

https://dspace.org/

Managing infomrality through backyard rental structures : towards a hybrid model for the City of Johannesburg

Chetty, Rodney Kevin

2017

https://hdl.handle.net/10539/24596

Chetty, Rodney Kevin, (2017) Managing informality through backyard rental structures: towards a hybrid model to manage for the City of Johannesburg, University of the Witwatersrand, Johannesburg, https://hdl.handle.net/10539/24596

Downloaded from a DSpace repository. https://dspace.org/

MANAGING INFORMALITY THROUGH BACKYARD RENTAL STRUCTURES: TOWARDS A HYBRID MODEL FOR THE CITY OF JOHANNESBURG

RODNEY KEVIN CHETTY

A Research report submitted to the Faculty of Engineering and the Built Environment, University of the Witwatersrand, Johannesburg in partial fulfilment of the requirements for the degree of Masters of the Built Environment in Housing.

Johannesburg, 2017.

Declaration

I declare that this Research Report is my own unaided work. It is being submitted to the Degree of Master of the Built Environment in Housing to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination to any other University.

_____

Signature

05 June 2017

Abstract

This study investigates the role of informal backyard dwellings amongst formal state subsidised homes as a 'Hybrid' solution for alternative rental tenure. It focusses on two major townships in the City of Johannesburg as the units of analysis, namely Cosmo City and Diepsloot. These two areas provide direct contrasts, namely, Cosmo City with structured backyard dwellings, and Dieploot with unstructured informal backyard dwellings.

Rapid growth in backyard rental dwellings signals that informality has a purpose within the confines of formality, providing impetus for a study investigating the value of a possible hybrid model for financing or regulating backyard rental. A qualitative research design was employed, and data were collected through individual face-to-face interviews with key stakeholders in the rental housing sector. The research is descriptive and explanatory. A qualitative approach has enabled the writer to clearly articulate the feelings, emotions, attitudes, opinions and views of the participants, supporting a more nuanced investigation. The study particularly explored the main components of the functional 'Hybrid' model for unlocking the potential of backyard rentals in accommodating low-income groups.

The results provide insights into the features of informal backyard dwellings, their manifestation in the selected townships and the drivers and conditions for a successful backyard rental strategy. Among other findings, the investigation revealed that renters are satisfied with the informal relationship they share with the landlord. It further revealed that landlords continue to invest in informal backyard rental units, and this symbiotic relationship suggests that informal subletting is here to stay.

The study findings suggest that formality and informality be merged into a 'hybrid model', to ensure a sustainable supply of alternative rental accommodation. In the 'hybrid model' that the study puts forward, banks, suppliers, the City of Johannesburg and other actors can engage with landlords in low-income settlements through informal channels. This would require policy support from the City of Johannesburg in a way that enables the sustainable development of incremental backyard dwellings.

Dedication

I would like to dedicate this Masters Research report to my wife, Mrs Yuraisha Bianca Chetty for her inspiration and insight, and my children Kian and Cade Chetty. There is no doubt in my mind that without their continued support and counsel I could not have completed this process.

I cannot forget my late brother Ivor Kenneth Chetty, to whom I also dedicate this research report.

Acknowledgement

First and foremost, I thank the Almighty God for his spiritual guidance during difficult times and for affording me this golden opportunity with good health until the completion of my studies.

I would also like to acknowledge the inspirational instruction and oversight of Professor Marie Huchzermeyer. Your exceptional guidance, constructive input, humility and thought-provoking leadership was a great motivating factor for me on the journey towards completing my research. Professor Huchzermeyer, you have given me a deep understanding, appreciation and love for the beauty and detail of this subject matter (housing).

I would also like to acknowledge the support and assistance given to me by landlords, tenants and community leaders of Cosmo City and Diepsloot.

Table of Contents

Declaration ii

Abstract iii

Dedication iv

Acknowledgement v

List of Figures x

List of Tables xii

List of Acronyms xii

Chapter 1 1

1.1. Introduction 1

1.2. Background 1

1.3. Problem Statement/Rationale 2

1.4. Aim of the Study 3

1.5. Research Question 4

1.5.1. Main Question: 4

1.5.2. Sub-Questions 4

1.6. Methodology and Research Approach 4

1.7. Ethical Considerations 6

1.8. Limitations of the Research 6

1.9. Outline of the Report 7

Chapter 2: Discourse on Backyard Rentals – Towards a Conceptual Framework 8

2.1. Introduction 8

2.2. Informal Backyard Dwellings: A Home for Many 10

2.3. Characterising Backyard Dwellings 11

2.4. Building Your Backyard Unit: Creativity and Un-Aided Self-Help 14

2.5. Informal Landlordism, a Dynamic Relationship for Increased Rentals: Investing in Backyard Dwellings 16

2.6. Conclusion 20

Chapter 3: 21

3. Housing Policy, Blindness to the Obvious Investment Solution, and Interventions Relating to Backyard Rentals 21

3.1. Introduction 21

3.2. Historical Perspective of Backyard Dwellings 22

3.3. The Constitution of 1996 22

3.4. South Africa's Housing Policies 24

3.5. Rental Housing Act of 1999 27

3.5.1. Some of the practicalities of the Rental Housing Act (Act 50 of 1999) 29

3.5.1.1. Rights and duties relating to the landlord (SERI, 2013:5) 29

3.5.1.2. Rights and duties relating to the tenant (SERI, 2013:5) 29

3.5.1.3. Rental Housing Tribunals (SERI, 2013:14) 29

3.6. Financial Institutions Providing Access to Housing Finance: A Voluntary or Mandatory Approach 30

3.7. Interventions in Backyard Dwellings 34

3.8. Conclusion 37

Chapter 4: Areas of investigation: Diepsloot and Cosmo City 39

4.1. Introduction 39

..... 39

4.2. Overview of Diepsloot 40

4.2.1. Economic Opportunity and Livelihoods in Diepsloot 41

4.2.2. Inadequate planning by the CoJ in Diepsloot 43

4.2.3. Housing Typologies in Diepsloot 44

4.2.4. Occurrence of Backyard Dwellings 45

4.2.5. Diversity in backyard structures and rentals in Diepsloot 46

4.3. Overview of Cosmo City 48

4.3.1. Economic Opportunity and Livelihoods in Cosmo City 50

4.3.2. Inadequate planning by the CoJ in Cosmo City 51

4.3.3. Formal Housing Typologies in Cosmo City 52

4.3.4. Occurrence of Backyard Dwellings in Cosmo City 53

4.4. Conclusion 54

Chapter 5: Empirical Findings on Backyard Rentals in Cosmo City and Diepsloot 56

5.1. Introduction 56

5.2. An Analysis of the Interviews with Landlords in Cosmo City and Dieplsoot 56

5.2.1. Renting for Income 56

5.2.2. Informal Arrangements 58

5.2.3. Construction of the Backyard Dwellings 61

5.2.4. Funding of the backyard dwellings 63

5.3. An Analysis of the Interviews with Tenants in Cosmo City and Diepsloot 65

5.4. Conclusion 68

Chapter 6: Principles for a hybrid model for a municipal approach to backyard rental: Towards a Framework 70

6.1. Introduction 70

6.2. Incremental Investments in Backyard Dwellings 70

6.3. Funding of Properties 71

6.4. Construction of Backyard Dwellings 73

6.5. Stock Management and Maintenance of Properties 74

6.6. Conclusion 78

Chapter 7: Conclusion and Recommendations 79

7.1. Conclusion 79

7.2. Recommendations 81

7.3 Suggestions for Further Research 83

Reference List 84

Appendix 92

List of Figures

Figure 1: Mortgage credit granted by value and income level in 2012 (Source: Financial and Fiscal Commission- NCR)

Figure 2: Unsecured credit granted by value and income level in 2012 (Source: Financial and Fiscal Commission- NCR)

Figure 3: Regional Context, of the Location of Diepsloot and Cosmo City, on the Periphery of the CoJ (Source: Kevin Chetty)

Figure 4: Demarcation of the Extensions in Diepsloot and Prevalence of Backyard Dwellings (Source: Kevin Chetty)

Figure 5: Location of Dieploot in relation to major suburbs, Industrial and Commercial areas (Source: Kevin Chetty)

Figure 6: Tarred roads, electrification of RDP homes, and people aspiring to incorporate modern designed homes in Diepsloot (Source Kevin Chetty)

Figure 7: (left to rights) Corrugated iron panels built by local entrepreneurs for spaza shops, informal shacks and backyard dwellings (Source Kevin Chetty)

Figure 8: Housing Typologies amongst RDP homes in Diepsloot, (Clockwise from top left) – Informal backyard rooms constructed from brick n' mortar, backyard rooms constructed from corrugated iron panels, built by tenants on RDP land

Figure 9: Location of Cosmo City – Region C and in relation to Dieploot – (Region A Source: Kevin Chetty)

Figure 10: Location of Cosmo City (A) in relation to CoJ (Source: Kevin Chetty).

Figure 11: A well-furnished backyard dwelling in Cosmo City (A) in relation to CoJ (Source: Kevin Chetty)

Figure 12: Housing Typologies in Cosmo City, (Clockwise from top left) – RDP homes with backyard rooms constructed with brick n' mortar, Social housing rental units (JOSCHO), FLISP homes, and Bonded homes (Source: Google Images & Kevin Chetty)

Figure 13: (Clockwise left to right), Backyard dwellings in Cosmo City neatly constructed and arranged, and owners taking pride in their RDP homes with additions to the main structures (Source: Kevin Chetty)

Figure 14: RDP Landlords investing in well-structured spaza shops, and backyard rental units in Cosmo City (Source: Kevin Chetty)

Figure 15: (Clockwise left to right), Multiple backyard dwellings neatly constructed, arranged for maximum income in Cosmo City vs. the corrugated backyard shacks found in Diepsloot (Source: Kevin Chetty)

Figure 16: (Cosmo City, Clockwise left to right), Services informally provided includes electricity informally connected, central tap for tenants, central toilet for tenants, secured rooms with gates (Source: Kevin Chetty)

Figure 17: (Diepsloot, Clockwise left to right), Services informally provided includes central ablution facilities, electricity informally and illegally connected from main house, well-structured units with front gates, and added security (Source: Kevin Chetty)

Figure 18: RDP Landlords Investing in Backyard Dwellings (Source: Kevin Chetty)

Figure 19: The discussions in chapter six lead towards a 'hybrid' framework, which does not represent finality, and can be adapted with further research (Source: Kevin Chetty)

Figure 20: Map Depicting Backyard Dwellings amongst RDP Homes in Cosmo City (Source, Google Maps)

Figure 21: Map Depicting Backyard Densification amongst RDP Homes in Diepsloot (Source AfriGIS, 2016 Google Maps)

Figure 22: Sketches of Informal Backyard Dwellings Cosmo City Landlord 1

Figure 23: Sketch of Informal Backyard Dwellings in Cosmo City landlord 2

Figure 24: Sketch of Informal Backyard Dwellings in Diepsloot landlord 3

Figure 25: Sketch of Informal Backyard Dwellings in Diepsloot landlord 1

List of Tables

Table 1: Profile of survey respondents and the views of the survey respondents are incorporated in later sections of this report

Table 2: Backyard rentals charged across various townships in South Africa from 1989-2008, (Source: Lemanski, 2009)

List of Acronyms

ABM & T	Alternative Build Material & Technology
ANC	African National Congress
ARP	Alexandra Renewal Project
BBBEE	Broad Based Black Economic Empowerment
BNG	Breaking New Ground
COJ	City of Johannesburg
CRB	Community Reinvestment Bill
DSTV	Digital Television
EFF	Economic Freedom Fighters
FLISP	Financial Linked Subsidy Programme
FMF	Free Market Foundation
FSC	Financial Sector Charter
FSP	Financial Sector Charter
GBSA	Green Building Council South Africa
GDHS	Gauteng Department of Human Settlement
HFH	Habitat for Humanity
IHSS	Incremental Housing Solutions and Services
Joscho	Johannesburg Social Housing
PHP	People Housing Process
QoL	Quality for Life Survey
RDP	Reconstruction and Development Programme
RSDF	Regional Spatial Development Framework
SHF	Social Housing Foundation
UN-Habitat	United Nations Habitat

Chapter 1

1.1. Introduction

Backyard rental dwellings are here to stay. They serve an important survival need for many landlords of state subsidised homes through rental income, and create a safe, private and flexible home for low-income renters. Turok and Borel-Saladin (2015:18) elaborate that most low-income backyard dwellers will be unable to enter the formal housing market (non-state subsidised homes) hence backyard rental dwellings serve as an affordable "temporal" home. These temporal homes will remain outside the influence of the formal housing system, with respect to "property registration, planning ordinances, building codes, environment health standards, and payment of property rates" (*ibid*:8). These standards are considered "demanding and unaffordable" for the poor, who positively "seek out other living arrangements." (*ibid*:9). Consequently, the poor enter informality, since they have "few opportunities and the alternative is destitution." (*ibid*:9)

Of significance is that the close proximity and locality of these backyard rental units to economic hubs, transport nodes, schools and other amenities make it an ideal accommodation option for migrants in search of better lives and livelihoods. In a similar vein, Morange (2002:8) states that the main benefit of informal backyard dwellings to many families is "their capacity to give access to the city centre". The informal backyard rental units form the basis for security of tenure and access to important basic services and infrastructure, often not found in many illegally occupied squatter settlements.

This study considers how informal backyard dwellings can be embraced as an important contribution to mass rental housing for the poor. It explores this densification phenomenon amongst state subsidised homes within Cosmo City and Diepsloot (Annexure, figure 20 and 21), in the greater context of the City of Johannesburg (CoJ). It aims to identify possible principles for a '*Hybrid'* model as a vibrant shelter opportunity.

1.2. Background

Backyard shacks across South Africa have "increased from 460 000 to 713 000 over the previous decade", while the number of residents in free-standing shacks have "decreased by 126 000 to 1 249 800", yet backyard dwellings remain overlooked by

government policy (Turok and Borel-Saladin, 2015:4). According to Morange (2002:6), trends in the late 1980's suggested that informal backyard dwellings were likely to disappear. On the contrary, a decade on, South Africa is facing an unprecedented growth of informality which "appears to have taken the form of backyard shacks in established townships" as opposed to "free-standing shacks in squatter settlements" (Turok and Borel-Saladin, 2015:1).

This growth has prompted the Gauteng department of Human Settlements (GDHS) (2015:2) to recognise the need for a "well-informed policy position" for backyard rental accommodation. Such a policy position might have a positive impact on those occupying informal backyard dwellings, and landlords in pursuit of capital subsidies for developing backyard dwellings. Lemanski (2009:2) argues that South Africa's formal housing policies have "indirectly encouraged backyard housing", thereby augmenting "informality in South African Cities."

Already in the 1990s, rental housing or shelter in backyards of state subsidised homes, although controversial to policy-makers, was recognised as playing a vital role in "accommodating large families in major cities of less developed countries" including South Africa, even within the '*shadow'* of informality (Gilbert et al, 1997:134). The recognition of the role of rental housing or shelter in backyards of state subsidised homes also finds expression in the "right to the city" concept. Furthermore, Turok and Borel-Saladin (2015:5) highlight that observers are increasingly articulating a "more positive stance towards backyard dwellings", in that it adequately responds to the needs of the poor through rental tenure and offers a "sustainable approach to human settlements" through informal rental agreements.

Turok and Borel-Saladin (2015:6) posit that informal backyard dwellings represent a "kind of prototype solution" to the existing housing crisis facing South Africa. Furthermore, several municipalities have introduced "pilot schemes to extend selected services to backyard shacks" to limit the pressure on existing infrastructure (ibid: 6).

1.3. Problem Statement/Rationale

Government's housing policy has narrowly focused much of its attention and strategy on home and land ownership, orchestrated through state subsidised programmes. In fact, densification through informal backyard dwellings may inadvertently "stimulate retail

services" and "enlarge consumer spending" thereby expanding backyard rentals into retail shops and businesses (Turok *et al,* 2015:7). Turok and Borel-Saladin (2015:7) also argued that densification could increase "social tension" and "magnify fire risks", thereby "dampening private investments."

The "ambiguity in government policy since 1994" has turned a blind eye towards any form of informal housing (Turok *et al,* 2015:5). The lack of a policy approach that supports backyard dwellings for Johannesburg is indefensible as the greater part of Johannesburg (including the CoJ and Ekurhuleni) alone in 2008 already accounted for "over 30% of all rented shacks" (SHF, 2008:5). Consequently, ignoring the role of backyard dwellings in policy has meant that there is no "systematic analysis of the positive and negative attributes of the phenomenon" (Turok and Borel-Saladin, 2015:5). While home or land ownership continues to remain a primary focus for the City of Johannesburg's (CoJ) housing departments, greater recognition for a "well-informed policy position" specifically catering for backyard rental dwellings, is deemed necessary (GDHS, 2015:2). Furthermore, high capital costs, lack of access to housing finance, and inefficient housing subsidy programmes, make it "impossible for the poor households to construct or purchase formal dwellings" thereby enforcing demand for alternative accommodation (Turok and Borel-Saladin, 2015:5). From this, it is evident that a different approach needs to be developed. This needs to accommodate both formality and informality alongside each other in a mutually beneficial arrangement, converging into a 'hybrid' model for managing backyard rental accommodation.

1.4. Aim of the Study

The growth of backyard rental dwellings indicates that informality has a purpose within the spaces created by formal development. This study sets out to investigate the role of informal backyard dwellings amongst formal state subsidised homes as a 'hybrid' solution for alternative rental tenure, contributing to a limited body of knowledge in this area. The study aims to identify principles for an approach that would position backyard rentals as acceptable forms of accommodation and work spaces that municipalities can approve and banks can finance. In this way, the results could contribute to guiding and informing a specific policy position or strategy on informal backyard dwellings.

1.5. Research Question

1.5.1. Main Question:

What are the main principles for a functional 'hybrid' model for positioning backyard rental as an acceptable form of investment?

1.5.2. Sub-Questions

a) What are the differences and common features of the backyard rental phenomenon in different subsidised housing developments of Johannesburg?
b) What are the key aspects of informality in relation to the backyard rental market?
c) What are the drivers and conditions for a successful backyard rental strategy?

1.6. Methodology and Research Approach

The research is exploratory, employing a qualitative research approach. This enabled me to access and clearly articulates the experiences, insights and ideas of the participants. In terms of its scope, the current study seeks to conduct a deeper investigation into the principles that could underpin a hybrid model through the use of two case studies, Cosmo City and Dieploot, both formally developed, subsidised housing areas in the north of Johannesburg. It is felt that these two areas within the CoJ will provide contrasts into formal and informal backyard dwellings that exist, highlighting similarities and differences.

With the support of the community leaders, I was able to secure interviews with landlords and the tenants, who were very supportive towards the objectives of the research. At each interview, I briefed the landlords on the key objectives of this research. Interviews were mostly conducted in English, with a few questions asked in the vernacular language. I recorded each interview, with the acknowledgement and permission of the landlord and tenant. I was advised by the local community leaders, that Saturday and Sunday mornings were the best times to conduct the interviews, and no challenges were encountered during this process. I observed the layout of the backyard dwellings and the positioning of the RDP homes and undertook a general scan of the environment, which was then diagrammatically sketched (Annexure, figure 22-

24). At each interview, I recorded observations (location of taps, security gates, general upkeep, interiors and exterior aesthetics, etc.) in Cosmo City and Diepsloot.

Diepsloot, one of the settlements identified for this research, "provides a typical example of re-informalisation" of formal state subsidised homes (Gardner and Rubin, 2013:5). The prevalence of backyard dwellings in this area is a consequence of an approach used by residents to respond to the "very high demand for shelter and accommodation in a well-located settlement that is growing rapidly" (ibid:5). Furthermore, the limited supply of low-income homes, has provided many households with formal units to "rent out spaces and shacks to earn extra income and provide much-needed accommodation in an area that has limited low-income housing opportunities" (ibid:5). This re-informalisation and high level of densification through backyard dwellings in Diepsloot clearly shows a demand-driven market at play in this settlement. In contrast, Cosmo City which is the other settlement identified for this research, is a newly established mixed use residential settlement on the western parts of the City of Johannesburg. Its developers advocated the use of standardised approaches. There, the municipality has only permitted the "development of conventionally constructed, approved backyard structures", articulating a clear view for building standards (ibid:11). Since Gardener and Rubin's (2013) time of writing, however, an informalisation has occurred.

The investigation utilized in-depth, individual face to face interviews with key informants that were randomly selected by the community leaders. I interviewed a management representative in the Regional Human Settlements Office and a senior manager in a leading financial institution for my two case study areas. I also interviewed the following additional role players: Owners/landlords of backyard shops and dwellings and tenants of backyard shops and dwellings, in Diepsloot and Cosmo City. It was felt that these individuals would be well positioned to share their experiences, views and ideas on various principles that would underpin a hybrid model for low income rental.

Following a detailed desktop study on the City's overall policies for backyard rental and on the case study areas, I targeted 16 participants (table 1), guided by semi-structured interview schedules to collect the data. The tenants and landlords were based on the same property, and randomly selected by a leader in the community. I adopted this approach of selecting the landlords and tenants based

on the advice of the community leaders and availability of the target audience for the interviews. The interviews were transcribed and a thematic approach was used to analyse the data and identify recurring themes/issues.

Table 1: Profile of survey respondents

Respondent Type	No
Landlord Cosmo City	4
Tenant Cosmo City	3
Landlord Dieplsoot	4
Tenant Diepsloot	3
Department Head at a Financial Institution	1
Department Head at the CoJ / Housing Department	1
TOTAL	16

1.7. Ethical Considerations

The study adhered to the research policies of the University of the Witwatersrand. As part of this, it ensured that the research was undertaken in an ethically responsible manner. Formal ethical clearance was sought prior to commencement of the study and was granted (refer to ethics clearance provided in Appendix 1). Prior to each interview, participants were fully briefed about the aims and objectives of the study as well as the intention to publish the research results. Participants provided informed consent prior to each interview and were assured of anonymity. Regarding the latter, the data is presented and discussed at an aggregated level focusing on key themes and trends and will therefore not identify individual participants.

1.8. Limitations of the Research

In terms of its scope, the current qualitative study seeks to conduct a nuanced investigation into the value of a hybrid model for low income rental among a select number of key stakeholders, in the hope of adding new insights to the body of knowledge on informal housing. Given the small sample size, the study does not claim to be representative of the views of all relevant stakeholders in the informal housing

sector. One of the limitations of qualitative methodologies is the inability to generalise findings to a wider population. The research findings of this study will therefore not be generalizable beyond the scope of this study. Instead, the findings will be relevant to the context of this study only.

1.9. Outline of the Report

This research report is structured in six chapters, including a bibliography, list of tables, list of figures, acronyms and annexes. Following the introduction, chapter two is devoted to the literature review on the discourse of backyard rental dwellings, making reference to the various characteristics of backyard rentals, and the landlord-tenant relationships through to claiming a right to the city. Urbanisation has forced low-income families to seek alternative accommodation, resulting in them claiming a right to the city, and occupying informal backyard rental dwellings. These informal dwellers aspire to creating a home, while landlords maintain good relationships with the renters and need the additional income for survival.

Chapter three presents an historical perspective of South Africa's housing policy and the blindness towards informal backyard rental options. Though the Constitution of 1994 has ensured the right to adequate shelter, policy has focused much of its attention on ownership, ignoring the potential of alternative tenure options including informal backyard rentals. Chapter 4 incorporates the field interviews and the analysis thereof. It provides a qualitative context and feedback provided by the landlords and renters of informal backyard rental units in Cosmo City and Diepsloot. Though these settlements are different, they share an important thread of the demand for informal backyard rental units. Chapter 5 presents a conceptual framework that can be further developed through additional research recommended in Chapter 6.

Chapter 2: Discourse on Backyard Rentals – Towards a Conceptual Framework

2.1. Introduction

The number of people moving into urban areas, particularly the City of Johannesburg, is expected to grow rapidly over the next few decades. In South Africa, as a consequence of rapid urbanisation and inadequate housing, an estimated 1, 6 million people live in informal settlements (Murray, 2014). Hence, housing for low-income households will remain a challenge, presenting the CoJ, urban planners and broader society with major conundrums on how best to 'shelter' this rapid growth.

Gilbert (2008:i) acknowledged almost a decade ago that over a billion people world-wide were living as tenants, and few governments actually recognise renting as an "essential shelter option" and more particularly informal rental accommodation. Gilbert (2008) argues that the symbiotic or often mutually beneficial tenant and landlord relationship is unlikely to disappear in the near future, further informing why renting is such a "vital housing option" (*ibid*:i). As aptly articulated by UN-HABITAT (2003:2), "to ignore rental housing given that half the population are living in these dwellings is simply irresponsible." Gilbert (2008) argues that given the global scale of tenancy mentioned above, every government should adopt some kind of rental policy, rather than neglect this crucial tenure option. The absence of a clear rental policy is ascribed to the significant unfamiliarity about who the tenants really are, the conditions under which they inhabit, and who provides some of this rental accommodation (UN-HABITAT, 2003:1). This is further compounded by the overall lack of understanding of informal backyard rental accommodation in general, and perceptions that landlords overtly exploit tenants. Hence, rental housing at the low-end of the market is "shrouded in illegality" and is associated with decay (Gilbert, 2008:iv). Drawing on this, my position in this study is that the state should be enabling choices in the low-income housing market and a well-developed backyard rental stock can contribute to such choices.

