

https://dspace.org/

Evaluating the influence of institutional rental housing policy on consumer choice in Johannesburg based on middle-income tenants and the Rental Housing Act

Matsoso, Tsepiso Dominica

2014-09-10
http://hdl.handle.net/10539/15500

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

EVALUATING THE INFLUENCE OF INSTITUTIONAL RENTAL HOUSING POLICY ON CONSUMER CHOICE IN JOHANNESBURG BASED ON MIDDLE-INCOME TENANTS AND THE RENTAL HOUSING ACT

TSEPISO DOMINICA MATSOSO

A research report submitted to the Department of Town and Regional Planning, School of Architecture and Planning, Faculty of Engineering and the Built Environment, University of the Witwatersrand in partial fulfilment for the Degree of Master of Science in Housing

Johannesburg,

July, 2010

Declaration

I declare that this research report is my own, unaided work. It is being submitted for the degree of Master of Science in Housing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

_____

29th of July, 2010

Abstract

The influence of institutional rental housing policy (IRHP) on consumer choice in Johannesburg was evaluated through interviews with middle-income tenants and caretakers in Legae Gardens and JOSHCO Complex Two residences in reference to the Rental Act. Housing officials in Johannesburg Housing Company, Johannesburg Social Housing Company and Provincial Department of Housing were also interviewed. Primary data gained from interviews and observation of the residences and their surroundings was analysed based on Howard-Sheth and trade-off models of consumer choice and residential location respectively, with qualitative-comparative case study as the main research method.

The IRHP has been translated into regeneration projects (institutional rentals (IRs) and infrastructure upgrading) and executed through planning principles such as mixed-use and neighbourhood safety based on national development goals (integration and sustainability). As affordable and quality IRs have been developed in preferable locations, this optimises consumer choice opportunities in terms of affordability, quality and location.

Dedication

My research report is dedicated to my mother, ‘Ma’matsoso C. Matsoso. I also dedicate my work to my diseased father, Motsei S. Matsoso.

Acknowledgements

I wish to acknowledge that I was supervised by Dr Daniel Irurah. In cases in which it was hard for me to come to grips with certain aspects, I sought assistance from Margot Rubin. In this respect, my gratitude is extended to both Daniel and Margot.

Contents

page

Declaration……..i

Abstract……..ii

Dedication……..iii

Acknowledgements……..iv

List of figures……viii

Set of photographs ……..ix

List of maps……..x

List of tables……..xi

List of acronyms……..xii

Chapter 1. Introduction 1

1.1. Aim of the research.....1

1.2. An overview of South African housing policy.....1

1.3. Statement of the problem.....9

1.4. Rationale.....10

1.5. Brief methodology statement.....11

1.6. Delimitation of the study.....11

1.7. Definitions of concepts.....12

1.8. Structure of the report.....14

Chapter 2. Appraisal of the models of consumer choice and residential location.....15

2.1. Introduction.....15

2.2. Development of social housing globally and locally.....15

2.2.1.Institutional framework.....15

2.2.2. Funding framework.....17

2.2.3. The state of IRH in SA.....18

2.3. Consumer choice (and behaviour) models.....22

2.3.1. The Howard-Sheth model.....22

2.3.2. The CDP model ……..23

2.4. The models of residential location.....24

2.4.1. Trade-off model……..24

2.4.2. Hoyt's radial sector model…….. 25

2.5. The IRHP.....26

2.5.1. Development principles.....26

2.5.2. Choice of residences and locations based on the models of

consumer choice and residential location.....28

2.5.3. Evaluating the influence of the IRHP on consumer

choice in terms of the Rental Act, through Howard-Sheth

and trade-off models.....30

2.6. Conclusion.....34

Chapter 3. Methodology 36

3.1. Introduction……..36

3.2. The research objectives……..36

3.3. The research questions……..36

3.4. The research hypotheses……..37

3.5. Concepts applicable to the Howard-Sheth and trade-off

models……..37

3.6. Data collection techniques……..39

3.6.1. Evaluative research using comparative case study approach……..40

3.6.2. Face-to-face interviewing using structured and semi-structured questionnaires……..40

3.6.3. Direct observation.....41

3.7. Reliability and validity of data in case studies ……42

3.8. The IRHP: needs-based and outcome.....42

3.9. Limitations of the study……43

3.10. Secondary data.....44

3.11. Conclusion.....44

Chapter 4. Presentation and analysis of primary data: Legae Gardens and JOSHCO Complex Two residences 44

4.1. Introduction……..44

4.2. Location of the case studies……47

4.3. Data presentation.....48

4.3.1. Affordability……..49

4.3.2. Product quality……50

4.3.3. Product location……53

4.3.4. Other drivers of property quality……56

4.3.5. Demographics……..57

4.3.6. Marketing……..57

4.4. Observation of IRs and the surroundings……58

4.5. The HOs' perspectives: the PDoH, JHC and JOSHCO……64

4.6. Summary of the attributes……67

4.6.1. The least significant attributes……68

4.6.2. The most significant attributes……69

Chapter 5. Overall conclusions……74

References……78

Appendices……86

Appendix 1–A Interview questions (housing consumers)……86

Appendix 1–B Interview questions (PDoH)……97

Appendix 1-C Interview questions (JHC and JOSHCO)……102 Appendix 1–D Interview questions (caretakers)……115

Appendix 2 Interviews dates……120

List of figures

Figure 1 The Howard-Sheth model of consumer choice (and behaviour)…….....22

Figure 2The CDP model…….....23

Figure 3Hoyt's radial sector model…….....25

Set of photographs

*Aerial photograph 1a: Brickfields (on the left) and Legae Gardens

(on the right – a yellow building) precincts.....45

*Aerial photograph 1b: JOSHCO Complexes One and Two (top and

Bottom respectively) – not to scale (see the mini-bus taxi terminus

on the left hand side of JOSHCO Complex

Two.....47

* Photograph 2: Property architectural quality - Legae Gardens (sideview).....58

* Photograph 3: Property architectural quality - Legae Gardens (sideview).....59

* Photograph 4: Property architectural quality - JOSHCO Complex Two (sideview).....59

* Photograph 5: Property architectural quality - JOSHCO Complex Two (sideview).....60

* Photograph 6: Security guard at Legae Gardens.....60

* Photograph 7: Security guard at JOSHCO Complex Two.....61

* Photograph 8: Childrens' play area at Legae Gardens.....61

* Photograph 9: Childrens' play area at JOSHCO Complex Two.....62

* Photograph 10: Parking at Legae Gardens.....62

* Photograph 11: Parking at JOSHCO Complex Two..... 63

* Photograph 12: Social interaction at Legae Gardens.....63

* Photograph 13: Social interaction at JOSHCO Complex Two.....64

.

List maps

Map 1 A Map of South Africa indicating the country's nine provinces

and its location at the Southern tip of AAfrica……44

Map 2 Location of Newtown, Johannesburg……..46

Map 3 Location of Kliptown, Soweto……..48

List of Tables

Table 1 Rental prices……..49

Table 2 Rent in relation to affordability……..50

Table 3 Legae Gardens: unit space areas and household sizes……..50

Table 4 Legae Gardens: household sizes by percentages……..51

Table 5 JOSHCO Complex Two: unit space areas and household sizes……..52

Table 6 JOSHCO Complex Two: household sizes by percentages……..52

Table 7 The residences……..53

Table 8 Class status……..54

Table 9 Infrastructure……..54

Table 10 Social interaction attributes……..54

Table 11 Proximity attributes……..55

Table 12 Workplace……..55

Table 13 Drivers of property quality……..56

Table 14 Other exogenous aspects……..56

Table 15 Age……..57

Table 16 Marital status……..57

Table 17 Marketing techniques……..58

Table 18 Summary of the least significant attributes……..68

Table 19 Summary of the most significant attributes……..69

List of acronyms

ANC	African National Congress
ASCO	Act Stop Civic Organisation

CBD	Central Business District
CBOs	Community Based Organizations
CDOs	Community Development Officers
CDP	Consumer Choice Decision Process
CPI	Consumer Price Index
DCs	Developed Countries
DoH	Department of Housing
DRZ/URZs	Designated/Urban Restructuring Zone (s)
HAs/ HIs	Housing Associations or Institutions
HC/HCs	Housing Consumer (s)
HDs	Housing Developers
HoCs	Housing Companies
HO/HOs	Housing Official (s)
HS/HSs	Housing Supplier (s)
IDPs	Integrated Development Plans
IDPs/IHP	Integrated Development (or Housing) Programmes
IRs	Institutional Rentals
IRH	Institutional Rental Housing
IRHP	Institutional Rental Housing Policy
JHC	Johannesburg Housing Company
JOSHCO	Johannesburg Social Housing Company
JSBP	Johannesburg's Seven Buildings Project
LED	Local Economic Development

NGOs	Non Governmental Organizations
NHP	National Housing Policy
PDoH	Provincial Department of Housing
PHP	People's Housing Process
RDP	Reconstruction and Development Programs
RPs	Regeneration Projects
RSA	Republic of South Africa
SA	South Africa
SHF	Social Housing Foundation
SHIs	Social Housing Institution
SICBs	Seven Inner City Buildings
SWCs	Second World Countries
UCs	Underdeveloped Countries
UN	United Nations
WB	World Bank

Chapter 1

Introduction

1.1. Aim of the research

Although the study focuses on evaluation of the influence of institutional rental housing policy (IRHP) on consumer choice in Johannesburg, South Africa (SA), it is essential to explore the main reason for failure of public housing, so as to identify factors, which contributed to development of social housing and hence institutional rental housing (IRH) in SA. However, drivers of consumer choice are evaluated in reference to the Rental Housing Act. Although interest in this research report is mainly on non-subsidized middle-income households (earning between R3 501 and R4 500), the significance of middle-low and middle-high income housing consumers (HCs) cannot be overlooked because consumer choice in these markets too, is affected by the IRHP. As city regeneration is tied to the IRHP, it therefore influences development of better quality IRH in neighbourhoods with good physical attributes as well as infrastructure upgrading (i.e. 'old' buildings, utilities, roads and storm water drainage systems) in inner cities and beyond. However, social Housing Institutions (SHIs) or housing companies (HoCs) interested in developing new IRH have been given institutional subsidies by the State. Since SHIs have been applying market related principles such as mixed-uses during development of IRH, it has been possible to address high demand for housing and respond to basic services' shortage, and enable HCs to access housing units in institutional rentals (IRs), which are located close to facilities simultaneously. In so doing, economic, social and spatial restructuring and hence integration have been promoted.

1.2. An overview of South African housing policy

During 1950s and after, national housing policy (NHP) in SA was implemented on the basis of three policy objectives: namely; (a) public and private housing in the form of cluster houses for the lower income groups, (b) streamline bureaucratic procedures and encourage private sector participation; and (c) assist employees (i.e. employers) financially to secure a home. Apparently, the State could not execute the NHP without referring to national development goals (NDGs); namely, growth and stability. Although State's involvement in public housing supply grew from 1920s onwards, the heyday of housing construction was between 1950s and 1960s (Mbeje, 2000). As SynConsult *et al*. (2003:36-7) further argues; during that time and before, multi-storeyed rental properties were delivered, with the aim of accommodating white artisans who fuelled the manufacturing boom so as to accelerate the rate of economic growth while free standing homes were delivered for owner-occupation in the townships and suburbs. However, homeownership targeted households in every

cultural group. Since township homes were delivered on instalment sale basis, HCs paid rentals every month. Nonetheless, housing units delivered were of low quality in terms of architecture while homes produced in the suburbs were well designed and durable, like inner city high-rise housing properties. Aside from that, township facilities like shops and clinics were far from the majority of HCs living in townships. Conversely, inner city social and recreational amenities were close to rental properties. However, those amenities were limited to bars, cinemas and coffee shops, which rendered places like Hillbrow not ideal for HCs with children whether black or white, as the rental units were also inadequate in terms of size like township houses.

Houses produced in townships ranged from semi-detached to detached two-roomed and four-roomed housing units (e.g. in Eastern Cape). Because, the State used asbestos to roof those houses, it easily broke during heavy storms and emitted dust in dry seasons, which thus rendered the new homes hazardous to health. Later, the State considered compensating HCs' who accessed homes with defects; that is, it paid 65 percent of the purchase price, but only if it tallied with the real price of the house (Archer and Meyer, 1984).

Bourne (1981:259) attributes development of poor quality housing to the fact that both developed and underdeveloped countries (DCs and UCs respectively) were already in industrial shelter society epoch in 1950s or before; therefore, States' concerns were on providing housing as shelter. For that reason, more emphasis was put on production scale, not on housing quality – SA was no exception. Since SA State as well intervened directly in the housing sector, housing has been delivered on the basis of State capital expenditure policy. As it delivered housing based on the quantity of homes and not on quality of housing, like in other countries, it has been possible to produce free-standing housing units for owner-occupation, on a massive scale. For that reason, it was possible to accommodate as many individuals as possible. Similarly, the rate of production of high-rise housing properties was accelerated with the aim of housing a huge number of artisans or other employees, while organizational structures were needed for operation of business and society. When employees started becoming middle–income earners, most of them started buying homes in the suburbs, which thus marked the beginning of suburbanisation. An example of such suburbs is Bertrams in Johannesburg (Mbeje, 2000:39-40).

Given the fact that SA State like most DCs engaged directly in mass housing supply, this implies that it was aware of the economic cost savings of mass production system and assembly line procedures, which producers adopted and used to speed up the rate of production of mobile commodities. As housing developers (HDs) translated those procedures into larger subdivisions of work, it became possible to allocate tasks according to skills or experience so as to accelerate production of homes

and high-rise residential properties. While some individuals engaged in extensive site preparations such as land clearing and/or bulldozing away of topographic irregularities, builders and labourers on the other hand, focused on preparation of the foundations and erection (and roofing) of structures, using standardised floor plans. Similarly, engineers and other labourers concentrated on building roads and storm water drainage systems. Nonetheless, the State delivered housing units with roofing defects. However, construction defects were less frequent in high-rise rental properties and even in suburban homes. Therefore, artisans continued accessing rental flats in inner city rental properties (Holloway *et al*., 2004:208; Archer and Mayer, 1984).

With time, interest dwindled on inner city renting. The inner cities had already started showing signs of deterioration, because of poor maintenance, particularly in Hillbrow. During that time, most rental properties within SA central business districts (CBDs) were being deserted - abandonment of the CBDs became more evident between 1970s and 1980s. At the same time, backyard shacks and informal settlements burgeoned in and around SA cities as more urban poor began to 'house' themselves. Soon HCs engaged in self-help housing schemes, which involved buying out some inner city housing properties for collective ownership. Those schemes therefore, incorporated social housing approach. Ironically, most people regarded inward movement of blacks into inner cities (between in 1970s and 1980s) as an opportunity to bypass rent control and charge exorbitant rents. During that time, the living conditions were becoming extremely bad. Subsequently, the Act Stop Civic Organisation in Johannesburg mobilised tenants of seven inner city buildings' (SICBs) in mid-1980s to join it so as to protest against harassment, lack of maintenance and arbitrary rent increase by the landlords. Then few years later (i.e. in 1993), SICB tenants initiated Johannesburg Seven Building Project (JSBP) to address squalid living conditions (Mbeje, 2000:40).

However, the State continued to ignore dreadful decline within the inner city. Some individuals invaded the buildings and assumed the role of landlordism. At this stage, the rental sector had already started to disappear in public policy. Meanwhile, the State continued the development of township houses in an effort to alleviate inadequate housing (SynConsult *et al*., 2003:37). Although public sector housing was aimed at accomplishing public health objectives, systematic provision of adequate basic engineering services in townships or peripheral locations was not consistently pursued despite provisions of Building Regulations and Building Standards Act of 1977. In areas like Kwesi and Sundumbili in Cape Town and KwaZulu Natal respectively, four to six households shared one outside tap. Therefore, HCs' incessant complaints in many areas obliged the State later, to recognize their constitutional rights to housing services. As no one considered changing housing unit designs, homes produced continued to be uniform (Bembridge, 1984).

As a result, most HCs questioned the conventional wisdom that the public sector was the only sector to deliver housing. However, the public sector grounded its preoccupation with housing delivery on the fact that housing was both essential and expensive, thus putting it beyond the reach of many. Since State's interest in housing originated from public health matters, it supplied basic water and waterborne sewerage system associated with delivery of housing units on a massive scale. Mass housing production was attributed to dramatic demographic changes such as 1950s baby boom, which contributed to the upward household growth and thus changed the pattern of housing needs. Amongst whites, Asians, coloured, and blacks, growth rate was estimated at 1.55, 1.76, 1.8 and 2.6 percent per annum respectively. The State was then pressurized into producing more housing units so as to ensure that market forces of demand and supply are in equilibrium. However, the private sector was reluctant to participate in the housing process in low- and middle-low income markets, because of perceived risks (Hendrickse, 1987:5).

Regrettably, inner city rental properties could not absorb a growing number of HCs without homes formally because most properties were becoming old and neglected by the State. Some HCs resorted to invasion of buildings to accommodate themselves. The rental sector was on the verge of disappearing completely in public policy owing to State's disregard of that housing market. At that time, supply of better quality rentals plummeted. Because of deteriorating living conditions in inner cities, filthy surrounds developed, which adversely affected the face of built environment (SynConsult, 2003).

Trafalgar Group (2006) mentions that grimy living environs were prone to criminal activities. Crime coupled with degeneration of the quality of rental property, eventually tore social and physical urban fabric. Because rental housing schemes were targeted for white working class families, those schemes disappeared with scraping of segregation, but mostly due to earlier signs of inner city deterioration as those schemes were largely concentrated in those areas. Surprisingly, degradation of basic infrastructure in SA cities was blamed on exploitation by landlords (Mbeje, 2000:39-40).

Although the State continued expanding housing supply, dearth of suitable and serviced land created a housing crisis. Moreover, household growth proliferated, because of high natural increase, which exacerbated housing crisis. Affordability problems also escalated. The State demanded 25 percent of disposable monthly incomes, from individual HCs who accessed free standing housing units; that is, township houses were delivered on rent-to-own basis. Since more than half of population comprised households with annual salaries of less than R3 986, these must have been incomes of low- to middle-low income households. Therefore, salaries of HCs in middle-, middle-high and high-income group, ranged from R3 896 to R9 725 per annum (Ardington, 1984: 42-3). Archer

and Meyer (1984:19) reveal that most households opposed housing units of similar design, and therefore, they defaulted and housing officials (HOs) evicted them. Evictions took place when HCs were about R40 or more in arrears.

Later, the State enhanced homeownership options by shifting from capital expenditure for complete houses, to sites-and-services schemes between 1986 and 1987. By so doing, it became possible for the State to mobilise both public and private sectors to engage in housing delivery. Therefore, supply of housing continued based on two market related principles: (a) an appropriate housing financing system for lower income housing market; and (b) land and serviced sites to provide appropriate houses. Then, individual HCs purchased land, procured basic infrastructure and built themselves housing units, which were 'easy on the pocket' and suited tastes. During that time, land was sold at R4.40 per square metre for the average plot size of 25 square metres. Nonetheless, those who could not afford a piece of land had to resort to local stores for credit (i.e. about 40.2 percent). In spite of the fact that housing was now delivered on the basis of a free enterprise policy, low-income HCs hardly ever lived in areas with and/ or close to social amenities such as health. Likewise, basic facilities like stores, where HCs obtained loans for homes' building were also too far. Although the State still provided loans, it was mainly HCs who engaged in self-help housing schemes who applied for such loans (Cvitanich and Lewis, 1987:1-4; Bembridge, 1984:91; 98-9).

As more mutual self-help housing schemes continued to emerge in SA inner cities, more tenants became organized and more buildings were purchased for collective ownership. Those housing schemes embodied some elements of social housing. However, many housing schemes were inspired by JSBP. The JSBP was formalised by the government when an institutional subsidy was introduced in 1995 and Gauteng department of housing handed over a cheque of R6 051 767 to JSBP, which facilitated the buyout. As JSBP got under way, 40 other initiatives came into being nationwide. For example; Victoria Mxenge was the other housing project, in the Western Cape, which received institutional subsidy. The other pilot projects which soon followed, also accessed institutional subsidies. Therefore, the concept of social housing grew in popularity. Aside from that, the need to renew derelict inner city buildings, reverse the housing backlog and capacitate target groups through employment creation, formed the main objectives underpinning growth of social housing and promulgation of institutional subsidy policy programme (Mbeje, 2000:40; 41; 44; 23).

Meanwhile, inner city organizational and residential properties continued to be deserted for the suburbs. Later, it became possible for low-income earners to purchase flats at a price lower than the cost of Reconstruction and Development Programmes (RDP) houses from new property owners. At this stage, several SA CBDs resembled the ghettos because of poor living conditions. In state-owned

rentals or council housing and public sector hostels, where unsustainable management expenses were enormous, supply of better quality rental stock shrunk. The situation became worse when private (commercial) rental stock started being converted to Sectional Title. Over and above, high capital costs and hence low returns in newly built housing properties instigated liquidation of some properties and transfer of stock to SHIs or to other rental housing organizations. However, municipalities accelerated and subsidised the transfer process, through Sale and Transfer of Housing Stock Policy (SynConsult, *et al*., 2003:37; Segodi *et al*., 2001:23-4).

Aside from HCs' lack of accountability to cleanliness in inner cities and hence failure to associate the subsequent dilapidation of the buildings with poor maintenance, budget constraints and high operating costs (which far exceeded income generated from rentals), also encouraged the State to ignore the inner cities' rental stock. Consequently, it became difficult to meet high demand for housing. Therefore, black HCs who earned moderate income and who decided to live in those areas, accessed flats in housing properties which were degenerating in terms of quality. Since high default rate in public sector hostels eroded rental income streams, management costs soared too high for public HDs to cope with, despite subsidisation of operating costs through Hostels Subsidy Programme (Segodi *et al*., 2001). Upon the transition to democracy in 1994, the new government was ready to execute the new NHP, based on two NDGs; that is, integration and sustainability as well as seven policy objectives, namely: (a) stabilizing the housing environment; (b) mobilizing credit; (c) providing subsidy assistance; (d) supporting the Peoples Housing Process (PHP); (e) rationalizing institutional capacity; (f) facilitating speedy release and servicing of land; and (g) co-ordinating government investment in development (Rust, 2002: 9;7;8).

Because the African National Congress (ANC) government regarded housing as a right, it prescribed in its Reconstruction Development Policy, a minimum standard home (i.e. four-roomed housing unit) at a cost of approximately R30 000 (i.e. 4 615 US dollars) under the individual subsidy programme. The State further promulgated other subsidy instruments such as consolidated or project-linked subsidies for other housing options. Despite provision of subsidies, housing delivery delayed to take of. Following the review of the NHP, the State decided to involve the private sector to contribute some skills (Tomlinson, 1998:2-3; Bolnick and Mitlin, 1999:229).

Mbeje (2000:41) mentions that at this stage, the policy framework for social housing was still in progress. With promulgation of the White Paper in 1994, the vision for housing became clearer, and the framework for creation of habitable and sustainable residential environments was established to ensure community and household viability through location of housing close to economic opportunities and social amenities (Gardner, 2003b:7).

However, towards the end of 1998, Johannesburg local government passed a Green Paper on social housing, which as envisaged, would be transformed into White Paper. At this stage, the policy guidelines for development and management of social housing were already submitted to government departments by the Social Housing Foundation (SHF). In 1999, Residential Landlord Tenant Act (RLTA) was enacted to govern the operations of the sector and thus cement the province's commitment to the sector respectively. The State through RLTA influenced supply and management of social housing (Mbeje, 2000:41). As further put forward by SynConsult *et al*. (2003:35), later, supply of different options of this housing typology other than co-operative housing increased; for example, instalment sale and rental housing. The operations of co-operative housing were administered through Co-operative Act of 1998 while those of the other housing options were steered through the Rental Act of 1997 in terms of the general provisions for the relationship between residents and SHIs. This Act was also utilised to secure tenure for the residents in SHIs (Section 2, Part 1). When the Rental Act of 1999 was promulgated as well, it became possible to support mutual acceptance of roles and responsibilities of tenants and SHIs (Chapter 3, Sections 4 and 5).

