



## NEW EUROPA HOUSE



# Project Review Series



# Project Description

## Background

The New Europa House is a conversion project in which the dilapidated inner city Europa Hotel was refurbished and converted into housing units.

The Europa Hotel was built in 1940 but suffered the same fate as many buildings in Hillbrow, becoming a slum and a haven for strippers, drug lords, murderers, pimps, prostitutes and even street children. A popular nightclub (Razmatazz) was operated from the premises. Due to its drastic decline, the hotel was famously referred to as "the queen of sleaze". Huge arrears of over R4 million owed on the building prompted the City of Johannesburg Property Company (JPC) to expropriate it in 2003, and the tenants were evicted in 2004. A tender was awarded to Madulamoho Housing Association (MHA) in 2005 to upgrade and manage the property on behalf of the city.

MHA is a non-governmental organisation that was formed out of the Metro Evangelical Services

(MES) whose vision is to change the heart of the city. MHA's partnership with MES ensures an integrated development that does not just provide affordable and decent housing for the poorer section of society, but also invests in their personal growth and development.

Refurbishment of the building commenced in January 2005 and was completed in September 2005. Johannesburg Mayor Amos Masondo officially opened the New Europa House in October 2005.

The Gauteng Department of Housing and JPC provided immense support for this development and the Gauteng Premier's office has hailed the development as a sustainable model for the development of individuals.

## Location

The New Europa House is located on the corner of Smit and Claim streets in Hillbrow, Johannesburg. The development is situated close to the head office of MHA.

## Site Topography

Not applicable as it is a redevelopment of an existing building.

## Planning

This project is part of the city's Better Buildings Programme that aims to reclaim all dilapidated buildings on which huge arrears are owed, and convert them into habitable residential structures for the people of Johannesburg.

The development is intended to fill the gap in the housing market between homelessness and social housing by providing shelter, communal and transitional housing. The target beneficiary group is those earning between R1 500 and R3 500 a month, but the management prioritises those that earn less than R2 500 a month.



Commercial units take up the ground floor of the New Europa House

The project has been wholly funded by the City of Johannesburg, with 53% of the funds being institutional subsidies. The subsidies are still to be paid out by the Gauteng Department of Housing and JPC bridged this capital requirement.

JPC, as the client, dictated what the development would look like and was involved in finalising the specifications.

The building comprises seven storeys plus a basement. The ground floor is made up of commercial space, with the first to the sixth floors offering various accommodation types.

Each floor has a communal kitchen that was intended to be utilised as a social space where individuals and families could prepare and eat their meals. Each floor has a family bathroom for the use of mothers with children.

The seventh floor has servants' quarters for staff working in the building. This includes the house manager, the maintenance crew and cleaners. Security personnel may also use these rooms but are not allowed to live on the premises.

## Unit Design

Four types of accommodation are provided:

- Emergency shelter only – available for a maximum of 72 hours providing triple bunk beds, storage space and communal ablution facilities.
- Transitional housing only – available for a period up to 18 months providing bunk beds, storage trunks and communal ablution facilities.
- Communal units that house a maximum of four people (two adults and two children). Communal units have access to male and female ablution facilities with toilets, showers and hand basins. The female facility also has a bathtub.
- Upper communal/bachelor units with space for a bedroom and ablution facilities comprising of a toilet, shower and hand basin.

## Materials and construction

Extensive refurbishment had to be carried out as the building was extremely damaged and dilapidated. The project also included some structural changes and conversion.



There are communal ablution facilities on each floor



There are communal ablution facilities on each floor



Servants quarters are located on the seventh floor



Metal angle fixed to corners reduce common wear and tear



The Biometrix fingerprint system allows for maximum safety and security



A bathroom facility on each floor caters for mothers with children

The external facades were given a new coat of paint to enhance the aesthetics of the building. Internal facades have been finished off with enamel paint. Dado rails have been fixed to the walls of the corridors and each floor has been painted a different colour.

Floors were generally finished off with vinyl, ceramic tiles and epoxy painted screeds, including wooden skirting.

New doorframes and solid supawood doors were installed. Some units required new windows but generally only repairs were done to windows.

