Low-income rental housing: are South African cities different?

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SUMMARY: *A significant proportion of the black urban population in South Africa rent accommodation. Surveys conducted in two low-income settlements in Cape Town and Johannesburg show that the rental housing scene is in many ways similar to that found in other Third World cities. Landlords are older than their tenants, many are female, their families are larger, their homes have more space and better services. Few landlords make any money and landlord-tenant relationships are not generally conflictive. At the same time, rental conditions in the survey settlements appear to be very different from those found in most other poor cities. Most significant is that few South African landlords build accommodation; the majority merely offer space to tenants who build their own shacks. The poor quality of accommodation helps keep rents low which in turn accentuates the feeling that is it not worth investing in rental accommodation. Few landlords actively seek out tenants, most grant space in the backyard only out of compassion. Further research is investigating whether more typical forms of rental housing exist in Cape Town and Johannesburg. The project also seeks to persuade the South African government that it should develop some kind of rental housing policy.*

I. INTRODUCTION

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SOUTH AFRICA FACES a major housing problem. In 1994, 1,075,000 households were living in shacks, hostels or outbuildings in urban areas alone, some 23.8 per cent of all urban households.[1] The vast majority of these households were black and it is estimated that approximately 45 per cent of black urban households were living in such conditions.[2] The urban shelter problem has become more serious in recent years as more people have been able to move into the cities unhindered by apartheid restrictions. Previously hidden shelter problems have also become more visible under the more liberal regime now in place. In Johannesburg, the demand for housing has grown particularly rapidly.

With few alternatives available, large numbers of black people

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1. PSLSD (Project for Statistics on Living Standards and Development) (1994), *South Africans Rich and Poor: baseline household statistics*, School of Economics, University of Cape Town. The source figures separate urban and metropolitan areas. Here the two have been totalled and called urban.

2. See reference 1. In this paper, "black" refers to the South African population of African descent.

3. Cook, G.P. (1992), "Khayelitsha: new settlement forms in the Cape Peninsula" in Smith, D.M. (editor), *The Apartheid City and Beyond: Urbanization and Social Change in South Africa*, Routledge, London, pages 125-135; also Crankshaw, O. (1993), "Squatting, apartheid and urbanisation on the southern Witwatersrand", *African Affairs* Vol. 92, pages 31-51. See also Hendler, P. (1988), *Urban Policy*

have found shelter in shacks. Many of the shacks have been located in other people's backyards, a response that developed rapidly during the last years of apartheid. Increasingly, however, illegal land occupations have become common.[3] The rapid expansion of irregular housing has presented the authorities with a major servicing problem, a difficulty that has hardly been helped by recurrent rent and service boycotts.[4]

A further 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.[5] The form of tenure is arguably less important than the fact that much of the accommodation takes the form of backyard shacks. Indeed, the poor living conditions of most tenants and shack dwellers is one reason why the government has committed itself to increasing the level of owner-occupation. In 1994, it adopted a policy of offering capital grants to the poor to purchase basic housing units and serviced sites.[6] Like so many governments around the globe, its explicit goal is to create a society of homeowners.

This paper is based on the contention that the current neglect of the rental housing sector in South African housing policy will seriously jeopardize its ability to meet the shelter needs of the urban poor. Unfortunately, in a country where there is a huge housing literature, very little is known about rental accommodation. This paper reports on preliminary efforts to remedy that situation. It provides a summary of the findings of a survey conducted recently in two low-income black areas of Cape Town and Johannesburg. It highlights how the South African rental market compares with low-income rental accommodation elsewhere. It concludes with a partial explanation of why informal renting in South Africa may differ from common practice elsewhere.

II. THE INTERNATIONAL EXPERIENCE

TEN YEARS AGO it was easy to argue that we knew little or nothing about rental housing in Third World cities. Today, we know a great deal more. Major studies have been conducted in at least 19 large cities (see Appendix 1). In addition, several reviews have summarized the main features of landlords and tenants in Third World cities and a number of reports have made policy recommendations for this sector.[7] What this research has confirmed is that there are many similarities between the informal rental housing markets in most low-income countries.[8]

First, rental housing is a vital component in accommodating large numbers of families in the major cities of most less developed countries. In many cities of Africa and Asia, more than half of the population are tenants. In Latin America, at least one-third of the urban population rent homes. Typically, large cities contain a higher proportion of tenants than smaller cities in the same country. Although recent decades have seen a strong shift towards owner-occupation, the absolute number of ten-

and Housing, South African Institute of Race Relations; Hendler, P. (1992), "Living in apartheid's shadow: residential planning for Africans in the PWV region 1970-1990", *Urban Forum* Vol. 3, pages 39-80; Mabin, A. (1991), "The dynamics of urbanization since 1960" in Swilling, M. et al. (editors), *Apartheid City in Transition*, Oxford University Press, pages 33-47; and Parnell, S.M. (1992), "State intervention in housing provision in the 1980s" in Smith, D.M. (editor), *The Apartheid City and Beyond: Urbanization and Social Change in South Africa*, Routledge, London, pages 53-64.