Some of the rental accommodation stock for low income households can be found within informal settlements. However, informal rental shelter across the cities of the South, takes on many forms that are beyond that of informal settlements (Charlton and

Shapurjee, 2012:2). These include sub-divided rooms in the inner city of the CoJ (as part of urban renewal programmes), rooms within multi-storey tenements (Social Housing Programmes), rooms in illegal settlements (squatters), sub-let units on rented land, and tenant or landlord constructed informal backyard dwellings of state subsidised homes (UN-HABITAT, 2003:25). In Calcutta (India), landlords constructed various "low-quality rental dwellings", thereby ensuring that the city's poor were accommodated (Rakodi, 1995:795). In Mombasa's *"majengo"* residential area, an approach of "tenancy-at-will" has been related with the development of "multi-roomed Swahili" homes (*ibid).* In Johannesburg, landlords in Cosmo City and Diepsloot have constructed informal backyard rooms thereby providing access to much needed accommodation to many of the urbanites.

This prevalence of informal backyard rental dwellings located in state subsidised settlements (such as Cosmo City and Diepsloot) is termed by Lemanski (2009:472) as "augmented informality", a consequence of a poor housing and rental policy. Importantly, backyard rental housing in South Africa is beginning to receive policy attention as an alternative shelter for housing the poor, but little implementation is forthcoming (Gauteng Department of Human Settlements, 2015:2). For many poor households, the informal rental market equates to flexible shelter options, in the context of "rapid urbanisation, lingering income-poverty, and limited state housing resources" (Charlton and Shapurjee, 2012:2). In my research study, I'm particularly interested in the informal backyard units amongst state subsidised settlements, focusing on Cosmo City and Diepsloot. These two settlements, while glaringly different, serve a crucial purpose in that they provide much needed rental accommodation through informal backyard structures.

Why has the CoJ's central and regional housing departments not yet fully embraced backyard rental accommodation as a central strategy for housing the poor given the shortage of housing? The plausible reasons are that informal backyard rentals have been associated with poor health conditions, overcrowding, lack of adequate lighting and communal toilets, and unregulated tenant-landlord relationships, etc. (Gauteng Department of Human Settlements, Backyard Policy, 2015:5). Furthermore, the construction of these backyard dwellings is illegal and infringe on municipal by-laws

(*ibid*). Hence, most housing departments will tend to avoid informality, in favour of structured establishment and home-ownership.

In summary, backyard rental dwellings are often interpreted as symbols of "informality and disorder", yet they serve an important need in housing the poor against the backdrop of a slow-down in housing delivery in South Africa (Charlton and Shapurjee, 2012:1). This is further articulated by Charlton and Shapurjee (2012:1), who argue that the proliferation backyard dwellings "represent an opportunity rather than an example of failed modernity." This opportunity sees backyard rental dwellings as a "quick, flexible and regenerative housing asset" (*ibid).*

This research will attempt to shed light on informal backyard dwellings amongst state subsided homes, thereby ensuring that the "broad outlines of the informal rental housing sector are no longer shrouded in mystery" and represent an opportunity in creating temporal homes for the poor (UN-HABITAT, 2003:1).

2.2. Informal Backyard Dwellings: A Home for Many

A temporal home is "more than having adequate shelter and is as much about being placed in a particular social world", where home-making extends beyond the physical and incorporates a "sense of belonging for disadvantaged groups who share a marginalised place in their respective societies" (Moore and Kellet, 2003:123). The idiom, a 'home is where the heart is', is very pertinent to these informal backyard dwellers in state subsidised settlements. In fact, research suggests that people residing in informal dwellings, also have "home-making goals and evaluate qualities of home in their temporary accommodation" (Moore and Kellet, 2003:127).

The process of home-making is more than just erecting a brick and mortar structure and implies that shelter must be accessible to all without fear of discrimination of any kind, even when municipalities' in the CoJ desire formalised structures and eradication of informal dwellings. This translates for the dwellers into feelings of security of tenure in the backyards of formal homes, pride in a temporal structure and right of access to the city for employment. One can therefore argue that a home for these residents is a "potent social and cultural ideal" that all strive towards (Moore and Kellet, 2003:128).

While many lack the physical comforts that we take for granted, it is apparent that the renters endeavour to make a home amid the informality and temporal shelter provided

by the landlords. Some backyard dwellings constructed by landlords are built out of brick and mortar indicating better quality, and furthermore the prevalence of satellite dishes in some ways "represents status and even a desire for upward mobility" (Kellett and Moore, 2003:128). Within the African context, a study of 398 homes in Ghana and 335 homes in Zimbabwe of low-income households, showed that the occupancy rates with transformation through rental accommodation, helped improve the landlords "own living space" and that of the tenants (UN-HABITAT, 2011:22). It is suggested that the positive transformation of homes must be seen as an affirmative way to develop and improve housing quality and supply, even if we consider informality in the midst of formality (*ibid*).

The desire of creating a home should move beyond the preoccupation with formal home-ownership towards alternative tenure options to home-making. Turok *et al,* (2015:14) suggest that backyard dwellings represent a step beyond the free standing informal dwellings, but below the formal housing market. This intermediate housing rental option, can be utilised as a '*Hybrid*' model in making housing accessible and sustainable to many of the poor.

2.3. Characterising Backyard Dwellings

Backyard dwellings are equated to the informality prevalent across squatter settlements, yet they differ, in that they are small-scale and have access to much needed services and localised infrastructure. These dwellings encompass the "co-habitation of landlord and tenant" on the same piece of land in different units (Charlton and Shapurjee, 2012:3). The small-scale landlord tends to occupy the main building, while the tenant occupies an allocated backyard unit or erects an informal unit. The landlords cannot be compared to the backyard tenants: firstly, backyard dwellings represent a "stopgap" for those in desperate need of shelter, and secondly, backyard dwelling s represent an opportunity based on its close proximity to economic activities (*ibid*: 11). According to Turok and Borel-Saladin (2015:10), backyarders "generally" live in squalor in overcrowded dwellings with associated diseases, poor maintenance and infrastructure.

In a study undertaken by Lemanski (2009:1) focusing on state subsidised homes in Cape Town, it was found that the backyard units were "typically erected by their occupiers",

with varying degree of construction standards. Over a decade ago, Crankshaw *et al,* (2000:842) established that these units were found to be "flimsy", and in other instances they were found to be "substantial" for these dwellers, and this situation has not changed.

These backyard dwellers were typically related to the landlord, or they were a friend or someone unrelated (Crankshaw, *et al,* 2000:842). The 1997 Household Survey conducted in Soweto, found that over 70% of backyard dwellers were unrelated to the family living in the main structure, while a further 8% were members of the immediate family, and no more than 15% were related to the immediate household (ibid:847). Of significance, Lemanski's research in Westlake Cape Town (2009:476), found that the vast majority are "unrelated to the landlords", "pay market-led rent", and represent a broad spectrum of people from young to elderly. One can conclude that the dynamics of the backyard dwellings are changing from research previously undertaken.

As the dynamics shift, South African women are beginning to play a fundamental role as landlords in housing, and dominate the "letting of accommodation in backyards of council homes" Gilbert (2008:vi). Across South Africa, more women rented out accommodation in the "backyards of council homes" (UN-HABITAT, 2011:12). Similarly, in Botswana there are more female landlords occupying official state housing projects (UN-HABITAT, 2011:12). This empowerment and equal participation of women in the political, economic and housing agenda is gaining traction, and is essential for growing rental accommodation, though opportunities are limited. While women continue to be involved in housing, the discourse between the "domestic and public spheres" points to the "unequal power relations", and female landlords need to be equally recognised in terms of access to finance, housing subsidises and support through various private and public structures (Kihato, 2013:71). In the same vain, Gilbert (2008:vi) elaborates that women are also reliant on rental housing , and are "usually over represented among the tenant population".

An increase in backyard rental units is notably related to the flexibility of moving around, the close proximity to services, transport and livelihoods, and the affordability of units. Across the CoJ people tend to move between various informal backyard dwellings, based on work commitments and availability of employment. Backyard dwellings offer a greater level of flexibility, than is the case with moving house which

can be very expensive and complicated. Furthermore, informal rental dwellings are vital for new migrants into the city, as they offer the ability to gain access to accommodation at affordable rates. Turok *et al,* (2015:18) confirm that affordability plays a role, as more than 21 per cent of backyard dwellers earn no income and approximately 67 per cent earn less than R3, 200 per month. Rakodi (1995:793), articulated that other contributing factors are associated with "physical limitations of supply", a clear challenge for mainstream housing in South Africa, as well as "high prices in relation to incomes and capital available" which forces a large proportion of low-income earners to rent.

The inability to access capital has encouraged tenants to erect businesses as informal shacks or establish informal spaza shops in the shacks they rent, in response to the growing backyard and settlement population, thereby creating sustainable work opportunities. Spaza shops and other business premises form an integral cultural part of most settlements and township across the CoJ. This was supported by Gilbert (2008:v) who posited that "those setting up businesses may also choose to rent, wishing to use their capital to establish the enterprise rather than having it tied up in a home." This resonates well within the CoJ, as access to private backyard rentals offers unemployed people low barriers of entry in creating livelihoods in a strained economy. Of importance, is that these "commercial spaces such as shops and market stalls may double as sleeping places at night" leading to a 'hybrid' arrangement (business premises during the day and accommodation at night) (Rakodi, 1995:796).

Informal backyard rentals are here to stay, yet many informal residents lack forms of rightful citizenship. This relates to "citizenship's act of voting", a right that will help afford informal residents and landlords an opportunity to express their dissatisfaction towards aspects of housing and services rendered (Charlton and Kihato, 2006). This dissatisfaction was democratically expressed in the recent municipal elections (2016) leading to the African National Congress losing their dominance in a few metropolitan areas, particularly CoJ. For the neighbouring municipality, Ekurhuleni, Kornienko (2013) comments that the informal residents feel that the city leadership closes it eyes, almost rendering them "invisible."

While there is no one size fits all solution, incremental and informal approaches must be considered in the short to medium term. Furthermore, active citizenship through self-help is needed in creating accommodation for the masses.

2.4. Building Your Backyard Unit: Creativity and Un-Aided Self-Help

Turner (1972) has been one of the few influential writers who advocated self-help housing. The "resurgence of self-help housing" traced to the 1960' and 1970's, believed that incumbents must freely and without interference from the state be allowed to decide on what is best for uplifting their housing situation and communities at large (Landman and Napier, 2010:300). Turner articulated that policy makers, governments, capitalists and society must see informal settlements as "solutions not problems" (Charlton 2015:8). Unaided self-help rental housing must be considered as a "more viable and sustainable" solution for developing countries like South Africa, considering that aided self-help housing supported through the People Housing Process (PHP) has "not had a large uptake of numerical numbers". (Landman and Napier, 2010:299).

In most developed economies the principal source of rental accommodation investments is commercially driven, while in most developing cities the principal source of rental housing is through informal investments utilising "self-help landlords" (UN-HABITAT, 2003:xix). A case in point is Ghana and Zimbabwe, where a study undertaken of over 700 homes showed that low-income homeowners are "capable of supplying new rooms and services" to their existing structures and to supply additional rooms for rental (UN-HABITAT, 2011:22). In Cape Town, research conducted by Lemanski's (2009:475) into state subsidised homes in Westlake, found that most of the backyard dwellings were self-constructed by tenants for as little as R2500, indicating that landlords lacked formal capital needed for investing into backyard dwellings. Lemanski (2009) found that many of the landlords were cash strapped and needed the income received from backyard rentals. A lesson for the CoJ and financial institutions is to cater for capital advancement for secondary developments such as backyard dwellings, particularly in state homes.

The emergence of informal backyard dwellings in many state subsidised housing developments is a paradox considering that these projects were clearly defined by standards and sizes. Turner (1972:148) stated that governments and central authorities' "enforcement of unrealistic standards serves only to worsen the housing conditions of the poor", as high capital costs associated with these structures are beyond the reach of

most individuals living in state subsidised homes. Notably, municipalities in South Africa, in their quest for order, rules and defined structures, would prefer to demolish these self-built structures constructed by the tenants or landlords in favour of formal dwellings. Turok *et al,* (2015:8) suggest that individuals deliberately choose to operate informally in "response to excessive and inappropriate state regulation." The CoJ must take cognizance of the reality that overtly stringent rules, by-laws and property costs make it difficult for the landlords and poor tenants to function, leading to an unregulated economy, which is characteristic of informal backyard dwellings.

Most developing economies are leaning towards "encouraging self-help housing", which is of significance for rental housing production in South Africa (Landman, *et al.,* 2010:301). Turok *et al,* (2015:9) cite De Soto (1989) who posited that the "informal economy is the people's spontaneous and creative response to the state's incapacity to satisfy the basic needs of the impoverished masses", and has subsequently portrayed informality as "heroic entrepreneurship". UN Habitat Agenda III (2016) actively promotes the need for governments to formulate integrated housing policies that encourage affordable and sustainable housing, actively involving inhabitants of society in the process of housing. Similarly, Huchzermeyer (2014:64-67) engages with Lefebvre's humanist concept (1996/1968), expressed as a "right to the city". Lefebvre's right to the city, is of "central relevance for an engagement with informal settlements" (ibid:64). Lefebvre articulates that the "human being" is very creative and if allowed to be inventive "he will create it as best he can" (ibid:67).

While people creatively invest in backyard dwellings, the crude self-build construction of rooms serves a dynamic purpose for dwellers "to cook, eat, sleep, wash, and live in" (Lategan, 2009:75). Turner (1972) was adamant that "use value should be emphasised more than exchange value" (Charlton 2015: 2). In addition, Turok (2015:1) emphasised that the construction and make-up of housing (formally or informally built), has the potential of creating jobs and livelihoods through the "linkages to construction activity". This will invariably have a positive impact on other aspects in the construction value chain, such as demand for construction materials and domestic goods, or other business activities, leading to economic hubs in and around state settlements.

Finally, discourse suggests that "backyard rooms are rightly receiving amplified attention from policy makers and design professionals" as a probable and practical shelter

solution (Lategan, 2009:74). Henceforth, unaided self-help rental housing for low-income earners should include "informal backyard shacks in old townships areas or new RDP developments" (Landman, *et al.*. 2010:303). RDP was an original policy framework implemented by the government in 1994 to readdress the inequalities created through apartheid policies, which, despite being abandoned as a policy in 1996, was subsequently adopted as the name for many of the fully subsidised state homes.

2.5. Informal Landlordism, a Dynamic Relationship for Increased Rentals: Investing in Backyard Dwellings

Why do low-income earners reside in backyards of RDP homes and informal settlements, at the mercy of landlords and contractually liable for rent, rather than residing on illegally occupied land, free of rent obligations and freedom to express? Lemanski (2009:474) articulates that the primary reasons identified are "positive agency factors such as access to services, location and flexibility, and reduced threat of eviction." Of interest, Turok *et al,* (2015:14) through the Gauteng QoL 2011 Survey found that 34% of informal backyard dwellers had the lowest levels of satisfaction with the dwelling type, while 71–81% of formal dwellers were satisfied with their dwellings. While informal living is generally not a positive experience for most dwellers, it is rated much more positively in terms of access to the neighbourhood (*ibid)*. Embracing informality amongst formal state homes within the CoJ, can create a positive experience for many of the poor wanting a neighbourhood way of living: *'Hybrid Model'.*

In comparison to residents of informal settlements living with limited heating methods and sanitation, informal backyard dwellers were better off as they typically have shared electricity, water and sanitation with the landlord (Lemanski, 2009:476). Lemanski's research (2009:477) in Westlake Cape Town, found that approximately 97 per cent of backyard shacks had access to electricity (often illegal), and reported no problem with access to water. Turok *et al,* (2015:14), established that in comparison to free standing shack dwellers, nearly two-thirds of backyard renters have better access to a flush toilet, three-quarters to electricity and four out five dwellers have access to running water. However, environmental problems are a common challenge for most backyard dwellers, as waste management services do not cater for the backyard dwellers, only landlords, exposing many of the backyard residents to illnesses. Of significance, the informal

settlements situated in Cape Town where able to secure shared services with "significant effort over a long time period" (Lemanski, 2009:477).

Data obtained through the "Income and Expenditure Survey" of 2005/2006, showed that 95% of people residing in informal settlements were paying less than R200 per month rent, with an average of R103, while people who rent backyard dwellings were paying in excess of R200 per month rentals, with an average of R147 (SHF, 2008:8). This suggests occupants are prepared to pay more for backyard units due to these positive agency factors mentioned, even though many of them "survive on less than R1500 per month" (Lemanski, 2009:473). Backyard rentals across the country have gradually increased figure 2). In Diepsloot, back in 1998, landlords charged relatively high rentals of R100 per month (excluding electricity and water) when compared with elsewhere at the time Almost two decades on, the qualitative interviews undertaken in Diepsloot (2016) reveal that rentals range from R350 to R800 per unit excluding services.

Table 2: Backyard rentals charged across various townships in South Africa from 1989-2008 (Source: Lemanski, 2009)

Year	Backyard rents	Location	Source
1989	R43 average (up to R100)	Gauteng Townships	Saphire, 1992
1997	R40-R100	Johannesburg and Cape Town townships	Guillaume & Houssay-Holzschuch, 2002
1997	R20 average	Guguletu (Cape Town townships)	Gilbert et al. 1997
1997	R51 average	Tamboville (Johannesburg townships)	Gilbert et al. 1997
1997	R69 average	Soweto (Johannesburg townships)	Crankshaw et al, 2000
1998	R100 (R50 if no water or electricity)	Diepsloot (Johannesburg)	Benit, 2002
1998-9	R52 average (up to R100)	Helenvale township (Port Elizabeth)	Morange, 2002
1998-9	R17 average (R10-R30)	Walmer Location (Port Elizabeth)	Morange, 2002
2005	R150 (including electricity)	Duncan Village (East London township)	Bank, 2007

2006	R150	Gauteng Townships	Gordon & Nell, 2006
2006	R240 average (excluding electricity)	Westlake village (Cape Town RDP housing)	Lemanski, 2009
2007	R150 (excluding electricity	National survey	Skuse & Cousins, 2007
2008	R147 average		SHF, 2008

Furthermore, many of the inhabitants prefer the flexibility offered by informal backyard dwellings and renting "better facilitate their livelihood strategies" and employment opportunities, than owning a formal property. This enables people to easily knock on doors in search of accommodation at short notice or establish small commercial operations such as spaza shops. During my various visits to these settlements, the small-scale commercial operations vary from fixing of cars to spaza shops. This eclectic mix of businesses reflects the desire to make a living even within the realm of informality. This was further confirmed by Turok (2011:16), when he elaborated that in Mitchels Plain Cape Town, the use of housing has some form of income-generation for landlords, "be it a backyard room or a 'spaza-shop'".

Why do landlords rent out their space, plot of land or backyard unit? According to Lemanski (2009:479), "income generation" is a key driver, coupled with extended family tenancy support. Backyard rentals provide a "significant income" for the survivalist landlords allowing them to pay for school fees, food, transport and other services (Lemanski, 2009:481). Through Lemanski's 2006 research in a settlement in Westlake (2009:498), it has been found that over one-third (34%) are non-kin tenants, confirming that backyard rental dwellings generate supplementary income for cash strapped landlords. In Latin American cities households accommodate people through backyard dwellings, "in order to supplement their income" (Crankshaw *et al,* 2000:848). In fact, Crankshaw et al, (2000:848) found through the 1997 Soweto household survey, that many of the landlords operated on a small scale, and few achieved wealth from low-income (R69 per month) backyard rentals. A decade on Lemanksi (2009:479) articulates that landlords remain small-scale and have a monthly income of R1500, which was clearly unsustainable, and rental income derived added up to "one-third (29%) of their household income". Through these figures, it is assumed that the demand for rental

income far exceeds the supply, allowing tenants to dictate the terms, price and conditions of backyard dwellings, thereby creating a dynamic relationship between landlord-tenant.

The landlord-tenant relationship is often classified as being "deeply exploitive" (Lemanksi, 2009:482). However, it appears that this relationship has become less abusive over the past decade, as backyard dwelling supply is "now increasingly demand-driven" and the financial power is held by the tenants (*ibid*). Gardner and Rubin (SALGA Report, 2013:6) also found that the majority of backyard dwellings tenant-landlord relationships, "do not conform to these negative stereotypes." Turok *et al,* (2015:8), established that relationships between the landlord and backyard dwellers were "relatively casual or based on personal relations rather than formal contractual arrangements with legal backing". Crankshaw *et al,* (2000:852), iterated that through the 1997 household survey, a "vast majority (83%) of backyard households replied they had had no disagreement with landlords." Of significance is that the survey found that more people moved out based on voluntary reasons (43%), while (33%) said that they were in some "sense forced out by the landlord" (Crankshaw *et al,* 2000:852). The most common reason articulated by the tenants for leaving was the desire for a bigger place based on marital and extended family needs (*ibid*). This highlights the importance of backyard dwellings in eliciting a stop-gap rental strategy for many people based on their housing lifecycle needs. In addition, it is further suggested that the presence of landlords on the same property as the tenant, leads to better and reassuring landlord-tenant relationships (UN-HABITAT, 2011:19).

Landlords across Africa that operate on a formal basis have access to capital allowing them to invest in developing "hundreds of rental units" (UN-HABITAT, 2011:11). Yet many of the small-scale landlords that provide a large proportion of the rental housing, on the "inside or at the back of their own house", have limited access to capital or finance (*ibid*). While the investment decisions of the large to small scale landlords differ, they form a common thread: *making "rental an important housing option especially for the poor"* (UN-HABITAT, 2011:4). Embracing both informality and formality as a '*hybrid'* model seems appropriate for meeting the demand-lead needs of the poor through the supply of backyard rental units, thereby providing them access to the city.

2.6. Conclusion

The demand for housing far exceeds the supply, encouraging many of the urban poor to seek informal rental accommodation. This “augmented informality” is associated with a poor housing and rental policy (Lemanski, 2009).

Though policy has recognised rentals, little implementation has been forthcoming, a consequence of negative connotations and poor understanding associated with informality, landlords and renters. Of interest, and almost four decades ago, Turner (1972) suggested that policy makers consider informal settlements as a solution including the concept of self-help. Herein, lies an opportunity for the CoJ in affording the landlords an opportunity to self-build these backyard units, thereby reducing the economic impact faced by the city in meeting housing demands.

The provision of affordable backyard rentals in Cosmo City and Diepsloot has afforded the renters access to decent livelihoods, employment opportunities and flexibility, which are important agency factors posited by Lemanski (2009). Literature reviewed in this chapter reviews the situation as it pertains to backyard rentals in several of South Africa’s cities, and from this makes policy recommendations. These include the promotion of less onerous by laws and regulations governing backyard units, and the access to capital needed for the construction of backyard dwellings. Turok (2015) suggests that the lack of capital forces many of the urban poor into rentals and self-builds.

Finally, the relationships between landlord-tenants, though informal, seem to work, further enforcing the notion that informal living should not be viewed as symbols of disorder.

Chapter 3:

3. Housing Policy, Blindness to the Obvious Investment Solution, and Interventions Relating to Backyard Rentals

3.1. Introduction

South African housing and its policies has a unique past, masked by the legacy of apartheid. Overcoming apartheid policies has been somewhat slow, though in excess of three million homes have been built since 1994. However, many previously disadvantaged households continue to live in poor housing conditions on the periphery of the CoJ, either in informal settlements or informally in backyard rental units. Many have asked why this situation prevailed even with the Constitution of 1996 incorporating the right of housing for all, especially the vulnerable.

As I will show in this chapter through a review of policy and literature, despite policy changes, the South African government in its various spheres and levels continues to focus largely on eradication of informality and on promoting subsidised homeownership. Land ownership is an important factor when dealing with housing the poor. The inability of access to adequate land has forced many poor families in the CoJ to reside informally in shacks without basic services, or living informally in backyard rental units amongst formal state homes. Apartheid policies forced black households to rent in hostels and state homes, and the post-apartheid government therefore prioritised home ownership.

However, the demand is not met by the scale of delivery, meaning many have to resort to informal rental arrangements. Housing policy has not supported informal rental arrangements, though it has been refined from a more exclusive focus on state subsidised housing programmes to that of the Breaking New Ground (BNG) programme which has encouraged integrated and sustainable human settlements. However, responses and interventions to backyard rental dwellings remain unregulated, uncontrolled and poorly coordinated.

3.2. Historical Perspective of Backyard Dwellings

The painful seeds of apartheid have left a legacy that finds itself entrenched in the way townships and neighbourhoods are structured, managed and located on the "periphery of cities" (Joseph and Karuri-Sebina, 2014:2). The presence of informal backyard dwellings erected on stands of state subsidised homes across Johannesburg has its "origins in the apartheid restrictions on black migrants settling in the cities" (Turok and Borel-Saladin, 2015:9).

Why has informal backyard rental accommodation mushroomed across the CoJ? While there are a number of reasons, the obvious one lies in the way the previous and present government has implemented policies "towards illegal and informal kinds of housing" (Crankshaw, *et al.,* 2000:842). In other words, the apartheid government controlled the movement of many black people, through onerous pass laws, permitting few people to live in the city (Crankshaw, *et al.,* 2000:842). Crankshaw *et al,* (2000:843) acknowledges that the apartheid government initially "committed to providing housing for urban Africans in hostels or official council housing." However, towards the end of the 1960's the apartheid government stopped building new houses and new arrivals to the city were forced to find alternative accommodation (*ibid*). Furthermore, the apartheid government regulated land ownership and "prevented freehold property ownership by Africans" (Crankshaw, *et al.,* 2000:843). This culminated into informal backyard rental dwellings as the "only option during the 1970's and early 1980''s, because the apartheid state was able to implicitly control the illegal occupation of land (*ibid*:842).

Consequently, the majority of black people were forced to rent in hostels and in state owned council homes as there was no alternative rental accommodation available to African families. Backyard dwellings became the only concrete "alternative for the poor black South African" in most townships; even post the birth of a new Constitution (Crankshaw, *et al.,* 2000:844).

