

## SOUTH AFRICA

### Decent housing in Johannesburg's City Centre



**AFD is supporting a private sector property developer to build affordable rental housing in Johannesburg. The aim: to promote better integration of people in socio-economic fabric of Johannesburg's city centre.**

#### CONTEXT

Between 1994 and 2014, 2.9 million houses were built in South Africa within the framework of the Reconstruction and Development Programme (RDP).

Launched in 2004 by the South African government, Breaking New Ground (BNG) offers to extend the RDP programme, especially through the development of the rental accommodation. This action is urgently required: in 2014, 13% of households, namely over 2 million families in South Africa, were still waiting for decent housing, and in Johannesburg alone, 220,000 households were in informal accommodation.

In 2011, the government has set the ambitious goal to build 80,000 rental units within 4 years, including 24,312 by social housing institutions and 25,000 by the private sector. The Affordable Housing Company (AFHCO) is among these private sector property developers. The company developed a model to build social housing units on a large scale in the city centre of Johannesburg by rehabilitating abandoned buildings.

#### DESCRIPTION

The AFD loan will fund social housing units as well as water and sanitation equipment. These housing units are available for people in the lower income bracket - less than R 4,500 a month - which is equivalent of 85% of the South African population.

Currently, only three housing options are available to these groups: individual units in within the RDP programmes, which are often located in the outskirts of the city, involving high transportation costs; informal housing in townships located in the outskirts of the city; hijacked buildings, buildings occupied illegally by gang leaders and rented at prohibitive rates, in dire sanitary and safety conditions.

#### IMPACTS

- Rehabilitation of two buildings in downtown Johannesburg: Atkinson House (National Heritage Building) and Platinum Place;
- Creation of 1,100 housing units for close to 2,500 people. Close proximity of these units with employment areas should foster economic revitalisation in the area and increase employment opportunities for residents.

These activities also contribute to the regeneration of downtown Johannesburg, creating housing, businesses and jobs and revitalizing entire neighborhoods that have been virtually left to decay.

05/04/2012

Project start date

15/04/2024

Project end date

 Johannesburg  
Location

 Sustainable Cities  
sector(s)

 Non Sovereign Concessional  
Loan  
financing tool(s)

 154 102 500 ZAR  
soit 15 000 000 EUR  
Financing amount

 12 years  
Duration of funding

AFHCO  
Beneficiaries

