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## **TENANTS IN INFORMAL HOUSING CASE OF SOUTH AFRICA**

SOUTH AFRICA

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# Tenants in Informal Housing – Case Of South Africa

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## Table of Contents

Introduction .....	2
International Experience.....	2
Homeownership and Rental Housing Nexus .....	3
Who are the tenants? .....	4
Life cycle of a tenant .....	5
Typology of housing .....	5
Life cycle of settlements and houses .....	6
Rental Housing in South Africa .....	7
History of housing Policies and Practices in South Africa .....	7
Tenants (Backyard Shacks, Sub-letters and Public housing).....	8
Sub letters and Backyard Shacks, life of tenants .....	8
Landlord Tenant relationship.....	9
Public Housing.....	10
Scenarios for existence of informal housing.....	11
Problems in rental housing .....	11
Conclusion and Discussions .....	13
Bibliography .....	14

## Introduction

Rental housing has been one of the most important forms of housing since the advent of rapid urbanisation and industrialisation. In the modern globalised world, jobs are multi-disciplinary and involves a lot of movement which is both domestic and international it can be said that rental housing in one form of housing which is growing in importance. On one hand people who are well off and have a stable jobs need to move on the other there are people who keep moving in order to get a stable source of income. (A Gilbert, UN habitat, 2011) This paper is focused on the issues and situation of rental housing in global south and especially in the informal settlement so all the arguments will be based in that context unless stated otherwise. There are major three sections in this paper which are purely based in literature review of already existing materials. In the first section the focus will be on mapping and understanding the situation which is the descriptive side which again has two main sub-sections one which deals with International overview of Rental housing in the global south and other is specifically related to South Africa. In both the sections the focus is on the people who live in those settlement and the settlement itself. The second section deals with the Policy approach to rental housing which is also divided in two parts one is International Policies for tackling this problem and other one which is very specific to the case of South Africa. The third and last section is a critic and inference on both of the above section which talks about the extent of research materials and importance of the issue to be recognised at different level in the government and international organisations as well.

## International Experience

In the world as per the recent study shows that more than one third of the population live in rental housing only in the urbanised world, the numbers are more in the cities of global south (Gilbert, Rental Market and Rental Policies in Less Developed Countries, 2012). Malpezzi (1990) reports that *"in many developing country cities, two thirds or more of the housing stock is rental"* (Alan Gilbert, 1997). But it can be said that in the past half century not much has been done in order to develop and manage this sectors in order to provide the solution of housing crisis in the world and especially in the Global south. *"The nature and incidence of rental housing varies considerably between countries but the experiences of three blocks of countries are distinctive and will therefore be discussed separately: advanced capitalist countries, former communist nations and the countries of the so-called South."* (Gilbert, 2016)

In the advanced capitalist countries like UK and USA the trends move from more percentage of people living in the rental housing to home ownership like from 43% to 30% in case of UK. (Gilbert, Rental housing: The international experience, 2016) But in the 50s there were more people in rented places in these countries then now. But, this trend cannot be said for every country in the developed world. Like in the case of Sweden and Germany there are still more than 50% of the population who live in rented housing still they have one of the highest development indices. (Gilbert, 2016)

Communism emerged in China, Eastern Europe and Cuba after the world war where rents were made so low relatively to the income of the people that housing was part of the salary that the workers were given, many times it accounted for less than 2% of the total income (Gilbert, Slums, tenants and home-ownership: on blindness to the obvious, 2008). In these countries a log of housing stock was public housing which after democratic reforms and globalisation turned to be a burden which was then sold off in the free market. (Gilbert, Rental Market and Rental Policies in Less Developed Countries, 2012) Public housing was largely omitted from the equation of providing the rental housing due to many reasons which will be discussed later.