4. Planact (1989), *The Soweto Rent Boycott*, Planact, Johannesburg; also Swilling, M., W. Cobbett and R. Hunter (1991), "Finance, electricity costs, and the rent boycott" in Swilling, M., R. Humphries and K. Shubane (editors) (1991), *Apartheid City in Transition*, Oxford University Press, pages 174-196.

5. Palmer Development Group (1993), *Backyard Living in Inner City Townships: A Survey of On-site Access to Water and Waste Services*, draft report to the Water Research Commission, Cape Town cited in Watson, V. (1994), "Housing policy, sub-letting and the urban poor: evidence from Cape Town", *Urban Forum* 5, pages 27-45.

6. Republic of South Africa (1994), *The Housing Accord: Housing the Nation*, Botshabelo; and Republic of South Africa Department of Housing (1995), *Housing the Nation*, Pretoria.

7. Lemer, A.C. (1987), *The Role of Rental Housing in Developing Countries: A Need for Balance*, World Bank Report UDD-104; also Rakodi, C. (1995), "Rental housing in the cities of developing countries", *Urban Studies* 32, pages 791-811; also UNCHS (1989), *Strategies for Low-income Shelter and Services Development: The Rental Housing Option,* Nairobi; also UNCHS (1990), *Rental Housing: Proceed-*

ants has rarely decreased and in cities such as Mexico City or Delhi has greatly increased.

Second, although owners, tenants and sharers constitute anything but homogenous groups, and no single factor determines whether households are tenants, sharers or owners, a certain number of similarities are clear.[9] Tenant and sharer families tend to be younger than those of owners, although many older households also live as tenants. Tenant families are smaller than owner households and tend to be poorer. However, because tenant families are much smaller than other households, they often have higher per capita incomes.[10] Owners tend to have lived longer in the city than most tenants or sharers, especially in regions where many tenants wish to return "home" to the countryside.[11]

Third, there is a widespread preference for ownership among both owners and tenants. Whilst most owners were once tenants or sharers, few families now renting or sharing accommodation have owned previously. The move into ownership is one-way traffic. Owners value the sense of security, and having something of one's own gives an important boost to a family's self-esteem. They also like not having to pay rent; their payments are now seen to be an investment. Ownership in most countries has become a common family goal, albeit in some places one that is unachievable.

Fourth, despite this general preference for ownership, some households remain in rental or shared accommodation even though they have the resources to acquire their own self-help home. Some tenants living in crowded conditions, and who could afford to be homeowners on the periphery, have clung to their rental accommodation. Their reasons include the fact that self-help ownership involves a great deal of hardship, a period of living without infrastructure and services, and much more travelling since new self-help settlements are nearly always much farther away from the centre or areas of employment and tend to have worse bus services. When tenants say that they want a home of their own, they may not mean that they are prepared to build their own house. They want to own but they want ownership of a custom-built house; ownership to them does not mean living in a shack. Other tenants, who aspire to owner-occupation, may not want that tenure right now. The young, the mobile and new arrivals may all be happy to rent for the time being.

Fifth, surveys reveal a picture of renting that is much better than its public image. Many tenants get on with their landlords and are not constantly being threatened with eviction. For tenants with guaranteed tenure living near the centres of Cairo, Delhi or Mexico City, for example, renting may offer just as much security as ownership. Few tenants change home frequently, indeed, in some central areas, households stay in the same house for a very long time. If security of tenure is supposedly one of the main advantages of ownership, many families seem to achieve this goal perfectly satisfactorily through renting.

Sixth, the cost of renting relative to that of ownership varies considerably between cities. In some places, rents are high relative to incomes, elsewhere they are cheap. In some cities, pur-

8. The evidence from which the following generalizations are made is mainly derived from the sources listed in reference 6. No doubt rental conditions in some Third World cities do not fit the generalizations quite as well. Nonetheless, the amount of consensus in the findings from the 19 cities is really very impressive.

9. Sharers are defined as households sharing a plot with the owners but not forming part of the owners' household and who are not making more than an occasional contribution to the costs. Sometimes the term is used to describe extended households, say, where a newly married young couple lives in the same home as one set of parents. Chilean students of the *allegado* problem in Santiago tend to define these two different kinds of sharing as external and internal sharing.

10. There are also some Third World cities where rich households rent in preference to owning, for example, Cairo and many Indian and Nigerian cities particularly where employers provide housing.

11. However, there are increasing variations on that pattern. In several Mexican cities, for example, self-help settlements contain a much higher incidence of migrant owner-occupiers and the central city a much higher proportion of native-born tenants. Finally, female headed households are more likely to be tenants or sharers than owners because women are often excluded from official housing programmes offering owner-occupation, because they are usually poorer and because they are normally less able to engage in self-help construction.

chasing a plot is expensive, elsewhere land can be invaded or bought cheaply. A critical ingredient in tenure choice is the relative cost of the options. Clearly, many families continue to rent because the cost is low.

