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A BOTTOM-UP VIEW OF THE JOHANNESBURG INCLUSIONARY HOUSING POLICY: EXPLORING THE PEOPLE'S PERSPECTIVE

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ABSTRACT

The South African Constitution states that “everyone has the right to have access to adequate housing” and that “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right”. Thanks in large part to apartheid settlement planning, South African cities are characterised by disintegrated and sprawling settlement patterns. Since the dawn of democracy in 1994, post-apartheid policies have been deeply embedded in redressing past spatial imbalances, and housing has been at the forefront of this. Policies such as the White Paper on Housing (1994), the Reconstruction and Development Programme (1994), the Growth Employment and Redistribution policy (1996), Breaking New Ground (2004) and the National Development Plan (2012) have all been developed with the aim of providing housing for low-income groups. In an effort to address the affordable housing backlog, these subsidised houses have been provided on the peripheral city areas and this has in turn further segregated low-income groups. As with all South African cities, this is the case with Johannesburg and in an effort to counteract this, the city developed an Inclusionary Housing Policy to promote the integration and inclusion of low-income households into well-located areas.

This research therefore aims to interrogate the feasibility of the City of Johannesburg Inclusionary Housing Policy through the exploration of low-income households’ housing attributes, preferences and behavior in making housing decisions. Alexandra was selected as the study area for this research because not only is the township a low-income area with prominent housing challenges, it is also located directly adjacent to affluent Sandton. The researcher made use of a qualitative research approach and conducted interviews using interview guides with 65 participants. The interview guides were informed by the asset-vulnerability framework which expresses a view on how households manage their assets - tangible and intangible - in order to maximise their livelihoods. The research data was analysed using thematic content analysis, which allowed the researcher to classify and present the findings thematically. The research findings indicate that low-income households in Alexandra earning between R3,501 to R7,000 cannot afford inclusionary rental units of R2,100 as they pay much less for backyard rooms in Alexandra and do not pay for some services and utilities there. Most of these households are currently satisfied with their living conditions due to the proximal amenities, job opportunities in and around Alex as well as social relations and social networks that they have established with neighbours. The findings from this research can assist in guiding policy formulation on affordable housing and evaluating the impact of these types of government initiatives on low-income households.

DECLARATION

I declare that this dissertation is entirely my own unaided work. It is submitted for the degree of MSc Building (Property Development and Management) at the University of Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other University.



_____

Simangele Mahlalela

28th day of February, 2021

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LIST OF ACRONYMS

ARP	Alexandra Renewal Plan
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BNG	Breaking New Ground
CoJ	City of Johannesburg
CRU	Community Residential Unit
CSIR	Council for Scientific and Industrial Research
ESRI	Environmental Systems Research Institute
FLISP	Finance Linked Individual Subsidy Programme
GEAR	Growth, Employment and Redistribution
HDA	Housing Development Agency
IDP	Integrated Development Plan
IHP	Inclusionary Housing Policy
IUDF	Integrated Urban Development Framework
NDP	National Development Plan
RDP	Reconstruction and Development Programme
RSDF	Regional Spatial Development Framework
SAPOA	South African Property Owners Association
SDF	Spatial Development Framework
SERI	Socio-Economic Rights Institute
SPLUMA	Spatial Planning and Land Use Management Act
UDF	Urban Development Framework

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1. CHAPTER ONE: AN INTRODUCTION TO THE RESEARCH PROBLEM

1.1 RESEARCH TITLE

A BOTTOM-UP VIEW OF THE JOHANNESBURG INCLUSIONARY HOUSING POLICY: EXPLORING THE PEOPLE'S PERSPECTIVE

1.2 INTRODUCTION/ BACKGROUND

Throughout the apartheid period in South Africa, segregation policies were the basis for marginalised housing settlements located on urban peripheries where restricted tenure options, bleak socio-economic prospects, inadequate infrastructure and poor service provision were – are – the order of the day. The apartheid government enforced township and land acts that ensured that the black population had no right to own land and ensued in the ownership of land and homes being reserved for the white minority. Moreover, apartheid policies facilitated the development and provision of single-sex compounds, inadequate public housing programmes in locations and compounds which resulted in the development and/or proliferation of informal settlements on the urban edge.

The non-white population that resided within the city also experienced issues around inadequate housing, unhygienic and hazardous living conditions as well as poor linkages to areas of socio-economic opportunity (so-called white areas). This was because housing programmes that were promulgated during the apartheid era were not concerned with how the black populations could earn a decent living and participate in the land markets (Adebayo, 2010). Such policies had no concern for the fact that the black populace had very limited access to land, were located on urban peripheries and had no rights to own land (Adebayo, 2010). These elements of apartheid that left behind a legacy of poverty amongst the black population has manifested itself in various manners in 'the new South Africa', in which people's choice of where to stay is no longer restricted by race but by their income instead. Following the democratic dispensation ushered in by 1994, post-apartheid South Africa has been grappling with the huge burden of redressing – or at least addressing - many socio-economic ills created by apartheid, chief among them housing.

The 'housing problem' is a topic that has been at the forefront of international debates since the late 1900s. It has been particularly profound in Third World countries where there has generally been a failure to heed the call for low-income housing. The failure to meet this demand has resulted in an unprecedented proliferation of informal settlements, which were viewed as a temporary condition caused by urbanisation during the 1950s and 1960s. For the reason that informal settlement dwellers were illegal occupiers and could not

compensate for where they lived, they were operating externally to the capitalist world and the housing market (Moser, 1987).

Over the years, the housing discourse in policies and academia alike has shifted from placing emphasis on actual housing structures to emphasising the role of planning, use value, proximity to resources and related topics. For instance, the United Nations Habitat 3 Agenda specifically focuses on people's right to the city and, under this concept, three pillars are emphasised: just spatial resource distribution, political agency and diversity (culturally, socially and economically). According to the United Nations Habitat 3 Agenda, for governments to achieve the aforementioned goals, they would need to invent housing policies that can be 'smoothly' integrated into the broader macro-economic, environmental and social policies of an area given its contextual basis (United Nations, 2017). This can be done through a government that does not just provide adequate housing but provides and/or takes other factors into consideration – access to land, basic infrastructure, social services as well as mobilisation of financial resources for all income groups (Jenkins et. al*.,* 2007)

In light of the above, this research endeavours to investigate the Inclusionary Housing Policy of the City of Johannesburg as a tool for providing affordable and mixed-income housing. This is done through determining the feasibility of the inclusionary housing given low-income households' housing preferences, attributes and behaviour in making housing decisions. The research specifically considers low-income households that generate an income range between R3, 501 and R7, 000 within the township of Alexandra. The focus of the research will be the people's experiences and perspectives on affordable housing. By 'people', the study refers to the anticipated beneficiaries of the inclusionary housing.

1.3 PROBLEM DEFINITION

> *"It is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart*."
>
> — Matthew Desmond: Activist,".

From the emergence of democracy, policies and research in South Africa have been heavily preoccupied with housing solutions to address the segregated and sprawling settlement patterns prevalent in South African cities and which were perpetuated by apartheid planning (Mooya & Musvoto, 2018). For instance, housing policies that have been hatched in response to the dire housing crisis post-1994 include the Housing White Paper of 1994, the People's Housing Process (PHP), the Reconstruction and Development Programme (RDP) as well as 2004's Breaking New Ground. Yet, the current government-subsidised housing – the RDP housing – appears to have exacerbated the extant spatial

disparities in South African cities by virtue of the fact that in a bid to address the affordable housing backlog, the programme has located low-income housing on urban peripheries of cities, where land is affordable (SERI, 2011). The South African affordable housing market in particular, has demonstrated unsatisfactory outcomes as a predominant amount of low-income housing is still placed on city peripheries away from socio-economic opportunities. Notwithstanding the fact that there has been a plethora of housing and planning policies that have attempted to solve housing challenges, some of the growing concerns remain the pace, scale, density, integration, affordability and location of this type of housing (Mooya & Musvoto, 2018).

Remarkably, all of the policies mentioned above have been promulgated at national level and, this may raise concerns as to whether there have been any such policies provincially and locally. In the context of Johannesburg, local housing policies such as the CoJ Inclusionary Housing Policy (hereafter IHP) only came into being recently. Promulgated in February 2019, the IHP is inspired by the integrated housing policy model which was developed to respond to socio-economic and racial segregation in the United States of America during the 1970s (Calavita & Mallach, 2010). Various similar programs have been executed in various countries around the world including South Africa post-1994. Indeed, as a global response to the housing challenge – shortage of decent housing in well located areas – the inclusionary housing policy is becoming progressively widespread globally (Rose et. al., 2013).

Nevertheless, as principle/policy does not always translate to practice, the capability of inclusionary housing policies to yield the envisaged results - mixed incomes and (racial) integration in housing - remains questioned (Bridge, 2012). That having been said, the viability of the CoJ IHP also remains to be seen. This is understandable especially given that the CoJ is still in its infancy stage. Some of the main concerns that have been raised by property industry role players pertain to the policy's financial, legal and social feasibility. These comments and concerns are documented in the 'Public Comments: IHP' report issued by CoJ in 2018 and are echoed in an online survey which was circulated by SAPOA to industry stakeholders - predominantly private sector - for their comments. Notably, most of these concerns and comments emanate from what could be termed influential stakeholders and so called middle-class citizens, and it appears that there is no documentation of views by low-income households. It is for these reasons that this study seeks to interrogate and capture the perspectives of low-income households that the policy is aimed at. It also becomes interesting to unpack whether their views are divergent from or in accordance with those of other stakeholders.

1.4 AIM OF RESEARCH

The study is aimed at investigating the feasibility of the CoJ IHP for Alexandra's low-income households, by determining the influencing factors behind their housing decisions.

1.4.1 Research Question for the Study

How practical is the CoJ's IHP for Alexandra's low-income households, in light of their housing- preferences, attributes and consumer behavior?

1.4.2 Research Sub-Question

In an attempt to unpack the broad research question as well as give depth to the investigation, the study made use of the following sub-questions:

1. What are the housing attributes, preferences and consumer behaviour of low-income households in Alexandra?
2. To what extent does the CoJ IHP reflect the housing needs of Alexandra's low-income households?
3. How can low-income households benefit from affordable housing in prime areas?
4. What are the challenges of providing inclusionary housing?
5. What recommendations can be made to ensure a balance in the social, economic and financial feasibility of inclusionary housing in CoJ?

1.4.3 Research Objectives

1. This study sought to explore the benefits and challenges of providing inclusionary housing for low-income households using the case of CoJ IHP in the context of Alexandra township.
2. Using Alexandra township, the study was also concerned with determining the housing- attributes, preferences and consumer behaviour that inform low-income households' housing decisions.
3. The researcher was also interested in unpacking the practicality of the CoJ IHP based on the housing needs and decisions of low-income households in Alexandra township.
4. Ultimately, the goal of the research was to demonstrate the important role that empirical research plays in developing well informed and viable state policies, especially where marginalised people are concerned.

1.4.4 Key Concepts in the Study

The key concepts that will aid in outlining the research are contained below. IHP, low-income households and affordable housing are central to this research as this is the basis of the study. These concepts are discussed below:

- **Inclusionary Housing Policy** refers to a policy that requires that residential developments in well located areas be spatially, socially and economically integrated (CoJ, 2018).
- **Affordable housing** refers to the allocation of 30% or less of household income to housing (Chatfield et. al., 2000).
- **Low-income households** refers to households that earn between R3,501 and R7,000, as per the CoJ IHP (CoJ, 2018).

1.4.5 Research Assumptions

- Alexandra as a study area will be representative of similar low-income areas in South Africa.
- The population sample will answer truthfully.

1.5 SIGNIFICANCE OF THE RESEARCH

According to Jacobus (2015), IHPs can be contentious and consequently require extensive local support as policy makers worry that affordable housing requirements may hinder development. This type of research is therefore significant because it unpacks the controversies surrounding inclusionary housing in an effort to understand how this kind of tool aimed at providing affordable housing can be successfully implemented in South African cities such as Johannesburg. The CoJ IHP specifically aims to address the spatial inequalities engrained in the city's structure as poor residents are located in peripheral areas that are far from amenities and economic prospects. It is imperative that policy makers are exposed to this type of research in order to guide and inform policies that affect the masses. Lessons from this research can be loosely applied to other South African municipalities and their inclusionary housing policies especially because this is still a new concept being applied. Most importantly, this study will help in understanding the housing needs of low-income households, challenges of inclusionary housing within the South African setting and whether this is practical for the beneficiaries thereof. Furthermore, recommendations and avenues for further research can be used as a framework for future initiatives on affordable housing programs and policies and this study can be regarded as a contribution to the scholarly and political discussions thereof. The significance of this study is also highlighted by the fact that although policies such as IHP may look good in principle, they have controversial social, economic, environmental and political

implications for (various) citizens on the ground. For instance, whilst the idea of citizens of different income groups living harmoniously may be a great idea in principle, on the ground it may spark disputes such as NIMBYism and animosity amongst residents of various income groups.

1.6 SCOPE OF STUDY

The research setting chosen for the research is Johannesburg (see Figure 1.1) because the research revolved around the CoJ IHP and the population sample was specifically from Alexandra township. Alexandra township, also known as Alex or Gomora, is amongst the most densely populated residential areas in Gauteng. With a population estimate of 180, 000 and 750, 000 on an area of 6.91 km^2, Alexandra suffers from severe overpopulation (Cape Town Project Centre 2020). The township's overpopulation has been directly attributed to the sewage blocks, overflows, water pressure problems as well as limited flood maintenance (Cape Town Project Centre 2020).

Guided by the research questions, the study focused on households earning between R3, 501 and R7, 000 – they were interviewed in an attempt to get a better sense of the critical factors that had a direct impact on their choice of housing, one of the research questions raised in this study.

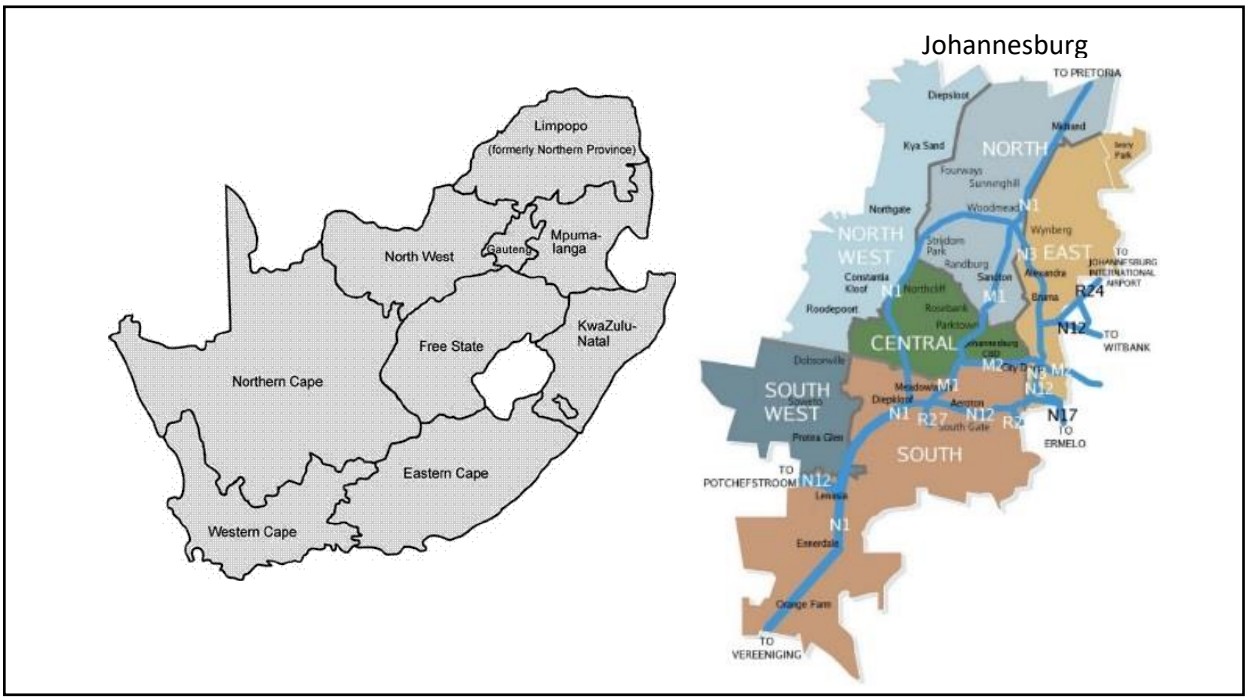

Figure 1.1: Location context of Johannesburg (source: google images, 2020)

The CoJ is the financial hub and the commercial core of South Africa. It accounts for up to 17% of the nationwide Gross Domestic Product. The city is a cosmopolitan with unique and different nationalities as well as outstanding infrastructure. Johannesburg however has some incongruities as it houses the rich and poor, residents and immigrants, international and developing businesses and is highly fragmented spatially (CoJ, 2012). The City of Johannesburg is constantly seeking to find ways to address various challenges affecting its residents and the inclusionary housing policy is one of the initiatives that the City has hatched. As an advanced metropolitan municipality, the viability of this policy will highlight anticipated challenges with its implementation.

1.7 RESEARCH STRUCTURE

This research is structured into five chapters and the essence of the chapters is outlined in the five paragraphs below:

Chapter 1: Introduction to the Research

This chapter introduces the research problem. The chapter captures the intention of the research by acquainting the reader with the research topic, reason for selection of the research topic and case study, as well as the research aim. Also contained in this section is a brief introduction to the concept of inclusionary housing and its relevance in South Africa. The introduction is followed by the problem statement, the research questions, and objectives.

Chapter 2: A Literature Review on the IHP as a Tool for Providing Affordable Housing

This chapter delves into a deeper understanding of the inclusionary housing approach from an international context and relates it to the South African perspective. The aim of this part of the research is to provide an overview and framework of previous literature on the challenges and benefits of the IHP, while also seeking to understand the South African affordable housing market. This chapter also looks at various case studies of IHP, its approaches and contextualising the CoJ IHP based on that. The subject policy is introduced and explained in this chapter. This chapter also interrogates the government housing policies that have been implored in South Africa over the past 25 years as well as the various policies and legislative policies that have guided and ushered in the affordable housing narrative around the country.

Chapter 3: Research Design and Methodology

This part of the research takes the reader through the research methodology that is employed for the study. This entails not only the research method, but the design, study area, sampling, research data and data collection process. The chapter also discusses the procedure for data analysis, research validity, research reliability, research limitations and

the ethical considerations taken into account in conducting this study. This affords the reader an understanding of how the research question is answered and provides more detail on Johannesburg and in particular Alexandra as a study area.

Chapter 4: Contextualising Alexandra Township

This chapter presents an overview of Alexandra township as the study area. This entails providing the historical trajectory of the area and the present conditions. The demographics and statistics of the area helps the reader understand population dynamics, income, employment and physical living conditions. The crucial section in this chapter is the housing challenges faced in Alex and the need for state intervention which justifies the reasons why Alex was chosen as the study area. Most of the information in this chapter offers the foundation for presentation of the results and recommendations in the fifth and final chapter.

Chapter 5: Results and Recommendations

This chapter uses thematic content analysis to present the results and a dialogue on the research findings. At this point of the study the reader would have been informed of low-income households' perceptions and housing decisions as well as the feasibility of the IHP in this regard. This chapter also gives a summarised version of the research study based on the key research objectives and research question. The researcher lastly concludes on the study and provides recommendations on how the IHP can be improved to better represent low-income housing needs. Areas for additional research are also included here.

2. CHAPTER TWO: LITERATURE REVIEW ON THE IHP AS A TOOL FOR PROVIDING AFFORDABLE HOUSING

2.1 INTRODUCTION

Ramsey-Musolf (2017: 117) reasons that "A housing element is a collection of planning techniques (e.g. density bonus, accessory dwellings, inclusionary housing and mixed use) that municipalities implement in order to satisfy housing needs". Housing is an important component of municipal plans, which according to the South African Municipal Systems Act of 2002, would include the SDF, RSDF, IDP, to mention but a prominent few plans. At a national level, these plans are guided by SPLUMA (Act 16 of 2013) and the NDP (2012). These plans are the foundation of land use planning and set out the spatial vision, objectives and purpose of the municipality in terms of development and investment. Through its SDF (2016) and the IUDF, the CoJ has set out to redress past spatial imbalances created by apartheid through promoting the restructuring and re-engineering – 'restitching' - of the city. This mandate of the City attempts to ensure that various individuals and income groups are afforded access to land and amenities, are socially included and integrated into the city; and this, to a greater extent, can be largely facilitated through housing.

In 2005, the Housing Indaba was held in Cape Town. It was attended by main stakeholders in the private housing delivery sectors who signed a Social Contract for Rapid Housing Delivery. In a nutshell, the contract stipulated that all commercial developments that are not explicitly targeted at lower income individuals or households should allocate 20% of the project value to providing affordable housing (currently defined as houses that cost less than ZAR500, 000). The aim of this contract was to promote the inclusion of various income groups and create racial integration within residential environments. Yet, since that contract was signed, there has been no binding form of legislature or national policy that mandates private developers to provide that 20% of affordable housing especially at a local government level (NDOH, 2007).

