



Some Questions Regarding TOD

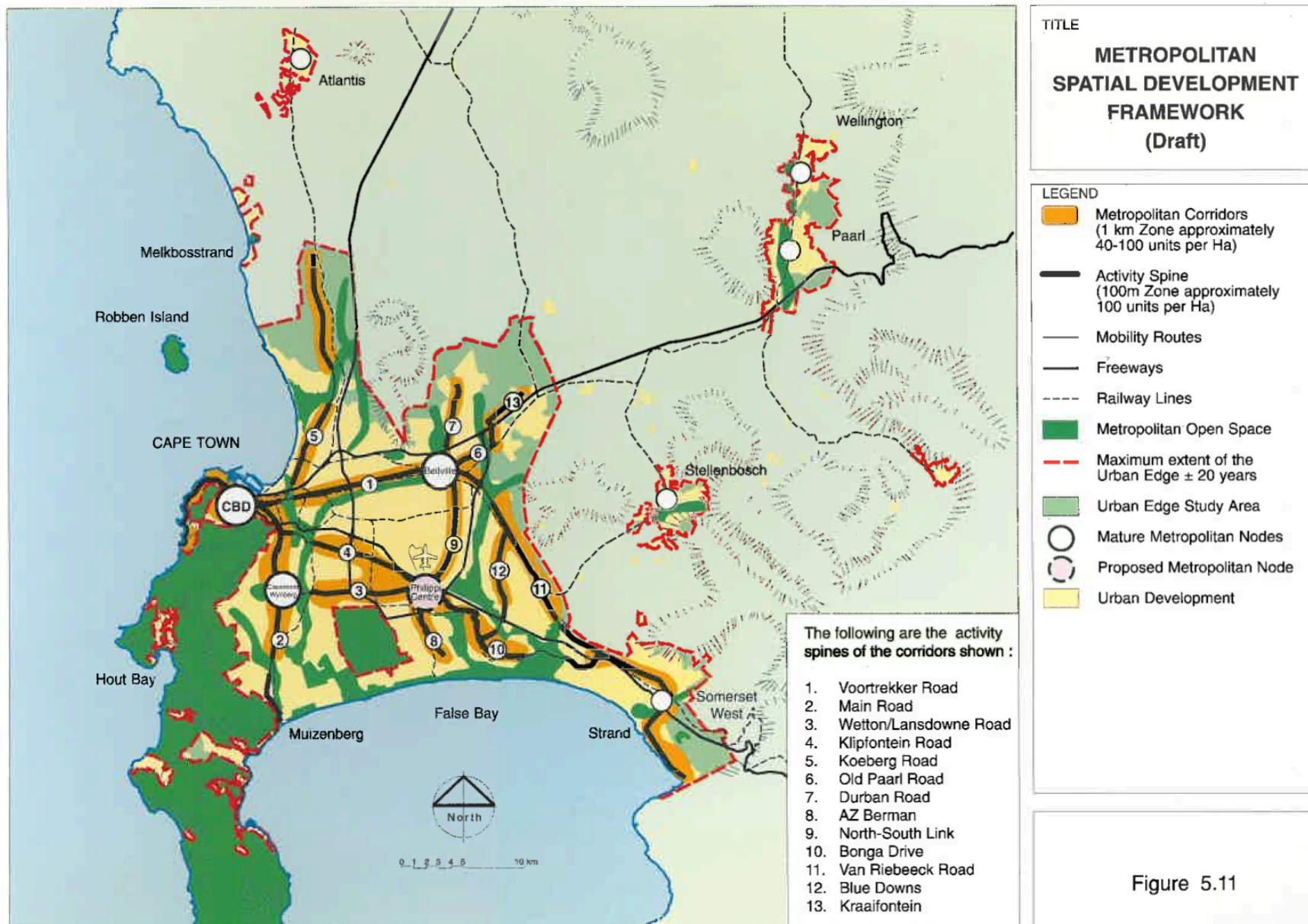
Rob McGaffin

MAKE
THINGS
HAPPEN



NEDBANK
CIB

...what is it?



LEGEND

-  Level 1 Interchange
-  Level 1 Zone
-  Level 2 Interchange
-  Level 2 Zone
-  Level 3 Interchange
-  Level 3 Zone

