



## MATJHABENG MUNICIPALITY

# 2 500 affordable rental units to be built over short term

Unprecedented cooperation between the private sector, provincial government and municipality has provided quality rental housing units for the Matjhabeng community in the Free State.

In a dual and far-sighted attempt to enhance the local economy and provide much-needed rental housing stock, the Free State Department of Human Settlements, together with Harmony Gold Mining Company Limited and the Matjhabeng Municipality has embarked on a joint project of the development of about 2 500 high-quality but affordable two- and three-bedroomed rental units at sites spread throughout the Matjhabeng municipal area stretching from Welkom to Virginia over the next three to five years.

This fulfils the Matjhabeng Metro Vision 2030 Statement that states that Matjhabeng is to emerge as an innovative agricultural, commercial and industrial-based metropolitan city in the Free State that:

- boasts a balanced wealth distribution system, affordable housing and efficient transportation and health systems

- encourages economic and environmental health by establishing positive connections between different land uses in terms of location and mix.

The appointed consultants that provide the professional services needed for this contract are the locally (Welkom) based CSM Consulting Services and LSB Group.

Some of the benefits of this development include:

- the provision of housing
- urban renewal
- creation of sustainable rental stock
- environmental renewal through implementation of green technology
- social upliftment of beneficiaries
- job opportunities
- local economic development and revival of existing assets.

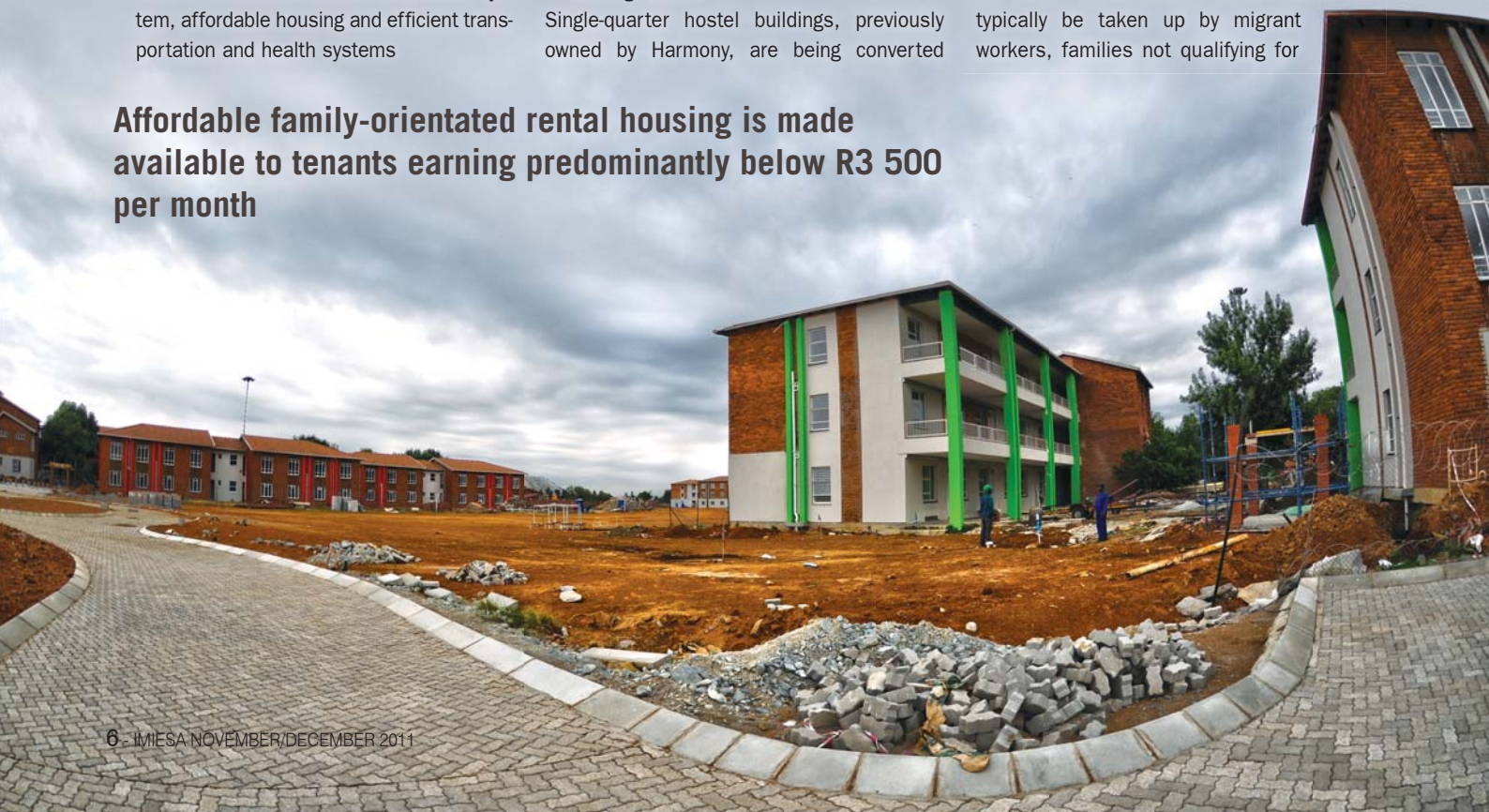
Single-quarter hostel buildings, previously owned by Harmony, are being converted