In an effort to achieve the above mandate, the City of Johannesburg Metropolitan Municipality, introduced its Inclusionary Housing Policy in 2018 to "incentivise property developers to include a level of affordability in their developments" (COGTA, 2016: 66), which is informed by the Draft Gauteng Inclusionary Housing Bill of 2012. The City accepted and adopted the framework which is now implementable on all residential developments with a certain number of units. The aim of the CoJ IHP is to address the spatial inequalities engrained in the city's structure as poor residents are located in peripheral areas away from social amenities and economic opportunities. Through the policy, the City is seeking to increase the provision of lower income housing, have more

affordable accommodation in well located areas and to have a variety of income groups across residential developments in the city. A summary of the Johannesburg IHP is detailed in Table 2.1.

Table 2.1: Summary of Johannesburg IHP

CHARACTERISTIC	CITY OF JOHANNESBURG
Context	Fragmented spatial form with affordable housing provided on periphery
Approach	Optional Obligatory in certain residential projects
Mechanism	Incentives on development controls
Justification	Recapturing land-value
Incentives	Encouraging private-sector participation
Requirements	Based on projects
Target household income group	Household income of R3 501 – R7 000 monthly

(source: SAPOA, 2018)

The policy was only recently adopted in 2019, and because it is still in its inception stage, it presents a good opportunity for policymakers and scholars alike to undertake research on the extent to which it will benefit low-income households as the beneficiaries of this policy. The focus is on these households because industry stakeholders and the private sector in particular have been quite vocal about the implications of this policy and in practice not much has been done to get the target market's perspective.

2.2 UNDERSTANDING THE IHP AS A TOOL FOR PROVIDING AFFORDABLE HOUSING

Housing is a critical and fundamental need for every human being. It is a crucial component for people's welfare, health and survival and thus acts as an indicator of an individual's living standard and their place in society mostly based on the location of the housing as well as typology (Amos & Festus, 2015). According to Kehinda (2010), housing does not only refer to the structure itself; housing also relates/refers to, access to land, safety, hygiene, supporting amenities, convenience and physical aesthetics. Moreover, the housing sector performance is seen as one of the measures of a nation's wealth (Sulyman, 2000). Although t-he housing problem is not one which is peculiar to rich, poor, developed or developing nations, it is still quite evident that in middle income countries such as South Africa, the availability of housing has always been one of the prominent and pressing problems (Aziz et. al., 2018). Problems with housing include homelessness, shortage of

housing, access to land for building, costs in terms of housing standards and specifications, interest rates on home loans and shortsightedness of the state about people's needs (Amos & Festus, 2015).

Within the past decade, the cost of housing has increased more than most citizens' incomes have increased, and this has resulted in a housing affordability problem. This problem is exacerbated by the challenge of building diverse communities that are healthy, economically integrated and racially and culturally heterogeneous. Further challenges that have exacerbated this problem are the increasing inequality gap especially with income, persistent urbanisation, ever-changing demographics and a diminishing middle-class (Carpenter, 2017). In response to the housing related challenges, specifically the affordability issue, housing policies promulgated by various spheres of government have sought to address the housing issue in South Africa. Housing policies are often seen as a tool that is utilised in town planning for achieving sustainable housing as they focus on creating functional, efficient, economical and aesthetically pleasing environments by spatial arrangement of land uses in both rural and non-rural areas (Obateru, 1984). Inclusionary housing is a term that is used to describe an array of local strategies and guidelines that capitalise on the economic rewards of real estate to create affordable housing by factoring in housing units for low to middle income groups within market residential developments. These kinds of policies usually require developers to rent or sell a certain portion of newly built housing units to residents with lower incomes and partly compensate the cost of supplying inexpensive units by incentives such as tax rebates, increased development rights or parking reductions. While this is normally the case with inclusionary housing, in reality inclusionary policies sometimes consider that the inclusion of affordable housing units may not be viable in certain developments and thus allow developers to pay an in-lieu fee or to provide affordable housing at a different location (Jacobus, 2015). Table 2.2 outlines the scope of inclusionary housing policies (Das et. al., 2015).

Table 2.2: Elements of IHP

Type	Optional Obligatory
Scope	Municipal region or geographically defined According to project types
Affordable	Set-aside percentages Target market is income groups to benefit Terms of affordability
Cost-offsets and incentives	Bonus density Flexibility on design and zoning Fast-tracked approvals

	Waivers on fees, discounts, deferrals Affordable unit subsidies
In-lieu alternatives	In-lieu fees Land dedication off-site

(Source: Das et. al., 2015)

Inclusionary housing is depicted as a tool for supplying affordable housing and affordable housing is described as a dwelling where the total cost of housing is affordable to those living in the housing unit (Wallbaum et. al., 2012). Commonly, housing can be considered affordable for low-income groups if the rent or mortgage payment of the house constitutes 30% of the household's income (Chatfield et. al., 2000). This is solidified by Ganiyu (2016) who posits that the total costs of a home should not surpass 35% of the household income because then it cannot be defined as affordable. Nevertheless, this definition of affordable housing is not the most accurate in the sense that housing costs may differ from place to place – for instance, housing costs in metropolitan areas such as Johannesburg may be fundamentally different from those in secondary cities such as Nelspruit/Mbombela. This then simply means that affordability will differ according to geographic areas and is thus subjective. Yet, the fact remains that the affordable housing supply is moved by two major factors - household cost and household income Ganiyu (2016). Household costs are in turn affected by proximity to services, transport and employment.

Inclusionary housing policies are seen to be counterintuitive towards neo-liberalisation in the housing segment, where the aim is to provide a conducive environment for profitable capital accrual even in areas that were previously regarded prohibited for profitability (Hyslop, 2016). Bone (2014) argues that the main contention against neo-liberalism is the unrestricted land and house price increases, which inevitably excludes the low-income households based on price. Research in the housing sector, however, has demonstrated that the production of formal or informal housing cannot happen external to the framework of a land market that is capitalist (Fawaz, 2009). While there have been many contestations against neo-liberalism in the housing sector, what is also important to note is that in many national contexts, the state has fallen short of providing sufficient housing to low-income households due to fiscal restrictions (Ibem, 2011). This failure of the state to supply adequate housing to low-income groups has resulted in dependence on private developers to fulfill the housing shortage for all income groups as they are seen to be the most efficient housing producers (Mooya & Taruvinga, 2018).

Although inclusionary housing is favoured by some scholars and policymakers alike, it has also generated considerable debates and been critiqued. According to Hauswald (2017), one such criticism has been that it is unfair for developers to have to carry the burden of supplying affordable housing alone. It has also been argued that such bureaucratic enforcements on developments and limiting zoning rules, eventually result in a rise in

housing costs for everyone (Hauswald, 2017). Another argument against inclusionary housing is that inclusionary housing rations will most likely cause new residential developments to be financially unviable, which will therefore destroy the delicate housing market. It is believed that bureaucratic enforcements on developments and limiting zoning rules, eventually result in a rise in housing costs for everyone. Furthermore, inclusionary housing rations will cause new residential developments to be financially unviable, which will therefore destroy the delicate housing market.

Taking into consideration the above critiques, one cannot be oblivious to the fact that in the South African context, the Bill of Rights of 1996 gives all South African citizens the right to housing as a basic need and views housing as a human right. For the majority of citizens who live in poverty, this means having to wait on the state to provide subsidised houses for them - RDP houses - which is also symbolic of the post-apartheid era. This wait is very often the cause of the informal settlements, backyard dwelling and overburdened public and private housing stock (Greyling & Oldfield, 2015). Over and above the low-income groups that are unable to afford to purchase a house and have to wait for the state to provide for it, the South African government is confronted with the task of providing for all its residents. This especially includes the previously underprivileged population who are in pursuit of employment opportunities and improved lifestyles in urban areas. The rapid rate of urbanisation, increasing population and household formation has significantly contributed to the shortage of affordable housing in the country. It is becoming increasingly challenging for government as well as non-government property developers to supply housing that is within the affordable price or rental range for lower- and middle-income groups within the urban centers; and this is as a result of great demand and increasing prices, land, construction, materials (Ganiyu, 2016).

2.2.1 International Case Studies on Inclusionary Housing Policies

In understanding the backdrop against which inclusionary housing policies in South Africa have emerged and developed, it is important to consider and learn from what other countries have done. Table 2.3 gives an overview of various countries and/or cities and their implementation of affordable housing policy.

Table 2.3: Summary of inclusionary housing policies internationally

	BRAZIL	ENGLAND	USA & CANADA	SPAIN	TURKEY
Policy Context	Segregated urban,	Decrease in government spending on	Decrease in state expenditure	Decrease in state expenditure	Twofold housing schemes

	affordable housing	housing provision	on housing supply, fragmented urban area (USA)	on housing supply, scarcity of housing availability for low-income groups	which continue informality
Policy Approach	Voluntary/ Certain projects	Negotiation	"Right to develop"	Obligatory (without incentives and alternatives)	Revenue-sharing partnerships
Mechanism	Condition to higher density in development	Condition to attaining permission from planning	Inclusionary zoning	Inclusionary zoning	Land readjustment, public-private partnerships
Aim	Recapture Land value	Recapture Land value	"Right to development"	Land-value recapture	Land-vale recapture
Incentives	Incentivise private sector buy-in	Limited	Cost-reduction incentives to reimburse developers	Zero	Limited
Policy Requirements	10% requirement	Flexible, negotiable	20 - 30% mandatory requirement	30% mandatory requirement	Portion of 40% social infrastructure investment

(Source: SAPOA, 2018)

It is interesting to see the different approaches that various countries have adopted in their implementation of inclusionary housing. This is generally due to various contexts, which means that there are different circumstances that can lead to the need to provide affordable housing. The CoJ IHP is remarkably similar to that of Brazil's in terms of the context, approach, mechanism, justification and incentives. The requirements differ on the basis that the percentages and areas of developments and how inclusionary housing has to be provided are not the same.

2.2.2 Benefits and Challenges of Affordable Housing through IHP

The consideration of the approaches and lessons on inclusionary housing from various international case studies has highlighted the advantages and disadvantages of this phenomenon. These consider the spatial and socio-economic aspects of the creation of integrated sustainable human settlements as well as the cost at which this has to happen. The benefits and challenges of this tool for supply of affordable housing are therefore as follows:

- Inclusionary housing policies can help to strengthen communities because they provide affordable residences for low and middle-income employees such as the public sector workforce and service sector employees (Brunick, 2010).

- Inclusionary housing policies have the ability to enable the marketplace to supply affordable housing without having to get public funding. This enables public funds to be directed to other sectors of the community's needs, which may include housing programs for very poor households, who may not fit into the criteria for inclusionary housing (Litman, 2016).

- Inclusionary housing is a tool for smart development and growth because it ensures that areas that have existing investment are optimised and reinvested in through the production of affordable residential units in the urban centers and prime areas and not on the periphery (Grant, 2009).

- Inclusionary housing encourages economic and racial incorporation, which may result in better socio-economic outcomes such as better schools, reduced crime, poverty alleviation and many other social advantages and fiscal benefits to the government (Reid, 2015).

- The 'Not in my Backyard Syndrome' (NIMBYism) can be overcome by the phenomena of inclusionary housing because affordable housing can be integrated with market-related units, thereby eradicating the stereotype (Robertson, 2017).

- It can result in the affordability of housing units within sought after areas, improved social networks and higher employment rates, incentives for younger generations of low-income households to be integrated into mainstream society and better housing and living environments for low-income households (Huang et. al., 2019).

- Mixed-income communities are beneficial because they result in a de-concentration of poverty, decreased crime and improved education and health outcomes (Carpenter, 2017).

- An analysis of literature on the inclusionary housing economics suggests that programs that are planned well can generate substantial resources for affordable accommodation without overstraining developers or landowners or negatively impacting the pace of development (Jacobus, 2015).

Some of the challenges that are associated with the IHP however, as it relates to affordable housing, include the following:

- According to Carpenter (2017), some of the major challenges with building mixed-income communities are the high price of land, the unbalanced regulatory burden connected to affordable housing and the necessity for improved coordination at various levels of government as well as in other state sectors such as education and healthcare.

- "Housing affordability places too much emphasis on the price tag and the upfront cost to be paid to own a house, neglecting the day-to-day running of the building, which eventually detracts attention from long-term sustainability, as defined by the World Commission on Environment and Development" (WCED, 1987:43). This statement challenges the concept of inclusionary as it begins to look at how the low or middle-income earner will be able to contribute to the running of the apartment block or sectional title development given that they earn less than the high-income groups, especially in upmarket areas.

- The South African market for affordable housing has been battling and has had adverse outcomes despite the fact that there has been a plethora of housing and planning policies that have attempted to solve housing challenges. Some of the growing concerns are the pace, scale, density, integration, affordability and location There is also the high cost of labour and building materials to be considered (Mooya and Musvoto, 2018).

- The slow rate at which affordable housing is provided can have adverse side effects as it would most likely result in more demand than supply, which in turn could increase housing prices (Robertson, 2017).

- Inclusionary housing shifts the cost of supplying affordable housing to private groups of society, which alters the monetary characteristics of real estate developments by reducing the value of developments upon conclusion (Litman, 2016)

- Partially, the key challenges with regard to the supply of affordable housing include an unavailability of land that is well located, lack of sustainability and bulk infrastructure, discrepancies in the housing supply process and the growing gap market. The unattainability of well-located land thus leads to housing developments being built on peripheral land, which is far from city centres thereby increasing travelling costs and contributing to urban sprawl (Newtown & Scheermans, 2013).

2.3 THE SOUTH AFRICAN AFFORDABLE HOUSING MARKET

The South African housing market is one which needs particular investigative and practical consideration because of its special features as a commodity which includes, but is not limited to, price, location and durability (Meen, 2001). Moreover, housing sub-markets are an established tool that is used to improve the understanding of housing markets, thereby contributing to housing policies (Belasco et. al., 2012). Housing sub-markets are a grouping of households grouped in accordance with what their preferences in terms of attributes and housing typologies. These kinds of groupings can then be used to determine whether the housing stock supplied matches the household demands and this can often be misaligned with state policies (Malpezzi, 1999).

One such housing-submarket that this research focuses on is affordable housing. South Africa has an alarming housing backlog. This backlog is especially profound for low-income and affordable housing (Fox, 2014). Economically speaking, this puts the housing market as an important investment and development area (Fox, 2014). With the accelerated urbanisation and growing urban population in the country, the need for formal housing is huge (Libby, 2014). However, as a result of the high poverty rates in the country, the development activities of housing are more prevalent in the informal sector (Groenewald et. al., 2013). Interestingly, it has become more apparent that informal houses do not only house the country's poor but also the working/middle class (Sullivan & Ward, 2012). This phenomenon is simply caused by the fact that while the working and middle class can afford to get formal housing, there is no affordable housing stock that meets their particular income bracket, and this, in turn, confines them to informal housing (Ahmad, 2015). Essentially, the poor housing policies and weak financial sector capability in South Africa have resulted in the shortage of formal housing for low and middle income members of society (Gunter & Manuel, 2016).

Research by Hochstetler and Montero (2013) suggests that if more rapid development is to be realised, state intervention as opposed to the free market might be more feasible. The issue with the housing market in South Africa, however, is that it is subjugated by free-market forces, which have proven to hinder the provision of enough affordable housing for citizens (Tipple, 2004). The current South African housing market can, for the most part, be categorised under the neoliberal economy in the sense that the formal market is predominantly investment driven, owned by limited investors and construction firms, financed by selected major banks and construction companies (Bradlow, 2015). The surprising and worrisome fact is that although the formal housing market appeals to investors across that region, in the form of established developers and property funds, there is still a significant scarcity of residential homes and units across the country for middle-income and low-income earners (Oldfield & Greyling, 2015).

There is a growing interest in the global south and specifically South Africa in the developing and local middle-class, which is said to be a relatively new concept in sub-Saharan Africa because traditionally the focus has been on the polarized poor and rich (Visagie & Posel, 2013). As a result of this, one of the challenges of the affordable housing market is simply defining and measuring the middle-classes. There is an ongoing debate around whether the middle-classes should be broadly classified as 'not so poor' or to limit the definition to those who are financially secure and socially mobile (Thurlow et al., 2015). According to Lemanski,

> In South Africa there is a demographic group widely recognised as 'middle' in terms of their housing positionality, collectively classified in public discourse as 'gap' households, based on both income and inability to access home ownership either via state-supported or private sector mechanisms. (Lemanski 2017: 1)

In agreement, Posel and Visagie (2013) describe the country's middle-class according to income and professional occupation, which in this context is fitting for measuring the target market for affordable housing. Here, it becomes clear that affordable housing is often associated with the middle-income groups and not so much with low-income households because the latter is always linked to state-subsidised housing.

While this might be the case, the Department of Human Settlements suggests that the affordable housing market in South Africa comprises households that fall within the R3,501 to R15,000 income bracket, defined as the gap market that can only afford housing products less than R500,000 (Rust, 2010).

There however are little product offerings that cater to this market and housing units remain expensive (Tissington, 2010).

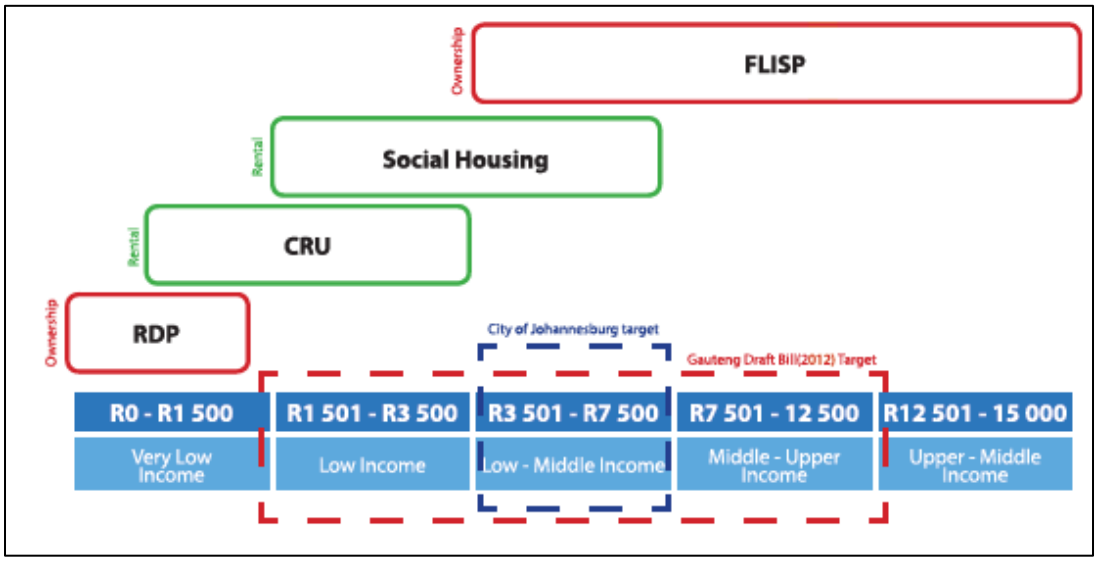

Figure 2.1: Affordable housing market segments in South Africa (Source: SAPOA, 2018)

Figure 2.1 depicts the grouping of current supply of affordable housing under the gap market in South Africa. The figure illustrates the different segments of affordable housing which are categorised according to income. As shown by Figure 2.1, the RDP is aimed at households earning between R0 and R1,500, the CRU caters to households within the R800 and R1,500 income bracket, social housing targets household incomes between R3,500 and R7,500 and FLISP supports households that earn between R12,501 and R15,000. The CoJ IHP is specifically aimed at households that earn between R3,501 and R7,000. This fits in with the social housing segment and is just below what the Gauteng Draft Bill targets (SAPOA, 2018).

In a nutshell, although the affordable housing market in South Africa is enormous when it comes to demand, the supply side has been battling to keep up with the demand. This failure to keep up with the demand is attributable to various factors, including land availability, household incomes versus household costs, inefficient housing delivery processes, affordability and costs associated with product provision. Perhaps another crucial factor hindering the supply of affordable housing is the obscure classification of income groups - middle- and low-income - and the different offerings applicable. There does not seem to be clear distinction when it comes to affordability for these income groups.

2.3.1 The Evolution of South African Housing Policies

As soon as democracy became a reality in South Africa, transformation and reconstruction quickly became an agenda of national importance (CDE, 1995). The post-1994 government took it upon itself to liberate the country of constricting and unjust policies created and implemented under apartheid rule. This was done by introducing a range of

new and reformatory policies that ushered in other sub-policies. One of the sub-policies that were ushered in was the IHP. One key housing legislation that laid the foundation for post-1994 housing policy was the White Paper on Housing (1994) which advocated for sustainable human settlements. In this legislation, sustainable human settlements were defined by the inclusion of previously underprivileged communities, encouragement of social and economic integration and having housing for low-income groups in locations that have economic potential. This legislation guided many policies, programmes, and key government strategies such as the Housing Subsidy Scheme, National Housing Programmes, the Housing Act of 1997, the introduction of the Housing Development Agency (HDA) amongst others. A majority of the big affordable housing policies established under the Housing White Paper framework emphasised affordable housing provision as opposed to the planning of integrated human settlements and the supply of these houses in urban areas that are well located (SAPOA, 2018). Some of these policies include:

Reconstruction and Development Programme (RDP, 1994): The RDP is a social development policy that sought to address housing, education, health and other services challenges in the advent of democracy in South Africa. The policy takes into consideration a spatial development approach as it accentuates the role of physical reconfiguration in order to redress the settlement planning that resulted from apartheid segregationist policies. The spatial planning aspect was central to the RDP as it established a link between transformation and reconstruction through provision of housing and basic services. The main objectives of the RDP were to provide for basic needs, develop human resources, have a democratic society and state as well as build the economy (Knight 2001).

