



JUNE 2013
FUTURE CAPE TOWN SUMMIT

Summit Discussion Paper and Summit Proceedings

Gentrification: Practically Speaking

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Urban Intelligence Unit (UIU)

These Summit Proceedings have been produced and compiled by the Urban Intelligence Unit (UIU), the research wing of Future Cape Town.

We would like to thank all of our Summit Panelists for their attendance and a great discussion.

UIU's research agenda currently focuses on public space and public engagement. Further information about UIU and copies of UIU work can be found at: <http://futurecapetown.com/urbanui/>

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SUMMIT PROCEEDINGS 26 JUNE 2013

INTRODUCTION

The second Future Cape Town Summit, entitled *Gentrification: Practically Speaking*, took place on the 26th of June, 2013 and was hosted at the Cape Institute for Architecture in Cape Town. The meeting was a mid-morning gathering of public and private stakeholders on the panel, and was geared towards finding practical solutions on the contentious issue of gentrified spaces in the city.

ATTENDEES

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PANEL DISCUSSION

The panel opened by briefly scanning the key points in the discussion paper. Members of the panel were then asked to introduce their thoughts to propel the discussion forward. Initially the debate controversially took a more positive stance on gentrification with observations from the Lod community in Israel, as well as the townships in Cape Town. The argument was that the gentrification process is viewed as a “positive means by which social upliftment can be linked with urban renewal” in particular in township areas. It was further emphasized that there are

community benefits, and positive infrastructure, entrepreneurial and economic growth outcomes associated therein. This view was subsequently challenged with the view that there are negative effects of displacement in the process, as well as encouraging the panel to question 'for whom does gentrification serve or benefit in the long run?'

The discussion shifted to the issue of investment into opportunities particularly in the Woodstock area, and critically pointed to the role of city authorities in their investment targets - being that they serve an important function in identifying promising areas (and site), to influence the [property] markets. The rebuttal was that the City of Cape Town does not play a role in influencing the demand, but instead is guided by it. It was added that city government cannot realistically plan according to the fluctuating markets, however a great deal depends on the communities at hand. The issue of transparency and public engagement was raised, with differing views on whether transparency was a sufficient means of ensuring an adequate level of public engagement.

The sensitive issue of person-to-person interaction and the implication upon the sense of self was addressed, particularly where evictions and displacement were concerned. Critical challenges such as the role of smaller, independent institutions i.e. The District Six Museum and the failure to involve them in broader policy issues with the City, including the self-preoccupation of the branding of social initiatives in the city - that is, often the result of poor shared involvement and participation of practical solution initiatives.

4 PRACTICAL SOLUTIONS FOR A WAY FORWARD IN CAPE TOWN

1. The need for progress in delivering social housing

If gentrification is to be addressed, then the matter of social housing has to be strongly considered. Alternatives such as gap housing and innovative, cooperative solutions were subsequently proposed as innovative ways of managing property for current residents without the resources required of increasing rents in gentrifying communities. In addition, the ability to identify areas that are developing, and subsequently plan for those places as areas for the city to invest in social housing from an early stage was cited as a way for the city to proactively engage with communities towards integrated social housing projects. The issue of encouraging social housing in developing areas without changing the public perception of those areas as

opportunities for investment, was brought up as a potential challenge to integrating social housing within the spatial fabric of market-driven development. Thus, inherently important to building social housing in gentrifying spaces is also addressing the generally negative associations with social housing and social housing projects. Proactive planning, and public-private partnerships that address both the physical need for housing and the desired effect of diverse, safe, and vibrant neighborhoods should be the goal of designs going forward.

2. The availability and accessibility of support services

The availability of rate rebates or 'indigent' grants offered by the City to alleviate the burden of increasing housing costs for residents in neighborhoods was pointed to as a practical solution that is already in place and actively helping those in the Bo-Kaap, a neighborhood often correctly or incorrectly described as gentrifying. It was unclear how and if knowledge of their availability and the process for participation was widespread in the communities that need them. Greater transparency, in practical terms, for the promotion of existing support services was identified as a positive and practical, if labor intensive, solution. Integral to this is to open ownership and responsibility for this process to civil society, so it is not solely the outcome of government time and financial investments. Parallel to this the city is encouraged to actionably dialogue and collaborate with communities, their stakeholders, knowledgeable experts and smaller institutions, to experiment with workable initiatives in public spaces to create awareness, promote communication, and civil society partnerships around issues of social housing and urban growth.

