



Beyond Greenfield Development:

**Addressing Cape Town's housing
backlog through retrofitting and
repurposing vacant buildings**

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Approximately 4,000 to 5,000 government-subsidised houses are built in Cape Town, South Africa annually. In the face of shrinking national budgets, housing delivery is likely to slow, exacerbating the housing backlog and leaving many communities with few choices.

This research examines land and building occupations in Cape Town, South Africa. The research situates these occupations, and the social and political practices that substantiate them, within the limits and constraints of South Africa's national housing delivery programme. It reveals that retrofitting underutilised or vacant government-owned buildings could help address housing needs. Policy reforms related to housing and urban development need to shift the focus from new-build and support the retrofitting and repurposing of underutilised and vacant buildings for use as affordable housing.

Key results

- Since 2016, there has been an increase in the number of informal occupations across Cape Town. In this period, a new phenomenon in the Cape Town context has emerged: the occupation of vacant or underutilised government-owned buildings.
- There is a conflict of rationalities between different stakeholders—namely government officials, politicians, occupiers, and activists—on the role that informal occupations play to meet current housing needs.
- Housing subsidy mechanisms and policy instruments have a bias towards greenfield development. This is reflected in the direction of investment into the construction of new houses and upgrading of informal settlements.
- Minimal investments in retrofitting of vacant or underutilised public buildings will lead to the provision of affordable housing in well-located areas, thus addressing both the housing need within the city and the need to reverse apartheid spatial logics.

Retrofitting and repurposing as key to addressing Cape Town's affordable housing backlog

Cape Town's sprawling, low-density, and fragmented urban landscape is inefficient, inequitable and unsustainable. City-wide and bottom-up processes have emerged to address this, particularly within the human settlements sector. Responses by policy makers include, but are not limited to, policy development, capacity building of key government institutions to ensure successful completion of housing projects, and the development of subsidy mechanisms. These top-down responses rarely speak directly to or complement citizen actions, and those of support NGOs. These actions include the informal occupation of land and buildings, and the activation of underutilised social infrastructure by citizens.

The research examines the interactions between, and the outcomes of, these responses in the development of Cape Town's human settlements sector. In particular, we unpack how both housing policy and the fiscal logics of investment on one hand, and informal land occupations and the activation of social infrastructure on the other, shape the city over time in order to identify contradictions, alignments, and conflicts between them.

The research shows that informal occupation remains a significant mechanism through which many working-class households secure housing in a continuously urbanising city. While the occupation of vacant or underutilised land remains the predominant form of informal occupation, there are an increasing number of occupations of vacant or underutilised government-owned, inner city buildings. A conflict of rationalities between the different actor groups that stem, in part, from the actors' perceptions of occupations was evidenced. These conflicting rationalities stall development and hinder processes aimed at addressing the housing backlog. These rationalities, in turn, curtail government investment in retrofitting vacant or underutilized state-owned buildings.

Key findings

1. A new phenomenon: Building occupation

Taking a historical perspective of land occupations in Cape Town, we are currently witnessing the fourth wave of occupations in the city. Similar to earlier waves of occupation in 1834, the 1970s and the 1980s, the current wave of occupations stems, in part, from the failures of government's macroeconomic policies to address land displacement and provide housing for all those in need.

Consequently, and since 2016, there has been an increase in the number of informal occupations across Cape Town. This increase can be attributed, in part, to former Minister of Human Settlements, Water and Sanitation Lindiwe Sisulu's announcement of a shift in policy that heralds, first, a shift back to a sites-and-services approach and, second, the disqualification of those under the age of 40 years from receiving fully-subsidised, freehold housing. In this period, we have also witnessed a new phenomenon in the Cape Town context – the occupation of vacant or underutilised government-owned buildings. Until 2016, this phenomenon, which is referred to in popular discourse as 'building hijacking', had been seen in other parts of the country such as Johannesburg and Durban. The inner city areas experienced capital flight in the early 1990s, enabling the occupation of many vacant, mostly privately-owned buildings. Cape Town did not experience similar capital flight, but is experiencing the occupation of its vacant or underutilised government-owned buildings as a result of gentrification of working-class neighbourhoods and the lack of affordable housing opportunities in inner city areas. Thus, the occupation of both vacant buildings and land across the city serves as a key mechanism through which the city's poorer residents access housing.

Case Study: The Woodstock Hospital

Located in Cape Town's inner city neighbourhood of Woodstock, the Woodstock Hospital has been under occupation by members of Reclaim the City (RTC) since 2017. Renamed Cissie Gool House by the occupiers, the former hospital's interior has been significantly retrofitted to make its ward floors (and the mortuary) suitable for residential use by the nearly 900 residents. These retrofitting activities include, but are not limited to: partitioning wards to create units for individual households, some of which include spaza (tuck) shops; and reconnecting the building to the water and electricity infrastructure grids. To retrofit and maintain common areas such as the area that served as a dining room in the section of the hospital that was formerly a nurses' home, occupiers pool resources to buy material and repair, reconnect and maintain the facilities themselves.

