



## **Conversation with Delana Finlayson**

**Ashley Hopkinson**

**October 28, 2024**

**Ashley Hopkinson: Can you introduce yourself and tell me about what brought you to the work that you do today?**

**Delana Finlayson:** I'm Delana Finlayson. I am leading the Urban Think Tank Empower team in South Africa, where we are focused on developing infrastructure that makes a difference in the world, working especially in vulnerable communities and informal settlements and focusing on housing. But it's not only housing. We think our solutions need to be more than just houses. We look at all the supporting infrastructure required to make a proper neighborhood and to make society function.

I'm a quantity surveyor by profession. A lot of people don't actually know what that is. We are responsible for the financial management of big infrastructure projects. That is my background. I've always done a lot of work in project management, and I've slowly progressed towards focusing more on implementing designs and managing that process.

When you work in corporate environments with corporate clients for a long time, some people realize that it's frustrating work, because there's so much focus on the bottom line and return on investment, often without much care about social impact. Over time, my interest became more working on projects that really deliver impact instead of working with developers constantly chasing returns. On a personal level, I think if you want to stay in South Africa, you've got to be part of the solution. You've got to do something to make the country a better place. I've dedicated myself specifically to housing delivery.

**Ashley Hopkinson: What would you say is distinctive about the way that you approach housing?**

**Delana Finlayson:** I took a photo last week of an article I saw online that celebrated a mega housing project, but it looked so sad. Actually, my immediate thought was that it looked a bit like a concentration camp, because it was just a sea of houses with four walls, very basic houses without

character, without soul. But it ticks a box. When governments in particular are working towards housing solutions, there's a massive backlog of houses needed. They can't build it fast enough, so they end up implementing poorer solutions, yet they're still able to say we've delivered a home. The fact that it is marginally better than a shack where the family might have stayed before makes it okay.

Whereas I think UTTE thinks differently about it. Providing something that is a marginal improvement doesn't really deliver long-term benefits and a sustainable solution. We really try to focus on good design to create higher-density solutions, because the world's running out of space.

You can't keep on finding open land that's further and further out of the cities. People need to spend sometimes up to 40% of their monthly salaries on transport because they're so far away from where they work. Trying to find empty land far out of cities is just not the solution. We try to look at established informal settlements where there are already services and economies in place, to redevelop those sites.

We have to temporarily work very closely with the community. That is the key part of our approach that differentiates us from what other people might do, particularly governments.

They just grab your name off a housing database and say, we've given you a new house. Often families have to move like 100 kilometers away to where the government has provided a house, far away from their social connections, and basically start from scratch somewhere else.

Meanwhile we work within the existing communities from the start to design the new homes and the new neighborhoods with them. Then, of course, we assist the communities in temporarily moving off the site while we're busy with construction. We've got to build as quickly as possible because you don't want people to be away from their communities for a long time.

On completion, that entire original community moves back onto the site, which completely differentiates us from what government is doing, because there is zero displacement. We keep the communities together in their original format and household structures. I think that makes it quite unique.

At the same time, we really try to focus on building sustainably, using local labor. In our projects, about 50% of the labor working on the construction site would be from the local community.

We obviously try to use people who are unemployed. We train them and provide them with the skills to work on the project. That's quite important, and that's one of the reasons why we've been sticking to conventional construction methods, using bricks and blocks in formats that are generally used in

the construction industry, so that after people have [worked on] our developments, they can find jobs with any other big building contractor, which creates economic empowerment.

Our developments are all inclusive of clean energy through solar panels. Load shedding, which we typically experience in South Africa, is not a problem because we've got a lot of sun, so the communities and the households always have electricity.

We do rainwater harvesting, and we've got a big reservoir underneath our community center so that we can use it for our urban farm.

The community center creates an anchor for the neighborhood. It's a place where kids can come and engage in a football program. The indoor facility provides a space for birthday parties and community meetings and a market space for selling produce from the urban farm. It aims to bring people together.

We tie this whole development together through a homeowners association. It's a mechanism to ensure long-term sustainability and that the neighborhood is cared for and maintained in the long-term. Because when our government delivers homes, it's, "Here is your house, goodbye." Those developments soon turn back into slums, and we don't want that to happen. We want to maintain the development and give the community members the skills to understand the importance of that and to manage it themselves through a committee structure. So far, it seems good. Obviously, it's a very new concept to implement in an informal settlement, but the community is eager to learn, and eager to take care of their neighborhood. That's exciting.

