**Understanding the housing production of yard rental units: The cases of “Phase 3” Lehae and “Ka-Majazane” Randpark Ridge.**

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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 Master of Urban Studies in Housing and Human Settlements.

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## Declaration

I, Nonhlanhla Bianca Mathibela, do hereby affirm that this research report is my own unaided work, except to the extent indicated in the references included in the body of the report. It is submitted as a requirement to obtain a Master of Urban Studies degree in Housing and Human Settlements to the Faculty of Engineering and the Built Environment at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination to any other University.

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(Signature of Candidate)

…10th…. day of …October…., …2020…

## Abstract

The addition of rooms to the main house for rental purposes is a worldwide phenomenon which has taken shape in various forms. In South Africa, these developments have taken place in various localities and they represent different histories (with various names attached to them). Although some mechanisms have been devised by public and private stakeholders to support the development of these emerging rental markets, these efforts are insufficient.

This study investigates the causes of Yard Rental Accommodation (YRA) production by middle-class property owners through better understanding the dynamics which underpin production in the neighbourhoods of "Phase 3", Lehae and "Ka-Majazane". These areas distinctly vary in their localities and they exhibit unique qualities which support (or hinder) production. The study revealed that the production of YRA by middle-class property owners in particular localities is not only a response to the need for affordable rental housing, but it also signifies their entrance to the property sector.

## Dedication

To Mme Johanna Mathibela, my beloved grandmother, I do not think I would have made it this far without your prayers, words of wisdom and encouragement. It is through your strong belief and will that I learned about His word and carried it with me since. I would also like to dedicate this Masters Research report to my parents and siblings who have continuously supported me throughout this process. I would not have made it this far without your love, patience and counsel.

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## List of Acronyms

**C**- Caretaker

**CoJ**- City of Johannesburg

**FLISP-** Finance Linked Individual Subsidy Programme

**GEHS**- Government Employees Housing Scheme

**GCRO**- Gauteng City Region Observatory

**K**- Key Informant

**L-** Landlord

**RDP**- Reconstruction Development Programme

**SHI**- Social Housing Institution

**SHP-** Social Housing Programme

**YRA-** Yard Rental Accommodation

# Chapter One: Introducing the research

## 1.1 Introduction

Many changes have been realised in the City of Johannesburg's urban form since the inception of Apartheid spatial planning. The proliferation of urban sprawl has become a commonality in the development landscape of post-Apartheid South Africa where more activities, including housing developments, have been taking place on the "urban periphery" (areas which are located outside the inner city) . The term "urban periphery" covers a wider scope of definitions, thus, suggesting that it is a perception-based term which relies on one's interpretation of relative location to the inner city. In some cases, the location of residents in townships which are located on the urban periphery does not meet the demands of their survival strategies, thus, resulting in their relocation to suburbia as tenants. This research report appreciates the term 'township' in its socially accepted colloquial sense which draws from an Apartheid phenomenon rather than how it is used in post-Apartheid housing developments (Parnell and Mabin, 1995). The definition also disregards the town planning definition of the term 'Township' (Mathibela, 2018).

Although suburban located neighbourhoods may be peripheral to the inner city, their proximity to the inner city and easy access to services and amenities is appealing to residents who initially resided in townships. Consequently, the landscape of some parts of suburbia have been morphed to meet the demands for affordable rental housing. In this research, I focus on the housing production of yard rental units located in townships and suburbia by drawing to the phenomenon of what I understand as "emerging rental markets". In the South African context, these housing typologies are colloquially referred to as "backyards" and they take the shape of medium densities achieved through horizontal or vertical stacking of units which are added to the original house for rental purposes. This explanation of the term "backyards" begins to inform my understanding of yard rental accommodation production in the context of this research. Throughout the paper, the word "back" is omitted from the term "backyard" to accommodate the varying forms that these extensions to the original house can take place. A more nuanced definition of the term will be developed in Chapter Two.

Because "backyards" occur in various forms, this research places emphasis on the dynamics of emerging two-story walk-ups that are in Lehae, a mixed-income state housing project located in the South of Johannesburg. This choice was informed by my interest in the changing landscape of housing in Lehae, what Mabusela (2013:1) calls *Kasitecture*, a term which is used to describe the architecture of *eKasi* (the slang equivalent for "township"). It is important to note that this housing landscape is not only changing in terms of its physical form. But, that the forms of tenure that are available have also contributed to the shifting nature of the housing landscape in Lehae (from ownership to a mixture of both ownership and rental tenure options). This change in the housing landscape is interesting for me because I have a personal connection to Lehae (I live there) and I also find it important to document this characteristic of a newly developed section of a township which is peripherally located.

This research provides an analysis of the reasons why "backyards" thrive in contexts that distinctly vary in their localities. I conducted a study on a more mature establishment of "backyards'' which have been developed in an area I consider as well located -where residents have improved access to transport and employment opportunities. Thus, conducting a study on "backyards" that are formally known as 'Dr Tomma's rooms' (or "Ka-Majazane", colloquially) - located in the suburb of Randpark Ridge- will allow me to understand the contribution of location to the success of yard rental developments. As a similar study was conducted in the peripheral township of Lehae, this deepened my understanding of this characteristic of "backyards". I am familiar with the areas of Lehae and Randpark Ridge, therefore, the sites were accessible to me. This study explores the methods of yard rental accommodation production by middle-class property owners across both localities. This allowed me to better understand how the characteristics of Lehae and Randpark Ridge affect the production of yard rental units in these areas.

## 1.2 Background

The delivery of state-provided housing in post-apartheid South Africa has failed to meet the rising demand for affordable and well-located housing. Bond and Tait (1997) note that this failure is (amongst others) a result of the slow implementation of 'top-down' approaches to closing this increasing gap between housing supply and demand. Consequently, there has been a rise in the response of private sector home-based initiatives –which include the development of backyard dwellings. This increase is represented by the change in backyard and informal dwelling numbers per kilometre squared between 2001 and 2016 –as illustrated below.

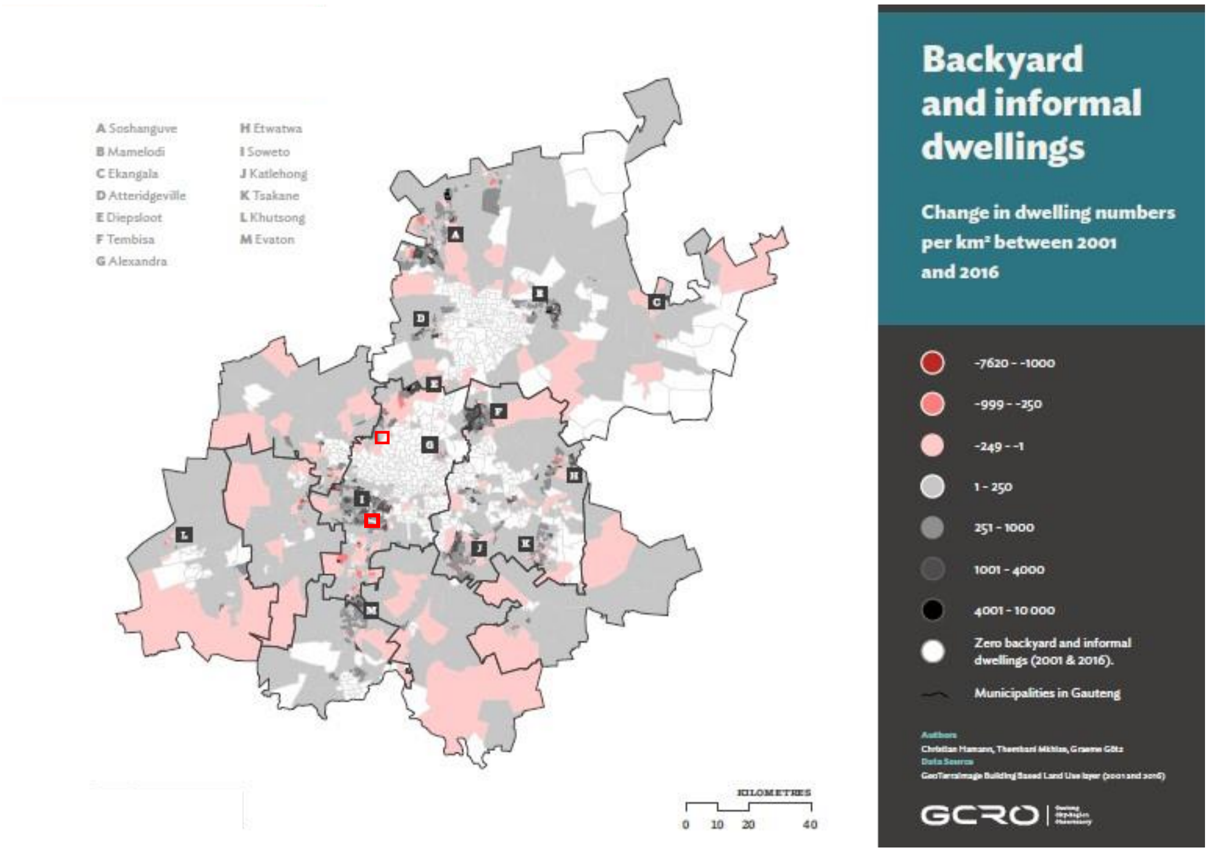


Figure 1.1: Backyard and informal dwellings in the Gauteng City Region between 2001 and 2016. Reproduced with permission from: Gauteng City Region Observatory (GCRO) Map of the Month, February 2018.

Dr Tomma's affordable rental accommodation units are located in Johannesburg's northern suburb of Randpark Ridge. The plea for workers in the area to find alternative accommodation that would relieve them from expensive commuting costs encouraged the development of these units (South African Cities Network, 2006). This case study consists of a large site which is surrounded by a farm with some livestock and the rest of the site has many rooms (with communal areas) which have been developed for rental. The second case study of this research is situated in the state-led housing development of Lehae which lies on what I identify as the south-eastern periphery of the City of Johannesburg. This case study is located in the bonded housing section of the development which is surrounded by a larger "RDP housing" settlement. "RDP housing" is a colloquial term that describes housing which is delivered to low-income earners through the housing subsidy system. Recipients of this type of housing recognise the asset potential of this housing as they develop backyard rental units in the same yard as their subsidised homes.

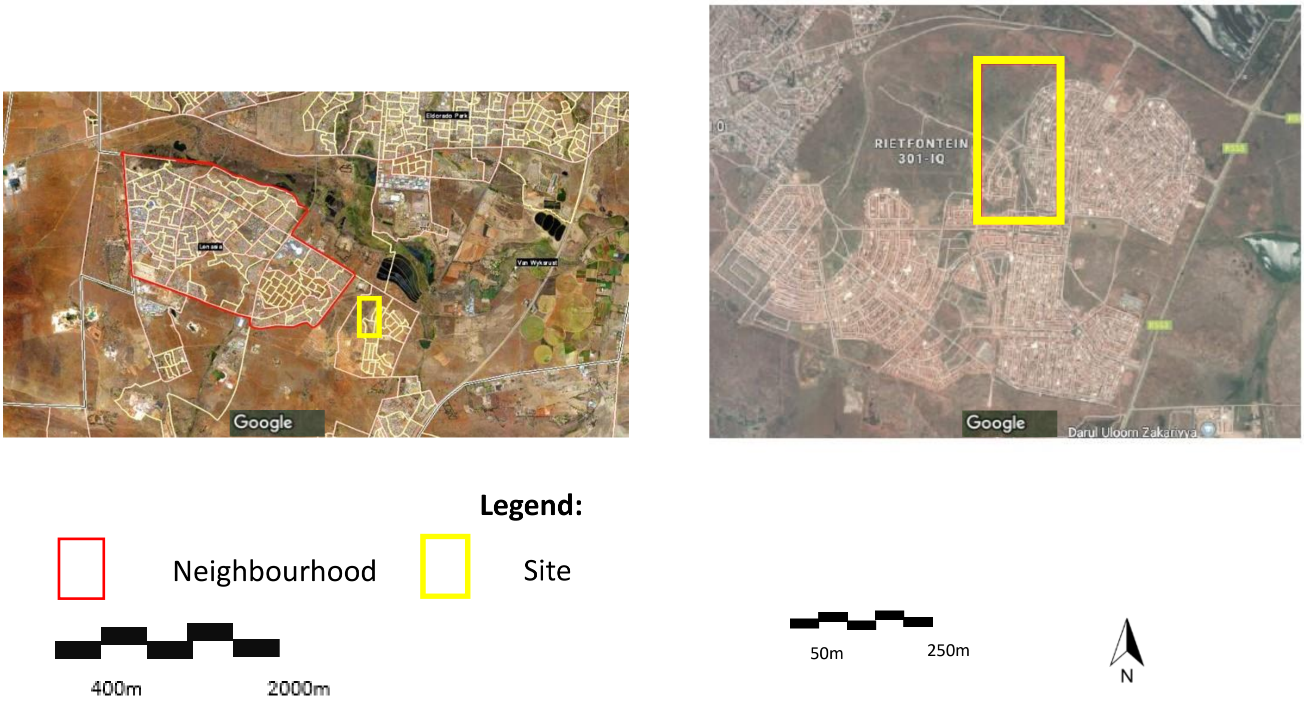


Figure 1.2: Location map of Phase 3 Lehae. Base Map: Copyright Google maps, 2019.

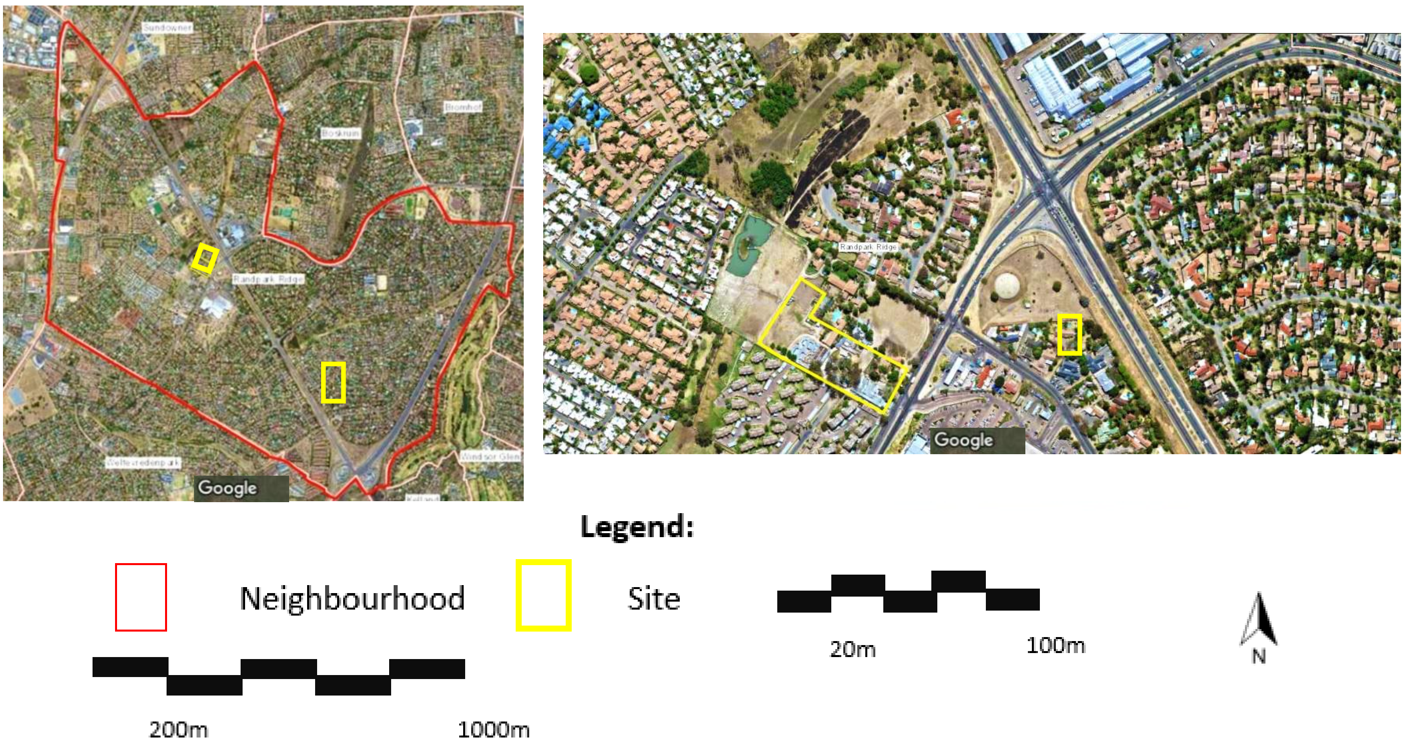


Figure 1.3: Location map of “Ka-Majazane” in Randpark Ridge. Base Map: Copyright Google maps, 2019.

## 1.3 Problem Statement

Lonardoni and Bolay (2016) highlight that in the Brazilian context, socio-economic issues have encouraged low-income earners to explore alternative sources of income. Therefore, landlords extend their houses for rental and provide affordable accommodation which is within the financial means of the tenants (ibid). The rise in urban population rates has increased the demand for housing, thus, making non-formal housing typologies popular amongst low-income earners. In the South African context, non-formal housing typologies -in the form of backyards- have emerged in "established townships" (Turok and Borel-Saladin, 2016).

The spatial landscape of post-apartheid South Africa has realised increased residential densities through the development of backyard housing (Lategan and Cilliers, 2016). McGaffin, Spiropoulos and Boyle (2018) highlight that the development of backyard housing has resulted from the response of 'micro-developers' to the issue of the unavailability of affordable housing stock. This effort positively responds to the housing-related consequences of urbanisation which continue to challenge the state (and other providers of housing). The aim of this research is to make a positive contribution to the study of backyard housing by providing an understanding of the production of yard rental units in two localities in Johannesburg from the perspective of lower-middle to upper middle-income groups as the providers of this type of housing. Throughout the research, I refer to these groups by interchanging between their class and income descriptions, i.e. by identifying them as both "middle class" and "middle-income". This dimension is significant because it relates to the focus of recent research which has begun to explore this phenomenon, particularly in Cape Town (McGaffin, Cirolia and Massyn 2015; McGaffin, Spiropoulos and Boyle 2018; Spiropoulos 2019).

Therefore, understanding backyard housing from the perspective of this emerging middle-income landlordism would be useful in understanding the future of this rental housing market. The forthcoming section on "Provider households" in Chapter two of this research report details the specific cases of the household profile which will be used in this study.

## 1.4 Rationale for the Study

In this research, I would like to understand the housing production of yard rental units in the varying contexts of Lehae and Randpark Ridge. It is important to understand the production of these units because this emerging phenomenon is a representation of the current (and possible future) landscape of housing. Therefore, a deepened understanding of this phenomenon in its beginning stages in Lehae and more mature stages in the case of Ka-Majazane may inform decision-making processes which aim to propose future housing solutions which complement the livelihood strategies of tenants and landlords. I say so because I believe that current housing solutions seem to have deficiencies thus resulting in the emergence of alternative housing solutions which dominate the South African housing landscape.

I have a personal connection to the location of both these case studies. Firstly, I used to be a student at Randpark Primary School which lies in the vicinity of Ka-Majazane. My experience of being a student in the area contributes to my understanding of what it means to live far away from Randpark Ridge and have to commute daily. These long hours which are spent on the road can negatively impact on one's productivity and impose costs. Therefore, resulting in the need for alternative accommodation (e.g. Ka-Majazane) which supports the livelihood strategies of tenants and yields some benefits (financial or social) for landlords. Moreover, I have recently moved to Lehae and I have developed a different understanding of what it means to live on the urban periphery. My understanding of the urban periphery has shifted in a sense that I now understand that peripheries are not dead spaces. This 'dislocation' from the city encourages middle-class property owners to develop creative ways which meet the housing needs of tenants who are located on the periphery and also meet their own financial or social needs.

## 1.5 Objectives

I would like to better understand the dynamics that underpin the production of yard rental units by middle-class property owners in Phase 3 Lehae and "Ka-Majazane" Randpark Ridge. Phase 3 (the bonded housing section of Lehae) presents a rise in the development of vertically and horizontally densified rental units, thus allowing me to capture the dynamics of development in the early stages of rental unit production. "Ka-Majazane" is an interesting case of the development of large-scale yard rental units in the suburb of Randpark Ridge. This development is well-established, thus making it an important area of study which will contribute towards my understanding of yard rental accommodation production. An understanding of these dynamics would paint a clearer picture of the reasons why this type of housing is being developed in these specific contexts and possibly contribute towards the development of mechanisms which support the advancement of these people-driven initiatives. Throughout this research, the approach I take to defining the term "middle-class" is twofold. Firstly, it considers the placement of a household's income in the middle of income hierarchies (as per the cases of YRA landlords in Phase 3). I also acknowledge that the traditional definition of the term places individuals in the "middle-class" based on their occupation, similar to the case of the developer of "Ka-Majazane".

## 1.6 Research Questions

**Main Research Question:**

What causes yard rental accommodation to be produced by middle-class property owners in Lehae and Randpark Ridge?

**Sub-Questions:**

- What reasons do middle-class property owners give for developing yard rental accommodation?
- What financial and other mechanisms enable them to develop yard rental accommodation?
- What (similar or distinct) characteristics of Lehae and Randpark Ridge encourage such production?

## 1.7 Expected findings

This study will potentially deepen my understanding of how location (and other contextual factors) influence the diverse forms that backyarding assumes in different settings. Further, the findings will allow me to have a better understanding of the dynamics of backyarding by providing an indication of who the targets of this type of housing are, who benefits from the housing, the demand that drives the housing typology (why it is supplied by middle-income property owners), how it is financed and whether any institutional or non-institutional procedures are required to develop this type of housing.

## 1.8 An informed choice of methods

The core of my understanding of the production of yard rental units in Lehae and Randpark Ridge lies in the processes of collecting qualitative data and information which unearths the dynamics of these respective rental housing markets.

I began the information-gathering process by going on site and introducing my research to the owners of the property. This was to ensure that the interviewees were well-informed about the study before deciding to participate. Because yard rental accommodation is an emerging phenomenon in Phase 3 Lehae as yet, there are a few existing yard owners. Therefore, only six interviews were conducted with the owners of YRA in Lehae. This approach required me to collect data through in-depth interviews which allowed me to have an improved understanding of the dynamics of the YRA sector in Lehae. Not only did this method capture the richness of each property owner's experience of developing YRA in Lehae, but it was also practical for the scope of this study. I used purposeful sampling (May 2001) as a tool to guide how I chose these homeowners, where I specifically chose to interview property owners with yard rental units that are "low-rise multistory".