Seventh, research has revealed some interesting facts about the "typical" landlord. Relatively few landlords control large numbers of properties; the vast majority have no more than two.[12] Most operate therefore on a small scale with many residing on the same site as the tenants. The vast majority are themselves self-help consolidators whose family characteristics and social class are not dissimilar to those of their tenants. What mostly distinguishes landlords from the rest of the population is their age. Landlords tend to be older than other owners and much older than most tenants. Because of their age, landlords are much more likely to be retired, to live in larger properties than other families and to have lived longer in their current home.

Eighth, whilst all landlords are interested in generating some kind of income, it seems that few are profit maximizers. Many have little idea how much profit, if any, they actually make. It may be just this lack of commercial acumen that explains the expansion of the rental housing stock; it is probably not a very good business. Most small-scale landlords are merely supplementing their incomes and trying to provide themselves and their children with a slightly safer financial future. Renting offers a form of saving that they trust. Compared to banks or other forms of investment, saving through bricks and mortar is something that they understand.

Finally, most landlords and tenants maintain generally benign relations. During interviews, relatively few landlords and tenants spoke badly of one another. Relationships seem to operate best where landlords and tenants live on the same property. In part, this is because they get to know one another and sometimes develop friendships and a level of mutual dependence. Eviction is a worry for the tenant population, as are increases in rent, but these perennial problems do not seem to have produced the instability that was so characteristic of, say, nineteenth century British cities.[13] The main causes of bad relations are fairly predictable. Landlords get upset when tenants do not pay the rent or neglect the property. Tenants in return are upset when landlords do not undertake repairs and fail to respond to their complaints. Relations get particularly tense when landlords want tenants to leave the premises, especially when the former employ blatantly illegal methods to hasten eviction.

III. RENTAL HOUSING IN SOUTH AFRICA

ALTHOUGH THE PUBLIC sector provided rental housing for most of the urban black and coloured population for many years, little has been recorded about the functioning of that sector. Even less is known about private rental housing. A limited amount of work has been conducted in inner-city areas, par-

12. Among the relatively few exceptions are Nairobi, parts of Bangkok and North Africa, and most Nigerian cities.

13. Englander, D. (1983), *Landlord and Tenant in Urban Britain, 1834-1918*, Clarendon Press; also Kemp, P. (1982), "Housing landlordism in late nineteenth century Britain", *Environment and Planning* 14, pages 1437-47.

14. Crankshaw, O. and C. White (1995), "Racial desegregation and inner-city decay in Johannesburg", *International Journal for Urban and Regional Research* 19, pages 622-638; also Morris, A. (1994), "The desegregation of Hillbrow, Johannesburg, 1978-82", *Urban Studies* 31, pages 821-834.

15. Mazur, R.E. and V.N. Qangule (1995), *Household Dynamics and Mobility of Africans in Cape Town: Appropriate Housing Responses*, report produced for Western Cape Community Based Housing Trust; also Watson (1974), see reference 5.

16. In the past, many people tried to evade the census enumerators because they were living in the city illegally and feared they might be deported under the influx controls. More recently, the fear has been that census enumeration would lead to the authorities demanding rent or service charges.

17. See reference 1. The figures published do not distinguish between families sharing, renting or being granted free shelter.

18. Those who moved into shack settlements on nearby land were subject to official harassment and the settlements were often eradicated.

19. See reference 1.

20. The survey was not statistically representative of the two settlements both of which are very large; Guguletu is estimated to have 148,000 inhabitants and Wattville some 40,000. This first

ticularly in Johannesburg,[14] and recent surveys have also shed some light on the rental and shared housing scene in Cape Town[15] but nothing else has been produced.

Even the statistics are rather vague on the number of families renting accommodation. The figures presented in the census are unreliable and too few surveys have asked questions about housing tenure.[16] What is clear, however, is that large numbers of South African families are renting shelter, particularly in the urban areas. One estimate is that across the country more than one-third of people are living in some form of non-ownership shelter and that in urban and metropolitan areas the proportion rises to more than two-fifths.[17] If the black urban population is considered alone, almost one-half are living in some kind of non-ownership housing.

When the South African government ceased to build formal houses in the late 1960s and early 1970s (in an attempt to contain urbanization), the growing urban black population was increasingly accommodated informally as tenants. Initially, they lodged in rooms within the formal houses and doubled up in hostels but as numbers rose many moved into backyard shacks.[18] The construction of such shacks was opposed by the authorities but official efforts at prevention were abandoned in most townships in the late 1980s. Since then, their growth has been slowed only by the tendency of tenants to move out of the backyards into free-standing shack settlements. Nevertheless, backyard shacks and outbuildings still appear to be the principal form of renting in black areas.

In 1994, irrespective of tenure, some 38 per cent of urban blacks and 6 per cent of coloureds were living in shacks and outbuildings.[19] Clearly, we need to know far more about the circumstances of these families. Why are they there, how much they are paying, what is the nature of their living environment and what are their future housing prospects? Without better information on such a substantial portion of the urban population, any attempt to formulate an adequate housing policy is bound to be flawed.

IV. EVIDENCE FROM CAPE TOWN AND JOHANNESBURG

BETWEEN NOVEMBER 1995 and January 1996, 70 in-depth interviews were conducted (26 with landlords, 37 with tenants and seven with sharers) in two black settlements in Cape Town and Greater Johannesburg.[20] Neither settlement is typical of the vast diversity of housing conditions in South Africa but both represent forms of settlement which are very common in metropolitan areas.