Growth, Employment and Redistribution (GEAR, 1996): GEAR was introduced when the rand was weakening, and the local economy was not performing well. The policy was aimed at redeeming the South African economy through subsequent policies introduced under its framework. This policy framework can be viewed as one that cemented the course of the post-1994 economic reform in South Africa (Heintz, 2003). Under GEAR, socio-economic issues and in particular housing was not a priority as it was a neoliberal policy that emphasised “redistribution through growth” as opposed to the RDP which emphasised “growth through redistribution”.

It is argued that these policies only worsened socio-economic inequalities as low-income housing was still being located in peripheral areas where there was no economic opportunities or amenities. This required a shift in the country’s housing strategy. It required housing which would equally attend to service delivery and accessibility for low-income households. This approach was what led to the introduction of the Breaking New Ground (BNG) policy in 2004 (SAPOA, 2018). The BNG was developed by the National

Department of Housing to provide guidelines for sustainable human settlements. In terms of approach, the BNG policy saw (the provision of) housing as but one of the constituents of sustainable human settlements as opposed to the RDP policy whose goal was/is only providing houses. Sustainable human settlements envisioned by the BNG policy enable inhabitants to have sufficient access to economic opportunities, options of safe and secure housing/tenure types, unfailing basic services and amenities (education, health, social) (SAPOA, 2018).

Within this framework and the RDP, new affordable housing mechanisms were introduced, including Finance Linked Individual Subsidy Programme. FLISP was created for the bonded affordable housing market because it provides subsidy for households that have safeguarded mortgage finance for a bonded residential unit. The IHP can be situated within the BNG housing paradigm as it ultimately focuses on integrated and inclusionary communities as well as access to economic and social amenities. The same sentiments are shared by the policies that specifically inform the Johannesburg Inclusionary Housing Policy; Spatial Planning and Land Use Management Act 16 of 2013, the National Development Plan (NDP) of 2012, the CoJ Spatial Development Framework 2040 and the Integrated Urban Development Framework (IUDF) in 2014.

The National Development Plan (2012) is essentially an important national policy that is influencing the approach to human settlements and housing provision. This is because the NDP offers a long-term outlook on the advancement and development of South Africa. This policy is aimed at eradicating poverty and decreasing inequality by 2030. The importance of creating sustainable human settlements is emphasised by the NDP and the key target for human settlements as described by the plan includes:

- High number of people living within close proximity to their workplaces;
- Improved public transport;
- Higher employment opportunities in close proximity to compact urban townships; and
- Strong initiatives and plans for compaction of cities through land use planning and intensive housing strategies.

2.3.2 Providing Affordable Housing within South African Cities

It is common knowledge that a development can only propell to the construction phase after it has been determined that upon completion, the project's market value will be greater than the development cost. The market value and cost of a development are the determining factors for what kind of development will take place as well as what the target market the development will cater for. The market value refers to the present value of the net income of the asset over its economic cycle (Hopkins et. al., 2015). For an apartment

building, the market value would comprise the rental and/or selling prices. The market value also includes the profit that would be compensation for the developer. The compensation that is due to the developer for the cost of supplying the units, to a greater extent, cannot be covered by the amount that lower-income households are able to spend on housing. In Cape Town, for example, the cost of developing in the city centre is between R15,000/m^2 to R20,000/m^2; and for building an affordable housing unit for under R500,000, the cost is approximately R11,000/m^2. It is clear that the cost for building affordable unit is considerably lower than the development cost, and in order for the developer to get profit - given the current inner city development cost - the units would have to be sold for approximately R800,000. This would be more than 50% above the maximum price for affordable housing (Hopkins et. al., 2015).

Whilst this is the case, developers do not need to be disheartened by such financial analysis as the South African government is willing to provide incentives that can help to reduce the cost of developing, thereby helping them to meet their profit margins. The inner city is not as expensive in Johannesburg and Tshwane as Cape Town and therefore these cities have been able to provide some sort of affordable housing within their city centres. This has been done through brownfield development – the rejuvenation and/or redevelopment of highly depreciated buildings as opposed to constructing new developments (greenfield developments) because over time the value of a building declines due to economic, physical and functional undesirability. This presents an opportunity for the building to be redeveloped as it no longer produces adequate returns for the highest and best use that it was initially built for (Remoy et. al., 2012).

Table 2.4.: Break-down of development costs

COST CATEGORY	%
Cost of Land	20
Cost of Construction	40-42
Fees for Professional services	6
Funding	6
Marketing	3
Contingencies	10
Profit of the Developer	10-15
Overall costs	100

(Source: Cloete, 2005)

Table 2.4 shows the typical costs involved in a development and illustrates how the development costs would generally be allocated. Developers often aim to reduce the cost of the development, as this can contribute to a higher profit margin. The development costs

typically include land, financing, marketing, professional fees, construction, contingencies and the developer's yield (Cloete, 2005).

The costs that are outlined in the table can vary and be significantly altered by various factors. These include the height of the building and how many units the building will occupy, building regulations and standards, soil conditions, parking prerequisites, building form (new, conversion or refurbishment), and the condition of the property cycle. In order to try and keep the development cost to a minimum, a less costly alternative for providing affordable housing could be to brownfield development – the redevelopment of existing buildings - because substructure and superstructure on their own cost between 40% and 50% of total development costs for new buildings. The redevelopment or conversion of an existing building would keep the aforementioned costs at approximately 35%. Yet, although reducing the development costs of housing stock may be a way of attempting to address the housing supply challenge in well located city areas, it is a small component of a complex issue. This can be merely viewed as one of the symptoms, but the root of the matter is that government and its policies need to have more targeted interventions in terms of supplying affordable housing, while also addressing the affordability of households (subsidised and efficient public transport) (Hopkins et. al., 2015).

The benefits that may accrue from having more effective affordable housing interventions in South Africa are vast and can change the entire landscape and functioning of local cities. Ultimately, inclusionary housing could be a tool to address, if not redress, the past spatial and socio-economic imbalances created by apartheid in various ways, including:

- Establishment of new integrated housing estates with low- and middle-income households that will weaken and destroy the current segregated spatial settlement pattern (Pieterse, 2004);

- An enhancement of the working class' access to the inner city and prime nodal land (Cevero, 2013);

- Decentralisation of retail and business economic activities to 'black' suburbs, which would aid in dispersing old urban nodes, thereby providing access to economic opportunities for various communities (Davies & Thurlow, 2010);

- Improved partnerships between private and public sector so as to reduce the gap in provision of affordable housing stock (Robertson, 2017);

- Inclusionary housing would serve as a strong tool to discourage further development of housing for low-income groups in peripheral areas (Cevero, 2013);

- An increase in urban densities which would lessen urban sprawl, promote compact city structures and support public transport as well as optimise on infrastructure investment (Cevero, 2013);

- The integration of lower- to upper-income areas, will give previously disadvantages families access to the 'white' suburbs and make 'black' townships attractive to the advantaged households (Beavon, 2000).

2.3.3 Urban poverty in South Africa

It is imperative to understand the dynamics of urban poverty when investigating the feasibility of government housing interventions for low-income groups. Approximately 30% of urban residents are living in unsavoury housing conditions, often informal settlements and without security of tenure (Herrle & Ley, 2016). According to Kessides (2005), while some view South African cities as slum planets due to their physical conditions, others view the dysfunction as the potential for civil society actors to be involved in urban development (Altvater, 2005). Urban poverty is cannot be generalised as it has many facets. It is complex and goes beyond people's ability to acquire jobs and access to services. Urban poverty is both institutional and economic in the sense that macroeconomic aspects such as inflation impact people's ability to afford and consume goods and services. This might be the outcome of inflation triggering an upsurge in the overall prices of products and services. While macroeconomic dynamics have a stimulus on persons' and families' intake of products and access to services, location also plays a major role. In the event that groups of the population are located a remote distance from services, access is lessened. This inevitably results in certain people having to travel excessive distances to their workplaces (Behrens and Wilkinson, 2003).

Vast travelling means that a substantial sum of income is exhausted on public transportation which, in turn, reduces disposal income and makes the magnitude and quality of goods for consumption less. This marginalisation of groups of the population therefore remains damaging to their social, economic and environmental welfare (Vasconcellos, 2003). According to Brillantes et al. (2002), political institutions are an institutional factor that contributes to poverty. Political organisations are those that outline the development agenda at various government spheres - nationally, provincially or locally - and have a certain set of values and principles that guide them in their mandate. Those standards and values govern the organisations' priorities and interest groups. As a consequence of this, some groups are considered more significant than others, thereby

ensuing in the prioritisation of some over others. This is the determining factor for the location of projects such as those aimed at poverty alleviation and housing provision. To a greater extent, the implementation of those programmes then becomes political and/or exclusionary as the programmes may assist some groups to escape poverty and do nothing for other groups.

An important consideration in this research, to try and understand the complexity of poverty, is derived from the asset vulnerability framework. According to Baumann (2003), the asset vulnerability framework is one that reveals households' constant need to manage numerous assets in order to optimise their livelihood in the face of everchanging conditions. These assets include labour and human capital which is inclusive of factors such as skills, health status, experience and education. Productive assets are tangible assets, including housing and land. Household relations refer to tools needed to generate income. Social capital refers to the relationships within communities and between the households within the communities which builds a foundation of trust and inter-household knowledge. Natural assets include water, food and firewood. Financial assets refer to access to credit and savings (Baumann, 2003; 96).

The asset vulnerability framework recognises that poverty is multifaceted and that even with inadequate real income, households can preserve their livelihood by making use of other assets. While the asset vulnerability framework does not dispute that labour and income play an important role in individuals' livelihoods, it considers that one can live without labour productivity and income given that the necessary assets are available to them (Baumann, 2003). The asset vulnerability framework is relevant to this research because it demonstrates how housing as an asset is important for people's livelihoods even without formal employment. Housing can be viewed as an economic or productive asset that can be utilised to generate income through ways such as selling a product or service or using it for manufacturing and production. Housing in essence can then contribute towards the reduction of poverty for low-income groups (Brennan, 2017).

2.3.4 The Relationship between Housing and Poverty in South Africa

Previous national housing policies such as the RDP view housing as dependant on growth and real income per capita and savings, which is a quantitative focus. It recognises that people do not have adequate housing due to the fact that they do not earn an income sufficient enough to enable them to participate in the housing market (Baumann, 2003). This makes it evident that the way in which the housing policy understands the relationship between housing and poverty is from a macroeconomic perspective - the government believes that by providing housing, people's prospects of generating income will increase and that this might even propel these individuals to partake in the housing market one day. The housing policy context thus understands housing in a superficial manner and,

according to Chambers (1995: 193), “the realities of the poor are local, complex, diverse and dynamic”. Furthermore, the realities of the poor have much to do with their livelihoods, which encompass their activities that contribute to them making a living.

The activities that the poor engage in to ensure that they are able to make a living are themselves quite complex and are linked to social, economic and environmental aspects. Livelihoods can be divided into three components - intangible assets, tangible assets and people as shown in Figure 2.2 (Chambers, 1995). Since livelihoods relate to the way in which people make a living and, if fortunate enough, a sustainable one at that, it needs to be considered in housing strategies, especially if their aim is to eradicate poverty. Figure 2.2 below is an illustration of Moser’s (1996) and Chambers’s (1995) understanding of how housing fits into the ‘asset vulnerability framework’ equation. Moser (1996) in particular opines that housing plays an important role as a productive asset that can reduce the effect of severe poverty against households and the land market parameters can serve to either diversify what the house can be used for or it can exclude it from those uses.

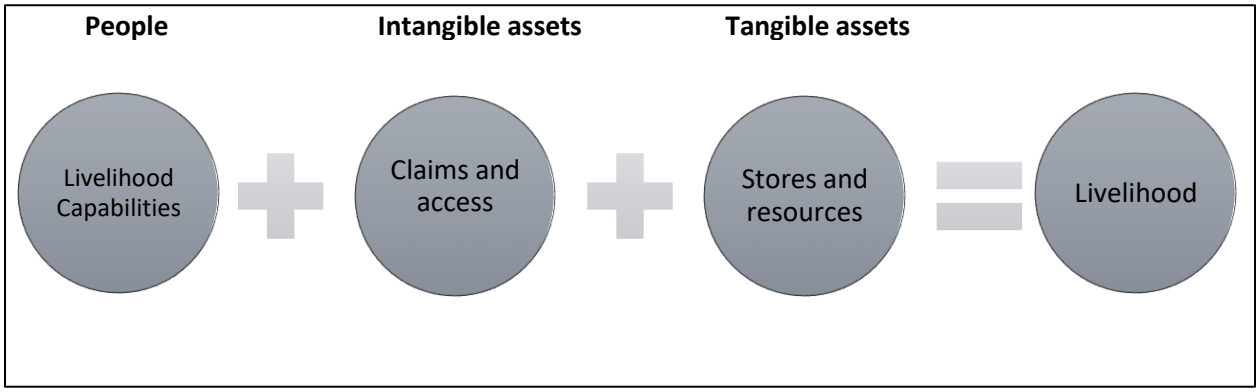

Figure 2.2: Illustration of Asset Vulnerability Framework (source: Chambers, 1995)

Housing in the context of a productive asset falls under tangible assets which can be linked to intangible assets such as location and social networks, which all collectively contribute to livelihoods. The previous South African housing policy (RDP) failed to look into these relationships of assets and livelihoods and the sustainability element that this contributes.

According to Charlton and Kihato (2006: 252), “While the original policy has been adjusted over the years by policies such as the BNG, its evolution has not been shaped by a clear understanding of the housing programme’s impact on poverty alleviation”. Charlton and Kihato (2006) make this statement as a critique of the manner in which South Africa’s housing policy fails to recognise how exactly it can contribute to poverty alleviation as it falls short of comprehending the complex nature of poverty and livelihoods. As the policy understands housing as a product and not a process, it does not recognise that poverty goes beyond physical factors and that households can manage their livelihoods without

monetary income. The asset vulnerability framework further suggests that in so far as the provision of subsidised housing is seen as a way of increasing individuals' capital, in reality it has proved to provide a loss to households due to multiple factors. These include location, economic reconstitution of communities, changes to the status of housing assets, limitations on freedom of movement, reduced savings capacity as well as disruption of solidarity, institutional and social networks (see Baumann, 2003). The essence of these factors as they relate to subsidised housing is discussed in the six paragraphs below.

Location: According to le Roux (2011), the nature, quality and location of housing have a bearing on how resilient or vulnerable a household can be as it tries to manage its assets and maximise its livelihood. In South Africa, "current land use planning and development initiatives are exacerbating the spatial legacy by locating new housing far away from major business and, in most cases, far from primary rail and road networks" (Behrens & Wilkinson, 2003). The location of low-cost housing settlements in marginalised areas increases vulnerability of households to shocks and results in the inability of households to have productive assets such as basic services, amenities, public facilities and economic opportunities available to them. This also increases household's expenditure as they need to travel great distances to work, school, shops and amenities.

Economic reconstitution of communities: The housing subsidy targets the poorest of the poor and excludes those who fall between the gap of the very poor and the lower middle class within communities. While this is done in an effort to maximise the subsidy resources that are offered, it is the groups that are not targeted in the housing subsidy who play a central role in the cash circulation and market activities such as informal trade in the area. The exclusion of these individuals negatively impacts on the rest of the community by decreasing not only their chances of making a living but others' as well (Baumann, 2003).

Changes to the status of housing assets: The national Department of Housing prohibits the beneficiaries of housing subsidies from building backyard shacks or dwellings as they did before acquiring subsidised housing. This changes the asset profile of the individual as it means that the individual cannot acquire income from renting backyard dwellings out anymore. The regulations insist that if a household wants to have dwellings to rent out, they should be of a certain standard which, in most cases, households cannot afford to build (Baumann, 2003).

Limitations on freedom of movement: It is believed that people who live in informal settlements find it easier to move around and relocate as the material used to construct their houses are portable (Baumann, 2003). This can be perceived as a good thing

because people will be able to move to where job opportunities are instead of being constrained from employment due to accommodation concerns.

Reduced savings capacity: Beneficiaries of subsidised housing are imposed with financial strain as they might be expected to pay rates and services. This most likely decreases such households' disposable income due to the expenses they might incur when being relocated to RDP houses. Moreover, not only would this decrease their savings, it could also increase household vulnerability. This grants households the inability to support to absorb or support due to the reduced disposable income and savings and the restrictions to build backyard shacks (Baumann, 2003).

Disruption of solidarity, institutional and social networks: Social capital assets are compromised as people are relocated to RDP settlements and networks in the communities such as churches, social ties crèches and societies get disintegrated (Baumann, 2003).

The relevance of the asset vulnerability framework as it relates to the case study will be demonstrated in the findings chapter of the research. Through the use of the questionnaire in the context of Alexandra township, it becomes interesting to unpack the extent to which policies such as the CoJ would affect households.

2.4 THE CITY OF JOHANNESBURG INCLUSIONARY HOUSING POLICY

The Spatial Planning and Land Use Management Act 16 of 2013, the National Development Plan 2030 (2012), the CoJ Spatial Development Framework 2040 and the Integrated Urban Development Framework (2014) laid the foundation for the promulgation of the CoJ IHP in February 2019. The City's SDF in particular demanded for the adoption of the policy as a tool for achieving the City's legislative mandate of addressing inequalities entrenched in Johannesburg's spatial design.

The City is plagued by a substantial backlog of housing provision for low-income households, which has resulted in the heightened materialisation of informal housing. An enormous portion of Johannesburg's poor population is located in peripheral areas, very distant from economic opportunities and social amenities because there has been inadequate racial and income integration across the city even post-1994. The CoJ IHP therefore aims to grow the provision of lower income housing, create integration of income groups within residential developments, supply more affordable housing on well-located areas, build and improve public and private partnerships, and ensure that infrastructure investments and land-value benefits residents from all income groups in the city.

2.4.1 The Requirements of the IHP (as contained in the policy documents):

- Inclusionary housing is compulsory for any development submission under the authority of the City of Johannesburg Metropolitan Municipality that contains 20 residential units or more. Developers are given various alternatives (and related incentives) for inclusionary housing to select from. In each option, a minimum of 30% of the total units must be for inclusionary housing;

- Requirements for inclusionary housing are prompted by land development submissions. As such, the Framework does not affect existing, approved land use rights;

- The applicability of inclusionary housing will be enforced as a condition for development by the City of Johannesburg. Measures against developers/owners who do not comply with the conditions for inclusionary housing included in land use/development approvals may be taken by the City, as with any condition of approval;

- This framework for inclusionary housing is intended to offer accommodation for rental or ownership. It is envisioned for dwelling units (as per the Johannesburg Land Use Scheme 2018);

- Inclusionary housing conditions will be in place for permanency, or until rescinded by a Council resolution;

- Bonuses on development control envisaged in this document will be over and above the permissible development controls, as per the presiding and relevant spatial policy. Development controls as per presiding spatial policies must be established first and then bonus controls may be added to that.

2.4.2 Voluntary implementation

In the case that a development application has less than the threshold of 20 units but meets the conditions for one of the inclusionary housing options in this framework, they can benefit from the incentives associated with the option chosen.

2.4.3 Location of inclusionary housing

The entire City of Johannesburg will have to abide by the Inclusionary housing requirements and incentives. Normal land development policy and processes in the City will apply to developments with inclusionary housing other than the bonuses and incentives stipulated in the document. Units for inclusionary housing must be constructed on the same site or in the same township as the market units being supplied.

2.4.4 Inclusionary housing options and incentives

The options available to developers for inclusionary housing are contained in the Table 2.5 below.

Table 2.5: Summary of CoJ Inclusionary Housing Options and Incentives

OPTION	DESCRIPTION	DETAILS	INCENTIVES
Option 1	30% of Dwelling Units are:	Social Housing, FLISP Housing or rental cap of R2100 per month (2018 prices)	Higher FAR equal to the overall % of inclusionary housing (max 50% increase). Higher density density (in du/ha) to make provision for the extra units. Parking relaxation for inclusionary units.
Option 2	10% of the overall housing floor area consists of small units. At least 30% of total units in the development must be inclusionary housing.	Minimum $18m^2$, Maximum $30m^2$, Average $24m^2$	Higher FAR to make provision for the 10% floor area for IH. Higher density (in du/ha) to make provision for the extra units. Parking reduction for inclusionary units.
Option 3	20% of the overall residential floor area consists of units that are 50% of the average market unit size. At least 30% of total units in the development must be inclusionary housing.	Maximum $150m^2$, Minimum: $18m^2$	Higher FAR to make provision for the 20% floor area for IH. Increase in density (in du/ha) to accommodate the extra units.
Option 4	To the contentment (in writing) of City Transformation and Spatial Planning, City of Johannesburg		

(Source: CoJ, 2018)

2.5 A DIALOGUE ON THE JOHANNESBURG INCLUSIONARY POLICY

On the 28th February 2018, the CoJ department of City Transformation and Spatial Planning published a draft policy for public review and commentary based on the City's inclusionary housing incentives, regulations and mechanisms. The draft policy was circulated in two newspapers - the Provincial Government Gazette and the municipal website – as well as on social media platforms. The period to review and comment on the draft policy extended over 60 days as required by Section 20 of the SPLUMA (Act No. 16 of 2013) and closed on 30 April 2018.

