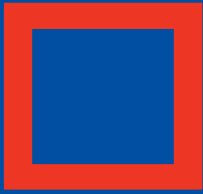




# PROPERTY

# EDGE





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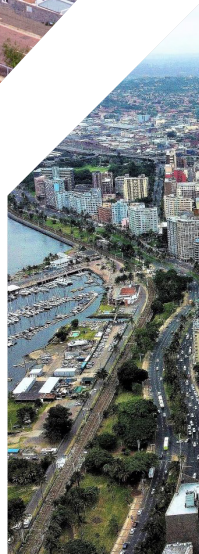
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# WELCOME TO PROPERTY EDGE

This niche publication under *The Durban EDGE* banner – *Property Edge* – is to inform stakeholders of the latest developments and property trends in eThekweni, and explore how eThekweni is positioning itself as both a competitive economic hub and inclusive urban space.

eThekweni Municipality continues to advance a strategic and balanced approach to property-led development as a lever for wide-ranging economic growth. While South Africa's metropolitan property markets reflect a complex picture of divergent recoveries and shifting investment patterns, eThekweni is experiencing a unique development momentum.

Our industrial property market remains strong, underpinned by a sustained demand in logistics and warehousing. As the gateway to South Africa's primary port, eThekweni's logistics and industrial zones are attracting sustained investment, resulting in not only job creation, but also reinforcing our role in national trade and freight corridors.

A key spatial dynamic is the shift in commercial property. While eThekweni's CBD accounts for over 380,000 full-time jobs and retains strategic value, Umhlanga has seen a dramatic rise in commercial property growth – underscoring the need to rebalance investment across the

city. The City's response includes inner-city regeneration and targeted interventions in "problem buildings", where the City is engaging owners, and offering incentives for redevelopment.

Catalytic projects remain central to eThekweni's developmental agenda. With over R220-billion in catalytic investments in the pipeline, these projects are reshaping our economy, attracting private capital, and creating jobs and long-term security.

Complementing this is the City's Economic Development Incentive Policy (EDIP) – a powerful tool that has, to date, locked in more than R18-billion in new investments. Through structured rate rebates and precinct-based incentives, we continue to support economic development, especially in high-impact, job-creating sectors.

Business is vital to the municipality – not only as a source of employment, but also as a key contributor to the City's revenue base. A strong business sector enables the delivery of essential services, infrastructure development, and socio-economic upliftment.

However, over the years eThekweni has faced complex infrastructural challenges – electricity and water

faults – disrupting manufacturing and services output and resulting in poor business confidence. Investment in network infrastructure is needed to balance revenue to service delivery, and keep the doors of businesses open.

The property market's future is tied to broader socio-economic inclusion, and on this score the City's stance is clear: every resident deserves a home they can afford.

As eThekweni Municipality charts its course forward, challenges lie in rebalancing the property market – resolving entrenched spatial disparities, upgrading critical infrastructure, and formalising non-compliant or underperforming land uses. Navigating these divergent currents will demand robust public-private collaboration, spatial intelligence, reliable service delivery, and sustained policy coherence. Balancing these dynamics will require coordinated policy implementation, infrastructure investment, and a shared commitment to inclusive urban development.

There is much happening and planned for eThekweni, but the focus is clearly on a stronger economy and brighter future for all its residents – and to become Africa's most caring and liveable city by 2030. ■





# FOREWORD

BY THE MAYOR OF ETHEKWINI MUNICIPALITY,  
COUNCILLOR CYRIL XABA



Durban is at a pivotal point in its journey towards becoming Africa's most caring and liveable city by 2030. Our vision embraces sustainable growth driven by inclusive economic development, robust infrastructure, and transformative urban regeneration. The eThekweni Municipality acknowledges the indispensable role played by the business community, contributing significantly to our financial stability, employment creation, and overall economic health. Our administration continues to prioritise investment into

infrastructural resilience and municipal service delivery, ensuring that we sustain and grow this critical economic partnership.

Our strategic commitment is evidenced by the successful catalytic projects set to inject R220bn into our local economy over the next 15 years, creating thousands of jobs and significantly expanding our revenue base. The Westown development in Shongweni, the Cato Ridge Logistics Hub, and the Avoca Brickworks represent the calibre of transformation we envision, directly addressing unemployment while enhancing our economic landscape.

Moreover, we understand the urgency of revitalising urban spaces. Our Inner-City Regeneration Strategy, proactive measures against urban decay, and investment incentives aimed at redeveloping our Central Business District, are deliberate steps towards a revitalised, dynamic Durban. These initiatives will foster an attractive, secure environment for businesses and residents alike.

eThekweni has traversed an arduous road – especially in the last five years – encountering several catastrophes including the Covid-19 pandemic, devastating floods, civil unrest, a tornado, loadshedding, port and logistics crisis, and an ongoing water provision challenge. Through all of

this the City has engaged closely with the business community and other stakeholders, facilitating dialogue and collectively agreeing on a way forward.

In the last four quarters, eThekweni's Business Confidence Index was recorded above 50 points (highest was 63 during 2024: Q3), indicating sustained optimism and growth. This was supported by the 2024 *Quarterly Labour Force Survey* data which indicated that eThekweni created the greatest number of jobs of all metros and experienced the largest decline in unemployment.

We are fully aware that numerous challenges still confront eThekweni, and the City continues to address these through the established Presidential eThekweni Working Group (PeWG). This is a multi-stakeholder forum to address critical service delivery, infrastructure, and socio-economic challenges with the goal of positioning the City as an investment and tourism hub. This working group operates across the three spheres of government and includes representatives from the private sector and other relevant entities. Some of the significant developments include the City's water and sanitation turnaround plan, as well as the finalisation of water supply agreements for the Mkhomazi Water Project, which is expected to considerably increase water supply when completed by December 2027.





**CHAIR OF THE ECOD  
COMMITTEE:  
COUNCILLOR BRAVEMAN  
THEMBUBUHLE NTULI**

The Economic Development and Planning Committee (ECOD) is steadfastly committed to facilitating

economic growth that is inclusive, sustainable, and resilient. In alignment with our Economic Development Incentive Policy, eThekweni Municipality continues to offer robust incentives, attracting substantial investments that drive urban renewal, create employment, and invigorate local economic activities.

Since 2015, our incentive schemes have attracted about R18bn, reinforcing our City's position as a preferred investment destination. Investors are benefitting from rebates up to 100%, significantly reducing the cost barriers associated with large-scale developments. These initiatives strategically target spatial priority zones and sectors critical to Durban's economic future, including automotive, agro-processing, textiles, and green industries.

Through proactive urban planning and policy intervention, we aim to bridge infrastructural gaps that challenge economic vibrancy. ECOD

is dedicated to addressing service delivery challenges in key industrial and commercial zones, prioritising areas like South Durban, Umhlanga, and the CBD. Enhanced reliability in water and electricity services is fundamental to sustaining business confidence and economic productivity.

We also recognise the critical role of community empowerment and homeownership in fostering social stability. Initiatives such as the Title Deed Restoration for low-income and RDP housing illustrate our commitment to enhancing dignity through property ownership. Our incremental services programme further aims to improve living conditions in informal settlements, underpinning our inclusive growth mandate.

ECOD remains focused on strategic partnerships and innovative solutions, ensuring Durban's continued evolution into a globally competitive and economically dynamic city.



**CITY MANAGER:  
MUSA MBHELE**

EThekweni Municipality's economic resilience hinges upon strategic investments and diligent management of municipal resources. Central to our mandate is maintaining a balanced and responsive relationship with the business sector, a key revenue generator contributing significantly to eThekweni's financial health.

Recognising challenges such as infrastructural deficits and high incidence of utility faults, the Municipality is actively investing in infrastructure modernisation, particularly in critical revenue-generating industrial zones. Since the devastating floods of April 2022, the

City has been investing in infrastructure to improve flood resilience and repair damaged infrastructure. However, the limited capacity of the Umlaas Canal currently owned by Transnet, remains a cause for concern.

Through digitisation and streamlined administrative processes, eThekweni is becoming more efficient and transparent. Digital services integration ensures expedited processing of development approvals, facilitating ease of business operations. Our goal remains to foster an enabling environment for sustained economic activity and improved service delivery to residents.







**EXECUTIVE DIRECTOR  
MUNICIPAL PLANNING:  
LIHLE PHEWA**

EThekweni Municipality's strategic vision includes leveraging catalytic projects as key drivers of economic transformation and sustainable job creation. Projects such as the Cato Ridge Logistics Hub and Dry Port exemplify our proactive approach to fostering economic activity through significant infrastructure development.

Our targeted investments into logistics and industrial parks enhance Durban's logistical efficiencies and competitive edge, reinforcing our strategic position as a leading economic hub in sub-Saharan Africa. Additionally, these developments underscore our commitment to inclusive economic growth by integrating local community equity participation, reflecting our inclusive economic ethos.



**DIRECTOR OF ECONOMIC  
DEVELOPMENT:  
SHUNNON TULSIRAM**



**DIRECTOR OF REAL ESTATE:  
THAPELO MMUSINYANE**

the released properties is R922.2mn, and the anticipated rental for the first year is an estimated R158mn. Eighteen properties have already been awarded and 21 are in the process of being awarded, measuring 16,6ha with a total combined value of R598.7mn and capital investment of R4.3bn. These developments are expected to create 6,986 jobs during construction, and 3,532 permanent jobs, with an estimated rental for the first year of R74.1mn. The strategy has opened the property market to new entrants, enabling the public to gain equitable access to land as mandated in Section 25(5) of the Constitution of South Africa, thus enabling meaningful participation of Black people – including women and the youth.

Through initiatives like the Economic Development Incentive Policy – and with a portfolio valued at over R20bn – we actively facilitate new developments and refurbishments, transforming undervalued assets into thriving economic hubs. Real Estate's management efforts are keenly aligned with broader municipal objectives to enhance Durban's attractiveness for both domestic and international investors.

Real estate is a vital component of Durban's Economic Development Strategy, significantly contributing to job creation, urban renewal, and municipal revenue, through the Proactive Land Release Strategy (PLRS) which emphasises strategic real estate asset management, leveraging municipal properties to stimulate economic activity and community benefits.

Since the inception of the PLRS in 2021, and as part of the Municipality's PLRS, eThekweni Municipality has opened approximately 97 properties measuring 38,0ha for redevelopment and development. The total value of

The Economic Development, Programmes and Planning Unit prioritises initiatives to enhance the economic viability of Durban, underpinned by evidence-based policies and spatial analytics. Our role includes advocating for policy interventions, engaging with relevant role-players to address the cost and ease of doing business, and conceiving projects designed to bolster investments in critical sectors and stimulate comprehensive urban regeneration.

Our integrated strategy addresses challenges ranging from urban decay and infrastructural deficits to declining industrial activity, positioning Durban as a vibrant economic centre. Through targeted programmes and research-informed strategies, the Unit remains committed to fostering sustainable economic growth and enhancing Durban's competitive advantage on the global stage.