3. A rethink on design and interaction

It was mentioned that in addition to the economic and spatial barriers that come with changing neighborhood demographics, there are often specific cultural and architectural changes that create real barriers and exclusionary practices in the way spaces are constructed and experienced. This could be anything from the way parks and houses are designed, as well as, the ways that accessible non-motorised and parking routes affect people's behaviour and their interaction with the spaces around them. It is worth noting that the City of Cape Town has drafted an Urban Design Policy Framework to remedy this (Future Cape Town commentary on the policy may be found on our website). The policy framework offered a set of general guidelines, and certain developments were highlighted which did little to engage with the community and public realm in which they operated. In addition, the policy prescribes for the

approval of new developments subject to an urban design review. While not necessarily prescriptive, an efficient and effective urban design review can engage with builders, architects, and developers, as well as with the end-user, to promote building design and design strategies that are inclusive rather than separating, and fitting to the spatial context, while also providing for the safety and sustainability of the community therein.

4. More empirical research

There is more anecdotal and less extensive research on gentrification - this empirical gap must be bridged by encouraging extensive and local, contextually based research that focus on understanding the process of gentrification as it fits into different communities, neighborhoods, and cultural realities. Empirical solutions are required to address gentrification as a complex phenomenon, as well as its' related problems, to be answered in a specific, efficient and practical manner.

CONCLUDING THOUGHTS

Gentrification is a highly-charged and complicated issue, whose meaning, impact, and externalities is often subject to great disagreement. It is important to encourage dialogue on the topic at multiple-levels: on the street, in larger community venues, and with high-level stakeholders and thought leaders, and for each to occur within academic, political, cultural, and economic settings. It is also crucial that these dialogues come with the purpose of encouraging communication and collaboration, while also creating or highlighting realistic, positive solutions to the changes at hand. The above suggestions are just a few that exist that may increase the quality of life in Cape Town in communities that are experiencing the cultural and economic changes of gentrification.

DISCUSSION PAPER

"It's hard to have a conversation about this though, with all the baggage around the word gentrification. As long as many argue that any level of gentrification is to be absolutely avoided, positive and responsible change remains virtually impossible." - Brent Toderian

BACKGROUND

1. Exploring the concept of Gentrification

Gentrification is rapidly becoming a crucial factor in how cities transform and adjust to post-industrial economies¹. The term was coined by Ruth Glass, who used it to describe the process whereby working class residents of urban neighbourhoods were being replaced by an influx of middle-class people, during the 1960s.² Ongoing debates since then have expanded the term to link it to 'spatial, economic and social restructuring.'³

2. Gentrification in global cities

Gentrification has shaped a number of prominent cities across the globe, with its more noticeable effects and challenges occurring in inner-city districts. As stated by Munyaradzi (2013), these effects are typified by "the reinvestment of capital, demographic changes in residents due to the influx of people from higher income groups, changes in land use, and direct and indirect displacement of low-income groups"⁴

3. A new phenomenon of displacement following post-apartheid Cape Town?

Displacement is not a new phenomenon to Cape Town (or any South African city), because of our country's history of apartheid. However, while previously these were often forced removals under the apartheid government's racial policies, contemporary displacements are generally more subtle economic processes that may have a cumulative effect over many years. In many cases, displacement may be an unintended consequence of genuine attempts by residents and businesses to improve the livability and economy of neighborhoods.

¹ Annunziata, S & Rossen, I, 2013. Gaming Gentrification: an explorative device for urban policy making, *Explorations in Space and Society*, (27) March 2013.

¹ Available: <http://www.losquaderno.professionaldreamers.net/?p=1454>

² Glass, R. 1964. *Aspects of Change*. London: Macgibbon & Kee.

³ Slater, T. 2011. Gentrification of the City. [Chapter extract]. Accessed: <http://www.geos.ed.ac.uk/homes/tslater/gotcbridgewatson.pdf>

⁴ 'Gentrifying our cities – is this the right way to go?', *Mail & Guardian Thought Leader*, 23 May 2013.

4. What are the reasons for the occurrence of gentrification?

Gentrification is generally the result of attempts to improve the value of parcels of land and buildings, through acquisitions and upgrades. This is better understood in terms of the gap between the land price in its present form and the potential rental value for 'higher and better' usage. If the gap is wide enough, it will result in the depreciated value of land making it attractive for developers, landlords and others to acquire with an interest in generating a profit within that space. Other proponents argue that gentrification is a result of public policy and the consumption lifestyles and behaviours of the emerging middle-class.

CONTEXTUAL: POCKETS OF GENTRIFIED SPACES IN CAPE TOWN

5. Gentrification in the local context: the case of the city of Cape Town

Despite the regeneration efforts, which arguably have promoted sustainability efforts, renewed infrastructure and activated growth in once derelict suburbs, the economic benefits are often lopsided. This is apparent in the much sought after inner-city neighbourhoods of Woodstock and the heritage-rich Bo-Kaap. According to researcher Andrew Fleming, average house prices in Woodstock nearly doubled between 2004 and 2010, rising from ZAR 391,723 to ZAR 715,022.⁵ In many cases this increase in land value makes it extremely difficult for residents and businesses from the community to keep up with rising rents or to buy property.

