



CASE STUDY

**MOBILISING AND FOCUSING PUBLIC
AND PRIVATE CAPITAL
EXPENDITURE FOR STRUCTURAL
INTERVENTION**

**THE CASE OF KWAMASHU
TOWN CENTRE (KMTC)**



OVERVIEW

- KMTC background
- Origins of the KMTC project
- Context at project commencement
- Problem statement
- Targeted outcomes
- Intervention logic
- Results
- Lessons learned

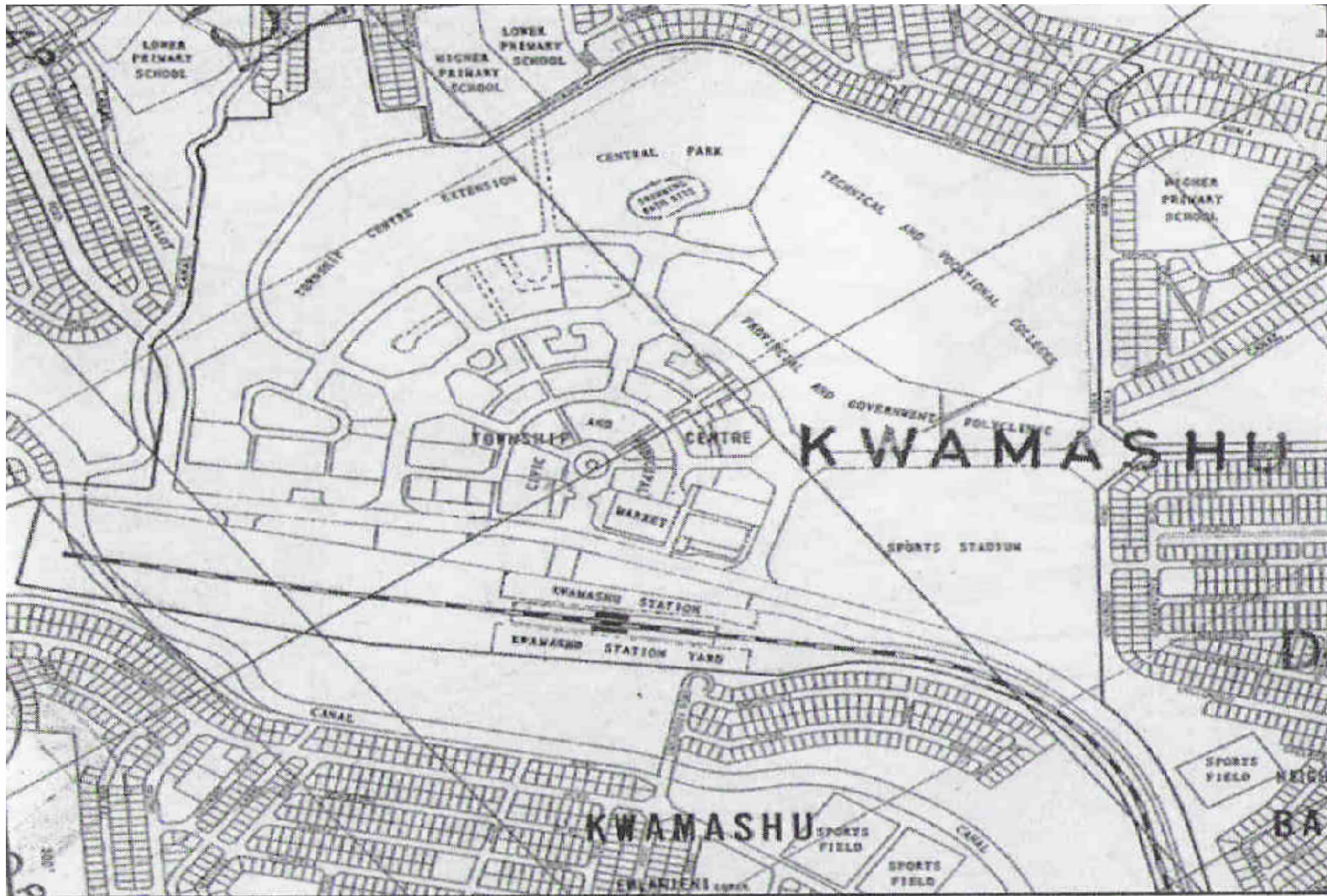
BACKGROUND

- KwaMashu is a former township situated 25km north of the Durban city centre
- Established in the period 1955–1966 to house black people forcibly removed from Cato Manor (Umkhumbane)
- An R293 township of KwaZulu homeland until 1994
- Incorporated into the eThekweni metro area during the local government restructuring of mid-1990s
- Located on state owned land devolved to eThekweni Municipality
- The present population is about 180 000

ORIGINS OF THE KMTC PROJECT

- City focus on northern townships – more affected by 1980s political violence, less developed
- KMTC chosen as development node:
 - existing transportation hub (bus, taxi & end-of-line rail)
 - large area of well-located undeveloped land earmarked for a town centre, under state ownership, not under threat of invasion
 - large amount of spontaneous informal trade
 - relatively high income neighbourhood with many home-based businesses (good potential for high thresholds)
- The project commenced in 1999

KMTC Plan 1957



source: Durban Corporation 1957

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CONTEXT AT COMMENCEMENT (1)

- **Institutional:** Homeland-era administration had virtually collapsed
- **Planning:** Little policy and planning beyond overarching IDP; lack of information on demographic, socio-economic, income and property trends
- **Land:** 10ha of vacant state owned land in town centre; 25% of land held in terms of deeds of grant (insecure form of tenure)
- **Political:** High level of civic organisation and participation; politically homogenous (mostly ANC).