into high-quality municipal rental estates, earmarked predominantly for tenants with a lower income. Harmony Gold Mining, as part of its land rehabilitation programme, has spearheaded the project by providing land, buildings and bridging finance to ease cash flow over the construction period.

In addition to the buildings donated to the municipality, land adjacent to converted estates together with a completed spatial development framework has also been donated to the municipality for further development.

This project will provide secure rental housing stock in accordance with the government's CRU policy. Affordable family-orientated rental housing is made available to tenants earning predominantly below R3 500 per month. There is a great need for such rental stock, which will typically be taken up by migrant workers, families not qualifying for

**Affordable family-orientated rental housing is made available to tenants earning predominantly below R3 500 per month**



government ownership subsidies or families simply choosing to rent accommodation in a safe and secure environment.

To ensure sustainable asset creation for the municipality, the property and facility management of the estates will be contracted out for a minimum period of two years. The newly formed property management company, Amohela (which means 'accommodation') Property Management NPC, is a not-for-profit company formed solely to manage rental stock in the Matjhabeng municipal area. Full involvement from Harmony and CSM Consulting Services will be provided during these two years and personnel will be trained on site to provide maintenance and social management services.

Close-by social amenities are being created as part of the estates with the development of small commercial enterprises. This will assist with enhancing sustainable human settlements that will support future spatial restructuring of the area. These commercial properties are rented out by the property manager to enhance rental income that will assist with keeping residential rentals affordable.

The first phase of the development taking place at the existing Masimong 4 hostel will include the following amenities:

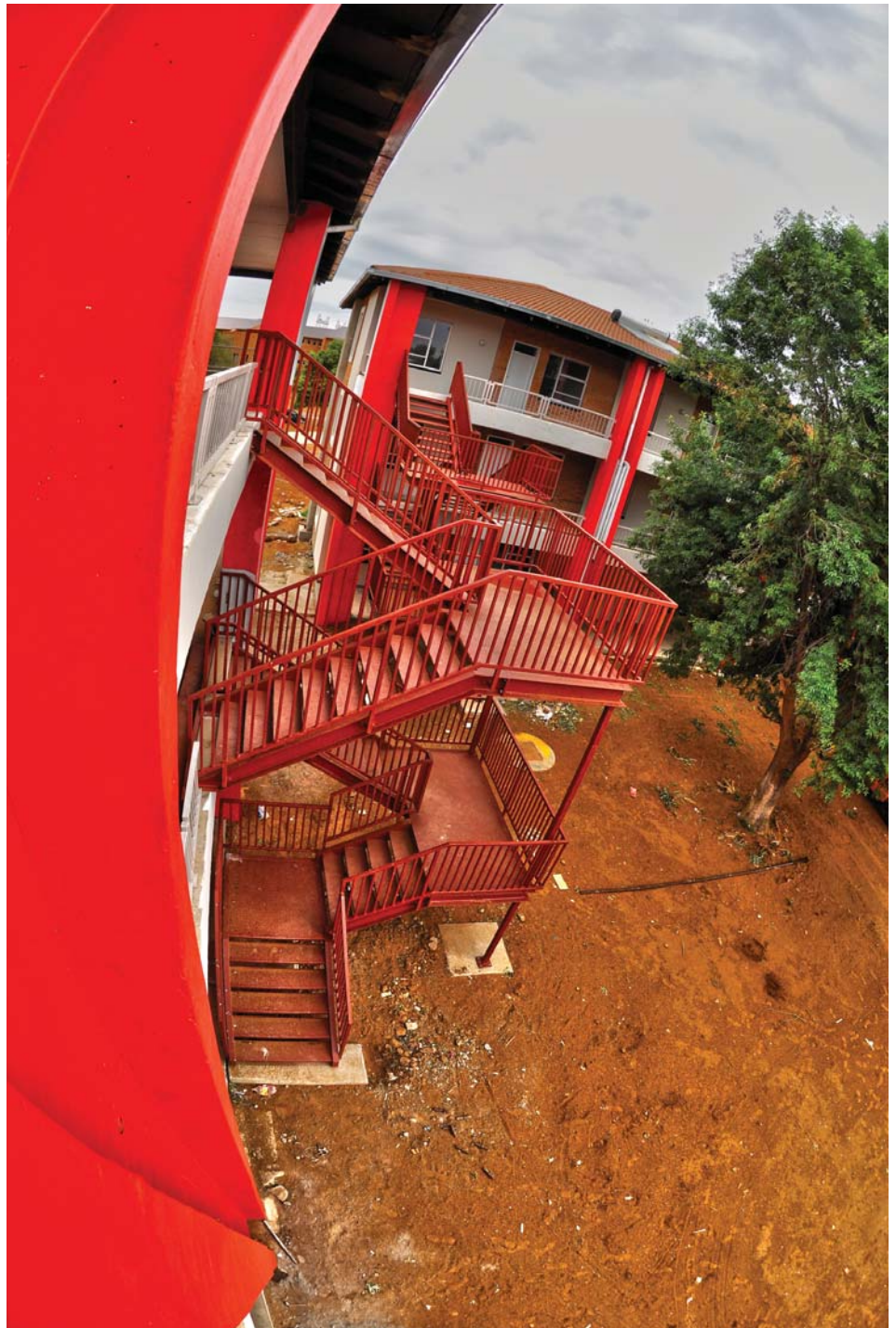
- bank
- clinic
- crèche
- church
- paraplegic workshop and sport centre
- social community project centre
- taxi and bus stop
- grocer; takeaway/fast food
- hairdresser
- clothing shop
- motor vehicle workshops
- sports bar and bottle store.

