HOUSING FOR THE POOR:
A CASE STUDY OF THE JOHANNESBURG INNER CITY

by

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DECLARATION

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SIGNED AT LAOS ON THIS 24 DAY OF OCTOBER 2018.

Signed by candidate

CARLA ROBB

Student Number: RBBCAR004
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ABSTRACT

This research focuses on the Johannesburg inner city, which is located in the Johannesburg Metropolitan Municipality, Gauteng Province, South Africa. Johannesburg inner city has had a tumultuous history, from being the most economically powerful urban centres in Sub-Saharan Africa in the early 1900s, to falling into a state of disrepair from the 1980s, the inner city is now home to more than 300 000 households. The public sector and private sector both play a critical role in the delivery of affordable accommodation opportunities in the Johannesburg inner city, but the lack of formal supply of housing for the urban poor, specifically the “poorest of the poor” is stark. It is with this knowledge that this dissertation explores the commitment, from both public and private sector, to delivering accommodation options for the poorest of the poor in the inner city.

The Johannesburg inner city has seen increased involvement from the private sector in the delivery of housing since 1994. Significantly, housing delivered by the private sector is accessible to the households in the income group referred to as the “gap market”. The lowest income group is left to resort to the informal sector to seek shelter. The lack of adequate housing supply for this group has given rise to illegal occupation of buildings, often run by slumlords with appalling living conditions. The public sector has many plans and strategies in place with identified mechanisms to assist in increasing the delivery of accommodation for this income group. However, there is still a massive gap in the delivery. Many plans and strategies have been put in place with the intention of addressing the housing demand in the inner city. Although many of these policies and strategies, created by the government, were intended to increase the delivery of affordable rental accommodation, what is obvious is the lack of delivery. This dissertation, therefore, intends to determine why there has been no formal provision made for the lowest income group in the Johannesburg inner city and, if there are plans or mechanisms in place to rectify this, why they have not come to fruition.

The City of Johannesburg Metropolitan Municipality has been criticised for not responding to the emergency accommodation cases seriously and creating realistic strategies to deal with the poorest income group or destitute. There is a lack of a programmatic approach to meet the housing demand, which is evident from the number of “bad buildings” in the Johannesburg inner city. Without a realistic strategy to assist this income bracket, a domino effect of failure seems to plague housing delivery in the inner city. A lack of opportunities for this income group gives rise to “bad buildings”, which in turn affects the livelihood of the people in the inner city, across all sectors.
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LIST OF ABBREVIATIONS

AFHCO  Affordable Housing Company
ANC  African National Congress
BNG  Breaking New Ground
CBD  Central Business District
CJP  Central Johannesburg Partnership
COF  Corridors of Freedom
CoJ  City of Johannesburg
CoJMM  City of Johannesburg Metropolitan Municipality
CRU  Community Residential Units
DoH  Department of Housing
DoHS  Department of Human Settlements
GDS  Growth and Development Strategy
HSS  Housing Subsidy Scheme
ICHAP  Inner City Housing Action Plan
ICHIP  Inner City Housing Implementation Plan
ICHUT  Inner-City Housing Upgrading Trust
ICO  Inner City Office
ICPS  Inner City Property Scheme
ICRS  Inner City Regeneration Strategy
IS  Institutional Subsidy
ISP  Institutional Subsidy Programme
JDA  Johannesburg Development Agency
JHC  Johannesburg Housing Company
JPC  Johannesburg Property Company
JPOMA  Johannesburg Property Owners Managers Association
JSE  Johannesburg Stock Exchange
NGO  Non-governmental organisation
NHFC  National Housing Finance Corporation
RCG  Restructuring Capital Grant
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
</tr>
<tr>
<td>RZ</td>
<td>Restructuring Zone</td>
</tr>
<tr>
<td>SERI</td>
<td>Socio Economic Rights Institute</td>
</tr>
<tr>
<td>SHF</td>
<td>Social Housing Foundation</td>
</tr>
<tr>
<td>SHI</td>
<td>Social Housing Institutions</td>
</tr>
<tr>
<td>SHRA</td>
<td>Social Housing Regulatory Authority</td>
</tr>
<tr>
<td>TUHF</td>
<td>Trust for Urban Housing Finance</td>
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<tr>
<td>UDZ</td>
<td>Urban Development Zone</td>
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1. INTRODUCTION

South African cities, 24 years post-apartheid, still remain divided, unequal and segregated despite far-reaching efforts by the government to create development opportunities for the urban poor. Apartheid, introduced in 1948 by the National Party (NP), forced the spatial separation of different racial groups in South Africa. Apartheid created laws that forced different racial groups to live separately and develop separately, at the benefit of one group (white people) over all others, specifically that of black people. Apartheid effects are still evident today, with little economic change across racial groups.

The delivery of basic services to the poor is a high priority. Shelter (or housing) is a basic service and remains one of the most pressing challenges faced by the post-apartheid government (Charlton & Kihato, 2006; Cashdan, n.d.). In 1994, the backlog of housing units was estimated at 1.5 million. This backlog continued to grow and is now estimated at 2.1 million units (Tomlinson, 2015). However, under-counting is a distinct possibility and these estimates thus clearly indicate the enormity of the housing problem in South Africa (Tissington, 2010:7).

This dissertation will focus on the provision of housing for the poor (specifically rental housing) in the Johannesburg inner city, which is located in the City of Johannesburg Metropolitan Municipality (CoJMM), Gauteng Province, South Africa. Johannesburg inner city has had a tumultuous history, from being the most economically powerful urban centre in sub-Saharan Africa in the early 1900s (Rogerson et al., 2015:347), to falling into a state of disrepair since the 1980s. The inner city is now home to more than 300 000 households (Stats SA, 2016). Since 1994, the inner city has been on a journey of revival and regeneration, with the CoJMM’s core focus on creating a World Class African City by 2030, through enticing commercial activity back into the city centre. Importantly, this policy agenda must be viewed in conjunction with an overarching poverty alleviation agenda, which is directly linked to the undersupply of affordable accommodation for the urban poor. There is a tension in the housing debate in South Africa, since it is characterised by dual needs: the delivery of housing and resolving the housing backlog and maintaining economic growth to encourage South Africa to compete in the global market.

1.1. Background

Johannesburg’s inner city is home to a large, diverse group of South Africans and is a port of entry for migrants and refugees from sub-Saharan Africa in search of suitable accommodation and basic services close to economic activity (Winkler, 2012b:167). One of the most pressing issues in the
Johannesburg inner city is the lack of affordable accommodation for the urban poor, especially the lowest income group or “poorest of the poor”.\(^1\) Although the Johannesburg inner city has seen increased involvement from the private sector in the delivery of housing since 1994, housing delivered by the private sector is only accessible to households in the income group commonly referred to as the “gap market”\(^2\) for ownership purposes. The lowest income group is left to resort to the informal sector to seek shelter. The lack of supply for this group has given rise to two main forms of informal accommodation: sub-letting of units, especially sectional title buildings run by small scale informal landlords, and illegal occupation of buildings, often run by slumlords with appalling living conditions (Bremner, 2000). The public sector has many plans and strategies in place (Winkler, 2012b), with identified mechanisms to assist in increasing the delivery of accommodation for this income group. However, there is still a massive gap in the formal delivery.

The private sector does not provide for the lowest income group and has indicated that they are only able to do so if they have assistance from the public sector (Interview 5, 2017). Public sector mechanisms to increase supply in this income bracket, such as Community Rental Units (CRU) and social housing, have seen limited delivery for numerous reasons. CRU has had little delivery as the policy was never adopted, and management by municipalities has been inadequate (Tissington, 2013). Social housing experiences barriers to delivery as the existing financial model is inappropriate and buy-in and participation from the private sector, which is needed to upscale delivery, has been poor (Rust, 2016). Public sector delivery in social housing has continued but not at the scale needed or anticipated (Rust, 2016). This dissertation, therefore, cannot help but question the commitment to the formal delivery of accommodation opportunities for the urban poor, specifically the poorest of the poor, in the Johannesburg inner city and South Africa at large. Although mechanisms exist, the commitment to make these mechanisms work to the benefit of all scales of poverty is debatable.

Consequently, this dissertation sets out to gain a better understanding of the supply of formal rental accommodation, and the income group targeted by this formal ‘affordable’ accommodation. It intends to utilise empirical evidence to gain deeper insight into the supply of rental accommodation, both from public and private sectors, with particular focus on the private sector and its interest in government mechanisms, as well as its ability to deliver to the lowest income group.

\(^1\) “Poorest of the poor” is defined as the lowest income group characteristic of households earning below R3 500 per month.

\(^2\) “Gap market” is defined as Households earning between R3 500 and R15 000 per month. This income group is defined as “too rich” to qualify for the housing subsidy but “too poor” to access the market (Rust, 2009:1). It is acknowledged that the “gap market” is ordinarily utilized to describe and income group for ownership market – for the purposes of this thesis the term the “gap market” will be utilized to describe this specific income group, specifically in relation to rental accommodation opportunities.
1.2. Problem statement

There is an undersupply of rental accommodation opportunities for the urban poor, specifically the poorest of the poor, in the Johannesburg inner city (Tissington, 2013). Both the public and private sector play a key role in the delivery of affordable rental accommodation in the inner city, but the lack of supply of opportunities for the lowest income group is stark (Rebelgroup, 2016a). It is with this knowledge that this dissertation explores and reflects on the commitment, from both the public and private sector, in delivering accommodation options for the poorest of the poor. Currently, the informal market is the only option for this income group. Approximately 50 per cent of inner city residents earn below R3 200 per household per month (SERI, 2016). Residents are forced to reside in illegally occupied buildings, either sectional title with informal managers through absentee owners, or what are known as “bad buildings” where slumlords have hijacked the building (Morris, 2016). Despite the inhumane, undignified and unsafe conditions common in informal situations, rent, in some cases above the market rental rate, is demanded. Further, people living under these conditions are often criminalised alongside their slumlords, even though they are simply residents in search of affordable housing opportunities. This dissertation intends to determine why there has been no formal provision made for the lowest income group in the Johannesburg inner city and, if there are plans or mechanisms in place to rectify this, why they have not come to fruition.

1.3. Dissertation aims and objectives

The historical context of the Johannesburg inner city will be provided, showing the changes from the early 1900s through to the present, with a core focus on inner city development since 1994, and what led the inner city to become the home to many urban poor. The dissertation will display the historical development of Johannesburg’s inner city, following its transformation from the financial capital of the country in the early 1900s to its subsequent fall into disrepair from the 1980s onward, with the urban poor searching for affordable secure accommodation close to job opportunities. The intention is to investigate the role of the public and private sector in the Johannesburg inner city, with regard to the delivery of housing for the urban poor but, more specifically, the lowest income group.

Therefore, the objectives are:
1. To provide historical context of the Johannesburg inner city, showing the change (from the 1980s) and what led the inner city to become the home to many urban poor residents.

2. To provide a comprehensive policy analysis of national housing policy and housing policy specifically relating to Johannesburg Metropolitan Municipality.

3. To explicate the role of both the public sector and private sector in the delivery of housing for the urban poor in the Johannesburg inner city, in particular the lowest income group.

4. To provide insight into the type of housing that is currently being provided in the Johannesburg inner city, and the target group this housing benefits.

To meet these objectives, this dissertation interrogates the housing policy post 1994 with a specific interest in the inclusion of the urban poor within the policy. Rental accommodation is currently the main form of accommodation in the Johannesburg inner city (ICHIP, 2015). Rental was not originally at the forefront of housing policy. Housing policy and delivery, post-apartheid, was initially focused on the transfer of ownership, even though demand for rental accommodation (especially in areas such as the Johannesburg inner city) was relatively high (Tomlinson, 2015). In 2004, it was finally recognised that rental accommodation needed to form part of the government’s housing policy focus and mechanisms such as social housing were introduced into the system. An analysis of these delivery mechanisms will be provided, which will assist in understanding the government’s role in the provision of rental accommodation in the Johannesburg inner city.

The Johannesburg inner city is an interesting case study, as the private sector plays a critical role in delivering formal rental accommodation opportunities. The public sector is not at the forefront of delivering affordable housing opportunities, even though it is within the government’s mandate to deliver housing. This dissertation will review the role of the public and private sector in delivering affordable accommodation in the inner city, with a core focus on the opportunities available for the lowest income group. The informal rental stock in the Johannesburg inner city is undocumented and difficult to account for. The demand for low income affordable rental accommodation is evident through the excess of buildings run by informal landlords or slumlords (hijacked buildings) where residents (low income earners in search of affordable rental) are forced to pay for accommodation, often in illegal and inhumane conditions, as there seems to be no alternative.

Since 1994, The CoJMM has been focused on a revival of the inner city, with plans that assist in regeneration and increased attention for commercial investment. The CoJMM focuses on regeneration and acknowledges that poverty alleviation needs to be addressed concurrently.
CoJMM has many plans and strategies that seek to address the housing need, demonstrating an awareness of the problem and the desire to resolve it. However, the actual delivery of housing has been slow.

1.4. Substantive relevance of the dissertation

In the context described above, this dissertation makes a valuable contribution to the understanding of the low income rental housing issue as it specifically focuses on the lowest income group in the Johannesburg inner city, with the intention of elucidating both the private and public sectors’ roles in delivering accommodation opportunities for this income group. This income group is often excluded from formal housing delivery opportunities, specifically rental opportunities, despite being the group most in need of assistance with regards to housing, economic opportunity, education and basic services (JDA & CoJ, 2016:151). Currently, informal housing is the only option accessible to this group in the inner city, because the existing structure of formal options do not meet the demands of the poorest of the poor.

Sectional title buildings, sub-let through informal landlords, as well as hijacked buildings or “bad buildings”, are the main form of delivery. People in this income group rent rooms or spaces since, for them, living in the inner city is a prerequisite in terms of proximity to economic opportunities, as well as transport opportunities. It is, therefore, necessary to include this income group in the future development of the Johannesburg inner city.

1.5. Research design

The purpose of this section is to present the philosophical assumptions underpinning this dissertation and introduce the research design and techniques applied to conduct this research. This section will define the scope and limitations of the research design, whilst situating the dissertation in existing research methodologies and systems.

This dissertation is based on qualitative research that focuses on a case study technique. According to Yin (2003), case studies are empirical investigations of situations in their specific environment, where the situation and environment’s relationship is unclear.
This dissertation, therefore, adopted a case study method that focused on a single case study, utilised to explore and interrogate a scenario at the local scale. The dissertation is exploratory in its inquiry which analyses a geographical area that could have extreme or revelatory theory (Yin, 2009). The qualitative method utilises both empirical and non-empirical techniques. The empirical research was collected through interviews conducted for a period of three months, from June 2017 to August 2017. The interview technique utilised was semi-structured interviews, utilising a questionnaire and drawing up a schedule of results. Secondary empirical data was also utilised through the use of content analysis of existing local, provincial and national policies and legislation. The non-empirical research relied on existing literature, which consists of textbooks, journals, conference papers, dissertations, and the web.

This section is divided into three areas, providing an overview of the different methods utilised and why and how they were adopted for this specific dissertation, basing the process on existing research systems. The first section looks at the qualitative nature of this dissertation. The next section analyses the single unit case study approach and its importance for this particular dissertation, utilising Yin’s opinion, among others, on the case study method. The third section explains the empirical and non-empirical data collection methods utilised throughout the dissertation. Finally, details of the interviews conducted through the empirical method will be provided, noting the issues pertaining to data collection through this process, and how this restricted the dissertation.

Figure 1: Types of Qualitative Research (Yin, 2003)
1.5.1. Qualitative research

According to Mason (2002), qualitative research is not defined by a unified set of techniques but has grown out of a variety of intellectual traditions; this gives qualitative research its strength as it cannot be reduced to a set of principles, as all different types of research can be “qualitative in nature”. Qualitative research may be conducted in a variety of ways (Miles & Huberman, 1994).

Mason (2002) notes that qualitative research is based on an interpretivist philosophical position as the research is generally concerned with the social world and how it is interpreted, understood or experienced. Peshkin (1993) notes the purpose of qualitative research is usually one of the following: descriptive, interpretation, verification and evaluation. This dissertation sits between descriptive and interpretation. Figure 2 below displays the different purposes as described by Peshkin (1993).

![Figure 2: Purpose of Qualitative Research (Peshkin, 1993)](image)

According to Stake (1995), qualitative research is a simple way of getting acquainted with “things”. Qualitative research focuses on a more holistic form of analysis and explanation and allows for a more flexible data collection and generating method. Qualitative research was used extensively for this dissertation as a detailed form of analysis was undertaken to ensure a holistic understanding of the identified problem, from the national level through to the local context. Miles and Huberman (1994) note the four broad characteristics of qualitative research as follows:

- The research is usually conducted through prolonged contact with a specific research area which is typically reflective of everyday life.
- The researcher or analyst intends to gain a holistic overview of the field of research.
• The research intends to capture data from people involved in the local context, through thorough understanding.
• The researcher might isolate certain ideas or expressions for deeper review but ensure that original ideas are not separated from the base idea.

According to Mack et al. (2005), qualitative research is a type of scientific research that seeks to understand a research problem from the perspective of the local population that experience it. It assists in providing descriptions of how people experience the research problem or issue. It thus provides the human side of an issue. There are three main qualitative methods: observations, interviews, or focus groups. This research utilises interviews. The flexible nature of this type of research method allows for spontaneity and adaptation in the interview processes, specifically between the researcher and interviewee. The questions asked during an interview can be open ended and need not be worded in an identical way for each interview. The benefit of this type of research, specifically for this dissertation, was the open-ended questions applied to the interview process. This allowed interviewees to respond in a meaningful way, which created rich results and was exploratory in nature. For the purposes of this dissertation, a sample of the population was selected to be interviewed.

According to Miles and Huberman, qualitative data can be described as “well grounded, rich descriptions and explanations of processes in identifiable local contexts” (1994:1). One of the major concerns with qualitative data is that the methods of analyses are not well formulated. Data analysis captured under qualitative research has three core approaches: interpretivism, social anthropology and collaborative social research. This dissertation focuses on interpretivism in its approach to data collection and inquiry. Therefore, interpretation by both the researcher and the social actors is inevitable. Accordingly, interpretation exists through the understanding of group actions and interactions. This is evident in the data method conducted for this research, specifically through the interview process that will be discussed in greater detail below.

The qualitative method was utilised as this dissertation focuses on a social problem at an identified local context but required a deeper holistic review and understanding of the problem from the “human side”. The research allowed for interpretation as well as an open-ended approach, specifically with regard to the empirical data collated through the interview process. The interviews were conducted to gain insight from people working within the local context or geographical region, being the Johannesburg inner city. Those chosen to be interviewed presented a wealth of knowledge in the field and therefore formed a critical part of this dissertation.
1.5.2. Case study

A case study is an in-depth study of a particular situation, and is a method utilised to narrow down a broad topic into a more researchable topic. According to Yin (2003:13), a case study consists of the following:

“An empirical enquiry that investigates a contemporary phenomenon in depth and within its real life context, especially when the boundaries between phenomenon and contact are not clearly evident.”

Yin (2003) notes that case studies are the preferred technique, especially when questions that involve “how” or “why” are being researched, when the investigator has little control over the events, and research is focused on a contemporary phenomenon with a real-life context. Case studies are necessary to understand complex social phenomena. A case study allows an investigator to understand a real-life event holistically and meaningfully (Yin, 2003).

According to Klein & Myers (1999), the research approach for case studies is usually interpretive, they are defined by a time frame and do not use the ethnographic technique. This dissertation’ case study is defined as intrinsic (Stake, 1995) or exploratory (Yin, 2009). An intrinsic case study is completed when the case is unique and therefore not representative of other cases. The purpose of this is not to display a theory but, rather, for intrinsic interest (Stake, 1995). An exploratory case study involves the collection and analysis of data prior to the formulation of theories or research questions (Yin, 2009). Both of these are representative of this dissertation and were utilised as the basis for the research conducted. Further, case studies consist of either single or multiple units. This dissertation relies on a single case study method.

According to Yin (2003), the research question is the most important step within the case study. In terms of this dissertation the research question is formulated as follows: This dissertation intends to determine why formal provision has not been made for the lowest income group in the Johannesburg Inner City and how this could be rectified.

Case studies are often criticised on three accounts (Yin, 2003). This dissertation has addressed these as follows:

- Case studies are criticised for their lack of rigour and for simply trying to demonstrate a particular point more effectively. To avoid this, this dissertation has employed a variety of research methods to ensure findings are reported fairly and effectively, rather than relying on one source for information. Consequently, several units are not definitive as numerous sources are utilised and incongruences arise across these. This produces more effective findings as no one source is relied upon over the other but, rather, is displayed and commented on.
• Case studies are criticised for their generalisation from a single case. Yin (2003) rebuts this, noting that case studies are similar to experiments. Case studies are generalisable to theoretical propositions instead of scientific data. As such, the case study does not represent a sample but, rather, aims to expand and generalise theories. Although this dissertation does not posit any generalisable theory, it will be informative for other contexts because it helps unpack some of the complexity of affordable housing issues in inner city areas across the country. The Johannesburg inner city case could be viewed as a learning case for other inner city areas. Given the limited scale of this dissertation and the uniqueness of the affordable housing situation, a generalised theory will not be proposed.

• Case studies are often criticised for taking too long. This particular dissertation, researching a case study of the Johannesburg inner city, is bound by a timeframe and thereby avoids this criticism altogether. It avoids an ethnographic type of method that requires long lengths of observation.

The case study method is useful for this dissertation in that it displays the complexities of the area, which enables a better understanding of the dynamics at play with regard to affordable housing in the inner city. Hence, the case study method was utilised purposefully, to create a better understanding of this unique situation in the country and to provide information about the housing situation, in an effort to create an awareness of the disconnect between demand and the type of supply, thereby exposing the gap in delivery for the lowest income group. This dissertation focused on Johannesburg as its unique and specific case.

