



**MARKET SOLUTIONS TO THE LOW-INCOME HOUSING CHALLENGE – A
CASE STUDY OF BULAWAYO, ZIMBABWE**

by

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Signed by candidate

Candidate: Bridgit Gugulethu Taruvinga

Signed at **Cape Town** this **20th** day of **January 2019**.

ABSTRACT

MARKET SOLUTIONS TO THE LOW-INCOME HOUSING CHALLENGE – A CASE STUDY OF BULAWAYO, ZIMBABWE

The provision of decent, affordable and well-located housing for low-income communities has been an intractable problem, especially for developing countries. The empirical puzzle that motivated this study is that, despite the adverse macro environment in Zimbabwe, there appears to be private-sector developers who are successfully developing housing benefiting the low-income group. This is so, despite numerous studies that claim that given the magnitude of the housing challenge, a neoliberal doxa in a developing country context as a solution is a fallacy. Working on the broad premise that these developments represent a successful adaptation to the structural environment, the main question guiding the study was - what accounts for the success of market-provided low-income housing developments in Zimbabwe despite the environment not being conducive for it? The two sub-questions flowing from this main question were firstly, how does the structural environment enable and/or constrain private sector low-income developments in Zimbabwe? Secondly, what strategies do developers adopt in response to the structural enablers and/or constraints to develop low-income housing in Zimbabwe? From these questions, the study has two hypotheses – the first hypothesis is that despite the adverse environment there exists in Zimbabwe structural enablers that make market solutions to the low-income housing challenge possible. The second hypothesis states that developers have specific discernible strategies that they employ in response to the adverse operating environment to reduce development costs to levels that enable them to provide low-income housing successfully. Using the Structure-Agency model, which is a theoretical framework rooted in institutional economics, a conceptual model to study the development process was developed and used to theorise the impact of structure on agency in the development process. Empirical evidence was gathered using observation, household surveys, and semi-structured interviews. This evidence was obtained from five housing schemes, the local authority, central government, financiers and the developers of the housing schemes, and then processed using NVIVO and SPSS. The study finds that most challenges faced by developers emanate from the institutional environment and access to resources. These challenges are namely central-local government dynamics fuelled by political undertones, lack of access to land suitable for the target group, a bureaucratic and stiff regulatory framework as well as a lack of market-provided developer and end-user finance. Enabling factors were mainly the withdrawal of the government in the provision of housing in line with World-Bank neoliberal orthodoxy and incapacitation of the local authority, which eliminated alternative sources of housing for the low-income group other than market provided housing, thus widening the market base for the developers. Strategies used by the developers include developer provided finance to the target group, preselling developments, sidestepping the local authority through buying land at the periphery of the local authority boundary, sidestepping regulatory barriers through engaging in corruption, backward integration to promote efficient resource allocation, and an innovative approach to risk management that caters for the low-income group. The study concludes that all these strategies have one overriding objective of cost containment. The findings indicate that there is potential, appetite and scope for more private-sector engagement. On this basis, it is recommended that the key to unlocking this potential lies with the state, as there are several policy implications that flow from these findings if the highlighted constraints are to be addressed. The study makes a number of key contributions to knowledge on market solutions to the low-income housing challenge in the area of theory, methodology, policy and empirical data.

Keywords: low-income housing, market solutions, private-sector developers, Structure-Agency, constraints, enablers, strategies, cost minimisation, Bulawayo.

LIST OF PUBLICATIONS ARISING FROM THIS RESEARCH

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LIST OF ACRONYMS

AfDB	African Development Bank
CABS	Central African Building Society
CDOs	Collateralized Debt Obligations
CIFOZ	Construction Industry Federation of Zimbabwe
ECH	Economic and Comfortable Housing
ESAP	Economic Structural Adjustment Program
FFYDP	First Five-Year National Development Plan
FTLR	Fast Track Land Reform
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association Bank
IFC	International Finance Corporation Bank
MERP	Millennium Economic Recovery Programme
NGOs	Non-Government Organisations
NHF	National Housing Fund
NPLs	Non-Performing Loans
NPOs	Non-Profit Organisations
OM	Operation Murambatsvina
PPPs	Public-Private Partnerships
RBZ	Reserve Bank of Zimbabwe
SA model	Structure-Agency model
SoHP	Structures of Housing Provision
SPPS	Statistical Package for the Social Sciences
TNDP	Transitional National Development Plan
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
ZBCA	Zimbabwe Building Contractors Association
ZESA	Zimbabwe Electricity Supply authority
ZimAsset	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMPREST	Zimbabwe Programme for Economic and Social Transformation

1. INTRODUCTION

1.1 Background

Numerous researches centred on attracting the private sector into low-income housing development has been undertaken due to challenges faced by the public sector, viz., limited technical and financial resources, prohibition to engage in commercial activities, political pressure to rapidly increase the volume of housing and other such challenges (Abdul-Aziz & Kassim, 2011; Babatunde, Opawole, & Akinsiku, 2012; Loxley, 2013). Public-sector efforts around the world to be direct providers of low-income housing have yielded dismal results, with very low output filtering down to the target market compared to the overall housing requirements of the urban population and serious time and cost overruns (Moss, 2003; Özdemir, 2011; Sivam & Karuppanan, 2002).

The private sector, because of the profit motive, is deemed by most studies to possess a better skill-set, which enables it to be better able to complete housing development projects ahead of schedule due to different work values, tenacity in resolving challenges and advanced project risk management structures, which is good for low-income housing delivery (Loxley, 2013). Indeed, there is empirical evidence that the majority of houses added to the market (not necessarily in the low-income housing space) are produced by the private sector (Bredenoord & Verkoren, 2010; Sivam & Karuppanan, 2002). Proponents for private market engagement in the low-income housing development also believe that it represents the optimal mechanism for economic development (Pattison, 2009) and brings about employment opportunities and spurs the local economy which eventually leads to trickle-down economic benefits (Campbell, 2011a; Fawaz, 2009; Nijman, 2008).

However, low-income housing is a difficult sector that is not normally attractive to private investors. If private capital is to be mobilized for low-income housing development it is imperative that the investor considers sources of revenue inflow, an exit strategy for capital recovery and profitability to make the investment justifiable to the shareholders (Demirag, Khadaroo, Stapleton, & Stevenson, 2011; NBRI Researchers, 1987; Rust, 2007; Stein & Castillo, 2005). This exit strategy is hampered by a number of challenges that are present mainly due to the characteristics of the

target market - the low-income earners. The low-income bracket in which the target market falls automatically cripples their ability to afford high-value commodities such as housing (Lea, 2005; Loxley, 2013; Mosha, 2013; Moss, 2001; Sivam & Karuppanan, 2002). This necessitates the need for subsidies in various forms, and thus hinders the provision of low-income housing from being a sector that can easily benefit from private-sector development initiatives.

Closely linked to the above point, involvement of multiple stakeholders in the low-income housing sector whose objectives and interests are different also compounds risk and makes attracting private capital into this sector difficult (Babatunde et al., 2012; Demirag et al., 2011). This is usually exacerbated by the fact that low-income housing is a politically sensitive issue that the state and other players can easily manipulate (Cowan & McDermont, 2008; Lea, 2005; Özdemir, 2011; Samaratunga & O'Hare, 2014). As a consequence of this political risk, most low-income housing projects suffer from policy unpredictability (Altmann, 2011) and are also inflexible in terms of housing design as state stakeholders sometimes unnecessarily insist on unreasonably high standards that are not backed by the payment capabilities of the low-income sector (Abdul-Aziz & Kassim, 2011; Mosha, 2013; W. Moyo, 2014; Rakodi & Mutizwa-Mangiza, 1990a)

Most low-income earners are also employed in the informal sector, and as a result, not only are their incomes low but for most, the income is unstable or undocumented (Lea, 2005; Moss, 2001). Thus, their ability to access mortgage facilities, which are necessary for home purchase, is inhibited. Adding on to this risk, most of the informally employed low-income earners have either no credit history at all or a poor credit history, which poses a high risk to the private investor (Lea, 2005; Loxley, 2013; Moss, 2001; Stein & Castillo, 2005). As a result, most private property developers shun this market, which makes low-income housing development a relatively thin market that is thus highly risky. These risks compound credit risk, liquidity risk, and cash flow risk (Binns, 2012; Kamete, 1997; Stein & Castillo, 2005). Dependence on private capital for low-income housing development which is provided by risk-averse shareholders would thus entail finding means and ways of pricing and packaging that credit risk in such a manner that the private sector can then determine if this group can

be profitably served, whilst maintaining affordability by the target sector (Demirag et al., 2011; Gallimore, Williams, & Woodward, 1997; Lea, 2005; Moss, 2003).

Adding on to this risk is the lack of collateral that can be used to mitigate the above-mentioned risks. One can argue that real estate investments are the easiest to finance as the asset that is being financed can easily be used as collateral. However, with low-income housing, this is often not the case as the land that in for low-income housing may not have a marketable title (Loxley, 2013; Mosha, 2013; NBRI Researchers, 1987). The private sector has to deal with tenure options that are offered to the target group. Thus, the strength of the tenure option can affect perceived risk by the private sector, and research has shown that financial institutions are often wary about land with an uncertain title as collateral instead of the usual title deed (Kamete, 1997; Mosha, 2013).

Due to the challenging conditions that are inherent in the low-income housing sector, as noted above, various forms of organizational structures have been pursued in a bid to tap into the capabilities of the private sector. The most common structure is the public-private-partnership (PPP) framework. However, in low-income countries, PPPs have recorded little success because in addition to the above cocktail of challenges, the private sector would have to operate within an economically challenging atmosphere, which is not conducive for large-scale projects (Centre for Affordable Housing Finance in Africa, 2012; Lea, 2005; Moss, 2003; Özdemir, 2011). The challenges listed above would thus at first glance pose significant constraints in the provision of low-income housing by the private sector, but research has shown that private development activity can develop in spite of adverse macro-economic conditions (Altmann, 2011; Bredenoord & Verkoren, 2010; Centre for Affordable Housing Finance in Africa, 2012).

Zimbabwe has a long history of housing shortages dating back to the pre-independence era, which is invariably felt more amongst the low-income group (Chipungu & Adebayo, 2013; Chitekwe-Biti, 2009; Gumbo, 2015). As early as 1935, the country was already struggling with housing due to the ballooning urban populace coupled with an increase in urban poverty (Brown, 2001). As at 2002, the housing backlog was estimated to be at more than one million houses (Chirisa, Gaza, & Bandaiko, 2014;

Chitekwe-Biti, 2009), and this figure has never gone down below the one million mark, with studies approximating the shortage at 1.25 million in the years 2010 to 2013 (Centre for Affordable Housing Finance in Africa [CAHF], 2010, 2011, 2012, 2013; Government of Zimbabwe [GoZ], 2013), 1.5 million in 2014 and 2015 (CAHF, 2014, 2015) whilst Muchadenyika (2015a) and CAHF (2017) slotted it at 1.25 million in 2015 and 2017 respectively. Official figures estimating the housing shortage, grossly understate the figures, as the government relies on housing waiting lists, which are ineffective as most people in need of housing are not registered on the waiting lists and the rate at which existing applicants renew their application is only 0.4 per cent annually (CAHF, 2013; Chitekwe-Biti, 2009). Official reports by the government and ZIMSTAT also rely on the 2012 census data, for example, poverty atlas 2015, 2016, with the inevitable result being understated figures of urban poverty. A worsening economic environment however generally results in an increase in urban poverty, and given that Zimbabwe has been facing economic problems for the last 20 years, urban poverty rates have been growing. Structural adjustment policies in Zimbabwe which were implemented in the period 1991-1995 had severe consequences for the urban poor, as removal of consumer subsidies, cuts in government expenditure, and opening the private sector to competition resulted in a decline in real wages (Brown, 2001) and worsened the economic challenges facing the country (Chirisa, 2014). Limited sources of capital, policy uncertainty, a high cost of doing business, high debt burden and cash shortages has resulted in the economy spiraling downward and contracting significantly resulting in job losses, eroded disposable incomes and an increase in poverty, which affects affordability of housing finance and housing itself (CAHF, 2015, 2016)

The plethora of challenges facing Zimbabwe has resulted in worsening living conditions for the urban low-income groups (Chipungu & Adebayo, 2013; Chirisa, 2014) as a poorly performing economy led to high unemployment rates and a large proportion of the population which is employed in the informal sector (Brown, 2001; CAHF, 2015). The increase in urbanisation, poverty, unemployment and informal sector activity has created new and competing pressures on urban space in Zimbabwe (Brown, 2001; Chirisa, 2014) which require innovative solutions.

Attempts by the government to ameliorate the housing problem have proved futile as

the backlog continues to soar (Gumbo, 2010). Between 1985 and 2000, the Government could only deliver less than 10% of the annual housing target (Chipungu & Adebayo, 2013). As at 2005, the relative housing supply to demand was at 0.2% (CAHF, 2010). Causes of the gap between planned and actual construction are linked to an economic recession, increasing building costs, lack of foreign investment (Potts & Mutambirwa, 1991) and inadequate investment by the public sector. Fiscal constraints on government expenditure as the principal cause is echoed in all studies which touch on the failure of most state-run housing projects and incapacitation of the local authorities (Brown, 2001; Chipungu & Adebayo, 2013; Chirisa, 2014; Chitekwe-Biti, 2009; Davies & Dewar, 1989; Kamete, 1997), and is the reason why government has been encouraging alternative housing delivery processes mainly by the private sector. This is despite that the fiscal constraints faced by the government imply that there are no government guarantees that can be used to encourage financial institutions to lend to the low-income group. As at 1997, the guarantee fund, which had been set up by the government, had run dry due to reduced government allocations and has never been resuscitated since then (Kamete, 1997). Up to 1994, there was a state subsidy on mortgages set at 3%, in an effort to protect the low-income borrowers, but fiscal constraints also resulted in these not being long-lived.

Barring the sporadic attempts at housing provision in the aftermath on the slum clearing project which left over 700 000 people homeless, egged on by a need to exonerate the government in the eyes of the international community, the government has retreated from direct provision of housing (AfDB, 2007; Chipungu & Adebayo, 2013). Government is thus encouraging private sector participation in the low-income housing sector and has curtailed its role as a direct provider of housing to become an enabler and facilitator of private and informal housing process in line with the Global Shelter Strategy whose theme is the enabling approach. These calls are entrenched in all official government policy documents and strategy papers that acknowledge the housing backlog (GoZ, 2002, 2009, 2012, 2013). International finance was made available in Zimbabwe by the United States Agency for International Development (USAID) and the United Nations Development Programme (UNDP) in the 1980s (Kamete, 1997). This attracted private capital into low-income housing production in the form of mortgage loans (Chipungu & Adebayo, 2013) but worsening fiscal constraints eroded the role that government could play. The reluctance by private

enterprise, i.e., building societies, to put capital at risk in Zimbabwe is seen through very low lending proportions, with 1.55% in 2013, 1.73% in 2014 and 2.59% in 2015 (CAHF, 2013, 2014, 2015) of total loans made in each fiscal year going towards the construction sector. This has been well understood by researchers as the private sector is driven by the profit motive (Gumbo, 2010; Kamete, 1997). This reluctance further worsens the plight of low-income earners, as the main challenge to housing the urban low-income earners is housing finance, which cuts across the whole housing development process from the acquisition of land to putting up of the superstructure.

