cape Town Heritage Trust and Shortmarket Properties, a private company, restored the group of townhouses, dating back to the eighteenth century, their associated outbuildings and a warehouse. In 1996 the Cape Town City Council donated the fourteen council-owned properties in Hout, Loop, Long and Shortmarket Streets to the Cape Town Heritage Trust. To finance the project, the Provincial Administration financed 80% of the properties' acquisition. The main focus of the conservation project is the building at 90 Breë Street. In the building's courtyard is South Africa's oldest surviving grapevine. It is estimated to be over 230 years old.

In the restoration process, the architectural elements were, as far as possible, kept. The product today is as eclectic grouping of Cape Town's architectural history during the nineteenth century. The restored city block currently houses a hotel, restaurant, shops, offices and an operating artisan.



Photo 5. A historic building in Shortmarket Street where the juxtapositioning of historic and modern buildings works well.



Photos 6 and 7. Before and after renovation of 100 Shortmarket Street, Cape Town CBD.

6.9 Design aspects

Is it better to design a new building to copy the historic character of the area, or is it best to create a new design that will positively juxtapose to the older buildings? Rennie (1995:75) believes that the juxtapositioning of new ideas to historical structures can be achieved successfully. This approach is applied at the new London Docklands. However, where subjective preferences exist, conflicting ideas will always occur. It is the writer's opinion that to copy the historic character is not effective. A new style must rather be designed that will fit in with the old character.

Chapter 7

Role players and relevant legislation

7.1 Introduction

There are several role players and relevant legislation involved in the various types of urban renewal projects. This chapter briefly lists some of these role players. The chapter divides the role players into the following categories:

- National government
- Local government
- Public-private
- Private sector

7.2 National Government

7.2.1 Assistance for development

Oc et al. (1997:367) believes that the government needs to fund the renewal efforts of an area until it can stay in the mainstream economy. Therefore, public agencies need to plan beyond this funding period to make the regeneration process more lasting. “Forward” strategies are needed to manage the transition from funding to self-reliance. A gradual decrease in funding is best. Capacity building of the community is needed for the long-term success. Capacity building has two levels. The residents must be able to partake in the mainstream economy. They also have to participate in the management of the schemes (Oc et al., 1997:370).

7.2.2 The Housing Act no 107 of 1999

South Africa’s new Housing Act no 107 of 1999 states that all governmental spheres must ensure that South Africa’s people live in safe and healthy living conditions. This must be achieved by the obliteration and prevention of slum conditions (section 2(1)(e)(iii), Housing Act no 107 of 1999). The Housing Act (no 107 of 1999) states further, that development should achieve higher densities (section 2(1)(e)(v11)). This promotes Brownfield over Greenfield development. The Housing Act no 107 of 1999 provides that South Africa’s Housing Fund make several types of financing

available. The South African Housing Fund was introduced under the Housing Arrangement Act no. 155 of 1993 (section 12B(1)(a)).

7.2.3 The National Heritage Resources Act no 25 of 1999

The National Heritage Resource Act no 25 of 1999 states that historical settlements and areas of specific aesthetic character, valued by the community, is part of the national estate (section 3(2)(c)). The National Heritage Resources Agency must protect and manage the national estate through prescribed principles. The national estate consists of non-renewable resources.

The responsible heritage resource authority must make regulations to protect heritage areas from demolition, damage or inappropriate alterations (section 27(19), no 25 of 1999). This authority must also determine the conditions of the area's development. The responsible heritage resources agency may, with the consent of the owner, improve a heritage site. If the owner gives consent, the South African Heritage Resources Act may proclaim an area a protected area (section 28(1), no 25 of 1999). No one may damage or develop such an area without the relevant heritage resources authority's permission. Further, the relevant provincial heritage resources authority must give its permission to demolish any structure older than 60 years (section 34(1), 25:1999). The South African Heritage Resources Agency may give a loan or grant to assist an approved body, or person, for a conservation project (section 40(1), no 25 of 1999). The financial assistance is provided out of the National Heritage Resources Fund.

7.2.4 The Rental Housing Act no 50 of 1999

The Rental Housing Act no 50 of 1999 enforces the government to promote a stable and increasing rental market by introducing incentives and other measures (section 2(a), Rental Housing Act no 50 of 1999). The government can do this by redeveloping areas of poor quality (section 2(a)(iii)). The Minister of Housing may provide a rental housing programme, as part of a national housing programme, to help increase the supply of rental housing stock (section 3(1)). These funds may come from South Africa's Housing Fund.

According to section 4(5)(a) (Rental Housing Act no 50 of 1999) a landlord may not terminate a lease if it contradictory to the tenants' rights. A complaint a tenant has of unjust eviction can be made to the Rental Housing Tribunal, who will make a ruling in the case (section 13(2)). Section

15 (Rental Housing Act no 50 of 1999) states that the Member of the Executive Council of the province, with consultation of the Provincial Legislature concerning housing matters, may make regulations concerning unjust activities of demolitions, conversions, reconstruction or refurbishment work.

7.3 Local government

Some cities, like Johannesburg, divide its urban area into city precincts to make the urban renewal process more manageable. Each precinct is an area with similar characteristics, functional features and problems (Gotz and Wooldridge, 1999:12). Each precinct has its own, unique spatially bounded strategies and renewal programmes. According to Gibson and Langstaff (1982:164), city precincts are usually more effective than large areas.

