

# Durban Metro transforms inner city slums into affordable social housing projects

Inner-city decline is a common phenomenon in many of South Africa's larger urban centers and local authorities have tried various techniques to grapple with the problem. But the Durban Metro has gone further than most and invested large sums of money in run-down inner-city flat buildings.

Aside from the environmental benefits of recycling existing buildings, the projects have succeeded in delivering well-located, affordable social housing and have contributed to iTrump, Durban's inner city urban renewal project.

## Institutional arrangements

In order to develop social housing, the Durban Metro Housing Unit set up Section 21 Company,

First Metro (FM), and devised an innovative funding partnership drawing on a variety of sources. Funding included a start up loan of R2 million from the Metro, the institutional subsidies granted by the province, and loans from the National Housing Finance Corporation and the Durban Rotterdam Housing Project (DRHP). Consistent with the Durban Rotterdam Twin Cities Memorandum of Understanding, the DRHP was set up to provide full-time support for the project for two years and loan funding for each unit produced by First Metro.

## Inner-city upgrading

The intention of these projects was to upgrade the building stock and accommodate the existing tenants in the buildings as far as possible. So far First Metro has transformed eight inner city buildings – including a complex of three blocks on the beachfront – Hawaii, and four in Durban's Albert Park.

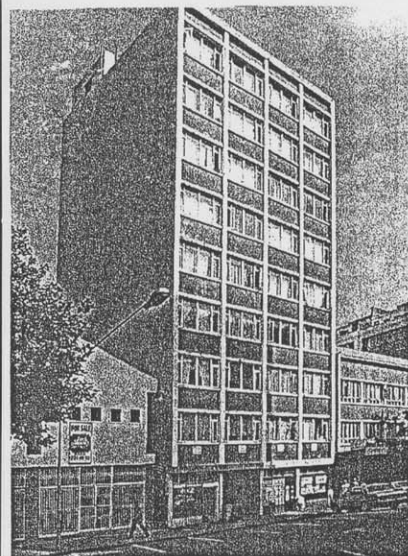
In its former life, Hawaii consisted of some run-down holiday flats. In its new incarnation the building has been transformed into long-term rental accommodation comprising 101 subsidised flats and 27 unsubsidised flats. Rents for these units are at the upper end of the subsidy market because of initial cost of the building. The building was purchased vacant and then refurbished. The conversion has already had some positive spin-offs with the local community policing forum reporting a reduction of crime in the area since the conversion.

## Tenant participation

A more ambitious project saw FM investing in four occupied buildings in Albert Park, Durban's



Tabora building.



Carlean – St. Georges street.



Hawaii east.

densely occupied flatland. These buildings were more difficult to refurbish because they were occupied. Tenant committees were set up to represent residents in the conversion process. These continue to operate, dealing mainly with issues such as crime – the biggest ongoing issue in the area, washing lines and TV aerials. These committees are the forum for discussions about rentals and rent increases, subsidies and evictions. At the moment, FM is hoping to mobilise committees to deal with issues other than housing such as health and childcare.

## Broader benefits

These buildings offer a wide range of unit types

and rentals, and a percentage of tenants are foreigners. So far rental payments have been good, due largely to a disciplined policy that does not tolerate ongoing arrears. The impact of these refurbishments on the area as a whole has been positive.

While the funding for the building conversion has not allowed for external painting and aesthetic improvements, the project is exploring the potential to get funding from the Council's Better Buildings budget, or from the province's beautification fund. The project gets good reports from Albert Park Development Forum, and First Metro fields calls on a daily basis from building owners in Albert Park offering their buildings for sale.