Other issues that add on to the challenge of housing the low-income group in Zimbabwe are that low-income housing schemes in Zimbabwe have focused on homeownership (Chipungu & Adebayo, 2013). The low-income housing rental market has never fully developed due to rent control policies, which drove away most property developers (Chirisa, 2014). This thrust, combined with the lack of either public or private mortgage finance makes it difficult for the low-income group to afford market produced housing solutions. The housing market is also characterised by high minimum building standards as entrenched in the Town country and model building bylaws (Chirisa, 2014). Critics of the existing model building bylaws state that they are very rigid, outdated, and inhibitive to the smooth implementation of infrastructure development works in local authority areas (Chirisa, 2014; Chitekwe-Biti, 2009; Davies & Dewar, 1989). Cost of building materials is high, there is a shortage of skilled labour, and contractors in the market, due to the perceived risk, charge more than regional averages (Chirisa, 2014). There is also a shortage of foreign currency which is exacerbating the economic crisis in the country (Chipungu & Adebayo, 2013; Chitekwe & Mitlin, 2001), and the government is failing to supply the critical ingredient to low-income housing programs - serviced land (Chazovachii, 2011; Chitekwe-Biti, 2009; Gumbo, 2015; Muchadenyika, 2015a).

The empirical puzzle that motivated this research is that, despite the above challenges experienced in Zimbabwe, the low-income housing sector has been dominated by the private sector. As early as 1989 Davies and Dewar (1989) noted that the largest proportion of new low-income dwellings was being constructed by small private contractors, who are part of the market system. This trend has become more pronounced in the period from 2000 to 2017 as there has been a notable increase in

private sector low-income housing developments that have been launched that appear to be successful. A literature scope on research on the housing sector in Zimbabwe shows consensus on the need for private sector engagement. Government has been spearheading these calls and advocating for the involvement of the private sector on a larger scale as a solution to the low-income housing woes (Gumbo, 2010, 2015). If significant strides are to be made in denting this shortfall, studies show that there is need to come up with innovative ways of stimulating involvement of stakeholders in the production of low-cost housing (Chipungu & Adebayo, 2013; Gumbo, 2010; Kamete, 1998; W. Moyo, 2014) despite all the challenges that may be faced in serving the low-income target market. This research thus aims to examine private sector players that have ventured into the low-income housing arena, in a bid to learn their coping mechanisms and to learn how best they can be supported.

1.2 Low-Income Housing Production: Preliminary Literature Review

As has been detailed in the preceding section, it is indisputable that the low-income housing sector is a difficult market to serve. Studies have argued that it is impossible for the private sector to profitably go into low-income housing development and bring authentic social and economic development for the target market (Campbell, 2011a; Craig & Porter, 2006; Rolnik, 2013; Seisededos, 2009). There have however been calls in other studies for research which targets how the private sector can be mobilized and encouraged in serving the lower end of the market, as a focused desire to incorporate the private sector can yield positive results (Abdul-Aziz & Kassim, 2011; Altmann, 2011; Bredenoord & Verkoren, 2010; Lea, 2005; Miller, 2010). For there to be concrete strides towards the attainment of this feat, there is need to study all the players within the low-income housing production space and to understand the linkages and challenges and possible motivations that can encourage them to either start serving or continue serving this sector. This is imperative as the state, due to various constraints, has proven incapable of satisfying demand for housing in this market (Babatunde et al., 2012; Loxley, 2013) and it is known that there is a lot that can be benefited from sustainable private sector engagement (Lea, 2005).

Previous research that has been undertaken in the provision of low-income housing has concentrated on just one or two aspects of low-income housing. For example, end-user financing of low-income housing has been well-researched (Chinloy &

Megbolugbe, 2013; Ferguson, 2004; Frame, Wall, & White, 2013; Gooden, 2011; Gumbo, 2010; Hancock & Passmore, 2009; Jorgensen, 2008; Kajimo-Shakantu & Evans, 2006; Kamete, 1997; Lea, 2005; Moss, 2003). Although the availability of end-user finance plays a huge role in the development of low-income housing, it does not detract from there being a need to understand the whole development process, right from the availability of development finance, the application of these funds, risk mitigation strategies and the exit strategy. A partial study of projects leads to incomplete information being known about individual projects resulting in project reviews going no further than general reviews that lack empirical support (Loxley, 2013; Mooya & Cloete, 2007). As a result, most studies that concentrate on just one aspect suffer from this flaw. Studies that have looked at critical success factors of PPPs (Abdul-Aziz & Kassim, 2011; Babatunde et al., 2012) have called for the establishment of relevant laws, regulations and guidelines to guide PPPs especially in terms of agreement and action to be taken if these are not met. These rules are important especially in the low-income housing sector as they will provide clarity on the operating environment and attract more private players in low-income housing production (Centre for Affordable Housing Finance in Africa, 2012). Just as much as studies are quick to call on the need for the law to act against errant developers, the state itself has been recognized as a potential barrier to private player engagement in the low-income housing space as it imposes constraints that may hinder private sector efficiencies. These include an insistence on unnecessarily high building standards (Mosha, 2013; W. Moyo, 2014; Rakodi & Mutizwa-Mangiza, 1990a) and stipulating how privately built low-income housing is allocated (Abdul-Aziz & Kassim, 2011; Centre for Affordable Housing Finance in Africa, 2012).

One interesting gap that is also evident in literature arises from the assumption that the state is typically in a position to provide subsidy support to both the low-income groups and the developers to bring down the cost of low-income housing (Bredenoord & Verkoren, 2010; Moss, 2001; Sivam & Karuppanan, 2002; Wang, Shao, Murie, & Cheng, 2012). If this assumption were to be relaxed, how would this impact on the production of low-income housing by the private sector? The desired objective by most neoliberal proponents is a situation whereby the state's role is limited to creating an enabling environment through institutions aimed at supporting private financial activities (Abdul-Aziz & Kassim, 2011; Ibem, 2011; Mosha, 2013; Rolnik, 2013;

Sivam & Karuppanan, 2002). In South Africa, for example, even though the low-income housing sector is currently characterized by heavy subsidy support, it is the state's hope that by the end of 2020, this industry will have been weaned off the subsidy support and will be mature enough to stand on its feet (Centre for Affordable Housing Finance in Africa, 2012). The same can be said for most low-income countries that have huge fiscal constraints and large budgets that are not sustainable (Babatunde et al., 2012; Lea, 2005; Loxley, 2013) that would surely be willing to cut down on expenditure so as to concentrate on other areas of equal importance. So the question of how feasible it is to have private sector investment in the low-income housing under this situation of no subsidies is potentially a controversial topic that is likely to spark serious academic debate as private markets have been heavily criticized for excluding the urban poor (Bredenoord & Verkoren, 2010; Campbell, 2011a; Ibem, 2011; Mosha, 2013; Moss, 2003; Rolnik, 2013).

Closely linked to the above issue on subsidies, if these were to be unavailable, would the state still advance its insistence on homeownership as the ideal tenure style for the low-income group? Studies have pointed out that this a fallacy, as most low-income earners do not have the financial capability to own houses (Chinloy & Megbolugbe, 2013; Mooya & Cloete, 2012), and the definition of what constitutes an adequate shelter should be adapted to the types of limited resources available for housing in each country (Stein & Castillo, 2005). Incorporating the poorest socio-economic groups is not ideal, as customary delivery processes when private capital is used are not suited for the group (Bredenoord & Verkoren, 2010; Rolnik, 2013). But, around the world, research shows that focus is still on delivering owner-occupied housing (Moss, 2001, 2003; W. Moyo, 2014; Özdemir, 2011) A complete study on a project that is financed by the private sector under these extreme conditions would thus yield results that might fill this literary gap.

Critical success factors for the engagement of the private sector in the low-income housing space have been exhaustively studied in different contexts and scenarios (Babatunde et al., 2012; Moss, 2003; Stein, 2008), and a common thread that runs through all the research findings is that a stable economy is a critical input. However, in most low-income countries, the economies are far from stable, with most economies being characterized by a cocktail of economic and political challenges, which include

unstable political climate, fraud, corruption, haphazard planning. Despite this, there are private activities that are mushrooming in response to the demand for housing in the low-income space. However, none of these studies looked closely at how the players in this particular segment have adjusted their strategies to take these challenges into account.

All the above issues can be tackled through studying the structural environment and its impact on private-sector led low-income housing development. A study like that will yield empirical evidence on different mechanisms that can be used to channel private sector resources to the low-income housing sector (Stein & Castillo, 2005), how liberalization of low-income housing markets has affected investment and housing patterns of access and ownership (Wang et al., 2012) and risk pricing strategies (Demirag et al., 2011). Attempts to measure and expose these issues have notably been difficult as it involves the quantification of data that is frequently qualitative and context-specific in nature (Gallimore et al., 1997).

1.3 Problem Statement

The low-income housing sector in Zimbabwe is characterized by recipients with no stable incomes, lack of collateral, inadequate mechanisms for credit history checks, high housing standards and little or no long-term savings, and no government subsidies due to limited fiscal space (Mashoko, 2012; W. Moyo, 2014; Rakodi & Mutizwa-Mangiza, 1990a). The period prior to 2009 was characterized by severe hyperinflation that contributed to a highly unstable local currency that was eventually abandoned in favour of the use of foreign currency as legal tender in 2009 [termed dollarization]. Post-2009, the dollarized environment has also brought in unique challenges such as a low to non-existent savings culture amongst Zimbabwean. Financial institutions thus find it difficult to give out long-term mortgage loans, which are a prerequisite if the low-income housing sector is to develop fully. In the period leading to 2015, the macroeconomic environment has taken its toll on industries with most companies scaling down operation or closing, leaving thousands of people unemployed. Unemployment levels have skyrocketed with more than 80% of the population believed to be either unemployed or involved in informal sector activities as a means of survival.

Against a background that is characterized by the challenging economic woes facing the country, many low-income housing developments have been launched that appear to be successful. Thousands of housing stands all targeted at the low-income sector have been developed and housing built as shown in Table 1-1.

Table 1-1: Private developers active in Bulawayo

Developer	Area	Number of Stands	Year stands were allocated
A	Cowdray Park	532	1996
B	Cowdray Park	75	2004
C	Cowdray Park	274	2006
C	Cowdray park	126	2003
D	Cowdray park	983	Not available
E	Pumula South Phase 3	253	Not available
F	Phelandaba	185	2008
G	Mbundane	450 (estimate)	Not available
H	Emthunzini Township	3500 planned	Land bought in 2008

Source: Compiled from various newspaper sources

The empirical puzzle requiring explanation, therefore, is that, despite the adverse macro environment, there appears to be successful private-sector low-income housing developments in Zimbabwe. Working on the broad premise that these developments represent successful adaptation to the structural environment, the study has one main question and two sub-questions. The main question is what accounts for the success of private-sector low-income developments in Zimbabwe despite the environment not being conducive for it? The sub-questions are (1) How does the structural environment enable and/or constrain low-income developments in Zimbabwe by the private sector and (2) What strategies do developers adopt in response to the structural enablers and/or constraints in order to develop low-income housing in Zimbabwe?

1.4 Aims and Objectives

The overall aim of the study is to investigate the structural enablers, as well as the constraints, for low-income housing development in Zimbabwe, in order to determine how developers exploit the former and mitigate the latter, to achieve successful outcomes. To achieve this aim, the study has the following specific objectives:

- To assess the extent to which the specific housing schemes have been successful.
- To determine the structural enablers and constraints for low-income housing development in Zimbabwe.
- To determine the strategies that developers employ to exploit the structural enablers and to mitigate the constraints.
- To assess to the extent to which the agency of the private sector in the development of low-income housing in the Zimbabwean context could be enhanced, and to make appropriate policy recommendations in this regard.

1.5 Defining Low-Income Housing

When loosely used, the term low-income housing generally means housing that is targeted at the urban poor, but the criteria used to identify the urban poor isn't explicit and universal (Wratten, 1995). In analysing empirical usage of the term, this study notes that "low-income housing" is a common term in published scientific and policy-making literature, but a literature survey showed that its definition is not universal. In some studies, low-income housing refers to informal settlements (African Centre for Cities, 2011), economic and comfortable Housing (Cao & Keivani, 2014), public housing (Claussen, 2015), subsidised housing (Eriksen, 2009) as an example. From the foregoing, it can be clearly seen that the meaning that is attached to the term has a profound effect on the issues that will be of concern in this study when analysing enablers and constraints to private sector provision of housing, a concern that requires the term to be defined upfront.

It is acknowledged that the use of income only to define the 'urban poor' is misleading (Mitlin, 2004; Wratten, 1995). As an example of the complexity that arises from classifying housing using income, African Centre for Cities (2011) states that "not all of Africa's poor live in informal settlements and slums, and conversely, not all those who live in informal settlements and slums are poor". As an alternative to the use of income as a classifier, emphasis can be placed on the physical attributes of the property in question. Quality of housing and access to basic services is a clear dimension of urban poverty (African Centre for Cities, 2011) that can be used to differentiate between housing targeted at the higher income groups and that targeted at the low-

income group. In Zimbabwe, there are three population density areas as per zoning laws, namely high-density, medium-density and low-density areas. In the same vein, there are clearly three levels of income groups that are catered for in the zoning of residential areas in Zimbabwe and these are high-income, middle-income and low-income, as can be seen from a summary of the type of housing found in each zone shown in Table 1-2.

Table 1-2: House typologies in Bulawayo

Typical features	High-income/Low-density housing	Middle-income /Medium density housing	Low-income/High-density housing
Type of housing	single-family homes and duplexes	semi-detached, the duplexes, and row houses in a compact neighbourhood	Detached housing, Semi-detached houses, Cluster houses, terraced houses,
Plot size	800m ² -4000m ²	500m ² - 950m ² .	190m ² -490m ²
House designs	3-5 bedrooms, 2lounges, a dining room, pantry, study room, laundry room, sunroom, and playroom.	3 bed-roomed, lounge, kitchen, a separate toilet and bathroom, and a dining room	1, 2, 3, and 4 core housing depending on the design
Other features	fireplace, bar, fitted kitchen and scullery, fitted wardrobes, main ensuite and swimming pools	Fitted wardrobes	none

Source: Adapted and updated from Magwaro-Ndiweni (2013)

As can be seen, the type of housing that is built in each area depends on the target market, with the segregation of the “rich” from the “poor” being the norm as there are clearly low-income areas and suburbs for the rich (Brown, 2001; Magwaro-Ndiweni, 2013). The plot sizes, together with the permissible designs and construction materials used results in the residential areas being distinct from one another in terms of price, with the lowest priced houses being in the high-density areas. This type of housing has the lowest permissible standards, and any formal low-income housing scheme thus cannot be situated anywhere else except the in high-density locations. From the small

area poverty prevalence statistics conducted in 2015 by ZimStat, all the 9 housing schemes identified in the problem statement are located in areas with the highest poverty prevalence rates in the city of Bulawayo. These areas are Rangemore where the poverty prevalence was at 79%, ward 13 at 43.8%, ward 28 at 41.9% and ward 27 with 39.2% (ZimStat, 2015). In the context of Zimbabwe, and in the in the context of this study, the term low-income housing is thus defined as housing which is situated in the high-density areas, which adheres to formal planning regulations and design stipulations as enshrined in the Regional, Town and Country Planning Act (RTCPA) and Model Building Bylaws.