The countries of global south are characterised by high levels of in migrations and urbanisation, in this situations the government with poor finances is not able to meet the need of the people who are coming from the rural areas. (Alan Gilbert, 1997) Which then results in the informal settlements in the patches of the city which is low lying or vacant. In this situation self-help housing is most common which is termed as *"Architecture that works"*. (Gilbert, A home is for ever? Residential mobility and homeownership in self-help settlements, 1999). *"In Latin America, while the housing problem is less severe than in most of Africa or Asia the housing deficit is still enormous"* (Gilbert A. , 2014). In the case of South Africa the homeownership ratio is 36% and it is increasing day by day because of self- help housing. (Gilbert D. A., Rental housing: The international experience, 2016)

### Homeownership and Rental Housing Nexus

There has been a long lasting debate whether ownership to the housing is the gateway to improve housing condition in the informal settlement. With this comes the assumptions and different practices of tenure legalisation, access to credit, incremental growth and sense of ownership. (Campbell, 2013) There are many underlying assumptions which are closely related to this which have been discussed and debated in many policies and practices in different ways and different context. On the other hand there are many misconception regarding the rental housing how its condition is in the development and how it is considered as not the best tenure for healthy living. In this section we will discuss and highlights these assumptions and their differences in practice. (Gilbert A. , 2014)

One of the major researches and theorisations done is by De Soto who follows the idea that Universal ownership is at most important for solving housing problems in developing world. (Campbell, 2013) The assumption being that shacks and slums overtime will get converted to better homes and decent housing once people know that they have no chances of eviction. (Scheepers, 2012) If people own the area then they make improvements on their own and they can get access to formal systems of credit which then in turn makes the property saleable in market, so basically it argues that a dead capital can be converted into more profitable asset in the long term. Soto's ideology of looking slums as places of vigour and employment, so if the legality issue is solved they can capitalise on their asset than any other people in free market. (Campbell, 2013).

On the contrary the whole processes of legal conversation, improvement of infrastructure over the period of time *"condemns millions to years of living in substandard accommodation and it takes huge energy, suffering, and expense to produce a two-storey or three-storey home. Self-help housing may provide the poor with a capital asset, but that asset is truly 'sweat equity'"* (Gilbert, A home is for ever? Residential mobility and homeownership in self-help settlements, 1999). In fact it can be said that if the asset in this case the house does not give the capital gain which is reasonable to the real estate market then it can be termed as dead capital. (Gilbert D. A., A home is for ever? Residential mobility and homeownership in self-help settlements, 1999) In any capitalist market economy if you cannot sell something it is equal as being not present in the first place. In many cases even though the houses are owned and improved but the overall condition of the settlement has also a role to play. Because even if there is a good building in the middle of the slum it will not have a value, so these housing units do not have very desirable locational value which is one of the important factor for the resale. It is also in many cases that people want to rent the place as it is also one of the source of income but they do not want to be the one who is paying the rents. In many cases homeownership can have capital depreciation then capital gain. (Alan Gilbert, 1997) Moreover, the lack of secondary housing market has serious implication on tenants, so if a lot of people start owning the houses it is difficult to move for jobs and family, furthermore these are the

people who have seasonal employment so may be owning a house can cause a mobility clog which may not be desirable in many situations. (Vanessa Watson, 1998)

Furthermore, there are other arguments which says that rental housing can be good and beneficial in solving housing problems. The problem with promoting home ownership is that there are many social stigmas associated with owners and tenants, the latter being in unfavourable condition. (A Gilbert, UN habitat, 2011) There is stigmatisation and polarisation of people based on status of residency which is very strict either an owner or tenants, many times these extreme categorisation doesn't seem to reveal the truth of the situation of the ground. Large scale titling programs in the south are no longer working and policy makers are in a limbo regarding how to manage this situation. (Campbell, 2013). Formalisation will benefit everyone equally is an assumption which will lead to empowerment but since the value of housing in the market is difficult to get no formal institutions of credit are ready to take risk in the developing world (Gilbert D. A., Rental housing: The international experience, 2016). On the contrary in the case of USA where state infused law and policies compelled these institution to give loans and houses without collateral which then resulted in housing bubble of 2008. (Gilbert D. A., Slums, tenants and home-ownership: on blindness to the obvious, 2008) So in the richer countries government have enough funding , the percentage of people seeking loans are relatively low and economy is developed so it is possible to push these institution for credit but in the developing world neither they have asset for collateral neither a permanent source of income to foster that kind of credit. "Shepherding informal settlers in a formal debt relationship can worsen the whole situation". (Campbell, 2013)

Furthermore, when there are considerable improvements made on the house the rent rises and people who cannot afford are moved out which leads to displacement but still there are people who need housing for those low level prices, this even worsens the problem. (A Gilbert, UN habitat, 2011) These people are moved out in suburbs with no locational advantage, high transportation costs and no security of tenure. So basically they take up more land in the urban periphery, this is a cyclic process which does not end. Market driven displacement is necessary but over the period of time it has to diminish rather than becoming more complex. (Vanessa Watson, 1998)

