

Cape Town's V&A Waterfront Project

Adaptive Re-use as a Foundation for Sustainable Urban Renewal

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Synopsis

The Victoria and Alfred Waterfront Project in Cape Town, South Africa, is an urban regeneration project that has over the past twenty-five years successfully transformed the historic and previously under-utilised part of the Port of Cape Town into the City's premier tourist, retail, entertainment, commercial and residential destination. This paper gives a brief historical overview of the project and its cultural and social context. It then describes how the new facilities for residential, commercial, retail and leisure uses have been developed, through adaptive re-use of harbour sheds, workshops and stores, while retaining the character of Cape Town's waterfront as a working harbour. The paper is a case study on how a development idea was turned into action – it will also describe how an innovative planning and land use management process (known as the "Package of Plans Process") has been used by the developer, Victoria & Alfred Waterfront (Pty) Ltd and the Cape Town City Council in facilitating an urban regeneration success story. The paper concludes with an assessment of the sustainability of the Victoria and Alfred Waterfront Project, which could be of benefit to other city and harbour authorities around the world.

1. Introduction

For over forty years some of the world's most innovative real estate developments have taken place at waterfronts. In port and riverfront cities such as Boston, Baltimore, San Francisco, Vancouver and Toronto in North America; Cardiff, London, Rotterdam and Barcelona in Europe; and Sydney, Brisbane, Melbourne, Singapore and Osaka in the Pacific Rim, waterfronts have become the new retail, leisure and entertainment destinations. Successful waterfront projects have re-established the rich cultural and historic links between land and water in many port and river cities across the globe.

About thirty years ago, those who lobbied for what is today Cape Town's Victoria and Alfred (V&A) Waterfront were regarded as idealistic dreamers. When Victoria & Alfred Waterfront (Pty) Ltd (V&AW) was formed in 1988 and work started in 1989, many Capetonians still said 'it will never happen'. Today, the project receives an average of 22 million visitors annually and commercially it has been South Africa's biggest real estate success story.

Furthermore, back in 1989 no financial institution was willing to provide finance for the project when it was announced. It required the backing of the project's then owner, State-owned South African Transport Services (later corporatised to become Transnet Ltd) to provide the initial funding of South African Rand (ZAR) 205 million to kick-start the development of the project.

The V&A Waterfront has given Capetonians a new sense of pride; it has exceeded expectations and it has earned its place as South Africa's most visited destination — bringing new meaning to the romantic description of Cape Town as the 'Tavern of the Seas'.

2. International and National Context

Situated at the southernmost tip of the African continent, South Africa covers an area of more than 1,2 million square kilometers. The terrain varies enormously from sun-scorched deserts, plains and mountains to lagoons and coastal wetlands. Climatic conditions vary from sub-tropical on the eastern coast to the Mediterranean-style climate of the Western Cape. South Africa is the most developed country on the African continent and is home to almost 52 million people.

Cape Town (with a metropolitan population of nearly 3,7 million people) is the legislative capital of South Africa. The City, also the capital of the Western Cape (which is one of the nine provinces of South Africa), is linked to the rest of the country by a modern infrastructure of road, rail and domestic air connections. Economic growth in the Western Cape is forecast to average 3.9% between 2012 and 2017. Finance, real estate and business services, as well as tourism and agriculture (mainly viticulture and fruit) are the economic mainstays of the provincial economy.

Cape Town's breathtaking scenery, pleasant climate, rich history and beautiful winelands make it a favourite for tourists. Many visitors are surprised at the leading edge technology available in Cape Town, with advanced satellite links, cellular telephone and electronic banking facilities. State of the art film and video production facilities as well as recording studios have also recently been developed in the City in response to growing international demand to use Cape Town as a base for film production.

The V&A Waterfront lies on the shores of Table Bay and has a dramatic physical setting against the backdrop of Table Mountain. With easy access to the central business district, Cape Town's two major freeway access routes and the Atlantic seaboard, the V&A Waterfront is favourably located from a business, residential and leisure point of view. The V&A Waterfront is easily accessible from most parts of metropolitan Cape Town and is within twenty minutes' drive from Cape Town International Airport.

South Africa received just over 9 million international tourists in 2012, a 10% increase over the previous year. The Western Cape received 1,3 million of these visitors, who spent ZA Rand 18.5 billion in the province (up nearly 2% from the previous year).

Cape Town regularly receives international tourism accolades and awards, with the following being the most noteworthy in the past year:

- Number Two City in the World, *Condé Nast Traveler Readers' Choice Awards 2012*
- Top City in Africa, *Condé Nast Traveler Readers' Choice Awards 2012*
- *Blue Flag Status 2012* – Eight beaches and two marinas.
- Best Beach Destination in Africa, *World Travel Awards 2012*
- The World's Top City in Africa and the Middle East, *Travel+Leisure World's Best Awards 2012*
- Fourth Top City in the World, *Travel+Leisure World's Best Awards 2012*
- Muizenberg voted One of *National Geographic's World's 20 Best Surf Towns*
- Table Mountain announced as a *New Seven Wonders of Nature*

3. Brief Historic Review

The developmental history of Cape Town's Foreshore and Waterfront has its origins in 1652, when the Dutch East India Company established a refreshment station at the Cape to serve its trading fleets en route to and from its colonies in Asia.

