Using rapid transit to unlock development

The implementation of the Integrated Rapid Transit (IRT) system in Cape Town will not only bring about an entirely new public transport network and transport nodes, but also new opportunities for development.

The practice of high-density or intensive development around public transport nodes and corridors is a common one in Europe, and it is supported in South Africa’s White Paper on Transport Policy as one of the ways to make public transport viable.

Yet this practice has had limited success to date in South Africa. According to local and provincial government, city partnerships, educational institutions and property developers in Cape Town, the reasons for this are many. These include:

- the low quality and image of public transport
- the lack of flow of money in public transport
- bad experiences with management of station areas
- restrictive zoning schemes preventing densification and mixed use development
- slow application processes (rezoning and heritage issues)
- lack of local positive examples of high density, mixed station areas
- lack of clear and realistic vision for station areas
- community resistance blocking densification (Not In My Backyard).

The need to improve public transport, however, has grown ever more urgent, and at the same time, the opportunities for overcoming the barriers to its success are increasing.

Rapid transit - the right choice for lower densities

In Cape Town, for example, there are concerns about car-dependent growth patterns. About 96% of the residential area in Cape Town consists of single-family dwellings. Of the major cities in South Africa exceeding three million inhabitants, Cape Town has the lowest density. Densification is needed to provide critical mass for viable public transport in Cape Town.

In addition, public transport subsidies are escalating in South African cities. In the Cape Town area, the bus subsidies exceed R600 million per annum. Encouraging development around public transport nodes generally increases the viability of public transport, thus lowering the subsidy requirement.

Hence the introduction of a new public transport ‘flavour’: integrated rapid transit or IRT. Bus Rapid Transit technology creates the opportunity for public transport...
to provide rail-like operating characteristics in a low-density environment, which provides a high-quality public transport mode that is more competitive with the car.

So although IRT is able to provide public transport in lower-density environments, at the same time it could facilitate the higher-density development Cape Town needs.

It’s true that IRT will take away some of the headaches for property developers, but IRT alone is not enough to fully unlock the opportunities at new public transport nodes. More supportive interventions are needed to address some of the barriers to station area development. However, the limited availability of public resources and market investment make it necessary to carefully choose the right station areas on which to focus.

Identifying key station areas
Development is most likely to be successful where stations already have a relatively strong public transport network but a low-density, limited or mono-functional built environment. Examples of these are station areas near land-consuming golf courses, rail marshalling yards, low-intensity industrial activities and parts of the CBD where the land-use mix is limited. Here, opportunities exist to strengthen the land-use to match the public transport provision.

In the case of Cape Town’s new IRT route, such key station areas have been identified as the central business district (CBD), CBD approach routes, airport link, and the airport area.

Making development happen at key station areas
Even though development is likely to happen in some areas anyway, such as the CBD and CBD approach routes, strategies are needed to take away some of the barriers and fully unlock the development potential.

Strategies must help to guide the right type of companies and right type of housing development to the right locations, and establish a mixed-use environment where the design is conducive to public transport. These strategies are overarching and require strong leadership and coordination between departments and different levels of government.

A public transport lifestyle
Firstly, a public transport lifestyle has to be stimulated, since this determines the users of station areas, and thereby the demand for living and working in station areas. Developers will be more encouraged to develop at these locations when this lifestyle, and thus the market, takes shape in Cape Town.

This can be accomplished through the provision of high-quality car-competitive public transport services and the introduction of transportation demand management (TDM) measures, such as road user charges, parking levies and fuel levies.

Other strategies include the construction of gap housing around stations, the increased densities and diversities of locations, and the aggressive marketing of public transport.

Break the policy silos
Secondly, actions of government should be more coordinated. This can be achieved through institutional devolution, where public transport budgeting and planning happen at the same level of government. The common narrow project focus should be abandoned in favour of integrated development plans and targets, along with alignment on the infrastructural level. For example, bulk infrastructure needs to be upgraded alongside high-potential IRT stations and corridors.

‘Buy’ developers to develop at key IRT station areas
Thirdly, developers should be persuaded to develop at underdeveloped key IRT station areas through a number of strategies. These include the introduction of short-term tax incentives for priority station areas, and the direction of growth with focused infrastructural development at key station areas. Extra property rights could be offered, such as building heights and parking standards. Development application processes and rezoning applications for key station areas could be speeded up, and property tax and development contributions levies could be raised in areas with car-dependent development patterns.

A new role
And finally, the City of Cape Town needs to revolutionise its attitude and assume the role of dedicated partner.
for development. Such a revolution could include the prioritisation of future IRT station areas and the channelling of public investment; an investigation into forms of land banking, land exchange and land assembly to speed up development; and the creation of a ‘development desk’ that promotes the city’s vision, strategy, and available tools.

In addition, the City could provide more flexible zoning standards, promote the start of new partnerships for clusters of strategic station areas, and pursue and maintain a long-term policy.

**Current initiatives**

In Cape Town, there are already some useful initiatives that might help to support station area development. For instance, short-term urban development zones (UDZs) exist, which offer tax rebates for investment in property in predefined areas. This national initiative has recently been extended until March 2014.

Another example is the new zoning scheme on which the City is currently working, which will replace the old zoning scheme, parts of which date back to the 1950s. The new zoning schemes provide the option to implement overlay zoning schemes for specific areas and thus can provide extra property rights for selected areas. The proper usage and alignment of UDZ and zoning schemes can already make a difference. At the same time, the National Land Transport Act makes provision for the decentralisation of public transport to the municipality, resulting in an enhanced ability of the City to align public transport and land-use.

In anticipation of the future roll-out of the IRT and the improvement of commuter rail, the City should take this road even further and create a consistent, long-term policy context where station area development is the norm rather than the exception.

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**Identified key IRT station areas for development**

[Map showing identified key IRT station areas for development]