Lastly, the availability of rental accommodation is vital for recent migrants, temporary workers and students who seek cheap accommodation. (Gilbert, Slums, tenants and home-ownership: on blindness to the obvious, 2008) Also, in the developing world many of people have a rural native home which they maintain the relation with, so they do not have enough motivation as well as requirement for financial commitment. (Huchzermeyer, 2001) There are a lot of different ways in which governments across the world have tried to solve the issue from land titling, tenure legalisation, public rental housing, deed registration, rental control and rental vouchers but all these approaches have some problem and does not work in different context. To conclude this section it can be seen from the various experiences that there are some flaws in the assumptions which favoured home ownership as a universal tenure and there are some positives on how rental housing can solve the problem of increasing housing demand in the developed world. So it is necessary to understand who these tenants are and what are the different housing types and settlement pattern in the different contexts.

### Who are the tenants?

*"Low income households who cannot presently meet the expense of homeownership, recent urban migrants who prefer central location over comfort, young people who are bachelors who value mobility over ownership". (A Gilbert, UN habitat, 2011)*



Tenants usually across the world as the people who have migrated from rural settlement in search of jobs and better prospects. Most of the time in the context of global south they are people who are in early age of the career. Mostly, they are male migrants when we see in the case of Latin America, India as well as south Africa, because of the reason that they want to earn the money in the city spend as less as possible and send money back home. (A Gilbert, UN habitat, 2011) These people also have a rural base which acts as security in case of emergencies like health hazard of unemployment (Vanessa Watson, 1998). Many of them are land less labourers who are forced to move out because of less jobs available in the locality. As far as age is concerned they are younger have a bigger family then their respective land lords. (Gilbert D. A., Rental housing: The international experience, 2016) There is also a huge misconception between the tenant land lord relationships which will be discussed in the later sections. But on the contrary to male migrants most the land lord especially in Latin America are women, so this renting activity is the source of income for them (Gilbert A., 2014). Also, many times there are social groups which are formed and tend to be living in similar spaces. In India there are people of similar castes that give the housing to each other and there is cluster that is formed in these settlement. Same is the case In South Africa where there is a clear distinction between blacks and coloured population. (Vanessa Watson, 1998)

### Life cycle of a tenant

In order to understand the tenant's life and relationship in the city's urban context, it becomes crucial to map and understand a typical life cycle of a tenant. Firstly, the people from the rural households move to the city in the search of employment they can be individual or with the family, they tend to find the accommodations either in backyard shacks or any kind of informal settlement in the centre of the city. Usually these are places which are government land, low lying flood prone areas or marshy lands along the river. Since the rents in the places are low, in many situations the material of construction is managed by the tenants' themselves. So over the period of time they tend to make more spaces have an extension from one room to more rooms. (Ronnie Barbosa, 1997). So by the time they are old they have either made spaces for children to live with them or if they have moved out then they rent those spaces to other people who will be arriving in the city. Fundamentally most of the time their income levels have not changed much but they have been in the city for a long time so they have enough financial resources to do such extensions. (Gilbert D. A., Slums, tenants and home-ownership: on blindness to the obvious, 2008). In other case if the settlement improves itself and infrastructure is put in the place by the government the rents tends to be higher and they move out to the suburbs so in principle nothing changes for these people in the long run with the policies that are there in the present context. Most of these tenants spend their entire life in poor accommodations but at the same time chances of evictions are not as grave as it has been portrayed in the popular research. (Vanessa Watson, 1998)

### Typology of housing

There are majorly 4 types of rental housing which are most commonly found in the developing world. The one is Public Rental housing, Subletting, Sharers and backyard shacks. All of these are different categories of housing and often the statistics since they have very strict laws often aggregate these all in the same category, the fact is that structure and life in all of these is very different from each other and a due attention has to be paid on recognising, mapping and understanding these housing typology.