**Ashley Hopkinson: What you said about not reintroducing problems into the community by displacing everyone is really significant. That's one of the challenges with housing: you can go further out, but then people are no longer in the city centers where they have all these connections.**

**Delana Finlayson:** Exactly. It is really a big problem. In South Africa, if you look from a schooling perspective, our schools are not coping with the number of learners. It's quite difficult to get placement in a school, especially in a good school. There are different categories of schools.

If you are living in an informal settlement and your child or children have been placed in a good local school there, a lot of community members will opt to stay in their shack rather than to take up a government house that is normally not very well built and potentially far away from a school. The kids might not get into a school if they have to move to a different community. If your kid is in a good school, you're going to want to keep them there. Every generation is trying to give their children better

opportunities than what they had. You're not going to give up that chance for a government house that is very far from your existing social structures.

**Ashley Hopkinson: What role do partnerships play in your work? How do you cultivate and manage those partnerships?**

**Delana Finlayson:** We definitely couldn't do the work we do without partnerships. It's critical, because you need quite a diverse skill set to enable these kinds of projects to happen. The most important partner in all of this must be the community members themselves, and that relationship is something we really do have to cultivate all the time, because they need to trust you that you are going to provide what you've promised. It's very difficult.

You can imagine telling somebody you don't know to please move out of your house. It's basically an informal house, but it's still somebody's home. You've got to tell them, "Move out of your house." Then they watch you demolish that house, and they've got to trust that you're going to replace it with a formal brick house. That partnership is vital, and the trust that comes through that.

We use a network of community leaders. There are some community-based organizations in the informal settlements that provide the conduit. Then we have a partner in another nonprofit organization that is based in the informal settlement. There's a hierarchy of leaders and local government agents and community organizations that we work with to create the access and to build those relationships within the communities.

Local government is, of course, an important partner, because the developments that we do are all government-owned land—although the communities have often lived on the sites for 30, 40 years, so practically they own the land, but officially, the title in documents would show that the land belongs to the City of Cape Town. We have to work quite closely with local governments so we can get the permissions in place.

Because our ultimate goal is to ensure that the residents can get that secure tenure to create generational wealth. You want to give them an asset that they can use properly, whether it is a security for loans in the future if they want to start a business or to pass on to their children in their wills.

Then we're working with various academic institutions like the University of Cape Town or ETH in Switzerland. We have a whole range of partners assisting with community engagement and facilitation, because it's important to be able to show the outcomes at the end of the day. We need to gather a lot of baseline information at the start—what the current conditions are, what the households

look like—so that we can measure the outcomes over time, and how we have managed to improve the situation for each family.

**Ashley Hopkinson: What is your measure that you're making progress?**

**Delana Finlayson:** In very broad terms, we know that the model works because other communities are asking for it. We've got the statistics that show we've improved some family's financial situation, or the kids are doing better at school, or we've improved health. We can measure those things, and it's important. Sometimes the community speaks for themselves.

Within a couple of months of completing the first phase of our initial development, we had leaders from the surrounding communities approaching us and saying they've seen what we've now done. They've spoken to the beneficiaries of the new homes that are living in them, and they have heard how much they enjoy it and how good it has been for them, so they would also like us to bring our project to their communities.

For me, the ultimate measure of success is all the personal stories you hear from individual families. Funders always want to have a look at the stats. In our first development, there were about 450 beneficiaries that are now living in their new homes, and we know that we've created about 350 jobs.

We'll see some of the other stats over time as we measure it, but we know already, from our preliminary data, that mental health has improved significantly. There's been about a 40% reduction in respiratory diseases. There has been a 25% increase in the average economy in the development and 20% reduction in school dropouts.

Even in the short term, there's already quite a lot of indications that the work that we are doing is paying off in that community.

Khayelitsha, where we've been doing most of our work, is quite low-lying. Several times a year there are major floods. In the summer months, there are probably five communities where there's a major fire. We haven't seen any of that. We've had no floods. Everybody's homes have been dry. We did actually have a fire in one of our homes. Nobody was hurt, and there wasn't a lot of damage, but what we were able to prove is that the fire didn't spread. It was contained within the one room of the home. It didn't spread to the community, and nobody got hurt. If it was still an informal settlement, the whole community would have suffered because of that fire. It just spreads, and the homes are so close together, and there are no firewalls between the homes from a design point of view. Once there is just a slight flame, it just goes through the whole community. Whereas we've proven that even between

the ground floor and the first floor, we were able to contain the fire. Because our homes are all two stories. It was a great test to see what we've planned actually worked.