In spite of the fact that the social housing sector has been governed successfully by the Rental Act, use of this legislation contributed to complication of the sector's growth and delay in housing delivery. Some compromises were made on quality, spatial standards and amenities. As anticipated, most of them would have a negative impact on social housing projects in the long run; that is, the residences would remain projects not environments. For the fact that social housing is currently seen in the context of medium density developments, it is therefore a much more complex building type, which is subject to a number of requirements such as varying structural designs, servicing, financing and architectural quality (i.e. unit sizes) (Social Housing Policy, 2003:13; 10). Though the Social Housing Act is now enacted, as indicated by the DoH (2008), the study focuses on the influence of IRHP on consumer choice based on the Rental Act.

Therefore, emphasis is put on IRH developments. Since market related principles (i.e. mixed-uses, urban renewal, local economic development (LED), varying structural designs and medium density) and NDGs (i.e. integration and sustainability), have been applied during development of IRs, it has been possible to deliver better quality housing properties in neighbourhoods with good physical attributes (i.e. proximity to facilities). For that reason, consumer choice opportunities have been enhanced in terms of affordability, location and quality. Since IRHP is part of the NHP, IRH developments could not be undertaken without referring to the above development principles (Gardner, 2003a; Segodi *et al*., 2001).

To deal with persistent housing backlog, city regeneration was incorporated into IRHP and translated into regeneration programmes (RPs). Those programmes comprised basic infrastructure upgrading or provision (i.e. buildings, roads, storm water drainage systems, and shops) and new IRH developments. Up to now, the quality of the neighbourhoods in which those developments have been undertaken has been good and middle-income HCs have been able to access housing units in rental properties located in refurbished neighbourhoods. Because in most cases low-income HCs earning between R1 250 and R2 501 have been unable to afford rental unit prices in such housing properties, communal rentals (co-operative housing) have been the best option for them since rentals ranged from R490 to R680. However, very desperate HCs have been allocated flats in transitional housing, where a period of stay has been approximately one year. Both housing typologies have been developed through revival of old inner city buildings or from conversion of hostels to rental housing. Despite subsidization of development costs, few buildings have been sold for renovations or conversions. However, supply of better quality rental stock continues to be stimulated through provision of institutional subsidies, which has been stabilizing the housing environment to some extent (SynConsult *et al*., 2003).

Since rental housing was not a priority of the State, it has been competing for land and funds with Greenfield Project Linked Subsidy Housing schemes. That is why HDs always needed Brownfield and Infill sites other than Greenfield sites for development of social housing for renting. Examples of infill housing projects are Jeppe Oval (Newtown), Hawaii (Durban) and Belgaria (East London). Other housing programmes continued to be implemented on Greenfield sites as well. In spite of SHIs' vigorous efforts to expand supply of social housing for renting, the housing crisis intensified. Regrettably, when HDs embarked intensively on development of social housing for renting, millions of Rands were already spent on development of free standing housing units on single plots of land, using different subsidy mechanisms to enable HCs to build or buy themselves homes. Most of such developments sprawled into agricultural land. As low-density urban patterns developed, the urban areas got more fragmented. This was accompanied by development of physically and socially unsustainable human settlements, which were characterised by long distances to services or facilities (DoH, 2001). To promote efficient urban development, the DoH (Undated) indicates that a Comprehensive Plan for Development of Sustainable Human Settlements was promulgated in 2004 and the planning principles were applied to housing developments. This was followed by adoption of precinct-based housing development approach. The Plan was unveiled towards end of 2004 to guide policy formulation so as to facilitate development of spatial patterns that promote integrated non-segregated communities.

1.3. Statement of the problem

Shortage of affordable housing in SA has obliged the State to subsidize SHIs, which are interested in upgrading old buildings, developing new residences in and beyond the inner cities. Infrastructure upgrading enhances the face of the built environment, which has been adversely affected by poor maintenance. It also contributes to improvement of grimy living environs. Squalid neighbourhoods are often associated with high crime levels. Therefore, HCs who access flats in housing properties located in such areas are unable to walk out of property yards freely, particularly in the evenings because of fear of being blustered, thus minimising user satisfaction (Trafalgar Group, 2006; Crofton and Venter, 2000).

Until now, it has been a challenge to restore inner city social and physical fabric since this also entails enhancing safety while developing new housing properties so as to attract HCs in middle-income range. It can therefore be argued that regeneration of the city through refurbishment of old buildings and development of new IRH as well as social and physical infrastructure upgrading (i.e. security within residential yards, power supplies, roads, storm water drainage systems and utilities), has been integrating communities socially and spatially as indicated above, despite scarce financial resources (Forrest, 2000; Trafalgar Group, 2006).

The SHF (2008:15) indicates that limited funding has been accompanied by high interest rates and hence high construction costs, which have had a ripple effect on rental prices. As a result, consumer choice opportunities have been undermined in relation to affordability. If those costs were cut down by reducing unit sizes, this would also minimise consumer choice options in terms of quality. For instance, often inaffordability of rental price compels SHIs to minimise cupboard and clothing spaces in most newly built residential rentals (Forest, 2000).

Since SHIs have been producing better quality housing properties in terms of building materials, construction and design (structures, unit sizes and landscaping) through use of appropriate workmanship, development costs have been high. Regrettably, reduction of development costs through use of low-quality building materials often compromises property durability and increases maintenance demands, which inflate operating costs and thus rental prices. At the same time, limited funds further constrain expansion of rental stock, which makes it quite hard to maintain equilibrium between market forces of supply and demand (SynConsult *et al*., 2003). Therefore, it becomes difficult for HCs, according to Cole *et al*. (2001:36) to choose adequately-sized housing units in rental properties, which are located in preferable neighbourhoods because of spiralling

rentals. For that reason, consumer choice opportunities are undermined in relation to location and affordability and quality.

From the consumer side, "If the tenant does not qualify for the institutional subsidy because they are earning above R3 500 pm, they pay an extra 20% as the capital equivalent to the subsidy on that unit" (Forrest, 2000:87). In this case, Watson (1996:14) indicates that this extra amount together with "the payment of high initial deposit in the form of a key deposit effectively raises the level of the rental" even if it is paid once. Having to pay rental price for the same month of moving in, plus two months deposit, often makes it difficult for HCs to choose preferable housing units in neighbourhoods with good attributes such as shorter distance to facilities in terms of travel time and hence costs.

Conversely, choosing housing properties, which are located in areas that are far from socio-economic opportunities and commercial facilities as well as recreational facilities could thus minimise user satisfaction. Similarly, if in those residences, social integration does not exist and HCs are unable to enjoy privacy in their units, this could also affect consumer satisfaction negatively (Harvey, 1981). To determine consumer satisfaction, Crofton and Venter (2000:71) argue that it is vital to assess tenant perceptions of current rental units in terms of cleanliness (littering), noise level and access to transport.

Black *et al* (2003:41) indicate that consumer satisfaction (or utility) is derived from consumption of a good or service; that is, how much utility an individual derives from consumption of a particular good depends on individual's preferences or tastes. Based on above statements, consumer choice refers to a decision to buy a particular good (or service) or rent a specific housing unit because of its satisfactory attributes as opposed to others (Bergiel and Walters (1989).

1.4. Rationale

The challenge of housing shortage has prompted me to evaluate the extent to which the IRHP influences expansion of supply of better quality residences and choice of preferable housing units in terms of size and location. Since IRHP has been translated into RPs, it has been possible to upgrade residential rentals and/or develop new residences, and install engineering services. It was therefore vital to find out whether affordability is also being enhanced or not. Failure to provide satisfactory basic utilities or upgrade existing ones, and maintain IR properties and the neighbourhoods in which those properties are located could constrain consumer choice opportunities in relation to quality.

Even high utility charges like electricity and delays in maintenance or repairs (if these happen) would also be of interest, as these also undermine consumer choice options in relation to affordability and

quality and hence minimise user satisfaction. It was also crucial to find out if in housing projects where precinct or neighbourhood development principles have been applied (i.e. mixed-uses), communities are integrated socially, spatially, and economically as claimed by HSs. Since HCs who access flats in such properties and locations just walk to recreational and commercial centres, travel cost to facilities is affordable. As a result, consumer choice and user satisfaction are optimised in terms of location and affordability.

1.5. Brief methodology statement

The study applies a qualitative research method, specifically comparative case study approach. It also utilises two categories of data; primary data (face-to-face interviews, using semi-structured and structured questionnaires and direct observation in two case studies as indicated above) and secondary data (books, documents or journals). Qualitative research is an appropriate research method for this study because it makes it possible to capture perspectives accurately, using interviews, photographs, observation and secondary data (i.e. policy documents) as well as case studies. In this regard, Yin (1994:8) posits that case studies are utilized as research tools because of their unique strengths in dealing with a variety of evidence such as differences in unit space areas and hence rental prices in each residence.

However, data from different sources would be evaluated effectively through consumer choice models (consumer choice decision process (CDP) and Howard-Sheth) and theories of residential location (trade-off and Hoyt's radial sector models). Despite the fact that the four models contribute to understanding of consumer choice behaviour, the study would be limited to Howard-Sheth and trade-off theories, because of their ability to facilitate exploration of the IRHP and its influence on consumer choice more effectively. While Howard-Sheth model focuses on product quality (e.g. unit sizes), product availability (i.e. adequate supply of IRs or vacant flats) and unit rental prices as the elements of consumer choice, trade-off theorists, on the other hand concentrate on components of user satisfaction such as travel time and hence travel cost to facilities (e.g. work, shops and entertainment) as well as location prestige, neighbourliness, peace and privacy (Williams, 1981:158-9; Harvey, 1981:219). More details on these models and the above research techniques are given in Chapters 2 and 3.

1.6. Delimitation of the study

The study is confined to two case studies; Legae Gardens and JOSHCO Complex Two residences. The rental projects were developed by Johannesburg Housing Company (JHC) and Johannesburg Social Housing Company (JOSHCO) respectively. Both HoCs claim to have been able to promote the best practices in terms of architectural quality and operational management. Some HOs in Provincial Department of Housing (PDoH) and HoCs were interviewed to further investigate this issue of 'the best practices' with regard to the two case studies. The residences were visited for observation of the properties and their precincts or neighbourhoods.

To access more information on this issue, two HOs in PDoH, JHC and JOSHCO as well as one caretaker together with 28 and 25 non- subsidized middle-income HCs were interviewed in Legae Gardens and JOSHCO Complex Two respectively. Due to time constraint, no interviews could be conducted with HOs in City of Johannesburg or other residents within the neighbourhoods where the case study housing projects are located. Even though both JHC and JOSHCO are registered as independent companies, both HoCs define their social missions within the framework of strict business principles, which espouses sound corporate governance through effective management structures.

1.7. Definitions of concepts

Below is a list of key concepts as applied in the study.

Affordable housing is understood ''as a home which costs less than 30 per cent of a family's income in either rent or monthly mortgage'' (UN-Habitat, 2003:80).

Brownfield site "is an area of land in the city or town that was used for industry or offices in the past and that may now be cleared for new building development" (Hornby, 2005:182).

Central Business District (CBD) refers to "optimum location of shops, commerce, and services …" within the city centre (Harvey, 1981:223). In this sense, the CBD should be understood as the inner city with its commercial, social and physical infrastructure.

Consumer choice refers to "those decisions and related activities … involved in buying and using economic goods and services" (Bergiel and Walters, 1989:9).

The *Designated or urban restructuring zones (DRZs or URZs)* are defined as "areas identified and demarcated by municipalities in accordance with well defined location criteria, within which social housing projects must be located in order to be eligible for government funding under the social

housing programme" (SHF, 2009:11).

Economic sustainability refers to "the ability of an area or community to earn income in order to cover its costs on an ongoing basis" (Larsson *et al*., 2007)

Evoked set is understood as substitutable better quality products, whose substitutes consumers are aware of (Williams, 1981:23).

Gentrification is defined by Sullivan (2007:583) as a process in which better-off residents move into formerly poorer areas, where housing properties and the neighbourhood have been upgraded and one social class is thus substituted by another.

Greenfield site refers to part of land, where no buildings have been developed before (Cambridge University, 2003:549). Based on this statement, greenfield site refers to a piece of land used for the first time to erect a building.

Housing based on Bourne (1981:14) is understood as a physical structure or unit, which provides shelter, but which also consumes land and requires physical services such as electricity, water, sewerage removal.

Infill site is defined as places in which vacant gaps between buildings are filled (Cambridge University, 2003).

Institutional subsidy is defined by Larsson *et al*. (2007:51) as funding given by the government to developers such as SHIs to develop affordable housing for rental purposes and collective ownership.

Integration is defined in three ways: (a) as functional integration, particularly when a range of services and amenities required for daily life is available and accessible; (b) as social integration, where households with different incomes and similar access to opportunities live together; and (c) as economic integration, when communities are able to access a range of economic opportunities (Larsson *et al.,* 2007:17).

Integrated housing developments are defined as housing developments, which incorporate crèches, schools, transport, clinics, commercial and places of work existing as part of the development programme for proximity and easy access (Larsson *et al*., 2007:17).

Medium density housing is defined by Stren (1973:63;67) as an area with about 125 persons per hectare or within a 500 metres radius of the local centre and/or plus or minus 100 persons per hectare. In SA, medium density housing ranges from 150 to 450 persons per hectare or from three, four to five storeys of blocks of flats (SynConsult *et al*, 2003:10).

Neighbourhood is "viewed as a landscape of social and economic opportunities in which some people are … engaged … (for example, by reasons of employment, leisure activities or family connections" (Kearns and Parkinson, 2001:2104). On the other hand, Galster (2003) defines 'neighbourhood' as "the bundle of spatially based attributes associated with clusters of residences … and other land uses".

Opportunity cost as defined by Black *et al*. (2003:4) is the cost of the next best alternative forgone when a choice is made while an *opportunity benefit* is defined by these economists as what is gained when the best alternative is forgone.

Product class refers to "a set of ... products that are substitutable for a given set of motives" (Sheth, 1974:44-5).

Product choice decision is conceptualised as the ability to integrate product knowledge into choice criteria (such as product price or friends' approval) so as to evaluate the alternatives and choose one (Williams, 1981).

Slumlord is defined as "a person who legally or illegally owns houses or flats/apartment in a poor area and who charges very high rent for them even though they are in bad condition" (Hornby, 2005:1388).

Social housing is defined as a wide-range of housing delivery mode or tenure option comprising government or parastatal rental housing stock, individual- or NGO-owned and cooperative-owned for middle-low and middle-income HCs (Mulimilwa, 2003).

Social housing institution (SHI) means an institution accredited to carry on the business of providing affordable rental housing or co-operative housing options for medium-low and medium income HCs (DoH, 2006:10).

Urban regeneration should be conceptualized as upgrading of office or commercial buildings and infrastructure to improve the quality of the built environment (Forrest, 2000:9).

1.8. Structure of the report

The study is divided into five chapters. Chapter 1 is the introduction as covered under the previous sections. Chapter 2 appraises the theories of consumer choice and residential location. Chapter 3 presents the research methodology and techniques. Chapter 4 involves data presentation and analysis while Chapter 5 consists of overall conclusions.

Chapter 2

Appraisal of the models of consumer choice and residential location

2.1. Introduction

Because of escalating housing demand and hence housing shortage, globally and locally, most States have been compelled to consider social housing and hence promulgate responsive policy (i.e. the IRHP) and programmes. To evaluate the influence of IRHP on consumer choice, it vital to give a brief overview of evolution of social housing worldwide and rationale for State direct participation in supply of this housing typology as well as reasons for a shift from public sector housing delivery to institutional framework for social housing. However, the influence of IRHP on choice of housing units within middle-income earning group cannot be effectively evaluated without referring to the models of consumer choice and residential location as well as the Rental Housing Act.

2.2. Development of social housing globally and locally

"Although the historical origins of social housing lie in the nineteenth century and are strongly linked to middle class philanthrophy and workers' movements, its major growth occurred since 1945" inmost capitalist countries (Harloe, 1983:41). The SHF (1997:9) argues that "rise of co-operatives in England's manufacturing town, Rochdale ... could be linked to development of social housing ... and formation of social housing initiatives around the globe".

Though supply of this type of housing was initiated by the public sector in European countries (e.g.), and second world countries (SWCs) like SA and Brazil in most UCs (e.g. Mali), State support has been limited due to lack of financial resources. In most SWCs and UCs, social initiatives emerged as mutual self-help strategies or schemes from 1990s specifically in SA. Those schemes were mostly employed by the poor and not formalised, as indicated in Chapter 1. Towards 2000, State support increased for this type of housing (Mbeje, 2000:23-4). Melling (1980) notes that most States intervene in housing supply to ensure that people can afford to rent housing units. Because in most cases, HDs are not interested in keeping rental prices low and the working class often do not afford prices of rental units, this makes it unprofitable for HDs to build housing properties for renting. Therefore, State intervention is in part a product of this conflict of interests and an attempt to resolve such contradictions.

2.2.1. Institutional framework

With time, States' involvement in social housing sector worldwide, as mentioned by SHF (1997: 98; 11) started to decrease, as interest increased on development of IRH in both America and Europe.

However, in most European countries, curtailed States involvement in housing supply was attributed to failure of those countries to provide sustainable quality housing products. Furthermore, inability of those nation States to engage successfully in housing supply without crippling their economies and distorting private housing markets prompted a shift to institutional framework for social housing in Europe. Housing delivery, management and maintenance were thus privatised. For example, when German and Britain privatised maintenance, this contributed to tremendous improvement of the quality on housing and this made it possible for HSs to regulate standards of repair and lay great stress on significance of prompt fixing of broken facilities as tenants had a right to expect better quality housing services respectively (Power, 1993: 157; 236).

In most cases, property architectural quality is sustained by prompt repair and good maintenance in DCs like Britain, German and Switzerland as well as second world countries (SWCs) like Egypt. However, housing properties in best condition in terms of maintenance are usually owned by SHIs or HoCs (UN-Habitat, 2003: 84-5). Crofton and Venter (2000:82) argue that prompt repair keeps the place up. In other words, the place goes down according to these theorists, when maintenance team delay to respond to maintenance complaints. Since housing management has been privatised in most countries, efficiency has increased in this task as incentives have been provided by most States.

In America, when direct government competition with private HDs was reduced, fiscal incentives were recommended for most HDs to stimulate housing supply. Public Works Administration influenced adherence to design guidelines to enhance the quality of housing. To fulfil the political ideology of free enterprise, high quality housing was not provided at below market rents. Some organisations such as Finance Corporation were established to extend low-interest loans to limited dividend HoCs through the State or municipal agencies. Most housing projects were experimental (Phunz, 1990:207; 225; 208).

As more DCs shifted to institutional framework for social housing, more Housing Associations (HAs) or non-governmental organisations (NGOs) developed in both Britain and German respectively (SHF, 1997:6). However, Power (1993: 114; 116-7; 210; 118) mentions that in England, a limited number of HAs developed social housing and revival of old housing stock, and therefore, have become a more responsive movement for upgrading of old housing properties. Similarly, in Germany, few NGOs such as limited dividend HoCs, produced social housing for renting, and contributed 25 and 15 percent of rented housing and total stock respectively. The quality of stock has been improving. Therefore, social rented housing in German, particularly in Frankfurt, produced the best example of housing as it has been influenced by modern movement in architecture.

Because research papers on this type of housing, as the SHF (1997:5) notes have been few in number in UCs such as in Mali, Bamako, this implies that SHIs are not common and a limited number of institutional landlords in that country produce social housing for renting. Notwithstanding limited documentation on experience of social housing in most UCs, case studies from countries like Brazil and Philippines have inspired SHIs in SA to produce IRH based on their models. However, in SA, SHIs have been delivering this type of housing at a rather lower pace because of limited funds (UN-Habitat, 2003:41; 35-6).

However, institutions involved in provision of social housing in SA have been regulated through their registration as HoCs. Such HoCs have been responsible for development of new IRH stock and refurbishment of some existing properties in inner cities, which were initially owned and managed by the public sector. Because of failure of public sector to provide adequately sized housing units and manage rental stock, these shortcomings necessitated a shift to not-for-profit HIs and/or limited dividend companies, also known as "the third sector". Regrettably, this institutional framework has been characterised by lack of capacity at all levels (Mbeje, 2000:43; 46). The SHF (1997/98:11) mentions that as soon as direct public sector participation in housing supply became low, the SA State started playing an enabling role only, and housing delivery, management and/ or maintenance were privatised, and beneficiary communities were empowered to enable them to undertake those tasks.

2.2.2. Funding framework

The local government has been the most significant organisation for provision of financial support in most DCs (Social Housing Policy, 2003:19). For example; in Britain and German, the local authority sector has been large enough to undertake most tasks, which made it possible to deliver better quality housing and its services (Classes and Freeman (1994:2).

In those countries, technical know-how is abundant and grant funding (i.e. subsidized loans) has been rather sufficient to support development of social rented housing. However, as soon as loans are paid off, property is let as non-social private rented housing, which is possibly the main reason for blurring of the distinction between social rentals and private rentals; even in SA, where high interest rates have been inflating construction costs and hence rental prices by double digits. Limited funds further made it hard to develop many more housing properties (Van Den Berg, 2008:32).

The SHF (1997/98:15) states that in this country, there is "no form of finance on which SHIs can rely on in the long term, to meet the broad needs of their operations". Provision of institutional subsidies to SHIs was by far the only formal support that the government has shown for affordable housing.

Examples of institutions which financed (and still do) social housing in SA other than the SHF were as follows; Inner City Housing Upgrading Trust and Housing Institution Development Fund. Since funding from these institutions has been limited, it has been supplemented by grant funding from other sources such as overseas donors, who sometimes provide capacity building as well (Mbeje, 2000: 43; 45).

However, during 2003 and after, most SHIs faced management difficulties and financial problems. Therefore, the SHF awarded pre-establishment and capacity building grants as well as technical support to SHIs and local government. The National Department of Housing (NDoH) administered grant funding while the local government supported SHIs during the establishment phase by providing facilities and financial support. Likewise, the Social Housing Corporation provided advice on policy formulation and implementation or maintenance of legislation as well as on development of skills and provision of funds for capacity building (Social Housing Policy, 2003:14; 18-9). The SHF (2006/07:10) indicates that international donors such as Rooftop Canada also provided technical capacity regularly for government institutions and/ or HDs in SA.

Other funds have been obtained from some European countries like Norway through the State, which disburses institutional subsidies to SHIs through the SHF. In most cases, the SHF acts as a facilitative government agency, which encourages and supports development of social housing through targeted grant funding for capacity building (Segodi *et al*., 2001).

The NDoH collaborates with the SHF to institute a regulatory environment in which this sector would operate and hence facilitate management of Interim Social Housing Programme and administration of grants and thus liaise with local and overseas partners. Without good management structures and substantial amount of resources over and above grant funding, both in terms of securing the gearing finance, it could have been difficult to focus on capacity building and administer housing programmes and even engage in housing development based on IDPs and/ or mixed-use principle (SHF, 2006/07; Segodi *et al*., 2001).

2.2.3. The state of IRH in SA

As housing development involves creating habitable and sustainable residential environments, it also enables community members in such environs to access economic opportunities (e.g. jobs) and social amenities (e.g. health and education) (Bekker, 2000:19). However, areas with such diverse facilities, at convenient places, are cities and towns. In those places, it is possible for each individual household to adopt and hence execute alternative livelihood strategy. In this regard, the World Bank (WB) (in: Wallace, 2004:12) further indicates that those places can actually maintain the nation's

residents' welfare by ensuring opportunity equitability and a decent quality of life for all, which could thus make cities competitive, well managed and financially sustainable. However, cities' competitiveness can only be sustained if SHIs deliver quality residential rental properties and housing services and ensure prompt rental payment and utility charges.