The yard housing development in the Randpark Ridge case study lies in one large property. Therefore, I aimed to interview the owner of the property (Dr Tomma) or alternatively the caretaker of the development and others that may be involved in the production of this housing. After some attempts, I was unable to secure an interview with Dr Tomma. With each attempt, I would spend some time with the support staff who are employed at the establishment and have non-structured conversations with them. This was an equally important aspect of the data collection process because I was able to get different perspectives on the significance of this type of housing in Randpark Ridge. In the end, I was able to conduct an interview with the caretaker who provided valuable information about the management of the establishment. Further, I aimed to possibly interview key informants of YRA in general or in the specific contexts of Lehae and Randpark Ridge. The selection of some of these key informants relied on the snowballing process (Noy, 2008) where my interaction with these unknown stakeholders of the YRA sector was based on referrals from previous interviews or my established networks.

I made use of semi-structured interviews (Simon, 2006) so that I do not utilise a rigid method of capturing information, thus making an allowance for the gathering of 'hidden' information that I did not consider while formulating the questions. I was conscious of ethical consideration

(Simon, 2006) when formulating the questions. I will provide the details of the research methods which were used in this research in Chapter 3.

## 1.9 Ethical considerations

Ethical considerations are made throughout the research process in order to protect me and the interviewees from feeling uncomfortable or from being exposed to any harm. These considerations also help me to maintain integrity and respect throughout the research process. The interviewees are presented with a letter which explains the purpose of this research and they are given the choice to accept or decline to partake in the research. I also consider issues of anonymity and confidentiality as I provided interviewees with a letter of consent which gives them the opportunity to voice the terms under which they would like to participate in this research (i.e. remain anonymous or provide information that is confidential).

## 1.10 Outline of the report

Following the introduction, chapter two is devoted to discussing literature which focuses on two broad themes: small-scale landlordism and middle-class provider households. These themes allow me to understand better the production of YRA establishments by these actors and in particular localities. The chapter also positions this research in relation to existing work based on the research problems which were identified in the previous chapter. Chapter three identifies the research methods that assist me in answering the main research question and its subsequent sub-questions. In addition, the chapter sets out the scope of this research. Chapter four provides qualitative results of the fieldwork (as informed by the research methods identified in chapter three). The fifth chapter utilizes these qualitative results to conduct a critical analysis which refers back to the literature in chapter two. Chapter Six is a summation of the research which provides conclusions and recommendations that relate to the production of YRA in the specific localities of Lehae and Randpark Ridge and suggests a way forward for YRA developments in similar contexts.

# Chapter Two:
# Literature Review

## 2.1 Understanding yard rental accommodation production through literature: Developing a conceptual framework

In the previous chapter, I introduced the phenomena of yard rental accommodation development. This second chapter outlines key literature which helps me to locate the development of yard rental accommodation in the greater context of the South African housing landscape. Moreover, I will fulfil my research objective which asks the question "What causes yard rental accommodation to be produced by middle-class property owners in Lehae and Randpark Ridge?" by consulting with theories which relate to the concepts of Small-Scale Landlordism and Middle-Class Provider Households. I will consider the contribution of these themes to my understanding of the process by which yard rental accommodation is provided by individuals who are characterised as "middle-income earners" in Lehae and Randpark Ridge.

This discussion will also explore the interrelations between landlords and tenants during the production and consumption of this affordable housing stock prototype. This will be achieved by looking specifically at the management of this type of housing and the broader notions of housing finance.

## 2.2 Yard rental accommodation

### 2.2.1 Housing Production

Burgess's (1982) theory on the "modes of housing production" will be used as a tool that will help me to better understand the housing production of yard rental accommodation units. Further, Burgess's categorisation of "self-help" as a form of "petty-commodity" (cited in Ward and Macoloo 1992) is useful in explaining how macroeconomic market forces affect the localised means of producing an individual house. The "petty commodification" of housing critiques the production of "Housing as a noun" (which implies that housing production is a rigid process) and highlights the importance of "Housing as a verb" which appreciates housing as a process (Turner and Fichter, 1972:151). Thus, recognising household efforts to producing housing, despite the socio-economic obstacles which challenge this production. Similarly, during the process of yard rental accommodation production, landlords develop rental housing incrementally (Rubin, 2020 cited in Di Lollo 2020). This is because levels of production are dependent on the landlord's ability to mobilise the necessary resources (financial, social etc.) for yard rental unit development.

### 2.2.2 Understanding the multifaceted character of yard rental accommodation

There is a broad spectrum of YRA typologies which challenge the notion of establishing a universal definition that clearly defines this phenomenon. In part, the ability of this type of accommodation to develop across various locational contexts heightens the difficulties which come with defining this phenomenon. In order to fully understand the process of producing YRA in Lehae and Randpark Ridge, similar to Rubin and Gardner's (2013) acceptance of the wide scope of the phenomenon of "backyarding", YRA is an umbrella term which is used to describe rental accommodation that is developed in both township and suburban contexts throughout this research. Thus, acknowledging that the establishment of rental units (across various localities) forms part of one spectrum of a similar type of accommodation. According to Rubin and Gardner (2013:3) the main characteristics of backyarding are as follows:

- It is generally a small-scale activity, seldom exceeding a few units per property, although it is one of the largest housing sub-sectors in South Africa.
- It is produced on privately owned and privately held or controlled land, i.e. this includes privately owned land and land that is state-owned yet occupied by private individuals.
- Such stock is procured and managed by private individuals.
- Accommodation is generally occupied by separate households, as well as extended family members and kin-networks through private rental treaty, according to conditions set out in a formal (written) or informal (verbal) agreement.

Further, backyards are developed as a "livelihood response" and they are a worldwide phenomenon (Rubin and Gardner, 2013:5). This type of accommodation is classified in many ways depending on the context in which the units are developed. For example, they are identified as "shed housing" in the United Kingdom (Lombard, 2019). Lombaard (2019) investigates the informality of shelter in the UK by unpacking the increasing phenomenon of "sheds". Similar to backyards, "sheds" are outbuildings, but in this context they are considered as structures which are used illegally for shelter purposes (Lombaard, 2019).

The Yard Rental Accommodation (YRA) sector is affected by the factors of demand and supply. Rubin and Gardner (2013) highlight that tenants are drawn to backyards because: they prefer to rent than purchase a home, they have limited access to affordable housing finance, they prefer to live in a small home and there is also a limited supply of readily available alternative accommodation. Further, factors such as the structure of households, a lack of access to formal housing options and the need for households to reside in different areas (Rubin and Gardner, 2013) have escalated the demand for YRA. Rubin and Gardner (2013) note that the supply end of this market is driven by the landlord's desire for monetary gain (where they construct the backyards themselves or they provide space in their yards for tenants to build their own structures). Moreover, landlords develop backyards for the benefit of those who belong to their social networks, such as friends and family (Rubin and Gardner, 2013).

### Exploring the social space of the yards: Landlord and tenant dynamics

Rubin and Gardner (2013 as cited in Turok and Borel-Saladin, 2016:393) describe backyard shacks which are common in township spaces as "relatively low-cost" where "rent-payments are often flexible, and evictions are uncommon". The embedded fieldwork by Mayson and Charlton (2015) reflects that in the context of the inner city (which consists of multi-story buildings) the acceptance of verbal agreements as a social contract between tenants and landlords heightens the vulnerability of inner-city dwellers to eviction. The Shisaka Development Management Services Organisation (2006:31) identifies the general profile of tenants living in rental units provided by small scale landlords in townships and the inner city as people who are "typically male, young and formally employed". Further, those who are located in the inner city see this housing typology as a temporary shelter while those residing in townships reported that they would live in these rental units for longer (Shisaka, 2006).

In a recent report, the Development Action Group (2018:3-4) also outlines different tenant profiles by identifying that the residents of YRA are either "single young professionals, recent graduates, young families, or others who are ineligible for the housing subsidy for reasons other than income". This indicates that there has been a shift in the profiles of residents who are attracted by yard rental units throughout the years. This shift is from men who prefer to reside closer to areas of employment to families and others who cannot access a housing subsidy. Therefore, displaying the resilience of YRA as a form of housing which continues to meet the housing needs of many, despite minimum state support. The choice of tenants who reside in YRA establishments is a result of the preference of the landlord. Similarly, Cloete (1994: 98) highlights that the allocation of tenants is guided by an undertaking of a thorough tenant screening process which contributes to the processes which inform “management function of a building”. This power which is bestowed on the landlord effectively contributes to the sustainability of the rental establishment.

Urban LandMark (2006:1) describe “small scale landlords” as “individuals or small companies who rent out anywhere between one and one hundred units, or who rent out units in up to three buildings.” This definition is fairly open-ended, and it encapsulates the conditions of both the contexts of Lehae and Randpark Ridge because it is inclusive of the densities (and the scale per provider) that exist in both case studies. Urban LandMark (2006) further stretch this definition to describe the various types of landlords in the contexts of the inner city and townships. Inner city landlords often share their living spaces with the tenant(s), or in some cases they sublet units that are located separate from their own place of residence (Urban LandMark, 2006). In the case of small-scale landlords who are located in townships, the rental units are often located in the backyard of the landlord’s property (Urban LandMark, 2006). The rental units are further described as “formal or informal (i.e. a shack), or in some instances the landlord only rents the space on their own property [on] which the tenant builds their own home” (Urban LandMark, 2006:1). These characteristics exemplify the diversity in the forms of YRA. The findings chapter will be used to highlight the varying typologies of YRA in Phase 3 and Ka-Majazane.

### Yard rental accommodation as a contribution to the shifts in urban form

Charlton and Meth, (2017:100) identify that “RDP properties” are “the site of income generation”, where, (among other uses) they are used for YRA. Furthermore, Lemanski (2008 cited in Charlton and Meth 2015) highlights that backyard rentals are necessary because they result in the generation of an income, which is essential for the survival of a household and meeting the living costs of residing in what is commonly known as “RDP housing”. This extension of the use of the house as an economic asset aligns with my research interest. However, the context of my research explores the production of YRA where middle-class homeowners are the providers and the main house is not necessarily an RDP house. Further, this discussion introduces the importance of understanding the impact of YRA on the surrounding neighbourhood. For example, the emergence of the phenomena of what is called “township-isation”[1] by Charlton and Meth (2017) will be useful in allowing me to understand how non-formal YRA units are produced in neighbourhoods which are considered as formal. In this research, I use the term “non-formal” to explain the autonomous process of YRA production whose practices do not necessarily conform to the formally accepted means of conduct in the formal rental housing sector. These efforts are sometimes not welcomed by community members who solidify building restrictions which are set out in town planning by-laws. However, when the production of yard rental units seemingly “destroys” this co-created utopian vision, the establishments are an eyesore to neighbourhood fabric and may possibly contribute to the devaluation of property prices as production is governed by non-formal practices.

Huchzermeyer (2007:729) highlights that in the case of Nairobi, the development of tenements (unofficially constructed rental housing stock) occurs outside the realm of "planning regulatory framework" for the purposes of gaining a profit through the recognition of a niche for responding to "unmet housing demand". Similarly, the process of producing YRA does not always conform to regulatory requirements, it prioritizes the meeting of housing needs. Thus, echoing the notion that the “urban condition” of the developing world should be understood from the perspective of the realities of the contribution of people-driven housing solutions in the broader context of  the urban residential market (Huchzermeyer, 2007:729), rather than focusing on removing the elements of cities that are considered as an eyesore.

Turok and Borel-Saladin (2016:388) recognise the potential of backyard dwellings as a “more sustainable approach to human settlements” which “is more responsive to the needs of poor households”. The varying typologies of YRA means that the small-scale rental sector responds to the housing needs of a wider pool of low-income (and other) households. Further, the development of these yard rental units is sustainable because the backyards are seen as a financial asset to homeowners through rental income, they also provide improved access to livelihood opportunities and result in increased residential densities.

### 2.2.3 The changing landscapes of the production of yard rental accommodation

The development of backyard housing is not unique to the post-apartheid landscape of contemporary South Africa. This is because this housing typology provided an alternative

[1] A phenomenon which captures the “informalisation of state-sponsored formal housing development[s]” (Charlton and Meth, 2017:103).

housing solution for the urban poor during the apartheid era (Lemanski, 2009) and it continues to contribute to the country's affordable housing supply.

Hellman (cited in Bank, 2007: 208) documented the "socioeconomic conditions in the yards of Johannesburg townships" in the 1930s, where the development of these alternative housing opportunities was driven by the need for women to survive in Johannesburg. Therefore, backyards were considered as "sites of social and economic enterprise" whose functioning largely relied on the presence of social infrastructure (Bank, 2007: 208). The provision of housing for Africans ceased in the 1920s in East London, thus resulting in the need for the development of backyards (Bank, 2007). The main types of backyards that were erected in that period were extensions that changed the structure of the house to either an "L-shape" or a "U-shape" (Bank, 2007: 208). In the case of L-shaped rooms, access was through the main house, whereas the latter provided tenants with the liberty of entering or exiting their backyards without the landlord or other tenants knowing (Bank, 2007).

Essentially, the political and social climate of the period in which these developments were constructed informed the design of the backyards. These rooms densified space in a horizontal manner, rather than vertically, to "hide" these alternative forms of accommodation which provided housing for non-white citizens. Similarly, the construction of Dr Tomma's rooms is horizontal, the intention of the design might be to avoid drawing the attention of those who might threaten the running of this rental housing establishment. On the other hand, the construction of YRA in Phase 3 Lehae takes place in a vertical manner. Findings from an earlier study by Charlton 2013 (cited in Rubin and Charlton, 2019) capture the initial response of the Lehae community members to the development of YRA, where residents shared that they do not want any backyard rooms to be constructed in the area. The current design of yard rental units in Lehae does not resemble the typical informal character of backyard rooms but, landlords invest in the establishment of rooms which meets residents' initial "desire for dignified and decent suburban living" (Charlton 2018, cited in Rubin and Charlton 2019:259).

Lemanski (2009:474) notes that the location of existing backyards is related to the historical inefficiencies in housing supply in (already congested) "Black African" townships and "Coloured residential areas". However, data collected by the GCRO (2018) shows that between the years 2001 and 2016, there has been an increase in the number of backyard and informal dwellings in areas which were previously considered as "Indian" and "White" residential areas as well. Presumably, this is in response to the need for rental housing across varying neighbourhood typologies in Gauteng. The development of backyard dwellings was also related to the political climate of the country, where, their initial development was as a result of the lengthy distances that non-white South Africans had to travel to reach their designated spaces of residence (Lemanski, 2009). To reduce these distances travelled, non-white citizens looked for temporary accommodation that was closer to their areas of employment. Lemanski's (2009) examination of the production of backyard dwellings during the apartheid era highlights that in Coloured residential areas, the nature of the relationship between landlords and tenants relied on kinship ties, whereas, in Black townships the relationship was mainly income-based.

### 2.2.4 Producing yard rental accommodation within the policy and legislature gaze

The Freedom Charter, 1955 (Cited in Charlton, 2013) laid a foundation for the future of housing in South Africa by stating that "there shall be houses, security and comfort for all". The Charter attempted to reinforce the importance of the housing right, particularly considering the country's past which unfairly prohibited non-white citizens from realising this right. Consequently, housing delivery (which prioritised the housing rights of the poor) was a key priority for the first democratically elected government. Moreover, the importance of housing has been echoed by section 26 of The Constitution (1996), where section 26(1) states that "Everyone has the right to have access to adequate housing". This highlights the importance of housing in policy and legislation, particularly when considering the country's history. Moreover, the YRA sector has faced several difficulties in establishing itself as a recognizable component in the rental sector. This is shown by the limited role of the state in supporting the establishment of the sector, together with the preventative laws and policies which continue to prohibit the growth of this sector. According to Ruby Mathang, the former portfolio head of housing for the City of Johannesburg, backyard dwellings exert pressure on the City's resources and they "contravene by-laws" (City of Johannesburg 2010, cited in Rubin and Charlton 2019). This statement highlights the unidimensional perspective which the State has towards the development of YRA. The inability to balance this perspective with the realities of landlords and tenants who participate in this rental sector widens the gap between the State's outlook on YRA development and the contributions that this form of housing has on landlords and tenants.

Section 2 of the Rental Housing Amendment Act (2014) makes clearer the intention and purpose of amending the preceding Act. In particular, the objectives outlined in subsections 1 (a) and (b) of the Amendment Act relate to the scope of this research which is to better understand the production of YRA. I make this relation because these subsections define the role of legislation in creating an enabling environment for the rental housing sector to thrive and improve access to housing. However, despite these improvements to the preceding Rental Housing Act of 1999, the objectives do not explicitly outline a commitment to facilitating the development of YRA. The amendments to the Rental Act do not show an appreciation of people-driven initiatives to providing alternative rental housing options. The non-recognition of the amendment Act to identify YRA as a significant component of the country's rental housing sector presents a clear detachment of this Act from the realities of space.

Rubin and Gardner (2013: iv) state that "municipalities play a central role in controlling urban processes including backyarding". Essentially, municipalities are tasked with developing regulations which not only enable the establishment of backyards, but also ensure that the broader urban ecosystem is functioning well (Rubin and Gardener, 2013). For this ecosystem to maintain fluidity, there needs to be synergy across all sectors of government. This is because a clear understanding of the components of the ecosystem (formal and informal) by all government sectors is necessary to ensure that the mechanisms of the ecosystem (particularly the informal) are supported through enabling policy mechanisms. Rubin and Gardner (2013) report that Provincial government has usually been silent in matters involving backyarding, but exceptions lie with the Gauteng, Western Cape and KwaZulu-Natal Provincial governments. For example, the Gauteng Provincial Backyard Rental Policy 2008 (cited in Rubin and Gardner, 2013:17) sought to "[r]egularise the erection of backyard accommodation for rental and normalise the landlord-tenant relationship as a means of providing alternative accommodation while at the same time changing the current context of shack development".

Lemanski (2009:474) locates the development of backyard dwellings in the context of state-subsidised housing neighbourhoods by stating that "The post-apartheid era has witnessed a new supply of backyard dwellings in state-subsidised housing areas, in direct contradiction to national aims to eradicate informal housing." This statement accurately captures the discrepancies that lie between state objectives and people's practices by highlighting the coexistence of informality and formality in space. Therefore, policy and legislative directives need to immerse themselves in the dynamics of the market, rather than prescribe solutions that may not be suitable for the varying contexts of the backyard dwellings. This is because these non-formal mechanisms of the housing sector significantly contribute to meeting the demand for alternative affordable housing.

Together with the legislative obligations which yard rental units need to adhere to, units which are produced in more formal housing contexts such as in bonded housing, need to meet the requirements which are set out by property developers. Charlton 2013 (cited in Rubin and Charlton, 2019:253) reported that the perception of private developers towards the construction of yard rental units is that if they are informal structures, they "lower property values and affect the sale of mortgage housing". Therefore, the acceptability of yard rental establishments by private developers also significantly affects the extent to which microdevelopers can meet housing demands in respective neighbourhoods.

### 2.2.5 Yard rental accommodation establishments as contributors to the densification of cities

In theory, it is noted that the demand for housing in growing cities (globally) has resulted in the vertical consolidation of properties. However, "in South Africa, the densification and land use intensity has generally, remained horizontal, rather than vertical in nature" (McGaffin, Cirolia and Massyn, 2015: 59). The case study of Dr Tomma's rooms supports this notion because over 500 rooms were built to provide affordable housing for employees who work in the Randpark Ridge area (EPROP Commercial Property News, 2006) and the density takes place in a horizontal manner. Interestingly, McGaffin et al. (2015:59) capture the emergence of people-driven approaches to densifying spaces in Du Noon (in contrast to other state-subsidised housing settlements in South Africa) by highlighting that "Unlike other Reconstruction and Development Housing Programme settlements, many property owners are demolishing the state-delivered units and erecting double-storey rental accommodation". The Lehae case study resonates with this phenomenon of the vertical consolidation of property for rental purposes but differs in the context in which this development occurs (a middle-income area as opposed to the generally low-income RDP area). According to the Built Environment Support Group 2000 and Wilkinson 1998 (cited in McGaffin et al. 2015) vertical consolidation is the "incremental or phased improvements of the property" which occur in a vertical manner.

Some critics of the YRA sector argue that these developments will over-stress existing infrastructure. Therefore, Rubin and Gardner (2013) suggest that new housing projects need to make provisions for anticipated increases in residential densities which will accommodate potential pressures on services. For example, in the Alex K206 Subsidized Rental Room Programme, the establishment of YRA was incorporated in the initial development by the state providing "Rooms with ablutions integrated into [a] med[ium] density RDP development" (Rubin and Gardner, 2013:2). Thus, providing an example of how the government can provide pro-active solutions to tackling some of the issues that can arise from densifying already existing residential areas. Further, Rubin and Gardner (2013) suggest that in areas where backyards are developed in already dense settlements, retrofitting needs to be considered when services can no longer sustain the increasing populations. The wider context of service delivery in South Africa is challenged by the culture of the "non-payment of services by community members in South Africa" which compromises the ongoing provision of services (Lilley, 2019). Therefore, at a neighbourhood scale, the attitude of the residents of a neighbourhood and its surroundings will affect the access of all residents (including those residing in YRA) to basic services.

This misuse of services by residents continues despite the interventions which are introduced by local government to enforce regulations which aim to guide the use of services (Lilley, 2019). Clause 20 sub-clause 5 of the City of Johannesburg's Land Use Management Scheme (2018) is such an example and it subtly makes reference to infrastructure and yard rental units by recognising that "home enterprise / profession/s or occupation/s should not negatively impact on any infrastructure services greater than normally required for domestic use". Although no specific reference is made to yard rental units, this characteristic would be shared in a similar context.

Further, height development requirements as outlined in clause 28 (see Appendix B) influence the development of yard rental units (City of Johannesburg, 2018). This is because the clause defines the number of storeys that a building should have in a designated Height Zone (City of Johannesburg). The height development requirements for the subplaces of "Lenasia" and "Randburg" both belong to "Height Zone A" with a restriction of 3 storeys per house. These height requirements may apply to the specific cases of Lehae and Randpark Ridge, thus providing an indication of the City's limitations to development., Appendix C outlines the specific guidelines for developments by considering erf size, "land use zones" and the "minimum distance in meters between building and street boundary" (City of Johannesburg, 2018).

### 2.2.6 Constraints to the establishment of yard rental accommodation units

Despite the effective response of the small-scale private rental market to the presumed demand for affordable housing at a local scale, the market does not benefit from direct financial state support and it exists in an environment which has a hostile policy framework (Urban

LandMark, n.d.). Urban LandMark (n.d.) highlights that limitations such as the unavailability of privately-owned land for backyard room development and a lack of access to on-site infrastructure restrict the ability of the landlord to supply this type of housing. Shisaka (2006:26) note that in South Africa, “Small Scale Landlords” are challenged by building regulations and requirements which are set out in the National Building Regulations and “Local Government Town Planning and Building Ordinances and Bylaws”.