1.6 Theoretical Framework

There are a number of theories that have been proposed and used by studies in the field of property development - mainstream or neoclassical theory, institutions, Structure-Agency theory and structure of building provisions (Ball, 1998; Drane, 2013). From these, the study identified the Structure-Agency model associated with Patsy Healy and developed in 1990 (Healey, 1992; Healey & Barrett, 1990) and derived from institutional economics as the best fit for a theoretical framework to navigate the research question being addressed in this study i.e. what accounts for the success of private-sector low-income developments in Zimbabwe despite the environment not being conducive for it. The Structure–Agency model focuses on processes through which the built environment is produced, and of main interest in this study is the processes of land and property development. In the model, structures are conceptualised as the material resources, institutional rules and organising ideas which agents acknowledge (Healey & Barrett, 1990) as they work towards achieving prespecified objectives, whilst agency, which is the capacity of individuals to act independently and to make their own free choices, is conceptualised in terms of roles, strategies and interests that culminate in the attainment of specific objectives. This model is ideal for this study as it can be used to develop an explicit relation between structure and the actions of developers, thus giving more attention to institutional dimensions on the production side (Guy & Henneberry, 2000).

Developers are conceptualised in this model as bound to structural relations through resource flows, institutions (both formal and informal) and ideas/ideology and then the model analyses how each of these structural elements convey limitations and

possibilities that then frame individual agency. The theory posits the actions of developers as standing in a causal chain with clear structural variables and is sensitive to the context of developing countries whose structural environment is different from developed countries. The interrelation between structure and agency is not deterministic, but the interrelation may be observed through the way in which individuals and organisations define and implement their strategies in relation to the rules they acknowledge, the resources they draw upon and seek to accumulate, and the ideas and ideology they assert in determining and justifying their strategies (Healey & Barrett, 1990). The model strives to come up with an analytically useful development model that can be applied to all circumstances in which development projects are accomplished, that mitigates the shortcomings of equilibrium models based on economics paradigm that can only be applied in understanding the development process only in relatively stable conditions where active property markets exist. This model can thus be fruitfully used to fully explore the institutional environment i.e. political institutions, social institutions, economic institutions and legal institutions, and their effect on agency. The working hypothesis that market solutions to the low income-housing challenge can be successfully undertaken in an economy that has deep-rooted structural challenges can thus be tested through developing a conceptual framework from this theory. The successful development of low-income housing requires the employment of specific strategies that exploit specific resources and specific rules. The knowledge of the processes through which the built environment is produced and used, particularly the processes of land and property development, is thus critical to understanding urban development and the attempts at managing urban development processes (Healy, and Barrett 1990). By separating between structure and agency, the study will be able to fully explore how developers maximize utility under given constraints. This is of ultimate importance in the study of low-income housing by the private sector as the sector is fraught with challenges as was shown above.

1.7 Research Design

This study adopted a case study approach. To ensure relevant empirical data was collected, the criteria used in selecting projects was that each development project should have been commenced in the period under review i.e. from 2000-2015 and within that period, the developer should have managed to start, complete and deliver a significant number of low-income houses to the target market. The study noted that

the operating environment for private developers operating in different local authority areas is different, as each local authority in Zimbabwe is run differently. As such, relations between developers and local authorities differ as each local authority has its own unique budget, sets its own objectives, and has different approaches to solving the housing challenge. To work around this challenge, the study was limited to private-sector housing developments in the city of Bulawayo, which is the second-largest city in Zimbabwe. Information on private sector activity in the low-income housing sector from 200 to 2015 was collected from the local authority and five housing schemes were selected from all private sector housing developments that have been undertaken in the city as detailed in chapter five.

Data were collected through interviewing key stakeholders in the housing sector, and a survey of the housing schemes, which included 425 households within the schemes, was conducted. Systematic sampling was used to target the respondents in the survey, and the respondents were then stratified into two classes - owner-occupants and non-owner occupants. Document analysis was also done to supplement the interviews and the survey. Planning legislation documents, housing policy documents and empirical research papers on the housing challenge in Zimbabwe were also analysed in a bid to identify the institutional framework that guides the development of low-income housing. Using a conceptual framework derived from the Structure-Agency model, qualitative analysis of the data was done from a critical realist perspective, and the findings are presented in chapter six.

1.8 Academic Contribution to Knowledge

In the literature reviewed, the study ascertained that although low-income housing development is a well-researched area, there is paucity in empirical studies focusing on strategies that developers employ in reaction to structural enablers and constraints embedded in adverse economic conditions. Findings from this study can thus help push theoretical boundaries that have been used to conceptualize low-income housing development using private sector funds. A contextual study like this one will also provide a canvas on which to test what happens when certain key assumptions that have been taken for granted in the provision of low-income housing like the availability of subsidies are relaxed. As such, this research will contribute towards

advancing the application of institutional analysis and will have significant policy implications in developing countries.

Studying low-income housing developments in the Zimbabwean context might also give an insight into how the private sector can be employed on a larger scale despite the absence of key critical success factors identified by scholars. Lessons learnt from these initiatives will certainly be of use in conceptualizing how private sector initiatives in the low-income housing segment in the world can be structured.

The fourth contribution will be the development of a conceptual framework that can be used to inform further work in the low-income housing field. From the literature review, the structure-agency theory has not been subjected to much theoretical challenge or empirical testing as there has been little substantive research on property development that acknowledges or extends the institutional model (Guy & Henneberry, 2000). The model remains in a state of incompleteness (Drane, 2013) implying that there is a need for more empirical studies that apply this theory and improve it. Using the variables from the Structure-Agency theory, the study will refine the model, addressing the shortcoming that the model has been charged with, and develop a conceptual framework that will be applied in this study. Use of this conceptual framework will result in a more comparable body of knowledge that will help further interrogation of market solutions to the housing problem.

1.9 Significance of the Study

Governments of different social, economic and political makeup and composition across the world are seized with the dilemma of how to house their low-income groups. Continuous academic research is required to provide dynamic empirical insights and facilitate the development of possible solutions. Any such research will have practical value for decision-makers and inform policy development for the ultimate benefit of low-income earners hoping to own decent housing the world over, particularly in developing countries. Stimulating construction in the housing development sector can also create employment opportunities, improve local industries and have positive economic trickle-down effects in Zimbabwe, and other countries with a similar context.

1.10 Structure of the Thesis

The thesis has seven chapters. The second chapter will look at theories of low-income housing provision, which will culminate in the development of a conceptual framework that will be used in this study. Chapter 3 will be the general literature review that will probe the challenges of low-income housing development and interventions globally. Chapter 4 will provide the background and contextual literature on the operating environment in Zimbabwe with respect to low-income housing development by the private sector. Chapter 5 will present the research methodology, chapter six will present the empirical findings of the study and the discussion and lastly, chapter seven will conclude and give recommendations of the study.

2. THEORETICAL AND CONCEPTUAL FRAMEWORK

2.1 Introduction

The present interest for this chapter is theory, specifically how private-sector development of low-income housing in developing country contexts may appropriately be conceptualised. Theory is, of course, the basis upon which knowledge of a universal character may be advanced. Equally important, however, is that the conceptualisation allows the distillation of key causal variables, as well as their relationships, in terms of which the phenomenon of interest can be correctly and appropriately apprehended. This, in turn, aids a proper account of reasons for the successes (and failures) of the market in low-income housing provision, as well as directing attention to the relevant variables as levers for appropriate policy interventions variables.

The chapter is arranged in the following manner. The next section critically reviews the contemporary debates on the importance of theory in housing research, which firmly establishes the relative importance of this chapter. Key theoretical perspectives in housing research are tackled in section 2.3. Being a well-studied subject, several alternative theories and/or disciplinary perspectives are potentially available. The focus in this chapter is, however, on those theories that could be broadly categorised as being rooted in the economics discipline – Marxist, neoclassical and institutional theories. This choice of perspective reflects the disciplinary interests of the author and the manner in which the problem has been conceived. Additionally, this perspective is useful in that the policy prescriptions of the multilateral agencies that are influential in the housing arena, such as the World Bank, tend to, in the main, be derived from economic theory. Section 2.4 zooms in on structurally inspired theories and models of the housing development process, which are all rooted in institutional analysis. These models are interrogated for applicability taking into account strengths and criticisms raised by other studies. Based on a synthesis, modification and adaptation of these structuralist theories, section 2.5 develops a conceptual framework for the analysis of private-sector development of low-income housing in developing country contexts. The penultimate section considers the methodological and policy implications of this framework, with concluding comments following in the final section.

2.2 Importance of Theory in Housing Research

Low-income housing production is a very challenging field that has attracted a lot of research in a bid to find solutions to the worldwide challenge of housing the low-income groups (Abdul-Aziz & Kassim, 2011; Babatunde et al., 2012; Loxley, 2013). Theory should be the backbone of research which aims at informing policy on how to solve the low-income housing challenge as theories not only have the capability of explaining how and why things occur, but are also instrumental in predicting what is going to happen in the future given the present realities and can also provide intervention tools and predict outcomes of such interventions in the real world (Clapham, 2009, 2018). Good social research, it is argued, should attempt to theorise what it researches (Ruonavaara, 2018), and clarity and explicitness of paradigms and concepts is a basic requirement of research, but very few studies in the low-income housing field have used a theoretical framework to shape their studies (D. Moyo, 2004), a concern which has also been noted even amongst property development studies in general (Drane, 2013). The paucity of theoretically informed research has led to a divergence in housing research between theoretical research not backed by empirical evidence and empirical work that is not guided by explicit theoretical work that was lamented on as early as 1987 by Arnott (1987), and this concern is still being echoed up to two decades later (Clapham, 2018; Van der Krabben & Lambooy, 1993). Without a theory to bind together all the empirical evidence that may be gathered on low-income housing, research in this area can end up being too descriptive, with limited ability to be applied in other contexts, which highlights the importance of an explicit theoretical position (Coase, 1998; Ganderton, 1994; Mbiba & Huchzermeyer, 2002).

The complexity of housing implies that issues under research can be examined through the lens of different disciplines with different paradigms and concepts that might not be compatible (Clapham, 2018) resulting in differing results depending on the theoretical viewpoint that's adopted (Van der Krabben & Lambooy, 1993). This further supports the need for studies to identify specifically the theoretical paradigm framing the research if there are to be significant strides towards a theory of housing. Given the relative importance of low-income housing in poverty alleviation, use of an appropriate theoretical framework is likely to shift the focus of academic research from "lower-level" concerns as was emphasized by Mbiba and Huchzermeyer (2002).

Examples of these lower-level concerns in low-income housing provision would be the implications of private-sector production of low-income housing, ideal critical success factors etc. (*ibid.*). What is needed instead is a critical engagement with economics at a theoretical level, backed by empirical evidence (Clapham, 2018), which will highlight especially supply-side economics of a product that is tailor-made to suit the target group, with emphasis being given to reducing actual barriers to entry, and using policy tools to encourage more involvement of the private players, which is where this study fits in. Also, key assumptions, differences, definitions of terms etc. amongst studies will be easily identified if studies adopt an explicit theoretical framework, which will make empirical studies around the world more comparable, and less limited to context (Coiacetto, 2000; Mbiba & Huchzermeyer, 2002), allowing adaptability of such studies to different contexts such that policy implications can be gleaned accordingly or further additional research work can be undertaken. This is of ultimate importance in low-income housing research as there are significant variations in the economies, definitions of low incomes, levels of subsidy support and so on in countries, which will aid comparability and adaptation of research undertaken elsewhere for policy implementation in similar contexts.

The importance of theory in low-income housing research highlights the relative importance of this chapter to this research, as the theoretical framework will guide this study. From the theoretical framework, a conceptual framework will be developed, further positioning this study to significantly contribute towards academic debates and contributing to knowledge.

2.3 Key Theoretical Perspectives in Housing Research

Economics has been flagged as the most influential discipline in housing research (Clapham, 2009). The following sections will critically review each of these theories zooming in specifically on their applicability in low-income housing research. There are six main theoretical perspectives that were identified by Drane (2013) in a survey of property development models between 1950 and 2012 namely, Neoclassical, Neo Marxists, Political Economy, Institutional, Praxis and Sociological as shown in Table 2-1. This summary is the most comprehensive compared to other works, but only three constellations of theories in housing research derived from economics can be identified

in most works, namely, Marxist theory, neoclassical theories, and structuralist theories (Van der Krabben & Lambooy, 1993).

Table 2-1: Theoretical stance map for models of the development process -1954-2012

Period							
Perspective	1950's	1960's	1970's	1980's	1990's	2000's	2010's
Neoclassical		Drewett 1969 Donnelly 1964	Kaizer 1970 Markusen 1978 Massey 1978	Ball 1986	Adair 1991 Scott 1996	Bulan 2009	
NeoMarxist			Massey 1978	Boddy 1981 Harvey D 1985			
Political Economy	Lichfield 1956	Craven 1969	Chapman 1978	McNamara 1988 Ambrose 1986	Ball 1998 Adams 1994	Guy 2000,2	Adam 2012
Institutional			Barret 1978 Bather 1973	Bryant 1982 McNamara 1983	Healy 1990,1,2 Gore 1991	Ball 2001	Fanstein 2001
Praxis			Drewett 1973	Goodchild 1985	Fisher 1999	Coaicetto 2000,1,9 Shiller 2001	
Sociological	Form 1954				Diaz 1999	Beauregard 2005	

Source: Drane (2013)

2.3.1 Marxist theories

Marxism is a theory that sees society in terms of a class struggle between capitalists and the 'working class'. This in practical terms is conceptualized as a conflict between those who own the means of production, who are rich, and workers, who are poor. The relations have traditionally been seen as exploitative, with the capitalists accumulating wealth at the expense of the poor workers. Marxist economists take the view that the market is, in essence, monopolistic, based on the possession of capital (Van der

Krabben & Lambooy, 1993), which implies that the perspective conceptualizes developers and landlords as the exploitative capitalist class, whose interests is at variance with the occupiers of low-income housing. Emphasis if this theoretical stance were to be adopted in this study would be on constraints that are imposed on the behaviour of individuals by the activities of powerful groups and institutions within the low-income housing space. Indeed, there are several studies in the low-income housing space which assert that involvement of the private sector in low-income housing provision is likely to result in the marginalization of the poor and more landlessness (Bredenoord & Verkoren, 2010; Campbell, 2011; Craig & Porter, 2006; Mosh, 2013; Rolnik, 2013; Seisdedos, 2009). Such studies, working from this Marxist perspective would prescribe that low-income housing problems could be solved only within socialism, which would eliminate class exploitation (Pugh, 2001). Failure to that, the alternative would be to advocate for social justice and call for more government involvement in ensuring equitable wealth redistribution. Since the subject of study is the low-income groups, those assumed to be without the adequate means of outrightly affording housing on the open market, the Marxist perspective would advocate for more subsidy as a form of wealth redistribution. The social implications will be a reluctance to adopt alternative housing solutions such as self-help schemes even by those groups in the society who have the means to get access to housing (Landman & Napier, 2010). But, the status quo in most developing countries is a fiscal policy embattled with budget deficits and, as a result, very little fiscal resources channelled towards housing which falls far short from adequately addressing housing demands exerted by this group (Chipungu & Adebayo, 2013; Lea, 2005; Loxley, 2013). Failure also by the government to provide housing under the neo-Marxist perspectives can lead to civil unrest within the society, especially if the low-income groups take it as an infringement of their rights.

