

**THIRD
CONSTRUCTION MANAGEMENT
CONFERENCE : MARINE HOTEL
PORT ELIZABETH: 27 NOVEMBER 2014;;**

PIERRE VOGES



THE POWER OF URBANISATION

- South African policy makers rather ambivalent about urban renewal
- Considerable space and promises made in terms of rural development
- National Development Plan also devotes insignificant attention to important roles cities could play in transforming SA economy
- Policy requires more attention on urbanisation and urban growth

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- One of defining features of Apartheid was to keep Black people out of cities; present rural emphasis therefore odd
- Cities are the best platform for accelerated economic growth
- Cities are the most important entrance for economic growth; if cities are killed, regions are killed
- For thousands of years, human labour generated value of the equivalent of 2 dollars a day – today it is regarded as extreme poverty

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- Of late human labour generates 100 times this value and more every day
- Oxford's Paul Collier describes this as the miracle of productivity and linked to the rise of cities
- The last concentration of people in cities enables specialisation and production of goods and services

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- Capital incomes are almost 4 times higher in countries where majority of people live in cities than countries where the majority of people living in rural areas
- Nearly 60% of SA's GDP generated in the 6 largest metros
- Rate of urbanisation is slower than expected in the 1980/90's
- 30 years after legal abolition of influx control SA remains relatively under-urbanised

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- About 60% of South Africans live in urban areas, compared to about 90% of Brazilians living in urban areas
- It means the small side of our cities and future urbanisation could lead to economic opportunities that are not available in most sparsely populated rural areas
- Our urgent pressure is to create millions of jobs
- Changes in LSM shows that upward living standards of people and the willingness to live, work and play in cities

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- The need for dynamic entrepreneurial cities
- Policy makers should do everything they can encourage more effective management of urban management and urbanisation
- To create jobs, cities to find niches in global economy for goods and services
- Due to transport costs, coastal cities may be better suited to create enlarged manufacturing industries

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- Challenges around cities are as follows
 - SA cities' competitiveness is slipping as infrastructure comes under pressure
 - Legacy of apartheid raises cost of transportation; hampers business development in townships
 - In seeking to densify cities, infrastructure and settlement policies should focus on turning housing into productive assets that generate income
 - Houses should be places for business or an asset against which to raise a loan
 - Cities should play active roles in education; skills development

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- SA's future is an urban one
- Cities should build upon the urban advantages of agglomeration, competition and innovation
- Policy should be designed to create an environment of entrepreneurship
- SA's growth and development hinge on events, trends, perceptions and dynamics in the metros

RENEW • REVIVE • INSPIRE



THE POWER OF URBANISATION

- SA's competitive future depends on the metros becoming more globally competitive and more inclusive of the many young people desperate for jobs
- Metros need to know their own importance and put concerted effort into persuading national players of their roles in the national economic development
- Large cities are the drivers of future economic activity and dynamism

RENEW • REVIVE • INSPIRE



The 10 things a perfect city need....(parts borrowed from Paul Mason, a writer)

- ❑ Near the sea or another body of water warm enough to swim
- ❑ Entire neighbourhoods build around hipster economics (vintage clothing stores, coffee bars not owned by global chains, micro breweries, small workshops for creative micro businesses, gay clubs, etc) – hipsters are crucial signifiers of a successful economy; ideally these areas are home both to hipsters and ethnically poor communities who refrain from fighting one another
- ❑ Local government and finance sector must be big enough to mobilise global capital AND local savings (not so big though for the global community to run things through aristocratic men's clubs and organised crime)

The 10 things a perfect city need....

- ❑ It must have theatres (not just big ones, eg Artscape, but tiny ones, big ones, warehouse ones, open courtyards); lots of common people's art – community stalls where one must be able to point to states people and celebrities misbehaving in public
- ❑ Bicycle lanes, busses and trams, where couples cycle home on a cold night side by side holding hands; a very regulated taxi system – with women and ethnic minorities having equal access to the trade, being banned to harass you with their opinion
- ❑ Must have a massive ecosystem of gay, lesbian, transgender places, sleazy bars, heterosexual hangouts dance halls, cabarets – places for Joe Corporate and Joe Soap – places where the pretentious business man with his squash racket and Johanna Corporate with her nanny and pram really want to live secret and parallel lives

The 10 things a perfect city need....

- ❑ It must have prominent architecture – new as well as Victoria and Edwardian (odd brick, factory/warehouse conversions, renovation, re-use)
 - ❑ Must be ethically mixed and tolerant, hospitable to women; not areas locked down by religious conservatism or harsh policing of minorities – women are just not safe here; no sexual harassment, no racial abuse, no sexism – just simple safety
 - ❑ Slums must be UN Habitat defined “slums of hope” – ideally no slums at all – self – policing; opportunities for upward mobility
 - ❑ A democratic political culture to be proud of – lots of arguments and protests; voice your disgust (not violently) in the streets and squares
-
- Like with Orwell’s pub – no city has all these qualities
 - Vienna does not have a sea; the sea in Melbourne is bloody freezing
 - One needs to cut and paste – there is no perfection though
 - We need to go beyond planning regulations and create better versions of urban spaces transformed

The SA Planning Environment...



**TOWN
PLANNING**

SERVICES

BUILDING

OCCUPATION



**How do we
see Nelson
Mandela Bay
– an ugly,
uncompetitive
lady or a
young,
vibrant
lady??**

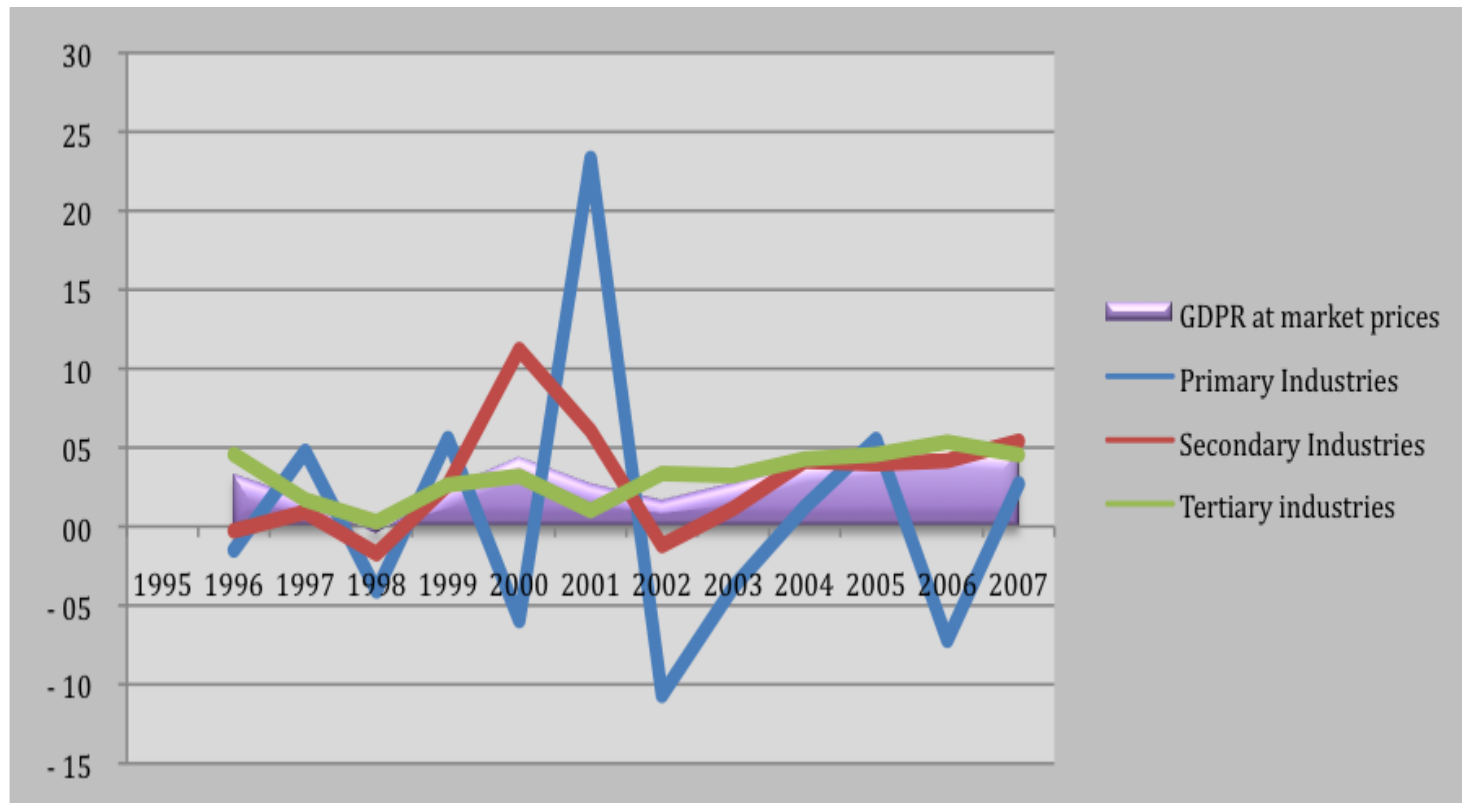


A city turning around....