7.3.1 Housing associations

Housing associations can provide rental housing for those in greatest need (Crook and Moroney, 1995:1670). For instance, the Johannesburg Housing Company's main goal is to provide a safe and good quality community. It also promotes a mixed-income community. The Johannesburg Housing Company is trying to improve the living quality in their projects. This is being achieved through better architectural design and better materials. Tenant preferences are also included in the designs (Adler, 2000:1). The social housing movement is providing residential accommodation. This is necessary for urban renewal (Adler, 1998:3).

The Johannesburg Housing Company has several types of development, including new developments, conversions to residential accommodation and upgrades. These houses and apartments are built to be rented out. Of the Johannesburg Housing Company's tenants, 60% receive government subsidies (Adler, 2000). Partly funding for the Johannesburg Housing Company comes from the European Union, the Provincial Housing Department as subsidies, and the Flemish Regional Government. The government's institutional subsidy scheme provides 25 percent of the company's costs (Adler, 1998:3). Building related expenditures are covered by the rental income. Building management is required, and supplied, for the long-term success of social housing.

7.3.2 Trusts

The Cape Town Heritage Trust is an example of a private sector, independent, non-profit organization. The goal of the Cape Town Heritage Trust is not only the conservation of the cultural, architectural and natural heritage of Cape Town and its surroundings (Robinson, 2001), but also to integrate the project with the wider economy (Robinson, 2001). This conservation is for the benefit of the city's inhabitants and of the nation at large. The Heritage Trust is engaged in a partnership with the Cape Town council and individual property owners.

Since 1987 the Cape Town Heritage Trust has been involved in a number of conservation projects in Cape Town's inner city. These projects include the preservation of historic buildings in Church, Burg, Hout and Shortmarket Streets and also Heritage Square. The trust is managed by a Board of Trustees, which includes four nominees of the Cape Town City Council and representatives of several interest groups.

7.3.3 Funds

Cape Town, as an example, created two funds to finance inner city renewal projects. Firstly, the Business Assistance Fund will finance the relocation costs of small, medium and micro enterprises to inner city sites (Giesen, 2000:16). The City of Cape Town will give a grant to the value of half the relocation costs of the small, medium and micro enterprises. The Business Assistance Fund also helps to strengthen the city's economy by supporting these smaller businesses.

The second fund, the Smart Buildings Fund's, goal is to promote historical and architectural significant inner city buildings for re-letting and resale (Planning 172, 2000). The Smart Buildings Fund also provides refurbishment grants to small, medium and micro enterprises. These funds want to create coherent public precincts by investing in the inner city buildings.

7.4 Public-private

7.4.1 Citizen organisations

Citizen organisations are public-private partnerships (Carmon, 1997:134). According to Wilson (1968:416), the ideal situation is where a created neighbourhood organisation defines positive goals for their area, works with the relevant city agencies and within the timeframe of the renewal project had outlined. In practice it is found that citizen participation works better when renewal strategies

are dealt with than with total clearance. With South Africa's increased emphasis on public participation, citizen organisations will play a big role in current and future renewal projects.

7.4.2 Partnerships

An example of a partnership with the Government is Section 21 companies, which are non-profit organisations, working together with the local government. The Central Johannesburg Partnership, for example, is involved in various urban renewal projects in Johannesburg's inner city (City of Johannesburg, 2001). The Partnership receives its funding in the form of grants from a regeneration fund, established by the Gauteng Provincial Government. One of the Central Johannesburg Partnership's main responsibilities is the overseeing of the City Improvement Districts. A City Improvement District is an area where the residents pay an additional monthly levy for security and street cleansing services rendered (City of Johannesburg, 2001). In such an area the local government can lease out its property in exchange for the upgrade thereof (Giesen, 2000).

7.5 Private

The key players with renovation are the homeowners. This process is termed incumbent upgrading. Owners mostly want to renovate their homes for their own benefit. While homeowners renovate their properties to live in them, developers, on the other hand, are more inclined to demolish a structure and start from scratch. Other interested parties soon join in when a renewal project is made public. Community action groups are other role players and consist mostly of middle-class activists with white-collar employment. They have the influence to apply pressure on the local authority to initiate urban renewal projects.

Chapter 8

Case studies

8.1 Introduction

To understand what urban renewal involves in reality, one has to look at case studies. This chapter nine examines four case studies. These case studies are: The Adriaanse project in Parow, Cape Town; Joubert Park Pilot Precinct; the Bad Buildings Project and the Seven Buildings Project, the latter three are in Johannesburg. Each one's background, specific problems, the role players involved, and the project will be discussed.

8.2 Revitalization

8.2.1 Adriaanse project, Parow, Cape Town

The Tygerberg Municipality contracted Randall Gross Development Economics to formulate an economic development strategy for the central Tygerberg Area. To address the physical and economic development issues of the area, certain redevelopment zones were identified for upgrading, social investment, and economic empowerment. This approach corresponds with the city improvement district and city precinct concepts. One of their recommended redevelopment areas, The Adriaanse Project in Parow, will be discussed. The Adriaanse area is shown in figure 7. The area is bounded by Royal, Owen, 35th Avenue and the railway line in the south. The area contains many mid-rise Council flats. They are situated in an environment of poor quality, inhabited by poor people.