# NAVIGATING DIVERGENT CURRENTS



## NATIONAL OFFICE TRENDS VERSUS ETHEKWINI'S DEVELOPMENT MOMENTUM

South Africa's metropolitan property markets present a complex picture of divergent recoveries and shifting investment patterns. While the national property sector continues its adjustment, building activity within eThekwinI signals pockets of resilience and evolving priorities.

### A tale of two recoveries – national metro snapshot

The national office market recovery remains uneven across major metros, as highlighted by South African Property

Owners' Association (SAPOA) vacancy rate data up to Q1 2025. Pretoria/ Tshwane faces a 4% low vacancy rate in 2024 from 8% in 2012, driven largely by being the national capital, housing the large government department offices and intergovernmental organisations and corporations.

The City of Jo'burg has recently seen vacancy rate increases in both its traditional central business districts (CBD at 25%) and Sandton and surrounds. Sandton is now grappling with high vacancies (currently around 18% from around 7% in 2012); feeling the long

shadow of the pandemic, a surplus of B-grade space, and limited new speculative starts.

In contrast, Durban's Umhlanga node shows great stability with vacancies declining to 4% from a high of around 10% in 2021, while the Durban CBD has a 20% vacancy rate, down from 23% in 2023.

Cape Town's vacancy rate has fallen from 15% in 2022 to 10%, benefitting from the demand for premium, refurbished spaces driven by hybrid work models. See Figure 1 below.

## Metro CBD Vacancy Rates

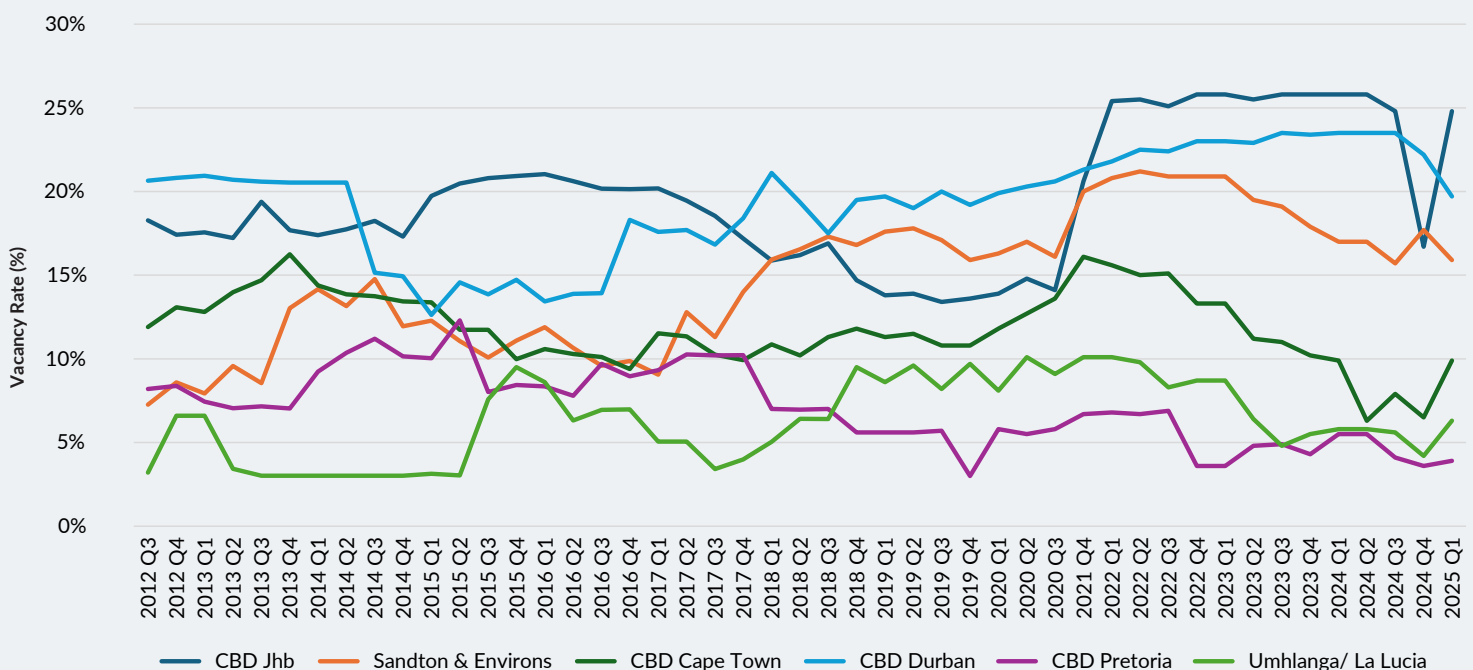


Figure 1 – SAPOA Office Vacancy Rates, Q3 2012 → Q1 2025, four major metros. [Source: SAPOA, 2025]



## Vacancy Rate Trends

### Key signals emerging nationally:

- **Deepening divergence:** Demand is concentrated in premium, well-amenitised nodes (Umhlanga, Cape Town CBD, parts of Sandton), leaving older B/C-grade corridors stagnant.
- **New supply pause:** A significant drop in national completions (< 50,000m<sup>2</sup> in 2024; the lowest since 2004) is helping vacancy rates to peak and stabilise.
- **Conversions rising:** Retail-to-office conversions are gaining traction, particularly in Johannesburg's Inner-City and Pretoria's CBD that may have secondary impacts on retail vacancies.

Year	Central	Inner West	North	Outer West	South	Total
2022-23	-74%	59%	60%	165%	1,274%	11%
2023-24	3%	25%	-25%	-35%	-32%	-22%

Table 1. [Source: eThekweni Municipality Development Unit, 2025]

uptick in 2024 year-to-date (YTD), potentially linked to CBD refurbishment incentives. The Inner West shows strong momentum (59% in 2023 and 25% in 2024 YTD from a R500mn base in 2022), dominated by logistic park developments along the Pinetown-Cato Ridge corridor catering to e-commerce fulfilment demand.

The North experienced a 60% surge in 2023 from R2.16bn in 2022, linked to major precinct developments like Cornubia and Sibaya. This was followed by moderation in 2024 (-25% YTD) as developers phased projects pending services capacity. The Outer West saw an exceptional 165% year-on-year growth in 2023 (R870mn in 2022) due to large one-off approvals including the agro-processing campus and N3 freight depot, resetting to trend in 2024 (-35% YTD).

The South recorded an explosive 1.274% (R2bn) year-on-year growth

in 2023 from a low R230mn base in 2022, driven by massive approvals following the April 2022 flooding that significantly affected the southern regions, while cooling in 2024 (-32% YTD); the absolute level of activity remains significantly elevated compared to pre-pandemic levels. See Table 1 above.

## Durban regions – building plan pulse

Shifting focus to eThekweni's development pipeline, municipal building plan approval data (analysed in constant rand terms) reveals significant regional variations between 2022 and 2024. See Figure 2 below.

The Central region saw a major spike in 2022 (R6.46bn), driven by residential flats and townhouses. Activity normalised sharply in 2023 (-74% year-on-year) but saw a tentative 3%

## What developers are submitting – plan type mix

Aggregating plan types across eThekweni from 2022-2024 reveals shifts in investment focus.

Residential buildings comprised the largest cumulative share (R12.1bn or 39.8%), but experienced a sharp 59% drop in value submitted in 2023 versus 2022, hit by cost-of-living pressures and interest rate hikes. This dropped a further 11% in 2024 with affordable housing subsidies providing some cushion.

## Building Plans Passed by eThekweni Municipality

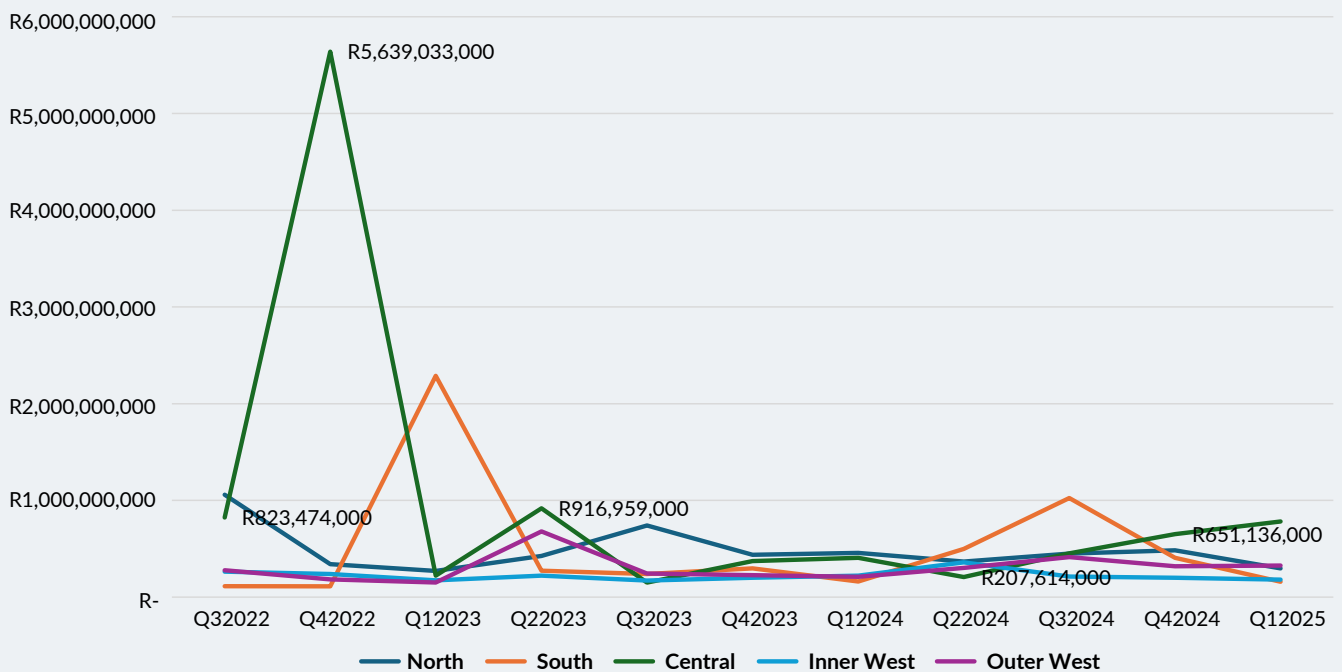


Figure 2 – Total building plan values by region, 2022–2024. [Source: StatsSA, 2025]



Additions and alterations represented R11.6bn (38.1%) cumulatively, marked by a 180% leap in 2023 and fuelled by the post-flood home improvement and insurance reinstatement boom. This pulled back significantly in 2024 (-31%) as the rebuild cycle matured.

Non-residential buildings accounted for R6.7bn (22.1%) cumulatively, surging 115% in 2023, largely due to warehousing and educational facilities. Activity moderated in 2024 (-13%).