- **Political will**
- **A well-researched Master Plan; “home-brewed”**
- **SUSTAINABILITY; LED failing in SA due to lack of sustainability – What does the market want?**
- **Building a strong local economy, driven by local people first; then outside people**
- **Making the CBD and townships a safe, clean and friendly**
- **To restore business and public confidence in the CBD and emerging township areas**
- **Stem capital flight; rescue dwindling municipal revenues**
- **Implement catalytic capital infrastructure projects**
- **Making NMBM unused properties “sweat” (eg Tramways)**

Stability of Sectors

Year on year % change in growth rate (constant 2000 prices) of sectors in Nelson Mandela Metro

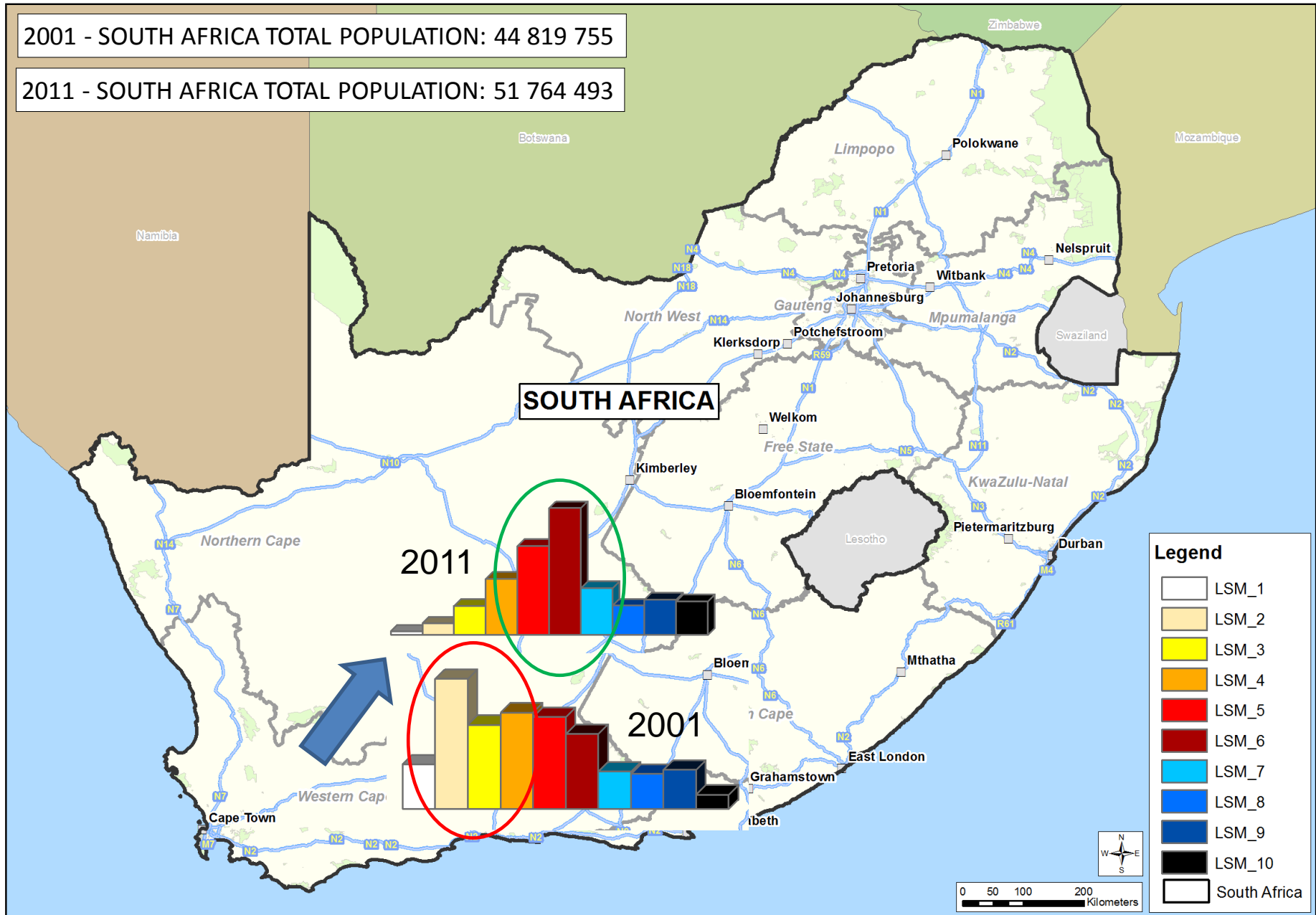


The tertiary sector is the most stable, and has shown the most consistent positive growth, where the secondary sector is highly volatile

NATIONAL 2001 & 2011 LSM MAP

2001 - SOUTH AFRICA TOTAL POPULATION: 44 819 755

2011 - SOUTH AFRICA TOTAL POPULATION: 51 764 493



LSM - Synthesis

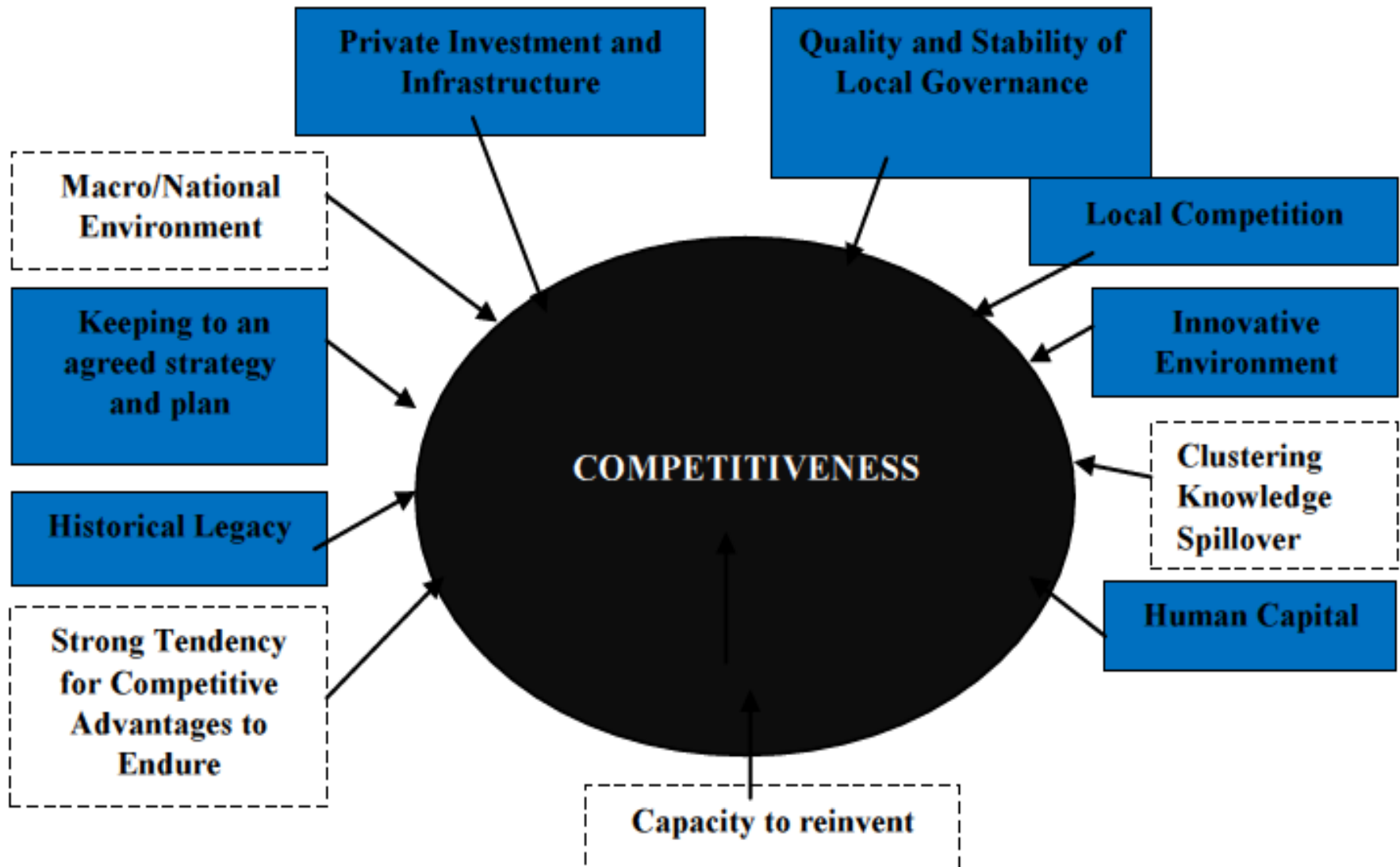
- LSM data presented - indicates that there have been significant socio-demographic shifts in certain areas of the Metro over the past ten years,
- A strong increase in upwardly mobile employees and businesses with people in the Life Style Measure (LSM) categories 6, 7 and 8,
- These are the individuals who are climbing up the earnings ladder, purchasing durables and items such as motor vehicles
- They will also be moving from former township areas into more formal city accommodation, and seeking higher level retail and entertainment activities, which include sport and culture.
- This segment of society could become an important target market, together with the traditional more affluent market in the southern suburbs

RENEW • REVIVE • INSPIRE



What makes a City competitive?

