

GREY STREET AREA INDIAN LOCAL AFFAIRS COMMITTEE

MEMORANDUM TO THE HONOURABLE MINISTER OF  
COMMUNITY DEVELOPMENT ON THE QUESTION OF

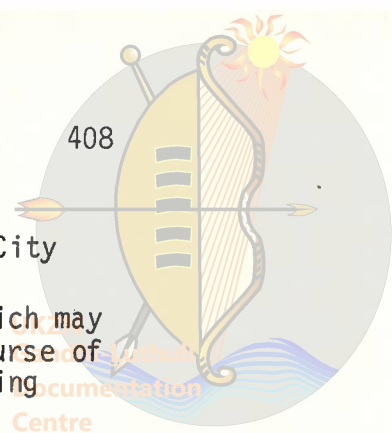
REMOVAL OF THE RESTRICTION OF RESIDENTIAL  
DEVELOPMENT IN GREY STREET COMPLEX

(Submitted in December 1978)

PREAMBLE

1. The Grey Street Complex comprises of properties in Central Durban bounded from the point where the middle of Grey Street intersects the middle of Derby Street, north-east along the middle of the said Derby Street, Albert Street, Commercial Road, Grey Street, Pine Street, Cathedral Road, Queen Street, Cemetery Lane and Victoria Street to the point where it intersects the south-eastern boundary of the railway reserve; thence generally north-east along the south-eastern boundary of the railway reserve to the point where it intersects the middle of Cross Street; thence north-west in a straight line to the point where the middle of the said Cross Street intersects the middle of Alice Street thence north-west along the middle of the said Cross Street, Carlisle Street and Grey Street, to the point first named.
2. Proclamation No. 106 of 1973 in the Government Gazette dated 27 April, 1973 declared the Grey Street Area of Durban to be an Area for Occupation and Ownership by members of the Indian Group in terms of Section 23 of the Group Areas Act 1966 and further declared that, in terms of Section 19(1) of the Act, all the buildings, land or premises in the Grey Street Area shall be occupied or used only for the purposes of businesses.
3. The Grey Street Area Indian Local Affairs Committee submitted a Memorandum to the Durban City Council Management Committee on the question of rates and Residential Development on the 28 June, 1978, (a copy of the Memorandum is attached Annexure G.S. 1).
4. The Durban City Council formally adopted the following Resolution on the 31 July 1978:
  - (i) That the Grey Street Area Local Affairs Committee be advised that the City Council will not oppose any application to the responsible State department for the removal of the restriction imposed in terms of section 19(1) of the Group Areas Act 1966 to permit residential development to take place in the Grey Street Area.

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- (ii) That subject to the adoption of (i) above, the City Engineer's report on the provision of services, additional facilities and other implications which may adversely affect the Town Planning Scheme in course of preparation in the event of such restriction being lifted.

### SUBMISSIONS

The Grey Street Area Indian Local Affairs Committee wishes to make the following submissions to the Honourable Minister:

- (a) The restriction imposed on residential development in the Grey Street Complex has been a serious and severe handicap to the viable development of the Grey Street Complex.
- (b) A report to the Durban City Council by the Planning Consultants, William Holford and Roy Kantorowich in September, 1968 (Holford Report) relating to a planning of Central Durban, had the following to say:

"A notable feature of the CBD is that it contains a high, and rapidly increasing proportion of residential accommodation. Even the Hardcore district in 1966 had as much as 13% of its total floor space in residential use. Flats are one of the fastest growing land uses in the CBD. In the seven years between 1959 and 1966 floor space in flats not only increased by about 40% but also accounted for well over half of the total increase in the CBD during the same period." (Page 62)

With regard to the Indian District the Holford had the following to say:

"The single characteristic which it has in common with the other districts of the CBD is a high residential component. This arises not from high blocks of flats, but from two or three storey buildings. Shops occupy 20% of the floor space, offices 5%. Industry occupies a relatively high proportion of floor space, the central situation being advantageous from the point of view of both market and labour supply. The unusually high proportion of "other" uses reflects the concentration of non-White communal and institutional activity in the area."

"A succession of legislative controls have served to prevent the territorial spread of Indian ownership, residence and trade activities in the CBD beyond the Grey Street Area. These controls have preserved its unique character; they have also led to relative stagnation and decay. This is one of the few parts of the city which has not yet been proclaimed for ownership and occupation by one or other of the race groups in terms of the Group Areas Act. As such, all development and land transactions are subject to central government control. Furthermore, all new residential development in the area has now been prohibited. Indian developers are staying their hand until they can be assured of continued tenure of their properties." (page 71)

In its forecast for 1985 the Holford Report predicted that the growth in the Indian District will be the lowest, i.e., 1.6% p.a. although two-thirds of the total sites in the Indian District were regarded as ripe for re-development. The anticipated growth and the Hardcore CBD and Albert Park was 2½% and 2% respectively. The flat component of the Indian District was expected to drop from 12% of the total space in the entire CBD to 6% of the total in the entire CBD. The usage from Industry was expected to increase from 12% of the entire CBD to 20% of the entire CBD.

In terms of density of development where the Grey Street Area had a P.A.R. of 1.7 in 1966 being the lowest of the Central Area and was expected to drop further in the years ahead relative with the other Central Districts.