3.3. The Constitution of 1996

The Constitution of 1996 ensures the right to adequate shelter for all its citizens, including those living informally. This is mirrored in the United Nations Habitat II Agenda of 1996, which explicitly supports rental accommodation as an alternative tenure strategy for sheltering the global poor (Un-Habitat, 2011:4). Of significance is that

section 26 of the Bill of Rights, enshrined in The Constitution sets out the fundamental right of access to adequate and decent housing (The Constitution, 1996:8):

(1) “Everyone has the right to have access to adequate housing.”

(2) “The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.”

(3) “No one may be evicted from their home, or have their home demolished, without an order of court made after considering all relevant circumstances. No legislation may permit arbitrary evictions.”

This right to adequate shelter extends beyond the physical and includes important and inter-related socio-economic dependencies such as “access to water, sanitation, electricity, livelihoods, transport, clinics and hospitals, schools and universities….sports fields, etc.” (Tissington, 2011:25). However, state interventions towards housing and basic services have been primarily restricted to state housing projects, while informal settlements continue to receive interim basic services, including sanitation. Literature suggests that many of the backyard dwellers have access to basic electricity and services, often illegally connected, and feel safe within this temporal tenure (Lemanski, 2009, Turok, 2010).

In the Bill of Rights, Republic of South Africa (1996:7-13) the right to housing is also supported by other important and relevant rights, as outlined in Sections:

10 “Everyone has inherent dignity and the right to have their dignity respected and protected”

25 (1) “No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property.”

28 (c) “Every child has a right to basic nutrition, shelter, basic health care services and social services.”

These have relevance for those living informally in backyard rental units. Home-making moves beyond the physical and incorporates important elements of pride, dignity and rights to security of tenure even within temporal-informal spaces. This becomes especially more pertinent when children or vulnerable groups are involved and issues relating to tenure rights, health and safely, and provision of basic services become

critical. Within this context government has not adequately supported informal backyard dwellings with crucial services and recognised informal backyard dwellings as an alternative rental housing solution.

3.4. South Africa's Housing Policies

The presence of large numbers of backyard dwellings across the CoJ poses important and crucial policy questions, which the literature (e.g. Gilbert, *et al.,* 2008:841) has posed. What should the local housing departments do about people living in backyard dwellings across the CoJ? Should the CoJ eradicate people living informally in backyards in favour of formal structures? Alternatively, should landlords be allowed to build their own structures, supporting many of the poor seeking alternative accommodation?

South African housing policy makers have only to some extent grappled with these questions. As Lalloo (1999) explains, the African National Congress and alliance partners entered the housing policy negotiations in the early 1990s "from a position of weakness", though with the intention to bring about "long-term" and "sustainable integrated housing solutions for all" (Lalloo, 1999:35). These long-term issues include access to serviced land, integrating townships and broader socio-economic participation. It is also noted that shaping the housing policy framework has not been an easy route for the current led ANC government. Post 1994, issues such as access to decent and affordable land continue to pervade the political and social arena in South Africa, with 'threatening' calls for land invasion and land reforms. In reality, post 1994, there remains "considerable ambiguity"in party politics towards all forms of informal housing (Turok and Borel-Saladin, 2015:5).

It has been acknowledged in the periods 1994-2014, the South African Government has been arguably praised for its "housing policy and commitment to addressing the housing backlog" (Huchzermeyer and Karam, forthcoming:85). The original housing policy developed in 1994 focused primarily in meeting basic needs. This was based in part on the Reconstruction and Development Programme (RDP) of the ANC and its alliance partners, and which placed emphasis on a "concern for delivery" and "favouring one subsidy mechanism (*ibid*:85). The periods 1994-2004 where criticised as they "closed of opportunities for active citizen involvement in solving the housing problem" (*ibid*:85), an important consideration for self-builds such as informal backyard units. In addition, the

subsidy driven strategy favoured private developers often ignoring the potential landlord and owners poses in addressing the housing backlog, such as informal backyard rental units. Important to mention, was the landmark socio-economic rights Constitutional ruling in 2000, forcing policy makers to address the "immediate needs of those living in informal settlements or other disparate conditions" (Huchzermeyer and Karam, forthcoming:85).

In September 2004, an important policy refinement was launched under the title of Breaking New Ground (BNG). This was driven out of political concern and as well as evaluations of the past decade of housing delivery (Huchzermeyer and Karam, forthcoming:85). It aimed at promoting the drive for an integrated urban landscape. BNG established the concept of "sustainable human settlements", reflecting a commitment to the United Nations "Habitat Agenda" of 1996 (Charlton and Kihato, 2006:257). BNG was somewhat confusing as it promoted the "eradication of existing informal settlements", whilst referring in the same breath to the "integration of these settlements into the broader urban fabric to overcome spatial, economic and social exclusion" (Charlton and Kihato, 2006:258).

Hailed as a "radical departure" from previous political discourse, BNG was criticised for not giving clear direction on the contentious issue of land ownership" (Charlton and Kihato, 2006:259). Questions of land ownership remain one of the major conundrums facing the current government in the 2017 political debate, with rising political pressure from the populist opposition party Economic Freedom Front (EFF) demanding the expropriation of land. Furthermore, the state's housing delivery, the so-called 'RDP housing', had been criticised in a way that had implications for the land questions. It was held responsible for "contributing to urban sprawl, perpetuating the marginalisation of the poor and failing to play a key role in the compaction, integration and restructuring of the apartheid city" (Charlton and Kihato, 2006:255). A further point of criticism related to the prevalence of backyard dwellings in state housing, is that these developments had contributed to "dysfunctional settlements" characterised by informality among state provided homes (Charlton and Kihato, 2006:257).

In spite of delivering in excess of three million homes since 1994, "informal housing persists", even within newly established state sponsored developments, such as Cosmo City and Diepsloot (Charlton and Shapurjee, 2012:1). Huchzermeyer and Karam's

(forthcoming:97) assessment of housing delivery performance in South Africa found that the housing output peaked in 2006/2007 (271 219 units), while the forthcoming years has progressively lagged and declined (with 2013/2014 output of 154 129 units). They mention that many assessments found that the poor remained marginalised and with no option but to occupy urban spaces informally (*ibid*). Informal backyard dwellings are seen by policy makers and implementers to contradict the policy objectives set out by the state housing programmes, and housing delivery largely continues to be preoccupied with meeting the quantified targets and end user home ownership, while alternative issues, such as, delivering "housing under alternative forms of tenure (e.g. rental, rent-to-buy)" is yet to be considered (Huchzermeyer and Karam, forthcoming:100). A further concern which remains unresolved has been the "extent to which policy improves the lives of the poor and contributes to poverty alleviation" (Charlton and Kihato, 2006:252).

In striving towards improving the needs of the poor, UN-HABITAT encouraged governments already in 1989, to "review their housing policies and devise appropriate strategies for rental housing which removes biases against non-owners" (UN-HABITAT, 2003: iii). UN-Habitat's position has been that governments need to move beyond the myth of homeownership for all, and accept that millions of people live in rental housing and will demand rental accommodation at certain lifecycles in their lives (*ibid)*. According to UN-HABITAT (2003:1) report, very little has changed in the policy approach towards rental accommodation. It concluded that "governments should review their housing policies and devise appropriate strategies for rental housing which removes biases against non-owners" (*ibid*.).

While backyard rentals are being considered by the CoJ, very little action is evident. The lack of support for rental housing across the CoJ, particularly informal backyard dwellings, means that the city, "fails to fulfil its classical social function, namely, housing the poorer parts of the population with limited or no access to homeownership in a formal dwelling" (UN-HABITAT, 2003:2).

Given the rise of informal backyard dwellings, "every government should have some kind of rental housing policy" which is a necessary intervention in mass housing the poor (Gilbert, 2008:1). Turok (2011:16) clearly articulated that the "strong interweaving of a formal and informal property market", and the symbiotic relationship between the two

has clearly not been well embraced by policymakers as a model for low cost rental housing. It is further suggested that the informal backyard rental approach might need a different policy approach because backyards represent a "better outcome than dispersed informality, especially if higher population densities stimulate neighbourhood economic activity and improve public transport viability" (Turok, *et al.*. 2015:12).

3.5. Rental Housing Act of 1999

Government support for rental housing has been on the policy agenda in South Africa, but with little concrete support. Crankshaw *et al,* (2000:844) acknowledged that the South Africa government in 1995 did cater for rental housing for the lower end of the housing market through "rental subsidies aimed at organisations providing rental housing", but the "social rental housing soon foundered." Despite the need for rental housing especially amongst women and growing migrants, very little emerged until the introduction of the "draft rental housing bill" in October 1998 aimed at creating in excess of 150, 000 rental units (*ibid*).

The Rental Housing Act (Act 50 of 1999) came into operation to regulate the problematic relationships experienced between the landlord and the tenants, as well as to establish Rental Housing Tribunals across the provinces. The Act sets out the rights and obligations of the landlord and tenant, as well as the general prerequisites with regard to rental contracts, including provisions applicable when the rental contracts are verbal agreements or when they are in writing. For the first time, tenants occupying backyard dwellings, outbuildings and other rental dwellings have the ability to challenge unscrupulous landlords (Mohamed, 2010:2). Though the Act of 1999 makes for such a provision, it is often not enforced, further exposing many of those living informally in backyard dwellings and outbuildings to unscrupulous landlord practices. The Act stipulates government's role in promoting stable yet affordable rental housing market for the previously disadvantaged. Provincial Rental Housing Tribunals have been established to resolve (through mediation or formal hearings) disputes between the landlord and tenants, and to safe guard against unfair practices that may prejudice the landlord or the tenant (SERI, 2013:14). Hence, the law took a balanced view in representing the needs of the tenants and understanding the expectations of the landlord.

According to the UN-HABITAT (2011:19), many of the rental agreements maintained between the landlord and tenant are "informal in nature, concluded outside the regulatory framework or formal legal system". Informality of this kind, poses challenges for the CoJ as conflicts emanating cannot be resolved through local courts or rental tribunals. It is suggested that the shortage of alternative accommodation for the low-income/poor people across the CoJ, may encourage unscrupulous landlords to squeeze the tenants into paying higher rentals and live under very poor conditions. In Bangkok, tenants who had their "contracts signed and monthly payments made enjoyed a certain amount of security" (Rakodi, 1995:796). On the other hand, complete formal regulatory controls and enforcements, may discourage the landlords from investing in providing backyard rental accommodation. This study and interviews conducted in Cosmo City and Diepsloot, will attempt to qualitatively analyse feedback from landlords, if they prefer informal arrangements and communication, than bide themselves down in a regulatory framework. Literature such as Turok, (2015) does suggest that people tend to operate informally due to excessive regulations and rules.

The Act also guards against some unfair practices that relate to: "changing of locks, deposits, damage to property, demolitions and conversions, forced entry and obstruction of entry, house rules, intimidation….or refurbishment work, etc." (Tissington, 2011:18). The Act states that local authorities may establish a Rental Housing Information Office to provide tenants and landlords with advice pertaining to matters of "rights and obligations" (*ibid*). The Act further elaborates that national government must introduce a policy framework that sets clear norms and standards to ensure that provinces are able to effectively promote rental housing (*ibid*).

The Act also allows the Minister to introduce a rental subsidy aimed at stimulating the supply of rental stock for the lower income segments (Tissington, 2011:18). These subsidy programmes must be actively promoted by the CoJ, so as to ensure that landlords proactively invest in rental housing as an effective alternative shelter option for many of the poor in the province.

3.5.1. Some of the practicalities of the Rental Housing Act (Act 50 of 1999)

The Act sets out the duties and responsibilities for both the landlord and tenant and takes a balanced view in ensuring that these rights and duties are maintained. This is encompassed below into:

3.5.1.1. Rights and duties relating to the landlord (SERI, 2013:5)

The landlord must take the necessary steps in ensuring that the property rented is maintained in a reasonable condition for the tenant. This is important as it speaks to the tenant's right to a dignity and security. On accepting the rental, the tenant can request for a written lease agreement and the landlord is expected to provide receipts for all rental payments and deposits. The date for monthly rental payments is decided upon by the landlord and he/she can request for cash, bank deposits or electronic payments. A landlord must respect the tenant's privacy and cannot enter the premises unannounced without informing a tenant in advance verbally or in writing to inspect the rented property (SERI, 2013:5).

3.5.1.2. Rights and duties relating to the tenant (SERI, 2013:5)

The tenant is expected to pay for the rent and services in full and on time as stipulated by the landlord or rental agreement. Valid reasons for non-payment must be discussed with and alternative arrangements can be made with a landlord. The tenant is only permitted to use the rental property for the purposes agreed upon in the rental contract. Of interest, is that tenants in Cosmo City and Dieploot have verbal rental agreements for various types of businesses, which remain informal between the landlord and tenant. Furthermore, tenants cannot sublet a rented property, as specified in a rental agreement. It is expected of the tenant to maintain the property and return it to the state when the lease agreement was signed. Of importance, tenants cannot make structural or other changes to the property without the prior consent of the landlord (SERI, 2013:5).

3.5.1.3. Rental Housing Tribunals (SERI, 2013:14)

The establishment of Rental Housing Tribunals across the various provinces serves to advise landlords and tenants of their respective rights and obligations. Furthermore, it aims to resolve any conflicts arising from unfair rental practices.

The key driver of the tribunals is to effectively promote stability in the rental housing sector and provide cost effective facilitation and mediation of disputes.

The Rental Housing Act is a user-friendly manual, yet many of the landlords resort to informal agreements and unfair rental practices across the CoJ (SERI, 2013:5).

3.6. Financial Institutions Providing Access to Housing Finance: A Voluntary or Mandatory Approach

Housing across South Africa continues to be supported through savings, state funding and financial institutions (Financial and Fiscal Commission, 2013: 16). While state funding plays an active role in low-income housing projects, financial institutions continue to cater for the needs of the "upper to middle-income housing market" in South Africa (Financial and Fiscal Commission, 2013: 16).

According to an IMF report (2014: 7), South Africa's financial services sector is considered "well capitalised and highly profitable." In 2008, South Africa was able to weather the financial crisis as it had maintained "relatively strong fundamentals" and is considered a key pillar in contributing to the economic growth and stability of the country (Zini, 2008). The Financial Sector Charter (FSC) which was proposed in response to the Community Reinvestment Bill (CRB) unanimously committed to actively promote a transformed, competitive and accessible sector that mirrored the nuances and demographics of South Africa (Nyandoro, 2008:25). It further pledged to provide competitive and affordable access to financial services to the previously marginalised communities, including housing finance for the lower end market. More importantly, the government suspended the CRB in favour of the FSC, allowing banks the opportunity to "make a contribution in solving the problem of housing through housing finance provision and its accessibility by the low-income sector" (Nyandoro, 2008:3).

Notably, the financial sector still remains predominately advanced and biased, focusing its housing finance needs on the "more well-off households in South Africa" (Nyandoro, 2008:21).

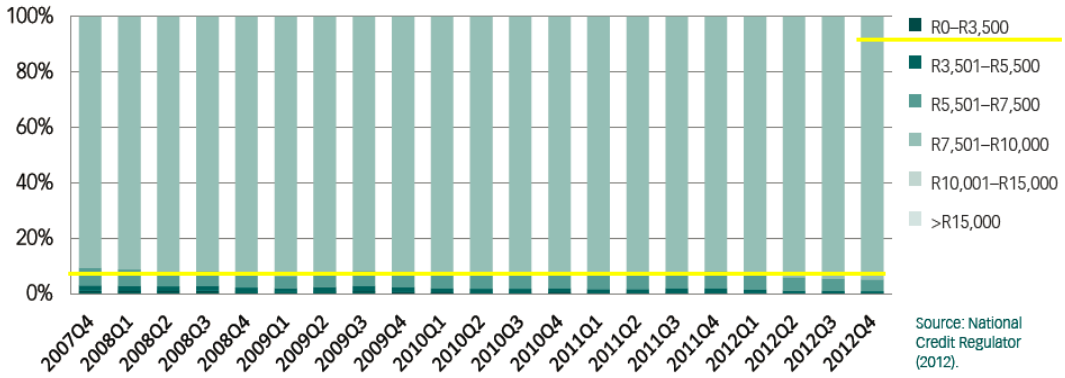


Figure 1: Mortgage credit granted by value and income level in 2012 (Source: Financial and Fiscal Commission- NCR, 2013)

It is clear from figure 1, that mortgage finance for those earning between R0-R3500 is significantly lower (yellow flat line) than for those earning in excess of R10 000 per month. These weak investment strategies into the lower end of the housing market have often been ascribed to poor education and "inadequate collection services", as many rely on informal employment and livelihood opportunities (*ibid*: 21) There continues to be an insufficient response by the sector to meeting the increasing demand for access to financial services, and especially for affordable housing finance at the lower end of the housing scale. While key targets where agreed upon, the financial sector could not be held accountable as these targets were based on a principle and unqualified responsibilities, making it difficult to enforce a voluntary programme.

Of concern is that many financial institutions have focused much of their attention on the unsecured lending market (figure 2), further compounding challenges of affordability and bad debt for the low-income segments.

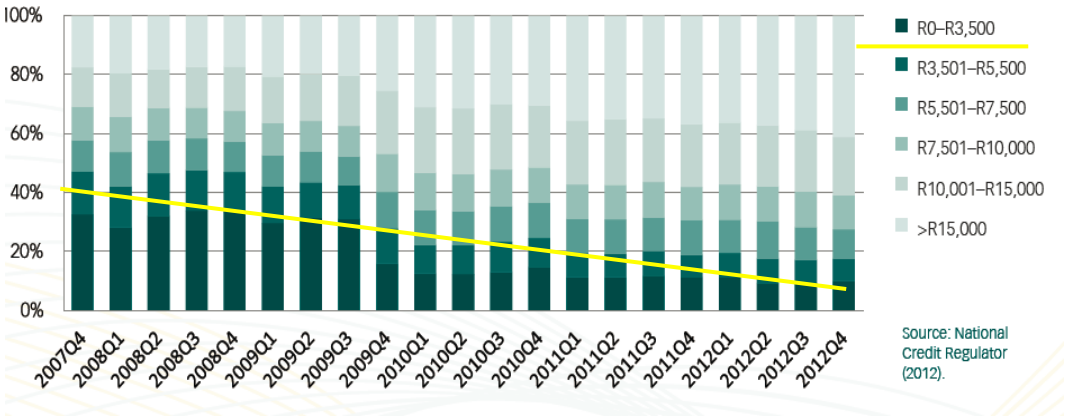


Figure 2: Unsecured credit granted by value and income level in 2012 (Source: Financial and Fiscal Commission- NCR, 2013)

The unsecured lending market holds no security, charges exorbitant interest rates, has poor lending practices and is outside the banking Usury Act. The Usury Act, of 1968 (Act No 73 of 1968): effectively "To provide for the limitation and disclosure of finance charges levied in respect of money lending transactions, credit transactions and leasing transactions and for matters incidental thereto; and to repeal the Usury Act, 1926". (www.acts.co.za). Those financial institutions operating outside the Usury Act pf 1968, effectively charge much higher interest rates, and service a need for capital especially in low-income segments. The debacle at African bank, which was placed "under curatorship after record losses from unsecured lending" is a learning opportunity for the financial sector in providing cost effective financial products to some of the low-income segments (IMF, 2014:7). Traditionally mortgage finance operates at prime (currently 10.5%) plus an effective interest charged. Whereas, unsecured lending is risk based pricing which is set by the financial institutions and can exceed 20% per annum. In Figure 2, those earning between R0-R3500 had more access to unsecured lending than traditional mortgage finance (figure 1), though the amount progressively decreased partly due to over indebtedness. What figure 2 does not provide for those earning between R0-R3500, is the breakdown for the use of the unsecured loans, which vary from paying of "school fees", to "incremental home improvements" (Habitat for Humanity, 2017). This suggests that financial institutions need to better understand the dynamics of the low-income segment and position affordable products and services suitable for their needs.

According to Pillay and Naude (2006), a lack of knowledge of the behavioural patterns, perspectives and experiences of the potential low-income borrowers has hampered banks' progress and penetration into this market. In fact, the study undertaken by Pillay and Naude (2006) has confirmed that these borrowers face a number of hurdles and difficulties trying to access credit from traditional banks. They further elaborate that a number of the applicants are scared of approaching most banks for fear of denial, due to having a bad credit record from unsecured lending and an inadequate understanding of housing needs. More importantly, banks have paid very little attention to consumer education to improve the credit worthiness of borrowers, enabling them to make more concrete decisions in owning a house or extending their existing property. What was quite interesting from the results of this study was that "affordability was not necessarily the most significant constraint" hindering low-income households' ability to

attain the house of their dreams (Pillay and Naude, 2006: 881). An important contributing factor, is that banks still remain quite inflexible in their approach to lending criteria, often making it “difficult for low-income borrowers to access a home loan” even though commitments have been made through the FSC (*ibid*).

Government realizes that the housing crisis is “partly due to financial institutions failure to invest and provide access to housing finance to previously disadvantaged communities” (Nyandoro, 2008: 28). Furthermore, banks continue to red-line townships, based on the perception that it was “risky to recoup investments” should bond holders default (*ibid*,28). Consequently, private investors have decreased their exposure to low-income settlements, leaving the burden on government to part-finance many of the low-income housing developments. In a recent study of red-lining in Brixton, prospective homeowners found it “difficult or impossible to secure mortgage finance” (Huchzermeyer and Haferburg, forthcoming:1). This is a form of exclusion and further disenfranchises many of the low-income residents seeking opportunities to improve their existing or buy a new property. The implication of the red-lining ideology is that it “contributes to the deterioration of housing and other conditions in the area” leading to growth of informality (Huchzermeyer and Haferburg, forthcoming:3). The practice of redlining continues to be justified by financial institutions, often making reference to “political unrest”, “community action” and holding banks “hostage” (Huchzermeyer and Haferburg, forthcoming:7). While banks continue to include RDP homes as “regular property stock”, which invariably impacts on lending criteria, there are organisations such as the Trust for Urban Housing Finance (TUHF), which offers “mortgage finance to those with title deeds who want to build or renovate backyard structures they intend renting out” (Timm, 2016:3).

Financial institutions should have a ‘mandatory’ role as dictated by the initial CRB in making housing finance available to the previously disadvantaged communities, rather than a “voluntary” one as dictated by the current Financial Services Charter. Noteworthy, the ‘voluntary’ involvement of the financial services sector has not yielded the desired outcome as expected by government in making housing finance available to the low end housing market. On the contrary, the financial sector has ‘shied away’ from this low-income segment, inexplicably evident in the number of mortgage loans advanced to those earning between R0-R3500 (Figure 1).

3.7. Interventions in Backyard Dwellings

The movement from informality to formality is proving very slow for Johannesburg and the Gauteng province. This is evident, though often hidden, within the '*shadows*' of formal state subsidised homes, where the backyard dwellings emerge. What has the Gauteng Province and Johannesburg done to better understand and improve the situation of the poor, particularly those living in backyard dwellings?

At a summit held in Gauteng on the affordable housing segment (GDHS, 2014:2), informal backyard rental dwellings were highlighted and acknowledged as a "pivotal form of alternative accommodation that needs to be afforded equal stature" in addressing the current housing shortage. The GDHS summit (2014) tabled strategies and interventions that could be implemented in the province supporting backyard dwellings. A year on and with a growing informal backyard sector, Turok and Borel-Saladin, (2015:21), suggested that a radical policy shift is needed to achieve "high density neighbourhoods", and "mixed use development schemes" within the context of backyard dwellings. Though Turok and Borel-Saladin (2015:21) did not provide the details of a radical policy shift, key strategic interventions were positioned for backyard dwellings. Two years prior, Tshangana (2013:2) acknowledged in a draft report for SALGA that informal backyard dwellings have thrived successfully "without any government intervention/support". The objectives set out in the SALGA report were to "capture and reflect consensus" on the issue of backyard dwellings, thereby providing Johannesburg with strategies and policies for interventions (*ibid*:2).

This section, will explore some of the strategic interventions for informal backyard dwellings orchestrated through the Gauteng Province, and Johannesburg, drawing on the relevant academic content of Turok and Borel-Saladin (2015), GDHS (2014) and Tshangana (2013):

a) In the newly established township of Cosmo City, the CoJ only permitted the construction of formal structures (Tshangana, SALGA, 2013:8). It would seem that this tactical approach did not yielded the desired results in its entirety, as the settlement has high incidence of informally constructed backyard dwellings. In comparison, Gauteng positioned an approach that would see backyard construction stopped in favor of upgrading the infrastructure of existing

backyard units (GDHS, 2014:7). Turok and Borel-Saladin (2015:21) suggested simple “cost-effective” interventions will need to be implemented to existing townships, such as making these “structures more robust” within the broader scale of backyard dwellings.

b) In the SALGA report presented by Tshangana (2013:8), Johannesburg adopted a zero tolerance towards “unapproved structures”. Accordingly, it was envisaged that rentals will increase based on the limited supply and greater demand, further alienating the plight of the poor seeking affordable rental accommodation. In contrast, Gauteng positioned the relaxation of building standards and norms to support the construction of backyard units, while at the same time not compromising on immediate health and safety standards (GDHS, 2014:7).

c) Earlier on, Tshangana (SALGA, 2013:8) articulates, that the CoJ implemented “blanket second dwelling unit policies on a city wide basis.” This was intended to create a legal framework so that backyard dwellings can be effectively regulated. These interventions encompassed relaxing building lines, decreasing densities, and relaxing building standards. Gauteng on the other hand, focused on embracing and recognizing the importance of backyard units as an affordable alternative, thereby incorporating informality into the provinces planning and policy process (GDHS, 2014:7). Turok and Borel-Saladin (2015:21) emphasized that careful thought needs to be afforded to “broader principles and long-term goals” that support a “national policy towards informal housing.”

d) Gauteng opted in moving away from the negative ‘tone’ associated with informality and acknowledging the important role of informal backyard units in housing (GDHS, 2014:7). Turok and Borel-Saladin (2015:21) went further to express that “negative externalities” such as fire risk, and pessimism associated with informal backyard dwellings, need to be carefully managed and regulated by engaging with communities at a grass roots level. These principles must look beyond the current crisis management within the informal housing context and embrace important strategic imperatives that relate to interests of landlords and renters, issues of affordability, norms and standards for construction and private property rights (*ibid*:21).

e) Gauteng catered for alternative funding mechanisms for landlords, through development financial institutions such as Gauteng Partnerships Fund and National Housing Finance Corporation (GDHS, 2014:7). Turok and Borel-Saladin (2015:21) recommended using a “dedicated grant to selected municipalities” to support the financial capacity of landlords in backyard development.

f) Gauteng welcomed the pivotal role informal backyard dwellings can play in stimulating local economies through the involvement of local suppliers and artisans in the housing value chain for backyard dwellings (GDHS, 2014:7). According to Turok and Borel-Saladin (2015:21) it is vital that critical social and economic issues such as “unemployment and poverty” are addressed through these strategic backyard policy and interventions. Job creation and stimulating of small businesses is seen as an important catalyst for growing the township economies.

g) Tshangana (SALGA, 2013:8), put forward that the CoJ had taken bold yet important steps in including backyard dwellings in the “primary designs of certain developments” Alexandra and Cosmo City. These developments have created integrated developments of housing, retail and business evident in Cosmo City. Gauteng prioritized the allocation, development and spatial planning of land so as to eliminate inadequate planning, overcrowding and poorly constructed dwellings (GDHS, 2014:7).

h) According to Tshangana (SALGA, 2013:8), the supply of backyard dwellings can be effectively positioned by allowing landlords and tenants to self-build. Gauteng wanted to encourage and facilitate the increase in supply, and construction of informal backyard dwellings. (GDHS, 2014:7).