Table Bay is not a natural harbour. Although partially protected from the summer south-easterly gales, the winter north-westerly storms drove hundreds of ships aground with periodic tragic loss of life. The first Dutch commander, Jan van Riebeeck, built the first small jetty that remained in use until well into the 19th Century.

Another legacy from the Dutch period was the system of coastal fortifications constructed along the Table Bay coastline, to defend Cape Town against foreign invaders. Two of these fortifications, Chavonnes Battery (circa 1726) and Amsterdam Battery (circa 1794) were located within the area that now forms part of the V&A Waterfront property. The remains of these two fortifications were the subject of extensive archeological investigations. These remains now form an integral part of the Waterfront's cultural-historic landscape and have been and will be incorporated as features into new development projects.

Although the first British occupation of the Cape in 1795 transformed the local economy, very little harbour development took place before 1860. In June 1858 serious winter storms wrecked over 30 vessels in the bay. As a consequence, Lloyds of London refused to cover ships wintering in Table Bay, until a proper harbour structure was constructed.

In 1859 plans were approved by the Cape Governor, Sir George Grey, and the British Imperial Government for the construction of Cape Town's first harbour. On a sunny September 17, 1860 nearly all of Cape Town's inhabitants gathered at the Waterfront. Amidst a carnival atmosphere, Midshipman HRH Prince Alfred, Queen Victoria's second son, tipped the first load of stone to start construction of the breakwater for Cape Town's first harbour. It was a day of great celebration for the town's folk. Apart from the occasion of the first Royal visit to the Cape Colony, it was a significant day for Capetonians who had suffered the vexations, dangers and delays of the previously inadequate harbour facilities.

The Alfred Basin, the first of a number of basins providing shelter in Table Bay for shipping, was completed ten years later in 1870. However, almost immediately it was too small for the increasing fleets and growing size of the ships. Steam ships had replaced sail, while gold and diamonds had been discovered and the development of the South African hinterland had begun. A second basin, the Victoria Basin, was completed 35 years later and served as the gateway to Southern Africa until the mid-1930's.

However, nobody anticipated that Cape Town would lose its gateway status with the growth of air transport, nor did anybody anticipate that by the mid-1940's the City's reclaimed Foreshore would, in effect, cut off the old City from the sea.

In 1937 the South African Parliament approved plans for a new deep water harbour basin to be constructed to the south of the Victoria and Alfred Basins, with an associated extensive land reclamation project to create a new Cape Town Foreshore. Work started in 1938 and was completed in 1945, after being delayed by the Second World War. A 230ha tract of Foreshore land was created in the process for city expansion. City development on the Foreshore was extremely slow and by the 1970's much of the area remained as a treeless wasteland of sand and all-day parking areas. Furthermore, the Foreshore Freeway construction programme of the 1960's added an extensive elevated freeway system to facilitate access and vehicular movement around Cape Town's CBD, but it effectively also cut the city off from its historic water's edge.

Although the Victoria and Alfred Basins became the centre for Cape Town's fishing industry and smaller scale ship repair activities during the 1960's, the area also became increasingly isolated as a result of customs fences, as well as access control due to strategic oil tank farm installations, and by the 1970's the area had become quite derelict and significantly underutilised.

In 1984, after a visit to *The Rocks Project* in Sydney Cove, the then Mayor of Cape Town, Alderman Sol Kreiner, formed a Waterfront Steering Committee and started lobbying to re-establish the City's links with the sea. He also used his office to obtain permission for a festival in the historic harbour precinct, through which he hoped to focus public attention on the area.

It was as a result of this growing public awareness that a committee was established in 1985 by the Ministers of Transport Affairs and of Environmental Affairs and Tourism to investigate the potential for greater public use of harbour areas, in Cape Town and the other port cities in South Africa. The committee was convened under the chairmanship of Arie Burggraaf, SA Harbours' Chief Engineer at the time. The Burggraaf Committee reported on Cape Town Harbour in 1987, proposing that the historic docklands around Victoria and Alfred Basins be redeveloped as a mixed-use area, with the continuing operation of a working harbour. The Cabinet of the South African Government accepted the recommendations in full in June 1988.

In November 1988, Victoria and Alfred Waterfront (Pty) Ltd ("V&AW") was established as a wholly-owned subsidiary of Transnet Ltd to redevelop the historic docklands around Victoria and Alfred Basins as a mixed-use area with a focus on retail, tourism and residential development, with the continued operation of a working harbour. The main planning objective for the project was the re-establishment of physical links between Cape Town and its historic waterfront in order to create a quality environment; a desirable place to work, live and play; and a preferred location to trade and invest for Capetonians and visitors.

From an economic point of view, the historic part of the Port of Cape Town had become underutilised as a result of changing shipping technology and harbour expansion. A valuable land asset had to be converted to alternative uses, in order to generate value and income for the landowner. Extensive market research was undertaken, covering aspects such as retail demand, tourism opportunities, demand for hotel development and the state of the residential market along Cape Town's Atlantic seaboard.