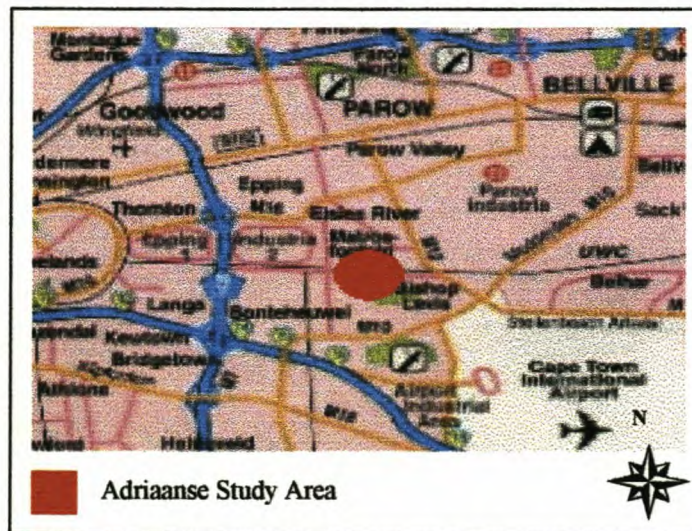


Figure 7. Location of Adriaanse, Cape Town

The site reconnaissance revealed the following: The area's cellular spatial structure and inward-facing buildings, and mono-functional land uses decreases the accessibility. The environmental conditions and the design of public spaces around the flats are poor. The open spaces are fragmented and neglected (Tygerberg Administration, 2000:8).



Photo 8. The inward-facing buildings create un-utilised and hostile open spaces

The Adriaanse precinct contains the largest concentration of council flats in the Tygerberg area. The high-density housing is unsatisfactorily designed (Tygerberg Administration, 2000:10). There are signs that the residents live in overcrowded conditions. Social ills result from this overcrowding; together with poor environmental quality and housing shortages. The isolated community facilities increase gangster activity and criminality.



Photo 9. The open spaces in Adriaanse are fragmented and neglected.

There exist marginal retail uses. There are no opportunities for centralised commercial activities. This situation leads to uncontrolled house shops and illegal backyard uses. Despite the council flats' state, the detached houses in the area are of fair quality. The following table shows the types of housing found during May 2000.

Table 1. Types of housing found in Adriaanse (source: Tygerberg Administration, 2000:12)

Type of housing.	
Detached homes:	205
Flats:	881
Townhouses:	200
Backyard dwellings:	70
Other:	8
Total:	1 364

The redevelopment project aims to restate and promote the physical improvements needed to enhance the environment for investment. The investment must help finance market- and non-market-based affordable housing. There is unclaimed space around the railway line on the south, adjacent to the flats, which can be developed into appropriate uses for the area.

Tygerberg Administration (2000:18) recommended a number of separate, smaller projects to address the area's problems. The redevelopment zone plan must improve the environment around the Council Housing. The plan will address the following:

- The functionality and aesthetics of the public open spaces must be increased in order to improve the area's environment. Currently these spaces are not utilised properly.

- The aesthetics of the existing housing must be improved with refurbishment. The buildings must be opened up towards the major streets, following a Crime Prevention Through Environmental Design approach.
- The infrastructure needs to be adapted to create better connected traffic and pedestrian circulation. The Council housing needs to be integrated with the surrounding residential areas.
- There needs to be opportunities for private market housing.
- Public safety must be increased. This can be done by establishing a small police sub-station in Adriaanse. This police presence may deter certain illegal activities.

To assess the existing needs and development opportunities for potential developers, a strategic Market Potentials Assessment and market strategy needs to be undertaken. Such a strategy can help to identify potential investors or community investment initiatives. Opportunities for capacity building and job creation must be improved. Community Development Corporations should enhance the opportunities for private and non-profit sectors to create and strengthen their economic potentials. The Greater Elsie River Development Trust can play an important role in development training, job creation, and property development programmes. Transit-orientated destination development at multi-nodal transfer facilities cannot only improve public transit, but also commercial activities at these nodes.

8.2.2 The Inner City Office of the Greater Johannesburg Metropolitan Council

In 1994/1995 the Greater Johannesburg Transitional Metropolitan Council developed an integrated urban renewal strategy for the Johannesburg inner city. It covered three primary areas, namely local economic development, residential development and social development. The money made available by the Johannesburg Metropolitan Council was used to better the quality of the central business district's environment and to stimulate growth (Municipal Engineer, July 1995:11).

The Inner City Office of the Greater Johannesburg Metropolitan Council is a team of project managers, which was established in 1997. Their task is to manage the decline of the central business district of Johannesburg (Gotz and Wooldridge, 1999:2). The Inner City Office's initial goal was to coordinate Johannesburg's merger of its four Metropolitan Local Councils after the 1995 election. The other responsibility was to implement and monitor the new Inner City development Strategy (Gotz and Wooldridge, 1999:2). Within this strategy was a Renewal programme incorporated.

The Inner City Office is dedicated to:

- Repairing confidence in the financial, cultural and residential functions of the inner city.
- Improving the security aspect of the city.
- Improving the inner city's image as a tourist destination (City of Johannesburg, 2001).

To drive this process an Inner City Political Committee was created and their decisions was acted out by the Inner City Office and Inner City Manager (Gotz and Wooldridge, 1999:3). The Inner City Office is currently responsible for a wide variety of urban development and upgrade projects (Gotz and Wooldridge, 1999:2).

The characteristics of the Inner City Office which may contribute to its success includes:

- The team is very autonomous but still supports one another.
- The process is project driven.
- They take risks and use unconventional methods.
- They listen to the ideas of other sectors.

The city was divided into precincts of areas with basically the same characteristic, functional features and problems. Each precinct has its own spatially bounded strategies and programmes (Gotz and Wooldridge, 1999:5). Two of the Inner City Office's projects will be discussed.