#### Key takeaways from the plan mix include:

- **Warehousing remains the star:** Logistics and cold-chain facilities along the N3 and N2 spines accounted for 54% of non-residential value submitted in 2023.
- **Residential pivots to smaller:** The average unit size in submitted plans decreased 17% since 2022 with townhouse clusters gaining favour.
- **Alterations boom moderates:** Insurance-funded flood repairs are largely complete.

### Investment and policy implications

These trends carry important implications for policy and investment:

- **Target infrastructure to growth corridors:** With more than 60%

eThekweni's building plan data signals resilient investment intent – albeit shifting from big ticket residential towards logistics and incremental upgrades

of forward industrial capital expenditure indicated for the Inner West and North nodes, accelerating road upgrades is crucial to unlock the pent-up pipeline.

- **Balance incentives:** The residential slump underscores the need to streamline inclusionary housing approvals and potentially fast-track bulk services rebates to stimulate this sector.
- **Future-proof the CBD:** Central Durban's stabilisation suggests potential for catalytic mixed-use conversions. Achieving even a modest two percentage point reduction in vacancy could activate approximately 25,000m<sup>2</sup> of productive floor space.
- **National lens:** Given the muted national office pipeline, eThekweni's diversified building plan mix and strong logistics orientation could position the metro favourably relative to peers.

Despite divergent office vacancy dynamics, eThekweni's building plan data signals resilient investment intent – albeit shifting from big ticket residential towards logistics and incremental upgrades. Sustained infrastructure delivery in growth corridors and policies that minimise the risk of residential developments will be decisive in translating approved plans into bricks and mortar and keeping Durban on a competitive footing. 🇿🇦





# PROPERTY INSIGHTS

## A SNAPSHOT OF DURBAN'S PROPERTY MARKET

As Durban's property market continues to evolve, current trends suggest a buoyant environment ripe with opportunities. Here's an overview of insights affecting both the industrial and residential property market.

- ▶ The April 2025 *eThekweni Economy @ a Glance* newsletter stated that even though the Durban Business Confidence Index had dropped 4.4 points to 56.3 points in Q1 2025, it was still above 50%, suggesting **business sentiment remains buoyant**.
- ▶ The quarterly ABSA Homeowner Sentiment Index rose to 77% in Q4 2024 – four percentage points on the previous quarter, indicating a **bullish sentiment in the residential market for 2025**.
- ▶ In March global provider of real estate and investment management services Jones Lang LaSalle (JLL) reported that announcements by major multinationals to boost their presence or increase capital investments in Durban's industrial markets signalled **"a strong vote of confidence in the area's economic prospects"**.

The report titled *Durban Industrial Market Dynamics Q4 2024 – summary and analysis of Durban's current industrial real estate market conditions*, stated a steady demand continued supporting the development of new logistics facilities and multi-parks, particularly in more outlying areas. "The optimal

accessibility to distribution and logistics networks remains a critical factor as occupiers in the region prioritise maximising operational efficiencies," the report states.

- ▶ The First National Bank/ Bureau for Economic Research Building Survey released in April 2025 indicates that Durban's commercial and industrial property market would be characterised by **strong growth, particularly in logistics and warehousing**. In2Assets Commercial Director Alex Winterburn said this was underpinned by investment in Richards Bay and Dube TradePort, while the office market was showing signs of recovery in line with demands for modern, flexible workspaces.
- ▶ "KwaZulu-Natal – with its strategic ports and industrial zones – continues as a critical hub for logistics and manufacturing. Durban's commercial property sector will benefit from the increased activity in the industrial market," he says.
- ▶ In2Assets Sales and Marketing Director Rainer Stenzhorn says the municipality's office market, specifically in Umhlanga, Westville and Mount Edgecombe, has benefitted from global organisations establishing call centres in the city. This has **boosted the demand for office space**, but correspondingly the traditional central business district (CBD) faces challenges

with declining demand and decaying properties.

- ▶ In2Assets Commercial Director Alex Winterburn believes investors are increasingly diversifying their property portfolios to include **high-growth sectors like logistics, healthcare facilities and data centres**. Industrial properties remain the top choice, driven by the e-commerce boom and efficient supply chain solutions.
- ▶ Winterburn cites **green buildings and energy-efficient properties** as another emerging trend. Buyers are prioritising assets that align with environmental sustainability goals, reflecting global trends in responsible investing. "Properties with solar installations, water recycling systems and energy-efficient design will command premium prices in 2025," he says.
- ▶ **Auction platforms**, whether via in-person or online bidding, was another trend driving the city's markets. Sellers with premium properties in prime locations found auctions particularly advantageous as they attracted competitive interest.
- ▶ Nicolene Kotze, a Property Practitioner with Icon Property Group, believes the city's real estate market showed **"vigorous activity and optimism"** driven by various economic and social factors shaping current trends. "There has been a notable surge in the purchase of land parcels as buyers increasingly opt to buy land and separately finance the construction of their homes," she says. 📍

# INDUSTRIAL PROPERTY TRENDS



## KZN'S INDUSTRIAL PROPERTY MARKET IS ON AN UPWARD TRAJECTORY

**T**he provincial industrial property market has demonstrated notable resilience and growth, presenting promising investor opportunities.

In2Assets Sales and Marketing Director Rainer Stenzhorn says, driven by its strategic ports and industrial zones, the sector remains robust. There is sustained demand for well-located flat land and large industrial buildings, while the Richards Bay Industrial Development Zone and Dube TradePort were notable hubs attracting warehousing and light industrial development investments.

"The rise of e-commerce has also increased the need for advanced warehousing solutions. Investors are focusing on properties offering flexible workspaces and advanced industrial facilities," Stenzhorn says.

Research released in March 2025 by the global provider of real estate and investment management services Jones Lang LaSalle (JLL) concurs. The report *Durban Industrial Market Dynamics Q4 2024 – summary and analysis of Durban's current industrial real estate market conditions*, states major multinational companies have announced plans to enhance their physical presence or boost

capital investment into the region's industrial markets, signalling "a strong vote of confidence" in the area's economic prospects.

"Steady demand continues supporting the new development of logistics facilities and multi-parks, particularly in the more outlying areas. Optimal accessibility to distribution and logistics networks remains a critical factor," the report says.

Stenzhorn also stresses the vital link between industrial property development and government spending into infrastructure. The ongoing



## The renewal of the national freeway N3 corridor between Durban and Pietermaritzburg was among the province's most significant infrastructure projects



**Above: Work in progress at Brickworks. Left: The Cato Ridge Logistics Hub will consist of a logistics hub, intermodal facility, truck stop, logistics park and fuel tank farm. Artist's impression.**

development and renewal of the national freeway N3 corridor between Durban and Pietermaritzburg (and onwards to Gauteng) was among the province's most significant infrastructure projects.

The expansion and modernisation includes widening the freeway to accommodate increasing freight and passenger traffic, while the redesign of key interchanges at Hammarsdale, Cato Ridge and Mariannhill will boost logistics efficiency and attract industrial property investments to the region.

"Faster, more reliable transport will benefit logistics hubs, warehouses and manufacturers by reducing costs and improving efficiency and correspondingly heighten investor interest for industrial and warehousing facilities," he says.

In its area focus reports, Maxprop Property Group highlighted Prospecton and Cato Ridge for their abilities to anchor Durban's industrial sector.

Prospecton's location near the port, integrated transport network and proximity to the urban core, provided a competitive edge unmatched by other industrial zones.

"Unlike newer industrial zones, Prospecton has a rich history of industrial success and has evolved into a well-oiled ecosystem supporting businesses including Toyota South Africa. The neighbourhood is not a one-size-fits-all, but purpose-built to accommodate businesses of various scales and specialties," the report says. This includes large industrial sites for high-capacity manufacturing and logistics operations; versatile facilities with options ranging from expansive warehouses to custom-built factories for specialised industries; and robust utilities equipped to handle the demands of energy-intensive operations.

On the other side of the scale, Maxprop comments that Cato Ridge is evolving

as the province's industrial heartland; standing out as a compelling location for businesses seeking connectivity, growth potential and access to vital infrastructure.

Key to its success is the multi-billion-rand catalytic Cato Ridge Dry Port development; arguably the single most transformative factor driving the area's growth. A dry or inland port operates as an extension to the seaport, offering customs clearance, warehousing and other logistics services but away from the congested port.

"The area is not just another industrial park; it's a strategically positioned gateway with significant long-term prospects," the company states.

In conclusion Stenzhorn says KwaZulu-Natal's industrial property market is on an upward trajectory with strategic developments and adaptive reuse of space creating a dynamic environment for investors and end-users alike. ■





# CBD MAINTAINS JOB DOMINANCE...

## Amid Umhlanga's Rental Explosion

**COMPANIES MIGHT BE ATTRACTED TO NEW DEVELOPMENTS IN UMHLANGA, BUT THE CBD OFFERS THREE TIMES AS MANY FULL-TIME EQUIVALENT JOBS**

**T**ongaat Hulett's decision in the mid-1990s to release its cane-growing land holdings for business and commercial investment development fundamentally changed Durban's perspective for its central business district (CBD).

Traditionally Durban's business community centred on the former Smith and West Streets (now Anton Lembede and Dr Pixley KaSeme Streets respectively) with billions of rand invested into office blocks and business deals concluded in the hallowed lounges and deep leather chairs of the men's-only Durban Club going back more than a century.

However, the downgrading of office buildings into B-grade, increasing crime and grime levels, general urban decay within the CBD, and the growing international trend for decentralisation, saw companies grab the opportunity to shift to virgin territory and invest billions into Umhlanga – across the spectrum from business to commercial, residential and lifestyle estates. Historically, office space has been predominantly located in CBDs to maximise agglomeration economics, but decentralisation means people can now work closer to home as these zones are characterised by high-income residential areas.

Globally, urban planners recognise that effective urban strategies are essential for sustainable development. Research reflecting the 10-year cumulative percentage growth in office rental space reflected the CBD secured a 7% increase from Q3 2013 to Q2 2023, with a downturn in 2015 and 2016.

Comparatively, Umhlanga rentals more than doubled, experiencing a 111% increase over the same period. They had climbed 50% by Q2 2015, dipped marginally over the following three quarters, and then skyrocketed by Q2 2023. The only blip was during the Covid-19 pandemic.