In total, there were 58 comments that were received and published from residential property development companies, developers, developers' associations, planning and development consultants, academia, residents, financial institutions, real estate agencies, non-profit organizations, government departments and state-owned entities. Interesting to note here is that the most comments (31) came from developers and the least (only 3) came from residents.

The comments from the public participation process can be grouped under four overarching themes - structure of the policy and the substantive themes, broad issues, legal matters and policy formulation process. It is important to note that these are the views that emanated from the public and not those of CoJ nor the author.

2.5.1 Structure of the policy and the substantive themes

The policy does not give adequate background and motivation to support the expected objectives. The policy lacks substance because there are no justifications for recommended thresholds such as the 20% minimum requirements for residential developments. The rationale and motivation of the policy gives rise to concerns over the isolation of low-income households in higher income areas and the extent to which the financial and social implications have been scrutinised for developers as well as residents of inclusionary housing units. The policy lacks insight on eligibility and qualification criteria such as number of people in a household, vetting and selection of tenants, what would happen if over time the households outgrows the prescribed income, to mention but a few.

2.5.2 Broad Issues

Incentives for inclusionary housing: The incentives that are offered by the policy are insufficient to counterbalance the requirement for the inclusionary housing. The fact that the policy is mandatory suggests that those are in fact not incentives. Johannesburg City Parks objected to the incentive for decreasing park contribution as this would in turn translate to less new parks being developed. The same sentiments are shared by the Department of Infrastructure especially regarding bulk contributions. The Department of

Infrastructure lamented that less contributions would mean that infrastructure upgrades and development are compromised. There were also concerns around the fact that the costs of utilities (water, sewer, electricity and refuse) were not mentioned – there was no mention of how these would be subsidised for the low-income households. As it stands developers and landlords are not able to decrease housing costs for tenants and buyers due to the costs of services. Further interventions and measures would need to be put in place to offset the costs of services and utilities for low-income households.

Financial viability and affordability: Financial viability - land value, building costs, finance costs, city charges, management costs and profits – as an issue was raised along with affordability of the inclusionary housing for the target market. The developers suggested that the policy does not consider the value chain of housing development and that the proposed rental of R2,100 was not viable as it did not correspond with housing operational and building costs. They lamented that the inclusionary housing would adversely affect returns and profit margins and would eventually suffocate development in CoJ. In sectional title schemes, where the body corporate is required to own and manage inclusionary housing units, market units would most likely be hard to sell because of the inclusionary units and this would obviously result in a loss.

The financial repercussions of managing and maintaining inclusionary housing units were seen as something that would result in cross-subsidisation across developments and more expensive market units as the outcome. This would reduce demand for new developments thereby escalating prices of existing stock in the city, where inclusionary units are not required. Investors would be skeptical to invest in certain areas or developments. While the developers commented that the R2,100 rental was too low and not financially viable, social rights advocacy organisations argued that this would be too high for affordable rental housing as the 2011 census had revealed that 50% of households in Johannesburg earned less than R3,500 a month. This argument therefore suggests that the policy should be aimed at an even lower income market. Furthermore, it was disputed that the 10-dwelling unit requirement for inclusionary housing was too low and that higher thresholds should be applicable as economies of scale were requisite to make this type of housing work.

Concerns with a blanket approach: The City needs to recommend a framework that provides a basket of options that address different scenarios as opposed to having a narrow approach. The policy needs to be more flexible and context specific and still allow incentives for developers even if they build less units than those required.

Inclusionary development vs Inclusionary housing: Inclusionary housing should not solely be the responsibility of residential property developers. Excluding the commercial and industrial developers from this mandate is highly likely skew the market in such a way that

non-residential developments become more attractive for investment. This social responsibility should be applied holistically by implementing the concept of inclusionary development and not just inclusionary housing.

Social housing versus Private ownership: There were opposing debates on the relationship between the inclusionary housing programme and the existing social housing programme. On the public sector side, it was argued that the IHP should be aligned to the Social Housing Act and Social Housing Regulatory Authority (SHRA) regulations. The private sector side however believed that there was in fact a need for inclusionary housing as there were already social housing programmes that were well located and catered for affordable rental housing needs. Developers were apprehensive about accessing funds or grants from SHRA because these are highly regulated, especially given the fact that these units would be within the same developments as market units.

Inadequate consideration of social amenities to support inclusionary housing: The policy does not take into account the availability and access to social amenities in various locations for low-income households. The higher income areas where inclusionary housing is proposed may not supply low-income households with schooling, public transport, recreational and shopping facilities that cater to their market.

2.5.3 Legal Matters

Most of the developers questioned the constitutionality of the policy by arguing that the policy was an infringement on their property rights as it adopted a narrow interpretation of the relevant provisions in the authorising legislation. Developers detailed that in the absence of promulgated national or provincial IHP, the municipality's SDF could not be considered as authoritative enough to allow for the drafting of such a policy. Therefore, most developers argued that the policy lacked legal standing because according to their understanding of the applicable laws, the municipality do not have the authority to impose inclusionary housing as part of the conditions of development in land use approvals as well as on title deeds.

Furthermore, it was noted as a concern that should the policy materialise, it would hold private developers responsible for social housing which is primarily the government's responsibility. Academia endorsed the objectives of the policy but argued that real solutions lay with formation of a national and provincial policy. It was argued that in terms of the Social Housing Act 16 of 2008, the responsibility of social housing development rested with national, provincial and local spheres of government. The policy was understood to place such responsibility on the private sector. The blanket approach proposal of the policy was argued to be in contradiction with SPLUMA 21(i). Another argument was that the Spatial Planning & Land Use Management Act (SPLUMA) gave

national and provincial government competence to establish an enabling policy and in response stated that the municipality should identify designated areas for implementation of inclusionary housing.

2.5.4 Policy Formulation Process

It seems that not only were financial modelling exercises not done, financial implications were also not considered for the policy. There were objections that no projections were done on how much housing would be produced through the policy and what impact this would have on housing backlogs in the city. The absence of any statistical database thus made the proposal come across as uninformed, and implied that the policy needed to establish implications for different options and/or provide realistic returns on costs. Financial modelling is thus needed to see what incentives, subsidies and rebates would work. The modelling exercises can do this by quantifying how different bulk contributions, land costs and other critical aspects affect the bottom line of the development.

2.6 CONCLUSION

The SA government has promulgated numerous policies in an effort to address inequities in housing provision. Affordable housing policies such as the RDP, FLISP and BNG have been at the center of this. Despite these efforts by government to provide housing to lower income groups, the affordable housing market in South Africa has remained stagnant and has not made significant progress in terms of placing previously disadvantage individuals and households in well located areas where they too can have access to good public services and employment opportunities.

The CoJ IHP is a response to this stagnancy. It aims to have lower income groups included and integrated into the city. The literature that has been reviewed in this chapter has shown that inclusionary housing is indeed a strong tool for achieving integrated and sustainable human settlements. However, the literature has shown that inclusionary housing comes at a cost for private sector developers. Inclusionary housing, as a means of providing affordable housing, has the potential to eliminate the current spatial discrepancies in South African cities, which in turn would lead to a reduction in urban poverty. This would also improve access to prime land, economic and social opportunities for low-income groups. The process of planning and providing affordable housing stands to fortify public and private partnerships, thereby bridging the housing gap in this market. This policy directive can ultimately promote just and compact cities which optimise on public infrastructure and provide equal opportunities to all its residence. While this concept is life-changing in principle, it is proving to be challenging in practice due to the cost of residential developments on prime land, the lack of coordination between government institutions and the perceived notion that inclusionary housing unfairly burdens the private sector with the

cost of providing affordable housing. Given all of this, the study recognises the benefits and shortfalls of inclusionary housing in theory and aims to investigate the human perspective of it. The study acknowledges the importance of understanding whether such people driven policies do actually benefit the target market.

3. CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The purpose of this research is to contribute to a specific field of concerns or issues relating to an existing body of knowledge on inclusionary. A research study specifically investigates a problem systematically and thoroughly with the aim to describe, explain and interpret the phenomena (Atkin and Wing, 2007). The aim and focus of this research was to investigate the feasibility of the CoJ IHP for Alexandra's low-income households by determining the factors motivating their respective housing decisions. In attempting to determine this, the research made use of two focus areas - Alexandra in particular (for data gathering) and the City of Johannesburg in general (as the broader demarcated geographical area). The research design, methods and methodology/route that were followed and/or which ensued in this report are outlined and explained in this chapter.

3.2 RESEARCH DESIGN

The aim of the research design is to summarise the research methods that were utilised in the study and the process of investigation and analysis. This research employed a broadly qualitative approach. A qualitative research approach endeavors to gain an inner/ bottom-up perspective of a problem by viewing it holistically (Welman et. al., 2005). The qualitative research approach made use of descriptive statistics to present the findings which were formulated based on the responses from the interview guide.

3.2.1 Qualitative Approach

This research on the CoJ IHP and Alexandra as a study area was conducted through a qualitative approach because the housing challenge and the underlying problem statement are viewed from a social perspective. By this, I mean that the research strived to gain understanding of how the public policy on housing in Johannesburg is perceived by people and the extent to which the people's perceptions are shaped by their experiences. Accordingly, Given (2008) points out that qualitative research offers an incomparable understanding of the drive behind human needs, behaviour and desires. This study in particular investigated Alexandra's low-income households' housing decisions as a reflection of their housing preferences, attributes, consumer behaviour and experiences. When conducting research, the outcomes can be either basic or applied (Mbanjwa, 2018). Basic research encompasses theory and can be used to enhance understanding in an area of topic. Applied research, however, is used to improve the quality of life of people by effecting policy change and inspiring the way in which certain things can be (Merriam, 2009).

This study can be seen as applied research because it looked at policy and how it can be enhanced in order to improve people's quality of life based on the perceptions captured. The chosen qualitative method is also ideal for this study because it allowed the researcher to not only engage with the various individuals from the population sample but also make sense of those engagements and perceptions through data collected from the interview guides. According to Creswell (2014), the crux of qualitative research is analysis of behaviour, and language observed in a natural setting.

The natural setting(s) in this study were people's homes and living environment since some people were interviewed in and outside of their houses and some on the street or shops. Alexandra was specifically selected due its highly contested housing challenges and related issues and because it is predominantly deemed a low-income area. Yet, Alexandra is extremely dynamic and socio-economically complex in such a manner that it becomes difficult to make general/generic observations through a mere observation and analysis of quantitative data. A quantitative approach would not have been suitable for this research because it would have required that the researcher produce statistical data from empirical evidence for research outcomes (Creswell, 2014). I thus reasoned that a qualitative approach would the best way to go about observing, experiencing and capturing people's outlook on those dynamics related to the research.

3.2.2 Data Sources

The bulk of data that was used for this research was collected through the interviews using interview guides that were conducted by the researcher. Of the 80 interview questionnaires that were anticipated, 65 responses were received. Other data that were used included data that were collected from a public participation process conducted by the City of Johannesburg and recorded in a report by the CoJ. Data from SAPOA's survey and reports were also used for understanding the industry perspective of the IHP. I also reviewed various types of literature, including academic journals, book chapters and reports. Statistical data was obtained from Stats SA Furthermore, in an attempt to get a better quantitative understanding of the context of housing dynamics and living arrangements in Alexandra township, I drew from statistical data from Stats SA and in certain instances used the data for comparison with the interview outcomes.

3.2.3 Sampling

Random sampling was used for selecting the respondents used for the study. This type of sampling was used because the researcher had assumed that the area of focus was predominantly low-income and thus people would fall into the required household income category (R3,501- R7,000). To a greater extent, this assumption was justified and proved

true in the sense that the majority of the respondents fell within the desired income bracket. This was indicated in the respondents' responses to the interview guide.

3.2.4 Sample Size and Population

The sample size for participants from Alex was initially 80. Nevertheless, due to the fact that some people did not want to participate, the sample size was reduced to 65. Accordingly, the interview process generated 65 responses. In terms of the criteria that were used to determine who could partake in the interview guide, these are outlined below:

- Persons had to be a resident of Alexandra
- Persons could be South African or foreign national
- Persons had to be over the age of 18

3.2.5 Data Collection and Analysis

The primary sources of data collection came from literature, reports from the CoJ research reports from institutions such as SA Cities Network, CSIR, SERI, SAPOA, to mention but a few. The data for answering the research question was collected from the interview guides. The data was then analysed through thematic content analysis. Thematic content analysis was chosen because I had pre-selected categories which were informed by the asset-vulnerability framework and which formed part of the interview questions. This type of data analysis was instrumental in the interpretation of text and responses as well as the uncovering of underlying and less obvious content (Given, 2008). Moreover, it allowed flexibility with the sorting and analyses of the data.

According to Burnard et. al (2008), thematic content analysis consists of; analysing transcripts, classifying themes within the data and getting examples of those themes from transcript notes. Having been informed thus by Burnard et al (2008), I decided to analyse the data in five chronological steps viz raw data familiarisation, theme identification, indexing, charting as well as mapping and interpretation.

The analyses of data analyses were done through descriptive statistics which helped model the responses and determine what the important housing needs for low-income households in Alexandra constitute.

3.2.6 Interview guide

Interviews were the main sources of primary data collection, and the researcher conducted them using an interview guide. The questions were informed by the Asset Vulnerability Framework which takes into consideration tangible and intangible assets as they relate to livelihood. Several issues emanated from the interview guide and these can be quintessentially grouped under five themes namely current living conditions, housing

tenure, social relations, amenities, and affordability. Table 3.1 below is a list of the questions that respondents were asked (the interview guide is attached as Annexure C).

Table 3.1: Questions from the interview guide

QUESTIONS	THEME
What type of housing do you live in?	Current living conditions
How many people live with you?	
How long have you live in this house?	
Why did you choose to live in Alex?	
Where did you previously live?	
Where was your previous neighbourhood?	
Why did you leave your previous neighborhood?	
Are you renting or owning this house you live in?	Housing tenure
How often do you speak to your neighbours?	Social Relations
How often do you exchange information with these neighbours?	
What kind of information do you exchange?	
How well do you know your neighbours?	
How comfortable are you living with your neighbours?	
Do you ever gone to your neighbours for assistance with anything?	
What do your neighbours assist you with?	
How happy are you living in your neighborhood, with regards to the following items; schools, jobs, transport, child care, social events, affordable shops, convenience stores, services?	Amenities
Which group do you fall into; student, working adult, seniors, families, other (i.e unemployed)?	Affordability
Is your combined household income: a) Between R3.500 and R7,000? b) Under R3,500? c) Above 7,000?	
What is your rent currently; a) Less than R2,100? b) More than R2,100?	
Can you afford to pay R2,100 rental?	
Would you like to keep living in Alex? Why?	
Rate you overall satisfaction with your current living conditions?	

3.3 MEASUREMENT OF DATA

3.3.1 Research Reliability

The researcher wanted to ensure that there were no apparent glitches and/or glaring errors in her collection of data. In attempting to do this, the researcher checked the data thoroughly in various ways. For instance, prior to conducting the interviews, the researcher provided information sheets to the participants and carefully explained the particularities of the study to them individually. Moreover, the researcher provided a consent form and asked the respondents to read it carefully before signing it, and this was done in an effort to ensure that participation was voluntary. One of the consent form's stipulations was that no form of compensation was to be expected by any of the respondents, and the researcher also emphasised this verbally. The interview guides were also carefully explained to the respondents in order for them to get a better understanding of them as well as what they were getting themselves into by partaking in the research. Additionally, confirmability was used not only as a method of understanding the subject phenomenon from the perspective of the research respondents but also as a means to understanding the significances that people give to their experiences (Given, 2008). This aided in ensuring that the data analyses, research findings and conclusions were reflective and informed by the respondents' perceptions as opposed to researcher bias.

3.3.2 Research Validity

Research validity is defined as the extent to which the results of a study are considered to be true (Holsti, 1969). The validity of this study was guaranteed by using literature and public reports as a basis for investigation.

3.3.3 Research Limitations

The researcher was well aware of the fact that the population sample of 65 participants was not a big enough sample to make generalisations on the findings and/or about Alexandra township. The researcher also recognised that in comparison to most low-income areas, Alexandra township has a locational advantage and, as such, research outcomes from this study area may not apply to areas that are more marginalised. Another limitation worth making mention of is the study's use of 2011 census population data which is outdated and may not completely reflect the current population demographics in Alexandra.

3.4 RESEARCH STUDY AREA: INTRODUCING ALEXANDRA TOWNSHIP

The study area that was chosen for this research is Johannesburg and the population sample was specifically from Alexandra township, which is one of the oldest townships in

Gauteng. The City of Johannesburg is a metropolitan area within which Alexandra township is situated. The City of Johannesburg Metropolitan Municipality is located in Gauteng province (see Figure 3.1) and is 1,645km^2 in area coverage. It is the biggest city in South Africa in terms of population, is the capital of Gauteng and is the most industrialised metropolitan area in SA (local government, 2017). The City of Johannesburg has a population of 4 434 827 (Stats SA, 2017) and is the highest contributor to the national economy with a GDP estimated at R455 billion in 2015. The metropolitan area is South Africa's financial and commercial core and contributes up to 17% of the national GDP. According to the CoJ's Annual Report (2011/2012), Johannesburg is the most progressive commercial city with its world-class infrastructure in Africa and is the engine room of the economy locally and regionally. However, the city is also characterised by stark social, political and economic contrasts - home to both the wealthiest and the most indigent, both 'bonafide citizens' and foreign nationals (documented and undocumented), global business operations and emerging enterprises.

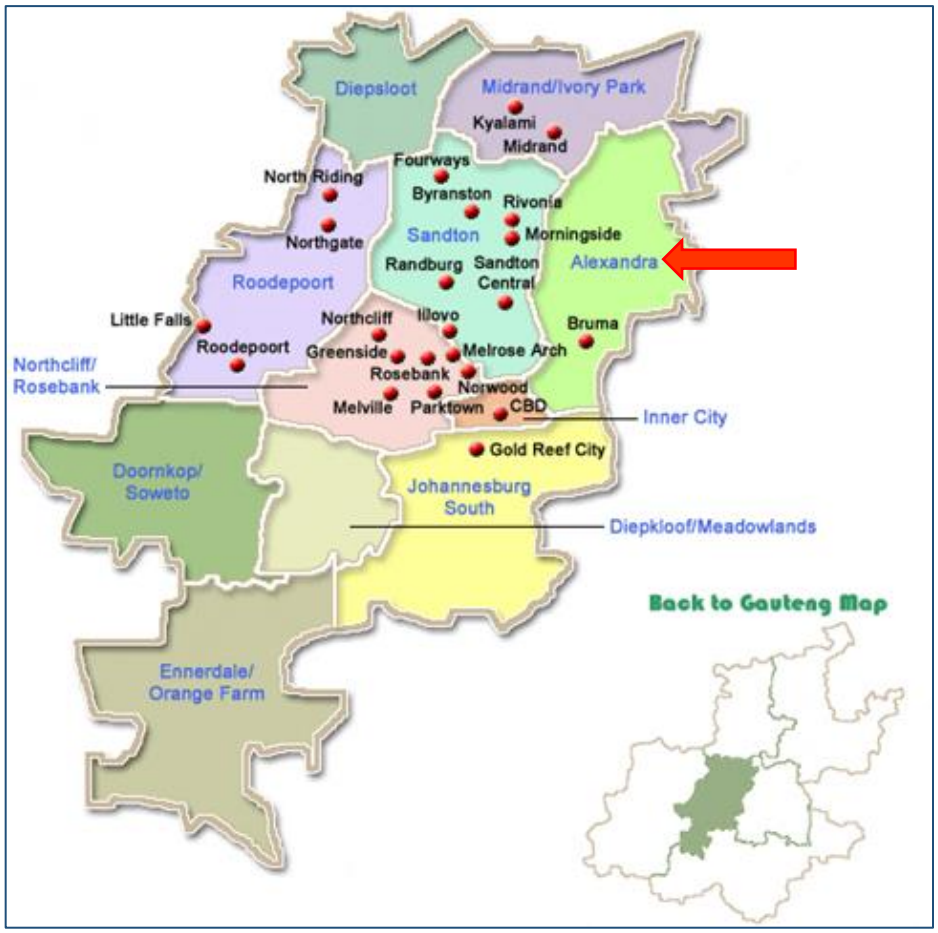

Figure 3.1: City of Johannesburg map showing Alexandra (source: google images)

The sample population was taken from Alexandra for the following housing related reasons:

Alexandra township was established in 1912 and had initially been designed to have infrastructure that could cater for a population of 70 000. However, the current population of Alexandra in 2011 was approximately 180 000 (Census, 2011), which means that infrastructure has had to deal with more than twice the capacity. Residential stands in Alexandra were originally 500 - 600m^2 for one dwelling per erf, however currently the township is characterised by 3-6 separate rooms built on the original stand, which serves as income for the main house owner.

Like many townships in Gauteng, Alexandra township is characterised by a large number of separate rooms located at the back of many 'main' housing units. These are commonly referred to as 'backyard shacks' notwithstanding the fact that some are decent looking structures that have been constructed with bricks or blocks. In Alexandra township, it is estimated that there are 20,000 shacks, 7,000 of which are backyard shacks. There are currently ongoing service delivery protests in Alexandra due to the high number of informal settlements and pressure on infrastructure (Mbanjwa, 2018).

There is a housing crisis in Alexandra township. This is especially attributed to its proximal location to Sandton and surrounding industries such as Wynberg and Kelvin and housing affordability, hence the informal dwellings.