4. Development Programme and Progress

After only a year of public consultation and participatory workshops, as well as negotiations to obtain Cape Town City Council's planning approval, redevelopment started at the end of 1989 with the installation of new services infrastructure. This was a victory for the citizens of Cape Town, who had campaigned vigorously in the late 1970's and early 1980's to reverse the isolation of the City from its waterfront as a result of land reclamation, railway lines and freeway construction. This general public support, as well as the proactive participation by the City Council and other authorities in the planning and design of the V&A Waterfront during the initial master planning stage, were critical elements to ensure a vital kick-start for the project.

Another vital element in the V&AW's overall development concept was the retention of the working elements of the harbour, which provide both vitality and an exciting backdrop to new development. These working harbour features include the harbour tugs, the pilot and fishing boats, as well as shipping traffic to the Synchrolift and Robinson Graving Dock. Authenticity has been a key objective in the replanning and design of the V&A Waterfront area and the restored fabric provides a rich maritime experience for visitors. This approach of valuing what already exists and employing adaptive re-use has been a foundation of the Project's commercial success, as well as for sustainable urban renewal.

The launch of the V&A Waterfront project in 1989 took place at a very difficult time in South Africa's history: It was towards the end of the minority Government rule, but it was still more than five years before the first democratically elected Government would come to power in May 1994. South Africa was politically isolated from the rest of the world and the country was in a general economic recession and experiencing a tumultuous socio-political transition.

There were no Government or Municipal subsidies to kick-start the V&A Waterfront project. It had to succeed commercially from the outset and had to be sustainable on the basis of the domestic support and acceptance of the project by the public of Cape Town. The North American waterfront precedents were encouraging, but nothing like this had previously been attempted in South Africa. Urban conservation, a key aspect of the development plan, was regarded by many to be over-idealistic and costly.

4.1 Development Goals and Objectives

The corporate ethic adopted by the V&AW for its initial Urban Development Framework in 1989 was to make the historic harbour of Cape Town a very special place for Capetonians and visitors.

To fulfill this ethic, the following **Project Goals** were set:

- Create appropriate public places within the V&A Waterfront;
- Develop the V&A Waterfront in ways which account for its special location, conditions and history; and
- Achieve financial self-sufficiency and the maximization of value through development and management.

The following specific **Project Objectives** were set to achieve these project goals:

- Create a rich and diverse environment;
- Promote tourism and recreation;
- Create residential development opportunities;
- Create a viable business base;
- Restore the historic link between the harbour and the City of Cape Town;
- Conserve and enhance elements with cultural significance;
- Improve public access to the waterside; and
- Adopt a flexible development programme that can respond to changing market trends.

4.2 Phase One

Although the initial urban planning covered the entire 123-hectare site, the first development phase focused on the Pierhead Precinct. Within this precinct the original Port Captain's Offices, the City's first Electric Light & Power Station, the warehouses and numerous smaller buildings and dwellings had suffered through years of insensitive and inadequate maintenance, and industrial use. The general environment retained the elements of a working harbour, while the rich fabric of crafted granite quay walls and timber wharves and jetties offered one of the most romantic settings in the City. The refurbishment of these buildings for the new uses took place during 1990, and was largely completed by Christmas of that year.

The Pierhead became the initial public focus of the Waterfront project and the building restoration programme introduced new uses such as restaurants, taverns, speciality shops, the V&A Hotel, a theatre, an arts and crafts market, and the national Maritime Museum into derelict harbour warehouses, workshops and stores. Some new marina moorings and hard and soft landscaping complemented the Pierhead's quayside ambience. The success of the first phase of the development, which would set the overall project on a trajectory of success, was to value what was already there and to employ adaptive re-use techniques in the design and tenanting of the buildings.

4.3 Phase Two

Phase Two of the project saw the completion of the 26,500m² Victoria Wharf speciality retail and entertainment centre at the end of October 1992. The additional restaurants, entertainment and speciality shopping provided the critical mass necessary to make the V&A Waterfront the most visited shopping and entertainment destination in the Cape Town downtown for locals, domestic visitors and international tourists alike.

The restoration of the buildings and other historic structures in the Portwood Ridge Precinct was also part of this development phase. The precinct is a treasury of buildings spanning almost a century from 1870 to the mid-20th Century. There were numerous residences, the earliest being the double-storey Dock House (1870), and the more modest Moorings 1 to 5 (1870-1889). There was also the 1901 Breakwater Prison. By 1905 they had been joined by double storey dwellings like Ulundi (1889), Windermere, Abbotsford, Kinellan, Pentridge, Parkhurst/Lotana and Alfred House – all had been linked with harbour or prison functions for almost a century. The houses have been converted to offices and hospitality accommodation.

The old Breakwater Prison was leased to and converted by the University of Cape Town into its new Graduate School of Business campus. This development included the 330-room Breakwater Lodge, as a commercial venture where accommodation not required for the Business School would be placed on the hospitality market. It has been a resounding success. During 1993 the Waterfront City Lodge hotel was opened and the Caltex service station and regional head office was also completed.