The key determinants of City Competitiveness

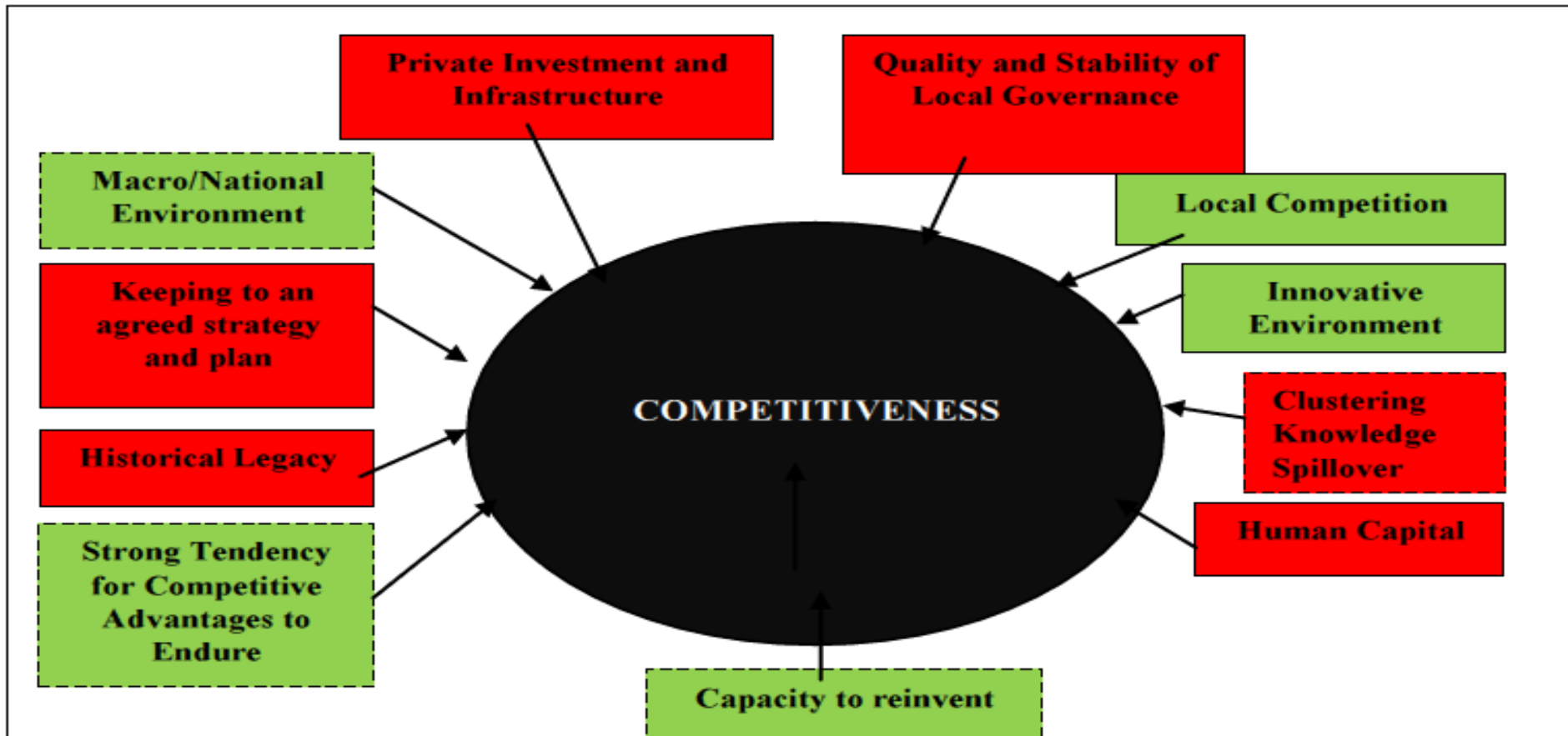


Source: Based on a number of readings, sources and self-innovation

So, how are we doing as a City....?

So

The key determinants of City Competitiveness



Source: Based on a number of readings, sources and self-innovation

DOING FINE

NOT DOING WELL

Opportunities

- **Macro-environmental changes**
 - Environmental trends
 - Tourism consumption trends
 - LSM trends
- **2020 projects – Telkom Park, Port Marina/commercial development, ICC, Njoli Square, Red Location Museum – TOURISM REAL ESTATE**
- **Renewable energies (wind, etc.)**
- **Construction (supplies & equipment, professional skills)**
- **Regional initiatives e.g. COEGA, Greater Addo National Park**
- **Value-added food production – hydroponics, agro-processing, fishing/mariculture**

RENEW • REVIVE • INSPIRE



Progress will require

- further diversification of the economy – tourism real estate
- diversification within the manufacturing sector
- diversification of markets for manufactured products and services
- investment in skills development
- public and private sector investment to accelerate economic productivity
- sharpening of government efforts

RENEW • REVIVE • INSPIRE

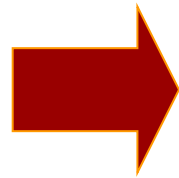
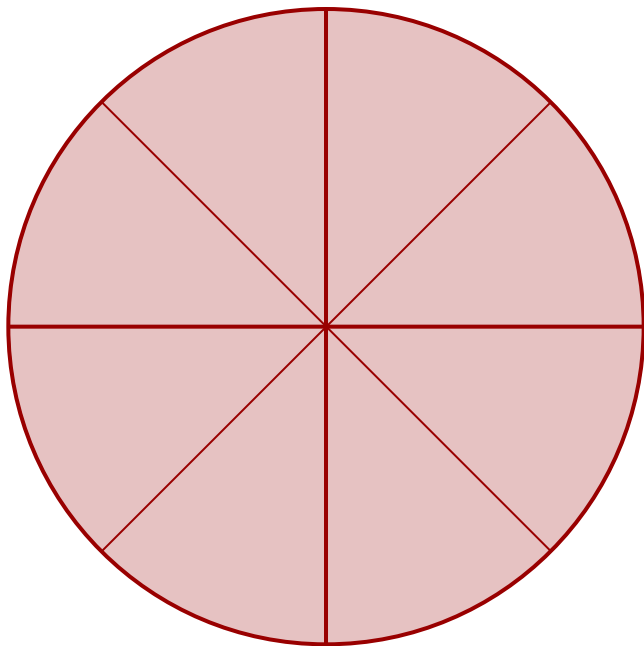


How planning impacts on the future...

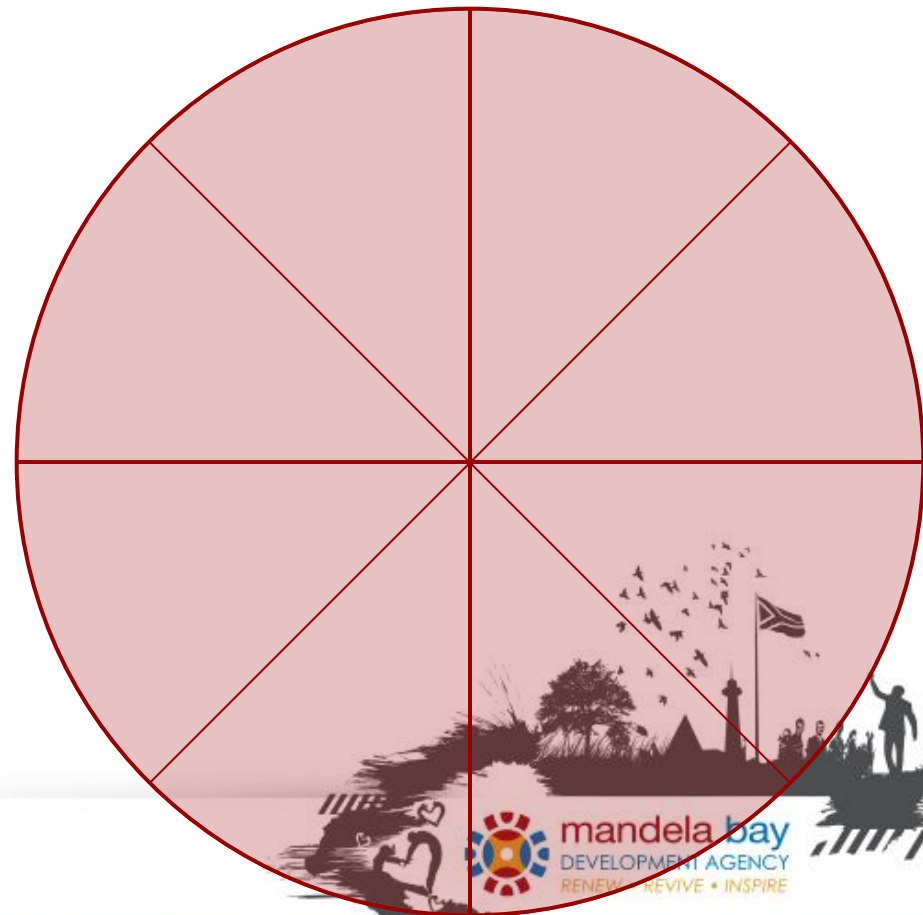
- **Baywest Mall – opening in May 2014**
- **90 000 square metres lettable space**
- **Current shopping centres squeeze R3500 turnover per month out of every square meter**
- **That means to make Baywest work R315 m worth of business must move very quickly**
- **The displacement impact is massive; not even to mention the impact on the CBD**