CONTEXT AT COMMENCEMENT (2)

- **Social:**

- high unemployment
- low skills
- high crime
- no tertiary education institutions

- **Business and investment:**

- most shops in the KwaMashu area destroyed in 1980s
- apartheid-era prohibition on “white” capital investment
- lack of premises available for small business and traders
- lack of secure title to land a disincentive to investment

Aerial photo of KMTTC in 1999



PROBLEM STATEMENT (1)

- Town centre had been planned in the 1950s, but never fully developed
- Lack of public and private investment
- Residents had to travel long distances to access facilities, goods and services
- Public transport infrastructure poorly developed; most links only with city centre

PROBLEM STATEMENT (2)

- Lack of security and social infrastructure, and few recreational facilities
- High level of economic leakage
- Lack of business facilities and support
- No security of tenure (land held under deeds of grant)
- Lack of pride among residents in their neighbourhood

TARGETED OUTCOMES

- To create an “enabling environment” for local businesses to grow, for the resident community to prosper, and to attract outside investors
- To re-introduce a “normal” functioning property market
- To transform KwaMashu into a thriving urban centre with its own economic drive and social vitality
- To offer residents a quality urban living, working and recreational environment
- To link this envisaged urban centre back to the city

INTERVENTION LOGIC (1)

- Nodal focus – activities clustered around the point of highest accessibility:
 - residential, business, work, goods and services
- Obtaining and sustaining buy-in and support:
 - public meetings, workshops, briefing sessions to discuss various options guided by a problem-solving approach
 - clarification of roles, responsibilities and process
 - agreement on commonly held preferred future
 - project steering committee continues, chaired by senior local councillor
 - consultation with Shembe church on deconsecrating and relocating an open-air temple in town centre to an alternative site

INTERVENTION LOGIC (2)

- A facilitative, open approach:
 - guided by what would achieve greatest economic impact
 - planning from ‘first principles’ (taking broadest possible view)
 - being flexible on *layout* (willingness to accommodate new demands) and *zoning* (permit multiple land uses)
 - facilitative role to take resident concerns and investor interests into account



RESULTS (1)

Tenure upgrade to make private land ownership possible

- Land surveyed
- Range of plot sizes introduced
- Establishment of township land sales register
- Registration of parcels in Deeds Office

Creation of a planning framework

- Application under the Development Facilitation Act to create:
 - town planning layout for town centre
 - zoning and development regulations
 - basis for new general plan
 - sale of land with full freehold title

RESULTS (2)

Infrastructure upgrade

- Improved access:
 - upgrade of main access road to KwaMashu
 - link with Bridge City site
 - improved internal access roads
 - pedestrian walkways
- Serviced land for development:
 - water-borne sewerage, water, electricity and roads laid on for land for private-sector development
- Sport, recreation and leisure:
 - Princess Magogo stadium upgrade (2010 training venue)
 - parks built and trees planted
 - sport and recreation precinct plan in place

KMTC precinct plan



RESULTS (3)

Improved safety and security

- A new Metro Police Station for KMTTC was secured through *opportunism* (to build a northern command centre) and *persuasion* (to build a highly visible three-storey building)
- Security by design, e.g. avoiding dark spots and cul de sacs
- The re-activation of the community policing forum

Social services

- A provincial 'mega-clinic' is being built. The interest of the provincial department of health was prompted when they saw roadworks starting in KwaMashu
- Possible social welfare, home affairs and labour offices

RESULTS (4)

Business support

- Small businesses:
 - Subsidised facilities, including upgrade of Station Traders' Market and improving facilities for and regulating street trading
- Medium-sized business:
 - 6ha parcel of land packaged for sale and private sector development of mixed-used business/residential buildings of three and four storeys. The development is expected to make 40,000 m² of commercial floor space available to the market. The City is now negotiating the sale of this land.

RESULTS (5)

Business support (contd):

- Commercial business:
 - Facilitation of larger commercial development. The R75 million KwaMashu Shopping Centre was a catalytic development that shifted perceptions of KMTC.
- Small-scale manufacturing:
 - SME Business Park - mini-factory complex to foster small-scale manufacturing and service industry, and to counter danger of over-reliance on retail and services in a limited market. Focus on furniture manufacturing trades (wood and steel).
 - SEDA entrepreneurial support centre is operating.

Aerial photo of KMTC in 2007



LESSONS LEARNED (1)

Respond to private sector investment requirements:

- Overcoming land assembly constraints
- Responding to the time-sensitive nature of the property development investment cycle
- Investing in safety and security
- Providing road and public environment improvements

The KwaMashu shopping centre was such an important catalytic development that great effort was put into securing the development.

Steps included:

- Facilitating the acquisition of the specific land parcel the developer wanted
- Rezoning the land
- Doing necessary road upgrading – adjusting project program
- Making binding time-bound undertakings in respect of tenure upgrading

LESSONS LEARNED (2)

- Select a good “interceptory” location
- Make sure the land is owned by the implementing authority
- Deal with land issues as soon as possible to avoid later delays:
 - KTMC tenure upgrade
- Use a flexible and adaptable framework
- Use a holistic and facilitative approach
- Devise strategic ways of packaging land for private sector development:
 - test the market; allow a number of developers into the market; achieve overall aims
- Make a start, knowing that some mistakes will be made:
 - ‘putting spades in the ground’ – kick-starting the project by starting road upgrading – showed the KMTTC team was serious about the project