Guguletu was built by the Cape Town City Council in the early 1960s, ten kilometres south-east of the city centre. It is one of the many estates built in South Africa to relocate black families from racially mixed areas. It consists of fairly-well serviced, four-room houses, situated on relatively large plots.[21]

A few households in Guguletu recently bought their homes

stage of the research was intended to be interpretative rather than statistically representative. However, within the small sample, households were selected at random.

21. Most are terraced houses on plots of 224 square metres but there are some semi-detached homes on plots of 336 square metres and a few detached homes on plots of 384 square metres.

22. Backyard shacks were prohibited in Wattville and so tenants and sharers mainly occupied permanent brick-built structures.

23. In practice, at the time of the interviews, none were actually paying the rent.

24. The smaller size of the landlord households in Tamboville is due to the recent establishment of the settlement and the relative youth of the inhabitants.

25. We use the word landlord to describe the party letting space to tenants. The term landlord includes both men and women. We do not call the landlords "owners" because virtually all of them are themselves tenants or are illegal occupiers of the land. In Guguletu, where the average age of the "landlords" is 55 years, most are women because their

from the local authority, but most still rent them. However, all households stopped payments during the late 1980s and few now pay for services other than electricity. Few of the original occupants have moved house although some have informally transferred their rights to the property to their children.

Tamboville, 25 kilometres east of Johannesburg in the East Rand, was created in a very different way. It was formed in 1990 through land invasion and infiltration by the residents of Wattville, a formal township nearby. Many such informal settlements were created during the 1970s and 1980s and the pace accelerated with the political changes unleashed by the unbanning of the ANC and the freeing of Nelson Mandela. The invasion of Tamboville was fully established when the Benoni city council reluctantly accepted the occupation of its land and granted a loan for the installation of basic services. Authorization led to the invasion of additional land, known as "Extension Two". Today, the newer settlement remains less well-serviced although it now contains 46 houses built by the Wattville Housing Association. In common with similar kinds of area, most of Tamboville is occupied by the children of the occupants of the public housing units and the backyard structures of the older township.[22]

Interviews in Tamboville were conducted in both the originally occupied area and in Extension Two. None of the households hold title deeds although the occupants of the formal housing are buying their properties with the help of 20-year loans and the informal home-occupiers are nominally renting their land from the local authority.[23]

In several respects, the rental market in the two settlements resembles that in many other cities of Africa, Asia and Latin America (see Table 1). The landlords tend to be older than the tenants and their families tend to be larger.[24] Landlords live in quite large houses and possess most kinds of services. Few landlords in Tamboville suffer from overcrowding although a number do in Guguletu. Many of the landlords are women, indeed, in Guguletu, most are women.[25]

Table 1: Characteristics of Landlords

	Guguletu	Tamboville
Income per household (Rs/month)	1,046 (11)	1,777 (11)
Income per capita	167 (69)	593 (33)
Income earned from renting (Rs/month)	37 (11)	113 (12)
Size of household	6.3 (11)	2.8 (12)
Number of rooms occupied by family	4.7 (11)	3.6 (12)
Persons per room	1.4 (11)	0.8 (12)
Age of male head of household	57 (2)	41 (10)
Age of female head of household	55 (11)	37 (10)
Women without partner (%)	82 (11)	25 (12)
Nuclear households (%)	15 (13)	33 (18)
Household heads born in city (%)	46 (13)	50 (18)

NB. The landlords in Guguletu are officially tenants themselves, renting the property from the local authority. However, they regard themselves as owners and the message that they seem to have received from the local authorities is that they become full owners for little or nothing in the near future. In Tamboville, the landlords are "occupiers" of the land but a process is in train to deliver legal title provided they pay the R500 that it costs.

husbands have either died or left home.

26. It should be pointed out that the estimates of income are weakened by the inconsistent reporting of children's incomes and, in extended households, those of relatives. This was a particular problem in Guguletu.

27. In Tamboville, there is still no electricity system although a few homes have their own generators. Clearly, many of the interviewed landlords had fewer assets compared with those in other Third World cities insofar as they do not own the property.

Most landlords began to let accommodation in an informal kind of way. With rents at very low levels this form of landlordism is obviously not a real business. Very few would be able to survive on the rents they charge and only in one case does the sum of the rents exceed the income from other sources. If a few of the landlords are not exactly poor, most have similar levels of income to their tenants.[26] It is true that in Guguletu, landlords have many more consumer durables than their tenants but this is largely because most of the landlords have electricity whereas the tenants do not (there is little point in owning a television if there is no electricity).[27] Most of the Guguletu landlords (and especially the women landlords) were born in the countryside but almost all have lived for a considerable time in the city. In Tamboville, by contrast, many of the owners come from the city; indeed, most originate from areas very close to the settlement.

