



## **CITY OF JOHANNESBURG**

Metropolitan Centre, 158 Loveday Street. Braamfontein

P O Box 1049, Johannesburg, 2000

Tel: +27 11 407 7558 Fax: +27 11 339 5704

### **City of Johannesburg Speech by the Executive Mayor, Cllr Herman Mashaba**

#### **Strong Cities 2030 - Preparing the Urban Future**

**15 October 2019**

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Good evening and welcome to the City of Johannesburg.

From the onset, I wish to declare that we are deeply honoured to be co-hosting this conference with the Konrad Adenauer Foundation.

It is my sincere hope that, over the last three days, you have managed to gain a greater appreciation of the possibilities that this great City holds.

Unfortunately, as you would have witnessed, the immense possibilities to which I refer exist alongside some of the most extreme forms of inequality the world has ever known.

This entrenched inequality, which we have inherited from the dark days of apartheid and which have grown drastically in the post-democratic era, is worsened even further by spatial inequality.

On Sunday, you were taken on a tour of the historic township of Soweto - home to two Nobel Laureates Nelson Mandela and Desmond Tutu as well as almost 1.3 million neighbours.

On your return to the Inner City, using minibus taxis, I hope you would have gained some insight into the challenges presented by spatial inequality.

This is one of the challenges our people have to overcome daily in search of better economic opportunities and well-run schools for their children.

Despite these challenges, which are clearly apparent as you walk the streets of our Inner City, it is out of these old and battered buildings that we seek to re-imagine the re-birth of an inclusive City.



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This re-imagined City will be home to thousands who are in search for low-cost housing, affordable student accommodation and cheaper rental space for small businesses.

As you know, our City, like most of South Africa's major cities, still carries the scars of apartheid-era spatial planning.

The majority of our people are still forced to live on the periphery, far away from economic opportunities in the city.

These are the forgotten people - those who still live on the outskirts of the city without access to work, health, transport, and educational opportunities.

It is important to emphasise the spatial mismatch between housing and jobs because studies reveal that most South Africans spend a large portion of their income on food and transport, especially to work.

Relegated to the outskirts of the City, forgotten communities exist, where 45% of precious household income is spent on public transport to seek work opportunities, 3 or 4 taxi rides away.

Therefore, we have to democratise housing in Johannesburg and initiate the beginnings of an urban development revolution that is founded on inclusivity and sustainability - both economically and environmentally.

However, added to the spatial mismatch, the City is facing a housing crisis in terms of supply.

We are faced with an estimated housing backlog of 300 000 units. In addition, about 3 000 people migrate into the City every month and they simply have nowhere to stay.

About 160 000 individuals are still languishing on the housing waiting list with thousands more living in the City's almost 200 informal settlements.



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Much like the rest of the world, South Africa is seeing an increasing number of people moving from rural areas to the city, all in search of better economic opportunities.

Very few cities can claim not to experience this problem.

Over the next 30 to 40 years, African cities such as Johannesburg will experience even more urbanisation. In fact, our continent will be the fastest urbanising region.

Currently, 63% of South Africans live in cities, and by 2030, 71% of our population will be living in the major metropolises.

While we work rigorously to remedy this situation, we must pay careful attention to creating communities that are inclusive, functional, and vital - cities that cater for all the people who live in them.

As the City of Johannesburg, we recognise that bold design and the development of sustainable urban solutions has to take place if we are to meet the demands of our urbanized metropolis.

I believe this is imperative for any government leading a fast-growing African city into the future.

First we must diversify existing peripheral townships, to include more jobs and amenities.

Secondly, we should not shy away from deliberately directing the provision of new housing to areas close to jobs, schooling and public transit.

But no government can successfully address this problem alone.

We, like many cities across the world, believe that the private sector has a role to play in the provision of affordable housing and, most importantly, inclusive urban development.

This role stems not only from a social responsibility, but also from the huge value that municipalities provide to developers in terms of land use rights.



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Some of this value must be returned to the residents of the City.

The luxury and ultra-luxury property markets, although hugely rewarding financially, cannot solve the problem that faces us in Johannesburg.

Such developments deepen the spatial inequalities brought upon us by apartheid planners. Inevitably, they lead to habits that put a strain on the environment.

Indeed, they are often marketed as exclusive developments that, when read in the context of the inclusive cities we seek to build, must be questioned.

This is especially so when one considers that, in Johannesburg, 50% of households earn less than R3 543 a month while 40% earn less than R2 487.

A third of the residents of the City earn less than R2 224 a month, with the remaining 25% earning less than R1 751 a month.

In this context, the City of Johannesburg, through its Development Planning and Housing Departments, has introduced an inclusionary housing policy.

This policy mandates that every new development of 10 dwelling units or more must include 30% inclusionary housing.

A number of incentives are provided in turn, which include proportional bonuses in development controls, reduction in parking requirements, reductions in parks and bulk infrastructure contributions, and a rates rebate for the inclusionary units.

As the City, we believe that, ideally, inclusionary housing should be affordable for the median or below.



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This is to ensure that securing access to affordable housing does not exceed 30% of a household's gross income including taxes and insurance for owners, and utility costs.

As such our vision is that inclusionary housing - when managed privately - should cater for households with an income of R7 000 or less per month or should fit into published social housing bands.

I am all too aware of the fact that for us to stand a chance of providing dignified housing that also speaks to the important issue of inclusive urban development, we must strike a balance between our objective and incentivising business to buy into our plan.

Ultimately, we had to ask ourselves, regardless of our personal views on how to do business, what kind of City do we want?

Do we want to further entrench apartheid spatial planning or do we want an inclusive city whose development will foster economic and racial integration, and lead to a sustainable way of life?

This question leads us to our Inner City Rejuvenation Programme.

Since coming into office in August 2016, we have discovered that up to 640 properties that are either abandoned, hijacked or lying derelict.

These properties are the basis for our Inner City plan, which entails putting them out to public tender, to private developers, with the intention of yielding significant numbers of low-cost housing, student accommodation and rental space for small businesses.

The ultimate aim of this Inner City plan, is to house a lot more people in the City, closer to economic opportunities, and in the process undoing the everyday practice of people travelling long distances to get to the City, using modes of transport that are fuel inefficient.

Since April, we have awarded contracts to develop 139 properties from which we expect a yield of more than 7 000 housing units in the Inner City.



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The total investment value of this project is R32 billion or 1.9 billion Euros.

The new buildings have applied the resource efficient design and construction principles that will result in at least a 20% reduction for water and energy consumption.

In closing,

I extend my deepest gratitude to the Konrad Adenauer Foundation for making this initiative possible.

On behalf of this City, its 5 million residents and more than 30 000 employees, I wish you tremendous success as you attempt to weave together an intricate global network of local policy makers and urban development practitioners in order to promote international collaboration.

We will surely work side-by-side in this initiative which seeks to assist cities in becoming more sustainable according to the targets set out in the United Nations Sustainable Development Goals.

Thank you and good luck.