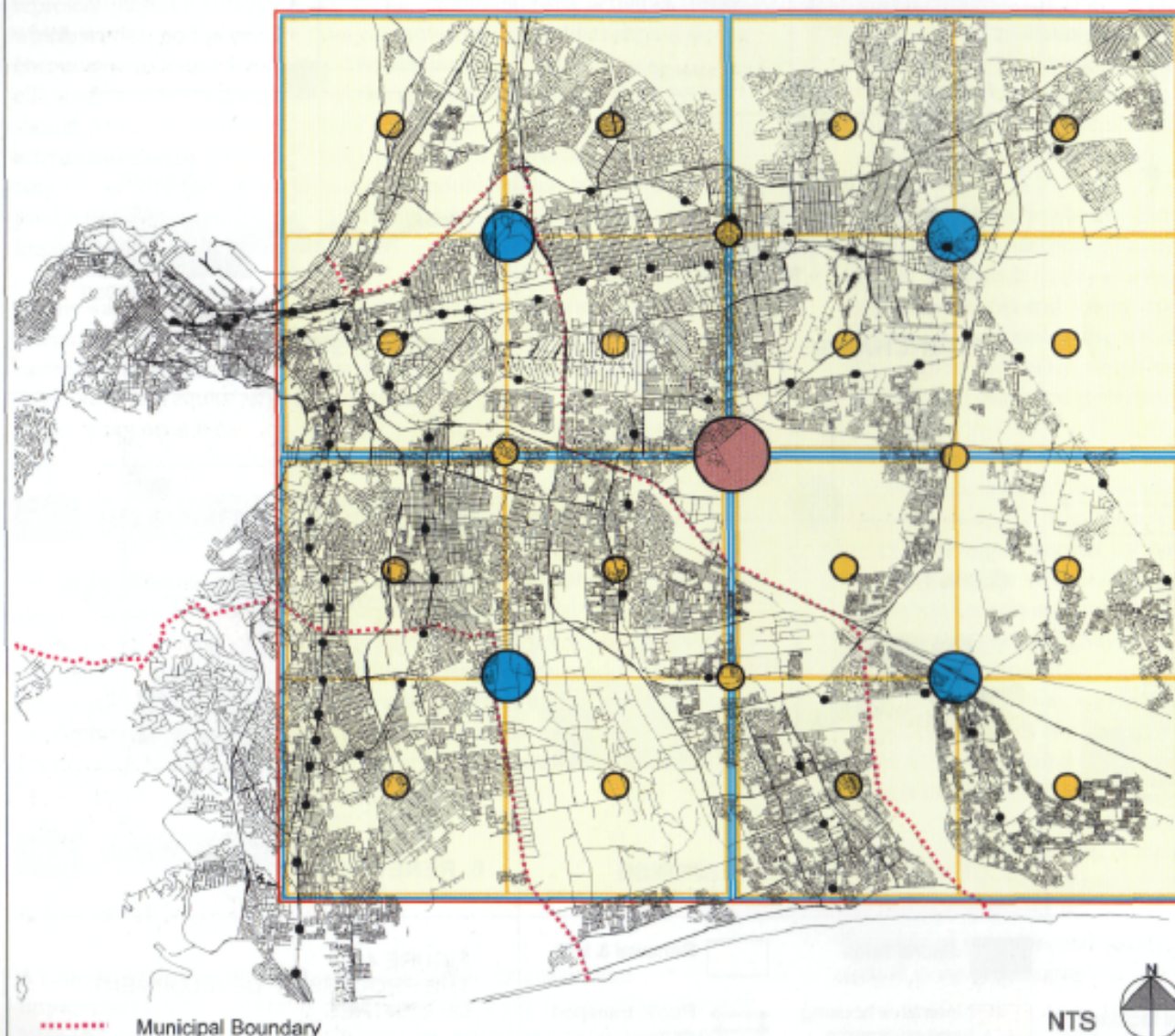


FIGURE 3:
EQUITY DIAGRAM APPLIED
CONCEPTUALLY TO CAPE
TOWN

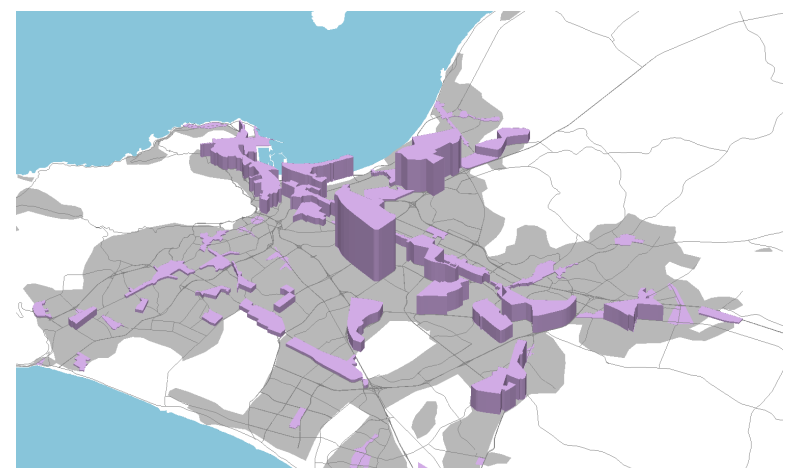
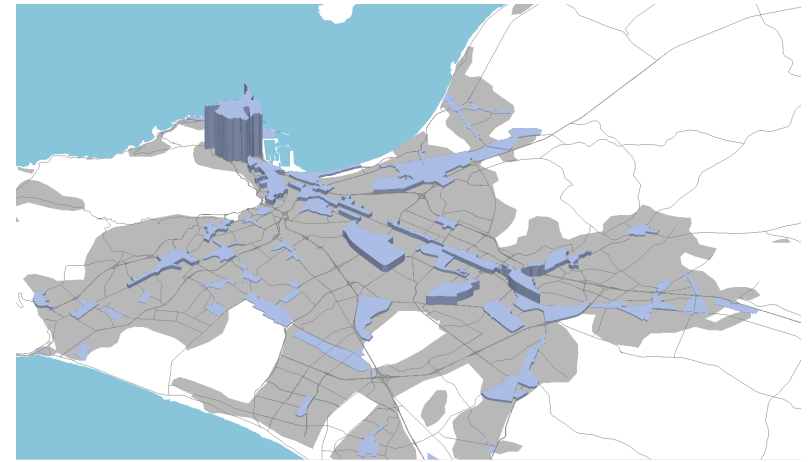
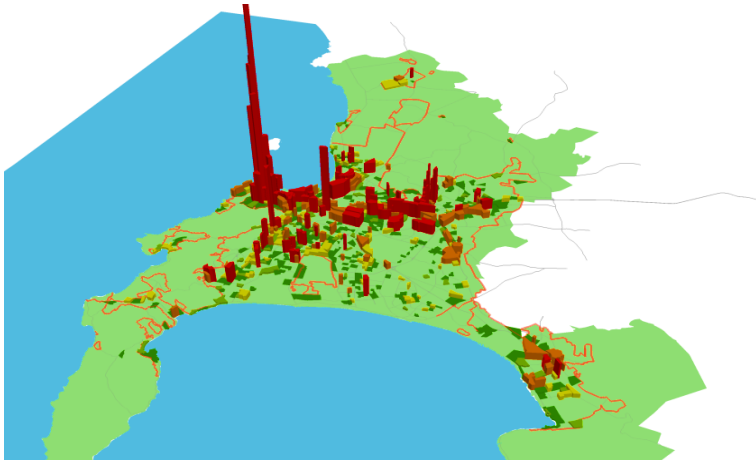
...why have these previous concepts had relatively limited impact?