The Western Joubert Park Pilot Precinct

The Western Joubert Park Project started in July 1997 (Gotz and Wooldridge, 1999:11). The *Precinct Pilot Project* encapsulates a whole range of different projects and sub-projects. The project is headed by the Central Johannesburg Partnership, a section 21 company (www.joburg.org.za, 2001).

Western Joubert Park is an area of one square kilometer of downtown Johannesburg, next to the Johannesburg Art gallery. The area contains many apartment buildings in various states of decline. In 1996/1997 the 3000 apartments housed over 7000 tenants (Gotz and Wooldridge, 1999:11). The area also contains important cultural and historic elements. Quillian, head of the Inner City Office, sees the area as: "It represents a potential highly desirable residential area, close to transportation and employment opportunities and adjacent to the inner city's premier park...The area is sought after as a place of accommodation because of its desirable location...(and) the area has recently become the target of considerable private and public investment." (Gotz and Wooldridge, 1999:12).

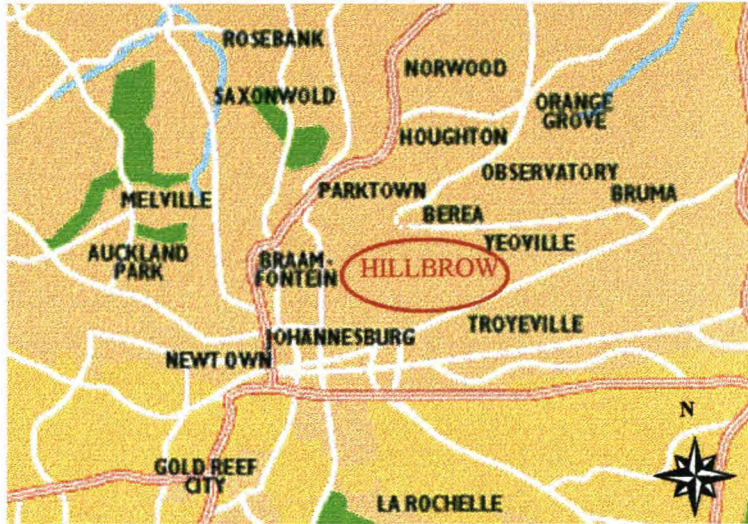


Figure 8. Location of the Western Joubert Park Precinct, Hillbrow, in relation to Greater Johannesburg. (Source: City of Johannesburg, 2001)

Under the previous Apartheid regime Johannesburg's inner city was reserved for whites only under the Groups Areas Act no 69 of 1969. In the 1970's however, several Coloured and Indians began living illegally in the inner city due to a lack of housing in their zoned areas (Cull, 1999:4). Also, immigration of West Africans and Mozambiquens caused a substantial demographic shift, which sparked conflicts with the original tenants. Further, despite intense harassment, by the mid-1980's the black population in Hillbrow had grown tremendously and the apartheid policy could not, or would not, stop this inflow (Morris, 1997:155). At the same time economic and social factors caused the housing market to drop. The white residents of the inner city could afford to move to the suburbs. Landlords, in desperate need of tenants, began letting their apartments to people of other races. This led to a mixed race inner city of Johannesburg. Contributing to the problems in the area, were absentee landlords who did not maintain their buildings. Morris (1997:155) claims that many landlords were exploitive and abusive. The main way in which the landlords contributed to the areas decline was by demanding excessive high rents. The fact that blacks stayed illegally in the inner city in the 1980's caused them to have no bargaining rights. To afford the increased rent the tenants had to take in more people to help share the burden. This led to overcrowding (Morris, 1997:155). Further factors contributed to the blight: The park was infested by petty criminals. Uncontrollable pavement vendors and taxis congested the streets. The area was also not cleaned due to a lack of Council resources (Gotz and Wooldridge, 1999:12). According to the Greater Johannesburg Metropolitan Council report the area is seen as: "The precinct's realization as a

desirable area is prevented by all the classic symptoms of urban inner city decay, overcrowding, decline of investment in housing stock, overtrading by hawkers and taxis and increases in crime.” (Gotz and Wooldridge, 1999:15).

The precinct’s approach strives to make the city a more compact and multi-faceted urban area. It implies that cities can be divided into clearly bounded segments. Each segment has its own character, functional features, development opportunities and latent energies. It is believed that each precinct has its own unique development potential that is hindered by specific local level problems. This precinct-specific development potential can only be exploited by spatially bounded strategies (Gotz and Wooldridge, 1999:15).

The Metro Council and southern Metro Local Council’s technical committees oversee the Western Joubert Park project (Gotz and Wooldridge, 1999:14). The Pilot consists of nine working groups to perform different parts of the renewal process. Each team is coordinated by a council official, involved elected representative, technical experts and non-council stakeholders from the project area (Gotz and Wooldridge, 1999:15). The project’s funding came partly from a Rand Water Grant, for services upgrading, and the Gauteng Department of Housing and Land Affairs.

One of their goals is the urban design and physical upgrading of the precinct; *A number of physical environmental design and upgrading projects have also been earmarked as catalytic capital development...*(Urbanisation and Environmental Management Committee Report) (Gotz and Wooldridge, 1999:15). To divert taxis and street vendors from the streets, the Park City taxi facility is currently under construction.

The Bad Buildings Programme

The Bad Buildings Programme, headed by the Inner City Office, consists of a policy part with the goals, principles and concepts and a programme part of a set of structured intervention for individual bad buildings (Gotz and Wooldridge, 1999:35). The project was approved by the Greater Johannesburg Metropolitan Council in March 1999.

