CHAPTER 4

1.1. LAND AND PROPERTY

1.1.1. External and internal impacts on the vision

1.1.1.1. Inadequate capacity to respond to current and planned developments

The development of both private and public land in many parts of the metro and rural areas is currently being delayed or constrained on account of a lack of adequate bulk infrastructure capacity such as water, sewerage, electricity, road, rail and port infrastructure. The absence of such bulk capacity impacts directly on the cost, viability and timing of developments as well as the release of land for purposes of development. It is therefore essential that the required infrastructure be provided in a coordinated and timely manner to support existing and proposed future developments within the province.

There is currently significant focus on densification of established residential areas, the development of affordable housing opportunities on an infill basis, optimal utilisation of land and facilities and the provision of serviced industrial land to promote economic growth. Upgrading of bulk infrastructure is necessary if the associated growth and improved service delivery objectives are to be achieved. Examples within the Cape Metro area where the bulk infrastructure capacity is under severe pressure or even lagging behind in its ability to respond to the demand for water and sewerage bulk, among others, are the N2 Gateway project and the extensions of the Parklands residential development.

1.1.1.2. Private sector reluctance

Notwithstanding the fact that South Africa has celebrated 10 years of democracy there is still reluctance on the part of the private sector to invest in the development of land in disadvantaged areas. This reluctance to invest in what are known as “red line areas” is to a great extent informed by perceptions in respect of high risk in terms of financial return and security.

Land ownership in many of the disadvantaged areas is for most vested or registered in the public sector. This provides government, and local government in particular, with the opportunity to direct and to some extent determine the type of developments which takes place within these areas through the release of land to the market by way of lease or sale. As a major service provider to local communities and itself being a user of land and buildings, the public sector can encourage the private sector to invest in such areas. For example, the strategic location of public facilities and the creation and upgrading of public places within targeted areas can encourage private sector investment. This, in turn, could lead to increased economic activity and urban renewal within such areas.

The City of Cape Town’s IDP for 2005/2006 identifies the focusing of public investment in targeted areas or selected places as a challenge. The
challenge, if met, will make existing opportunities more accessible to the majority of the citizens and create a new pattern of opportunities and special places, particularly where few exist. The IDP suggests that new urban opportunities should be based on clustering or agglomeration of public facilities. The location of the targeted investment areas should be informed by their accessibility by pedestrians or by means of public transport.

1.1.1.3. Lack of a shared vision for the use of public land

The non-optimal use of public land is often the result of the lack of a shared vision for the coordinated use of public land. In order to address the current inefficient use of this scarce resource public sector immovable property should wherever possible be viewed collectively rather than in a piecemeal fashion according to ownership by sphere of government or parastatal. This implies cooperative agreements, shared strategies, policies and planning between the various “owners” of public land and buildings and in respect of the development and use of public land and facilities.

The appropriate use of public property may mean prioritising that it be used for one of a number of purposes:

- own business e.g. office space, depots;
- direct service delivery purposes, for example public hospitals, clinics, community centres, public squares, roads, schools, libraries;
- indirect service delivery purposes e.g. creating economic development opportunities (for example, Cape Town International Convention Centre, public markets, business hubs, informal trading space, public transport interchanges); and revenue generating purposes (for example, the leasing or selling of surplus property on a commercial basis).

The collective planning of the use of public land and facilities for the above purposes brings it own economic and cost benefits not only for the public sector but also for the users of such facilities.

The absence of a shared vision for the use of public land also manifests in the neglect of early identification and acquisition of land by the public sector for future development needs purposes. Such needs and purposes might include urban regeneration, industrial development, infrastructure upgrades, future social housing and service needs, and urban agriculture. Budget constraints and immediate service delivery needs and priorities also encourage this neglect.

For effective development, future public land development needs and opportunities must be identified timeously and in a coordinated manner between all the users of public land. Such planning will also limit the need for the public sector to acquire land at exorbitant prices from the private sector on a reactive or emergency basis when it is needed.