The city centre  
has three times  
as many full-time  
equivalent (FTE) jobs  
as Umhlanga, that is,  
more than 380,000

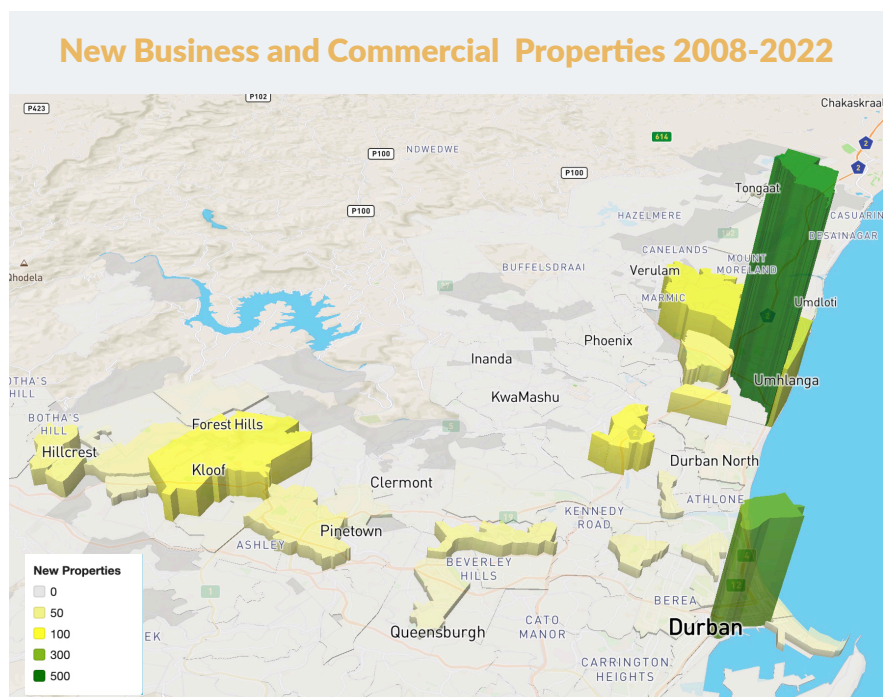
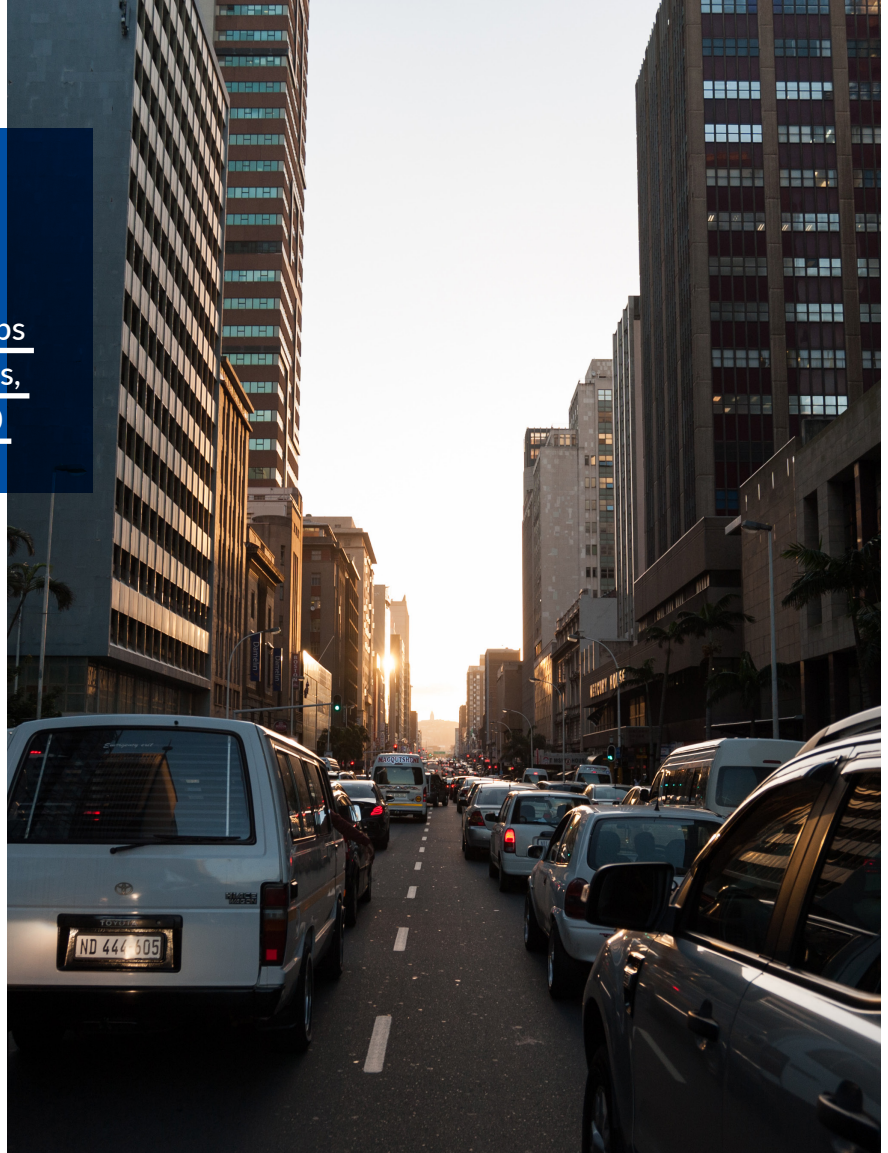
During the research period, office vacancy rates for Umhlanga never rose above 10.5%, while the CBD was double that figure – and, when employees returned to office work by Q2 2023, city vacancies rose to 23% when Umhlanga dropped to 9% and then another three percentage points.

In simple terms – there is a higher demand for rented Umhlanga properties than in the CBD. According to a report published in *The Durban Edge* in September 2023, and titled, *Is Durban's economic hub shifting away from its traditional centre?*, the increasing number of dilapidated buildings and higher crime rates are deterrents for businesses, while Umhlanga's strong attractiveness presents a notable shift in business preference.

However, South African Revenue Service (SARS) data demonstrates the CBD is not lost and remains vital for Durban's job creation. The city centre has three times as many full-time equivalent (FTE) jobs as Umhlanga, that is, more than 380,000 jobs.

Consequently, the City has introduced comprehensive incentives for redevelopment within its decaying zones, including the CBD. *The Economic Development Incentive Policy 2025-2026* is among the suite of local government policies providing an enabling framework for financial incentives for industrial, commercial and mixed-use investment developments.

Other eThekweni-supported CBD projects include the Durban Film City and creating a logistics hub at the harbour. Further initiatives to revive the traditional inner-city are the Centrum site development, Durban Bay Waterfront, Point Waterfront, Rivertown, Durban Country Club and Virginia Airport redevelopments and Beachwood. 📍



[Source: eThekweni Municipality Economic Development Unit, 2023]

**CONTACT US:** Potential investors are encouraged to contact Dr Nuthan Maharaj at [nuthan.maharaj@durban.gov.za](mailto:nuthan.maharaj@durban.gov.za) for further information on *The Economic Development Incentive Policy 2025-2026*.



# CATALYTIC PROJECTS



**MASSIVE CATALYTIC PROJECTS  
ARE DUE TO BUILD AND BOOST THE  
CITY'S ECONOMY ONE BRICK AT A TIME**

The City anticipates nearly R220bn to be pumped into its coffers over the next 15 years from 16 catalytic projects scattered throughout the Municipality.

eThekweni Programme Manager: Ease of Doing Business, Dr Nuthan Maharaj says catalytic projects are investments exceeding R500mn and developers are assigned a designated project manager to facilitate red tape reduction and create an enabling environment.

"These projects boost eThekweni's business confidence; have a major

economic impact; expand the rates base and create thousands of jobs," Mayor Cyril Xaba said during a city tour last year.

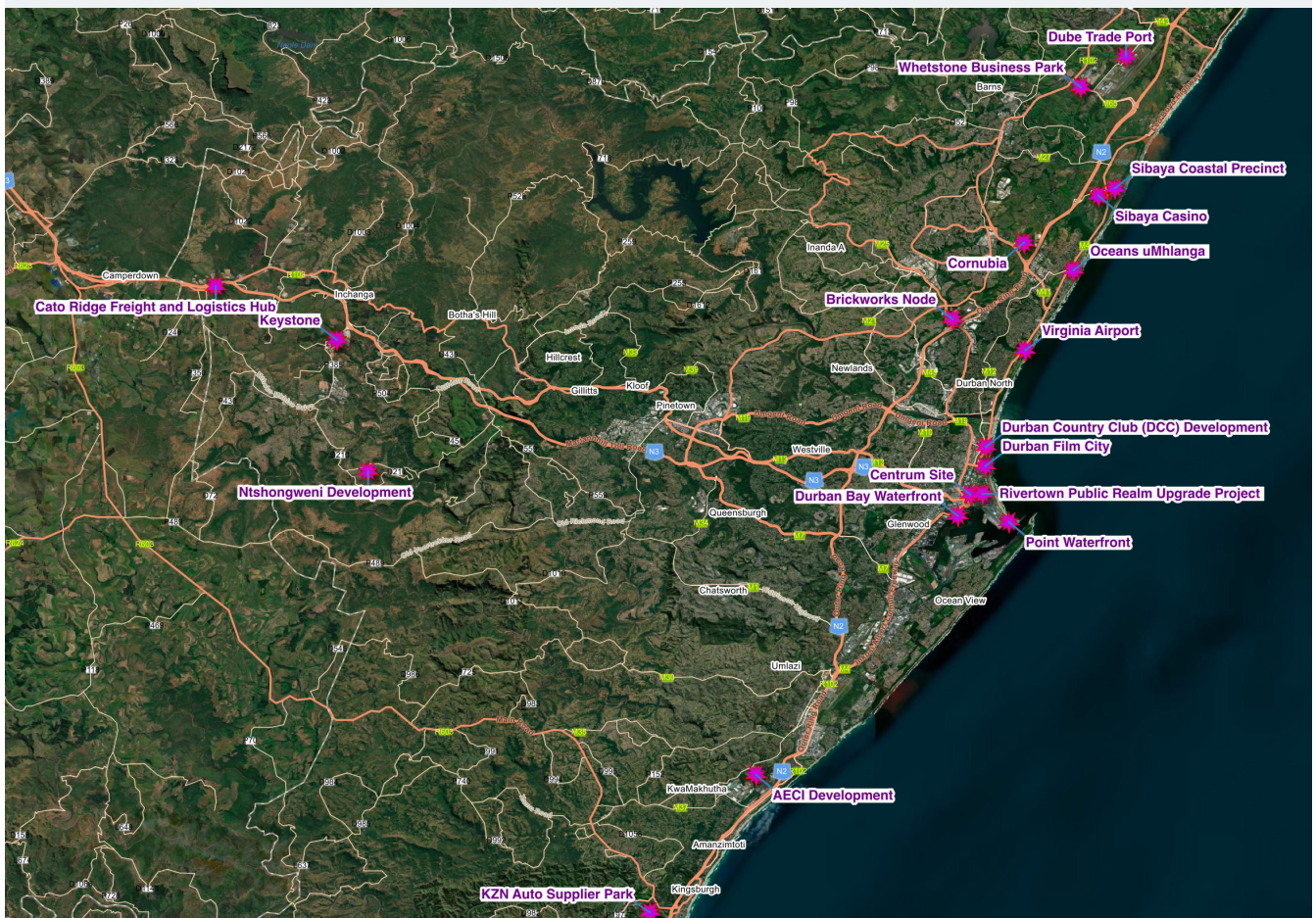
A snapshot of three projects reflects how the City and private investors are making strides to meeting these objectives – Westtown near Shongweni, Cato Ridge Logistics Hub and Dry Port on the N3 national freeway, and Avoca-based Brickworks where history is being reinvented on the old Corobrik site.