Of importance, a senior manager (interview) based in the CoJ’s Planning Department, has affirmed that backyard dwellings are an important part of the city’s planning and policy strategy. According to the senior manager (interview), the strategic intent is to regulate informal backyards in the CoJ towards creating safe accommodation for renters, and implement approved and legalised alternative structures “which add value to the existing property”, thereby “replacing informal dwellings called shacks”.

This approach involves appointing five independent companies involved in providing cheaper and approved alternative building design for materials other than brick n’

mortar. At the time of writing the research report, the CoJ was still in the tender adjudication process for appointment of these five approved alternative material specialists. The city has taken steps and identified a pilot site, strategically located in Diepkloof, Soweto. The main aim is to construct five prototype dwellings on the pilot site as a showcase of alternative building material. This is targeted at prospective RDP housing owners. The CoJ hopes that by adopting this design for alternative building material, it can address the current illegality of backyard dwellings and additions to an existing RDP houses. The assumption (interview) is that it will assist prospective landlords and owners of RDP homes to "get bank loans as banks recognise formal structures." The senior manager (interview) revealed, in so far as the municipal approval process is concerned, that "municipalities will approve the alternatively build structures."

These alternative build structures will be funded through the building materials companies such as Larfarge, and each owner will be accountable for repaying a loan to the bank. The traditional plan approval process will be streamlined to cater for faster approvals at the municipal level. Furthermore, the senior manager (interview) confirmed that the Land Use Control Department is in tandem "currently exploring the idea of relaxing some bylaws pertinent to backyards", thereby potentially permitting landlords to use the full extent of the erf (this refers to a Dutch word meaning plot, and its plural version is Erven in the construction process).

The years 2013 to 2015 have articulated different approaches, yet share a common thread, in that they recognise the importance of backyard dwellings in the CoJ. These approaches and proposed interventions are thought provoking and in some cases practical. The CoJ in 2016 recognised the importance of backyard dwellings, and is supporting alternative solutions for housing, in partnership with private vendors. The City is addressing the administrative bottlenecks, potentially enabling landlords to advance the delivery of housing to the poor.

3.8. Conclusion

The often contentious issue and relationship between the CoJ and informal settlements, is a "major issue in contemporary Johannesburg" (Benit, 2002:47). Housing delivery to the poor lags, as demand outperforms supply to the urban poor "distressing many" of

the urban informal dwellers (*Ibid*). This forms the core of South Africa's inadequate urban housing agenda, which forces many of the urban poor to live informally in backyards across CoJ.

The supply and demand for informal backyard dwellings has prompted the CoJ planning department to investigate and position alternative building materials for the construction of formalised backyard dwellings, thereby affording landlords an asset with value. Thus far, the strategy has elicited the support of private companies involved in alternative build material, ignoring the potential of RDP owners in the construction value chain. CoJ's argument is that a structured and approved design will help landlords obtain loans through banks and increase their value of their properties, ignoring the potential of a 'hybrid model' of embracing formality and informality. The establishment of the Rental Housing Act (Act 50 of 1999) is strategically placed to regulate the symbiotic relationship shared between the landlord and the tenants, establishing a balanced approach for landlords and tenants.

Finally, there is a case for the re-establishment of the CRB, as the voluntary approach through the FSC has not yielded the desired outcome of affordable financial products for the low-income segments. Instead the financial sector has 'shied away' from the low-income segment, favouring the middle-high income segments.

Chapter 4: Areas of investigation: Diepsloot and Cosmo City

4.1. Introduction

The north-western expansion of Johannesburg into peri-urban areas has involved the establishment of upmarket housing estates, but Diepsloot and Cosmo City as two low-income settlements, are intertwined within this landscape. Never reaching the low-income housing demands in this area, their population has doubled up through backyard rental accommodation.

These two settlements located in the north-western periphery of the CoJ (Figure 3) are separated by a decade in terms of their settlement establishment, and exhibit growing signs of urban informality, one highly densified (Dieploot established in 1994), and the other integrated and well-structured (Cosmo City established in 2006).

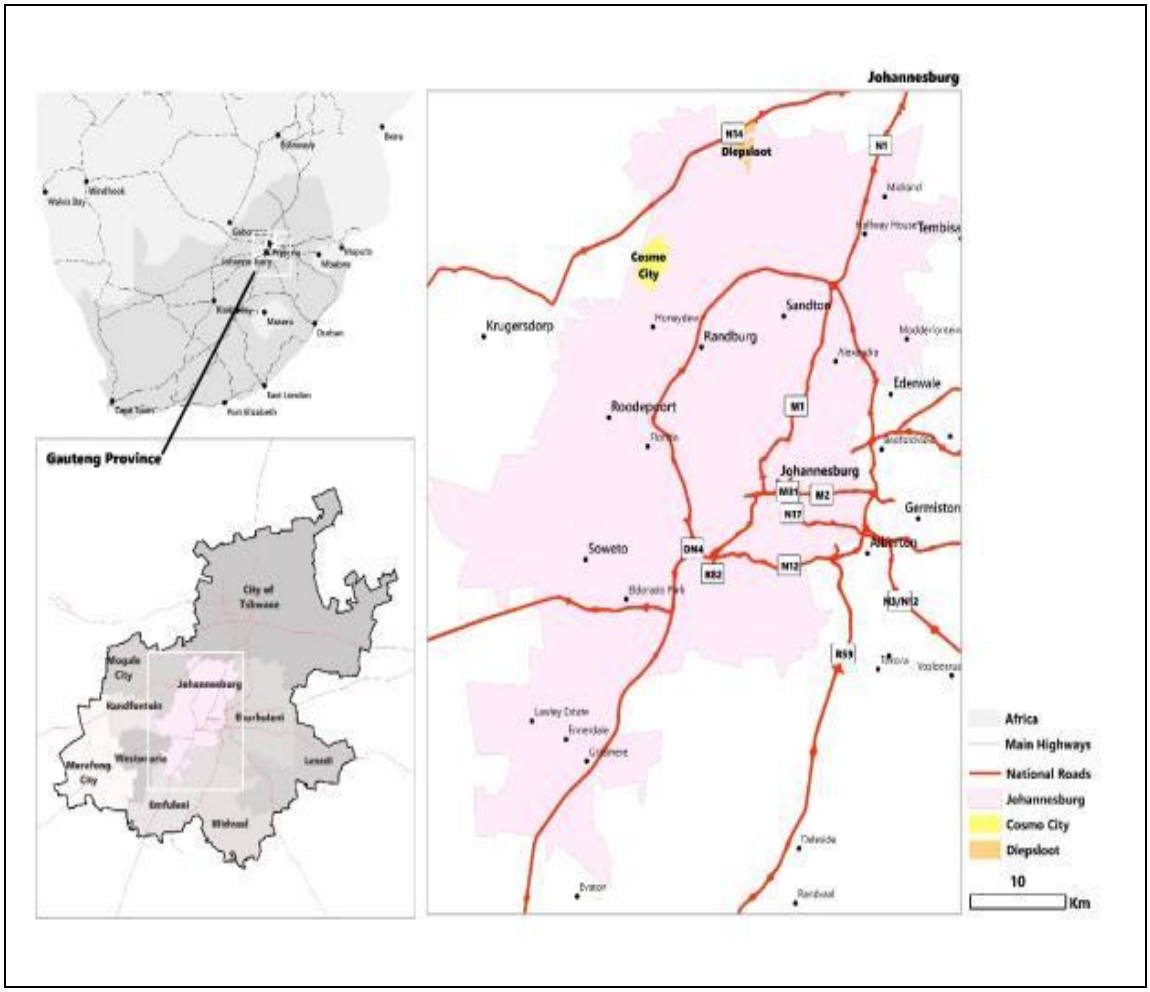


Figure 3: Regional Context, of the Location of Diepsloot and Cosmo City, on the Periphery of the CoJ (Source: Kevin Chetty 2016)

4.2. Overview of Diepsloot

Post 1994, families living informally in the broader areas of Honeydew, Alexandra and Zevenfontein were relocated to and found a “place to call home in Diepsloot” (figure 4), (Pfigu, 2014:3). Elected in 1995, the Northern Metropolitan Local Council inherited this challenging settlement and the responsibility to house these informal settlements (Benit, 2002:53). With a clear political agenda and short-term investment strategy, the Council focused on “the development of social services, infrastructure, shelter and transport connections" and attempted to "discourage the additional growth of Diepsloot” (*ibid*). Further attempts were made to prevent the growth of Diepsloot, some of these emanating from private citizens and property-owners in Chartwell and Kya Sands (Benit, 2002:53). Of interest, Dieplsoot was considered by the CoJ as a “best-case example for low-income housing development” for the poor, with strategic intentions of “fast-paced delivery” (Himlin *et al,* 2006:34).

According to Himlin *et al,* (2006:34) this was far from the reality, as it has deteriorated over the last two decades into a settlement predicated by informality and emergence of backyard dwellings. Why has the CoJ allowed this informality to prevail given the vision of housing the poor? Reasons articulated by the CoJ include that the planned development processes were “negatively impacted by forced relocations of large numbers”, with this “mass in-migration” driving many families to live in shacks erected on limited available land across Dieploot (*ibid*). Furthermore, Dieploot was surrounded by land not readily vacant or available to the poor; instead this land has been taken up by large scale luxury developments managed by Century Properties in Dainfern and Steyn City. This has invariably increased land pricing in the vicinity of Dieploot, further exacerbating access to serviced land for these disparate residents.

The residents of Diepsloot are characterized by different backgrounds, traditions, nationalities and values (Pfigu, 2014:3). Yet, many share a commonality of living informally in backyards and make-shift shacks, in search of better livelihoods, employment opportunities, schooling and security of tenure. For many of these residents this is home, though people on the outside label Diepsloot with disdain due to overcrowding, informality, crime and a general lack of cleanliness. In short, Diepsloot

has a certain 'buzz' of normality, against the backdrop of poverty, deprivation, lack of sanitation, services and infrastructure.

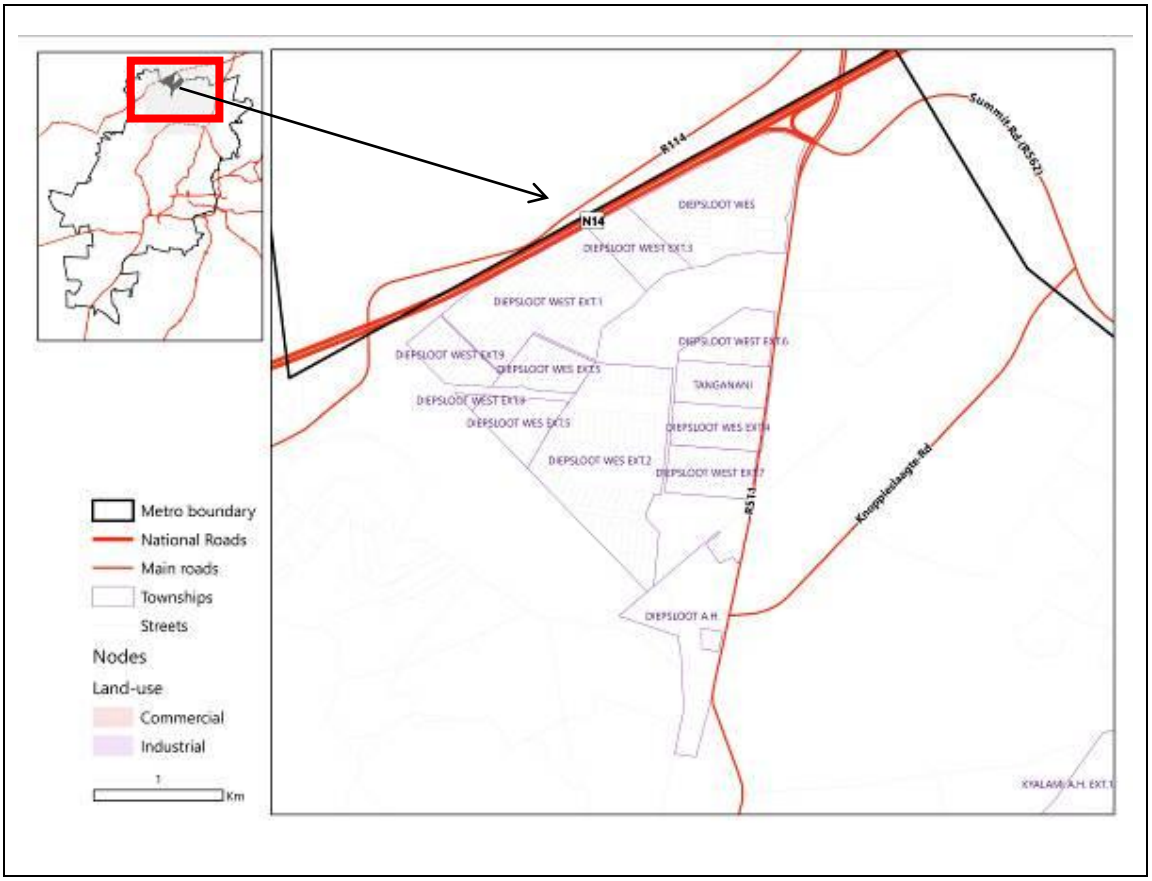


Figure 4: Demarcation of the Extensions in Diepsloot and Prevalence of Backyard Dwellings (Source: Kevin Chetty 2016)

4.2.1. Economic Opportunity and Livelihoods in Diepsloot

Diepsloot is located within the jurisdiction of the Johannesburg Metropolitan Council Region A, and is considered a "transitional zone" strategically linking the central business districts of Johannesburg and Tshwane (Himlin *et al,* 2006:36). The centre of Johannesburg situated approximately 30km from Sandton, is easily accessible by public transport, but has transport cost implications for the residents. Access to growing cities and suburbs is vital for low-income groups to gain reasonable access to decent jobs, employment opportunities and livelihoods.

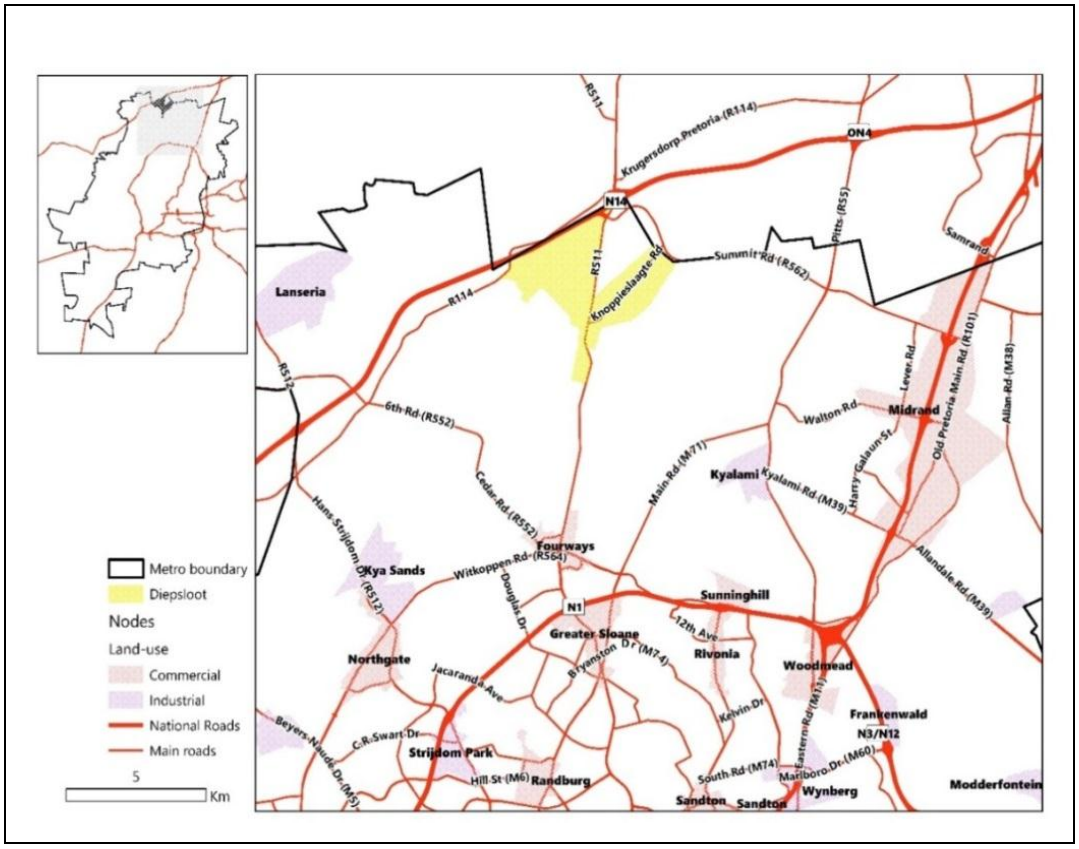


Figure 5: Location of Dieploot in relation to major suburbs, Industrial and Commercial areas (Source:Kevin Chetty 2016)

Dieploot (Figure 5) over time has established itself as an advantageously located settlement for poor residents, thereby enabling access to employment and livelihood opportunities in the surrounding industrial areas of Kya Sands and Lanseria, and retail centres of Northgate and Fourways (Himlin *et al,* 2006:34). Research undertaken by Himlin *et al,* affirms that Diepsloot is suitably situated for employment opportunities, "making it a desirable location for settlement by the poor" (2006:37). According to the Regional Spatial Development Framework (RSDF) of 2006, most of the employment opportunities in the surrounding areas demand skilled labour, leading to high unemployment in Dieploot generally and especially amongst the youth. Consequently, youth are unable to provide shelter for themselves and are dependent on parents or relatives to provide accommodation in the form of backyard units.

These backyard dwellings are informal and have created livelihoods for landlords across Dieplsoot. Furthermore, backyard dwellings have created an entrepreneurial opportunity for supplying corrugated panels used in the construction of these backyards.

Entrepreneurial activity across the township has been a catalyst for many informal businesses, driven by survival needs, livelihood opportunities and general high unemployment. CoJ in 2006 estimated that half the population in the settlement is unemployed, "reported to be about 54%" (Himlin, *et al.,* 2007:38). In my observation, these informal businesses include spaza shops, hairdressing salons, cooked food stalls, large grocery stores, cell phone shops and electronic outlets, and are typically dominated by foreigners. According to my field study, backyard dwellings informally or formally built have become an important source of livelihood income for landlords who are generally unemployed and rely on these rentals for income (which ranges between R350-R800), and shelter for the poor.

4.2.2. Inadequate planning by the CoJ in Diepsloot

The inflow of poor families from neighbouring informal settlements into Diepsloot in 1996 was initially envisioned to accommodate people on 6 424 planned stands (Himlin *et al,* 2007:35). However, over the next few years Dieploot became increasingly densified and informalised (*ibid*.). The area was often referred to as a "dumping ground" for housing challenges across the north-western part of Johannesburg (Himlin *et al,* 2006:36). As already mentioned, the current population residing informally and formally in Dieploot is estimated at 138 329, across 12 km^2, making it densely populated, (Census, 2011). The critical shortage of land in Diepsloot has meant that the poor have been accommodated informally through the establishment of makeshift shacks and backyard dwellings located on RDP units.

The beneficiaries of RDP units across Dieploot have had the advantage of interventions such as tarring of roads, provision of electricity, water, drainage, street lights and waste services (figure 6). However, there are a number of challenges facing Diepsloot's residents. One challenge that seems a consequence of poor urban planning is the persistent informality. Harber (2011:19) quoted in Pfigu (2014) posits that development planning across Diepsloot has "lagged about five years behind reality". Improper planning and integration of the poor in urban cities has encouraged residents to continue unabated with improvisations leading to illegal electricity connections to informal shacks and backyard dwellings. The urban renewal rhetoric has not adequately transformed Dieploot into an integrated human settlement which most of the settled residents had dreamt off. As opposed to "developing organically over time", Diepsloot

was the “product of mass relocations and resettlement” driven out of the desire for the Government to deliver on the “RDP promise of housing for all.” (Himlin *et al,* 2006:54). As acknowledged by a city housing official, there was no ‘Breaking New Ground’ strategy, which would have provided an integrated and sustainable urban plan for the township (Himlin *et al,* 2006:55).



Figure 6: Tarred roads, electrification of RDP homes, and people aspiring to modern designed homes in Diepsloot (Source Kevin Chetty, 2016)

4.2.3. Housing Typologies in Diepsloot

As described earlier, Diepsloot is characterised by formality and informality. In over two decades, Diepsloot has been transformed from a “semi-rural expanse to a dense, seething settlement of about 200 000 people” (Harber, 2011). As observed, some of these self-built shacks include spaza shops constructed from corrugated iron panels often supplied by entrepreneurs in this growing township (Figure 7).



Figure 7: (left to rights) Corrugated iron panels built by local entrepreneurs for spaza shops, informal shacks and backyard dwellings (Source Kevin Chetty, 2016)

According to the 2006-2007 RSDF, there where an estimated 17 000 informal structures as opposed to 6 000 formal housing units in the settlement (Himlin *et al,* 2006:37). A decade on, and as articulated Harber (2011: 18-19), approximately 15 000 to 20 000 families in Diepsloot's live informally in self-built shacks in backyards or on illegal land. Housing across this growing township was "wholly premised on the one-house/one plot planning layout" (Himlin, *et al.,* 2006:37). At the time of the report done by Himlin, officials in the housing departments confirmed that there was no "anticipation of the need for higher density housing or BNG imperatives" (2006:37). In practice, therefore, the strategy was short-term and focused on "fast-paced delivery" of housing for the poor, with little thought dedicated towards integrating the poor, the anticipated urban growth and availability of serviced land (Himlin, *et al.,* 2007:38).

This short-term strategy is considered a contributing factor for high levels of informality that envelopes this settlement. While there are formal subsidised housing developments in Diepsloot, the majority of people live informally. Residents in Diepsloot are divided into the following settlements: Dieplsoot West accommodates approximately 1124 households in formal houses and an estimated 3900 households in backyard dwellings. Diepsloot West Extensions 1, 2, 3, 5, 6, 7 and 9 have developed into formal homes accommodating 6015 homes. Diepsloot Reception Area, also known as Diepsloot West Extension 8, is home to more than 7000 households living in informal shacks (Himlin *et al,* 2006:57). In addition, Diepsloot has the established a Temporary Relocation Area.

4.2.4. Occurrence of Backyard Dwellings

The critical shortage of land observed is obvious. A decade ago Dieploot required an "area twice the current size" to adequately accommodate the housing backlog and "de-densify the informal settlement" (Himlin, *et al.,* 2007:38). While city officials and housing departments look for alternatives, owners of RDP housing across the settlement have resorted to providing informal backyard rental units in an expanding market. Through my observations and recent fieldwork (2016), the rental units accommodate single people, couples and families, and vary in size and aesthetic appeal. I observed that the majority of these backyard units are constructed from corrugated panels on wooden structures, often panelled with flammable recycled material on the inside for

insulation, making them unsafe in the event of fires. These informal backyard units are constructed by landlords and in some cases by the tenants themselves, merely renting the backyard space. The latter suggests that many of these landlords are cash-strapped and do not have the requisite capital to invest in backyard dwellings. However, as I show in the next section, there is also evidence of diversity with some properties displaying rows of poorly constructed backyard rooms, in other instances transformed into brick-and-mortar structures.

4.2.5. Diversity in backyard structures and rentals in Diepsloot

The dominance in Diepsloot of informal shacks in backyards is, at closer inspection, quite diverse. Some are rented for accommodation and others as micro-business premises, e.g. hair salons. In the course of my interviews in the township, I observed that all the small spaza shops and businesses were street facing and many were of the same kind, e.g. hairdressing salons, cell phone shops, tailors, etc. (figure 8 top left photo). The backyard rooms rented as living spaces remained out of public view (figure 21: fourth sketch with a business and backyard rooms in Dieploot).

Examination of the photos taken in Dieploot reveals some interesting facts (figure 8). Backyard dwellers have also negotiated with various landlords for small business space. The landlord expects the tenant to remove these temporary structures, constructed from flimsy corrugated iron, when the tenant moves on. From the photos, it is evident that rooms are located in rows, thereby maximising rental space (figure 8). The backyard dwellings are generally attached and in close proximity to one another and in some cases unattached (Annexure, figure 22-24). The close proximity of room quarters unattached or in rows serves an important need for social and community interaction. Of interest is that one of the most recent backyard structures contained seven attached rooms, constructed with brick n mortar (figure 8 top right picture).



