**2018**

# URBAN
# LAND
# DIALOGUE
# SERIES

# The Dialogues

In March 2018, the South African Cities Network (SACN) held its second Urban Land Dialogues Series, in the provinces of Gauteng, Eastern Cape and Western Cape.

The dialogues took place during a week when land was receiving widespread attention, as all eyes were on the Gordon Institute of Business Science in Illovo where the President had convened a Summit to discuss details of agrarian land expropriation without compensation policy,

Under the overarching theme of inclusive urban land transformation, the aim of these dialogues was to build better shared understandings of the many issues that underpin urban land relationships and, in so doing, develop and progress ideas for transforming South African cities. Urban areas are where inequality is most pronounced and economic activities are most concentrated. Cities are also where most disposition and injustice occurred – 82% of the land claims were in urban areas, but few were successfully resolved.

Each dialogue focused on a sub-theme

**MONDAY 26 MARCH**

Transforming our cities – what about urban land expropriation.

**TUESDAY 27 MARCH**

Giving meaning to equitable urban land redistribution – towards a land commission

**WEDNESDAY 28 MARCH**

Unlocking access to urban land – creating affordable housing solutions in the private sector

Informed by the Integrated Urban Development Framework (IUDF), which promotes an all-of-society approach to transforming South Africa's cities and towns, the dialogues were arranged in partnership with organisations that carry out urban land work and research, to ensure a broad representation of voices. The three dialogues, in three provinces, highlighted the importance of enabling diverse voices to be heard.

What emerged clearly was that dialogue – sharing and listening to each other – shifts perspectives and leads to the building of a collective view of the way forward, as required by the IUDF.

> *Young people want to move around. If we [the millennials] can have comfort, dignity and economic viability without owning land. If we can establish economic identity through different ways, then we don't need to own land/property.*

This report summarises the highlights from each dialogue, identifies points made within the context of an all-of-society approach and provides some suggestions for the way forward. Several tensions emerged across the three dialogues:

| | | |
|---|---|---|
| Municipalities are expected to transform cities, through providing affordable housing opportunities on valuable, well-located land. |  | Municipalities have no incentive to use valuable land for poor people because their money comes from rate-paying citizens, and the poor cannot afford high rates. |
| Inclusivity is about providing access to land, which is seen as owning property and having a house. |  | Inclusivity is more than just owning a house; it is about access to opportunities, jobs, schools, social mobility – about belonging in the city. |
| Land (and housing) is viewed as a commodity in the capitalist society within which we operate. |  | Housing should not be a commodity – it's a home, it's being part of a community, in a neighbourhood. |
| We assume that people don't know what they want. And "we will give them what they want by interpreting what they want inside the existing system". |  | Not everyone wants to own a home or merely live close to only their place of work. Why must black people always be viewed as labour? "I may want to stay close to the beach – or play golf on that land." |
| The state needs to play a more active role in developing and managing affordable housing because the private sector will always seek to maximise profit |  | The private sector is more efficient at developing affordable housing than the state, and municipalities need to enact inclusive housing polices. |

In addition to the common tensions that emerged across dialogues, each dialogue revealed sentiments and views that were particular to the sub-theme discussed.

# Expropriation is not the silver bullet
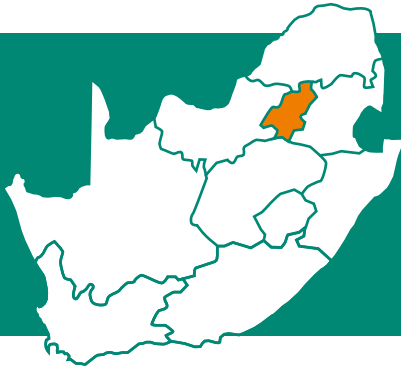
The theme of the dialogue held in Johannesburg was
**"Transforming our cities – what about urban land expropriation"**

The first dialogue set the tone of the series, enabling different viewpoints to be shared openly, and bringing together diverse voices in a lively, constructive and at times philosophical discussion on urban land and belonging in our cities.