1.1.1.4. Cumbersome statutory approval process for zoning

The bulk of vacant land in public and private ownership is not suitably zoned for development. Current statutory planning processes are too cumbersome
and drawn out to allow for the timeous release of land for development once it is identified as being suitable for a specific development purpose.

The delays and lengthy statutory application and appeal processes needed in respect of the identification and release of land to accommodate groups such as the Joe Slovo and Hout Bay fire victims illustrate the problem. The current process also lends itself to abuse on the part of groups opposing certain developments, perhaps to protect their own exclusivity. The matter of urgency if success is to be achieved with regard to the

It is clear that the various processes need to be rationalised, simplified and reviewed to ensure that they are in line with the objectives of righting the wrongs of the past, integrating communities socially and economically, and accelerating service delivery.

1.1.1.5. **Differing budget and planning cycles**

While the Constitution, legislation such as the Municipal Systems Act and the national key performance indicators specified in terms of the Local Government: Municipal Planning and Performance Management Regulations 2001 allude to the principle of cooperative governance and planning, little evidence exist on the practical level of this happening. The differing budget and planning cycles of national, provincial and local government serve to undermine the integration of strategies and can result in waste of resources and conflict between strategies. In this regard, the PSDF could serve as a focus for future budgets and IDPs for municipalities. Attention to this aspect will also serve to support the timely planning and provision of bulk infrastructure to serve planned developments.

1.1.1.6. **Recommendations**

The above situation suggests the following recommendations;

- That municipalities be required to plan and provide adequate bulk services and infrastructure timeously to support existing and future developments so as to promote the achievement of both growth and service delivery objectives of the SIP;
- That consideration be given to supplementing national tax incentives by way of rates rebates, reduced service charges and tax credits with the view to encouraging private sector investment in targeted areas such as zones of poverty, decentralised industrial zones, areas of urban decay, dormitory townships and labour-intensive industries;
- That the provincial government prioritise and play a facilitation role with regard to the establishment of an integrated metropolitan public transport authority to ensure the provision of an efficient, safe, reliable, affordable and cost-effective public transport system which improves the mobility of communities and access to opportunities;
- That the statutory planning approval processes be reviewed with the view to streamlining them so as to respond to the development needs of the community and allow for the redress of the inequalities of the past;
- That the owners of land which fall within the definition of public land be invited by government to plan the development of public facilities and use of the land in a coordinated manner in order to promote the
objectives of the SIP and use the available resources to the best advantage, for example by focusing of public investment in selected or targeted areas;

- That consideration be given to the alignment of the IDP and planning cycles of the provincial and local spheres of government so as to ensure a focused budget spent on specified areas, projects and priorities in support of the SIP objectives.

1.1.2. Interaction with the private sector and parastatals

As part of the SIP research, a questionnaire was sent to Eskom, Women’s Property Network (WPN), SA Institute of Valuers, National Ports Authority, Cape Chamber of Commerce and Industry, Victoria & Alfred Waterfront, Propnet, Black Management Forum, Institute of Estate Agents of South Africa, South African Property Owners Association, South African Black Technical & Allied Careers Organisation, and South African Institute of Black Property Practitioners.

Only five responses were received within the project timeframe – from SA Institute of Valuers, Victoria & Alfred Waterfront, Eskom, WPN and Institute of Estate Agents Western Cape branch. The respondents thus included one parastatal, one business and three associations.

Role of government and infrastructure

All respondents indicated that they agreed with the position statement:
“The future prosperity of the people of the Western Cape will depend on a creative partnership between the people of the Province and the various government institutions in the Province. The role of government is to provide the secure institutional and physical framework within which citizens can exercise their initiative to reach their full potential.

All respondents also indicated that they agreed with the position statement:
“The provision of public infrastructure (includes water supply and sewerage disposal, electrical power provision, and transport of all kinds, hospitals, schools and cultural facilities) is an essential part of this framework.”