...is TOD falling into the same trap?

...lack of recognition of inertia, prior investment and clustering



(CIPC; ECAMP CoCT)



(ECAMP CoCT)

...not enough development to go around

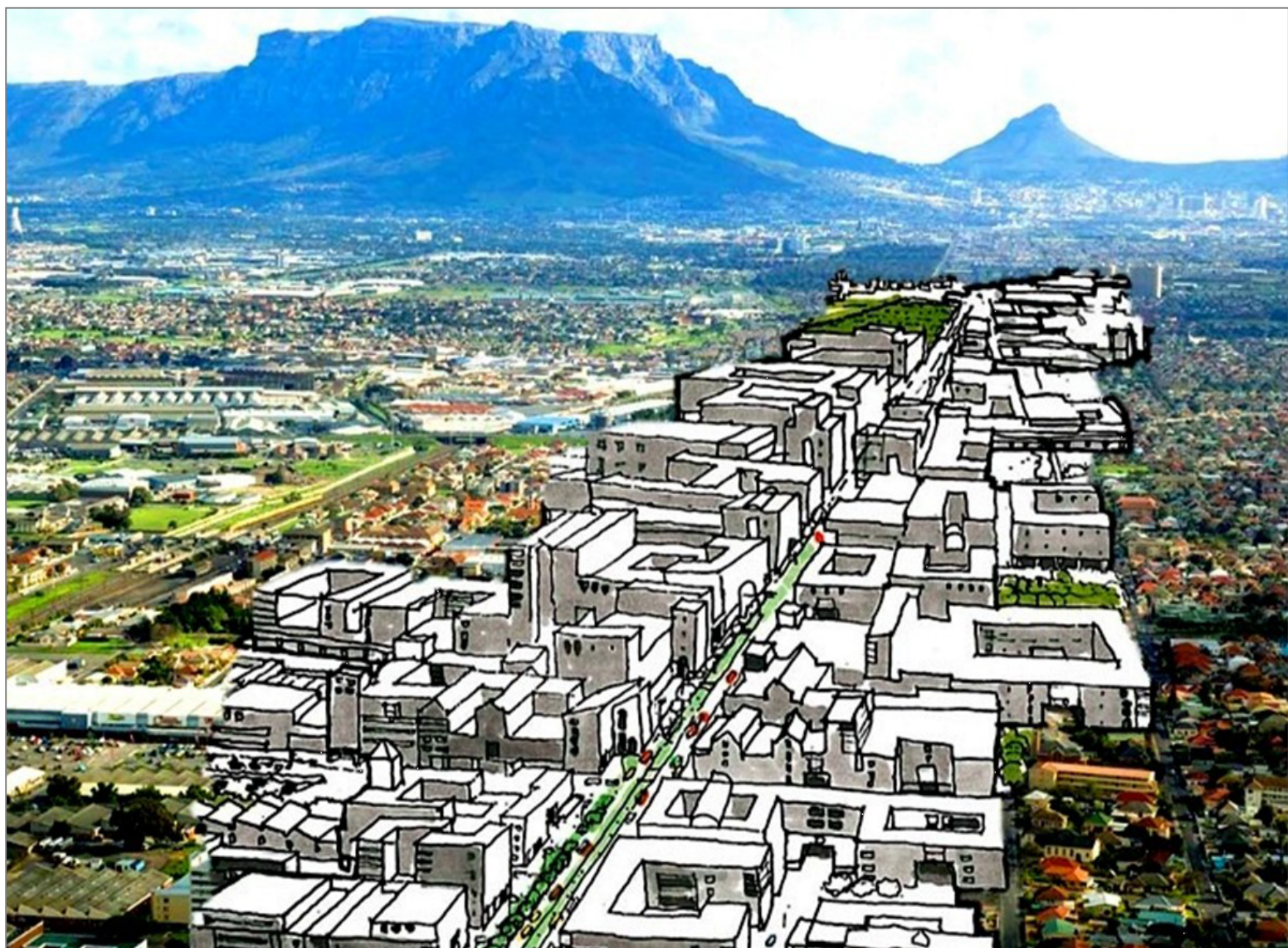
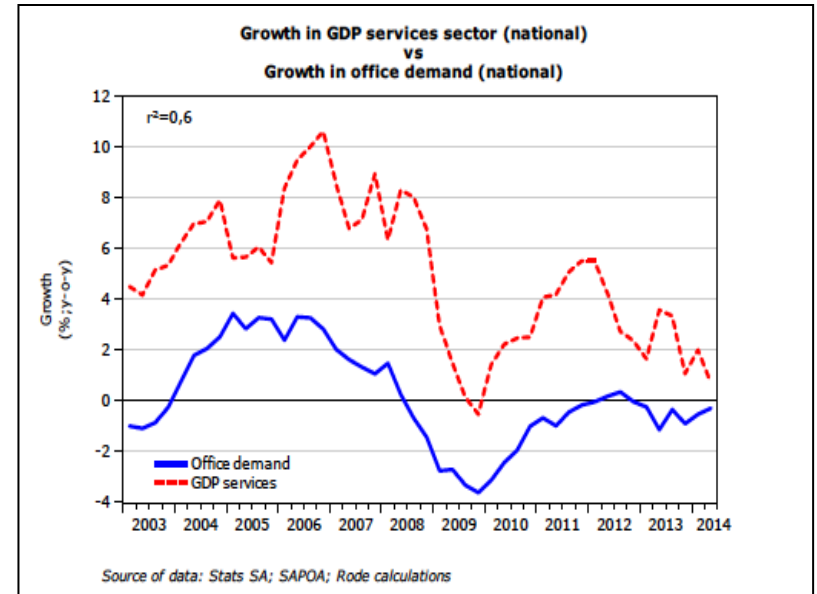
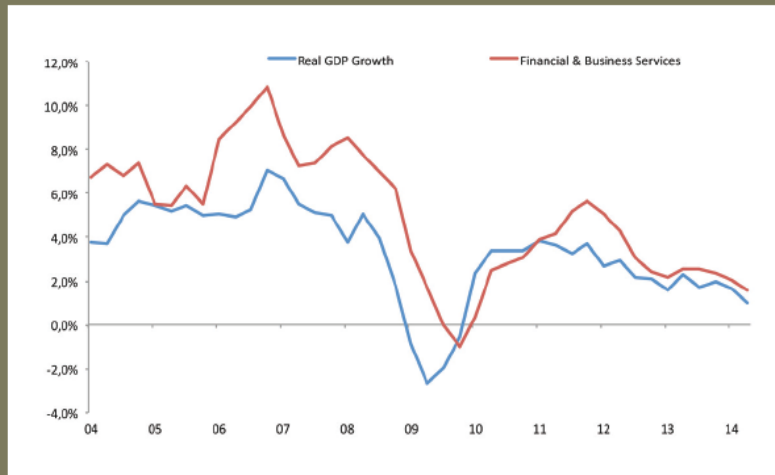