Figure 8: Housing Typologies amongst RDP homes in Diepsloot, (Clockwise from top left) – Informal backyard rooms constructed from brick n' mortar, backyard rooms constructed from corrugated iron panels, built by tenants on RDP land (Source: Kevin Chetty, 2016)

4.3. Overview of Cosmo City

The creation of Cosmo City can be "traced back to the 1970's and 1980's", when the apartheid government wanted to reduce the "pressure of 'non-white' migration" and improve access for low-income groups to the city (Haferburg, 2013:264). The project aimed in providing for a range of income groups, which included, fully subsidised, credit linked and bonded homes with an integrated social housing component (Joscho), Of significance in this project, was the intended integration of low-income groups with middle-class residents, "moving into the same suburb", which contests the "conventional perception" of spatial planning along class-lines in a progressive housing market (*ibid*). However, in Haferburg's analysis the integration is limited to applicants within the structured subsidy, credit-linked and bonded category, and excludes integration of informality.

The project was a joint venture between the CoJ (public entity) and private developers Kopana Ke Matla and Basil Read (Urban landmark, 2011:7). This landmark project was delayed for four years, largely due to disputes and objections from local surrounding property owners (*ibid*). Cosmo City (Figure 9) is located in Region C on the North-Western side of the CoJ, and is considered a large Greenfield housing project developed over a decade ago (2005), with "close to 200 000 people living in security and comfort" (Department of Human Settlement, 2016). This housing project was designed to provide formal homes for "12, 500 families" and intended to "fight the housing backlog through public-private partnerships", while at the same time promoting an integrated housing settlement for people from all social and economic backgrounds (Haferburg, 2013:264). Instead, informality has slowly integrated within the shadow of the formality of Cosmo City. In part this informality affords Cosmo City a sense of being a vibrant, active, and growing suburb.

Why has the CoJ allowed this informality to prevail albeit the vision of housing the poor through "strategies for socio-spatial integration in South Africa"? (Haferburg, 2013:263). Haferburg (2013) addresses this to some extent, noting the "constant in-migration" which means that people "move to existing townships or Reconstruction and Development Programme (RDP) projects (often to backyard shacks)" (*ibid*). To officials, the presence of backyard dwellings demonstrates a form of "urban de-integration", which is contrary to the official vision of urban transformation and integration (Haferburg, 2013:62).

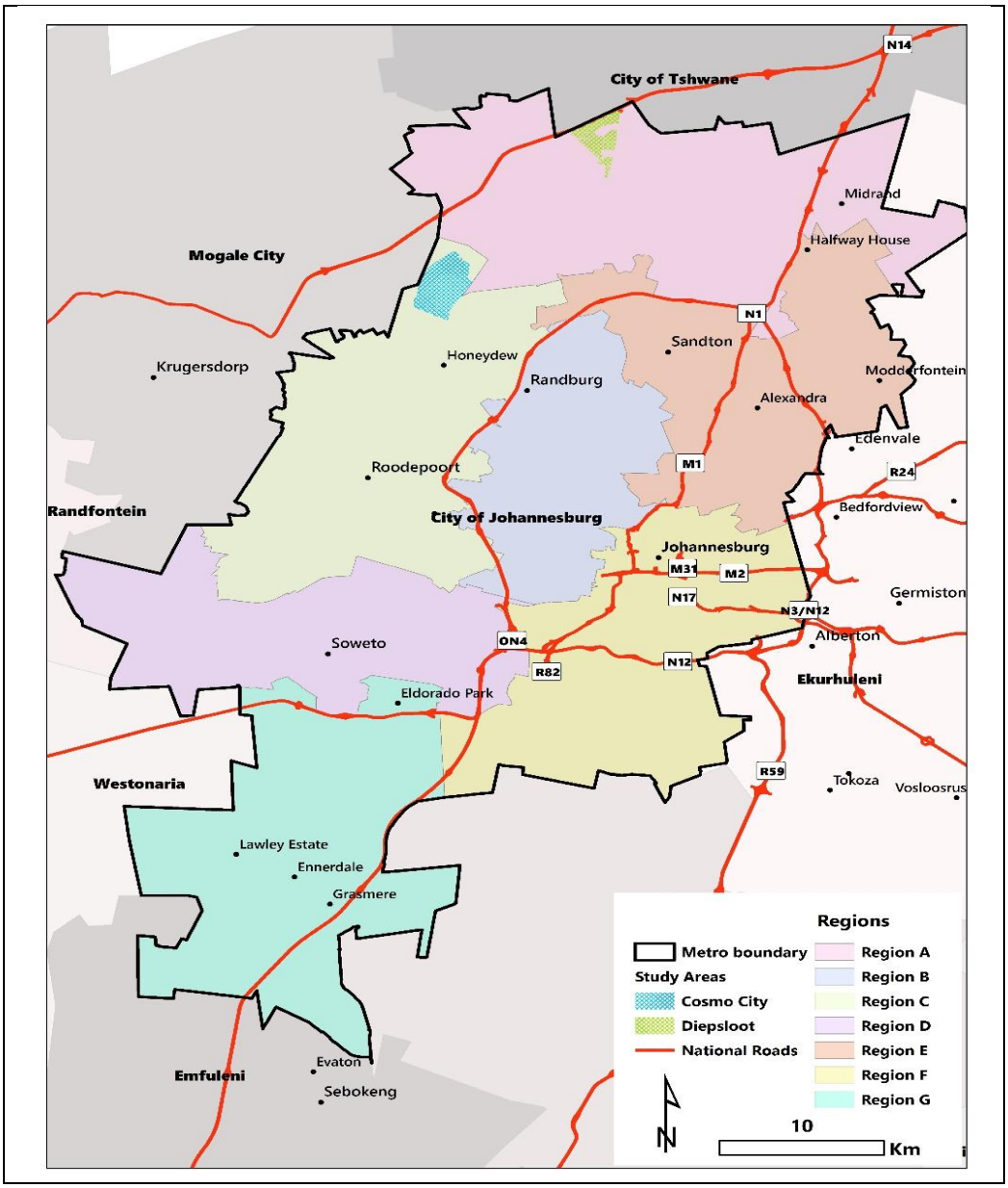


Figure 9: Location of Cosmo City – Region C and in relation to Dieploot – (Region A Source: Kevin Chetty)

4.3.1. Economic Opportunity and Livelihoods in Cosmo City

Cosmo City, located within the greater Johannesburg Metropolitan Council, is located 20km from the central business district of Sandton and 30km from the Johannesburg city centre. Cosmo City (Figure 10) is considered well located, in close proximity to major retail centres of Randburg and Fourways, which are easily accessible by public transport. Haferburg (2013:264-265), further articulates that Cosmo City is "not in the cheapest part of Gauteng's land market", potentially impacting the poorer communities' access to the city in search of decent affordable accommodation close to places of work."

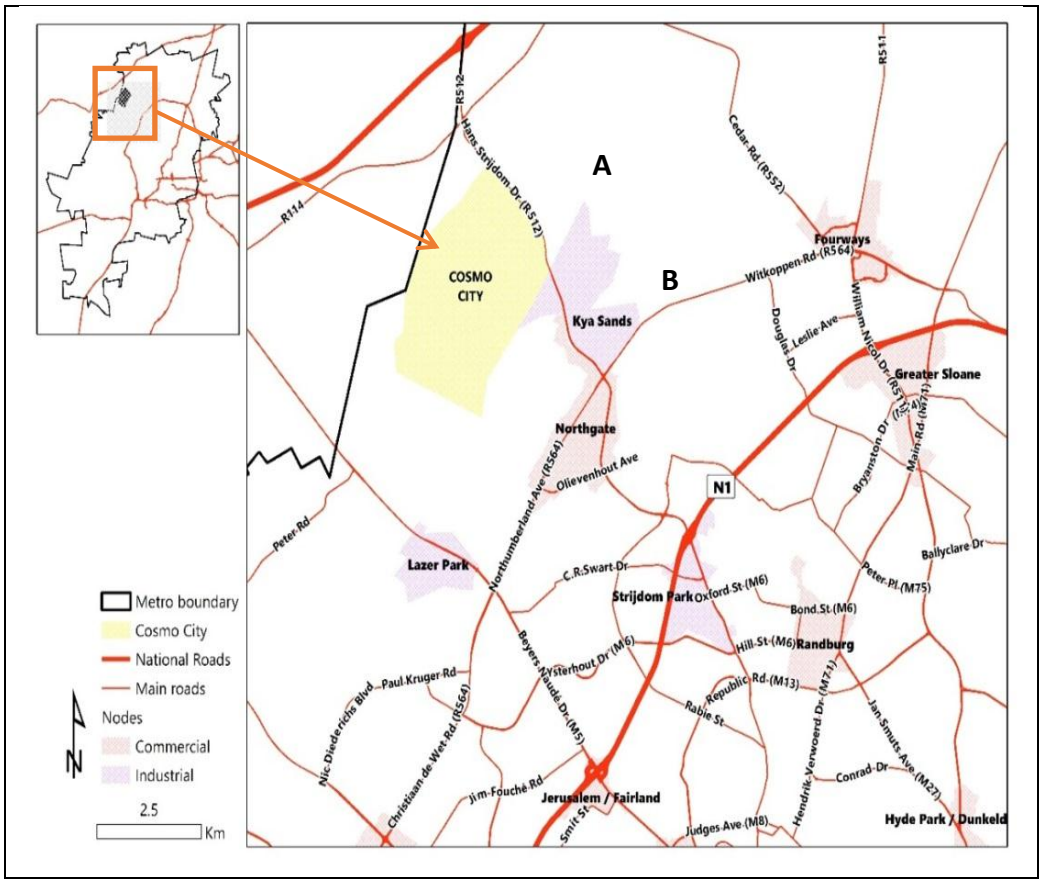


Figure 10: Location of Cosmo City in relation to CoJ (Source: Kevin Chetty).

In terms of employment opportunities, the location of the newly established Cosmo Industrial Park (A) and the nearby Industrial Zone of Kya-Sands (B) are important.

The establishment of backyard rental units in Cosmo City has become an integral source of income and livelihood for many of the cash strapped low-income landlords, who rely on this income to feed their families and provide education and other support functions. The field work undertaken and observations made (2016); show rental income ranges

from R1100 to R1400, higher than is evident in Diepsloot. The reasons will be evident in section 4.3.3 below, with a markedly different form of backyards structure dominating properties in Cosmo City.

It became apparent during the interviews, though not observed, that landlords are prepared to invest in double-story backyard dwellings. Landlords interviewed consider backyard rentals a successful business opportunity and double story units are seen as financially lucrative investment opportunities.

4.3.2. Inadequate planning by the CoJ in Cosmo City

Cosmo City's internal housing make-up followed typical planning principles with the "lower-income sections forming the centre and occupying the lower parts of the valley" (Haferburg, 2013: 267). Haferburg was critical of Cosmo City's planning along segregated housing lines, asserting that this divisional planning does not lead to "social cohesion" (*ibid*). The most noticeable occurrence and deviation from the planned settlement, was the "illegal extensions to existing houses", forming informal backyard units (Haferburg, 2013;267). Incorporating backyard units has created challenges for the current settlement in terms of infrastructure and landuse (Haferburg, 2013:267). In particular, the opening up of commercial rental units onto streets and with that quite a dramatic change in landuse into a mixed use neighbourhood. Noteworthy, the backyard rental situation was controlled by the City for the initial period, and only very recently has spiralled out of control. Haferburg (2016) was critical of the city officials' lack in finding long-term planning solutions with these growing challenges.

Interviews conducted with the landlords and tenants, it was observed that RDP homes where poorly positioned and not adequately designed for optimal landuse, and expansion (Annexure, figure 22-24). In addition, landlords have made attempts in creating suitable rental spaces for the tenants. Tenants have equally taken pride in creating decent furnished temporal homes and livable spaces (figure 11).

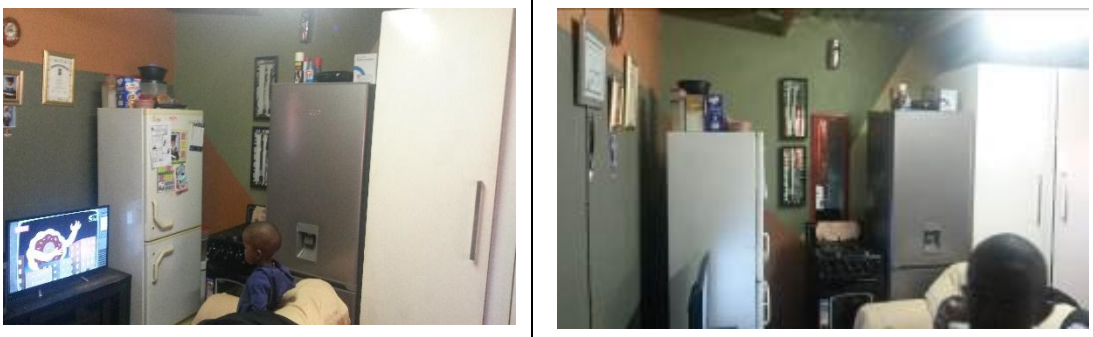


Figure 11: A well-furnished backyard dwelling in Cosmo City (Source: Kevin Chetty)

4.3.3. Formal Housing Typologies in Cosmo City

Haferburg (2013:265) posits that the perception of Cosmo City as a "low-income area" is not quite accurate given that it comprises a mix of distinct and differentiated residential type units (Figure 12):

i. 5000 BNG houses for the low-income households earning R0 – R 3 500 per month (some with informal backyard units),
ii. 3000 Financial Linked Subsidy Programmes (FLISP) middle-income houses for those earning R3 500 – R16 000 per month,
iii. 1000 social housing rental units for the low-income, through Johannesburg Social Housing Corporation (JOSCHO)
iv. 3000 bonded middle-income houses for those with bank qualified loans (Urban Landmark, 2011:6).

These different housing types are neatly separated along "social class", with the low-income sections forming the centre (Haferburg, 2016:265). Almost all of the low-income (BNG) houses have been completed, and 2 899 of these homes have been occupied by the residents of erstwhile informal settlements Riverbend and Zevenfontein informal settlements, affording these poor communities access to decent housing (The City of Johannesburg, 2016).

Only 281 social rental units of the original 1000 planned by JOSHCO have been provided in the Hlanganani Gardens development (The City of Johannesburg, 2016). These rental units have been let out for amounts ranging between R1 500 per month for a one-bedroom unit to R3 300 for a three-bedroom unit (Urban LandMark, 2011:6). A simultaneous growth of backyard rental units is evident which meets the needs of those

seeking affordable, accessible and flexible rental accommodations. It was recorded during the interview process that backyard units have been rented out at between R1100 to R1500 per unit on average, articulating a great investment opportunity for RDP landlords.



Figure 12: Housing Typologies in Cosmo City, (Clockwise from top left) – RDP homes with backyard rooms constructed in brick and mortar, Social housing rental units (JOSCHO), FLISP homes, and Bonded homes (Source: Google Images & Kevin Chetty)

4.3.4. Occurrence of Backyard Dwellings in Cosmo City

Backyard dwellings in Cosmo City have found space only amongst the RDP homes. Haferburg (2013:265) confirms that the most noticeable deviation to the planned development is that of "illegal extensions to existing houses." These additional rooms are rented out to "create additional income", which is not unique or limited to Cosmo City (*ibid*).

In addition, informal businesses such as spaza shops are beginning to dominate the streetscape amongst many of the low-income residents in Cosmo-City. The informal backyard dwellings amongst the RDP units has been attributed by the Cosmo City

developers to a general “lack of education”, and landlords “resort to self-initiated approaches” (Haferburg, 2013:265). The interviews conducted in 2016, indicated that there is compelling feedback from community leaders and RDP owners that city officials have worked closely with community members in educating people on the importance of proper construction methods. During the course of my fieldwork in Cosmo City I observed that most residents took pride in constructing the dwellings and generally kept the environment neat and tidy (figures 13 and 14).



Figure 13: (Clockwise left to right), Backyard dwellings in Cosmo City neatly constructed and arranged, and owners taking pride in their own RDP homes (Source: Kevin Chetty)

4.4. Conclusion

Diepsloot and Cosmo City where established almost a decade apart, yet share a common thread, the emergence of informal backyard rentals dwellings. In comparison to Diepsloot, Cosmo City is not dominated by the same intensity of informal backyard investment. To the eye, Cosmo City is a fairly well-structured and organized settlement despite informal backyard construction. Over the last decade owners of RDP units have increasingly invested in backyard structures, with some having more than six rooms rented out.

Across the two settlements backyard growth has occurred incrementally over time, and is dictated by capital availability. The rentals charged in Cosmo City reflect the demand and quality, stronger in economic terms and higher than in Diepsloot. Based on the one-on-one qualitative interviews conducted, it is apparent that most landlords in Cosmo City charge double what landlords in Dieploot charge, reflecting the investment opportunity that backyard dwellings yield.





Figure 14: RDP Landlords investing in well-structured spaza shops, and backyard rental units in Cosmo City (Source: Kevin Chetty)

Chapter 5: Empirical Findings on Backyard Rentals in Cosmo City and Diepsloot

5.1. Introduction

This chapter will focus on the particular interest in understanding the landlord's investment rational and the extent to which this could be supported through particular policy approaches. Understanding the views and experiences of the tenants of backyard dwellings is equally important.

Over the course of the interviews and visits it was observed that backyard rentals are no longer small-scale and are beginning to dominate the spatial arrangement across both RDP settlements of Diepsloot and Cosmo City. My particular interest was around how landlords established and maintained informal relationships with tenants, financed and constructed their dwellings, determined rental rates, and managed their stock.

Interviews conducted in the two settlements support the notion that these small-scale landlords rely on this income-generating potential to support existing and extended families. Furthermore, the tenants interviewed have no access to subsidy homes, or capital and are happy to reside informally in backyards. The intersection of formality and informality is a dynamic process which if supported by the CoJ, can lead to a 'hybrid' model for low-income housing.

5.2. An Analysis of the Interviews with Landlords in Cosmo City and Dieplsoot

This section describes the views and experiences of landlords who rent out backyard dwellings.

5.2.1. Renting for Income

Three of the landlords interviewed in Diepsloot had been living in this township since 2000, while the fourth, landlord 1 (interview) inherited the RDP property in 2009 from his deceased relative: "I moved here after my uncle passed away so he was the original person who owned this place", and constructed backyard dwellings post inheriting the RDP home. Two landlords interviewed where male and the remaining two female. Three

landlords that started developing backyard rental units over a decade ago have a total of eighteen informal backyard units rented among them, with two backyard units accommodating their children. Landlord 1 (interview), who began renting out rooms in 2010, has three backyard units and one unit rented out as a hairdressing salon. The rentals charged varied from R300 to R450 per unit excluding electricity, while the business premises were rented out for R700 excluding electricity. This is notably less than the rental for commercial space in Cosmo City (rented out for R2000), but with the difference that the commercial rentals were dictated by the unit's sizes, whether units are permanently erected by the tenant or landlord and nature of the types of businesses. As Landlord 2 (interview) explained, "some of them were put up by the tenants; and some of them were put up by me". Landlord 3 (interview) explained that "people come here with their own shacks, they build their own shacks". Three of the four landlords interviewed were unemployed and were dependent on the rental income to sustain themselves and their families, while the fourth, landlord 4 had employment as a domestic worker earning R3 000 per month. Landlord 4 (interview) relied on this rental income to support her two unemployed children: "my children depend on me for income." The largest rental income derived among the four landlords was R5 950 per month. This was achieved through reasonably well constructed brick and mortar multiple units, while the remaining landlords' units were less permanently built, utilising flimsy corrugated iron.

Of the four landlords interviewed in Cosmo City, three have been living in the township since 2005, while landlord 1 moved into the settlement in 2009. The landlords interviewed where all female, which was not an intentional research strategy. The four landlords started developing backyard rental units in 2010, and have accumulated a total of nineteen backyard units and one small grocery store between themselves. Based on the discussions with the community leader and feedback from a Joscho tenant, backyard rental values seem market related to the social housing rentals provided by Joscho, which was R1 500 for the one-bedroom unit. Rentals for the backyard rooms of the four landlords ranged from R1 100 to R1 400 and depended on the size and condition, and where market related to backyard rentals charged by various landlords. It is important to highlight that landlords did not base the rentals charged on the Joscho rental.

All four landlords (interview) were unemployed and depended on the rental income to sustain themselves and their families. “We get something per month that is going to help us feed ourselves.”; “assists in making sure she is able to get something to eat”; “because you see in South Africa there are no jobs”. The largest income among my respondents was R12 700 from seven rooms each priced at R1 100/month in addition to a monthly rental income of R2 000 from a small grocery store. In particular, this landlord felt that it was important for her to maximise the yard space for sustained rental income. Even at this income, her household was not better off than a low salaried worker in formal employment. Thus landlords such as this one were not significantly richer than others. Landlord 7 (interview) had made long term commitment to providing decent space: “the same tenants have been living here since five years ago.” All four landlords felt that it was important to provide decent places for people to rent, as this meant that their income was consistent and sustainable.



Figure 15: (Clockwise left to right), Multiple backyard dwellings neatly constructed, arranged for maximum income in Cosmo City vs. the corrugated backyard shacks found in Diepsloot (Source: Kevin Chetty)

5.2.2. Informal Arrangements

The RDP homes across Diepsloot and Cosmo City were built with the purpose of providing the marginalised residing in informal settlements, access to decent and formal homes. The presence of the backyard dwellings indicates a departure from this intended

outcome. The asset is mobilised instead in an informal way through the rental investment. Apart from the visible informality where structures are built of impermanent materials, a high degree of informality also mark the tenants-landlord relationship. Contractual arrangements in the small sample of my interviews were informally originated and settled verbally between the landlords and tenants. They handled their long lasting relationships. This suggests that these informal arrangements and relationships are often done harmoniously and do not reflect an exploitive relationship.

The four landlords interviewed in Cosmo City all had informal rental agreements with their tenants. Landlord 5 (interview) stated "I would tell them what I need and what I don't want and then we agree to that". All four landlords (interview) in Cosmo City indicated that they had established good relationships and communication with their tenants, with statements such as "I take them as part of the family"; "the relationship is good, the two are four years old…and the other is three years old" (here the landlord was referring to the length of stay of the tenants). While three of the landlords in Cosmo City did not require deposits, landlord 8 (interview) with the largest number of backyard rooms (seven in total), required a 50 percent deposit for all new tenant intakes. Landlord 8 (interview) confirmed, that a deposit was used as collateral in the event that the tenant negated responsibility and damaged the rooms or fittings: "let's say if something is damaged, we won't give you the money back because we have to fix that thing." The other three landlords (interview) felt that it was not necessary to take deposits, articulating reasons such as not wanting to overburden the tenants with additional financial burdens or requests, and felt that they did a good job during the screening of tenants. The relatively high rentals charged by the landlords I interviewed in Cosmo City indicate that their units are in demand and attract a high rental value.

The four landlords (interview) in Dieploot stated that the rental agreements are informally constituted: "right now it is an informal arrangement", "there are no formal contracts, tenants normally walk in", "I tell you what I want and don't want." Furthermore, the four landlords (interview) in Dieploot have fairly good relationships with their immediate tenants: "I say it is good because it is usually good", "my tenants are staying for more than eight years", and "they don't give me a problem." Landlord 1 (interview) did mention that the relationship was normally challenged or strained when

rentals were not paid on time, as he was dependent on this money to settle his immediate bills; “it is always a problem when money is late, because I also have bills to pay.”

The services rendered by the landlords (interview) in Cosmo City and Diepsloot (Figures 16 and 17) include central ablution facilities, central hot water, illegally connected electricity, gated access control, barred windows, and security doors :“they have a toilet, they have got water, they have got a place to relax”; “I provide them with ablution services outside”; “they need hot water, they come inside and take the water”; “burglar doors are available”; “when a tenant moves in you will find the room painted with curtain rail.” These services were considered informal arrangements as the RDP settlements have not been designed for bulk services and densification, and the tenants were appreciative of such informal services provided. In figure 16 (the top right picture), reveals makeshift and informal water connections.

During the interview process, the landlords did confirm that they were not organised in formal committees, represented their needs. Instead arrangements were informally arranged and accountability was the sole responsibility of each landlord (interview): “every household is responsible for its own issues”; “here in Cosmo City we have patrollers, when we do have a problem we go to them”; “somebody sweeps there, I sweep there, then we all keep our streets clean.”







Figure 16: (Cosmo City, Clockwise left to right), Services informally provided includes electricity informally connected, central tap for tenants, central toilet for tenants, secured rooms with gates (Source: Kevin Chetty)



Figure 17: (Diepsloot, Clockwise left to right), Services informally provided includes central ablution facilities, electricity informally and illegally connected from main house, well-structured units with front gates, and added security (Source: Kevin Chetty)

5.2.3. Construction of the Backyard Dwellings

The field visits and interviews conducted in Cosmo City and Diepsloot reveal distinct construction approaches and materials used. Cosmo City is more structured than Dieploot where levels of informality are glaringly obvious. According to landlord 5 (interview): “the only thing required in Cosmo City is bricks n’ mortar. Zinc and wood are

not required, what is called ‘umkhuku’ is not required here in Cosmo City.” ‘Umkhuku’, refers to poorly constructed and shanty shacks. As observed and articulated by landlord 3 (interview)in Diepsloot, poorly constructed backyard shacks are prevalent and affordability is a key driver in using corrugated iron material; “we could not afford other material”, “it cost close to say R2500.”