3.5 ETHICAL CONSIDERATIONS

Given the nature of the information that was required for the study from the interview guides, confidentiality - particularly not using people's names and personal information – was a top priority. Academically, the report recognises the resources used through academic referencing and ethical clearance was received from the institution. The participants were provided with information sheets and consent forms, and the study was explained to them. They were also given full discretion on which questions they were (un)comfortable with answering and they were not forced or manipulated into giving confidential information that they do not want to impart.

3.6 CONCLUSION

This chapter has demonstrated the appropriateness of a qualitative research approach for this study due to its social nature and its focus on findings based on people's perspectives. Alexandra township was the chosen study area for this research and the respondents were sampled randomly. An interview guide was prepared and completed by the participants after providing written consent. The population sample was over 18 years and resided in Alexandra township permanently. Data was collected and recorded from the interview

guides and thematic content analysis was used a tool for analysing the data. As part of the research process, the researcher observed ethical considerations to ensure research validity and reliability. The research aim and objectives were observed in the methodology and guaranteed that the research question is answered.

4. CHAPTER FOUR: CONTEXTUALISING ALEXANDRA TOWNSHIP

4.1 INTRODUCTION

This chapter zooms in on Alexandra township and focuses on the area's history of genealogy and urbanity, growth and development over the years as well as the status quo currently. Emphasis is placed on the housing situation, particularly the housing challenges, demographics and previous housing initiatives. The Alexandra narrative is one of rapid urbanisation as there has been an influx of people from all over South Africa and the African continent seeking employment prospects, which has put severe strain on the area's infrastructure. This swift increase in the area's population has resulted in the overcrowding of hostels as well as the development of informal settlements and backyard dwellings that, in turn, have resulted in high densities and made service delivery very challenging in the area. The state of informal housing in Alexandra is not one which is unique to this township, but rather common in all South African cities. Nevertheless, living conditions in Alexandra are somewhat more precarious, remarkably poor and unsavoury especially in light of the fact that several informal settlements and hostels are situated along the Jukskei River (Mbokazi, 2016).

4.2 THE HISTORICAL EVOLUTION OF ALEXANDRA TOWNSHIP

4.2.1 Alexandra Pre-1994

Politically, Greater Alexandra has a long and rich history which commenced in 1912 with the sub-division of the original farm into freehold plots for Black and Colored owners. In the decades that followed with growth in strength of the apartheid state, freehold property was eventually abolished in 1948 under the apartheid state. Some households were removed but many stayed on as tenants of the government. Up to 1980 with the abolishment of influx control, the Alexandra residents were subjected to constant threats of forced removals. Events like the relocation of large numbers of inhabitants out of Alexandra to Soweto and Tembisa (since the 1940s), the "State of Emergency" after the Sharpeville killings (1960), the government's efforts to remove Alexandra and rebuild the area as a "Hostel City" (1960 to1981) and the establishment of the 1985 Black Local Authorities and Township Councils all led to massive uncertainty and dissatisfaction amongst the inhabitants of Alexandra (Cloete and Hooghiemstra, 2018).

Continued strong resistance from the Alexandra residents such as the 1940s/1950s bus boycotts and 1970s/1980s service boycotts resulted in the establishment of the Alexander Residents' Interim Committee in 1974 and the establishment of the Alexandra Action Committee in 1985. The formation of these committees was against the backdrop of

massive violence which gained more traction in the run-up to the first democratic elections of 1994. Due in part to the violence, Alexandra's infrastructure deteriorated and the township not only isolated 'slum' cut off from electricity, transportation routes and neighbouring areas. Some referred to the area as 'Dark City' (ARP Business Plan, 2010).

4.2.2 Alexandra Post-1994

Scarred and isolated by apartheid, overcrowded, and beset by problems, Alexandra started to foster its own unique identity built over a period of almost a century. The distinct community came into its own, proud of its history, existence, culture, writers, musicians, sportsmen, business people and politicians - influenced by the formative years of apartheid in South Africa. At the opening of Parliament in 2001, the then President Thabo Mbeki – a native of Alexandra township - announced a seven-year plan ending 31 March 2008 to redevelop Greater Alexandra. This announcement kick-started what would become known as the Alexandra Renewal Plan (ARP) (Sondzaba, 2019).

The ARP contained an overall vision and 7-year multi-year business plan prepared in conjunction with national, provincial and municipal spheres of government as a guiding document for future Alexandra renewal initiatives. The main point of departure for the ARP was the de-densification of Alexandra via relocation of 8,500 households residing in informal settlements, road reserves, flood line areas and backyard shacks. They were to be moved from Alexandra township to new areas outside Alexandra such as Diepsloot, Braamfischerville, Dobsonville and Soweto. While this strategy had the support of long-established residents in formal structures, it came into conflict with the underlying socio-economic complexities of the poor and disenfranchised (HSRC, 2003). By 2004, the ARP was at a crossroads and had to deal with the reality that, for the urban poor, urban location, access to opportunities and proximity to work are more important than urban services and housing in peripheral locations. The conflicts generated by the ARP had several implications for development within Alexandra township. Firstly, it meant that existing land within Alexandra had to be used more efficiently with increased densities. Secondly, it implied that substantial amounts of land would need to be identified in close proximity in the Greater Alexandra area outside the existing Alexandra to accommodate the backlogs and future growth of the area (ARP Business Plan, 2010).

4.2.3 Alexandra Today

Greater Alexandra is located on prime and valuable land within one of the principal growth corridors of Johannesburg. Alexandra therefore remains a prime location for the urban poor, and this clearly demonstrates the primacy of location for Alexandra's residents notwithstanding the area's detrimental living conditions.

By 2010, the physical infrastructural capacity of Alexandra, which had been designed to carry only 70,000 households, had become home to an estimated 350,000 people and approximately 130,000 households. An estimated 350,000 people live in Alexandra and occupy 8,500 formal houses, 34 000 Shacks, 3 hostel complexes, 2 500 flats and numerous old, abandoned factories and buildings. Currently, Alex remains highly populated and dense with formal and informal housing structures (ARP Business Plan, 2010).

The informal housing in this township does not simply refer to the informal settlements but rather the different types of rental housing configurations. According to Shapurjee and Charlton (2013), examples of these include sub-divided rooms or flats in inner-city areas, rooms in low-income settlements, sub-let units or rented land and tenant-built units in the backyards of residences. In the case of Alexandra, backyard dwellings and informal structures are the most prominent forms of informal housing.

4.3 GEOGRAPHICAL LOCATION OF ALEXANDRA

Figure 4.1 shows the regional location of Alexandra as it is located about 15 km north of central Johannesburg. Alexandra forms part of Johannesburg's north-eastern suburbs, in CoJ's administrative Region E, and is directly adjacent to affluent Sandton.

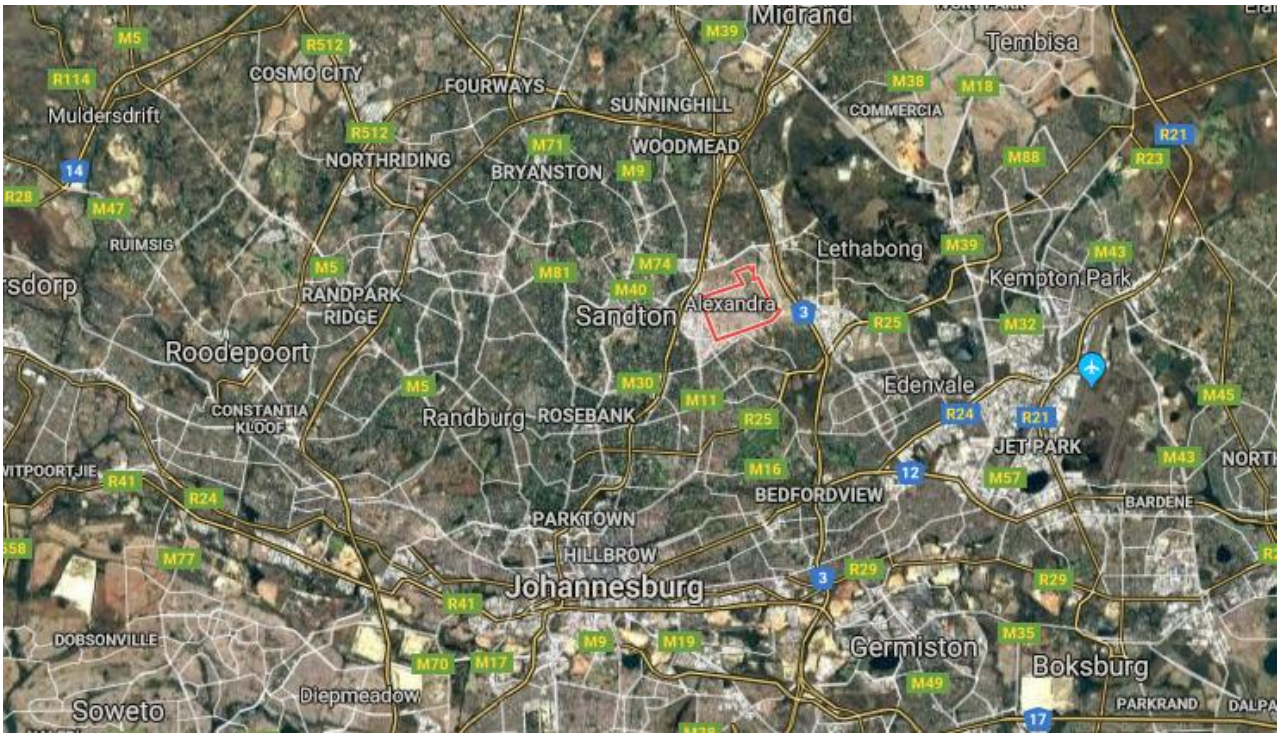

Figure 4.1: Regional context of Alexandra location (Source: google earth)

Alexandra has a locational advantage because of its access regionally with the N3 on the east, the M1 on the west, the N1 to the north and the R25 on the south, linking it to all part of Johannesburg and surrounding areas - the East Rand (Ekurhuleni), Pretoria/Tshwane, the West Rand District Municipality as well as Sedibeng District Municipality to the south of Gauteng).

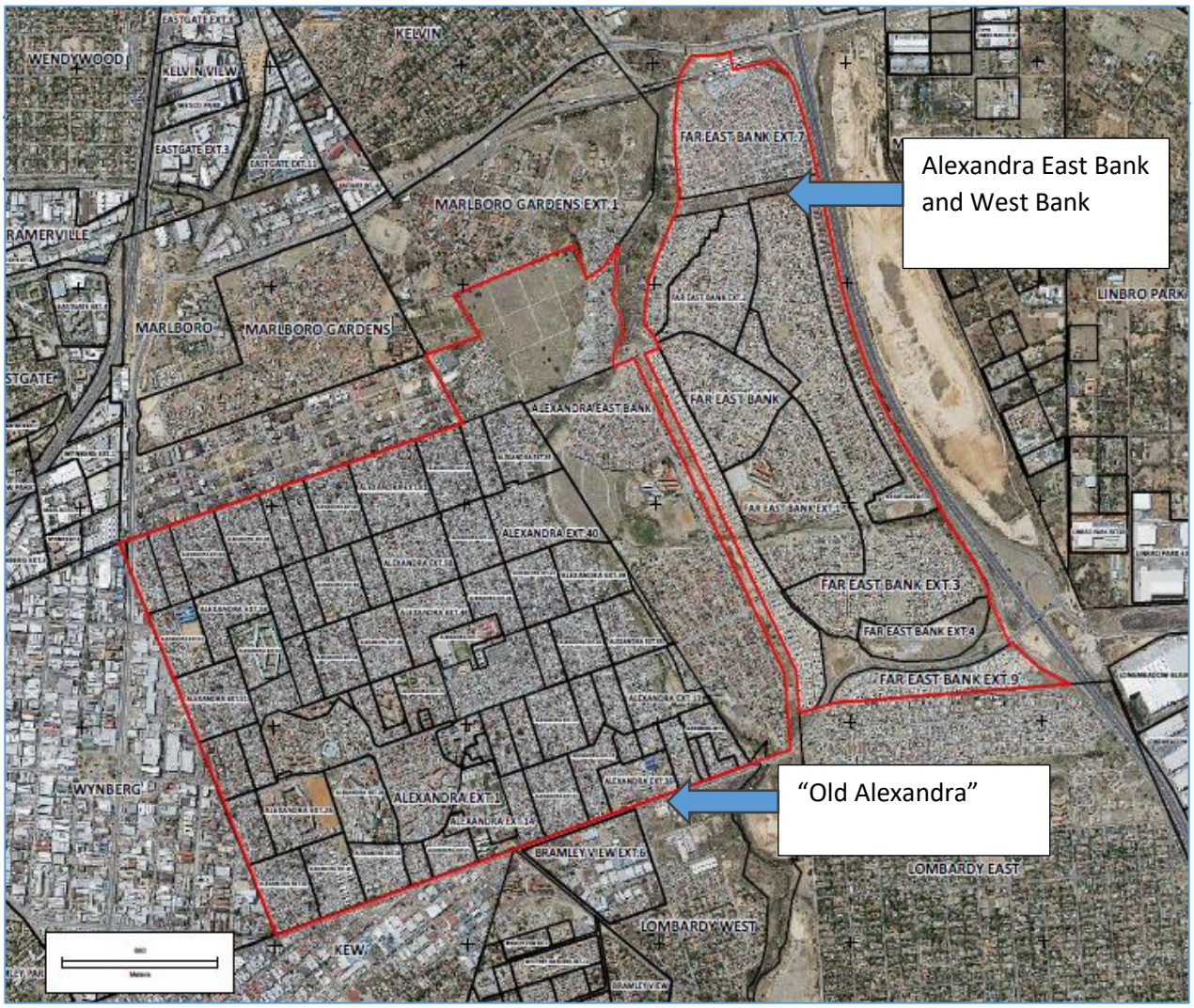

Figure 4.2: Aerial Map of Alexandra township (Source: ESRI)

4.4 AN OVERVIEW OF ALEXANDRA

It is unclear who Alexandra township is named after. Some scholars argue that the township was named after Queen Alexandra, the wife of King Edward VII of England whereas some posit that Alexandra was the name of the wife of the farmer who originally owned the land. Some of the known figures that previously resided in the area are Nelson Mandela, Samora Machel, Hugh Masekela, to mention but a prominent few figures. Table

4.1 provides a summary of the population, housing and infrastructural realities of the township. In 2010, the population of Alex was 350 000, distributed over 129 629 households. Around 2010, the number of households in Alexandra was already almost twice what the design of infrastructure could accommodate, and this remains a huge challenge for current and future housing provision in the area especially since major infrastructure upgrades are necessary ARP Business Plan, 2010).

A decade ago, the number of formal structures amounted to only 91 697 units of 129 629 households. It could be safely assumed that approximately 30 000 households were living in informal structures, inclusive of households living in abandoned factories and informal housing. From the table it becomes evident that the biggest issues with regards to services and infrastructure related water and sewerage, which meant that a big number of infrastructure upgrades would have to be allocated to those sectors. The then housing backlog of 45 000 units had to be met by developing outside of Alexandra township boundaries as there was not enough land (ARP Business Plan, 2010).

While this data set is outdated - recent reliable data could not be obtained - it provides an overview of housing and infrastructure challenges in Alexandra township.

Table 4.1.: Socio-economic indicators of Alexandra

INDICATOR	CURRENT ESTIMATED
DEMOGRAPHICS	
Population	350 000
Current population density (people/hectare)	700
Household size	2.7
Number of households	129 629
HOUSING	
Formal structures housing units	91697
Old Alexandra	70 000 units
East Bank	15 197 units
Households living in abandoned factories	6500 units
Housing backlog	45 000 units
Housing Projects currently in progress	17 755 units
Housing backlog to be planned for.	27 245 units
LAND REQUIREMENTS	
Additional ha. of land required outside Alex at density of 170 u/ha to accommodate backlog (hectares)	160
INFRASTRUCTURE	
Current design capacity of Engineering infrastructure (households)	70 000
Flush toilet connected to sewerage (% of households connected)	85,1%
Piped water inside dwelling	39,2%
Electricity for lighting	93,2% of household connected

(source: ARP business plan, 2010)

4.4.1 Overview of Alexandra Population

Although Alexandra is comprised of a fairly ethnically diverse population, 99% of the township's residents are Black Africans. The most predominant or widely spoken language is isiZulu. Yet, this does not necessarily mean that there are mostly Zulu people residing in the area; isiZulu just happens to be a medium of communication in the township and is one of the widely used languages in Johannesburg. Nevertheless, the area is characterised by racial diversity – it is comprised of residents from not just all parts of South Africa but from other Sub-Saharan African countries. The population of Alex is relatively young - most of the population is of working age - and this is followed by kids under the age of 4. There is an equal number of people who have some secondary schooling as those who have matriculated. What is interesting to note here is that according to Census (2011), only 6% of residents have higher education qualifications (degrees and diplomas), and this basically implies that most of Alexandra township's residents would require low-skilled or menial jobs (Census, 2011).

4.4.2 Income Levels in Alexandra

Figure 4.3 displays the distribution of household incomes across Alexandra township. As the figure shows, the majority of Alexandra households (25,1%) has no income at all. However, one can assume that these households have other means of income through what are deemed informal economic activities such as trading of goods and home businesses (salons, baking). What is also evident from an analysis of the graph above is that a high number of households earn between R19,601 and R38,200 per annum as well as R38,201 and R76,400 per annum. These two income brackets translate to a monthly salary of R1,500 to R3,100 and R3101 to R6,300. The graph inadvertently shows that Alexandra is a low-income area and in the case of inclusionary housing, would be eligible for affordable housing solutions. This, and the fact that it is so closely located to Sandton (Africa's economic hub and so called richest square mile), are some of the reasons why the researcher chose it as an area of focus for this particular study.

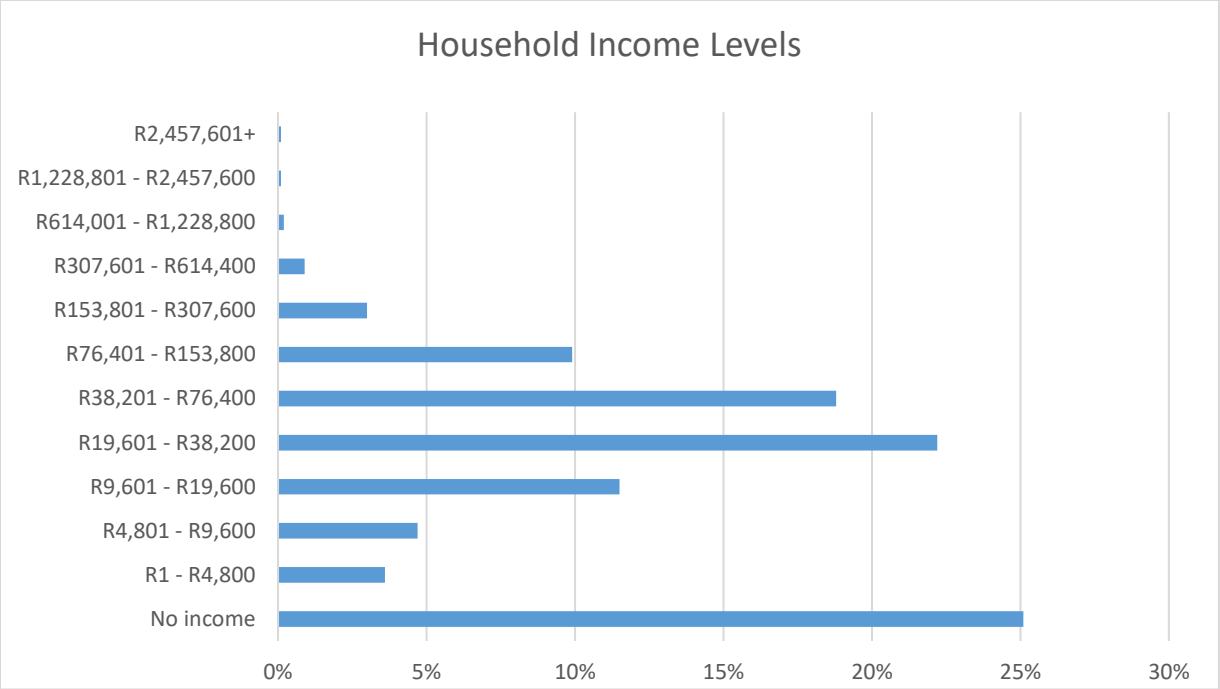

Figure 4.3: Income distribution in Alexandra township (Source: Census, 2011)

4.5 PREVIOUS HOUSING INITIATIVES IN ALEXANDRA

4.5.1 Alexandra Renewal Project

Housing is a big demand in Alexandra. For many of the people, Alexandra is an ideal location because of its proximity to nodes such as Sandton and industrial nodes. Housing delivery for people in the area has proven very challenging in the past years and the issue of land ownership and restitution in Alexandra is a chief contributor to the slow housing delivery. As a response to this, the Alexandra Renewal Project (ARP) was introduced in 2001 by the South African national government. To a greater extent, the ARP was introduced as a result of national government's realisation that a different approach was needed for Alexandra based on three unique conditions that had been identified.