Bourne (1981:96) reveal that utility (e.g. sewer and water services) and infrastructure (i.e. roads and storm water drainage) services are the external requirements of residential construction, therefore, before housing is put in place, it requires those essentials - most of which are provided by the local government. Because housing procreates a number of multiplier effects by requiring a substantial supply of consumer durable goods (i.e. household furnishings and equipment) as well as maintenance of capital and basic engineering services (i.e. roads and utilities), this generates economic benefits. On the other hand, it contributes to economic growth as households, through their savings, contribute to capital investment (Bourne, 1981:96; UN-Habitat, 2003:3).

In SA as in other western countries, concerns for providing housing as shelter, based on minimum quality standards and norms, are now being replaced by the strategy of enhancing individual's quality of life through supply of better quality IRH in terms of design (structural and unit sizes) and density (medium). Based on this statement, the design of IRs should account for HCs' taste, and aesthetic views by ensuring that such properties are located in neighbourhoods with physical and environmental amenities such as landscape features like hilltops, and landmarks; for example, parks and universities. However, HIs who deliver such housing properties have been subsidised by the State (Bourne, 1981; Holloway *et al.*, 2004).

To date, institutional subsidies have been disbursed to ensure that SHIs are able to develop IRs in areas close to socio-economic amenities such as schools, public transport, clinics and economic hubs, thus giving middle-income earners the foothold to improve the quality of their lives. To further enhance the quality of housing, precinct-based housing development approach has been adopted and applied during development of IRH. For that reason, consumer choice options have been optimized in terms of quality and location since such properties are often situated close to facilities whether in the inner cities or beyond (Larsson *et al*., 2007:208; SHF, 2006/07).

As Trafalgar Group (2003: in: SynConsult *et al* ., 2003:55) reports;

> "the inner city services a complex group of residents, from the poor to the affluent...car ownership levels and rentals ... appear to remain low, cell phone usage and aspirations ...are relatively high".

Implied in this statement is that, parking lots are relatively few in inner city housing properties,

which is a shortcoming to other HCs particularly those in middle- and middle-high market segments because most of them own cars. Therefore, it is advantageous for the State and SHIs to always engage in market research and segmentation analysis so as to identify and hence anticipate customer needs in order to meet specific needs of each group. However, it has been difficult to address housing needs because expansion of supply of IRs has been constrained by limited funds, which slowed up progress (Finnegan, 1985:18).

SynConsult *et al.* (2003:34) note that even if development of social housing has been too slow, the actual delivery was over 17 000 by 2001. Although social housing covers the rental tenure, it is not intended for individuals who seek immediate ownership. Despite the fact that this housing typology is viewed as a means of renewing decayed SA inner cities because of the possibility of accessing 'soft' loans and grant funding, this form of housing (whether IRs or instalment sale housing or co-operatives) is highly compatible with strategic environmental objectives. Although shortage of land sometimes impels SHIs to develop this housing typology in brownfield sites, the quality of housing properties produced is often good (Segodi *et al*., 2001:25-6)

SynConsult *et al*. (2003) argue that because of the nature of the product being delivered (i.e. well designed buildings, landscaped (or paved) surroundings, play spaces for kids, parking, laundry and drying areas accompanied by good maintenance), these facilities render social housing developments more costly than free standing housing units. Often, such costs translate to rental prices. That is why IRs delivered so far have been suitable for households with regular incomes such as HCs in middle-low, middle- and middle-high income range (i.e. R2 501 – R3 501, R3 501 – R4 501 and R4 501 – R6 000 respectively). Despite the fact that housing units are subsidized few middle-low income HCs have been able to access housing units in IRs because of unaffordability of rentals (Gardner, 2003a:35-6).

Owing to the fact that social housing is an effective instrument for physical regeneration of cities and towns as well as for social, economic and spatial integration, these benefits come at higher costs to SHIs and residents, which thus impels low- and some middle-low income HCs to seek rental units in communal rentals. A number of factors are attributed to this problem, namely; fiscal constraints (subsidies not in line with inflation) and general economic conditions (DoH, 2003:1). Harloe (1988:51) further mentions that even " in Europe and USA ... the poor were not targeted by social housing schemes ... ", which probably minimised consumer choice options in that market.

However, Temple (2004:52) indicates that it has been difficult to optimise consumer choice even in middle-income markets in relation to property location without providing leisure, market theatres, commercial facilities, restaurants and open spaces for public events in areas where housing properties are located. Therefore, applying mixed-uses and neighbourhood safety principles during new housing development, accompanied by infrastructure upgrading could thus make such amenities available in such places so as to fulfil consumers' diverse housing needs and improve their lifestyles. The design of most residences matches with HCs' taste (Larsson *et al*., 2007).

Since building designs are supposed to harmonize with the landscape, and if the buildings were located in areas with preferable attributes, it would probably become possible for middle-income HCs to choose preferable rental units anywhere. Social housing should therefore be suitably located to provide access to living opportunities and existing social networks so as to optimise consumer place utility (Crofton and Venter, 2000:7).

Despite the fact that housing to most welfare economists is deemed to be a social good given its inability to respond to criteria such as affordability (income), suitability (size and design) and adequacy (state of repairs), it has been difficult to control rental price increase because it is expensive to develop IRs with adequately sized housing units. Besides, it has been hard to meet high housing demand due to the limited number of better quality IRs delivered so far and this further contributes to escalation of rentals (Bourne, 1981).

With regard to Williams theory (1981), current IRs can be referred to as 'product class' housing properties because of good architectural quality. As most of such properties often merge with the local environment because of the design of the buildings and scale of the setting, such precincts of residences are then incorporated in 'evoked set' of product class housing estates. However, accessing housing units of adequate size in such residential properties is greatly determined by HCs' disposable income; that is, affordability of rental price by middle-income HCs (Krijnen, 1999:13).

2.3. Consumer choice (and behaviour) models

Most economists focus on behavioural constructs such as attitude or motivation to evaluate existing interventions between various stimuli and the act of purchasing so as to understand buyer behaviour (Sheth, 1974:41). In housing studies, Bassett and Short (1980) state that it is difficult to understand consumer choice (and behaviour) without considering behavioural aspects associated with product choice. That is why the Howard-Sheth model below will be utilised to identify drivers of product choice in institutional or social rental projects.

2.3.1. The Howard-Sheth model of consumer choice (and behaviour)

The model below comprises three categories of attributes: exogenous; input stimulus and output response attributes inclusive of the hypothetical constructs. The significance of the influence of consumers' attitudes on product choice is explained by these categories of attributes.

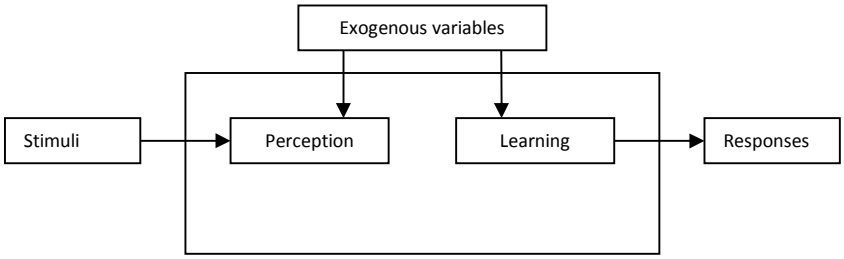


Figure 1: the Howard-Sheth model of consumer choice (and behaviour). Source: Williams (1981:158).

Input stimulus, which is the first stage, comprises the commercial environment (price, product quality and availability) and the social environment (family and friends). The second stage, dealing with output response attributes, relates to buyer behaviour, which involves attitude, intentions and product choice, while intervening attributes consist of hypothetical constructs (or exogenous attributes). Hypothetical constructs in this model comprise perceptual constructs and learning - these have some effect on product choice decisions (ibid: 158-9).

Commercial and social inputs discussed above could be helpful when choosing certain products. However, consumers become aware of availability of particular products if attention is drawn to them through a display and/ or a billboard – these are marketing techniques. In that case, consumers discover as much as possible about the products that meet their needs. From the information gathered, an attitude is formed about a specific product and, if positive, it motivates them to buy it (ibid:.9).

2.3.2. The CDP model

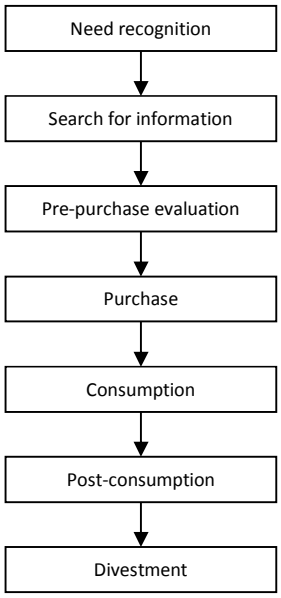


Figure 2: the CDP model. Source: Engel and Miniard (2001:71).

Engel and Miniard (2001:72-82) describe the stages of the CDP model as follows: the first stage involves need or problem recognition – at this stage, consumers might be prepared to sacrifice some so as to purchase other affordable products that still meet their needs, even if they would eventually aspire to satisfying prior wants. To meet the needs, marketers must be able to identify consumers' immediate needs: "if they know where consumers itch, they have a better idea of where to scratch with new and improved products…" (ibid:72).

Regarding Stage 2, the search for information, Engel and Miniard state, "once need recognition occurs, consumers begin to search for information and solutions to satisfy their unmet needs" (ibid:73). Although "sometimes consumers search passively by simply becoming more receptive to information around them, … at other times, they engage in active search behaviour, such as … searching the internet, or venturing to shopping malls and other retail outlets" (ibid:73).

In the third stage, consumers evaluate the quantity, size, quality, and price of a product. In other words, pre-purchase evaluation of alternatives, is a stage in which "consumers compare what they know about different products … with what they consider most important and begin to narrow the field of alternatives before they finally resolve to buy one of them" (ibid:76).

Stage 4, purchase, involves a decision to buy a product after evaluating the alternatives. Before a

purchase is made, the consumer probably considers two or more suppliers of a commodity or service. If the first producer sells a product at affordable price, either with a lease option or by extending the number of payments, the first producer wins the consumer. The fifth stage, consumption, occurs when consumers take possession of a product and use it. "How consumers use products also affects how satisfied they are with the purchases, …" and this implies that if such an individual consumer uses the product wisely, it lasts until another purchase is made or needed (ibid:80).

However, in Stage 6, which is the post-consumption evaluation stage, consumers' decision-making is associated with post-consumption evaluation that enables them to experience a sense of either satisfaction or dissatisfaction. The most important determination of satisfaction is how the product is utilized. No matter how good the product, if it is not used properly, dissatisfaction occurs (ibid: 80).

In Stage 7 (the last stage), when divestment occurs, consumers tend to opt for a variety of options: eventually, this leads to outright disposal or re-marketing. At this stage, each individual consumer might choose to sell, re-market or dispose of the product in some other way (ibid: 82).

2.4. Models of residential location

In most cases, suppliers of residential location and space are assumed to be profit- or non-profit maximizing organizations operating within competitive market structures. Similarly, even the economic behaviour of each individual household can be analysed within a competitive neoclassical context, since consumers are perceived by HSs as utility maximizing price-takers (Maclennan, 1982:8). Whatever the case, Baumol and Blinder (1994:194) maintain that lurking behind every decision to buy goods is scarcity of income, since it turns consumption decisions into trade-offs.

2.4.1. Trade-off model of residential location

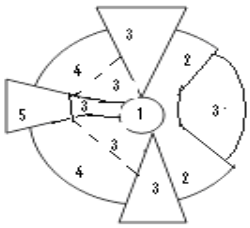
On the basis of this theory, Harvey (1981) perceives quality (for example, house-space) and housing location as other determinants of product choice decisions. However, most housing economists put more emphasis on accessibility and thus report:

> ' … residential demand for accessibility tends to be more complicated, depending on the utility of certain locations and even of particular sites expressed in in terms of: (a) travel time and costs related to distance from work, shops, schools, entertainment, cultural activities and recreational facilities, and (b) non-monetary considerations such as space, fresh air, peace and quiet, location prestige, neighbours and family ties' (ibid:219).

In this respect, neighbourhood or location and other social factors play a significant role in choice of residential property. “Thus for a given level of income, there was a trade-off in households’ choice between more access and less space …” (Maclennan, 1982:6).

The theory further assumes that “all employment is in the CBD”, though this might not be valid nowadays as HCs still live and work in the suburbs. While proximity to the inner city (CBD) is equally important, households prefer buying or renting housing units in the suburbs because they offer more house-space area, modern schools, playing-fields, parks, golf courses and other facilities such as shopping and entertainment centres, cultural amenities and libraries (Harvey, 1981:221 & 219). As International Review (2002:4) puts forward, demand for properties, with such amenities is usually high, which means that housing demand is not only a function of income, but also of availability of infrastructure and easy access to work places.

2.4.2. Hoyt’s radial sector model



Sectors

1. Central business area
2. Wholesaling and light manufacturing
3. Low income housing
4. Middle income housing
5. High income housing

Figure 3: Radial sector model. Source: Harvey (1981:233).

Hoyt says that cities are carved up by unevenly shaped sectors, within which different economic activities tend to converge - the sectoral form is influenced by competition for locations within a capitalist market real estate that translate business’s functional needs into land prices. Since manufacturing and retailing tend to spin-off and away from the CBD and agglomerate those sectors, some business enterprises expand outward and leave other economic activities behind, but in a

more functionally specialized CBD – the sectoral form in this case reflects the significance of accessibility to facilities (Budd and Gottdiener, 2005:84).

Similarly, residential areas (especially high status areas) tend to expand outward from the city centre, in well defined sectors, but parallel to the fastest transport routes towards areas with the most environmental amenities such as landmarks (e.g. parks and Universities). Usually, high-status residential areas are located close to these places. As high-income households move into new homes in such places (or suburbs), their old homes in the inner city end up being occupied by HCs of lower class standing (Holloway *et al.*, 2004:183). Bourne (1981) indicates that adjacent areas of intermediate value housing are often occupied by middle-income households – these areas grow in such a way that limit the lateral expansion of high-status areas and hence insulate those areas from middle-low sectors.

2.5. The IRHP

As IRH housing sector is relatively underdeveloped, it requires more policy attention because it is now a significant housing market for low-middle to middle-income households, particularly in or around the inner cities and beyond. Therefore, mechanisms have been established in terms of which the State can create an enabling environment, to develop social housing for renting and deliver housing opportunities at scale (Social Housing policy, 2003). Because the quality of housing counts, it is therefore, essential to evaluate the quality of housing properties and that of their locations on the basis of planning principles (e.g. mixed-uses and -income, medium density, LED, neighbourhood safety and varying structural designs) together with the subsequent effect on consumer choice.

2.5.1. Development principles

Mixed-use developments entail combinations of housing, shopping (or commercial), social (health or education) and recreational (leisure) amenities. In housing projects, where this principle has been applied, different uses are not spatially separate and distance to facilities is relatively short in terms of travel time and hence travel costs (Temple, 2004:34;27). In this regard, Larsson *et al*. (2007:24; 17; 25) state that agglomeration of those uses promotes economic use of resources and infrastructure and thus prompted development of compact structures (or medium density IRs) to counter urban fragmentation or sprawl. Similarly, mixed-income residences mitigate against slum development.

When mixed-income principle is applied during development of those housing properties, this makes it possible to influence adoption of alternate lifestyles by middle-income HCs. For example; as middle-low HCs tend to cause disorder through littering and noise-making, those individuals often outgrow such habits by associating with middle- and middle-high HCs who dispose of waste in

rubbish bins. Besides, noise making is controlled through house rules. Often, in new medium density IRs, walls are built in such a way that insulates HCs from noise (Joseph *et al*., 2007).

Although it has been difficult to assess public perceptions regarding medium density IRs, studies indicate that middle-income HCs perceive them quite positively (DoH, 2001:14). As put forward by Larsson *et al*. (2007), applying 'moderate density' principle and varying structural designs during housing development has, to date made it possible to supply quality residences and neighbourhoods. However, concern about exquisiteness of residential properties is not enough: that is; HCs' safety within residential yards is crucial (Larsson *et al*., 2007).

However, few live-work business units have been delivered. In spite of this shortfall, LED is partly boosted through provision for home-based enterprises and thus in the process, economic integration is promoted in such housing properties. Similarly, by locating IRs close to transport nodes and economic hubs in many UCs, spatial integration is also promoted. As the ground floor has always been suitable for creation of live-work units, potential customers along the street are well exposed to those business enterprises (Larsson *et al*., 2007:63).

That is why city regeneration, as put forward by Forrest (2000:8), has been tied to IRHP to increase commitment to creation of "a stable economic environment for … small business operations … which in turn generate jobs, … and give new life to the city" in SA. In this sense, regeneration restructures the cities economically and thus promotes both economic integration and economic sustainability in most areas. Similarly, focusing on development of new medium density IRs, with home-based business enterprise units on ground floors accompanied by the quality of basic infrastructure such as roads, the key challenge of improving access to services for small business operators is addressed. Therefore, HoCs have been trying to locate housing properties in areas adjacent to basic facilities to enable HCs to engage successfully in income-generating activities. Furthermore, location of residential properties in such areas contributes to deflation of travel costs while use of good construction materials result in durable buildings and/ or sustainable housing (SHF, 2005).

However, developing sustainable housing has serious implications on the design of housing properties and unit space areas as well as on installation of sanitation facilities and creation of the living opportunities (Larsson *et al*., 2007:43 & 19). Greenhalgh (1998:6) argues that it is wise for professional groups such as architects (or designers), planners and engineers and the groups campaigning for sustainable urban neighbourhoods to vary structural designs. This further explains why HSs aim for construction of quality housing.

The DoH (2001:2) proposes that "the quality of construction, building materials, fittings such as electrical, and plumbing fixtures, and finishes …must not be compromised …". First Forum (2004:17) argues that "construction materials affect sustainability, hence their choice is important". In this sense, as long as housing projects evince construction quality within its physical context, construction can have "a positive long-term aesthetic impact on its environment, showing an innovative … use of space and form" (ibid:20).

2.5.2. Choice of residences and locations based on the CDP, Howard-Sheth, Hoyt's radial sector and trade-off models

Based on the Howard-Sheth and trade-off models of consumer choice and residential location, as well as the CDP and radial sector theories, consumer choice is driven by property attributes and its location, most of which are the elements of housing demand. Based on this statement, it is imperative to evaluate reasons for choice of current housing properties on the basis of these models.

Product choice decisions, according to the CDP model, are influenced by product quantity and quality whilst product price determines choice of products. However, HCs give priority to those products which meet immediate needs. For example; before a decision is made to buy a specific car, an individual consumer evaluates different models of cars so as to purchase the most satisfactory one in terms of price affordability and internal space area aside from the colour and design of the car. By so doing, HCs avoid sacrificing other basic necessities. Similarly, during housing choice, HCs consider adequacy of vacant rental units in terms of sizes and affordability of rental prices. However, consumer choice and hence utility, is optimized by sensible utilization of a product; that is, servicing a car on appropriate dates 'conditions' a car and thus enables a user to resell it at a profit should another purchase be necessary.

Similarly, in housing markets, choice of quality housing units is driven by availability of better quality housing properties in terms of unit space areas and corresponding rental prices as well as affordability. In this case, marketing techniques such as a display is useful in helping potential middle-income HCs to spot vacant units in properties located in appropriate areas, thus, enabling them to choose a preferred rental unit. Based on Stages 3 and 4 of the CDP model (pre-purchase and purchase stages respectively), choice of rental units involves evaluating property attributes such as structural design in present and alternative locations as indicated above. However, insensible or sensible utilization of property (in consumption and post-consumption stages - 5 & 6), downgrades or upgrades the quality of a product, and leads to discontentment or contentment with the product,

thus resulting in minimum or optimum consumer satisfaction respectively. Certainly, adherence to maintenance norms contributes to property quality while negligence contributes to downgrading of the built environment (Engel and Miniard, 2001; Maclennan, 1982).

The situation is rather different in Howard-Sheth model of consumer choice, where HCs choose rental units in housing properties with good social and commercial attributes such as friendship, and product quality and affordable rentals respectively. Because, word of mouth tips sometimes guide HCs to such properties, it becomes possible (sometimes through lease administrators) in those HoCs to choose appropriate flats in terms of size. Sometimes when other HCs venture in shopping malls, they come across displays, which show rental housing properties with the same qualities; in other words, location itself tells if that particular neighbourhood is endowed with preferable attributes (e.g. friends or folks) (Williams, 1981).

While the Howard-Sheth model of consumer choice focuses on commercial and social factors, which influence choice of housing units in residences with good attributes, trade-off theory of residential location demonstrates the extent to which architectural, social, commercial, and spatial attributes drive choice of residences: those are as follows; (a) structural design and unit sizes, (b) affordable rental price and travel costs (or fuel consumption for motorists), (c) privacy, neighbourliness or kinship relations, and (d) distance to work or recreational facilities in terms of travel time and travel cost. However, places with location prestige; that is, areas with aesthetic views (or landscape features) and landmarks have also been appealing to most middle-income HCs. Since high housing demand and high interest rates in SA have been inflating rental prices and transport fare, these costs often necessitated swapping of residences or housing units (Evans, 1985; Harvey, 1981).

Based on the above statements, Crofton and Venter (2000:7) indicate that housing satisfaction reflects tenant's perceptions of the extent to which housing property adequately addresses their needs. Therefore, housing is not only about provision of shelter, it is also about enhancing individual social status; which means that good maintenance and prompt property repair optimises consumer satisfaction (SynConsult *et al*., 2003).

Therefore, consumers' positive perception regarding the quality of rental property (i.e. structural design) influences choice of rental units, but only if rental prices are affordable. Moreover, even if the neighbourhood is endowed with as many environmental attributes as possible, absence of the social attributes such as closeness to friends can affect consumers' attitude towards particular housing properties (Williams, 1981).

However, Forrest (2000:25) argues that most consumers "enjoy being nearer to place of work or

within easy reach of transport networks that can take them wherever they want". As IRs are often located adjacent to most job opportunities or in places with efficient transport system, consumer choice is thus facilitated and improved. Certainly, consumers' expectations and aspirations could be better envisaged if SHIs get an opportunity to evaluate them so as to match rental products with consumers' lifestyle (Williams, 1981:158-9).

Since housing properties of better quality are located in areas with intermediate value housing, as the Hoyt's radial sector model demonstrates, distance to commercial (i.e. shops) and social (i.e. entertainment) facilities as well as to environmental amenities (i.e. parks) and economic opportunities (e.g. work) is usually short in terms of travel time and travel cost. Middle-income HCs are able to access such rental properties located in such areas. As HCs in both areas often interact in same shopping malls, it is possible to copy lifestyle changes (Bourne, 1981; Holloway *et al*., 2004).

In the following chapters, the Howard-Sheth and trade-off models will be used as appropriate models for the evaluation of the influence of the IRHP on consumer choice. In evaluating consumer choice opportunities in IRH markets, the two models have been able to demonstrate that, social, spatial, commercial and individual factors such as friendship, neighbourhood quality, residences' adjacency to shopping facilities and privacy play a vital role during housing-choice. In other words, monetary and non-monetary considerations such as rental price or travel cost to work and peace or family ties respectively, render these models extremely significant during the evaluation of the influence of IRHP on consumer choice. Because the CDP and Hoyt's radial sector theories focus solely on commercial and environmental factors, these theories are able to assess to a limited extent drivers of consumer choice decisions.

2.5.3. Evaluating the influence of IRHP in terms of the Rental Act, through Howard-Sheth and trade-off models

To date, applying the basic development principles of the NHP such as densification, variation and flexibility, and mixed-use during IRH development, enhances the quality of properties and that of the local environment. If during construction of IRs, building materials used are of good quality, and employed workmanship is appropriate, this could reduce the cost of retrofitting, which is about 1.3 times the cost of initial installation. And if the architects design good compact structures, which integrate with the landscape, enhance the aesthetic appeal of structures and the face of the built environment (SynConsult *et al*, 2003:68). However, Temple (2004) reveals that in cases where the design of the buildings is poor, in terms of architecture (e.g. construction, structural design and unit sizes), the buildings become ephemeral and hence blight tomorrow's landscape.