Specific emphasis is placed on enhancing the local economy by ensuring building contracts are downsized, so that local contractors can take part. Where possible, materials and technology encouraging local sourcing are specified. Projects are specifically phased to allow local contractors to

**ABOVE RIGHT** Units have solar-heated water units installed

**LEFT** Masimong 4 project units vary in size, offering three options: one-bedroom (44 m<sup>2</sup>), two-bedroom (68 m<sup>2</sup>) and three-bedroom (72 m<sup>2</sup>) units

**RIGHT** Units at Masimong have satellite dishes with TV points in each unit and the development uses energy-efficient biogas and an algal sanitation system





tender on new projects repeatedly without overcommitting themselves.

For the first project under construction, 'Masimong 4', 78% of goods purchased and/or contractors used are local. This project, for which planning started in November 2009, will provide 464 units and six main building contracts with cidb ratings of between 6 and 7, and construction values of approximately R 13.3 million each have already been awarded. The total project value is estimated at R 125.1 million, with planned completion in January 2012.

**ABOVE** The development has high mast lighting and additional LED street lighting, 4.5 m wide paved roads with a parking ratio of 0.5 and formalised refuse removal incorporating a recycling plant  
**BELOW** Masimong site plan

The Masimong 4 project unit sizes vary: there are one-bedroom units (44 m<sup>2</sup>), two-bedroom units (68 m<sup>2</sup>) and three-bedroom units (72 m<sup>2</sup>). The project sites that will follow Masimong 4 into construction, and on which planning to some extent has already started, are the Steyn 2, Merriespruit and Western Holdings 1 hostel sites.



#### Project team at Masimong 4

- CSM Consulting Services (architecture, civil/electrical/structural engineering, project management, property management and quantity surveying)
- LSB Group (land surveying and town planning)
- Insight Landscape Architects
- Downtouch Investments (civil works)

#### Building contractors:

- Tantalasi Projects & Isheme Projects JV
- Satena Construction
- Reder Construction
- Tantalasi Projects & Isheme Projects JV
- Gold Fields Development
- Estamos Juntos & Welkom Community Contractors JV

#### Subcontractors:

- Bomac Joiners
- M@L Electrical
- Land Breeze Trading
- MPC Engineering

It is envisaged that construction will start early in the new year on the Merriespruit site, with a new site following each year thereafter in line with the availability of provincial funding.

This joint initiative provides for sustainable rental accommodation combining private fixed assets, provincial funding and cooperation for the achievement of a common goal. **35**

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