

# THE DEPARTMENT OF CONSTRUCTION ECONOMICS & MANAGEMENT



## MIXED-USE MEGAPROJECTS: URBAN JUSTIFICATIONS AND BENEFITS

Fabio Comanie 2024- 33rd IPMA  
Conference - HOPE

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# CITY OF CAPE TOWN



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# PRESENTATION OUTLINE

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# 1. THE PAPER OBJECTIVE:



This paper investigates the **capital and operation impact** of mix-used megaprojects, unpacking **the justifications and benefits**. The paper utilize a **case study methodology**, the research analyzes the development's contribution to **spatial transformation, policy adherence, and economic implications**.



## 2. KEY CONCEPTS

### The study main concepts:

- ❑ A **just city** is defined as one that produces equitable outcomes through public investment and regulations (Shatkin, 2008 and Fainstein, 2010).
- ❑ **Projectization** refers to the process of selecting (choosing) and implement (executing) projects in order to enhance performance and achieve success (Kuura, 2020; Denicol, 2022).
- ❑ **Mixed-use megaprojects** are large developments that are distinguished by their substantial expenses, notable difficulties, and accompanying risks. **These projects generate significant investments, typically obtained from developers, and require extensive operational management and a wide range of amenities** (Othman, 2013; Altshuler and Luberoff, 2003).
- ❑ **Urban planning** is the **technical and political process** that focuses on the design, development, and management of urban areas to ensure they are functional, sustainable, and equitable. It involves the **strategic organization of land use, infrastructure, and services** to **accommodate current needs** while **anticipating future growth and challenges** (Turok, 2012).



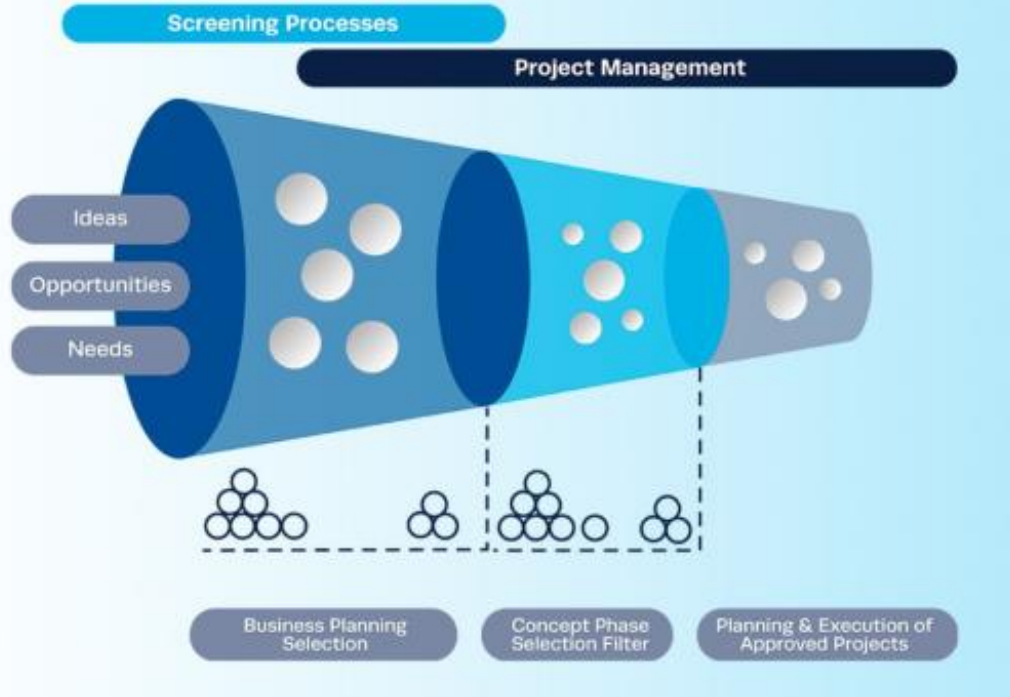
# 3. INTRODUCTION

- ❑ A just city benefits from **public investment and regulations**, and **megaprojects** such as:
  - ❖ dams,
  - ❖ roads, and
  - ❖ housing have played important roles in urban renewal.
- ❑ South African cities, such as Century City in Cape Town, **require mixed-use and commercial investments** to:
  - ❖ boost economies
  - ❖ and attract investment.
- ❑ Projectization is critical in justifying the **location and benefits** of these megaprojects.