1.5.2.1. Non-empirical

Non-empirical research is evidence that is not new but has previously been gathered for a distinct purpose. This is also known as secondary data and this was utilised to conduct the literature review, as well as provide the background to most of the chapters for the purposes of this dissertation (Clarke, 2003). Non-empirical data research analyses the existing literature on the topic but often relies on prior knowledge in order to identify commonalities and differences within the existing literature. The literature can consist of text books, journals, conference papers, dissertations, the web and, for the purposes of this dissertation, also included legislation and policy documents.

This dissertation begins with a review of the literature pertaining to housing within the national context, ensuring background to the national challenge is understood and exposed, setting the scene for the research that follows. The literature was originally sourced by researching literature, legislation and policy documents related to housing, at the national level, within South Africa. Further, relevant authors and experts within the field who have published journal articles on the
research topic were also referred to, in an attempt to show the extent of the research already conducted and to enable an understanding of the areas that are missing. Where the research focused specifically on Johannesburg, the local context is interrogated, and local policy documents, legislation and literature is sourced, pinpointing relevant authors in the field whose expertise is on housing, specifically in Johannesburg.

1.5.2.2. Empirical

This dissertation uses interviews as a means of collecting primary empirical data. Kvale (1996) notes that interviews are “conversations” and defines qualitative research interviews as "attempts to understand the world from the subjects' point of view, to unfold the meaning of peoples' experiences, to uncover their lived world prior to scientific explanations." This is relevant to this dissertation as the objective of the interviews conducted was to understand the subjects’ (mainly private sector developers or specialists in the field) point of view and role in delivering affordable rental accommodation in the Johannesburg inner city and gain insight into their lived experiences on the ground over the past two decades. According to Kvale (1996) interviews for research purposes are focused primarily on intellectual understanding. According to Patton (1987), qualitative evaluation questions, which result in open-ended responses and quotations, allow the interviewer to gain insight into the interviewee’s emotions. This method was utilised throughout the interview process and assisted in getting more emotive and honest responses from the interviewees.

The dissertation also uses secondary empirical data. Secondary data analysis is a form of empirical data that is utilised in a process of inquiry. Secondary data analysis is an analysis of data that was collected by someone else for another primary research objective. Secondary data is noted as an empirical method, as existing data throughout the world is being collected and archived by researchers globally and it is becoming a more prevalent method that should be documented (Johnston, 2013). This is evident in this dissertation as existing policies at a local, provincial and national level were analysed, and their data displayed throughout this dissertation, as well as the work of other existing researchers, who collated information from interviews with the same or similar people or organisations. This data was then utilised and compared to the primary empirical data collated through the interview process for this dissertation, so that a more rigorous and accurate outcome was displayed. Secondary data analysis applies the same research principles as that of primary empirical data. Secondary analysis is a systematic method with procedural and evaluation steps, but the key to secondary analysis is to apply theoretical knowledge and skills which will be utilised to address the specific research question (Johnston, 2013).
i) **Data collection**

Miles and Huberman (1994:12) display a figure that shows components of data analysis (Figure 3). This figure demonstrates the process the researcher undertakes when collecting data. This was core to this research, moving between reduction, display and conclusion, once the data has been collected.

![Figure 3: Components of Data Analysis: Interactive Model (Miles & Huberman, 1994)](image)

This dissertation involved data collection though an interview process. As of June 2017, a total of 20 data sources were contacted; these included companies, organisations and researchers. Out of these, only 12 data sources were interviewed (13 interviews were conducted as two people from one company were interviewed). The table below indicates the number of people contacted versus the number of interviews conducted.

<table>
<thead>
<tr>
<th>TYPE</th>
<th>NUMBER CONTACTED</th>
<th>NUMBER INTERVIEWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Delivery Agent/Property Development Companies</td>
<td>11</td>
<td>7 (1 from same company)</td>
</tr>
<tr>
<td>Private Sector Managing Association</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Private Sector Social Housing Institute</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Public Sector Social Housing Institute</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
ii) Details of the interviewees

This dissertation focused on interviewing a wide variety of people within the affordable housing realm, specifically relating to the Johannesburg inner city. The interviewees included the following types of people:

- private sector property developers or managers who have been delivering affordable accommodation in the Johannesburg inner city for many years;
- private sector SHI who have delivered social housing, CRU or transitional housing through government programmes. These institutes utilise government subsidies and therefore differ from those private sector companies who deliver through private sector funding mechanisms;
- a private sector financial institute who provides private sector funding for affordable housing projects within the inner city; and
- specialists or researchers in the field who have a wealth of knowledge and experience in housing in the Johannesburg inner city.

The people contacted within the organisations or companies were explicitly selected to be interviewed for this dissertation. The bulk of the interviews conducted involved private property developers in the field. These organisations or companies and the people who represent them were specifically chosen for their expertise in developing affordable housing in the Johannesburg inner city over a number of years. They are extremely knowledgeable about the inner city and the type of housing delivered from the private sector side, as well as the income group that is targeted for this specific supply. The SHI selected for interviewing is a well-established private sector SHI within the inner city. It was included as it could provide significant insight into the real experiences of government programmes and the subsidies provided to deliver housing. The intention was to interrogate the successes in, or barriers to, delivery from an SHI’s perspective, in order to develop a clearer understanding of how the government programme works and where the problems lie. The financial institute was interviewed to gain deeper insight into the private sector funding mechanisms provided in the inner city, specifically for affordable housing purposes. Specialists in the field came from a variety of backgrounds and were approached to give insight into the history of the inner city, the status of affordable housing, the details around the public and private sectors’ roles, and personal experiences in terms of housing within the inner city.
iii) **Details of the interviews**

The data was collected through an interview process with a questionnaire (see Annexure A: Questionnaire). Each interview was conducted at the place of choice of the interviewee. Each interview was an hour to two hours long and followed a questionnaire that had been prepared prior to the interview. All interviewees were requested to sign a consent form (attached as Annexure B: Consent Forms) informing them of the purpose of the interview and to indicate whether they would like to stay anonymous. The interviews were conducted between June 2017 and August 2017 (over a three month period). These interviews were recorded, and notes were taken while recording. The recordings and notes are stored on a flash drive with a backup on Dropbox, which only the author of this dissertation can access.

The questionnaire was designed to gain a better understanding of the private sector’s role in delivering affordable housing in the Johannesburg inner city, the history of the company or organisation’s role in Johannesburg inner city, the type of accommodation delivered, the target market for the accommodation, the challenges and barriers experienced by the private sector in delivery and the interest or disinterest in utilising the existing government mechanisms in delivering affordable accommodation. The questionnaire also asked respondents for one mechanism, from the private sector side, which might assist in delivering more affordable units for the lowest income group.

iv) **Challenges of data collection**

The dissertation was limited to the extent that a number of people either declined the interview process or failed to respond to the request for an interview. A total of 20 companies or specialists were contacted. The lack of involvement from many respondents resulted in more empirical insight attained on the private sector side as opposed to that of the public sector.

<table>
<thead>
<tr>
<th>TABLE 2: TABLE INDICATING CHALLENGES WITH INTERVIEW PROCESS</th>
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<tbody>
<tr>
<td>TYPE</td>
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<tr>
<td>Private Sector Delivery Agent/Property</td>
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<td>Development Companies</td>
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<tr>
<td>Private Sector Managing Association</td>
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<td>Private Sector Social Housing Institute</td>
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<td>Public Sector Social Housing Institute</td>
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<tr>
<td>Private sector Financial Institutes</td>
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<tr>
<td>Researchers/Specialists in the field</td>
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<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

1.5.3. Rigour

This dissertation employed a triangulation of research findings to ensure a more rigorous outcome (Maxwell, 2009). The dissertation conducted the case study by utilising non-empirical data through a literature review process, and empirical data utilising primary and secondary methods. Primary methods constituted interviews conducted with relevant people within the geographically defined area, while secondary data analysis involved the analysis of national, provincial and municipal policies and publications.

1.6. Dissertation structure

Chapter 1 provides a brief background to the purpose of the dissertation, presenting the problem statement. It describes the methodology in terms of which information was gathered in preparing the report. Chapter 2 is a literature review, which is divided into two distinct sections. The first section sets the tone of the dissertation, providing a background to housing delivery in South Africa, the shift from ownership to rental tenure and mechanisms such as social housing to increase rental housing delivery, followed by a brief background to housing in the Johannesburg inner city. The second section provides an historical overview of the Johannesburg inner city, with specific focus on the urban poor and the provision of accommodation for this income group. Chapter 3 provides insight into the National Housing Policy, and the shift from ownership to rental as a housing option. It also provides a detailed analysis of the mechanisms in place to upscale the delivery of rental accommodation across the country. Chapter 4 sets out the legal and policy frameworks in respect of housing provision in the Johannesburg inner city, focusing specifically on rental accommodation, as this is the tenure option available for the urban poor in the inner city. Chapter 5 discusses the status
quo of housing in the Johannesburg inner city, looking at both the public and private sectors’ involvement in delivery, with specific focus on housing opportunities available to the lowest income group. This chapter draws attention to the current political climate, drawing comparisons from the historical context, while focusing on the problem statement that the dissertation set out to investigate. Chapter 6 presents the dissertation conclusion, illuminating the findings of the problem statement through the research, and the results of insights.
In 1994 the new South African government inherited a socially destructive and malignant housing market directly attributable to apartheid spatial planning. South African cities, in general, were characterised by severe housing and service backlogs, spatial inequalities, high unemployment rates and high levels of poverty. The systematic destruction of housing and the lack of housing in urban areas for non-whites left behind a persistent housing crisis that remains unresolved (National Department of Housing, 2004). Cities across South Africa have remained severely segregated, divided and unequal, despite extensive government policy to reverse socio-spatial inequalities (Rogerson et al., 2015:352).

During the Second World War there was increased urbanisation by black Africans. The lack of infrastructure in South African cities led to the phenomenon of overcrowding and squatting on vacant land by people in search of employment and resulted in the growth of mixed neighbourhoods. To halt this type of integrated development, the Group Areas Act of 1950, the cornerstone of apartheid policy, played a fundamental role in shaping South Africa’s cities between 1950 and 1994. The Act intended to eliminate mixed neighbourhoods by excluding and forcibly removing non-whites from living in certain areas within the city. It was one of the many pieces of legislation that was utilised to control the lives of non-whites; in this instance limiting their property rights. The Act imposed control over property transactions and occupation throughout the country. Moreover, it empowered the government to dictate residential areas to be “Group Areas”, to be inhabited by a designated race, while also ensuring black townships were separated from white neighbourhoods with a considerable “buffer zone”. Although the Group Areas Act of 1950 was officially scrapped in February 1991, the malignant socio-spatial effects, due to racial segregation, have still not been successfully resolved (Johnson-Castle, 2017; Winkler, 2012a:312).

South African cities have undergone over two decades of significant policy intervention to provide development opportunities that extend to the urban poor, yet, most cities have remained spatially fragmented and unequal (Rogerson et al., 2015:352). During apartheid, the only residential option for the poor urban black population were mono-functional dormitory type developments. These settlements still exist today, trapping the urban poor, while the unmet demand for low-cost housing has resulted in an explosion of squatter settlements on the urban periphery (Murray, 2011: 37).

The 1994 election manifesto of the African National Congress (ANC) for a post-apartheid South Africa, focused on a Reconstruction and Development Programme (RDP). The RDP, the foundation of
the post-apartheid housing policy, guaranteed housing for all South Africans, and set out to construct 1 million houses, in addition to providing a national housing subsidy for the poorest of the poor (ANC, 1994; Beall et al., 2000:113). The RDP committed to meeting the basic needs of all South Africans, focusing on the provision of water, sanitation, land and jobs (amongst others). An RDP house would fulfil a range of basic needs including secure tenure, land, top structure, water, sanitation and electricity, thereby providing the basic services that so many South Africans had previously been denied (Charlton & Kihato, 2006). Thus, the Housing Programme post 1994, which provided the poor with a tangible asset, to date remains one of the few government programmes that has given physical benefit to households living in abject poverty (DoHS, n.d.:90). Yet, housing is still one of the major issues in South African cities, with most poor people having limited or no access to housing opportunities, especially in well located areas.

2.1 Background to housing in South Africa

The South African Constitution contains the right of access to adequate housing in section 26 of the Bill of Rights (Constitution of the Republic of South Africa, 1996). Since 1994, the South African government has focused on the provision of housing for low-income households across the country. In 1994, the White Paper on Housing laid out the post-apartheid government’s ambitious Housing Policy and the delivery target of building 1 million state funded houses over a five-year period (DoH, 1994). While the White Paper on Housing contains the National Housing Policy’s principles and strategies, the Housing Act 107 of 1997 and the National Housing Code of 2000 are the overarching instruments which outline the constitutional obligations of different spheres of government (Tissington et al., 2013:6-13). The Rental Housing Act 50 of 1999 was enacted to regulate the relationship between landlords and tenants in all types of rental housing, and outlines two core functions as the role of the government, namely:

(1) promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and poor persons by introduction of incentives, mechanisms and other measures that improve conditions in the rental housing market;
(ii) facilitate the provision of rental housing in partnerships with the private sector”.

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Section 26 of the Bill of Rights states that:
(1) everyone has the right to have access to adequate housing.
(2) the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right;
(3) no one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.”

28
However, 24 years after democracy, South Africa still faces a massive housing crisis. In 1994, the White Paper estimated the housing backlog to be 1.5 million units (DoH, 1994; Ramashamole, n.d.:42). In 2010, this backlog was estimated, by Department of Human Settlements (DoHS),\(^4\) to have increased to 2.1 million housing units. This means that approximately 12 million South Africans are still in need of adequate housing. The ANC committed to the delivery of over 1 million houses over a five-year period at a rate of 300 000 units annually. In the first two years, the number of units built was far below the first 300 000 (Mohlasedi, 1997:636).

The White Paper on Housing and Policy was informed by RDP (DoH, 1994). The RDP was introduced in an attempt to rectify the housing crisis in the country, and redress the injustices of apartheid (ANC, 1994; Tissington et al., 2013:6). Its intention was to economically uplift previously disadvantaged and marginalised persons in the country (Mohlasedi et al., 1997:633). In 2003, the review of the government housing delivery programmes resulted in a policy shift and the adoption of the Breaking New Ground (BNG) Policy (DoHS, 2004). This policy amendment was aimed at creating sustainable human settlements, focusing on quality over quantity and choice for the recipients. The BNG Policy brought with it a change in the approach to housing delivery. It intended to provide a more comprehensive plan that addresses the “multi-dimensional” housing needs of the population, offering a range of housing opportunities that intend to focus on demand (DoHS, 2004:7-8). The BNG Policy emphasises rental housing as an important aspect of housing delivery, including it as a core aim, and a mechanism to increase the provision for low income rental housing.

Affordable rental stock, therefore became an important component of the housing market, especially seeing as too few ownership units had been built. However, there is little data to explicate the supply of rental accommodation. In South Africa, approximately 2.8 million households rent their accommodation, with Gauteng province having the largest number of renters in South Africa – approximately 1 million rental households (Tissington, 2011:8-39). Social housing was created as a mechanism to increase the delivery of affordable rental accommodation across the country (DoHS, 2004: 7-8). Social housing is the key instrument in achieving a less racially segregated and more integrated society. It recognises the important role of municipalities in delivering affordable inner city housing opportunities to ensure the inclusion of poor inhabitants in urban renewal initiatives. The BNG Policy notes the importance of social housing in developing well located housing and incentives for the redevelopment of inner city properties. Further, social housing is intended to provide an incentive for the redevelopment of properties within inner city areas and widen the tenure options available to the poor (Tissington, 2010:41-49). The social housing mechanism, to

\(^4\) The Department of Housing (DoH) became the Department of Human settlements (DoHS) from 2004 onwards.
increase rental accommodation through the BNG Policy, is a step in the right direction as the Social Housing Policy intends to increase rental opportunities for the urban poor in inner city areas. Yet South African cities have not seen a major supply of social housing and furthermore, there is a mismatch between the Social Housing Policy and the total income of the majority of households who rely on the rental market for housing. The policy targets households earning between R1 500 and R7 500 per month (DoHS, 2005), but as much as 55 per cent of households renting earn below R3 500 a month, and 27 per cent of households renting earn less than R1 500 per month, with 14 per cent earning below R850 per household per month. It is, therefore, safe to conclude that the majority of households renting are poor or low income households and that the demand for affordable accommodation is unmet, specifically in urban centres (Tissington, 2011:8-39). The social housing mechanisms are not suitable for delivering rental accommodation for the lowest income group in inner city areas and is therefore problematic and insufficient in meeting the rental demands in places such as the Johannesburg inner city, as the biggest challenge faced is the poorest of the poor who cannot access social housing.

This critique is shared by Tissington (2010:49-50), who criticises the BNG Policy for relying on social housing as the main instrument for urban regeneration and low income inner city housing. She suggests that social housing often does not match the affordability levels of the households in the inner city areas and notes the discrepancy in the number of social housing units for accommodating the lower income households, specifically in areas such as the Johannesburg inner city. The housing delivery process for the urban poor has been hindered by significant capacity problems and is unable to utilise the resources in the traditional housing and property market (Tissington, 2010:11). This dissertation focuses on the provision of affordable rental accommodation, specifically in the Johannesburg inner city area. Johannesburg has a high demand for low income rental accommodation but has a limited supply of both state subsidised government accommodation and public housing stock or rental control in buildings. According to Tissington (2010:50), Johannesburg is characterised by inner city evictions by owners of private rental accommodation and the phenomenon of ”bad buildings”, as well as exploitative private rental accommodation. The limited government stock of rental accommodation is partly to blame for the above.

2.2 Historical context of Johannesburg inner city – why it’s home to the urban poor

During apartheid the City of Johannesburg was run by several administrations that were separated along racial lines. The inner city of Johannesburg, also known as the “old city core”, alongside most other areas in the north and west, were reserved for white people, while the townships reserved for
black African people were run by “black local authorities”. The delivery of planning systems, access to finances and resources and services differentiated across the city, benefiting the white municipalities over the black township areas and creating inequality across the city. In the 1980s anti-apartheid figures called for Johannesburg to be run as “one city” to overcome this (Todes, 2014).

As such, Johannesburg has undergone a number of changes. Figure 4 and 5 work together to illustrate the geographical location as well as municipal boundaries in the Gauteng province. The Johannesburg Central Business District (CBD), an amalgamation of areas formerly known as regions 8 and 9 (see figure 6), is located in region F in figure 7. The geographical boundary for this dissertation makes use of the old region area boundary, namely, Johannesburg CBD (region 8 in figure 6), which is now the Johannesburg inner city⁵ area within region F (the new regional boundaries). The former regions were created in 2000 when the single local authority for Johannesburg were established (Todes, 2014). These original regions dissolved in 2006, and transformed into regions A-G, with regions 8 and 9 merged into what is now known as region F (which includes the Johannesburg CBD and the South of Johannesburg). As stated earlier, the inner city is located in the City of Johannesburg Metropolitan Municipality and falls under its authority (Todes, 2014).

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⁵ The inner city of Johannesburg comprises of the CBD, the mixed uses surrounding it and the higher density residential areas. A CBD is known as the high density central core of a city which includes a mix of uses such as shops, offices, administration, financial and entertainment. The Johannesburg inner city areas is often labelled as the central core or downtown area (Olufemi, 1998).
Figure 4: Map of Gauteng
(SA Venues)

Figure 5: Map of Gauteng Municipalities
(Municipalities of South Africa)

Figure 6: Map of the City of Johannesburg MM Former Regions (2000 – 2006) (Wikipedia)

Figure 7: Map of the City of Johannesburg MM Regions (Wikipedia)
Over the past century, the Johannesburg inner city has gone through periods of rapid growth and unexpected transformation, and periods of decline (Murray, 2011:14). The Johannesburg inner city shifted from being the “finance capital and large scale corporate enterprise” of South Africa, and sub-Saharan Africa at large, to becoming the residential home for the urban poor, both formally and informally (Murray, 2011:69).

In 1886, the Witwatersrand gold reef was discovered, resulting in the city of Johannesburg becoming a financial and commercial hub of Sub-Saharan Africa. The Johannesburg inner city very quickly attracted banks, finance houses and mining companies and, by 1990, the city of Johannesburg was host to 65 out of the 100 largest companies listed on the Johannesburg Stock Exchange (JSE). The city functioned as the national banking centre, being home to 11 of the 16 leading banks, as well as the JSE and National Reserve Bank (Bremner, 2000:185). At the same time, in the early 1900s, the demand for low-cost labour on the gold mines forced Africans to search for refuge adjacent to the mines, in overcrowded settlements south of the city centre (Murray, 2011:46). This was the first sign of the urban poor seeking refuge in the inner city, in conditions of already overcrowded environments, which were, and still are, closer to economic opportunities.

The 1950s and 60s saw an increased demand for office and residential space in downtown Johannesburg as economic interest for corporate capital and new high-rise buildings reshaped the inner city. Real estate speculation and the property developers’ obsession with quick, cost-effective construction took hold of the urban environment (Murray, 2011:61-62). Tight budgets and quick, cost-effective delivery dominated the market dynamics; the principles of which are still seen in property developers’ intentions today (Interview 5, personal communication, 13 July 2017) and play a fundamental role in determining the urban fabric in the inner city. Property-holding elites took control over the spatial ordering of the city and had already started to bypass townships, purposefully excluding the poor from development and basic services, perceiving these areas to be absent of economic opportunity and financial gains. In the 1960s, when gold mining started to decline, Johannesburg’s inner city lost its attraction as a suitable location for middle class housing development; this is significant because its existence as a thriving economic centre was reliant on real estate investment and property speculation (Murray, 2011:14-15).

In the 1970s, the original image of the Johannesburg inner city began to tarnish, as increased opposition to apartheid revealed the city of Johannesburg’s racially segregated spatial clustering and political divisions that demonstrated exclusive white dominance (Bremner, 2000:186). The 1976 to 1977 Soweto uprising contributed to the white flight already underway from the inner city to suburban outskirts (Murray, 2011:141). Political turmoil in the townships as a result of apartheid
rebellion, coupled with the shortage of housing, saw increased movement by the black population into the inner city in search of more suitable accommodation in a less violent area, even though apartheid zoning laws put people at risk of eviction. The inflow of people from townships further encouraged the outflow of the white middle class population from the inner city (Mosselson, 2015:6). The Group Areas Act and Influx Control Act started to fail in the 1980s and the inner city of Johannesburg became a place for poorer people in search of housing near work opportunities (Bethlehem, 2013). From 1978 to 1982 certain residential areas in the inner city, such as Hillbrow, underwent major changes. An increased number of black wage earners, with modest salaries, began to move to the Johannesburg inner city (Murray, 2011:141). At the same time, political instability throughout the country gave the population the courage to challenge the Group Areas Act by encroaching on, and explicitly moving into, white only areas. The local authority at the time was indifferent as the movement of people into the inner city relieved parts of the then housing crisis\(^6\) in non-white townships on the urban peripheries.

