

**URBAN REGENERATION AND PRIVATE SECTOR
INVESTMENT: EXPLORING PRIVATE SECTOR
PERCEPTION OF URBAN REGENERATION
INITIATIVES IN THE JOHANNESBURG INNER
CITY**

By

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ABSTRACT

This study, which is based on the private sector perception of urban regeneration initiatives in the Johannesburg Inner City, critically evaluates the current strategy employed by the City of Johannesburg which elevates private sector investment as the mainstay for inner city revival and the pillar for achieving what it calls “a world-class African city”. It argues that, in spite of the positive outcomes that have occurred in the inner city since the advent of urban regeneration, the initiatives informed by the current strategy and designed to induce private sector investment have contributed to urban change only in limited ways.

The motives behind the urban regeneration initiatives and the private sector perception do not correspond. General market factors and trends such as the high demand for space, relatively low property prices, perceived financial returns on investment, risk diversification and have been the main motivating factors for private sector investment decisions and subsequent urban growth. Conversely, the urban regeneration initiatives, while making a noticeable impact, are perceived to have played only a secondary role. Factors perceived to be acting as deterrents to private sector investment also relate largely to those aspects at which various urban regeneration initiatives are targeted. For instance, factors such as poor by-law enforcement, neglected degenerating buildings, crime and inadequate delivery of municipal services are increasingly seen to be contributing to limiting investment in the inner city. This suggests that urban regeneration initiatives are perceived as not achieving the intended objectives or as needing strengthening.

In addition, policy instruments such as the Urban Development Zone, City Improvement District, the Johannesburg Development Agency, the Better Building Programme and crime prevention measures, which are the pillars of Johannesburg’s regeneration strategy, are each generally perceived to have yielded significant benefits and advantages in the inner city. However, these instruments are also perceived to have some shortcomings and limitations both

as concepts and in practice. There is a pervasive perception that the effectiveness of these instruments is marred by, among other things, the fact that they do not embrace the wider inner city, but parts thereof, and have not been implemented in an integrated manner. The findings of the study, particularly around inadequate delivery of municipal services and lax by-law enforcement, also raise serious questions about the plausibility of the competitive cities approach that underpins the City of Johannesburg's urban regeneration strategy, suggesting that more work is required around the relevance of the competitive cities approach in the Johannesburg Inner City.



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LIST OF ACCRONYMS

ASGI-SA	South Africa's Accelerated and Shared Growth Initiative of South Africa
BAC	Business Against Crime
BBP	Better Building Programme
BENID	Benrose Improvement District
BIA	Business Improvement Area
BID	Business Improvement District
BID	Braamfontein Improvement District
CBD	Central Business District
CCI	Comprehensive Community Initiatives
CCTV	Close Circuit Television
CCW	Certificate to Commence Work
CID	City Improvement District
CoJ	City of Johannesburg
CPF	Community Policing Forums
CJP	Central Johannesburg Partnership
CWMC	Central Witwatersrand Metropolitan Chamber
DFA	Development Facilitation Act
DGP	Development Guide Plan
EDU	Economic Development Unit
EU	European Union
EZ	Enterprise Zones
FAR	Floor Area Ratio
FBI	Federal Bureau of Investigation
GDDPLG	Gauteng Department of Development Planning and Local Government
GDS	Growth and Development Strategy
GDSL	Gauteng Department of Safety and Liaison
GGDF	Gauteng Growth and Development Framework
GIS	Geographic Information System

GPG	Gauteng Provincial Government
GTIS	Gauteng Trade and Industry Strategy
ICO	Inner City Office
IDP	Integrated Development Plan
IOD	International Organization for Development
JDA	Johannesburg Development Agency
JHC	Johannesburg Housing Company
JICBC	Johannesburg Inner City Business Coalition
JICDF	Johannesburg Inner City Development Forum
JMPD	Johannesburg Metro Police Demartment
JNA	Johannesburg New Agency
JPC	Johannesburg Property Company
JSE	Johannesburg Securities/stock Exchange
KUM	Kagiso Urban Management
LDC	Land Development Corporation
LDO	Land Development Objectives
MID	Municipal Improvement District
MLC	Metropolitan Local Council
MPT	Modern Portfolio Theory
NGO	Non-Governmental Organization
NID	Newtown Improvement District
NID	Neighbourhood Improvement District
NPM	New Public Management
OPH	Olitsky Property Holdings
PBO	Public benefit organization
PID	Public Improvement District
POMA	Property Owners and Managers Association
PPP	Public-Private-Partnerships
RDP	Reconstruction and Development Programme
RID	Retail Improvement District
SAPS	South African Police Services

SDA	Scotland Development Agency
SDPD	San Diego Police Department
SEFIC	Spatial and Economic Framework for the Inner City
SID	Special Improvement District
SPI	Sold Property Index
SWID	South Western Improvement District
TIF	Tax Incremental Financing
TND	Traditional Neighbourhood Design
TOD	Transit-Oriented Design
UDAG	Urban Development Action Grant
UDC	Urban Development Corporation
UDZ	Urban Development Zones
UNISA	University of South Africa
URT	Urban Regime Theory

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