Metal angels were fixed to the corners of walls in corridors as well as stairnosings to reduce common wear and tear and therefore maintenance cost.

No geysers were installed, hot water is being run off a central boiler system.

## Security

There is only one entrance to the housing units. Both tenants and visitors are required to have their fingerprints

registered to allow them to enter the building using the biometrix fingerprint security system.

Visitors are not allowed to stay overnight, except where tenants have made special arrangements.

There is a full-time security guard on the premises. MHA has also employed a security logistics manager to oversee all its developments, who shares best practices with the various house managers in an attempt to continuously improve security systems.

Burglar bars have not been fitted to any of the windows.

## Amenities

While Hillbrow has a notorious reputation for drugs, crime and prostitution, the building is ideally located in close proximity to amenities such as schools, employment opportunities, shops and transport facilities. The project is within walking distance of parks and other recreational facilities.

The former Razmatazz nightclub was renovated into a community hall and training offices.

# Project Evaluation

## Planning and layout

This project serves the high demand for quality housing in the region. Over 2000 applications to occupy the units were received within 2 days of advertising them. The project has a current occupancy rate of 100%.

The refurbishment has significantly added to and improved the urban fabric of Hillbrow, and such projects act as a catalyst for the redevelopment of the area.

The design of the existing building limited innovation in some instances. Unfortunately not all of the dead space could be converted into useable areas. The interior of the building also has poor natural lighting and the design does not allow for much tenant interaction.

The social space created within the communal kitchens is not being utilised as intended, as it has been found that those tenants that cook in the communal kitchen prefer to take their meals in their respective rooms. The size of the kitchens might, therefore, be decreased and an additional unit created on each floor. The gas cookers that were provided have since been turned off and the management is assessing the difference in costs between electricity and gas stoves for cooking.

## Unit mix, size & distribution

Sufficient densities have been achieved and the various accommodation types available will certainly address the needs of the people in the area. Three more floors are being planned for and will be added to the building in the near future.

The type of accommodation provided gives existing tenants an opportunity to move into more suitable accommodation within the same building as they improve their financial situation.

## Open space & other amenities

**Recreation:** a crèche has been provided within the building but is mostly used by older children as a study area or by the tenants to watch DVDs

**Parking:** the parking area provided is not being utilised to its full capacity and the management body is looking at various options such as leasing the space

**Laundry:** tenants have easy access to washlines on the 7<sup>th</sup> floor (the roof)



Residents prepare their meals in a communal kitchen



A crèche facility is also used as a study space and for recreational activities

**Refuse:** each floor has refuse bins that are emptied twice a week into the municipal bins

**Social amenities:** the community hall is used for church services and weddings. Public phones have been provided in the entrance foyer

**Landscaping:** the existing design did not allow for much landscaping in and around the building



Residents have access to the washline on the roof of the building



There is no landscaping in and around the building

**Security:** the fingerprint security system has proved very successful. In spite of the location, there have not been any major breaches of security

**Children:** are accommodated as most families have young dependents

**Old people and the disabled:** five units have been provided for disabled tenants. These units have wide doors to allow wheelchair passage, as well as adapted ablution facilities. As yet, not all these units have been rented out as there have been no takers. These are currently rented to the MES employment programme on a temporary basis

## Management of the Project

MHA has signed a 20-year lease with JPC that expires at the end of 2025. MHA is responsible for the management of the basement parking and storage space, all rental accommodation, commercial units, emergency housing, training and administration facilities.

A house manager has been appointed to continuously engage/liase with the tenants to determine their needs and levels of satisfaction, and to identify potential problems.

Each floor has a representative that is responsible for communication with the management on behalf of the tenants. House meetings are held monthly. The house manager conducts monthly unit inspections and is required to submit a report to the management every month. The manager is also responsible for tenant education, which is offered to all new tenants on arrival.