![Figure 8: Distribution of grey areas in the downtown area of Johannesburg in 1989 (Jurgen, 1993)](image)

In response to these residential claims, an eviction order against 157 non-whites in Hillbrow took place but this was unexpectedly overruled in 1981. Hillbrow was subsequently reclassified as a “grey

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\(^6\) There was (during apartheid) and still is a serious housing shortage in the country. The apartheid government excluded people of colour from basic services such as housing. As of 1991 there was an estimated 7 million people across the country living in urban informal housing. Overcrowding was estimated with approximately 11 people living on a single residential stand. 1990 saw the worst political violence across the country with struggles over scares resources on the periphery of cities, one of these being housing (Napier, 1993).
area”.

Johannesburg CBD was one of the first areas to change racially while the Group Areas Act was still in effect (Jurgens, 1993).

“In the course of a kind of informal desegregation arising from the influx of non-whites into residential areas that were officially proclaimed “white”, so-called grey areas developed. They first appeared in areas in and close to the downtown parts of Johannesburg” (Jurgens, 1993).

This was a major success for the citizens, particularly the Hillbrow inhabitants and those waiting in the wings. Thousands of people started to move into Hillbrow and Berea, and the rest of the inner city, increasing densities rapidly. By 1986, approximately 20,000 of the 120,000 people living in Hillbrow consisted of the black population (Bremner, 2000:186). People located temporarily in the areas, such as Hillbrow, until more permanent opportunities arose. Since the 1980s places such as Hillbrow have served as a gateway for immigrants into the inner city (Murray, 2011:141). However, the exodus of the white middle class into whites-only areas, and business sector from the inner city had disadvantages that directly impacted the remaining residents; it particularly resulted in exploitative landlords acting with malicious intent. People moving into the area were unable to protect their rights and were therefore unable to challenge gross rent increases and poorly managed buildings (Winkler, 2012a:312-313). Existing tenants and new residents, with lower incomes, resorted to sublet in an effort to afford their accommodation – at the expense of living in a healthy environment. Overcrowding was common, putting strain on the infrastructure and resulting in most buildings falling into disrepair (Mosselson, 2015; Planact, 2007). This type of living is still very prevalent today, with subletting being a major provider of accommodation opportunities for the lowest income group.

Landlords took advantage of the change, allowing over-crowding, providing little to no maintenance and neglecting all responsibility, while municipal authorities seemingly acted indifferent, turning a blind eye (Mosselson, 2015; Murray, 2011). By the mid-1980s more people moved into this area overburdening the already badly maintained buildings and further contributing to the decay of the inner city (Winkler, 2012a).

The cumulative effects of poor treatment from landlords resulted in well-organised and far-reaching rent boycotts and resistance strategies, similar to those occurring at the time in townships (Mosselson, 2015). Landlords started to lose control of their buildings, which they then abandoned, resulting in buildings have no management structures in place and increasing utilities bills. This, compounded with collapsing municipal infrastructure, law, order and lack of building maintenance,

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7 “Grey areas” was a lose term utilised during apartheid when areas that were officially proclaimed as “white” under the then existing Group Areas Act started to become racially mixed. Residents of colour started to move into areas such as Johannesburg CBD which became known as grey areas. Hillbrow was one of the first grey areas in Johannesburg (Jurgens, 1993).
opened up the door for increased criminal behaviour and promotion of slumlordism. Slumlords started to take advantage of the increased demand for accommodation, encouraging overcrowded conditions and allowing properties to degrade to irreversible states of disrepair (Mosselson, 2015:7). In addition, ineffective zoning laws enabled private property developers to exploit the urban poor by capitalising on extracting as much profit as possible. Slumlords in the inner city have remained a prevalent and persistent challenge for the post-apartheid government, overburdened by the massive challenges and inequalities left in the aftermath of segregation policies. Post-apartheid policies have therefore been largely unsuccessfully implemented in the inner city (Mosselson, 2015:7-8).

Decline and capital flight gained momentum from the 1970s onwards and, over the next two decades, large and small businesses abandoned downtown Johannesburg. The once thriving finance capital in Sub-Saharan Africa was now characteristic of bad urban management, unmaintained buildings, overcrowding, unregulated trading, and neglected public spaces (Murray, 2011:87-89). The economy started to decline. Signs of stagnation and decay in the Johannesburg inner city were visible, reinforced by the withdrawal of property investment, which was not dissimilar to the international experience of the rush to suburbia, lack of public transport and decreased management (Bremner, 2000:186; Bethlehem, 2013:17).

Since the 1970s the inner city residential population has increased by 130 per cent without an increase in the provision of housing stock (Winkler, 2012a). Since the 1980s, Johannesburg has been characterised by slow economic growth, accompanied by increased population growth (Winkler, 2012a:318) and therefore an increased demand for accommodation opportunities. The economic growth rate from 1970-1991 was 1.3 per cent, while population growth was 1.7 per cent (Beall et al., 2000:110). Most buildings were unable to cope with the increased population, specifically in sectional title buildings where owners are key to their running (Mosselson, 2015:7). Once the city was already on a downward spiral, city officials realised it was too late to prevent or even reverse the decline (Murray, 2011:143).

By the mid-1990s, the inner city was characteristic of degradation with socio-economic decline, physical decay and obvious neglect. The increase in crime, coupled with poverty, perpetuated the socio-economic isolation of specific areas in the inner city, resulting in these places being isolated from support, resources and opportunities (Murray, 2011:142-143). These characteristics, combined with the overburdened local authority (Greater Johannesburg Metropolitan Council (GJMC)) at the time, from the city-wide challenges off the back of apartheid, lost control to management and maintaining this specific area (Beall et al., 2000:109). This lack of control, coupled with illegal landlord behaviour, contributed to the decline in the existing housing stock. During this time,
governing authorities were in transition – new leaders and inexperienced councillors were tackling numerous problems inherited from apartheid (Todes, 2014). Institutional restructuring took place over a period of six years, short-changing the new City Management Operational Budget and, eventually, by 1998, the local authority was in fiscal crisis and declared bankrupt (Tomlinson, 1999). This resulted in the National Treasury having to bail out the local authority and, in turn, led to the process of creating one Municipal authority by 2000 – the City of Johannesburg Metropolitan Municipality. The intention was to create a more efficient and effective local government. According to Beall et al. (2000:113), there are numerous reasons why housing delivery in Johannesburg has not been rolled out at the rate anticipated. This is partly owing to the local government restructuring as mentioned above, and the internal staff concerns, constraints and budgets, as well as poor institutional capacity and tardiness of the local authority in the planning department. These reasons still contribute to the current housing crisis in the inner city.

The timing of the decline of the inner city in the early 1990s, coupled with the political turmoil inherent in the change from apartheid to democracy, exacerbated urban decay. Interestingly, as late as the 1990s, the inner city still housed some of the largest corporations in South Africa; mining companies and insurance companies, as well as 65 of the largest companies listed on the JSE (Bremner, 2000). However, the inner city was perceived as a dangerous place, full of “crime and fear”. Financial institutions thus began to display resistance to lending money for development in the inner city, making it difficult for property developers to buy buildings, and for existing landlords to improve theirs (Mosselson, 2015). During that same time (between 1994 and 1999), the Johannesburg inner city experienced the largest devaluation of commercial property values – most property portfolios lost 50 per cent of their value during this time (Murray, 2011). During 1997 and 1998, large, reputable South African companies announced their departure from the inner city, resulting in devastating consequences for the old historic core (Bremner, 2000). According to Murray (2011:96), the closure of the Carlton Centre was one of the most significant symbolic ends to the inner city, highlighting the absolute collapse of Downtown JHB.

“[C]losed down and fenced off, the abandoned Carlton Centre complex seemed to confirm the worst nightmares of many white, middle-class suburbansites: the historic urban core of their once beloved Johannesburg had entered a period of irreversible decline, heading toward dysfunction and disaster”. (Murray 2011:96)

The existence of the Johannesburg inner city for the past century, finally imploded, losing its purpose and becoming characteristic of deterioration and degradation (Murray, 2011:87-89). The past several decades have seen the Johannesburg central core dissolving, with centrifugal forces pulling away from the historic core (Murray, 2011:25). Todes (2014) argues that the pull towards the north could be argued as inevitable. The existing strength of the link towards Pretoria, as well as the
competing local authorities from apartheid era, resulted in a strong economic base in the west and north, encouraging growth in these areas, as lower rates and taxes were possible and enticing for business especially in areas such as Sandton. According to Bethlehem (2013:17), the decline of Johannesburg, which started in the 1980s, took approximately 10 years for full collapse, resulting in substantial decline of asset value of property in the inner city. However, this decline of asset values enabled the increased provision of affordable rental accommodation through the conversion of old buildings. Which has played a significant role in the current fabric of rental accommodation opportunities throughout the inner city.

2.3 Exclusion of the urban poor

Murray (2011) states that city builders have very crudely and discreetly recreated mechanisms that enforce apartheid-type planning, but do not recognise or acknowledge these as such. According to Landman and Ntombela (2006:4), old patterns of apartheid have been recreated and enforced through new patterns of segregation. The increase in gated communities have recreated the social divisions that were so prominent during apartheid. The affluent in Johannesburg have continued to create residential enclaves through barriers, both physical and symbolic, to create a buffer between themselves and “unwanted social contact” with the urban poor and unemployed. Murray (2011:8) describes how the new rhetoric utilised to defend post-apartheid behaviour of exclusivity, is encapsulated in a defence of “property, privilege and social status”. The fixation on safety and security has created a buffer of acceptable behaviour as social exclusion and patterns of unevenness, which is reminiscent of apartheid type planning, exercising socio-spatial inequalities through symbolic racisms, discrimination and prejudices emphasising segregation between the rich and poor (Murray, 2011). According to Murray, “[a] new security aesthetics has shaped the city building in Johannesburg after apartheid” (2011:19). Post 1994, real estate and the private sector market has shaped the Johannesburg landscape with spatial outcomes that are similar to apartheid planning (Murray, 2011:18). Murray (2011) demonstrates how market forces and real estate played a central role in determining the built environment at the time, and this still seems to be the case to date. The powerful role of property owners and real estate developers, allowing them power over what is built and for whom, in the inner city is evident. Johannesburg is a perfect example of the powerful role of capital dictating the shape of the city’s formation (Rogerson et al., 2015:351).

Further, the popular slogan, determined by the CoJMM, “a world class African city”, first came about as a late apartheid vision and has continued until today – city authorities are still fixated on Johannesburg being a world class globally competitive city (Bremner, 2000:187-191). This desire to
achieve world class status has resulted in an obsession with beautification through regeneration efforts by the public sector (Winkler, 2012a:310). The search for world class status has allowed the municipality to justify political and economic initiatives or strategies of regeneration in the interest of corporate capital. Property developers, too, have been trying to keep up with global standards and make Johannesburg “a world class city” reflective of London and New York since the early 1930s. The city of Johannesburg was always constructed on the ideas of western modernity. With many developers still searching for this New York styled Johannesburg CBD (Bremner, 2000:186-191). City builders, through many waves of urban regeneration and their ideals of improvement, have imposed a demonising lens on the urban poor, viewing them as jobless criminals and referring to them as an obstacle in the way of urban progress (Murray, 2011:27). The CoJMM has been criticised for its promised prospects of inclusive development (Rogerson et al., 2015:355). Instead of providing for the people that need it the most, the urban poor are perceived as an inconvenience to the city’s progress. Policymakers continue to label inner city residents as having “no sense of pride” for their neighbourhoods, and therefore obstructing the municipality’s regeneration efforts; even though substantive evidence indicates otherwise (Winkler, 2012a:317). Municipal authorities, time and again, utilise this rhetoric as a reason to enforce slum clearances, anti-crime bombardments and sanitation drives to displace the “unwanted” from their run-down existences, giving these as reasons to remove the poor to the urban periphery (Murray, 2011). In 2013 the CoJMM went on a “clean sweep” mission evicting 4 000 street traders in a quest to fulfil the aspirations of a “world class African city” (Rogerson et al., 2015:255).

One of the biggest tensions the city of Johannesburg faces is the unequal society that exists and the extreme disparities between the different income groups. While the middle-upper class, who already have access to basic services, shelter and more, are demanding a well-managed “good” city based on the global standards and international norms, the poor population and historically disadvantaged are still in desperate need of basic services and shelter, while also desiring those advantages of a well-managed city. These expectations need to be balanced by the government’s commitment to both “global competitiveness and poverty reduction programmes” (Beall et al., 2000:121). The trajectory to urban regeneration and restructuring began in 2000 (Bethlehem 2013:18). According to Beall et al. (2000:121) and Mosselson (2015:9), the regeneration process that the inner city is still undergoing, pays more attention to global city status as opposed to poverty alleviation. The CoJMM embarked on a regeneration process through the Inner City Regeneration Charter (discussed in Chapter 4 below). This policy presents the paradox currently faced by the CoJMM, between that of economic growth, efficacy and competitiveness, adjacent to social responsibilities and social justice. Both are important trajectories but difficult to achieve
concurrently (Winkler, 2012b:170). One has to question the local authority’s commitment to poverty alleviation, while holding onto a world class city agenda that preferences economic growth.

2.4 Conclusion

Recent history has demonstrated that, despite attempts to resolve inequities of the past and redress the housing backlog through the creation of integrated communities, Johannesburg’s spatial layout remains racially segregated and opportunities for the poor to move out of systemic poverty are few. The inner city has had a tumultuous history, from extreme success to extreme disrepair. Once the inner city had fallen into a state of disrepair, the governing authority became over reliant on real estate investment and property speculation for its existence. Real estate capital plays a crucial role in determining how the city is developed, who the city is developed for and what is provided. The government often responds to this power with solutions that present exclusion and criminalisation of the urban poor. The CoJMM jumps on a band wagon of justifying its intention to clean up the city, as this responds to the search of a first-world city. The CoJMM’s commitment to remain globally competitive seems to outweigh its obligation to poverty alleviation, therefore questioning the prioritisation of the urban poor.

The government’s commitment to global competitiveness and poverty alleviation concurrently is juxtaposed and directly linked to the regeneration efforts in the Johannesburg inner city. It is argued that purposeful exclusion of the urban poor is evident through the regeneration efforts, which has a direct link to world class city status. Economic growth is imperative for the city to succeed but it is important that no sector of society is left behind in striving for global status. It is debatable whether the commitment to provide for the urban poor in the inner city is real.

The government has created a plethora of schemes, strategies, plans and programmes to deal with the challenges of the housing crisis in the country, which intend to assist with poverty alleviation. The next two chapters will provide an overview of these at a national and local level, so as to gain a better understanding of the intention of the government to make provision for the urban poor.
3. NATIONAL HOUSING POLICY POST 1994

To better understand what has precipitated with the lack of affordable housing and inadequate living conditions for the inhabitants of the Johannesburg inner city, as discussed in Chapter 2, this section investigates South Africa’s Housing Policy, since 1994. The past 24 years have seen many shifts in the Housing Policy in South Africa. The emphasis has shifted from focusing primarily on a house as the cornerstone of the Policy to creating sustainable human settlements that provide economic and social opportunities. This shift took place in 2004 with the introduction of the current Housing Policy, *Breaking New Ground: A Comprehensive Plan for Sustainable Human Settlements* (Joseph et al., 2014:3). This chapter will provide a timeline of the key pieces of housing legislation and policy, illuminating details of the more important legislation and policies that have formed the basis of the Housing Programme since 1994. The policy review will pinpoint the Rental Housing Policy and mechanisms that would influence delivery in inner city areas, specifically the Johannesburg inner city.

3.1 Overview of National Housing Policy in South Africa

The Constitution, in section 26, states that all South Africans have the right to adequate housing. The 1994 ANC election manifesto formed the Reconstruction and Development Programme (RDP) to assist with this promise, stating that all South Africans would be guaranteed a house, and promised the construction of 1 million houses over the 5 years to follow (Beall et al., 2000:113). Below is a list of the key pieces of legislation and housing policies in South Africa, stipulating the date, name and brief description of each (based on Tissington 2010:31; DoHS, 2010:1-2; Hogarth, 2015:44-52; Khan et al., 2001:1-13):

<table>
<thead>
<tr>
<th>KEY NATIONAL LEGISLATION</th>
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<tr>
<td><strong>DATE</strong></td>
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<tr>
<td>1996</td>
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of this right.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Act/Policy</th>
<th>Description</th>
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<tbody>
<tr>
<td>1997</td>
<td>National Housing Act 107 of 1997</td>
<td>The Housing Act aligns the National Housing Policy with the Constitution of South Africa and defines the roles of different spheres of Government.</td>
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<tr>
<td>1998</td>
<td>Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998 (PIE)</td>
<td>“In terms of 26(3) of the Constitution, the PIE Act sets out the procedure to be followed in the case of such evictions”.</td>
</tr>
<tr>
<td>1999</td>
<td>Rental Housing Act 50 of 1999 (amended by Act 43 of 2007)</td>
<td>“To define the ability of government in respect of rental housing property and to create mechanisms to promote the provision of rental housing property”.</td>
</tr>
<tr>
<td>2007</td>
<td>The National Norms and Standards (revised in 2007)</td>
<td>Defines the minimum physical requirements for standalone dwellings. The size of each house must be 40m² with two bedrooms, a separate bathroom with a toilet, a shower and hand basin, and a combined living area and kitchen. It must also have an electrical board installed that has access to electricity. There are further requirements regarding access to water, sanitation, roads, storm water drains and street lighting (Wilkinson, 2014).</td>
</tr>
<tr>
<td>2008</td>
<td>The Social Housing Act 16 of 2008</td>
<td>The Act, passed in 2008, provides the enabling legislation for the Social Housing Policy. The Act aims to promote a sustainable social housing environment. The</td>
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Act defines the roles of the different spheres of government and provides statutory recognition to Social Housing Institutes (SHI). It also provides for the establishment of the Social Housing Regulatory Authority (SHRA).

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<tr>
<th>Year</th>
<th>Act/Regulation</th>
<th>Description</th>
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<tr>
<td>2008</td>
<td>Housing Development Agency Act 23 of 2008 (HDA Act)</td>
<td>The purpose the HDA Act was to establish the HDA (Agency) which will facilitate the acquisition of land and landed property, in a way that complements the capacities of government across all spheres. The Act stipulates the objects, roles, powers and duties of the Agency and assists with fast-tracking of land acquisition and housing development services for the purpose of creating sustainable human settlements.</td>
</tr>
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**KEY NATIONAL POLICY**

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<thead>
<tr>
<th>DATE</th>
<th>NAME</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>1992-1994</td>
<td>National Housing Forum</td>
<td>Set the tone for the first democratic National Housing Policy. The concept of Housing as a basic human right arose (Khan et al., 2001).</td>
</tr>
<tr>
<td>1994</td>
<td>National Housing Accord</td>
<td>Sets down the beginning of the common vision that forms the essence of South Africa’s National Housing Policy. It comprises an agreement that all the stakeholders will work together to achieve the common vision (Hopkins, n.d.:4).</td>
</tr>
<tr>
<td>Year</td>
<td>Law/Document</td>
<td>Description</td>
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<tr>
<td>1995</td>
<td>Development Facilitation Act 67 of 1995</td>
<td>integrated communities, situated in areas allowing convenient access to economic opportunities, and to health, education and social amenities” (Khan et al., 2001).</td>
</tr>
<tr>
<td>1999</td>
<td>Housing Consumers’ Protection Measures Act 95 of 1999</td>
<td></td>
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<td>2000</td>
<td>Home Loan and Mortgage Disclosure Act of 2000</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>National Housing Code (revised in 2009)</td>
<td>“Sets out the underlying policy principles, guidelines, and norms and standards for the National Housing Programmes. In 2009 the revised Code was published to include the BNG National Housing Policy and Programmes”.</td>
</tr>
<tr>
<td>2004</td>
<td>Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements</td>
<td>“Based on the principles contained in the White Paper, the Plan outlines strategies that need to be taken into consideration to achieve the government’s housing vision. This Plan aims to redress colonial and apartheid spatial planning and development, through socially, economically and spatially integrated housing delivery. It outlines a comprehensive Plan for the development of sustainable human settlements over the next 5 year period”.</td>
</tr>
<tr>
<td>2005</td>
<td>Social Housing Policy for South Africa</td>
<td>“A housing option for low to medium income persons that is provided by housing institutions, and that excludes immediate individual ownership”.</td>
</tr>
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</table>
The housing policy in South Africa is based on the principle of housing as a fundamental human right (Huchzermeyer, 2000:306). From 1992 to 1994, the National Housing Forum (NHF), consisting of business, political, civic and development organisations, negotiated the terms for the first democratic National Housing Policy in 1994. Discussion revolved around two core factors: whether housing should be provided by the state or the market; and whether the house provided should be incremental or complete. The outcome was the government having to provide a framework that stipulates housing provision and facilitation of delivery. Subsequently, it was decided that a once-off capital subsidy, known as the Housing Subsidy Scheme (HSS), would be provided for all households earning less than R3 500 per month (Tissington, 2010:31). The Constitution’s promise that the government would be responsible for ensuring the right of all citizens to adequate housing, was realised (Huchzermeyer, 2000:306). The White Paper of 1994 arose out of the NHF discussions and led to the emergence of the overarching principles of the ANC’S RDP (Tissington, 2010:31).

What is evident from the tables above is that there have been many attempts to create a housing policy framework that addresses all aspects of the housing issues across the country. The Housing Policy covers a broad spectrum of issues focusing both on ownership and rental mechanisms. The broad spectrum does warrant query as to whether the lack of focus has contributed to the lack of supply, specifically with rental accommodation opportunities across the country.