**Ashley Hopkinson: Is there any specific reason they're two-story?**

**Delana Finlayson:** There are some reasons for that. It's first of all because of the densities of the existing sites, the number of people that were originally living there. We wanted to free up space on the site. We've done some studies on this. We've built 72 homes in this one development. If it was a typical government development, we would only be able to fit 28 homes on that same site area. Where would all the rest of the households go? If it was a government project, they would all be displaced.

We've been able to accommodate all 72 households on the site through this two-story design, and, at the same time, free up enough space to also include a safe public area and a play park for the children and the community center. You get so much more out of the same piece of land, so you actually increase the value of the whole area significantly.

The other reason for the two-story model is you want to provide separate sleeping and living spaces. It's easy to do that through the two stories. You can create the living space at the bottom and two separate sleeping spaces at the top. Because what often happens in informal homes is that it's all one room. There's not always separate sleeping spaces, and adults and children often sleep in the same space, and at times that creates a whole lot of other social problems. The kids can have a separate sleeping space where they can do homework and be separate from the adults, and living spaces can happen at the bottom. Kids can go to bed earlier, and the adults can still be in the space at the bottom.

**Ashley Hopkinson: From the financial perspective, how do projects like this get beyond profit-margin thinking when it comes to housing?**

**Delana Finlayson:** It's a tough one. In this one community—and I think it's very representative of the average in the 15 sites that we've mapped—there is at least 45% unemployment. Part of the unemployment problem is also government-related, because it stems from the fact that government has made promises that if your income is below a certain threshold—in our case, it's R3,500 a month—you are eligible for a free government home.

There's actually a strong economy in the informal settlements, but it's not declared. People almost choose to work informally instead of getting into a formal working situation where they have salary slips, because the minute you have salary slips that show that your monthly income exceeds R3,500, you will no longer qualify for a government house. There's some advantages to staying in the informal sector, which is not helping the economy in South Africa in general.

Unfortunately, whether communities [have to] wait for 40 years for this government house, they're still holding onto that idea. When you think about a financial model for delivering these houses, it's tricky, because we would like communities to contribute towards the cost of the house. I think it's important that there is some kind of value exchange instead of the concept of free housing. I don't think that's a good idea anywhere in the world, necessarily.

It's very difficult to make a financial model that can show returns. We know for a fact that we will always be reliant on grant funding to some extent, but we are trying to reduce that reliance on grant funding through impact investing, where we can recoup some of the funds. We've created this rent-to-own model where we are asking community members to make small contributions every month towards the cost of their home. That way, they can also build up a credit record, because a lot of the community members are unbanked. They don't have bank accounts, they don't have a credit record at all, which makes it difficult when you want to partner with a financial institution to manage this micro-mortgage idea that we are working on.

Through the rent-to-own model, the beneficiaries can build up a credit record based on small monthly amounts based on their personal household affordability. It varies, but after about five to eight years, the homes will then be transferred to them and they will own the house outright. We do have the provincial government supporting the project with housing subsidies. That goes towards improving the financial visibility model somewhat.

For us, looking at impact investing, we just need to break even. We are not in the business of making huge returns on these developments, because we're ultimately looking at the social impact. We're redeveloping existing townships. As we are starting to think about scaling, we are also considering affordable homes on greenfield sites, when we can identify sites that are close to services and opportunities. We will most certainly not move out of the city to do big developments that will then be financially feasible. We will use greenfield sites in urban areas, and any profits from those kinds of developments will subsidize the more vulnerable section of the community that cannot afford to pay much towards the cost of their homes.

It's a complicated model. You have to make a plan. You've got to make it work. It can be done. In this type of work, you can't just rely on brand funding or on impact funding. You've got to look at different types of funding from different avenues so you can scale the project. I've seen recently that there is lots of very important impact work that is a lot less expensive to implement.

Housing is expensive. It doesn't matter. When you are working with bricks & mortar or houses, we know it's expensive to deliver that. It is sometimes a little bit more difficult to access grant funding. I

chatted to someone recently that was developing an app to assist children with mental health conditions. Developing the app is obviously something that's become a lot less expensive recently, but it still costs a lot of money. Once you've got it in place, it's easy to get it to thousands of people very quickly.