During the interviews conducted, I observed that the four landlords in Cosmo City have developed well-constructed backyard dwellings, with varying degrees of aesthetic appeal. According to the four landlords (interviews), the City through its officials, made it known to the RDP owners in Cosmo City that: “they will not put up informal dwellings”; “they do not want a shack”; “It must be 100%... sure that it is quality like as you can see in Diepsloot there are shacks, those shacks are not 100% quality”).

So why have the residents in Cosmo City resorted to well-structured brick n mortar backyard dwellings in contrast to those in Diepsloot? It is clear through the various interviews in Cosmo City and in particular landlord 7, that the municipality has played a pivotal role in educating the new RDP owners on municipal by-laws and constructing methods: “it is a result of education that people were given before they moved in.” This proactive approach is paramount in affording landlords backyard investments incrementally over time. Incremental building is an important approach in housing the poor, especially in communities that lack the adequate capital for rapid construction.

In a recent research conducted on housing quality in Kenya, it was found that owners who actively participated in the construction process produced better quality homes. It was then suggested by the financial provider and Habitat for Humanity (2017) that consumer education will play a pivotal role in empowering communities and better help owner’s better plan their construction. This resonates well with John Turner’s (1972) view of “self-help” in providing shelter for low-income groups. In comparison, landlords in Dieploot have not been formally educated on construction methods and general maintenance of a property, which reflects in the poor condition of backyard units. Education in Diepsloot is not the only limiting factor and other contributing factors such as the high poverty levels and mobilisation of capital through FSP’s are compounding issues for the depth of informality observed.

The four landlords interviewed in Cosmo City mentioned that they used experienced builders often recommended by fellow community members in constructing their

backyard dwellings, thereby supporting the growth of small businesses in the housing value chain. Experienced builder where identified by the number of previous projects done in the settlement and neighbouring areas. By comparison, landlord 2 (interview) in Diepsloot mentioned that tenants are allowed to build their own temporary backyard units using makeshift and corrugated material: “people come here with their own shacks, and they build their own shacks.” Using experienced builders, artisans and methods in Diepsloot will further stimulate other important housing activities closely associated with backyard dwellings, such as the supply of building material, brick, hardware and skilled labour. The quality of construction has enabled the landlords in Cosmo City to attract higher rental income ranging from R1 100 to R1 400 per unit, as compared to Dieplsloot where rentals range from R350 to R450 per unit. Landlords in Cosmo City stated that they make sure the rooms are freshly painted when a new tenant moves in.

Finally, security was of primary concern for most renters and dwellers across Dieplsoot and Cosmo City and few landlords have provided security doors, a main access gate and burglar proofing on units.

5.2.4. Funding of the backyard dwellings

According to landlord 7 (interview) in Cosmo City, funding was obtained through a personal Loan as opposed to a housing finance loan: “actually I got two loans from the bank which was a personal loan, and they gave me R20 000 then I had to pay back R40 000”. According to Ewald Kellerman, the Chief Risk Officer for home loans at ABSA at the time of this study, the lending criteria for the low-income segment was more vigorous and stringent than the middle-higher income segments, making it more expensive to register the security (RDP home) than other forms of mortgage credit (Timm, 2016:2). Instead, owners of RDP homes use unsecured credit (figure 2, personal loans) to finance “alternations, improvements and repairs”, though it is more expensive than traditional housing finance loans which command lower interest rates (Timm, 2016:3). According to a senior manager (interview) in the affordable housing market at ABSA: “with personal loans and microloans, the interest is sitting at about 20 percent plus, whereas the home loans are sitting at about 11/12 percent”. This is not an ideal situation further exacerbating the dire situation faced by unemployed landlords.

The findings revealed that only two of the four interviewed landlords in Cosmo City had approached a financial institution or provider for a loan when they invested in backyard units. In Dieploot, none of the four landlords (interviews) had approached financial institutions for loans and relied on available savings to construct backyard dwellings: “I don’t have a bank profile so it is going to be difficult to get the loan”, “I will just have to raise money from basically saving up”, “I was saving R800 per month from my salary.” The two Cosmo City landlords who approached a financial institution indicated that they were working at the time and relied on the strength of their salaries to secure the loan. The remaining two landlords were dependent on the savings they had accumulated to incrementally invest in their backyard units in Cosmo City. A report tabled by the Centre for Affordable Housing in Africa found that most of the RDP owners had “made some investments into their homes”, relying on their savings (Timm, 2016:1). Once landlords (interview) achieved economies of scale through the initial rental income, they relied on this revenue to extend and provide further rental units: “after the two years because I had rooms with income, I was no longer paying the DIY loan, I decided to extend other rooms.” Extending beyond savings for the four RDP owners, their properties can also be used as assets to secure affordable loans through registered title deeds.

A senior manager for affordable housing at ABSA bank (interview), Tony Pillay, confirmed that the bank is now refocusing its strategy on the township mortgage market including the “RDP and BNG space.” They have approached this lending strategy through a two-pronged approach: Firstly, they adopted a “depreciation value”, which is limited to “60 to 70percent of the value of the property” to ensure that there is sustainable equity in the property. Secondly, Absa (interview) is encouraging homeowners through education, to effectively “utilise those funds for putting in a tuckshop or building a backyard dwellings” which will generate some form of income. Based on the statistics available and market potential of “3 million sitting in the RDP and BNG” space, Absa bank (interview) is excited about this “massive opportunity” for mortgage finance and financial inclusion. Research undertaken by ABSA bank (interview) found that a backyard unit yielded a “potential income of between R1 000 to R1 300.” Absa bank (interview) indicated that they are developing suitable products in partnership with the Department of Human Settlements, the Banking Association and Treasury, in anticipation for the demand of rental stock and backyard dwellings.

Tony Pillay of Absa bank (interview) suggested that if Government intends addressing the housing backlog, they should start looking at the “less than R10 000 income group, and backyard dwellings is the route to go.”

5.3. An Analysis of the Interviews with Tenants in Cosmo City and Diepsloot

This section describes the views and experiences of the tenants of backyard dwellings. The three tenants interviewed in Cosmo City have been over the years renting across various areas in the CoJ.

In Cosmo City, tenant 2 (interview) has been renting for 3 months: “we moved from Boksburg were we rented due to my husband’s work.” The three backyard tenants interviewed in Diepsloot have resided in the current dwellings for 1 year, 3 years and 10 years respectively.

It is apparent that convenient locations, employment opportunities and flexibility are some of the key drivers in tenants’ choice of rental accommodation in the two settlements. In Diepsloot, tenant 3 (interview) confirmed that affordability is a key driver: “yes it is close to work and affordable.” Five of the six tenants interviewed were conveniently employed in close proximity to where they live in Cosmo City and Diepsloot. Two of the three tenants in Cosmo City were semi-skilled and employed in Kya Sands, while the third tenant was skilled with qualifications and employed by the area municipality conveniently located a few streets away. Tenant 2 (interview) in Diepsloot works as a domestic helper in Sandton for three days of the week and has no problem with transport and costs (R20 per day) over this distance. Many people come all the way from Orange Farm to do domestic work in Sandton, and compared to that, Diepsloot is relatively near, making it affordable for transport. Tenant 3 (interview) in Cosmo City articulated that the neighbourhood is “very convenient” with transport, employment opportunities, shopping centres and amenities. Tenant 3 (interview) in Cosmo City, is “not prepared to move” in the short-term from the backyard rental unit. According to tenant 3 (interview) in Cosmo City, rentals charged at the time varied between R1 100 and R1 450 per month, which suggests that tenants are prepared to pay for convenience and opportunities: “enjoy living here and rental of R1 200”. The tenants in Diepsloot (interviews) were paying between R400 to R850 for the rented

accommodation. Tenant 1 (interview) in Diepsloot pays an additional R550 per month for a barber shop, conveniently located on the landlords RDP property.

The six tenants (interviews) have confirmed that there were no formal rental contracts, and they were "happy with the informal arrangements." The tenants suggested that these informal arrangements afforded them the flexibility of moving around as employment and family needs dictated. The relationships with the landlords (interviews) in Diepsloot and Cosmo City, while informally based, were generally good amongst the six tenants: "very much a positive relationship"; "she is good and does not make many rules"; "landlord is a good person." Of significance was the finding that the tenants in Cosmo City were happy with the investments that landlords had made in the form of informal backyard units, and felt that these investments contributed to a positive experience. These investments included security features in the form of front gates, burglar bars and higher walls, and proper external lighting. While landlords continue to make private investments in the form of backyard units and also continue to improve these, tenants in Cosmo City feel that greater attention needs to be directed towards services such as individual bathrooms, male and female toilets and access to hot water in the backyard rooms. Landlord 3 (interview) in Diepsloot, invested in a brick n' mortar structure with seven units, and the tenants (interviews) were very happy with this structure ("I cannot live in a shack it is not safe, and shacks leak"). The remaining tenants interviewed in Diepsloot live informally in corrugated dwellings, erected by them from makeshift material.

The tenants interviewed in Cosmo City strive to make a home for themselves and their families in the rented dwelling and its surrounding. In Cosmo City it was noticeable that the external appearance of the backyard dwellings was neatly maintained by landlords and tenants. In Diepsloot the living conditions were visibly poorer associated with the lack of available capital and higher poverty levels. The tenants interviewed in Cosmo City allowed me access to take photos of their personal interior space. It was observed that tenants interviewed in the two settlements strived for aspirational lifestyles with amenities such as Digital Television (DSTV), flat screen televisions, microwaves, fridges and general furniture.

The importance of the brick n' mortar structure was evident and emphasised by the tenants in Cosmo City (interview): "it is a natural home, everyone is living in brick n'

mortar, not shacks." Furthermore, tenants in Cosmo City (interviews) recognised the importance of landlords investing in backyard dwellings and the home: "it is properly planned" and "landlords have made good investments." These investments by landlords had created relatively safe, liveable and convenient 'homes' for those seeking accommodation in Cosmo City but not having access to an RDP house. It was interesting how strongly tenants voiced appreciation of the permanent building materials. One tenant (interview) in Cosmo City very directly noted that: "the quality of construction is good, and it feels like home."

The tenants (interview) in Cosmo City consider their backyard units safe, offering some level of security of tenure: "safety is good", "here I am staying freely and there are not many rules." However, tenant 1 (interview) in Cosmo City emphasised that he was considering moving into his own house because he had a family, and the "dynamics of family values" in a backyard dwelling is challenged by the lack of personal space. The tenants interviewed in both settlements either live alone, with a spouse or with children and rent one backyard dwelling. Tenant 3 (interview) in Cosmo City would also like to secure a permanent property, but was unable to obtain bank funding, and was reliant on the rental tenure in the backyard dwelling. Tenant 3 (interview) in Dieploot lives in a brick n' mortar dwelling with security gates, doors and burglar bars erected by the landlord, and this investment has made him "feel safe and my stuff is secured." By comparison, Tenant 2 (interview) in Diepsloot lives in a corrugated structure erected by her late husband, and the landlord (interview) has iterated "they will help take care of her and her children". She appreciated this level of tenure security, though she would prefer a more durable structure for her children especially when it rains. Flooding and damage to tenant's properties is often a challenge in corrugated iron dwellings, owing to the poor construction methodology and materials used.

The two settlements though structurally different, share a common theme for the tenants, informal security of tenure. They seem happy with the informal relationship and have been living informally for a few years. Two tenants in particular, are aspirational and would like to have their own homes, but poverty and lack of capital is an inhibiting factor.

5.4. Conclusion

Diepsloot and Cosmo City are starkly different, the latter characterized with more formal structures with the former characterized by densified poverty. The flipside is that the unemployed poor in Cosmo City (unless they have been allocated a subsidy house) do not have a choice but rent in Cosmo City. At least in the sample size (interviews conducted) there was more tenant satisfaction and more evidence of tenants feeling at home in the backyards of Cosmo City and Diepsloot. Interestingly, rental pricing in Diepsloot have increased 20% year on year, from 1989 to 2016, providing a good investment strategy for the landlords (using rental figures in Lemanski (2009) report and comparing these with the rentals obtained through the interviews conducted in Cosmo City and Diepsloot in 2016).

The demand for alternative rental accommodation has prompted RDP landlords to invest informally through various savings, bank loans and through tenants. The depth of backyard investments is evident in the type of informal structures landlords have planned and constructed, making those in Cosmo City more attractive which is apparent in the rentals charged. While the scale of investments in backyards varies between Cosmo City and Dieplsoot, there is evidence from these two case studies which suggests that backyard dwellings are here to stay.

The advantages are significant: landlords can scale-up housing through informal dwellings on existing formal plots, manage their own rental stock, enable a harmonious landlord-tenant relationship, provide reasonably safe temporal homes in close proximity to places of work, stimulate the livelihood activities of artisans, and invest through self-funding and self-build. This places less pressure on the CoJ's existing capacity, management of housing stock and response to housing needs. The challenges associated with informality include: increased pressure on existing infrastructure capacity, and management and regulation of informal backyard dwellings.

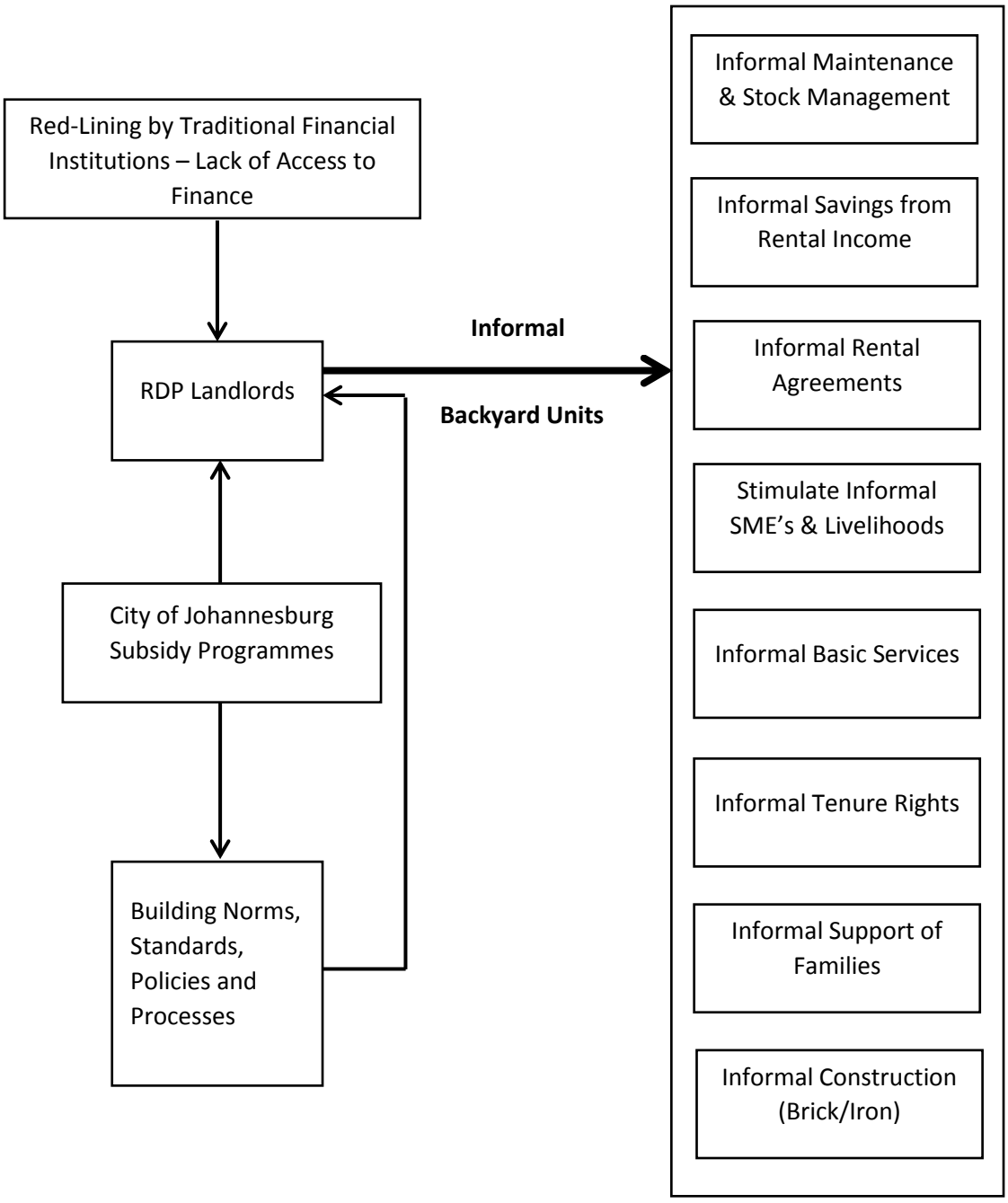


Figure 18: RDP Landlords Investing in Backyard Dwellings (Source: Kevin Chetty)

Chapter 6: Principles for a hybrid model for a municipal approach to backyard rental: Towards a Framework

6.1. Introduction

Informality and formality are different, and when integrated within the context of housing merge into a 'hybrid' model for landlords and tenants. It is then suggested that embracing a 'hybrid' model is an important step for the CoJ in addressing the housing challenges, recognizing the importance of landlords investing informally in backyard rental dwellings. The framework posited will attempt to bridge the gap between formality and informality, linking the incremental rental supply which is responding to a demand. Linking various parts of the formal and informal supply value chain, creates an understanding of the contours of incremental rental housing in the CoJ and helps guide all actors towards better serving landlords and low-income families.

6.2. Incremental Investments in Backyard Dwellings

Informal building and development particularly in low-income settlements is showing rapid growth, and accounts for most housing and informal improvements in cities (Goethert, 2010:23). According to Goethert (2010:23) the informal sector globally already develops an "estimated 70 percent of all urban housing in the developing world, making it the leading actor in the housing supply chain". This informal sector and in particular owners of informal backyard developments, develop incrementally over time and if afforded "sufficient time and resources", have the ability of transforming rental housing stock and creating livelihoods (*ibid*).

For the purposes of this study, incremental backyard dwellings are a step-by-step process through which a landlord will build extensions to the existing formal state home to source additional income and serve an important rental accommodation need. Essentially, incremental backyard rental dwellings help integrate the poor into the wider urban landscape by affording them access to alternative shelter. Though quite dramatic in its contribution to addressing the need for rental accommodation in Johannesburg, incremental backyard development is not a quick, immediate response. As was evident

from my interviews with landlords of varying investment capability, its scale ultimately remains in the hands of the landlord.

Incremental housing interventions must be accompanied by Incremental Housing Support Services (IHSS) for the landlord and communities, as evident in Cosmo-City, where the municipality plays a role in educating owners and community leaders on housing extensions. IHSS should entail educating owners on managing their building activities, such as planning, project management and purchasing of build material. Furthermore, IHSS can also be supported through Financial Service Providers (FSP's), focusing on financial budgeting and literacy. In a recent report on the quality of homes financed through a local FSP, it was found that owners that were involved and educated in the management of their incremental builds, had housing extensions of a good quality (Habitat for Humanity-Kenya, 2017).

Landlords undertaking incremental builds can be supported by the IHSS process linked through the CoJ and potential Financial Service Providers as follows:

I. The use of sustainable interventions in backyard developments, such solar geysers, water tanks, etc.
II. Developing separate toilets for males and females which were widely echoed by many tenants (interview). Dignity is an important consideration for women living in backyard dwellings.
III. Maximizing the land-use for increased backyard rental units. Further technical intervention is needed for landlords considering multi-story rental units.
IV. Financial institutions supporting incremental backyard developments as a viable business model, based on potential income through the number of units rented.
V. Eliciting the support of the CoJ in developing a data-base of local suppliers and trained artisans for backyard units.

6.3. Funding of Properties

Many financial service providers in South Africa focus on the traditional housing market using conventional banking channels and mortgage products, ignoring the potential of funding incremental rental housing. A probable solution and business model lies in the cash income derived through backyard units and in developing standalone housing

microfinance products for incremental housing. The cash derived through the backyard dwellings often remains unbanked, depriving a landlord potential return on investment. Allowing landlords to bank rental income informally earned, will aid them in developing transparent and documented credit history which is a very important criterion for lending in the financial services sector. This can be developed through ongoing consumer and community education focusing on financial literacy. Developing standalone housing microfinance products for incremental housing will be far more effective, as loans are advanced in small amounts and based on the ability to repay.

A standalone housing micro-finance product was developed for two institutions in Kenya and Uganda (HFH, 2017). The project was developed in 2013, and within a 4-year period, a total of 31, 617 incremental housing loans have been advanced and have supported over 100, 000 households (HFH, 2017). The success of this project was based on the following: Firstly, a standalone housing microfinance product was developed for the low-income owner focusing on small incremental loans. Secondly, the owner's cash-flow was used as a mechanism for determining affordability for the incremental loan repayments. Thirdly, the financial institutions developed standalone customer facing channels in the low-income areas. These channels developed were informal in that they consisted of a bank representative that visited and delivered a housing product to the clients in their respective communities and homes. This ensured that the organisation was able to build sustainable relationships with the end-users. Furthermore, this engaging relationship strategy made is easier for the organisation to understand the challenges and opportunities that existed at a grass-root level, thereby supplying customer-centric product strategy and simplified credit scoring. In addition, financial institutions used informal channels such as community forums to educate the owners on financial literacy and the importance of maintaining financial records.

Similarly, landlords across Cosmo City and Diepsloot can be supported through channels and products that meet their financial and development needs. Backyard rental income can be used to determine affordability linked to incremental loan amounts. Adopting similar approaches for landlords in Cosmo City and Diepsloot will encourage landlords to incrementally invest in backyard dwellings. This will ultimately stimulate the housing market, including broader small business networks in these settlements, which is an important strategic goal for the CoJ, in developing local settlement economies.

6.4. Construction of Backyard Dwellings

The manner in which landlords construct informal backyard units creates new urban living spaces, allocates resources, and impacts the urban environment. Landlords that insert a large number of units compromise the collective space in their yard, while also straining the infrastructure for the entire residential area. Due to the long-term implications of such investment, this needs to be considered in attempts to manage the sustainability of backyard dwellings within the built environment.

Good sustainable interventions in backyard housing can improve the quality of the environment and provide a better place for tenants to thrive and live. Though tenants (interviews) are happy in the settlements, they have indicated the need for additional services within the context of backyard dwellings. These investments direct us to the important element of dignity and why tenants should be afforded the opportunities associated with sustainable living conditions, and a place they can call home. Based on tenant's feedback, I suggest the following upgrades as important for inculcating dignity and embracing sustainability for tenants within backyard dwellings in Cosmo City and Diepsloot: Solar water geysers subsidised by the CoJ need to be installed in RDP homes for backyard dwellings; promoting the use of alternative build material through micro-enterprises based in the settlements; provision of additional abolition services for males & females installed by external waste companies; and developing alternative water sanitation processes provided by private companies such as BioRock (subsidised water sanitation system, with a potential of supporting approximately 4000 households).

The CoJ planning department is working on reducing the application process for building plans and the approval process, enabling landlords to self-build. Landlords will then be afforded the opportunity and decision-making powers to develop their RDP homes and backyard extensions. A significant opportunity for increasing the provision of alternative shelter for poor households relates to how self-help construction can increase the scale of accommodation. This is demonstrated in the research undertaken by Gyger (2013:311) on self-help housing carried out in Peru between 1946 and 1990. The research revealed that of the total of 227,245 housing units constructed, 184,617 (81%) units formed the basis of minimal housing with a self-help component to approximately 920,000 families living in the region for over four and a half decades (*ibid*). The CoJ (interview) has confirmed that the City will be embarking on partnering with key private

vendors in adopting alternative build materials and developing construction skills in the development of backyard dwellings. According to Statistics South Africa (2016), the estimated cost for the construction of freestanding homes in Gauteng (2015) was R6102 per square/meter, potentially making it expensive for a landlord attempting to build a 15 square/meter backyard dwelling. Alternative building material has the potential to lower the cost of delivery for an informal backyard owner and create smaller suppliers of materials at a community level, creating livelihood, employment and mini-distribution opportunities.

The self-build structures can be done in conjunction with local builders in the community, supported by upskilling programs initiated through the CoJ. Developing skills and capacity in the two communities will support the informal growth of backyard dwellings. To develop higher levels of training among small artisans in the CoJ, partnerships with organizations that have the capacity for technical training is warranted. This will in turn improve construction outcomes and skill levels, and increase the supply of readily available people for backyard developments. The National Construction Authority in Nairobi Kenya partnered with Builders of Hope Kenya to launch a project aimed specifically at increasing the number of trained artisans working in the informal housing sector (HFH, 2017:23). Though launched in 2016, it is still too early to analyze if this intervention was successful and produced the desired outcome (HFH, 2017:23). In this project, small contractors were trained on traditional construction practices for incremental housing (*ibid*).

Concerns about the shortage of adequately trained artisans across the CoJ, and the rising demand for backyard rental units, highlights an important need for artisanal training to support the growth of informal rentals.

6.5. Stock Management and Maintenance of Properties

RDP home owners are liable for their own property management and maintenance of informal backyard stock. This is important as it helps landlords protect their investment, thereby ensuring long-term rental viability of the informal stock. Property management of backyard dwellings refers to the day-to-day informal management and maintenance of the backyard units. Rising building, maintenance and basic services costs has meant that landlords are encouraged to self-manage and maintain their informal rental stock.

As was evident from my interviews, the working relationship between landlords and backyard tenants in the two settlements is generally good, making coordination of property management and maintenance easier. When problems or challenges with a unit arise, tenants inform the landlord, who ensures that these problems are addressed. In the course of my interviews, the landlords in the two settlements confirmed making use of informal artisans based in the community to repair, maintain and build backyard units. In instances where tenants such as those interviewed in Diepsloot erect their own informal structures, they are ultimately responsible for the general maintenance and repairs to their backyard dwellings. In contrast, landlords in Cosmo City are fully accountable for the management and maintenance of the rental stock. It was observed in Cosmo City, that landlords paid considerable attention to maintaining their RDP homes, backyard dwellings and immediate surroundings, translating into higher rental income. As was apparent in my interviews, a landlord in Cosmo City asked for a deposit as part of the informal rental agreement, used to mitigate risks associated with damage to the property. In Diepsloot, affordability and poverty are key issues that dictate the depth in property and backyard investments.