These parameters are often unreachable to these landlords because they exceed their financial capacities, thus resulting in the development of rental stock which does not comply with these specifications (Shisaka, 2006). Further, the non-compliance of landlords heightens the negative perception that the state has of backyard housing. Shisaka (2006:26, 25) describe the access to services in rental units that are offered by small scale landlords in townships as “relatively poor” when compared to their inner-city counterparts who have “generally good” access to engineering services. This contrast highlights the contribution that location has on the constraints that challenge small scale landlords.

The inability to attach the idea of small-scale landlordism to a particular definition makes the concept misunderstood (Urban LandMark, 2010). Equally, it becomes difficult to find solutions to problems that are faced by this sector. The definitions provided by Urban LandMark (2010) which seem to be appropriate for the contexts which will be referred to in this research are as follows:

a) Household rental: not all is managed by households; there are also individual operators who procure sites or houses with the sole aim of renting out rooms in the main house as well as elsewhere on the property.

b) Backyard rental: many, but not all units are found in “backyards”. Such accommodation can also be the primary dwelling or one of many dwellings on a property.

These definitions may be applicable to the contexts of Lehae and Randpark Ridge because small scale developers may have seen an opportunity for rental income in these areas and identified a site which may provide good returns on their investments, thus enabling them to rent out rooms in the main dwelling unit and surrounding units (as described in (a) above). Further, the definition of “backyard rental” which is provided by Urban LandMark (2010:6) acknowledges the variety of the locations of yard rental units in the yard. This definition may be applicable to the contexts of Lehae and Randpark Ridge. This is because the rental units which are provided in both case studies are not necessarily located at the “back” of the yard.

For the purposes of this research report, the definition of "backyard rental" will be applicable to (and used interchangeably with) the hybrid term of "yard rental", as described in (b) above.

### 2.2.7 Spatial implications of the production of yard rental accommodation

Doermann and Mkhabela (2019:160) acknowledge that the creation of "urban compounds" (an accepted form of YRA) in previously white suburbs such as Yeoville in Johannesburg is a form of the decolonisation of housing. Moreover, this transformation of the existing housing landscape has displayed qualities of DIY-urbanism which recognises the people-driven approaches to development (Doermann and Mkhabela, 2019). This establishment of affordable housing resembles the concepts of "Infrastructural Citizenship" (Lemanski, 2018) and "Autoconstruction" (Caldeira, 2017). According to Lemanski (2018) this concept is an exploration of how citizens interact with infrastructure and how this relationship is affected by their consciousness of their citizenship. This analysis of the temporal shifts in housing in these contexts highlights the importance of housing in the creation of "places" rather than "spaces".

Doermann and Mkhabela (2019) locate this placemaking process in the context of a previously "White" suburb which has created homes for a significant proportion of the "Black African" population. The term "Urban Compounding" adequately describes the characteristics of this phenomenon which "refers to the current models of habitable urban space" and recognizes the adaptive nature of these spaces in the "Social, physical and financial" contexts of urbanity (Doermann and Mkhabela, 2019: 158). Further, the term "Urban Compounding" also describes the financial implications of creating habitable urban spaces by alluding to "both the accrued interest and the original principal amount gathering interest". This is a condition which may relate closely to the processes of producing yard rental units in Lehae and Randpark Ridge.

## 2.3 Middle-income Provider households

### 2.3.1 Households as suppliers and consumers of housing

#### Who are the "missing middle"?

Although the focus of this research is primarily on the production of YRA, it is equally important to note the consumption of this type of housing accommodation. Beardsworth and Keil's 1990 (cited in Warde, 1990) earlier work highlights the importance of understanding the relationship between the production and consumption phases of a good, service or experience.

It is for these reasons that I try to appreciate the production of YRA by understanding tenant dynamics from a landlord's perspective.

Throughout this research, individuals who belong to the "middle-income households" grouping are recognised as providers of affordable rental housing stock. Whereas, the consumers of YRA may identify with the low-income household band, but not necessarily be restricted to this income bracket as there is a wide range of rental amounts with varying tenant profiles.

Lemanski (2017:101) makes a significant contribution to the limited scope of available literature on the emerging middle class in the global South by describing this social grouping as being comprised of "citizens who are neither affluent nor poor". Similarly, Visagie and Posel (2013) note that "middle-class" is also defined as a representation of a household's placement in hierarchies of middle-income strata, where "Black Africans" dominate this class typology in South Africa. This definition of the middle-class by Visagie and Posel (2013) will be used to represent YRA provider households in Phase 3 Lehae. Whereas, from my predictions of Dr Tomma's income based on his occupation and my general understanding of housing markets in Randpark Ridge, this property owner will most likely fall under the traditional definition of "middle-income" which places individuals "in the middle quintile of national income distribution, or middle-class in terms of occupation" (Lemanski, 2017:101). This definition resembles Visagie and Posel's (2013) description of the second segment of middle-class households which comprises of individuals who are affluent, a segment which is dominated by the "White" population. These findings on middle-class groups by Visagie and Posel (2013) are racialized because of the inherited consequences of Apartheid legacy in democratic South Africa. However, race is not the sole identifier of this socio-economic component.

Lemanski (2017) unpacks the identity of a "middleness" by understanding the positionality of this social grouping in relation to the policy lens which translates into the ability (or inability) of these households to access housing and housing finance. This may relate more particularly to the context of Phase 3 Lehae because the area is made up of some individuals who are considered "too rich" to qualify for fully-subsidised state housing, yet too poor to afford to purchase a house that is in the property market which is identified by Lightstone Property (cited by the Centre for Affordable Housing Finance in Africa, 2019) as the high-end market, where houses cost over R1.2 million. Therefore, these individuals rely on using a mortgage to finance their bonded house. The means of generating the monthly bond instalments differ from household to household and this research would like to investigate how the production of yard rental units may possibly create an opportunity for homeowners in Phase 3 Lehae to supplement their incomes and be able to pay-off their mortgages. Similarly, the Development Action Group (2018:3) pair this discussion of middleness with one's ability to access housing by highlighting that "2011 census data tells us that approximately 3.5m households earn too much to qualify for state subsidized housing options, but not enough to enter the private housing market". Thus, the inability of formal housing markets to cater for the housing needs of the "missing middle" results in their connection to the informal housing market either as tenants or landlords.

Moreover, Lemanski (2017) argues that the description of the positionality of individuals who find themselves in the "middle" should not be attached to "class". The promotion of the term "middle households" is suitable for the purposes of transforming state perceptions of individuals in these households and facilitating a shift towards supporting those experiencing "middleness" (Lemanski, 2017:16). Further, Lemanski (2017:102) uses Gilbert's (1998) earlier work to outline the differences between the upper-middle-class and the lower-middle-class by suggesting that individuals belonging to the upper-middle-class are well-educated while individuals who are considered as low-middle-income earners have more "modest" incomes. Therefore, there is a directly proportionate relationship between one's level of education and income earned. Lemanski (2017) argues that the initiatives employed by the South African government to respond to the housing needs of "middle-income" groups -through gap housing initiatives[2]- have been unsuccessful because attaching what is considered as "middleness" solely to income heightens the misinterpretations of policy which seek to cater for these needs. Therefore, these income-based classifications do not adequately respond to the needs of individuals who experience "middleness" as they do not embrace the realities of "middle households".

### Yard rental accommodation establishments as an (dis)enabler of social mixing between diverse income groups?

Bank's (2007) investigation of what happens inside backyards highlights the relations between provider and consumer households. The findings from Bank's (2007:226) study highlights that yards are feminised spaces which witness the duality of these spaces as "havens from the heartless world" and spaces which (for some women) represent prisons where women are

[2] Mechanisms which are devised by the state -often in conjunction with the private sector- to respond to the challenges which prohibit those who are identified as "too rich or too poor" from accessing affordable housing.

victims of violence. Unfortunately, the yards have become less of a space which is governed by *Ubuntu*[3], instead, the marketisation of backyards has become an identity of contemporary yards as landlords react to the disputes which take place in these yards only when they affect their rent income (Bank, 2007). On the other hand, Mndawe's (2014:1) study which explores the "nature of RDP rooming in Ekurhuleni Municipality" illuminates the contribution of RDP rooms to the perceived safety of tenants and landlords through room design. Further, Mndawe (2014) acknowledges that these spaces enable landlords and tenants to build social relationships.

Shapurjee and Charlton's (2013) study in Alexandra reflects the relationship between backyard housing and households, where the tenant's household income is stretched to support a larger family. Shapurjee and Charlton (2013) introduce the concept of gendered vulnerability to explain how landlord households (mostly female-headed) are reliant on the generation of rental income through backyard letting. Watson and McCarthy (1997:49) recognize the role played by the household rental sector and argue the need for its "incorporation into current housing policy". Findings from a later study by Bhaila (2013) which explores the potential of the integration of backyard dwellings and RDP housing to promote social integration in Cosmo City, highlight the dependency of backyard provider households on rental income which is provided by backyard dwellers. Therefore, RDP occupants acknowledge the importance of backyard dwellings as an economic asset, thus promoting integration between backyard providers and their tenants (Bhaila, 2013).

### 2.3.2 Housing Finance

A study of the "housing careers" of Black middle-class residents in Mangaung Metropolitan Municipality by Marais, Hoekstra, Napier, Cloete and Lenka (2018:843) highlights that a majority of the homeowners who were considered in their sample relied on mortgage loans to finance their homes (what would constitute as the main house in a yard rental establishment) and less than 10% of their respondents benefitted from the FLISP subsidy. In this research, I will explore housing finance products that are offered to homeowners and investigate their application to the contexts of Lehae and Randpark Ridge.

Shisaka (2006) highlight the importance of understanding the wide array of small-scale landlords when trying to devise financial solutions which seek to facilitate their improvement

[3] A South African term commonly used to signify the spirit of sharing and taking care of one another.

and management. Therefore, there is no single financial solution which will be applicable to all types of landlords in South Africa because they have different needs. For example, "township landlords" usually have difficulty with accessing finance from financial institutions because their rental stock is considered as "problematic" in the sense that it is misunderstood by lenders (Shisaka, 2006:55). In the long run, the potential of these landlords will remain unrecognized and their businesses may suffer if they are unable to secure their financial resources. Whilst, small unit landlords[4] have better access to finance when compared to township landlords (Shisaka, 2006). On the other hand, building owners who are based in the inner city with multi-storey buildings are described as "larger unit landlords", "building landlords" and "building plus landlords" have improved access to "business and property finance" when compared to other landlords (Shisaka, 2006:56). Despite this, such landlords do not have secure access to finance because they still face limitations such as the "level of loan cover applied" (Shisaka, 2006:56). Therefore, these businesses need assistance (through finance mechanisms) to increase the amount of finance that is available to them.

The "uMastandi" initiative by the Trust for Urban Housing Finance (TUHF) is a microfinance option which is offered to township and suburban based landlords across Johannesburg and Cape Town. The uMastandi programme provides mentorship, training and loan finance for these property entrepreneurs who would like to own backyard rooms (TUHF, 2017). The training programme also equips potential landlords with essential property management skills, and it facilitates the process of ensuring that the design of these rooms is according to municipal standards and that they are habitable. Similar interventions have been developed by various entities (including small business enterprises) to promote the development of yard rental units. These include the "IsiDuli" microfinance tool which supports low-income homeowners and the small housing loans which are offered by "Xtenda Housing finance" (Di Lollo 2020). It seems that the YRA sector may have strengthened financial support from the government as Gauteng Premier, Mr. David Makhura stated in the 2020 State of the Province Address that:

> "[Government is] working with the National Housing Finance Corporation, Indlu and Umastandi social capital entrepreneurs to enable township property owners to develop formal backrooms from which sustainable incomes can be generated. This will provide an additional 250 000 people with affordable rental and decent accommodation over the next 5-10 years" (Makhura, 2020).

[4] A small-scale landlord prototype which represents rental units which are run by landlords with "a limited number of units (less than 50)" in an inner-city context (Shisaka, 2006:55).

## 2.4 Small-scale landlordism

### 2.4.1 Addressing unmet housing needs through the non-formal rental housing sector

The Urban LandMark (n.d.: 1) recognises the potential of what it calls the "small-scale private rental housing market" as an effective tool which will significantly contribute to reducing South Africa's housing backlog. South Africa's small-scale private rental housing market "is generally a small-scale activity, seldom exceeding five units per property, produced on privately held land and managed by private individuals. It is offered to occupants who are separate households through private rental treaty, whether formal (written) or informal (verbal) in nature" (Urban LandMark, n.d.:3). Further, this market is described as a market which provides a wide variety of affordable housing options and it functions in a system that operates on privately-owned land -where contracts are between landlords and tenants (Urban LandMark, n.d.). This market is also seen as a provider of an accommodation typology that is flexible and "offers a safety net for many marginalized households that cannot procure better accommodation, because it might be unavailable or too costly" (Urban LandMark, (n.d.:6). Urban LandMark (n.d.) advocates for the importance of identifying this market as a key element of the South African Human Settlements strategy and programmes. Further, Urban LandMark (n.d.: 1) supports this stance by stating (amongst others) that:

- there is a significant demand for housing from single people to small family units for whom the standard Reconstruction and Development Programme (RDP) solution (i.e. low-cost, subsidised housing to buy) is not appropriate
- in most residential areas (whether suburbs or townships) infrastructure already exists, so additional small-scale private rental in these areas is not a significant cost to the state

This research will use the backyard housing typologies which exist in the private rental markets of Dr Tomma's rooms (Randpark Ridge) and the YRA which is provided in Phase 3 (Lehae) to not only contribute to my understanding of YRA, but, also advocate for the importance of supporting the development of yard rental units in our urban fabric.

### 2.4.2 Self-Management of housing

The production of YRA does not occur haphazardly. Instead, this non-formal rental accommodation typology is governed by its own system which has guided the development of backyard housing in South Africa since the 1930s. In this subsection, I would like to explore the "self-management of housing" as a mechanism of housing production, thus deepening my understanding of the relationship between landlords and their tenants.

Jenkins, Smith and Wang (2007) expand Turner's approach to "self-help" housing by highlighting that it is inclusive of the self-build or self-management components of developing housing. The definition of self-help housing employed here acknowledges that the housing production of these yard rentals may be either state-aided or non-state-aided, therefore, the role of production may not solely lie in the hands of *uMastandi*. In the Nguni language, this term means 'the one who owns the stand' (Hungwe, 2013:196). uMastandi may be used to identify the owner (or in some cases, the caretaker). Therefore, the production of YRA is not a unique element of the non-formal rental sector, but it can be a collaboration between the state and the small-scale rental sector which is often ignored. For example, an explicit relation between the state and the small-scale rental sector can be noted in the event that yard rental units are developed on an erf which is in the ownership of a beneficiary of "RDP housing", where the main house is acquired through a state-led housing programme. This unintended use of state-provided housing which surpasses the state's motives for providing housing for the poor by securing their tenure (through ownership) exemplifies the extent to which the production of YRA relies on the state for access to affordable land. This example also illuminates the differences between the perceptions of "RDP housing" between the State and RDP beneficiaries (Charlton, 2013).

In some cases, the relationship between *uMastandi* and the state is not easily recognizable. For example, *uMastandi* relies on the state for the provision of basic services such as water, refuse removal and electricity. However, it is necessary to develop a consciousness of this relationship between the state and *uMastandi* as the effective development and management of YRA units cannot be achieved until measures are put in place to establish synergies between the two contributors to the development of YRA. This second example displays an implicit relationship between the state, the landlords and their tenants, particularly during the management of rental housing stock. It is anticipated that these conditions may resonate with the contexts of Phase 3 Lehae and Dr Tomma's rooms because the landlords would not be expected to be recipients of "RDP housing". This is because I am particularly interested in small-scale landlords who identify as "middle-income earners", therefore, their income would disqualify them from becoming recipients of an "RDP house". Therefore, the reliance of *uMastandi* on the state for access to basic services shows an unintended collaborative effort between the state and small-scale landlords.

Parnell and Hart (1999:367) note that in the context of developing countries, self-help housing is a "cost-effective response to mass urbanisation and the inability of the state to house burgeoning urban populations." Within the context of this research, I will relate to the variation of self-help housing that also looks at producing housing, but for others to live in (presumably for income or profit). Mayson and Charlton (2015:102) define the management system in the context of "rooms and spaces"[5] as "the mastanda system of management". This system of management is not only an organic means of overseeing the process of meeting the housing demands of low-income earners but, it also allows for the "petty commodification" (Ward et al., 1992:62) of rooms and spaces to allow the landlord to discount their own accommodation costs through subletting. Essentially, this type of management is independent (to an extent) from the pressures of external influences such as the state.

The small-scale rental sector is diverse, with different types of rental stock which differ from one context to the other. There is also a wide variety of landlord typologies which are accompanied by different methods of rental stock management. Another key component of the self-management of housing is "Maintenance". Cloete (2001: 9) defines maintenance as "Work undertaken in order to keep or restore every facility, i.e. every part of a site, building and contents, to an acceptable standard". During maintenance, the elements of a property are either rectified, regularly serviced or replaced (Cloete, 2001). The approaches to maintenance differ from one context to the other. For example, findings from a study of small-scale developers in Cape Town by Spiropoulos (2019:13) highlights that "[t]he owners manage properties and employ people to clean and do every day, minor maintenance. [Whereas] [m]ajor repairs and maintenance are done by themselves or contracted out".

According to Shisaka (2006:55) "township landlords" are known to "[m]anage and maintain the [rental stock] themselves" and "they have strong personal relationships with their tenants." These landlords also "operate their businesses on an informal basis with very limited formal agreements" (Shisaka, 2006:55). I anticipate that some of the landlords in Lehae might share similar qualities as "Township Landlords", this would mainly be due to the similarity in the spatial context of Lehae to a township and the scale of the yard rental units in the area. Similarly, in rental typologies identified by Shisaka (2006:55) as "Small Unit Landlords", it is noted that landlords "[M]anage the stock themselves" where the "[m]aintenance is outsourced

[5] A term which is introduced by Mayson and Charlton (2015:xvi) as "the portion of a flat or house, larger building or property that is designated as personal private space, where occupants share facilities (toilet, bathroom, or kitchen) and common areas including access points (doors, gates and corridors)".

to private contractors". Further, yard rental units which are operated by Small Unit Landlords operate "on an informal basis, with limited use of formal agreements" and the business is reliant on "personal relationships" which are formed between the landlord and the tenant (Shisaka, 2006:55-56). Whereas, "Larger Unit Landlords, Building Landlords and Building plus Landlords" run their businesses in a more formal manner where the relationship between the tenant and the landlord is reliant upon "written agreements and clear management procedures" (Shisaka, 2006:56).

Drawing on more recent work by Scheba and Turok (2020) the terms "Subsistence Landlords", "Homeowner Landlords" and "Entrepreneurial Landlords" are used as an alternative to "Township Landlords", "Small Unit Landlords" and "Larger Unit Landlords" respectively. Where Subsistence Landlords usually allow backyard shacks to be erected in their yards, have limited investment contribution to the rooms and tenants often share services -where they pay monthly rentals of approximately R500 (Scheba and Turok, 2020). Homeowner Landlords construct more durable facilities (of either one or two-stories) which offer better living conditions where bathing facilities are either shared or accommodated for in each room, monthly rentals are approximately R1 500 to R2 200 (Scheba and Turok, 2020). Entrepreneurial Landlords provide similar rental facilities as Homeowner Landlords but at a larger scale, the main house is usually demolished to ensure that there is more space for additional rooms to be built and monthly rentals are approximately R1 500 to R2 500 (Scheba and Turok, 2020).

The nature of YRA in the rental housing sector results in the acceptance of less formal means of managing this rental housing stock. However, the introduction of INDLU by the Indluliving organisation (a rental management mobile application) shows the incorporation of technology within the management system of YRA units. The INDLU application helps tenants find a home and pay their rent while landlords are able to use the application to advertise their rooms (Indluliving, 2019). The successful adoption of this tool will not only benefit tenants but, also homeowners as it also secures the tenant-landlord relations by recording the lease agreement and monthly rentals (The Nation Builder Team, 2018). The founders of the application sought to "transform township neighbourhoods through profitable property partnerships" (The Nation Builder Team, 2018). This initiative would also respond to the current climate of the property sector in rapidly expanding townships. According to The Nation Builder Team (2018), the South African backyard rental market provides affordable housing opportunities to approximately 10% of the country's population (yielding profits of about R10 billion annually).

## 2.5 Conclusion and conceptual framework

The development of "non-formal" extensions to the main house has taken shape in various forms across the world. In South Africa, the emergence of the YRA sector has responded to the housing needs of tenants with a wide spectrum of incomes, circumstances and preferred types of accommodation. Similarly, the benefits of participating in this thriving rental sector has drawn the attention of many, where some choose to actively participate either as landlords or tenants and others extend gazes which pose a threat to the existence of yard rental establishments. I am particularly concerned with the process of YRA production by middle-class property owners in the contexts of Phase 3 Lehae and "Ka-Majazane". Consulting with literature which relates to the broad themes of Small-Scale Landlordism, and Middle-Class Provider Households is useful because it helps me to better understand how middle class property owners (or managers) in these locational contexts participate in the private rental market sector through acquiring housing finance, managing rental units and supplying and consuming housing. The production of yard rental units is challenged by the constraints which are introduced though (amongst others) legislation, policy, zoning regulations and localized institutions such as neighbours.

Further, in the context of yard rental units which are developed by homeowners who own bonded housing, the developmental parameters which are set out by property developers limit the mechanisms of YRA production. Therefore, location becomes an important theme to consider when unpacking the characteristics which encourage this production of YRA by middle-class property owners. Although I did not explicitly identify location as a key theme in literature, I think location is an underlying theme which is important when examining the causes of the production of yard rental units in Lehae and Randpark Ridge. Through literature, I have identified that neighbourhood perceptions of YRA establishments and local policy interventions which guide town planning in municipalities affect the ways in which rental units are developed. Thus, my interview questions are designed in a manner which further dissects these themes which were introduced in this literature chapter (as seen in figure 2.1 below). These findings are captured in the fourth chapter of this research report and they will be used to develop an analysis chapter which evaluates literature against the findings. The juxtaposition of findings against literature will develop into an analysis which further assist me in answering the main research question which asks, "What causes YRA to be produced by middle-class property owners in Lehae and Randpark Ridge?"