A bad building is seen as a declining building in the inner city due to ineffective management and maintenance (Gotz and Wooldridge, 1999:35). Poor management leads to a rippling effect:

- Landlords abandon their buildings.
- Owners cannot, or will not, invest in building repairs.

- Poor living conditions cause conflicts between tenants and landlords, leading to tenants refusing to pay their rentals or council fees.
- The buildings' arrears service charges and municipal rates begin to surpass the building's market value.

This all leads to a negative situation for new investment and redevelopment of the buildings.

The Bad Buildings Programme's goal is to prevent buildings from becoming 'bad' and to promote re-investment where the debt owed to the council is greater than the building's market value (Gotz and Wooldridge, 1999:35). According to Gotz and Wooldridge (1997:36), the biggest cause of Bad Buildings is collective billing. Collective billing involves the sharing of the total cost of service charges and property rates by the landlords. They pay these charges with the rents from their tenants. This system is however ineffective because the individual tenant does not know what their share of consumption is. This leads to tenants refusing to pay for the service charges. The Council then cuts off the water supply to the whole building for as long as the arrears are due. In the past many buildings were put up for auction in order to pay back its debt. In practice though, there are few willing buyers, and attained selling prices are very low (Gotz and Wooldridge, 1999:37).

The Inner City Office sees the role of Local Government as: *(Responsible) in ensuring the proper management of the public environment, as well as ensuring that safe and healthy living standards are maintained* (Gotz and Wooldridge, 1999:38). The government also needs to promote urban renewal in the inner city. It can do this through the enforcement of by-laws and development controls (Housing Act 107 of 1999). The Inner City Office further proposes that the Local government should buy bad buildings and convert them into social housing (Gotz and Wooldridge, 1999:38).

The Bad Buildings Project proposed a four step mechanism to get new investment through reducing the selling price of buildings in arrears and pro-actively recover some debt owed to Council.

Step one: Reducing the arrears to the property's market value.

Step two: Transferring the property rights to a new company for sale.

Step three: Financing of the new company with housing subsidies, if required.

Step four: The new owner pays for the building with the operating profit.

An example of the Bad Buildings Project's proposed mechanism is included in Addendum C.

The Local Government's facilitative role is through the implementation of various by-laws and development controls, and the managing of the public environment. The Local Government's

direct role is to acquire bad buildings and convert them into social housing (City of Johannesburg, 2001). The implementation programme involves the selection of suitable bad buildings, bargaining with current owners, advertising the buildings and transferring them to appropriate buyers. In 1999 the Gauteng Provincial Government gave 5000 institutional housing subsidies to the Bad Buildings Programme. During 1999 forty-two bad buildings were in the process of transferring to new ownership (Gotz and Wooldridge, 1999:39). An important component of the project was the changing from cooperative billing to direct billing of residents benefiting from the scheme (City of Johannesburg, 2001).

On the date of writing, the Bad Buildings Project has, however, not delivered great results. The reasons for the disappointing results include the following: The criteria for identifying *bad buildings* are not clear; The programme does not have the necessary resources to handle all the cases effectively; The Inner City Office did not foresee the complexities of the legal processes in transferring bad buildings; and The Greater Johannesburg Metropolitan Council is hesitant to issue rates clearance certificates needed for the transfer of a building. Graeme Reid, the Acting Manager of the Inner City Office, however believes that it is too soon to appraise the project's success (Gotz and Wooldridge, 1999:43).

The Seven Buildings Project

The Seven Buildings Project is an example where the Local Government Housing Board upgraded residential buildings for social housing (Cull, 1999:1). The project's seven apartment buildings of some 1 500 units, are situated in the Johannesburg inner city suburbs of Hillbrow, Joubert Park and Berea.

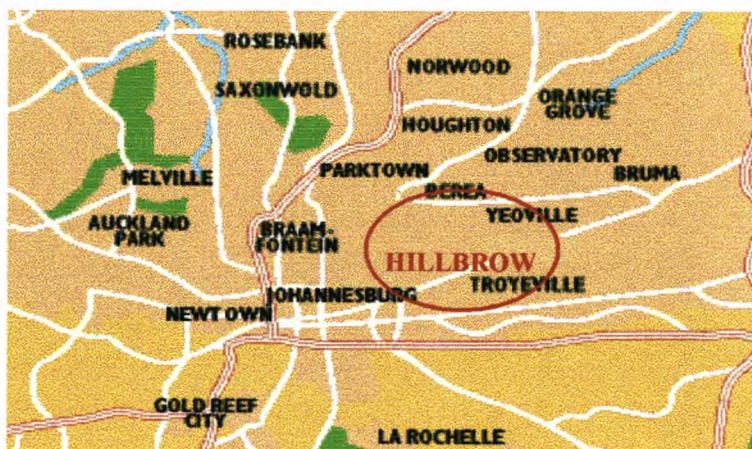


Figure 9. Location of The Seven Buildings Project, Hillbrow, in relation to Greater Johannesburg.

The seven apartment buildings forming the Seven Buildings project are: Argyle Court, Branksome Towers, Coniston Court, Manhattan Court, Margate Court, Protea Court, and Stanhope Mansions (Cull, 20001:44).

During the 1980's South Africa experienced an economic downswing, accompanied by social unrest. One consequence of this situation was an increase in mortgage rates, with rent increases following it. Due to this rising rent and no maintenance, the tenants of these buildings started a rent boycott in the late 1980's (Cull, 1999:5). In 1991 the tenants were commanded to leave their apartments. This threat of eviction led to the forming of the Seven Buildings Project.