Though the informal property market is not regulated, it can incorporate some basic principles in property management and maintenance: These include: an effective response to maintenance issues raised by backyard tenants; establishing good working relationships with tenants; the City can educate landlords on the basics skills pertinent to tenant communication, tenant-customer service, basic marketing or advertising and general maintenance of backyard rental stock; maintaining the esthetics of RDP homes and backyard rental property; and developing a network of skilled artisans in the townships to support general maintenance.

It was apparent in my interviews that tenants are informally recruited through word of mouth, random visits, and in some cases adverts placed outside the RDP home. As was evident in my interviews, no formal background and financial checks were undertaken for new tenants, and many relied on informal methods such as the physical appearance of the tenant, type of employment, family structure, etc. As highlighted in my interviews, when tenants seek rental accommodation landlords follow an informal, yet simple process: Firstly, they show the potential tenant the room. Secondly, if the tenant is happy with the room, they agree on the rental price which is often based on what is

charged by other landlords in the area. Thirdly, the landlord-tenant informally agree on a rental term, price and duration. Finally, prior to moving in the landlord-tenant jointly check the room and agree on the standards of the room. Similarly, when a tenant moves out, the landlord also does a physical check to determine if the room meets the original standards. Some of the landlords do take deposits to mitigate risks associated with any damage incurred during the tenant's rental tenure.

The process of taking deposits, maintaining backyard units and managing informal stock are similar approaches adopted in the formal property market. These informal relationships, agreements and arrangements seem to work with the landlord-tenants, suggesting that informality has a place within the context of formality, merging into a 'hybrid' model for investments in informal backyard dwellings.

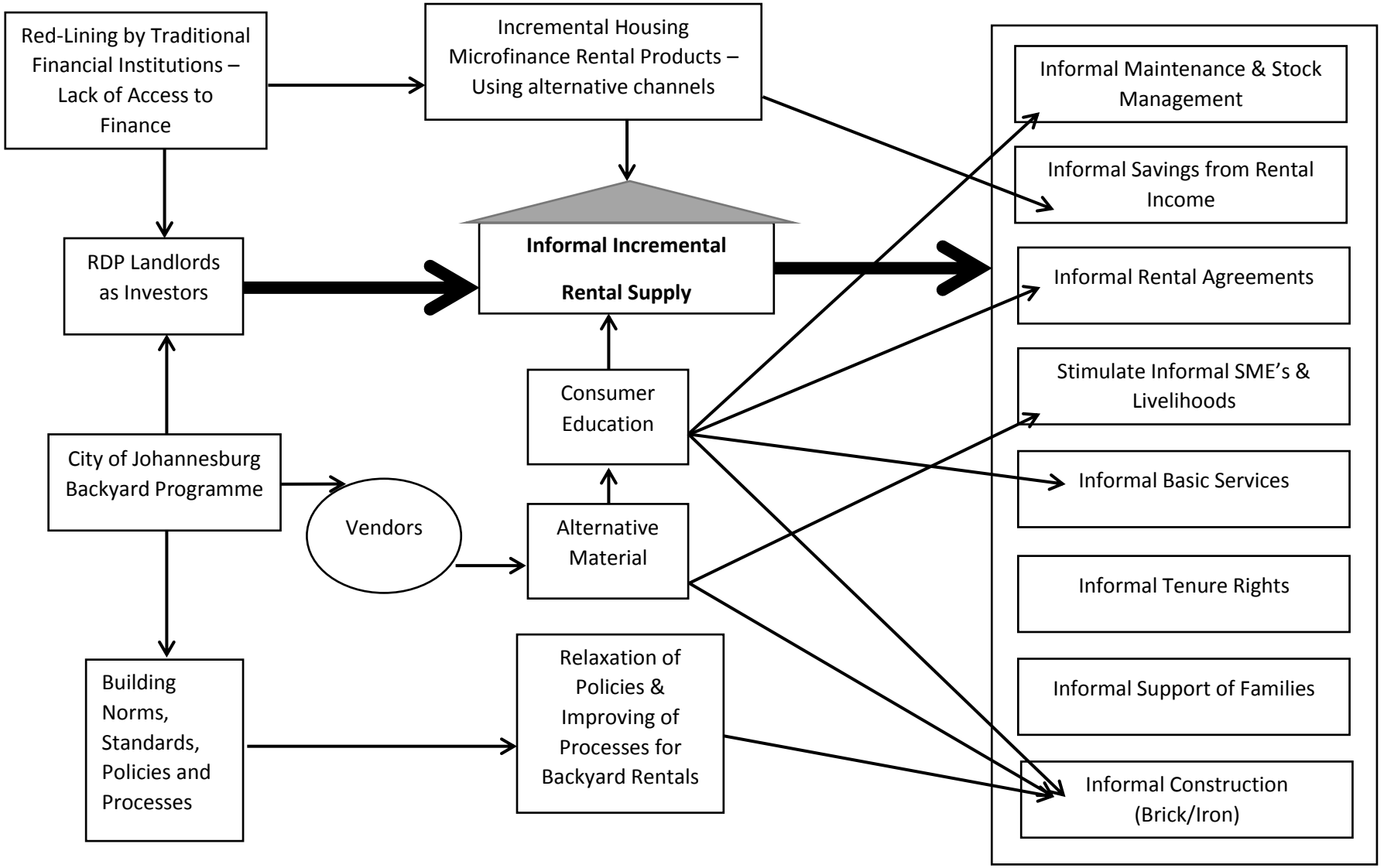


Figure 19: The discussions in chapter six lead towards a 'hybrid' framework, which does not represent finality, and can be adapted with further research.

6.6. Conclusion

The framework developed affirms a coexistence of formality and informality in backyard rental dwellings, researched in Cosmo City and Diepsloot. The combination of formality and informality supports the very notion of a '*hybrid*' investment model in creating affordable rentals for low-income families. Though these investments are incremental, they will involve an 'ecosystem' of suppliers that informally support the delivery of backyard rentals.

It is apparent that the housing shortage cannot be solved simply through formal state-funded projects. Housing must move beyond this realm of state control, and finally incorporate the landlord as an active citizen, that can with the right suppliers informally produce much needed rental accommodation. In addition, one cannot simply focus on housing "without focusing on sustainable low-cost housing" (Bredenoord, 2016:1). Sustainability in housing should reflect how we position informality relative to our planet and resources. Potentially, sustainability has an important role to play, and efforts in this regard should incorporate actors in the formal and informal sector.

Advancing sustainable production of informal rental investments will rely on the availability of funding. Traditional financial models are not readily available for low-cost incremental housing. Indeed, micro-finance is proving popular and this "fits better with incremental housing" particularly backyard rentals (Bredennoord, 2016:1).

Clearly, there is an argument for embracing formality and informality as a potential '*hybrid*' model supporting the incremental investments into backyard rental units. However, the issue of municipalities' negative perceptions of informality, both politically and within various administration departments, is considered a constraint in the implementation of the posited 'Hybrid' model.

Chapter 7: Conclusion and Recommendations

7.1. Conclusion

This study, undertaken in Cosmo City and Diepsloot, involved a qualitative desktop and field study to investigate the role of informal backyard dwellings amongst formal state-subsidised homes as a 'hybrid' solution for alternative rental tenure. The empirical component was limited to Cosmo City and Diepsloot, where it drew on a small qualitative sample. A limitation of the study is that it does not grapple with the municipality and its capacity in relation to backyard rental reality, which departments are strategically relevant to this housing challenge, and how they operate in relation to these two areas. Cosmo City and Diepsloot are starkly different, yet they share a common thread, that of demand for informal backyard rental dwellings. It is within this context of housing that backyard units should be embraced within the framework of formality and informality, as a 'hybrid' rental solution.

In comparison to Cosmo City, Diepsloot is characterised by poor quality backyard dwellings, yet there remains "demand for this form of accommodation" in both settlements (Turok, 2011:16). Informal backyard dwellings are not a unique phenomenon to Cosmo City and Diepsloot and are emerging as a dominant presence in the urban landscape. Urban mobility, employment opportunities, livelihood prospects and a need for additional survivalist-income has created a symbiotic relationship between the landlord-tenant. As was evident during my interview process, backyard tenants are generally happy with the informal relationship they share with the landlord, and continue to live amongst formal state homes for many years, embracing this 'informal tenure.' These positive agency factors have encouraged landlords to incrementally invest in backyard dwellings using savings, informal rental income and in some cases capital funding through local financial institutions.

The investment quality in incremental backyard units is dramatically different between Cosmo City and Diepsloot, translating into varied rental income between the settlements. Of interest, some backyard dwellings have been rented out to business owners, adding a collective mix of rental opportunities that exist beyond housing needs. Though quite dramatic in its contribution to addressing the need for rental

accommodation in Johannesburg, incremental backyard development is not a quick, immediate response, as discussed earlier. The investment opportunity resides in the hands of the landlord and is dictated by the availability of capital, supporting policy and supportive processes. As was evident in the interviews with landlords, even with challenges, they have been able to craft an opportunity through backyard rentals, and have informally maintained their properties and backyard stocks, established rental contracts, constructed dwellings and determined rental rates.

Informal subletting must be formally recognized within the City's housing policy as one of a range of housing options for the low-income segment and urban poor. The CoJ is encouraged to promote policies that support backyard dwellings, and supply low-income settlements with the necessary infrastructure and processes to cope with the extra demand for backyard dwellings. In crafting these solutions, the CoJ must incorporate sustainable development practices and integrate the formal and informal supply component into the housing value chain. During a recent interview with the planning department in the CoJ, it was encouraging to note that steps are being taken to introduce alternative material and simpler processes to support landlords in the development of backyard dwellings. Though still early, it would be interesting to see the impact of these interventions for landlords and backyard dwellings, supported through the CoJ.

The congruence of formality and informality merges to form 'laissez -faire' incremental backyard investments. An incremental investment strategy has not been readily supported by the formal banking system, though financial institutions can engage with and service clients in low-income settlements through informal banking channels.

Backyard rentals are here to stay and fill an important gap, namely the undersupply much needed rental accommodation. The intersection of formality and informality merged into a 'hybrid model' is a necessity to ensure a sustainable supply of rental housing in the CoJ. It should be noted that the 'Hybrid' model posited does not represent a "one size fits all" in relation to informal settlements. It is acknowledged that this model appears more applicable to Cosmo City's structured form of informality than to Diepsloot, and as such could be more applicable to structured informal settlement contexts. Further study is deemed important to develop a 'Hybrid' model that is applicable to most settlements.

7.2. Recommendations

The supply of backyard units offers a potential solution to the housing crisis facing the CoJ, while offering landlords an opportunity to incrementally invest and generate income.

The study makes the following recommendations, noting that some interventions can be further developed through additional research:

- The CoJ should undertake consumer education with landlords and members of communities. The aim is to provide knowledge on building practices, dealing with local builders, appointing builders/artisans, building management, building maintenance and managing incremental developments.
- The CoJ should, with the support of private vendors, embrace the use of alternative building material in the construction of backyard units. In addition, the training of artisans in the community in construction using alternative material, is an important part of job creation and stimulating local township economies.
- The CoJ should relax bylaws, policies and processes that support the incremental development of rental units.
- The CoJ, in partnership with the community and local vendors, must develop sustainable solutions that support basic services for backyard units. The City can also incorporate a subsidy programme for sustainable interventions.
- The City must recognize the role of informal rental agreements and how these can be shaped through consumer education and community engagements.
- Financial institutions need to develop housing microfinance products for incremental rentals, supported through informal housing channels located in the townships.
- The City can support self-build development in townships by training local artisans on housing quality and educating landlords on basic building practices.

Furthermore, the accompanying infrastructure demands associated with densification cannot be ignored, and will put pressure on the CoJ. The following approaches are recommended as ways in which the COJ could address these demands:

- The City's planning department must plan for the long-term growth of settlements by making efficient use of available land; cater for secondary developments and with accompanying infrastructure development (Gardener, 2009). In support, Gardner (2009:21), suggests that the "placement of BNG houses in the middle of sites" needs to be reconsidered, allowing for "better utilization of yard space by the primary and secondary households."
- The City should forge innovative and strategic Public-Private Partnerships (PPP) for the provision of basic services such as solid waste removal, provision of alternative sewerage systems, delivery of water and retrofitting of grey water systems to local homes. This will serve as an important step towards alleviating existing pressure on current infrastructure capacity. The PPP vendors should be locally sourced and strategically located in the vicinity of various settlements, further contributing to employment opportunities. Of interest, Gardener (2009:22) supports that these key services be made available at minimal costs to the landlords and tenants.
- The City should move towards the creation of privately sourced solar mini-grids that adequately supply basic electricity to households and tenants.
- The City can engage with various community programmes that create awareness and elicit the active participation of residents to maintain their local streets and neighborhoods.
- As part of sustainable development, the City must adequately blend nature with affordable living, promoting sustainability and aesthetic living conditions, an important step in property value mobilization.
- Densification is associated with poor health conditions and increased safety risks for inhabitants and landlords. The provision of local satellite clinics and community policing will place less pressure on an already strained health, welfare and transport system.

These approaches cannot be achieved unless the City develops its internal capacity to strategically manage densification. Furthermore, there needs to be clear alignment and integration between various municipal departments to ensure a coordinated effort in meeting these demands.

7.3 Suggestions for Further Research

In concluding this study, it is relevant to mention areas in need of further research, which emerged in the course of my engagement with this topic through literature and the field. Firstly, there was little research considering the landlordism among single women as women begin to dominate rental housing. Secondly, the barriers to adopting ABM & T in backyard dwellings. Thirdly, the nature and extent of the involvement of landlords in the backyard construction process and quality of backyard units produced. Fourthly, the extent and viability of interest in double-story backyard dwellings. Finally the future of backyard rental depends on supportive policy approaches within a policy evaluation and refinement process, and these need to be supported by ongoing research that helps in bringing this diverse and rapidly changing reality (see for instance difference between Diepsloot and Cosmos City) to policy-makers' attention.

Reference List

Africa, Green Building Council of South. (2012). *Improving Lives by Greening Low-Cost Housing (Cato Manor).* Kwa-Zulu Natal, Cato Manor: World Green Building council.

Amis, P. (1995). Making Sense of Urban Poverty. *Environment and Urbanisation, 7*(1), 145-157.

Angel, S. (2000). *The Availability of Mortgage Credit. Chapter 16 (pp220-231) in Housing Policy Matters. A Global Analysis.* London: Oxford University Press.

Bendile, D. (2016, September). *EWN Eye Witness News*. Retrieved from www.ewn.co.za: http://ewn.co.za/2016/09/16/Cosmo-City-residents-to-march-to-Joburg-CBD-over-high-crime-levels

Benit, C. (2002). The Rise of fall of the Community Post-Apartheid Housing Policy in Diepsloot, Johannesburg. *Urban Forum*, 47-66.

Bredenoord, J. (2016). Sustainable Housing and Building Materials for Low-Income Households. *Journal of Architectural Engineering Technology, 5*(1), 1-9.

Brown University: Spatial Structures in Social Science. (n.d.). *http://www.s4.brown.edu/southafrica/Reports/Johannesburg/Diepsloot.pdf*. Retrieved from www.s4.brown.edu.

Burgess, R. (1988). *Self-Help Housing Advocacy: A Curious Form of Radicalism. A Critique of Work of John F.C. Turner. In Ward, P (ed), Self-Help Housing: A Critique.* London: Mansell.

Centre for Affordable Housing Finance in Africa. (2012). *2012 Yearbook: Housing Finance in Africa. A Review of some of Africa's Housing Finance Systems.* Johannesburg: FinMark Trust.

Charlton et al. (2014). *Post Intervention Analysis: The Evolution of housing Projects into Sustainable Human Settlements. In From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South African Cities Network .

Charlton, S. (2006). *Reaching the Poor? An Analysis of the Influence on the Evolution of South Africa's Housing Programme. Democracy and Delivery: Urban Policy in South Africa.* Cape Town: HSRC.

Charlton, S. (2015). Turner-Burgess Divide. (pp. 1-21). Johannesburg: School of Architecture and Planning.

Crankshaw, O;. Gilbert, A;. & Morris, A. (2000). Backyard Soweto. *International Journal of Urban and Regional Research, 24*, 841-857.

Cross, C. e. (2010). Skeletons at the Feast: A Review of Street Homelessness in South Africa and other World Regions. *Development Southern Africa, 27*(1), 6-20.

Denoon-Stevens, S P. (2014). The Role of Land Management in Shaping (or Preventing) the Creation of Sustainable Human Settlements. In *From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South African Cities Network.

Department of Human Settlements. (2016, May 3). *Minister Lindiwe Sisulu: Human Settlement Dept Budget Vote 2016/2017*. Retrieved from South African Government: http://www.gov.za/speeches/minister-lindiwe-sisulu-human-settlements-dept-budget-vote-201617-3-may-2016-0000

Eglin, R. (2014). Managed Land Settlement: An Incremental Approach to Human Settlements. In *From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South African Cities Network.

Financial and Fiscal Commission. (2013). *Exploring Alternative Finance and Policy Options for Effective and Sustainable Delivery of Housing in South Africa.* Midrand, South Africa: FFC.

Fire Destroys Shacks in Diepsloot. (2013, September 5). Retrieved from News24: http://www.news24.com/SouthAfrica/News/Fire-destroys-shacks-in-Diepsloot-20130905

Gardener, D. (2009). *Stratgey for Increasing Supply of Small-Scale Private Dwelling Rental. In South Africa.* Johannesburg: Social Housing Foundation, Urban Landmark.

Gardner, D.; and Rubin, M. (2013). *Developing Responses to Backyarding.* Johannesburg: South African Local Government Agency.

Gauteng Department of Human Settlements (GDHS). (June 2016). *Gauteng Policy on Backyard Rental Policy.* Gauteng.

Geothert, R. (2010). *Incremental Housing: Proactive Urban Strategy. Special Interest Group in Urban Settlment (SIGUS).* Massachusetts, USA: MIT, School of Architecture and Planning.

Gilbert, A. (2008). Slums, tenants and home-ownership: On blindness to the obvious. *IPDM, 30*, 1-10.

Gilbert, A.,Mabin, A., Malcolm, M., Watson v. (1997). Low-Income rental Housing: Are South African Cities Different. *Envionment and Urbanisation, 9*(1), 133-147.

Green Building Council. (2012). *Case Study: Cato Manor. Improving lives by Greening Low-Cost Housing.* KwaZulu Natal: Green Building Council of South Africa.

Gyer, H.E. (2013). *The Informal as a Project: Self-help Housing in Peru, 1954-1986.* Columbia USA: Univeristy of Columbia.

Habitat for Humanity . (2017). *Housing Construction Value Chain Mapping.* Kenya: Terwilliger Center for Innovaion and Shelter (Mastercard Foundation).

Habitat for Humanity. (2013). *Housing Microfinance Case Studies of 11 Habitat Partnerships from around the Globe.* Atlanta: HFH Center for Innovation in Shelter and Finance.

Habitat for Humanity Kenya. (2017). *Housing Quality Assessment Report for KWFT, Nyumba Smart Housing Finance Product.* Nairobi - Kenya: Terwilliger Center for Innovation & Shelter.

Haferburg, C. (2013). Townships of To-Morrow? Cosmo City and Inclusive Visions for post-apartheid urban futures. *Habitat International, 39*, 261-268.

Harber, A. (2011)). *Diepsloot.* Jonathan Ball Publications South Africa.

Hendler, P. a.-S. (Unknown). *Sustainable Housing.* Johannesburg: University of Witwatersrand.

Herson, L. (1990). *The Urban Web: Politics, Policy and Theory (Chapter 10: The Styles and Stages of Urban Policy, pp 215-226).* Chicago: Nelson Hall.

Himlin, R., Hermine, E., Malachia, M. (2006). *Land Use Management and Democratic Governance in City of Johannesburg: case Study of Kliptown and Diepsloot.* Johannesburg: Wits CUBES and Planact.

(2013). *Housing Microfinance Case Studies of 11 Habitat Partnerships from around the Globe.* Habitat for Humanity Center for Innovation in Shelter and Finance.

Huchzermeyer, M. (2007). Tenement city: the emergence of multi-storey districts through large-scale private landlordism in Nairobi. *International Journal of Urban and regional Research.*, 714-732.

Huchzermeyer, M. (2011). *Cities with 'Slums': From Informal Settlement Eradication to a Right to the City of Africa (Chapter 3: Informal Settlements in the Discourse on Informality.* Cape Town: University of Cape Town City Press.

Huchzermeyer, M. (2012). Draft Entry for the Encyclopedia of Housing. *Encyclopdia of Housing*, 783-787.

Huchzermeyer, M. (2014). Humanism, Creativity and Rights: Involving Henri Lefebvre's Right to the City in the tension presented by Informal Settlements in South Africa today. *Transformation, 85*, 64-89.

Huchzermeyer, M., and Haferburg, C. (Forthcoming). *Redline or Renewal? The Space-based Construction decay and Contestation through local Agency in Brixton, Johannesburg.* Johannesburg: University of Wiits.

Huckzemeyer, M.; and Karam, A. (2016). *SA Housing Policy over Two Decades: 1994-2014.* Cape Town: Twenty Years of Freedom.

Irurah, D. (2015). *Sustainable Examples, Handout.* MBE Housing, School of Architecture and Planning, Johannesburg: University of the Witwatersrand.

International Monetory Fund. (2014). *South Africa Financial System Stability Assessment.* Washington DC: IMF.

Joseph, S.; and Karuri-Sebina, G. (2014). In *Introduction From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South Africa Cities Network.

Kellet, P. a. (2003). Routes to Home: Homelessness and Home-making in Contrasting Societies. *Habitat International, 27*(1), 123-141.

Kellet, P. and Moore, J. (2003). Routes to Home: Homelessness and Home-making in Contrasting Societies. *Habitat International, 27*(1), 123-141.

Kihato, C. W. (2013). *Migrant Women of Johannesburg: Life in an In-between City. Chapter 4.* Johannesburg: Wits University Press.

Kihato, C.W . (2013). *Migrant Women of Johannesburg: Life in and In-Between City. Chapter 4.* Johannesburg: Wits University Press.

Kornienko, K. (Forthcoming). Waiting, Hope, Democracy and Space: How Expectations and Socio-Economic Rights Shape Two South Africa Urban Informal Communities. *Journal of African and Asian Studies*.

Lalloo, K. (1999). Arenas of Constested Citizenship: Housing Policy in South Africa. *Habitat International, 23*(1), 35-47.

Landman, K; and Napier, M. (2010). Waiting for a House or Building Your Own? reconsidering satte Provision, Aided and Unaided Self-help in South Africa. *Habitat International, 34*, 299-305.

Lategan, L.G., and Cilliers, E.J. (2013). South Africa's informal backyard rental sector: Linkages with smart growth and sustainability. In *The Sustainable City VIII* (Vol. 1, pp. 303-314). Southhampton, UK: Wit Press.

Lemanski, C. (2009). Augmented Informality: South Africa's backyard dwellings as a by-product of formal housing policies. *Habitat International, 33*, 472-484.

Lemercier, P. a. (2014). Piloting Sustainable Human Settlements in a Localised Economy. In *From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South African Cities Network.

Magubane, K. (2015, June 02). *Business Day Live.* Retrieved from http://www.bdlive.co.za/national/2015/06/02/moves-to-formalise-backyard-rentals-could-displace-thousands

Mani, E. (2009). *Who Has Been Driving the Peoples Housing Process? A Case Study of Vosloorus Extension 28 and Ivory Park Ward 78 PHP Projects in Gauteng Province.* Johannesburg: University of Witwatersrand.

Marais, L. N. (2011). *State Control in Self Help Housing: Evidence from South Africa.* Bloemfontein: University of Free State.

Marias, L., Ntema, J. Venter, A. (2011). *State Control in Self Help housing: Evidence from South Africa.* Bloemfontein: University of Free State.

Mathekga, R. a. (2006). The Challenge of Local Government Sructures in South Africa Securing Community Participation. *Critical Dialogue - Public Participation, 2*(1), 11-17.

Mills, S. (2007). The Kuyasa Fund: Housing Microcredit in South Africa. *Environment and Urbanisation, 19*(2), 457-469.

Mohamed, S. (2010). *Tenant and landlord in South Africa.* Durban: Organisation of Civic Rights.

Morange, M. (2002). Backyard shacks: the relative success of this housing option in Port Elizabeth. *Urban Forum, 13*, 3-25.

Mule; M.B. (2012). *Factors Affecting the Adoption of Appropriate Building Material & Technology .* Kenya Nairobi: University of Nairobi.

Murray, R. (2014, January 28). *The Business Day Live (BDLive)*. Retrieved from http://www.bdlive.co.za/national/2014/01/28/informal-settlements-give-rural-poor-a-foothold-in-urban-centres

Nientied, P. a. (1988). *Approaches to low income housing in the Third World. Chapter 9 in Gugler,J.(ed). The Urbanisation of the Third World.* New York: Oxford City Press.

Ntema, J. (2011). *Self-Help Housing in South Africa: Paradigms, Policy and Practice.* Bloemfontein: University of Free State.

Nyandoro, E. (2008). A research report submitted to Faculty of Engineering and Built Environment, in completion of Master of Science in Building. *An Evaluation of the Financial Sector Charter and the Community Reinvestment Bill and their Implications on the Delivery of Low Income Housing Finance in South Africa.* Johannesburg: Univeristy of Witwatersrand.

Osman, A. (2011). *Sustainable Building Transformation in the South African Housing Sector: CSIR Case Studies.* Pretoria: CSIR.

Payne, C. (1999). *Making Common Ground: Public-Private Partnerships in Land for Housing (Capter 1: Introduction, pp. 1-6).* London: Intermediate Technology Publications.