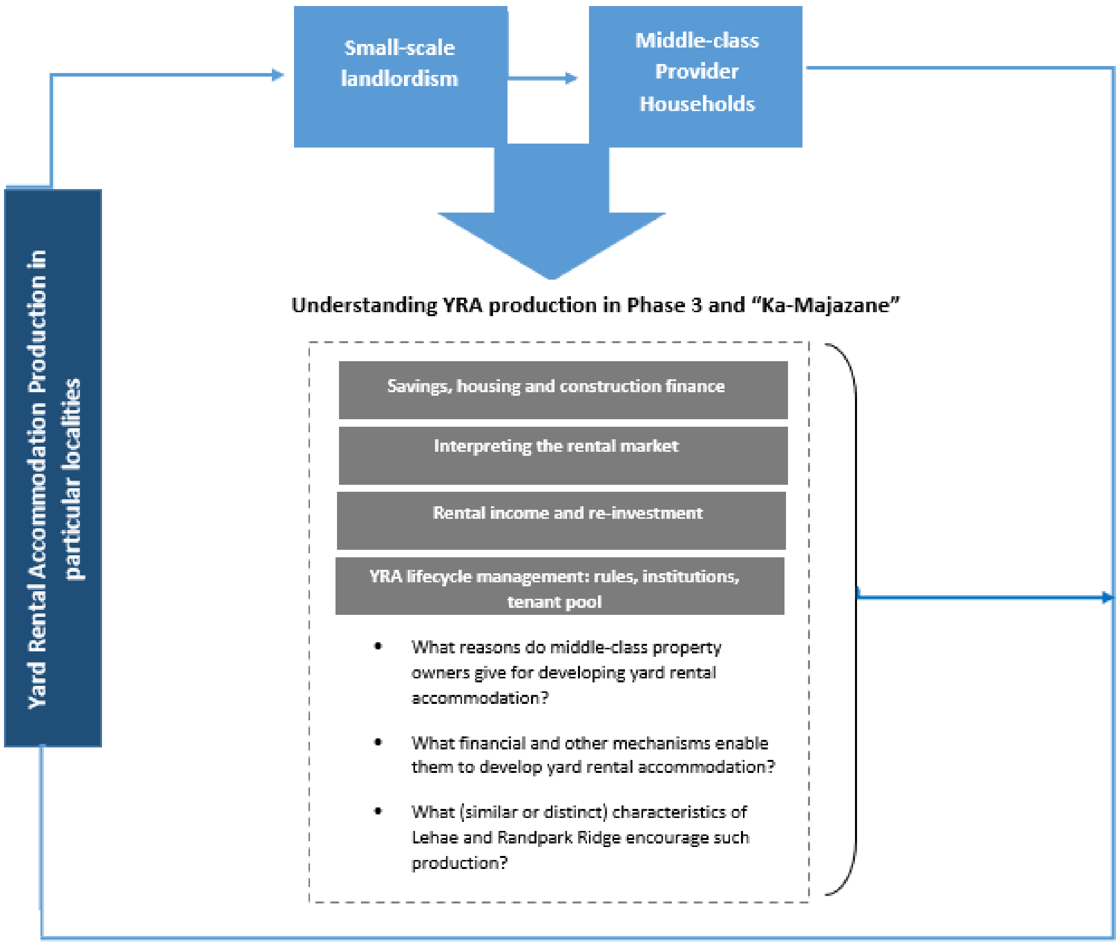


Figure 2.1: The discussion in chapter two introduces the key concepts which inform the scope of this study and leads into a framework for this research going forward (Mathibela, 2020).

# Chapter Three:
# Research Methods and Context

## 3.1 Introduction

The previous chapter discussed the literature which relates to the key themes of this research, these include: Small-scale landlordism and Middle-Class Provider Households. This chapter outlines the tools that help me respond to the research questions. Denzin and Lincoln (2000, cited in Gergen 2002) describe qualitative research as a research method that strengthens dialogue between the researcher and the 'researched'. This characteristic of qualitative research enhances my ability to have an enriched understanding of the processes of producing YRA in Lehae and Randpark Ridge.

The first section of the chapter highlights the methods that inform the scope of this research, and how these methods are carried out in the research. The second section identifies the various participants and respondents in the research, and how they were chosen. I also look at the possible research limitations that may affect the outcomes of this investigation. In the last section, I provide a background and context to the case studies. I also refer to quantitative data that was of relevance to the purposes of this investigation.

## 3.2 Research typologies

### 3.2.1 The Case Study approach

Bhattacherjee (2012) describes case research as a deepened investigation of a problem in a case site over an extended period. This approach is useful because it enables me to capture the characteristics of these YRA establishments in time. For example, the resilience of Dr Tomma's rooms is commendable and it provides deeper insight when unpacking the process of housing production in the newly-established Lehae cases. Duminy, Andreasen and Lerise (2014: xiv) describe case research as a method which is of relevance to the practises of the Global South as it adopts a more contextualised approach to understanding "African urban spaces and planning practices".

## 3.3 Participants and respondents

In this research, I explore the case studies of Lehae and Randpark Ridge. I interview five rental housing providers in Lehae because this phenomenon is relatively new to Phase 3, therefore, very few rental establishments are operating and show visible signs of construction. "Ka-Majazane" is the only case I refer to in Randpark Ridge because it presents itself as a unique case of small-scale landlordism which has remained resilient in rental housing provision in the area for over ten years. Despite initially planning to conduct an interview with the developer of the rooms (Dr Tomma), after a number of unsuccessful attempts, I resorted to gathering some management-related information from the caretaker. Although I also refer to a YRA establishment which is located in Kaalfontein in this paper, this case is not the focal point of this study. I unexpectedly found out (through my networks) that someone is doing a similar development in Kaalfontein and I saw it as an opportunity to secure an interview. This allows me to understand the process of the production of yard rental rooms from a different spatial context, thus deepening my exploration of the reasons for the development of this type of housing.

Due to the varying nature of the reasons for producing YRA, I anticipated that the management of the units in Lehae may also be run by caretakers and therefore I also conducted interviews with individuals who are responsible for managing the units. However, caretakers were not willing to share information as they felt that it was not their place to do so. I largely relied on my established networks in Lehae to get a sense of where similar developments are located within phase 3. Further, due to the effect that the development of "low-rise multi-storey" YRA units has on the landscape of Lehae (by vertically densifying the normalised one-storey nature of housing in the area), personal observations also guide the manner in which the sample is selected. Because personal observations do not necessarily paint a complete picture of vertically densified YRA units in the area, I use snowball sampling to supplement my existing methods of selecting a sample for interviews with middle-class property owners in Phase 3.

Bhattacherjee (2012) defines snowball sampling as a method that allows one to select a few respondents that meet the specifications required by the researcher (to reach the ultimate goal of providing insight to the investigation at hand) and thereafter ask them to refer the researcher to other people who may meet the specifications. My initial approach to conducting interviews was to first introduce myself and the topic to the identified sample of interviewees. I would then ask the potential participant if they are comfortable with being interviewed (on that day), if agreed, I would also ask if they would allow me to record our conversation during the interview in the form of pictures and an audio recording. In some instances, it was not easy to locate the landlords and caretaker and I would go to the YRA establishments a few times before being able to secure an interview. Therefore, it then helped to get their contacts and call them to schedule a more suitable time. Although I could secure some interviews with this alternative method, I also lost two potential interviewees (from Lehae) who simply started to ignore my phone calls after our first virtual conversation as they feared that I may be working for the government. I Although the participants allowed me to take recordings and pictures, the caretaker from “Ka-Majazane” allowed neither. Despite these challenges, I conducted 10 in-depth interviews with six middle-income YRA developers in Phase 3, the caretaker of “Ka-Majazane” and three key informants.

Denzin and Lincoln (2000) identify personal observations as a key tenet of qualitative research. I rely on this tool in both case sites to identify where yard rental developments are taking place (particularly in Lehae). I first came to hear about the Randpark Ridge case through a suggestion by my research supervisor who had learnt that my mother works as a nurse in Randpark Ridge and suggested that the Ka-Majazane rental establishment is useful because it relieves commuting workers in the area from the burden of travelling every day. I then found this establishment very interesting and I decided to investigate the case in my research as it linked with my research interests. I relied on geographical maps to provide the exact location and scale of Ka-Majazane.

The site was accessible to me because I am familiar with the area, therefore getting to Randpark Ridge was manageable. I caught a taxi from Bree Taxi Rank (which costs R13 from the CBD to Cresta then from Cresta to Randpark Ridge it cost another R3). During my first taxi ride to the site, I tried to ask taxi drivers and some passengers if they were aware of the establishment of YRA in the area and none of them confirmed this fact. When I arrived at Randridge Mall and spoke to a security guard in the area, he did not know of a “Dr Tomma’s rooms” but he knew of a place called “Ka-Majazane” which he directed to me. The rooms were not visible from street view as their external fabric blends well with that of the surrounding housing typologies. This visit to Randpark Ridge was then followed by three unsuccessful visits (as I had been trying to locate the caretaker) but on each visit, my conversations with the tenants and staff painted a clearer picture of the dynamics of the establishment. I relied more on personal observations in the Lehae case because my research interest was particularly in the vertical densification of yard rental units in the area. This approach was easier in Lehae because I am a resident in the area, therefore, during my walks from one section of the area to another I would note where the developments of YRA units are taking place.

## 3.5 Design Limitations

The main objective of this research is to understand the process by which YRA units are produced by middle-class property owners in Lehae and Randpark Ridge. Therefore, due to the constraints which come with undertaking this research within a year, time becomes a limitation to my objective of fully understanding the process by which these units are being developed. I say so because time is a crucial factor during the development process. Therefore, I have only been able to collect data which tells me about the yard rental provider or manager's experience of producing these units from initial development until the particular time of the interview, which becomes problematic when trying to delve deeper into the processes which inform production as a majority of the establishments were in the youth of their developmental age.

Although the research is well-versed in terms of its attempt to grapple with the local context of YRA production, the study is challenged by the limitation of not engaging with the relevant municipal officials who can highlight the specific interventions by local government to support the existing means of YRA development by middle-class provider households. In future, I would propose that an ethnographic-type approach should be adopted as this will allow the researcher to really deepen their understanding of this critical element of housing production. This could be achieved by dedicating a few months to residing in a YRA establishment, thus, exposing the researcher to the dynamics of not only the production of the units but also their management. An interaction with both tenants and landlords would provide a more nuanced understanding of YRA production.

## 3.6 Contextualising the development of rooms in Phase 3 and Ka-Majazane in the broader context of the South African rental housing sector

Quantitative data provides an overview of the characteristics relating to the production of YRA at provincial and local levels. statistics which indicate the population growth of the City of Johannesburg motivates the need for the development of YRA (as a type of accommodation which meets the affordability of tenant households supplementing the information provided by the qualitative interviews which are discussed in the fourth chapter of this research.

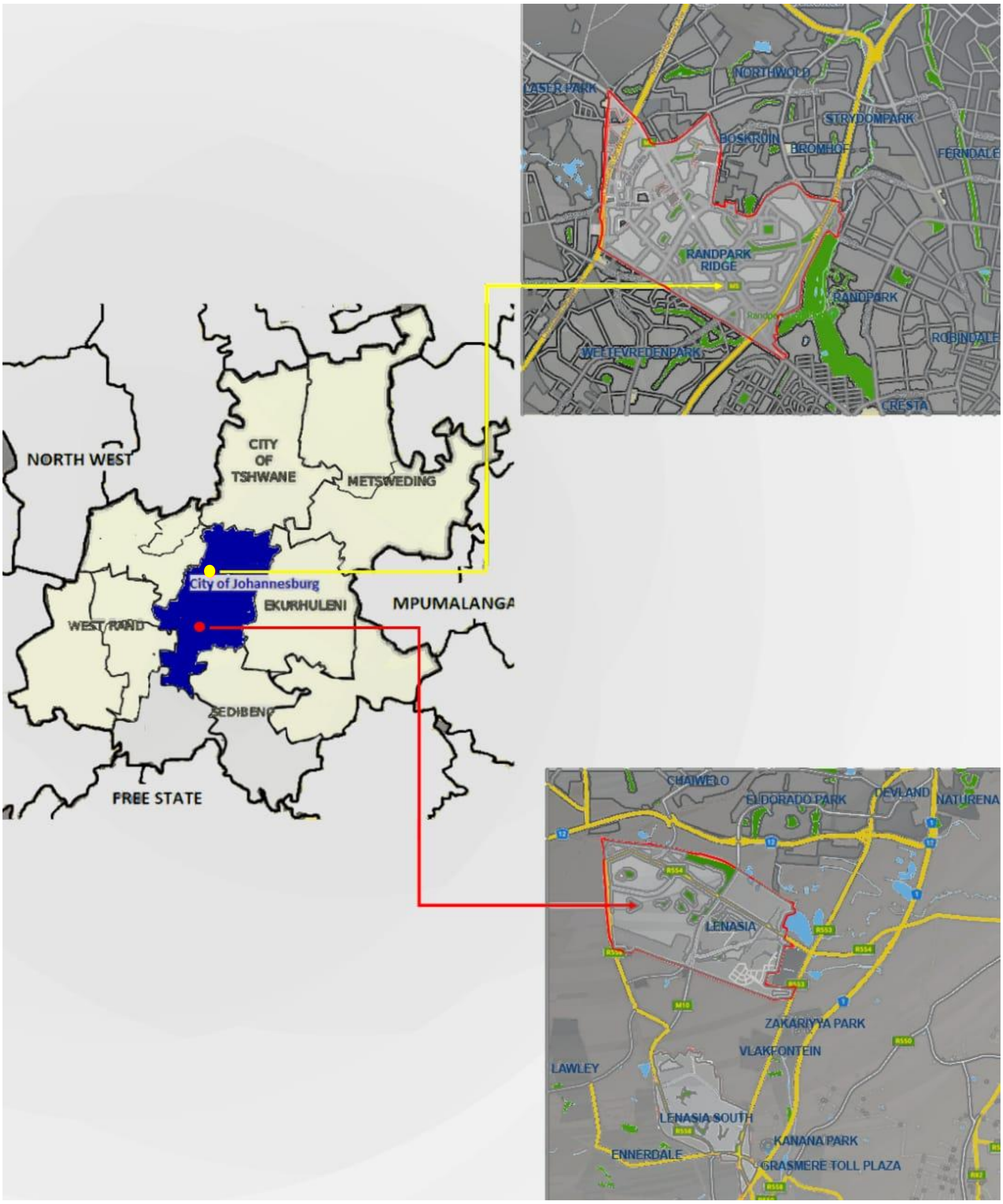


Figure 3. 1: Locating the suburbs of Lenasia and Randburg in Gauteng Province. Source: Mathibela, 2019.

The sites of "Ka-Majazane" (located in the suburb of Randpark Ridge) and Phase 3 Lehae (located adjacent to the neighbourhood of Lenasia) lie in the City of Johannesburg (CoJ), with Randpark Ridge being located at the North-Western section of the municipality, while Lehae is located in the South of the CoJ. Therefore, the contexts in which YRA units are produced could differ. These contexts may be similar in the sense that the units are being produced by micro-developers who possibly (in my opinion) belong to the same income group.

Although some mechanisms have been put in place to facilitate the development of the country's rental accommodation sector, these have had low delivery rates when compared to the government's focus on the subsidised home ownership sector. South Africa's rental housing sector arguably best meets the housing needs of a significant proportion of the country's population. The sector can potentially meet the housing needs of a broad spectrum of tenant profiles. The 2014/2015 "Living the Conditions Survey" highlights that there is a relationship between rentals which are paid by tenants and expenditure deciles (Statistics South Africa, 2017). For example, the actual annual rentals paid by tenants who belong to the lower expenditure decile is R708 while the rentals paid by tenant households who belong to the upper decile is R14 273 (Statistics South Africa, 2017:170).

According to Two Roads (2015) there has been an increase in the number of households in the Gauteng Province from 2 791 270 households in 2001 to 3 909 022 households in 2011. The province's rental accommodation sector provides housing opportunities which cater for a whole spectrum of tenant incomes and circumstances. This type of accommodation allows for the improved mobility of tenant households (Two Roads, 2015). Further, Two Roads (2015) note that most of the affordable rental housing is informal and located in backyards.

According to the South African Institute of Race Relations (2018) the economic region of Johannesburg has experienced the greatest population growth (relative to other leading economic regions) in 2016. Further, this growth is represented by a total change of 81, 9% between 1996 and 2016 (SAIRR, 2018).

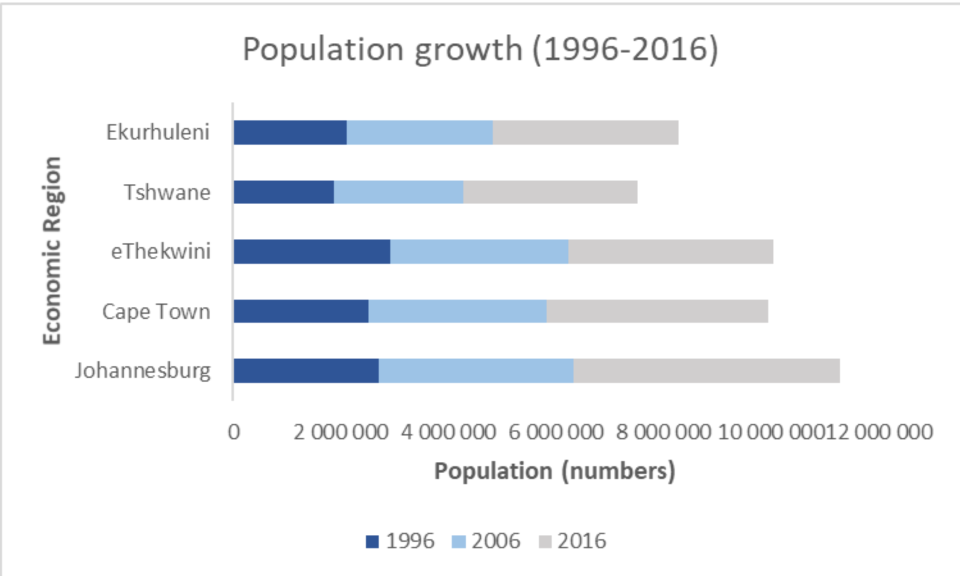


Figure 3.2: Population growth across South Africa's largest-growing economic regions (1996-2016). Author's own construction based on data from the South African Institute of Race Relations, 2018.

### 3.4.1 Residential property indicators and their relation to the production of yard rental accommodation

Throughout this study, it is important to remain cognizant of the characteristics of the agents of the rental housing production process in order to better understand the dynamics of production. In Appendix C, I attempt to relate the classifications of "race" and "sex" to the notion of producing YRA by showing the nation-wide tenure status of South African citizens (irrespective of their residency as rural or urban dwellers). This allows one to paint a clearer picture of the need (or opportunity) to develop rental housing by highlighting that there are more people renting than those who own homes.

#### Understanding the residential property markets of Lehae and Randpark Ridge

The above analysis of property rights by "race and "sex" across the country contributes not only to an understanding household tenure status in varying contexts but it also begins to outline the characteristics of residential property markets. According to CAHF (2019) residential properties in Lehae lie in the market segment of under R300 000 (which suggests that the majority of the properties lie in the entry market which often results from the state's provision of RDP housing). Whereas, a small portion of Lehae's residential property market - with higher values and increased barriers of entry belongs to what CAHF (2019) considers as the "Affordable Market" and the "Conventional Market" respectively. These markets are dominated by middle-income earners who rely on mortgages to source housing finance. Whereas, the residential market in Randpark Ridge is dominated by the upper bands of the property market which are identified as the "High-end Market" with houses valued at over R1.2 million (CAHF, 2019). The rest of the residential properties belong to the "Affordable Market" and the "Conventional Market" respectively (CAHF, 2019).

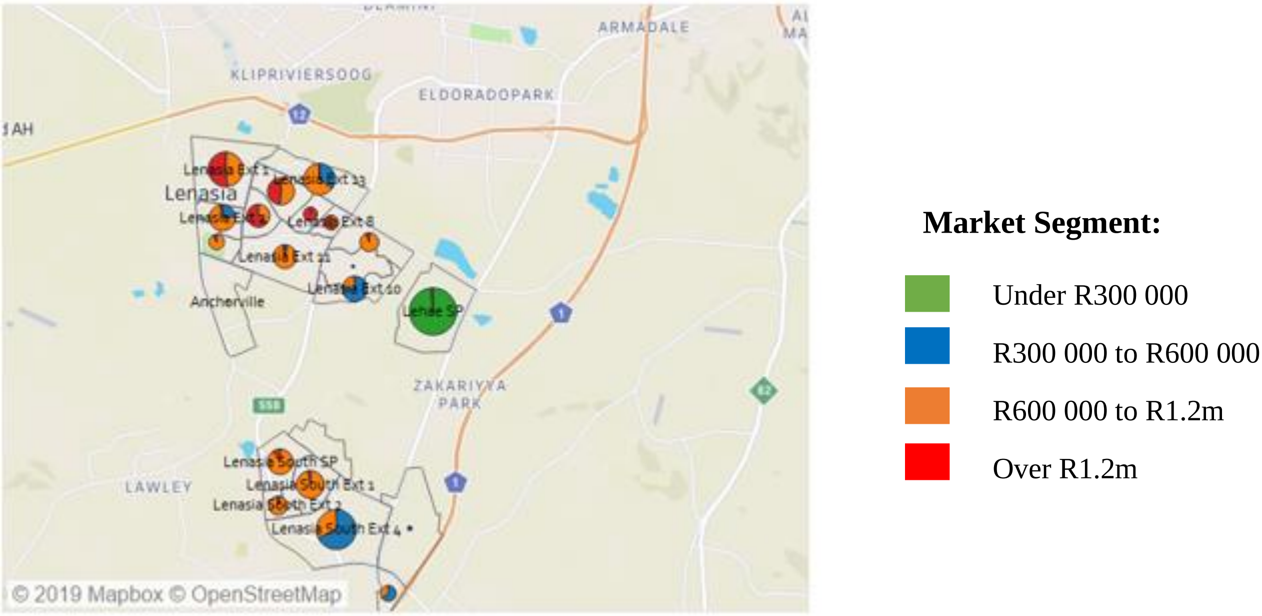


Figure 3.7: Distribution of residential properties by market segment in Lenasia, 2017. Source: CAHF's Citymark, using deeds registry data supplied by Lightstone Pty.