**Constitution of the Republic of South Africa (1996)** includes provisions that promote **fairness, transparency, and equality**



# Project Selection



# Project Implementation

Knowledge Areas	Project Management Process Groups				
	Initiating Process Group	Planning Process Group	Executing Process Group	Monitoring and Controlling Process Group	Closing Process Group
4. Project Integration Management	■	■	■	■	■
5. Project Scope Management		■		■	
6. Project Schedule Management		■		■	
7. Project Cost Management		■		■	
8. Project Quality Management		■	■	■	
9. Project Resource Management		■	■	●	●
10. Project Communications Management		■	■	■	
11. Project Risk Management		■		■	
12. Project Procurement Management		■	■	■	■
13. Project Stakeholder Management	■	■	■	■	
14. Project Health, Safety, Security, and Environmental Management		●	●	●	
15. Project Financial Management		●		●	

■ PMBOK® Guide Knowledge Areas and Process Groups included in Construction Extension  
● Construction-specific Knowledge Areas and Process Groups unique to Construction Extension

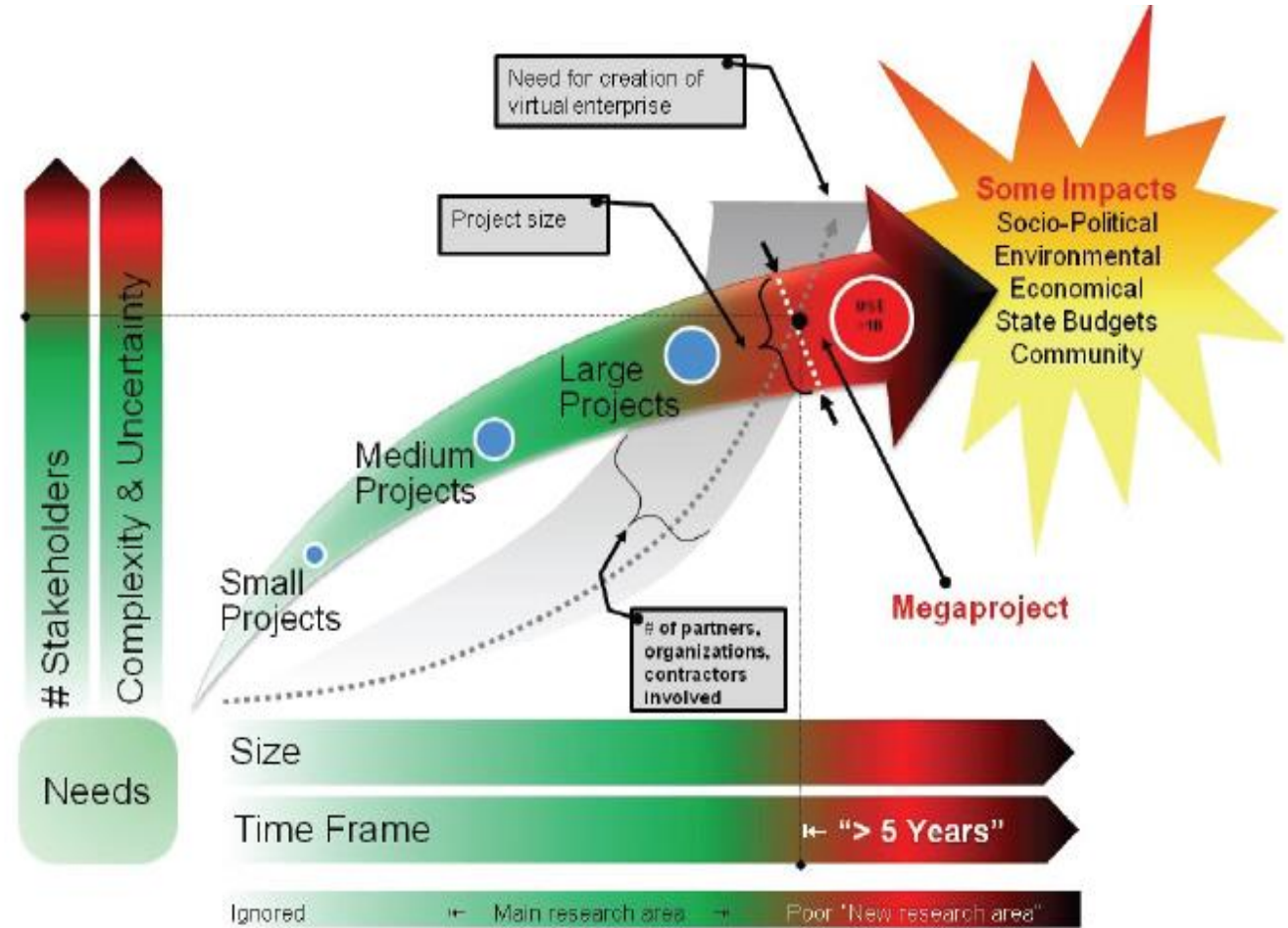


# 4. BACKGROUND (1)

## ❑ Megaproject Complexity involve

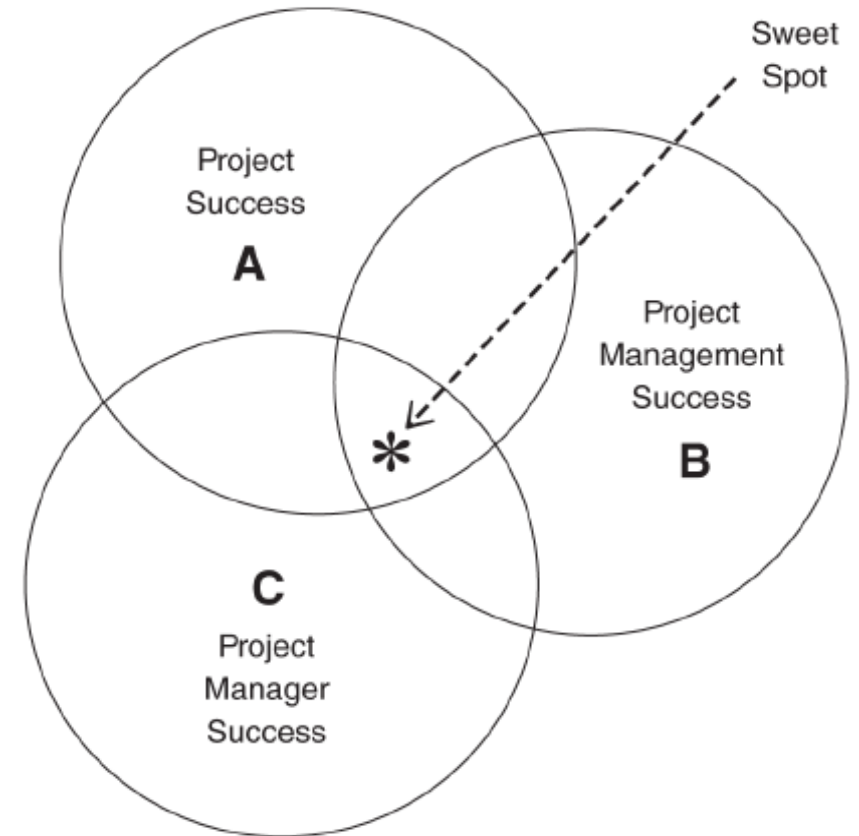
many factors, such as:

- ❖ Stakeholders,
- ❖ Complexity,
- ❖ Unpredictability,
- ❖ Cost,
- ❖ Duration,
- ❖ Scale,
- ❖ and the number of Entities



❑ **Mixed-use megaprojects:**

- ❖ one must possess not only proficient technical and organizational abilities, but also the ability to navigate and **address the diverse needs and complexities** (Windapo and Companie, 2022).
- ❖ the intersection of project success, project management success, and project manager success **“the sweets spot”** , which leads to a blend of stakeholder satisfaction, technical excellence, and efficient management.



Tri-focal Project Success Lens (Source: Kerzner, Zeitoun & Vargas, 2022)

## 4. BACKGROUND (2)

### South Africa

- ❑ **65%** of SA population residing in urban areas
  - ❖ Urban infrastructure management is **complex** and requires economic, environmental, and public support to achieve results.