According to the ARP Business Plan (2010), the first condition had to do with the political directive that was issued in 2004 which required that relocations out of Alexandra had to be undertaken to identify land within a 10km radius from Alexandra. This abruptly stopped any further relocation to areas such as Bramfisherville and Diepsloot, where affordable land was available for housing development. Thus, a revised housing strategy developed in 2005 identified land in the vicinity of Alexandra. This land was hard to acquire because it was private ownership and very expensive. As a consequence, residential densities had to be increased in order to utilise the land more effectively. The second condition centered

around the aspect of land ownership and restitution. Alexandra is unique in the sense that when it was proclaimed as a township in 1912. It was inhabited by Black, Indian and Coloured people who also enjoyed freehold ownership of property. These rights existed until the 1960s when the apartheid government relinquished them. All property in the area was expropriated, and the process of forced resettlement commenced. Although a substantial number of families were resettled, strong resistance developed over time, ensuing in the apartheid governments to resettle the whole Alexandra community. The original property owners and/or their descendants still occupy the original properties to this day. The third condition related to the socio-economic profile of the Alexandra community is that 93% of households earn less than R5 000 per month with 20% earning less than R1 000 per month. Here, it becomes evident that a one-type-fits-all approach to housing development would most likely not work in Alexandra township. Coupling the area's socio-economic diversity with its very low levels of income sheds light on the fact that there are severe challenges in housing delivery in the township (ARP Business Plan, 2010).

Since the ARP was initiated in 2001, several housing projects have been completed in Alexandra township. For instance, between 2001 and 2004, 1,061 houses, 1400 residential units, 520 rented rooms, 52 RDP flats, 350 social housing units and 298 converted hostel rooms were provided to Alex residents. Between 2005 and 2010, 11,250 housing units, 9,500 RDP houses, 5,700 affordable rental houses, 2,500 upgraded hostels, 2,850 social housing units and 950 bonded and credit-linked houses were provided benefitting over 50 000 residents (Mbanjwa, 2018).

4.6. CONCLUSION

Due to its proximal location to Sandton and industrial areas, Alexandra is generally one of the most preferred destinations for new (im)migrants to Johannesburg. This has been a driving factor for its rapidly increasing population and high housing densities. Judging by the area's growth and development trends over the years, further growth at a rapid rate may be anticipated, meaning that housing will continue to be a challenge for the township. The township's population is relatively young and more than 70% is of working age, however about 25% of households do not have an income and this could mean that the unemployment rate is relatively high in the area. Additionally, as most of the residents have secondary education and matric, the kind of employment opportunities available to them in the future will most likely be low-paying jobs that will not only continue the current trend of low-income households characterising the area but also limit the types housing that can be provided.

With the existing housing development initiatives that have been initiated in Alexandra township, it is clear that the IHP can play a critical role in addressing issues with provision

of housing for Alex residents. The IHP will not only strive to provide affordable housing for this low-income area but will act as a catalyst for other housing interventions in Alexandra as well as other areas of similar income dynamics across Johannesburg. The IHP policy requires that residential developments within prime areas such as Sandton (closely located to Alexandra) allocate a certain percentage of units to low-income households as affordable housing. Due to the fact that there is a huge housing backlog in Alexandra and there is not enough land for housing developments, this would be a good alternative for households. The only question that then remains is whether the residents would be willing to move from Alexandra township and whether they see it as a viable alternative for housing. The other question worth asking is whether the residents of affluent Sandton would just be willing to welcome the (former) residents of Alexandra township in Sandton especially in light of the NIMBYist tendencies commonly associated with residents of affluent northern suburbs (low-income residents are more often than not seen as a threat to property prices and social security, and are thus resisted and shunned).

5. CHAPTER FIVE: RESULTS AND RECOMMENDATIONS

5.1 INTRODUCTION

Adequate housing is an integral part of society and is oftentimes recognised as a symbol of social status. Housing is often considered the highest investment that most families or individuals will make as it offers security, stability and privacy. Although individuals' housing choices are complex and typically informed by various interchangeable factors, consumers usually base their housing choices on features such as housing attributes, preferences and tenure options (Opoku & Abdul-Muhmin, 2010). There is sizeable academic literature that points to research that has been conducted on consumer's housing attributes and preferences in developing and developed countries such as China (Wang & Li, 2006), Ghana (Tipple & Willis, 1991), Sweden (Brownstone & Englund, 1991) and Japan (Seko & Sumita, 2007). In all of this literature, the impact of national and cultural factors on consumers' housing preferences and attributes is boldly highlighted. In this particular study, the researcher aimed to determine the housing attributes, preferences and consumer behaviour of low-income households' in Alexandra township as well as the extent to which these factors influence their housing decisions. This was done in an attempt to interrogate the feasibility of the CoJ IHP for Alexandra residents. This was investigated by interviews conducted using interview guides with residents of Alexandra. This chapter is based primarily on an in-depth analysis and discussion of the findings and research outcomes later. This is done in the main sections that follow. The first section focuses on the modelling and interpretation of the findings from the interviews. The second section translates and unpacks the findings to determine the viability of the IHP. The last main section is a conclusion which also reflects on the researcher's recommendations.

5.2 THE ROLE OF HOUSING ATTRIBUTES, PREFERENCES AND CONSUMER BEHAVIOUR IN THIS STUDY

The subject of housing choices and preferences is one which has been scrutinised from various theoretical viewpoints for decades (Wildish, 2015). According to Shlay (1998), consumers' housing needs are significant for a number of reasons. For one, housing expenses comprise a big portion of the household income and this makes residential preferences economically vital. Moreover, the residential industry is a big employment sector industry and inherently stimulates consumption of household goods. Not only that, housing is key for economic development and an understanding of consumer preferences can aid in economic decision making relating to housing. Somewhat correspondingly, Coetzee (2016) points out that consumers' decisions to either buy or rent a particular type of house can be credited to three categories of housing attributes – intrinsic attributes (size

and cost), extrinsic attributes (exterior space and design) as well as locational and neighbourhood factors (safety, amenities).

Housing expenses comprise a big portion of the household income and this makes residential preferences economically vital. Housing is key for economic development and understanding of consumer preferences can aid in economic decision making relating to housing. Consumers' decisions to either buy or rent a particular type of house can be credited to the following three categories of housing attributes (Coetzee, 2016); intrinsic housing attributes i.e size and cost, extrinsic housing attributes i.e exterior space and design and locational and neighborhood factors i.e safety, amenities.

Household preferences, on the other hand, relate more to the actual housing choice, which can be influenced by economic situations such as income and household consumption (Shi, 2005). Additionally, to housing attributes and preferences, it is important to understand general consumer behaviour in order to ensure that when developing a product or policy, one's target market needs will be met and the product is not met with resistance. Consumer behaviour entails people's varying approaches to making decisions on acquiring, utilising and disposing of goods, ideas or experiences in order to meet their needs and desires. What is important to note here is that the buying behaviour of consumers can be informed by social, cultural, personal or psychological factors (Schiffman et. al., 2012). Housing attributes, preferences and consumer behaviour in housing decisions are thus introduced in this chapter, in the section below, since the chapter outlines the purpose of the interview guides. I argue that doing thus – outlining the purpose of the interview guides - is critical for an unpacking of factors that inform and drive the housing decisions of low-income households in Alexandra township.

5.3 DATA ANALYSIS: THEME IDENTIFICATION

The results and findings generated by the fieldwork of this research are presented by way of five major themes which shed light on the housing- attributes, preferences and behaviour of the people of Alexandra township. The five themes are current living conditions, housing tenure, social relations, amenities (access) and affordability (rent and income). I unpack the five themes by way of tabulating them in Table 5.1.

Table 5.1: Thematic categorization of research findings

THEME INTERPRETATION	MAJOR THEME
Housing type Household size	Current living conditions
Renting Owning	Housing tenure
Assistance from neighbours Interaction with neighbours	Social relations

Jobs Schools Shops Transport Recreational facilities maybe?	Amenities
Income Rent Utilities (water, electricity, waste collection?)	Affordability

5.4 RESEARCH FINDINGS FROM IDENTIFIED THEMES

5.4.1 Gender of respondents

65 individuals participated in the study. Alexandra township was chosen purposely because of its housing challenges and income levels. The profile of the participants comprised a combination of different ages, gender and income. Figure 5.1 portrays the gender profile of the participants. Of the 65 respondents, 36 (56%) were female and 29 (44%) were male, and all were over the age of 18. The importance of the gender is that traditionally men are the heads of households and are often the head decision makers when it comes to housing. Interestingly, according to Stassa (2011), in Alexandra township, 34% of households are headed by women. This, to a certain extent, highlights how integral women are in the making of housing - related decisions for their households.

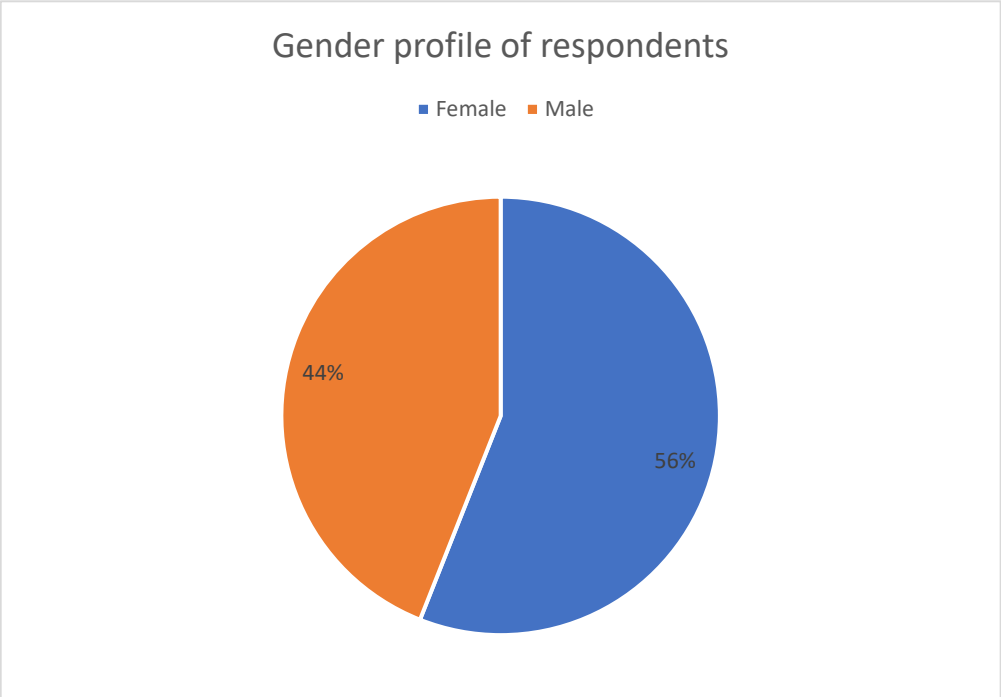

Figure 5.1: Gender profile of participants (N=65)

5.4.2 Age of respondents

Figure 5.2 shows that of the 65 respondents, seven (11%) were over 50 years of age, nine (14%) were aged between 40 and 50 years, 21 (32%) were aged between 31 and 40 years of age, and the highest percentage of respondents - (43%) - were aged between 18 and 30 years. The high number of respondents aged 18 to 30 years is evidence of the prevalence of young people in Alexandra township as depicted in the demographics. A majority of the population in Alexandra township is of working age. To a greater extent, this was made apparent by my research - the research showed that most of the respondents in this 18 to 30 age group cited job opportunities as the main pull factor that determined their settling in this township. This also correlates to the statistics presented in chapter 4 from the Census (2011) and this shows that 10 years later, the population of Alexandra township remains predominantly young. This, to a certain degree, suggests that Alex is not a long-term or permanent residence for many young people. It also implies the majority of young people, once they get better prospects, relocate to other parts of the city where they settle down or get closer to retirement. In the case that this is true, Alex could be considered a transitional township that is seen as a port-of-entry neighbourhood by most young people who partook in my research.

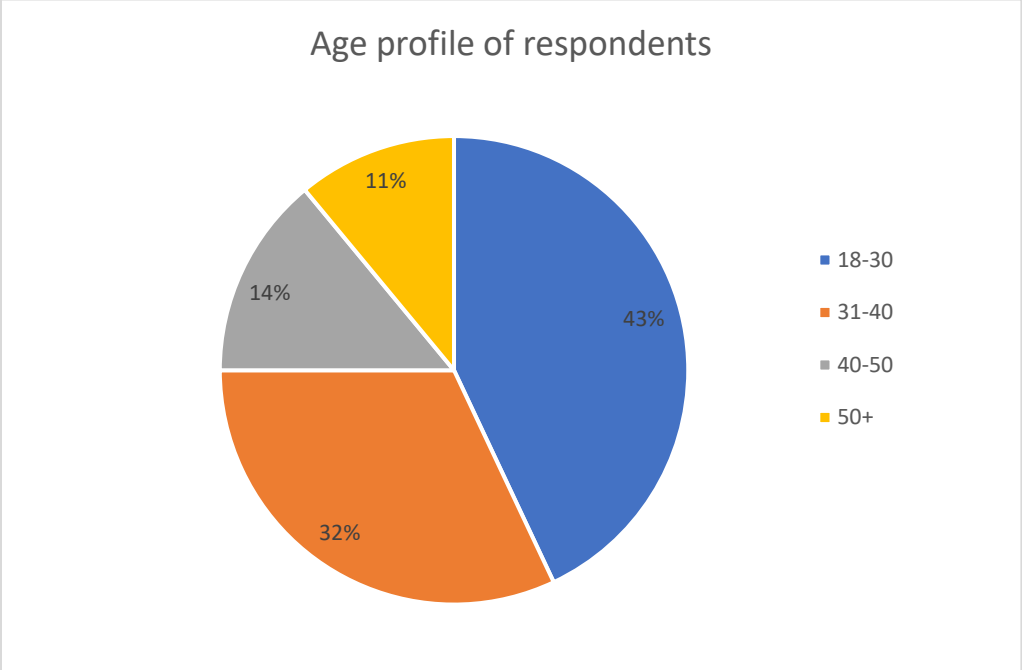

Figure 5.2: Age profile of the respondents (N=65)

5.4.3 Current Living Conditions: Housing types and household sizes

Questions:

- What type of house do you live in?
- How many people live with you?
- How long have you lived in this house?
- Why did you choose to live in Alex?
- Where did you live prior to settling in Alexandra?
- Where was your previous neighbourhood?
- Why did you leave your previous neighbourhood?

The study revealed that out of the 65 respondents, 7 (12%) lived by themselves, 17 (26%) had a household of 2, 15 (24%) had a household of 3 and 25 respondents (38%) headed households of at least 4 people. The research thus revealed the average household size to be higher than the 2,7 recorded by Statssa. A recurring trend that came out of the research was that bigger households of 3 or more individuals constituted individuals that had either been born in Alexandra township or had been living in the township for more than 10 years. Conversely, the households that were comprised of less than 3 people were comprised of individuals who had moved to Alexandra township for employment or educational opportunities and had been residing in Alex for less than 10 years.

Those who lived by themselves stated that they had settled in Alexandra township only for work purposes – proximity to their places of work - and said they had homes elsewhere, as it typically happens with people whose places of origin are rural areas. Another interesting trend amongst the respondents who said that they had not been born in Alexandra township was that most of them had migrated from other provinces, especially Limpopo and Kwa-Zulu Natal. It showed me that indeed people are drawn to employment prospects – real and perceived – in Alexandra township, and they come from all over South Africa to reside in the township.

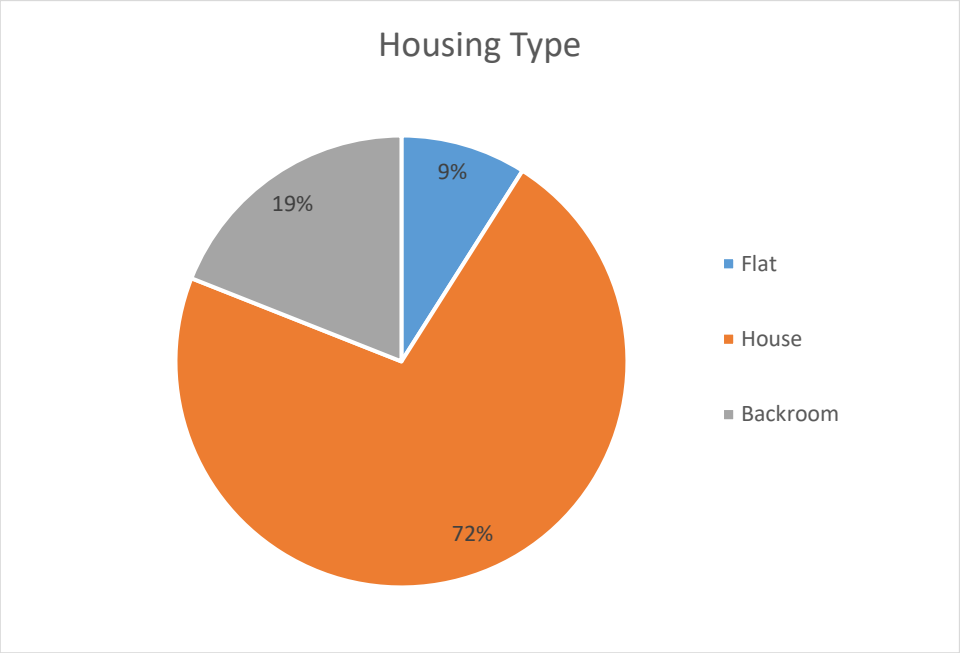

Figure 5.3: Housing types of respondents (N=65)

Figure 5.3 indicates the housing types of the research's respondents. Six of the respondents (9%) lived in flats, 12 (19%) lived in backrooms and 47 (72%) resided in houses. Since the interview guides and interviews were conducted either at people's homes or on the street, this afforded me the privilege to make observations and give more meaning to the informants' various responses. In this case, some of the responses of the participants did not correspond with the observations I made. For instance, while most of the people selected their place of residence as 'house', I would categorise most of their choices as backrooms because the houses that some/most referred to were not standalone or semi-detached houses but were a number of structures/rooms that were built on one erf. In some cases, I discovered that there was not necessarily a main house on the erf and the nature of the setting was characterised by sharing - communal toilets and shared common areas – which consequently gave the impression that the so-called houses were backrooms.

Figure 5.3 sheds light on this dynamic - the very small percentage of households living in flats is attributable to the informal housing provision process in Alexandra township. A significantly number of the respondents expressed that they had been provided with space on an erf to build their own backrooms and they recognised that the physical conditions of the backyard dwellings were unsatisfactory and unsavoury. This would of course not apply with flats as the entire structure would have to be built before people/households purchase or rent the unit. Oftentimes, doing thus has proven to be very costly for most low-income housing as it has not afforded them control over costs of labour and building materials; and

it has been established that most of the population of Alexandra township falls within the low-income bracket. The purchase price of the unit itself could be too expensive for most households and building a backroom instead provides for flexibility in terms of how much money to spend on construction, how to spend the money, when and where. According to Shapurjee & Charlton (2013), although backyard dwellings are not informal settlements, they are still considered an informal housing configuration.

5.4.4 Housing Tenure

Question:

- Are you renting or owning, this house you live in?

Housing tenure is divided into ownership and rental in this study. The responses that were generated by the tenure question are shown in Figure 5.4. As shown by Figure 5.4 below, 27% of the respondents are renting and a high number of respondents (73%) - have ownership of their flats, houses or backrooms. The respondents that owned their places of residence had either bought or built their houses or backrooms. Given the nature of the housing tenure in Alexandra township – at least according of the findings that my fieldwork generated - a majority of the respondents expressed that they would not leave their homes to go stay in areas such as Sandton if they had to rent in other areas instead of owning. This is one of the major deciding factors on the feasibility of the IHP for this particular population sample. Most people expressed that they had chosen to continue living in Alexandra township because it was proximal to their places of work in spite of the unfavorable physical living conditions in the township.

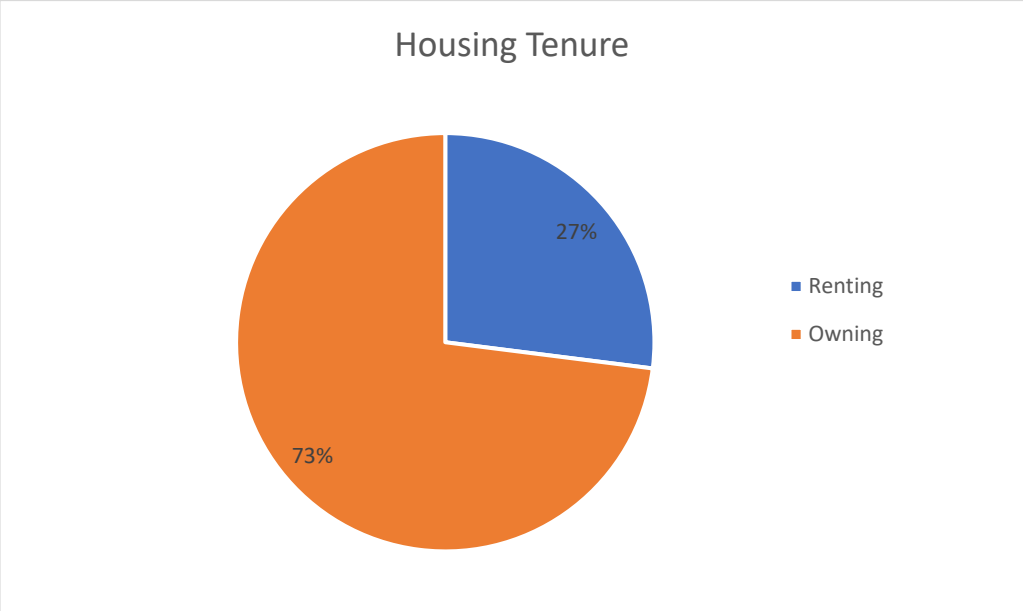

Figure 5.4: Housing tenure of respondents (N=65)

5.4.5 Social Relations

Questions:

- How often do you speak to your neighbours?
- How often do you exchange information with these neighbours?
- What kind of information do you exchange?
- How well do you know your neighbours?
- How comfortable are you living with your neighbours?
- Do you ever go to your neighbours for assistance with anything?
- What do your neighbours usually assist you with?