Aside from that, failure to detect construction defects during property development result in abnormal levels of repairs and hence high costs (Crofton and Venter, 2000). In this regard, the UN-Habitat *et al*. (1991:13) indicate that maintenance demands could be reduced if the following have been considered from the onset:

> "…easy accessibility of services for inspection, the replace-ability of fittings and fixtures with a life shorter than that of the main buildings, the compatibility of performance of different materials used in construction, proper detailing to avoid leakages and cracks, could drastically reduce main-tenance demands soon after completion of construction"

Based on the above statement, being able to minimize maintenance demands often lowers the operational expenses of HSs. Besides, Unfair Practices Regulations of the Rental Act (2001) enforces timely property check and hence prompt repair. If HIs recognize prescribed building by-laws such as proper detailing to reduce leakages and HCs comply with house rules like use provided waste disposal bins to avoid littering, this could make the local environment better (DoH, 1999).

Trafalgar Group (2006:34; 36) further reports that although supply of better quality residential properties is peaking within the CBD and in areas close to it, cleanliness is still not acceptable. For instance; around the streets, littering is common, and even by-laws are not recognized or executed. Since the State through the Unfair Practices Regulations in the Rental Act obliges HIs to keep rental properties in good order enforcing compliance with house rules could instil accountability for cleanliness norms among HCs (DoH, 1999:4; 7 (1) (b) (i), (f) (g) (i) (j) & (2) (b)).

Regarding rental payment; Trafalgar Group (2006: 29; 37-8) further reveals that in Durban, rental prices for flats in housing properties located within the CBD or on the city fringe escalate because of flagship developments like uShaka Marine World at the Point. Therefore, rentals range from R1 095 and R2 250 for a one-bedroom flat while in Johannesburg (i.e. a focus city) rentals amount to or exceed R1 800 for a flat of the same size. Similarly, in Cape Town, monthly rentals for a one-bedroom flat range between R3 200 and R3 600, depending on unit space areas. Therefore, for any middle-income HC earning between R3 500 and R4 501, these rentals are quite high unless that particular household comprises a couple with two salaries ranging from R4 501 to R6 000 each. Although the quality of housing properties, being developed is usually good because HIs adhere to medium density principle and vary structural designs, if the amount of institutional subsidy was adequate enough to cover development costs, rental prices would more affordable (Gardner, 2003a).

In rental prices for housing units in such properties were too high, HCs would for other affordable

flats in alternative residences in other neighbourhoods. That is why HoCs weigh rentals against household monthly disposable incomes when allocating housing units, so as to maximise tenant turnover. However, choosing flats in alternative locations sometimes involves opportunity costs for middle-income HCs; for example, loss of friends to socialize with, especially if in initial residences, HCs were attracted by friendship. On the other hand, if in a new residential area an entertainment or shopping facility is within a walking distance, this is an opportunity benefit. Thus forgoing friendship at an initial place could involve gaining another valued attribute (e.g. recreational or commercial centre) at a new place. However, rental price affordability has been a major driver of consumer choice (Harvey, 1981).

SynConsult *et al*. (2003:54) indicate that in most cases, HIs are allowed to increase rental prices so as to meet increased expenditure or costs as long as the new rentals are in line with the CPI. For instance; if a resident is charged a rental of R1 800, which is, 25 percent of monthly salary at the commencement of a lease, over a two year period, the rental would have increased by 7 percent since it is anticipated that annual salary, increases as well. Considering the market forces of supply and demand, the Rental Act argues that housing markets would function effectively through levelling of the playing fields and maintaining equitable access to services (section 2 (1) (e) (v)).

Regarding density, Trafalgar Group (2006:37; 47) argues that densification is not only about housing; it is also about HCs who live in such areas. However, development of medium density residences is expensive because of the cost of land. Land cost is usually determined by the attractiveness of the neighbourhood and the extent to which its relative stability and location affords access to urban opportunities. In this regard, the State through the Rental Act obliges SHIs to increase or decrease density to maintain economic utilization of land and services. However, medium density developments are costly and thus inflate rental prices as indicated above (see section 2 (1) (e) (vii)). Besides, interest rates spiral every now and then and hence inflate development costs and in turn rentals, which implies that CPI is often exceeded, thus making it more difficult to choose housing units which suit HCs tastes and household sizes (Van Den Berg, 2008:32).

Although the Rental Act clarifies affordable rental amounts based on unit sizes, it has been possible for HCs to avoid paying exorbitant rental prices and hence default. Although rentals charged must be affordable and consistent with unit sizes for middle-income HCs, revenue generated from rentals is sometimes too low to match the running expenses of property. That is why SHIs increase amount of rentals by a certain percentage as indicated above. In this case, it is fundamental for lease administrators to consider household size and HCs' ability to pay for rent during housing allocation. Failing that, tribunals are available to evaluate allocation systems and make rulings relating to this

issue. Therefore, the IRHP, in terms of the Rental Act, influences consumer choice in relation to affordability (WoH, 1999:18; (5) (a); DoH, 1999:10; (13); (i), (d), (e), (g) & (2);(d),(e)).

Miners (1983:79) indicate that "as far as middle-income is concerned,… the expectations, aspirations, and the degree of choice which people have …" enable them to choose appropriate units in properties with the most preferred attributes. Therefore, consumer choice is driven by availability of quality IRs in locations with preferable physical characteristics; which optimises place utility as well. The Rental Act thus obliges SHIs to enhance consumer choice options in terms of quality by adhering to prescribed design standards and building norms so as improve the quality of housing (see section 2 (1) (c).

However, designing minimum sized housing units without increasing rent has been the most difficult task. Besides, even if units were subsidised for middle-income HCs, it would still be hard for SHIs to embark on production of IRs and maintain project viability simultaneously without compromising property quality owing to limited funds (Briley, 2000).

Based on Howard-Sheth models, choice of housing units in particular residences is also driven by the quality of such properties. Often, HCs identify housing units in preferable IRs through appropriate promotion techniques such as a display in shopping malls. For instance; commercial and social attributes such as affordable rental price and friends influence choice of appropriate units in terms of size. Since alternative options are unlikely in such housing properties, it is possible for HCs to stay for a long time in such rental properties. In this case, marketing exposes housing products, which correlate with consumers' lifestyles (Williams, 1981; Harvey, 1981).

In respect of safety and security; Trafalgar Group (2006:34-5; 38) states that a link exists, between crime, grime and poor management, and between crime, poverty and/or unemployment. Since municipalities are paying attention to this issue, crime levels are declining and public perception is is improving. Since criminals also prefer areas within and around Gauteng inner city because of efficient transport system, residential environs within and around the CBD are perceived as unsafe. However, the DRZs, which have been legislated into existence, are proving a great success in the war against grime and hence, crime (SynConsult *et al*, 2003:55).

With increase in neighbourhood safety, HCs are likely to feel protected crime and harassment by neighbour and thus be recognized, accepted and be able to enjoy privacy in their home and neighbourhood. However, adhering to fair practices during development of housing properties and after, could thus contribute to fulfilment of housing needs such as social, security and independence needs. Nonetheless, it is through post-occupancy survey that such issues can be explored. However,

even at first sight, it is possible to tell if property and its location can fulfil those needs. Therefore, the Act indirectly influences choice of housing properties with optimal safety (Cronje *et al*., 2006; DoH, 1999).

However, the ability to respond to those demands could effectively be enhanced if consumers' motives were understood. Such understanding is usually generated through market research. Since the Rental Act (see section 4 (1) encourages marketing, this displays vacant units in properties, with satisfactory attributes. In this regard, Howard-Sheth model demonstrates that consumers could discover as much as possible about housing properties with preferable attributes through a display, whilst venturing in shopping malls or other points of information display in the neighbourhood (Williams, 1981:181).

2.6. Conclusion

Based on Howard-Sheth and trade-off theories, adequate housing space area and satisfactory structural design enhances consumer choice options in terms of quality. Similarly, the physical characteristics of the neighbourhood such as short distance to economic (work), commercial (shops), social (friends) and recreational (cinemas) facilities in terms of travel time and travel cost, maximises consumer choice opportunities in relation to location. In this case, the IRHP in terms of the Rental Act influences provision of such amenities and allocation of quality housing units to HCs. Therefore, the IRHP influences consumer choice. However, IRs with such attributes, have been expensive in terms of development costs because of high interest rates, which escalate prices of building materials and thus rental prices. Therefore, the difference between private rent and social rent is becoming blurred.

Although most SHIs attempt to deliver housing an ongoing basis, the supply has been too slow to meet the high housing demand. However, it is in IRs where development principles have been successfully applied and thus possibly enhancing the quality of housing and that of the built environment. And, by subsuming integration and sustainability in those principles during development of IRs, SA cities are possibly being restructured spatially, economically and socially and integrated accordingly. Since HCs can now access goods and services in areas within a short distance in terms of travel costs or walking time, consumer choice options have been possibly enhanced in relation to affordability (rent), location (transport fare) and quality (structural design, unit size and landscaping).

Chapter 3

Methodology

3.1. Introduction

In this chapter, a detailed description of the interview and observation techniques as used for data collection in Legae Gardens and in JOSHCO Complex Two residences is given. Physical visits to the case study residential areas made it possible to observe architectural quality (e.g. design, construction, landscaping and unit sizes), and neighbourhood attributes (e.g. proximity to work and facilities) and collect such data in the form of photographs.

3.2. The research objectives

The study had three key research objectives as follows:

a. To find out if IRHP promotes or undermines consumers of choice in rental housing markets, especially for middle-income HCs;
b. To find out the extent to which IRHP influences supply and location of IRs in neighbourhoods designated for restructuring;
c. To evaluate the extent to which IRHP influences revitalization of the built environment, especially in inner city areas.

The research objectives guided formulation of the research questions below.

3.3 The research questions

In formulating the research questions, the Howard-Sheth and trade-off (or access-space) models (as derived from literature) as well as policy documents from PDoH and SHF were useful. The research hypotheses in Section 3.3 were formulated to respond to the research questions listed below.

a. To what extent does IRHP enhance consumer choice in relation to affordability (rent), quality and location in Johannesburg?
b. Does the IRHP promote integration of communities through mixed-income residences?
c. Does the IRHP influence consumers' positive attitude (or perception) and user satisfaction through supply of better quality IRs in neighbourhoods with good attributes?

The research questions above facilitated formulation of the hypotheses. A flexible approach during formulation of these hypotheses made it possible to clarify what needed to be evaluated. The hypotheses are as follows:

3.4. The research hypotheses

Based on the above research objectives and questions, the following hypotheses were applied to guide this research in terms of data collection and analysis.

Firstly, IRHP enhances or undermines consumer choice opportunities in relation to affordability (rent), quality and location.

Secondly, IRHP promotes integration of communities through mixed-income developments.

And thirdly, IRHP influences consumers' positive attitude (or perception) and user satisfaction through supply of better quality IRs in neighbourhoods with good attributes.

It was considered possible to substantiate or refute the above research hypotheses through primary data obtained from Legae Gardens and JOSHCO Complex Two housing projects, as case studies. Definitions of concepts as understood in this report are given below.

3.5. Concepts applicable to the Howard-Sheth and trade-off models

Most households in SA still struggle to access affordable housing units in properties having the most preferred location (or neighbourhood) attributes. However, it has been difficult to access such units because of limited supply. For that reason, policy support for social housing for renting has been crucial because this type of housing is part of a socio-economic strategy for HCs, which enables HSs to address prevailing affordability problem by producing affordable housing, thus increasing HCs' affordability for the for rent (Segodi *et al*., 2001:5).

However, the DoH (2002:33) indicates that in cases where the cost of development of rental property is high and hence contributing to high rental prices, HoCs sometimes compromise property quality by reducing unit sizes and sometimes the service levels so as to make rentals affordable. In that case, consumer choice opportunities are constrained and enhanced in relation to quality and affordability respectively. In this report, affordability is conceptualized as "securing some given standard of housing (or different standards) at a price or a rent which does not impose… unreasonable burden on household income" (Maclennan and Williams, 1990:9).

However, HSs enhance affordability of rental price by applying mixed-uses principle during housing development, which involves locating IRs areas close to socio-economic opportunities and commercial facilities so as to reduce travel cost, thus restructuring Johannesburg city; economically, socially and spatially and integration of communities accordingly. Although most housing delivery has been located in areas far removed from economic opportunities such as job opportunities, the

problem is now being addressed. However, efforts to deal with this problem have not been completely successful owing to limited supply of rental stock in such areas, which contributes to escalation of rental prices. Therefore, HCs have been compelled to swap trade-off residential properties with high rent, for those, which are close to commercial and recreational facilities, in current locations, for those with low rents and low transport costs in alternative locations, but with less economic opportunities (Larsson *et al*., 2003).

Since the trade-off concept is often associated with utility, it is described as the sum of value ascribed to certain products. In marketing, utility explains why one product might be preferred against another. Therefore, the concept should be understood as satisfaction placed on each product's attributes such as neighbourhood safety; which implies that choice of a particular product is based on competing utility with other products. That is why consumers trade a reduction in one attribute for an increase in another. Based on this statement, consumer choice is influenced by HCs' perceptions of housing properties regarding architectural quality (i.e. unit size) (Williams, 1981:157). On the other hand, consumer satisfaction, according to Crofton and Venter (2000:7) is a person's experience of the housing, based on subjective evaluation of the degree to which the person's housing needs have been met after having occupied the home.

At this stage, Maclennan (1982:6) found that for a given level of income, HCs are often forced to forgo or trade-off residences with increased access to transport facilities for those with cheaper, but inadequate unit space areas. Therefore, there is a relationship between product choice decisions and scarcity of income. Because of scarcity of income, HCs incur opportunity costs and opportunity benefits during choice of residences. For instance; if a peaceful neighbourhood is given up for another with a better infrastructural and proximity attributes in other locations, then the former could be argued to have an opportunity cost and the latter to have an opportunity benefit to the consumer (Baumol and Blinder, 1994:194).

In housing markets, trade-offs explain the relationship between consumer choice and place utility, and action space. Consumer choice is understood as a decision to rent a specific good or service as indicated in Section 1.3. Place utility should be conceptualized as consumer utility with respect to space, while action space involves the areas within the city, which the household regularly visits and assigns place utility (e.g. recreational centre). Since households usually achieve place utility in residences situated in locations with structural and proximity attributes, it becomes possible to weigh the benefits to be gained against costs to be incurred when swapping rental units and hence neighbourhoods so as to choose a place offering optimum utility. Often, such places are portrayed as 'classy' because property structural designs are good and integrate with the local environment

(Bassett and Short, 1980:35).

Sheth (1974:44-5) used the Howard-Sheth model, which introduced the concept of 'product class' to evaluate consumer choice behaviour (see Section 1.7). And, if the product needed can be substituted for the one with similar or more physical attributes in alternative locations, it is therefore regarded as 'product class' housing estate. That is why Howard and Sheth produced an 'evoked set' concept as well to explain reasons or motives for choice of particular products and thus promote understanding of consumer choice behaviour (see Section 1.7) (in: Williams, 1981:23).

However, HCs opt for better quality housing products, which are affordable in terms of rental prices. Housing demand for such products is likely to remain high and hence inflate prices. Up to now, property quality in terms of size, density, scale and landscaping, have been the most important contributory factors for rejuvenation of the built environment particularly in inner cities. Therefore, those attributes have been are regarded as driving forces, which spur an individual consumer onto action; that is, choice of housing properties with favourable social and physical attributes (Galster, 2003; Stafford, 1978:35).

3.6. Data collection techniques

The study employed qualitative research method because it facilitates understanding of behaviour from the subject's frame of mind (Biklen amd Boglan, 1982:2). Therefore, Corbin and Strauss (1998:11) delineate qualitative research as "any type of research that produces findings not arrived at by statistical procedures or other means of quantification".

In other words, the only numerical operations that can be conducted on qualitative variables are percentages in each category. However, the percentage of the respondents interviewed does not represent the views of all middle-income residents in both Legae Gardens and JOSHCO Complex Two residences (Bailey, 1987). Because those attributes as Galster (2003) reported are classified into seven categories (namely; unit sizes; structural; class status; demographics; social-interaction; proximity and infrastructural) and further classified into input stimulus, exogenous and output response attributes, it was possible to identify similarities and differences that exist in respective residences.

In this case, tables were used to distribute cases on a single attribute so as to evaluate those similarities or differences and then correlate them with HCs' motives for choice of current housing properties (Caplovitz, 1983). Based on Williams' statements (1981), since the quality of JHC's and JOSHCO's newly built residences is often good, most individuals indicated that it is very unlikely that they would swap current rental units for the alternative ones in other IRs and their locations because

of satisfactory unit sizes and neighbourliness in present housing properties and their locations. Because utility is always associated with trade-off theory, then HCs' satisfaction with current IRs and their locations has been assessed on the basis of their experience of maintenance, noise level and privacy in rental units as well as safety within the yard. However, Howard-Sheth model demonstrates that increase in income level sometimes encourages trade-offs.

3.6.1. Evaluative research using the comparative case study approach

Evaluative research involves evaluating the outcome of a policy (i.e. the IRHP), which is expressed as better quality residential properties in terms of architecture (i.e. buildings' design, unit sizes and landscaping) and location attributes (i.e. distance to work and facilities). Legae Gardens and JOSHCO Complex Two are examples of residences with such attributes. As each comparison group had a sufficient number of the respondents, it was possible to reveal the diversity of each comparison group so as to refute or substantiate emerging theories or hypotheses (Lewis, 2003).

Nonetheless, Silverman (2006:63-4) warns against "… grand theorists who need to be reminded of the role of new data in their study". That is why during data collection emphasis has been put on affordability of unit rental prices and transport fare to work as well as on quality of housing (unit sizes) and location (physical characteristics) of housing properties. Besides, the research findings obtained during the field visits meet the purpose of the study and could be used to modify or extend the theory because both cases are informative (Newman, 2003).

3.6.2. Face-to-face interviews using structured and semi-structured questionnaires

As indicated in above section, face-to-face interviews facilitated simultaneous interviewing of the residents and observation of the social setting, using structured and semi-structured questionnaires. Structured questions have been used in a systematic and consistent order while the same questions were used as semi-structured questions by varying the order of some questions and rephrasing (or modifying) some questions so as to probe more information and ask questions in a manner that does not insinuate complete contempt of the respondents. For instance; which group of households commonly cause disorder through noise-making or littering within the residential yard – middle-low or middle-income households? Rather, HCs were expected to tell if the provided rubbish bins were being effectively utilised and whether or not security personnel on duty are able to stop littering. Being tactful during interviewing, encouraged prompt and sincere answering of questions, thus facilitating elicitation of more insights regarding the IRHP and its influence on consumer choice. Besides, use of both methods of questioning was maintained with all respondents, which ensured that the responses are comparable (Robson, 1993).

Face-to-face interviews were conducted with the aim of comparing emerging issues. Therefore, it has been helpful to evaluate primary data derived from HOs in HIs and HCs in two comparison groups for theory building - as the new theory unfolds new ideas start being framed into specific questions (Babbie and Mouton, 2001).

When asking questions related to the extent to which rights were recognized by HIs, it was also vital to be discreet in this case since increasing consumers' willingness to disclose some privy information was vital. Therefore, use of semi-structured questionnaires during an interview, facilitated elicitation of information that a more suited questionnaire would not. That is why some questions were restricted to some form of words to use so as to understand HCs' motives for choice of current property without making them uneasy. However, data gathered from interviews was supplemented by the other data gained from observation of the residences and their surroundings (Robson, 1993:231; Stacey, 1969:75).

3.6.3. Direct observation

Yin (1994:87) posits that direct observation is a component of research throughout a field visit, since it facilitates observation of the setting (and the state of the buildings - the finishes i.e. internal and external, as well as maintenance). Sometimes data in qualitative research is presented in the form of pictures or photographs because of their ability to give factual information and push the insight and analysis further. Therefore, for substantiation or refutation of the emerging theories, it was essential to explore those photographs and some information obtained from observation of the residences (Biklen and Boglan, 1982).

Observation of the residences and/or their precincts was also useful for finding out if indeed HCs appreciated the beauty of the area (i.e. hard and soft landscaping). Since during the weekends, households sit around blocks of flats, on grass and in groups drinking, laughing or just talking, it was possible to tell if consumers enjoyed the groomed environment. Although some individuals are not proficient in assessing architectural quality, it was possible to tell through observation of the design of the buildings and landscaping as well as the finishes (i.e. plastering, painting and paint colour) if professional finishing touches put on properties provide unusual contrast to modernity of the buildings (SynConsult *et al*., 2003).

In that regard, Goldfinch and Tu (1996:519) indicate that the state of the buildings could negatively or positively affect product choice decisions. For that reason, HCs' perceptions of current properties should be studied based on environmental conditions within and around the surrounding environment (e.g. cleanliness). That is why responsive questioning, if accompanied by observation, is

helpful in assisting the researcher to find out if the residents chose present residential properties based on quality. On the basis of those statements, observation, "allows events, actions and experiences … to be seen through the eyes of the researcher, …" (Ritchie, 2003:35).

3.7. Reliability and Validity of data in case studies

Reliability is concerned with consistency of a measure while validity refers to goodness of fit between a concept and a variable. Therefore, internal validity is achieved when a difference is identified in any given comparison. That is why researchers are expected to visit the source of data regularly to find out if different or similar results would be obtained at different times (Hickey, 1986:23-4; Bailey, 1987:70).

However, the two residential properties look similar in terms of architectural quality (i.e. exquisiteness of buildings' designs), and rather different in terms of unit rental prices and unit space areas: that is; a flat of $37m^2$ to $50m^2$ ranges from R1 590 to R1 864.50 per month in Legae Gardens while the same unit in JOSHCO Complex Two ranges from $34m^2$ to $39.20m^2$ and R1 709 to R1 937. Nonetheless, both properties are located in different neighbourhoods (JHC, 2006; JOSHCO, 2007).

However, measures of consumer choice range from the percentage of the respondents who choose particular IRs and their locations because of affordable rentals or transport fare to work. Nonetheless, reliability or validity of data is verified through secondary sources. In other words secondary data is used to cross-check primary data so as to establish reliability or validity of such data (Lewis and Ritchie, 2003: 286; 263).

Data was collected through interviews with any possible interviewees or cases that fit a particular criterion. That is why small-contact social groups and two settings were selected (i.e. 28 and 25 middle-income HCs in Legae Gardens (Newtown) and JOSHCO Complex Two (Kliptown) respectively. In so doing, it became possible to reveal theoretically important features (Newman, 2003).

3.8. The IRHP: needs-based and outcome evaluation

The report sought to discover particular unmet needs of middle-income households and why HoCs, fail to influence fulfilment of certain needs, if at all they do. Given the fact that the physical qualities of Legae Gardens and JOSHCO Complex Two residences are appealing, and the neighbourhoods' socio-economic attributes and spatial characteristics are good, HoCs let units at value-for-money. Based on this statement, HCs access housing units in properties, with preferable attributes, which therefore, implies that it is in such residences and/ or neighbourhoods that housing needs are met and/ or fulfilled. However, most information on every aspect was obtained from the policy

documents from HoCs, SHF, and PDoH. Because the physical attributes of housing properties and of their locations are regarded as the outcome of the IRHP and hence of the Rental Act, it was crucial to evaluate the influence of IRHP on consumer choice and also to investigate the extent to which it influences behavioural changes in terms of that Act (Interviews, 2006/07; Babbie and Mouton, 2001:341).

3.9. Limitations of the study

It was rather difficult to obtain reliable data on reliable housing solutions. For instance; some consumers chose current properties because of satisfactory housing services in terms of quality and the residences' exquisiteness and privacy. Others stated that affordable rental prices and being able to mingle in those neighbourhoods were the main reasons for choice of IRs. The implication obtained in these cases was that no one solution is a panacea to all housing problems.

However, lack of seriousness about issues like why HoCs mix HCs of different income in the same residences to some residents made it difficult to find out if those HCs are aware that HSs mix them to avoid encouraging development of ghetto looking environments. In most cases, HCs in middle-low income range tend to litter and it is usually in mixed-income housing projects that this habit can be outgrown because those HCs always see other middle- or middle-high HCs whilst disposing of waste in garbage bins. Although most HOs think that middle-low income HCs contribute to development of squalid environs owing to lack of accountability to cleanliness norms, regular physical visits to those residences, enabled me to see the grimy areas on the front side of Legae Gardens and behind, and just across the road, on the left side of JOSHCO Complex Two, but adjacent to mini-bus taxi terminus. However, it is only small areas, which looked filthy, but there are visible efforts to upgrade them particularly in Legae Gardens.