After negotiations with the landlords, the tenants were allowed to stay on with lower rents until they can finance the purchase of their buildings themselves (Mail and Guardian, 1 December, 1995).

The tenants, architects, attorneys, quantity surveyors, two housing service groups formed the Seven Buildings Project (Pty) Ltd (Stucky, 1998). Their goal was to design a framework, which would create a cooperative social housing project. The following objectives were being achieved:

- Creating accommodation that the low-income tenants can afford with participation and a subsidy schemes.
- Security of tenure and control by the current tenants.
- Social housing neutral to speculation and thus available for low-income earners.
- Involvement of the Central and Local Governments for financing.
- Promoting the development of the economic base for the relevant community (Cull, 1999:6).

The Seven Buildings Project is an example of cooperative housing where the tenants have control over, and manage the accommodation. A General Manger and seven tenant directors run the project, one for each building. The Seven Buildings Project states that members may not sell their apartments to outsiders. If a member leaves, the transfer is back to the co-op. The seller gets back his share he had in the co-op. The co-op has the authority to choose the next tenant. One benefit of cooperative housing is that the tenants are involved in the building's maintenance and the collection of rents and levies. The second benefit is financial assistance from institutions like the Inner City Housing Upgrade Trust (Cull, 1999:8).

The buildings were given up for purchase on 16 March 1993. The finance had to come from financial institutions. The financial institutions, however, do not finance high-risk investment. The tenants applied to the institutional housing subsidy and the Inner City Housing Upgrade Trust (Cull, 2001:46). In March 1996 the Seven Buildings Project Company, received an institutional subsidy

where the project, instead of the individual, was subsidized (Cull, 2001:46). Institutional subsidies were available to the tenants to create a social housing project (Behrens and Watson, 1998), but these subsidies only covered the purchase price of the buildings (Cull, 2001:47). The total subsidy amount, which is allocated to an institution, is the sum of the individual subsidies the individuals qualify for (Behrens and Watson, 1998:40).

The Inner City Housing Upgrade Trust, working under the Central Johannesburg Partnership, has grant funds from many sources available. The Inner City Housing upgrade trust has at its main objective the delivery of housing and to overcome the financial institutions “redlining” inner city areas. One of their methods is to give short-term loans (Adeler, 1999:12). To repay the Inner City Housing Upgrade Trust loan, the tenants pay a monthly payment, calculated by square meterage. This payment also includes the water and electricity fees and the cost of administration and upkeep of the buildings. An important component of the project was the changing from cooperative billing to direct billing of residents benefiting from the scheme (City of Johannesburg, 2001). The Johannesburg Housing Company has formulated a management strategy to collect rent efficiently. This strategy consists of five factors:

- The building must be well-maintained and managed, where tenants feel they get value for their money.
- A resident supervisor must handle building issues as fast as possible.
- Additional cleaning and security services must be implemented.
- The head management must be responsive and effective with building and tenant issues.
- Selection of appropriate tenants, who will comply with the conditions of their leases.

Until 1999 there was a 95% payment rate. In June 1999 trouble began with levy increase. The tenants argued that the buildings have not been upgraded sufficiently and that the management is not transparent. Due to these allegations five of the seven buildings split from the project in October 1999. This changed the project’s structure negatively and complicated its administration. The five buildings that split opened their own trust account and began making payments into it. The other two buildings also stopped their monthly payments. They saw it unfair that they had to bear the full burden of repaying back the loan that serviced all of the buildings (Cull, 1999:12). On the 8th of April 2000 an Annual General Meeting was held to address the deadlock. New tenant directors and a General Manager were appointed (Cull, 2001:47). After the Inner City Housing Upgrade Trust has been repaid the plan is to give title deeds to each tenant. Each owner must then pay a monthly rate for services.

A number of lessons can be learnt from the Seven Buildings Project on how to run a co-op housing project:

1) The smaller the co-op housing projects the better.

The Seven Buildings Project lacked a sense of community. Another problem related to the size of the Seven Buildings Project was that the money allocated to each building's repair differed according to its state of decay. This caused conflict amongst the tenant members. In a co-operative housing project the financial obligations should be shared equally.

2) Education is essential

The tenants must know their rights and responsibilities as members of a co-operative housing project. The tenant directors, who are normal tenants, must be trained in how to be a director of a company (Cull, 2001:48).

3) Projects should be tenant owned but not tenant managed

The tenants do not have the knowledge or experience to run such a large project.

4) Housing projects must be part of a broader renewal plan for an area

Renewal plans are necessary to reduce crime and clean up of the surrounding areas.

5) Continued monitoring is needed

The Local Municipal Council should play a monitoring role in such a project. It must oversee the management and administration of the project. In this way corruption can also be reduced.

In conclusion it can be said that co-operative housing projects, like the Seven Buildings Project, have two important benefits. Firstly, they create necessary accommodation for low-income tenants in the inner city. Secondly, the revitalisation of the residential part of the inner city is necessary for the stabilisation of the inner city area. A well-established inner city residential neighbourhood signifies that the city centre is inhabited 24 hours of the day. The inner city's services and facilities are also used. Further, the retail function has a more stable market to service (Cull, 1999:16).

Chapter 9

Conclusion and recommendations

9.1 Conclusions

Urban renewal has during its history changed its approach continuously. From the initial slum clearance period, where no consideration were given for the community's interests, the process changed to the current situation, where the community is actively involved in the planning and the implementation of the renewal process. Public participation is currently enforced by South African legislation in order to promote democracy and capacity building. The public participation can, however, be a time consuming task.