Table 2: Characteristics of Tenants

	Guguletu	Tamboville
Income per household (Rs/month)	773 (9)	953 (12)
Income per capita	232 (30)	543 (21)
Average rent (Rs/month)	21 (16)	51 (12)
Persons in household	3.6 (16)	1.8 (12)
Number of rooms occupied by family	1.5 (16)	1.8 (12)
Persons per room	2.4 (16)	1.0 (12)
Age of male head of household	45 (8)	34 (8)
Age of female head of household	43 (15)	38 (8)
Women without partner (%)	53 (16)	33 (12)
Nuclear households (%)	44 (16)	33 (12)
Household heads born in city (%)	13 (23)	26 (16)

The bulk of the tenants are migrants. Most are South African-born although Tamboville also contains a significant colony of young Moçambican men. Whilst some of the migrants have arrived within the last five years, most have been in the city for a considerable time. There is a range of household forms, and nuclear, extended and single-headed households are all common. It is clear from Table 2, however, that the tenants include many single people. A substantial proportion of the tenant households have female heads, particularly in Guguletu. Few tenants occupy much space; the majority of homes have only one room and most of the rest have only two. As a result, overcrowding is more serious than among the landlords, although only in Guguletu are there more than two tenants per room. The tenants do not seem unhappy with their situation and few move frequently; the average stay to date has been 5.5 years in Guguletu and 1.9 years in the much newer Tamboville. Tenants do not wish to rent forever, indeed virtually all would like to be owners one day, but for the time being renting is a convenient form of shelter. In these settlements it offers both physical safety and very cheap accommodation. If this form of shelter were not available, it would be missed.

Some of the characteristics of the landlord-tenant relation-

28. Of course, we were working in settlements where backyard shacks dominated. We are aware that some tenants in other settlements will find evidence of tenants occupying rooms in the main house or even the whole house; there are certainly reports of this occurring in some coloured areas in Cape Town. We are certain, however, that the renting of backyard shacks and outbuildings is the dominant form of rental in both the older townships and the new black settlements in most parts of urban South Africa.

29. Gilbert, A. (1993), *In Search of a Home*, UCL Press, London; also Mercado, O. (1992), "La situación habitacional: Habitabilidad y allegamiento" in MIDEPLAN (editor), *Población, Educación, Vivienda, Salud, Empleo y Pobreza,* CASEN, Santiago, pages 105-160; and Necochea, A. (1987), "El allegamiento de los sin tierra, estrategia de supervivencia en vivienda", *Revista Latino-americana de Estudios Urbanos-Regionales (EURE)* Vols. 13-14, pages 85-100.

30. At the time of the surveys the rand was worth around US$3.70.

31. This point is commented on by Mazur and Qangule (1995), see reference 15, on the basis of their survey of Cape Town and by Tomlinson, M. et al. (1995), *More Than Mealies and Marigolds: From Homeseekers to Citizens in Ivory Park*, Center for Policy Studies, on the basis of research in Johannesburg.

ship also seem to echo the findings from many other cities. Although some tenants were acquainted with the landlord before occupying the premises, most tenants were not. Despite their lack of prior acquaintance, there are no written contracts; a verbal agreement is good enough. Once rents are established they are seldom raised. Relations between landlords and tenants are much better than local folklore would have us believe. There is some disagreement between landlords and tenants but little sign of real friction and very few cases of eviction. Rents are invariably paid in cash and almost always on time. If most of these features are familiar from evidence from many other Third World cities, the South African picture also shows some significant differences to situations elsewhere.

First, none of the tenants occupy a room in the home of the landlord; all live in backyard shacks.[28] What is most surprising is that the majority of the tenants have provided their own shelter. Should they move, they would take the materials with them and rebuild the shack elsewhere. Of the 30 tenants interviewed, only six lived in shacks or other kinds of accommodation built by the owner. In practice, this means that tenants are effectively renting space to put up a shack and have access to the owner's services. Needless to say, the accommodation is neither spacious nor comfortable. Few shacks have more than two rooms and the average area of the shacks is small in Guguletu (25 square metres) and tiny in Tamboville (nine square metres). The amount of space available in a backyard is limited and, in any case, some tenants are too poor to improve the accommodation. Perhaps, too, the shelter needs to be compact so that they can carry away the materials should they have to move. Most of the tenants have access to water and share use of the toilet. However, electricity is much less common. Reviewing the literature from other cities, the nearest parallel to South African practice appears to be in the backyard shacks of the *allegados* of Santiago although, in Chile, the occupants are normally family members who pay no rent for the right to occupy space.[29]

A second respect in which South African evidence appears different relates to the rents being charged. By international standards these are remarkably low, averaging only R20 (less than US$5) per month in Guguletu and R51 (less than US$12) in Tamboville.[30] These rents constitute approximately 3 per cent of the tenant income in Guguletu and 5 per cent in Tamboville. Needless to say, rents of this level provide landlords with very little income, the highest sum being R280 (US$65) per month from four tenants in Tamboville. As such, letting space in the backyard seems to be little more than a way of contributing to the landlord household's costs.

Third, such low rents are associated with poor quality accommodation. Compared with most kinds of Latin American informal settlement, South African low-income areas appear to be very poorly consolidated. Two-storey dwellings are almost totally absent and few buildings in self-help settlements are made of anything except wood and corrugated iron. Public services are sometimes widely available but the population does not seem to have consolidated their own dwellings.[31] Of course, limited

consolidation is partly a consequence of the fact that many settlements are so new. The low rentals do not justify constructing special accommodation for tenants. It is probably only worth letting space at all because the tenants build their own shelters.