At this stage, it was somewhat hard to elicit any information on why City of Johannesburg municipality has been ignoring those areas, and why it is so difficult to incorporate simple environmental management considerations into IRHP. The garbage bins are provided everywhere but people keep on littering in the streets – even municipalities themselves delay to collect full bins in the streets. Besides, mini-bus taxi drivers and passengers keep on throwing waste cans through the windows. Moreover, municipalities have been unable to use present police or security personnel to coerce pedestrians, passengers and mini-bus taxi drivers to clean up the areas where they litter. Nonetheless, it was impossible to collect data on this issue because of limited time to interview some officials at that institution.

3.10. Secondary data analysis

Interviewing HCs and HOs in two residences and three HIs was helpful. So too was observation of the neighbourhoods and use of the Howard-Sheth and trade-off models. Thus, collating primary data collected during interviews and physical visits to those residences, and secondary data from the books, journals or policy documents, has thus facilitated accurate evaluation of the effect of IRHP on consumer choice in reference to the Rental Act.

At this point, Lindsay (2004:76) reveals that information from the other sources is often open to manipulation, despite the fundamental nature of some facts. Although some facts divulge the existence of phenomena and form a guiding theme for research, as Lindsay further puts forward, primary data becomes reliable if supplemented by critically assessed policy documents.

3.11. Conclusion

It was through primary and secondary data that the influence of the IRHP on consumer choice in case study housing projects was estimated. In other words, primary data was cross-checked through some facts from secondary sources, which facilitated refutation or substantiation of the hypotheses. For that reason, it was possible to deduce the extent to which residential properties, with satisfactory physical and location attributes optimise consumer choice options and hence, place utility as Howard-Sheth and trade-off theorists argue.

Chapter 4

Presentation and analysis of primary data: Legae Gardens' and JOSHCO Complex Two residences

4.1. Introduction

Primary data was derived from interviews with the caretakers and non-subsidized middle-income HCs in Legae Gardens and JOSHCO Complex Two residences as well as HOs in JHC, JOSHCO and PDoH. Data obtained from observation of housing properties and their surroundings is analysed briefly, together with the findings gathered from interviews, in subsection 4.6.2 below. However, the findings cannot be analysed without use of Howard-Sheth and trade-off models of consumer choice and residential location respectively.

4.2. Location of case studies

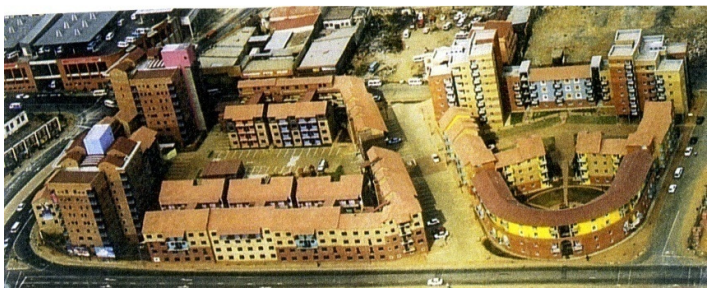
Gauteng is enclosed by Limpopo, Mpumalanga, the Northern Province, the Free State and the North West (see the map below).



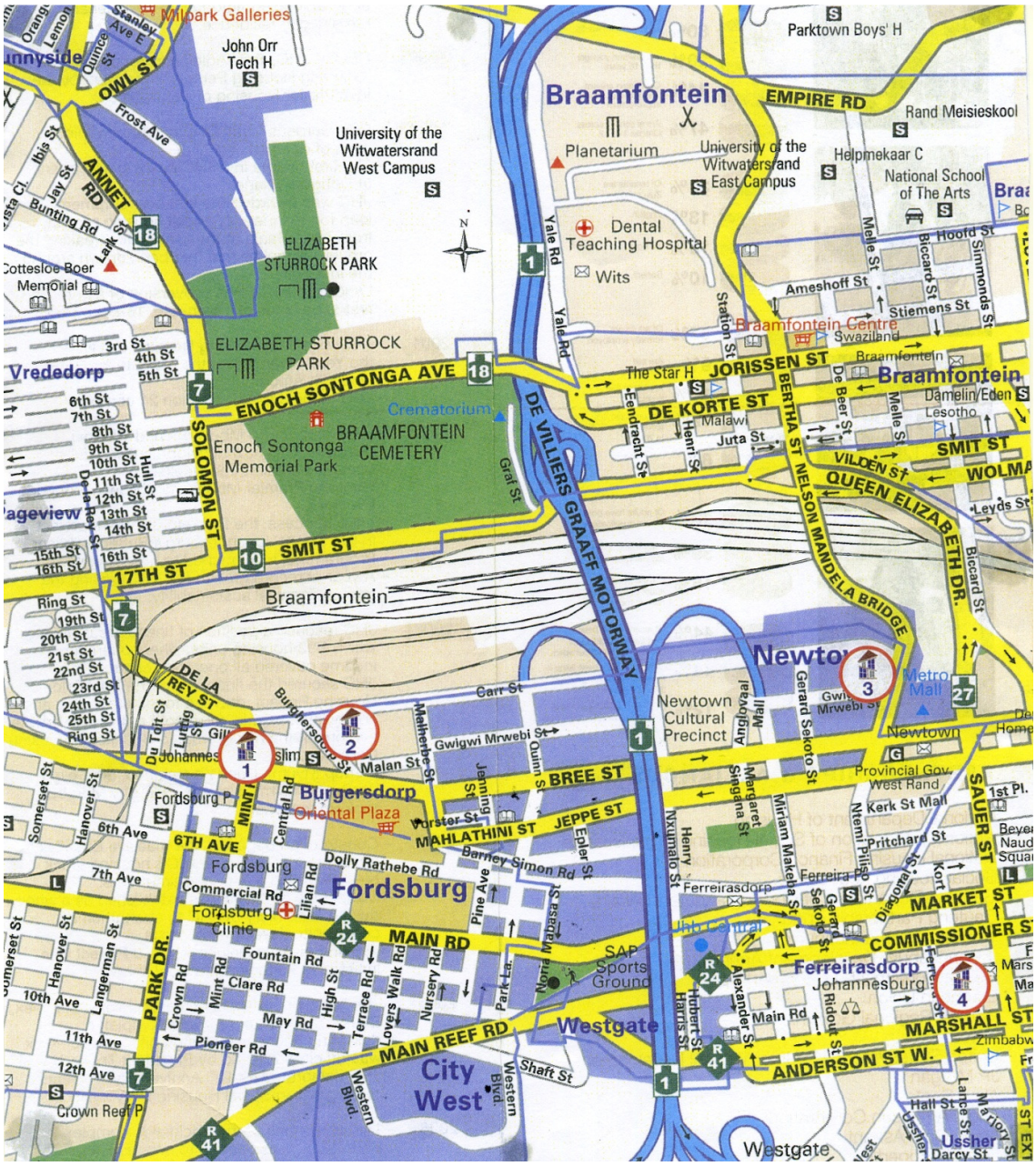
Map 1: A Map of South Africa indicating the country's nine provinces and its location at the Southern tip of Africa.
Source: Afrilux Quickies (Undated)

The east of the city of Johannesburg comprises Braamfontein and Newtown and also Fordsburg and Vredorp on the West (Inner City Position Paper, 2001). On the eastern side of Johannesburg lies Newtown, an area in which Legae Gardens (and Brickfields) is situated. Newtown is located close to the city core and the above residences are situated in Newton. A map showing Newtown is given on the following page.

Legae Gardens is located at the corners of Carr and Gerard Sekoto streets and Gerard Sekoto and Gwigwi Mrwebi streets. Motorists and pedestrians take two to six minutes to get to the Bree Street mini-bus taxi terminus (a critical access node to most work places in the suburbs - see an aerial photograph below) – this terminus (grey roofed) is located at corner of Ntemi Piliso and Gwigwi Mrwebi streets as indicated below.



Aerial photograph 1a: Brickfields Precinct (on the left) and Legae Gardens (on the right - a yellow building)
Source: JHC, 2005

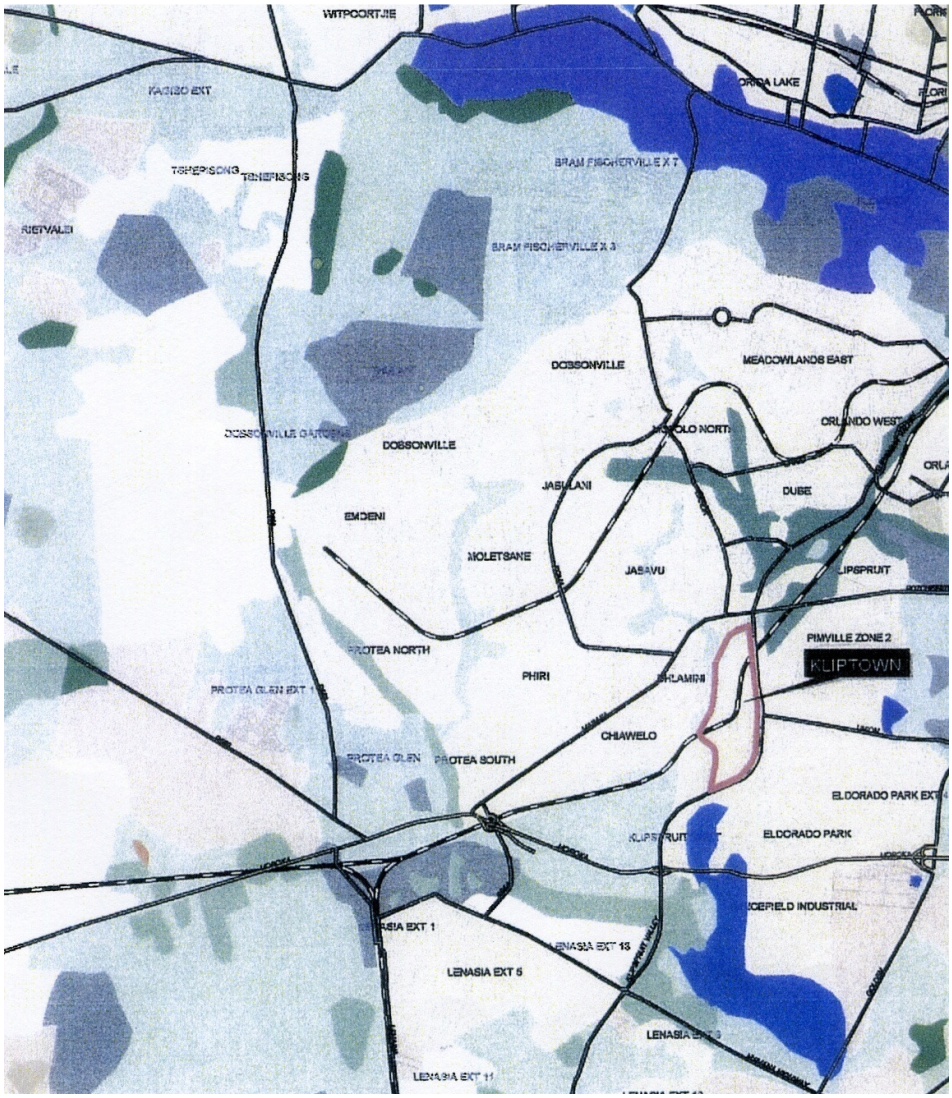


Map 2: Location of Newtown, Johannesburg Source: JHC, 2005



Aerial photograph 1b: JOSHCO Complexes One and Two (top and bottom respectively) - not to scale; see the mini-bus taxi terminus on the left side of JOSHCO Complex Two. Source: JOSHCO, 2006

Both JOSHCO Complexes are located in Kliptown on the eastern side of Soweto (Johannesburg), at corner of K43 Klipspruit Valley Road and Pimville Dlamini Road. Both roads are connected to the railway. The road and the railway link the East to the Northern and Western parts of Soweto (JOSHCO, 2006). A map showing Kliptown is given on the following page.



Map 3: Location of Kliptown, Soweto (not to scale) Source: JOSHCO, 2006

Both JOSHCO Complexes are accessible to other workplaces in the suburbs. The northern part of Johannesburg comprises most HCs' workplaces (a map with these places is not included): those are; Sandton, Randburg, Rosebank, Sunninghill, Roodepoort, Edenville, Edgadale, Marshalltown, Cresta, Kempton Park and Rosettenville (Interviews, 2007).

4.3. Data presentation

Both JHC and JOSHCO vary the designs of structure of housing properties and locate them in different places. Therefore, it is crucial to show how Legae Gardens and JOSHCO Complex Two residences, differ in terms of location (i.e. neighbourhood attributes), quality (i.e. size and design and construction quality and finishes - landscaping) and rental prices.

However, data gathered was categorised according to five categories, namely: infrastructural, proximity; class status; socio-interactive; structural and demographic attributes. Those attributes were further classified into three groups, namely; input stimulus, exogenous and output response categories. Since most attributes were identified through the findings, their degree of significance is based on high and low support ratings (40 percent or above and below respectively). Although primary data is presented in percentage form as indicated in the following Sections, the percentages do not represent all middle-income HCs in both Legae Gardens and JOSHCO Complex Two residences. Instead, they reflect the percentages within HCs interviewed.

4.3.1. Affordability

Supply of affordable IRs is influenced by IRHP. The IRHP influences consumer choice in terms of the Rental Act. However, Howard-Sheth and trade-off models demonstrate that consumer choice is influenced by the qualities of residential properties and the physical characteristics of the neighbourhoods in which those properties are located.

Table 1: Rental prices

Price	Legae Gardens	JOSHCO Complex Two
One-bedroom flat	R1 590 - R1 865	R1 709 - R1 937
Two-bedroom units	R1 865 - R2 187	R2 136 - R2 263
Three-bedroom flats	R3 025	-
Work units	R5 500 - R6 000	R4 410

Source: JHC and JOSHCO Brochures (2006)

Units at rental prices indicated in this table are occupied by middle-income HCs earning R3 501 or above, but not beyond R4 500 except a three-bedroom flat, which is usually accessed by HCs with salaries above R6 000. In JOSHCO Complex Two, there are no three-bedroom sized flats. Regarding rental payment, when HCs first move in, each individual pays three times the monthly cost of rent as a deposit.

Primary data given below have been quantified for presentation in percentage form. However, the percentage figures given have been rounded up to two significant figures.

Table 2: Affordability: rent

Affordability	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Rental price matches unit sizes	71%	56%
High rental price	11%	16%
Not possible to default	18%	28%

In Table 2 above, 71 and 56 percent of households stated that property choice was based on unit sizes and the amount of disposable income. However, 11 and 16 percent indicated that rental units were over-priced in terms of unit sizes, while 18 and 28 percent mentioned that it is not possible to default on payment of rent or utility charges.

4.3.2. Product quality

Tables 3 to 7 show the relationship between unit space areas and household sizes. Therefore, allocating prescribed number of household members for a specific unit size contributes to preservation of property quality – property quality is an outcome of the IRHP.

Table 3: Legae Gardens - unit space areas and household sizes

Household sizes	Unit sizes	Unit space areas
3 singles, each no child	2 bedroom flat	$50m^2$ -$55m^2$
9 singles, each no child	1 bedroom flat	37 m^2-$50m^2$
1 single, 1 child	2 bedroom flat	$50m^2$-$55m^2$
5 married couples, each 2 adults, less than 5 children	1 bedroom flat	$37m^2$ -$50m^2$
5 married couples, each 2 adults, no children	1 bedroom flat	$37m^2$ -$50m^2$
4 married couples, each 2 adults, less than 3 children	2 bedroom flat	$50m^2$-$55m^2$
1 married couple, 1 child	2 bedroom flat	50 m^2-55 m^2

Table 4: Legae Gardens – Household sizes by percentage

Household sizes	**Percentage (%) of the respondents**
3 singles, each no child	11%
9 singles, each no child	32%
1 single, 1 child	4%
5 married couples, each 2 adults, less than 5 children	18%
5 married couples, each 2 adults, no children	18%
4 married couples, each 2 adults, less than 3 children	14%
1 married couple, 1 child	4%

Tables 3 and 4 indicate the percentage of single and married households with and without children, and an appropriate unit size for each household type with children below 17 years of age. For example, in rows two and three, 11 and 32 percent of singles occupy two- and one-bedroom flats (in that order) with space areas of $50m^2 – 55m^2$ and $37m^2 – 50m^2$ respectively (see Table 3).

Table 5: JOSHCO Complex Two - unit space areas and household sizes

Household sizes	Unit sizes	Unit space areas
9 married couples, each 2 adults, no child	2 bedroom flat	41.7 m^2- 43.98 m^2
2 married couples, each 2 adults, no child	1 bedroom flat	34.55m^2 - 39.20 m^2
2 married couples, each 2 adults, 1 child	1 bedroom flat	34.55m^2 - 39.20m^2
3 married couples, each 2 adults, 1 child	2 bedroom flat	41.71 m^2 - 43.98m^2
1 single, three children	2 bedroom flat	41.71m^2 – 43.98 m^2
1 married couple, 3 adults	2 bedroom flat	41.71m^2 - 43.98m^2
1 married couple, 3 adults, 1 child	1 bedroom flat	34.55m^2 - 39.20m^2
1 married couple, 4 adults, 2 children	2 bedroom flat	41.71m^2 – 43.98m^2
1 married couple, 5 adults, 1 child	2 bedroom flat	41.71m^2 – 43.98m^2

Table 6: JOSHCO Complex Two - household sizes by percentage

Household sizes	Percentage (%) of the respondents
9 married couples, each 2 adults, no child	44%
2 married couples, each 2 adults, no child	16%
2 married couples, each 2 adults, 1 child	8%
3 married couples, each 2 adults, 1 child	12%
1 single, three children	4%
1 married couple, 3 adults	4%
1 married couple, 3 adults, 1 child	4%
1 married couple, 4 adults, 2 children	4%
1 married couple, 5 adults, 1 child	4%

Tables 5 and 6 above indicate that in the second, third and fourth rows, 44, 16 and 8 percent respectively, live in two-bedroom units for the second group and one- bedroom flats (i.e. for the third and fourth groups of households). In the third and fourth rows, with 16 and 8 percent of households, HCs reside in a one- bedroom flat ($34.55m^2 – 39.20m^2$).

Nonetheless, from the sixth to tenth rows (4 percent each), each HC occupies a two-bedroom flat, with a space area of two-bedroom flat of $41.71m^2 – 43.98m^2$. In the eighth row, each household resides in a one-bedroom flat while in the ninth and tenth rows (4 percent), households live in rental units with space areas of $41.71m^2 – 43.98m^2$ each.

Table 7: The residences

Attributes	**Legae Gardens** **(% of the respondents)**	**JOSHCO Complex Two** **(% of the respondents)**
No place to stay	11%	4%
Maintenance or state of repairs	36%	60%
Architectural quality or structural design	56%	36%

Few households (11 and 4 percent) indicated that desperation for shelter influenced residence-choice. About 36 and 60 percent, and 56 and 36 percent in respective residences (i.e. rows 3 and 4) stated that property choice was influenced by satisfactory maintenance (i.e. cleanliness).

4.3.3. Product location

Some consumers are concerned with class status, infrastructural, social-interaction and proximity attributes when choosing a residential location. Legae Gardens and JOSHCO Complex Two residences are therefore, endowed with such attributes – those attributes are the outcome of the IRHP and therefore, it has some influence on consumer choice.

Table 8: Class status

Attributes	Legae Gardens	JOSHCO Complex Two
Affordability	36%	56%
No place to stay	11%	4%
HoCs mix HCs of diff. income	54%	40%

About 36 and 56 percent of households (in Row 2) indicated that choice of residential property and was influenced by affordability of rental prices and transport fare to work. Few respondents (i.e. 11 and 4 percent) mentioned that they chose those residences because they were desperate for any accommodation. The other residents (i.e. 54 and 40 percent) indicated that choice of property was influenced presence of HCs of the same income in those residences.

Table 9: Infrastructure

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Parking	25%	20%
Public space	7%	16%
Recreation	11%	16%
Social services	11%	4%
Affordable utilities	50%	44%

Regarding the two residences above, HCs chose residences with utility services (50 and 44 percent) in Row 6 – few HCs complained about expensive electricity. However, very few households (in rows 2 to 5) base opting for residential locations on availability of facilities (parking, public space, recreation and social services (e.g. a crèche (Brickfields) is three minutes' walk from Legae Gardens).

Table 10: Social interaction attributes

Attributes	Legae Gardens	JOSHCO Complex Two
No place to stay	11%	4%
Family	7%	20%
Friends	82%	76%

Table 10 above indicates that few HCs (i.e. 11 and 4 percent) ended up living in the above residences because of desperation for shelter. About 7 and 20, and 82 and 76 percent of households were attracted to these residences because family members and friends reside within the neighbourhood.

Table 11: Proximity to facilities

Characteristics	**Legae Gardens (% of the respondents)**	**JOSHCO Complex Two (% of the respondents)**
Less than 3 and 5 minutes drive and walk close to mini-bus terminus	14%	20%
Close proximity to work	11%	16%
No place to stay	11%	4%
Far from work but affordable trip costs	57%	52%
Shopping centres – less than 5 and 10 minutes drive and walk	7%	8%

Few respondents (i.e. 14% and 20%, 11% and 16%, 11% and 4%, as well as 7% and 8% respectively) indicated that distance to mini-bus terminus, and work, desperation, and distance to commercial centres (in that order) in terms of time and cost influenced property choice. For 57 and 52 percent (in row 5) of the residents, property choice was driven by affordable transport fare to work.

Table 12: Workplace

Place of Work	**JHC**	**JOSHCO Complex Two**
CBD	11%	16%
Suburbs	96%	88%

As Table 12 above indicates, 11 and 16 percent of households in Legae Gardens and JOSHCO Complex Two live close to their workplaces or within the CBD. About 96 and 88 percent of these households (in Row 3) work in the suburbs. Some of these households use either private or public transport.

The examples of such places are Braamfontein, Cresta, Edenville, Edgadale, Kempton Park, Lens, Marshalltown, Midrand, Randburg, Rivonia, Roodeport, Rosebank, Rosettenville, Sandton and or Sunninghill. In this case, about 57 and 52 percent (see table 11) indicated that transport fare to work

is affordable, while those who work close to their workplaces either use their own cars or commute on foot.

4.3.4. Other drivers of property quality

Most HCs found out about property qualities before moving in, from the residents who already occupy the units. For example; in both Legae Gardens and JOSHCO Complex Two residences, most residents discovered that property alteration is allowed, but whilst doing it, HCs should ascertain that no walls are holed. Property alteration together with rights recognition (privacy), safety (emergency services and security guards) and home-based enterprises (income) enhance the qualities of the residences. Therefore, better quality housing properties are the outcome of the IRHP.

Table 13: Drivers of property quality

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Density	32%	28%
Property alteration	11%	24%
Rights' recognition	57%	48%

About 32 and 28 percent, and 11 and 24 percent of HCs revealed that choice of the above residences was influenced by the density of those residences (medium) and property alteration respectively. The other reason given by 57 and 48 percent of the residents was that, HoCs recognize consumers' rights.

Table 14: Other exogenous aspects

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Emergency services	7%	12%
Home-based enterprises	39%	36%
Security	54%	52%

In Table 14 above, 7 and 12 percent of HCs stated that during choice of location, availability of emergency services was more crucial. Although 39 and 36 indicated that property choice was driven by availability of live-work units, 54 and 52 percent mentioned that safety within property units and yards influenced their choice of the residential properties and their locations.

4.3.5. Demographics

The report considers age and marital status as other significant factors influencing choice of residences. The IRHP therefore, influences provision of adequate housing units based on marital status and hence household size in reference to the Rental Act.