4.4 Phase Three

Phase Three of the project got underway in January 1994. During 1994 and 1995 the following major projects were completed: BMW Pavilion, Auto Atlantic BMW motor dealership, the Two Oceans Aquarium and the Granger Bay shore protection work

4.5 Phase Four

Projects which were completed during 1996 and the first quarter of 1997 comprised an 18,000m² extension to Victoria Wharf Shopping Centre, the 120-room, five-star Cape Grace Hotel on West Quay, where the New Basin had been created through the flooding of the oil storage tank farm, and the 330-room five-star Table Bay Hotel on Quay 6.

4.6 Phase Five

The planning approvals for Phase Five of the project were obtained from the Cape Town City Council during the latter half of 1999. This development phase had two major initiatives: Sector One of the V&A Marina residential development and a mixed use development in the Clocktower Precinct.

Upon completion, the V&A Marina luxury housing project would comprise of some 550 apartments and 150 moorings for yachts and other recreational craft in the heart of the V&A Waterfront. Construction on the first phase got underway at the beginning of 2000. It has proved to be some of the most sought-after new residential accommodation in Cape Town, with the first phase sold out off plan within less than seven months. The first residents moved in during the middle of 2001. Sector One of the V&A Marina, comprising of 10 construction phases with a total of 273 apartments, was completed at the end of 2004.

The development of the Clocktower Precinct has seen the integration of fishing industry activities with new uses such as retail, offices and a public ferry terminal to service Robben Island. Used at various times as a hospital, leper colony and a military base, Robben Island gained international recognition as the site of the political prison where former President Nelson Mandela spent 18 years of his life. The Island, declared a World Heritage Site at the end of 1999, is operated by the State as a museum and public visitor attraction. Linking it with the V&A Waterfront ensured a synergistic relationship between two of Cape Town's most important visitor attractions.

The first phase of the Clocktower Precinct project also included a 25,000m² corporate headquarters for the Board of Executors. The ground floor of the office project incorporated the historic ruins of the Chavonnes Battery, the Dutch coastal fortification dating from 1726. The balance of the first phase comprised the Nelson Mandela Gateway to Robben Island, a 1,000-bay parking garage, 5,600m² of retail shops and restaurants, 3,800m² of offices and 2,500m² of fishing industry uses. This development phase was completed in mid-2002.

4.7 Phase Six

Construction on Phase Six of the V&A Waterfront Project started in 2005 and was completed in 2009. This development phase comprises of the following projects: Sector Two of the V&A Marina residential development (230 apartments), Kerzner International's luxury 150-key One & Only V&A Waterfront Hotel, the 8,500m² Regional Headquarters of BP, a 12,000m² extension to Victoria Wharf Shopping Centre, a 1,600-bay parking garage and an extension to the V&A Hotel.

4.8 V&A Waterfront Sale Transactions

The mixed use character and proven commercial success of the project ensured a highly competitive international trade sale of the property in September 2006, when the owners (a consortium of State-owned transport and logistics corporation Transnet Ltd and its three pension and provident funds) sold it for an all-time South African property sales record of ZA Rand 7 billion. The new owners were a joint venture consisting of Dubai World's investment company, Istithmar PJSC (37,5%), a leading UK-based property company London & Regional Properties (37,5%) and a South African Black Economic Empowerment consortium (25%).

In 2007 the new owners announced their intentions to spend at least another ZA Rand 7 billion to extend the V&A Waterfront's development programme, ahead of the 2010 FIFA Soccer World Cup to be hosted by South Africa, and to also lure high-end international retailers to the Victoria Wharf Shopping Centre. However, when the global financial crisis struck in 2008, Dubai World ran out of money. By mid-2010, most of the offshore consortium's promises had come to naught. As a consequence, the V&AW owners were forced into looking for prospective purchasers and new investors.

In the latter part of 2010 the Government Employees Pension Fund (GEPF), represented by the Public Investment Corporation Ltd (PIC), together with Growthpoint Properties Ltd announced that they had concluded a deal to purchase, in equal proportions, the V&A Waterfront. The transaction represented South Africa's biggest single property transaction to date, with the new owners paying a combined investment of ZA Rand 9,7 billion. The GEPF is Africa's largest pension fund and has more than 1.2-million active members, around 318 000 pensioners and beneficiaries, and assets worth ZA Rand 819 billion. This effectively means that the V&A Waterfront is now owned by more than 1,5 million South Africans, as a result of GEPF's investment portion alone. Growthpoint is the largest South African listed property company and owns a portfolio of some 460 properties throughout South Africa and in Australia, spanning the retail, office and industrial sectors.

4.9 Ongoing V&A Waterfront Development

The new owners wasted little time in confirming their commitment to the ongoing development programme of the V&A Waterfront. In early 2011 they announced plans for the refurbishment of the Victoria Wharf Shopping Centre's Food Court and a further 25,000 m² expansion of the Shopping Centre, as well as the redevelopment of the Clocktower Precinct over the next four years. This latter development will establish a new professional business district at the heart of V&A Waterfront, while maintaining the heritage fabric of one of the oldest development sites in Cape Town. In addition to the refurbishment of the existing Clocktower Retail Centre, the other areas earmarked for development include the unused landmark Grain Silo buildings and the Collier Jetty alongside the retail centre.