Finally, the motivation underlying landlords' willingness to let seems very different from what has been reported from most other Third World cities. Renting elsewhere makes few landlords prosperous but it is still regarded as a useful supplement to the household budget. Renting is particularly useful as insurance against old age and many landlords construct accommodation for tenants as a way of surviving when they retire. It is true that few landlords think it is a decent business and many Mexican landlords have just drifted into this activity, merely renting out family accommodation when children have left home.[32] If most landlords elsewhere think that they get precious little out of renting, the rewards in South Africa are so low that owners seem reluctant to accept tenants at all. Very few echoed the views of one woman landlord in Guguletu who said that: "I need the tenants so that I can survive."

By international standards, the reasons landlords give for accommodating tenants also sound odd. Few mention the money they will make and many more express some kind of solidarity with the homeless. As a woman landlord in Guguletu put it: "People come here and ask for a space to build a shack. When you refuse you appear like a bad person, especially if you have a big space in your yard that you are not using at the time." This feeling of some kind of moral pressure was also expressed by a landlord in Tamboville: "People had no place to stay. Renting is not pleasant, people do it because they have to." Sometimes, this feeling was accentuated by the fact that tenants had some kind of prior acquaintance with the landlords or their families although this was by no means a common situation. This is hardly classic landlord behaviour!

V. WHY IS SOUTH AFRICA DIFFERENT?

WHY ARE RENTS in the two South African settlements so low when expressed as a proportion of either tenant or landlord incomes? Certainly, we cannot explain it in terms of the relationship between the tenants and the landlords since few of the tenants were members of the landlords' families and few were close friends or even migrants from the same areas as the landlords. A more satisfactory explanation is that the rents are low because the landlords are providing very little. They have had no capital outlay either in providing the accommodation, because the tenants generally construct their own, or in paying for the installation of the services which are generally provided free by the local authorities. What makes low rents even more understandable is that many of the landlords are themselves tenants of the local authority. The fact that many have ceased to pay rents or service charges, as part of the on-going services payment boycotts, is further reason for their sub-tenants to pay

32. Gilbert, A.G. and A. Varley (1991), *Landlord and Tenant; Housing the Poor in Urban Mexico*, Routledge, London.

so little; many of the latter know that the landlords are not paying their own bills.

However, the landords' low expenditure is not the only explanation for the low rents. An additional factor almost certainly derives from South Africa's recent history and culture. The expropriation of property from black families and their forced removal to the new townships during the 1950s and 1960s altered the tenure pattern and perhaps the nature of housing behaviour. The common heritage of exclusion from "white" urban areas helped create a feeling of solidarity and, as "illegal" migrants gradually moved into the cities and began to share the homes and backyards of the townships, accommodating those without a home may have became part of expected social behaviour. Such an account would certainly explain why so many landlords mentioned some kind of compassion or duty as a factor in their behaviour. In the interviews, one owner after another referred to the moral imperative of helping the homeless. As one landlord said: "It's not that you really want to make a profit out of it. It's just that you feel pity for the poor person." Certainly, the feeling of a common struggle for shelter came through in the interviews from both settlements. In Tamboville, the settlers had fought for their land against the wishes of the white local authority and in Guguletu a rent boycott was still operating. Compassion for those who did not obtain land is understandable under such circumstances.

A second feature of South African informal settlement which requires explanation is the relatively low level of consolidation. Why is the pace of physical improvement so slow and why are landlords creating so little space for lodgers? Mazur and Qangule offer some tentative explanations for "the slow pace or absence of consolidation" among shack dwellers in Cape Town. "While low incomes undoubtedly are an important factor, the fact that in some cases household finances are stretched between various communities and regions operates as an additional factor."[33] Certainly, the split nature of so many families is an important factor. Male migrants are much less likely to improve their homes in the city if their families are living in the countryside and, in any case, those sending money "home" will have less with which to consolidate a house in the city. Other households may be free of this problem but for them investing in urban housing may not be a priority: expenditure on education or for setting up a business may make more important claims on income. The attractions of investing in urban housing are also reduced by the weakness of the black property market. Currently, yields from investing in property in most black urban settlements are very low.