FIGURE 1:
REAL GDP GROWTH



0.5% Growth ???

Cape Town CBD's R30bn property boom

Western Cape | 20 April 2017, 07:46am

✎ Siyabonga Sesant



IOL

NEWS

Cape Town - Despite an embattled economy, Cape Town's multi-billion rand property market showed no signs of slowing, with more than R16 billion of investments which would be ploughed into local coffers – boosting property valuations in the city centre to over R30bn.

About R16.2bn of investment has, conservatively, been committed in the form of 63 developments under way in the city centre since 2012; some, of which are either in the proposed or planning phases, and expected to be completed in 2019.

The fifth annual edition of The State of Cape Town Central City Report, which is considered a yardstick for investors, detailed not only a boom in the commercial property market, but also a spike in the retail and residential options.

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...not understanding and engaging with market trends and drivers of development

demand for particular space in specific locations by companies and residents drives real estate investment

...therefore, one has to understand user requirements

The 3 Biggest Property Trends for Cape Town in 2017

on 21ST NOVEMBER 2016

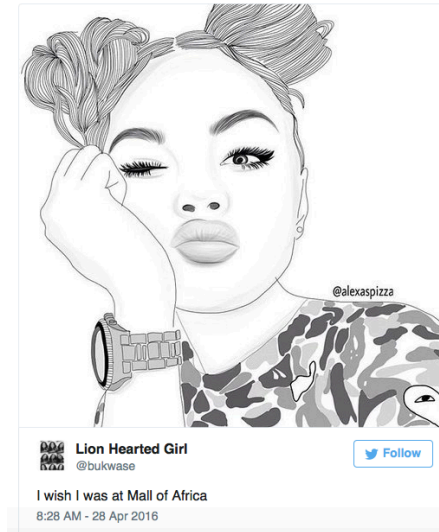