Dual focus

**Livelihood support
& Equitable access
to economic
opportunity**



**Economic
expansion**



RENEW • REVIVE • INSPIRE

New Govan Mbeki Avenue



New Strand Street



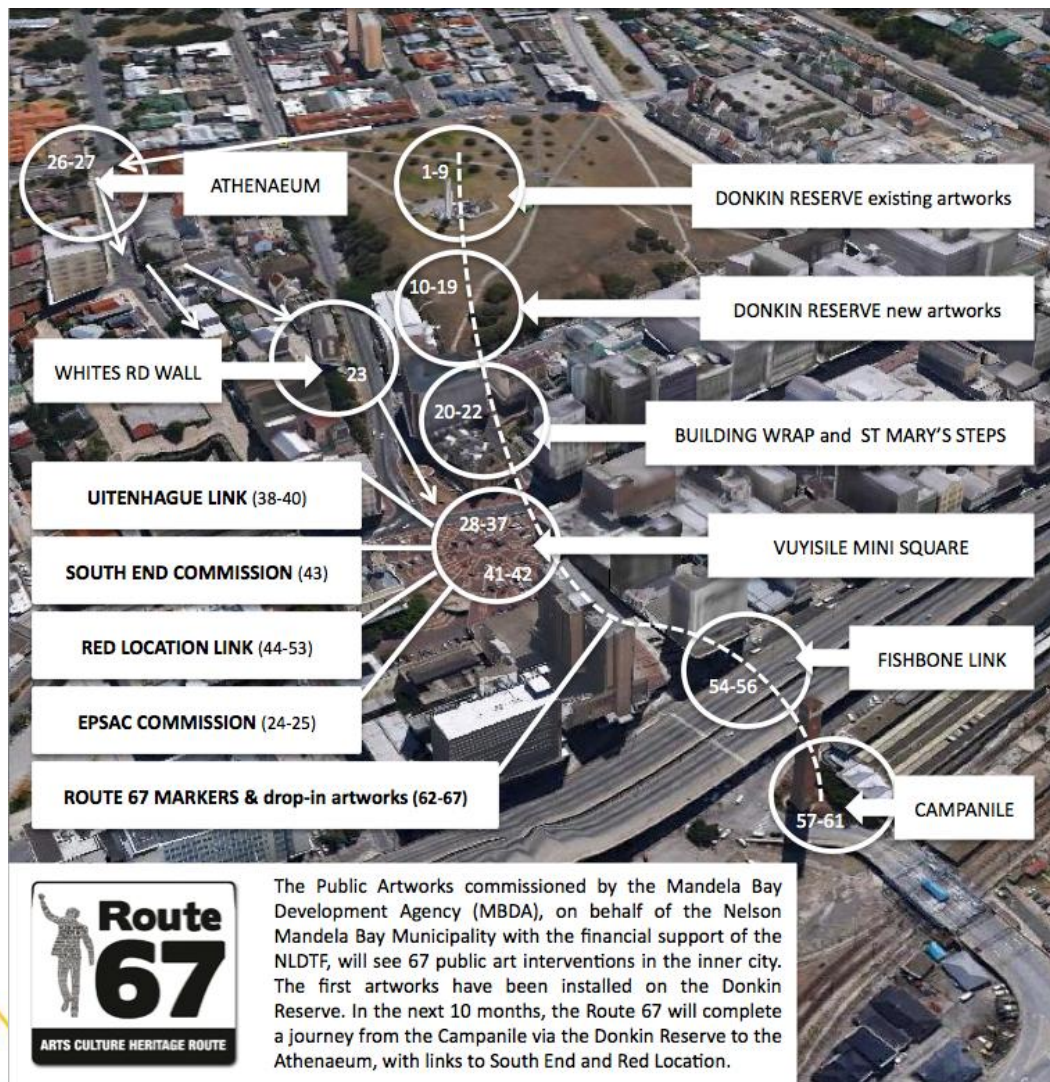
New Algoa Bus Station



Donkin Reserve in redevelopment



Route 67



1. Welcome Carpet
2. Untitled – conversation piece
3. River Memory
4. Windward
5. Voting Line
6. Flag
7. Lighthouse – Mosaic Moments
8. Garden
9. Fish-Bird
10. Piazza Mosaic
11. Anamorphic Cylinder
12. Stepping Stones
13. Contour Path – Election queue
14. Countour path stories
15. Mosaic Stairs
16. Arrival orientation wall
17. Light Artworks
18. Tower Sculpture
19. Amphitheatre wall
20. Chapel Street Crossing
21. St Mary's Staircase
22. Building wrap
23. Whites Road Wall
24. Epsac Sculpture
25. Epsac Mural
26. Athenaeum chandelier
27. Athenaeum wood artwork
- 28.-37. Vuyisile Mini Square Interventions (10)
38. Uitenhague Nkosi Sikeleli
39. Uitenhage mosaics
40. Uitenhague Bust
- 41.-42. Shopfront (2)
43. South End Museum
- 44.-53. Banners linked to red Location (10)
54. Bus Station Mosaic
55. Pool of Words
56. Fishbone
57. Campanile frieze
58. Campanile value words
- 59.-61. Campanile bollards (3)
- 62.-64. Drop in NMMU Architecture students (3)
65. Carved benches
66. Guernica artwork
67. Way-finding markers



The Public Artworks commissioned by the Mandela Bay Development Agency (MBDA), on behalf of the Nelson Mandela Bay Municipality with the financial support of the NLDTF, will see 67 public art interventions in the inner city. The first artworks have been installed on the Donkin Reserve. In the next 10 months, the Route 67 will complete a journey from the Campanile via the Donkin Reserve to the Athenaeum, with links to South End and Red Location.





The Donkin Reserve upgraded



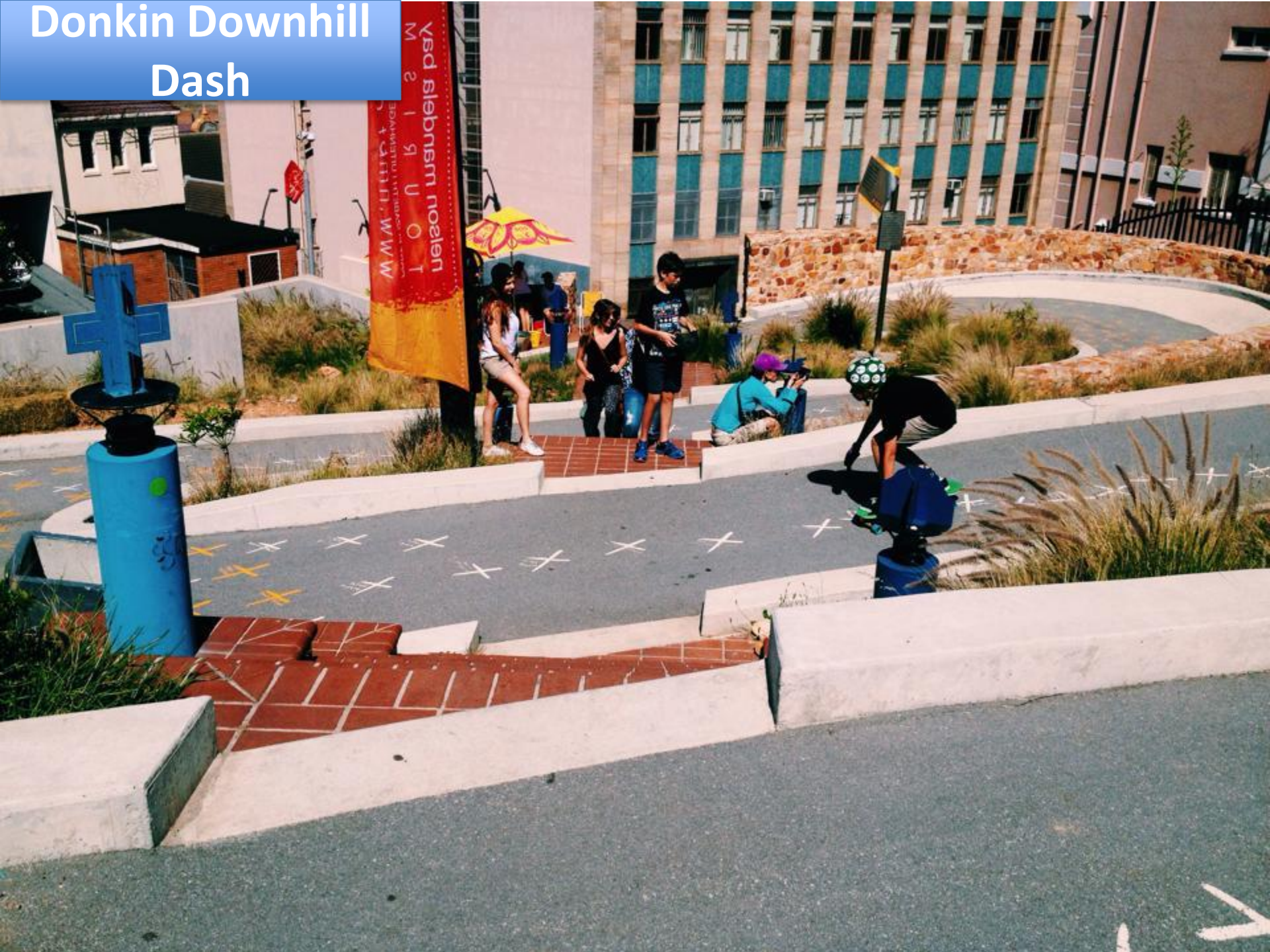
Heritage Day re-enactment of 1994 elections