The new developments already underway in the V&A Waterfront include:

- The 18,000 m² No 1 Silo Office Project, which is Cape Town's first 6-star Green Star SA rated building by the *Green Building Council of South Africa*
- Construction of 31 apartments, known as No 2 Silo Project
- The proposed redevelopment of the historical Grain Silo buildings into a multi-functional design-orientated space, which may include a design museum, gallery space, auditorium, public market and associated restaurants and shops. A hotel could also be included in the redeveloped Grain Silo space
- Conversion of the Portwood Square Office Building into 271 rental apartments

Further development at the V&A Waterfront is possible since it has nearly 604,000 m² of bulk development rights approved by the City of Cape Town. Approximately 64% (384,000 m²) has been developed and approximately 36% (220,000 m²) remains available for development. The new owners have recently announced that they plan to bring a capital injection of a further ZA Rand 500-700 million per year, for at least the next ten years, to develop the remaining undeveloped bulk.

5. Regional Economic Impact of the Project

Five independent research studies on the job creation impacts of the V&A Waterfront project have been undertaken since 1992. The findings are an independent assessment of the project's contribution to Cape Town's regional economy.

The last survey undertaken in 2004 showed that the total permanent employment at the V&A Waterfront, excluding the fishing industry and industrial activities, amounted to 11,100 jobs. Over 80% of the jobs are newly created jobs. Therefore, it represents real regional economic growth and not displaced growth. The fishing industry and industrial sector jobs within the V&A Waterfront is estimated at 4,220.

The cumulative permanent jobs at the V&A Waterfront are projected to grow to 12,270 by the completion of the development, excluding the jobs in the fishing industry and industrial sectors.

Employment in the V&A Waterfront's construction and development phases since 1990 has amounted to about 15,850 equivalent annual jobs, of which 50% were in the entry-level category of labourer. Over the project's estimated 30-year development horizon, a cumulative total of some 21,000 jobs are likely to have been sustained at the V&A Waterfront through the project's development and construction activities.

The research indicated that an employment multiplier effect of 3,1 is applicable to V&A Waterfront employment creation – therefore, for every new job directly created at the Waterfront, up to 2,1 are created indirectly elsewhere in Cape Town's economy. Similarly, the multiplier for construction is estimated at 2,9.

6. Principles for Sustainable Urban Waterfront Development

The classic definition of sustainable development from the World Commission on Environment and Development's 1987 report entitled "*Our Common Future*" (the "*Brundtland Report*") bears re-stating: "*Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs*".

Sustainable development therefore has to do with the environmental, social and economic dimensions of urban and regional planning and, fundamentally, seeks to promote a better quality of life for both the community and the individual.

In the context of urban waterfront projects, two international organisations have jointly formulated principles for the sustainable development of urban waterfront areas. At the United Nations' Global Conference on the Urban Future (Urban 21) held in Berlin in July 2000, Wasserstadt GmbH (based in Berlin) and the International Centre Cities on Water (based in Venice) formulated ten principles that can be used to test and evaluate the sustainability of any urban waterfront project. They published the ten principles on the following website: http://www.ware-project.net/index.php?option=com_content&view=article&id=30:10-principles-for-a-sustainable-development-of-urban-waterfront-areas&catid=8:resources&Itemid=60 .

The ten principles are:

- Principle 1 – Secure the quality of water and the environment
- Principle 2 – Waterfronts are part of the existing urban fabric
- Principle 3 – The historic identity gives character
- Principle 4 – Mixed use is a priority
- Principle 5 – Public access is a prerequisite
- Principle 6 – Planning in public private partnerships speeds up the process
- Principle 7 – Public participation is an element of sustainability
- Principle 8 – Waterfronts are long-term projects
- Principle 9 – Revitalisation is an ongoing process
- Principle 10 – Waterfronts profit from international networking

7. The Sustainability of the V&A Waterfront Project

These ten principles have been applied to the V&A Waterfront Project in order to evaluate the key success factors and the sustainability of the project.

7.1 Principle 1 – Secure the quality of the water and the environment

The V&A Waterfront has retained the authentic working harbour character as part of the project's development programme and the adaptive re-use of the historic old dock buildings has created special character and ambience.

A sustained environmental management programme has ensured that the V&A Waterfront's harbour basins are cleaned on a regular basis to remove wind-blown refuse and tidal debris from the water. Resident V&A Waterfront seals have become an environmental attraction in their own right.

However, combined with the theatre of movement provided by pilot boats and tugs, as well as pleasure craft that provide charter trips on the bay, the sight and sound of a commercially working harbour environment is a never-ending source of attraction and entertainment for the visiting public.

7.2 Principle 2 – Waterfronts are part of the existing urban fabric

The V&A Waterfront was conceptualised by the V&AW and the City of Cape Town as an integral extension of the Cape Town's CBD and has contributed in a marked way to the revitalisation of the downtown during the past fifteen years. The V&A Waterfront is being developed in accordance with its unique location against the spectacular backdrop of Table Mountain. A sustainable planning and development vision was formulated that captures the unique selling features of the project, as well as the iconic location.