Public rental housing was very common after the world war and in the present context it is very different in the North and South. In north it lead to more stable situation where people have access to houses at affordable prices though it failed to sustain over a period of time when it became

increasingly unaffordable for cash strapped governments. (Gilbert, Rental housing: The international experience, 2016). In Africa, Asia and Latin America public housing was characterised by limited budget, too many allocations and unfair distribution of housing groups for privileged group of people. So as a result it became very expensive for the governments to continue this public housing. Furthermore, it was impossible to maintain the infrastructure with the level of rents with was even more worsened by corrupted system in these countries. So, in the end public rental housing failed to work in democratic societies and also places where the urbanisation levels were pretty high and influx of people was beyond management. (Ronnie Barbosa, 1997) On the contrary there are countries like Singapore, China and Korea which are pro Communist government are depended on public rental housing and the end result is very good in these contexts. (Gilbert, Rental Market and Rental Policies in Less Developed Countries, 2012)

*“With varying degrees of enthusiasm, most governments have invested in public housing intended for poor families. It has been claimed that internationally, at the beginning of the 1990s, government public housing accounted for 19.5 per cent of the total housing stock.”* (A Gilbert, UN habitat, 2011)

*“Self-help housing is the reason for rapid increase in the ownership of housing in the cities of global south, particularly in the cities where poor are permitted to occupy the land informally.”* (Gilbert, Rental housing: The international experience, 2016)

Self-help housing is an Architecture that works. In the case of Africa, Chile and Venezuela there was a trend of government encouraging these squatting activity in order to politicise on the vote bank but in many parts of the south it was more shift as peripheral land was not available as well as desirable for such activities. (Gilbert A. , 2014) Many of these settlements are not mapped, hardly recognised and rarely managed. Also, there has been a huge Policy failures in part of the government not keen on recognising such activities, most of them are illegal and have no basis for improvement. (WATSON, 1994) There is a certain sense of morality and soft corner for the people in the similar situations, in many cases it is just returning the favour by helping someone as they were helped in the same way, there is a good social capital associated in these kind of self-help settlement. (Alan Gilbert, 1997)

### Life cycle of settlements and houses

It is very important to understand how the settlements work in itself and what the impact of housing is as a process. There is a concept of Central zone (Formal housing area), Intermediate zone (Renting through contracts, services are new), Peripheral zone (Services are new or absent), Green field or agriculture development. (Ronnie Barbosa, 1997) Usually the informal settlements take place in these central zone at first where there can be land which is abandoned, unmanaged or low lying land on the side of the river or other water body. These are most favourable for self-help settlements to come up. Once they come up people start informally dividing plots and constructing houses, then there is a times where the settlement is matured and noticed. Then more people come the plots are subdivided and the services are shared. Then there can be two possibilities one if the settlement gets the benefit of government schemes which are mostly homeownership based the infrastructure improves and other new migrants are moved out to peripheral or Green field zone and there the whole process repeats itself. (Vanessa Watson, 1998) So in fact the infrastructure situation is same for the people over the period of time who cannot afford it but the distances increase which even worsens the whole problem. Because now they have similar housing situation with more transportation costs and now they don't even enjoy the locational advantage of city centre. (A Gilbert, UN habitat, 2011)



## Rental Housing in South Africa

Rental housing and housing problem in South Africa is a very complex one. In this section the focus will be on the description of the conditions of rental housing in South Africa with evidence from research of some cities and towns in the country. There will also be a review of Policies of housing which lead to the present condition of housing across the country.

*“A symptom of the seriousness of the South African housing situation is the large proportion of households occupying rental accommodation. A recent survey of formal African townships in six major cities estimated that around 55 per cent of the population were renting”.* (Alan Gilbert, 1997)

Also, it is time and again it has been argued that formal housing policies of the past have created the informal backyard shacks and present informal housing situation. (Lemanski, 2009) Furthermore the already existing problem of housing is worsened as people have to move out of city centre in the formal townships where there are poor infrastructure and transport along with poor housing condition which is even worse than traditional slum situation in the cities of global south. Other major problem is the policies to tackle this issue has been segregation and relocation not association and community development in past 40 years. (Huchzermeyer, Marie, 2003).

The sub sections will include understanding the historic context in the South Africa about housing and rental housing and then describing the condition of tenants and settlements along with the scenarios in which they exist.

## History of housing Policies and Practices in South Africa

One of the most important observation to be made in this context is that before 1994 South Africa was under colonial rule so there was a huge segregation of people of race and policies also fuelled these differences. It was only recently that democratic governments have been trying to take care of damage that has been done in last 50 years when urbanisation is becoming important.