It is obvious that a Marxist theory of housing is unlikely to lead to fruitful results in research whose objective is to understand the conditions under which market solutions to the low-income housing challenge may be successfully undertaken. The Marxist theory essentially vilifies private developers as they are assumed to impose and manipulate the low-income group to ensure the most profitable arrangement of land uses, resulting in 'unpalatable social outcomes' (Mbiba & Huchzermeyer, 2002; Westra Richard, 2010). This assumption is however problematic because it wouldn't

make economic sense for private developers to actively want to serve this low-income housing market to the exclusion of other higher income groups who can afford higher rents. Adopting this theoretical stance would thus entail giving up the fight before even attempting to understand the ideologies and strategies of those private sector players who serve this market against calls by other studies for research which targets how the private sector can be mobilized and encouraged in serving the lower end of the market (Abdul-Aziz & Kassim, 2011; Altmann, 2011; Bredenoord & Verkoren, 2010; Lea, 2005; Miller, 2010). Because of the underlying premise of Marxist theories, critical as they are of the role of ‘capital’, they are not considered appropriate for the analysis of the problem as conceived above. There cannot be a Marxist theory of housing that sees the development of low-income housing by the private sector in a positive light. Marxist theory is therefore rejected *a priori*.

2.3.2 Neoclassical theories

At the core of neoclassical economics is consumer or rational choice theory (Clapham, 2009). Neoclassical consumer theory begins its analysis by considering individuals, who are rational and have full information but are income constrained as consumers only i.e. as purchasers of consumer goods. Applied to private-sector development of low-income housing in developing countries, the neoclassic consumer theory of housing demand has significant shortcomings. Perhaps the most fundamental of these is that it has nothing to say about the supply side of the housing market (Van der Krabben & Lambooy, 1993) and assumes a Pareto optimal outcome, where resources are put to their most productive uses, and the market arrives at an optimal output level (Kim & Mahoney, 2005). This is of course where the developers come in. It is therefore inappropriate for the theorizing the question of development of low-income housing. More broadly, the neoclassical consumer theory of housing demand suffers from the same problems associated with neoclassical economic theory. Neoclassic economic theory is based on the idea that the market can always correct itself and is frictionless (Buitelaar, 2004; Van der Krabben & Lambooy, 1993). A form of agent rationality is assumed which allows for unproblematic negotiation given certain structuring parameters which is ideal for perfect supply (Healey & Barrett, 1990) with the price mechanism efficiently and costlessly coordinating economic activities (Kim & Mahoney, 2005) in an environment where capital and asset markets are perfect and in equilibrium (Isaac, Allen, & Mary, 2009). A form of agent rationality is assumed

which allows for unproblematic negotiation given certain structuring parameters, which is ideal for perfect supply (Healey & Barrett, 1990). Housing is, however, a commodity that defies all the standard assumptions of mainstream economic theory (Clapham, 2018; Ruonavaara, 2018). Despite substantial demand for low-income housing as evidenced by housing backlog figures, empirical evidence which points to market failure in the provision of low-income housing to the low-income segment is abundant (Craig & Porter, 2006; Özdemir, 2011; Rolnik, 2013; Sivam & Karuppanan, 2002). Supply in housing markets is acknowledged to be inelastic in that it is slow to respond to changes in demand resulting in markets being in disequilibrium for long periods of time and characterised by long term problems of housing shortage or unaffordability as the market itself cannot correct in the way that neoclassical theory would predict (Clapham, 2018; Van der Krabben & Lambooy, 1993).

Neoclassical theory is therefore inappropriate for the theorizing the question of development of low-income housing as asset markets that are in equilibrium imply that there is no excess supply or demand in the market, yet the housing challenge points to excess demand oversupply. The unresponsiveness of supply could be partly due to supply bottlenecks emanating from various structural issues in the market such as scarcity of resources such as land suitable for low-income housing, differing ideologies amongst market players and regulatory frictions. The capital markets in developing countries are also not well-developed (Winchester, 2005) to a level where players in the market are price takers, which is a key feature of perfect markets. Developing countries are also susceptible to macro-economic volatilities (Lea, 2005) which invariably negatively affects the development of financial systems. In short, capital and asset markets in developing countries are not perfect and are not in equilibrium for any theories derived from neoclassical economic theory to be productively utilized.

One other key assumption of neoclassical theory is that agents act independently on the basis of full and relevant information, with the price mechanism instrumental in keeping the supply of goods and the demand for them in equilibrium. This assumption presupposes fully developed property markets, which challenges the applicability of neoclassical theory in a developing country context (Healey, 1992). Property developers in the low-income housing segment in developing country contexts have

to contend with a number of challenges emanating from imperfect information (Ganderton, 1994) in various areas such as the operating environment itself, risk management and enforceable property rights. Simulations of developer decision making from a neoclassical perspective have also been criticized as being isolated from real-life human manoeuvring and also do not explain why developers behave in certain ways (Coiacetto, 2001). As Healey (1992) aptly puts it, the neoclassical theory does not provide the means for examining the methods used by agents within the development process in the face of imperfect markets and imperfect information in circumstances without well-developed property markets, except to the extent that this is built into theoretical models based on rational expectations.

There is thus need for research on supply-side variables (Follain & Jimenez, 1985), an area that is typically ignored by the neoclassical approach, which highlights that the metaphor of the invisible hand that ensures harmony of individual actions in a zero-transaction-cost world does not hold in the low-income housing sector (Furubotn & Richter, 2005; Van der Krabben & Lambooy, 1993). Property developers also must depend on imperfect information (Ganderton, 1994) in the low-income housing segment, which rules out the application of any theoretical models that are derived from a neoclassical perspective. The existence of imperfect information in the low-income housing market thus points to incomplete contracts (Furubotn & Richter, 2005) which further imply higher transaction costs. The importance of minimizing transaction costs cannot be overemphasized in low-income housing (Arnott, 1987), as cost minimization might make the final product more affordable to the target group.

Despite several modifications to the basic neoclassical model, there is consensus that no single model of the housing market that is rooted in neoclassical theory can fully incorporate imperfect and non-competitive features of housing markets (Isaac et al., 2009). Consequently, classical theories have shortcomings in explaining housing market phenomenon (Arnott, 1987; Drane, 2013), and neoclassical economic modelling is prone to having a narrow focus as the emphasis is on measurable outcomes. There is need to incorporate qualitative attributes such as preferences, perceptions, attitudes in housing studies as quantitative modelling on its own results in a large margin of unexplained variances (Isaac et al., 2009). Thus, there is a need for an alternative, more conceptually correct, non-competitive economic theory that

can capture social processes that underlie housing decisions (Arnott, 1987; Isaac et al., 2009). Micro oriented theories are likely to provide more useful insight in understanding fully how housing markets in different circumstances function (Boelhouwer, 2011). Economic models are also charged with failure to consider different forms of demand, development agents being motivated for reasons other than profit; the difficulty of assessing the financial viability of schemes, including the distortions produced by appraisal methods and the complexity of the development process (Guy & Henneberry, 2000) citing Healey 2001.

2.3.3 Institutional analysis

Institutions are shared rules and typifications that define appropriate activities or relations (Barley & Tolbert, 1997; Buitelaar, 2004). A broad definition of institutions according to Guy and Henneberry (2000) includes both formal organisations and socially habituated behaviour, i.e. individual habits which when shared and reinforced within a society or group assume the form of socio-economic institutions. These institutions are thus humanly devised constraints that shape human interaction and include rules, norms, habits, and hierarchies that shape agents' actions and expectations. On the other hand, some studies have stressed that institutions do not have just the sense of constraint, but they are also enabling, as they furnish both the resources that make action possible and the rules that guide it (Healey & Barrett, 1990; Whittington Richard, 2015).

Real estate markets can easily be conceived in institutional terms as there is a broad institutional form that provides the context for market activity. Once institutions have been properly defined, it is possible to explore a number of research questions, examples of which according to Mooya (2009) include:

- Given institutions such as the nature of property rights, what incentives do users, developers or investors face?
- What constraints do property market organisations face, given the institutional environment?
- Given the organisation structure of the property market, what transaction costs must participants in the market face?

Institutional analysis concentrates on how institutional arrangements influence decision-making and how they regulate and influence the functioning of markets. Institutional theory when applied in the study of property development holds that agents in the development process “are suspended in a web of values, norms, rules, beliefs and taken-for-granted assumptions” (Barley & Tolbert, 1997) which provide blueprints for acceptable procedures. It thus places individual actors in a development process in a ‘structure’ and focuses on the influence of institutions on decision making of people and organizations. Keogh & D'Arcy (1999, cited by (Mooya, 2009) illustrates a three-level hierarchy for the analysis of real estate markets, with the higher levels tending to structure the lower levels as shown in Box 2-1.

Box 2-1: 3-level hierarchy for the analysis of real estate markets

<p>The institutional environment</p> <p>Political institutions</p> <p>Social institutions</p> <p>Economic institutions</p> <p>Legal institutions</p> <p>The real estate markets as an institution</p> <p>Market (and non-market) aspects</p> <p>Decentralized and informal</p> <p>Legal and conventional aspects of property rights</p> <p>Legal and conventional aspects of land use and development</p> <p>Property market organizations</p> <p>Users</p> <p>Investors</p> <p>Developers</p> <p>Property service providers</p> <p>Financial service providers</p> <p>Professional bodies</p> <p>Government and non-government agencies</p>

Source: Mooya (2009)

Structure, as was defined by Giddens, comprises the framework that human agents draw on and reproduce as they act (Yates, 1997) and is thus the framework within

which agents make their choices (Healey & Barrett, 1990). As such, given that structure both enables and constrains options that individuals and collectives are likely to exercise through setting bounds on rationality by restricting the perceived opportunities and alternatives (Barley & Tolbert, 1997). Even though institutional theory acknowledges that structures are socially constructed, insight into the processes by which structures emerge is provided by structuration theory. Given the shortcomings of neoclassical and Marxist theories, consensus amongst property development studies exists in support of some form of institutional analysis (Guy & Henneberry, 2000). When contrasted with the neoclassical theory, structuralist theories enable scrutiny of the development process, paying particular attention to enablers and constraints as presented by the environment, and how these, in turn, influence the choices and behaviour of agents.

One of Anthony Giddens quotes is “Men make history, but not in circumstances of their own choosing” (Yates, 1997). As such, even though the operating environment in developing countries may be far from ideal for market-based low-income housing solution, developers may have found a way of navigating the structural environment, mitigating constraints and exploiting enablers, as “humans are knowledgeable agents operating in specific contexts, not just pawns of forces - whether economic or social - larger than they are” (ibid). Thus, institutional analysis focusses on how the behaviour of agents is influenced by and or constrained by structure, and how those are in turn affected by this behaviour. This view has been echoed by different studies “However, human agents are creative, experiential beings and their contexts of action are constantly shifting. For this reason, extensive research programmes, commonly adopted in the empiricist/positivist research tradition often fail to untangle the dynamic and contextual relational links between social action and economic structures” (Guy & Henneberry, 2000) which further advocates for institutional theory as a more appropriate theory for this study.

For developing countries, which are characterised by macro-economic and political instability, weak and/or cloudy property rights, absent credit records and inefficient property markets, there is a need for a theory that is flexible enough to enable research into a phenomenon without being weighed down by assumptions that cannot transcend contextual issues. Given that problems around housing indicators also abound due to

missing or incomplete data, institutional theory may still be useful as it can still be applied at project level, with an emphasis on qualitative data instead of quantitative data. The terminology provided by theories that recognised institutions as part of a structure and the impact of agency enables the navigation of issues that cannot be quantitatively analysed, such as ideology, culture and strategies in various contexts. Such theories, according to Lawson (2009) can be termed “structurally inspired theories”. These theories embrace institutions as part of a structure and therefore are firmly rooted in institutional analysis.

Given the aforesaid discussion, three points stand out that make structural theories superior to theories that flow from neoclassical economies when researching on market solutions to the low-income housing in developing countries: their approach shifts analytical focus from market outcomes to market processes, provides a framework and terminology for the analysis of individual projects and conceptual frameworks developed from institutional theories can be sensitive to the context of developing countries.

2.4 Structurally Inspired Models of the Development Process

There are three main theories that can be applied to study housing development processes whose theoretical foundations are rooted in institutional analysis – the structuration theory, the Structure-Agency model and Structures of Housing Provision. Differences between these theories revolve around debates on the relative power of structure over individual agency, the level of consciousness held by agents and the endurance of structures over time and space.

2.4.1 Structuration theory

Structuration theory, associated with the works of Anthony Giddens (1976,1979,1984), just like institutional theory posits that structures shape human actions, and also goes a step further to explicitly focus on the dynamics by which structures are reproduced and altered by agents (Barley & Tolbert, 1997; Yates, 1997), a relationship that is termed “the duality of structure”. The relationship between institutional analysis and structuration was summarised by Barley and Tolbert (1997) as follows:

“Structuration theory and institutional theory provide complementary insights. Both share the premise that action is largely organized by institutions.... Both acknowledge that institutions are created, maintained and changed through action. Structuration theory, however, explicitly focuses on the dynamics by which institutions are reproduced and altered, an issue that has been largely neglected by institutional theorists. Nevertheless, as it is currently formulated, structuration theory provides little guidance on how to investigate the way in which everyday action revises or reproduces an institution.”

Over time, competing and conflicting theories, models and conceptual frameworks with theoretical foundations based both on institutional analysis and also leaning heavily on structuration theory have emerged, and differences between these have mainly been on the relative power of structure over actions of agents, the level of consciousness held by agents and the malleability of structures over time and space (Lawson, 2009). The following section focuses on what Drane (2013) lists as the most compelling property development models which held traction - Healey’s Structure-Agency model (Healey 1992) and Michael Balls’ model based on Structures of Provision whose theoretical foundations are institutional and structuration theory.

2.4.2 Structure-Agency model (Healey and Barrett 1990; Healey, 1991, 1992)

The Structure–Agency model focuses on processes through which the built environment is produced and used and in particular the processes of land and property development (Healey, 1992; Healey & Barrett, 1990). The model draws extensively on the work of Anthony Giddens (structuration theory), who argues for a relational approach between structure and the actions of agents as is advocated for under structuration theory. In coming up with the model, Healy noted that Institutional analysis did not theorise the relations between individual actors and behaviours and the wider context and strives to come up with an analytically useful development model that can be applied to all circumstances in which development projects are accomplished. This mitigates the shortcomings of equilibrium models based on mainstream economics paradigm, which can only be applied in understanding the development process only in relatively stable conditions where active property markets exist. The model also gives more attention to institutional dimensions on the production side (Guy & Henneberry, 2000).

