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INTEGRATING LAND VALUE CAPTURE INTO INFRASTRUCTURE INVESTMENT PLANNING IN SOUTH AFRICA: CASE STUDY OF SOUTH AFRICAN LOCAL GOVERNMENT

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ABSTRACT

South Africa continues to experience fiscal constraints and economic contraction as a major hindrance to deliver infrastructure projects. Because the process is disintegrated, the aim of this research is to recommend a set of guidelines using planning gain and investment theories on ways to guide the implementation of land value capture financing to fund infrastructure development by the South African local government. The study was conducted using the qualitative approach where a three-step sequential research design was followed. Firstly, the study utilised document analysis using secondary data where the aim was to investigate the problems and challenges that deter the effective use of Land Value Capture (LVC) in South Africa, as well as to investigate concrete proposals and legislative amendments that are required to circumvent the current limitations that exist and emerge from the application of LVC. Secondly, the study relied on semi-structured interviews to follow up on the findings of the first step. Finally, the study was conducted using the method of triangulation, using two data tools, to help draw guidelines on how LVC can be used in an effective manner in South Africa. The relevance of this study lies on the premise that there is a dire need for the South African government to expedite infrastructure development that were once curtailed by apartheid systems in order to anchor the imperatives of inclusive cities as the economy grows and urbanisation ensues.

KEYWORDS: Land Value Capture, cost recovery, infrastructure investments, government affordability, value creation, Public-Private-Partnership, infrastructure investment, local government.