  - ❖ A **network** of public and private organizations manages large-scale development projects.
  - ❖ Effective projectization involves **robust management practices, stakeholder engagement, and clear performance measures**.
  - ❖ This approach is essential for handling the **increasing requirements** of urban infrastructure due to rapid urbanization and technological progress, particularly in mixed-used megaprojects.

- ❑ The **increasing demand** for Urban Infrastructure Projects (UIPs) has led to a rise in projects, primarily focused on public transportation, housing, but many have faced challenges like **abandonment, delays, and cost overruns**.
- ❑ South African cities **face poverty and housing shortages**, leading to megahousing projects. However, these alone **do not stimulate economies or attract investment**.
- ❑ The need for mixed-use and commercial developments emerged, influenced by western models, but often perpetuate spatial divisions and **hinder inclusive** city reform.
- ❑ These developments have shaped urban landscapes but often **perpetuate spatial divisions and hinder inclusive** city reform.

(Source: Dithebe, 2018; Saghir and Santoro, 2018; Statista, 2021; Greiman, 2013; Kennedy et al., 2014; Sutherland, 2015; Baud, 2015; Shatkin, 2007; Turok, 2001; Lemanski, 2007; Todes, 2010; Kennedy et al., 2014).



# 5. METHODOLOGY

- ❑ **Comprehensive qualitative case study approach.**
- ❑ **Diverse data collection methodologies**, such as literature review, document review, conducting comprehensive interviews, examining policy; documents, scrutinizing pertinent reports, media articles and observations such as site visits.
  - ❖ **Triangulation** - guarantees the accuracy and dependability of the results by crosschecking information from various sources.
- ❑ **Century City case study** focuses on examining its rationale, incentives, and the individuals or groups who benefit from its growth.
  - ❖ Allowed for **analyzing the theoretical framework** of megaprojects and applying it to the real-life situation
- ❑ **Methodology framework** involves a constant process of observing and refining based on both theoretical concepts and empirical evidence.