RENEW • REVIVE • INSPIRE



Donkin Downhill Dash





Kings Beach Triangle



RENEW • REVIVE • INSPIRE

Revamped of a derelict Athenæum Building



REN



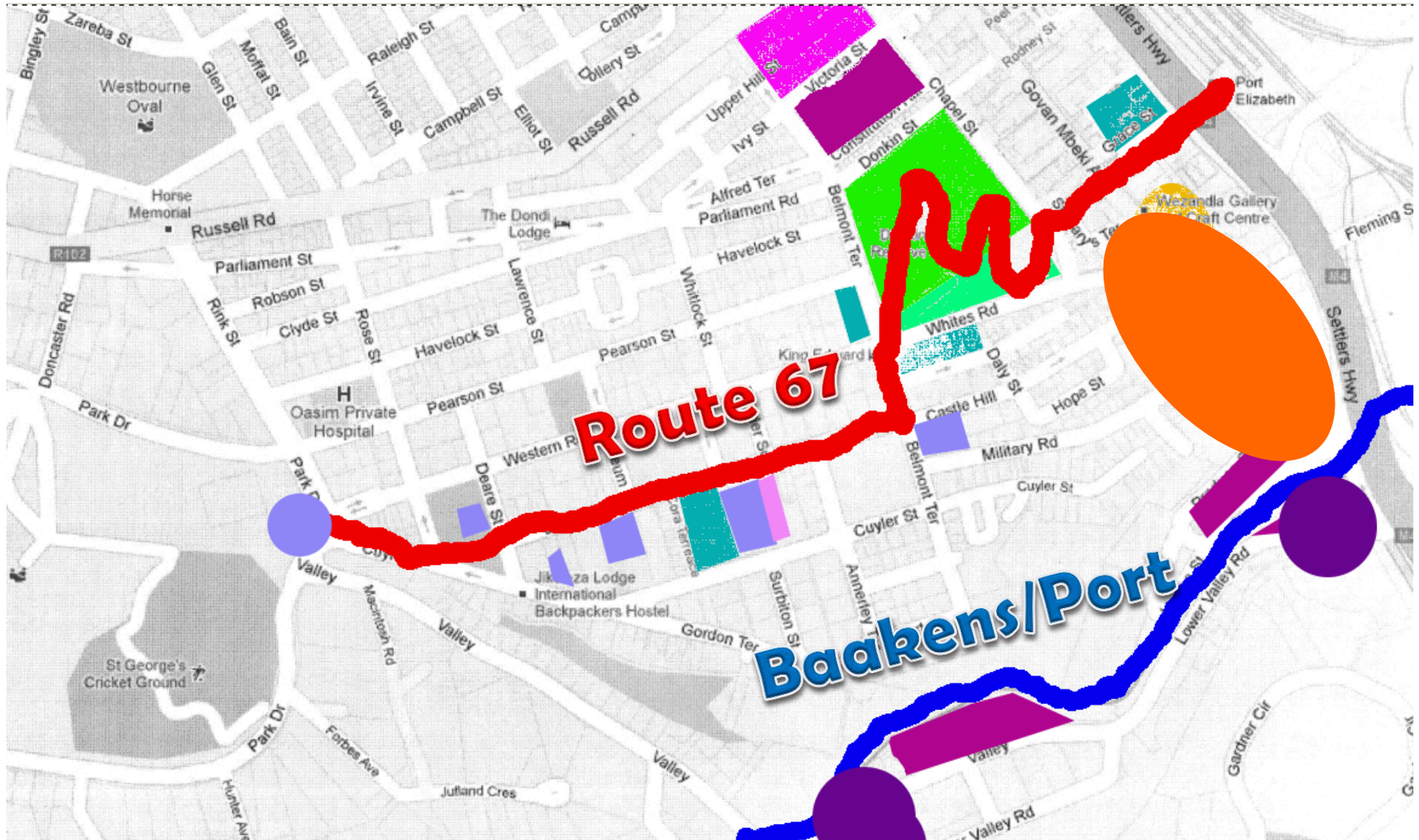
New Athenaeum Theatre



Kings Beach post upgrade



Inner City Development Nodes



FLAGSHIP PROJECTS

- Govan Mbeki avenue upgrade
- Strand and Jetty streets upgrade
- Parliament street upgrade
- The Donkin Reserve / Route 67
- Belmont Terrace and Bird street
- Kings Beach upgrade
- Uitenhage Market Square upgrade
- Helenvale Resource Centre & Precinct
- Tramways Redevelopment
- Various CSI initiatives



RENEW • REVIVE • INSPIRE



INTRODUCTION

- MBDA invested **R 600m** in urban renewal projects since 2003
- MBDA aimed to quantify the impact of urban renewal in terms of:
 - **Changes in business activity**
 - **Business and residential perceptions of the areas**
- Surveys were undertaken between 2009 and 2013
- Further surveys are planned for 2014 and 2015

Research conducted by



RENEW • REVIVE • INSPIRE



ECONOMIC IMPACT SURVEYS

- Statistically representative sample of **2 830 surveys** between 2009 and 2013.
- The following areas were surveyed:
Central, Richmond Hill, North End, New Brighton, Helenvale, Uitenhage and Kings Beach
- 3 types of surveys administered:
 - Business
 - Residential
 - External market

Research conducted by



RENEW • REVIVE • INSPIRE



RETURN ON INVESTMENT

- All upgrades have had a positive impact on their respective areas:
 - **R 750 million in new business sales generated**
 - **2 667 jobs created (short term)**
 - **R 201.8 million in additional GDP**