The N3 western corridor pipeline

covering Keystone Ridge, Cato Ridge, Giba Business Estate and Ntshongweni Investment incorporating Westown is expected to attract R34.4bn by 2040 with a total job creation nudging 30,000.

The central and northern corridor covering Northfields, Brickworks, Caneridge, Virginia and Beachwood Estate will bring in another R18.1bn and 23,000 new jobs while the Oceans Umhlanga, a mixed-use development including the city's first Radisson Blu Hotel, accounts for another R4.2bn.

## Catalytic Projects Map



[Source: eThekweni Municipality Catalytic Projects Unit, 2025]





## Cato Ridge Logistics Hub and Dry Port

Cato Ridge Logistics Hub and Dry Port Consortium chairman Sibusiso Mazibuko says the private sector investment with equity participation by the AmaXimba community will spearhead the dry port development.

The R18bn scheme is a back-of-port warehousing, light industrial and logistics initiative envisioned by eThekwin as a catalyst for the Cato Ridge nodal development. George Mohlakoana, project promoter and head: Economic Development and Planning Cluster Catalytic Projects Unit says, it will play a critical role in decongesting the Durban central business district (CBD) and port by boosting logistical efficiencies on the N3.

"An inland port improves the supply chain and cargo efficiencies from the Durban port to its final destination; it takes care of the congestion in the Durban quarter," Lord Trust Developers CEO Warwick Lord says, adding current cargo movements are slow and ships are waiting at anchor as there was insufficient flow through.

Key components include a road and trail intermodal container terminal, mega truck stop and staging facility, logistics and industrial park, and a tank farm with 10,000 jobs created during construction and 2,000 operational positions. Cargo from the port will be transported via rail and subsequently transferred to the road network. The logistics park will house industrial tenants seeking to relocate operations to reduce handling costs.

Mazibuko says shipping remains the world's most important trade method, being the gateway for 80% of merchandise trade by volume and 70% by value. While Durban's port is the busiest in sub-Saharan Africa and generates more than 60% of the total revenue when aggregated against other South African ports, its inefficiencies erode the country's competitiveness and economic potential.

"Analysis by auditing firm PwC reveals a 25% improvement in port performance can boost the country's gross domestic product (GDP) by 2%. Durban only achieves 75% of the efficiencies expected from a major global hub port," he says.

### Mohlakoana says the project aligns with national goals to:

- encourage significant new domestic and international investment;
- stimulate economic growth and create sustainable jobs to reduce unemployment; and
- support new investment in productive sectors to reduce poverty and inequality.

### It also contributes to the National Development Plan (NDP) to:

- increase direct foreign investment;
- advance economic integration in southern Africa;
- promote intra-African co-operation on investment and infrastructure development (transport, telecommunications and energy);
- support enterprise and supplier development initiatives alongside youth development;
- increase investment in manufacturing and related sectors;
- create opportunities for new market entrants through preferential procurement and expanded support to small and medium-sized businesses; and
- support meaningful economic transformation.





## Westtown

In nearby Shongweni nine precincts will inject R15bn in long-term investments comprising retail, residential, commercial, logistics and industrial and business parks. The retail and lifestyle centre Westtown Square officially launched phase one in April 2025. "The Westtown Square boosted confidence in broader Shongweni and was followed by Balwin Properties' R2bn residential development that sees a new city rising from the dust," Xaba said.

Fundamentum Asset Management CEO Carlos Correia says Westtown was "a vote of confidence in Durban and KwaZulu-Natal" and would serve as the primary catchment area

from Westville to Cato Ridge.

"There is growing optimism about KwaZulu-Natal – the South African National Roads Agency (SANRAL) is investing in infrastructure, and private sector investment on the north and south coasts continues," he says.

Positioned between Durban and Pietermaritzburg, the first 48,500m<sup>2</sup> phase of Westtown Square becomes the province's latest shopping, dining and lifestyle destination in the Outer West. The first residential development – Shongweni Eco Park – was launched in March 2025. In the medium-term 1,260 apartments will be constructed in 25 phases and 20,000 residential units of various sizes and styles over the long-term.





## The Brickworks

In the north of eThekweni the Avoca development node is a 15-year programme consisting of The Brickworks, North Fields and Caneridge precincts. It measures 350ha with potential capital investment exceeding R10.5bn and sees Old North Coast Road upgraded to accommodate the increased traffic.

The Brickworks history is rooted in that of KwaZulu-Natal as the 157ha site, destined to become one of the largest regional business and logistics parks, which was once the iconic Corobrik brick manufacturing site originally opened in 1902.

Being developed by Investec Property, The Brickworks occupies one of the last remaining infill land portions in the northern corridor. Investec Property development manager Iain Burns says the Durban-Umhlanga-Ballito corridor is the country's fastest growing wealth market and experienced a 25% growth trajectory over the past decade.

Burns says once the project is complete, The Brickworks brings on-stream more than 450,000m<sup>2</sup> of leasable space – an investment especially welcomed for a sector badly hit by the July 2021 riots. The large platforms will allow for warehouses up to 100,000m<sup>2</sup> under roof that he described as “our biggest strategic advantage”.

“These catalytic projects and other investment opportunities prove Durban is a business destination of choice,” Xaba concluded. 📍

## Catalytic Projects Snapshot

Project	Indicative Value /Jobs
Oceans uMhlanga	± R4bn, 600 apartments, Radisson Blu
Sibaya Coastal Precinct	± R48bn; bulk-roads ± R1.4bn
Avoca Node/Old North Coast Rd	± R10bn
Shongweni/Westtown	2,000ha mixed-use
Cato Ridge Freight & Logistics Hub	Dry-port catalyst
Cornubia Integrated Settlement	1,300ha, Presidential project
Dube TradePort SEZ	± R13bn, 150 000 jobs (full build)
Keystone Park (Hammarisdale)	152ha, ± R6.5bn
Virginia Airport Redevelopment	City-owned 26ha
Durban Centrum (Gugu Dlamini)	± R9.4bn
Rivertown Public-Realm Upgrade	R3.84mn
Point Waterfront & Promenade Extension	Precinct: R30-35bn; Phase 1 ≈ R3.5bn
Durban Bay Waterfront	Feasibility stage
Durban Film City (Natal Command)	± R7.5bn
Durban Country Club Tower	± R6bn, 88-storey
KZN Auto Supplier Park (Interim DIA site)	± R6.5bn
Beachwood Lifestyle Estate	Luxury coastal estate
Giba Business Estate (Mariannhill)	± R1.9bn
Whetstone Business Park (R102)	81ha logistics hub



# ATTRACTING INVESTORS

**ETHEKWINI'S INVESTMENT INCENTIVES ARE THE CORNERSTONE TO ATTRACTING BUSINESSES AND GROWING OUR ECONOMY**

**B**asic economics dictates businesses drive a city's growth to create employment opportunities and generate the essential revenue for further

development. When the wheels are well-oiled and the system functioning at its optimum, the city will thrive, and momentum will attract further investments in an expanding funnel-



## Policy Offerings

**The policy offers property rates rebates for industrial, commercial, and mixed-use development. To date, 35 developments with an investment value of R18-billion have been beneficiaries of eThekweni's incentive policy.**

Category	Criteria	Investment Value	Maximum % Age Rebate
	New investment in any Industrial or Commercial or Mix-use Property Development	R<1mn – R299mn; or	10%
		>R300mn	20%
	FTE Jobs created calculated post construction in new investment in any Sector for a maximum 3-year period	All-inclusive values	
	50-250 Jobs		10%
	251 Jobs and above		20%
	Investment in Targeted Sectors as defined in the eThekweni Economic Strategy 2022 to 2027	All-inclusive values	40%
	Investment in Spatial Priority Area as defined in the City's Spatial Development Framework & the eThekweni Economic Strategy 2022 to 2027	All-inclusive values	20%

fuelling success. Yet, the question asked could be how the City management initially launches the trajectory that triggers the desired growth and development.

eThekweni Programme Manager: Ease of Doing Business, Dr Nuthan Maharaj says that the eThekweni Municipality currently offers investors the “first and only property rates rebate incentive countrywide” applicable to new developments, upgrades and redevelopments of properties in areas experiencing urban decay.

*The Economic Development Incentive Policy 2025-2026* is among the suite of local government legislation providing an enabling framework for financial incentives aimed at reducing the cost of doing business within the municipal area. In addition, the core purpose of the EDIP is to attract investment, create jobs, promote priority industrial sectors, encourage local procurement, spatial transformation, urban regeneration and increased revenue growth within the Municipality.

The application is based on four criteria, namely investment value, number of jobs being created, industrial sector, and spatial location. The incentive is offered to industrial, commercial and mixed-use





# Application approval process flow

01

Acceptance of application

Pre-assessment

02

03

Liaise with applicant to finalise application

Verification of compliance by Line Departments

04

05

Approval by sub-committee

Approval by Council

06

07

Drafting and signing of MOA

Implementation of incentive

08

developments. A successful applicant could receive from 10 to 100% off their rates bill for a period of three years, with evaluation being based on the merits of the development.

Dr Nuthan Maharaj says applicants for the rates rebate incentives must be the property owner; a tenant in possession of a notarial lease; or a lessee authorised by proxy from the property owner. They must satisfy at least one criterion and the incentive percentages which will be aggregated to determine the final rebate value.

All applications must reach the Economic Development Programmes and Planning Directorate no later than 31 January each year for budgeting purposes, for the next financial year.

"The new investment must comprise the development of a top structure greenfield development on vacant land, or an expansion, redevelopment or refurbishment of an existing brownfield site. Critically, the new investment in property must boost the property's economic value," she says.

The eligibility criteria details important information for potential

applicants. Companies seeking to relocate existing businesses within the municipality are excluded from the incentive unless it develops or expands the investment related to the new property. Refurbishments must be at least 20% of the municipal value to be eligible for an incentive for a maximum of two years.

"Investors should submit their applications as early as possible in the development cycle as this allows the Municipality to budget accordingly," Maharaj adds.

In addition to the abovementioned financial incentive, the Municipality is committed to creating an enabling environment for investors by the offer of softer incentives such as support from dedicated project managers to facilitate the ease of business during the planning of the development.

The Catalytic Projects Office has been established to guide developments valued at over R500mn, with a designated project manager to assist in fast-tracking the required approvals – a factor that has been well received by investors. ■

**CONTACT US:** Potential investors are encouraged to contact Dr Nuthan Maharaj at [nuthan.maharaj@durban.gov.za](mailto:nuthan.maharaj@durban.gov.za) for further information.







Above: Toyota at Prospecton.