With this changing approach, the role of the planner has increased. With the initial slum clearance era, the planner was only a critic. During the neighbourhood rehabilitation era, the planner gave guidance as to what quality of living a city should strive to provide. Currently, the planner has a multi-functional role of assessing the need and justification for urban renewal, initiating the projects, negotiating between the various role players, implementing the projects, and monitoring the success of the projects. The planner must, throughout the process, work holistically and coordinate all the involved role players.

The causes and consequences of urban deterioration are multi-faceted, interrelated and reciprocal. It is sometimes difficult to distinguish between the causes and consequences of urban deterioration. Further, certain causing factors are strengthened by their consequences. To address urban deterioration, it is thus necessary to first discover what the leading causes of the decline are. For a successful urban renewal project, it is necessary to address all of the facets of urban deterioration, including the involved social and political aspects.

Gentrification, as an increasing urban renewal method, has both positive spin-offs and potentially negative consequences. The major critique against gentrification is the displacement of the original residents, but this is, however, a subjective value judgement. Yes, we must try to avoid disrupting communities or loosing an area's identity; but we live in a free market economy. It would be idealistic to try and stop the market-driven gentrification process. Inner city residential areas have high property values. It is, thus, only the higher income groups who can afford to live there. Gentrification is a good alternative way to improve the quality and safety of inner city residential

areas, until the area can be developed into a higher order used that will benefit all. Further justification for gentrification is that private, instead of public funding is used for the gentrification process. The Local Government can, thus, rather make needed funding available to upgrade other low-income areas.

It is found that current legislation do not promote urban renewal sufficiently. Greenfield sites are still easier to develop than Brownfield sites, thus, promoting urban sprawl. Urban policies should be formulated to promote urban renewal and Brownfield development, by establishing the necessary structures; making funding available; and identifying key renewal or redevelopment sites.

9.2 Recommendations

Certain recommendations will now be put forward. These follow from secondary data from the different writers used in the study, as well as the writer's findings.

When redevelopment is feasible, a community-based redevelopment approach should be followed to design area-specific strategies. Redevelopment must occur in small phases to reduce the impact of demolition. It is important that the displaced residents must be rehoused, if possible, on the original site. Further, every renewal programme must be based on long-term objectives. Jones and Watkins (1996:1129) believe that a project cannot be a success if the local community is not included and do not benefit from the renewal project. It is, thus, essential that public participation must be continuous throughout the urban renewal process (Gibson and Langstaff, 1982:101).

According to Carmon (1997:134) the Israeli's have formulated six operating principles for the urban redevelopment process, which can be applied to South Africa:

- Integrate physical and social rehabilitation.
- Resources must be directed to neighbourhoods, rather than individuals.
- Demolition and displacement must be avoided.
- The project must be an intense, short-termed action.
- Use local institutions for implementation.
- Resident participation should be a compulsory exercise.

To undertake an urban renewal process, funding is needed. More money must be attracted through public-private partnerships in renewal projects (Mahabane, 2001). In Hastings (1996:258) it is stated that these partnerships should consist of three components, namely "synergy",

“transformation”, and “budget enlargements”. Synergy occurs where the private sector participant increases his profit and the public sector produces new resources to promote social goals (Hastings, 1996:263). Transformation involves the reciprocal challenges made to the original objectives and goals of partners. They learn from each other and reduce their differences (Hastings, 1996:263). Lastly, budget enlargements deal with the application of other resources to the urban renewal process of the city. To promote these partnerships, urban policy needs to remove the constraints of private-sector supply-side investment. This can be done with various subsidies and grants (Jones and Watkins, 1996:1138).

Further, the local authority can help in the renewal process by making grants or tax incentives available (Holcomb and Beauregard, 1981:55). How do the government decide when to approve a grant for redevelopment? Britain has had success with property-led initiatives since 1982 (Jones, 1998:270). The British government recognised that public expenditure is necessary to attract private investment to inner cities. For a renewal project to be approved, the public sector investment should be as small as possible. A current positive trend in South Africa is that increasing numbers of investors are taking the risk of redeveloping inner city properties (Inggs, 2001). Inggs believes that merchant banks will, in the near future, see a bigger demand for the refinancing of redevelopment projects than for the financing of new projects.

With a renewal project, a developer may decide to either target an established, mature market, or attempt to create a new sub-market (Jones and Watkins, 1996:1138). The normal market is the suburban detached dwelling on a large plot. This type of residential development causes urban sprawl with its associated problems. Home-ownership should be promoted on inner city centre Brownfield sites. A new, up-coming market is the single, professional, or artist person, who wants central city living. This is part of the gentrification market. In Cape Town, this market is expanding in Greenpoint and Signal Hill. In Woodstock, gentrification is starting with the conversion of warehouses into apartments and loft apartments. Building societies are, however, hampering this process in that they are hesitant in approving mortgages to buy these properties. To promote inner city living, more awareness of these buildings’ historical value is needed. People must, from an early age, be taught the significance of their historical and cultural heritage and know how to respect it.

Urban renewal projects are mostly unconventional and very speculative (Jones, 1996:276). It is difficult to assess the necessary potential demand for the project to make it economically viable. It is because of these risks that grants aid is sometimes necessary to attract private developers. It is

also difficult to appraise the value of the completed project, in that it may be unique to the local area (Crooks and Moroney, 1995;1695).