Table 15: Age

Age group	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
25 – 34	93%	80%
34 – 45	4%	12%
45 – 54	4%	8%

Most HCs in above residences are in age group 25 – 34, and 93 and 80 percent of them mentioned that, in that age group, priority is always given to the residences, which are close to friends, amenities and work. A smaller percentage of HCs (i.e. 4 and 12 percent; and 4 and 8 percent) respective age groups 34 – 45; and 45 – 54 attributed choice of those residences to ideal locations in which those residential properties are located.

Table 16: Marital status

Households	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Single	47%	4%
Married couples	54%	96%

The percentages consist of 46 and 4 percent of singles and 54 and 96 percent of married couples in respective residences who share their units with children and relatives, particularly in the second group of the residents (see Tables 4 and 6).

4.3.6. Marketing

Both JHC and JOSHCO use promotional techniques such as displays or billboards to show housing properties with vacant units in particular locations, together with property qualities. The Rental Act supports marketing while property quality is an outcome of IRHP.

Table 17: Marketing techniques

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Billboards/display	16%	20%
Media	11%	32%
Saw the place (not a marketing technique)	25%	40%
Word of mouth	50%	8%

When HCs were asked about which marketing technique was used by HoCs to make them aware of currently vacant rental units, 16 and 20 percent mentioned that they found out about such units through the billboards. Some residents (i.e. 11 and 32 percent) learnt about vacant flats through media, while 25 and 40 percent just saw the flats. Similarly, 50 and 8 percent indicated that friends or word of mouth tips had guided them to vacant flats.

4.4. Observation of IRs and the surroundings

On physical visits, it was possible to get more insights on the quality of housing properties and that of the neighbourhoods. The photographs below display property architectural and neighbourhood physical qualities. Supply of better quality residences is influenced by the IRHP in terms of the Rental Act.



Photograph 2: Property architectural quality in Legae Gardens residence (sideview) (author's photograph, 2007)



Photograph 3: Property architectural quality in Legae Gardens residence (sideview) (author's photograph, 2007)

Photographs 2 and 3 above show the side views of Legae Gardens residence. The quality of that residence is appealing in terms of structural designs, construction (bricklaying) and external finishes (plastering and painting as well as landscaping). Contrast of paint colour and face bricks enhances the aesthetic appeal of the buildings. Architectural quality is an outcome of IRHP. Along Gwiqwi Mwerbi, Gerard Sekoto and Carr roads, built in storm water drainage channels prevent drainage of run-off water from the streets into residential yards during heavy rainfall, which implies that good workmanship must have been used to design landscaping.

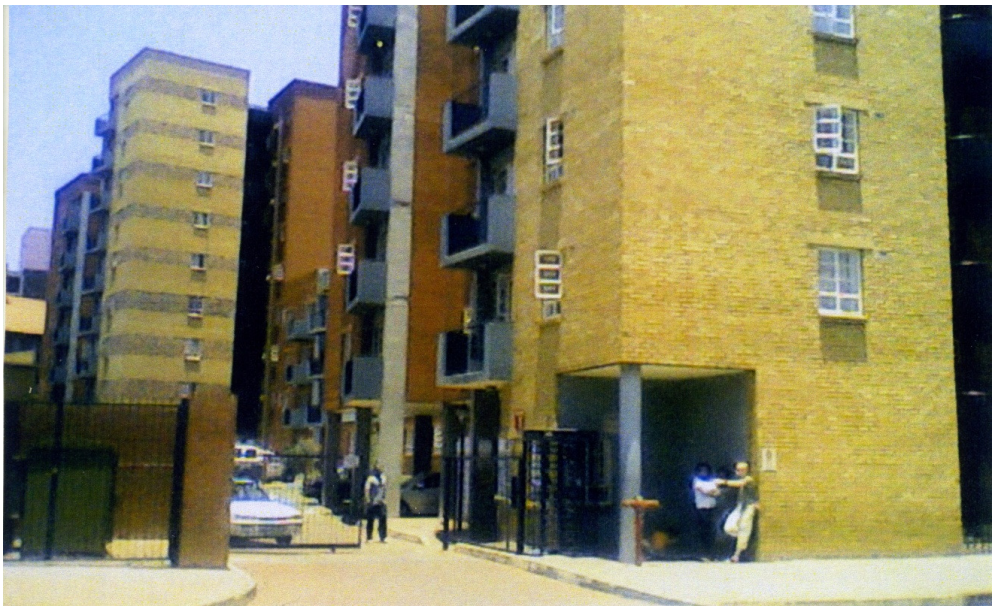


Photograph 4: Property architectural quality in JOSHCO Complex Two residence (sideview) (author's photograph, 2007)

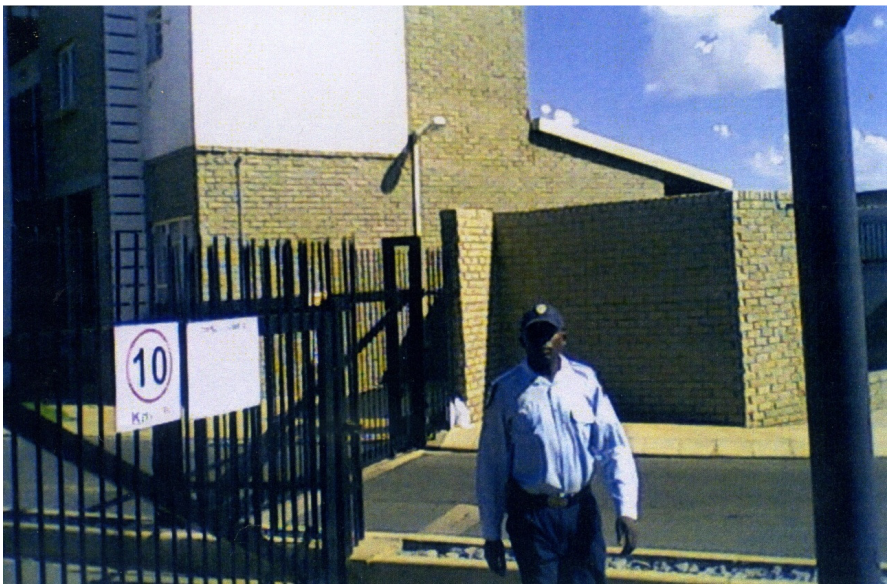


Photograph 5: Property architectural quality in JOSHCO Complex Two residence (sideview) (author's photograph, 2007)

The photographs above indicate the side views of JOSHCO Complex Two residence. Likewise, the quality of the building is good with regard to design, construction (bricklaying), finishes (plastering and painting as well as landscaping). Face brick and the colour of the paint create fine contrast and contribute to exquisiteness of the building. Because of good design of landscaping (hard and soft), dust pollution is minimised. Architectural quality is an outcome of IRHP.



Photograph 6: Security guard at Legae Gardens residence (author's photograph, 2007)



Photograph 7: Security guard at JOSHCO Complex Two residence (author's photograph, 2007)

Security is tight in both Legae Gardens and JOSHCO Complex Two residences because the guards walk around the buildings to check that it is safe and that there is no trouble or crime. Besides, those guards exercise firm control of incoming visitors by retaining identity documents (IDs) before allowing anyone in. However, in JOSHCO Complex Two, security guards are rather not as strict as in in Legae Gardens; that is, no IDs are required and the visitors are not required to sign in when entering the yards. Although around the yards, absence of police patrol limits free movement of HCs, it is always safe. However, palisade fencing around the yards reinforces safety and security.

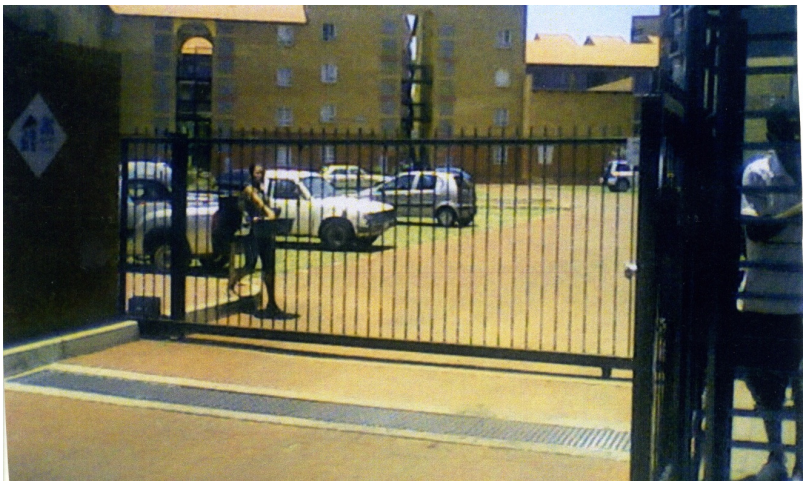


Photograph 8: Children's play area at Legae Gardens (author's photograph, 2007)

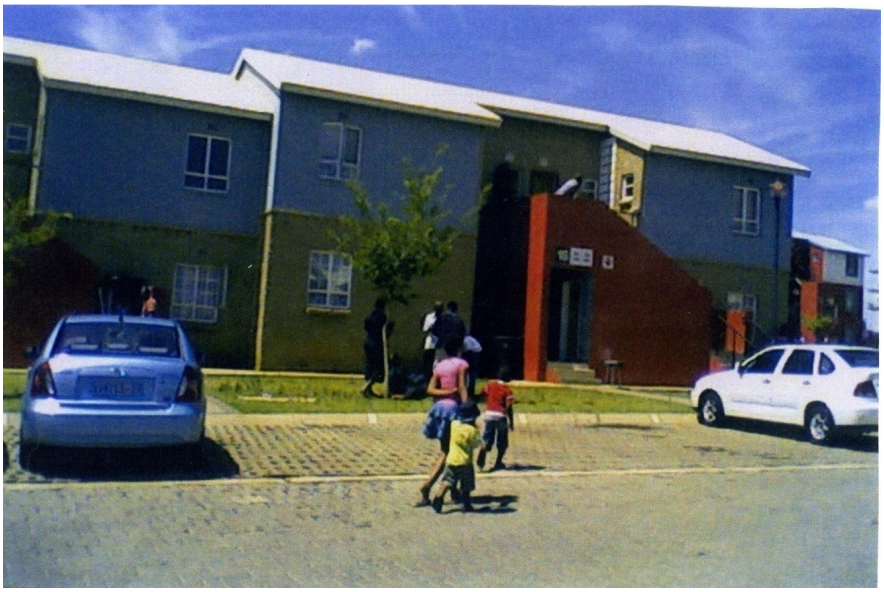
There has always been provision for play areas. Even landscaping (hard and soft) makes it possible for the residents and children to sit around the blocks of flats chatting and playing respectively, which promotes social interaction. The areas look well maintained and clean, which enhances property architectural quality. The same thing applies for JOSHCO Complex Two residence below - see photograph 9 on the following page.



Photograph 9: Children's play area at JOSHCO Complex Two (author's photograph).



Photograph 10: Parking at Legae Gardens (author's photograph, 2007)



Photograph 11: Parking at JOSHCO Complex Two (author's photograph, 2007)

Parking space has always been abundant (see the above photographs – 10 and 11). Whilst visiting Legae Gardens and JOSHCO Complex Two residences, there was always ample free parking space during week days, and even during the weekends, which implies that most HCs were pedestrians and did not own cars. For the fact that less than 20 percent of the residents considered parking during choice of housing properties, this meant that motorists were few and most HCs use public transport to commute to work or shopping centres.



Photograph 12: Social interaction at Legae Gardens (author's photograph, 2007).



Photograph 13: Social interaction at JOSHCO Complex Two (author's photograph, 2007).

As indicated in photographs 12 and 13 above, the areas look well landscaped (hard and soft), which means that HCs are able mingle. Therefore, a sense of community and neighbourliness is instilled within the residents. Although cleanliness is maintained in those residences through provision of waste disposal bins, maintenance team seem to forget to mow grass particularly in JOSHCO Complex Two residence, photograph 13.

4.5. The HOs' perspectives: the PDoH, JHC and JOSHCO

Primary data given, in this section, is derived from interviews with HOs in JHC, JOSHCO and in PDoH. The HOs indicated that lease administrators allocate vacant units by matching rental prices with a unit sizes as well as household sizes and amount of monthly income. Unit rental prices are set on the basis of the CPI and no individual HI is allowed to generate profit even by a marginal amount from monthly rental prices. In such cases, segmentation analysis has always been useful because it enables HoCs to target the right market so as to set appropriate rental prices. However, if some HCs who already reside in particular residences feel that rent (25 percent of monthly salaries) is no longer affordable, HoCs look for smaller rental units with low rentals in the same precinct of residences or in residences in alternative locations (Interviews: JHC, 2006; PDoH, 2007).

In such cases, community development officers (CDOs) facilitate the downsizing of rental units by facilitating the search for more affordable ones. Sometimes, instead of allocating new flats, the CDOs just give financial advice or counselling to enable HCs to deal with their own problems.

However, HCs are strongly advised to accept what is available or else, look for more affordable accommodation elsewhere, but the CDOs try as much as possible to help them before such a decision is made (Interviews: HoCs, 2007).

Rarely, do HCs claim to be unable to afford rental prices set. Rentals set, usually range from R1 500 to R2 000 for one-bedroom flats particularly in Johannesburg. Although demand for housing is escalating, there are no waiting lists as HIs use the 'first come first served' principle (Interview: JHC, 2006; JOSHCO, 2007).

Often vacancies are publicised by the caretakers or advertised through media. However, HCs' attitude and period of stay in residences have been used to evaluate consumer satisfaction and if those residences are value-for-money to HCs. Although most inner city residences are costly, default is not allowed and the default rate is less than 2 percent in JHC's residences. Therefore, chances of minimising consumer or supplier exploitation are high because HoCs and Social Housing Directorate in PDoH utilise the Rental Housing Act to halt default on rental payment and exploitation (Interviews: PDoH & JHC, 2007).

Usually, two bedroom flats are encouraged for middle-income HCs. And, if a need arises to upsize unit sizes, household members' salaries are re-evaluated to check if supersize one- or two-bedroom flats are affordable. Usually, rental prices set allow for an average space area of $45m^2$ per unit for middle-income HCs. However, most HCs prefer two-bedroom flats and specifically housing units in medium density residences because of their exquisiteness - JHC's and JOSHCO's properties are also moderate in terms of density. Besides, the quality of construction and the finishes (i.e. bath taps, clothing cabinets and floor tiling) is better in such properties and the government as well insist on quality assurance in relation to institutional subsidy linked development. Initially, HCs shared facilities like kitchens but nowadays each individual household accesses its own facilities, which thus reduces maintenance demands (Interviews, HoCs & PDoH, 2007).

Most households consider *maintenance* when choosing housing properties. Often maintenance (or repairs) involves minor repairs such as unblocking of drains, fixing broken stairwells and installation of new locks. However, these tasks are carried out by HoCs. In cases whereby HCs damage property, maintenance team repairs it promptly, but costs are met by HCs (Interviews, HoCs, 2007).

Similarly, if a particular housing unit lacks some furnishings like a book shelf, and a particular HC wants to install it, HoCs often allow it. However, *alteration of property* is allowed on the condition that no wall is holed. Therefore, no HC is allowed to do the task without supervision even if that

particular resident is capable of doing the job. Aside from that, property alteration could add value to housing units (ibid.).

Nonetheless, better quality residential properties in good locations such as the inner cities are scarce because most buildings in those areas are 'old' and not regularly maintained. The reason for degeneration of the quality of the buildings is that, when the CBDs were abandoned in SA, the social and physical infrastructure collapsed, because the buildings in those places were poorly maintained and HCs overcrowded flats and overused the facilities. To address that problem, emphasis increased on regeneration of the CBDs (and areas beyond) and hence on development-oriented projects such as housing, education, health and road-works. For that reason, demand increased for rental housing properties located close to social amenities or places with economic opportunities such as work. Because each department has been acting as a developer, new projects in each sector have been creating new job opportunities on a sustainable basis; especially in the housing sector. Since HIs comply with urban planning guidelines and designs, and employ good workmanship, the quality of social housing is improving (Interviews, PDoH, 2007).

In the past, urban plans or designs often separated HCs according to class status (income); high income earners occupied more accessible areas, while middle-income HCs resided in less accessible places in terms of transport options. To overcome this problem, physical restructuring has been promoted by applying mixed-use principle during housing development, which thus integrated communities spatially. Because those efforts involved mixing HCs of different incomes (i.e. middle-, high middle- and middle-low income groups) in the same precincts of residences, social restructuring and social integration have been occurring as well. In such projects littering is minimised and cleanliness is enhanced: that is; the garbage bins are provided and utilised by every resident. Therefore, mixed-income housing projects militate against slum development. Usually, middle-low income earners are the ones who litter and it is through middle- and middle-high income HCs that simple environmental management considerations are recognized (i.e. disposing of waste in waste disposal bins provided), which has thus improved the living conditions in some parts of SA cities (Interviews, JHC & PDoH, 2007).

Moreover, it has been possible to enforce cleanliness in many residences because HIs organize workshops in which HoCs discuss their policies before any contract or lease agreement is signed and the CDOs therefore, induct new HCs into house rules. That is how HoCs enforce rights' recognition in residential yards. For example; concerning noise-making, which often occurs during the so-called 'come together' parties in which home theatre systems are usually put on full volume, security personnel on duty switches off power instantly. However, HoCs are open to views; HCs prefer to

discuss their problems immediately and confidentially. For example; when HCs lodge complaints, HoCs discuss them confidentially, as agreed by both the residents and HoCs. Therefore, the culprits are compelled through house rules to avoid creating discomfort for others within the area. However, HoCs set house regulations (or rules) on the basis of the Rental Act (Interviews: HoCs, 2007).

To further improve peoples' livelihoods, there is provision for live-work units on ground floors in most residences so as to enable HCs to sell goods and services to earn a living. Those HCs now sell groceries (i.e. goods) and services such as hair salons, internet cafes and public telephones. Since HCs live and work in such housing units, such businesses are also referred to as home-based micro enterprises. For that reason, HoCs through State's support have been restructuring the cities economically and hence promoting integration of communities. Usually, rentals are rather high for such housing units. However, rental prices vary according to unit space areas in different properties; Legae Gardens and JOSHCO Complex Two residences are no exceptions; that is, rental prices exceed R4 400 per unit respectively (Interviews, HoCs & PDoH, 2007).

As for *neighbourhoods*, HCs prefer to stay close to family members or friends. Neighbourhoods with commercial, recreational and social facilities encourage social cohesion and interaction. Interaction facilitates analysis of house rules, which, for example, discourages intimidation and encourages *rights recognition* (Interviews: HoCs & PDoH, 2007).

4.6. Summary of the attributes

The attributes below were identified during presentation of data in Sections 4.3., 4.3.1., 4.3.2., 4.3.3., 4.3.4., 4.3.5., and 4.3.6 (Tables 1 – 17) and consolidated in below, and further classified into two categories; that is, least and most significant attribute in Tables 18 and 19 respectively. Low and high support ratings (i.e. below and above 40 percent) can be applied to denote degree of significance that these attributes hold for HCs.

1. Age
2. Marital Status
3. Product quality
 a. Unit's size or space area
 b. State of repairs
 c. Design or architectural quality
4 Product location
 a. Income
 b. Desperation
 c. Mixed-income residence
 d. Parking
 e. Public space
 f. Recreation
5. Proximity to work place
6. Far from work, affordable transport costs
7. Shopping centres
8. Medium-density
9. Property alteration
10. Rights' recognition
11. Emergency services
12. Home-based enterprises
13. Security
14. Income (affordability)
 a. Rental prices & unit's size
 b. Default
15. Perception

g. Social services
h. Family
i. Friends
j. Utilities
k. Proximity to mini-bus terminus

16. Learning
a. Billboards and Media
b. Saw the place or word of mouth
17. Other attributes - attention, attitude, and product comprehension and choice.

The attributes with low and high support ratings (below 40 percent and 40 percent and plus respectively) are then put in Tables 18 and 19, on the following pages and further classified as the least and most significant attributes consecutively. Although the support ratings for word of mouth and for age group 25-34 are high (i.e. 50% and 8%, and 93% and 80% respectively), they cannot be included in Table 19. Rather, both of them will be subsumed in other attributes during data analysis in Section 4.6.2 and will not be discussed as separate entities.

4.6.1. The least significant attributes

Table 18: Summary of the least significant attributes

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Parking	25%	20%
Public space	7%	16%
Recreation	11%	16%
Social services	11%	4%
No place to stay	11%	4%
Family	7%	20%
Close to the mini-bus taxi terminus	14%	20%

Saw the place	11%	16%
Shopping centres	7%	8%
Density	32%	28%
Property alteration	11%	24%
Billboards	16%	20%
Media	11%	32%
High rental prices	11%	16%
Default (utility charges and rent)	18%	28%
Emergency services	7%	12%
Home-based enterprises	39%	36%
Work close to the CBD	11%	16%

In this report, the attributes above are less significant since few HCs considered them during choice of housing properties and their locations. For instance; only 25 and 20 percent of HCs chose those residences because parking space is available. This implies that most interviewed HCs in middle-income range are pedestrians. A summary of the most significant attributes is given in Table 19 below.

4.6.2. The most significant attributes

Table 19: Summary of the most significant attributes

Attributes	Legae Gardens (% of the respondents)	JOSHCO Complex Two (% of the respondents)
Rent price	71%	56%
Size	100%	100%
Far from work but affordable transport fair	57%	52%
Architectural quality and or	56%	36%

structural design		
Security	54%	52%
Affordable utilities	50%	44%
State of repairs	36%	60%
Friends	82%	76%
Living with other income groups	54%	40%
Rights' recognition	57%	72%
Working in the suburbs	96%	88%

Affordability is deemed significant to each individual household during choice of residences. As indicated above, affordability of rental price and utilities as well as transport fare to work varies according to unit size (or space area) required and rate charges as well as distance to work and amenities in terms of travel time respectively. However, unit size is the most important attribute during choice of flats. For instance; singles and couples who live with children and adults of 17 years of age (or above) opt for two-bedroom flats of $50m^2 – 55m^2$ and $41.7m^2 – 43.98m^2$ whose rentals range between R1 865 and R2 187 and R2 136 and R2 263 (2006 rentals) in Legae Gardens and JOSHCO Complex Two respectively (see Tables 3, 5 and 1). Even HOs in JHC and JOSHCO, and PDoH proved that middle-income HCs with a small or bigger number of household members prefer flats of the same sizes. Furthermore, HOs verified that lease administrators allocate flats based on household and unit sizes as well as monthly income. As implied in Howard-Sheth model, rental price plays a major role during choice of housing properties. Because less than 20 percent of HCs complain about high rental prices, this means that unit sizes tally with rentals. However, it is in rare cases that HCs felt that rental units are no longer affordable – this problem is addressed by the CDOs who usually downsize HCs to more appropriate units. However, the Rental Act of 1999 clarifies affordable amounts of rental charges based on unit space areas (subsection 5). Affordability of rentals in both Legae Gardens and JOSHCO Complex Two residences is viewed as an outcome of the IRHP, and so are the neighbourhoods in which those residences are situated. Therefore, the IRHP influences optimisation of consumer choice and user satisfaction.

As regards architectural quality, HCs who live in both Legae Gardens and JOSHCO Complex Two residences indicated that choice of those residences was also influenced by exquisiteness of the

buildings (i.e. structural design, finishes and landscaping) (see Section 4.4, photographs 3, 4, 5 and 6). It is usually HCs in age group 25 – 34 who consider the exquisiteness of the buildings. Exquisite design, construction quality and professional finishing touches put on those properties, gave those residences a 'product class' status. Therefore, the blocks of flats make an 'evoked set' of housing estates (Sheth, 1974).

As maintenance is good and cleanliness maintained, this also influenced choice of those residences. Since broken facilities are repaired promptly, this enhances architectural quality of the residences (see Section 4.4, photographs 8 and 9). Even JOSHCO post occupancy survey (2009) reveals that about 58 to 88 percent of the residents living in JOSHCO's rental properties perceive current rentals positively because of good repair standards. Since the Rental Act of 1999 enforces frequent property check, this facilitates identification and hence fixing of unreported wear and tear straightaway, thus further bettering the quality of housing properties and that of the neighbourhood (Section 7 (i).