Purpose of the SIP

All respondents indicated that they agreed with the position statement:
“The SIP sets both broad and specific priorities; however, these are not cast in stone. It should be remembered that challenges change; new priorities and opportunities emerge, which will require amendments to this plan. The Strategic Infrastructure Plan will therefore be an ongoing process of appraisal and refinement of infrastructure delivery in the Province.”

Three respondents indicated that the SIP should be appraised each year over the next ten years. Two suggested that this should happen every two years.

Four respondents indicated that they agreed with the statement that one of the primary purposes of the SIP is to guide infrastructure investment by both the government and the private sector over the next five to ten years. All indicated that they agreed with the use of a SIP as a planning tool or
framework. Four said that they agreed that the use of the SIP as a tool will improve the management and use of the state’s existing infrastructure assets.

The six key objectives identified for the SIP were rated in the following order, from most to least important:

- Growing prosperity through increasing economic growth;
- Building communities;
- Fostering creativity;
- Attaining sustainability through linkages with the PSDF;
- Expanding opportunities; and
- Improved well-being.

Observations with regard to the role of the government were that government must invest more capital funding in maintaining public infrastructure, particularly roads and public transport; that housing and land opportunities are of prime importance in coping with the growing demand as more people settle in the Cape metro seeking better opportunities.

In respect of the provision of public infrastructure, respondents suggested that government should provide training for the unskilled in skills relevant for production of infrastructure.

In respect of the SIP methodology, one respondent suggested that government needed to be more realistic and set achievable goals within a specified time structure.

**Land and property**

All respondents indicated that they agreed with the position statement: “Land and property per this definition includes vacant land held by all spheres of government which could be used to catalyse development, as well as specific buildings which have been identified for continued use / disposal by government.”

Only three respondents indicated that they agreed with the following statement: “When undertaking projects with government land and property, the project must contribute to income poverty eradication by creating opportunities for employment, instilling labour intensiveness and providing opportunities for SMME’s in construction processes (as a minimum).”

Similarly, only three respondents indicated that they agreed with the following statement: “The application of the expanded public works programme principles and processes should be a prerequisite and included in all projects.”

All respondents indicated that they agreed with the focus on the development of a “total asset management strategy” as one aspect of utilising state-owned assets to ensure that further revenue streams are identified and optimally allocated. Four agreed with the statement that the asset management strategy should include the following elements as a minimum:
- A capital investment plan;
- An asset disposal plan;
- An asset maintenance plan; and
- A plan regarding office accommodation.

Observations with regard to government’s land and property were as follows:
- Land and property should be provided (whether sold or given in some other way) to those who realise what it means to be a property owner. Where necessary, the recipients should receive training about payment for services, rates, insurance, and similar issues;
- A comprehensive asset register should be made available which includes vacant land;
- The SIP and planning in general lacks the important element of accountability.

1.1.3. The property charter

The preamble of the draft property charter describes the charter as a framework which establishes the principles upon which broad-based black economic empowerment (BBBEE) will be implemented in the sector. It is a transformation charter as contemplated in the Broad-Based Black Economic Empowerment Act (No 53 of 2003) and the Department of Trade and Industry’s black economic empowerment (BEE) codes of good practice. The charter establishes targets and qualitative undertakings in respect of each element of BBBEE, and outlines processes for implementing the commitments contained in the charter, as well as mechanisms to monitor and report on progress. It applies to all stakeholders within the sector.