CONSOLIDATION AND LESS SPECULATIVE NEW DEVELOPMENTS

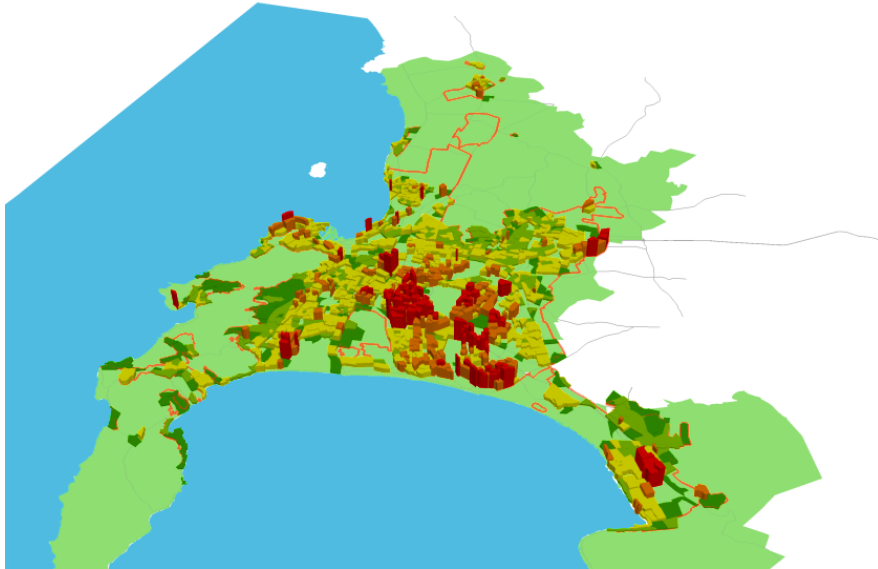
Across industries, companies are finding increased value in consolidating their industrial and commercial property requirements into innovative new mixed-use developments or solutions. The trend is becoming increasingly evident among large retailers, distributors and logistics operators who find it more beneficial to consolidate their operations for increased efficiency and effectiveness. **Expect more companies to consolidate their commercial and industrial properties throughout 2017.** Furthermore, both our Office and **Industrial market report** suggests that developers are taking a more conservative approach to new supply for 2017 with fewer property developments planned on risk. **The trend is in line with that of the Johannesburg market and reflects a more cautious outlook by property developers and listed funds in 2017.**

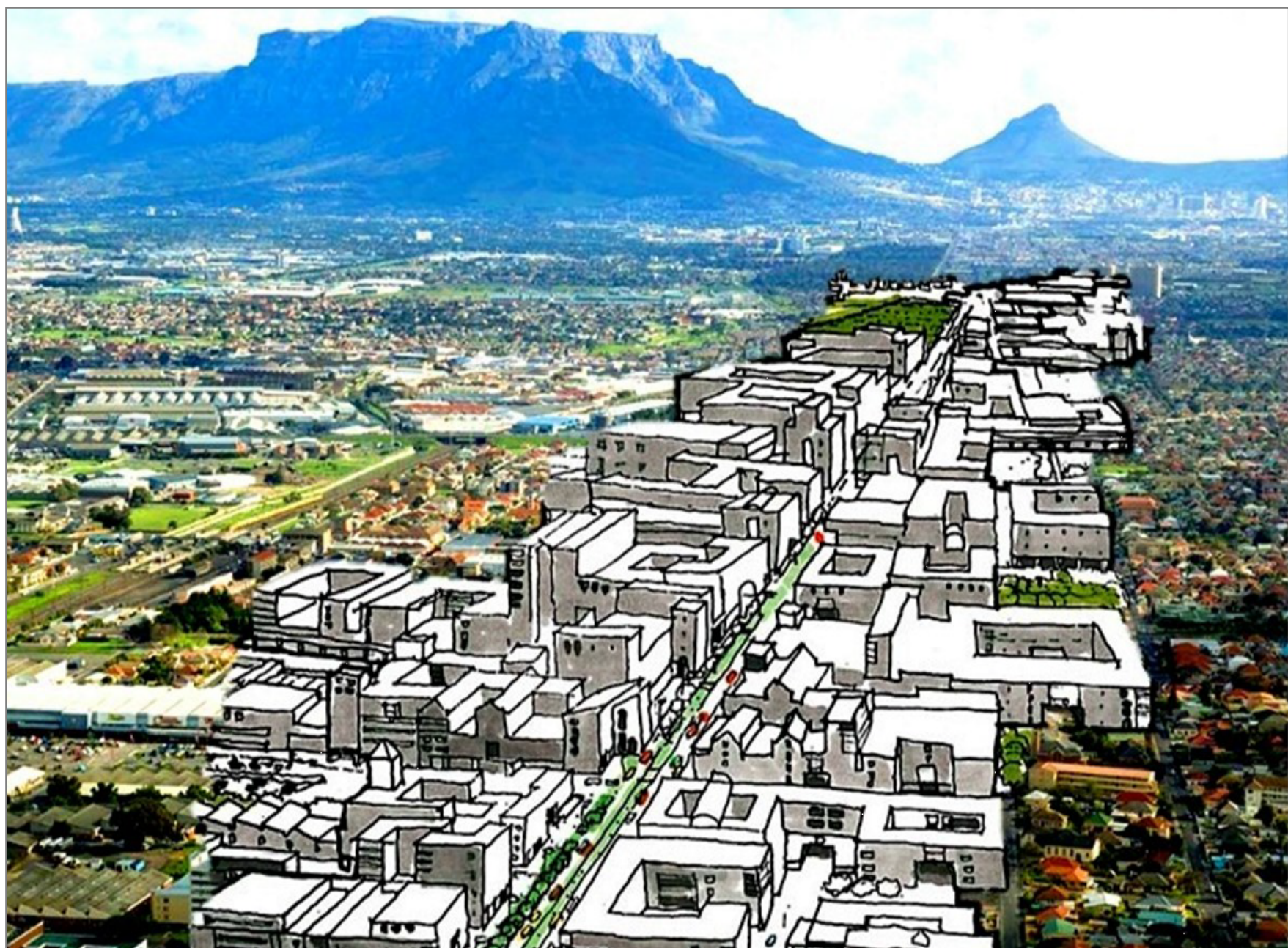


An artist impression of the new retail and industrial development Richmond park along the N7 by Atterbury. Tenants and logistics operators are increasingly finding value in consolidating their operations, with similar trends being witnessed in the Gauteng property market. Image credit – Atterbury.