RENEW • REVIVE • INSPIRE



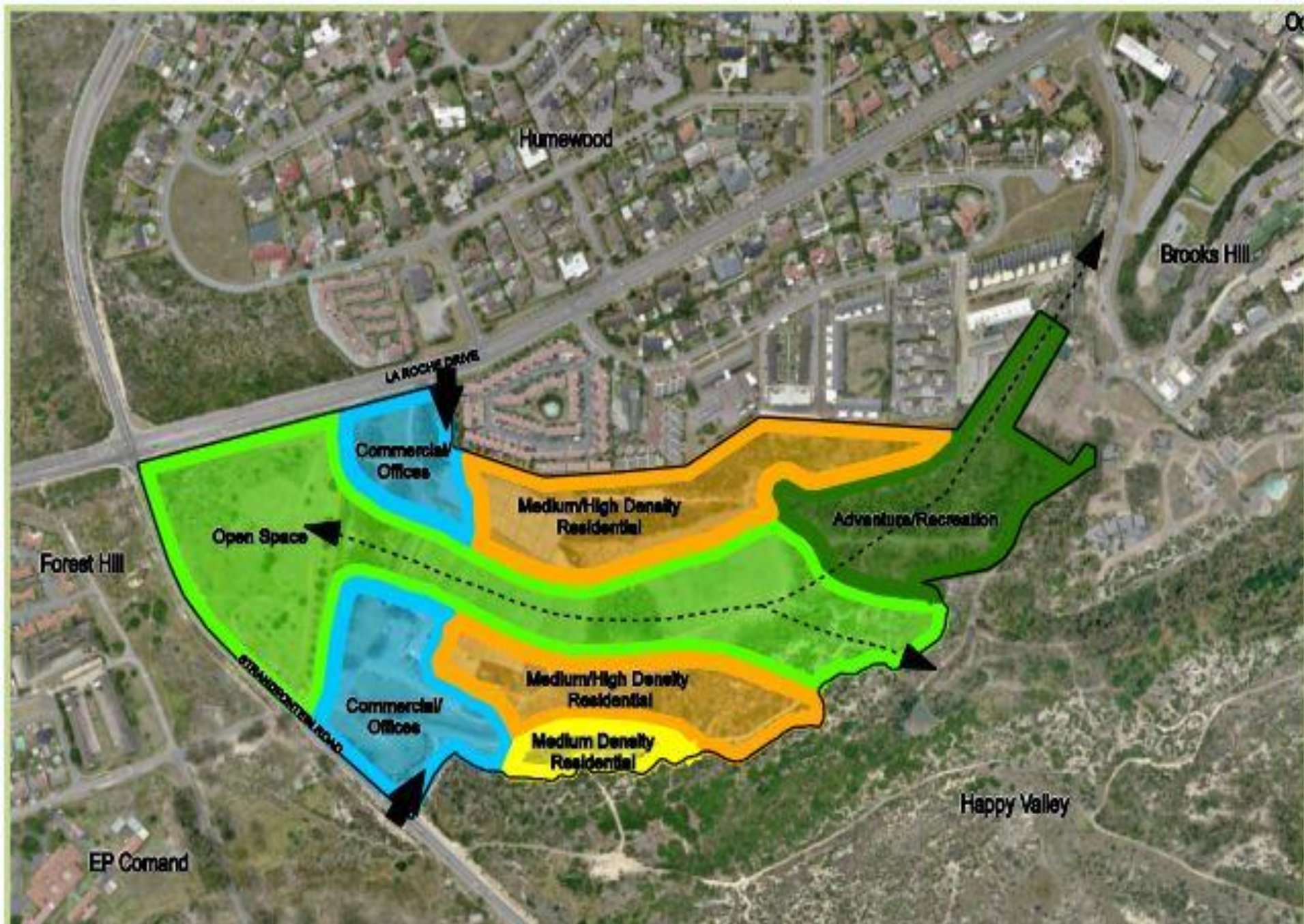
NEW DEVELOPMENTS PLANNED

RENEW • REVIVE • INSPIRE



TELKOM PARK

RENEW • REVIVE • INSPIRE



Humewood

Brooks Hill

LA ROCHE DRIVE

Commercial/
Offices

Medium/High Density
Residential

Adventure/Recreation

Open Space

Forest Hill

Medium/High Density
Residential

Commercial/
Offices

Medium Density
Residential

STANLEY PARK ROAD

EP Comand

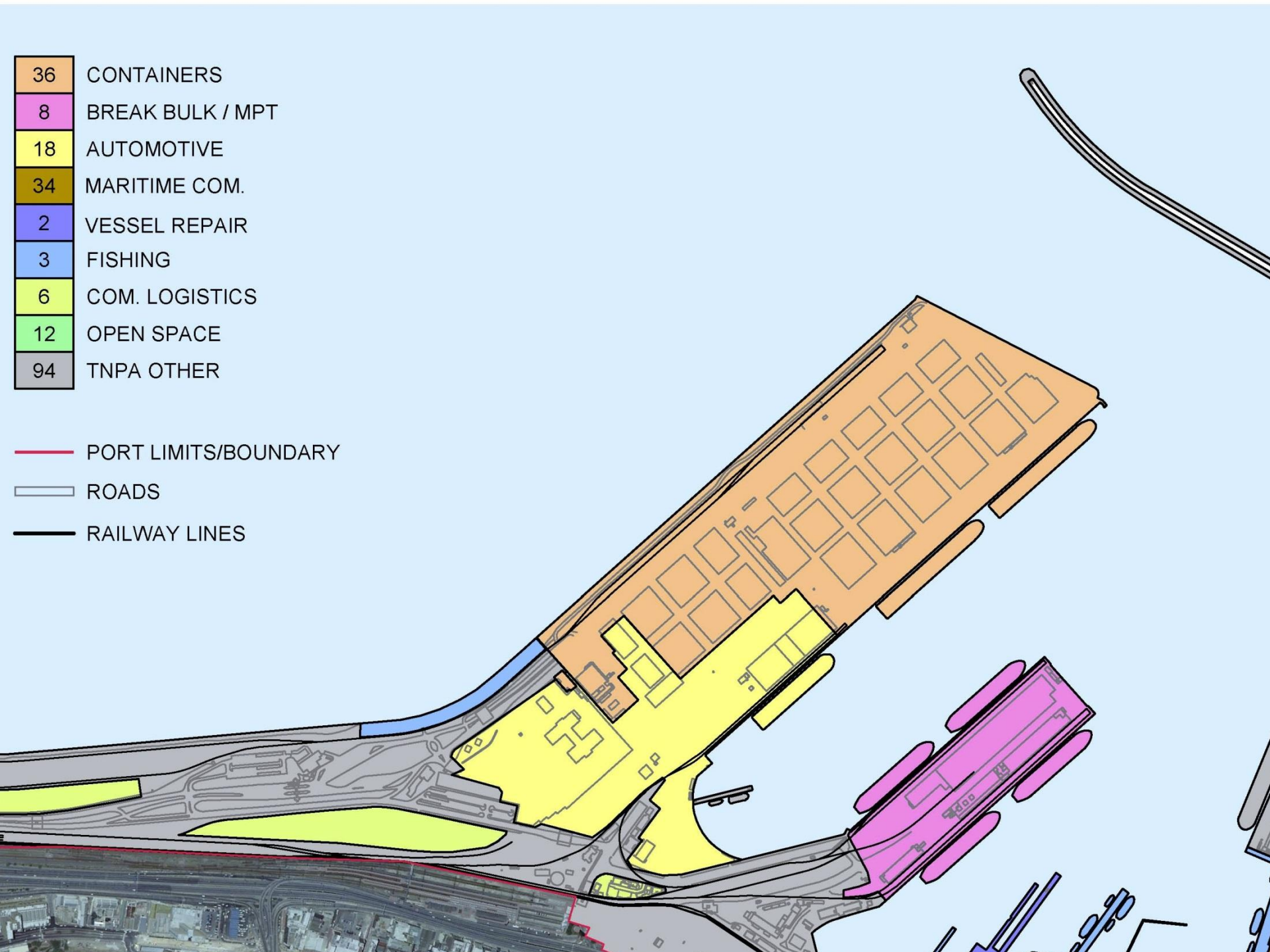
Happy Valley

PORT DEVELOPMENT

RENEW • REVIVE • INSPIRE

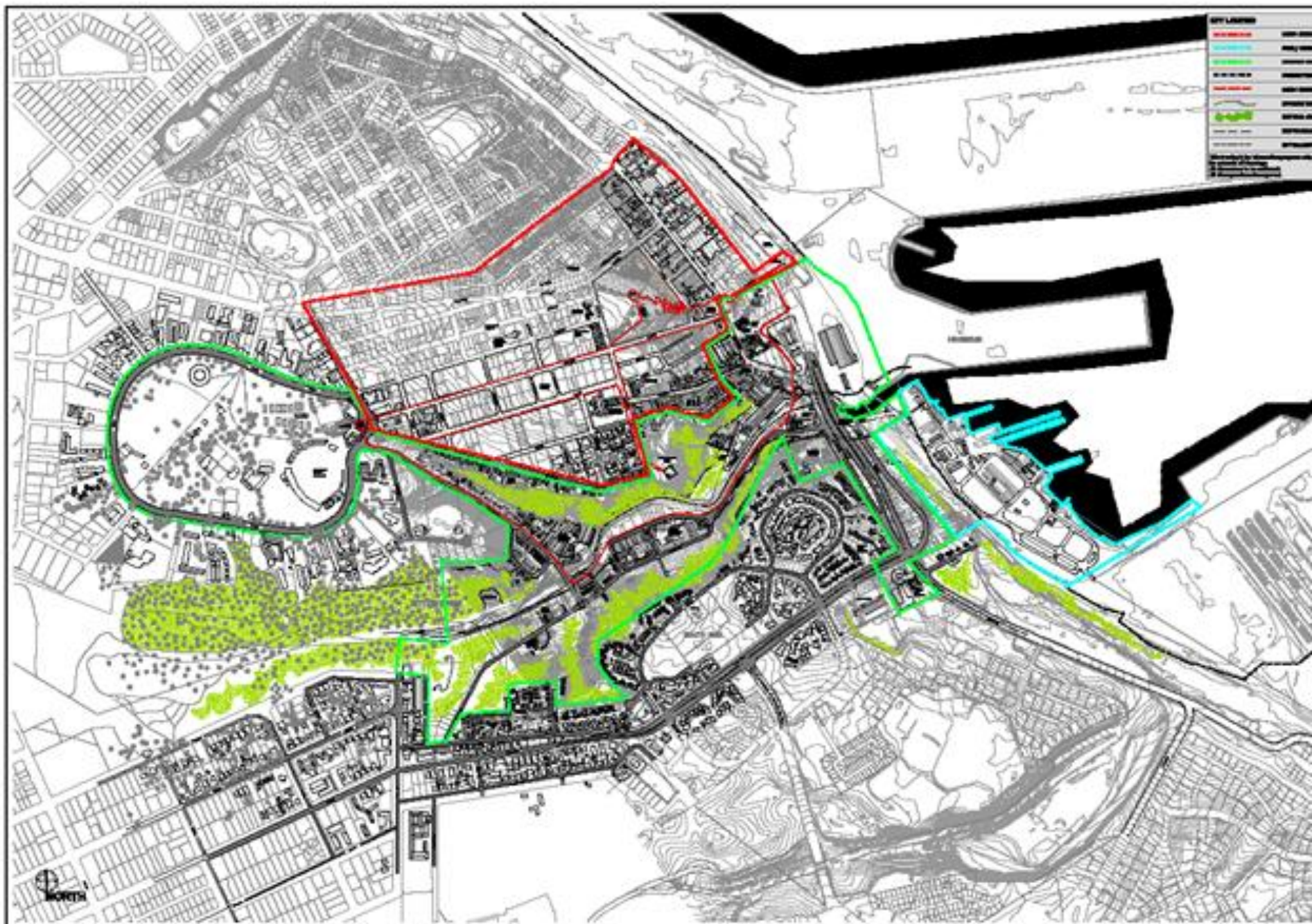
36	CONTAINERS
8	BREAK BULK / MPT
18	AUTOMOTIVE
34	MARITIME COM.
2	VESSEL REPAIR
3	FISHING
6	COM. LOGISTICS
12	OPEN SPACE
94	TNPA OTHER