6. Gentrification and the consequences on urban development policies and practices (i.e. densification, housing, placemaking and identity)

There are gaps in understanding what the social and economic ramifications for the former occupants of gentrified spaces are – where do they end up, and are they materially and socially better off? Since gentrification contributes to the movement of people in and around the city, it would also be worth asking whether this may have any impact on sprawl and in turn, on the city's densification policy.

⁵ Fleming, A. 2012. 'Cape Town suburb highlights the good and bad of gentrification'. The London School of Economics and Political Science (LSE) [Online article]. Accessed: <http://blogs.lse.ac.uk/africaatlse/2012/04/04/cape-town-suburb-highlights-the-good-and-bad-of-gentrification/>

7. Bridging the disconnection and linking the past to the present: the case of connecting new District Six residents with the newly gentrified East Side District (The Fringe)

In the case of historically displaced communities, how do we transform the central city without excluding them from sharing in the benefits of this space?⁶ Does place-naming or memory have any significance in the branding of the East Side District (The Fringe)? And if so, does this make sense in rethinking The Fringe as a design-inspired, inclusive, creative and innovative place in central Cape Town?

ECONOMIC AND SOCIAL IMPLICATIONS OF GENTRIFICATION

8. Displacement

The increase in property values encourages property owners to remove low income tenants allowing them to either sell the land or acquire higher paying tenants. Property owners achieve this through legal and illegal evictions as well as significantly increasing the rental, making it unaffordable for the low income tenant.⁷

9. Loss of affordable housing

Another negative result of gentrification is the loss of affordable rental housing in the wider context of a city, a sector which is often already under pressure.⁸ In the case of Woodstock, only 13.6% of the existing housing was classed as affordable in 2011.⁹ There is often a reduction in the amount of the total housing in a city because new developments are built with fewer and larger dwellings over bigger pieces of land.¹⁰

10. Loss of social diversity, segregation and community conflict

Despite the initial good intentions of the 'new middle class' for diversity, there is a tendency towards self-segregation, which often results in an aggressive takeover of the neighbourhood by the new incoming middle class culture.¹¹

⁶ Farouk, I. 2013. *Conflicting Rationalities: post-apartheid spatial legacies and the creative city*. District Six on the Fringe: The absence of memory in design-led urban regeneration. Presentation at the District Six Museum. Cape Town.

⁷ Atkinson, R. & Wulff, M. 2009. 'Gentrification and displacement: a review of approaches and findings in the literature,' *AHURI Positioning Paper No. 115*.

⁸ Atkinson, R. 2002. 'Does Gentrification Help or Harm Urban Neighbourhoods? An assessment of the evidence-base in the context of the new urban agenda' *CNR Paper 5*, June 2002.

⁹ Flemming, A. 2011. *Making a Place for the Rich? Urban Poor Evictions and Gentrification in Woodstock, South Africa*. Unpublished thesis, Department of Geography and Environment. The London School of Economics and Political Science: London.

¹⁰ Biro '08, J. 2007. "Gentrification: Deliberate Displacement, or Natural Social Movement?," *The Park Place Economist*: Vol. 15. Accessed: <http://digitalcommons.iwu.edu/parkplace/vol15/iss1/12>.

¹¹ Atkinson, R. 2002. 'Does Gentrification Help or Harm Urban Neighbourhoods? An assessment of the evidence-base in the context of the new urban agenda' *CNR Paper 5*, June 2002.

11. Gentrification has caused property values to be raised by 66% causes property taxes to skyrocket

In Woodstock the average property increase that has impacted on property tax and rental rates must be considered. While In the Bo-Kaap, monthly property rates have increased from around R200 in 2005 to over R1,200 in 2009.¹² The clear positive implication of this effect is an increase in revenue for local government and a negative one on the existing residents that are accustomed to historically lower taxes.¹³

For more information please visit:

www.futurecapetown.com

¹² Petersen, A.C. 2013. 'Valuations may dispossess' *Voice of the Cape*, 05 April 2013. Accessed: <http://www.vocfm.co.za/index.php/news/general/item/8772-valuations-cause-dispossession>.

¹³ Atkinson, R. 2002. 'Does Gentrification Help or Harm Urban Neighbourhoods? An assessment of the evidence-base in the context of the new urban agenda' *CNR Paper 5*, June 2002.