## Expropriation without compensation is not new

Expropriation is not that simple and seemingly magical solution to the complicated problem of inequality in our cities, nor is it new to South Africa. We have had expropriation without compensation for years – what else explains informal settlements? What is new is that land ownership seems to have been reduced to "with" or "without" compensation in the public discourse.

> *When you talk to people about dispossession, it's not just the distance; it's the life that they lived that's lost.*

## Beware the magic trick!

Focusing on expropriation without compensation is a mirage, an illusion, where you are asked to focus your attention on one spot, when the real action is happening elsewhere. There was a shared view that expropriation in and of itself is not the answer to urban transformation, and no state entity has a clear track-record of effectively using expropriation for transformation. And while expropriation may be a potential solution, government (especially municipalities) need to have a clear programme in place, which includes a range of tools and mechanisms for transformation, and a much more transparent and powerful use of land use management powers. What is more important is to look at how (and for whom) we are designing cities and how people are able to access opportunities. In reimagining our urban landscape, what would our cities look like if designed with a poor working class black woman at the centre?

## Urban land has to be about more than housing!

Most people don't come to cities seeking housing opportunities; they come in search of economic and social opportunities, in the hope of a better life. For poor black people who continue to be excluded, this better life is certainly in part about having housing in well-located areas, but it is about more than that. It is about a reimagination of what life in the city means – paying more attention to the detailed texture or socio-spatial qualities of urban life. What is important is access, comfort and a sense of belonging.

## Owning land does not bring belonging

The tragedy of the apartheid project is not simply the dispossession of people's land but the dispossession of the texture of their lives – their community and their sense of belonging. To belong in a city does not require land ownership. Belonging means inclusion, having access to economic opportunities, exercising power and voice, and living with dignity – of which housing is but one component. Indeed, for many millennials, the priority is not owning land but belonging in the urban space. As one millennial at the dialogue pointed out, "we don't need to own land/property if we can establish our economic identity through different ways". We need to reimagine ownership in relation to all aspects of city life now and into the future.

> The seats on the table are always limited and controlled and are meant to sustain or secure the privilege of those already at the table.

## Who gets a seat at the table?

Questions were raised about who the power brokers in transformation are. There was consensus in the room that real transformation was unlikely to happen if those with the most to lose (rather than those with the most to gain) were always responsible for establishing the conditions of engagement and designing the rules of the transformation game.

> My grandmother wants to own a house, so that there is security for her children. For many like her, ownership provides dignity.

# Let's talk about land, cities!
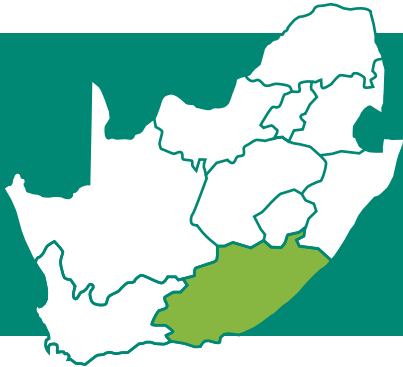
The theme of the dialogue held in Port Elizabeth was "*Giving meaning to equitable urban land redistribution – towards a land commission*"

Panellists made frank and bold contributions, which opened the space for participants to feel free to disagree. This resulted in a robust discussion that allowed the airing of diverse and often conflicting views, bringing texture to many of the issues raised at the first dialogue.

> *It is important is to understand that all urban questions are questions of youth and questions of future.*

## We also want to walk our dogs on the beachfront!

The language used by policy-makers was highlighted, such as spatial transformation is reduced to bringing poor black people closer to their places of work. One panellist questioned why black people are seen as mere labourers in the city – black people also want to walk their dogs on the beach or live close to the golf course. Thus, providing for choice and understanding what is meant by well-located is seen as important. The general view was that race and racism still play a major role in settlement decisions in Port Elizabeth.