- PORT LIMITS/BOUNDARY
- ROADS
- RAILWAY LINES



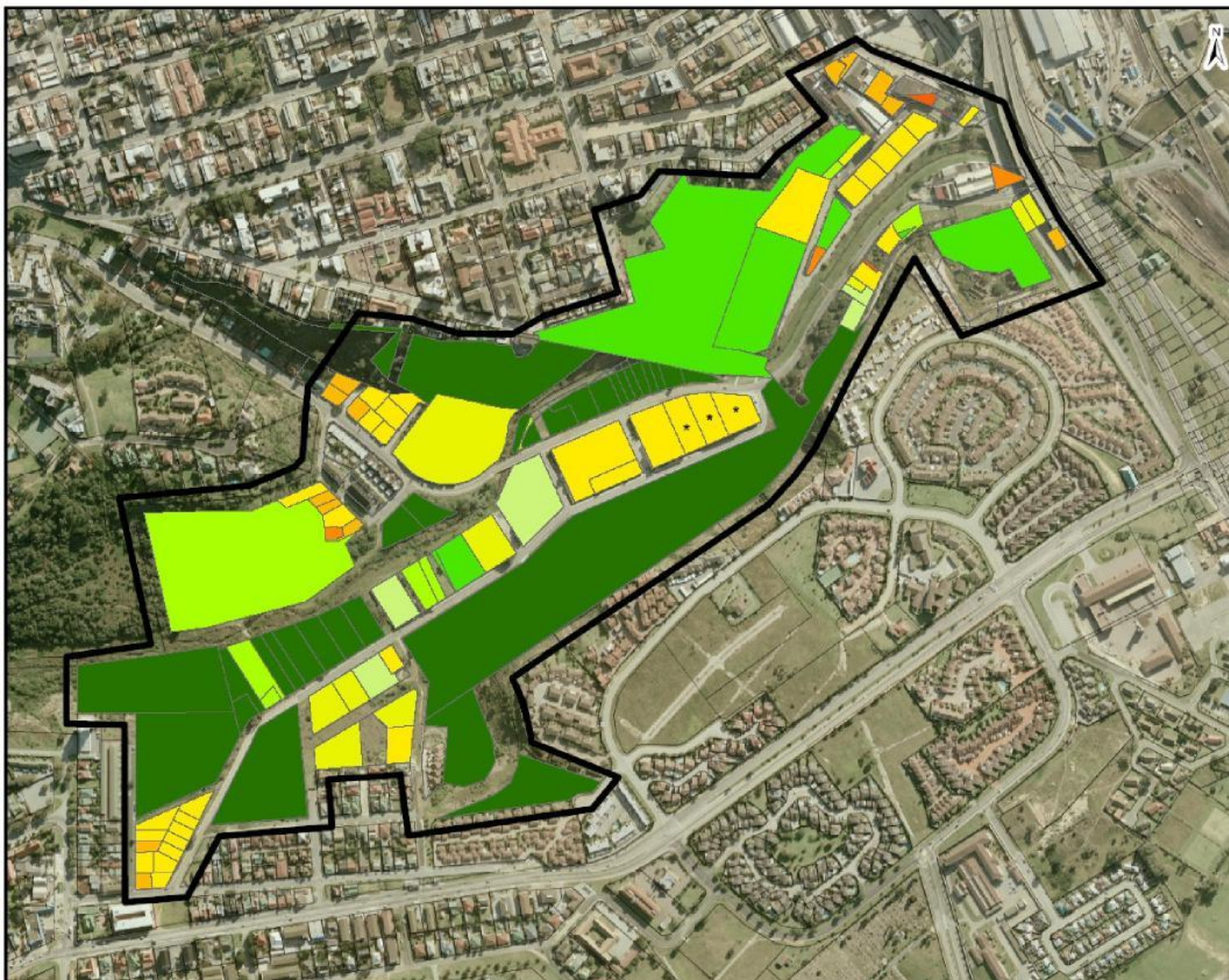
BAAKENS VALLEY AND TRAMWAYS BUILDING

RENEW • REVIVE • INSPIRE



KEY	
Red	Urban Core
Green	Urban Edge
Yellow	Urban Fringe
Blue	Water
Grey	Transport
Light Green	Open Space
Dark Green	Forest
Light Blue	Coastal
Dark Blue	Marine
White	Other

BAACKENS RIVER PRECINCT
SCALE 1:50,000 AT A3



LOWE DEV LAND

Map

Legend

Study Area

Land

Site Value

- No
- 0.01
- 50.0
- 100
- 200
- 400
- 900
- 1500
- 2500
- 4600
- 8500
- 18200

Provision Sourced and Treat

Notes

- * = No
- avail

setp

Scale:

Plan N

Date:

Bridge Street Brewery before upgrade



[Report a problem](#)