Several possible explanations for the lack of consolidation also derive from the history of housing and migration in South African cities. Of some importance is the fact that ownership is such a recent phenomenon for most black South Africans. Apartheid prevented black people from owning land in most towns and cities and few households were likely to invest much in improving their accommodation under such circumstances. Even worse, apartheid threatened many with forced removal and induced a

33. See reference 15, page 51.

justified fear of state violence. The expropriation of property and removal to the "townships" destroyed any possibility of self-help consolidation. Similarly, the rules that operated in the townships discouraged any modification of the property. In any event, the property was rented from the white authorities. All of this changed expectations. The state provided families with a rented home and discouraged "entrepreneurial" behaviour such as self-help construction. In the process, it helped to destroy some of the expertise in informal building techniques that exists in other Third World cities. Behaviour does not usually change overnight and the new political circumstances have not yet created a new attitude towards home consolidation.[34]

Breaking these historical patterns may be a long process although it is possible that some of these patterns of behaviour will soon change. If and when the local authorities begin to collect rents and service charges more effectively, landlords may be more inclined to view their tenants as real sources of income. If economic growth raises per capita incomes, tenants will have more to spend on rents and landlords on home improvement. If the urban areas remain politically stable, more families are likely to see their future as one of urban rather than rural consolidation. And, as it becomes clear that the government is unable to keep its election promise of providing everyone with a complete housing unit, more people will seek to improve the state of their housing. In addition, the encouragement that is being given to black families to buy property, and the transfer of ownership to tenants in the townships, is likely to accelerate the pace of neighbourhood consolidation. This should lead to more occupiers expanding their homes and building more substantial outbuildings which they will then let. After all, rents do offer a way of making money from the home and the better the accommodation the higher the rent that can be charged.

VI. CONCLUSION

IT IS TOO early to confirm that rental housing in South African cities is qualitatively different from that in other parts of Africa, Asia or Latin America. Our selection of settlements is certainly not representative of every kind of low-income settlement in South Africa and our sample size is too limited. However, the research conducted so far suggests that the South African rental situation is different from that found in most other poor cities. In the areas we have studied, landlords do not create much accommodation and mainly leave construction to the tenants. This tendency appears to be related to the slow pace of consolidation in low-income settlements in South Africa. The poor quality of accommodation helps keep rents low which, in turn, accentuates the feeling that it is not worth investing in rental accommodation. Finally, the whole rationale for accommodating tenants in South Africa appears to be different from that encountered elsewhere. Landlords do not actively seek out ten-

34. In any event there was some opposition to the idea of self-help construction on the part of the provincial authorities during the first year of the housing subsidy scheme. Certain provincial governments were opposed to incremental housing projects and wanted to build formal homes. Such an attitude was certainly not going to encourage self-help consolidation. For an account of this opposition see Tomlinson, M. (1995), *From Principle to Practice: Implementers' Views on the New Housing Subsidy Scheme*, Centre for Policy Studies, Social Policy Series, Research Report 44.

ants and often grant them space in the backyard only out of compassion.

These features are to some extent legacies of the apartheid regime and of the violence which characterized the recent period of political transition. Black South Africans have not yet become accustomed either to urban stability or to the benefits that ownership can bestow upon them. In the future, the effect of many of these peculiar features of South African urbanization is likely to be reduced.

In the meantime, it is to be hoped that the South African authorities will think hard about their policy towards rental housing. At present, the government has no tenure policy beyond the implicit goal of turning every tenant into an owner-occupier. Given current rates of household formation and the huge backlog of housing demand, this is wholly unrealistic. Rental housing accommodates large numbers of South African families and will continue to do so for many years to come.[35] In any case, renting is a housing choice that is very important to groups of people such as single women, recent migrants, students, newly established households and the very poor, none of whom are in a position to buy or build their own accommodation.[36] Without access to rental housing the already rapid pace of urban land invasions is likely to increase further.

As such, it would seem sensible to devise some kind of policy for this housing sector. Should some kind of assistance be given to landlords to increase the quantity and quality of rental housing? Should state subsidies for housing be confined to those willing to enter home-ownership? What are the local planning and servicing implications of the widespread development of backyard rental shacks? Would official acceptance of private rental and backyard shacks raise a storm of protest from those who would interpret it as the government reneging on its promise to provide housing for all? These questions, and the answers to them, raise some very important and sometimes provocative issues for current South African housing policy. Before any firm policy can be advocated for the rental and shared housing sector, however, it is necessary to conduct more research into existing conditions in urban South Africa. At present, we know too little about the nature of rental housing in the country's cities.[37]

35. In our survey, very few households understood the government's housing subsidy scheme or felt that it was relevant to them.

36. For a discussion of this issue see Parnell, S. (1991), "Race, class, gender and homeownership subsidies in contemporary South Africa", *Urban Forum* 2, pages 21-39.

37. Further research is being conducted in two additional settlements.

Appendix 1: List of Cities Where Rental Studies Have Been Conducted

No doubt some studies have been overlooked and the authors would appreciate knowing of any such omissions.

1. Bangkok (Thailand): Angel, S. and Amtapunth, P. (1989), "The low-cost rental housing market in Bangkok, 1987", *Habitat International* 13, pages 173-185.

2. Bogotá (Colombia): Gilbert, A.G. (1983), "The tenants of self-help housing: choice and constraint in the housing markets of less developed countries", *Development and Change* 14, pages 449-477; also Jaramillo, S. (1990), "La estructura urbana y la vivienda en Bogotá" in López et al. (editors), pages 51-88.

3. Bucaramanga (Colombia): Edwards, M. (1982), "Cities of tenants: renting among the urban poor in Latin America" in Gilbert, A.G., Hardoy, J.E. and Ramirez, R. (editors) (1982), *Urbanization in Contemporary Latin America*, Wiley, Chichester, pages 129-158.