## Why are we not learning from Mapangubwe?

Prof. Mkhize urged us to move away from the notion that cities are a western construct – Africa has an ancient urban culture and is home to some of society's earliest cities. Arguing that wherever concentrations of human beings occur, similar pressures and challenges emerge, and so decolonising the city in part means valuing lessons from our own African urban past. For instance, Mapangubwe disappeared when its ecosystem failed. Land and city issues go beyond our recent racial history; they are inherent in the dynamic of dense human settlements – failing to acknowledge this would be failing into the future.

> *Legislation is there to tamper with property relationships within the city, but the state is not doing that. All you do is sit around, tell us all manners of excuses of why you must perfume white feelings.*
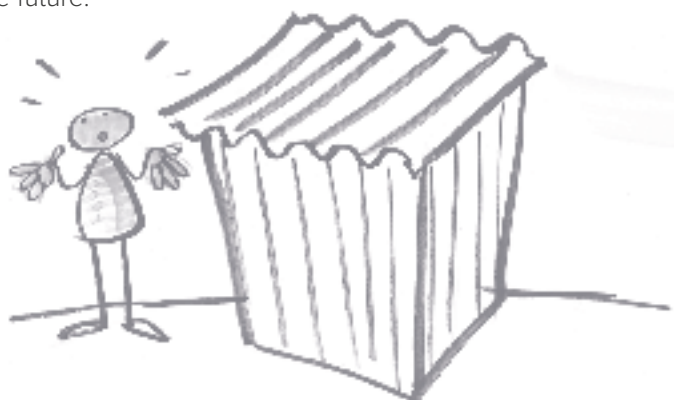
> *One advice: come back and plan with the people – show what you want to do and let the people disagree with it. At present, government is imposing plans on the people.*

## When the fire burns, municipalities are the ones that feel it

Municipalities are under immense pressure to deliver urban land transformation, but the general view is that municipalities are currently failing. Yet, as one non-municipal participant asked, how can a municipality be expected to deal with all the complex issues when many of these issues are the responsibility of other arms of government (provinces, national government and state-owned entities)? While this does not negate the reality that municipalities appear not to be geared towards being engines of transformation – as shown by frustrations with municipal plans and "participation" processes, there is a clear mismatch between the mandate focus of municipal officials and the needs of people in the community. The discussion highlighted several inherent contradictions in what the municipality says it wants to do versus what it can do in reality – for example, municipalities rely on rates, and so do they cater for the ratepayers or the poor?

> *Those who own 87% of the land must open their hearts – if they say that they are fellow South Africans, why do they allow people to struggle?*

# Transformation requires new thinking
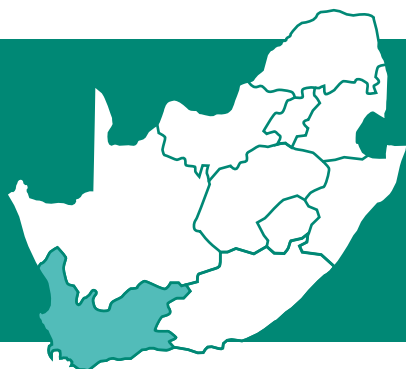
The theme of the dialogue held in Cape Town was

"Unlocking access to urban land – creating affordable housing solutions in the private sector"

A general sentiment at the dialogue was that to have any hope of transforming the city will require new thinking and the embracing of unconventional ideas.

## The "owners of money" must join the discussion

Referring to the inner-city gentrification that is happening in Cape Town, participants asked why the private sector cannot consider people and profit together – and view housing as homes, not commodities. It was suggested that a system that forces people out of their homes and onto the streets is broken. In response, the private sector indicated that the "owners of money" – the financial institutions – set the terms and determine project parameters. The shared sentiment was that financial institutions need to be "in the room" and part of discussions about community issues.

> Location gives people choices, and when a teacher cannot afford to stay in a well-located area, the system is broken.