*“Many governments adopted a policy of construction and management of public housing, much of which was for rental, and introduced rent control legislation to hold down rents and improve the security of tenants in private, formal, rental accommodation. Extensive programmes were also a feature of some Southern African countries where the provision of formal public rental housing was closely tied to objectives of political and economic control of the African labour force”* (Vanessa Watson, 1998)

A legislation was passed in 1923 (The Native Urban Area Act) which gave a lot of rights white population and at the same time neglecting the coloured and black population. During 1950s there were a lot of Policies trying to control the influx of African people in the cities which lead to a lot of township settlement which were backyard shacks and informal in nature. *“However, the 1970s and 1980s saw a withdrawal of the state from publicly provided rental housing. On the one hand, the logic of Grand Apartheid required an increasing emphasis on the accommodation of the growing African labour force within the “homeland” areas, from where, it was expected, they would commute to jobs in the “white” towns and cities: from the mid-1960s therefore, housing resources were increasingly directed to “homeland” locations”.* (Vanessa Watson, 1998). It was in this period that

urban growing black population started to rent houses in informal settlements and number of tenants increased since then. (Alan Gilbert, 1997)

Before democracy was established government prevented ownership of houses to African black population, they were forced to live in rented apartments or hostels by the councils which did not meet the demands of the growing migration in the South Africa, subletting of council houses was prevented which created a mobility clog and growth of these settlement was difficult. Furthermore there was no private housing available for Black African population because of difficulties of legislation for a white to rent the housing. (Owen Crankshaw, 2000).

After the formation of democracy in 1994 there was a huge debate regarding the nature of housing policies of the new democratic republic. *"In South Africa the White Paper on the Reconstruction and Development Programme (RDP) contains similar sound goals for future housing policy: the national housing goal is 'to establish a sustainable housing process which enables all people to secure housing with secure tenure within a safe and healthy environment ...' (National Housing Forum 1994)"* (Watson, 1994). Post 1994 there was a lot of development driven by Developers which were foreign in nature which perpetuated capital standardised financing mechanism which was not beneficial for everyone. In the absence of Policy integration with the already existing on ground situation (Huchzermeyer, Marie, 2003) , current informal settlement intervention in South Africa is structured through capital subsidy of serviced standardised plots which only focus on ownership and no focus has been made for rental housing in particular.

*"A paradigm shift in South African housing policy has taken effect since 2008, and the move towards a new approach to housing provision has seen the introduction of the policy document BNG (DOH 2005). The essence of its approach is that specific recognition should be given to combining involvement of both the public and private sectors in housing provision. Government housing provision alone will simply not suffice in providing the two million plus houses needed in South Africa."* (Scheepers, 2012)

The new housing policies wants to give a more neoliberal stand to this whole situation in which they want to improve tenure related issues and the issues of township market which is one of the most important issues currently in the housing problem of South Africa. New policy follows the idea of De Soto regarding wealth creation with tenure security although it has been debated and contested. At one hand BNG recognises that government housing provisioning practices will not overcome the housing problem at the same time ad hoc development of informal shacks is considered to be desirable. (Huchzermeyer, 2001) (Scheepers, 2012)

### Tenants (Backyard Shacks, Sub-letters and Public housing)

#### Sub letters and Backyard Shacks, life of tenants

When a renter occupies part of residence space of Landlord or has individual space in the form of backyard shacks or an outbuilding it is called subletting. Backyard shacks are very common kind of subletting in South Africa. *"The nature of the relationship is also sometimes defined in economic terms, and the distinction can be made between people who pay regular monthly sums of cash to a private landlord and those who do not. The latter category of people, frequently termed 'sharers' in the literature, may or may not be part of the extended family of the landlord"* (Watson, 1994).