The draft document states that the charter aims to:
- Unlock obstacles to property ownership and participation in the property market by black people;
- Promote property development and investment in underdeveloped areas;
- Achieve a substantial change in the racial and gender composition of ownership, control and management and enhance the participation of black people, black women and designated groups in the property sector;
- Promote employment equity in the property sector, improve employment conditions and encourage diverse organisational cultures;
- Increase the pool of intellectual capital in the sector by focusing on attracting new entrants and developing appropriate curricula;
- Contribute towards increased investment in the skills development and training of existing and new black professionals, and black women leadership;
- Enhance entrepreneurial development and increase the number and expertise of BBBEE-accredited firms and small, medium and micro-enterprises (SMMEs) providing services and products to the sector;
- Increase the procurement of goods and services from BBBEE-accredited suppliers;
- Increase the accessibility of finance for property development;
- Encourage good corporate citizenship amongst enterprises in the sector, including participation in corporate social investment projects and adherence to triple bottom-line accountability; and
- Promote investment in the property sector and contribute to the positive growth of the property industry.

The process of drafting the charter has been substantially completed and as at October 2005 the steering committee was awaiting the finalisation of the DTI codes. It has been confirmed that the draft is in line with Code 010 which governs the converting of charters to codes. The DTI codes were to be released for public comment in the period November-December 2005 and the national Department of Public Works has indicated that they remain committed to ensuring that the property sector charter becomes a code of good practice. The SIP property team strongly recommends that this process be monitored and that the code of good practice be incorporated into provincial policy as soon as it is appropriate.

1.1.4. Use of land and buildings in public ownership

1.1.4.1. Optimal and collective use of public land

In order for public land and buildings to be optimally utilised strong arguments can be made for the collective and shared use of such assets by the public sector for own business use and service delivery purposes in particular.

The sites listed in Table 1, which are extracted from the executive summary of the Integrated Human Settlement Plan of the City of Cape Town, are examples of the above notion. All the sites are well-located and are owned by various spheres of government or parastatals. The proposal is to have a shared responsibility between the various spheres, and that the development plan provide integrated sustainable human settlements for the sites, together with economic-boosting developments.

<table>
<thead>
<tr>
<th>Sites</th>
<th>Planned development in next three years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culemborg</td>
<td>Approximately 2250 housing opportunities</td>
</tr>
<tr>
<td>Ysterplaat</td>
<td>Approximately 6000 housing opportunities</td>
</tr>
<tr>
<td>Wingfield</td>
<td>Approximately 2400 housing opportunities</td>
</tr>
<tr>
<td>Youngsfield</td>
<td>Approximately 4735 housing opportunities</td>
</tr>
</tbody>
</table>

The agglomeration of own-use and direct service delivery public facilities and buildings such as public spaces, clinics, municipal and social welfare offices, police stations and ancillary services such as taxi/transport interchanges, post office and banking services creates potential economic nodes which could serve to enhance economic opportunities in targeted or selected areas. Examples within the Metro where such developments are emerging include the Khayelitsha central business district (CBD), the Philippi interchange/fresh produce market node, the Mitchells Plain town centre interchange precinct and the planned Iona precinct upgrade in Gugulethu.

In all of these projects the development initiatives were for the most part funded and driven by the public sector with the private sector only coming
on board at a very late stage, if at all. This serves to emphasise the important role the collective use of public land and buildings can play to stimulate economic opportunity and encourage private sector investments. What must be learnt from these projects is that for public investment interventions to be of significance, they need to be planned in a coordinated manner so as to ensure maximum impact in targeted areas.

Similar significant benefits could be derived from a coordinated IDP process in respect of the agglomeration, pooling and use of public land and buildings between all spheres of government where budgets are directed to targeted projects and areas which should benefit local communities in terms of job creation, enhanced and accessible service delivery as well as economic development opportunities.

Table 2, Table 3 and Table 4 summarise the province’s property portfolio as presented in the Strategic Plan for 2005/2006 to 2009/2010. For the description in the last of the tables, the categorisation is based on the requirement maintenance cost as a percentage of replace cost. Very good is used where the percentage is 0%, below 2% is ‘good’, between 2% and 10% is rated ‘fair’, between 10% and 20% is rated ‘poor’, and above 20% is rated ‘very poor’.