## Micro-developers are the future

Micro-developers collectively produce the most number of affordable housing units (for people earning between R2,000 and R10,000) in Cape Town. The UCT Urban Real Estate Research Unit found that in the Khayelitsha planning district alone, 6000 building applications were received, compared to just 4000 housing units being delivered in the conventional manner. The question was raised about how to support smaller developers operating in township areas. One idea was for the municipality to run "housing clinics" in these areas, thereby decentralising planning decision-making and making development applications easier for these enterprising developers.

> Cities don't do enough to speed up approvals of small developments.

## We need to change the space-economy everywhere

As one private developer pointed out, the reality is that "we are doing business like we have for the last 300 years – all roads lead to the city centre". For years, planners have been talking about developing the economy in townships and other decentralised nodes, but this requires a multi-sector response. Therefore, the private and public sectors need to seriously consider taking their operations into different

areas. Clustering legal offices, financial firms and government offices in areas outside the city centre will demonstrate the development potential of these areas. However, the exclusive inner city also requires intervention to provide for poorer people. A concerted effort is required to ensure greater inclusion, not only in housing but in every aspect of city life, which would be more likely using inclusionary zoning, not just inclusionary housing.

## Municipalities must set the rules of the game

The city can ask for more from developers, but to do that officials need to understand the real estate market. The private sector will respond to the regulations established by the state, as that is what they do best. For instance, if the municipality has a clear inclusive housing policy, private developers will include affordable housing units as required in their developments. While it was acknowledged that the private sector is unlikely to provide the quantum of affordable housing required, such a policy begins to transform the space economy in ways that make mixed-income communities a norm. But municipalities also need to improve the approval process and make planning processes more accessible for a wider range of people.

> " There is no common understanding of the term affordable housing by the city or by private sector. "

## What is affordable housing?

Research on the Voortrekker Road corridor, one of the City's integration zones, found no common understanding of what affordable housing among residents (backyarders, homeowners, tenants), developers and city officials. Different stakeholders have different views of what affordable housing looks like but assume everyone is speaking about the same thing. At the same time, property prices continue to grow across Cape Town, and the affordability gap (difference between what is available and what people can afford) is almost R700,000. There was a strong call to include the "person looking for affordable housing" in the discussions instead of planning "for them".

> " We need to think of housing not as a commodity but as a right, and the realisation of that right is everybody's responsibility, not just the government's. "

# All-of-Society



The following points emerged at the dialogues, which occurred within the context of the IUDF and the need for an all-of-society coherence:

## GOVERNMENT

- Municipalities have the power and responsibility to influence what the private sector does. The legislation is there to change property relationships within the city, but local government is not doing anything – the political will is lacking. Cities could insist on developers building mixed-used/mixed-income developments (Cosmo City is an example) and have an affordable housing policy similar to the development contributions policy. The private sector will adjust to respond to clear policies and parameters.

- The Housing Development Agency (HDA) has a mandate to deal with state-owned land, and so an Urban Land Commission is not needed. But who then is the driver of urban land transformation?

- A differentiated policy framework for urban land transformation is required, but it cannot take 10 years to be developed.

- Municipalities get blamed for everything, even for things that are the responsibility of national or provincial government.

- Expropriation could kickstart a public housing programme, through which poor people could gain access to well-located affordable housing in cities. But a clear framework of land expropriation is needed to establish clear rules of the game. Expropriation is not transformative in and of itself but could be an effective transformation tool if government is clear about how and to what ends it will be used.

- The revenue-raising model for cities, which is heavily reliant on property rates, needs to be relooked at urgently, as the contradiction in the ability of the municipality to actively include poorer residents is starkly obvious.

- Government needs to lead spatial transformation, with government offices and facilities as potential catalytic investments in identified transformation zones and clearly communicated to private investors.

## COMMUNITY

- The people who need housing must be part of the dialogue. Processes cannot only be top-down but must be bottom-up, to enable the affected parties to inform the intellectual property of ideas and plan-making processes. Shared ownership is needed for municipal plans to be truly effective.