Implementation is easier, and it's more cost effective from a funder's point of view. Whereas housing takes long. It's a long process construction-wise, especially redeveloping existing sites, where you've got to engage with the community for at least six months before you can start anything. And it's expensive. You've got to think out-of-the-box, financially, to make it happen.

**Ashley Hopkinson: What challenges have come up, and how have you managed those challenges?**

**Delana Finlayson:** Starting with the timeframe component, you have to get statutory approvals in place. You've got the community aspect with engagement and facilitation. Gathering data upfront takes a lot of time. I suppose my biggest frustration and challenge is the statutory processes that we have to deal with. It really upsets me so much.

We talk about the South African housing crisis. If there is a crisis, I cannot understand that the response can be so slow, from getting government approvals to commence with construction. If we were working in a private development in a middle- or upper-class area, it would take us at least 14 to 18 months to get approvals in place before we can start construction. Now, you're telling me there is a crisis, but we are working at a bare minimum at that rate to get approvals in place. Surely, if it's a crisis, there should be an avenue where these processes are fast-tracked. I sometimes question whether people understand what the word crisis in fact means. That is the biggest challenge. I'm constantly fighting with local government to see how we can fast-track these processes, because we are trying as a nonprofit to do things the right way around in terms of regularizing processes, but ultimately we want to deliver homes.

It means that we are sometimes forced to start construction before we've completed the process of approvals, which means you then have to come back and regularize everything after construction. Which isn't the ideal way of doing it, but you constantly have to find the balance between the timeframe you have to use the funding that's been allocated to you and trying to marry that up with the statutory approvals process.

Our European funders go, "How can you tell me it's taking the government 18 months to approve a set of drawings? We gave you 18 months to spend the money and you've got to report back. Now it's 16 months down the line and you tell me you couldn't spend the money because you are waiting for



approvals." It's a challenging seesaw to balance. Anyway, we are working on it, and I hope that we can, through this work, also start affecting policy changes. That's the other part of what we are trying to do: trying to change the way local governments are processing these kinds of applications.

On the ground, one of our challenges is dealing with extortion. It's something that we don't talk about all the time because we don't have a solution to it. While we are dealing with it on the ground, we're still trying to figure out solutions to the problem. It is something that is happening throughout South Africa. National provincial governments are struggling with the same situation on their big infrastructure projects. There are gangs operating in the townships that want a piece of the pie. They don't necessarily look at the good work you are doing. They just want to know how much money you're going to pay them to keep the site safe. We call them the construction mafia. Very frustrating. We really don't have a solution for that at the moment.

What I try to keep in the back of my mind all the time is that 95% of the community members are incredible human beings. They're just going about their lives, desperate for a proper home. They want to get their kids to school and back and work and do all the things we normally do. Then there's this criminal element that is trying to hamper progress and have their own agendas, just wanting to cash in on the good work nonprofits are doing in the various communities. The beneficiaries are scared and nervous. You can imagine: all you're trying to do is protect your family. You don't want to deal with gangsters. It's very difficult for the community members to speak out against it, because then they become vulnerable in their own homes. We obviously don't want that to happen either.

There are other challenges, but I think we have a great team, and generally we come up with solutions. Through the partnerships we have, we're generally able to solve most of the obstacles. You've got to try and find a way.

**Ashley Hopkinson: What do you think it will take to demonstrate the value and the importance of doing this work faster?**

**Delana Finlayson:** I think people know, but my sense is that sometimes the problem almost seems too big for people to get their head around. When you say 1.6 billion people in the world don't have adequate housing, your head just wants to explode. Sometimes, I think, people just go, "The problem is so massive. We are never going to solve it."

You've got to break it down. You've got to look at it at a local level and start somewhere. You've got to demonstrate the impact by showing the outcomes in a local area, so that people can realize that if you scale the solutions, it will impact the whole community.

Khayelitsha is a very big township. It will take time to demonstrate the impact, but there are smaller towns in South Africa where there shouldn't have to be one shack. Because it's local, it's small enough to actually solve the problem. I think of it as an urban problem, but we also need to look at it at a local scale where you can make a massive impact in one town. You will change the whole landscape of a smaller town instantly when you make sure everybody has an adequate dignified home.

I was at CGI [Clinton Global Initiative] in New York in September. I spoke to a lot of people, including the mayors of various towns. We talked about the problem in California and we talked about the problem in Philadelphia. They said they also don't know how to make it happen. They also don't have the solutions. They actually ended up asking if we could help them. Can we come and talk more about our model?