4. Buenos Aires (Argentina): Cuenya, B. (1986), "El submercado de alquiler de piezas en Buenos Aires", *Medio Ambiente y Urbanización* 17: Suplemento Especial, pages 3-8; Gazzoli, R., Agonstinis, S., Jeifetz, N. and Basaldua, R. (1989), "Inquilinatos y hoteles de Capital Federal y Dock Sur: etablecimientos, población y condiciones de vida", *Conflictos y Procesos de la Historia Argentina Contemporánea* 29, Centro Editor de América Latina, Buenos Aires.

5. Cairo (Egypt): Abt Associates Inc. (1982), *Informal housing in Egypt*, mimeo.

6. Caracas (Venezuela): Camacho, O. and Terán, A. (1991), *La Propiedad Y El Inquilinato En Cuatro Barrios Y Casas De Vecindad Del Área Metropolitana De Caracas*, Centro de Estudios Urbanos, Caracas; also Gilbert, A.G. (1993) *In Search of A Home*, UCL Press, London.

7. Delhi (India): Wadhva, K. (1993), *Support Measures to Promote Low-income Rental Housing: the Case of India*, UNCHS (Habitat) mimeo; also India (National Institute of Urban Affairs) (1989), *Rental Housing in a Metropolitan City: A Case Study of Delhi*, NIUA Research Study Series 37.

8. Guadalajara (Mexico): Gilbert, A.G. and Varley, A. (1991), *Landlord and Tenant: Housing the Poor in Urban Mexico*, Routledge.

9. Harare (Zimbabwe): Potts, D. and Mutambirwa, C.C. (1991), "High-density housing in Harare: commodification and overcrowding", *Third World Planning Review* 13, pages 1-25; also

Rakodi, C. (1989), "The production of housing in Harare, Zimbabwe: components, constraints and policy outcomes", *Trialog* 20, pages 7-13.

10. Jakarta (Indonesia): Hoffman, M.L., Walker, C., Struyk, R.J. and Nelson, K. (1991), "Rental housing in urban indonesia", *Habitat International* 15, pages 181-206.

11. Kumasi (Ghana): Korboe, D. (1992), "Family houses in Ghanaian cities: to be or not to be?", *Urban Studies* 29, pages 1159-72; also Tipple, A.G. (1988), "The development of housing policy in Kumasi, Ghana, 1901 to 1981", University of Newcastle-upon-Tyne Centre for Architectural Research and Development; and Tipple, A.G. and Willis, K.G. (1991), "Tenure choice in a West African city", *Third World Planning Review* 13, pages 27-46.

12. Lagos (Nigeria): Aina, T.A. (1990),"Petty landlords and poor tenants in a low-income settlement in metropolitan Lagos" in Amis, P. and Lloyd, P. (editors), *Housing Africa's Urban Poor*, Manchester University Press, pages 87-102; also Barnes, S. (1987), *Patrons and Power: creating a political community in Metropolitan Lagos*, Manchester University Press.

13. La Paz (Bolivia): Beijaard, F. (1992), "'And I promise you ....' Politics, economy and housing policy in Bolivia, 1952-1987", Vrije Universiteit Amsterdam; also Beijaard, F. (1995), "Rental and rent-free housing as coping mechanisms in La Paz, Bolivia", *Environment and Urbanization* 7:2, pages 167-182; and van Lindert, P. (1991), "Moving up or staying down? Migrant-native differential mobility in La Paz", *Urban Studies* 28, pages 433-463.

14. Mexico City: Coulomb, R. (1985a), "La vivienda de alquiler en las áreas de reciente urbanización", *Revista de Ciencias Sociales y Humanidades* VI, pages 43-70; also Coulomb, R. and Sánchez, C. (1991), "¿Todos proprietarios? Vivienda de alquiler y sectores populares en la Ciudad de México", CENVI, Mexico City; also Gilbert, A.G. and Ward, P.M. (1985), *Housing, the State and the Poor: policy and practice in three Latin American cities*, Cambridge University Press; and Gilbert, A.G. (1993), *In Search of a Home*, UCL Press.

15. Nairobi (Kenya): Amis, P. (1984), "Squatters or tenants? The commercialisation of unauthorised housing in Nairobi", *World Development* 12, pages 87-96; also Lee-Smith, D. (1990), "Squatter landlords in Nairobi: a case study of Korogocho", in Amis and Lloyd, see reference 12, pages 175-188.

16. Port Harcourt (Nigeria): Oruwari, Y. (1990), "Conditions of low-income housing, with special reference to rental stock and rental-housing strategies in Nigeria" in UNCHS (1990), *Rental Housing: Proceedings of the Experts Group Meeting*, Nairobi, pages 32-43.

17. Puebla (Mexico): Gilbert, A.G. and Varley, A. (1991), *Landlord and Tenant: housing the poor in urban Mexico*, Routledge.

18. Santiago (Chile): Gilbert, A.G. (1993), *In Search of a Home*, UCL Press.

19. Santa Cruz (Bolivia): Green, G. (1988), "The quest for tranquilidad: paths to home ownership in Santa Cruz, Bolivia", *Bulletin for Latin American Research* 7, pages 1-16.