For every residential renewal project, the market sustainability must be assessed beforehand. For a market to be sustainable, the following two conditions must be met:

- The market rents or property values must rise to the long-run average rent/price, and
- A period of continuous market activity must be established. This requires the establishment of a re-letting/resale market.

The public investment should be just enough to fill the shortfall between the project costs and the expected returns. There should be made allowance for a moderate developer profit. This grant aid puts a developer in the same position as with a normal development. Grant aid will, however, not be approved for projects with excessively high property input values (Jones, 1996:273). The varying nature of the property market, however, makes assessing the appropriate input value difficult. The British department of the Environment suggests that the value of the property must be taken as the market value, meaning the value of the site in its current use.

A potentially negative consequence of public and private sector investment in residential redevelopment is the significant rise in land values (Jones and Watkins, 1996:1136). This happened at the London Docklands during the 1980's. Some, however, may see this as the project being a success. It also means that many of the original residents cannot afford the increased rent and have to move out. This subjective debate, over whether to promote the free market economy, where higher income groups have the power to decide where they want to live; or whether to protect the rights of the lower income residents, will produce increasing conflict in the coming future. Planners will have to decide where their loyalty should lay, and what course of action would be in the "public interest".

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11. Legislation

The Housing Act no 107 of 1999.

The National Heritage resources Act no 25 of 1999.

The Rental Housing Act no 50 of 1999.

12. Interviews:

Havenga, M. Tygerberg Administration, Cape Town Unicity, 18 October, 2001.

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Addendum A**Table 2. Categories for assessing the condition of a structure** (Source: Pienaar, 1984:12).

Each characteristic's received marks are added, and the total used to determine the building's state; according to a preset mark system.

Characteristic	4	3	2	1
External paintwork	Fresh	Fair	Poor	Peeling
Gutters	Straight, tight	Fair	Poor	Broken
Wall covering	Neat	Fair	Poor	Peeling plaster
Window frames and doors	Very good	Fair	Poor	Rotten, bad
Roof	Sturdy	Fair	Poor	Sagged
Foundation	Sturdy	Fair	Poor	Cracked
Glasswork	Everything intact	Fair	Poor	Many broken windows
Roofing material	Tiles, thatch, good tin	Asbestos, tin	Tin (old)	Other
Walls	Plastered or face-brick	Brick	Tin	Plastic
Appearance of garden	Well taken care of	Fair	Poor	Excessively neglected

Addendum B**Table 3. Subsidy levels by monthly household income** (Source: Behrens & Watson, 1984:39).

MONTHLY HOUSEHOLD INCOME	SUBSIDY (ONCE-OFF CAPITAL GRANT)
0 – R1 500	R15 000,00
R1 501 – R2 500	R9 500,00
R2 501 – R3 500	R5 000,00
Additional subsidy for geophysical factors	Varies between max 7,5% and max 15%
Additional subsidy for location factors	Varies between max 7,5% and max 15%

Addendum C

An example of the Bad Buildings Programme's mechanism (Source. Gotz & Wooldridge, 1999:40).

Castle Blaney is a dilapidated building on the edge of Hillbrow and Western Joubert Park. It has a market value of R860 000 and applicable arrears of R1 910 590. It was first liquidated in 1991, where-after the liquidator itself went into liquidation. The Bad Buildings Programme has received a proposal for the redevelopment of the Building by Uptown Property Developers and Managers on the assumption that the debt can be discounted by 63%. The written down debt (now the purchase price of the building) will be paid to Council over a five year period, with interest. The tables below provide a full summary:

Table 4. Building summary

Name	Market value	Arrears	Bond	Legal status	No of units	Condition	Occupation
Castle Blaney	R860 000	R1 910 590 (Dec1996 to Dec 1999)	R480 000 with Boland	Liquidated in 1991 – no offer to purchase	68	Dilapidated	Full

Table 5. Application of Bad Buildings Programme

Development costs	Own finance	Institutional subsidies	Debt discount	Rate of repayment	Average rental
R1 565 170 R23 017 per unit	R313 970 Also applied for a HIDF project loan	68 units R1 251 200	63% R1 050 590	5 years at prime	R500

In terms of the proposal from Uptown, the company will manage the property on a “rent-to-buy” basis. They aim to develop 68 fully refurbished two bed-room flats at rentals not exceeding R700 a month. The rentals will cover both debt repayment to the GJMC and Boland, and ensure adequate provision of maintenance, security, caretaking and cleaning services.

Addendum D**Table 6. An example of development appraisal for grant aid** (Source: Jones and Watkins, 1996:272).

<i>(a) Calculation of grant aid</i>	
Acquisition of site	R 200 000
Building costs	560 000
Fees and charges	70 000
Finance costs	80 000
Developer's profit	90 000
Estimate gross development cost	1 000 000
Project for rent at £80 000 per annum. Capitalised at 10% (say). Value on completion	800 000
Value gap/grant aid offered	200 000
<i>(b) Payment of grant – variation in cost</i>	
Actual total cost	R 1 050 000
Grant payable	200 000
Actual total cost	950 000
Grant payable	175 000
Estimated total cost	1 000 000
Actual total cost	950 000
Savings on project	50 000
Reduction in grant payable (50%)	25 000
<i>(c) Clawback – variation in values</i>	
Estimated value	R 800 000
Actual value (no clawback)	700 000
Estimated value	800 000
Actual value	900 000
Estimated value adjusted for inflation (say 5%)	840 000
Difference between adjusted value and estimated value	60 000
Clawback (calculated as $200\,000 \times 60\,000 / 1\,000\,000$)	12 000