© 2013 AfriGIS (Pty) Ltd.
© 2013 Google
© 2013 Google

33°58'08.98" S 25°37'07.06" E elev 6 m

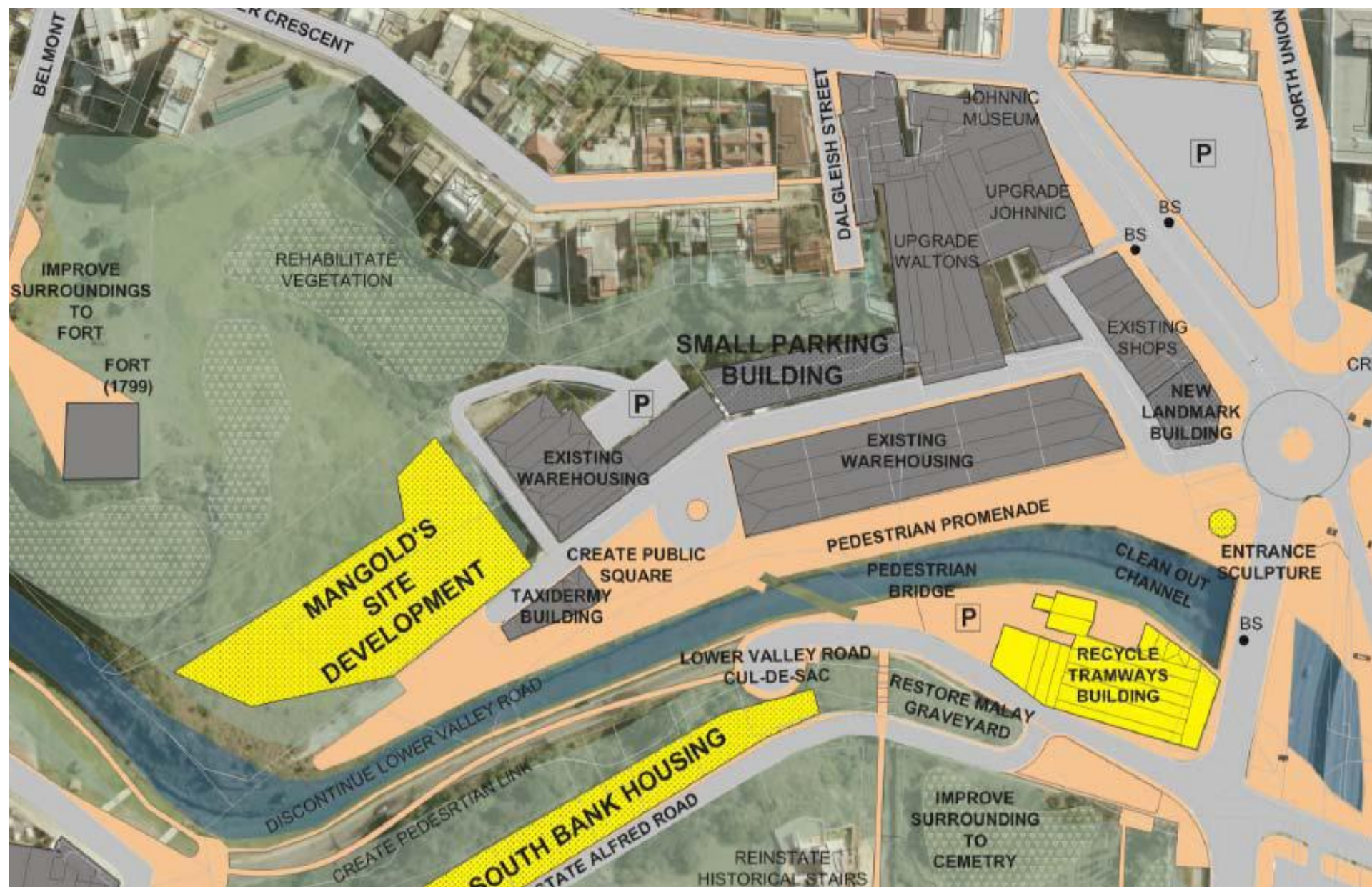
Bridge Street Brewery after upgrade



FRIENDLY STRANGER



Tramways Building Redevelopment



Tramways building before redevelopment

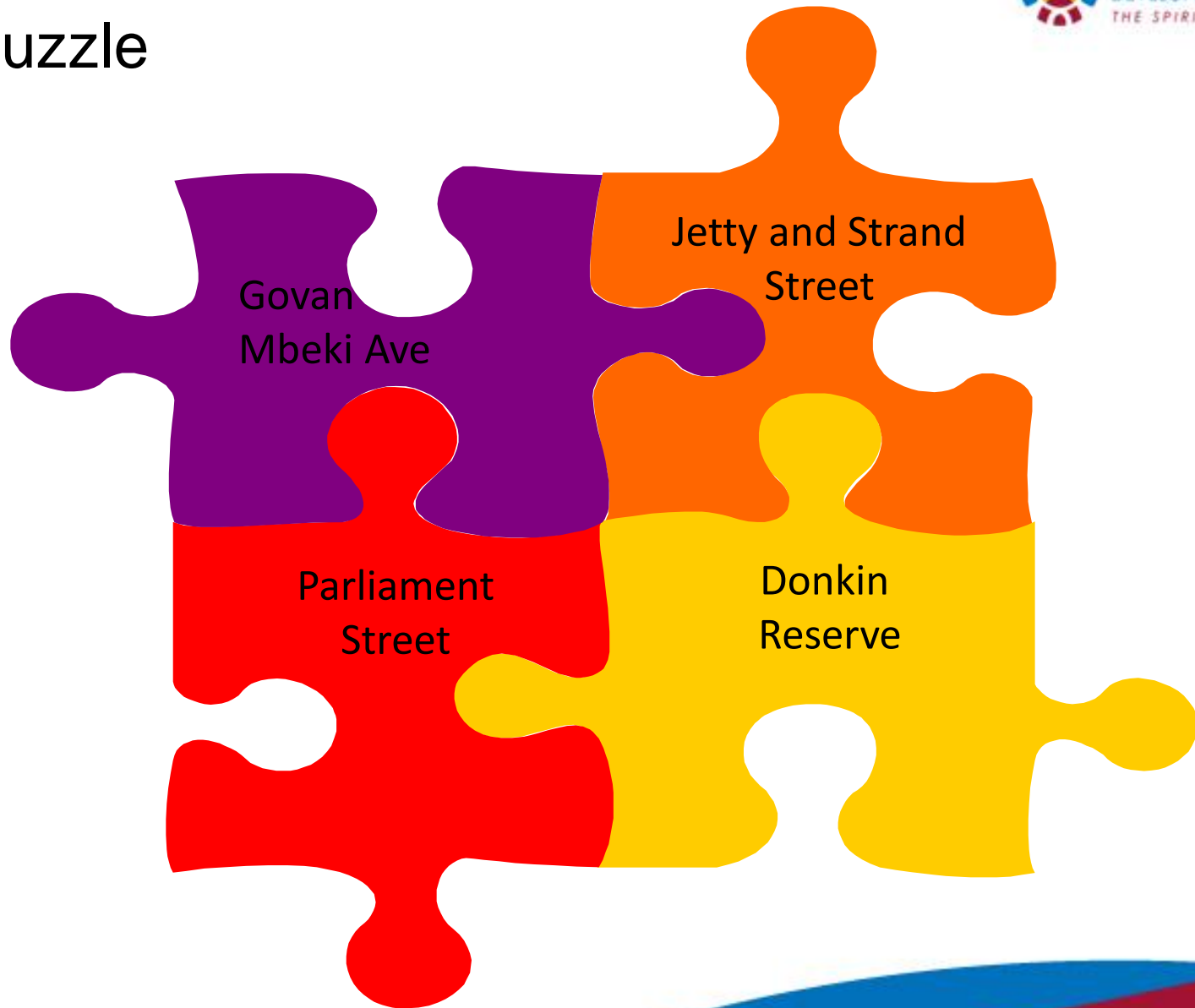


Tramways Building in progress

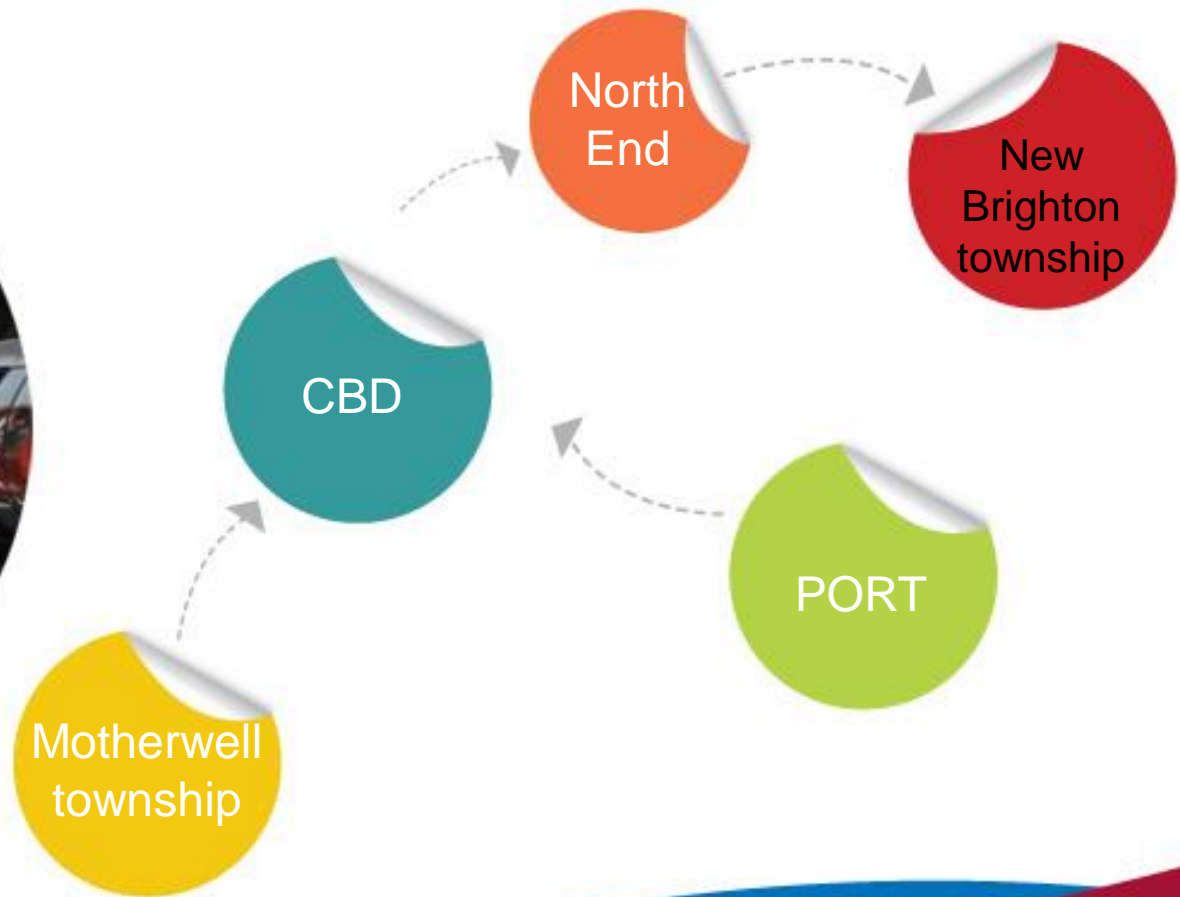




The Puzzle



Thinking differently about nodes...





RENEW • REVIVE • INSPIRE



QUESTIONS

RENEW • REVIVE • INSPIRE