Arising from utilities are the rate charges and their influence on affordability - electricity is rather expensive. Because HCs themselves indicated that fitting and installation of the utilities are satisfactory, these enhance the quality of housing units. In this case, the Rental Act of 1999 obliges SHIs to provide better quality utilities in housing projects and obligates HCs as well to use them in a manner that does not accelerate the rate of wear and tear so as to preserve property architectural quality (Section 7 (h)(2) (c). Property quality is therefore, an outcome of IRHP. The IRHP influences choice of appropriate housing properties in terms of quality.

With regard to mixed-income principle, some residents learnt that HCs of different incomes are mixed in both Legae Gardens and JOSHCO Complex Two residences through word of mouth tips before occupying the units while others learnt about this after occupying housing units. Therefore, about 50 percent of interviewed HCs chose current residences through word of mouth tips. However, HCs were keen to know if class differences were not creating inter-class tensions – that was not the case. Since Legae Gardens and JOSHCO Complex Two residences are mixed-income housing projects, disorderliness (i.e. littering), which HCs in middle-low income echelon often engage in, and which usually result in grimy looking environments, is avoided and cleanliness is maintained (see Section 4.4, photographs 8 and 9). This rejuvenates the face of the built environment in inner cities and beyond (Newtown and Kliptown).

Besides, the residents are able to make use of 'action space' because the residences are located close to living opportunities (JOSHCO Complex Two) and entertainment centres (Legae Gardens) in terms of travel time and cost, which promotes socio-economic integration. Moreover, friends are

within a walking distance. Therefore, the IRHP, in terms of the Rental Act of 1997, influences provision of recreational facilities in residences to ensure that HCs are entertained, failing that, let HCs enjoy use of a dwelling anyhow, like throwing parties, as long as house rules are not infringed through too much noise particularly after 10pm (Section 2 (1) (e). Besides, JHC post occupancy survey (2006) reveals that more than 70 percent of tenants living in JHC's residences argue that noise level is optimal and day-to-day running of the company's estates is good, thus optimising consumer choice and place utility. Therefore, swapping of housing properties and/ or locations is unlikely as the trade-off theorists demonstrate. Based on these findings, the IRHP influences HCs' attitude towards current residences and their neighbourhoods positively.

Regarding security, most HCs indicated that choice of current residences was influenced by tight security in both residences. Since security guards patrol within residential yards to identify criminal acts, it has been possible to control intimidation of HCs and thus ensure that HCs move freely without fear of being assaulted. As the guards walk around the yard to spot nuisances and minimise them, no one is therefore able to infringe upon other HCs' privacies, nor impose upon others. Furthermore, no one tramples on other HCs' rights, through, for example, too much noise during the so-called come together parties, where home theatre (or hi fi) systems are put on full volume especially in Legae Gardens. In addition, no HC minds other residents' affairs, which thus prevents development of petty squabbles and hence renders those places peaceful. The Rental Act of 1999 prohibits any kind of misconduct within a dwelling, which negatively affects peaceful relationships within the two residential yards and units, which thus optimise consumer choice and user satisfaction (Section 14 (2) (g). At this stage, Crofton and Venter (2000) indicate that optimal consumer choice utility is closely related to safety aspects.

As regards distance to work, HCs argued that choice of current residences was influenced by affordable commuting cost to work in terms of fuel consumption charges for motorists and travel cost for public transport users, even though work places are rather far from their housing units. Despite the residences' wide distance from HCs' places of work (e.g. Sandton, Roodepoort, Edenville, Marshalltown, Cresta and, Kempton Park), HCs' perceptions for current residences is positive because the residences are located in good neighbourhoods. Even JHC post occupancy survey (2006) verifies that 74 percent of HCs rate rental properties with JHC as satisfactory, because of the ideal neighbourhoods in which the residences are located in terms of access to transport options and hence travel time and cost. In this case, the IRHP influences HCs' positive attitude (or perception) and user satisfaction through supply of better quality IRs in neighbourhoods with good attributes.

Regarding availability of friends, HCs mentioned that they chose those residences because of the possibility of intermingling since friends are reachable within 10 to 15 minutes walk. Therefore, most of them learnt about vacant flats through word of mouth tips.

Mingling facilitates integration of HCs into the existing community and thus fosters attachment and belonging. The government utilises the Rental Act of 1999 to oblige HoCs to consider interests of the community so as to preserve peace. Therefore swapping of places is unlikely where user satisfaction is optimised as the trade-off theorists demonstrate.

Chapter 5

Overall Conclusions

The influence of the IRHP on consumer choice was investigated through interviews with HCs and caretakers in Legae Gardens and JOSHCO Complex Two residences, and HOs in JHC, JOSHCO and PDoH. Interview questions comprised structured and semi-structured questionnaires. To acquire reliable data, observation of the residences and their surroundings, and use of photographs were also helpful. The initial research findings together with secondary data from the policy documents (where an overview of SA housing policies was obtained) and books or journals (where the models of consumer choice and residential location were cited) were collated with the aim of evaluating the objectives and of substantiating and/ or refuting the hypotheses.

The study had three key research objectives as follows (see Section 3.2):

d. To find out if IRHP promotes or undermines consumers of choice in rental housing markets, especially for middle-income HCs;
e. To find out the extent to which IRHP influences supply and location of IRs in neighbourhoods designated for restructuring;
f. To evaluate the extent to which IRHP influences revitalization of the built environment, especially in inner city areas.

Based on the above research objectives, the hypotheses below have successfully contributed to data collection and analysis (see Section 3.4).

a. Firstly, IRHP enhances or undermines consumer choice opportunities in relation to affordability (rent), quality and location.
b. Secondly, IRHP promotes integration of communities through mixed-income developments.
c. And thirdly, IRHP influences consumers' positive attitude (or perception) and user satisfaction through supply of better quality IRs in neighbourhoods with good attributes.

Based on Howard-Sheth and trade-off models of consumer choice and residential location respectively, the study focused on evaluation of the influence of consumer choice in Johannesburg, in reference to the Rental Act, the objectives and the hypotheses. On the one hand, Howard-Sheth theorists argue that consumer choice is influenced by the commercial environment (rental price, the quality of housing and availability i.e. vacancy) and the social environment (friends and family ties).

On the other hand, trade-off theorists demonstrate that place utility is optimised by residence locations in terms of travel time and hence travel cost to work, inclusive of other non-monetary considerations such as neighbourliness, peace and quiet.

Since housing shortage is escalating in Johannesburg, HoCs have been pressurised to develop more IRs to meet housing demand. Regrettably, more than half of central Johannesburg has degenerated in terms quality and safety, and not yet upgraded so as to house increasing number of households with no place to stay. The uttermost degeneration resulted from lack of maintenance and overuse of basic facilities because HCs who resided in those properties tended to sublet housing units. Likewise, influx of migrants from other parts of SA and from other countries exacerbated the living conditions through overcrowding and lack of high quality norms, thus increasing pressure on the carrying capacity of those residences. This has speeded up the rate of wear and tear, and sometimes instigated crime. Apparently, grimy living environments encourage criminal activities.

The IRHP influences rejuvenation of the city through (a) social and physical infrastructure upgrading (i.e. security and storm water drainage channels, power supplies, utilities, residential or organizational buildings respectively), (b) maintenance and (c) development of new IRH and its services. However, restoration of the social and physical urban fabric has been slow in DRZs (or URZs). Besides, refurbished high rise rental properties (now communal rentals) cannot accommodate more than half of low- and middle-low HCs. Often, middle-income HCs prefer exquisite residences like Legae Gardens and JOSHCO Complex Two. Since property quality is an outcome of the IRHP, the IRHP therefore influences consumer choice opportunities in relation to quality.

Despite the fact that HoCs access institutional subsidy from the State, few companies embark on IRH developments. Moreover, rental prices are escalating. As development principles (urban renewal, safety and security, mixed-use (and –income) and varying structural design) have been applied during construction of Legae Gardens and JOSHCO Complex Two residences, the quality of housing properties and that of surrounds is appealing. Therefore, the residents are integrated socially, economically and spatially. Interviews with HCs verified that they prefer exquisite residences and HCs' perceptions for those residences are positive. Therefore, the IRHP influences HCs' positive attitude and user satisfaction through supply of better quality IRs in neighbourhoods with good attributes.

Although the quality of the residences is the same in terms of design, construction and finishing touches, the colours of the buildings are different while the difference in rental prices and unit sizes

is slight. For example; for a one-bedroom flat of $37m^2$ – $50m^2$ and $34.55m^2$ – $39.20m^2$ (2006 space areas), rentals range from R1 590 to R1 865 and R1 709 to R1 937 (2006 rentals) in both Legae Gardens and JOSHCO Complex Two residences respectively (see Tables 3, 5 and 1). Based on these findings, the IRHP influences supply of better quality residences in locations with good attributes (unit sizes and design) in terms of the Rental Act and thus optimise consumer choice in terms of quality and location. Since HoCs have been trying as much as possible to supply affordable rental units, the IRHP, therefore enhances consumer choice opportunities in relation to affordability (rent) for middle-income HCs.

As implied in Howard-Sheth and trade-off models, consumer choice and place utility respectively, are optimized by accessing housing units (with adequate rental unit in terms of size) in preferable locations. Therefore, the likelihood of swapping of places and hence change of housing units becomes low. Often, swapping of flats occurs when unit sizes are no longer adequate because of growth of household size (or change of jobs), which inflates or plummets transport fare to new work places in other parts of the city. Legae Gardens and JOSHCO Complex Two are examples of housing projects, which HCs opted for because of affordable travel cost to work and good architectural quality (i.e. unit sizes, structural design, construction and landscaping). In that regard, both primary and secondary data facilitated exploration of drivers of choice of property and its location so as to establish the extent to which the IRHP enhances consumer choice options in terms of affordability.

Although choice of appropriate housing units is often influenced by availability of affordable and better quality IRs, spiralling housing demand has often escalated rental prices, thus forcing HoCs to compromise the quality of housing (sometimes) by reducing unit space areas or else HCs face the trade-off between flats in precinct of residences with adequate floor areas, but often with high rental prices versus affordable, but inadequately sized housing units in the same block of flats or in other clusters of residences. However, the State protects HCs against exorbitant rental prices through the Rental Act by clarifying affordable rentals and by obliging HoCs to adopt judicious allocation processes – the Act protects HoCs as well from default, which stimulates expansion of housing stock supply.

Based on the above findings, two policy implications should be considered; the State should oblige HoCs to find out if by continuing to locate housing properties adjacent to facilities or in areas close to the CBD would still achieve value-for-money now and in future. Given current increase in interest rates and spiralling rental prices, alternative subsidy instruments have to be sought to subsidize rental charges for middle-income HCs, which might tremendously increase expenditure on housing and hence burden the government. That is why re-evaluation of the real cost of housing production

is imperative so as to adopt appropriate rental price reduction mechanisms that would not impact negatively on stock supply and later minimise consumer choice options instead of enhancing them.

Because housing services are fairly distributed, no one shares the ablutions. Apart from that, damaged facilities are repaired forthwith and waste disposal devices are provided in each block of flats to enforce cleanliness. At this stage, it can be concluded that advising HCs to adhere to required cleanliness standards and instilling accountability for maintenance norms into HoCs through the house rules and the Rental Act respectively has so far enhanced the quality of IRs and the neighbourhoods in which those IRs are located.

As in mixed-income residences like Legae Gardens and JOSHCO Complex Two, HCs copy appropriate behaviour such as disposing of waste into garbage bins from middle income HCs (the study group) and other HCs in upper income segments it has been possible for mixed HCs to enjoy living in the same premises, which reflects user satisfaction. Even HOs verified that applying mixed-income principle during housing development militates against development of grimy environs in long run and thus integrates community members. Based on these findings, the IRHP promotes integration of communities through mixed-income developments.

Apart from cleanliness, middle-income HCs indicated that they prefer safe living environments. In this case, the Rental Act minimises intimidation of HCs through house rules, which thus enables HCs to walk freely within the residential yards without fear of being assaulted although around the old Kliptown Valley Road (close to JOSHCO Complex Two residence) and towards Bree mini-bus terminus (close to Brickfields' and Legae Gardens' clusters of blocks of flats) presence of police or security personnel is critical.

References

Afrilux Quickies (Undated) Image Results for South African Map: travel to South Africa, Quickies Services http://www.afrilux.co.za/quickies/South_Africa.htm

Archer, S. and Mayer, E. (1984), Handover: A Profile of Poverty on the Eiselen Line, Second Carnegie Inquiry into Poverty and Development in Southern Africa, Carnegie conference Paper, No. 34, Cape Town.

Ardington, D. (1984a) Decentralised Industry, Poverty and Development in Kwazulu Natal, Carnegie Conference Paper No. 246, pp. 13-19, April.

Babbie, E. and Mouton, J. (2001), *The Practice of Social Research,* Oxford University Press Southern Africa, Cape Town, SA ed.

Bailey, K.D. (1987) *Methods of Social Research,* The Free Press, New York.

Bassett, K. and Short, J. (1980), *Housing and Residential Structure: An Alternative Approaches,* Routledge and Kegal, London.

Baumol, W. and Blinder, A. (1994), *Economics: Principles and Policy,* 6th ed., The Dryden Press, Pretoria.

Bekker, H. (2000) *Housing is not About Houses: the Boutek Experience*, CSIR, Pretoria.

Bembridge, T.J. (1984) Aspects of Agriculture and Rural Poverty in Transkei, April, 13 – 19, Carnegie Conference Paper, No. 261, Cape Town.

Bergiel, B. and Walters, C. (1989), *Consumer Behaviour: A Decision-Making Approach,* Southern-Western Publishing Co., Cincinnatti.

Biklen, K.S. and Boglan, C.R. (1982), *Qualitative Research for Education: An Introduction to Theory and Methods*, 2nd ed., Allyn and Bacon, .

Black, P., Hartzenberg,T., and Standish, B. (2003), *Economics: Principles and Practice*, Pearson Education South Africa, South Africa, 2nd ed.

Bolnick, J. and Mitlin, D. (1999), Housing Finance and Empowerment in South Africa, in: Datta, K. and Gareth, J. *Housing Finance in Developing Countries,* Routledge, London, pp. 227-247.

Bourne, L.S. (1981) *The Geography of Housing*, Edward Arnold (Publications) Ltd., London.

Briley, A. (2000) Institutional Subsidy Allocation Process: A Discussion Paper on the Allocation of Subsidy Against the Product Being Provided, Discussion Paper, Department of Housing, Johanesburg, 22nd August.

Budd, L. and Gottdiener, M. (2005), *Key Concepts in Urban Studies*, Sage Publications, London.

Cambridge University (2003) *Cambridge Advanced Learner's Dictionary*, Cambridge University Press, United Kingdom.

Caplovitz, D. (1983) *The Stages of Social Research,* John Wiley and Sons Inc., Canada

Clarke, A. (1999) Evaluation Research: An Introduction to Principles, Methods and Practice, Sage Publications Ltd, London.

Clarke, J. and Wilson, J. (1997), *South-Western Economics,* South-Western Educational Publishing, Ohio.

Classen, J. and Freemen, R. (1994) *Social Policy in German*, Harvester Wheatsheaf, New York.

Cole, I., Iqbal, B., Slocombe, L. and Trott, T. (2001), *Social Engineering or Consumer Choice,* Center for Regional Economic and Social Research, Sheffield Hallam University.

Corbin, J. and Strauss, A. (1998), *The Basics of Qualitative Research: Grounded Theory Procedures and Techniques,* 2nd ed., Sage, Thousand Oaks, California.

Crofton, O.J. and Venter, M.D. (2000), Perceptions of Housing Satisfaction Among Tenants Residing in Greater Germiston Inner City Housing Corporation: Pharoe Park, Johannesburg, November.

Cronje, G.J., Du Toit, G.S., Marais, A. and Motlatla, M.D.C. (2006), *Introduction to Business Management*, 6th ed., Southern Africa (Pty) Ltd, Cape Town, Republic of South Africa.

Cvitanich, M.J. and Lewis, L.B. (1987), The Potential for Public and Private sector Partnership in Affordable Housing Process, Housing People – the Three Minute Challenge: Healthy Families in Healthy Communities, Cape Sun Hotel, Cape Institute for Housing of Southern Africa, Cape Town, 20, 21 and 22, October, pp.1-9.

Department of Housing (DoH) (undated) Housing Programmes and Subsidies, DoH, Pretoria, Republic of South Africa.

Department of Housing (DoH) (1997) Rental Housing Act; 107 of 1997, Government Gazzette, RSA, No 18 521.

Department of Housing (DoH) (1999) Rental Housing Act; 50 of 1999: Unfair Practices Regulations of 2001, Gauteng Province, RSA.

Department of Housing (DoH) (1999) Rental Housing Act 50 of 1999, Capetown, Republic of South Africa.

Department of Housing (DoH) (2001) The Contribution of Medium-Density Housing to Integrated Human Settlement Development, the Social Housing Foundation Resource Centre, Johannesburg, Version 2.3, July.

Department of Housing (DoH) (2002) Housing Policy and Programme Review: Social Rental Housing Programme, Gauteng Provincial Programme.

Department of Housing (DoH) (2003) The Motivation/Submission for the Formation of Transitional and Communal Housing Policy Framework for Gauteng Province, Johannesburg, August to September.

Department of Housing (DoH) (2008) Social Housing Act of 2008, Number 16, Pretoria, South Africa

Engel, J. and Miniard, P. (2001), *Consumer Behaviour,* Harcourt College Publishers, Fort Worth. 9th ed.

Evans, A. (1985) *Urban Economics*, Basil Blackwell, Oxford.

First Forum (2004) *Holcim Forum for Sustainable Construction,* Geneva, Switzerland.

Finnegan, G. (1985) *Marketing for Co-ops: A Practical Guide*, October, ICOM Co-Publications, London.

Forrest, K. (2000) End of the Beginning: Five years of Johannesburg Housing Company, Johannesburg Housing Company, November.

Galster, G. (2003) Neighbourhood Dynamics and Housing Markets, in: Gibb, K. and Sullivan, T., *Economics and Public Policy,* Blackwell Publishing, Oxford, pp. 153-171.

Gardner, D. (2003a) Getting South Africans Under Shelter: An Overview of the South African Housing Sector, Housing Finance Program, Houghton, Johannesburg, Web Resource Document, No.1.

Gardner, D. (2003b) Sharpening the Focus: A New Look at South Africa's Housing Strategy, Housing finance Resource Proramme, Johannesburg, Draft.

Goldfinch J. and Tu, Y. (1996), A Two-Stage Housing Choice Forecasting Model, In: *Urban Studies,* vol.33, no.3, pp.517-537.

Greenhalgh, L. (1998) The Richness of the Cities: Urban Policy in a New Landscape, The Social Housing Foundation, London, Comedon and Demos, Working Paper 5.

Harloe, M. (1996) The People's Home? Social Rented Housing in Europe and America, Blackwell Publishers, Oxford and Cambridge, USA.

Harvey, J. (1981) *Urban Land Economics.* Macmillan, London. 3rd ed.

Hendrickse, H.J. (1987) Speech at the National Housing Congress, House of Representatives of the National Congress, 20 October, Housing People – the Three Minute Challenge: healthy families in healthy communities, Cape Sun Hotel, Cape Institute for Housing of Southern Africa, Cape Town, 20, 21 and 22, October, pp. 1-9.

Hickey, A.A. (1986) *An Introduction to Statistical Techniques for Social Research*, 1st ed., Random House Inc., New York.

Holloway, S.R., Kaplan, D.K. and Wheeler, J.O. (2004), *Urban Geography*, John Wiley and Sons, America.

Hornby, A.S. (2005) Oxford Advanced Learner's Dictionary, Oxford University Press, Oxford, 7th ed.

Inner City Position Paper (2006) Draft Prepared for the Greater Johannesburg Metropolitan Council, January, Johannesburg.

International Review (2002) Section 1 http:www.anst.uu.se/jiche227/International%20Housing%

/International%20Housing%20Finance/overview%20and%Data/Social%20Housing,%20Tenure%20Financeand%20Allowance%20An%20International%20Review.pdf

Johannesburg Housing Company (JHC) (2005) *Living Cities: The Annual Report*, Johannesburg Housing Company, Johannsburg.

Johannesburg Housing Company (JHC) (2006) *Brochure*, Marshalltown, Johannesburg.

Johannesburg Social Housing Company (JOSHCO) (2006) *Brochure*, Doornfontein, Johannesburg.

Johannesburg Social Housing Company (JOSHCO) (2009) House 4: Measuring Satisfaction for the Johannesburg Social Housing Company, Ispor Markinor, Johannesburg, July.

Joseph, M.L., Chaskin, R.J. and Webber, H.S. (2007) The Theoretical Basis for Addressing Poverty Through Mixed-Income Development, *Urban Affairs Review*, January, Sage Publications, Chicago University, America, Vol.42, No.3, pp. 369-409.

Kearne, A. and Parkinson, M. (2001), The Significance of Neighbourhood, in: *Urban Studies,* vol. 38, no.12, pp. 2103-2110.

Krijnen, J. (1999), Social Rental Housing: Capacity Building, Regulation, Financing Arrangements, and Rental Housing Subsidy, Ministry of Housing of South Africa, 9 April.

Larsson, S., Tyrstrup, O., SSPA Sweden, McCarthy, D., Dyodo, S. and Potgieter, A. (2007), Sustainable Community Planning Guide, Nelson Mandela Bay Municipality, RSA.

Lewis, J. (2003) Design issues, In: Lewis, J. and Ritchie, J., eds. *Qualitative Research Practice,* Sage Publications, London, pp.48-76.

Lewis, J. and Ritchie, J. (2003), Generalizing from Qualitative Research, in: Lewis, J. and Ritchie, J., eds. *Qualitative Research Practice,* Sage Publications, London, pp.219-262.

Lindsay, P. (2004) Doing Things with Documents, in: Silverman, D. ed., *Qualitative Research: theory, method, and practice,* SAGE Publications Ltd., London.

Maclennan, D. (1982) *Housing Economics: An Applied Approach,* Longman Group Limited, New York.

Maclennan, D. and Williams, R. (1990), *Affordable Housing in Britain and the United States,* Joseph Rowntree Foundation, York.

Mbeje, L.N. (2000) A Post-Occupancy Survey of Tenant Satisfaction: A Case of Bertrams Social Housing, University of Witwatersrand, Johannesburg, October.

Melling, J. (ed.)(1980) *Housing, Social Policy and the State*, Croom Helm Ltd., London.

Miners, T. (1983) Affordable Housing for the Middle-Income Group, in: Frescura, F. ed. *Affordable Housing in the 80s and 90s,* Wits University Research Unit, Johannesburg.

Ministry of Local Government and Chieftainship (MPL) (2009) *Technical Manual for Land Use and Settlement Planning Process*, Cornet Design, Maseru, Lesotho, March.

Mulimilwa B**.** (2003) *Inner City Regeneration Through Provision of Rental Housing: What can Kinshasa Learn from Johannesburg?* Thesis, Faculty of Engineering and the Built Environment, Wits University, Johannesburg.

Newman, W.L. (2003) *Social Research Methods: Qualitative and Quantitative Approaches*, Pearson Education Inc., Boston. 5th and 6th ed.

O'Sallivan, J. (2003) The Economics and Housing Planning, in: O'Sallivan, J. and Gibb, K., *Housing Economics and Public Policy,* Blackwell Publishing, Oxford.

Phunz, R. (1990) *History of Housing in New York: Dwelling Type and Social Change in the American Metroplis*, Columbia University Press, New York.

Ritchie, J. (2003) The Applications of Qualitative Methods to Social Research, in: Lewis, J. and Ritchie, J., eds. *Qualitative Research Practice,* Sage Publications, London, pp.24-46.

Robson, C**.** (1993) *Real World Research: A Resource for Social Scientists and Practitioner-Researchers,* Blackwell Publishers, Oxford and United States of America.