The government after the independence tried to control migration of people but they ended up worsening the situation as now the informal settlement and subletting happens outside the city where extending the infrastructure is even more difficult. (Vanessa Watson, 1998)

In many cases the rent is not in terms of cash but also some kind of benefits and many times the subletters are part of the extended family of the landlord who also has an informal establishment. This form of housing gives a range of tenure options to people and also landlords. Most of the landlords are private landlords who are in similar condition as tenants but have spent more time in the city than the new arrivals. (Lemanski, 2009) The relationship between tenants and renters is not as worse as it has been portrayed in the past. Because at some point of time there used to be rich landlord and poor renters now the trend is rich landlords have rich tenants and poor landlord have poor renters. (Gilbert A. , 1997)

Backyard shacks or accommodation is separate from the main structure, there is usually a principle main house and then there are other structures which accommodates one or more families usually in the case of South Africa they are family, friends and acquaintances. (Owen Crankshaw, 2000). In the years of 2005-06 there has been a mass protest by the people who live in Backyard shacks as they are not being recognised which leads to low visibility, no legal rights and Policy protection against eviction. *"The core of the dispute lay in the proposed housing allocation for the N2 Gateway project: 70% to informal settlement residents and 30% to backyard dwellers from the locality"* (Lemanski, 2009). By 2005 these protests had spread across the country and into larger urban centres such as Cape Town, Port Elizabeth and Johannesburg. In these protests people demanding rights and space for the backyard housing which the local government for a long time considered a temporary activity (Bank, 2007) (Lemanski, 2009).

*"The low visibility of backyard shack-dwellers can be attributed to the fact that backyard shacks have conventionally been viewed as 'transitional' housing in South African cities".* (Bank, 2007). The long though assumption was that once the government will be able to provide for the housing and plots for the poor this will disappear as it appeared due to shortage of housing, even most basic services are not extended by Municipality as it is considered temporary but it has been almost 30 years since backyard shacks have become an integral part of housing in South Africa. (Lemanski, 2009)

*"In South African cities overall, between 30 and 50 per cent of all township houses have shacks in their yards. Backyard shack-dwellers thus probably make up, on average, about a quarter to a third of the township population today".* (Bank, 2007)

In the case of Soweto around 200,000 people live in backyard shacks that's one fifth of the population in terms of number of households it is two fifth. 97% of these settlements are located in the back of council houses which the government provided and this number was less in case of privately made houses in the same area. Around 16% of people living in these settlements are migrant population from other countries and these settlements absorb the most of migrant population as compared to the average of 5% in Soweto itself. (Owen Crankshaw, 2000).

### Landlord Tenant relationship

*"Previously, relations between backyard tenants and landlords were understood as "deeply exploitative patron-client relationships between a layer of better-off residents (landlords) and a layer of particularly vulnerable poor people".* (Lemanski, 2009).

But in reality few landlords make money and the relationship is not conflictive in nature as it was thought previously. Furthermore most of the rented places are backyard shacks. Renting in these areas is not a profitable affair but works as a demand of the situation. Tenants seldom live in shacks made by landlords, usually they make their own houses on the spaces provided by the landlord. Many people rent because they have nothing to do with that space as financial gain is not something to be looked upon. Many times it is solidarity with the homeless as they have certain sense of morality and soft corner for the people who are recently migrated in the city. (Alan Gilbert, 1997)

Also, there have been debates in the recent years regarding the changing image of Landlord tenant relationship. Because on one hand if the rent is too low it is difficult for the landlord to maintain the infrastructure and if they increase the rent it is not affordable by the people to live. Research usually shows that tenant and landlord have similar economic status which means no one exploits each other but they need each other. (A Gilbert, UN habitat, 2011). Other important thing about informal rental housing is that there are no formal transactions or contracts or agreements most of them is done on oral basis and it is difficult to track and sometimes can cause problems. (Gunter, 2014)

In the case of backyards of Soweto the rents were too low and there are many reasons which have been identified from the survey. One reason being that many landlords were themselves tenants but they boycotted the payment of taxes to the local authority. Only 52% people were paying the part of the taxes, also in this case about one fourth of the cases the tenants contributed in building the houses, it works like a partnership. Under the conditions in which things function at Soweto only few landlords are likely to get rich in future. If each landlord had more than 2 families occupying the space they will have a rise in income by 22% but this still will not be enough to improve their living conditions. Such landlords are poor, relatively benign and are operating on a small scale; they are like older versions of their tenants. (Owen Crankshaw, 2000).

### Public Housing

The era from 1920s to 1970s was majority dominated by public housing in South Africa, the state was the National Landlord. But in the era after 1960 s government was faced with the problems with poor maintenance and degrading housing stock. It was difficult for the governments to maintain that stock so they had to sell it off like many governments in the world before. (Alan Gilbert, 1997)

*"In 1994, the new government was confronted with a huge housing backlog. More than 1.5 million informal units in urban areas were not located on titled land, but in informal settlements"* (Caroline Newton, 2013). The government promised to make 5 million new houses in order to meet the demand but as it happened that the subsidy that was needed per house and number of people compelled the government to make large scale housing units in the periphery area so the problem of segregation was even worse than before.