### 3.2 1994-2003: Housing policy focus

The Constitution protects the right of everyone to have access to adequate housing, placing the responsibility on the state to take necessary measures to achieve this (DoHS, 2010). Housing delivery from 1994 until 2003 was, therefore, significant, with the South African government investing approximately R27.6 billion in housing and delivering more than 1.3 million houses (Ramashomole, n.d.). The government introduced a variety of programmes and subsidy mechanisms to ensure poor households have access to adequate housing. The White Paper assisted in setting out the principles to ensure access to basic services for all, of which housing is one (DoHS, 2010).
In the 1990s, there was an obvious shift in housing delivery. The state’s role became increasingly prominent in the facilitation and delivery of housing, in contrast to the previous reliance on the private sector to fulfil this role. In 1997, the National Housing Act 107 of 1997 saw the role of the local government increasing significantly in housing delivery and development.

It may be pertinent to mention here that this involved a strong move away from public private partnerships, and a move towards a more state-driven approach. The private sector had to deal with new procedural requirements, which created increased barriers in delivering low cost housing. Financial risk for private sector developers became a burden and resulted in a withdrawal of the private sector in delivering low cost housing. Coincidentally, there was also a decline in the delivery of low cost housing in general from the government and this has contributed to the inadequate provision of rental stock in the inner city areas (Charlton & Kihato, 2006:261-264).

3.3.1. Criticism of the 1994–2003 housing focus

Public housing developments constructed based on the policy suite were largely ineffective in bringing about substantive spatial and economic transformation within a number of cities and towns across the country. Joseph et al. (2014:5) critique the existing housing programmes for the following reasons:

- The location of the houses being delivered was poor or on the urban peripheries.
- The quality of the housing delivered was poor.
- The cost of the housing product for both the beneficiary and the public sector was high.
- The integration with other facilities was non-existent.

All these reasons play an important role in understanding the lack of supply of well located housing opportunities across the country, and assist with understanding current housing crisis, specifically in areas such as the Johannesburg inner city.

3.3 2004–2009: A policy shift

In 2004, a much needed and significant policy shift took place, with the introduction of the BNG Policy. This Policy advocated the shift from the provision of housing to that of human settlements with a core focus on spatial transformation and integration. The BNG Policy was in response to Thabo Mbeki’s State of the Nation address (Joseph et al., 2014:5) following which, the Housing Department was forced to take cognisance of the criticism of the existing housing programme and provide a new strategy that responded to socio-economic concerns by creating sustainable human
settlements. This is the first housing policy in South Africa to address the concept of “sustainable human settlements”. The Policy had a core focus on sustainable development in creating human settlements (Joseph et al., 2014:5). The BNG Policy was created to ensure a “paradigm shift” in housing; to encourage the development of human settlements over housing. It aimed to move away from delivering housing as the end product, and focus on creating sustainable human settlements, with economic and social opportunities. One of its primary intentions was to deliver well-located housing opportunities of an acceptable quality (DoHS, 2004).

The BNG Policy also placed a lot of focus on urban renewal and inner city regeneration. The Policy aimed to encourage and increase the demand for affordable inner city rental accommodation, through the social housing mechanism. It placed great importance on social housing as a nucleus for spatial integration and urban regeneration. It emphasised the importance of rental accommodation and intended to create further demand, through social housing, of well-located housing for the urban poor in urban renewal initiatives. The Policy aimed to utilise the social housing mechanism to create well-located housing developments while redeveloping inner city properties (Tissington, 2010; Hogarth, 2015). The Policy started to target sustainable settlements and neighbourhood developments and move away from the focus on supply, chasing the number of houses delivered as an end product (Narsoo, 2014:194). This shift was extremely important for the country as it was the first time housing Policy was looked at holistically, with housing location and surrounding opportunities being a priority. This shifted housing policy to focus on areas of opportunity such as inner city areas. BNG took a strong approach on social housing as a key priority.

Further, the BNG Policy stipulated the need to expand the current social housing interventions in line with this new Policy agenda. In 2005, the Social Housing Policy was therefore developed to assist with the policy vacuum and contribute to the new agenda of restructuring cities in the move toward integrated sustainable human settlements. Social housing was viewed as a mechanism that assists in providing housing opportunities for the poor (Tissington, 2010). Social Housing Institutions and projects first started in South Africa in 1997, with the introduction of the institutional subsidy mechanism. Although rental housing was acknowledged in the White Paper as one of the subsidy programmes, the rental housing programme took some time to “get off the ground” as it was a new form of housing delivery. In 1998 the government’s intention was for 50 000 units of rental stock to be delivered by the end of 2000. As of 2005, however, when the Social Housing Policy was adopted, only 30 000 units had been delivered country wide (Tissington, 2010).
3.4.1. Criticism of the 2004-2009 housing focus

There are mixed views as to whether the BNG plan would bring about the significant change from that of previous housing policies. Although its outcomes seek to be more comprehensive, it still appears to be focused on a quantitative approach, fixated on the number of houses produced, instead of the catalysing structural change through the provision of economic opportunities (Charlton & Kihato, 2006:257-259). According to Hopkins (2006:5), the National Housing Policy did not provide a housing programme with a mix of tenure options and choices, which could assist in meeting the housing demands and different needs of the South African population. One of the main concerns was the absence of appropriate strategies to provide affordable rental housing opportunities. While the BNG policy shows the importance the Government puts on inner city redevelopment, specifically relating to affordable housing opportunities and that of rental housing options. The policy uses the term the urban poor but does not necessarily differentiate between the different levels of poverty, therefore paying little attention to the lowest income group who cannot access mechanisms such as social housing.

As of 2007, 85.6 per cent of the South African population earned less than R3 200 per month, which means, in the absence of adequate affordable housing, the majority of the population relies heavily on state support for housing. Further, as of 2009, it was noted that rental prices increased by 7.5 per cent, having an effect on the affordability of rental accommodation opportunities, making it even more difficult for lower income groups to access rental options without government assistance (DoHS, n.d.). Despite a shift toward prioritising rental accommodation, without new directives, the BNG Policy has been criticised to amounted to little more than another plan for the development of sustainable human settlements within a 5-year period (Charlton & Kihato, 2006:256).

3.4 2009 onwards: Move towards rental housing

In 2010, the Minister of Human Settlements stated that approximately 2.3 million housing units had been delivered to approximately 11 million people across the country (Tissington, 2011). Critics of the Programme cited the delivery performance as problematic; there was not enough involvement from the community and the location of the houses was unfit. This criticism resulted in another shift within the BNG Policy, encouraging a core focus on the Social Housing Programme and the Upgrading of Informal Settlements (Joseph et al., 2014:7).

The provision of affordable rental accommodation has, increasingly, become recognised as an important sector of the housing market, with the BNG Policy eventually recognising the need for affordable rental housing as a high priority. A primary concern of the BNG Policy was inner city regeneration and urban renewal through affordable rental accommodation. BNG focused on social
housing as the mechanism to promote affordable inner city rentals (Tissington, 2013:20). BNG stipulated that social housing should incorporate a range of products, including transitional housing, communal housing, destitute housing, shared accommodation and hostels (Tissington, 2013:20). Critics of the RDP, noting how it reinforced urban sprawl and apartheid-type planning, turned towards social housing as a potential alternative mechanism, as social housing aims to be inclusive of all income groups and incorporates a variety of different housing products and tenure options (Charlton & Kihato, 2006:266; Hopkins, 2006:1-12).

3.5 Rental policy framework in South Africa

Rental housing is governed by the Rental Housing Act 50 of 1999 in South Africa. The Act was amended in 2014 by the Rental Housing Amendment Act 35 of 2014. It is regulated by the Department of Human Settlements (DoHS). The Act was created to define landlord-tenant relationships and ensure fair practices. The Act stipulates that the national government must provide a policy framework, incorporating norms and standards, to define the government’s responsibilities along two distinct lines:

- Promotion of a stable market for the demand of affordable rental for historically disadvantaged persons
- Enabling partnerships with the private sector in creating affordable rental accommodation.

According to Tissington (2013), the National Policy Framework, with norms and standards for the low-income rental subsidy housing programme, has still not been developed. In 2009, the Review of the National Housing Code introduced three rental housing programmes (Tissington, 2013). These three programmes could be interpreted as fulfilling the mandate of the Rental Housing Act; these are the Institutional Subsidy Programme, Social Housing Programme, and Community Residential Units (CRU). These programmes have not yet delivered at scale and, specifically, have not improved the situation of the lowest income groups or poorest households.

3.5.1. The Institutional Subsidy Programme

The Institutional Subsidy Programme (ISP) was formally adopted and included in the 2000 National Housing Code. The Programme aims at promoting the delivery of different tenure options for low income housing such as rental, share block, instalment sale and cooperative tenure. The Programme provides a capital subsidy to housing institutions. The subsidy is a fixed amount per beneficiary
household, which the institution can access if it delivers households. The subsidy targets households earning below R3 500 monthly. Unlike social housing, the ISP is not restricted to designated areas.

3.5.2. The Community Residential Units

The CRU Programme was included in the 2009 National Housing Code and replaced the previous Hostel Re-Development Programme of 2006 (DoHS, 2006). The Programme was developed as neither the Social Housing Programme nor ISP making provision for the lowest income group or bottom end of the market (Tissington, 2010; DoHS, 2006). The CRU Programme set out to provide rental accommodation, in the form of family units, for those poorer households who are currently utilising informal rental, being unable to access the private rental market or the social housing market. The Programme targets hostel buildings for redevelopment, or the new development of hostel-type buildings, owned by the public sector. The stock must remain publicly owned. Funding for this Programme is provided as a capital subsidy and a long-term capital maintenance cost. To qualify for CRU, a household must earn between R800 and R3 500 per month (DoHS, 2006). The CRU Programme differs from the other two in that it does not fall under the Social Housing Regulatory Authority (SHRA) and is therefore not regulated properly (Tissington, 2013:23-25). This Policy has its problems as it is still incomplete, without a clear strategy, resulting in regulatory issues and serious challenges with implementation. Government’s capacity to develop and manage these types of units has been severely constrained and therefore the implementation has been extremely poor (Hogarth, 2015). The Programme has been criticised as “purely hostel upgrading”. This brings historical challenges in the South African context, as apartheid relied on dormitory-styled hostels for poor people, which brought with them terrible living conditions. CRU ultimately has high maintenance and management costs with little to no cost recovery. The CRU Policy Review was meant to be approved in 2012/13, but this failed to take place. This Programme set out to assist with the lower end of the market, namely the poorest of the poor, which is the primary unit of analysis for this dissertation. However, the Policy was never approved which hampers delivery at the scale necessary to assist this income group. It has become evident that for the housing sector to operate efficiently, and meet this constitutional mandate, these Programmes must necessarily be implemented concurrently. While some scales of the housing market have been addressed, the neglect of programmes that target lower income group’s programmes, such as the CRU Programme and the Social Housing Programme cannot work adequately. As a result, many are forced to search for alternative options, often informal.
A recent application to review the Social Housing Programme also included a change to the CRU Programme. This proposed programme amendment will be discussed in more detail below alongside the Social Housing Policy change.\(^8\)

### 3.5.3. The Social Housing Programme

The Social Housing Programme is the most prominent rental housing mechanism provided by the government in inner city areas, especially in the Johannesburg inner city. It is necessary to understand the origins of social housing in order to assess its suitability to the South African context, and in this regard focus is placed on the policy framework that umbrellas social housing, its delivery since inception, and the success and criticism of the Programme.

#### 3.5.3.1. Origins of social housing

Social housing originated over a century ago in Europe (CAHF, 2012). Social housing increased rapidly during the reconstruction period post both World Wars owing to the increased housing needs. (DoHS, 2003). Social housing exists as a prominent housing option in the Netherlands, Belgium, France, the United Kingdom and Scandinavia. The United States and Canada also have public rental housing, such as social housing. However, in many developing countries, such as those in Asia, Latin America and Africa, private affordable rental is more prominent. Internationally, Social Housing Institutions (SHI), which promote tenant participation to reduce costs and improve service delivery, commonly take on one of the following formats (DoHS, 2003; CAHF, 2012:26-27).

1. Non-profit associations established to develop housing. As this is the model most common in South Africa, it will be elaborated on below.
2. Housing cooperatives, which are generally non-profit democratic institutions, where all members cooperate to achieve the organisation’s goals through the “one-member-one-vote” principle (these were particularly popular in South Africa in the 1990s).
3. Lastly, municipal owned entities, which have a longstanding history and are often the largest sector in most countries. This consists of a government-owned entity that develops, owns and manages rental accommodation for low-income households at a decreased or subsidised rental rate. The reason these entities were the largest sector in South Africa was owing to the economic and political support from government towards them. This has started to change as

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\(^{8}\) See section 3.6.3.4 below.
policies are now showing support for independent SHI. During the 1950s and 1960s, the South Africa government used this type of social housing extensively.

The mid 1990s saw the most formative years of social housing in the country, with major influence from Dutch and British housing associations. Social housing generally receives substantial financial support from the government in the form of capital subsidies, additional finances for running costs, cheaper land, and tax incentives for registered SHI (CAHF, 2012:27).

Social housing forms a significant section of the housing market across the globe. The Netherlands and the United Kingdom have substantial social housing portfolios, with 50 per cent of all housing in the Netherlands provided by SHI, and more than GBP 14 billion advanced to United Kingdom SHI through private financing. Without substantial government support over the past century, most of these developments would neither have been possible nor as successful. These SHI are now becoming self-sufficient (DoHS, 2003).

Although the social housing model generally relies on and receives substantial financial support from the government in the form of capital subsidies, additional finances for running costs, cheaper land, and tax incentives for registered SHI (CAHF, 2012:27), this is not the case in SA. South Africa’s social housing sector is still in its infancy and has received very little financial support from the government to date (CAHF, 2012:27). Previously, the sector was not being regulated properly but, with the introduction of the Social Housing Act 16 of 2008 and the SHRA, regulation has improved with the intention to upscale social housing delivery (CAHF, 2012:28). According to Tissington, “[r]ental Housing is acknowledged as being especially important to the poor, offering choice, mobility and an opportunity to those households who do not qualify for an ownership subsidy” (2011:98).

3.5.3.2. Social housing in South Africa

Social housing is the term used to describe subsidised rental housing in South Africa. Social housing is known as a form of medium density rental housing, usually in well-located urban areas. It was established to provide low-income households with an affordable alternative tenure option to that of the standard RDP housing option. Social housing is not only about housing delivery but also intends to provide urban regeneration in inner city areas, while meeting the needs of the poor (Wicht, n.d.:17-7). It is characterised by multiple storey housing, as it is situated on well-located land where land prices are usually high (SHF, 2009; Rebelgroup, 2016b:1).

According to the Social Housing Foundation (2009:2), social rental housing in South Africa set out to achieve the following three goals:
1. Contribute to urban restructuring;
2. address structural economic, social and spatial dysfunctions and improve; and
3. contribute to the overall functioning of the housing sector.

The Social Housing Act 16 of 2008 stipulates that the Social Housing Programme intends to provide rental or co-operative housing options for low income groups, by registered SHI in designated restructuring zones (RZs) (HDA, 2013:7). Social housing projects can only be delivered through recognised SHI, regulated by the SHRA (Rust, 2016:3). The SHI are a significant part of the system as they are responsible for constructing and managing the social housing stock.

SHI are either privately, municipally or cooperatively owned entities that are established on either profit or non-profit grounds. The intended goal of the Social Housing Programme is to provide public subsidies for the delivery of rental housing for the population that would ordinarily be excluded (as their income exceeds the RDP housing subsidy limit but the cost of standard rental accommodation is too high). Social housing targets a specific income group of households earning between R1 500 and R7 500 per month. Social housing projects receive two capital subsidies from the state in the form of the Institutional Subsidy (IS) or the Restructuring Capital Grant (RCG). This Grant offers capital subsidies for approved projects. SHI can apply for RCGs in the designated areas (RZ). The RCG, combined with the IS, can cover approximately 64 per cent of the financing of the project (HDA, 2013:7). If these subsidies are provided, it is stipulated that 30 per cent of the subsidised units are obliged to cater for the primary target income band or lower income group of households, earning between R1 500 and R3 500 per month (CAHF, 2012:4). The Social Housing Policy specifically notes that the policy aims to target the lower income bracket (DoHS, 2003). As of 2003, 60 SHI were already operating across the country and have delivered approximately 25 000 units. Most of these SHI are experiencing difficulties with governance, management and financial problems (DoHS, 2003).

Social housing can have a positive effect on its surroundings and the local economy, especially in inner city areas (DoHS, 2005). According to Rebelgroup (2016b:1), if social housing is to achieve all its positive outcomes, it must occur at a substantial scale, consist of economic sustainability, as well as commercial viability. The Social Housing Programme intends to provide a product to an income group who would ordinarily not be able to afford housing in an area where the land cost would be too expensive for that target group (Rebelgroup, 2016b:4). The Social Housing Programme has received increased allocation of funding over the past four years but, since 2014, there have been significant challenges (discussed in more detail below) for social housing provision. This has resulted in an undersupply of social housing delivery, even though extra funding has been made available. At
a provincial and municipal level, social and affordable housing is an important aspect to city
regeneration and integration (Rebelgroup, 2016a:14).

3.5.3.3. Criticism of social housing
It has been noted that only until recently, social housing was not seen as a viable housing solution to
low income recipients (Charlton & Kihato, 2006:266). It took a long time, therefore, until social
housing delivery was visible. In 1998, the government set a target of delivering 50 000 rental units by
the end of 2000. By 2005, accordingly, 60 SHI had been formed with a delivery of approximately
30 000 units throughout the country (Tissington, 2011; Rebelgroup, 2016a). Social housing, up until
2003, had limited impact in terms of overall quantity of units delivered (approximately 1.5 per cent
of housing delivery). The complex financial model of social housing creates barriers to delivery.

Criticism exists around social housing’s target market, making provision for more privileged groups,
in order to ensure financial viability, while doing little to address and assist in alleviating the housing
challenge in South Africa. One of the main challenges is the lack of delivery to the poorer households
(bottom end of the subsidy bracket). The lowest income group of the urban poor refers to
households earning below R3 500 per month. This must be considered in the context of the general
rule which suggests that 30 per cent of household income is spent on accommodation, therefore,
low income households are only able to afford a maximum amount of R1 000 a month on rental
accommodation (Tissington, 2013:49). Social housing has therefore become an unaffordable rental
option for the lowest income group and alternative options should be explored (Ramohlale,
2006:34). Additionally, the lack of annual adjustments of the eligible income group resulted in little
to no delivery for households earning below R3 500 per month, since most projects target
households earning between 3 500-7 500 per month, as this product is more financially viable
(Tissington, 2011:99-100). The slow pace of delivery and the inability to accommodate the very low
income beneficiaries is a major criticism of the Social Housing Programme.

According to NAHB (n.d.), part of the government’s responsibility in promoting rental housing
includes facilitating partnerships with the private sector to deliver rental stock. The government’s
role in the Social Housing Policy is to deliver rental housing opportunities where the market is not
providing adequate stock at the affordable levels. The social housing mechanism was initially
intended for delivery, by SHI, for non-profit outcomes. However, this changed in 2012 when private
sector institutions were also eligible to apply for the subsidy through the SHRA (Scholtz, 2014:2). The
Programme intended to activate private sector funding to create housing for the population at the
lowest end of the housing market. Hence, the, private sector can access funding from SHRA as part
of the Social Housing Programme but the extent of this is very limited. The Policy encourages private sector involvement and promotes the following roles for the private sector. The private sector can:

- become a developer of social housing projects;
- register as a SHI;
- become a social housing financier to mobilise funding for projects; and
- be a financial product provider.

According to Hogarth (2015), private sector participation in the social housing sector has been very limited for a number of critical reasons, namely: the financial and management capacity of emerging SHI is lacking; the RZs are too broad or loosely defined, resulting in social housing projects that are not well located; the RCG subsidy has not increased with inflation since 2008, making projects financially unviable as capital and operation costs have increased; and the target income group has remained the same since 2008, resulting in social housing not targeting the income group that needs it the most. With no shift in the target income group and no increase in RCG subsidy, most SHI are only able to target the upper end of the target income group to make their projects financially viable, resulting in a shortage of housing opportunities for the lower bracket of the target group.

In general, financial support from government for private led affordable housing is very limited. The private sector therefore sources funding from private financial institutions and avoids government subsidies that enable the provision of social housing as the product, which is not viable for them. Rebelgroup (2016b:1-5) criticises existing policy by stating that the necessary conditions to attract private sector investment have not been met. Without this being addressed, private sector participation in social housing will continue to be restricted and social housing will continue to rely on public funding and development financial institutions (Rebelgroup, 2016b:1).

According to Hopkins (2006:11), the private sector’s investment in social housing requires greater attention in the future. Development of sustainable settlements is only truly possible if there is collaboration between the private and public sector (Hopkins, 2006:12). Rebelgroup conducted a performance and expenditure review (PER) to analyse why the sector was unsuccessful in attracting private investment (Rebelgroup, 2016b:1). Policy makers expected substantial involvement from private sector in “financing, delivering and managing social housing” but Rebelgroup (2016b:3) argues that certain factors hinder SHI in attracting private sector funding. Commercial viability of social housing projects is a major contributor to this factor for two reasons:

- The inability to charge market-related rental prices, which in turn affects a lender’s ability to service any capital grants.
• The inability to raise the level of income for the target market in line with inflation, which exacerbates the problem.

This, in general, makes social housing projects a less attractive option for investors, as concerns around debt and return on investment is often a barrier to entry. The outcome of this is projects that are technically less feasible, due to shrinking margins, and therefore lower revenues. In addition, these lower expected revenues undermine the ability of investors to meet construction regulations (Rebelgroup, 2016b:4). All of these result in SHI providing for the higher end of the qualifying target bracket, thereby excluding the lower income groups. SHI also start to combine social housing projects with those of unsubsidised stock to make the project financially viable (Rebelgroup, 2016b:4). Social housing is one of the only public housing programmes that generates an income through rentals and is therefore meant to be funded through a mix of public subsidy, debt and equity (Rebelgroup, 2016b:1). According to Rebelgroup (2016b:3), from 2007 to 2014, most of the equity funding for social housing projects was given to JOSCHO, a government SHI. This indicates that the private sector’s involvement in social housing projects is not yet at the elevated levels anticipated (Rebelgroup, 2016b:3).