7.3 Principle 3 – The historic identity gives character

The collective heritage of the water, the historic dockland buildings and the unique working waterfront ambience has been integrated to provide an authenticity which has avoided a 'theme park' development – Cape Town's Waterfront is a real place. The preservation of the industrial past is an integral element of the sustainable development. A key success factor of the project, and arguably the most critical, has been to value what was already there and to employ adaptive re-use techniques in the design and tenancing of the buildings and their integration as key elements in the development plan.

However, as with any property investment, the primary reason for the successive shareholders' ownership of the V&A Waterfront is to earn a return on the capital invested. All other benefits that may accrue, such as the restoration of the historic buildings and structures, and the value of the V&A Waterfront to the Cape Town economy, will be relevant to the shareholders only if they continue to add value to their investment.

7.4 Principle 4 – Mixed use is a priority

The V&A Waterfront has been developed with a view to creating a mixed-use property portfolio with residential, retail shops, offices, entertainment, hotels and industry all co-existing side by side, in a controlled environment. Development and investment focus has been created through anchor projects with critical mass that has established the property's mixed-use development concept. Likewise, the focus on tenancing the various buildings has been on establishing a high impact mix of entertainment facilities, which includes shops, restaurants, cinemas and museums, as well as special visitor attractions (such as an aquarium, tourism and visitor centres), offices and residential apartments. A robust retail and entertainment tenant selection programme ensures a diverse and vibrant activity mix – this is essential in order to retain market share and sustained growth, leading to the financial success of the development.

An important ingredient for commercial success is that a waterfront project should ideally have a single management structure. It is essential that there be centralised control over the tenant mix and the variety of activities or uses. In the case of the V&A Waterfront, the retention of the property as a single management unit under the control of one owner has prevented any potential conflict that could have occurred if the property had been subdivided and sold to several owners.

The V&A Waterfront's experience has also been that the project should be market-driven in order to be commercially viable and therefore economically sustainable – the V&AW has never had the benefit of any national or regional government subsidies or special project grants.

7.5 Principle 5 – Public access is a prerequisite

The V&A Waterfront is both physically and visually accessible to locals and tourists of all ages and income groups. The property has good vehicular access and adequate public parking (over 8,500 parking bays). The V&AW has exceeded its target modal split of 30% for public transport and non-motorised transport (walking and cycling) – the weekday morning peak achieves 42% and the afternoon peak period 35%. This has been achieved through a sustained encouragement of public transport by the V&AW, through the provision of infrastructure such as tour coach holding areas, sedan and mini-bus taxi ranks, a bus station and high quality pedestrian corridors and routes that link the CBD through the various V&A Waterfront precincts to the quayside edges, public squares and promenades.

This high level of public access also underpins the commercial success of the V&A Waterfront project. Public visitorship since the commencement of trading at the V&A Waterfront at the end of 1990 far exceeded the initial expectations. The project has had sustained high levels of visitorship for over 22 years and the V&A Waterfront has now become Africa's most visited destinations, with an average annual visitation of over 22 million people.

Extended trading hours for businesses and visitor attractions offer special visitor appeal and also allow tenants such as restaurateurs to trade beyond the traditional lunch and dinner time, which increases turnover and smoothes out peaks and valleys in trading patterns. The V&A Waterfront pioneered extended trading hours in South Africa, from 09h00 to 21h00, seven days a week. This is strictly enforced in terms of the tenants' lease agreements.

The V&A Waterfront strives not to be a tourist trap where Capetonians and local patrons feel alienated. Recognising the need to cater for both the local and tourist markets, the V&AW believes that visitors will seek out the places favoured and frequented by locals. One of the management strategies employed to ensure repeat visits by the local population has been the V&AW's sustained programme of special events and promotions. This is essential in order to retain market share and the repeat visitation of the locals, which is a requirement for sustained commercial growth. The V&AW also places a high premium on safety and security of property and visitors alike.

7.6 Principle 6 – Planning in a public/private partnership speeds up the development process

Since its origins in 1860, the Port of Cape Town has been the scene of excavations, reclamation, harbour construction programmes and land based developments. Over the past 153 years, the harbour has undergone numerous changes and today that process is continuing with the redevelopment of land and buildings surrounding the original Victoria and Alfred Basins. The V&A Waterfront project was the culmination of nearly three decades of planning and development proposals.

In the case of the V&A Waterfront the respective roles for the public and private sectors were clearly defined from the outset. The Cape Town City Council was the enabling, statutory local authority responsible for the urban planning approvals and the provision of municipal services up to the boundary of the development site. The V&AW, as the landowner and developer, was responsible for the planning, design, development and management of the waterfront project.

However, the City of Cape Town made an enormous contribution in terms of its planning support for the project, by agreeing to establish a flexible urban planning approach to land use management – referred to as the “*Package of Plans Process*”. This was a critical factor during the project’s initial start-up period, as well as during the ongoing development programme. This unique urban planning framework, with its flexible use rights, allows the development plan to be adjusted over time to meet changing market demand. The “package” or hierarchy of plans typically consists of the following plans and policy documents: Contextual Framework, Development Framework, Precinct Plans, Site Development Plans and Building Plans.