**Table 2 Summary of provincial property portfolio**

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Land</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>No. of vacant urban properties</td>
<td>No. of unutilised rural properties</td>
</tr>
<tr>
<td>6560</td>
<td>399</td>
<td>301</td>
</tr>
</tbody>
</table>

**Table 3 Summary of provincial leased portfolio**

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Land</th>
<th>Buildings</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of properties leased</td>
<td>Total no. of hectares</td>
<td>Number of buildings</td>
<td>Square metres of building</td>
</tr>
<tr>
<td>6560</td>
<td>399</td>
<td>301</td>
<td>316425</td>
</tr>
</tbody>
</table>

**Table 4 Summary of the condition of provincial government buildings**

<table>
<thead>
<tr>
<th>Very good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Very poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>590</td>
<td>2834</td>
<td>7523</td>
<td>1266</td>
<td>119</td>
</tr>
<tr>
<td>Percentage</td>
<td>5%</td>
<td>23%</td>
<td>61%</td>
<td>10%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The tables illustrate clearly that there is a need for better planning or revised planning and management structures that will ensure that there is optimal use of state assets. Maintenance plans must also be put in place to ensure that state assets are looked after adequately.

1.1.4.2. **Release of public land for private sector development**

Owners of public sector land in most instances do not specify what type of development they would like to be undertaken on land released for private sector development by way of lease or sale. By not specifying, they lose the opportunity to shape the nature of the development which takes place on such land. This situation is often exacerbated by the fact that public land is alienated without land use rights or zonings being in place. This leaves it up to
the private sector developers to apply for development rights which best respond to their assessment of the market and which produce the highest return on investment. Their criteria generally exclude the needs of the broader community and disregard the social and economic objectives and mandate of the public sector landowners.

It is recommended that prior to public land being offered for lease or sale the objective/s for the alienation of such property be determined and included in the conditions of sale or lease. Whatever the stated objective for the alienation of the property, the development objectives and obligations should be specified in the contract and subsequently monitored and enforced by the public sector. Clearly the development of public land cannot necessarily address all of the ills of the past or respond to all the objectives. It is thus necessary that public properties to be made available for development be individually assessed and that site- or property-specific objectives be set for each and every property to be taken to the market.

An example of this type of land release by the public sector is the Vangate City Development in Athlone, which is currently in the process of construction. This portion of land measuring approximately 13.5 ha is well located in terms of road access and visibility and is a mixed-use development which provides for a range of housing options, business and retail development as well as community, sports and recreational facilities. When the municipality released this land, it specified a range of objectives including empowerment, job creation, procurement and residential targets for the development with compliance being monitored. While still in progress this development has already positively impacted on the surrounding communities resulting in the upgrade of the adjoining Bridgetown Estate while also providing retail facilities and employment opportunities to the local and adjoining communities which were previously required to travel long distances to other areas outside of their own communities to shop and work.

Similarly, on the release of public land measuring some 23 ha for the development of the Promenade Retail Centre in Mitchells Plain, the municipality’s specifications included empowerment, employment and local participation targets. This development has had a similar impact in that considerable number of new job opportunities was created both during and after construction development. As much as 60% of disposable income previously spent outside of Mitchells Plain is now for the most part being spent within the area. The current challenge for this project is to ensure that the light industrial component attracts small industrial businesses to establish themselves within this area.

Examples also exist of public land in an area such as Maitland being made available at a favourable price directly to a selected housing agent for the express purpose of developing higher density residential units targeted at the income group between R3 500 to R7 000 per month (so-called “gap” housing) The objectives of this development further specified only one unit per purchaser so as to avoid speculation and also that a percentage of the units should be offered on a rental basis. Phase one of this development, comprising some 240 units, has been successfully completed with adjoining
vacant land in provincial and municipal allowing for additional phases. The effect on the surrounding area in terms of urban regeneration has been significant and could serve as a model for development which helps to integrate communities within established residential areas. However, the sustainability of this type of project once again depends on the enforcement and monitoring of compliance with the objectives by the public sector seller of the land in partnership with the private sector developer. What is of particular interest in this project is the willingness of traditional banking institutions to provide mortgage funding for future phases now that they have witnessed the success of phase one.