3.5.3.4. Recent Social Housing Policy shift

With all of these criticisms in mind, there has been a very recent change to the social housing regulations (as of June 2017). An application was made to the Minister to review the social and rental housing quantum and income bands for the Social Housing Programme in June 2017 (MINMEC, 2017). This submission focused on adjusting the social housing model as well as making changes to the CRU Programme.

The submission to the Ministers and members of Executive Councils Meeting (MINMEC) proposed the following changes to the Social Housing Policy to ensure it runs more efficiently and effectively. The application to MINMEC proposed the following amendments (MINMEC, 2017; DoHS, 2017).

• The first is the increase in the RCG from R125 615 to R155 000. The previous RCG was unsustainable with social housing projects barely breaking even. This put SHI under serious financial stress, with most of them pulling out of social housing project delivery as it simply was not affordable anymore.
• The second was the shift in the income band to between R5 500 and R15 000 per month. This shift was set out to make the social housing more viable as the income band presented many restrictions to the programme, as it had not been adjusted since 2006. This was a major

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9 See section 5.2 below.
contributor to the constraints of the programme, specifically in recovering operational costs which increase annually. The previous income band effected the financial viability of the project, making the cross-subsidisation of the model less viable. The increase in the income band assists with subsidising the lower income band.

This change in policy could have some interesting effects as the subsidised social housing market now extends to households earning up to R15 000 per month. This also has an effect on “higher” earning households who were previously excluded from social housing grants. The increase in the RCG will hopefully assist in making social housing projects more financially viable, especially for the private sector SHI who have struggled to access the market as it was not financially viable, which has been explained in detail above (Interview 9, 2017).

The application also proposed an amendment to the CRU Programme. The main concern with the CRU Programme is the lack of management and administration from the government. The proposal suggests that the CRU Programme forms part of the Social Housing Programme, and management of the rental stock would now fall under the accredited SHI. This change could benefit the programme and assist in increasing delivery. The under-recovery of rentals by the government will no longer be a problem and the management of the stock will be taken care of. The CRU Programme will now fall under social housing, ensuring that social housing still caters for income groups earning below R5 500. The CRU Programme will therefore cater for the lower income groups, but management and rental collections should no longer make the programme unsustainable. Further, the CRU Programme will no longer include new buildings but will rather focus on hostel upgrades and higher density rental housing. Therefore, no new stock will be developed under CRU. Any new build projects that previously fell under the CRU Programme will now form part of the Social and Rental Housing Programmes with the SHRA (MINMEC, 2017; DoHS, 2017).

3.6 Conclusion
Housing delivery in general in South Africa has been criticised for poor location, bad construction and lack of facilities to support housing projects (Hopkins, 2006:5-6). Social housing projects are supposed to be characterised by good location and high quality developments (SHF, 2009), but they have one major issue, financial sustainability and affordability. The Social Housing Foundation (2009) notes that social housing schemes often have to charge high rentals and levies to cover the “operational costs” and “loan repayments” of the projects. This all point to the need for a rethink of the policy as there are evidently fundamental issues that need to be addressed. Private sector SHI are reluctant to deliver the lowest rentals as it is too financially risky for their financial model.
Accordingly, there are four core factors as to why social housing has not delivered at the scale envisaged (Wicht, n.d.:17-7):

- The policy is restrictive, therefore not allowing the social housing market to expand. Constraints exist in the beginning stages for SHI, as they need capacity building to access various resources and these are seemingly difficult to achieve.
- The lack of a clear definition of what social housing means alongside the number of initiatives creates uncertainty.
- The lack of a coherent and concrete social housing model.
- Policy in South Africa focuses on ownership as the favourable option, resulting in rental having less policy support.

The recent proposed change to the policy, as mentioned above, seems to address most of the concerns raised and therefore provides some positive light on the Social Housing Programme. It would now be necessary for these changes to be accepted in the Social Housing Policy. The changes address the issues raised above and could therefore have a massive impact to the performance of Social Housing Programme in the south African context. The changes to the policy could assist in increasing the delivery of social housing and CRUs in the Johannesburg inner city, as both products should be more financially viable. These amendments could have an impact on the delivery of affordable rental to the lowest income group if these policy’s work concurrently.

It is reassuring to see a movement from the government’s side to increase delivery of rental accommodation and make the much-needed adjustments to the policy, but it is unfortunately too soon to tell if these changes will have a real impact on the ground.
Chapter 3 discussed the policies and strategies in place for housing programmes in South Africa. To date, these policies and strategies have been insufficient to alleviate the ever-increasing demand for housing in general and, specifically, affordable rental accommodation, particularly in the Johannesburg inner city (Tissington, 2013:31). South Africa has a backlog of over 2 million houses and this number continues to rise annually, even though more than 3 million houses have been constructed – both subsidised and rental accommodation (Tomlinson, 2015). Further, approximately 20 per cent of the population – 2.8 million households – rent their accommodation. Gauteng Province, where Johannesburg is located, has the largest number of people renting with over 1 million households currently renting (38 per cent of all households in South Africa). Accordingly, it has been estimated that the demand for rental accommodation will continue to grow, specifically in the city of Johannesburg, reaching a demand of 317 000 units by 2012. Of these, 81 000 units will be in demand from the lowest income group of R1 500 to R3 500 per household per month (Financial and Fiscal Commission, n.d.; Tissington, 2010). According to ICHIP (2015:35), in terms of the 2011 census, there are approximately 92 000 households in the inner city of which 89 per cent rent. ICHIP (2015:36) displays a sample of five precincts or areas which indicates that the number of households exceed the number of units available, in some cases with more than 300 per cent. This number indicates the high densities of the inner city and the sheer scale of overcrowding in some of these precincts (namely Hillbrow, Yeoville, Berea and many others).

The average household income in the city of Johannesburg is approximately R15 270 per month but, according to the 2011 census, 50 per cent of households in Johannesburg earn less than R3 500 per month with the median household income group earning between R1 601 and R3 200 per month, as demonstrated in figure 9 below. According to SERI (2016), as of 2011, 50 per cent of households earned less than R3 543 per month, 40 per cent less than R2 487 per month, 33 per cent less than R2 224 per month, and 25 per cent less than R1 751 per month (SERI 2016; CoJ, 2016; Stats SA, 2011). Together these statistics demonstrate that Johannesburg is one of the most unequal cities in the world (UN Habitat, 2010). The city of Johannesburg must necessarily “make space” for the urban poor in order to create an inclusive city. Planning mechanisms such as densification, diversification and integration need to be utilised to achieve this. It is important that housing developments for low income households are located in areas with access to public transport, economic opportunities and social amenities. Further, affordable housing supply needs to align with income distribution, as
mentioned above, so that a range of housing opportunities are provided for the varying income groups (CoJ, 2016).

To understand what has contributed to the incumbent affordable rental housing challenge in the Johannesburg inner city, this chapter lays out the numerous policies and strategies for the city of Johannesburg, with a particular focus on the inner city areas. The outcome of the chapter is to gain an understanding of two key components:

1. The role of (local) government in addressing the housing demand in the Johannesburg inner city.
2. The role the government has prescribed for the private sector in affordable housing delivery and the mechanisms provided to entice the private sector to assist with delivery.

### 4.1. Johannesburg’s policies and strategies: Setting the scene

An overview of the relevant policies and strategies that have influenced the development of housing in the Johannesburg inner city will be provided. This will assist with a better understanding of the government’s strategies in delivering housing in the Johannesburg inner city area and the focus of these strategies in the provision of affordable accommodation for the urban poor. This chapter
intends to provide insight into the role the government aims to play in delivering affordable accommodation opportunities, as well as the role the government expects the private sector to play.

The inner city of Johannesburg was home to many dilapidated buildings in the 1990s and was thus identified as a priority area for urban regeneration. The focal point of this regeneration was to lure private sector property investors back to the inner city, to assist with creating a favourable investment market (CoJ, 2003). Powerful associations working on affordable housing started to play a role, namely COPE Housing Association and the Johannesburg Housing Company (JHC), both private sector SHI. The Central Johannesburg Partnership (CJP) was established in 1992, between the CoJMM and powerful property owners, and created some influential initiatives regarding housing. One of the first was the Inner-City Housing Upgrading Trust (ICHUT) which, in turn, became the Trust for Urban Housing Finance (TUHF). This is still one of the main financers of affordable housing for property developers in the inner city (Interview 11, 2017). The CJP started the Inner City Office (ICO) in 1998, which later became the Johannesburg Development Agency (JDA) in 2001, whose core mandate is to take responsibility for managing and facilitating development in the inner city (HDA, 2013:16; Tissington, 2013:31).

The JDA is currently the project manager for the newest housing plan for the inner city, namely the Inner City Housing Implementation Plan (ICHIP) (ICHIP, 2016). This plan intends to understand all avenues of the housing market and the related income groups, with a specific focus on the poor. It is one of the first plans that focuses on implementation and will be discussed in more detail in section 4.1.1 below. The ICHIP Plan is the current plan being rolled out in the inner city. It indicates both the public and private sector’s roles in housing delivery, with a core focus on implementation (ICHIP, 2015). It is difficult to comment on its success in this regard so far, as its implementation has only recently begun. However, the policy itself is a definite move in the right direction regarding the public and private sector’s involvement, acknowledging the private sector’s role through government policy and focusing on implementation.
4.1.1. **Spatial and Economic Framework 1999-2001**

This strategy intended to build on existing work in the inner city and increase the focus on urban renewal. It provides a programme and management tool for urban renewal by ensuring economic and spatial strategies are developed for specific precincts. The strategy’s three overarching goals are to promote investment opportunities in the inner city, ensure long-term sustainable increase in rates revenue, and to provide inclusive well-managed urban environments. A programme of action was developed in 2001, under the Spatial and Economic Framework, and housing was one of the five priority areas. It states that 10 000 of the 37 000 units in the inner city are in a state of disrepair and require the following action: 5 000 units to be included in the Better Buildings Programme, 2 000 units to be demolished and 3 000 units to be considered for improvement grants.
The Framework expressed the dire need to upgrade the poor conditions of existing housing stock in the Johannesburg inner city and, in addition, create new housing stock to meet the demand. The housing goal was to double the existing 37,000 units by 2006 (five years). The following programmes were to be pursued to ensure this:

1. **Addressing the “bad buildings” through the Better Buildings Programme (BBP).**
   The Better Buildings Programme\(^{10}\) was managing eight “bad buildings”, one was under construction and the others were due for construction in March 2001. An investment of R60 million was required by the local government to increase the rate of delivery of the programme so that a significant number of units would be provided (CoJ, 2001).

2. **Increasing the number of transitional housing and social housing opportunities.**
   As of 2001, almost 5 per cent of housing stock in the inner city was managed under social housing. An additional 1,000 units were due for construction in 2001 but there was a need to increase investment in social housing from provincial government, private sector and NGOs to ensure that households earning between R1,500 and R2,500 per month were catered for. There needed to be more investment in transitional housing by provincial and national government so that the poorest population of the inner city were also provided for.

3. **Promotion and development of middle income housing.**
   There was a drive to increase the number of units for the R3,500 - R12,000 per month income groups. The strategy also focuses strongly on enticing middle to upper income earners back into the inner city, since it is noted that this will contribute to the overall economic well-being of the city of Johannesburg (CoJ, 2001).

### 4.1.2. **Inner City Transitional Housing Policy of 1996**

The Inner City Transitional Housing Policy, adopted in 1996, was born out of the Transitional Housing Programme and was developed in 1995 in Gauteng to address the challenge of homelessness in the Johannesburg inner city. This Programme ceased in 1999 (Tissington, 2013:31-32). The intention was to provide temporary accommodation for the destitute and homeless. There was a stipulated amount of below R2,500 income per household for a beneficiary to qualify. This accommodation was only temporary, for a six-month period, after which the tenant would be required to seek alternative accommodation (Tissington, 2013:22).

According to Poulsen (2010), the temporary and short-term nature of Inner City Transitional Housing Policy posed a major problem. One of the major challenges it faced was that it was developed off the

\(^{10}\) Discussed in further detail in section 4.1.3 below.
back of an all-time low of affordable housing in general in the inner city (Tissington, 2013). Transitional housing tenants were rarely able to find suitable affordable accommodation after six months, resulting in homelessness yet again or seeking refuge in informal conditions (which are often run by slumlords in the Johannesburg inner city), as this was the only “affordable” option. This highlighted the serious need for affordable accommodation options for the poorest of the poor, which simply did not exist, and the lack of coherency and foresight in the policy package.

Tissington (2013:18-27) notes that the government’s main mechanism for the provision of affordable rental accommodation is social housing. Social housing targets an income group of between R1 500 and R7 500 per household per month. This bracket is too high for the poorest population who need accommodation opportunities after their six month period in transitional accommodation. Tissington (2013:69-72) criticises the government, purporting that it is not actually dealing with the structural cause of the problem, which is homelessness, and is providing solutions that cannot address the problem. Social housing cannot be the solution for the urban poor who are transitioning from transitional accommodation to a more permanent solution, as most of the poor population in this income group cannot afford social housing opportunities. Transitional housing is a short-term solution for a segment of the urban poor population that are in serious need of access to permanent solutions (Poulsen, 2010).


The Bad Buildings Programme (BBP) was established in 1999. The intention of the BBP was for the council to identify “bad” buildings in the inner city,11 reclaim these buildings and hand them over to willing private sector developers. The CoJMM would have a certain amount of control over the use of the building and the target group for which it was developed. The private sector would assist in renovating and managing the building. The overarching intention was that this Programme would also serve to attract private investment back to the inner city, while improving revenues for the CoJMM. By 2000 very little had been implemented in terms of the Programme and in 2003, it was revived by the Johannesburg Property Company (JPC) and renamed the Better Buildings Programme. This was intended to create a functioning partnership between the CoJMM and private property owners, providing a “functioning property market”, which would assist in the regeneration of the Johannesburg inner city (Tissington, 2013:35). Private sector SHI, namely COPE, JHC and Madulammoho, benefitted from this particular Programme prior to the existence of the

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11 “Bad” meaning in a bad state of repair or neglect of rates and taxes being paid.
Restructuring Capital Grant. The BBP came with complications as it required evictions of existing tenants in some of the identified “bad buildings”, with little progress on transitional housing for the evictees. The Transitional Housing Programme (outlined above) failed after the pilot programme, leaving evictees from the BBP homeless. In 2007, after numerous challenges with the Programme, it was terminated and replaced by the Inner-City Property Scheme (ICPS) (Tissington, 2013:35-37; Ramohlale, 2006:5; HDA, 2013:16).

In 2002 the Joburg 2030 Master Plan was launched. The Joburg 2030 Master Plan is the broad economic development strategy for the city with a vision for Johannesburg to become a “world class city by 2030” (CoJ, 2002). The Plan identifies sustained economic growth as the biggest challenge for the city, as well as employment and livelihood opportunities. Joburg 2030 is a long-term strategic plan for Johannesburg. It focuses on the following pillars to achieve the vision for the city: crime, skills development, telecommunications, transport, utilities, information systems and economic growth. The Plan envisions a city where crime is non-existent, a thriving economy exists alongside efficient public transport, and effective government which results in citizens enjoying a high quality of life. The plan has a key focus on the rehabilitation of physical infrastructure and buildings within the inner city to attract private investors back to the city and catalyse regeneration (CoJ, 2002). The intention of this revival is to make Johannesburg a “world class city” (Ramohlale, 2006:1).

4.1.5. Inner City Regeneration Strategy 2003
The need for regeneration in the Johannesburg inner city was identified in 2000, when the Johannesburg Metropolitan Municipality was under one authority, with Mayor Amos Masondo (Bethlehem, 2013:17). Subsequently, the need for a proper regeneration strategy arose and the Inner City Regeneration Strategy (ICRS) was published in 2003. It is directly linked to the Joburg 2030 Master Plan. The main intention of this Plan was to entice middle to upper class residents back into the inner city, while encouraging private investment and the creation of a steady property market. Urban renewal has been actively sought by the CoJMM. One of the priorities of this Plan was to

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12 Restructuring Capital Grant refers to government subsidy funding for social housing projects which comes through two subsidies: the RCG and the institutional subsidy (IS). The RCG is the most significant contribution to the capital cost of the social housing project. The RCG amount is approximately R125 615 per unit which changed in June 2017 to R155 000. The RCG and IS together aim to cover 60-70% of the funds needed for the social housing project (CAHF, 2012:8-9).
improve bad areas, labelled as “sinkholes” by the CoJMM, which included high crime areas, “bad buildings”, urban decay and failing infrastructures.

Tissington (2013:39), criticised this plan for placing too much focus on “cleaning the city out” of its poor urban residents instead of creating opportunities for the urban poor to benefit from the CoJMM’s strategy of urban regeneration and affordable accommodation. For the first decade the results included increased number of eviction cases of mainly poor residents, whose rights were not protected. These evictions enabled by the ICRS plan resulted in legal action against the CoJMM and the property owners by the community through human rights lawyers (COHRE, 2005:20; Tissington, 2013:39). The CoJMM shifted its focus to bringing investors back into the inner city and to provide residential accommodation by promoting inner city regeneration (Tissington, 2013:12).

4.1.6. Urban Development Zones 2004

In 2003, a tax incentive mechanism known as the Urban Development Zone (UDZ) was signed into law. For the tax incentive to apply in a specific area, an urban development zone needed to be identified and demarcated. The tax incentive would then be applied for any construction, extension, addition or improvement of buildings within the designated zone. The mechanism was a tax allowance with generous tax breaks, over a certain timeframe, for new developments or the refurbishments of existing buildings. Thus, the UDZ was created to encourage inner city investment and regeneration in specific areas across South Africa (CoJ, 2004:1). The City of Johannesburg demarcated a UDZ of approximately 18 km, which included the inner city and some surrounding suburbs (figure 11: City of Johannesburg Urban Development Zone). The UDZ has been a fundamental mechanism in ensuring urban regeneration in Johannesburg’s inner city. It focused on encouraging private sector investment in both commercial and residential development. The Johannesburg UDZ was initially in place for a period of five years, but this was extended in 2008 for a further five years, until 2014 (CoJ, 2004; Tissington, 2013; HDA, 2013).

The Growth and Development Strategy (GDS) replaced the existing Joburg 2030 Vision, and was designed to encourage economic growth, efficiency and competitiveness for Johannesburg City. It intended to make Johannesburg a “World Class African City” while ensuring commitment to other social obligations to which the CoJMM had committed. The GDS intended to achieve the following: ensure that Johannesburg is competitive by connecting its economy to global economies and ensure that the fundamental challenges of poverty and inequality are addressed by enhancing social mobility (CoJ, 2006:76).

4.1.8. Inner City Regeneration Charter and the Inner City Housing Action Plan 2007

The Inner City Regeneration Charter was developed from the Inner City Summit which was held in 2007 (CoJ, 2007). The Charter focused on six core areas of concern, one of which was residential development. The following areas of housing delivery would be the focus for residential development in the inner city:

- Support of private sector housing developers;
- provision of emergency and transitional housing;
- incentives for inclusionary housing;
- increased access to social subsidy programmes for poorer households;
- redevelopment of the Better Buildings Programme;
- upgrading of hostel and informal settlements;
- support for urban management in residential areas; and
- promotion of ownership, as well as sectional title opportunities

(CoJ, 2007:8; Tissington, 2013:40).

Although these areas of focus were identified, the Charter does not give detail pertaining to the implementation of these objectives. It was therefore decided that a more detailed plan be developed for the residential section, namely the Inner City Housing Action Plan (ICHAP) (CoJ, 2007). The ICHAP was therefore developed in 2007, in accordance with the Charter. The ICHAP was based on the increasing demand for affordable accommodation, where little supply existed, and informal options such as hijacked buildings seemed to be the urban poor’s only affordable option. The ICHAP committed to providing an additional 50 000 new residential units by 2015, with at least 20 000 of these new units being made available for the lowest income bracket. The ICHAP attempted to address the “bad buildings” problem by providing temporary accommodation for evictees until affordable accommodation was made available (CoJ, 2007). There was also a focus on temporary shelters for the homeless and derelict, with the promotion of suitable alternative accommodation for this group, as well as emergency accommodation with the intention to deliver 1 500 emergency beds. In 2011, criticism of the Charter was raised, as the ICHAP delivery was delayed in its second phase, causing a ripple effect of other delivery outcomes and general challenges with the housing component of the Charter (CoJ, 2007; Tissington, 2013:41; HDA, 2013:16).

4.1.9. Inner City Property Scheme 2007

The Inner City Property Scheme (ICPS) was developed in 2007 to replace the Better Buildings Programme formulated in 2003. This scheme only officially launched in 2011. It was directly aligned to the Inner City Regeneration Charter with the overall objective of achieving the Joburg 2030 Vision of economic growth, increased prosperity and improved quality of life. This Plan focused on private sector investment through the transfer of Council owned inner city properties into private sector hands. One of the main conditions of the ICPS was that private sector developers were required to ensure that 30 per cent of the units developed within a building were social housing units (Winkler, 2012b).
4.1.10. **Joburg 2040 Growth and Development Strategy 2011**

Joburg 2040 Growth and Development Strategy (GDS) is the CoJ’s long-term strategy for the City, focusing on achieving a “liveable, resilient and sustainable city”. One of the key principles of the strategy is to eradicate poverty. The 2040 GDS focuses on affordable accommodation opportunities for the poor in the city, with specific focus on appropriate low cost rental opportunities. The strategy is also focused on transit-oriented development through the “Corridors of Freedom” (COF). The COF intends to transform the City through the development of high-density mixed-use developments along identified corridors of mass transit routes (CoJ, 2012:32).