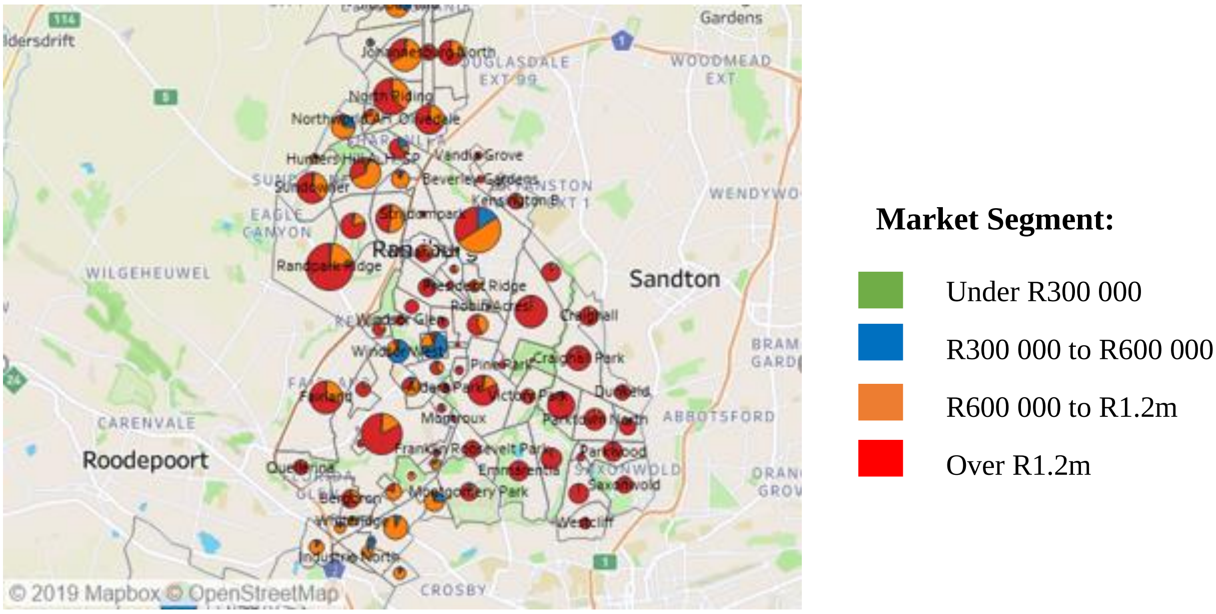


Figure 3.8: Distribution of residential properties by market segment in Randburg, 2017. Source: CAHF's Citymark, using deeds registry data supplied by Lightstone Pty.

| Property indicator (2017) | Lehae | Randpark Ridge |
|---|---|---|
| Total number of residential properties | 3 762 | 6 142 |
| Value of residential properties | R0,7 Billion | R10.4 Billion |

Figure 3.9: Residential property market value of Lehae and Randpark Ridge. Source: Lightstone Pty Ltd. (Cited in CAHF 2019).

### 3.4.2 Documenting the histories, present and futures of rooms provided in Ka-Majazane and Phase 3 Lehae

#### Ka-Majazane, Randpark Ridge

Randpark Ridge is located west of the N1 highway and it is considered by Private Property South Africa (2019) as a well-established suburb which is bordered by the neighbourhoods of Honeydew, Weltevredenpark, Boskruin and Ferndale. The residential properties which are found in the area are mainly “large freestanding properties”. The area is easily accessible as Beyers Naude Drive (a main arterial road) passes through the area. Randpark Ridge seems to be a close-knit community and the residents have shown concern for what happens in their neighbourhood by forming resident’s associations which seek to protect the identity of the area and its residents. According to Masuabi (2016) the members of the Duiker Randpark Ridge Residents Association have been in opposition of the City of Johannesburg’s plans to “construct a high-density residential development on a national protected wetland” because the residents argue that the development would harm the area’s ecology.


Figure 3.10: Site Map of Ka-Majazane. Source: Mathibela, 2019.

**Legend:**

Townhouse complexes adjacent to the study site

Ka-Majazane

Retail Centres in the area

N

20m 100m

The rooms which are provided in "Ka-Majazane" (formally known as Dr Tomma's rooms) were developed by Dr Giorgio Tomma. According to EPROP Commercial property news' writing in 2006, an estimate of 500 rooms have been built for rental purposes in this development, the rooms have "communal ablution facilities" and they are located "near a local mall" (EPROP, 2006). Randridge Mall has existed for more than 25 years (Randridge Mall, 2017). The mall also offers job opportunities to some of the tenants of Dr Tomma's rooms who have the convenience of living close to their workplaces. Other tenants of Ka-Majazane work in the neighbouring areas. There is a demand for affordable rental housing which complements the disposable income of employees who work in the wider Randburg area (including Randpark Ridge). This demand is reflected in the built form of the rooms which compliments the increasing population density of tenants. A comparison with the densities of townhouse complexes which lie adjacent to Ka-Majazane presents the yard rental establishment as a unique case.

An article by EPROP Commercial property news (2006) provides a brief description of the conditions of the rooms by describing the rooms as "small and inadequate" and further highlights that the tenants residing in the rooms are governed by tough rules. For example, in an interview with Dr Tomma, Charlton, Silverman and Berrisford (2003) report that children who are old enough to walk are not allowed to live in the rooms. In 2006, tenants were charged R240 per person (monthly), a rental fee which was considered as "relatively high" for tenants in 2006 (EPROP Commercial property news, 2006). Perhaps rental prices were able to remain high because there was a high demand from tenants to reside in the rooms, thus resulting in there being a long waiting list (EPROP Commercial property news, 2006). In 2006, the profile of the tenants residing in Ka-Majazane included "working people who have houses in Soweto, and may even have cars, but can't afford the time or money to drive in every day" (EPROP Commercial property news, 2006). Thus, enabling the establishment of intra-urban migrants who migrate within the same urban area (Charlton et al., 2003).

### Phase 3, Lehae

Lehae means "A place called home" in Southern Sotho. The Lehae housing development is a Johannesburg Mayoral Project which aims to construct 6 000 residential units across all phases of the project (Urban Dynamics, 2017). The website of the Your Housing Company developers (2019) describes Lehae as "centrally situated and an ideal place to call home for anyone travelling between Alberton, Soweto, Johannesburg's CBD and the Vaal" and it is "located in the southwestern quadrant of the intersection of the Golden Highway and the R554 road to Lenasia". Thus, vouching for its relevance as a well-located area for a home. Further, the Your Housing Company website describes Lehae as a promising "suburb" in the Gauteng region which is located at an average of 20-minutes away from Johannesburg. The Lehae housing project welcomed its first residents in Phase 1 of the development in 2007 (Public Affairs Research Institute, 2013). The development is now approaching its final project phases and facilities like “schools, crèches, churches, a business node, a local economic hub and an agricultural training college” are planned for the area, together with the plans to establish more medical centres in the area (Your Housing Company, 2019). These plans will be realised through the strengthening of relationships between multiple stakeholders (Your Housing Company, 2019).

Figure 3.11: Site Plan of the Lehae housing development project, Phases 1-4. Source: Urban Dynamics, 2017.

The sections residents identify as “Phase 1” and “Phase 2” Lehae are dominated by a housing typology which is commonly referred to as “RDP housing”. The section of Lehae which the residents call "Phase 3" begins to show a change in the use of “RDP housing” which was initially planned to house low-income earners but middle-income earners have bought RDP houses through the resale market and extended the house (vertically and horizontally). “Phase 3” has some bonded housing and it also shows an increase in the development of two-storey rooms (by bond holders for rental purposes) when compared to the first two "Phases". A bond is a loan which is acquired by the buyer which allows them to finance their home by using it as collateral. This loan is usually repaid to the banks or building societies within 20-30 years (Private Property South Africa, 2015). Interestingly, this more affluent section of the "RDP housing" component of the mixed-income human settlement is located only a street away from what the residents call "Phase 4" (the bonded housing section of Lehae).

There are two types of bond houses in the area. The first is the painted bonded houses, which are often said to have been built on bigger stand sizes. RBA holdings delivered these houses in 2016. However, the company was liquidated in 2017 and Your Housing Company became the newly appointed developers. With these new developers, the physical nature of the bonded housing changed as well (from painted houses to face brick houses). Recently, the developers of these houses have changed to CityDev, this time the housing typology remained the same. The continuation of the successful delivery of these houses has shown that there is a demand for housing by middle-income earners in Lehae. According to the website of Your Housing Company (2019) a two-bedroom house with one-bathroom cost R548 00 in 2017, while the same house costs R570 000 in October 2019 (CityDev, 2019). The increase in the value of these bonded houses from 2017 to 2019 becomes an incentive for middle-income earners to own property in the area.

Figure 3.12: An example of bonded housing which is delivered by RBA Holdings.

Source: Private Property South Africa, 2019.

Figure 3.13: An example of bonded housing which was delivered by Your Housing Company and is currently delivered by CityDev.

Source: CityDev, 2019.

According to the layout plans of the area, the section of the area which residents identify as "Phase 3" (which has some bonded housing) is the beginning of what the developers consider as Phase 4. However, for the purposes of this report, the resident's understanding of the local demarcations will be adopted. The map below highlights the portions of "Phase 4" which are developed by the new developer, CityDev[6].

[6]These phases do not necessarily refer to the perceived demarcations which differentiate the housing typologies, they refer to the developer's set millstones of delivering their deliverables.

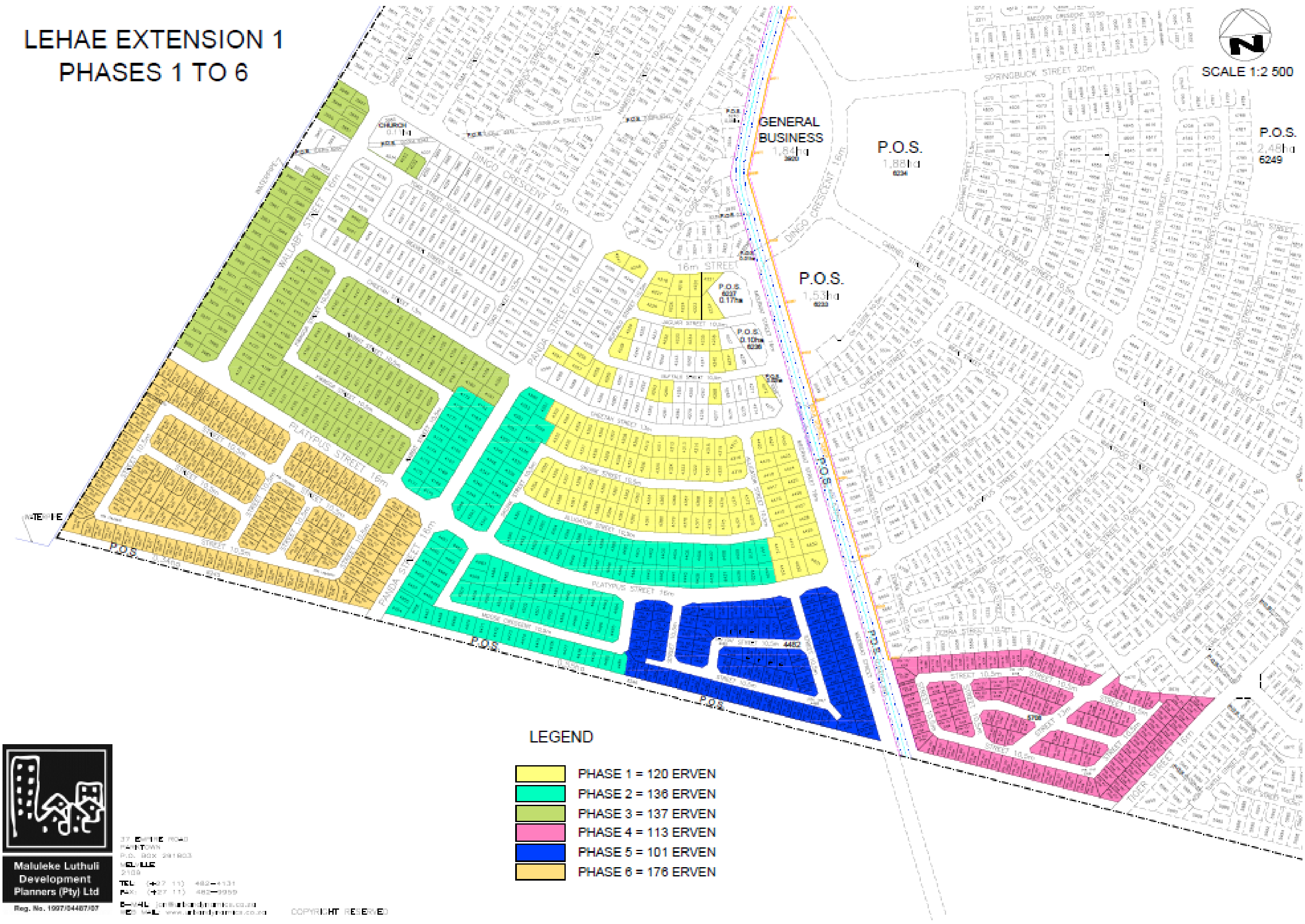


Figure 3.14: A map showing the project milestones which CityDev have put in place to reach their housing delivery objectives.

Source: CityDev, 2019.

## 3.5 Specific approaches and fieldwork methods

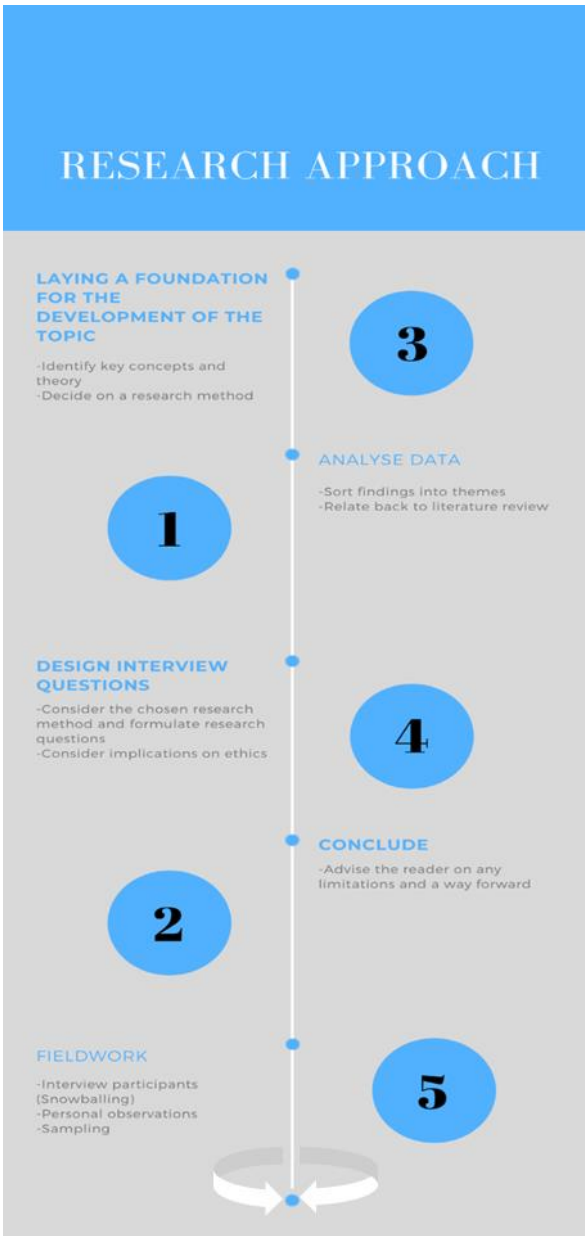


Figure 3.15: An infographic providing a summary of the specific methods which helped unfold the research topic. This summary is an expression of the researcher's desired design for the research report. However, it is important to note that the process which is followed by the researcher is not necessarily rigid. This qualitative research approach relies on a back-and-forth engagement between the researcher and the researched. Source: Mathibela, 2019.

### 3.7 Conclusion

The purpose of this chapter was to highlight the methods which informed my thought process throughout the research and introduce the two case study sites. The chapter also provided a rich overview of the contexts of the two sites, which sets the tone for the rest of the research. The following chapter will discuss the research findings which result from the interviews which were conducted with nine interviewees who were either providers or managers of YRA establishments in Lehae and “Ka-Majazane”. These interviews were conducted between September and October 2019. The month-long process of familiarising the relevant agents of the YRA sector in the two case study sites with the research (and the researcher) consisted of back-and-forth interactions which required me to exchange contact details with these agents and continuously communicate my research objectives. I often had to adapt to the schedules of these rental housing providers and managers as they were working individuals who were usually very busy on weekdays and preferred to meet on weekends (Lehae) or were available at the rental establishment only at specific days of the week (Randpark Ridge).

# Chapter Four:

## Yard rental accommodation, the micro-developer's gateway to realising the property development dream.

## 4.1 Introduction

In this chapter, I tell the stories of YRA providers and managers in “Phase 3” Lehae and “Ka-Majazane” Randpark Ridge. In the Lehae case, five in-depth interviews were conducted with middle-income earners who either developed YRA on erven where the main house is a “bonded house” or it is an “RDP” house. This widening of the scope of microdevelopers to the “RDP” section of Lehae which is mainly dominated by low-income earners counters my initial assumptions which were that “middle-class” property owners would be solely motivated to provide affordable rental housing (where rental charges complement the disposable incomes of tenant households ) opportunities in the bonded section of Lehae. I realised that one’s *class* does not bind one to a locality. It is also important to note that although some of these middle-income property earners have developed YRA in yards where the main house is an RDP house, they are not the original beneficiaries as they belong to the middle-class. But they have purchased the home from the original beneficiary.

At the beginning phases of this research, I understood “housing production” as a process which largely involves the initial construction of YRA units. However, this assumption was flawed because I did not consider the life cycle of the units (which goes beyond construction). The Randpark Ridge case is relevant because it provides insight on the management of YRA establishments (which occurs at a later stage of the building’s life cycle). This striking difference in the stages at which each establishment was in the life cycle is important as it has allowed me to better understand the dynamics which underpin the housing production of YRA units in both contexts. This improved my understanding of why the conditions of YRA production affect both circumstances. The profiles of the YRA establishments in Phase 3 and “Ka-Majazane” is as follows: one of the developments was in its design stages, two were undergoing construction and the other three had reached their operational phases. .

Prior to focusing the attention of this research to the providers of YRA, it was important to understand the broader context in which these units are being developed (or managed) by conducting interviews with individuals who were identified as key informants. These individuals are represented by the symbol “K” in this research. Therefore, the three key informants are identified as K1, K2 and K3 respectively. The key informants provided reasons for the development of YRA by referring to the general backyard housing sector and (in some instances) providing insight from a neighbourhood-level. K3 is an architect (and researcher with an interest in the backyard rental housing sector) who provided an improved understanding of why this housing typology unfolds in the many ways that it does spatially. Moreover, K2 (an electrical engineer who works in the public sector) provided reasons for the implications of developing YRA units on service provision. This interviewee is also a YRA developer, who is based in Kaalfontein in the Tembisa area, this became an opportunity for me to incorporate the views raised with the inputs of the other landlords. Lastly, K1 (a real estate agent in Lehae) provided a property economics perspective to this process of understanding the housing production of YRA units. The amalgamation of all these views (together with the inclusion of the personal reasons which the YRH providers and managers give for developing the units) has enriched my understanding of the broader reasons for the production of YRA by middle-class property owners in Lehae and Randpark Ridge. These reasons vary from one participant to another and they go beyond 'rental income'.

The rest of the chapter draws from the responses of YRA providers and managers in Phase 3 and "Ka-Majazane" to unpack the reasons why YRA is produced by middle-class property owners in these contexts. The YRA providers are identified as landlords and they are represented by the "L" symbol in this research. Therefore, the six landlords are identified as L1, L2, L3, L4, L5 and L6. Further, only one housing manager (caretaker) was interviewed in this research and he is identified by the symbol C1. In order to better understand the causes of the supply of YRA by middle-class homeowners, I draw from the interviews to discuss the locational benefits of developing yard rental units in these areas by asking the landlords why their tenants are drawn to renting in these areas. Lastly, I use the insights from the responses of the YRA developers and manager to document their experiences of housing production which later develop into a toolkit which captures the cyclical nature of rental housing production, from the experience of middle-class homeowners.

## 4.2 Expert perceptions of the production of yard rental accommodation units

South Africa's Social Housing Programme enables the production of rental housing opportunities by the State for the benefit of lower middle-income and upper middle-income individuals. This is made possible through partnerships with Social Housing Institutions who manage the establishments. However, the barriers of entry into the state-subsidised rental housing sector limit the access of potential tenants to this housing, thus, encouraging the autonomous production of YRA by middle-income earners (amongst others).K3 supports this notion by stating that:

"[S]ocial housing has high entry-level requirements which do not cater for the instances where applicants have precarious jobs and are non-South African residents".

Therefore, property owners identify an opportunity in this policy gap by fulfilling their individual entrepreneurial desires through the development of rental stock (K3). Key informant no.3 also introduces the concept of YRA development by middle-class property owners as a result of (amongst others) the desire of middle-income property owners to enter the property development sector by maximising on the asset-creation potential of their homes. These establishments not only benefit tenant households, but they also benefit provider households by increasing the value of their land assets. K3 suggests that the adoption of the term "household rental" is a more appropriate alternative to "middle-income yard rental" which can be used to describe this type of housing. This alternative captures the complexities which are concerned with the development of this phenomenon and it also removes the misconceptions which come with being labelled a middle-class landlord. In this sense, this interviewee highlights the importance of immersing ourselves in the process of understanding YRA production in its entirety, rather than using the producer's "class" as the sole benchmark.

Further, it is important to note that this phenomenon has remained resilient across all South African neighbourhoods, including previously white suburbs and township spaces, with the exception of very affluent neighbourhoods (K3). Key informant no.3 also adds that although this development is not as explicit, affluent neighbourhoods demonstrate a less direct exchange of housing opportunities between the affluent and their low-income earning domestic workers.

### 4.2.1 Yard rental accommodation and the provision of services: A space of marginality

According to K2, the establishment of YRA adds pressure to the existing supply of services to an erf. As a result, the delivery of services is compromised in the greater neighbourhood and its surroundings. In particular, the development of "low-rise multi-storey" units in erven which are zoned as "residential 1" and have services which "accommodate one household per stand" becomes problematic for the municipality (K2). This is because "the municipality cannot afford to cover the costs of upgrading [the quantity of electricity supplied per household]" while striving to make a profit throughout the financial year (K2). Key informant no.2 explains that the unplanned increase in the number of people residing on a single stand results in the need for developing a substation which has a series of transformers which can consume an increased voltage of power. Therefore, the excessive and unregulated development of YRA has a negative impact on the standards of living of the very people that it seeks to improve as it has it may strain the household's electricity supply.