Rust, K. (2002) We're All Here, Now where is the Party? Understanding Logjams Around Housing Finance, Occasional Paper No. 1, Housing Finance Resource Programme, USAID, January.

Segodi, M**.,** Matthew, N., and Associates (Joint Venture) (2001), *As Assessment of Rental Housing in South Africa,* Department of Housing, Pretoria.

Silverman**,** D. (2006) *Doing Qualitative Research: A Practical Handbook,* Sage, London.

Sheth, J. (1974) *Models of Consumer Behaviour: Conceptual, Qualitative and Empirical,* Harper and Row Publishers, New York.

Social Housing Foundation (SHF) (1997/98) Annual Report, Social Housing Foundation Publication, Parktown, Johannesburg.

Social Housing Foundation (SHF) (2006/07) Annual Report: Building Communities; Building Social Housing, SHF, Parktown, Johannesburg.

Social Housing Foundation (SHF) (2008) *Supply and Demand of Rental Accommodation in South Africa*, SHF, Johannesburg.

Social Housing Policy (2003) A Social Housing Policy for South Africa, Revised Draft, July http://www.housing.goz.za/content/legislation_policies/social%20housing%20policy.pdf

Stacey, M. (1969) *Methods of Social Research*, Pergamon Press Ltd., Oxford.

Stafford, D. (1978) *Economics of Housing Policy,* Groomhelm, London.

Stren, R. (1973) *Medium-Density Housing: Proceedings of a Working Conference,* Natal Town and Regional Planning Commission, Piertermaritzburg.

Sullivan, D.M. (2007) Reassessing Gentrification: Measuring Residents' Opinions Using Survey Data, *Urban Affairs Review*, January, Sage Publications, Oregon University, America, Vol.42, No.4, pp.583-592

SynConsult, Poulsen, L. Silverman, M. Wilson, A. ASHIRA, CUBES, Ronald Schloss and Associates and Vyruly Consulting (2003), *Research Report for the Development of a Medium Density Housing Programme for the National Department of Housing*, Consortium, Johannesburg.

Temple, M. (2004) *Studying the Built Environment,* Palgrave Macmillan, New York.

Tomlinson, R. (1998a) South Africa's Housing Policy: Lessons from Four Years of Delivery, the Banking Council, South Africa.

Tomlinson, R. (2001) Housing Policy in the Context of HIV/AIDS and Globalization, in: *International Journal of Urban and Regional Research*, Debates and Developments, Joint Editors and Blackwell Publishers Ltd, USA, Vol. 25.3, September, pp. 649-57.

Tomlinson, M. (2002) Policy and Programme Review: Policy Concerns, Issues and Recommendations, Gauteng Provincial Government, Johannesburg.

Trafalgar Group (2006) Trafalgar Inner City Report, Social Housing Foundation, Parktown, Johannesburg.

UN-Habitat (1991) Report of the International Workshops on Building Maintenance Strategy, santo Kiriko Creativity Centre, Assenougrad, Bulgaria, June 5 – 6.

UN-Habitat (2003) Rental Housing: An Essential Option for the Urban Poor in Developing Countries, UNHSP, Nairobi.

Van den Berg, N. (ed.) (2008) *Commercial and Industrial Property News*, Malnor (Pty) Limited, South Africa, February.

Wallace, R. (2004) *An Investigation into the Demand and supply of Recycled Residential Accommodation Provided by Private Sector Developers in Johannesburg CBD,* The Faculty of Engineering and the Built Environments, Wits University, Johannesburg.

Watson, V. (1996) Rental Housing Experiences in Developing Countries: Issues in Development, Urban Problems Research Unit, University of Cape Town.

Wet op Huurbehuising (WoH) The Rental Act of 1999, Republic of Souh Africa.

Williams, K. (1981) *Behavioural Aspects of Marketing,* Heinemann Professional Publishing, Oxford.

Yin, R. (1994) *Case Study Research: Design and Methods*, 2nd ed., Applied Research Methods Series, Sage Publications, California

Appendix 1 – A

Interviews took place within residential yards because i obtained permission to do so from JHC and JOSHCO. Therefore, the caretakers and gate security were co-operative.

Interview questions for HCs

A. Age

Children?……

Adults?……..

B. Marital status

Single or married? …….

C. Income (tick where appropriate)

Salary scale	**Yes**	**No**
R3 500 +		
R4 000 +		
R4 500 +		
R5 000 – R7 000		

C. Household members scale

Do you live with children, adults, relatives or friends (total number for each)…….. ……. ……..

……

What is the total number of household members? ……

D. Information dissemination

Were you informed about availability of flats, if so how? ……..

……..

Were you informed about the rules, regulations and policies of the housing institution? ……

……

Were you informed about the role and responsibility of the caretaker? ……..

……

E. Flat choice (tick where appropriate)

Do you stay in one of the following types of units? How much do you pay? How did you choose unit size?

Size of a rental unit	**Yes**	**Rent**	**Utilities**
Bachelor flat			
One-bedroom			
Two-bedroom			
Three-bedroom			

Are monthly utilities' charges included in monthly rental payment? ……..

Are you happy with your flat? If so why?……..

Would you say your unit's rental price go with the unit's size or the design of the buildings?.....

……

When you chose this flat, were you influenced by the following (tick where appropriate):

Distance	**Yes**	**No**
Low rent, but far from work in terms of trips' costs.		
High rent, spacious unit but closer to work, good clinics and schools as well as recreation centre.		
High rent and spacious unit but far from work.		
Good neighbourhood, good clinics and schools – crèche is within the yard		

List and explain other factors which encouraged you to choose current housing property and location.....

.....

.....

.....

.....

.....

Did you consider utilities when you chose this residence or flat?.....

.....

How does household size influence choice of a unit or flat? .....

Would you say protection of rights enhance consumer choice opportunities? If so how? .....

.....

Would you say increase in income enhance choice options? …….

……

What would you do if your income increased suddenly? Would you leave this flat and look for another flat elsewhere (e.g. CBD or suburbs or townships) ……..

……

How far is this residence from the city core (tick where appropriate)?

Distance	**Within the city core**	**Walking distance to the city centre**	**>30 minutes drive to the city centre**
Units' location			

Why is distance to or from the city centre significant to you? _____

Did you consider distance to the CBD when you chose this residence? If so why.....

.....

F. Emergency situations which influenced choice of this flat (tick where appropriate):

Facility	**5 – 10 minutes walk**	**10 – 20 minutes walk**	**20 – 30 minutes walk**	**30 – 50 minutes walk**
Location of basic first aid				
Location of emergency exits				
Fire exit				

G. Allocation system

How were you allocated this flat? Was your income matched with rent? ……

……

Before you made a decision to apply for accommodation, did you consider popularity of the location of the area? If so why? ……..

……

Is this residence vulnerable to crime? ……..

……

Is the number of security patrol sufficient in the area?_____

Is police presence significant in the neighbourhood? If so why? ……..

……..

H. Repairs and maintenance (tick where appropriate)

Service	**Excellent**	**Good**	**Fair**	**Bad**
Cleaning (buildings, passageways, parking lots and public space)				
Minor repairs (blocked drains, new locks or broken windows)				
Major repairs (broken stairwell and lifts or metering system installed, lights or sewers)				
General maintenance (fixing fences and alarm systems or buzzers)				

Did you consider maintenance when you chose this residence or flat?.....

.....

Which costs are incurred by you? (tick where appropriate)

Damage to property? _____

Minor repairs? _____ Would you say failure to repair property on time affect the quality of your flats and why? …….

……

If there is a problem, do you lodge a complaint to the caretaker or security squaddie on duty? ……

……

Before being allocated this flat, did you enquire about maintenance issues? ……..

…….

In your opinion, why do consumers litter around property? _____

_____

Are you allowed to alter or repair property? …….

If yes, how do you recover the costs? _____

As regards property alteration, are you given building regulations?

……..

Would you say property alteration influenced choice of your flat? _____

_____

Are the buildings renovated regularly? _____

Would you say good property maintenance influenced choice of these of these residences? ……

……..

I. Consumers: rental administration and payment

Does the amount of rent you pay match your ability to pay? _____

_____

Does rental charge increase annually? _____

How would you respond if you realize that you can no longer afford rental payment (tick where appropriate)?

Rental payment	**Yes**	**No**
Look for a cheaper flat elsewhere		
Abandon the flat or unit		
Pay the following month		

How would you respond to eviction (tick where appropriate)?

Eviction	**Yes**	**No**
Make an appeal and pay		
Sue or seek legal advice		
Refuse to leave		

Do you default on payment of utilities? If so why? _____

_____

Is supply of utilities terminated when you default? …… How would you deal with this? _____

How would you pay for the arrears? .....

……

Are there any counselling services? _____

Do tenants need counselling services? ……..

Should the cost of these services be included in rental payment or do the consumers pay for them separately? _____

_____

Has supply of these services enhanced the quality of your units? ……
……

Does the number of members of your household match the flat's size? _____

_____

As regards distance to or from work in terms of weekly trip costs, does rent match your income? ……

J. Rental collection (show yes or no as appropriate)

Automatic deposit on a monthly basis _____

Payroll deduction ……

K. Participation (show yes or no as appropriate)

Were you involved in the allocation system? ……..

Are you allowed to participate in decision-making? _____

Are you allowed to form committees? ……..

Are you allowed to participate in conflict resolution? _____

What influenced you to choose this residence or flat? ……
……

L. Satisfaction survey (briefly discuss anything that enhances your satisfaction as regards the quality of the rental flats)

How did you feel when you learned that HCs from different income groups are mixed?.....
.....

……

Are you happy with the idea of living together (explain)? _____

_____

Where do you feel at home – with neighbours, close to family or friends, schools, shops or transport links or work? ……..

……

List and discuss factors which made you feel satisfied with the flats?.....

.....

.....

.....

.....

Do you sublet and why? _____

_____

Is subletting allowed? ……..

M. Conflict and disputes resolution

Does conflict occur between the individual residents or households or between the housing consumers and the caretakers (explain)? _____

_____

N. The legislation

Were you informed about your rights? ……. ……..

Which legislation protects tenants from being evicted or from rental overpricing? _____

_____

How does this legislation assure protection of rights in relation to eviction or termination of lease? ……

……

Did being assured that your rights would be protected encourage you to choose this residence? _____

Appendix 1 - B

***** Interview questions (HOs in PDoH)

A. Institutional rental housing policy (IRHP)

How does the law (e.g. Rental Housing Acts) enhance effectiveness of IRHP? _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Which tenure option is effective in reducing housing backlog (tick where appropriate).

Home-ownership? _____

Institutional rental housing (IRH)? _____

As regards affordability, is IRH more appropriate for middle-income households (elaborate)? _____

_____

Would you say the government through IRHP influences inner city regeneration? If so how? ……..

……

B. City regeneration (show yes or no as appropriate)

Why does city decay occur (deterioration of commercial and social infrastructure)?

Causes of city decay	**Yes**	**No**
Negligence/ failure buildings by the housing institution		
Negligence/ abandonment of property by consumers		
Overcrowding which leads to poor urban environment		

Would you say inner city regeneration increases supply of housing units (elaborate)? ……

……

Would you say inner city regeneration increases supply of housing units and widen consumer choice opportunities in relation to quality and size of units as well as location and affordability of flats? _____

_____

_____

Would you say city regeneration promotes economic, social and spatial restructuring?

……

……

C. Mixed-use developments (integration)

Why are landlords encouraged to mix low middle-income and middle-income earners in the same residence? _____

_____

_____

Which households would you say become happy or unhappy with the idea of living together (elaborate)?

Low middle-income households ……..

……

Middle-income households _____

_____

High-income households? ……..…

……

Where would you say individuals/ households feel at home – with neighbours, close to family or friends, schools, shops or transport links or work? ……..

……

Would you say mixed-income developments promote social restructuring?

……

Are consumers allowed to sublet? _____

How do you deal with overcrowding when it occurs? ……..

……

How many adults should reside in each of the following units?

Unit type	**Number of households**
Bachelor flat	
One-bedroom flat	
Two-bedroom flat	
Three-bedroom flat	

How much is rental for each unit?

Unit type	**Amount paid (R)**
Bachelor flat	
One-bedroom flat	
Two-bedroom flat	
Three-bedroom flat	

Which unit is more suitable for middle-income HCs?.....
……

How does household size influence choice of a unit or flat? _____

_____

Does mixed-use developments increase or reduce consumers' choice in relation to quality (i.e. bad or good urban environment)? …….

……

D. Density

Why is medium density housing often attractive to middle-income households?.....

……

Do these residences make provision for home-based business enterprises? If so how? ……

……

In this sense, would you say IRHP promotes economic restructuring? ……

……

E. The merits of IRH (tick where appropriate)

The IRH	**Yes**	**No**
More efficient		
Suppliers are protected by eviction laws		
Targets the right market		
Initial deposit increases rental levels		

If the answer is yes, elaborate ……..

……

……

I. Institutional subsidy

What percentage of a rental is contributed by the government as subsidy per unit? ……

Would you say middle-income households benefit as well? _____

_____

Do rental subsidies increase affordability for middle-income households (elaborate)? ……

……

Appendix 1 - C

* Interview questions (HOs in JHC and JOSHCO)

A. Residents' selection and allocation of flats

1. Do you consider the following when you allocate flats?

Units' allocation	**Yes**	**No**
1.1. Age		
1.2. Marital status		
1.3. No. of household's members		
1.4. Income		

B. Information dissemination

Do you inform consumers about vacant flats and rental prices? If yes how? ..... ……

Do you inform the residents about the rules, regulations and policies of the housing institution? ……

Do you inform the residents about the roles and responsibilities of the caretakers? ……..

……

Are the residents allowed to form committees? ……

……

C. Location of emergency facilities

Service	**10 – 20 minutes walk**	**Less than 30 minutes walk**
1. Basic first aid		
2. Emergency or fire exits		
3. Other emergency services		

i. In your opinion, does availability of these services influence choice of residences and their units?

……..

……

D. Repairs and maintenance (tick where appropriate)

Service	Excellent	Good	Fair	Bad
1.Cleaning (buildings, passageways, parking lots and public spaces)				
2. Minor repairs (blocked drains, new locks or broken windows)				
3. Major repairs (broken stairwell and lifts, and alarm systems)				
4. General maintenance (fixing fences and alarm systems)				

i. Which costs are incurred by consumers? ……
……

ii. Does failure to repair property on time affect the quality of the flats? If so how? ……..

……..

iii. Does failure to repair property on time discourage consumers from staying in your residences?
……..

……..

iv. Does regular repair improve the quality of your flats? ……..

……..

v. How do you guarantee that consumers do not litter around property? ……..

……..

……

E. Tick where appropriate

Service	**Good**	**Bad**
a. Security		
b. Waste collection		

F. Servicing approach (write yes or no where appropriate)

Do you invite the residents to participate in tasks such as painting common areas or a seasonal public space and garden clean up? ……

Do you pay them for these tasks? ……

How much? ……..

Does this enhance consumer choice opportunities

……

G. Facilities or utilities or services

Which of these facilities or utilities or services are available within this building (tick where appropriate)?

a. Passage lights	
b. Parking	
c. Maintenance security	
d. Metering system (electricity or water)	
c. Intercoms or buzzers	
d. Cleaning of passages	
e. Sewerage system and waste collection	

Do the residents consider the above when choosing residences or flats?.....

……

How much do consumers pay for utilities? _____

How do you recover utilities' arrears when consumers default?_____

Do you terminate supply of these utilities when consumers cannot pay for the arrears? …

……

Are services or utilities included in rent or are they paid separately? Why? ……

……

Are the buildings renovated regularly? …….

Does regular renovating encourage consumers to stay long in their residences or flats? ….

……

H. Participation

Do you involve residents during repairs or renovations? ……

Are the residents allowed to alter or repair property? ……

Do you ascertain that alterations are subject to building plans or regulations? ……

……

Does the company force the residents to conform to these regulations? If yes, how? ……. ……..

……

Does allowing consumers to alter property enhance the quality of the residential units? … ……

I. Residence survey

i.

Attribute	**Adequate or good**	**Inadequate or bad**
a. State of the building		
b. Space required		

ii.

Attribute	**Yes**	**No**
a. Residence – close to work		
b. Rent (affordable)		

J. Rental administration

How do you set rental prices? ……..

……

Do you consider market rates? ……..

……

Rental price

Unit size	**Rental price**
A one-bedroom flat	
Two-bedroom flat	
Three-bedroom flat	

The number of adults who should reside in the following units

Unit size	**No. of adults or children**
One-bedroom flat	
Two-bedroom flat	
Three-bedroom flat	

Which one would you say is affordable for middle-income earners? ----------

---

Do you evict consumers who default on rental payment? ……

……

Is eviction procedural, consistent and transparent? ……..

……

Do evictions affect demand? ……..

What do you do when a rental for a flat or unit is no longer affordable? Do you expect the consumer to look elsewhere? ……

……

Can consumers themselves influence price of renting units? ……..

Or Do demand and supply influence the rental prices? ……..
……

Do rentals provide value for money? …….. ……

Are there any counseling services (e.g. to encourage consumers to pay for rent and utilities)? ……..

Do you encounter any rent boycotts? ……..

K. Rental collection (write yes or no where appropriate)

Automatic deposit on a monthly basis ……

Payroll deduction ……

Cheque or cash payments ……

L. Lease agreement (write yes or no where appropriate)

If the consumer decides to terminate lease agreement and leave property, and the institution or company discovers that there is damage to property, is the consumer forced to pay before leaving? ……..

How do you enforce this?……..

M. How do you deal with conflict and disputes resolution (tick where appropriate)?

Conflict resolution	**Yes**	**No**
a. Within individual household		
b. Between residents and staff		
c. Through mediators		

How do you deal with complaints? ……..

N. City regeneration (write yes or no where appropriate)

What deteriorates the quality of the buildings?

Failure to repair the facilities by the housing institution_____

Negligence and abandonment of property by consumers_____

Overcrowding _____

Does inner city regeneration increase supply of housing units (elaborate)? ……

……

Does inner city regeneration increase supply of housing units and widen consumers' choice opportunities in relation affordability (rent): quality and size of units as well as location of flats? ……

……

How would you measure consumer utility (as regards choice of flats) ……. ……

Would you city regeneration promotes economic, social and spatial restructuring?

……

……

O. Mixed-income developments (integration)

Do you mix low middle-income, middle-income and high-income earners in the same residence or building or residential area? …….

……

Which income group becomes happy or unhappy with the idea of living together (elaborate)?

Low middle-income households _____

Middle-income households _____

high-income households _____

Where would you say individual household feels at home – with neighbours, close to family or friends, schools, shops or transport links or work? ……..

……

Do consumers sublet? ……..

How do you deal with overcrowding when it occurs? ……..

……

Would you say middle-income households can afford these units? ……

……

How does household size influence choice of a unit or flat? ……

Would you say mixed-use development increases or reduces consumers' choice opportunities in relation to quality (i.e. adequate or poor urban environment)? ……..

……

Would you say mixed-income developments promote social restructuring?

……

……

P. Density

Would you say medium density housing is often attractive to middle-income households and why? ……..

……

Is medium density housing able to create local economic opportunities? If so how? ……..

……

Would you say medium density housing promotes economic restructuring?

……

……

Q. Allocation system

How does this influence choice of housing units? ……..

……

Which residences would you say are more attractive to consumers? Inner city or suburban or townships, If yes why? ……..

……

Would you say your allocation system considers popularity of the location of the area? ……

……

Do you involve consumers in your allocation system? ……

……

Is this residence vulnerable to crime? ……..

Would you say insufficient supply of housing forces households to choose unfit housing locations?.....

……

Would you say increase in income widen households' choice of units? ……

……

……

What choices would you say are available for the consumers (middle-income) given the level of their income? ……

……

How would you deal with low demand? ……..

……

Do you encounter problems when consumers choose flats? ……

……

R. The legislation

How does your company allocate flats or units? ……..

……

Is needs assessment approach used to ensure that units allocated are affordable in relation to size and travel cost to work? ……..
……

Does your company recognize consumers' rights? ……..

……

How do you assure that consumers' rights are protected? ……..
……

Does the Rental Act enforce protection of consumers' and suppliers' rights effectively? ……..
……

Do this Act protect the company's' rights as regards default on payment of rent and damage to property? ……..

……

Which tenure option would you say accommodates larger number of consumers (tick where appropriate).

Home-ownership? _____

Institutional rental housing? _____

Which tenure option would you say is more effective in reducing housing backlog (tick where appropriate).

Home-ownership? _____

Institutional rental housing? _____

As regards affordability, would you say IRH iis more appropriate for middle-income households (elaborate)? ……..

……..

S. Institutional subsidy

Are there any rental subsidies for middle-income households (elaborate)? ……
……..

……

Would you say middle-income households benefit from this subsidy as well? .....

……

Appendix 1 - D

* Interview questions (caretakers)

A. Allocation of flats

Does the company involve you during housing allocation? ……

B. Information dissemination (yes or no – elaborate where possible)

How do inform consumers about vacant flats and rental prices? ..... ……

How do you inform consumers about the rules, regulations and policies of the housing institution? ……

……

How do you inform the residents about your roles and responsibilities? …….

……

Are the residents allowed to form committees? Why?.....

……

C. Emergency situations (tick where appropriate)

Location of facilities	**5 – 10 minutes walk**	**10 – 20 minutes walk**	**20 – 30 minutes walk**	**30 – 50 minutes walk**
Location of basic first aid				
Location of emergency exits				
Fire exit				

Would you say availability of these services enhances the quality of IRs? ……

……

D. Repairs and maintenance (tick where appropriate)

Service	**Excellent**	**Good**	**Fair**	**Poor**
Cleaning (buildings, passageways, parking lots and public space)				
Minor repairs (blocked drains, new locks, or broken windows)				
Major repairs (broken stairwell, lifts, or metering systems installed)				
General maintenance (fixing fences, alarm systems and buzzers or intercoms)				

Is there any connection between quality and maintenance? …….

Would you say failure to repair property on time affects the quality of flats? _____

_____

Which costs are incurred by consumers? ……
……

Would you say failure to repair property on time reduces the quality of IRs? ……

……..

Would you say regular repair consumers' choice maximize utility (satisfaction)? _____

_____

What do you do when some consumers litter around property instead of using refuse bins provided? ……

E. Indicate where good or bad as appropriate

Service	**Excellent**	**Good**	**Fair**	**Poor**
Security				
Waste collection/ sewerage facilities				

F. Servicing approach (show yes or no as appropriate)

Are the residents invited to participate in tasks such as painting common areas or garden clean up?_____

Are they paid to do these tasks? ……

G. Facilities or utilities (show yes or no as appropriate)

Which of these facilities or utilities are available within this building?

Passage lights ……

Parking ……..

Maintenance security ……

Metering system (electricity or water) ……..

Intercoms or buzzers ……..

Cleaning of passages ……

Sewerage system ……..

How much do consumers pay for utilities? _____

How does the company recover utility arrears when consumers default? _____
_____

Are these services or utilities included in rent or are they paid separately? Why? …….

……

Would you say provision of these services enhances the quality of the IRs? ……

……

Are the buildings renovated regularly? ……

H. Participation (write yes or no where appropriate)

Are residents allowed to alter property? ……

Who incurs the costs? ……..

Would you say allowing consumers to alter property enhances the quality of housing units? ……

……..

Do you involve the residents in decision-making? ……

Are they involved during conflict or dispute resolution? ……

I. Rental administration

Does the company set rentals? Does it match rent with income? ……
……

Does the company evict consumers who default on rental payment? ……..

Do consumers default on payment of utilities? How are arrears recovered? ……..

……

Are there any counselling services (e.g. to encourage consumers to pay for rent and utilities)? ……..

Appendix 2

Interview dates

Interviews (2007) Caretakers at Legae Gardens and JOSHCO Complex Two, January.

Interviews (2007) The housing officials at Provincial Department of Housing, Marshalltown, January.

Interviews (2006/07) Housing consumers at Legae Gardens and JOSHCO Complex Two, December.

Interviews (2006/2007) Housing officials at Johannesburg Housing Company and Johannesburg Social Housing Company, December and January.