The model explicitly separates structure from the actions of agents and develops an explicit relation between structure and the actions of the agents. Examples of agents in land and property development include landowners, investors, developers, and consultants, public agencies, planning officers, Non-Government Organisations (NGOs), Non-Profit Organisations (NPOs) politicians and community groups. In the model, agency is conceptualized in terms of three variables with which to analyse the behaviour of actors: Roles, strategies and interests. Possible roles in the real estate development process that can be undertaken by the public sector and/or private sector and were identified in Healy's later work as summarised in Box 2-2.

Box 2-2: Public sector and private sector roles in development

Strategic planning
Land assembly
Land supply
Land development
Infrastructure construction
Development finance
Property investment
Infrastructure provision

Source: Healey (1994)

Roles in production can also be grouped by using elements of a production process (Healey, 1992)

1. Rights in land and buildings: a) controller of ownership/rights; b) controller of use/development
2. Labour: a) physical production labour (land clearance firm, building materials producer, building construction firm, infrastructure supplier); b) organizational labour (development co-ordinators (i.e. the developer), expert adviser, sales agent
3. Capital: a) family savings and personal wealth; b) production capital; c) commercial capital d) finance capital; e) public subsidy (i.e. from taxation revenues and f) plant and machinery

A look at the second classification shows that the roles are being classified based on factors of production vis. land, labour and capital. Applied in this study, the role that a developer plays in the development process can be conceived as equivalent to what the developer is contributing towards the development of low-income housing. Once roles have been classified, indications of the kinds of interest particular agents involved in production may have in the development process can be gleaned as agents actively constitute their interests as they perform and develop their roles in practice (Healey, 1992). However, Healy cautions that just by looking at the roles, one cannot just read off the interests that the agent has in the development as a specific agent may have more than one role that may conflict.

Structures are conceptualised as the material resources, institutional rules and organising ideas which agents acknowledge (Healey & Barrett, 1990) as they work towards achieving their prespecified objectives. This definition is three dimensional as it conceives agents as bound to structural relations through resource flows, institutions- both formal and informal which provide rules and ideas/ideology and then analyses how each of these structural elements convey limitations and possibilities that then frame individual agency. The economic environment thus affects the development process through resource flows, whilst political organisation and cultural values are reflected in rules and ideas (Healey & Barrett, 1990). Ideology, in the model, is defined as “ideas and values people hold about what they should build, what they would like to occupy and what kind of environment they seek” (ibid.) This model can thus be fruitfully used to fully explore the institutional environment i.e. political institutions, social institutions, economic institutions and legal institutions, and their effect on agency. A four-level framework is proposed. First, a mapping exercise with the purpose of describing what happens in the development process. Secondly, a relational analysis is made: identifying who does what and to whom. Thirdly, the strategies and interests of significant actors are analysed and related to the structural resources, rules and ideas. The fourth level takes the approach beyond empirical sifting by connecting it to underlying social theories. With respect to the processes responsible for property development.

Applied in this study, development would be defined as the transformation of land and

buildings from one state to another, through the effort of agents with interests and purposes in acquiring and using resources, operating rules and applying certain ideologies to achieve a predefined objective – housing targeted at the low-income group. The Structure-Agency model posits the actions of developers as standing in a causal chain with clear structural variables. The model is thus sensitive to the context of developing countries whose structural environment is different from developed countries. The interrelation between structure and agency, is not deterministic, but the interrelation may be observed through the way in which agencies, individuals and organisations define and implement their strategies in relation to the rules they acknowledge, the resources they draw upon and seek to accumulate, and the ideas and ideologies they assert in determining and justifying their strategies (Healey & Barrett, 1990)

The working hypotheses that private-sector low income-housing development can be successfully undertaken in an economy that has deep-rooted structural challenges can thus be tested through developing a conceptual framework from this theory. Successful development of low-income housing requires the employment of specific strategies that exploit specific resources and specific rules. This hypothesis requires a qualitative case study approach to examine policy levers, which are the structural variables, rules/regulation of property development and resources available to developers. The knowledge of the processes through which the built environment is produced and used, and in particular the processes of land and property development, is thus critical to our understanding of urban development and the attempts at managing urban development processes (Healy, and Barrett 1990). By separating between structure and agency, the study will be able to fully explore how agents explore enablers and mitigate constraints embedded in the operating environment. This is of ultimate importance as the low-income housing sector is fraught with challenges as was shown above. In addition, separating structure and agency will enable the study to explore influential variables on agency, which can then be used as pivotal points in policymaking.

1.1.1.1 Criticism of structure agency

According to Ball (1998), this particular institutional model has been applied in the UK by Healey et al. (1992) and in the Netherlands (van der Krabben, 1996; van der Krabben and Lambooy, 1993; van der Krabben and Boekma, 1994). From these

studies, the model seemed to be most successful in locally-based studies (Ball, 1998). This observation resonates well with the concern raised by Hooper (1992) as cited by Guy and Henneberry (2000) and (Ball, 1998) that the claims of the model – “construction of a grand theory which transcends context whilst acknowledging local specificity” gives rise to ambiguity. The argument is that universality is at odds with the historical groundedness of institutions. In the example where Healy uses the Structure-Agency (SA) model to study the transformation of Hebburn riverside in Tyneside, UK, links between the specific development experience of the locality and its position in the wider political economy. However, the study is critiqued on this point as it evidently does not present any evidence that shows it explored these interactions in any depth (Guy & Henneberry, 2000). As such, “the analysis fails to offer any deep insight into the mechanisms of market capitalism, or to identify in any detail how economic processes frame local development practice... [making it] difficult to consider the ways in which locally contingent factors interact with wider forces to produce specific material outcomes (Guy & Henneberry, 2000).

In developing the model, Healey is charged with not pay attention to defining what “structure” and “agency” is. From the model, agents seem to be key people working in institutions, in which case institutions become wrongly personified as people, as seen through the practical focus of agency being the major players within each institution and the strategies they have towards specific property projects (Ball, 1998). This conceptualisation leads to two problems, the first being that the strategy of the identified key agent in an institution must be the institutional strategy as well, which might not always be the case. The second problem identified by (Ball, 1998) is the focus on strategy. Outcomes may be attributed to strategies, which, in reality, may be the product of external economic or other forces. Rules to identify causality and to explain change are not well explained, with the resulting effect being the difficulty to move beyond the self-interested justifications given by identified agents. Guy and Henneberry (2000) phrased this same concern as that the model tends to downplay any analysis of processes of economic structuring, in favour of a predominantly actor-oriented perspective. Agencies have to have some exogenous determinants of their existence to justify their separation from the structure, otherwise explanation of them merely collapses back into structural issues.

Van der Krabben and Lambooy (1993) critiques the Structure-Agency model on two points- says the model is not explicitly linked to location, with the resulting effect being that locational differences in property development cannot be satisfactorily explained. The argument is that the existing urban spatial structure also acts as either a stimulus or constraint to property development. To resolve this, a fifth element to the Structure-Agency model is proposed – locational characteristics- including the quality of the location. The second argument is that institutional rules – those governing ownership and control over resources are seen as a static element to the model of the development process, which is too limited a notion of the institutional context. A more dynamic conception of the institutional context is advocated for, which will capture changes in the composition of institutions and organisations involved in the development process. Institutional change can interfere with property development and spatial restructuring at three different levels of change- innovations and the introduction of new technologies in the production process, levels of internal and external transaction costs that can result in vertical integration and disintegrations changing the organisation of firms and markets.

That said, the Structure-Agency model has not been subjected to much theoretical challenge or empirical testing as there has been little substantive research on property development that acknowledges or extends the institutional model (Guy & Henneberry, 2000). The model remains in a state of incompleteness (Drane, 2013) implying that there is a need for more empirical studies that apply this theory and improve it.

2.4.3 Structures of Housing Provision (SoHP) – Michael Ball, 1998

The Structures of Housing Provision (SoHP) theory provides a conceptual device for how to examine institutions and their role, and how these institutions then affect the development process. A structure of building provision refers to the contemporary network of relationships associated with the provision of particular types of building at specific points in time (Ball, 1998). These relations are an historically given process of providing and reproducing the physical entity under study and bring the spotlight on the social agents involved in production, allocation, consumption and reproduction, which are all processes that are essential to the process of provision and the relations which exist between them in time and space (Lawson, 2009). Once the network of

interrelationships is recognised, constraints and influences on individual agency behaviour can then be mapped (Ball, 2003). When applied to the research on housing, an institutional structure of housing provision thus specifies the organisations associated with a way of creating housing and the rules and constraints influencing behavioural relations between them. The most fruitful approach for examining house-building institutional structures would be to distinguish between land developers and actual housing building, as they require particular types of management, finance, specialised equipment and specific range of construction-related labour competencies (Ball, 2003).

This provision thesis is potentially useful for this study as it is contextually sensitive - it recognises that structures of housing provisions differ depending on the context. It thus can easily be used to analyse different submarkets within the housing market to interrogate how delivery systems differ in each market. It can also be employed to analyse/describe specific projects instead of taking a wide sectorial view. Given that the structures of housing provision are “empirical constructs which cannot be theoretically deduced”, this model calls for an empiricist approach, which is useful in analysing and discovering unique ways of low-income housing provision. Although SoHP is acknowledged in literature it has had little empirical application, implying that there is scope for contribution to knowledge if it is applied in this study. The model has remained undeveloped in any detail, barring David Adam’s use of its concepts in his article on the speed of housing supply (Drane, 2013)

1.1.1.2 Critique of the SoHP

The major critiques against this model stem from it being incomplete as a theory of housing provision. The SoHP thesis was criticized by Kemeny for not being able to produce a coherent theory of housing provision but rather just putting the focus on the production aspect of housing that the thesis proponents thought had been neglected by the established consumption- and policy-centred approaches (Ruonavaara, 2018). The housing provision thesis is charged with being not a good candidate for a theory of housing because it has nothing to say about the micro-level of housing, which implies that it can only be applied on the most general level of analysis. A researcher can always start from mapping the structure of social relations of housing provision, but after that, the researcher still has the task to theorize the structure as she or he wishes

(ibid.). The author did not even make such a claim but states that structures of provision are just conceptual device – a methodological theory about how to examine institutions and their roles in the development process and cannot be used to offer an explanation (Ball, 1998). This could partly be because the SoHP does not distinguish between ‘structure’ and ‘agency’ (Ball, 1998), making it difficult to explain developer behaviour in terms of the structural context that they operate. Instead, the theory concentrates on mapping out the structures of housing provision through concentrating on identifying the system of housing provision, i.e., the networks that have been identified and mapped to the housing provision at a particular point in time. It, however, lacks the explanatory power to explain why the network is as it is, as it does not specifically link variables in a causal chain. Ball himself cautioned that:

“After the mapping, specific theories are still needed, none the less, to understand what institutional arrangements are important and why they exist” (Ball, 2003).

Although the SoHP acknowledges that networks are influenced and /or constrained by rules, it lacks the explanatory power to explain how agents then react to these constraints. The theory can only be used on the most general level of analysis through mapping all the elements of the housing provision chain: promotion, finance, construction, distribution, consumption, management, as well as the social relations inherent to these elements, but theoretical explanations and reflections have to be drawn from other theories (Ruonavaara, 2018). In studying the impact of structural constraints on housing, studies applying the SOHP only would have to deduce from a longitudinal study how the constraints have resulted in a change in networks, making the model less useful in cross-sectional studies, which are carried out more frequently. This in a way assumes that all the reactions to constraints are translated into changes in networks. However, this is not always the case as cultural norms can make a structure of provision rigid such that it might not fully reflect the agents’ reaction to certain institutional constraints. Since Ball’s Structures of Housing Provision does not separate between structure and agency and the author states that there may be no contemporary rationale for the existence of a particular structure (Ball, 1998), this perspective does not equip researchers with much to go on in low-income housing research that is targeted on finding ways of attracting private sector developers into the sector, which will result in researchers having to resort to other theories in order to

answer some research questions that they may have and how developers deal with information asymmetry and other similar challenges.

2.5 Conceptual Framework

A review of literature showed that concepts from the Structure-Agency model and Structuration theory will be useful in coming up with a conceptual model to help understanding the development process, and was adopted as the main theoretical framework from which the conceptual framework which can help unpack the challenges and enablers faced by developers and more importantly, the strategies that they employ in reaction to these, was derived.

The development process in this study refers to the act of transforming urban land into both low-income housing and sites for low-income housing. Low-income housing in Zimbabwe is predominantly located in high-density areas as gazetted by local authorities and is guided by The Housing Standards Act and related Model Building Bylaws, as well as the Minimum Building and Planning Standards that define the standards for shelter and structure (GoZ, 2002). Accordingly, these sites and structures that are termed “low income” can only be in certain areas in line with a local authority’s master plan, have prescribed minimum and maximum plot sizes, and beneficiaries of these sites and houses are vetted by the local authority and should be first time homeowners in the high-density areas. When undertaken by private developers, this development process is understood as occurring through market mechanisms, in which individuals and firms, not the State, are the main actors and profit-making is the basic motivation (Yeh & Wu, 1996). In the Structure-Agency model, the development process takes place through the effort of agents who strive to convert factors of production to produce a predetermined outcome (Buitelaar, 2004; Healey, 1992; Healey & Barrett, 1990), which in this study, is low-income housing. As such, the individuals and firms who engage in this development process are identified as the “agents” in the Structure-Agency model. The focus of this study is on “private sector low-income housing developers”. Therefore, any organisation that falls under this description is identified as an agent and all other organisations that interact with the agent are classified under institutions.

2.5.1 Defining structure

In this conceptual framework, structure refers to the interrelation of political, social, economic and legal institutions that make it possible for development activity to take place in a systemic form. These institutions include the firms and public bodies associated with property development (Van der Krabben & Lambooy, 1993) and they determine “the rules of the game” (Buitelaar, 2004) which govern the way material resources are used (Healey, 1992) and contain prescriptions that both forbid and permit action and/or outcome (Furubotn & Richter, 2005). Implicit in this definition is that structure guides the developers’ actions through formal and informal rules that guide the development process as stipulated by the institutional environment via the various organizations that interact with the agent. Structure, as defined here, does not have the sense of constraint only, but it is also conceived as enabling as it furnishes both the resources that make development possible and the rules that guide the development (Healey, 1992; Whittington Richard, 2015). This definition of structure regresses back to Giddens structuration theory where he describes structure as a set of rules and resources that he refers to as modalities that provide the critical link between the action realm and the institutional realm (Mukunda, 2012). Healey (1992) also refers to the conceptualization of tension in a social organization being analyzed by looking at modes of accumulation and modes of regulation. The Structure-Agency model added a third variable, ideas, whose inclusion is meant to acknowledge the importance of ideology in structuring the consciousness of actors. For this research, only one homogenous group of developers is under study- private sector developers; and this group is assumed to have the same ideology, which makes the classification of structure using the Structure-Agency model superfluous. The developers, however, interact with various organisations as they undertake the production process- and these various organisations might have different ideologies, e.g. the central government, the local government, financiers etc. and these different ideologies will be reflected either in the resources that are available to the developers or in the institutional framework that guides development. The ideology of these various organisations will thus be viewed as exogenic in the conceptual framework and will only be discussed in the extent to which the ideological orientation of the various organisations affects the institutional environment and the resources available for private sector low-income housing developers.