- Title deeds should be seen as a wealth-creating instrument and opening up markets for land ownership. But also acknowledge that title deeds are by no means the silver bullet as not all land (especially that owned by poorer people) is positioned for leveraging.

- The needs of "the community" are very diverse: many people want free-standing houses, not high-density units, while younger generations don't want to own houses but want access and a sense of belonging. Therefore, a differentiated approach is required.

- People – rich and poor, black and white – aspire to live the middle-class lifestyle of consumption and exclusion. Mindsets need to shift, and government needs to consider changing how it runs "participatory processes". Carefully considering how power is balanced.

- People are frustrated, angry and disappointed with the current situation, and they are fearful of what the future holds if the issues of inequality and exclusion are not dealt with.

- Land reform in urban areas is driven by people taking action (occupying buildings), not by the state.

- Ownership is not the goal of many young people – it's the means to an end.

## PRIVATE SECTOR

- The primary role of the private sector is to make profit, not to be a watered-down state.

- The private sector needs certainty from government – clear and consistent policies and parameters.

- The private sector also needs government to be more efficient and have quicker, synchronised processes, as 30% of a development's costs is related to process and financing.

- Although big developers are often the voice of the private sector, the small/medium-sized developers are the dominant housing providers and should be supported through (e.g.) flexible zoning, access to smaller parcels of land such as close to schools and with ready-made rights.

- Financial institutions are the real engines of developments – they could enable people to move from being renters to being owners, change criteria to incentivise the private sector to build affordable housing and develop packages to assist smaller/micro-developers.

## ACADEMIA

- Universities own land that could be used for student accommodation.

- Municipalities should base their decisions on evidence-based research, e.g. why is the City of Cape Town pushing for inclusionary housing policy when research shows that inclusionary housing will have a minimal impact on the housing backlog?

- Universities can do more to challenge the assumptions of cities as a Western construct – we need to be learning more about our own African urban history.

# The Way Forward:
## some questions

As cities face land invasions and occupations, and developers are looking to move away from South Africa, we need to be more serious about partnership and talking across sectors.

The Urban Land Dialogues were lively and robust, and carried out in a spirit of learning through sharing and listening. The issues raised were complex and often contradictory. Such dialogues are crucial for reaching common understandings, shifting perspectives and increasing empathy for the "other". In looking at the way forward, what emerged was a series of questions:

**?** What will it take for the wealthy, powerful few to give up the right to define what the future looks like on terms that benefit the few and exclude the many?

**?** What levers can we give poor people to plan their own human settlements and create their own urban spaces?

**?** How would we reimagine the urban landscape that places the well-being of a poor working class black woman at the centre?

**?** How do we plan for the future of our cities and towns rather than planning to overturn a past, which in many ways cannot be overturned?

**?** How do we reinvigorate existing economic nodes? How can we channel capital and locate the most sought after economic and social activities in townships?

**?** What needs to be done to bring financial institutions to the table?

**?** How can municipalities diversify their revenue sources, to be less dependent on their rates base?

**?** How can we create the space for municipalities to innovate more inclusive participatory processes in the conceptual phases of solution building and decision making?

**?** How can we begin to collectively define the urban land transformation agenda?

**?** What do municipalities need in order to be the drivers of urban land transformation?

**?** How can we constructively bring fearful, angry, uninformed and apathetic constituencies into the conversation?

**?** How do we think about the role played by natural systems as a core part of the urban land agenda?

These types of engagement are invaluable and necessary, as underlined by the responses of participants asked to evaluate the dialogues:

# 88%

of them found that the Urban Land Dialogues were very useful and relevant.

The dialogues could not have taken place without the support of the SACN's funders and partners, as well as all those who participated so enthusiastically. To this end, the SACN would like to acknowledge:

# Acknowledgements

Thank you!

| GAUTENG | EASTERN CAPE | WESTERN CAPE |
|---|---|---|

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