In the retail market, despite the slowdown in new builds, ...malls... **are getting even bigger... there is clear appetite for regional and super-regional malls** having the lowest vacancies with 3% and 2% vacancy rates respectively observed in 2016.

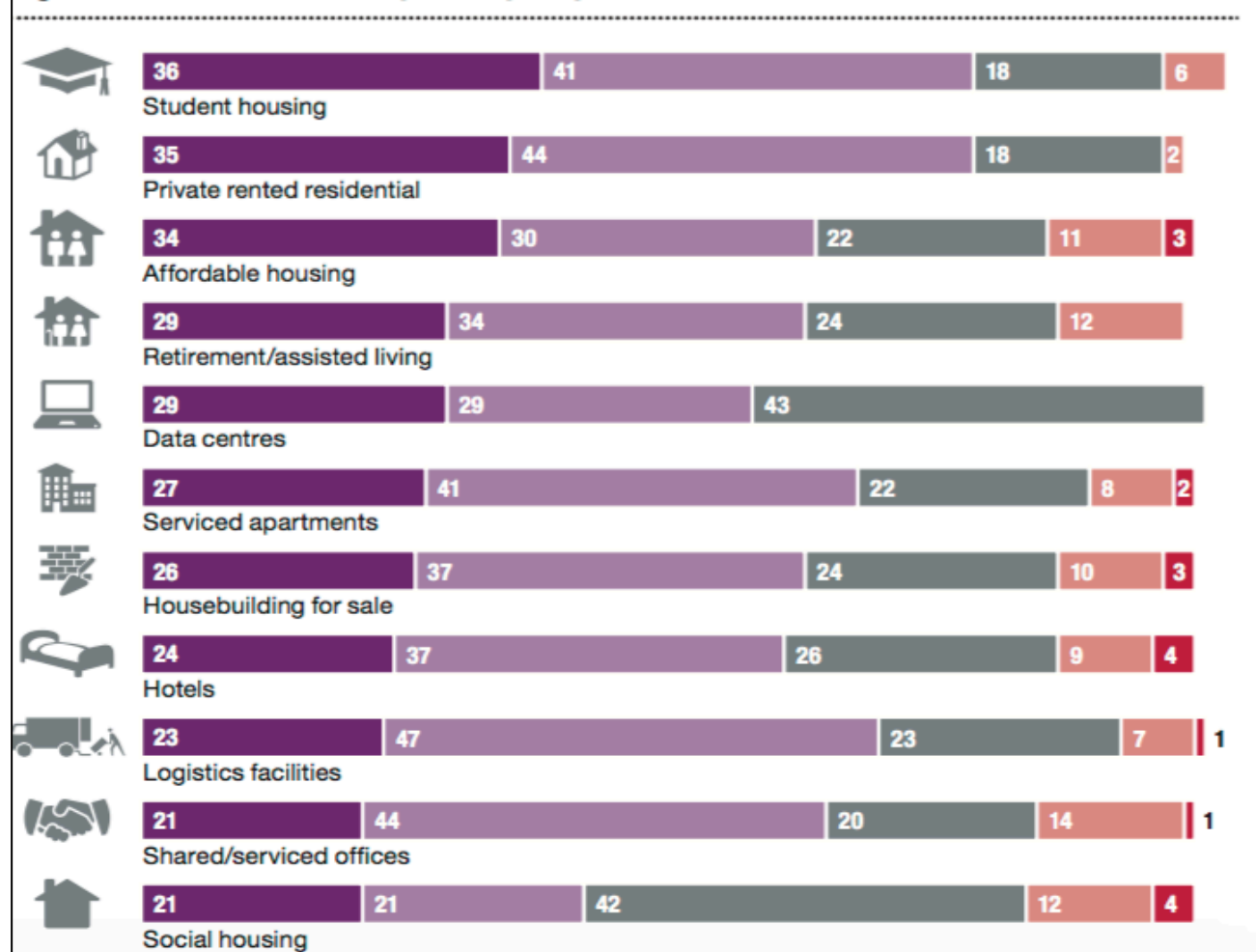






...education, leisure, housing rather than retail, office and industrial space

Figure 2-12 Sector development prospects, 2017



Cape Town Monthly Household Income	Black African		Coloured		Asian		White		Other		Total	
	Num	%	Num	%	Num	%	Num	%	Num	%	Num	%
No income	85 427	19.2%	37 399	10.4%	1 542	10.8%	19 522	8.4%	2 627	14.5%	146 517	13.7%
R 1 - R 1 600	120 800	27.2%	53 104	14.8%	965	6.8%	7 445	3.2%	2 754	15.2%	185 068	17.3%
R 1 601 - R 3 200	102 325	23.0%	55 849	15.6%	966	6.8%	8 633	3.7%	3 051	16.9%	170 824	16.0%
R 3 201 - R 6 400	64 708	14.5%	66 488	18.5%	1 459	10.2%	18 853	8.1%	2 919	16.2%	154 427	14.5%
R 6 401 - R 12 800	35 420	8.0%	62 286	17.4%	2 149	15.1%	37 117	15.9%	2 376	13.1%	139 348	13.0%
R 12 801 - R 25 600	20 520	4.6%	47 952	13.4%	2 852	20.0%	53 255	22.9%	2 046	11.3%	126 625	11.8%
R 25 601 - R 51 200	10 835	2.4%	26 390	7.4%	2 564	18.0%	51 619	22.2%	1 452	8.0%	92 860	8.7%
R 51 201 - R 102 400	3 122	0.7%	6 889	1.9%	1 240	8.7%	26 190	11.2%	577	3.2%	38 018	3.6%
R 102 401 or more	1 615	0.4%	2 257	0.6%	523	3.7%	10 151	4.4%	268	1.5%	14 814	1.4%
Unspecified	9	0.0%	15	0.0%	6	0.0%	41	0.0%	2	0.0%	73	0.0%
Total	444 781	100.0%	358 629	100.0%	14 266	100.0%	232 826	100.0%	18 072	100.0%	1 068 574	100.0%

75%

...less than a R200 000 house

**R 160 000****1 Bedroom House for Sale in Wesbank**

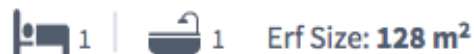
This is for investors or beginners!!! This one bedrooms corner house has it all and well looked after . This house has lounge ,kitchen,bathroom and also ...