# BUSINESS DRIVES OUR CITY

TO GROW BUSINESS, ETHEKWINI MUNICIPALITY NEEDS  
EFFICIENT SERVICE DELIVERY TO STIMULATE ECONOMIC  
GROWTH, ATTRACT NEW BUSINESSES, AND, LOOK AFTER THE  
GOLDEN GOOSE THAT PROVIDES REVENUE AND JOB CREATION  
THE MUNICIPALITY REQUIRES

EThekweni Municipality's golden goose – namely its top 50 customers – pump R20bn into the City's coffers annually via rates, electricity and water consumption. More significantly, the top 10 customers account for R15bn (approximately half of all revenue from industrial areas), according to an eThekweni report released in February 2025. Industrial areas account for almost 50% of eThekweni Municipality's revenues.

The report titled *The importance of business to the municipality's revenue* cited the World Bank as predicting nearly 70% of the world's population will reside in cities by 2050. This industrialisation growth places pressure on municipal governments to improve their service delivery to match the demand for water, electricity and infrastructure.

In eThekweni, industrial property

contributions from the South Durban Industrial Basin, Pinetown, Westmead and New Germany exceed business and commercial collections from Umhlanga and the traditional central business district (CBD).

However, the city's industrial areas face service reliability issues including electricity and water faults; copper wire theft; and infrastructural challenges including road and stormwater drainage



## eThekweni must reprioritise budgets to affect infrastructure and industrial development projects



system maintenance. The resolution times consequently affect business operations and trigger expressions of low confidence in municipal services.

The traditional industrial zones have experienced a drop in economic activity with 2,400 firms closing their doors or relocating since 2022. Average employee figures have also fallen from 26 to 24 – and the growing reliance on artificial intelligence (AI) will only exacerbate the issue.

eThekweni Programme Manager: Ease of Doing Business, Dr Nuthan Maharaj says the quarterly Durban Business Confidence Index released in partnership with the Durban Chamber of Commerce and Industry (DCCI) and the University of KwaZulu-Natal (UKZN) enables the Municipality to objectively assess the stumbling blocks and achievements and plan accordingly.

The City Support Programme, partially funded by National Treasury and SECO, in partnership with the World Bank: Sub-National Doing Business (SNDB) Programme, also identifies weaknesses within the municipal systems and implements reforms.

“We have been urged to be introspective and optimise reforms to shift the City towards its 2030 goal of being Africa’s most caring and liveable city. Into that process comes the digitisation of municipal services that incorporates the ‘business facing and focusing’ mindset,” she says, adding efficient service delivery stimulates economic growth and employment.

The report states Umhlanga and the CBD contribute the same total revenue as the industrial zones; the former raising its input from high business and commercial rates revenue, and the latter from the higher water and electricity consumptions associated with industrial activities. “This clearly shows the various regions’ contributions to eThekweni’s financial health and the importance for targeted strategies in service delivery,” the report states.

Director of Economic Development, Shunnon Tulsiram says protecting existing developments and encouraging new ones requires maintenance, infrastructure and crime interventions. Umhlanga and Florida Road initiated urban improvement precincts (UIP), raising funds and dealing with issues where the Municipality lacks resources.

One solution for protecting the golden goose may be the City’s rates rebate incentives. The decade-old policy means commercial and industrial property development investors can receive between 10% and 100% rebate over three years.

“These incentives are the most attractive in the country; the unfortunate flipside is the City’s economy is still suffering from the events of the last five years – Covid-19, the 2021 riots and three devastating floods,” Maharaj says.

Equally, the City hopes to attract investments into decaying areas where the rates rebate opens opportunities for refurbishments and redevelopments. While Durban’s services companies moved north, the industrial sector has remained in the south.

Project Manager Economic Planning Denny Thaver says while resources are limited, eThekweni must reprioritise

budgets to affect infrastructure and industrial development projects.

“There is a turnaround strategy to boost service delivery including improved training where it most directly affects revenue streams. One question is how can City become more efficient such that it does not lose more than half the potable water it purchases?” he says.

Yet, eThekweni should not be too hard on itself as a review of its sister cities New Orleans, Oran and Rio de Janeiro reveal similar issues with infrastructure, urban decay, crime and unemployment as economic growth stagnates.

New Orleans faces water management and ageing infrastructure challenges and its city management has applied for federal funding to support its infrastructural improvements. Oran is a crucial maritime hub, but political tensions between Algeria and France has suspended a port concession project where the consequence may affect the country’s trade and logistics.

Rio’s issues with water supply, sanitation and public transport are impacting both the city’s economic development and quality of life. The city experiences water shortages due to outdated infrastructure and limited sources, while it faces climate change-related risks like rising sea levels, heat waves, flooding and landslides.

Essentially, business is pivotal to eThekweni’s financial health with its contributions via taxes, licences and service fees being the platform from which the City can fund public services and infrastructure.

Sustainable economic growth and business continuity are achievable when service delivery is optimal and uninterrupted. Municipal responsiveness to the prioritisation of infrastructural upgrade and rehabilitation, providing uninterrupted water and electricity supplies, will assist in boosting investor confidence and supporting business retention initiatives,” Maharaj says, adding that supporting investors will ensure revenue growth and job creation in the city. 🇷🇷





# FIXING THE DECAY

**URBAN DECAY HAS CAST ITS BLIGHT ACROSS MANY CITIES. HOWEVER, THE FRUSTRATION IN IDENTIFYING AND RESOLVING THE PROBLEM LACKS A COMMON ORIGIN AND REQUIRES A MULTI-DISCIPLINARY APPROACH FOR REGENERATION**

**D**urban has not escaped the claws of urban decay and thus the rise of bad or problem buildings – properties that have been abandoned, hijacked, overcrowded and are structurally unsound. Currently around 80 bad buildings are scattered throughout the city, concentrated on Mahatma Gandhi Road (former Point Road) – with nearly a quarter belonging to local, provincial or national government.

"We cannot talk about rejuvenation without addressing bad buildings... 58 privately owned and 18 government-owned buildings with 16 structures hijacked and illegally occupied," eThekweni Mayor Cyril Xaba says.

Consequently, the Municipality established the Problem Buildings Division to tackle the issue by identifying unsafe buildings; and engage with owners to facilitate or enforce rehabilitation through, if necessary, legal action. Some cases have demanded securing and demolishing properties as they have evolved into havens for criminal activities like shebeens, drugs and sex work. The initiative dovetails with the Inner-City Regeneration Strategy (ICRS) that aims to provide lasting solutions to issues plaguing the central business district (CBD).

In a report presented in March 2025, Divisional Coordinator: Problem Buildings, Nolitha Chiliza defines problem buildings as being:

- derelict or showing signs of becoming unhealthy, unsanitary or unsightly;
- abandoned regardless of whether or not rates are being paid;
- overcrowded or hijacked;
- subject to one or more written

- complaints, charges or convictions regarding criminal acts;
- illegally occupied;
- unlawful accumulation of waste;
- unlawfully erected either in full or portion;
- changed use and therefore unauthorised for its new purpose;
- partially completed or structurally unsound and therefore a threat to life; or
- in contravention of one or more municipal by-laws.

"The division uses a three-pronged strategy termed 'the carrot and stick' where it educates property owners and provides workshops on the various incentives to assist owners with their

buildings, including rehabilitation. Should its efforts fail, the division sanctions owners through punitive rates and legal action. In some cases, the City undertakes the rehabilitation or demolition and charges the owner with the remediation costs, including repairs and demolitions. The outcomes sought are to rehabilitate or repurpose the buildings or, in a rare situation, demolish if structurally unsafe. The long-term goal? To attract new investment into decaying areas, from large and small investors and across land uses from residential to retail and mixed-use," eThekweni Project Manager Denny Thaver says.

Chiliza says fixing a problem building has a major impact on the surrounding



area and business in terms of safety, cleanliness and general appeal. Most problem buildings are privately owned where “the carrot-and-stick” approach can work, but there are provincial and national government-owned or ones belonging to state-owned enterprises (SOEs) where the Municipality has entered into a memorandum of understanding with the provincial and national departments of public works.

Internationally, urban decay follows the quandaries created by poor enforcement of land use and building regulations, overpopulation, economic restructuring, abandoned buildings or infrastructure, poverty, crime and drugs and elevated pollution levels, resulting in a lack of investment in maintenance and upgrading. Closer to home eThekweni is focusing on unmanaged trading, taxi ranking, illegal connections, non-investment buildings by owners and an increase in drug dens. A lack of maintenance – including by-law enforcement and service delivery challenges – further contributes to urban decay.

Last year National Public Works and Infrastructure Minister Dean Macpherson and Mayor Xaba

announced a joint technical task team to tackle the city’s bad buildings and rejuvenate Durban. Macpherson said the department was geared towards unlocking the potential of state-owned properties and “turn South Africa into a construction site”.

Part of that solution held state-owned properties to book for timeously paying their rates and assisting in Durban’s inner-city rejuvenation, with the minister instructing the task team to devise formal strategies to expedite investment into state-owned buildings.

A potential revenue generator is for property owners to display advertising to partially provide revenue, settle arrear rates and service bills and fund refurbishments.

However, the construction mafia has added unnecessary challenges to rehabilitation initiatives in the city, while infrastructure and heritage processes further increase costs and cause delays. In March 2025 the national government announced investigations into and arrests of construction mafia players including several in KwaZulu-Natal. The move followed last year’s national summit to address the issue.

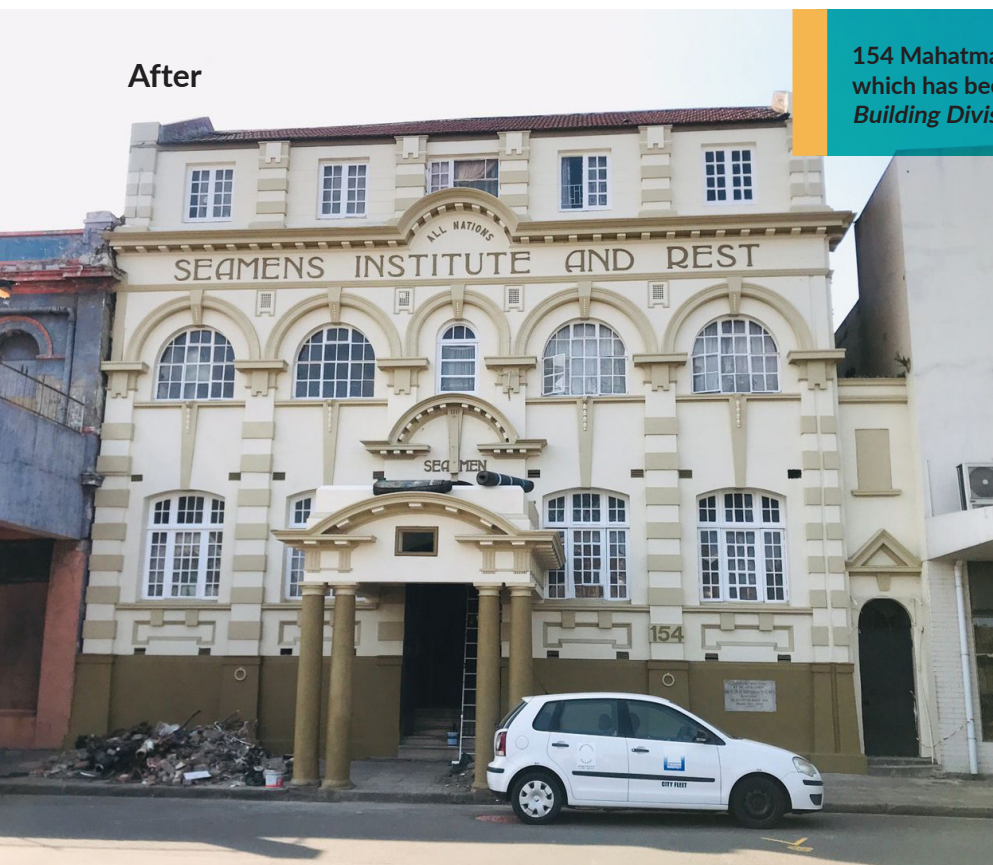
Chiliza says the City has learnt valuable lessons through the refurbishment process, most significantly that the treatment is underpinned by the legal system. The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE) that came into effect in 1998 makes it incumbent on the Municipality to provide alternative accommodation to anyone living in the problem buildings before repairs or demolition can take effect.