*"The government has gone as far as to specifically preclude building a social housing rental stock from their strategy for providing formal housing"* (Gunter, 2014)

Public rental housing has been used for long control the labour force and vote banks in South African market, when governments eventually faced the problems of increasing prices and deteriorating conditions they have to leave it off along with their much needed vote bank. (Vanessa Watson, 1998)

The apartheid regime in South Africa built a large number of public housing which can be rented as single family residents and hostels. But there was always difficulty in the allocation as there was a huge influx of people and the racial discrimination didn't allow certain kind of population to shift in these council houses. There is a high rate of rent defaulting in council housing and the number of cases of rent arrears is increasing due to diminished household incomes, political favours by councillors and tenant negligence. Rent officers rarely take action against defaulters without direct political support from councillors.

In South Africa, it has been estimated that non-payment levels reached 70 per cent in public housing in the provinces of Gauteng and Western Cape, a level greatly influenced by the rent boycott encouraged as part of the campaign against apartheid. (A Gilbert, UN habitat, 2011)

Then the cycle began the more the houses got degraded more people stopped paying the rents and hence the system was no longer able to sustain itself. So government sold off all the housing stock in order to get out of the debt crisis situation. By 1990s almost all the stock of public housing in South Africa was sold off and the democratic regime wanted to have new housing policies. So the scenario of public housing had major flaws as it was not able to meet the supply as more and more people were coming in the city and lack of funds to maintain the infrastructure made the situation worsen.

### Scenarios for existence of informal housing

One of the main question that comes in this situation is that how such housing did came into existence in South Africa, which are the main reason for the existence of such housing. Usually there are many reasons for this situation which is closely related to Migration, Urbanisation, and Policies of the government. The whole discussion starts from the fact that people need cheap and rented housing.

It starts from the fact that in the case of South Africa in past 30 years after the apartheid era now the so called restricted movement of people to and from the city was no longer valid which led to a large scale migration to the cities in search of jobs and better perspective for their future. So at one point government regimes were unable to produce housing for the demanding population and people did not have necessary resources to do so. So what happened is that self-help housing was the only way people could be housed in such situations. (Gilbert D. A., A home is for ever? Residential mobility and homeownership in self-help settlements, 1999)

Another reason being that people who migrate in the city are usually working class population sometimes usually males from the rural population who do not wish to live in the cities and have their families in rural area to where they share the financial gains so they try to live in very minimum kind of shelter. So they are better off to live in a shack that has minimum financial commitment. These people want to invest on their source of income then their housing. (A Gilbert, UN habitat, 2011). There are strong rural urban linkages that are involved in this whole process which makes it very difficult for the new arriving people to invest on a decent housing. At the same time government provisioning of housing is not enough in terms of quantity and many times it causes social tension as many of these schemes are motivated politically and it's unfair. (Bank, 2007)

### Problems in rental housing

There are a lot of problems in rental housing in South Africa, some of them are result of the capitalist markets that emerged after the independence other are related to government policies which are

not tenure neutral. Even with a lot of benefits such as flexibility, less financial commitment, mobility etc. there are some embedded issues that are difficult to separate from the rental housing in these informal settlement.

Firstly, the rents levels are one of fundamental problem in this rental housing situation. Landlords always argue that rent levels are low as compared to what is required for them to maintain the housing. (Gilbert D. A., Rental Market and Rental Policies in Less Developed Countries, 2012). Like in the case of Backyards of Soweto the rents were less than R150 where income were somewhere around R1000, so the average rent represents less than 10% which is very less according to many standards in the developed world. (Gilbert D. A., Rental Market and Rental Policies in Less Developed Countries, 2012) (Owen Crankshaw, 2000).

Secondly, as discussed before the rent levels are less there are no profits for the landlords in principle which means that they are not earning anything more from the rents, so they cannot upgrade the housing or even maintain it, so the housing situation worsens day by day. So many landlords have other reasons except for financial reason to have the landlord. In case of Soweto 45% people were renting it to their relatives and other 10% to their friends.