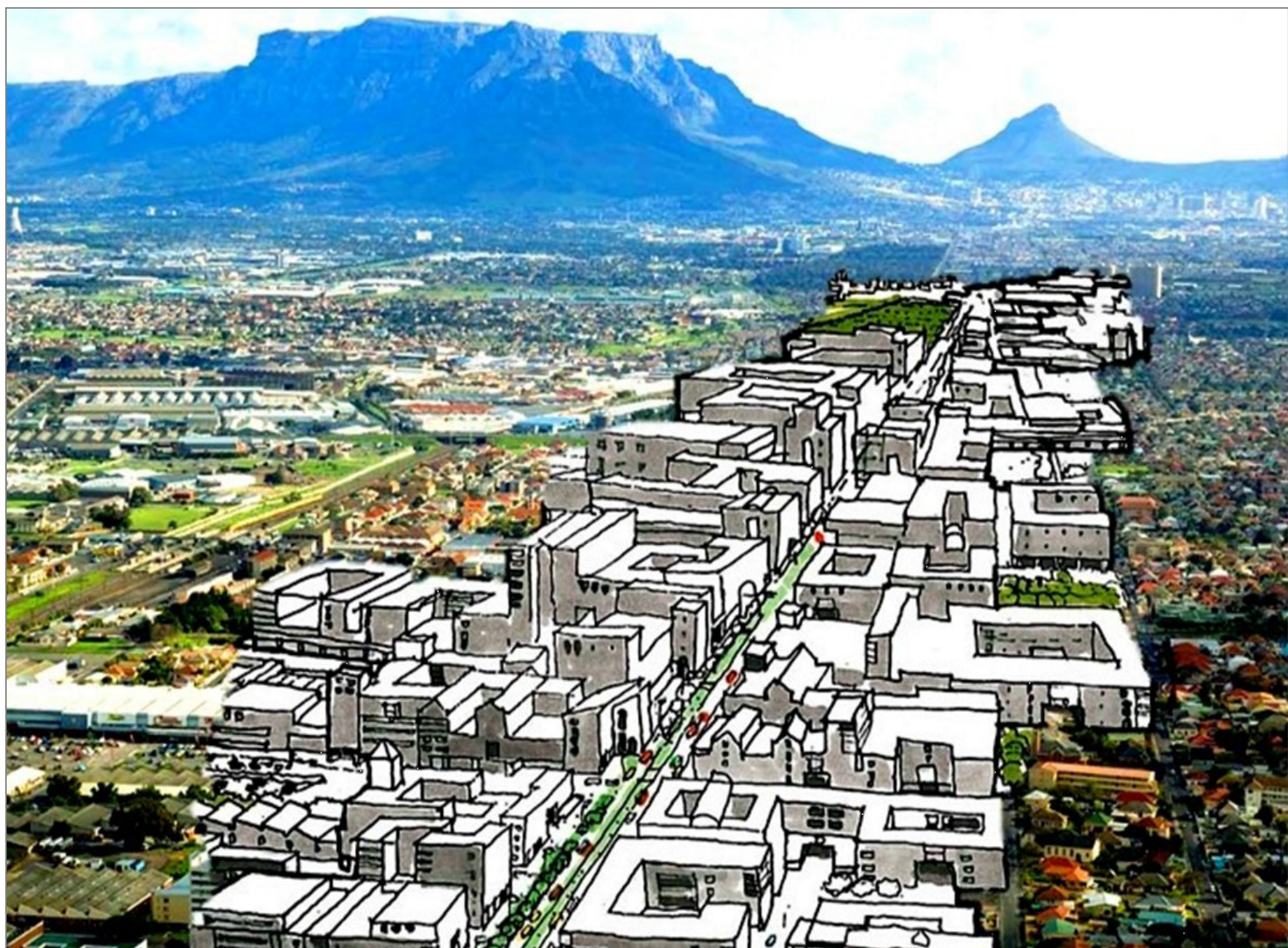
**R 145 000**

Tony Yengeni Street, Crossroads

1 Bedroom House for Sale in Crossroads

Corner house 1 bedroom, kitchen,family bathroom,very big yard

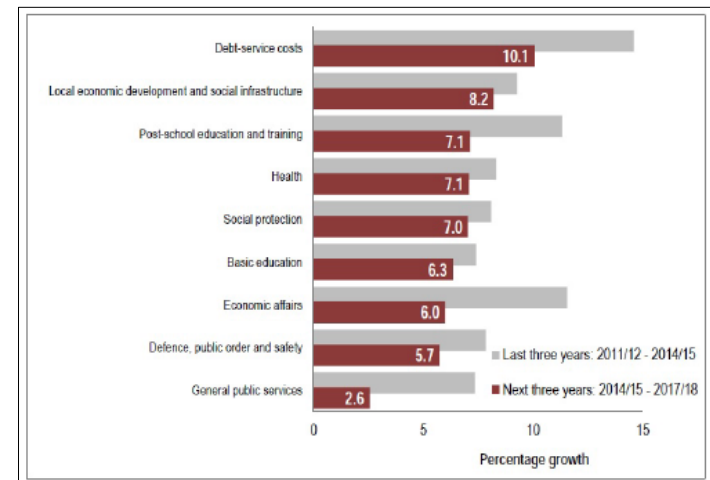




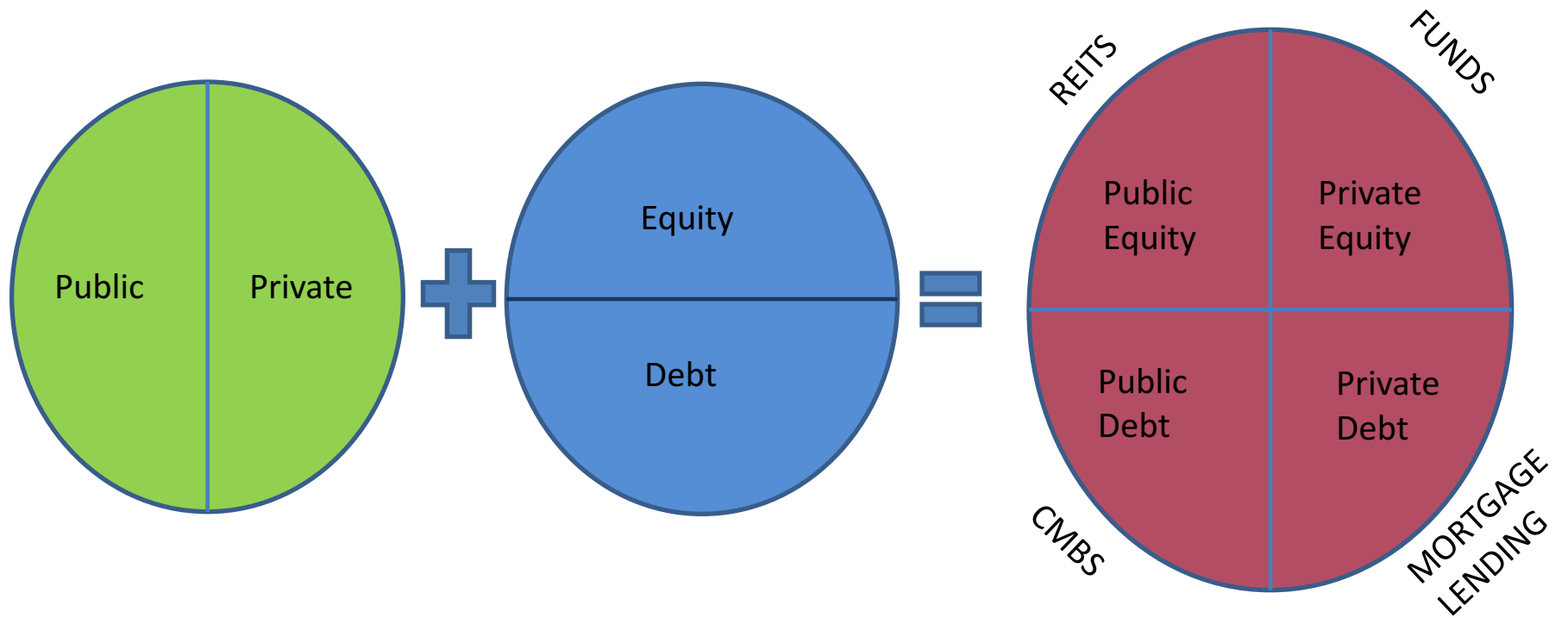
1 out 4 houses “formal market” delivered
1 out 4 houses “state” delivered
2 out 4 houses “informal market” delivered



Gross national tax revenue revised downwards by R35-billion between 2015/16 and 2017/18 due to steep decline in commodity prices and corporate income tax collection



...not understanding how development is financed



MAS expands Eastern Europe footprint with two malls in Bulgaria

20 APRIL 2017 - 06:03 by ALISTAIR ANDERSON



COMPANIES / PROPERTY

COMMERCIAL PROPERTY

Vukile set for expansion into UK and Europe

25 NOVEMBER 2016 - 06:31 AM by ALISTAIR ANDERSON

Already, offshore exposure in SA's listed property sector is about 48% (end of June 2016) compared with no offshore exposure ten years ago, the latest figures from Stanlib show.

SA Investors look to Europe for Property opportunities

By Africa Property News 2016-05-04 13:35:00

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Given the poor performance of inflation, South African property made their mark on the real est across Central and Eastern Europe last 12 months.

SEE NEW DEVELOPMENT: [B](#)
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With the region's attractive yield interest rates enticing an increa

...not understanding how development is delivered



Conclusion

One doesn't have to like, or agree, with these trends but one has to understand and engage with them in a sophisticated manner to restructure a city.

Some hard questions have to be asked:

- Are we trying to naively impose an unrealistic urban structure to pay for a transport system that we can't afford?
- Are there other urban structures and forms that may be more achievable that will result in similar urban performance outcomes relating to efficiency, equity, viability and sustainability?

...we have the people, skills, will and data to engage with these questions and drivers...our challenge is to do so...



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