



MEDIA RELEASE

30 March 2021

SURVEY CONFIRMS BILLIONS LOST IN INVESTMENT DUE TO ERRATIC HERITAGE APPLICATION PROCESSES

The findings of a dipstick survey conducted by the Western Cape Property Development Forum (WCPDF) have confirmed investors and built environment professionals, in both the private and public sectors, are extremely frustrated by the drawn-out and increasingly vague processes being encountered with Heritage applications.

While the survey was a response to numerous complaints received by the WCPDF, specifically from developers, the diversity in respondents from other fields in the property development and construction industries was surprising, says WCPDF chairperson, Deon van Zyl.

“Of the 30 respondents to the survey, only 23% were developers,” notes Van Zyl. “Architects accounted for 17%, town planners made up 13% and quantity surveyors 8%. But the biggest surprise was to see numerous responses from heritage practitioners in private practice (7%), members of heritage trusts (3%) and government officials (13%).”

What the vast majority of all respondents shared, noted Van Zyl, was frustration around the time-consuming way in which heritage applications were being processed and what appeared to be a high level of subjectivity.

“The unintended result is the disintegration of valuable heritage assets with developers unwilling to take on the statutory application challenges and government unable to fund the rehabilitation and maintenance of heritage assets,” says Van Zyl:

Among the major findings in the survey were the following:

- While the majority of respondents ideally wanted to treat heritage as an asset, the reality was that due to ill-defined goals by heritage authorities, more than 70% of respondents found heritage resources to be a liability to investors.
- Of all the statutory application procedures that could be triggered by a proposed development (ie: Heritage, Environmental, Water Use Licences, Rezoning and the Subdivision of Agricultural Land Act), heritage scored as the highest risk among 43% of respondents.

- When asked whether applications brought before Heritage Western Cape were thought to be procedurally fair, 43% responded in the negative while 37% felt applications would only receive fair processing in some cases. Only 10% believed applications received a fair procedural process.

Concerns were expressed that members of various heritage committees had a strong theoretical bias but very little practical industry experience. Van Zyl clarifies further: “Without industry knowledge, it is impossible to come to truly balanced and objective decisions. The onerous and often non-feasible conditions placed on approvals further illustrate this point.”

- Interestingly, in contrast to Heritage Western Cape’s management of applications, the City of Cape Town scored a substantially higher confidence score with 70% believing on the whole that the City would manage a heritage application in a more fair and transparent manner. Concern was expressed, however, on the weighting given to the opinions of rate payers associations which often contradicted the City of Cape Town’s own planning policies, reflecting the pressure exerted from the ‘not in my backyard’ lobbyists.
- Asked whether the need for a heritage application process would discourage a potential investor entirely from a project, a shocking 73% of respondents said “yes”.
- While few respondents gave detailed accounts of the nature of investment that had been lost to date to stymied heritage application processes, the seven respondents who provided information recorded a total of more than 36 projects just among themselves (35 in the City of Cape Town municipality and one in Drakenstein). These amounted to a loss of investment conservatively amounting to over R4.486 billion. In addition, over R71 million had been lost just in administrative preparation of applications and resubmissions, accounting in some cases for up to five years of consultants’ time wasted and the ultimate loss of thousands of construction site jobs that never materialised.

Elaborating on the survey, Van Zyl notes: “As the WCPDF, we initiated the survey to assess whether anecdotal complaints in particular about Heritage Western Cape – a provincial government entity and a statutory body in terms of the National Heritage Resources Act – were impacting on investment in the Western Cape. Sadly, the findings confirm the perception.”

The status of heritage management in the Western Cape was also concerning, notes Van Zyl: “In 2019, the WCPDF was asked to address the then newly-formed Heritage Western Cape Council, with the Council even going so far as to acknowledge it had very little knowledge of the private sector and fixed capital investment sectors.”

As a result, the Council had requested the WCPDF to nominate potential committee members for its various working structures, adds Van Zyl: “A number of industry volunteers came forward. Not a single development industry representative was invited for an interview, let alone appointed to a committee.”

The WCPDF was also concerned that the very principle of heritage was being undermined by the statutory body that should be working towards maximising the value of heritage assets. Using the survey results as a basis, Van Zyl concluded: “On behalf of our industry, the WCPDF now calls on the Western Cape Premier Alan Winde and MEC for Cultural Affairs and Sport, Anroux Marais, to investigate the state of Heritage Western Cape and to ensure that the department be adequately and correctly resourced to undertake the forward planning required to proactively identify conservation-worthy assets.

“Above all else, the MEC needs to ensure the streamlining of policies in order to bring about an end to the reactive assessment methodology currently being employed whenever an application is received.”

To arrange an interview with Deon van Zyl of the Western Cape Property Development Forum, please contact:

Carola Koblitz, Media & Communications for the WCPDF

Cell: +27 82 568 1621 or email media@wcpdf.org.za

For more information on the WCPDF, please visit: www.wcpdf.org.za