At the commencement of the project in 1990, the City of Cape Town’s then Deputy City Planner, Peter de Tolly, noted the following as the City’s key objectives for the V&A Waterfront project and the “Package of Plans” planning approach:

“Cape Town’s Central Waterfront is one of the chief potential amenities and economic resources of the City and the region. Council’s overarching goals for the Central Waterfront are to promote increased public enjoyment and use of the area and to promote economic development and job creation by ensuring that future developments and activities will help to achieve the following objectives:

- *Increase the physical, perceptual, functional and jurisdictional integration of the Central Waterfront with the rest of the City, for all segments of society.*
- *Increase public use and enjoyment of the Central Waterfront by extending the richness, diversity and activity of City life to that area, through new residential, institutional, recreational and commercial development.*
- *Increase and improve public access and open space along the water’s edge and within the Central Waterfront.*
- *Promote economic development and job creation in the Central Waterfront through development in the fields of tourism and recreation, financial services, commerce and light industry.*
- *Protect the role of existing compatible land uses and public utilities in the Central Waterfront as a source of industrial and commercial income and jobs.*
- *Provide aesthetic, environmental and infrastructural improvements.*
- *Promote public/private sector cooperation to achieve financial viability and development of underutilised assets.*

“The Package of Plans approach as developed and used by the City of Cape Town has been designed to serve and reconcile the key interests of each of the public and private sectors. Properly undertaken, the Package of Plans approach should provide both strategic direction and operational flexibility and result in a development of quality and appropriateness, which takes full account of its special location, conditions, environment and history, and which becomes integrated over time into its adjoining city. It will ensure that development derives from a public-private partnership which brings together the relevant government agencies, local authority and private sector investors, developers and publics and which has reconciled and achieved their respective interests.”

The historic cooperation between the City of Cape Town and the V&AW has enabled the City to achieve its Central Waterfront development goals and objectives and the V&AW to realise a commercially successful project.

The V&AW continues to act as the developer of the V&A Waterfront project and also as the property manager – managing the site in terms of tenancing, security, cleaning, maintenance, marketing and administration. Tenants are secured by way of leases ranging from monthly to 99-year lease periods. The V&AW must ensure that real value is added with each investment and that there is continued overall growth in the total investment under management.

The V&AW is responsible for monitoring the pace of development and new buildings are only put up in response to market demand. The rate of development has not been governed by a capital expenditure budget, but by the dictates of the market as interpreted within the guidelines of the overall vision and development plan. A key aspect of the development strategy was the decision to avoid random growth by concentrating the initial development – the V&A Waterfront's initial development was concentrated in the Pierhead Precinct and the project '*started small in the biggest possible way*'. It has grown from there in the most integrated way possible.

7.7 Principle 7 – Public participation is an element of sustainability

The preparation of the V&AW's original Development Framework in 1989 ran in parallel with detailed traffic and infrastructure analyses and was the subject of extensive public participation. City officials from all departments, including finance, engineering, building survey, traffic and transportation and urban planning, were also involved in the process. Public participation included meetings with the local Member of Parliament, City Councillors, public officials, various business organisations, conservation bodies and professional associations. There was also extensive coverage of the draft Development Framework in the local press and media, therefore giving adequate opportunity for the public to express their views before the V&AW was granted its development rights by the local authority.

In addition to the above processes, the V&AW also established and voluntarily maintained a Waterfront Liaison Forum for the first seventeen years of the project. The Forum, comprising of 25 civic, business, conservation and professional non-governmental organisations, reviewed and commented on all major developments in the V&A Waterfront between 1989 and 2006. Another V&AW-initiated review group, the V&AW Design Review Committee, also made a significant contribution to the design quality and success of the V&A Waterfront project, including the urban design, architectural design and landscape design.

Cities should benefit from waterfront development not only in ecological and economical terms, but also socially. International best practice indicates that a crucial part of the enduring success of any waterfront development is the hosting of a sustained programme of entertainment and special events. The V&A Waterfront hosts large-scale events like the series of weekly concerts during the summer season provided by the Cape Town Philharmonic Orchestra, as well as the annual Waterfront Jazz Festival.

These free concerts are immensely popular and draw up to five thousand people who gather at the Waterfront Amphitheatre. There are also regular choir performances as Cape Town has a tradition of choral singing, as well as jazz concerts and appearances by international and local artists.

Buskers, which include street musicians, dancers, acrobats, mimes, jugglers and magicians, also provide an important entertainment drawcard. They are initially auditioned by the V&AW and for those who qualify to perform, the V&A Waterfront has become a source of continued employment as well providing, in some cases, an opportunity for furthering their entertainment careers.

The V&A Waterfront, as a Western Cape tourism industry leader, strives to complement the Cape's other attractions by promoting assets such as the wine, flower and fruit industries, both in terms of annual special events and with appropriate speciality shops and restaurants. The annual Waterfront Wine Festival is a calendar highlight.