According to the Structure-Agency model, the applicable rules that govern low-income housing development can be siphoned through using the first two levels of the basic empirical account prescribed by the structure-agency model:

1. A mapping exercise to describe the development process, focusing on events in the production process of a development project
2. Analysis of the agents involved in the production process, identifying their roles in the development process and the power relations that evolve around them.

In defining structure, this study contends that the starting point should be recognizing that approaches to solving the housing challenge for the low-income group are heavily dependent on the state's ideology. Since low-income housing has traditionally been under the ambit of the state, involvement of the private sector implies a shift in ideological orientation towards market solutions to the housing challenge (neoliberalism), with the level of government support that is given to the private sector developers being the backbone of the contextual realities facing developers operating in different countries/contexts. As such, the role played by the state has a structuring effect on the agency of private sector developers, as it has a significant impact on the institutional environment and resources that the developers can access via the extent of state intervention in low-income housing, which affects market formation, policies guiding low-income housing and subsidy support. For example, if a state adopts a neoliberal ideology key features that will be exhibited in that operating context would include: the extension of market relationships and reduction in state intervention, welfare state roll-back, and a renewed focus on individuals' responsibility to maximise their freedoms and opportunities within competitive markets whilst the state plays a supporting role through creating a conducive environment for private sector participation (Forrest & Hirayama, 2015; Moyo, 2004; Stonehouse, Threlkeld, & Farmer, 2015). From theory, private sector developers operating in that context are likely to have a different set of constraints and enablers given the institutional environment and the resources they have access to, compared to private sector developers who are operating in an environment where the state's ideology is more towards communism or socialism. The argument put forward in this study is that the contextual reality that is faced by the developers hinges on the role that is being played by the state in the low-income housing space as seen through the policies that are

applied towards solving the housing challenge, the resources for housing that the state actually channels towards the low-income group and support that is given to the private sector to encourage participation in the low-income housing space. An analysis of these factors shows that the role played by the state as guided by the ideological orientation of the state in its approach to solving the low-income housing challenge has a significant impact on the institutional environment and resources available to the developers.

This study thus proposes to amend the basic empirical account that is put forward by the Structure-Agency theory as follows:

- Step 1 - Examine the role of the State in low-income housing
- Step 2 - A mapping exercise to describe the development process, identifying the role of agents in the development process
- Step 3 - Identify and examine the various institutions and their respective roles that agents in step 2 interact with in carrying out development roles
- Step 4 - Define the structure in which low-income housing development takes place
- Step 5 - Identify strategies that are used by the agent given the structure define above.

Step 1 will provide the background necessary for the study to appreciate the policies and the formal rules that guide development, which might also provide insight on how the private sector got to be involved in low-income housing in the first place. This first step will also help identify possibilities of involving the private sector given the role of the government as is. The state is drawn into this analysis as a mediator and facilitator for private sector participation in low-income housing, through planning regulations, subsidy or direct development activity and through influencing the capacity of a locality to supply land (Abdul-Aziz & Kassim, 2011; Healey, 1994; Sivam & Karuppanan, 2002). Once the role of the state is understood as seen through a detailed narration of the state's activities in the low-income housing sector, the effect of the state's role on the structure of the low-income housing market can then be gleaned. For example, in Zimbabwe, the supply of serviced land for low-income housing has always been considered as a public sector responsibility since independence in 1980 (Brown, 2001; Chipungu & Adebayo, 2013) and this role was

firmly entrenched in legislation governing urban development (Chitekwe-Biti, 2009). The ability of the private sector to penetrate this segment is thus largely hinged on a change in state ideology resulting in a change in the role of the government in low-income housing

The second step and third step are very similar to the two basic steps that are suggested by the Structure-Agency model as the basis of an empirical account of the development process, which are: Level 1 - a mapping exercise to describe the development process in operation, focusing on events in the production process, and level 2 -analysis of the agencies involved in the process, identifying the roles in production, the power relations between, and their interests. Instead of concentrating on key identified agents that the developers have to interact with, which is what the Structure-Agency model is critiqued for (Ball, 1998), focus in this conceptual framework will be on the institutions. There are four broad categories of institutions that need to be considered in this step i.e. political, social, economic and legal institutions. These institutions provide blueprints for acceptable procedures and therefore can either constrain or enable the production of low-income housing by the private sector. This mapping exercise, which will help identify these institutions, has to be based on empirical evidence instead of theoretic constructs, keeping in mind that the institutional environment for one developer might be slightly different from the next.

Step four involves defining the structure i.e. the framework in which the private developers make their decisions. Emphasis will be on detailing the formal and informal rules that guide the development process as stipulated by the identified institution as per step 2 and how these same institutions impact access to resources. These structures are accepted and recognized to be weakly malleable, with agents able to influence these structures through their actions. Lawson (2009) noted that “whilst structures have an enduring quality, they are also malleable, being carried and mediated by actors with agency”. However, the effect of agency on structure is not fluid, and it is assumed in this study that it is possible to identify at a certain time period particular existing structures that have not been debased by the effects of agency. Structures can enable agency through providing conduits for implementing action that is necessary for development to take place. On the other hand, the same structures can constrain for example through prescribing procedures that are at variance with what is deemed

necessary for the efficient production of low-income housing. For example, in Zimbabwe, issues that have been identified as possible constraints to low-income housing development by other studies include overlapping responsibilities between different tiers of government resulting in a complex institutional environment, expensive land delivery approaches (Chipungu & Adebayo, 2013; Gumbo, 2014), high building standards (Kamete, 1999; Mashoko, 2012), lack of access to land (Chaeruka & Munzwa, 2009), mortgage loan affordability issues, lack of finance to support the funding of housing investments and high interest rates (Nkala, 2012). These structural challenges are tackled and resolved as developers resource and produce low-income housing whilst guided by the institutional environment.

The low-income group presents affordability challenges that have informed the critique against the desirability of private sector provision of low-income housing (Arku, 2009; Baker & Tually, 2008; Cao & Keivani, 2014; Stonehouse, Threlkeld, & Farmer, 2015). The generally low incomes and inability to qualify for mortgage finance by the low-income group (Aribigbola, 2008), which is exacerbated by informal sector employment presents peculiar challenges that must be dealt with by the developers. These challenges are magnified in developing countries, like Zimbabwe, where high poverty levels and inequality are pervasive characteristics (Alvarado & Gasparini, 2015; Buckley & Kalarickal, 2005; Moyo, 2004) exacerbated by a lack of social safety nets for low-income earners. If the target group for the developers is a different income group, for example, the higher income group, the set of constraints flowing from the context, will also be different. In summary, the structure which enables and/or constrains the activities of private sector developers can only be fully defined after the various institutions that the agent interacts with in carrying out his role in the development process have been determined.

2.5.2 Defining strategy

This research recognizes that developers operate in a “structure” as defined above, which guides decision making as the developers engage in the development process. As such, it is recognized that activity is institutionally situated (Olsen, 2009) and decisions that are made by these developers as they convert factors of production via the development process can either reinforce or amend established institutions resulting in a change in the modes of regulation. The Structure-Agency model sought

to address one noted shortfall of institutional analysis as was noted by Healey and Barrett (1990) – it did not theorise the relations between individual actors and behaviours and the wider context. In trying to resolve this, the Structure-Agency model is charged with succumbing to dualism, with attention being directed to the agency part of the dualism (Ball, 1998; Guy & Henneberry, 2000). As a result, when it comes to defining what strategy is, the model has been critiqued on two points: the model does not define what a strategy is, and due to the dualism noted above, it becomes difficult to attribute outcomes, which are just products of external economic forces, from outcomes that are due to strategy itself (Ball, 1998). As such because of the greater weight given to agency, the model is therefore likely to give analytical emphasis on the micro-level, leading to a partial understanding of what is actually going on (Doling, 2001).

The question that still needs to be addressed is: which outcome should be attributed to the actions of entities and which to the context within which they operate? A solution to this problem according to Guy and Henneberry (2000) is to consider suggestions by Jessop (1996), i.e. view structural constraints as not monolithic, but as operating selectively whilst agents are viewed as reflexive, and able to engage in strategic calculations given their current situation. As such, structural moments can be identified, where action is strongly shaped by structure and “conjunctural moments”, where the action of agents results in the context being modified.

Having noted the shortcoming of the Structure- Agency model, this study defines strategy as decisions made by agents in pursuit of a pre-specified objective whose implementation

1. results in a deviation from laid down procedures as defined by institutional environment defined in step 4 and/or
2. results in a material change in the organizational structure of the agent and subsequently changes or has the potential to change the structure of housing provision and/or
3. Seems contrary to what other institutions carrying out the same role as the agent have been traditionally doing.

These decisions that are defined as strategy, have the potential to eventually change structures, as they become reinforced and codified through social and political institutions. If a strategy is defined in this manner, it will then be possible to interrogate presented evidence to in a bid to answer the following questions: What was this identified strategy in response to? What made it possible for the agent to carry out this strategy? Does this strategy have any enduring qualities that are likely to result in the strategy being replicated and or institutionalized? It has been argued that explanations of actions should acknowledge the constraining and enabling factors, which include sociocultural and material factors as understanding such causal processes aids in comprehending relationships between structures and action (Guy & Henneberry, 2000). In the analysis, responses to these questions can link what has been identified as strategies to the wider economic forces, thus addressing the concerns that have been raised about the Structure-Agency theory.

2.6 Methodological and Policy Implications of this Framework

The conceptual model, on the structure side, requires that the study examines formal and informal institutions and their impact on the availability and use of resources by developers. As such, in addition to codified rules, ideologies, social norms and culture are a critical aspect that can potentially explain how developers access and employ resources. It is thus imperative that the study adopts qualitative methods, which can help unravel each of these aspects. Studies involving multiple, dynamic, and shifting relationships in context, such as the ones detailed above, favour qualitative approaches which are capable of producing situated analytical explanations through the use of intensive methods such as interviews, case studies, ethnography etc. (Zachariadis, Scott, & Barrett, 2013). With the qualitative approach, the analytical focus shifts from market outcomes (as measured through housing market indicators) to market processes, which is in line with the analytical focus of this study. The Structure-Agency model provides an operational framework and terminology to study market processes and can be employed to systematically carry out qualitative research to conceptualise the actions and strategies of developers via a causal chain that has clear structural variables.

Methodologies that flow from the neoclassical approach are inappropriate and cannot be applied in this case as they emphasize or rely on the use of quantitative housing

market indicators such as rent, prices etc. to study trends via the use of econometric models. Econometric and the associated statistical approaches that require data are not suitable for studying contextual studies that require exploration of individual projects in a developing country context, where there are usually data availability constraints. There is also need for the variables identified above to be validated in different contexts, and the Structure-Agency model is robust enough to handle the contextualisation of studies, unlike methodologies that flow from the neoclassical approach, which are guided by assumptions that smooth out contextual differences amongst studies. Some of these assumptions are a generally positive view of the market, and assumptions that property rights are clear, the title will be delivered, and contracts enforced. Research guided by the Structure-Agency theory does not make such assumptions but allows a thorough investigation of processes, analysis of and understanding of constraints and contingencies that alternately pattern and perturb daily life. These processes cannot be captured in hypothetical deductions, and in order for the study to decode, translate and interpret behaviours, a qualitative analysis might be the best approach. The Structure-Agency theory thus fits in perfectly and addresses all the methodological gaps especially in unravelling the complexity of the development process itself and missing housing indicators.

The structural variables, from a policy perspective, are what can guide policymakers on how agency can be improved in low-income housing. The Structure-Agency thus provides insight into the policy levers that can be used if the private sector is to be co-opted in solving the low-income housing challenge. Once frictions are noted in a market as is evident in the low-income housing sector, appropriate policy recommendation that can be of use in stimulating private sector engagement cannot be gleaned from any studies that adopt a neoclassical theoretical perspective. If policymakers were to understand why developers behave in a certain way and how they are likely to react to certain policy changes, then they could actively start pursuing the implementation of policies that are likely to encourage more private players in the low-income housing space. Policy should thus be crafted, not with a blanket view of the property development sector but should be tailor-made to suit different types of developers. If policymakers are made aware of the significance of structure in shaping developer outlooks, then more care and attention will be given in policy crafting to influence more involvement of the private sector.

It has been noted in this chapter that the state is involved in the development processes in diverse ways vis. sectoral policies, as a development intermediary itself, and to safeguard particular interests and values (Healey and Barrett, 1990). However, the financial and economic interest of the private sector need to be harmonized with the political and social needs of the government and that can only happen through policy intervention. Through using the Structure-Agency theory, the effect of current government policy on the operations of practising low-income housing developers will be uncovered. From the challenges faced and strategies that are being implemented, the government can help the developers, through policy, to produce a tailor-made product suitable to the target group in all aspects. Issues that have been consistently raised by other studies such as bureaucratic land acquisition and planning procedures, high housing standards, costs of exchange and so on are likely to be exposed, but in greater detail which shows the relative importance of policy reform in solving the housing challenge.

2.7 Concluding Comments

Low-income housing shortages are real, the world over, more so in developing countries. The solution to the housing challenge will take a concerted effort from researchers, practitioners and policymakers. Knowledge of the processes through which the built environment is produced and used, and in particular, the processes of land and property development, is thus critical to our understanding of urban development (Healy, and Barrett 1990) and is key in policy formulation. Policy, however, must be adequately informed for it to have the desired effect. This can be achieved by research that draws on an appropriate theoretical framework and is backed by empirical evidence that fits the context in question. The Structure-Agency model is a promising theoretical entry point that can be used to research ongoing low-income housing developments in a bid to unravel the effects of policies on market solutions to the housing challenge. Results from such studies are also going to highlight challenges being faced by developers, giving the state a chance to use policy as a tool to reduce barriers to entry for the private sector developers and to create a structural environment that is conducive to the creation of a product that is affordable to low-income earners. A conceptual model has been developed in this chapter from the Structure-Agency model, but there is still a need to test the model through empirical application to test

its robustness.