Woodstock Hospital site has been earmarked for the development of social housing, but in order to proceed with the development, the City of Cape Town has instituted eviction proceedings to get occupiers to move off the site so that the building can be demolished and the site redeveloped.



Cissie Gool House, Woodstock

An embedded case study approach was utilised with the City of Cape Town as the site. It was at this level that popular discourse, fiscal analysis, and housing delivery strategies were analysed. Four sub-cases were selected to analyse bottom-up processes within the human settlements sector. These sub-cases included two informal land occupations in Khayelitsha and two buildings occupations in Green Point and Woodstock.



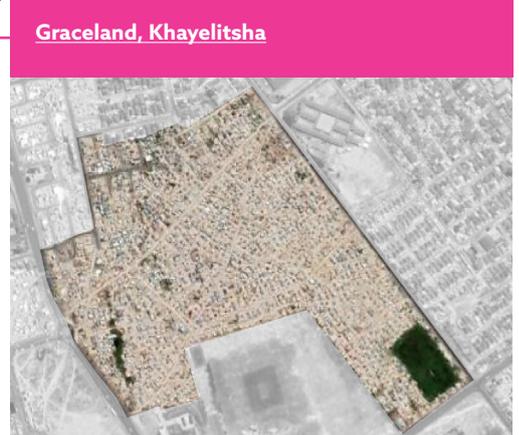
Helen Bowden Nurses' Home Green



Silvertown, Khayelitsha



Cissie Gool House (Woodstock Hospital), Woodstock



Graceland, Khayelitsha

“Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.” - Section 26, South African Constitution

2. Conflicting rationalities between government officials and occupiers

There is a conflict of rationalities between government officials and occupiers about the role that informal occupations play to meet current housing needs. For some government officials, occupations not only thwart the rule of law, they also disrupt the implementation of urban development plans and programmes, particularly when the land or building under occupation has been earmarked for a specific project. Consequently, from government’s perspective, occupiers are ‘bad’ citizens who undermine government’s efforts to address the housing backlog through their refusal to wait patiently for their turn to be allocated a house.

The findings reveal that governments’ rationality are underpinned, in part, from government officials’ concerns with compliance and accountability. There is a concern to meet departmental targets, particularly housing delivery targets. However, the additional concern for fiscal and financial accountability necessitates that these targets be met without any ‘irregular’ expenditure. That is, targets must be met within the prescripts of the *Local Government: Municipal Finance Management Act 2003* and the *Public Finance Management Act 1999*. Although both Acts aim to promote good financial management, they establish a single set of rules that limit the scope for innovation when bureaucrats respond to service delivery challenges.

The occupiers’ and activists, in contrast, argue that occupations are a bottom-up redistribution mechanism through which occupiers, particularly those who do not qualify for housing subsidies and cannot afford to buy houses through the formal market, can access adequate housing and basic services. The occupiers’ claims to government-owned land and buildings are based on provisions made in section 26 of the Constitution. The historic nature of many of these claims, stemming from forceful displacement under apartheid laws, means that occupations, according to the occupiers, are a (land) restitution mechanism.

3. The bias towards greenfield development within housing subsidy and policy instruments stifles retrofitting activities

Housing subsidy mechanisms and policy instruments are underpinned by a bias towards greenfield development. This bias, together with fiscal and financial accountability concerns, is reflected in the investment in the construction of new houses and upgrading of informal settlements, limiting governments’ building of new housing on the urban periphery.

The bias also significantly curtails innovation, on government's part, particularly as it relates to retrofitting existing buildings. The findings have revealed that even on sites where there is an opportunity to retrofit buildings, government's preference (in a bid to avoid spending money in a manner that may be deemed 'irregular' or 'wasteful') is to demolish existing buildings and rebuild – using existing subsidies – from the ground up. This lengthens the project's duration as well as transaction costs for both government and the project's beneficiaries. These time and cost delays, in the face of diminishing budgets and increasing demand, necessitates a policy shift to a sites-and-services approach. Continued investment in the construction of new houses (top structures) and the upgrading of informal settlements alone will not address the housing backlog or reverse the spatial legacy of apartheid in most beneficiaries' lifetimes.

4. Retrofitting existing buildings is a viable alternative and affordable housing delivery mechanism

The building occupations examined as part of this research illustrate that, with minimal resources, vacant or underutilised buildings can be retrofitted and repurposed to meet housing needs. However, the term 'retrofit' is not commonly used in the engineering and construction fields. Rather, it is used to highlight the manner in which occupiers fill and suture gaps in infrastructure networks in order to access key services, such as water or energy services.