K2 further highlights that township spaces (*amaKasi*) are plagued by the "culture of not paying" where township residents refuse to pay for water, electricity and other services. This practice against the paying of services negatively impacts the living conditions of township residents because it compromises the quality of services which they receive as they have exceeded their infrastructure capacity and there are no funds to maintain this oversaturation. K2 (who is also Black) deepened this discussion on the "culture of not paying" by relating this culture to the concept of race, which is encapsulated in the following statement by K2:

"The culture of not paying affects ALL Black people [residing in the same neighbourhood]. Whether they belong to the low or middle-income groups."

This statement alludes to the importance of identifying a suitable neighbourhood where the rooms will be established by highlighting the possible challenges that landlords may face when developing YRA in a mixed-income housing project. K2 highlights that the practice against the paying of services (mostly by RDP housing recipients) is a consequence which is shared by all property owners who live in mixed-income housing developments as this results in poor service delivery across their neighbourhood and the possible "shedding" of services. This statement resonates with the case of middle-income YRA providers in Lehae, particularly those who have established their units in a yard which previously belonged to an RDP beneficiary. Although these landlords may pay for services such as water and electricity (and also charge their tenants for services), the inability –or refusal- of the surrounding households to pay for services affects the running of their rental establishments. This indirect causality may encourage the spread of illegal service connections (to the RDP settlement) which could affect service provision in neighbouring "bonded housing" establishments. Whereas, the provision of services in Ka-Majazane remains consistent (C1), this relates to the fact that the units are located in the northern suburb of Randpark Ridge (where the occurrence of non-paying tenants is not as extensive among property owners belong either to the upper-middle income group or the higher income groups). Therefore, the residents in this neighbourhood would experience regular load-shedding.

This relationship between service delivery and location was also highlighted by K3 who suggested that the historical injustices which occurred during the Apartheid era may have influenced the quality of infrastructure which is found in previously white neighbourhoods. Therefore, K3 provides the assumption that these neighbourhoods may have the potential to carry additional capacity, thus encouraging the development of YRA in these well-serviced neighbourhoods.

## 4.3 Who are the providers and managers of yard rental accommodation in “Phase 3” Lehae and “Ka-Majazane” Lehae?

Although there is a wide array of individuals who enter the YRA sector, individuals who are characterised as “heteronormative empty-nesters” -senior members of society who live alone because their children have moved out which leaves them with a lot of unused space that becomes re-developed into rental units- are likely to provide YRA, particularly in  suburban contexts (K3). In this research, the YRA production space presents a fairly even distribution of male and female landlords and caretakers. Of the six landlords, three were men and another three were female, whereas, the caretaker was also a man. The racial demographics of the sample indicate that Black people dominate this particular sphere of housing production in these specific contexts. These elements of the sample are specific to the landlords (and caretaker) who were interviewed and do not speak to the general scope of YRA providers and managers. This is because this sample is purposive.

However, despite all the interviewees being Black, it is important to note that the owner of the biggest YRA establishment in this study (located in a suburban neighbourhood) is a White male. Further, all six landlords identified that they belong to the middle-income grouping and they also indicated that landlordism is not their main occupation. Lastly, what was interesting about the producers of YRA (in Lehae and the case of the landlord who is based in Tembisa) was that they were fairly young, with their ages ranging from 26 to 35 years and all but one were investing in these establishments with their partners.

### Unearthing the impact of yard rental accommodation production on provider (and manager) households

C1 acknowledged that being the caretaker of Ka-Majazane has offered him the opportunity to reside in a well-located neighbourhood. On the other hand, the landlords were hopeful that the development of their YRA establishments will provide financial relief for them and their families. However, landlord no.1 highlighted that she felt that the rooms are a financial burden to her and her family as she is struggling to pay off her loans because she has not been able to fill five of her six rooms. L4 shared that he would like to use the returns from his YRA establishment to finance his construction business. He also hopes to employ a cleaner and a gardener in future, therefore, their households will benefit as well. Similarly, L3 hired a cleaner who cleans her yard and the shared spaces twice a month, therefore, the households of individuals who are employment in the yards will benefit as well.

Landlord no. 6 shared that this process of producing YRA aligns with his vision of becoming a well-established entrepreneur. Therefore, although his household directly benefits from some of the rental income, much of it is directed to his future business investments (L6). Similarly, L5 will use his accumulated rental income to pay-off his construction-finance loans, thereafter, he will start saving for future investments. L3 also sees the development of YRA as an investment and she hopes to stay in the main house for a maximum of 12 months –until she has paid off her debts. Further, the rent income will contribute to her household income and help finance their next home, the purpose of the move is for her and her husband to live closer to their workplaces and also to ensure that they do not cohabit with tenants (L3).

### Emerging divisions of class hierarchies within the yards

It was common throughout most YRA establishments for the landlord to not reside in the same yard as their tenants or if they currently do reside with their tenants, they expressed that they would like to move to a new home. For example, with the case of Ka-Majazane, the landlord lives in a house which is in the same neighbourhood as his YRA and appoints the caretaker oversee direct management processes (C1). L1, L3, L5 and L6 either currently reside in the same yard as their tenants or will be forced to do so until they have paid off their construction-finance debts. The tenses differ because the landlords are at different stages of the production cycle. Landlords no.1 and 6 have already completed the construction of units and have tenants, while Landlords no.3 and 5 are yet to complete construction. L3 and L6 shared that they would ideally like to move to a better neighbourhood, preferably in a suburb.

The cases of L2 (in Tembisa) and L4 (in Lehae) were particular because these landlords chose to purchase an RDP house and develop rental housing units in townships which are close to the neighbourhoods that they live in (which predominantly have bonded housing). Therefore, these landlords have identified the need to separate their rental businesses from their personal homes.

Specifically, L2 purchased an RDP house in Kaalfontein while she resides in Kempton Park and L4 purchased an RDP house in Lehae while he owns a bonded house in Protea Glen (where he has a tenant) and rents a room in Dobsonville for himself. Although the reasons for living in a different area from their YRA establishments differed between the landlords, it was common for them to choose to purchase an RDP house which is affordable and is in a location which is easily accessible to them so that they can manage their establishments effectively and respond to matters with urgency.

## 4.6 Mechanisms of producing yard rental accommodation units

The production of YRA units occurs in a cyclical manner and the means of production vary from one landlord to the other. In this subsection, I capture the YRA production experiences of landlords and caretakers of YRA units in “Phase 3” Lehae and “Ka-Majazane” Randpark Ridge (which may be applicable to other contexts).

### 4.6.1 Financing the construction of yard rental accommodation

The costs of constructing yard rental units (especially multi-storey units) do not come cheap. The landlord’s networks in the construction industry and the willingness of family and friends to assist either financially or through labour could significantly reduce construction costs. Further, the landlord’s ability to secure construction finance from a financial institution (or through informal loans) also affects their ability to finance the construction of the rooms and complete the project on time. K3 highlighted that the YRA sector is flexible as it allows for the incremental development of rental units through meeting the affordability of landlord households. For example, L4 was able to paint his entire rental establishment between July and October 2019 (see figures 4.1 and 4.2 below).

Figure 4.1: The rental establishment of L4 in July 2019. Source: Mathibela, 2019.

Figure 4.2: The rental establishment of L4 in October 2019. Source: Mathibela, 2019.

Because some of the landlords who are developing YRA in Lehae are still paying off their bonds while simultaneously repaying yard rental construction costs, accessing a FLISP subsidy may significantly reduce their monthly repayments. K1 explained that the property development company in Lehae assists homeowners with their FLISP applications by making qualifying homeowners aware of the financing option. Interestingly, K1 highlighted that qualifying "clients" for bonded housing in Lehae need to earn a minimum of R18 000 per month, if they earn less than that, they will be encouraged to get a cheaper bonded house in Lufhereng, the largest mixed housing development in Gauteng (City of Johannesburg, 2010). This is because the Lufhereng housing development provides housing opportunities to low-income and lower-middle income earners who receive incomes between R3 500 and R22 000 (K1).

C1 admitted that he is not aware of how Dr Tomma acquired finances to build the first few rental housing units because construction had already begun when he started working at Ka-Majazane. However, he said that the construction of the next sets of YRA units were financed through the rent income which was collected from existing tenants (C1). Whereas, the microdevelopers in Lehae followed a variety of paths to acquire the funds for their YRA developments, this is illustrated in figure 4.3 below:

| | **Landlord no.1** | **Landlord no.3** | **Landlord no.4** | **Landlord no.5** | **Landlord no.6** |
|---|---|---|---|---|---|
| **Main house** | | | | | |
| Typology | Bond | Bond | RDP house | Bond | RDP house |
| Access to FLISP/ RDP Cost | No FLISP | No FLISP | R260 000 (2019) | FLISP, GEHS | R250 000 (2017) |
| **YRA accommodation** | | | | | |
| Number of rooms for rental | 6 | 6 | 4 (and the RDP house) | 2 | 13 |
| Construction Costs | R200 000 | R180 000 | R505 000 | R350 000 | R300 000 |
| Finance | Personal loan and other loans | Savings, bond advance, networks in construction industry | Savings, experience, networks in construction industry | Savings, loans from family members | FOREX, savings, networks in construction industry |

Figure 4.3: Mechanisms of construction finance as adopted by agents of the YRA sector of Phase 3. Source: Mathibela, 2020.

What was striking about L5 was that although his yard had enough space for the development of more rooms, he chose to build four rooms with two of them being for rental purposes. That is, Landlord no.5 opted to build two rooms above and two rooms below in his establishment because he only wants two families renting in his yard (ground floor) and his two sons living in the other two rooms which are upstairs. He did this because he would like to live comfortably with his family. Although the development of YRA is seen as a life-long investment to all the interviewees, L2 fully immersed herself in this business venture by demolishing the RDP house which she had purchased to maximise on the developmental capacity of the yard. She indicated that she would like to take a second bond to continue with her property development journey. The total cost for the project so far is R525 000 including demolishing and she says that she could afford this fee through her savings (R225 000), taking out a personal loan worth R249 000, plus a credit card worth R51 000. She highlighted that she initially wanted to take out a loan worth R300 000, but the financial institution which she went to advised that she should rather opt for a personal loan and credit card, the loan repayment is R8 500 per month for five years (L2). L2 also shared that "although this contractor's fee [R525 000] seems expensive, it was much cheaper than the quotations I received from general hardware stores and this referral from my friend was quite affordable".

### 4.6.2 Location, location, location

The Lehae-based expert identifies the asset-making potential of purchasing bonded housing. The location of Lehae also encourages the development of YRA because the developers of bonded housing in the area and the respective neighbours welcome these establishments. Further, in light of the Randpark Ridge case, expert inputs vouch for the increased development of YRA in suburban neighbourhoods as these housing establishments have the potential to strengthen the financial stability of suburban-based middle-class homeowners during periods of economic instability. Moreover, there are also threats to establishing these developments in both contexts. These include proximity of Phase 3 to RDP housing and in the case of YRA accommodation in a suburb like Randpark Ridge, the landlord's attitude towards sharing their yard with another individual or family may threaten the sustainability of the establishment.

According to K1, the bonded housing section of Lehae is a good location for developing YRA units because the area is less noisy when compared to the RDP section of Lehae. K1 suggests that the bonded section of Lehae also allows for improved sense of place as it is more peaceful. This is because the majority of the people who live in the bonded section "belong to the working class [and have full-time jobs in the formal sector]" therefore, they are "more civilised" because they are not frustrated by the realities that come with being unemployed - unlike their RDP counterparts (K1). Further, K1 paints a clearer picture of the nexus between the RDP and bonded housing homeowners by stating that "although they live in the same area, the system and the power of money separates these people". Key informant no.1 describes how the markets work as "the system". The term highlights the power of market forces as they include some and exclude others, thus illuminating the injustices which arise from being trapped in such a system. Whereas, K3 suggests that former White suburbs are a good location for developing YRA because these establishments can potentially benefit from increased infrastructure capacity which is presented by being located in these neighbourhoods.

The illustrations below paint a clearer picture of the reasons for the development of YRA by Lehae-based landlords and the caretaker of Ka-Majazane. These illustrations also highlight the rental unit developer's (and manager's) perceptions of locality on the production of YRA in Phase 3 and Ka-Majazane.

| Landlord/ Caretaker no. | Reasons for developing YRH | Locality perceptions by YRH developers and managers | Picture |
|---|---|---|---|
| C1 | "An opportunity to give employees affordable accommodation in Randpark Ridge". | -Favourable with ample yard space.<br>-Good location. | <br>Figure 4.4: Ka-Majazane, Randpark Ridge (Source: Charlton et al., 2003). |
| L1 | "Too many people are being retrenched. This development will give us financial stability in times of uncertainty". | -Area is too quiet and not attractive to tenants. | <br>Figure 4.5: YRH establishment by L1 in Lehae (Source: Mathibela, 2019). |
| L3 | "It was my husband's idea and I liked it because this was an easier mode of business which allows us to still keep our jobs. We also aspire to be property developers". | -Saturated rental housing market.<br>-Dislocation of Lehae from the inner city. | <br>Figure 4.6: YRH establishment by L3 in Lehae (Source: Mathibela, 2019). |
| L4 | "This is an investment for me because I am self-employed, I do not have a pension fund like others, so I need something to rely on". | -Affordable RDP housing prices in the area.<br>-Recognises potential of area to develop. | <br>*Figure 4.7: YRH establishment by L4 in Lehae (Source: Mathibela, 2019).* |

| | | | |
|---|---|---|---|
| L5 | "I built the rooms to earn an extra income (for personal investment) and not necessary to contribute to monthly bond payments". | -Recognises potential of area to develop.<br>-Admits dislocation of Lehae may affect his ability to maintain full room occupancy. | <br>Figure 4.8: YRH establishment by L5 in Lehae (Source: Mathibela, 2019). |
| L6 | "I used to rent before, so I wanted to change the stereotype that landlords ill-treat their tenants by treating my tenants with respect. I also wanted to venture into the property sector because I am self-employed". | -Good location of main house (next to a Taxi Rank).<br>-Corner house.<br>-Good location of Lehae relative to the subcentre of Lenasia and surrounding construction hubs. | |

### 4.6.3 Marketing

Marketing is a vital tool in the YRA production space, especially when the landlord has limited experience. Therefore, it is imperative that agents of the YRA production processes utilise this instrument throughout the life cycle of the establishment (from the developmental to operational phases). For example, in 2019, I came across a flyer which was distributed by a contractor (who manufactures construction materials and is a developer) under my door in Lehae. What was striking about the advertisement was that he acknowledged middle-class homeowners as his target market.


Figure 4.9: A flyer which displays specials for building materials in phase 3 Lehae (Source: K43 Building supplies).

K1 harnesses my neighbourhood-level understanding of YRA production by highlighting the importance of marketing to the YRA sector. For example, landlords advertise their YRA units by using mobile applications such as "Gumtree", which increases their ability to reach a wider audience of prospective tenants (K1). Although the landlords who have developed YRA in Lehae have raised concerns about the lack of cohesion between microdevelopers in the area, L3, and L6 identified that they attempted to communicate with some landlords who are within their proximity and they make them aware of any vacancies on their development. Further, L1 mentioned that she uses social media (Facebook, Gumtree) to market her units and she also displays a placard on her gate to draw attention of passers-by. K3 also expressed that homeowners who welcome the opportunity of developing YRA in their suburban neighbourhoods take pride in their developments and go to the extent of advertising their units on platforms such as Airbnb -an online platform which connects landlords and seeking tenants (Airbnb, 2020). Moreover, the location of the landlord's development in the neighbourhood also determines the extent to which they need to invest in marketing. For example, "Ka-Majazane" has been operating for more than 10 years and the development is located opposite a local shopping centre and it is also adjacent to a major road (John Vorster Drive), thus lessening the pressures of advertising.


Figure 4.10: Advertising by L1 to draw the attention of potential tenants to stay at her establishment in Phase 3 (Source: Mathibela, 2019).

Interestingly, L2 provided an innovative marketing tool by stating that "I will use the first completed unit as a showhouse. My aim is to make these rooms a home, therefore I will add furniture to attract tenants and advertise the pictures on social media platforms".

### 4.6.4 Pricing yard rental accommodation units

K1 highlighted that in Lehae, the price of the main dwelling does not necessarily influence the price of the rental units. Rather, the place-making aesthetics which are added to the rental unit influence how rentals are charged (K1). Moreover, when asked about the effect of the development of YRA units on the value of the original house (which may be existing or demolished), K1 stressed that "the value of the rooms only increases when the landlord has an approved plan". Thus, reinforcing the importance of town planning and building approval in YRA development processes. The compliance (by YRA developers) ensures that these extensions to the main house are recognized by more formal institutions, such as banks, and essentially increases the value of the property which influences the increase in rental prices. K3 provided a generic overview of the elements which landlords consider when pricing YRA units -these may apply in both Lehae and Randpark Ridge. These qualities include: the physical aesthetics of the units and its surroundings -such as a garden which may be on the property- and the location of the neighbourhood in which the rooms are situated (K3). The pricing of some of the units in Lehae exceed those of rooms which are offered in "Ka-Majazane" because there are additional amenities such as balconies and en-suit bathrooms which increase the value of rentals.

| Yard Rental housing Provider/Manager | Monthly Rental Price | Water | Electricity | Parking |
|---|---|---|---|---|
| C1 | R1 600- R1 700 | Communal, included in rental price | Communal, included in rental price | No formal parking is provided |
| L1 | R1 500 | Communal, included in rental price | Metered prepaid electricity | Free |
| L2 | R2 400- R3 600 (will change according to preference of tenants) | Included in rental price | Metered prepaid electricity | R250 |
| L3 | **Smallest unit:** R1 800 **Medium-sized unit:** R2 000 **Largest Unit:** R2 500 | Charged separate from rent | Charged separate from rent | Free |
| L4 | **Smallest unit:** R1 750 **Medium-sized unit:** R2 000 **RDP house:** R2 700 | Communal, included in rental price | Metered prepaid electricity | Included in rentals |
| L5 | R2 500 | Communal, included in rental price | Metered prepaid electricity | Free |
| L6 | **Smallest unit:** R800 **Medium-sized unit:** R1 200 **Largest Unit:** R2 000 | Covered by landlord | Covered by landlord | Free |

Figure 4.11: Rental prices of rooms in Phase 3 and Ka-Majazane in 2019. Source: Mathibela, 2020.

### The reality of competition and the determination to establish a target market

Findings show that competition is a factor which has the potential to support or threaten YRA production. The Lehae-based landlords indicate that the YRA sector in Lehae is competitive and this can only be improved if relationships between these YRA providers are strengthened such that information about vacancies and filled rooms is shared. The importance of establishing these networks was particularly stressed by the three landlords who had recently developed units in Lehae. Whereas, the more mature establishments located in Lehae and Ka-Majazane did not suffer from competition because they had developed their presence in local communities. It is also important to consider the relationships between location, competition and the landlord's (or caretaker's) ability to draw the attention of a potential pool of tenants. Although the establishment of an ideal target market by landlords in Lehae was mostly dependent on the ability of these tenants to afford rentals, the target audience of the rooms in

Ka-Majazane and the rooms provided by L2 were either people who work around the Randpark Ridge area or Black people who are struggling to qualify for the ownership of urban land in Johannesburg respectively.

### 4.6.5 Defining the rules and regulations

The reasons for enforcing rules in YRA establishments differ from one development to another. Most landlords had relaxed rules and they did not have a selection criterion, with their major concern being that they should receive their monthly rental income in full. However, L6, was less concerned with generating profits because he was more interested in helping poor members of the community who did need shelter (despite their inability to afford monthly rentals in full). Whereas, L2 and L5 had drafted detailed tenant screening procedures and they had enforced rules for their tenants.

Although the landlords and caretaker shared uneven opinions about the appropriateness of enforcing strict rules and following tenant-screening procedures, it was widely accepted (amongst all interviewees) that rental payments should be made at the bank. It was common for most of these landlords (with the exception of L6) to have a grace period which they expected tenants to adhere to and if this is not followed, tenants could possibly face eviction. Although some eviction processes remain unenforced (in the formal and non-formal rental sectors), it was interesting to note that some property owners indicated that they are aware of the importance of following the legal eviction procedures. Whereas, C1 adopted a more flexible rent collection method which allows tenants to pay on the day of the month which best suits their household situation.

### 4.6.6 Determining a maintenance plan

There were different approaches to maintenance. Most landlords did not follow a maintenance plan. However, three of them and caretaker C1 had adopted formal approaches to property maintenance. Some landlords who have not formally incorporated maintenance as a part of their production cycle expressed the desire to adopt short and long-term maintenance plans which would ensure the sustainability of their establishments.

### 4.6.7 Yard rental accommodation design, a collaborative effort?

K3 suggests that landlords prefer to specifically establish multi-storey YRA units because they have identified a "perceived market where they speculate that they can make enough profit to recover from the heightened building costs of building up". Further, landlords choose to vertically densify YRA units because they have identified that the potential site for the establishment is "valuable" in terms of its "location, proximity to jobs and shortage of land" (K3). Therefore, landlords choose to incur the high costs of establishing double-storey rental units because they consider the land as valuable, thus having the potential to yield higher returns on investment when compared to developing horizontal units (K3). K3 also notes that the design of YRA units, particularly the placement of the rooms depends on:

a) the requirements of town planning and zoning regulations

b) the extent to which the landlord would like to control tenant access to the street

c) land pressure [land availability]

d) and fashion [popular or desired housing design in a neighbourhood]

In Ka-Majazane, the design of the rooms is uniform, and they all have shared ablution facilities (C1). L1 outlined that she chose to build multi-story rental units because the design creates space for the development of more rooms, therefore generating a higher monthly rental income. The rental units which are offered by L1 are open-plan and give tenants the freedom to lay out their units as they wish (L1). Similar to Ka-Majazane, the design of the rental units which are offered by L1 have shared ablution facilities (a shower and toilet) which she sees as contribution to the high vacancy rates at her establishment because "These days, tenants want their own space". Therefore, it is important for landlords to consider the needs and preferences of tenants when designing YRA units to avoid tenant withdrawal and the potential creation of "white elephants".

Figure 4.12: Shared toilet and shower facilities which are provided by L1 at her establishment in Lehae. Source: Mathibela, 2019.

L6 has also built rooms with shared ablution facilities but, because he is located in the RDP section of Lehae, the tenants are less concerned with the privatisation of space. The reason for developing shared ablution facilities was because he wanted to develop as many rooms as possible (13) and this would have not been possible if each room had fitted amenities (L6). Further, he could not afford to incur the financial costs of having an en-suite bathroom in each room, therefore, it was a much cheaper alternative which also influences the affordability of the rental prices (L6).

L5 has built four rental units (vertically densified) each with a fitted kitchen, toilet and shower. The design of the rooms which were developed by L5 was inspired by his personal liking for being in the property industry and this was an opportunity to single out the best designs he has come across and incorporate them in the design of his units. Furthermore, L5 accounted for the vertical densification of his rooms by sharing that "the Lehae Town Planning Scheme allows me to build two-storeys up".