# Century City – Case Study



2022



## 6. LITRATURE REVIEW (1)

- ❑ Megaproject are **usually the vehicle** in which these mixed-used developments emerge through the projectization process.
- ❑ The literature suggests that there is an **increasing interest** in this phenomenon in cities situated in the Global South.
- ❑ Megaprojects serve as a **lens to explore urban inclusivity and integration** within government policies addressing spatial disparities in Cape Town.
- ❑ The concept of a "**just city**" is examined in order to comprehend how it can be integrated into future planning.
- ❑ Through the **theory of their characteristics**, the research question regarding the motivation and justification of megaprojects is investigated.



## 6. LITRATURE REVIEW (2)

- ❑ **Mixed-use megaprojects** are large-scale urban developments that integrate residential, commercial, and occasionally industrial functions into a single project through projectization.
- ❑ The practices linked to the **selection and implementation** of urban infrastructure projects include project management, which pertains to the **comprehensive vision, strategy, and successful execution** of the complete project **relying** on project portfolio and construction management (Moustafaev, 2017; Malete & Khatleli, 2023; Sheng, 2018; Abyad, 2019).
- ❑ The complex adaptive systems theorists **suggest** a system will always adapt to a changing environment, it is essential to keep in mind that there is no **separation between** a system and the **environment** in which it operates (Chan, 2001). Which is characterized by **recursive interactions** between layers of systems, such as **control loops and feedback** (Ellis and Herbert, 2011).



# 7. FINDINGS (1)

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While previous studies (Flyvbjerg, 2014; Harris, 2014) have highlighted the global challenges of mixed-use megaprojects, this research provides a **localized perspective** that underscores the **unique challenges** faced by post-apartheid cities.

- ❖ The need for more inclusive and integrated planning, the paper offers a fresh contribution to ongoing debates about urban equity and **the role of private developers in shaping city landscapes.**

□ **Projectization** further assist the mixed-use megaprojects through **holistically viewing** it from a selection and implementation that can provide inputs to stakeholders power and influence (Companie and Windapo, 2024).

- **Spatial transformation**

## 7. FINDINGS (2)

- ❑ The project juxtaposes **global competitiveness** with **local inclusivity**, placing **greater emphasis on economic gains rather than social equity**. Studies suggest that upcoming megaprojects necessitate improved integration and comprehensive planning (Flyvbjerg, 2014; Harris, 2014).
- ❑ Evidence suggests that Century City has successfully attracted **substantial investment and generated employment opportunities**, thereby making a positive contribution to the development of infrastructure and economic growth. However, it also sustains **spatial disparities**, favouring affluent demographics to a greater extent than lower-income inhabitants.
- ❑ The project emphasizes the **conflict** between worldwide competitiveness and community inclusiveness, frequently favoring economic advantages over social fairness.

- **Policy adherence**
- **Economic implications**



## 8. ANALYSIS AND DISCUSSION

The analysis of the sample of literature yielded five themes:

- ❑ Century City **promotes a live-work-play environment** through mixed-use development, integrating commercial, residential, and recreational spaces.
- ❑ Sustaining urban precinct
  - ❖ Centralization and Densification (Yin, 2009).
  - ❖ Environmental Sustainability (Bhattacharjee, 2012).
  - ❖ Management and Control (Flyvbjerg, 2014).
  - ❖ Policy Influence (Turok, 2016).
- ❑ Century City has had **positive economic impacts** (Harris, 2014).
- ❑ Highlights the need for **more inclusive urban planning** to ensure socioeconomic equality.
- ❑ The **projectization approach**, address critical gaps and promote more equitable development outcomes.
- ❑ **Exacerbated spatial inequality** by catering to the wealthy.
- ❑ The project's design and implementation highlight **global competitiveness and local inclusivity**.

# 9. CONCLUSION

- ❑ The paper recommends increased **government involvement in private investments** to align with social equity goals (Turok, 2016).
- ❑ The findings of this study highlight the capacity of **urban mixed-use development to alter urban environments and foster sustainable growth.**
- ❑ Mixed-use projects often **prioritize economic growth and job creation over social and environmental issues.**
- ❑ The complexity of megaprojects requires **rigorous project management methods and power dynamics and stakeholder interests.**







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- .....For detail references see proposal.

# THANK YOU

We would like to thank the **City of Cape Town** and the **National Research Foundation** for their financial support. Please note that the opinions expressed in this presentation are those of the authors and do not necessarily reflect the views of the sponsors.

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