In this study, the term 'social relations' was taken to refer to respondents' interaction(s) with their neighbours as well as any assistance that they might receive from them. Figure 5.5 is an interpretation of how often the respondents said they engaged with their neighbours. Only one person said that they never interacted with their neighbours, but, as I learnt, that was only because the respondent in question was an ex-convict and his neighbours did not trust him. Nine respondents (14%) said that they engage with their neighbours approximately 2 to 3 times a week, 12 respondents (19%) said they talked to their neighbours 4 to 5 times a week, and a majority of respondents (65%) - posited that they engaged with their neighbors at least 6 times a week. Following this trend, most of the respondents (84%) felt that they know their neighbours well.

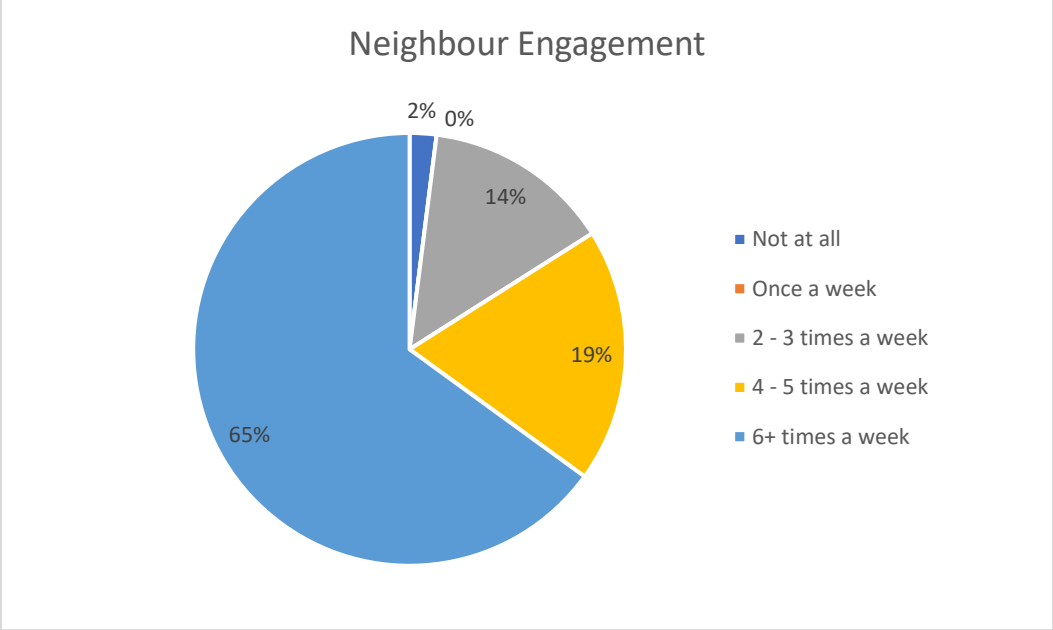

Figure 5.5: Neighbor engagement of respondents

With regard to the types of engagement in the area, I learnt that daily interactions with neighbours revolved around exchange of knowledge/information on local resources (services, transport), employment opportunities, social events, bargains and deals in stores, schools, and affordable food, to mention but a prominent few. Most respondents indicated that their various interactions with their neighbours had contributed significantly to building a level of trust in them. They also argued that they felt safe and comfortable being surrounded by the people that they lived in the same community with. This trust was solidified by most respondents' comfortability with asking for assistance from their neighbours – they stated that they asked for help with day-to-day matters such as financial assistance, childcare/babysitting, food and house sitting. This comfortability was cited as one of the main reasons why the respondents would like to continue living in Alexandra even in the face of unsavoury conditions characterising their neighbourhood.

5.4.6 Amenities

Questions:

- How happy are you living in your neighborhood, with regards to the following items; schools, jobs, transport, child care, social events, affordable shops, convenience stores, services?

This study sought to interrogate the housing attributes of residences in Alex through the reflection of amenities such as schools, job opportunities, transport, shops, services and childcare services. The respondents rated their satisfaction with these amenities in varied ways which I charted in Figure 5.6.

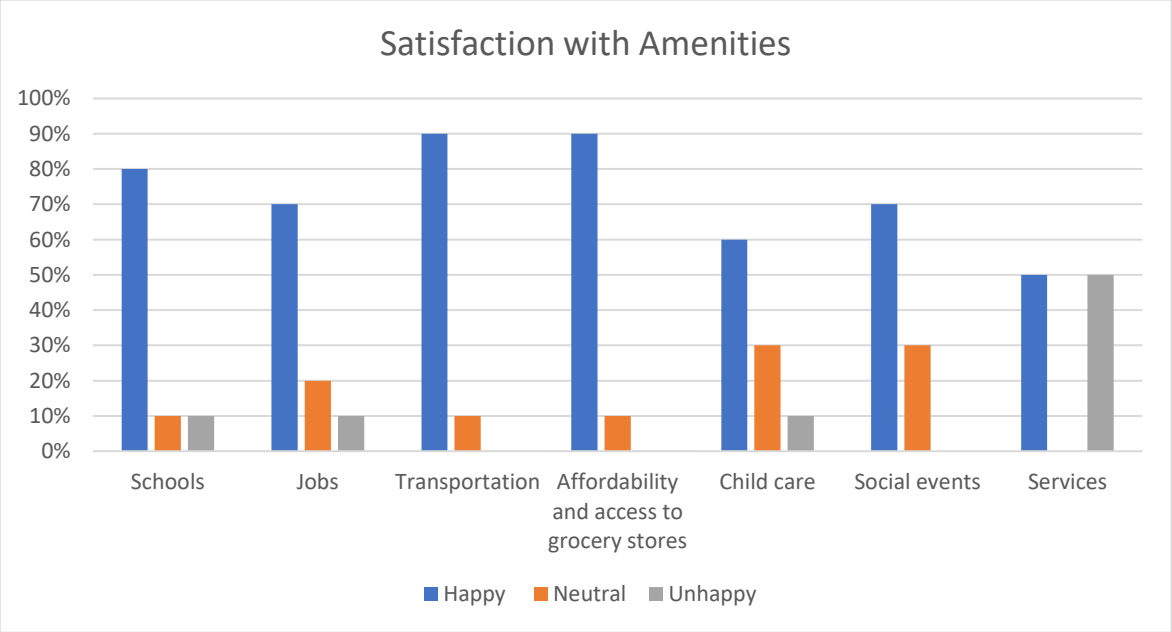

Figure 5.6: Respondents' satisfaction with amenities

Figure 5.6 shows that respondents expressed general satisfaction with the amenities available in Alexandra township. For instance, approximately 80% of respondents were happy with the number of schools in their area, 10% felt that government could provide better schools and 10% were neutral on the matter. Figure 5.6 also shows that around 70% of respondents were happy with the prospects of job opportunities that were afforded to them in Alexandra township. Part of their satisfaction in this regard was attributed to Alexandra township's close proximity to relatively affluent and economically thriving areas such as Sandton and Wynberg. Additionally, a very high number (90%) of respondents expressed satisfaction with the access to transportation services available in Alexandra township; and most argued that this factor had facilitated their ease of access to their places of employment as well as other areas of economic opportunity. 90% of the respondents were satisfied with the affordability of goods and access to shops in their neighborhoods, citing the proximity of 'spaza' shops – convenience stores owned by fellow community members - and food stalls where they bought everyday convenience goods as a reason.

Approximately 70% of respondents said they were happy with the number of social events that took place in their neighbourhood. Yet, there was one amenity that the respondents were least satisfied with – childcare. I noted that most respondents cited affordability as an issue that prevented them from accessing childcare facilities such as crèches in Alexandra townships. As crèches are not subsidized by government - whereas most schools in the area are public and are thus government-subsidised - most respondents could not afford to take their children to them, and instead opted to ask their neighbours to look after their toddlers and infants when they had to go to work. Another amenity that not many respondents were content with was provision of utilities such as electricity and water. Only 50% of respondents were satisfied with the quality and quantity of services such as water and electricity in Alexandra township as most do not pay for these services – there appears to be a culture of non-payment for services provided by the CoJ. I also observed that not all backyard dwellings or houses had water connections and they thus had to use communal taps. Also, although a small portion of the households had prepaid electricity meters, they preferred getting free electricity to buying electricity.

5.4.7 Affordability

a) Economic Activity and Income

Questions:

- Which group do you fall into; student, working adult, seniors, families, other (i.e unemployed)?
- Is your combined household income:
  d) Between R3500 and R7,000
  e) Under R3500
  f) Above 7000

Figure 5.7 illustrates that of the 65 respondents, seven (11%) were students, nine (13%) were unemployed and 49 (76%) respondents were employed. Once again, the staggering 76% of employed respondents in this sample population is evident of the young working age population of Alex and job opportunities being the main reason for housing decisions here. One can assume that the 24% consisting students and unemployed respondents have no income and this correlates with the percentage that the demographic analysis on income illustrates in chapter 4.

The interviews also brought to light that most respondents worked mainly in the service industry, administration and self-employment. Some of the employed and unemployed respondents shared that they also depended on government grants as a primary source of income or as a supplementary income. The levels of income per household are as follows:

- 28 respondents (43%) receive above R7,000 in household income per month.
- 21 respondents (33%) receive between R3,500 and R7,000 in household income per month.
- 16 respondents (24%) receive under R3,000 in household per month.

The data further shows that the unemployed respondents consisted almost entirely of men, thus portraying women as more economically active than their male counterparts. Yet, I ‘attributed this to the types of jobs that are available.

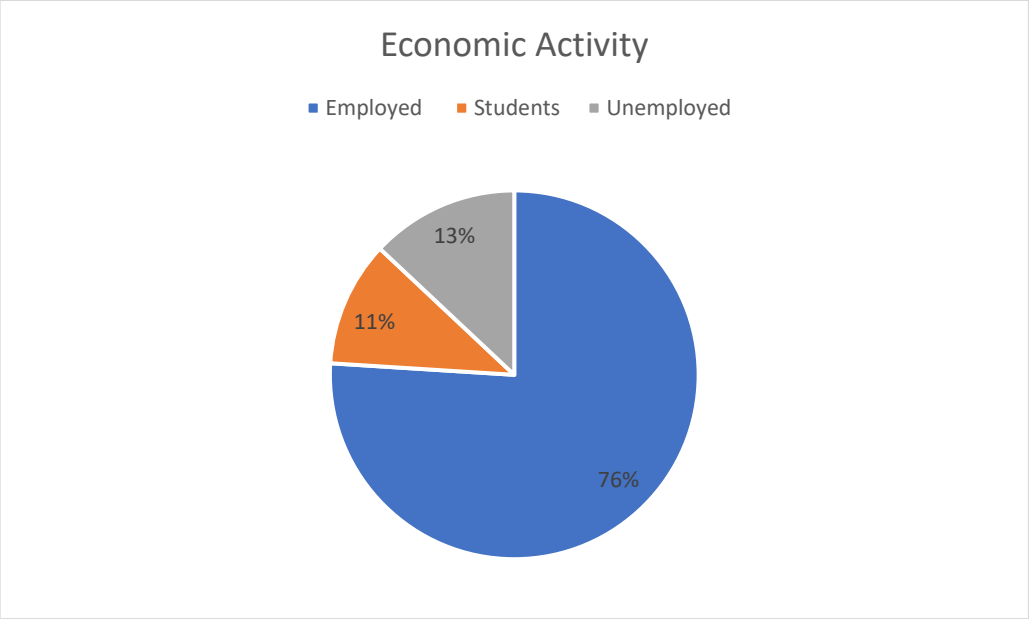

Figure 5.7: Economic activity amongst respondents (N=65)

b) Alexandra's rent market

Questions:

- What is your rent currently?
  c) Less than 2,100
  d) More than R2,100
- Can you afford to pay R2,100 rental?
- Would you like to keep living in Alexandra? Why?
- Rate you overall satisfaction with your current living conditions?

Figure 5.8 portrays the willingness of the respondents to relocate to a prime area such as Sandton. Sandton was chosen as an example because it is undisputedly a prime economic node and it is within close proximity to Alexandra township. When asked whether the respondents would move to a flat in Sandton for a rental of R2,100, 41% of respondents answered in the affirmative whilst 59% responded in the negative. Most of the respondents who replied in the affirmative were comprised mostly of the younger people aged between 18 and 30.

In addition to this, the respondents were also asked whether they could afford to pay the R2,100 rental. 23% of respondents said they could afford the rental whilst 77% said they would not afford it.

Here, it becomes clear that insofar as a significant number of the respondents – and perhaps most of Alexandra township's residents - cannot afford to pay R2,100 for rent,

they would like to move to areas such as Sandton. The most interesting piece of information that came out of this section of the interview guide is that 95% of the respondents that are tenants are currently paying less than R2,100 for rent, and this speaks volumes about their affordability profile.

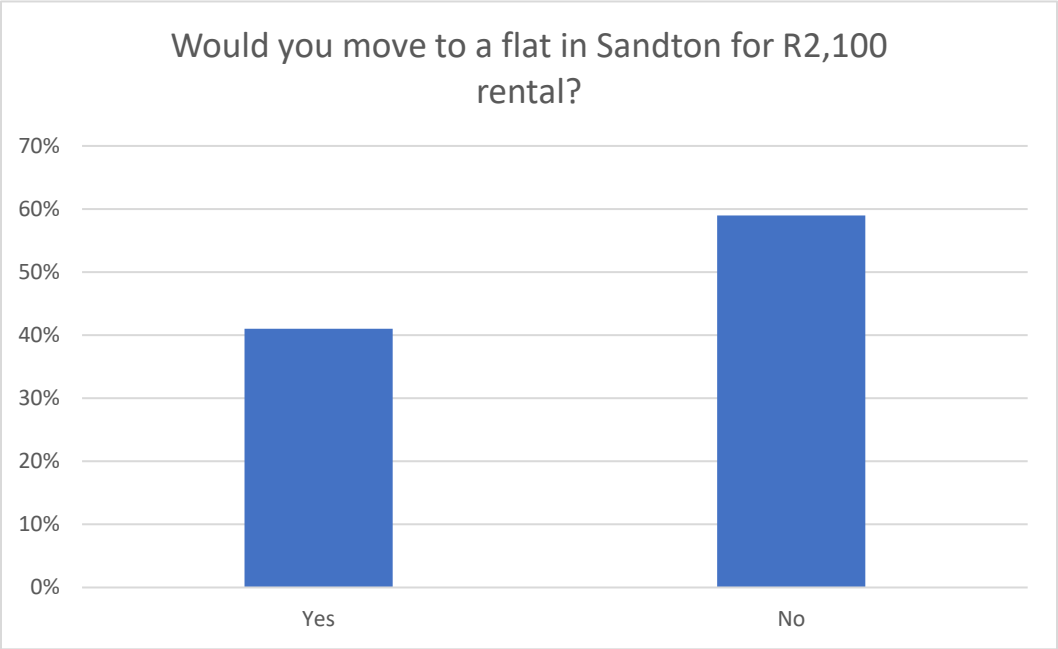

Figure 5.8: Respondents willingness to relocate to Sandton (N=65)

When I asked whether the respondents would like to continue living in Alexandra township, 56% responded in the negative and 44% answered in the affirmative. The respondents who held that they would like to continue living in Alexandra cited proximity of their current residences to their workplaces and their children's schools, affordability of nearby shops as the main reasons for their choice to stay on in Alexandra township. This is slightly contradictory to findings on those willing to stay in Alexandra due to tenure. Those who are willing to move even though they own their place of residence would only consider this if it benefits them in terms of employment.

Conversely, the respondents who said they were willing to relocate from Alexandra township alluded to crime, bad living conditions and the area's high density and compact nature as push factors that characterised the area. .

5.5 DISCUSSION OF RESEARCH FINDINGS

5.5.1 Summary of findings

A summary of the outcomes from the interview guides and interviews conducted are summarised in Table 5.2 below.

Table 5.2: Summary of findings from thematic analysis

THEME	FINDINGS
Current Living Conditions	- **Housing type**: Alexandra township is highly characterised by backrooms and, in very rare instances, some flats. There are quite a number of backrooms that are built on one erf, making the area very dense. - **Household size**: Most of the households consist of at least 3 people and, very often, those are households that have resided in Alex for 10 years or more.
Housing Tenure	A majority of the residents own their backrooms and flats. As most of them were given a portion of an erf to build on, they by default have ownership of the backroom. A smaller portion of the residents rent out their backrooms at a rental less than R2,100.
Social Relations	A significant number of residents interact and engage with their neighbours at a minimum of 4 to 5 times a week. These interactions include information exchange on matters pertaining to local resources (services, transport), jobs, social events, bargains and deals, schools and affordable food. The residents also receive assistance from the neighbours in the form of food, money, childcare, surveillance. There is an established trusting relationship which has created a sense of community, inclusion and safety.
Amenities	In general, the majority of residents were satisfied with the level of amenities available in the area such as; schools, job prospects in surrounding areas, social events, transportation, shops and some services.
Affordability	- **Economic activity**: A majority of the residents were employed, mostly within the service industry, administration and self-employed. - **Income**: Most received an income above R7,000 household income per month. The second most populated income was between R3,500 and R7,000.

	- **Alex Rental**: A high number of residents paid monthly rents below R2,100. Most could not afford to rent for R2,100, including those households whose total income was around R7,000. - **Willingness to relocate**: Almost half of the respondents were willing to relocate to places like Sandton. Yet, most could not afford the rental of R2,100. More than half of the respondents were not willing to relocate. - **Reason for staying in Alex**: Work distance, transport, access, affordability of shops and food. - **Reasons for wanting to leave Alex**: Living conditions, crime, space is too little, high density.

5.5.2 Housing Attributes, Preferences and Consumer Behavior of Alex households

An analysis of the interview guides provided an overview of what informs the low-income households of Alex's housing decisions. This analysis achieves the research objective of determining the housing attributes, preferences and consumer behavior of these households and the findings are as follows:

Housing Attributes

- Intrinsic attributes: housing tenure (ownership) and cost of rental (below R2,100).
- Extrinsic attributes: location (accessibility to surrounding areas and employment prospects) and amenities (schools, public transport, convenient stores).

Housing Preferences

- Sense of community, social and income inclusion, proximity to place of work.

Consumer behaviour

- Alex residents' behaviour is highly influenced by their socio-economic status and affordability.
- Most are comfortable with their current living conditions and would not relocate to an area where they would feel socially or economically excluded.
- The perception of housing is flawed, as they only see it as shelter and not a productive asset.

5.5.3 Viability of the CoJ Inclusionary Housing Policy for Alexandra township residents

The CoJ Inclusionary Housing Policy essentially aims to grow the supply of lower income housing, create integration of income groups within residential developments and provide more affordable housing in well-located areas. This study specifically sought to determine the practicality of the policy for the targeted low-income households by exploring their

factors for housing decisions. There are a few key points that came across from the responses that relate to affordability, housing tenure, amenities and income.

The biggest socio-economic dynamic at play is household incomes. The research revealed that the majority of Alexandra township residents - the majority of the respondents - were employed and generated a monthly household income of above R7,000. However, most of those households could not afford to pay R2,100 for a flat in Sandton. According to the policy, R2,100 would be the rental cap for affordable units, however with the other market units this can be higher. I assume that developers would go for the highest rental they can get for those affordable units and would not care to reduce this as they are more concerned about their profit margins hence the disputes documented in the policy comments. It thus goes without saying that most, if not all, developers are resistant towards this policy. Although the target income bracket is R3,500 – R7,000, the households that earn over the R7,000 mark cannot afford to pay R2,100 rent monthly. This then means that those earning below that amount definitely cannot afford these units; and this is demonstrated in the findings and analysis. In order for a residential unit or dwelling to be considered affordable, it must cost no more that 30% of households' income. Whilst this definition, in this instance, only applies to the households earning R7,000 or more, even for those households it is oftentimes too steep as there are other household expenditures to factor in. In this regard, the policy would not be financially viable for these low-income groups. Spatially, the policy is not practical because low-income households cannot afford the type of amenities - schools, shops, some forms of public transport - provided in prime areas.

Housing tenure is of big significance in Alexandra township as majority of households live in residences that they own. The general consensus pertaining to whether or not people would leave their places of residence - which they have ownership of - to go live in flats where they would pay a R2,100 monthly rental was negative. Most respondents answered this question in the negative, even when asked whether they would make exceptions if they had to move to affluent areas such as Sandton. While there is an option for them to move and rent out their backrooms and/or houses, most posited that they would not be able to charge rentals equivalent to R2,100 because rentals in Alexandra township were no more than R1,500. For those who do not have ownership but are renting their residences, these types of affordable units cost more than what they were currently paying. Furthermore, there were utilities and services that they had to consider - as part of living costs - that would have to be additional to the rental. These included electricity and water. Services and utilities in low-income areas such as Alexandra do not cost the same as services in prime areas such a Sandton. Additionally, services such as water, sewerage and waste collection are free in Alexandra township while these are remunerated in Sandton. The policy has not provided a manner in which this can be dealt with and so this would prove very challenging for low-income households.