3. NEOLIBERALISM IN LOW-INCOME HOUSING POLICY

3.1 Introduction

This chapter explores the importance of ideological orientation of the state as seen through policy and resources that are availed towards low-income housing by the state. Section 3.2 is a literature review on the role of the state in solving the low-income housing. Section 3.3 looks at the evolution of low-income housing policy zooming in on how neoliberalism got to be established as a hegemonic ideology that is being extended into spheres like low-income housing which have traditionally been under the purview of the state. Based on this review, Section 3.4 maps out the key elements under a neoliberal housing policy and how it relates to low-income housing. Criticisms of neoliberal housing policy are detailed in Section 3.5. In the penultimate section, the various ways that the state can advance private sector engagement in low-income housing is explored through looking at two case studies where neoliberalism in the housing sector has been successfully implemented – China and Ghana. The final section draws on the above discourse and explores the implications of neoliberalism in low-income housing as a potential panacea to the low-income housing challenge

3.2 Role of the State in Solving the Low-Income Housing Challenge

Housing is a basic need that needs to be met on a priority basis (Arnott, 1987; Steggell et al., 2001). In situations where the indigent fail to provide for themselves this basic need, the state is expected to be active in spearheading the provision of alternative accommodation and the right to adequate housing is enshrined in some constitutions (Arku, 2009; Moss, 2001). A cocktail of options is available through which the government can intervene in the low-income housing market in a bid to satisfy its social welfare function, and these options can be tailor-made to be in line with the state's fiscal resources, balanced with the demand for low-income housing that is exerted by the low-income group. The options range from direct provision (Ibem, 2011; Özdemir, 2011), supply-side and demand-side subsidies (Abdul-Aziz & Kassim, 2011; Mosha, 2013; Moss, 2003) to providing a conducive environment for participation by the private sector of low-income housing (Abdul-Aziz & Kassim, 2011; Ibem, 2011; Mosha, 2013; Sivam & Karuppanan, 2002).

The state is a critical actor in the development process (Healey & Barrett, 1990) as

there is need to support the development process, moderate adverse externalities, safeguard social needs and conserve resources and environmental heritage. The overall objective of government administration in housing development should be to provide the policy and administrative frameworks to ensure the smooth operation of the land and housing markets (Buckley & Mathema, 2007; Sivam, 2002), and the government can achieve this through being a mediator in the development process via planning and enforcing regulations and, on the other hand, being a facilitator through subsidy support or direct development activity (Healey, 1994). These mediatory relations shape the institutional relations of local land and property-development markets as the public-sector influences what is built where, how, and by whom. Economy-wide reforms act as a key supporting factor (Yap, 2016) to the structure and functioning of housing markets and the functioning of the housing market is in turn dependent upon the legislative and regulatory arrangements mandated by the state (Bone, 2014; Chelcea & Druta, 2016). Excessively detailed, and inflexible regulatory and legal framework can adversely affect the smooth supply of land and housing (Sivam, 2002). For example, procedures and steps for obtaining development permission if not properly managed can make it difficult for developers to respond quickly to changing housing demand, thus contributing to supply-side constraints.

The solution to the housing problems of the urban low-income population, it is argued, partly lies in improving access to urban land which requires urban planning and government intervention in the urban land market (Yap, 2016). For the low-income groups, there is substantial research that also roots for housing assistance arrangements (Arku, 2009; S. Nicholls, 2014; Özdemir, 2011; Wang et al., 2012). This literature, which supports government intervention in low-income housing markets runs counter-intuitive to the neoliberal ideology (Derosssett, 2015), an ideology that thrusts and supports market-led development (Derosssett, 2015; Fawaz, 2009; Kitchin, O'Callaghan, Boyle, Gleeson, & Keaveney, 2012; Lazzarato, 2009; Vanwynsberghe, Surborg, & Wyly, 2013), which manifested itself in the political mainstream agenda in the 1970s. The mission under neoliberalism is to facilitate conditions for profitable capital accumulation even in domains that have been formerly regarded as off-limits to the calculus of profitability (Harvey, 2007; Hyslop, 2016; Schipper, 2015), and one such contested area is low-income housing. The argument is that public sector efforts around the world to be direct providers of low-income housing have yielded dismal

results, with very low output filtering down to the target market compared to the overall housing requirements of the urban population a (Moss, 2003; Özdemir, 2011; Sivam & Karuppanan, 2002). In low-income housing markets, since there are supply-side constraints, the government can tackle the housing challenge through strengthening the environment for participation by the private sector (Sivam & Karuppanan, 2002), via promoting conditions that facilitate commercial profit and advance corporate interests (Arku, 2009; Hyslop, 2016). Kohn and von Pischke (2011) concur and cite Thailand as a positive example where government intervention in the land market attracted private developers and investment and resulted in large scale, low-income housing development.

As can be seen above, the role played by the government in the low-income housing markets has an impact on the ease with which the private sector can penetrate that market and determines the operating environment via the institutional framework and the resources that can be accessed by the developers as was discussed in chapter 2. In line with the study's focus on private sector involvement in low-income housing provision, the chapter seeks to detail the evolution of low-income housing policy, culminating in how neoliberalism got to be established as a dominant policy framework. Based on this review, the third section maps out the key elements under a neoliberal housing policy and how it relates to low-income housing interrogate what neoliberalism means in housing policy. The evolution of housing policies and the successes and failures of neoliberalism will be explored with the aim of bringing to the fore the intricate linkages between neoliberal housing policy and low-income housing provision, particularly in the low-income housing sector. The questions that will be explored are: what was the neoliberal agenda in housing in reaction to? What are its key elements? What are the main arguments against private sector engagement? All these are key issues that will help situate this study's findings amongst contemporary debates on solving the low-income housing challenge and help in synthesising policy implications.

3.3 Evolution of Low-Income Housing Policy: 1970 to Present

There are leading multilateral organizations that influence housing policies such as the World Bank and UN-Habitat. The way these international policy leaders conceptualize and support housing policy influences national housing policy for governments in the

developing world (Keivani, Mattingly, & Majedi, 2005; Kitchin et al., 2012; Mooya & Cloete, 2007; S. Nicholls, 2014; Van Waeyenberge, 2015). Support for national efforts to meet the human settlement challenges facing developing country governments is usually given through supplementing resources of governments by providing them with the necessary financial and technical assistance as well as support for evolving institutional arrangements as they seek new and effective ways to solve the housing challenge (Buckley & Kalarickal, 2004; Kitchin et al., 2012). A neoliberal agenda in housing policy implies that the role of the state in the housing market should metamorphose in line with the ideological shift (Harvey, 2007; Marston, 2002), and the support rendered to States by multilateral organizations should be modified accordingly.

A summary of the policy lending instruments used by the World Bank to influence housing policy in countries and the associated role of the government is detailed in Table 3-1.

Table 3-1: World Bank policy lending instruments, 1970s - 90s

Period	Main Policy and Lending Instruments	Role of the Government
1970s	*Sites and services demonstration projects *slum upgrading	Direct provision of land, housing and finance to project beneficiaries
1980s	*Housing finance projects (interest rate reform) *subsidy design *improving institutional performance of government agencies	*Provision of housing finance by public institutions, *rationalizing housing subsidies i.e. reduction of housing subsidies, improving subsidy targeting and shifting from financial subsidies to fiscal housing subsidies
1990s	*policy and lending instruments to stimulate demand and supply *Institutional reform and coordination with macro-economic policy	*policymaking coordination *regulatory responsibilities of an enabling role to facilitate the provision of land and housing by the private sector * improving coordination of sector and macroeconomic policy

Source: Mayo & Angel (1993)

During the 1970s, the main policy lending instruments that were utilized by the World Bank were sites and services and slum upgrading projects (Mayo & Angel, 1993). These programs entailed the government directly providing land, housing and finance to the project beneficiaries. A critical analysis of the policy and lending instruments

reveals that these programs were largely unsuccessful. Problems that have been cited with sites and services programs include land acquisition problems, lack of financial sustainability, poor cost recovery and problems of replicability for the infrastructure and services provided and (Mayo & Angel, 1993; Mooya, 2009; Thahane, 1993). Targeting errors coupled with fronting also resulted in most beneficiaries being mostly middle-income groups (Mosha, 2013; Potts & Mutambirwa, 1991) contributing to the ineffectiveness of these programs that were targeting the low-income groups.

From the 80s onwards, there was a shift from reliance on sites and services to the emergence and establishment of housing finance projects and housing policy loans as the dominant lending instruments funded by the World Bank (Mayo & Angel, 1993). The role of the State, as suggested through the World Bank-funded projects, has thus been evolving, from direct provision to technical planning solutions (Andrew Beer, Kearins, & Pieters, 2007). The shift to housing finance sought to address two objectives: it provided opportunities for the World Bank - which includes International Bank for Reconstruction and Development (IBRD), International Development Association Bank (IDA) and International Finance Corporation Bank (IFC), to address broader economic issues and housing sector performance issues. A well-developed financial sector is perceived to yield greater economic benefits that would also impact positively on the housing sector (Mayo & Angel, 1993).

The evolution in the role of the state was partly necessitated by recognized state failure in the provision of adequate housing to the low-income group. Public sector housing delivery strategies have been marred by targeting errors, with little or no output filtering through to the low-income group (Ibem, 2011; Mosha, 2013; Stonehouse et al., 2015), and cost overruns due to inefficiencies in both design and subsidy allocation (Klink & Denaldi, 2014; Tipple, Korboe, Willis, & Garrod, 1998; Yap, 2016). State efforts were also seen to be having a negligible impact on the housing challenge and the turn to technical planning solutions was in a bid to find policies with a potential to provide solutions at a scale that can make a significant dent to the housing challenge (Thahane, 1993). As such, the overall piece-meal effect in housing provision of sites and services projects and slum upgrading projects, representing the inability of these programs to significantly contribute towards the housing challenges, also informed the

ideological progression from direct provision to policy instruments skewed in favour of markets (Keivani et al., 2005).

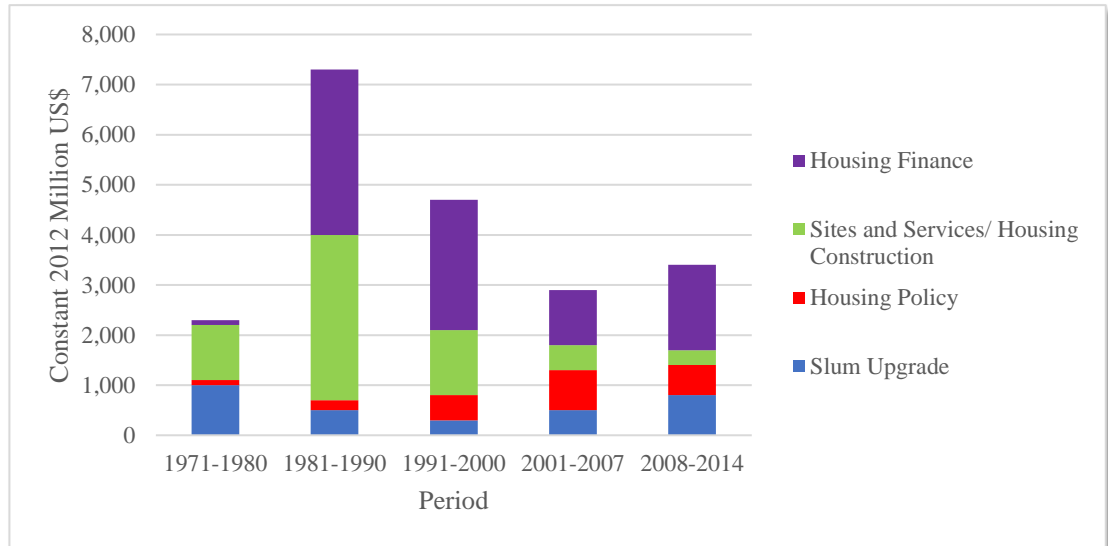
From a macro perspective, the shift from direct provision of housing to policies that are aligned to making markets work is in line with the broader political ideological shift that asserts the superiority of free markets (Kotz, 1999). The dismantling of the Keynesian welfare state in Western countries in the 1970s and 80s (Vanwynsberghe et al., 2013) emphasized markets over nation-states through a transformation of the institutional landscape. This market enthusiasm received a powerful boost from the demise of the Soviet Union at the end of 1991, as the fall of the Soviet Union was interpreted as in the words of as proof that “any effort to build a more just economy through collective action was bound to lead, sooner or later, to economic stagnation and eventual collapse”, thus vindicating adoption of free-market theory.

Under a neoliberal housing policy, the role of the state is to create and preserve an institutional framework that is appropriate and conducive for engaging the private sector in home building programs for the lower end of market and providing serviced plots at affordable levels (Harvey, 2007; Mooya & Cloete, 2007; Thahane, 1993). If a market does not exist, in order to further the neoliberal agenda, it is argued that the state should go to the extent of creating that market. Markets in the low-income housing sector can be created if the State works at removing regulatory barriers to entry and creates a legal infrastructure that can attract and incubate private players in that market. The state thus needs to create embedded incentives in its regulatory framework.

From the 90s onwards, Mayo and Angel (1993) note that there was a significant decrease in lending for physical assets in the housing sector, in favour of an enhanced focus on incentive related interventions, crucially through finance. The shift to housing finance sought to address two objectives: it provided opportunities for the World Bank (which include International Bank for Reconstruction and Development (IBRD), International Development Association Bank (IDA) and International Finance Corporation Bank (IFC)) to address broader economic issues and housing sector performance issues (*ibid.*) as shown in Figure 3-1. A well-developed financial sector is perceived to yield greater economic benefits that would also impact positively on

the housing sector and this has seen an increase in housing finance loans and housing policy loans.

Figure 3-1: World Bank Group (IBRD, IDA and IFC) shelter portfolio across different types of intervention, in constant million 2012 US\$, 1971-2014 (July)



Source: Van Waeyenberge (2015)

Van Waeyenberge (2015), did an analysis of the World Bank Group activities and the conclusion was that during the period 2001 – 2007, there was a significant increase in housing finance and housing policy loans, which grew to over 60 % of all World Bank shelter activities and this increase was coupled with a decrease in investments in sites and services and slum upgrading programs. Housing policy loans. This was of course in tandem with the ideological policy shift towards “making markets work” that was being pushed by the World Bank (Mayo & Angel, 1993), with the housing policy loans meant to entice banks to lend to lower-income households through enabling governments to guarantee such loans made to low-income earners. One of the primary objectives pursued by the World Bank through these interventions was to demonstrate cost recovery and replicability of projects, which would then imply a potential for profitable investment and possibly attract the private sector in serving the low-income housing segment (Van Waeyenberge, 2015). As such private markets are the housing delivery mechanism which form the backbone of all housing strategies in the World Bank and the UN-Habitat (Keivani et al., 2005).

3.4 Neoliberalism: The Current Policy Landscape

Neoliberalism is associated with a market-led development approach in which there is wide adoption of principles associated with neoliberal policies (Derossett, 2015; Fawaz, 2009; Theodore, Peck, & Brenner, 2011). It is postulated that if markets were allowed to function without restraint, they would optimally serve all economic needs including housing through efficient utilisation all economic resources (Shaikh, 2005). The components of neoliberal housing policy are homeownership, private property rights and binding financial commitments, and these components are the backbone on which the dominance of neoliberalism in housing rests on (Rolnik, 2013). Foci also commonly associated with neoliberalism in the housing market are free trade or commodification of land markets, free capital movements (Campbell, 2011) and reduced government intervention in housing markets (Mayo & Angel, 1993; Mosha, 2013). Within the housing sphere, mechanisms of neoliberal urbanisation such as the restructuring of urban housing markets through a reduction in housing subsidies and erasure of public housing and other low rent accommodation have resulted in the creation of new opportunities for private players within the housing market.