However, most owners who have lost control of their buildings have a genuine interest in regaining control with the Municipality’s assistance, meaning increased incentives could be “interesting and lucrative”.

SOE sites require higher levels of accountability that are “absolute and measurable”; clearly defining the solutions demanded.

Chiliza says there are also opportunities for third-party platforms for social upliftment, organisations and professionals with interests in providing viable and practical solutions to unblock heritage cases – properties protected under South Africa’s heritage laws, but where the building is unsafe. 🏠

After



154 Mahatma Gandhi Road, an example of a “bad building” which has been given a new lease of life. Credit: Problem Building Division of eThekweni Municipality

Targets 2024/2025 financial year	Number of properties
Profiling problem buildings completed	34
Contravention and enforcement	16
Multi-disciplinary operations conducted	110
Closure and successes	8
Repair and recover projects	9
Refurbishment by owner	13
Demolition	11
Dangerous situations	1
Hijacked buildings back in owners’ control	7
Repair and recover action plan programme	7
Removal of cases due to non-applicability	1

[Source: eThekweni Municipality’s Problem Buildings Division report, 28 March 2025]





# BUYING BEATS RENTING ▼

BUYING AFFORDABLE HOUSING MAY BE A  
CHALLENGE FOR THE POOR – BUT THERE ARE  
INITIATIVES IN PLACE TO EASE THE WAY







Social housing projects serve as economic engines, stimulating local economies, creating employment and supporting small businesses

The South African Constitution requires the government to provide low-cost housing to the poor, effectively giving the country's most vulnerable citizens the dignity of homeownership when a tin shack hovel had been the historic option.

Consequently, housing and financial companies and the government have a range of products geared to servicing the social housing market, initially touted as Reconstruction and Development Programme (RDP) housing. Social housing provides subsidised rental accommodation for specific household income brackets, while the First Home Finance government subsidy paves the way for low-income first-time home buyers to purchase a property.

South Africans earning R3,501 to R22,000 per month qualify for a low-income first-time home buyer subsidy that effectively places people on the bottom rung of the property ladder – the point always recognised as the most difficult step.

The Social Housing Regulatory Authority (SHRA) invests in rental accommodation for low-income earners, but the government recognises buying beats renting. The reality is SHRA figures show 12.7% of South African households still live in informal dwellings, while a significant number struggle to access affordable housing. Quoted in the *Municipal Focus* magazine Vol. 74 February 2025, SHRA acting CEO Lebowa Letsoalo said South Africa cannot ignore the challenges for providing social housing but also could not allow them to define the future.

"Innovations and partnerships are our weapons against disruptions. We are working with municipalities, private sector funders and government agencies to create sustainable solutions that deliver results. Social housing projects serve as economic engines, stimulating local economies, creating employment and supporting small businesses," he said.

Effective July 2025, the Municipality will introduce a new rebate incentive aimed at residential redevelopment with an eye on the Durban inner-city. This move is in line with the City's focus to attract

investment and boost the economy.

Over the past five years the eThekweni Municipality Human Settlements Unit has acquired land for housing developments, built nearly 16,000 free homes for qualifying beneficiaries, and transferred flat ownership to more than 8,000 occupants.

However, eThekweni reports these achievements, and any future successes, were not without challenges – high costs; availability of well-located land; impact of low-density development; urban sprawl and its environmental impact; and the high cost of travel. Essentially, its housing programme cannot keep up with the pace of urbanisation.

The current housing backlog in the eThekweni Municipality is estimated to be around 474,000 households. This includes approximately 600 informal settlements with 314,000 households, reflecting a significant challenge related to rural-urban migration, according to the eThekweni Municipality Draft IDP 2025/26 annual review.

The Municipality is rolling out an incremental services programme for upgrading informal settlements that include water standpipes, communal ablution blocks, solid waste removal and emergency access, basic road access and footpaths with related stormwater controls and pre-paid electricity meters.

"The City has embarked on various additional initiatives in informal settlements to improve living conditions and empower residents including the support of early childhood development centres, establishing area-based management capacity and deepening community engagement with upgrading plans and implementation," eThekweni states.

eThekweni Senior Manager Human Settlements, Mkhomazi Sibisi, also alluded to the Municipality's efforts in issuing title deeds to low-value housing beneficiaries. He says the City is currently reviewing the approach through a pilot title deed restoration initiative for low-income and RDP housing. Through this National Treasury and World Bank initiative, an introspection and review of systems will ensure optimal support to its citizens and equip them with tenure to the homes they occupy. ■



# HOUSING THE MISSING MIDDLE

**SOUTH AFRICA'S CONSTITUTION GUARANTEES EVERY CITIZEN THE RIGHT TO ACCESS ADEQUATE HOUSING, BUT THE THEORY AND PRACTICE COLLIDE WHEN PEOPLE EARN TOO MUCH FOR A GOVERNMENT SUBSIDY, BUT NOT ENOUGH FOR HOME LOANS**

**D**eemed “the missing middle”, these are households looking to acquire residential properties between R1mn and R2.5mn. On the one hand they cannot qualify for government-subsidised housing, and on the other they cannot afford market-related homes – effectively excluding them from the property ladder.

eThekweni Senior Manager Human Settlements Mkhomazi Sibisi says, while programmes funding homeownership at this level were a provincial government responsibility, the Municipality has implemented interventions to assist the missing middle access affordable housing, including the First Home Finance programme that provides subsidies to first-time home buyers. However, several years old, statistics

released by the Helen Suzman Foundation indicate indigent households constituted the poorest 50% of South Africa's market; placing 25% in the missing middle who are forced to seek limited rental accommodation when they cannot access purchasing options.

The Ipsos Housing Monitor 2025 released in March 2025 says South Africans are caught between their homeownership dreams and the harsh realities of an increasingly expensive housing market.

“The South African results paint a picture of a nation yearning for stability... but grappling with significant challenges like debilitating financial pressures. The need for different approaches to housing issues is evident,” Ipsos CEO sub-

Saharan Africa Nick Coates says.

Furthermore, says Coates, while an overwhelming 92% of South Africans agree everyone has the right to homeownership (global average: 78%), nearly three out of four citizens believe it is more difficult to achieve now than when their parents were their age.

“If homeownership becomes unattainable for a large portion of our population, we need to consider the long-term social and economic implications. These findings reveal the challenges renters face... the financial pressures are significant,” Coates says. Correspondingly, Rawson Property Group MD Tony Clarke says properties in the R1.5mn to R2.5mn bracket attract the most interest, reflecting



correctly priced houses will move when buyers have the finances.

In March 2025 legal firm MDW Cape Town released a report on the Cloetesville Affordable Housing Initiative operating in partnership with the Stellenbosch Municipality; a comprehensive homeownership support system that addresses the missing middle and paves the way for homeownership in this market.

Attorney Meyer de Waal says the affordability gap was real with people often excluded from homeownership, not because they were financially reckless, but because the system was

not designed to support them.

He says at its core, the initiative is a homeownership readiness programme whereby residents receive practical support including income and affordability evaluations; debt rehabilitation; and credit score improvement plans and pre-qualification tools for home loans.

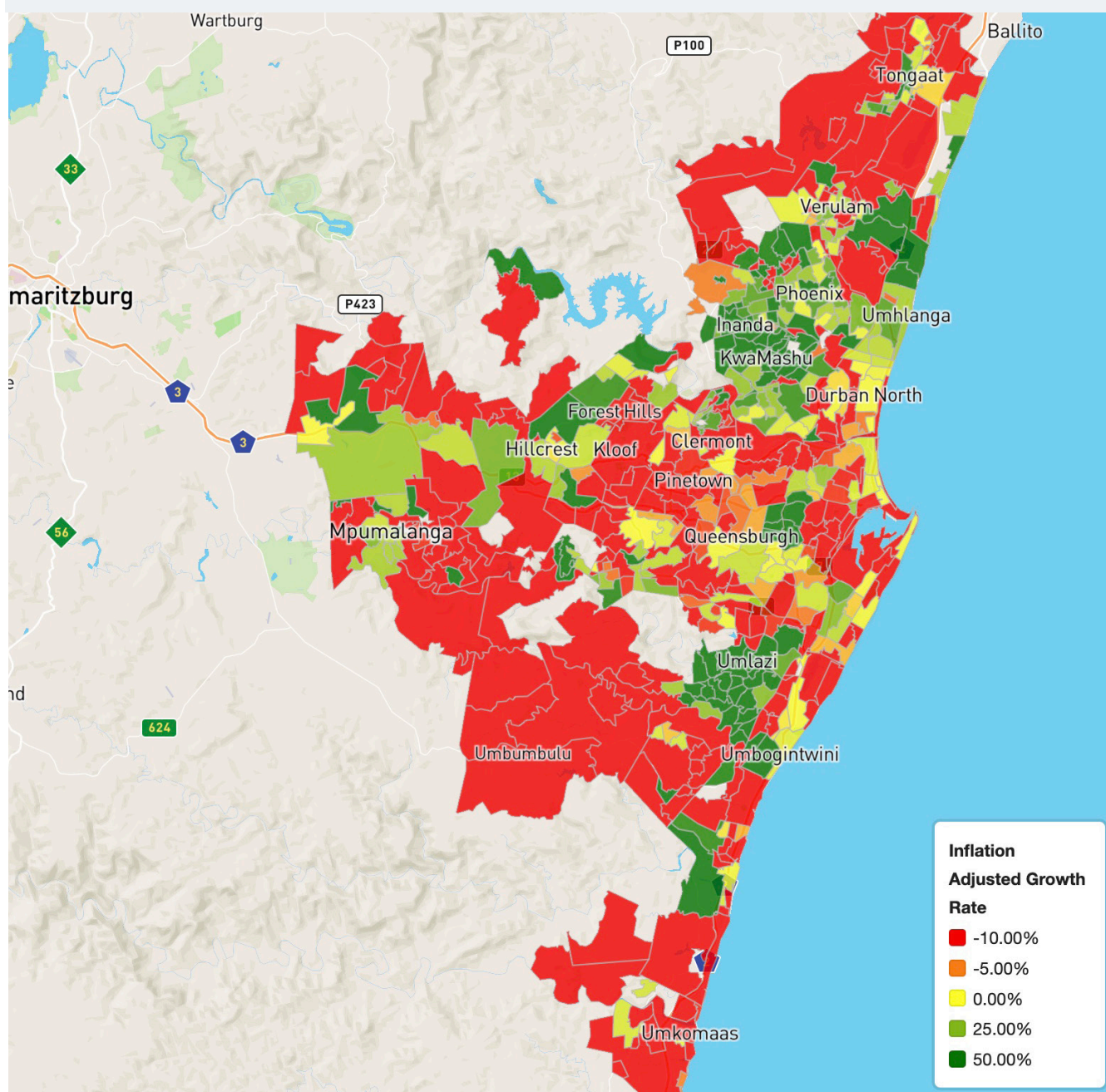
“More importantly, First Home Finance subsidy recipients receive support for government assistance to reduce the purchase price of their first home or expand their home-buying purchasing power,” De Waal adds.