There are many tracts of land in public ownership which could be released to the market for similar targeted developments by the private sector in partnership with the public sector. Current legislation and policies which prescribe that public land be sold or alienated by public competition limits the capacity of the public sector to select a preferred delivery agent and direct the form of development. Review of this legislation and policies should therefore be considered.

1.1.4.3. **Alienation of public land for income generation and investment leveraging**

Financial sustainability is imperative in the development of land and the financial return to be derived from the sale or lease of public land may sometimes outweigh the social benefit to be derived from the use of such asset in any other way. This fact needs to be accepted and the sale or lease of such land portions should as a rule be by way of public competition and to the highest bidder. Should it be considered appropriate, the proceeds from the sale or lease of the land could be used to finance a social objective. The conversion of hostel accommodation to family accommodation in Langa was to a large extent funded in this manner from the proceeds of the sale of the Clifton, Glen Beach and Bakoven bungalows by the former Cape Town City Council. The council obtained authority from provincial government to create what was called a capital social development fund to which the proceeds of the sale was applied.

Even where public land is sold or alienated at the highest financial return, conditions of sale should include empowerment, equity, procurement and employment targets for the construction phase. Compliance with these obligations must then be monitored. Another option is to link the sale or lease of particular portions of public land to development or investment obligations by the developer in specified areas such as areas of urban decay or zones of poverty. This linkage allows private sector investors the opportunity to cross-subsidise or mitigate the financial risk associated with investment in these areas.

The sale or lease of public land by whatever method should be linked to performance within a specified timeframe and contracts should be cancelled if development obligations are not met within the timeframes agreed. Speculation in the sale of vacant public land should be heavily discouraged as this removes the ability of the public sector seller to enforce and monitor development timeframes and obligations.
Table 5 brings together the proposals contained above. It indicates which recommendations relate to different aspects of the land and poverty vision, what policy or action is proposed, and who might be the lead sector. It also provides a list of potential projects in respect of each proposal.
<table>
<thead>
<tr>
<th>Land and property vision</th>
<th>Recommendation / approach</th>
<th>Policy and action</th>
<th>Lead sector</th>
<th>Potential projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing services and access to all communities at a local/community level</td>
<td>Address bulk services capacity. Engage private sector.</td>
<td>Focusing public investment in selected areas. Clustering public facilities e.g. clinics, social services, municipal offices, postal and banking services</td>
<td>Public sector land owners supported by private sector / business</td>
<td>Khayelitsha CBD, Mitchell’s Plain town centre interchange, Philippi fresh produce/interchange node</td>
</tr>
<tr>
<td>Alleviating poverty and creating jobs</td>
<td>Address bulk services capacity. Engage private sector.</td>
<td>Provision of informal and formal business facilities at public interchanges and public investment focus areas e.g. ATMs, post office services etc. Release of land for mixed use and/or targeted labour intensive developments. Introduction of investment incentives e.g. rates and services cost rebates in decentralised industrial areas and for labour intensive industries.</td>
<td>Public sector land owners supported by the private sector, parastatals and NGOs</td>
<td>As above plus, Mitchell’s Plain Promenade industrial development, Atlantis industrial area, Conradie hospital site, surplus public open spaces and road reserves, Klipfontein corridor</td>
</tr>
<tr>
<td>Integrating communities and restoring dignity</td>
<td>Ensure collaboration Leverage best return</td>
<td>Release of well-located public land (infill sites) for the development of a range of affordable housing options for a specified target market or income group/s including the reservation of a percentage of the residential units for rental stock purposes. Setting of equity empowerment</td>
<td>Public sector landowners in partnership with selected delivery agents e.g. housing partners</td>
<td>Maitland Inner City Housing Project, City Hospital development precinct, District Six redevelopment, Rondebosh East development.</td>
</tr>
<tr>
<td>Providing services and access to all communities at a local/community level</td>
<td>Address bulk services capacity</td>
<td>Identification and early purchase of strategically located land to accommodate future development needs. Provision and upgrading of bulk services infrastructure in targeted development areas in an integrated and timely manner. Securing of appropriate land use, zoning and development rights in respect of such land to allow early response to development needs.</td>
<td>Municipalities in cooperation with national and provincial government</td>
<td></td>
</tr>
<tr>
<td>Providing a platform for economic growth and sustainability</td>
<td>Sustainable income generation from the alienation of public land</td>
<td>Long-term lease as opposed to sale of public land. Granting of market-related commercial lease rights on public land to private sector partners in exchange for long-term social investments in targeted areas. Regular review of rental escalations during lease terms including the possibility of a</td>
<td>Owners of public land</td>
<td></td>
</tr>
</tbody>
</table>