7.8 Principle 8 – Waterfronts are long-term projects

In terms of ensuring long term sustainability, waterfronts need to be (re)developed in a planned and integrated manner and must also respond to market potential and demand. This ensures that the entire City benefits from the strategic potential of the waterfront resource. Most waterfront projects are very large in scale and impact and therefore the development objectives should be realizable in terms of long term economic cycles and not just with short-term gains and interests in mind.

The V&A Waterfront project entails the redevelopment of a 123 ha property, with almost 604,000 m² of development rights (“bulk”). By the end of 2012, 22 years after construction on the project was started, about 60% (nearly 364,000 m²) of this development entitlement had been implemented. During the period 2006-2011 the property twice changed ownership and the global economy experienced a downturn of crisis proportions. It has now been estimated that the V&A Waterfront is likely to be fully developed by 2023 – some 35 years after the project was launched in November 1988.

7.9 Principle 9 – Revitalisation is an ongoing process

The redevelopment of waterfronts is a highly complex task that involves professionals from many disciplines. The initial master planning of the V&A Waterfront project was undertaken by a multi-disciplinary team comprising of urban planners, urban designers, market researchers, urban economists, environmentalists, architects, landscape architects, quantity surveyors, urban conservationists, marine engineers, civil and electrical infrastructure engineers and structural engineers. A development vision was formulated which formed the basis of the 1989 Development Framework. As previously noted, the flexibility of the “Package of Plans” planning approach has enabled the development programme and the urban planning to respond to the changing market demands and trends over the past 24 years. This flexibility has facilitated the regular review and application of the original vision for the project and the rejection of financial expediency, which could easily have sidelined this vision.

The V&AW has been responsible for the planning, development and management of the V&A Waterfront project in Cape Town since 1989. During the past 24 years the V&AW Management Team has developed strong capabilities and experience on waterfront and marina projects, based on the disciplines of market research, planning, architectural design, construction management, leasing, marketing and property management.

7.10 Principle 10 – Waterfronts profit from international networking

The exchange of knowledge through an international network of waterfront developers and operators offers support and information about the most important projects being completed or underway. The V&AW has established an extensive network of international project associates and through regular contact and repeat visits to these projects, the latest trends in waterfront and marina design, development and management strategies are monitored and incorporated into V&AW projects.

In the early 1990's the V&AW benefited from visits to San Francisco, Boston, Baltimore, Vancouver and Sydney. Probably the biggest lesson learnt in this review of international waterfront projects is not to look for the quick-fix solution or to adopt a formula that may have worked somewhere else. The V&AW has consciously strived for distinctiveness as it has undertaken the challenge of converting and conserving Cape Town's waterfront resources. Learning from the successes and failures of other pioneering international waterfront projects contributed to the V&A Waterfront being successful. Today, the success of the V&A Waterfront project has made it an international benchmark in its own right.

8. Conclusion

What was a loss-making asset for the owner of the Port of Cape Town in 1988, has become a vibrant and profitable property development project that enjoys an enviable international profile. The charter agreement between the V&AW and the City of Cape Town started with a simple goal: *“To make the V&A Waterfront a very special place for all Capetonians”*.

Twenty-five years after the adoption of this important civic developmental goal, it is clear that the V&A Waterfront project has succeeded admirably in achieving this goal in a sustained way.

The V&A Waterfront is not a theme park – it is a real working harbour, but with a difference. The dry dock and ship repair facilities, the fishing industry and the harbour operations, tugs and pilot boats all contribute to providing a theatre of movement for the visitors and assist in ensuring that it functions as a real peoples' place. There are promenades, piazzas, squares and landscaped gardens which create vibrant spaces in between the pubs, restaurants, shops, cinemas, museums, offices, hotels and residential apartments.

A key success factor of the project, and arguably the most critical, has been to value what was already there before the urban revitalisation project started and to employ adaptive re-use techniques in the design and tenancing of the buildings and other structures and elements of heritage value.

Although it has become Africa's top tourist destination, the V&A Waterfront has achieved much more than that – it has re-united Cape Town with its proud maritime heritage. The success of the V&A Waterfront project has placed Cape Town on par with other international waterfront cities such as San Francisco, Boston, Baltimore, Vancouver and Sydney, which are all highly liveable cities and major tourist destinations.

Endnote

Between 1990 and 2007 the author was the first Planning and Development Executive and member of the management team that developed the V&A Waterfront Project in Cape Town into one of the world's foremost mixed-use waterfront projects. His management responsibility at the V&AW was to integrate the project conceptualisation, urban planning and urban conservation aspects of the V&A Waterfront Project, to obtain the statutory planning, environmental and heritage approvals from the various Government authorities, as well as to manage the development of the retail, commercial, industrial and hotel projects in the V&A Waterfront. During this period he oversaw a development portfolio of ZA Rand 2,5 billion. Between 1998 and 2005 his professional experience with the V&AW also included work as an advisor on a number of international waterfront projects. He travelled extensively to study international waterfront, residential marina and urban revitalisation projects, with a focus on city planning, urban design, urban conservation and city management. The views expressed in this paper are those of the author and do not necessarily represent the views of the Western Cape Provincial Government.

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The following is a selected reference list of publications that assisted in the background context for this paper. It is not an exhaustive list, but the references cover the wide spectrum of issues that need to be considered in developing urban waterfront projects.

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