A number of cost-saving initiatives were incorporated into the development:

- The gas boiler system only operates at certain hours (it will soon be replaced with photovoltaics)
- Each unit has a pre-paid electricity meter
- Tenants are requested not to do their laundry in the bathtubs
- The caretaker keeps a close watch on leaks
- MHA currently pays 20% of the water bill and the remaining cost is shared between the units
- Only one lift serves all the floors



The rooms are spacious and comfortable, and there are several accommodation options available

# Key Lessons Learnt

- Europa is not sustainable at the current rental rates without the commercial units on the ground floor
- It is important that before buying and redeveloping a building, the buyer checks the rates of utilities
- Sound strategies are necessary to deal with small local contractors that do not have the required cash-flow, in order to reduce associated risks
- Any project in any area can be made safe and secure by installing effective and sufficient security systems
- MHA uses trained in-house maintenance teams and staff are shared between the seven MES buildings, which contributes to the affordability of the housing provided
- Monthly allowances must be made for long-term maintenance
- Tenant management is vital to the success of the project and should be taken very seriously. Floor representatives prove to be more effective than residents' committees, where power struggles often result in inefficiency. The open relationship between the management and tenants has fostered trust and high levels of satisfaction.
- Affordable and satisfactory housing reduces tenant turnover.



Face brick building facades allow for reduced maintenance costs

# PROJECT STATISTICS

Name	NEW EUROPA HOUSE
Project strengths	<ul style="list-style-type: none"> <li>• Re-development of a run-down building</li> <li>• Affordable rentals to a marginalised housing sector</li> <li>• Contributes to inner city regeneration</li> <li>• Provides an integrated housing service</li> </ul>
Location	<ul style="list-style-type: none"> <li>• Corner Claim and Smit streets, Hillbrow, Johannesburg</li> </ul>
Developer	<ul style="list-style-type: none"> <li>• Johannesburg Property Company (JPC) and Madulamoho Housing Association (MHA)</li> </ul>
Professional team	<ul style="list-style-type: none"> <li>• Project Manager: MHA and JPC</li> <li>• Architect: BC Architects</li> <li>• Building Contractors: Nomzama Contractors</li> <li>• Quantity Surveyor: BJV Quantity Surveyors</li> <li>• Electrical Engineer: Lebone Electrical Engineers</li> <li>• Lift Engineers: Kone Elevators</li> <li>• Fire Consultants: Integrated Fire Risk Consultants</li> </ul>
Vision for the project	<ul style="list-style-type: none"> <li>• To provide affordable accommodation in a safe environment in the inner city of Johannesburg</li> </ul>
Unit mix, size & distribution	<ul style="list-style-type: none"> <li>• 68 units spread across 7 floors</li> <li>• 11 x 14m<sup>2</sup> transitional rooms (including 4 special needs units)</li> <li>• 14 upper bachelor units (15 – 21m<sup>2</sup>)</li> <li>• 3 x commercial units</li> <li>• 1 x emergency shelter room (with 100 beds)</li> <li>• 5 x training rooms</li> <li>• 4 staff units</li> </ul>
Density	<ul style="list-style-type: none"> <li>• 100% coverage of site</li> </ul>
Tenure type	<ul style="list-style-type: none"> <li>• Rental only</li> </ul>
Target market	<ul style="list-style-type: none"> <li>• R 1 500 – R 3 500 household income per month.</li> <li>• Transitional room: R160 per bed/month</li> <li>• R650 per unit per month (includes 4 beds)</li> <li>• Upper bachelor units: R900 per unit per month</li> </ul>
Type of development	<ul style="list-style-type: none"> <li>• Re-development of old building</li> </ul>
History	<ul style="list-style-type: none"> <li>• Year begun: 2004</li> <li>• Construction period: 9 months</li> <li>• Year completed: Sept 2005</li> <li>• Year occupied: Oct 2005</li> </ul>
Project funding	<ul style="list-style-type: none"> <li>• Institutional subsidies: R 3.4 million</li> <li>• JPC: R 3.1 million (capital grant)</li> </ul>
Project costs	<ul style="list-style-type: none"> <li>• Land: leased at R 500/year from City of Jhb</li> <li>• Professional fees: R 700 000</li> <li>• Construction costs: R 5.7 million</li> <li>• Total development costs: R 6.4 million (bridged by JPC)</li> </ul>

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