Coates says solutions to the missing

middle and the country’s housing dilemma will be found in dialogue between policymakers addressing affordability and ownership issues, developers creating innovative housing options, and financial institutions developing new mortgage solutions.

“While there’s a clear demand for housing, the high cost remains a substantial barrier and factoring safety concerns into housing consideration further complicates the picture. This nuanced situation calls for innovative housing policies and development strategies to address the affordability gap and safety issues, while meeting aspirational needs,” he concludes. 📍

### Property Value Growth by Suburb 2008-2022



[Source: eThekweni Municipality Economic Development Unit, 2023]





# TRIBAL LAND vs RATES REVENUE





Taxing property owners on their land holdings has been the Municipality's steadfast income stream for decades, but when multi-million-rand developments are constructed on tribal land within eThekweni boundaries, there are challenges.

Established in 1994 before South Africa's final Constitution was cemented in law, the Ingonyama Trust is a land management organisation holding sway over 2,8-million hectares of KwaZulu-Natal communal land to benefit *isiZulu* tribes and communities.

According to its website [www.ingonyamatrust.org.za](http://www.ingonyamatrust.org.za), the Zulu king was initially the sole trustee, but this was amended to an eight-member board of which he is chairman. Today the trust is responsible for land allocation, community traditional

council liaison, and developing land management policies and programmes. It also facilitates and coordinates rural development projects including agricultural initiatives, small town development and human settlements.

The board supports traditional councils via capacity building programmes and bursaries for youth in rural areas. In essence the trust is tasked with "contributing to improving the quality of life of the communities living on its land by ensuring the land management is to their benefit and according to the laws of the land".

**In line with its statutory mandate, the board is responsible for:**

- providing strategic leadership for managing trust land;
- overseeing the trust and organisation's operational performance; and

- providing strategic leadership for trust land management.

The website states that through the decades the trust has uplifted beneficiary communities with study aids to the youth in traditional councils, facilitated support to traditional councils and assisted in agricultural projects.

To effectively deliver on the community benefits, it uses money collected through lease rentals. These leases range from developing shopping malls to service stations, cellphone masts, mines, government institutions and servitudes on trust land.

**The approved distribution policy is:**

- 75% allocated for community projects;
- 10% for the *nkosi*;
- 5% to the Zulu king (*Ingonyama*); and
- 10% to the board.

Communities seeking to benefit from these funds initially approach the local chief (*nkosi*) and present their proposal to the traditional council. After their consideration, the application is forwarded to the board. Individual community members cannot contact the trust directly.

However, converting the theory into practice is not always smooth sailing. In June 2024 the eThekweni Municipality won a major court bid regarding a dispute over trust land that threatened to stall a R100-million project aimed at benefitting Mpumalanga township residents.

More significantly, in March 2013 the Constitutional Court ruled against the Municipality leveraging rates from Ingonyama Trust-owned land from May 1996 to June 2005 – the point at which the Local Government: Municipal Property Rates Act came into force and "brought about a whole new rating regime".

Presently, eThekweni Municipality cannot collect rates from occupants of the Ingonyama Trust as the land is being leased by the Trust, and the homeowners do not have title deeds and cannot be charged. 🇷🇷



Credit: Justice Matarutse



# IN CONCLUSION

As eThekweni Municipality honours a silver anniversary for democratic service delivery, the City fathers can be proud of the milestones achieved towards making Durban Africa's most caring and liveable city by 2030.

Into that vision comes the promise that its citizens will live in harmony as – in the words of eThekweni Mayor Cyril Xaba – the City embraces sustainable growth driven by inclusive economic development, robust infrastructure and transformative urban regeneration. These are honourable goals that will also translate into jobs at a time when South Africa struggles with high unemployment levels, especially among the youth.

The country's metropolitan property markets present a complex picture of divergent recoveries and shifting investment patterns. While the national sector continues its adjustment, eThekweni's building activity signals pockets of resilience and evolving priorities.

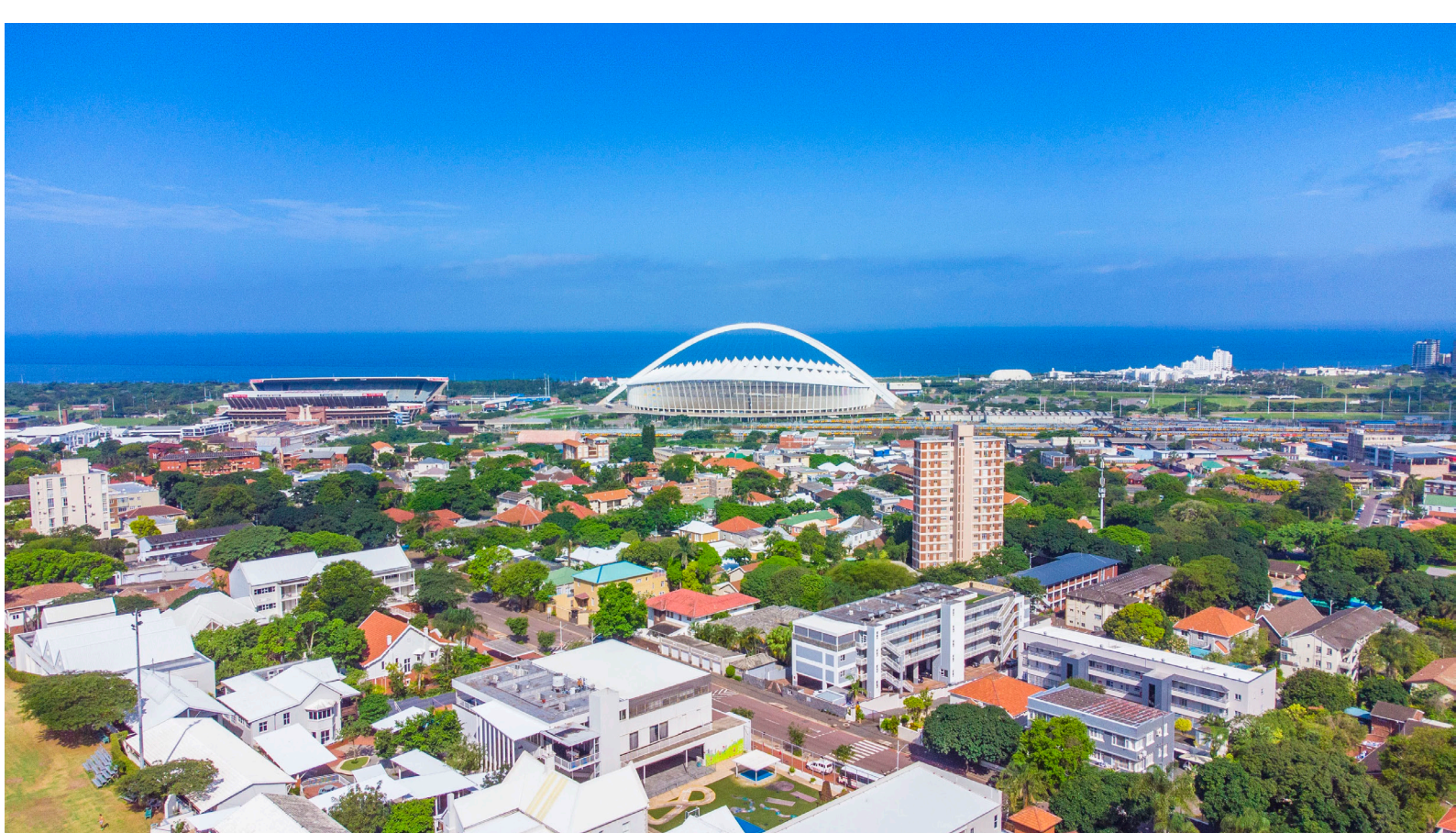
KwaZulu-Natal's industrial property market has demonstrated its ability to withstand changing circumstances to offer enticing investor opportunities, while mega-projects including the Cato Ridge Logistics Hub and Dry Port development; Westown in Shongweni where the retail and lifestyle centre Westtown Square has officially opened; and the Avoca-based Brickworks development where history turns full circle, will inject thousands of new jobs and billions of rand in revenue for the City.

While no one disputes the benefits of Umhlanga's transformation into Durban's business hub, there are three times more full-time equivalent (FTE) jobs in the traditional central business district (CBD). Consequently, the City's introduction of comprehensive redevelopment incentives within decaying zones will pay dividends in breathing new life into older buildings.

These investments demonstrate the confidence investors are placing in our City and the pride with which eThekweni can open the doors for local, national and international capital into South Africa's third-largest city. There are issues and challenges with electricity outages and water faults, but these are being addressed in bilateral discussions to everyone's benefit. The recently launched Water Turnaround Strategy has secured R3.3bn from national funding to address and rectify water security going forward.

Human nature means people often only look inward and consider their situations as unique. We believe no one else will suffer as we have done, and that especially cities in first-world countries are without problems. Knowing this is not the case as demonstrated by Durban's sister cities New Orleans, Rio de Janeiro and Oran, which means we should not be too hard on ourselves.

In the 25 years since the formation of the eThekweni Municipality as an inclusive service provider for its citizens, the city has reached significant milestones and the future looks set for an even better outcome over the next 25 years.





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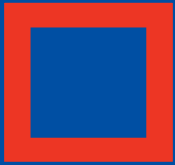
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