4.1.11. **The Inner City Transformation Roadmap 2013**

The Inner City Transformation Roadmap was created to transform the inner city of Johannesburg. It provides the framework for the CoJMM to roll out the 2040 GDS in the Inner City (CoJ, 2013: v). One of the main intentions of the Roadmap is to address the lack of affordable rental accommodation in the inner city. The Roadmap intended to build on the ICHAP and assess the existing housing demand and make provision for a range of housing typologies to meet the demand (Tissington, 2013:26). Again, as was the case in many of the plans and strategies above, one of the priority programmes of the Roadmap is to deal with “bad buildings”. It was noted by the CoJMM, through the Roadmap, that no “real” strategies have been put in place to deal with the structural cause for the existence of “bad buildings”. The Roadmap is the first policy that tries to identify the root cause, focusing on the demand for permanent affordable housing solutions for the poorest and most vulnerable population. The Roadmap identifies law enforcement as a mechanism to deal with slumlords and illegal occupation of buildings, which low income groups are forced to utilise or occupy while no alternative exists. Although, the plan does rely on law enforcement, it cannot be utilised until suitable affordable or alternative options are provided. The Roadmap is the first plan that comprehensively considers the structural challenges and nominates the government to take responsibility and intervene with workable solutions, rather than rely so heavily on private sector investment, as has been the case with previous plans, discussed above. Further, the Roadmap intended to deliver 2 175 rental units and emergency shelters by 2016. It is unclear whether these were delivered (Tissington, 2013; Beall et al., 2000).
4.1.12. Inner City Implementation Plan of 2014

The Inner City Implementation Plan (ICHIP) is a proposed housing strategy and implementation plan for the Johannesburg inner city over a period of five years, from 2014 to 2021 (Rebelgroup, 2016a:1). The Plan is based on the Inner City Transformation Roadmap. ICHIP is termed a “shelter” document for the Transformation Roadmap, ensuring all housing planned or delivered is aligned with the Transformation Roadmap.

The Plan’s intention is to understand all avenues of the housing market and the related income groups, with a specific focus on the poor. This Plan proposes strategies to entice landlords, both residential and commercial, as well as SHI to extend delivery to the bottom end or low income groups and incentivise private sector developers to develop and manage housing opportunities in the inner city (ICHIP, 2015:1). The overarching approach for this Plan is based on seven core components namely: a pro-poor approach; a partnership approach; a practical approach; a contextual approach; a precinct approach; an inclusive approach; and a promotion of choice. The Plan intends to be holistic, focusing on various income bands within the housing market, recognising the importance of housing provision across sectors. However, its core focus is on housing provision for the poor, specifically accommodation for the poorest residents in the inner city. The Plan is therefore informed by a “pro-poor approach” (ICHIP, 2015:4; Rebelgroup, 2016a:4).

ICHIP notes that the past five years have seen the delivery of 50 000 new rental accommodation units in the Johannesburg inner city, specifically for the ‘gap market’ (ICHIP, 2015:7). ICHIP further notes that the cheapest available room to rent costs R1 700 per month, indicating the limited availability of affordable rental options for the lower income groups. Many households are therefore forced to live in informal, unsafe, overcrowded, often illegal, living conditions, frequently referred to as “bad buildings”. The strategy clearly intends to make the supply for poor households a priority (ICHIP, 2015:2).

The Plan aims to deliver 9 500 accommodation opportunities, thereby accommodating some 35 650 low and middle-income residents (ICHIP, 2015:45). Two core pillars inform the Plan: housing delivery and housing facilitation. There are five delivery programmes, addressing all scales of the housing market from temporary emergency accommodation through to social housing and subsidised ownership (ICHIP, 2015:55). The Plan commits to a partnership approach, acknowledging the roles of the state and the private sector. It intends to pull on the different spheres of government as well as the private sector to assist in financing municipal housing, social housing and private sector developments. Once the plan is adopted, it will be a real step for the Council in terms of a more pro-poor approach.
4.2. Conclusion

It is evident that many plans and strategies have been put in place with the intention of addressing the housing demand in the Johannesburg inner city. What is even more apparent is that most of these plans have not come to fruition implementation wise. Although many of these policies and strategies, created by the government, were intended to increase the delivery of affordable rental accommodation in the Johannesburg inner city, what is obvious is the lack of delivery. Many have criticised the CoJMM for simply not responding to the emergency accommodation cases seriously (Charlton, 2013:198). What has also become evident is the lack of realistic strategies to assist with the poorest income group or destitute. According to Tissington (2013:15), there is a lack of a programmatic approach to meet this housing demand, which is evident from the number of “bad buildings” in the Johannesburg inner city. Without a realistic strategy to assist this income bracket, a domino effect of failure seems to plague housing in the inner city. A lack of opportunities for this income group gives rise to “bad buildings”, which in turn affects the livelihood of the people in the inner city, across all sectors. “bad buildings” allow for criminality as they are not managed, maintained, serviced or able to protect the rights of the tenants for whom no alternative exists, other than to reside in them. Without a proper sustainable and permanent strategy for the poorest of the poor, housing in general in Johannesburg inner city will continue to be problematic.

There are institutional challenges to the implementation of these plans. There are “key decision makers” in the CoJMM who hold the belief that the inner city is not the place for poor people and that the solution to the lack of affordable accommodation in the inner city areas lies in RDP-type developments (Charlton, 2013:198). The CoJMM’s focus on attracting commercial activity back into the inner city seems to outweigh the provision of housing for the urban poor, although this agenda, for the first time, seems to have been rectified by the ICHIP (COHRE, 2005:21).

Johannesburg has had a poor record of delivering housing in general. As noted by ICHIP (2015:46), there is no consolidated source indicating the annual delivery of units in the inner city, but annual delivery is estimated at approximately 3 000 to 5 000 formal units by the private sector and SHI, for households earning more than R3 500 per month. Further, according to ICHIP (2015:38), the demand for rental housing in the inner city is estimated at 317 000 units with 81 000 units in the R1 500 to R3 500 income bracket. Stats SA’s 2001 census noted that there were 20 515 households (78 000 people) living in the inner city earning below R3 200 per month. The 2011 census indicated that there are now 33 861 households (121 899 people) living in the inner city who earn below R3 200 per month, highlighting the serious nature of the increase in the number of households from 2001 to
2011. Further, in terms of the 2011 census, approximately 14,308 households in the inner city earn between R3,500 and R7,500 per month. This illustrates the huge disparity between the supply and demand for affordable accommodation in general in the inner city, specifically for the income groups earning below R3,200 per month (Stats SA, 2001; Stats SA, 2011).

A viable sustainable financial model for affordable rental accommodation in the inner city of Johannesburg is one of the core challenges faced regarding delivery. A sustainable financial model (specifically the rental subsidy model) needs to be implemented. What is evident is that demand for housing opportunities far outweighs supply, specifically for the lower income group of less than R3,200 per household per month. Access to accommodation for the lowest income group of the urban poor is, in truth, non-existent (COHRE, 2005:35).
5. THE CASE STUDY OF JOHANNESBURG INNER CITY: AFFORDABLE RENTAL ACCOMMODATION

Johannesburg’s inner city presents an interesting scenario when looking at the provision of affordable accommodation for the urban poor. This section will therefore provide brief background to the existing accommodation opportunities in the inner city, aiming to provide insight into both the informal and formal supply. It will then analyse the formal supply along two distinct factors:

- Formal rental accommodation options available in the inner city, provided by the public sector
- Formal rental accommodation options available in the inner city, provided by the private sector

Information on the informal rental market is scarce, but this research attempts to integrate what is available into the overall analysis, to attain a more complete picture. This informal rental market, in the form of small scale landlords or illegally occupied buildings, is an extremely important aspect of the accommodation opportunities in the inner city. This is the sector that currently provides for the lowest income group.

The formal sector will be analysed as follows:

- The public sector’s delivery will be examined through the Governments Rental Accommodation Programmes, namely Social Housing, Transitional Housing and CRU (as analysed in Chapter 4 above).
- The private sector’s contribution to affordable rental accommodation will be analysed through consideration of some of the medium to large scale landlords in the field and the numbers of units provided. This will assist in gaining deeper insight into the status quo of what is provided and for which income groups.

In 2016, a research institute, the Rebelgroup, was requested to assist in collating a report: Inner City of Johannesburg: Formal Rental Housing Market Study, in conjunction with NASHO, TUHF and JHC, which analyses the formal rental housing market of the Johannesburg inner city. A draft report was released in September 2016 and is the first report of its kind. It intended to provide a detailed account of rental housing supply, from both the public and private sector, in the Johannesburg inner city. It provides an in-depth analysis of the diverse types of landlords and the different kinds of rental accommodation provided. This document starts to capture what is actually taking place in the inner city.

This Chapter will rely heavily on this draft document, the interviews conducted and other secondary sources with relevant primary data on this research topic, to ensure the triangulation of the research
findings, especially those conducted during the interview process. This will all assist in providing clear insight into the supply of formal rental accommodation and the targeted income group, in the Johannesburg inner city.

5.1. Status quo of the inner city accommodation

The Johannesburg inner city housing market is divided into two distinct categories: formal and informal and, according to Rebelgroup (2016a:13), can be divided into two additional sub-categories: ownership stock and rental stock. Abandoned sectional title buildings in the Johannesburg inner city, in conjunction with increased population, are major contributors to the increase of illegal occupation of buildings, known as informal accommodation. Accordingly, the following three main suppliers of rental accommodation in the Johannesburg inner city, provide for the following income groups:

- Government, through social housing, transitional housing and CRU, intends to provide rental accommodation for households earning between R800 and R7 500 per month. However, the provision of accommodation for households earning below R3 500 per month is extremely limited.
- Private sector provides rental accommodation for households earning above R7 500 per month. In some instances, the private sector caters for a slightly lower household income of about R6 000 per household per month, but this supply is very limited (Interview 1, 2017; Rebelgroup, 2016a:15).
- The informal sector, through backyards, informal settlements, slums and “bad buildings”, provides for households earning below approximately R3 500 per month, known as the lowest income group or the “poorest of the poor”.

**TABLE 3: SUPPLIERS OF RENTAL ACCOMMODATION AND TARGETED INCOME GROUPS**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>HOUSEHOLD INCOME</th>
<th>TYPOLOGY</th>
<th>RENTAL (30% OF INCOME)</th>
<th>TARGET GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVERNMENT</td>
<td>R800-R7 500</td>
<td>CRU AND SOCIAL HOUSING</td>
<td>R240-R2 250</td>
<td>AFFORDABLE MARKET</td>
</tr>
<tr>
<td>INFORMAL</td>
<td>&lt;R3 500</td>
<td></td>
<td>&lt;R1 000</td>
<td>LOWEST INCOME GROUP</td>
</tr>
<tr>
<td>PRIVATE SECTOR</td>
<td>&gt;R7 500</td>
<td>AFFORDABLE RENTAL ACCOMMODATION</td>
<td>&gt;R2 500</td>
<td>“GAP MARKET”</td>
</tr>
</tbody>
</table>
What is important to note is the rental price attached to the prescribed income groups. The standard calculation when deducing affordability of rent per household, is 30 per cent of the total household income. Logic follows that rental accommodation provided by the government should make provision for the following rental affordability prices:

**TABLE 4: INCOME TO RENTAL AFFORDABILITY RATIO**

<table>
<thead>
<tr>
<th>INCOME (Household per month)</th>
<th>RENTAL AFFORDABILITY (Household per month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R800</td>
<td>R240</td>
</tr>
<tr>
<td>R1 500</td>
<td>R450</td>
</tr>
<tr>
<td>R3 200</td>
<td>R960</td>
</tr>
<tr>
<td>R3 500</td>
<td>R1 050</td>
</tr>
<tr>
<td>R7 500</td>
<td>R2 250</td>
</tr>
</tbody>
</table>

According to Rebelgroup (2016a:15), South African housing policy displays support for the “affordable” rental market, but the financial framework caters for those households earning above R3 500 per month and, in reality, excludes the lowest income group or the poorest of the poor. Significantly, the supply of rental stock for households earning below R7 500 per month is also extremely limited. This, again, reiterates the undersupply of affordable rental accommodation for the poorest of the poor in the inner city, and that what is available in the form of social housing or the formal market is unaffordable (Tissington, 2013:14; Rebelgroup, 2016a:14-15).

In Johannesburg, 51.8 per cent of households earn below R3 200 per month and 49 per cent of households living in the inner city earn below R3 200 per month. Using the income to rental affordability ratio established above, just under half of the inner city households can afford a maximum rental of R960 per month. In 2005, this approximated 20 500 households in the inner city, earned less than R3 200 per month (COHRE, 2005). Later, according to Tissington (2013:72), in 2013 it was estimated that approximately 33 000 households in the inner city earned less than R3 200 per month and required access to affordable rental accommodation. This brings into stark contrast those grandiose visions and plans of the CoJMM for a World Class Inner City with the reality of the number of residents who have no access to adequate basic services, as guaranteed in the Constitution. Regarding the demand for rental accommodation in the inner city, it was estimated that by 2012 the
demand for rental housing in Johannesburg would be 317 000, with 81 000 units for the income group earning between R1 500 and R3 500 per household per month (Tissington, 2011:8-39).

The following questions arise: What is the response by the CoJMM to the plight of the poor? Is there provision made for the urban poor to work and live in the inner city?

**TABLE 5: HOUSEHOLD INCOME VS NUMBER OF HOUSEHOLDS IN JOHANNESBURG INNER CITY**

<table>
<thead>
<tr>
<th>DATE</th>
<th>HOUSEHOLD INCOME</th>
<th>NUMBER OF HOUSEHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>&lt;R3 200</td>
<td>20 500</td>
</tr>
<tr>
<td>2013</td>
<td>&lt;R3 200</td>
<td>33 000</td>
</tr>
</tbody>
</table>

*Source: COHRE, 2005; Tissington, 2013*

5.1.1. **Government’s role in the provision of affordable rental accommodation**

To answer this pressing question, this section reviews the government’s role in the delivery of rental accommodation in the Johannesburg inner city. The main form of affordable rental delivery by the government, or utilising government subsidies, is social housing. Anstey’s, a well-known Art Deco monument building in Johannesburg was, essentially, the first affordable inner city housing project (Kent, n.d.). It was developed by the New Housing Company in 1995 and was the first sectionalised building in the inner city. The inner city has seen the redevelopment of residential blocks, as well as the conversion of many office blocks, into affordable rental accommodation through the years. Some of the first units were provided by private sector SHI, namely Johannesburg Housing Company (JHC) and Madulammoho Housing, who invested in social housing projects (Bethlehem, 2013:23).

There are three core Social Housing Institutes (SHI) in the Johannesburg inner city; one governmental and two private (all who access funding from the social housing programme to deliver rental accommodation). The Johannesburg Social Housing Company (JOSHCO) was established in 2004 and is a municipal-owned housing company, solely owned by CoJMM (Tissington, 2011:102). JOSHCO’s mandate is to provide and manage quality affordable rental accommodation, in the form of social housing, for lower income groups (Joshco, 2017). The other two are private entities, namely the Johannesburg Housing Company (JHC) and Madulammoho Housing. Together, these three SHI have delivered approximately 7 500 social housing units in the inner city (Rebelgroup, 2016a). JOSHCO is responsible for 2 489 of these units (33 per cent of the total number of units), while Madulammoho has only managed to deliver approximately 400 social housing units, 822 communal units and 308 transitional units. JHC accounts for the remaining 4 562 units, but it is important to
note that, in addition to the delivery of social housing, JHC has become increasingly focused on affordable rental accommodation, so the number indicated above is a mixture of JHC’s social housing units and affordable rental units (i.e. their entire Johannesburg portfolio) (Tissington, 2013). All these numbers demonstrate the slow rate of delivery, especially when considering the demand.

Madulammoho rental prices range between R600 and R1 200 per month, catering for households earning monthly incomes of between R2 800 and R7 500. The JHC’s cheapest, first-tier rental (in 2013) started at R1 036 per month, and the second tier at R1 751 per month, thereby catering to households earning a monthly income firmly above R3 500. The monthly household income that JOSHCO targets, is between R1 500 and R7 500 (Tissington, 2013). As of 2005, there were approximately 400 transitional housing units in the inner city available at rental prices between R200 and R450 per month and another 150 communal rental housing opportunities at a rate between R300 and R800 per month (COHRE, 2005). At the time of this report, AFHCO (a private property developer) had an additional 1 360 units, some of which were communal, offered at a price of R650 per month. Roughly four years ago, AFHCO embarked on a joint venture with the French Development Bank, which assisted the company in providing 1 000 units at lower rental prices than usual, for approximately R1 405 a month. AFHCO noted how this project was only possible with the assistance of a loan. The units provided by AFHCO no longer exist for the rental prices indicated above and it is unclear as to whether the other units still exist (transitional and CRU) (Interview 4, personal communication, 6 July 2017).

**TABLE 6: TABLE INDICATING THE NUMBER OF SOCIAL HOUSING, CRU AND TRANSITIONAL UNITS PROVIDED IN THE JOHANNESBURG INNER CITY SINCE 2004**

<table>
<thead>
<tr>
<th>INSTITUTE</th>
<th>DATE</th>
<th>SOCIAL HOUSING UNITS</th>
<th>CRU</th>
<th>TRANSITIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOSHCO</td>
<td></td>
<td>2 489</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JHC</td>
<td></td>
<td>4 562</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madulammoho</td>
<td>2005</td>
<td>400</td>
<td>822</td>
<td>308</td>
</tr>
<tr>
<td>CoJ Department of Housing</td>
<td></td>
<td></td>
<td>150</td>
<td>400</td>
</tr>
<tr>
<td>Private Sector (AFHCO)</td>
<td>2005</td>
<td></td>
<td>1 360</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>7 451</td>
<td>2 332</td>
<td>708</td>
</tr>
</tbody>
</table>

(it is unclear how many of these units still exist)
Madulammoho, established in 2005, started its delivery with communal housing. Its first six projects were communal accommodation projects in the Johannesburg inner city. It then moved on to transitional housing and, finally, to social housing. Communal housing filled the gap between transitional and social housing. According to Interview 9 (personal communication, 1 August 2017) the social housing subsidy was enough to cover the project costs at the beginning. There was a slight property boom in the mid-2000s which saw an increase in the price of properties. This made it difficult for companies to continue to buy in the inner city and provide low rental, communal or transitional housing projects. The subsidy no longer covered the cost. The subsidy scheme then converted to the Restructuring Capital Grant which, initially, was very positive but, without increasing this grant annually, projects were unaffordable. The mechanisms provided have been the main barrier to delivery, as these SHI cannot afford the projects any longer. The Social Housing Policy does allow for an annual increase but, for some reason, this has never come to fruition. Interview 9 (2017) indicated that the social housing sector started to question the viability of the government’s programme and subsidy system, and whether it was a viable option for private sector involvement. The subsidy became a major obstacle and the private sector was forced to look for private sector solutions to make their projects financially viable and sustainable. Interviewee 9 (2017) notes that the recent change (as of June 2017) to the social housing subsidy and target bracket should make a major difference to the sector and will, hopefully, be the right step towards better and increased delivery.

Madulammoho was set up for social agenda over capital agenda. Its projects have a social focus and as noted by Interviewee 9 (2017), “[h]ousing is not about the roof over your head, it’s about the dignity of people”. The social agenda attached to the private sector delivering affordable accommodation, be it through the social housing mechanism or private rental, is very evident and will be explained in more detail below. Madulammoho believes that social and inclusionary housing can make a massive difference to society, if the mechanisms are thought through properly and “gains traction” from the private sector’s side.

Inclusionary housing is about the private sector making sacrifices and the public sector providing land that is cheaper. Collaboration between the public and private sector is crucial to make the housing sector work, as inclusionary housing could provide an incredible boost for the social housing sector (Interview 9, 2017). Interview 9 (2017) purports that one of the main issues faced in the inner city is the lack of facilities and that this should be the responsibility of the government.

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13 See section 5.1.2 below.
Madulammoho has managed to deliver a crèche at one of their projects but this is simply not enough.

Although JOSCHO, Madulammoho and JHC have delivered several Social Housing units, transitional units and CRU for the lowest income group, the supply does not even vaguely meet the increasing demand, especially for the lowest income group.

The government has been criticised for relying on social housing as its main mechanism for rental housing delivery, as it does not cater for the lowest income group, which, as previously stated, is one of the largest groups in need of housing in the Johannesburg inner city (Charlton, 2013:194). Tissington (2013:71) suggests that from the side of the government, two fundamental changes are necessary to address the increasing gap between supply and demand of rental accommodation for the lowest income group. The first concerns a change in the subsidy, from the national government, to address on-going management and administration for rental accommodation. Thus far, the CRU Policy is the only policy that has considered maintenance and management. This on-going management and maintenance pre-supposes a change in the role of the state, as public-owned stock needs to be managed and requires a landlord. This would increase the government’s role as the state would become a developer. The second fundamental change revolves around the municipal authority playing an increased role in housing delivery, becoming a provider of rental accommodation. For this to succeed, it is paramount that the CoJMM has political will and ensures that institutional capacity exists. It is even proposed that the municipal authority itself should retain and refurbish “bad buildings”, as opposed to relying on the private sector, to increase affordable housing delivery. As mentioned above, 33000 units are required for households earning less than R3200 per month. This goal is achievable and manageable within a couple of years; it just requires the political will.

5.1.2. Private sector role in the provision of affordable rental accommodation

With the deterioration of the inner city of Johannesburg, opportunity arose for private sector developers to purchase properties at extremely low rates. In the late 1990s, private entrepreneurs saw an opportunity in buying old buildings and converting them into residential apartments or renovating existing residential buildings, of which plenty existed during that time (Interview 5, personal communication, 13 July 2017). This resulted in the redevelopment of affordable housing opportunities for the lower income groups (Mosselson, 2015). This, initially, came with serious challenges such as financial risk, collection of rates and hijacked buildings (Interview 4, 2017). Over time, this market has grown substantially, with high demand and, according to Bethlehem (2013:23),
offering “outstanding affordable housing products”. The transformation of neglected and abandoned properties has afforded the lower income earners opportunity to be integrated into the urban fabric of the Johannesburg inner city. Most of the private sector housing providers do not qualify and are unwilling to become SHI in order to receive social housing subsidies from the government but are still able to cater for the low income earners in the City, as property prices have worked in their favour and provide a kind of “subsidy” (Mosselson, 2015:12). From 2000 to 2013 residential development was the main driver of reinvestment in Johannesburg (Bethlehem, 2013). TUHF was established in 2003, by the National Housing Finance Corporation (NHFC), specifically to assist with inner city refurbishments. TUFH has had a major influence on the increase of inner city housing.