(c) The Holford Report - 1968 had highlighted some of the problems of the Grey Street Complex and our present day comments thereon are as follows:

- (i) In view of the current rating policy of the Durban City Council where rates for commercial properties on land are twelve times more than buildings and in view of the fact that the density of development in the Grey Street Complex was and still is the lowest in the Central Area, Indian property owners pay disproportionately more rates than their counterparts in the other parts of Central Durban.
- (ii) The Municipal Valuations of land in Grey Street Area have been inflated by the artificial restriction of supply due to the Group Areas Act. The Grey Street Complex comprises some 320 properties representing no more than 14% of the total Central Area of Durban.

The comments made in (i) and (ii) above are, in our view, substantiated by the Schedule of the Central Area Districts supplied by the City Valuator and Estates Manager (Annexure G.S. 2). One of the most important features that is evident from the Schedule is that whilst Grey Street represents 14% of the CBD in land area, it comprises 19% of the total land valuations. Further it only comprises 7.58% of the total building valuation. This clearly reflects the low density development of the Grey Street Complex.

- (iii) The anticipated increase in usage for Industry in the Grey Street Complex by the Holford Report just cannot take place with the new government thinking on Industrial Areas which are now open to Whites, Indians and Coloureds, as the property owners in the Grey Street Complex cannot compete in rentals with Area in the periphery of the Grey Street Complex.

- (iv) The only development that can now take place in the Grey Street Complex is shops and offices. With regard to office development, the potential is very limited due to lack of institutional demand such as banks, insurance companies, pension funds, building societies which usually comprise the major occupiers in any Central City.
- (v) The Indian Development in Grey Street is therefore mainly restricted to developing ground floor for shopping only. Even here the Area is faced with competition from the adjoining areas where Indians are moving into White Areas either by permit or through other legal arrangements mainly because the rents in the White Areas are cheaper due to lower basic rates.

A recent Study of Shopping Centres in Metropolitan Durban organised by the Town and Regional Planning Commission has come to a conclusion that no additional retail floor space should be allocated to the Central Business District of Durban until 1990.

- (vi) Discussions with the City Engineers Department has revealed that should Residential Development be permitted in the Grey Street Complex, in terms of the present Town Planning Regulations, no problems are envisaged in terms of services such as sewerage and water, amenities such as schools, open space and public transport.

There are six primary schools and five high schools in or near the Grey Street Complex. A large proportion of the student population in these schools are from outside the Grey Street Area.

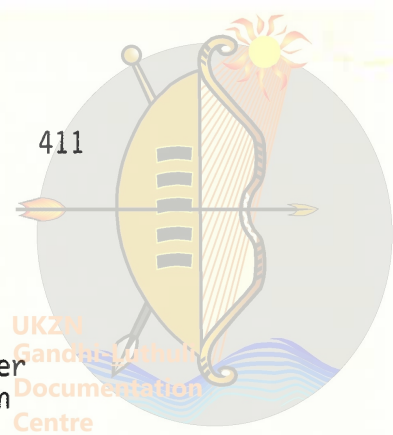
The Greyville Racecourse, Esplanade and Bay, Beach Area Botanical Gardens are all open spaces within a short distance of the Complex.

Both bus and rail services are within a short distance of the complex.

- (vii) The present resident population of Grey Street is only 65 000 persons and under present Town Planning Regulations it is anticipated that it can only increase to 138 000 persons, should the restrictions on residential development be lifted. The Residential Population of Grey Street in 1973 when the area was proclaimed was about 12 000.

Discussions with the City Engineers Department has revealed the following:

- (1) The Grey Street Complex comprises of a net area, excluding roads, etc. of 22,23 hectares.
- (2) Should 60% of the Area be developed to its full potential 266720 m<sup>2</sup> can be utilised for Residential Flat Development.



- (3) Assuming an average flat size of 70 m<sup>2</sup> and allowing 24% for ancillary services, a total of 3 066 flat units is possible.
  - (4) Taking an average occupancy of 4.5 persons per flat a total potential Residential population of Grey Street will be 13 800.
  - (5) The existing Residential Population according to a survey carried out in July, 1977 reveals that 65 000 persons live in the Grey Street Area.
  - (6) Therefore the maximum additional Residential Population under present Town Planning Regulations will be not more than 7 300.
- (vii) Having regard to the land values and present day building costs, the only type of New Residential Development we can envisage taking place in the Grey Street Complex is under Sectional Title Schemes, where the residents will have to pay a premium to live in the Central Area.

It is our view the size of units assumed by the City Engineers Department of 70 m<sup>2</sup> have to be enlarged to an average figure of 100 m<sup>2</sup> per Residential Unit. On this basis the number of flat units will be further reduced to a possible maximum of 2 150 units.

- (d) At present the housing shortage for the Indian Community is critical. Permission to allow Residential Flat Development will relieve the Government to a certain extent, of its responsibility to provide adequate housing for the Indians. Private Enterprise will take over some of this responsibility.

#### RECOMMENDATIONS

- (i) It is our firm belief that the main flaw in the viable development of the Grey Street Complex as part of the Central Business District is the restriction of Residential Development.
- (ii) For the foregoing reasons, the Grey Street Area Indian Local Affairs Committee requests the Honourable Minister to lift the restriction on the Grey Street Complex on Residential Development in terms of section 19(1) of the Group Areas Act 1966.