



The Council Chamber building, which is set to be the center for the revitalization and urban renewal of the precinct, with the Salvation Army and Parktonian Hotel buildings.

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# Change agent

*Official lays the groundwork to transform property management in South Africa*

By Daniel Morales

**M**idway through her remarks at the International Forum during IREM's 2019 Global Summit in San Francisco, Patricia de Lille paused for a brief moment and admitted that she was inspired by the previous speaker's account of the development of the Burj Khalifa and Dubai: "I've always had this dream of building a new city."

De Lille is South Africa's Minister of the Department of Public Works and Infrastructure. Her ministry is the custodian of 29,000 registered and unregistered land parcels as well as 83,000 buildings. As mayor of Cape Town from 2011 to 2018 and now as a cabinet minister, de Lille has been working to overcome apartheid spatial planning and the country's increasing urbanization that is pulling citizens into cities while also keeping many at arm's length in peripheral suburbs.

"That's why I found the story of Dubai so interesting," she said. "While we're struggling to integrate our cities across South Africa, it would be great to integrate a city by building a new city."

I sat down with de Lille after the International Forum for a conversation about property management and how the public and private sectors can work together.

## **What are South Africa's housing needs and how is the government addressing them?**

We are doing the revitalization of the inner city. The nucleus, the core of that project, is that we want to build government offices in close proximity to the public. Using government-owned land and investing in infrastructure like the park services, we then can do a mixed development. So, in close walking distance you will have your commercial activities, you'll have social infrastructure like schools and clinics, and you will also have government office buildings and integrated housing in density. You create a community.

Our tendency has been to build houses, but far away from facilities, far away from the city center. Most of the time, government will give those houses away free. But

giving a person a free house does not necessarily mean it is an affordable house, because they have to travel far. The whole idea, because of our past history of the apartheid spatial planning, is to bring more people in. The biggest challenge for us is to build density and go up, rather than continue with the urban sprawl.

Then over and above that, President Cyril Ramaphosa has said that we must explore the building of a completely new city. That is the team that I'm going to lead together with other ministries. It's just an idea now. So we still have to look at bringing the architects and designers together and to design a livable city. Where people can work, live and play, and they can have access to public transport, but in a five-kilometer radius. And we will use government-owned land to build that city. That is the exciting part of my job. We are going to build a new city for the first time in the history of our country.

### **How can individual property managers play a role in South Africa's housing situation?**

The important part of management is how you manage the maintenance and repairs of existing buildings. There's a big need for that in South Africa. I have just identified 300 buildings that are in disrepair that cost a lot of money to rent security to guard the buildings. We want to release them into the market, so that if the private sector decides to become involved, they can fix the buildings, they can put in the resources, and then you give them a lease for 50 years afterwards.

Of course we will interact with private partners. If it's a commercially zoned building, can we as government rent some office space there? Or can some of the buildings be repurposed for student accommodation? We need a lot of student accommodation. My strategy has been to consult with them, privately now, to hear whether they have the appetite and what kind of conditions they would like to see. There's always a big trust deficit between the private sector and government.

To show our good intention from government, we have pledged 100 billion rand [approximately \$6.84 million] as part of a blended fund to invest in infrastructure. Then they have joint control over how we spend the money and how we prioritize. With any infrastructure budget, you must divide that money into, say, 60 percent to build new infrastructure, but 40 percent to repair and maintain the old infrastructure.

### **What advice would you give IREM members on how to build consensus that gets results?**

We need to start from a government point of view and acknowledge and accept that government can't do it alone.

You've got a backlog of infrastructure. You've got the impact of climate change. The way our cities have been designed, they're 300, 400 years old. If, for instance, you take the water reticulation system. The way old cities have been built was to build a reticulation system with storm water pipes that put all the water into the sea. Now, you have to redesign the infrastructure so you can catch that water somewhere. You almost need to have a separate reticulation system for water that you recycle, which can be used by industries, and a water reticulation system for drinkable water. That is where the partnership needs to come in, with that expertise from the private sector.

But also in terms of managing these big infrastructure projects, some governments don't have a good record on spending their resources. For example, in our case, it's not that we don't have the money for infrastructure development, it's the capacity to spend. The more property managers you train, especially for facility management to keep the buildings in good condition, the more property managers who can help with the town planning and design of what needs to come where in our cities.

You also find that the property management space is predominantly white, so you need to have more property managers trained so that you at least transform that sector also.

That is why the training from IREM is so valuable. Because it brings with it an international input together with the local universities that can design the curriculum that will suit our own local conditions but at the same time have that international recognition. Then we know we're staying in touch with the international developments also. ▀



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—Patricia de Lille, South Africa's Minister of Public Works and Infrastructure

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