| Blue Ridge and Baredale farms in Oostenberg, Vissershok landfill, Postdam sewage works upgrade, Eskom peak hour generation projects. |
| Thibault Square parking garage, Virgin Active gymnasiums in Greenpoint, Constantia, Tygervalley and Milnerton, Cape Town Civic Centre food court, ATMs and vending machines, intersite station precinct developments |
| Percentage of turnover being included in the rental. Provision of commercial space for lease within public buildings e.g. cafeteria facilities for public and staff. |
1.1.5. Case study: Conradie Hospital

The Conradie Hospital site is publicly owned land and property. The Minister of Transport and Public Works requested that the Conradie Hospital site be included as a case study project, and that a developmental framework be proposed that could maximise the developmental opportunity.

The proposed developmental framework for this site is that it be used for the development of a light industrial and/or services residential park. This proposal takes into consideration the current and future planned economic and development opportunities that surround the site. The proposed redevelopment is based on the “live at work notion”. Thus the development should simultaneously:
- Create jobs;
- Provide on-site housing for employees; and
- Create shared facilities that will encourage integration with existing communities.

The proposal is that 10% of the site be allocated as public open space, 30% for public roads, 14% for light industrial plots, 9% for a local shopping centre, and 37% for residential units. With an average plot size of 200 m², this will allow for a total of more than 800 dwellings which, with an average household size of four people, will provide housing for more than 3 300 people.

The advantages of mixed-used environment are that:
- They promote small home-based enterprises, making livelihoods creation easier for groups such as women and those with disabilities;
- They reduce transport costs and relieve the overload on transport infrastructure;
- They reduce crime rates in parts of the city that would have become deserted at night due to the absence of a residential component;
- They promote multi-functional use of public services and facility sharing, which reduces costs;
- They provide a revenue base for local government that is higher than the base provided by residential-only areas; and
- Funding generated from the leasing of land can be leveraged to optimise cross-subsidisation.

The proposal in respect of the Conradie Hospital site must be subject to the following conditions:
- That Life Care (the health rehabilitation facility that currently occupies a portion of the site) vacates the premises and relocates elsewhere;
- That bulk services are sufficient for the site;
- That all other planned housing developments in and around the site are executed;
- That the surrounding industrial parks continue to flourish;
- That the necessary traffic impact assessment and environmental impact assessment be undertaken;
- That public transport be upgraded; and
- That noise studies be conducted.
The important principles that should be highlighted for this development and any other development on public land are the following:

- Land should be made available on a mixed use basis to bring employment opportunities close to residential areas and reduce travel time;
- To get maximum value, the province should carry out the rezoning process before they advertise land for development; and
- Property is a significant asset and the provincial government should avoid selling, and instead enter into 99-year leasehold arrangements.