Interestingly, L2 adopted a more professional approach to selecting the design of her rental establishment by briefing the appointed architect to "make the most use of every space". This resulted in the creation of a two-storey YRA design which has 12 units and eight parking spaces (L2). Each unit is spacious (5m by 3, 42m) with a shower, toilet and a fitted two-plate gas stove (L2). L2 shares that she has invested her YRA establishment because there is a thriving market for the development of rooms in Kaalfontein. Similarly, L3 has a two-storey YRA establishment with a total of six rooms and the design was chosen because it is much easier to “build upwards and it is how things are done these days”. Further, L3 stated that her choice in having en-suit bathrooms and toilets was because she was advised to do so by her architect. In the case of L4, he was the built environment practitioner and although he wanted to maximise on the available space, he wanted to develop rental units which were very spacious and made tenants feel like they were at home, thus influencing his decision to only build four rental units in a two-storey establishment. L4 also decided to refurbish the main RDP house to make it appealing to potential tenants as well, however, this investment in the main house may be temporary as he may demolish it and build more vertically densified units. He further adds that his final decision will be based on how the market responds to the four rooms which he has built (L4).

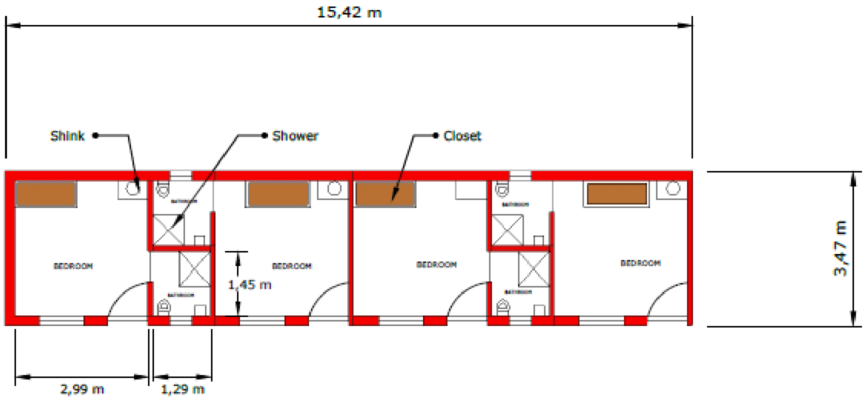


Figure 4.13: A house plan of "multi-storey" units in Tembisa. Source: L2.

Figure 4.14: An elevation drawing of "multi-storey" units in Tembisa. Source: L2.

### Neighbour perceptions of yard rental accommodation production

C1 shared that many challenges threatened the existence of Ka-Majazane throughout the years. For example, in the first few years, the neighbours complained about the noise which was created by the increasing population in the adjacent rental establishment (C1). However, neighbours are currently much calmer and "have gotten used to the way we do things here" (C1). The caretaker also added that (according to his knowledge) the pressure of these complaints escalated to the scale of the Department of Human Settlements who demanded that the owner of the establishment should shut down the development. A neighbourhood-level key informant highlighted that there have been recent attacks on the Ka-Majazane development as there have been ongoing visits by building inspectors. L6 had a similar experience in Lehae, where his neighbours have made various attempts to try and draw the construction of his rooms to a halt. For example, one of his neighbours asked the police and the representatives of the community forum "the elders" to intervene (L6). L6 admitted that he began the process of constructing his units without an architect but eventually hired one to avoid further disputes which may arise from the jealousy of his neighbours. His other neighbour had a misinformed complaint about the development using up some of the space in his yard "because the pipes were not correctly aligned and *uMasipali* [the municipality]was summoned to deal with the matter" (L6). The landlord also shared that he is aware of the regulations which apply to him and stated that he does not need his neighbour's permission to add rooms to extend his house as "it is not like I am opening a tavern, if my rooms are illegal they would have not been built in the first place".

On the other hand, L1 had a much more pleasant experience with her neighbours who were happy to partake in the processes of legitimising the development of the units by giving her permission to construct (as per requirement with procedures of the City). Landlords no.3 and 4 also had cordial relationships with their neighbours who were very supportive and even offered some space on their yards for the storage of the construction materials and the parking of vehicles (during construction). L5 was a bit worried about the "silent treatment" which he has been receiving from his neighbours who have not said anything about his YRA project.

## 4.7 Conclusion

These research findings highlight that there are various ways of understanding the reasons for YRA production by middle-class property owners. The incorporation of the perceptions of the key informants, landlords and managers of this housing typology is important as it contributes to the argument which promotes the establishment of these units and the heightened need for the recognition of the YRA sector to housing delivery in South Africa. The profiles of six landlords illustrated some of the ways in which middle-class property owners enter the property development space, these profiles also outlined the various innovative mechanisms of production which enabled (or hindered) YRA development. An interview with a housing manager of a YRA establishment in a seemingly different context provided a different outlook to understanding YRA production as the realities of property management were unearthed. The experiences of this housing manager also contributed to my understanding of overall YRA production and they allowed me to understand the wider scope of a building life, which is a necessary point of consideration for the landlords in the Lehae case.

Although the immediate relevance of location to the establishment of YRA units was not emphasised during the interviews with the landlords, further interrogation of the findings unearthed that location is an underlying theme of importance. The following chapter relates these findings to existing theory on the interaction between Small-Scale Landlordism and Middle-Class Housing Providers.

# Chapter Five: Analysis

## 5.1 Introduction

This section of the research analyses the key findings from the data which was collected. The contribution of middle-class households to the production of YRA will be further dissected in this chapter by identifying the similarities and differences that arise from an in-depth consultation with the literature provided in chapter two of this research. The chapter also makes use of existing regulations which inform the building requirements of housing in the City of Johannesburg specifically in the neighbourhoods of Lenasia and Randburg. The inputs of pioneering experts and researchers in the field will also be appreciated. The habitual themes that inform this investigation are: small-scale landlordism and middle-class provider households.

## 5.2 Positioning findings with existing literature on Small-Scale Landlordism

Data collected by the GCRO (2018) shows that between 2001 and 2016 there has been an increase in backyard and informal dwellings in areas which were previously considered as "Indian" and "White" residential areas. In the Randpark Ridge case (a previously "White" residential area), the demand for affordable rental accommodation in the area encouraged Dr Tomma to develop YRA, therefore, this case supports the findings by the GCRO. This demand is also driven by the need for tenants (mostly Black) to reside closer to their areas of employment which are located in Randpark Ridge and surrounding neighbourhoods. This demand for well-located land resembles the temporary movement of non-White citizens to their areas of employment in cities during Apartheid regime as outlined by Lemanski (2009). Similarly, Lehae is a recently developed state housing project which is located in the greater neighbourhood of Lenasia (a previously "Indian" residential area). The middle-income YRA providers who were interviewed in Phase 3 identified that the motivation for rental supply was mainly driven by the fact that their bonded houses were approved in the Lehae housing development, while the RDP housing purchasers specifically established YRA in Phase 3 because it was a much cheaper to purchase RDP housing there than in surrounding neighbourhoods.

The YRA sector is affected by the factors of demand and supply. Rubin and Gardner (2013) highlight that the development of backyard rental housing is driven by factors which include: the preference of tenants to rent rather than purchase a home, the limited supply of readily available alternative accommodation, a lack of access to formal housing options and also for the benefit of those who belong to the landlord's social networks. Despite the rooms which are offered at Randpark Ridge being purely for rental (and it was not apparent that those belonging to the developer's social networks also reside at the establishment) the reasons which drive the production of YRA as provided by Rubin and Gardner (2013) largely resemble the case of Ka-Majazane. Further, findings accentuate the benefit of the location of Randpark Ridge which attracts more tenants as they are able to reside closer to their workplaces, even if it is for the working week. This preference by tenants supports the phenomenon of intra-urban migration (Charlton et al., 2003)

Findings show that Lehae-based tenants are drawn to residing in the area because rentals are much cheaper than rental prices which are offered in older townships with well-established YRA markets and supporting amenities. Tenants also rent in YRA in Phase 3 because the units are of better quality when compared to those which are offered in the predominantly RDP sections of Lehae. Together with the physical condition of the rooms, tenants who have been blacklisted and are trying to rebuild their credit records are drawn to the rooms as they are seen as an affordable rental option which represents a home. The current conditions of the YRA market in Phase 3 are not welcoming to emerging middle-class YRA providers. This is because it has been reported that since the beginning of 2019, there has been an increasing supply of rooms which surpasses the demand for rental accommodation in the area. Therefore, this character of Phase 3 counteracts the condition by Rubin and Gardner (2013) which suggests that the demand of backyard rental is due to a limited supply of readily available alternative accommodation.

Although the development of YRA is somewhat driven by the laws of demand and supply, there are some regulations which are put in place by government through policy and legislation which guide the development of these units (Rubin and Gardner, 2013) as well as facilitate the functioning of the broader rental housing market (Rental Housing Amendment Act, 2014). Further, Charlton 2013 (cited in Rubin and Charlton, 2019:253) reports that the misconstrued perceptions of private developers delivering bonded housing toward the establishment of YRA units (especially those built with more informal/ provisional materials) could impose an additional disadvantage to the success of this vibrant market. However, my findings -based on in-depth interviews which were conducted with key stakeholders of the Phase 3 and "Ka-Majazane" YRA sectors- show that this devaluing of YRA by private developers is not prevalent in these YRA development contexts. This is despite Phase 3 being a predominantly bonded housing section of Lehae where the presence of private developers has proliferated. It was interesting to note that building restrictions are further reinforced by private developers.

Similarly, findings show that although Ka-Majazane is located in suburbia, where neighbouring stands mainly consist of townhouse complexes, the devaluing of the rental units by some community members has exceeded the pressures of by-law enforcement to regularize and monitor the development of rooms at the establishment. Whereas in Lehae, the rooms which are offered for rental are of good quality therefore, neighbours are more accepting of the establishments. The various gazes which discourage the development of YRA largely depend on some of the qualities of the YRA products themselves.

My interview with an electrical engineer revealed the relevance of the claim by Ruby Mathang, the former portfolio head of housing for the City of Johannesburg, which suggests that backyard dwellings exert pressure on the City's resources and that they "contravene by-laws" (City of Johannesburg 2010, cited in Rubin and Charlton 2019). However, in another interview, a backyard rental housing expert shared a similar position to the arguments by Urban LandMark (n.d.) and Rubin and Gardner (2013) which encourage the development of a counterargument to this claim. Instead, it is strongly suggested that the development of more YRA opportunities is necessary particularly in the contexts of previously "White" neighbourhoods as the historical imbalances of the Apartheid regime resulted in the development of increased capacity of bulk services in these areas. Therefore, predominantly "White" suburbs of the post-apartheid South African landscape have the developmental potential to provide housing for increased residential densities. Further, findings show that it is necessary to develop YRA in these areas because it will ensure that urban land effectively responds to the needs of its users. In prioritizing the resilience of the YRA sector across varying contexts and weighing these positive prospects, it is important to consider the potential role that the enforcement of planning regulations can play in limiting the extent to which these developments can take place. Therefore, there is a need to identify the margins for compliance with zoning and planning regulations by YRA developers.

| | Small-Scale Activity | Produced on privately-owned land | Procured and managed by private individuals | Occupation by separate households based on formal or informal agreements |
|---|---|---|---|---|
| C1 | No | Yes | Yes | Semi-formal |
| L1 | Yes | Yes | Yes | Formal |
| L2 | Yes | Yes | Yes | Formal |
| L3 | Yes | Yes | Yes | Formal |
| L4 | Yes | Yes | Yes | Semi-Formal |
| L5 | Yes | Yes | Yes | Formal |
| L6 | Yes | Yes | Yes | Semi-formal |

Figure 5.1: Characteristics of backyard rental housing in this research (adapted from Rubin and Gardner, 2013).

The conditions of the YRA sectors of Lehae and Randpark Ridge largely complement the characteristics of backyarding as identified by Rubin and Gardner (2013). However, a noticeable difference is seen in the varying scales of rental stock which is produced in Randpark Ridge when compared to the smaller scale of rental housing which is produced by recently established micro-developers in the township space economy of Lehae. Therefore, the procurement and the management of the rooms in "Ka-Majazane" is not done by the same person, unlike in the more manageable rental stock quantities of Lehae where there is maximum of 13 rooms for rental (on a site) and the landlords rely on their social networks to support them in the development, management, maintenance and running of their rental establishments. C1 was appointed as the caretaker of the 200+ rooms which are offered for rental in "Ka-Majazane" and he (together with his maintenance team) ensure that the rooms are well-maintained. Whereas, Dr Tomma, the micro-developer of this rental housing establishment, is the one who was responsible for the procurement. My findings indicate that the development of YRA in Lehae and Randpark Ridge resembles the concepts of "Infrastructural Citizenship" (Lemanski, 2018) and "Autoconstruction" (Caldeira, 2017) – or at least aspects of them - as these initiatives are people-driven and they often respond to the shortfalls in state housing provision.

The development of YRA units also takes place in an incremental manner (Rubin, 2020 cited in Di Lollo 2020). This was confirmed by YRA providers and managers in Lehae and Randpark Ridge who highlighted that the period of the construction of rooms is dependent on their ability to mobilise the necessary resources which will enable development. The self-employed YRA providers who were interviewed could not fully benefit from the loan options which are available in the formal financial services sector, thus contributing to their choice of purchasing RDP houses which would enable them to build the rooms in a more flexible manner. Therefore, because these landlords were able to purchase the main house at a much cheaper rate (in an environment with less enforcement of town planning regulations), they were able to begin the construction of rooms and complete them in less than a year despite the precarious nature of income-generation in their businesses. RDP houses in Lehae are cheaper than those which are on the resale market in neighbouring townships and they are also cheap in the sense that they are more affordable than purchasing a bonded house of a similar erf size in Lehae.

Although the establishment of YRA units is costly, micro-developers explore alternative ways of gaining the necessary resources to build these units. Therefore, the reliance on networks in the construction sector and acquiring labour and capital from family members assists micro-developers in ensuring that the construction of rooms (to a state when they are considered as habitable) is achieved in a reasonable period. Then, actions such as the tilling of floors, installation of cupboards, painting of walls are less prioritised and will be considered at a later stage when the landlord has acquired enough capital (including through rent income) to finance these additions.

Similarly, in Randpark Ridge, the spaciousness of the yard enabled the incremental development of rental units because the landlord was able to add as many rooms as the yard could accommodate by re-investing rental income as capital for the establishment of new rooms. Therefore, the incremental construction of YRA is flexible, and it complements the affordability of landlord households. Findings also show that another dimension of YRA development which requires incremental building is the relationship between tenants and landlords. Bank (2007) describes the detachment of landlords from the values of *Ubuntu* (where relations with their tenants have strong kinship ties) where their interference with tenant relations is only when rent income is affected. This marketisation of the yards is common in some Lehae-based YRA establishments. This was qualified by bondholding middle-class landlords who highlighted that they would not mind if tenants subdivided their units and more tenants occupy the rooms, as long as they receive their rental income in full at the end of the month. Whereas, the acceptance of verbal agreements as a social contract between tenants and landlords as identified by Mayson and Charlton (2015) was a more preferred approach to managing tenant-landlord relations in “Ka-Majazane” and the Lehae-based YRA establishments which are developed by purchasers of RDP housing.

## 5.3 Positioning findings with existing literature on Middle-Class Provider Households

Rubin and Gardner (2013 as cited in Turok and Borel-Saladin, 2016:393) describe backyard shacks which are common in township spaces as “relatively low-cost” where “rent-payments are often flexible, and evictions are uncommon”. However, the research findings reflect that YRA units in Phase 3 Lehae are more durable facilities of either one or two stories similar to that described in (Scheba and Turok, 2020), and landlord-tenant relations are often formal, where rental providers termed by Scheba and Turok (2020) as “ Household landlords” do consider tenant eviction as an alternative. My observations of landlord-tenant relationships in the Randpark Ridge case, together with the findings have allowed me to suggest that the investment towards the development of the rooms is relatively cheaper than those offered by middle-class housing providers in Lehae and rental-payments are very flexible.

Although the YRA units which are offered in “Ka-Majazane” resemble some of the conditions of YRA development in townships, the scale of the development allows me to partially agree with Scheba and Turok’s (2020) classification of Dr Tomma as an “Entrepreneurial landlord”. The characteristics of the rooms provided in Ka-Majazane and Phase 3 are shared between the rooms which are established by “Household Landlords” and “Entrepreneurial Landlords” (Scheba and Turok, 2020), thus illuminating a lack of clarity in defining backyarding and the misinterpretations which result from this as highlighted by Rubin and Gardner (2013). Similarly, the unique case of a YRA producer in Tembisa (which is an unplanned case that was incorporated in the research findings) shares the qualities of Household Landlords and Entrepreneur Landlords through her choice of demolishing an RDP house to create more space for the development of good quality YRA, an approach which is similar to that which is adopted by micro-developers in Du Noon (McGaffin et al., 2015).

This inability to provide a general definition of the phenomenon of YRA production becomes particularly problematic when trying to understand the specific complexities of YRA development by middle-class homeowners. Therefore, the suggestion from expert findings that the term “household rental [providers]” is an appropriate alternative to “middle-class yard rental providers” (as it removes the rather subjective stigma that is attached to belonging to the “middle-class”) could contribute to an improved understanding of the efforts by these particular households to providing YRA. Lemanski (2017) supports this notion by acknowledging that understanding a condition of “middleness” by “middle-households” rather than “middle-class [households]” is a more suitable alternative to understanding the positionality of this grouping and their experiences. In this case, “middleness” refers to the positionality of households which results from the inability of policy mechanisms to promote the access of “middle households” to housing finance.

My findings were in line with the work by Visagie and Posel (2013) which shows that the rental housing sector is saturated by Black middle-class individuals. That is, from my sample, five out of the six middle-class homeowners who were interviewed in this study were Black (Lehae-based) and one of the homeowners was White (operating an establishment in the Northern suburb of Randpark Ridge). These findings resemble household tenure statistics by the South African Institute of Race Relations (2018)which reflect that Black African households have the highest homeownership statistics, followed by White households ( In contrast to backyards that are feminised (Banks 2007; Shapurjee and Charlton 2013) YRA production in Lehae is mainly a collective approach by young couples to enter an entrepreneurial venture which will support an existing source of income, rather than solely depending on this income for survival -unlike in the context of RDP backyard providers households as identified by Lemanski (2008 cited in Charlton and Meth 2015). Similarly, in the Randpark Ridge case, findings highlight that the rooms were produced by a male who falls under the classification of suburban-based YRA providers who were described as “heteronormative empty-nesters” by interviewed experts. Thus, displaying shifts in the suppliers of YRA.

It is observed by the researcher that there is a close relationship between the YRA provider’s means of acquiring the main house and their desire to develop rental units. Therefore, the reliance of the Black middle-class in Mangaung Metropolitan Municipality on mortgage loans to finance their homes and very few of them benefitting from the FLISP subsidy (Marias et al., 2018) resembles the housing finance mechanisms by middle-class homeowners in Lehae. The means of acquiring construction finance for the establishment of the rooms by formally employed middle-class homeowners follows a similar approach of borrowing money from financial institutions. However, non-formally employed middle-class homeowners are less dependent on financial institutions and largely rely on savings and source inexpensive alternatives to developing and maintaining the rental establishments. The YRA sector has had some recognition by financiers and housing finance options which are offered through initiatives such as: “uMastandi” (TUHF, 2017), “IsiDuli” and “Xtenda Housing finance” (Di Lollo 2020) could help strengthen the existing mechanisms of YRA production by middle-class property owners with improved dissemination of this information to end-users. I say so because findings show that none of the landlords from my sample had any knowledge of these finance tools and shared that they wish they knew these platforms existed so that they can be relieved from the financial burden of repaying loans.

The necessity of property maintenance as highlighted by Cloete (2001) was reaffirmed by the middle-class providers who acknowledged that it was important to develop a maintenance plan. Similar to findings by Spiropoulos (2019), self-employed middle-class rental housing providers were more involved in the day-to day upkeeping of the establishments as they had more contact with their tenants and plan to outsource labour for the more bi-monthly maintenance which is needed, thus ensuring that other households benefit from the rent-income generated from the establishments. Whereas, the more formally employed middle-income rental housing providers highlighted that although they would like to frequently get involved in the maintenance and overall management of the units, they would certainly consider outsourcing labour to assist them with the management of the physical asset as they would like to eventually move away from their tenants and develop more rental establishments in other areas. Which would leave them with the responsibility of managing the financial health of their yard rental establishments. The hiring of staff by these Lehae-based landlords compliments the notion that a tenant's household income (which is used to pay for rentals) is stretched to support a larger family as highlighted by (Shapurjee and Charlton, 2013). Therefore, tenant household income (through rent income) is used to also support the households of YRA management employees.

## 5.4 Conclusion

In this chapter, I have discussed the research findings in relation to the theoretical framework which was outlined in the literature review. I also described the processes of producing YRA in the contexts of Phase 3 and "Ka-Majazane" with middle-class homeowners as producers of this housing typology. This discussion also related to the research questions which helped me to fulfil the objectives of this research. The following chapter stretches this exercise by concluding the research and summarizing the findings relative to the main research question and sub-questions with the purpose of suggesting recommendations which seek to improve the conditions of YRA production which are experienced by middle-class homeowners.

# Chapter Six: Recommendations and Conclusion

## 6.1 Introduction

The phenomenon of Yard rental accommodation production by middle-class homeowners is influenced by a number of factors, the prominent one being the desire of property owners to enter the property development space though unlocking the asset-making potential of their main house (and the yard it presents) to provide affordable housing opportunities for prospective tenants.

This study, undertaken in Lehae and Randpark Ridge, used desktop research and in-depth interviews to investigate the causes of the production of YRA by middle-class property owners. Initially, this research was limited to the experiences of YRA managers and providers in Phase 3 and “Ka-Majazane”. Although Lehae and Randpark Ridge are starkly different, they share the characteristic of actively participating in the YRA sector through the supply of rental units. Moreover, my encounter with a middle-class rental housing provider in Tembisa encouraged me to incorporate her findings with findings from the other two sites so-as-to deepen my understanding of the contextual characteristics (across all three localities) which encourage such production. Thus, strengthening the promotion of YRA development as an alternative housing solution which responds to the needs of provider and tenant households across the country.

## 6.2 Interviews and data collection methods undertaken in this research

The research adopted a qualitative approach which comprised of interviewing three key informants of the YRA sectors in Lehae and Randpark Ridge, the caretaker of “Ka-Majazane”, five landlords from Phase 3 and one landlord from Tembisa. This was done to deepen my understanding of YRA development by middle-class property owners in these contexts.