I think those kinds of conversations, if you can show something that works on a small scale that can be rolled out and replicated in other areas, that's the way to go. Got to share ideas and open people's minds to what is possible, even if it is a long-term process.

I've seen it before in housing developments, where literally in five years it has turned back into a slum. You really need to work at long-term sustainable solutions to demonstrate impact and not just look at a roof over your head as the only answer.

**Ashley Hopkinson: Because there are all these social issues that are connected to that lack of housing, whether it's unemployment or other financial issues. It's not just the home; it's more than the home.**

**Delana Finlayson:** Absolutely. I always take it back to basic psychology, because shelter is one of the most basic human needs in Maslow's hierarchy of needs. Everything starts with shelter. How do you address all your other needs when you don't have adequate shelter? That's got to be the base from where you start. From there, you can start developing and tackling all the other issues that need to be solved, so you can move up that ladder.

**Ashley Hopkinson: What insights or teachable lessons could someone take from your approach at Urban Think Tank?**

**Delana Finlayson:** The takeaway for me is that everything is possible if you put your mind to it. I was in a panel discussion last week, and I listened to a person that works in urban design and planning policy-making, and he had graphs on a wall. He talked for hours about the work that they have done to upgrade a specific node in South Africa. It's 10 years down the line, and all they have done is talked about it. They've just thought about it. They've thought about policies. In this 10-year process of

research, they're only just getting to the point where they're identifying actual projects to do. Then each of those projects needs to be planned, needs to have all the approvals in place, and only then can they be implemented. Even if they were to identify one project, if I look at the rate at which they were working, I imagine that they're not going to start with a project in the next five years.

My key takeaway is, sometimes people need to stop overthinking and over-planning and actually just start doing the work, because all the planning and thinking doesn't deliver anything to the people that need to see the results now.

I think that's what has worked for us. When we engaged with the City of Cape Town and local governments, they told us, you guys are absolutely crazy. They basically said, you're nuts. You are never going to be able to redevelop existing townships and informal settlements. You'll never get it right. We can't get it right as the government, and we have all the resources. They wouldn't give us approvals initially.

We said, we'll show you. We're going to work with the community. We're going to do a bottom-up approach. We're going to start with the community of people living there, because they understand their challenges, and they actually have the solutions. They just don't have the resources to implement them. We started with the bottom-up approach, which I think is key to success, and we had to prove our model without necessarily overthinking it. We had to know that the community was on our side, and we had to start.

You need to do it responsibly, of course, and that is the key. Because like everywhere in the world, there are always people that will take chances and take shortcuts, which is why all the processes and policies are important. You just can't allow them to hamstring developments. We are trying to change the policies, but we've got to start.

You can't think about things for 10 years. You can come up with the most beautiful plans and designs for your development or for your project, regardless of what it is. If it's just a design, it's just something that lives in your computer. A plan doesn't benefit anybody. It's only when you implement that plan that there's benefit in it.

### **Ashley Hopkinson: How would you define collective wellbeing?**

**Delana Finlayson:** Last week somebody asked me a similar question, "How do you measure the wellbeing of the beneficiaries in our community?" It was a relational question, but it's difficult to measure wellbeing because it's different for each person, and it depends on where you are starting

from. Looking at the short term, if you're speaking to a homeless person, his wellbeing will improve a hundredfold if he has one warm meal a day. You have to take it where you're coming from.

When I look at a community in its entirety and look at collective well-being, it comes down to the social cohesion that you experience in that community. You can't just measure it. You can have different things that you measure, but ultimately it is how a community functions together, how you are a citizen in the world, how you show up for other people that you measure the collective wellbeing.

There are so many needs that you must meet when you're from a vulnerable community, whether it is health, the education of your children, safety and security, the wellbeing of the woman. Often it's the woman that is taking care of the children. I almost want to say that the wellbeing of the mothers determines the wellbeing of the community. If you just speak to the mothers and see where they are and how they consider their own wellbeing, you will probably get a very good glimpse into the state of the entire community. We focus a lot on that. Even in terms of home ownership: female home ownership empowers the woman.

**Ashley Hopkinson: Thank you.**

*Ashley Hopkinson is an award-winning journalist, newsroom entrepreneur and leader dedicated to excellent storytelling and mission-driven media. She currently manages the Solutions Insights Lab, an initiative of the Solutions Journalism Network. She is based in New Orleans, Louisiana.*

*\* This conversation has been edited and condensed.*