Household sizes in Alexandra township are generally a minimum of 3 people, and the recommended size for affordable units according to the policy is an average 24m^2. The size of these units cannot be functional for a household of 3 or more people. In order to make this work, one or two people would have to move into the unit and leave the rest of their family in Alexandra township. Naturally, this would defeat the purpose of the policy because then they would have to maintain two households in terms of household expenses such as goods and services. Additionally, the entire household would then not benefit from the inclusionary housing provision. In terms of size and functionality, the policy does not cater for big households, which is the reality of many Alexandra township residents.

Last but not least is people's housing preferences and perceptions. Most of the residents of Alexandra township did not see themselves being socially or economically integrated with high- or middle-income households in the long run. Currently, they feel integrated with households that are of the same income and social status. This has provided mutually beneficial social linkages and has provided a sense of community characterised by trustworthiness and comfort(ability). Yet, their refusal to be integrated with households of different incomes somehow pointed to the existence of an inferiority complex on their part. Social and income integration and inclusion are some of the core purposes of the policy, but there are psychological and sociological barriers that make this unpractical for low-income households.

The above discussion ultimately demonstrates that the CoJ IHP, in its current state, is to a large extent not feasible for Alexandra township's low-income households. The policy also does not really reflect the housing needs of the households as far as affordability, housing tenure, amenities and social relations are concerned.

5.5.4 Implications of findings for inclusionary housing

From the research findings, it is clear that to a greater extent, the IHP is not viable for Alexandra township residents and this has an impact on the success of the policy. The following 2 scenarios demonstrate the implications that the implementation of the policy could have.

Scenario 1:

Given that the income of Alexandra township households targeted by the IHP is below the rental benchmark of inclusionary units, the absorption of these units will most probably be very slow and may ensue in high vacancy rates. This is most likely to result in high supply and low demand which will, in turn, force developers to decrease the rental rates. A decrease in rentals will attract the low-income households to these well-located residential developments and increase occupancy rates. This will most likely result in the integration

and inclusion of various income groups in the developments. Gradually, this may start altering the spatial and socio-economic landscape of the city as low-income households will afford to relocate to prime areas, thereby ensuing in their access to higher quality amenities, facilities and economic opportunities. Whilst the possibility of spatial restructuring occurring in this manner is high, there are issues that could hinder the rate at which the IHP could affect spatial change in Johannesburg. One of these is non-payment of services and utilities by low-income households, as is currently the case in certain parts of Alexandra township.

Scenario 2:

Given that the income of Alexandra township households targeted by the IHP is below the rental benchmark of inclusionary units, the absorption of these units will most probably be very slow and high vacancy rates may ensue. This may force developers to retrofit the inclusionary units into market-related units, which will then disregard them as affordable housing. By retrofitting the inclusionary units into market-related units, the gap for provision of affordable housing may be increased and low-income households may continue to reside in marginalised areas. This would most likely exacerbate spatial segregation and may mean that urban poverty continues to be the order of the day in South African mega-cities.

5.6 SUMMARY OF STUDY

Chapter 1 introduced the research problem, topic, question and aim to the reader. The objective of the research was to unearth the perceptions and experiences of low-income households who reside in Alexandra. The research aimed to establish from residents their determinants for housing decisions in terms of attributes and preferences in order to ascertain the feasibility of the CoJ IHP. This helped to shed light on housing dynamics and needs in Alex and the relevance of the policy. This research was a means of dissecting the IHP in order to understand how it can benefit low-income households and whether it is a viable solution for the beneficiaries.

Chapter 2 provided a literature on inclusionary housing from an international context and related it to the South African perspective. The review provided the reader with an overview and framework of previous literature on the challenges and benefits of the inclusionary housing, while seeking to understand the South African affordable housing market. The review also looked at various case studies of inclusionary housing policies/approaches and contextualised the Johannesburg IHP based on that. One of the key pieces of literature reviewed in this chapter was on urban poverty and the asset vulnerability framework, which is instrumental in understanding the approach to housing proving locally. The Johannesburg inclusionary policy was introduced and explained here including its

challenges and shortcomings. Furthermore, an interrogation of the government housing policies that inform the IHP were presented.

Chapter 3 presented the research methodology that was employed in the research. A qualitative research approach was chosen for the study, making use of interview guides. This method of data collection allowed the researcher to capture respondents' perceptions, responses and observations. The respondents were sampled from Alex randomly and interviews with interview guides were conducted individually as the main research tool. The data was studied through thematic content analysis by making use of descriptive statistics and highlighting recurring themes from responses. Five themes arose from the results in response to the research questions. The researcher ensured that the study observed ethical consideration as validity, reliability and confidentiality was accomplished.

Chapter 4 provided an overview of the study area for the research. This chapter presented the history of Alexandra township, the current state of the township, the population demographics as well as the housing challenges in the area. This chapter aided in explaining the reason behind the selection of Alex as the study area for this research. Moreover, the chapter highlighted previous initiatives that have been implemented by government in order to provide affordable housing, infrastructure and economic development.

5.7 RECOMMENDATIONS

The recommendations made in this section are direct and indirect responses to the issues that were raised by developers and industry role players on the CoJ IHP. These recommendations address issues around policy directives, government alignment, affordability and compensations.

5.7.1 Collaborative planning to the rescue? Implications for inclusionary housing

According to Healey (2003:107), collaborative planning "develops an approach to understanding and evaluating governance processes, and especially those that focus on developing qualities of place and territory". This type of planning sees value in prioritising interaction, communication and representation processes with various groups of society in planning and policy practices rather than solely focusing on the end product. This identifies the significance of complexity and diversity in planning processes and practices.
The City of Johannesburg first developed a draft of the IHP and opened it up for public participation. Once the public participation process was concluded, a report was issued with comments and feedback from developers, NGOs and industry role players on the feasibility of the policy. SAPOA also did a study on the policy, which was sent out to individuals and groups in the property industry. Neither of the two participation processes were specifically aimed at the people who were slated to benefit from this policy. In

essence, the views, perceptions and feedback of the 'target market' were not considered in the public participation process. The policy is aimed at low-income groups, but the state cannot be sure of whether it will represent their needs, and this is the issue with planning that is not collaborative. This is also why government ends up with policies that take decades to implement and make a difference. Collaborative planning is necessary in order to guide especially spatial and socio-economic policies that are effective and can be implemented with certainty. In Alexandra specifically, CoJ needs to provide a solution for provision of housing that meets their affordability criteria. The solution should ensure that these households will still be able to maintain their livelihoods and not take away from social networks that have been established. It should be a solution that improves their standard of living and does not require compromise of financial means.

5.7.2 Public-private partnerships

Public-private partnerships (PPP) in the South require the involvement of the private sector in performing public functions. PPPs encompass a state institution to compensate private sector for the provision or use of a service. Government has in many instances provided funding, capacity building and technical support for the private sector in promotion of PPPs. The government is in favor of PPP projects because they are able to access private funds in order to build public infrastructure that is of good quality while keeping managing costs low (Mathu, 2019). According to the National Treasury (2017), the South African government is currently dealing with PPP projects as follows:

- Design, finance, build, operate and transfer (DFBOT): This is when a project is fully developed by a private institution and handed over to the government to run.

- Design, finance, and operate (DFO): This is when a private firm is mandated to complete a specific project and operate it on behalf of the government.

- Design, build, operate, and transfer (DBOT): This is when a private firm is mandated to complete a project and hand it over to the government to run (National Treasury, 2017c)

Based on the historical imbalances caused by the apartheid system, the government made it a top priority to provide housing for low-income groups. This remains the narrative as private sector entities are concerned with profit margins and cannot meet the requirements for providing housing to the poor. With this concept of inclusionary housing, public-private partnerships would be beneficial for affordable housing delivery if government can collaborate with the private developers who have projects in prime areas such as Sandton, and provide them with funding to make a certain portion of the development affordable units. This would have to be properly regulated because right now the state only assists

with funding for social housing, and this does not follow the same principles as inclusionary housing. In order to have inclusionary housing, government will have to fund residential developments that are upmarket, as private developers are not satisfied with the current types of compensation that the CoJ provides. The funding should then also cover incentives for services and utilities so as to ensure that the low-income groups can afford to actually stay in these types of developments.

5.7.3 Equity planning for pro-poor strategies

Equity planning is purely aimed at the redistribution of resources as well as extension of power and/or participation to the formerly marginalised members of society, in this instance low-income groups. This form of planning seeks to understand urban inequalities and challenges urban policies and plans to determine which part of the population stands to benefit (Sandercock, 1998). Equity planning's purpose is empowerment of the marginalised and/or have-nots - often low-income groups - and to ensure that they are being identified in policy and benefitting therefrom. With regard to inclusionary housing, equity planning advocates for such strategies that will benefit the poor but hopefully also empower them. According to Wilson (1996: 618) "empowerment is community economic development from the inside out". The material facets of development namely jobs, businesses, income, investments and productivity are but "the visible tip of a very deep iceberg composed of individual change and community building". South Africa is a country scarred by a history of oppression, and empowerment becomes a crucial component of giving a voice to underprivileged communities.

5.7.4 Strategic spatial planning

According to Erkan (2009: 93), strategic spatial planning is "a process view and is characterised by intersectoral coordination and financial feasibility. The output is not just a plan for land use but a set of interrelated strategies for land, infrastructure and financial and institutional development". The key purpose of strategic spatial planning is to offer a clear long-term plan and integrated vision for an area while taking into consideration the strengths, weaknesses, opportunities and threats of the region in question (Erkan, 2009). According to Todes et. al. (2009), the aim of this form of planning, especially in the context of South Africa, is to restructure urban areas at a macro-level. In the case of the inclusionary housing policy, strategic planning will need to consider not only the spatial components of planning and development but the institutional and financial resources. Strategic spatial planning is an approach that should be applied in the planning and development of policies such as the inclusionary housing one. This approach is valuable in that it not only considers the spatial aspect of the policy but the resources and financial factors at play. Many of the concerns and objections that were raised by the developers could have been addressed had this type of planning been executed in practice.

5.7.5 Policy Approach: Housing as a productive asset

Huchzermeyer (2001) suggests that the delivery of housing has failed to redress the spatial disintegration that was created by the apartheid era and has instead only contributed to worsening the problem. It is recognised in this paper that public housing policies will rarely achieve racial and socio-economic integration nor will they contribute towards poverty alleviation. The housing policy recognises housing as a basic need and does not recognise the intrinsic relationship that exists when housing is not only perceived as a product but as a process that contributes to people's livelihoods and improves their quality of life. The capital subsidy RDP) that is the most common way of housing provision has put a financial strain on most households and has not improved their economic prospects. Perhaps owing to the fact that the government views housing as a basic need, this has created the same mentality with the low-income groups. For instance, the study's findings show that a majority of the residents in Alexandra township only saw housing as a form of shelter and not necessarily how they can use it in a manner that would maximise their livelihoods (home, salon, bakery, to mention but a few livelihood activities). This means that not only does government need to change its approach to housing provision but it may also need to educate people on how housing can be a productive asset. This is not to say that there are not any individuals that use their houses to make a living and improve their financial state, but given the extent of poverty and provision of state subsidised housing, this should be more prominent.

5.7.6 Alignment of government tiers and policies

The City of Johannesburg Metropolitan Municipality single-handedly developed this IHP and wanted to enforce it in the same manner. One of the concerns that have been raised by developers about this policy is the lack of overarching inclusionary housing policies, guidelines or even legislature that informs this program. Legally, this leaves a loophole for developers to question whether the policy is even enforceable by the municipality as there is no provincial or national legislature that gives effect or legal weight to it. South African cities in general are highly fragmented and have severe inequalities in terms of income, service delivery and spatial configuration. Nationally, the country should be taking a unified stand on housing and the provision of affordable housing in well located areas in general.

5.7.7 Achieving integrated and sustainable human settlements

According to Litman (2016:1), the benefits of inclusionary housing are aligned with those of integrated and sustainable human settlements. While these benefits may have advantages and disadvantages, Litman (2016) provides applications to mitigate and guard against the challenges in order to achieve integrated and sustainable human settlements. Table 5.3 provides a summary of this.

Table 5.3: Description of Integrated and Sustainable Human Settlements

DESCRIPTION	ADVANTAGES AND DISADVANTAGES	APPROPRIATE APPLICATION
Aid with maintenance of older housing stock	This can be a cheaper way of providing housing that is affordable and safe.	Applicable to cases with over-supply of cheaper and declining residential supply.
Housing funded and subsidised by government	Attends to special needs; likely to be expensive, and normally cannot meet the entire demand for affordable housing.	In serving special housing needs, including labour force housing where costs for developing are high (for example in highly rated cities)
Motivate for private development on land that is not expensive and not in the city centre	Provision of cheaper housing; however not overall affordable as it will lead to high infrastructure and transport costs.	Cities with rapid population growth which needs urban expansion, if TOD principles will be applied.
Directives for affordable housing	Will enable affordable housing provision without government intervention; Outcome might be average, as weak housing demand would reduce overall housing developments, especially middle-income units.	Applicable where there is high demand for housing in order to avoid a decrease in residential developments.
Eliminate unwarranted constraints and costs for urban infill	Tends to lessen the overall costs of housing construction, which grows overall housing supply and enables markets to respond to demand; Effects cannot be predicted and may be slow; Infill development can also inflict costs and disagreements.	Applicable where it is possible, but needs to be in combination with other policies and plans.

(source: Litman 2016:1)

5.8 CONCLUSION

The research sought to investigate the feasibility of the CoJ IHP for Alexandra township's low-income households. It sought to do thus by determining the influencing factors behind their housing decisions. The study answered this by demonstrating the housing- attributes, preferences and behaviours of the research participants based on their perceptions and experiences. These drivers for housing decisions formed the basis for determining the feasibility of the policy for Alexandra township's low-income households and established the extent to which the policy is reflective of their housing needs. This study has met its research objectives and recognises that the population sample (65 respondents) is not enough to make generalised conclusions on the inclusionary housing phenomena and, in so doing, there is a need for further research.

The South African government has good intentions to redress historical disparities in spatial segregation through the development of various policies that seek to provide affordable housing. As with many of the local policies and legislation, there has been a constant conflict between what is theoretically practical and how pragmatic the implementation will be. Plans and policies pertaining to spatial reconfiguration in CoJ are generally well informed, coordinated and cohere well with the national and provincial policies. While the CoJ IHP in particular is well-versed in previous housing policies and initiatives relating to low-income groups, there nevertheless is no specific legislature guiding it. For instance, there is no national policy on inclusionary housing that directly frames and enforces it. This is one of the main issues with this policy as developers consider it legally unenforceable and optional.

The policy is tasked with the huge responsibility to transform the landscape of the CoJ but careful thought has not been put into the cost implications of it on low-income households, the private sector and the municipality. The onus is thus on the government to be more dependent on empirical research which could aid in the comprehension of complex spatial and socio-economic dynamics existing in and around urban areas so as to effectively develop policies that are realistic. In conclusion, although the political will to redress the past is apparent, it seems to be obscured by stubborn structural issues plaguing the country. It would appear that as long as social, economic and spatial inequalities persist in South Africa, not everyone will be able to reap the rewards of a post-apartheid South Africa. Avenues for further research could look into how housing as a productive asset can assist low-income groups to overcome poverty. This would be useful in challenging the current housing narrative and government approach.

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ANNEXURE A : Participation Information Sheet

PARTICIPANT INFORMATION SHEET

University of Witwatersrand
1 Jan Smuts Avenue,
Braamfontein 2000,
Johannesburg,
South Africa

Dear Sir / Madam,

My name is Simangele Mahlalela, I am a Masters student registered at the University of Witwatersrand in the School of Construction Economics Management.

I am currently in the process of conducting research for the submission of a research report (thesis/dissertation) as a requirement for my Master of Science (Building) in Property Development and Management.

My research title is “A Bottom-Up View of the Johannesburg Inclusionary Housing Policy: Exploring the People’s Perspective”. The aim of the research is to investigate how the inclusionary housing policy of the City of Johannesurg will benefit low-income households as it is aimed at integrating and including them into the city.

In order to conduct this research, I humbly ask that you fill in my questionnare. Your participation is entirely voluntarily and you are free to decline the request to participate if you wish to do so. You may also discontinue your participation at any time or refrain from answering questions that you are not comfortable with answering during the interview. I will use the information obtained from you together with the information obtained from other participants in order to prepare a research report for the School of Construction Economics and Managment at Wits University. If you agree the information will be attributed to you. You will not receive any benefits from participating in this research as it is purely for academic purposes.

Your anonymity and confidentiality of all information revealed will be treated with the utmost respect. I do not need to know your name and I will refer to you by the term Respondent and allocate a number to you.

Yours Sincerely
Simangele Mahlalela

If you have any question about this research you can contact me on 082 890 5463 or email me on 474035@students.wits.ac.za.

ANNEXURE B : Consent Form

CONSENT FORM

Title of research project: A Bottom-Up View of the Johannesburg Inclusionary Housing Policy: Exploring the People's Perspective

Name of researcher: Simangele Mahlalela

I agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. Please circle the relevant options below.

I agree that my participation will remain anonymous YES NO

I agree that the researcher may use anonymous quotes YES NO

in his / her research report

I agree that the information I provide may be used YES NO

anonymously by the researcher for this project

…… (signature)

…… (name of participant- can be anonymous)

…… (date)

ANNEXURE C : Interview Guide

A Bottom-Up View of the Johannesburg Inclusionary Housing Policy: Exploring the People's Perspective: Research Survey/ Questionnaire

Age:

Gender: Male / Female

First, we'd like to ask general questions about where you live now.

1. What type of housing do you live in?

   a) Flat b) House c) Backroom

2. Are you renting or owning the type of house you live in?

3. How many people live with you?

   a) One (yourself) b) Two c) Three d) Four +

4. How many are under 18 years old?

5. How long have you lived in this house?

7. Why did you choose to live here (Alexandra)?

We'd like to ask a few questions about where you used to live.

8. Where did you previously live and for how long?

   a) Nowhere; I was without a home

   b) With a friend / relative in their residence

   c) In my own flat

   d) In my own house

9. Where was your previous neighbourhood?

   a) Outside of Alexandra, but in Johannesburg

   b) In Alexandra, but a different section

   c) Outside of Johannesburg

10. How would you rate your happiness with each of the following items where you used to live? (Rate each item, with 1 being very unhappy to 5 being very happy)

a) Affordability of rent ____

b) Neighborhood safety ____

c) Physical condition of the home ____

d) Accessibility of location ____

11. How would you rate your overall happiness where you used to live?

a) Very unhappy b) Unhappy c) Neutral d) Happy e) Very happy Satisfied

12. Why did you leave? (Please be as specific as possible):

13. How often did you speak with your neighbours where you used to live?

(Choose one)

a) Not at all

b) Once a week

c) 2 – 3 times a week

d) 4 – 5 times a week

e) Often, 6 + times a week

We'd like to ask you questions about where you live now and your relationship with your neighbours.

14. How often do you speak with your neighbours?

a) Not at all

b) Once a week

c) 2 – 3 times a week

d) 4 – 5 times a week

e) Often, 6 + times a week

15. How often do you exchange information with these neighbours?

a) Not at all

b) One to two times per month

c) One to two times a week

d) Frequently

16. What kind of information do you talk exchange? (Circle all that apply)

a) Schools

b) Jobs

c) Affordable food

d) Free things / bargains / deals

e) Local resources (transportation, stores, services)

f) Child care

g) Social events

h) Other: (Specify) _____

17. How well do you know these neighbours?

a) Not at all

b) Somewhat

c) Well

d) Very well

18. How comfortable are you living with your neighbours?

a) Not comfortable b) Moderately comfortable c) Very comfortable

19. What group(s) best describes the neighbours in your building? Please circle all that apply.

a) Students

b) Working Adults

c) Families

d) Seniors

e) Other (Please indicate _____)

20. With which group do you fall into?

a) Students

b) Working Adults

c) Families

d) Seniors

e) Other (Please indicate: _____)

21. Where do you see yourself in comparison to your neighbours in terms of income?

a) I see myself as having much lower income

b) I have lower income

c) I have about the same income

d) I have more income

e) I have much more income

f) I don't know

22. How happy are you living in your neighbourhood with regard to the below items?

(Rate each item, with 1 being very unhappy to 5 being very happy)

a) Schools ____

b) Jobs ____

c) Transportation ____

d) Affordable and convenient access to grocery stores ____

e) Child care ____

f) Social events ____

g) Other (Please indicate: _____) ____

23. Do you ever go to any of your neighbours for assistance with anything?

Circle one: Yes No

24. What do your neighbours assist you with?

25. How would you rate your overall satisfaction with your current house?

a) Very dissatisfied b) Not satisfied c) Satisfied d) Very satisfied

26. Would you like to keep living there? Please explain:

27. Would you move to a flat in Sandton for R2100 rental?
Yes / No

28. Can you afford to pay R2100 rent?

29. What is your rent currently?
a) Less than R2100 b) More than R2100

30. Is your combined household income:

a) Between R3 500 and R7 000

b) Under R3 500

c) Above R7 000