Pfigu, T. (2014). We have a Story to tell Diepsloot Youth: A Quest for Safe Sapces and Opportunities to Earn a Living. *Rosa, Luxemburg Stiftung*, 1-10.

Pieterse, E. (2011). *City Futures: Confronting the Crisis of Urban Development (Chapter 2: Urbanisation Trends and Implications.* Cape Town: Zed Books, London/UCT Press.

Pieterse, E. a. (2014). Citizenship, Design Activism and Insitutionalising Informal Settlement Upgrading. In *From Housing to Human Settlement: Evolving Perspective.* Johannesburg: South African Cities Network.

Pieterse, E. and Donk, M. (2014). Citizenship, Design Activism and Insitutionalising Informal Settlement Upgrading. In *From Housing to Human Settlement: Evolving Perspective.* Johannesburg: South African Cities Network.

Pijoos, I. (2016, June 20). *www.news24.com*. Retrieved from News24: http://www.news24.com/SouthAfrica/News/violent-protest-on-r511-in-diepsloot-20160628

Pillay, A. and Naude, W. (2006). Financing Low-Income Housing in South Africa: Borrower Experiences and Perceptions of Banks. *Habitat International, 30*(4), 872-885.

Rakodi, C. (1995). Rental Tenure in the Cities of Developing Countries. *Urban Studies, 32*(4-5), 791-811.

Republic of South Africa. (1996). *The Constitution of the Republic of South Africa, Act 108 of 1996 (Section 26 of the Bill of Rights).* Pretoria: Government of South Africa.

Republic of South Africa. (1997). *Housing Act of 107 of 1997.* Pretoria: Government of South Africa.

Republic of South Africa. (1998). *Prevention of Illegal Eviction and Unlawful Occupation Land Act 19 of 1998.* Pretoria: Government Gazette.

Sengupta, U. (2014). *New Frontiers and Challenges for Affordable Housing Provision in India. Chapter 9: Affordable Housing in Global South: Seeking Sustainable Solutions.* London: Earthscan/Routledge.

Social Housing Foundation (SHF). (2008). *Shack rentals in South Africa.* Johannesburg: Eighty20.

Socio Economic Rights Institute (SERI). (2013). *Tenants Guide to Rental Housing.* Johannesburg: Wits School of Architecture and Planning.

Statistics South Africa. (2011). *Census 2011 Diepsloot*. Retrieved from https://census2011.adrianfrith.com/place/798003

Statistcs South Africa. (2016, February 4). Retrieved from Stats SA: http://www.statssa.gov.za/?p=7974

The City of Johannesburg (COJ). (unknown, retrieved 29 February 2016). *Informal backyards rental accommodation: A Summary of issues and policy eminating from previous research.* Johannesburg: Prepared by Susan Carey for the COJ.

The City of Johannesburg. (2016, October 17). *Cosmo City is a Thriving Suburb*. Retrieved from City of Johannesburg: http://www.joburg.org.za/index.php?option=com_content&id=2089&Itemid=168

The Depart of Economic Research and Development. Backyard shacks and the urban housing crisis: stop-gap or prototype solution. Prepared by Dr Jackie Borel-Saladin and Professor Ivan Turok. (2011). *www.hsrc.ac.za*. Retrieved February

29, 2016, from Human Science Research Council: http://www.hsrc.ac.za/en/review/hsrc-review-january-2015/backyard-schaks-and-urban-housing-crisis

The Usury Act. (2017, Oct). Retrieved from Acts Online: http://www.acts.co.za/Usury/act

Timm, S. (2016, September 22). *Township Title Deeds: Potential Lost*. Retrieved from Financial Mail: http://www.financialmail.co.za/features/2016/09/22/township-title-deeds-potential-blocked

Tissington, K. (2011). *A Resource Guide to South Africa, 1994-2010. Legislation, Policy, Programme and Practice.* Johannesburg: Socio-Economic Rights Institution of South Africa (SERI).

Tshangana, A. (2013). *Local Government Positions on Municipal Responses to Backyarders and Backyard Dwellings.* Johannesburg: South African Local Government Association.

Turner, J. (1972a). *Freedom to Build: Dweller Control of the Housing Process.* New York: Mcmillan.

Turner, J. (1972b). Housing a verb. Chapter, 7 in Turner, J. & Fichter, R., (eds) 1972. Freedom to Build: Dweller Control of the Housing Process. New York: Macmillan.

Turner, J. (1986). Future Directions in Housing Policies. *Habitat International, 10*(3), 7-25.

Turok, I. (2011). *Census 2011 Reveals Boom in Backyard Shacks*. Retrieved from www.hsrc.ac.za: http://www.hsrc.ac.za/en/review/hsrc-review-may-2013/census-2011-reveals-boom-in-backyard-shacks

Turok, I. and Borel-Saladin, J. (2015). Backyard Shacks, Informality and the Urban Housing Crisis in South Africa: Stopgap or Prototype Solution. *Housing Studies*.

UN-HABITAT. (2009). *Housing the poor in African cities. Rental Housing: a much neglected housing option for the poor. Quick Guide 7: rental housing.* Nairobi: UN-HABITAT.

Urban Landmark and PDG. (2011). *Urban Landmark Land Release Assessment Tool: Cosmo City Case Study Report.* Cosmo City, Johannesburg: Urban Landmark.

Ward, P. a. (1992). Articulation Theory and self-help housing practice in the 1990's. *International Journal for Urban and Regional Research, 16*(1), 60-80.

Young, R. (2005). *People, Places and Planet.* Scotland: Architecture and Design Scotland.

Zini, M. (2008, December 15). *Africa Can: Impact of the Financial Crisis on South Africa*. Retrieved from The World Bank: http://blogs.worldbank.org/africacan/the-impact-of-the-financial-crisis-on-south-africa

Zitumane, V. (2014). The Human Settlement Mandate: Tale of Two Cities. In *From Housing to Human Settlements: Evolving Perspective.* Johannesburg: South African Cities Network.

Appendix

Participant Info Sheet

Topic: "*Embracing informality through backyard rental structures: towards a hybrid model to manage private rental investment for the city of Johannesburg*"

School of Architecture and Planning

Private Bag 3, Wits 2050, Johannesburg

South Africa

Supervisor: Prof. Marie Huchzermeyer (Tel: 011-7177688)

Dear Sir/Madam

My name is Kevin Chetty. I am currently enrolled for a Master's degree in the Built Environment in the field of Housing in the School of Architecture and Planning at the University of Witwatersrand. One of the requirements of the degree is the completion of a research report. I am undertaking my research on backyard dwellings in Cosmo City and Diepsloot. For this reason, I would like to interview you for this study.

My research sets out to investigate the role of informal backyard dwellings amongst formal state subsidised homes as a 'Hybrid' solution for alternative rental tenure, further contributing to a limited body of knowledge in this area.

Participation in this research will entail being interviewed by myself, at a place and a time that is convenient for you. Participation is voluntary, and you can withdraw from this study at any time. There are no identifiable risks associated with your participation in the research. The interview will last for thirty minutes and with your permission this interview will be audio recorded, in order to ensure accuracy. Direct quotes from the interview may be used in the research report. Unless you would like the quotes attributed to your name,your anonymity will be ensured, meaning I will not use your name and no information that could identify you would be included in my report. The interview tapes and transcripts will not be seen or heard by any person at Wits or elsewhere, and will only be accessed by myself.

My supervisor is Prof. Marie Huchzermeyer, her email is Marie.Huchzermeyer@wits.ac.za, and her telephone number is (011) 717 7688. Upon completion of this research study, the audio tapes, transcribed material and other material will be kept secure on a password protected computer for a period of six years. Once the study has been examined, it will be publically available through the university library on the internet and copies are available from me on request.

If you agree to the interview, please fill in the consent form provided prior to the commencement of the interview. Your participation in this study is greatly appreciated. While this is a strictly academic study, it is hoped that the results may lead to concrete recommendations to the City of Johannesburg about positioning backyard rentals as acceptable forms of accommodation that municipalities can approve and banks can finance.

Kind Regards

Mr. Kevin Chetty

082 856 5338

kevinche@telkomsa.net

Ethics Clearance



[redacted]

SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESERCH ETHICS COMMITTEE

SCHOOL OF ARCHITECTURE PLANNING

CLEARANCE CERTIFICATE
PROTOCOL NUMBER: SOAP58/24/06/2016

PROJECT TITLE:	"EMBRACING INFORMALITY THROUGH BACKYARD RENTAL STRUCTURES: TOWARDS A HYBRID MODEL TO MANAGE PRIVATE RENTAL INVESTMENT FOR THE CITY OF JOHANNESBURG"
INVESTIGATOR/S:	Rodney Kevin Chetty (Student No. 8800696P)
SCHOOL:	Architecture and Planning
DEGREE PROGRAMME:	Master of Built Environment (Housing)
DATE CONSIDERED:	26 August 2016
DECISION OF THE COMMITTEE:	APPROVED
EXPIRY DATE:	26 August 2017

CHAIRPERSON
(Professor Daniel Irurah)

DATE: 26-08-2016

cc: Supervisor/s: Prof. Marie Huchzermeyer

DECLARATION OF INVESTIGATORS
I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to endure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

Signature **Date**

School of Architecture & Planning
University of the Witwatersrand
Private Bag 3, Wits 2050
Johannesburg South Africa
www.wits.ac.za

T +27 11 717 7623
F +27 11 717 7649

Sample Interview Structure

Topic: "*Embracing informality through backyard rental structures: towards a hybrid model to manage private rental investment for the city of Johannesburg*"

This is a guide for an in-depth, open ended qualitative interview:

Good day, thank you for giving permission for me to interview you. As set out in the participant information sheet, my research sets out to better understand backyard rental in this area, with a view to coming up with recommendations on how best to manage back yard rental:

Renters

a) How long have you been renting in the backyard unit?

b) Why did you choose to rent in this particular backyard (here bring in locality, negotiated rental cost vs income, etc.)?

c) Describe the unit you are renting to live/trade (type of construction material, services provided)

d) What you think about the informal nature of your dwelling?

e) What is good about the informality and what is not good?

f) Informality allows you the flexibility to move around depending on your work situation – how often do you move around?

g) If the local authorities enforced standards for backyard dwellings, then informal structures will have to be demolished – how would you feel about this?

h) Describe your relationship with your landlord?

i) As a tenant, what problems do you experience here if any, and is there anything that needs to be improved?

j) Do you think that the municipality can play a better role in making your backyard dwellings better – explain what the local municipality can do to improve the situation?

Shop Owners

a) What kind of trade or work do you do?

b) Was the unit advertised for rental as a shop or whether the tenant had a choice for a shop or accommodation

c) Why did you specifically choose this location for your business trade?

d) How long have you been renting and are you satisfied with service provided by the landlord?

e) Describe your relationship with your landlord – is he/she flexible in allowing other people to enter for your business?

f) What if there where strict rules, regulations governing your shop and no backyard shops where allowed – how would this affect your livelihood?

Landlords

a) For how long & why - have you been renting this or these backrooms to your tenants?

b) Describe your relationship with your tenant – are rental agreements informal, do the tenants feel secure with these informal arrangements?

c) How do you recruit the tenants?

d) Describe the materials used to construct backyard units?

e) What do you think about the informal nature of the backyard unit and tenancy arrangements?

f) How much do you charge the tenant, including a deposit – How did you arrive at this amount (did you rely on comparing with what others charge or based on your specific household needs?

g) Are you and fellow landlords in the area organised into a committee (if so formally or informally)?

h) Who is responsible for services provided, and how can the local municipality help?

i) If the local municipality had enforced building regulations, how would you feel about this enforcement?

j) What alternative regulations will make sense for you to ensure that you sustain your income through informal backyard arrangements?

City of Johannesburg

a) Describe Cosmos or Diepsloot and how does the City view informality?

b) How would you describe a successful backyard rental market?

c) What are some of the drivers or conditions for such a successful backyard rental market?

d) What policies, financial support and standards exist for backyard rental investments??

e) To what extent have these been applied or enforced?

f) If they have not been fully enforced, what would you say the reasons are?

g) Describe any interventions you are aware of that the municipality has made in relation to the backyard rental market?

h) What are your thoughts on the informality of the backyard rental situation?

f) With that in mind, what thoughts might you have on an alternative way of managing the backyard rental situation?

Absa Bank interview

a) What is your current role in affordable housing segment?

b) What is the current strategy for affordable housing and financing this segment?

c) What are the challenges encountered in the townships focusing on Cosmo & Diepsloot?

d) How does the bank view informal properties?

e) How would the bank finance informal type housing (backyard) linked to a formal property?

f) What about red-lining in the banks risk policy?

g) How the banks educate clients on borrowing funds and what will the bank do to improve access to finance for low-income segments?

h) What is difference between mortgage finance and micro-lending or personal lending?

i) What products can the bank position for landlords investing in backyard dwellers?

j) How would the bank view rentals as a strategy for landlords?

k) How do you view alternative build material in construction of dwellings?

l) How does the view municipal bylaws especially in construction of backyard dwellings?

Photos and Sketches

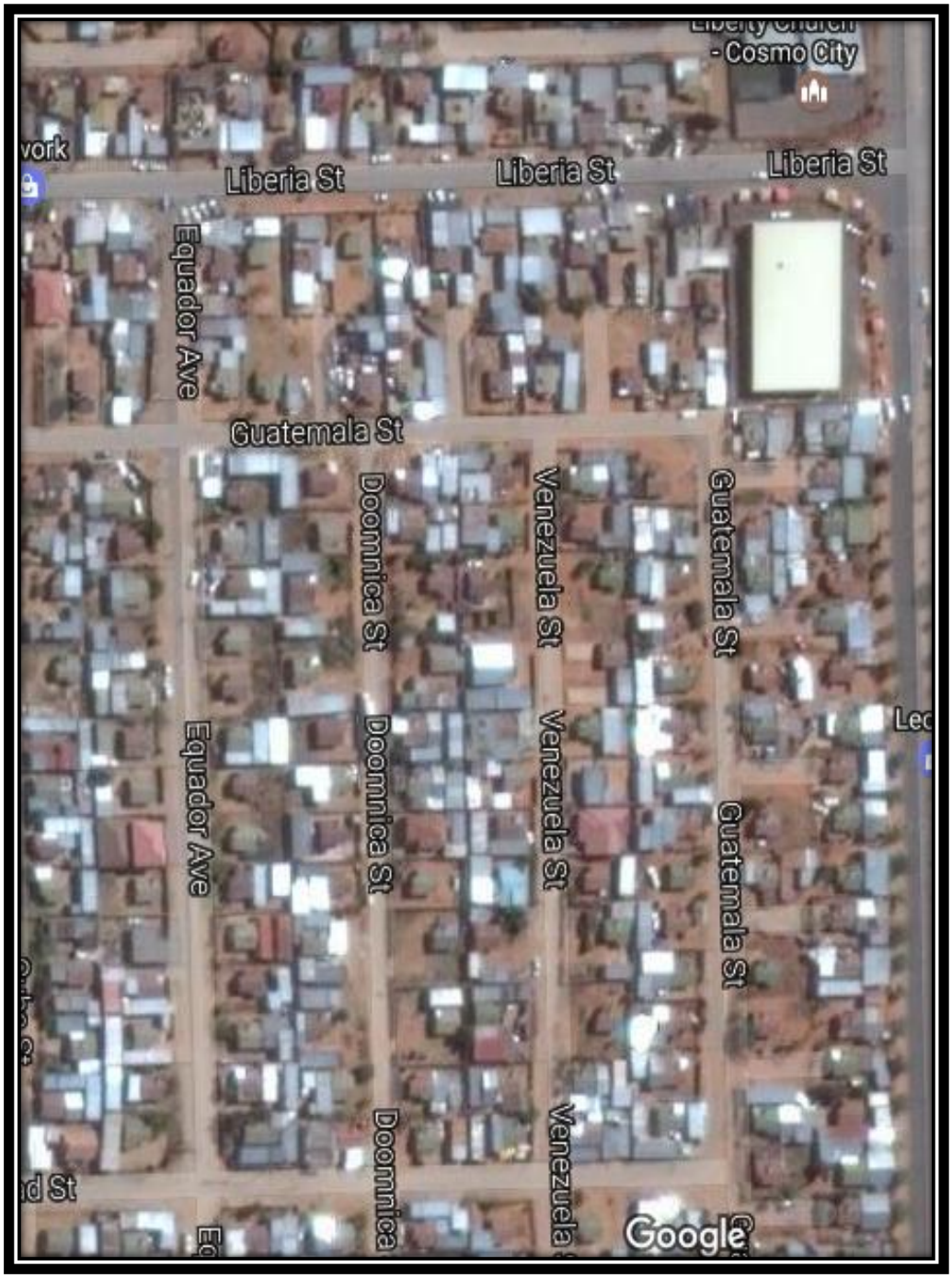


Figure 20: Map Depicting Backyard Dwellings amongst RDP Homes in Cosmo City (Source, Google Maps)

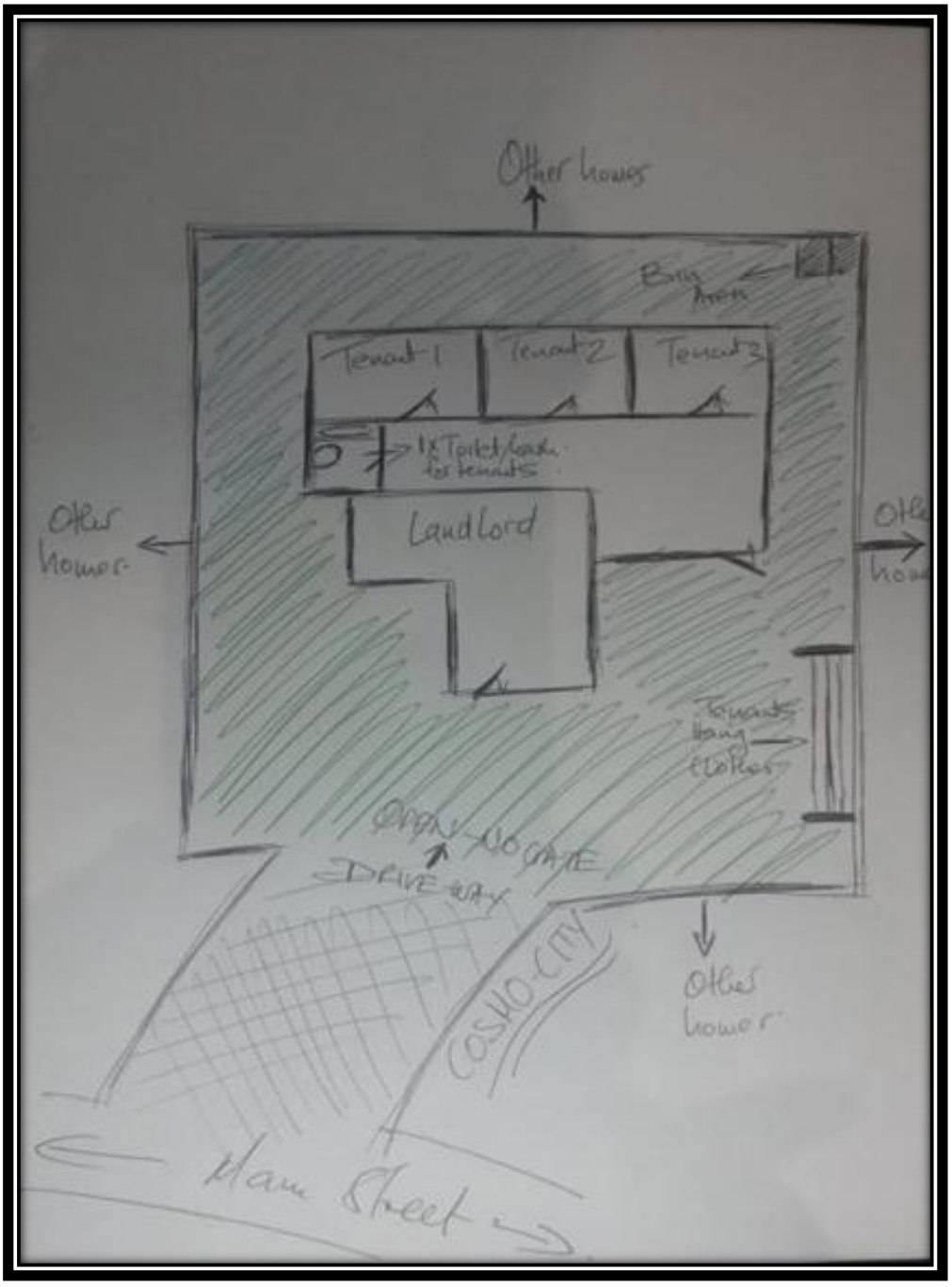


Figure 21: Map Depicting Backyard Densification amongst RDP Homes in Diepsloot (Source AfriGIS, 2016 Google Maps)



The rough sketch was done during my interviews with the Cosmo City landlord. It contextualizes the layout of the backyard dwellings and how the landlord used this urban space to plan and lay-out the number of backyard units desired. The landlord has tried to maximize the space for the units, and at the same time created free space for families with children. Noticeable is that landlord has proper fencing and front gates.

Figure 22: Sketch of Informal Backyard Dwellings in Cosmo City landlord 1



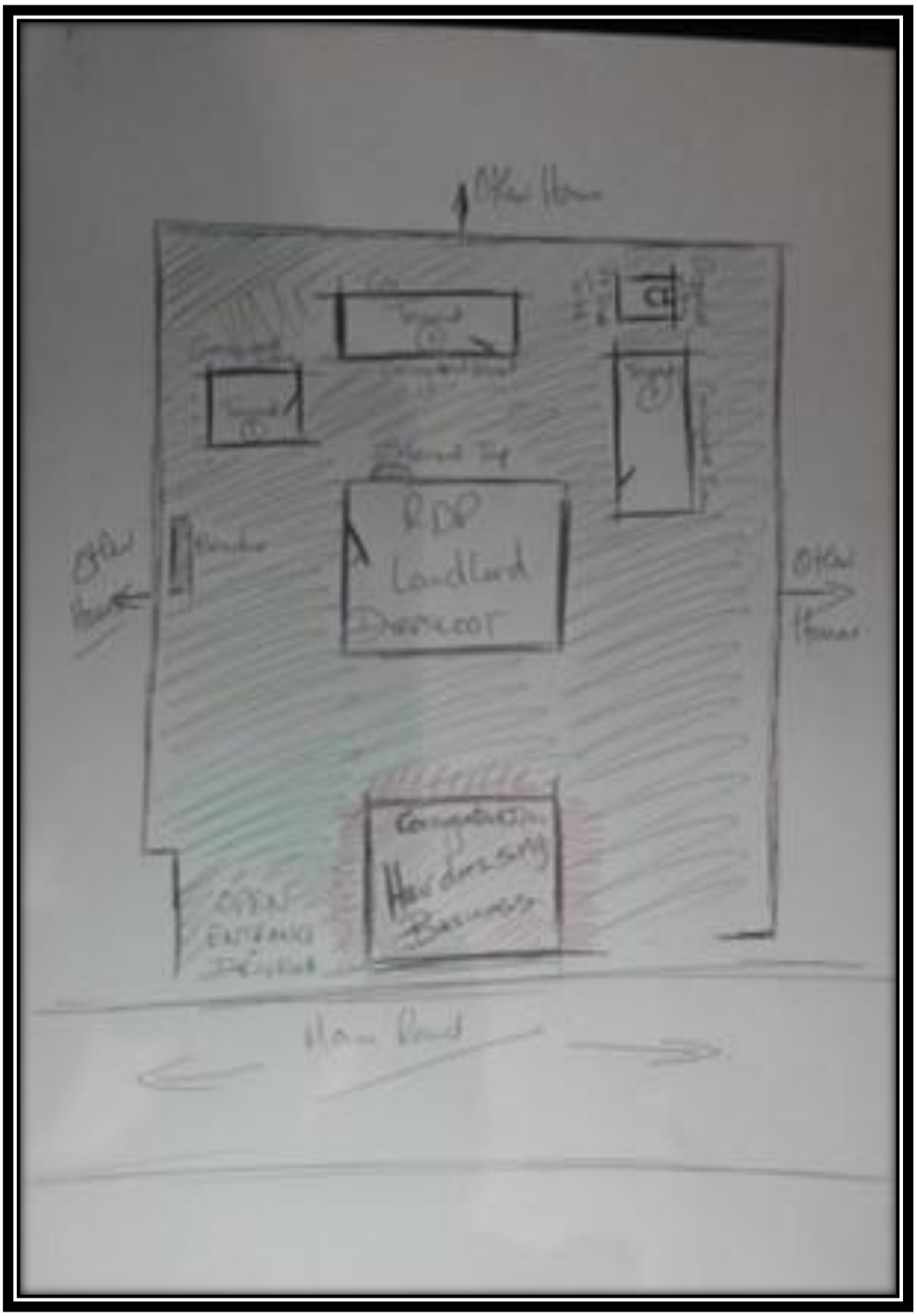
The rough sketch was done during my interviews with the Cosmo City landlord. In comparison to figure 22, the landlord has not maximized the space for the units and has instead built around the main RDP house. Many of the RDP homes are poorly located in the center of the property.

Figure 23: Sketch of Informal Backyard Dwellings in Cosmo City Landlord 2



The rough sketch was done during my interviews with the Diepsloot landlord. In comparison to figure 22 & 23, the landlord has used most of the peripheral space, limiting adequate movement.

Figure 24: Sketch of Informal Backyard Dwellings in Diepsloot Landlord 3



The rough sketch was done during my interviews with the Diepsloot landlord. The landlord did not appropriately plan the layout of the backyard units. Of interest, is that the small business (hair salon) located in the front close to the main street.

Figure 25: Sketch of Informal Backyard Dwellings in Diepsloot