Occupiers pool resources and labour to make their new homes more habitable, albeit temporarily given the enduring threat of eviction. These financial and material investments in the building and infrastructure are conducted incrementally as is the case in land occupations and serve to connect the buildings through material improvisations with the wider urban infrastructure network and the city.

The buildings' internal structures are also reshaped to accommodate residential use. This has been accomplished through investments in material that serves as divides between different households' living quarters. Such investments in retrofitting of vacant or underutilised public buildings will lead to the provision of affordable housing in well-located areas, thus addressing both the housing need within the city and the need to reverse apartheid spatial logics.

Policy Insights

1. Citizens are using new avenues to access housing opportunities in the city.

While informal land occupation in the city is not new, the occupation of vacant or underutilised buildings represents a new and significant avenue through which those who do not qualify for government-subsidised housing or are unable to buy houses through the formal market can access housing in the city.

Urban development plans and programmes must recognise that citizens' responses to their inability to access adequate housing are not static. Citizens' responses evolve in the face of changes in their households' circumstances such as the arrival of new members, eviction or displacement as a result of gentrification, for example. The decrease in the number of vacant or underutilised land parcels in the inner city and high rentals in the inner city has constrained the options available to the city's poorer residents to access housing, leading them to occupy public buildings.

2. Consensus between actor groups can curtail development delays

Responses to the challenges within the human settlements sectors are wide-ranging. Responses by policy makers include, but are not limited to: policy development; capacity-building of key government institutions to ensure successful completion of housing projects; development of subsidy mechanisms; and conflicting rationalities. These top-down responses rarely speak directly to or complement citizen actions or support NGOs, which

include the informal occupation of land and buildings. Furthermore, this misalignment manifests a conflict of rationalities between government and occupiers on the role of the developmental state, the right to housing, the future of urban development, and the role of existing buildings within the national housing programme. The differences of opinion on these key points result in development delays and extending the time it will take to address the housing backlog.

3. Development of guidelines for accessing subsidy quantum for retrofitting activities

While there are several subsidies to support the construction of new housing to fulfil the ambitions of the national housing programme and plans, the accompanying guidelines offer no direction on how these subsidies can be drawn on to retrofit existing buildings for housing purposes. This is due in large measure to their bias towards greenfield development. This is reflected in the direction of investment into the construction of new houses and upgrading of informal settlements.

Reforms are required to infuse flexibility into policies to support not only this process but to enable policies and subsidy mechanisms to be more responsive to shifts in the manner in which citizens access housing in the future. The reforms should support the retrofitting of buildings with households remaining *in situ*, rather than eviction. Occupiers, activists and support NGOs can provide invaluable input to shape the programme. The programme should also expand the beneficiary pool to include those who do not qualify for fully-subsidised Breaking New Ground (BNG) housing opportunities.

4. Investments in retrofitting buildings can help decrease the affordable housing backlog

Retrofitting, although primarily thought of in terms of making energy-saving adjustments to existing buildings, can, with minimal investment into vacant government buildings, yield a range of affordable housing units to meet some of the existing demand for affordable housing. Furthermore, given the prime location of many of government's underutilised or vacant buildings, the retrofitting of these buildings can be an integral element of a housing programme that recognises the need to reverse apartheid spatial logics – placing those that require subsidised housing in disconnected or ill-serviced parts of the city. Housing policies should therefore promote the retrofitting and repurposing of existing buildings, particularly government-owned buildings in well-located areas, for affordable housing purposes.

Further reading

McGaffin, R. (2018). Housing in Cape Town in 2018: A Draft Discussion Document. [Online]. Available: http://www.ureru.uct.ac.za/sites/default/files/image_tool/images/383/Housing%20in%20Cape%20Town-2018.pdf

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About us

The PEAK Urban programme aims to aid decision-making on urban futures by:

1. Generating new research grounded in the logic of urban complexity;
2. Fostering the next generation of leaders that draw on different perspectives and backgrounds to address the greatest urban challenges of the 21st century;
3. Growing the capacity of cities to understand and plan their own futures.

In PEAK Urban, cities are recognised as complex, evolving systems that are characterised by their propensity for innovation and change. Big data and mathematical models will be combined with insights from the social sciences and humanities to analyse three key arenas of metropolitan intervention: city morphologies (built forms and infrastructures) and resilience; city flux (mobility and dynamics) and technological change; as well as health and wellbeing.

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Our framework



The PEAK Urban programme uses a framework with four inter-related components to guide its work.

First, the sciences of **Prediction** are employed to understand how cities evolve using data from often unconventional sources.

Second, **Emergence** captures the essence of the outcome from the confluence of dynamics, peoples, interests and tools that characterise cities, which lead to change.

Third, **Adoption** signals to the choices made by states, citizens and companies, given the specificities of their places, their resources and the interplay of urban dynamics, resulting in changing local power and influencing dynamics.

Finally, the **Knowledge** component accounts for the way in which knowledge is exchanged or shared and how it shapes the future of the city.

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