Typical gentrification processes result in property investors being attracted to an area with decreased property values, with a vision of the opportunity that lies in unlocking the area through a small capital injection. As indicated through the interview process, and reiterated by Mosselson (2015), Johannesburg inner city is seeing a very different form of regeneration. The interviews conducted indicated the will and want, on the part of private sector property developers, to create housing opportunities for low income earners. This group is characterised by households earning between R7 000 and R14 000 per month, forming part of the “gap housing market” (Interview 2, 2017; Interview 3, 2017).

Large financial institutions are unwilling to fund projects in the inner city (Interview 1, 2017). This has encouraged the development of other funding agencies, which have a specific focus on lower income housing or social housing. There are three main financiers, two are government-related, namely NHFC and the Gauteng Partnership Fund (GPF), while the last is a private entity, TUHF. Households in the ‘gap market’ struggle to access housing opportunities, as they do not qualify for government subsidies, and banks will not fund them as they view this income group as too much of a risk. The three abovementioned funding agencies only provide finance for housing projects that cater for this market, resulting in an agenda, from the financiers, of promoting sustainable housing opportunities as a priority over profitability (Mosselson, 2015:12), whereas the private sector housing providers in the inner city still aim to make a profit (Interview 7, 2017). These three dominant financiers provide lenient loans but attach stipulations to their funding, stating that rent cannot exceed an amount of R4 500 per month and encouraging landlords to be more aware of the tenants’ income levels. This enables households in the “gap market” to find suitable accommodation in the inner city, while the property developers can operate a profitable business (Interview 4, 2017; Mosselson, 2015:13). This has also assisted the private sector housing providers to create more compassionate regulations in the inner city, as opposed to regulations in more affluent areas. Most
providers have stipulations as to how many adults can rent a room. On average, a bachelor or one-bedroom unit can usually accommodate two adults, whereas a two-bedroom unit will allow for four or five adults. The private sector housing providers also usually permit one person to sign the “head lease” and then sublet to others who would ordinarily not qualify. All these conditions make the housing opportunities accessible to a much wider range of the lower income earners, especially those people who have informal or inconsistent incomes (Mosselson, 2015:14).

“[T]he regeneration process is being valued not only for the commercial success it has brought, which has been substantial, but also for the developmental results it is yielding” (Mosselson, 2015: 15). According to Mosselson (2015:15), a “new socio-cultural milieu” has formed in the inner city, with private sector property developers embracing the new form the City has taken, having close interactions and communication with tenants. Most of the providers feel a deep sense of responsibility and pride attached to the inner city, wishing to create better environments for the people that reside there (Interview 5, 2017). They have come to love and accept the change in the inner city and the flexibility of its uses to suit new purposes (Mosselson, 2015:18). This can be seen in the increasing social responsibility efforts by the private sector in funding initiatives such as the Ekhaya Project, among many others.

Ekhaya is a residential City Improvement District (RCID), established by the private sector with the support of the CoJMM. The RCID is a neighbourhood improvement programme in a low income, high density area in the inner city. The intention was to create a safe, clean, healthy and well-managed environment for the benefit of the people who live and work in the area. It was a bottom-up approach, where the community on the ground led the process and decided on the urban regeneration initiatives to make their area work better. The project was funded by the JHC (Metropolis, Online; Informalcity, Online).

What has become evident, and displays an increased sense of community, is the change from individuals to families. In the 1990s to 2000s most of the tenants in the Johannesburg inner city were single males whereas, now, the majority of tenants are couples or families, with an increasing demand for family units (Interview 6, 2017). The housing providers, who are active in the regeneration efforts of the City, have come to accept the inner city as a “new African Urban Centre” (Mosselson, 2015:17-20). As stated by Mosselson (2015:21), who has shown the positive effects that private sector housing and urban regeneration are having on the inner city, there are still many issues and problems in the Johannesburg inner city, but we must not fail to see the positive effects on so many people’s lives, specifically those who form part of the “gap market”.

“At present it is supporting new forms of African family life and ways of being urban, and is thus a powerful instantiation of transformation” (Mosselson, 2015:21).
The residential vacancy rate in the inner city is extremely low, sitting at approximately 1 per cent. Landlords (private sector housing providers) do not struggle to find tenants to occupy their buildings in the affordable rental market and the turnover has declined over the years with people staying, on average, for five to six years in a unit (Interview 5 & Interview 6, 2017). As stated by one of the interviewees, and reiterated by many others, the private sector property developers invest where the demand is, and the market dictates the product, which is cheap affordable housing (Interview 3, 2017). The inner city is an attractive place to invest as it is a very robust market no matter how badly the economy is doing (Interview 7, 2017). Most of the interviewees noted that the market dictates the type of accommodation they provide, and as it stands the affordable market is in demand. They will respond to the market (Interview 2, Interview 3, Interview 5 & Interview 8, 2017). According to interviewee 3, “we go where the market is. Where the Market wants to live, that is where you need to invest” (Interview 3, 2017). Currently, the demand in the inner city is for affordable rental accommodation (Interview 7, 2017).

The private sector provides a vast number of affordable rental units in the inner city. According to Rebelgroup (2016a:16), it is difficult to account for the number of units delivered by the private sector. According to Interview 10 (2017) and the TUHF Annual Report (2016:12), TUHF has counted a portfolio of 19 103 units within the inner city area, while the Johannesburg Property Owners Managers Association (JPOMA) (Interview 11, 2017) indicated 18 234 units on their books. Although double counting is common in these assessments, it is accepted that the aggregate amount is approximately 37 000 units. There is also a growing section of small scale entrepreneurs who are entering the Johannesburg property market in delivering affordable rental housing. The above numbers do not account for these. The units delivered by the private sector usually take the form of bachelor configurations, one or two bedrooms and some provide three bedroom units. In general, the two bedroom units are currently the most popular, followed by the smallest units (bachelors) but these have a higher turnover according to Interview 6 (2017) and Interview 7 (2017).

The table below was compiled by extracting information from three different sources on the available accommodation options from the private sector role-players contributing to affordable housing in the Johannesburg inner city versus the household monthly income that tenants are expected to pay for the accommodation. A list of the 11 major private sector role-players were identified in 2013 (Tissington, 2013) who offered a rental price range of R2 000 up to R4 000 per month, accommodating one to a maximum of six people depending on the size of the unit. In 2016, Rebelgroup (2016a) and the interview process (Interviews 1-8, 2017), conducted for this dissertation, disclosed the following:
## TABLE 7: ACCOMMODATION TYPE VS HH MONTHLY RENTAL

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Rooms 1 Adult</th>
<th>Bachelor 2 Adults</th>
<th>One Bedroom 3 Adults</th>
<th>Two Bedroom 4-5 Adults</th>
<th>Three Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>R2 000-R2 600</td>
<td>R2 700-R3 000</td>
<td>R3 700-R4 000</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>R1 400</td>
<td>R2 300</td>
<td>R4 100</td>
<td>R5 400</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>R 1200 – R1300</td>
<td>R1800-R3500</td>
<td>R2 800- R4500</td>
<td>R3 000-R5 500</td>
<td>R5 275-R7 500</td>
</tr>
<tr>
<td>Average</td>
<td>R1250</td>
<td>R 2450</td>
<td>R 3400</td>
<td>R4250</td>
<td>R6400</td>
</tr>
</tbody>
</table>

*Source: Tissington, 2013:55-56; RebelGroup, 2016a; Interviews 1-8, 2017*

Critically, the rental prices indicated do not include additional levies (i.e. water and electricity), which can amount to an additional cost of between R300 and R1 000 per month, depending on utility usage. This is demonstrative of the lack of supply, from the private sectors side, for the lowest income group or poorest of the poor in the Johannesburg inner city. As indicated above a rental price of R1 400 with additional cost of a minimum of R300 per month for utilities means a household would have to earn more than R5400 per month to afford a bachelor unit which can accommodate two adults. This is above the lowest income group’s household income in the inner city of R3 200 or less, of which more than 49 per cent of the population in the inner city live within.

The average rental price range, indicated in the table above, varies from R1 400 to R6 400 per household per month for a variety of accommodation options. These averages indicate that the income group targeted for this accommodation is expected to earn above R3200 per household per month, or households are spending more than 30 per cent of their household income monthly on accommodation to stay in the inner city.

To summarise, the various sources above indicate that the rental price for the units provided by the private sector are out of the reach for the lowest income group. As noted in the income to rental affordability ratio (Table 4), a household earing R3 500 per month can afford R1 050 in rent. All the rentals indicated, although varying widely, fall outside of the affordability range for the lowest income group. This indicates that the private sector does not provide for this group but, rather, provides for the “gap market”. The CoJMM acknowledges that the demand for affordable rental outweighs that of the supply and this inevitably affects the lowest income group as they are provided with little to no formal rental options (Mosselson, 2015). Despite successful interventions by the private sector, the response to this inadequate supply of rental accommodation for the
lowest income group is not addressed. Consequently, the only option for the urban poor is the occupation of “bad buildings”, perpetuating slum conditions.

What is astonishing is the amount the urban poor are paying for the informal market. Individuals are paying between R800 and R1 200 (Rebelgroup, 2016a) for a shared space in a room with access to a partial service package, but these spaces are generally undignified, unsafe and illegal. The informal rental market in Johannesburg is an important sub-market, not only for the accommodation that it provides, but also for the economy that is derived from it. The informal rental market is noted as the second-most successful functioning sub-market in Johannesburg (SHSUP, n.d.:14). The informal market consists of two forms, slumlords and informal small-scale landlords. It would therefore be critical to acknowledge the informal rental market as a crucial part of housing delivery in the inner city, and as a different form of accommodation to slumlordism. Although informal, it needs to exist for local economic development. It would be counterproductive to replace the informal rental market with a formal market, as the economic opportunity for small scale landlords would be diminished. Regulations to ensure slumlordism does not take place, need to be developed and enforced, but informal small scale landlords should not be eradicated until there are reasonable and affordable alternatives.

5.1.2.1. Outcomes of interviews conducted with private sector

I. Profitability

Through the eight interviews conducted with medium to large private sector housing delivery agents in the Johannesburg inner city, the following emerged. 90 per cent of the interviewees noted that there is plenty of opportunity to make money in the inner city, even when providing lower cost housing, and that the buildings are attractively priced (Interview 6, 2017), with one interviewee stating the following:

“People are making a lot of money. The model still allows people to make a lot of money. Can you make the same if you go to Sandton, you probably could” (Interview 2, 2017).

Interview 3 and Interview 8 (2017) noted that you could buy buildings very cheaply back in the day, which was one of the main attractions to develop in the inner city. Interview 6 (2017) noted that their company invested in the Johannesburg inner city because the buildings were very well priced as the perception of the area was bad, so property values dropped. If you had financing at the time it made sense as a property investor to invest. Interviewee 7 (2017) noted that “Johannesburg inner city is [a] very robust place no matter where the economy goes”.

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Initially, financing was an issue as the big banks had redlined the inner city (Interview 4, 2017) but, seemingly, this has improved with alternative options such as TUHF and the like. Some of the interviewees noted that TUHF is more expensive than other finance options but it is accessible as it is willing to support development in the inner city (Interview 3, 2017).

II. Precinct approach – creating a community

During the interview process, almost all the interviewees expressed that the aim of their companies was not to “simply” provide housing, but rather to create a better community in general for the tenants that reside in their buildings displaying a more precinct approach to their developments (Interview 5, 2017). Interview 5 (2017) noted that they utilise “scale” and “critical mass” to induce change, by buying a number of buildings in “dangerous areas”. Interview 1 (2017) indicated that housing was just the start of the development – “people need a place”, but once a person has shelter, social facilities are extremely important. This specific company looks upon education as key to assist poor people in the inner city. They look towards the “outdoors”, what is beyond the accommodation, to see how they can uplift the community.

Interviewee 4 (2017) noted that they are also socially oriented, stating that “we don’t just look at rentals, we look at the community”. This interviewee also noted that they had developed a primary school for 605 children as well as a park on behalf of the public sector.

III. Involvement in government mechanisms or alignment to policy

In terms of government programmes and the lack of private sector involvement in these, all eight interviewees observed that it was simply “not worth it” for them to try to access state funding, as the process is overregulated. One of the biggest developers in the inner city started out as a registered SHI but saw little benefit, noting that the “numbers do not work out” and the administration process is a burden (Interview 5, 2017). Interview 6 (2017) noted that the SHI model is not appealing to them as they do not need the subsidy and do not want to be bound by the regulations. Some of the interviewees stated that they engage and work with certain city departments namely the JDA, JRA and City Parks. JDA seems to be the main government institution with which most of the interviewees work but, in general, all the Interviewees expressed that they experienced difficulty in working with the government.
IV. Challenges to delivery

When asked what the biggest challenges are for the private sector in delivering housing in the inner city, on a day-to-day basis, the answers were very similar. All the interviewees mentioned problems with the public sector, noting issues with the Planning Department in attaining approvals, access to services and the ever-increasing cost of services, tedious regulations, bad urban management and by-law enforcement, as well as general billing concerns. Interview 7 (2017) remarked that the big challenges “are all the stuff we can’t control”. Many of the interviewees also expressed their concern with the lack of social facilities in the inner city (Interview 3, 2017), with some involving themselves in the implementation of schools and the upgrading of parks, all of which should be provided for by the government (Interview 5, 2017). Another pressing issue raised by most of the interviewees was that of hijacked buildings, along with crime and homelessness. Some noted that the structural cause of hijacked buildings is clearly the demand for lower rentals and that there are no alternative options for people in that income group (Interview 3, 2017).

TABLE 8: CHALLENGES TO DELIVERY FOR PRIVATE SECTOR

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>Approvals from Planning Department (Interview 2, 2017)</td>
</tr>
<tr>
<td></td>
<td>Increasing cost of services:</td>
</tr>
<tr>
<td></td>
<td>• Rates and taxes increase by 13% annually</td>
</tr>
<tr>
<td></td>
<td>• Additional Levies that affect the tenant directly:</td>
</tr>
<tr>
<td></td>
<td>Water Levy: 6kl free has been removed</td>
</tr>
<tr>
<td></td>
<td>Sewer Levy: levy has increased to 13%</td>
</tr>
<tr>
<td></td>
<td>Refuse Levy: Changing the billing to be per unit instead of per bin</td>
</tr>
<tr>
<td></td>
<td>(Interview 4; 5 &amp; 6, 2017)</td>
</tr>
<tr>
<td>Regulations</td>
<td>(Interview 6, 2017)</td>
</tr>
<tr>
<td>Bad urban management</td>
<td>(Interview 6 &amp; Interview 7, 2017)</td>
</tr>
<tr>
<td>By law enforcement</td>
<td>(Interview 3, 2017)</td>
</tr>
<tr>
<td>Billing issues</td>
<td>(Interview 3; Interview 5; Interview 6 &amp; Interview 7, 2017)</td>
</tr>
</tbody>
</table>
Heritage can be a problem – conserving the wrong things
(Interview 5, 2017)

Aging infrastructure – water is a major problem (especially with the drought) as the old buildings rely on water pressure to get water to roofs so developers must install water pumps, which is an upfront extra cost
(Interview 6 & Interview 8, 2017)

<table>
<thead>
<tr>
<th>Social facilities</th>
<th>No schools, clinics etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Interview 1; Interview 4 &amp; Interview 5, 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hijacked buildings</th>
<th>• “bad buildings” are a major issue as they often spill out into the surrounding precinct and allow criminal activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Interview 3; Interview 4; Interview 6; Interview 7 &amp; Interview 8, 2017)</td>
</tr>
<tr>
<td></td>
<td>• Homelessness (Interview 8, 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding</th>
<th>Funding from big banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Interview 1 &amp; 5, 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Government subsidy too much of a hassle</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Interview 2; Interview 3 &amp; Interview 5, 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Framework</th>
<th>PIE Act can cause problems for landlords: if a tenant does not pay rent they cannot be evicted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Interview 2, 2017)</td>
</tr>
</tbody>
</table>

Source: Interview 1-8, 2017

V. **Mechanisms to assist with delivery to lower income groups**

When asked what could be done or how it would be possible to decrease their rental prices or provide for lower income groups, some of the biggest concerns expressed were the rates and taxes, as these increase by 13 per cent annually and affect the tenants rather than the developer or landlord (Interview 4 & Interview 7, 2017). Most of the tenants’ rental prices do not include additional levies such as water, electricity and refuse removal. Interview 5 (2017) also observed that the service charges in the inner city are as high as those in Sandton, an affluent area in Johannesburg. Interview 5 (2017) also noted that it would be possible to decrease rental prices but would necessitate a willing partner. Interview 4 (2017) noted that “we can deliver to the lower end, we just need a willing partner”, while interview 5 (2017) noted their willingness to partner with government to assist in the delivery of lower rentals by stating that “we will partner with
government to deliver more at a more affordable rate”. Further, interviewee 5 (2017) noted that they could get their rentals down to R800 per month if they could partner with the CoJMM and get the necessary reductions in upfront costs or services: “This partnership is really important, we could solve the problem in 5 years” (Interview, 5, 2017). All interviewees agreed they would be happy to provide lower rental prices but would require some form of assistance.

When asked if each developer could have one mechanism to increase delivery at a lower rental, the responses were as follows:

**TABLE 9: TABLE INDICATING MECHANISMS TO INCREASE DELIVERY OF LOW RENTALS**

<table>
<thead>
<tr>
<th>MECHANISMS TO INCREASE DELIVERY OF LOW RENTALS</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REDUCED SERVICE CHARGES</td>
<td>The interviewees suggested that the first five years could have reduced service charges with incremental increases. This would assist them with the initial payments and help them to deliver lower-priced rentals as upfront cost would be reduced. (Interview 5; interview 4; Interview 7 &amp; Interview 8, 2017)</td>
</tr>
<tr>
<td>SPECIAL PURPOSE VEHICLES</td>
<td>The interviewees acknowledged that they do have the expertise to deliver affordable housing very quickly and affordably in the inner city. It was suggested that the government should utilise these skills for non-profit reasons through the creation of special purpose vehicles. (Interview 5 &amp; Interview 3, 2017)</td>
</tr>
<tr>
<td>VAT</td>
<td>The interviewees noted that if they were able to claim VAT back on their developments they would be able to drive down rental costs. This could be specified to certain areas such as the UDZ initiative. All residential construction and supply should be able to claim VAT back in UDZ defined zone. (Interview 1; Interview 7 &amp; Interview 8, 2017)</td>
</tr>
<tr>
<td>CHEAPER FINANCE</td>
<td>The interviewees all noted that the government could really assist with delivery, for lower income groups, if they incentivised banks to finance the inner city more and assisted with relaxation of risks to landlords. (Interview 1 &amp; Interview 2, 2017)</td>
</tr>
<tr>
<td>GOVERNMENT INCENTIVES</td>
<td>If the government provided access to cheaper bulk (or land</td>
</tr>
</tbody>
</table>
that is serviced) private sector would be able to provide lower rentals (Interview 6, 2017).

- The same would apply if the government provides private sector with buildings, as upfront costs would be minimised, and rentals could be as low as R800 per month.

“Get council to buy the building and donate to the private, could get the rent down to R800pm” (Interview 5, 2017).

- The private sector developers noted that incentives such as the UDZ should be brought back as this initial tax reduction would assist in delivering lower-cost rentals.

(Interview 1; Interview 4; Interview 5`; Interview 7 & Interview 8, 2017)

Source: Interviews 1-8, 2017

Interview 5 (2017) noted that the financial model to deliver to the lower income groups is currently not viable: “If the financial model doesn’t work, it is not financially viable”. This was an overarching theme across most of the interviews. With one company noting that they must achieve 11 per cent, as prime is sitting at 10.5 per cent and the banks will not let them borrow money unless they can show the project is financially viable. The banks consider 11 per cent an acceptable number (Interview 5, 2017).

Most of the private sector companies are open to forming partnerships with the government but note a couple of the upfront concerns: Private sector developers can develop the buildings for the government (with certain incentives in place) but there is uncertainty as to who will manage the buildings post development. Management is the key to a successful development and Interview 5 (2017) indicated that a suitable SHI such as Madulammoho could assist with management post development, as they have skills in management. Interview 8 (2017) mentioned how they embarked upon a partnership with the government, but politics eventually got in the way and they decided not to do it again as it created a barrier to development.

One interviewee noted that they focus on trying to deliver to the poorest of the poor always looking at “how can they go downstream with their housing” (Interview 1, 2017).
5.2. Future for Johannesburg’s inner city

This dissertation acknowledges the current political climate in the Johannesburg inner city to do justice to this research. The new Mayor of Johannesburg, Herman Mashaba, is currently focusing a lot of attention on the Johannesburg inner city, acknowledging the lack of affordable housing and the pressing concerns with hijacked buildings. This section will look at the current political agenda in the inner city, drawing on previous chapters to show the links in the research through to the present. Several newspaper articles will be utilised, displaying both the positive and negative critiques levelled against the current agenda.