Thirdly, the quality of housing is something that has been challenged by at many places. Previously this housing was considered temporary and was supposed to vanish with policy change as it was thought that if the reason of the cause is no longer valid the problem will be solved, but this did not happen. (Lemanski, 2009) So over a period of time the quality degraded with low rents and no policies in order to facilitate rental housing the situation worsened. (Gilbert A. , 2014)

Lastly, the most important issue with rental housing is its informal nature. It is very difficult to map and record what is happening in particular communities. Since there are no written contracts the tenant and landlord both are at equal risk from being exploited by each other. But as discussed the relations are not as hostile as it was thought before but there are many cases when things get out of control.

*"If you complain about the shack and ask for things to be fixed, the next day there will be some toutsies [criminals] hanging around the next day watching you. They won't even greet you when you come out, they just sit and watch. Then you won't complain anymore, because you are scared ... If I could move I would, but where will I find a place that I can afford?"* (Gunter, 2014)

This is one such case from Johnsonburg and there are many others which are also reversed in nature. So in order to sum up there are many inherited problems of rental housing which makes it difficult to adapt and sustain the way it is functioning in the present context. But there are many constraints and government have to be more vigilant and try to create tenure neutral policies so that the processes that are happening now can be managed in a better way.



## Conclusion and Discussions

In this paper a literature review has been done in order to understand the situation of tenants in rental housing all over the world and in South Africa. There have been many points which have been highlighted time and again regarding rental housing as a means to solve housing problem in the developing world.

In a nutshell it can be said that for year's governments all over the world have tried to introduce rental housing and different policies regarding rental housing. Some things have worked in some contexts other haven't. Like public housing in countries like China and Singapore have worked very well but in other developing countries it hasn't. There have been regimes of rent control and rental vouchers which only seemed to have worked for richer countries. Countries in global south are today faced with mass rural urban migration, huge urban expansion and minimum financial resources. The situation is worsened by poverty and corruption of governments. In this context these countries are blindly following the western more successful models of universal home ownership which just doesn't seem to work. A focus has to be made for tenure neutral policies so that rental housing can be a way to address the problem of housing in these countries.

*"Governments all across the countries of global south have somewhat failed to recognise that rental housing can be a means to solve housing problems."* (Gilbert D. A., Rental housing: The international experience, 2016). There is huge gap between policies and data regarding rental housing has some serious consequence on how it functions and maintains itself. There are many authors that argue that situation in many countries of Africa and South America have been worsened with formal policies who basically try to work against the invisible hand of market. Also most of these policies are control oriented which give rise to more illegalities in the market. Since the government is not able to provide for the housing because of lack of funds and planning on the other hand there are no policies that support private rental housing. Hence, it ends up with a lot of informal settlements with poor basic services and no way to upgrade them in a short run. In many cases governments are stuck in the vicious circle of poor management of houses with no finances so people who were paying for the services before do not pay anymore because it is not maintained properly. Also, in case of South Africa due to government's dream of universal ownership they created big formal areas with poorly maintained services in the periphery. So now these people also lost the locational advantage they had when they were in city centre. The situation in Africa is very complex but it needs to be dealt with in some way and one good way would be to start regulating the huge amount of private rental housing.

Furthermore, during this research it was very difficult to find research done on the topic. Even though South Africa is very much studied area in the global community, there is still limited knowledge on what is happening on ground. There are many studies during the era of 1990s and 2000s but when we see in the last 5 years not much literature has been written on this topic. The growing neglect both at government and academic level on this topic can be in some way dangerous as we are not utilising the opportunity to the fullest. There are many reasons for the neglect at government level it is more specific. Tenants in these contexts are very fragmented and they are not politically organised so governments usually focus on issues which are more urgent. People identify themselves as belonging to a particular caste, creed or race then tenant or homeowner so asking for demands in a democratic set up becomes difficult to achieve. Also, the landlords are more or less small landlords, they are not rich individuals with a lot of power and influence so it ends up in a situation where people who are poor are not organised and people who are well to do are not rich or politically important enough to make an impact. So then in these situation it rests on academic

community to make an impact through knowledge production and we should play an advisory role in creating government policies that are tenure neutral. Rental housing has its own merits and demerits it may work or not work but the point is that it needs fair recognition and some basic assumptions regarding solving housing problems needs to be revised and debated upon in the international academic community.

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