## 6.2 Research Question and Sub-Questions

### 6.2.1 What reasons do middle-class property owners give for developing yard rental accommodation?

The research findings show that although middle-class property owners responded to a recognized need for affordable rental housing in their respective neighbourhoods through the establishment of YRA, the development of these units also marked the official entry of these middle-class individuals into their much-anticipated property development dream. This finding counters the general literature assumption (in the context of RDP beneficiary micro-developers) that homeowners depend on rental income for their survival. Instead, middle-class property owners indicated that they rely on this income to repay their loans (initially) and then re-invest it into the maintenance of the current rental units and to finance forthcoming YRA developments. Thus, also countering my initial assumptions at the beginning of the research which were determined that these rental units were developed with the intentions of assisting middle-class homeowners with their bond payments.

### Middle-Class property owners as yard rental accommodation providers

The uniqueness of this research lies in the placement of these homeowners in the middle-income strata grouping. However, this distinct quality of the providers of YRA in Lehae and Randpark Ridge was unrecognised by the landlords (and manager) themselves. At the beginning of each interview, the respective landlord (or housing manager) was asked if they regarded themselves as middle-class individuals. These interviewees were initially hesitant to provide a response because they were unclear of the exact definition of the term. I then provided them with a basic definition which relates to their placement in economic strata. Thereafter, they confirmed that they indeed do belong to the middle-class grouping. Therefore, these individuals were unconscious of the distinct characteristic of their involvement in the YRA sector. Thus, confirming the research by Lemanski (2017) who ascertains that “class” should not be a determining factor of individuals who experience “middleness”, therefore, promoting the understanding of these YRA provider households as “middle households”.

### Reasons for development

The research found that although the overall purpose of the development of YRA by middle-class homeowners was for investment purposes, some establishments were developed because the housing providers were sincerely concerned with the rising demand for affordable rental housing in their respective neighbourhoods. These philanthropic efforts by Lehae and Randpark Ridge-based landlords to provide accommodation to workers in their neighbourhoods or to reduce rental prices to prices which are lower than rentals which offered by housing providers in surrounding establishments (to meet the affordability of tenants with low-paying jobs) were highlighted by middle-class homeowners.

The other landlords highlighted that they entered the YRA sector in order to secure their finances in times of economic uncertainty as retrenchments have been significantly increased. While others identified that they established rooms to supplement their existing incomes for the benefit of their households. In other cases, their households benefitted directly because the rooms were built for the temporary occupation of family members while others were let out to the general public. Moreover, both self-employed and formally employed YRA providers identified that the rooms are an investment.

### 6.2.2 What financial and other mechanisms enable them to develop yard rental accommodation?

The research highlighted that the following mechanisms enabled middle-class property owners to develop YRA in Lehae and Randpark Ridge: Construction Finance, Marketing and the presence of a Tenant Pool.

#### Construction Finance

The main determinant of the ability of middle-class homeowners to develop YRA was their access to construction finance. It was highlighted that a significant portion of their capital was sourced from either personal savings or loans from financial institutions and family members. However, these means require years of saving and equally, years of loan repayments. Thus, encouraging these homeowners to seek alternative means of supporting the construction of these units (by relying on their established networks in the construction sector). Further, the ability of bondholders to reduce their monthly bond payments -through the assistance of the FLISP or GEHS housing finance initiatives by the state- has allowed them to redirect the money which they would have contributed towards their bonds to the financing of room construction. However, findings show that only one out of four Lehae-based bondholders were aware of the FLISP subsidy and actually benefitted from it. Similarly, middle-class YRA providers who purchased RDP housing highlighted that buying this housing as the main house relieved them from the financial burden of making bond-repayments for 20 years, thus allowing them to invest in building more YRA establishments. In the Randpark Ridge case, Dr Tomma benefitted from having many rooms which allowed him to re-invest his rent income towards the building of more rooms.

## Marketing

In the Lehae case, private contractors have seen an opportunity in the YRA sector and have responded to the inefficient construction finance options by developing specials for the purchase of construction material. These specials were affordable because they allowed homeowners in Phase 3 to purchase building materials now and pay at a later stage. Thus, reducing the burden of paying these costs once-off after years of saving. Marketing is also a tool which was employed by landlords to ensure that their YRA establishments are sustainable. That is, in order for these rental developments to maintain complete occupancy and guarantee that the landlord gets full returns on investment, marketing remained a priority for landlords. Findings show that the use of online platforms to advertise the rooms somewhat widened the reach of middle-class YRA providers in Lehae to potential tenants from surrounding neighbourhoods. This is because landlords have struggled to get tenants from Phase 3 and surrounding phases. Whereas, in Randpark Ridge, there is a constant demand for rooms by tenants which reduces the need to invest in marketing. Thus, allowing me to conclude that the characteristics of the particular locality of YRA has an impact on the landlord's ability to produce YRA.

## Tenant Pool

The development of "Ka-Majazane" was inspired by a potential market of tenants who identified a need for affordable rental housing in the Randpark Ridge area, thus encouraging Dr Tomma to establish these units at that particular time. The continued demand for YRA by employees (and others) in the Randpark Ridge area and its surroundings has contributed to the resilience of this unique housing typology in the neighbourhood. Whereas, in Phase 3, the potential tenant pool remains largely hypothesized and although it has managed to encourage the construction of the rooms, some of the rooms remain unoccupied because landlords have not been able to draw the attention of their desired target markets. Although this challenges middle-class provider households, their will to enter the property market as developers has allowed them to project that their rooms will eventually attract their ideal tenants as soon as there are more amenities and developments in Lehae which will override the locational disadvantage which has been recognized by tenants.

### 6.2.3 What (similar or distinct) characteristics of Lehae and Randpark Ridge encourage such production?

Findings show that in Randpark Ridge, the development of YRA is a unique case with Dr Tomma being the sole supplier of this accommodation in the Randpark Ridge area, which allows him to get a constant flow of demand for the rooms. Whereas, in Phase 3 Lehae there is a saturation of landlords who are struggling to attract their anticipated target audiences. Therefore, the perceptions of whether Phase 3 is a good location for YRA development are divided, where some landlords shared that it does indeed present locational benefits while others confirmed that it does not. Some factors which relate to the developmental potential of the location of the rooms, amenities which are offered by the surrounding neighbourhood and the proximity of the rooms to economic hubs encouraged the decision of middle-class homeowners in Lehae and Randpark Ridge to develop YRA. However, the reasons for development were not limited to location, they were also largely influenced by the fact that a bondholding landlord owns a main house in a specific locality (thus making it easier to develop rooms in the same neighbourhood) or that they found RDP housing (which is also regarded as the main house) to be cheaper than in other neighbourhoods, thus encouraging the development of rooms.

Although some characteristics of Lehae and Randpark Ridge encourage the production YRA, some qualities of these localities pose a threat to the development of YRA. For example, the non-reliability of service provision which is presented by the location of Phase 3 relative to predominantly RDP sections of Lehae which have non-paying homeowners and tenants becomes a limit to the development and management of yard rental units. Further, the negative perceptions of YRA by neighbours in Phase 3 and Randpark Ridge pose a threat to the sustainability of the units. Similarly, the lack of clarity of the City of Johannesburg’s Land Use Management Scheme (2018) regarding the specific development of YRA may pose a threat to these establishments as community members who oppose their existence may easily adapt the minimal references to home extensions which are outlined by the clauses for their benefit.

## 6.3 Recommendations and Concluding Remarks

In efforts to support gap housing initiatives, consumer education about the FLISP subsidy should be enhanced to ensure that first-time bondholders are aware of this housing finance mechanism which could reduce their home loans and potentially encourage re-investment into YRA production. Similarly, in order to ensure that recent initiatives which aim to support the development of backyards (such as uMastandi, Xtenda Housing Finance and IsiDuli) make meaningful contributions to YRA production, efforts need to be made to make these mechanisms available to YRA providers. For example, organisations which provide support to the backyarding sector can collaborate with reputable building material retailors to ensure that YRA providers are well-exposed to these available support instruments.

The anticipated strengthening of relationships between government and construction financiers (as highlighted by Makhura, 2020) should be well-implemented to ensure that YRA providers have wider construction finance options to support their capital and possibly reduce the time and financial constraints which come with sourcing capital through conventional banking options. However, the focus should not only be on assisting landlords with sourcing financial resources, but more should be done to equip them with the necessary skills to ensure that their rental establishments are sustainable across all phases of the production cycle. Therefore, landlords need to be educated about the need for marketing their rooms, documenting relationships with their tenants and maintaining their rooms. The development of YRA establishments in other areas (beyond townships) can be aided by the shift in policy and legislation mechanisms which shy away from being neutral because the nature of our segregationist history has left an imbalance in society which needs to be corrected through specific targeting of key issues (with the assistance of the law). Further, the resilience of the YRA sector across varying contexts can be facilitated by the designing of tools which will assist landlords to construct establishments which comply with town planning regulations, thus eliminating the potential threats that non-compliance may have on YRA development in non-township contexts.

In conclusion, the YRA sector is a thriving sector of the South African rental housing market, findings from the relevant agents of the YRA sectors in Lehae and Randpark Ridge confirmed the importance of this segment of housing as outlined in literature. The production of YRA units by middle-class homeowners in Phase 3 is driven by the particular desire of landlords to enter the property development space. Whereas, in Randpark Ridge, the development of the units was initially a result of the landlord’s philanthropism (which may have developed into other reasons as the establishment expanded). Thus, alluding to the wide scope of this sector in terms of reasons for development, rental housing typologies which are offered by middle-class homeowners and tenant profiles. However, constraints to the mechanisms which enable this development (which include limited support from government) remain prevalent, thus illuminating the need for more interventions to be put in place which create an enabling environment for the production of YRA by middle-class property owners in South Africa.

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# Appendices

## Appendix i: Ethics clearance certificate

SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESERCH ETHICS COMMITTEE

SCHOOL OF ARCHITECTURE & PLANNING

**CLEARANCE CERTIFICATE**
**PROTOCOL NUMBER:** SOAP048/06/2019

| | |
|---|---|
| PROJECT TITLE: | Understanding the housing production of yard rental units: The cases of "Phase 3" Lehae and "Ka-Majazane" Randpark Ridge. |
| INVESTIGATOR/S: | Nonhlanhla Bianca Mathibela (Student No: 1139099) |
| SCHOOL: | Architecture and Planning |
| DEGREE PROGRAMME: | Master of Urban Studies (Housing and Human Settlements) |
| DATE CONSIDERED | 03 September 2019 |
| EXPIRY DATE: | 03 September 2020 |
| DECISION OF THE COMMITTEE: | Approved |

CHAIRPERSON
(Dr Brian Boshoff)

DATE: 9/9/19

cc: Supervisor/s: Sarah Charlton

**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 09/09/2019

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Appendix A: Height Development Requirements (City of Johannesburg, 2018)

| (1) Height Zone | (2) Number of storeys | (3) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Johannesburg | Sandton | Roodepoort | Randburg | Lenasia | Modderfontein | Walkerville | Edenvale | Peri-Urban<br>Halfway House<br>Annexure F<br>Lethabong<br>Westonaria<br>Southern<br>Jhb Region |
| A | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 |
| | | 6 | 2 | 4 | 3 | 1 | 1 | 1 | 4 | |
| | | 7 | 3 | 5 | | 2 | 2 | 2 | 5 | |
| | | 8 | 4 | 6 | | 3 | 3 | 3 | 6 | |
| | | | 5 | 7 | | 4 | 4 | 4 | 7 | |
| | | | 6 | 8 | | 5 | 5 | 5 | 8 | |
| | | | 7 | 9 | | 6 | 6 | 6 | 9 | |
| | | | 8 | 10 | | 7 | 7 | 7 | 10 | |
| | | | 9 | 11 | | 8 | 8 | 8 | 11 | |
| | | | 10 | 12 | | 9 | 9 | 9 | | |
| | | | 11 | | | 10 | | | | |
| B | 5 | 5 | 1 | 3 | 2 | | | | | |
| C | As per Clause 30 | 1 | | 1 | 1 | | | | 0 | |
| | | 2 | | 2 | | | | | 1 | |
| | | 3 | | | | | | | 2 | |
| | | 4 | | | | | | | | |

## Appendix B: Building Line Restriction Areas

| (1)<br>Use Zone and/or Land | (2)<br>Size of Erf or Site or Height Zone | (3)<br>Minimum Distance in meters between building line and street boundary |
|---|---|---|
| Residential 1, 2, 3, 4 & 5 | Erven of 500m² or less<br>Erven larger than 500m² | 1,0 m<br>3,0 m |
| Agricultural Holdings & farm portions | Less than 9ha<br>9ha and greater | 9,0 m<br>30,0 m |
| All other Use Zones | Height Zones A and B<br>Height Zone C | 3,0 m<br>1,5 m |

## Appendix C: Household tenure status in South Africa

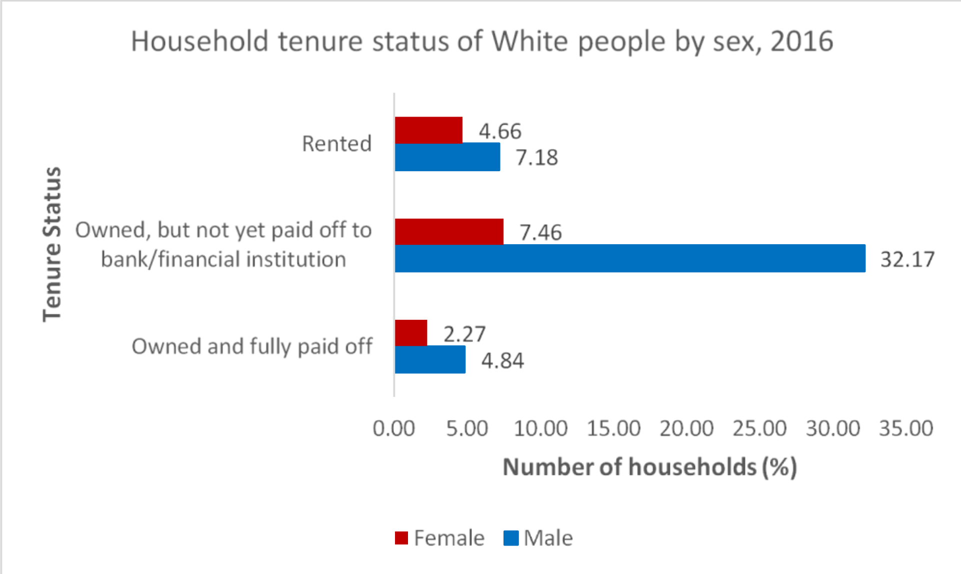


*Figure 3.3: Household tenure status of White people by sex. Source: South African Institute of Race Relations, 2018.*

In 2016, an estimated 32% of the white (male) population owned their homes but they had not paid their mortgage or home loan off to the respective bank or financial institution. Whereas, in the same category, 7. 46% of females owned their homes but have not paid off the bank or financial institution. Moreover, an estimate of 7% of the white male population was renting, while 4.66% of females were renting. This shows that almost 40% of the white population owns their homes and have not yet paid off to the bank or financial institution and that around 12% of this population is renting (with women being underrepresented in each category). The high number of people who have not yet paid off their mortgages or home loans allows me to suggest that there is a need for the development of YRH (such as cottages) to ensure that these homeowners get an alternative source of income to supplement mortgage re-payments.

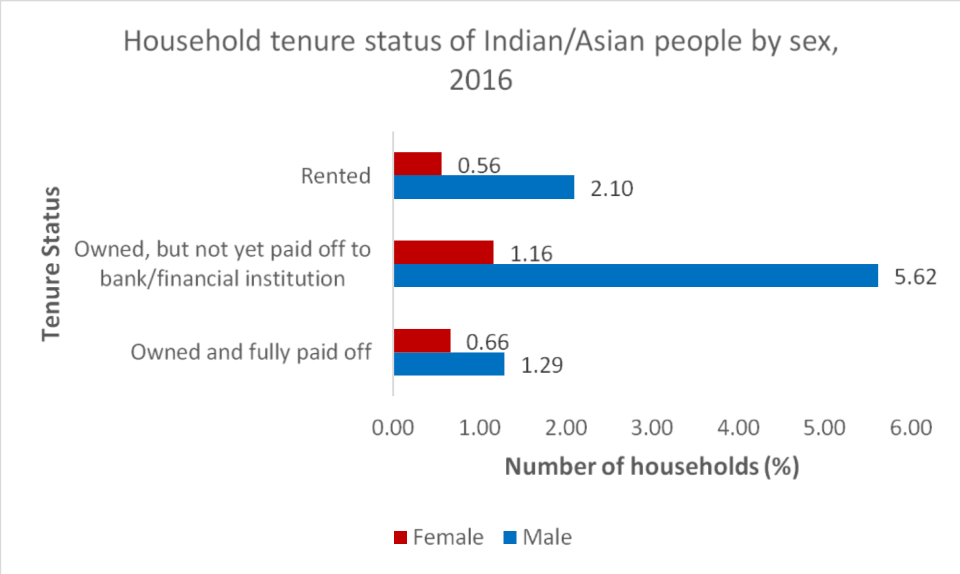


*Figure 3.4: Household tenure status of Indian/Asian people by sex. Source: South African Institute of Race Relations, 2018.*

The above illustration shows that almost 6% of the Asian population (male) owns their homes but have not yet paid the bank or financial institution, while only 1.16% of females were characterised by the same tenure status. On the other hand, 0.56% of Asian females were renting and 2.0% of the male population was renting. Thus, almost 7% of the Asian population own their homes and have not yet paid off to the bank or financial institution and around 3% of the population is renting. Across all typologies of tenure statuses, women are the minority group.

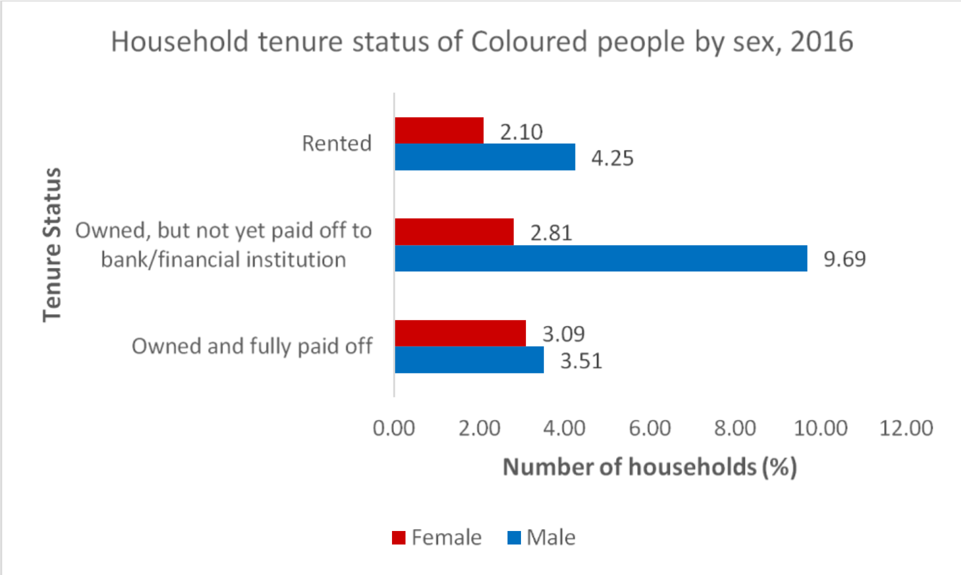


*Figure 3.5: Household tenure status of Coloured people by sex. Source: South African Institute of Race Relations, 2018.*

An estimate of 10% of the male coloured population owns their home but they have not paid off to the bank or financial institution and 2.81% of women are classified in the same tenure category. Interestingly, 3.09% of coloured women own their homes and their loans are fully paid off (0.42% higher than the male population) and 4.25% of the male coloured population is renting (a figure which is 2.15% higher than the female population). These statistics allow me to predict that there may be a high number of female landlords and male tenants in neighbourhoods which are dominated by the coloured population.

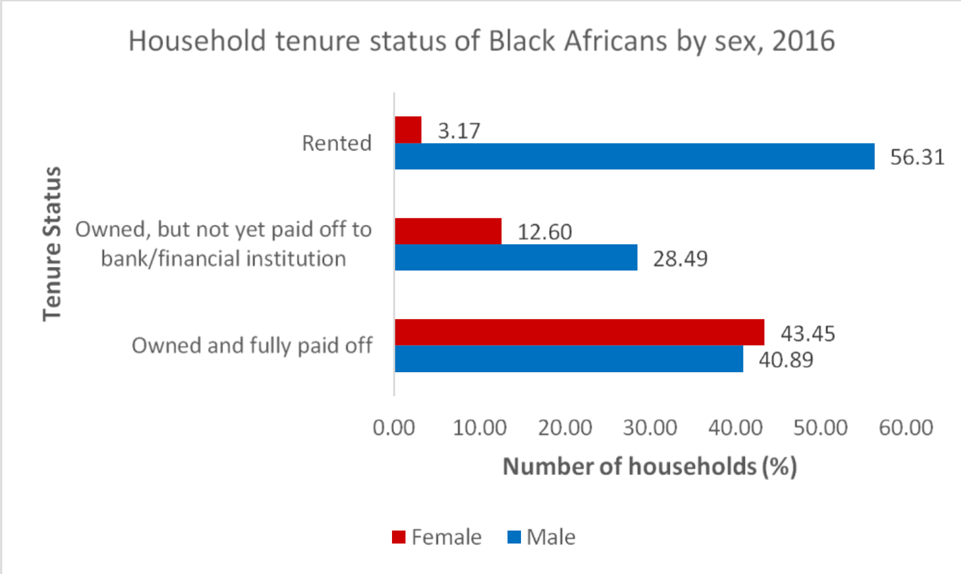


*Figure 3.6: Household tenure status of Black Africans by sex. Source: South African Institute of Race Relations, 2018.*

The above illustration shows that 28.49% of Black African men own their homes but have not yet paid off to the bank or financial institution, whereas 12.60% of females had the same tenure status. Interestingly, the statistics show that the female Black African population dominates the "owned and fully paid off" tenure status (43.45%) while 56.31% of men are characterised by the rental tenure status. Therefore, neighbourhoods which are dominated by the Black African population may have a landlord-tenant demography which places women as landlords and men as tenants (similar to the coloured population). The reasons for a large proportion of the Black African population to be represented by the "owned and fully paid off" category may attribute to the fact that the recipients of RDP housing largely belong to the Black African group. Further, the subsidy also targets female-headed households, thus contributing to the higher number of females with fully paid-off homes amongst the Black African population.