5.2.1. New life into the inner city

According to Business Live on 1 June 2017 (Mailovich, 2017), the plans to redevelop the inner city will be driven by the Mayor’s office. Mayor Herman Mashaba plans to develop the inner city and provide more affordable long-term rental housing options for its residents, by reclaiming and releasing Johannesburg’s hijacked buildings to the private sector for development. Approximately seventy of these buildings have been identified and the plan for these buildings will be released by September 2017. Mayor Mashaba had visited a selection of these hijacked buildings in May 2017. The buildings did not have electricity, water or sewer connections and no garbage collection, while occupants of the buildings were paying between R250 and R1 200 per person per month to “rent” a space. On 5 July 2017, a well-known hijacked building in Johannesburg, Cape York, caught fire resulting in the death of seven people. Mayor Mashaba noted that he is working alongside the Emergency Services Department to declare all hijacked buildings unsafe. He also noted that the CoJMM is currently in the process of identifying all council owned properties, with the intention of converting them into “affordable, low cost housing”. A further R219 million has been allocated to JOSCHO to assist with the provision of affordable units. Currently, the housing backlog amounts to approximately 300 000 units. The Mayor’s biggest concern is extortion of money by the slumlords from the poorer residents (Mabuza & Jordaan, 2017). In another article released by Times Live (2017) on 5 July 2017, Mayor Mashaba notes the need for “buy-in” from all sectors of society, namely civil society, the business community as well as law firms, to address the issues relating to hijacked buildings. The Mayor has engaged with property developers to present his vision to revive the inner city, encouraging the private sector to invest in the city to create clean living spaces which will entice business opportunities. He describes how the inner city revival is a key priority for the next five years, with a core focus on hijacked buildings: “we want to access these buildings and to get criminals out” (Times Live, 2017). The Mayor threatens that he will use expropriation methods if absent owners owe the CoJMM money and are not locatable.
5.2.2. Implications for foreign nationals

A private sector spokesperson stated that it was reassuring to hear that the council would be interested in partnering with the private sector. On 15 August 2017, Biz News (Mkokeli, 2017) released an article about the problematic rhetoric being released by the Mayor’s office with regards to the hijacked buildings and the illegal immigrants. Mayor Mashaba intends to evict undocumented foreigners from inner city buildings. Mashabe has been receiving resistance from human rights activists, as his plans are seemingly unconstitutional. The Mayor released statements towards the end of 2017, noting that 80 per cent of the residents in the inner city are undocumented foreign nationals. This statement has been rebutted by SERI, as their extensive experience and work in the inner city has revealed that only 20 per cent of the residents are foreign nationals, while 80 per cent are South African nationals. SERI protects the rights of the urban poor who face evictions in the inner city. SERI spokesperson further goes on to note that Mayor Mashaba’s statements are deemed xenophobic and that proper procedure needs to be followed when conducting evictions, involving court rulings and provision of alternative accommodation for evictees. According to Misago and Wilhelm-Solomon (2016), in terms of the 2011 census data, foreign nationals only made up 12.7 per cent of the population in Johannesburg, which is in stark contrast to the popular belief of the inner city being “overwhelmed by migrants”. Xenophobic attacks in 2008 claimed sixty lives across the country with another seven in 2010 (Mkokeli, 2017). It is therefore concerning that a political figure is utilising xenophobic rhetoric in the media, as this could once again ignite anti-immigration sentiment.

According to Misago and Wilhelm-Solomon (2016), the ICHIP plan is a major step forward for the inner city in providing a more pro-poor approach, as the plan is truly inclusive, also ensuring the inclusion of foreign nationals. Many foreign nationals, even those with the correct documentation, struggle to access the formal housing market as they do not meet the basic requirements. There is no clear policy framework on access to subsidised housing for foreign nationals, and the Social Housing Policy does not stipulate that non-nationals cannot access this form of accommodation. According to Misago and Wilhelm-Solomon (2016), an integrated rental housing policy could act as a protector against xenophobic attacks.

5.2.3. Where are the poor in the new plan

On the 15 October 2017, Nhlapo (2017) released a News24 article criticising the Mayor’s inner city campaign, stating that his vision does not include the poor. Nhlapo (2017) states that the campaign
has resulted in hundreds of poor families being displaced through violent evictions. The evictions are even compared to those during apartheid, in an act to “clean up the city”. SERI has labelled the raids as inhumane, while the ANC has criticised Mashaba for being “anti poor”. Nhlapo (2017) questions Mayor Mashaba’s overreliance on the private sector in redeveloping the reclaimed buildings, as their existing rental accommodation does not cater for the needs and affordability of the lowest income group. It appears that the CoJMM’s plan is to simply make life for the poor intolerable, thereby permanently forcing them out of the inner city. In an interview conducted by 702 (Tshetlo, 2017), SERI heavily criticised the CoJMM’s campaign to reclaim illegally occupied buildings and “clean up the city”. Stuart Wilson (Executive Director at SERI) notes that the Mayor cannot label every inhabitant in the inner city as a criminal and conduct unlawful searches. Wilson (in Tshetlo 2017) goes on to state that these people are not being recognised as human beings and citizens of South Africa who have human rights.

5.3. Conclusion

There have been several proposals designed to increase the supply of affordable rental accommodation, which have been considered and proposed by CoJMM. These include the following: tax reprieve or incentive on rental income, defined investment zones for improvement of accommodation, provision of micro-financing, and revision or relaxation of planning and building controls (SHSUP, n.d.:12). According to SHSUP (n.d.:12), these mechanisms, alongside innovative finance mechanisms, should be interrogated to scale up the supply of affordable rental accommodation. The CoJMM also needs to work alongside the private sector in creating a clear vision for the provision of inclusionary housing. As is evident from this Chapter, there still is a serious deficit in low-income rental accommodation in the inner city, as the supply is failing to meet the demand, both in quantity and for the lowest income group. The CoJMM, until recently, still appeared to look towards the private sector to provide for the poorest households, yet, (as is evident throughout this Chapter) the private sector’s rentals are too expensive for the lowest income group (Interview 12, 2017).

The CoJMM’s response to “bad buildings” is not to provide more accommodation for the lowest income group, who clearly cannot afford the rental accommodation on offer but, rather, to beautify and attract more private investment to solve the problem. This, again, displays the absolute disregard in dealing with the real issue at hand – homelessness and indigents or people that earn less than R3 500 per household per month and therefore cannot afford the rental prices on offer, as no rental opportunities exist in this income bracket (Tissington, 2013:12-14). As stated by Charlton
(2013:192), most of the well-located rental accommodation is not affordable for the lowest income group. This is owing to the lack of a rental subsidy and the need to cover running costs from rentals per unit. The current government mechanisms in place, aimed at increasing rental accommodation in the inner city, such as social housing, do not significantly address the needs and demands of the lowest income group. A new approach towards “bad buildings” is paramount. “bad buildings” need to be viewed as a solution to the problem rather than as the problem.

The private sector developers, as indicated through the interview process, are willing to provide for the lower income group, if they are assisted to do so. They display that they are unable to provide lower rental prices without financial support or incentives that help with upfront costs. Although there is cynicism from the private sector’s side to work with the government, all the interviewees displayed their willingness to explore options and even proposed tangible initiatives that would allow them to assist with the delivery of lower rentals.

The recent political agenda in the inner city leaves many questions in the commitment from the government in delivering affordable rental accommodation.
6. CONCLUSION

The inner city of Johannesburg is home to thousands of the urban poor. It is a necessity for the urban poor to live in the inner city because of proximity to economic opportunities and transport facilities, both of which are essential for people of this income bracket to survive while living in the city. Although there is affordable rental accommodation in the inner city, it is only accessible to certain sectors of the urban poor, known as the income group labelled as the gap market, since the rental is still unaffordable to the lowest income group, or “poorest of the poor”. The inability to find suitable and appropriate accommodation options forces this population group to live in informal conditions. The ever-increasing demand for affordable rental accommodation, especially for the lowest income group, has not been met by the supply, and continues to be unmet.

From 1994, housing policy initially focused on ownership as opposed to rental, even though places like the Johannesburg inner city has had high levels of demand for rental accommodation since the 1980s. The Government took 10 years, from 1994 to 2004, to pay proper attention to the importance of this tenure option. This has contributed to the slow delivery of rental accommodation, specifically for the poorest of the poor. Without the Government taking rental tenure as seriously as ownership, true commitment to the delivery of rental accommodation was unlikely.

This dissertation questioned the commitment of the Government to the delivery of affordable housing opportunities for the poorest of the poor in the Johannesburg inner city. It interrogated the plethora of plans, programmes, strategies and mechanisms currently in place, that acknowledge the need for more formal rental accommodation opportunities for the lowest income group in the inner city, and why these have never come to fruition. The dissertation investigated why the delivery of formal, affordable rental accommodation opportunities, for the poorest of the poor, in the Johannesburg inner city has been extremely slow and, at times, non-existent. The research examined the disparity between the supply and demand and looked in detail at the targeted income groups for which the current supply makes provision. Further, it investigated the supply of affordable rental accommodation from both the public and private sector.

It is paramount that the lowest income group be included in the formal future development plans for the inner city, lest the informal inhumane options, currently used by the poorest of the poor, continue to persist. These conditions expose the most vulnerable sector of society to unsafe and undignified circumstances, which is in direct violation of their rights under the Constitution of South
Africa. Moreover, the informal rental sector is often viewed as synonymous with criminality, arbitrarily connecting the tenants that reside in the informal buildings with the criminal activity of their slumlords.

The Government faces a conflicting trajectory in Johannesburg, and the country at large. The housing debate, as displayed throughout this dissertation, is characterised by dual needs: on the one hand, the desperate need to resolve the ever-increasing backlog of delivery of housing to the poor and, on the other, the simultaneous need to maintain economic growth to enable Johannesburg (and South Africa in general) to compete in the global market. The desire for Johannesburg to become a “world class African city” conflicts with the CoJMM’s other pressing agenda of poverty alleviation. The inner city of Johannesburg has directed a great deal of its focus to inner city regeneration to achieve this world class status. Over the years, this regeneration process has excluded the poor, especially the urban poor. The Johannesburg inner city case study indicates the conflict inherent in attaining economic growth while fighting for social injustice. The two are difficult to achieve concurrently. This dissertation concludes that this conflicting trajectory has had a direct and detrimental effect on the housing crisis in the inner city, where little to no formal accommodation opportunities exist or are being created for the lowest income group. Furthermore, efforts to reverse this or create these opportunities appear to lack political will. This leads one to question the actual commitment from Government to alleviate poverty and make provision for the poorest of the poor in the inner city.

The inner city of Johannesburg consists of two urban poor groups; the “gap market” and the ‘poorest of the poor’ (being the lowest income group), which has presented a particular phenomenon in affordable rental provision. Although the Government is mandated with housing delivery, specifically for the poor, the private sector plays a significant and important role in housing delivery in the Johannesburg inner city. The vast “gap market” has been capitalised on by the private sector role players in the inner city, who facilitate thousands of low-income rental opportunities for this group. This has enabled a sector of society, which would ordinarily have been forgotten (as their income is too high for government subsidy programmes and too low or seemingly “too risky” for loans from banks), to form part of the bigger urban fabric of Johannesburg. This market lends itself to an interesting relationship whereby the “gap market” is able to access affordable accommodation options from the private sector, while the private sector is still able to reap a profit.

The lowest income group, however, is unable to access this private sector rental accommodation as the rental prices are too high. This group falls under the responsibility of the Government but provision for it has been minimal. In an attempt to rectify this, the Government created numerous
mechanisms; Social Housing, Transitional Housing and the CRU Programmes have been their three core rental programmes in the Johannesburg inner city. Until now, these mechanisms have had little impact on the inner city, with approximately 10 000 units delivered since 1994, and only 7 000 of those units still available.

The Transitional Housing Programme, created to assist with the poorest of the poor (households earning below R2 500 per month), had little success, its main constraint being the six-month timeframe in which the “residents in transition” were expected to find more permanent accommodation options. This Programme ceased in 1999. The CRU Programme also addressed the poorest of the poor - households earning between R800 and R3 500 per month. The policy for this Programme was up for review in 2013 but this review failed to take place, leaving an incomplete policy with an unclear strategy. After the failure of these Programmes, no further programmes or strategies were formulated, rendering the lowest income group bereft of formal accommodation opportunities. The lack of commitment to adapt these Programmes, or create new workable programmes, directed at rental accommodation opportunities for the lowest income group, points a distinct absence of political will to provide for the poorest of the poor in the Johannesburg inner city.

Having said that, it is worth noting that the very recently proposed changes to the existing Social Housing Policy include amendments to the CRU Programme, which, finally, might display the necessary commitment and political will by Government to make provision for the poorest of the poor.

Social housing has been viewed as the main mechanism to assist with the provision of affordable rental accommodation for the urban poor. However, this mechanism has, been ineffectual in several areas, most notably in its lack of delivery to the bottom end of its targeted income group. The recent proposed changes to the Social Housing Policy could constitute a positive commitment from the Government to fix the problems around the social housing model. At the time of writing this dissertation, however, these changes were only proposals, with no practical action or implementation yet. The Social Housing Programme initially struggled to be financially viable and sustainable and, therefore, found difficulty with attracting private sector involvement. This new amendment, if implemented effectively, could make an enormous difference to the delivery of social housing in the inner city.

The proposed amendment also included a change to the CRU Programme. The previous issue with the CRU Programme was the high management and maintenance costs, with little to no chance of cost recovery from rental. Further, the Government was the owner and administrator of all CRU projects and, as already mentioned, their past performance in this regard has been poor. If, as
proposed, the CRU Programme is placed under the Social Housing Policy and managed by SHI’s, the cost recovery concerns and the management concerns could be eradicated. This (apparent) commitment to change policy provides the prospect of some positive outcomes for this dissertation’s topic. Yet, the results cannot be confirmed as the policy review was only submitted in June 2017, so is still to be adopted. It would therefore be premature and speculative to make any assumptions as to its outcomes, as implementation has not yet begun.

The Inner City Transformation Roadmap and its successor Programme, the ICHIP, seem to be moving towards a more suitable housing delivery agenda. The Roadmap is the first plan that appears to understand the structural issue of homelessness and poverty, regarding the housing problem in the Johannesburg inner city. It would seem, too, that the ICHIP provides suitable mechanisms to realistically address the different housing challenges, across all income groups, with no overreliance on one mechanism versus the other. Both strategies indicate the need for the Government to play a pivotal role in housing delivery for the lowest income group. However, both strategies also highlight the importance of partnerships with the private sector to deal effectively with the inner city housing problem on all levels and scales.

Despite the numerous plans and strategies created by the Government, there is currently still a lack of opportunities for this lowest income group, on the ground, resulting in an overreliance on the informal rental market. The informal rental market has two central providers:

- The first is the informal small scale landlords, running abandoned sectional title buildings, but with reasonable living conditions for the tenants. This “secondary” economy is an important aspect of the Johannesburg inner city and must not be forgotten in the search for provision of formal affordable rental accommodation for the lowest income group. These small scale informal landlords acquire an income from this informal rental market and should be considered when policy interventions are created, dealing with the informal rental market.
- The second is slumlords who have “hijacked” buildings, and who take advantage of their tenants, insisting that rent be paid despite the lack of provision of basic and fundamental services and frequent overcrowding. Tenants are forced to pay exorbitant amounts to rent a ‘space’ in a building that is often dysfunctional. This informal rental market is characterised by inhumane and unsafe living conditions.

There is one existing mechanism aimed at addressing the informal rental sector in the Johannesburg inner city, the Bad Building Programme or Better Buildings Programme. This Programme was first established in the 1990s and has been through several adaptations since. The fundamental issue with this Programme is the eviction of the occupants (namely the lowest income group) living in the
“bad buildings”, for the purposes of redevelopment. Evictees are left homeless and with no alternative options, as the CRU and Transitional Housing Programmes have failed thus far, and the Social Housing Programme provides for a higher income bracket. This results in the cycle being perpetuated, as the evictees have no other option but to seek refuge in another bad building, allowing for the problem to persist. The current agenda by the Mayor of Johannesburg, Herman Mashaba, must also be included in this analysis since his stance on highjacked buildings contributes to the concerns of the CoJMM around the continued inability to deliver tangible solutions in providing for the poorest of the poor.

Conclusively, this dissertation criticises the lack of formal provision for the lowest income group in the Johannesburg inner city and the failure, to this point, to adapt existing mechanisms or provide new appropriate mechanisms to increase delivery. 22 years post democracy, there is still little evidence of commitment in making provision for the poorest of the poor in the Johannesburg inner city.

However, the recent change in the Social Housing Policy, and the CRU Programme, could be the answer to the issue at hand. If this policy amendment is implemented effectively and the Government truly commits to its intention, if partnerships with the private sector are actively sought, then the process of formally including the ‘poorest of the poor’ in the Johannesburg inner city as their home will, finally, become a reality.


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INTERVIEWS

Interview 1. 2017. Personal communications: Urbanist and small scale property developers. 29 June.
Interview 3. 2017. Personal communications: Large scale property manager listed fund. 5 July.
Interview 4. 2017. Personal communications: Large scale property developer listed fund. 6 July.
Interview 10. 2017. Personal communications: Public sector specialist in the field. 7 July.
ANNEXURE A: QUESTIONNAIRE

CARLA ROBB

MINOR DISSERTATION: QUESTIONNAIRE

CRITICAL HISTORICAL OVERVIEW: PRIVATE SECTORS ROLE IN SOCIAL HOUSING IN THE JOHANNESBURG INNER CITY.

INTERVIEW DATE:
COMPANY:
PERSON:

BACKGROUND TO COMPANY’S WORK

1. Do you want to stay Anonymous?

2. When did you start your company?

3. What does your company do?

4. Define what affordable / Social Housing means to you.

5. When did you start to get involved in affordable housing the JHB inner city (your timeline)?

6. What attracted you to develop in the JHB Inner City / What motivates you?

7. What Makes Johannesburg Metropolitan a more attractive City to invest in as opposed to the other metropolitan Municipalities such as Cape Town and Durban?

8. What are the biggest challenges you face (with regards to social housing delivery) in the Johannesburg Inner City?

GOVERNMENT RELATED QUESTIONS

9. Which Government institutions do you work with?
10. What barriers / blockages do you experience?

11. Did you experience problems with access funding for social housing? (Government subsidies)

12. Do you abide by any government strategies or policy (or are you simply developing where suits you)?

13. Did / Do you find the UDZ (tax incentive scheme) of assistance? Have you benefitted from it?

14. Are you aware of the current Municipalities strategic plans for development (i.e. Corridors of Freedom)?

15. Do Municipal plans and strategies entice you to get involved and develop alongside their schemes - such as the Corridors of Freedom?

16. Has the change in Political Parties created more or less barrier in your work environment in JHB inner city

SPECIFIC QUESTION TO COMPANY’S: Delivery, Typology, Cost

17. What type of housing do you provide?

18. What are your housing rental options?

19. Who are the tenants that you cater for? Which income group and what are your rates you charge? Profile of income groups.

- Does this rental include levies and rates and taxes or does it exclude this
ANNEXURE A: QUESTIONNAIRE

20. Number of buildings that you currently own for affordable housing?

21. Number of Units (approximately) and breakdown of cost for each type of unit?

22. High level cost estimates to build each unit? (per sqm)

OVERALL

23. Why do you think Johannesburg metropolitan Municipality is probably the ONLY metro that has private sector developers contributing to the Social market stock

24. If you had one mechanism that would assist you to deliver more social housing – what would it be?
Annexure B: Consent Forms
Dear Sir/Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research **Private Sectors role in social housing in the Johannesburg Inner City.**

*This research aims to provide a Critical Historical Overview of Social Housing in Johannesburg Inner City and offer a better understanding of private sector’s role, in delivering social housing, in the Johannesburg Inner City.*

I would like to use your name, designation and possibly quotations from this interview/questionnaire for my dissertation as a source of information. Please indicate **YES** or **NO** below to give of withhold your permission to do so.

**YES** I give permission for you to use my Name / Designation / Words in your Dissertation

**NO** I give permission for you to use my Name / Designation / Words in your Dissertation

If indicated **NO**, would you be satisfied with your words being used but request to stay anonymous?

The information provided by you in this questionnaire will be used for research purposes and documented in the research paper, on your consent. If you would like to end this interview at any point you are free to do so. A copy of this form can be given to you upon request.

Signature of Interviewee
Name: **CHANTAL MANN**
Designation: **BTLA**
Date: **29 JUNE 2017**

Signature of Student
Name: **CARLA ROBB**
Student No: **RBBCARD004**
Date: **29 JUNE 2017**
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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YES I give permission for you to use my Name / Designation / Words in your Dissertation  
[ ]

NO I give permission for you to use my Name / Designation / Words in your Dissertation  
[ ]

If indicated NO, would you be satisfied with your words being used but request to stay anonymous?  
[ ]

The information provided by you in this questionnaire will be used for research purposes and documented in the research paper, on your consent. If you would like to end this interview at any point you are free to do so. A copy of this form can be given to you upon request.

Signature of Interviewee
Name: CEZA
Designation: TIM HAYNES
Date: 01 July 2017

Signature of Student
Name: CARLA ROBB
Student No: R8BCAR004
Date: 01 July 2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research
Private Sectors role in social housing in the Johannesburg Inner City.

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Signature of Interviewee
Name: CARLA ROBB WIT
Designation: CEO
Date: 5/9/2017

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR004
Date: 15/07/2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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Signature of Interviewee
Name: Tiso Masipa
Designation: Planning and Urban Development
Date: 2017/07/07

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR0004
Date:
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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Signature of Interviewee
Name: Malcolm McCartney
Designation: MPhil
Date: 07/07/2017

Signature of Student
Name: Carla Robb
Student No: RBBCAR004
Date: 01/01/2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

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□

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□

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Signature of Interviewee
Name: CARLA ROBB
Designation: CHAIRMAN
Date: 13/7/17

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR004
Date: 13/07/2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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YES I give permission for you to use my Name / Designation / Words in your Dissertation ☑

NO I give permission for you to use my Name / Designation / Words in your Dissertation ☐

If indicated NO, would you be satisfied with your words being used but request to stay anonymous? ☐

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Signature of interviewee
Name: LUSANOA NETSHIHITENZHE
Designation: DEVELOPMENT IMPACT
Date: 19 July 2017

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR0004
Date: 19.01.2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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Signature of Interviewee
Name: L. L. Robb
Designation: CEO
Date: 21.07.2017

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR004
Date: 21.07.2017
Dear Sir / Madam,

Thank you very much for agreeing to participate in this Interview and Questionnaire.

My name is Carla Robb. I am studying a Masters of Philosophy in Urban Infrastructure, Design and Management at UCT. I am currently completing my Minor Dissertation which intends to research Private Sectors role in social housing in the Johannesburg Inner City.

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Signature of Interviewee
Name: A. J. SCHAFFER
Designation: MO
Date: 27.7.2017

Signature of Student
Name: CARLA ROBB
Student No: RBBCAR004
Date: 27.01.2017