Governments have at their disposal according to (Mayo & Angel, 1993) three enabling instruments that address demand-side constraints - developing property rights, developing mortgage finance and rationalizing subsidies. The three supply-side policy instruments that can be used to boost housing provision to the low-income sector are providing infrastructure for residential land development, regulating land and housing development and organizing the building industry to create greater competition in the building industry. The aim of these supply-side instruments would be to remove constraints to the housing development process. Policies affecting the responsiveness of the supply side of the market to changes in demand, therefore, often offer the greatest potential for improvement in sector performance. In line with the neoliberal principles, most countries now rely on a public policy approach that augments and compliments market processes rather than substitutes for them (Buckley & Kalarickal, 2004). To encourage and stimulate the supply of low-income housing by the private sector, the World Bank emphasizes the establishment of a suitable regulatory environment for the delivery of housing finance. The recommended strategy is to bring together infrastructure agencies to coordinate infrastructure provision that creates an

adequate supply of serviced land and a review of existing legislation to improve sector performance (Mayo & Angel, 1993).

3.5 Failings/ Criticisms of a Neoliberal Housing Policy in the Low-Income Housing Sector

Neoliberal goals namely, capital accumulation through reliance on the free market, a shift of responsibility from government to civic society and rescaling of the state from central to local levels (Fawaz, 2009; Nijman, 2008), have been slated as they are perceived to marginalise the low-income group. Issues that have been at the fore of these criticisms are mainly around five themes as discussed below: social inequity which is attributed to be on the rise due to neoliberal housing policies, challenges with the neoliberal fix to the unaffordability problem and the associated immature finance system. Quasi-government efforts have also been part of the debate including challenges arising from implementing a neoliberal housing policy in less than ideal macro-economic conditions.

The market mechanism is assumed to be unable to provide adequate, affordable and equitable housing for all (Craig & Porter, 2006; Rolnik, 2013). It has also been noted that neoliberalism promotes insecurity of tenure through the adoption of imperatives for developing a housing finance system such as enforceable foreclosure for mortgage lenders (Mayo & Angel, 1993; Mooya & Cloete, 2007). A number of studies concur that neoliberalism and social policy are not compatible at all (A. Beer et al., 2016; Campbell, 2011; Craig & Porter, 2006; Derossett, 2015; Marx, 2008; Pattison, 2009; Seiseddos, 2011) since markets and market principles have a tendency to overreach themselves, undermining the social fabric in which they are embedded and consequently dependent on (Forrest & Hirayama, 2015). In addition, reliance purely on the private sector for low-income housing production is argued to result in polarised society and gentrification (Hedin, Clark, Lundholm, & Malmberg, 2012).

Despite these reservations, the World Bank endorsed neoliberalism by expressing enthusiasm regarding the capacity and superiority of a market-oriented approach to housing (Van Waeyenberge, 2015). In the early 90s, it was thought that the overall performance of the housing sector in developing countries would be affected through the broad instrument of housing finance system development (Mayo & Angel, 1993).

Finance is a central issue and a very potent influence on any potential remedies to the housing challenge for the low-income groups (National Building Research, 1987). In order to extend homeownership to the low-income segment, the neoliberal fix for the affordability problem has been the development of new financial products to enable poorer households to take out mortgages (Forrest & Hirayama, 2015). This has also been termed the socialisation of credit (Rolnik, 2013). This route has however been fraught with challenges, with most low[er] income households failing to maintain mortgage burdens (Hodkinson, Watt, & Mooney, 2013). This socialization of credit, however, comes with other challenges such as risk pricing and difficulties of measuring the repayment capacity (Aribigbola, 2008; Demirag et al., 2011; Rolnik, 2013) given that most of the low-income groups do not qualify for government guarantees (Mosha, 2013). For risk to be successfully transferred, the receiving party has to possess both the competence to assess it fairly and the expertise necessary to control or minimize it.

From the early 90s when the world bank rolled out its making markets work strategy, countries are still grappling with how to implement a neoliberal housing policy in the low-income segment, with housing finance systems not yet developed to the extent that was envisioned, especially in developing countries. This could partly be due to the characteristics of developing countries: macro-economic instability; fluctuating inflation; foreign exchange risk and short-term investment horizons (Lea, 2005). The finance system of countries is indisputably linked to the macro-economic environment and volatilities within markets can destabilize the market, thus swinging the market far from the stability that is the cornerstone of long term housing finance. Indeed, it is unlikely that the housing problem can be solved without solving the economic problem (Moss, 2003). Two basic difficulties continue to exist regarding the widespread adoption of market solutions for the low-income groups: the scarcity of medium and long-range funds, and insufficient development of financial markets (Winchester, 2005).

The World Bank is on the fence about state interventions in situations where the finance system is not mature enough to service all the mortgage needs. It advises that countries can institute directed credit schemes for housing by commercial lending institutions. At the same time, the Bank cautions that directed credit lessens incentives

for resource mobilization by lending institutions and works against the principles of a well-functioning housing finance system (Mayo & Angel, 1993). The result of directed schemes may sometimes be that lending volumes for housing may be reduced to a level that is below one under a more neutral financial regime which permits lending for housing to seek its own level based on market conditions (ibid.). Detailed empirical evidence from countries where credit has been extended to the low-income groups for housing purposes has shown that government guarantees are one of the preconditions of success, given the risk exposure that couples lending to the low-income groups (Winchester, 2005). But this condition presupposes a state which has enough fiscal space to accommodate even the low-income groups. This is not the case in most developing countries where the low-income housing challenge is most severe. Most of these countries have huge fiscal constraints and large budgets that are not sustainable (Babatunde et al., 2012; Lea, 2005; Loxley, 2013).

Besides access to market provided mortgages for housing, the major housing delivery models that have been used in most countries that have embraced neoliberalism include public-private partnerships and private finance initiatives. These models have however yielded very low percentages of the required stock to the target group (Ibem, 2011; Makinde, 2014; Mashoko, 2012). The major problems that have been cited are the prohibitive cost of the final product resulting in an affordability gap. Contributors to this high cost have been cited to be the high cost of land, high cost of land registration and titling (Makinde, 2014), leading to a conclusion that neoliberal housing policy is unlikely to help solve the housing shortage.

In the context of developing countries, one important criticism of the enabling market paradigm is the appropriateness of the enabling strategy, especially where the macroeconomic conditions can put a damper on private sector ability and willingness to put capital at risk. Thus, according to Keivani et al. (2005), there is a need to explore alternatives to the neoliberal agenda. General movement towards neoliberalism in an economy with inflation, economic recession, escalating building costs is not likely to yield positive results since a stable economy is a critical success factor for the engagement of the private sector in the low-income housing space (Babatunde et al., 2012; Keivani et al., 2005; Moss, 2003; Stein, 2008). Faced with little or no public housing, the low-income groups have no fall-back position. The turn to neoliberalism

in the housing sector has thus created an unserved niche market. Can neoliberalism again come to the rescue?

3.6 Neoliberalism in Action

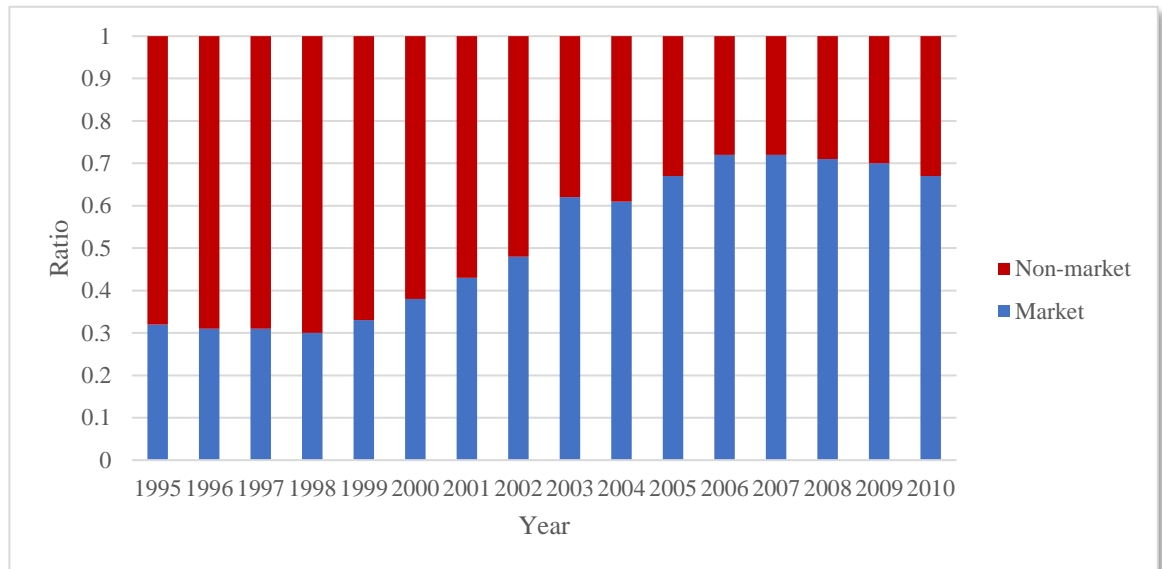
Given the criticisms of a neoliberal housing policy that have been cited in the above discussion, the aim of this section is to review empirical research in areas where a neoliberal housing policy has been implemented with the aim of understanding the framework in which the neoliberal housing policy was carried out. This review will put the criticisms in context and enable lessons to be drawn from the various ways that the state can advance private sector participation in low-income housing. Two cases stand out, China and Ghana. These two countries embraced the neoliberal agenda resulting in the role of the state shifting from direct provision to taking on a supporting role by creating the required regulatory and economic framework for the formal private sector to work. In China, the replacement of socialist welfare housing with a market dominated system is hailed as probably the largest neoliberal reform project ever implemented in the world.

3.6.1 Neoliberalism in China

China adopted a market-oriented housing policy in the 1990s after the fall of the Soviet Union (Buckley & Kalarickal, 2004). This neoliberal agenda is said to have led to affordability problems, as the low-income groups were priced out of the market, resulting in rising inequality between the higher income groups and the low-income groups (Wang et al., 2012). Historically, China's housing reform can be divided into three stages: the pilot stage from 1979 to 1991, during which experiments with preliminary reform measures were conducted in a small number of pilot sites, the transitional stage from 1991 to 1998, when nationwide housing reform was initialized but housing marketization had not yet formally begun and the rapid marketization stage which took off after the official termination of public housing allocation in 1998 (Chen, 2011). The 1998 reform led to the end of public housing provision for state employees and privatization of the public housing stock (Chazovachii, 2011) and these reforms were followed by market enhancing policies of 2003 which established market housing as the dominant form of urban housing. The housing provision system, envisaged in the 1994 policy was based on the neoliberal premise of growth, which assumes that a market takeover of housing provision will result in sustained housing

development and improved living conditions (Chen, 2011) and comprised direct investments from private resources, the state, and state-owned organisations (Cao & Keivani, 2014). China is now categorised as a housing system that has a mass homeownership rate with small public housing system (Li, 2015; Wang et al., 2012). Figure 3-2 shows the ratio of market to non-market completion of housing and ratifies the dominance of the market in housing supply.

Figure 3-2: Ratio of market to non-market completion of housing in China



Source: Cao and Keivani (2014)

Although by the end of 2005, 75.7% of China's urban residents were nominal homeowners by the end of that year, Chen (2011) however asserts that empirical findings suggest that the ownership-based housing model was promoted among the poor in exploitative ways, which resulted in profound deprivation for the low-income groups. A review of China's urban housing outcomes reveals housing price inflation and a shortage of affordable housing in the fast-expanding housing market (Cao & Keivani, 2014). Low real interest rates on loans fuelled demand for housing, adding pressure on house prices thus limiting affordability (Hoek-Smit, 2011). To encourage borrowing, the central bank reduced basic interest rates seven times between 1996 and 1999. Between 1985 and 2002, mortgage interest rates were gradually from 15.5 percent to 5.7 (Wang et al., 2012). State banks also extended the normal period for a home loan from 20 to 30 years and increased the maximum amount of loan from 70 to 80 per cent of the purchase price. China's ongoing property boom shows that there are

large capital flows into the sector, leading to price inflation even when supply is expanding, with commercial banks dominating the financial sector (Dübel, 2011; Hoek-Smit, 2011). In the face of rising inflation and absence of protection through fixed-rate mortgages, the low-income groups' ability to access mortgage finance has been curtailed, contributing towards their inability to afford housing (Dübel, 2011).

However, a look at the enabling instruments that were proposed by the world bank shows that liberalisation of the housing markets in China did result in an increase in private sector capital in the housing market. Since the 1990s, there has been extensive urban infrastructure improvement, including underground railways, which has resulted in more land being made available for residential development (Cao & Keivani, 2014). In addition, to ensure that there are no barriers to housing developments, roads, water and sewerage and electricity has been timeously made available before commencement of housing developments.

Despite these great strides towards creating an enabling environment, there were many nonmarket factors related to China's social and political institutions that were highly influential regarding inequitable housing distribution (Chen, 2011). Chief amongst these factors were distributive inequalities, which were carried forward from the public housing era. Higher socio-political ranks could afford better housing during the public housing era and after the privatisation process, these differentials were translated into substantial economic inequalities after the privatisation of the housing stock as the elites captured the benefits of the housing privatization program (Cao & Keivani, 2014; Chen, 2011). This is because sitting tenants were the beneficiaries of the deeply discounted public housing that was converted into homeownership housing.

The World Bank sanctions the use of targeted, measurable, transparent subsidies that have little potential of distorting the housing market (Mayo & Angel, 1993). In China, production subsidies were offered to developers of Economic and Comfortable Housing (ECH). These production subsidies were meant to enable such housing to be sold at discounted prices to low-income households and were in the form of reduced taxes and waiver of land costs. However, these subsidies often benefited unintended users, with research findings indicating that there were serious targeting errors, resulting in most ECH being sold to relatively well-off government employees at large

discount to market prices (Cao & Keivani, 2014).

There was also rampant speculative behaviour in the market which pushed up house prices, which led to worsening housing affordability and housing shortages, particularly for the low-to-medium income groups (Cao & Keivani, 2014; Wang et al., 2012). To compound this problem, there were no limits on multiple homeownership, resulting in artificial house shortages as the higher income groups hogged on to housing, pushing up house prices. The State eventually reacted to these issues through imposing purchase restrictions, taxing multiple homeownership and tightening mortgage terms. Although these policy responses run against the neo-liberal idea of free markets, these interventions were necessitated by persistent speculative market behaviour which was resulting in price inflation and reduced affordability (Cao & Keivani, 2014).

From the foregoing, significant involvement of private sector hinged on interventions by the state in four major areas, all of which were embodied in the housing policy:

- Reduction in direct housing provision through privatising public housing stock and terminating public housing allocation for state employees, resulting in this group being forced to seek market provided housing solutions.
- Enabling low-income groups via relaxing housing finance for the low-income group
- Supporting private sector developers through availing production subsidies and
- Regulating the market to curb speculative tendencies by higher income groups.

3.6.2 Neoliberalism in Ghana

Before 1970, the government of Ghana was involved in the direct provision of housing via state-owned enterprises, but the housing programs were critiqued as skewed towards benefiting the upper and middle-income groups to the detriment of the low-income earners. For example, in the period between 1964 and 1970 the state had a target of 60 000 units, with 31.3 million pounds budgeted for commercial housing and 13.3 million pounds for low-income housing (Arku, 2009). This implies that the formal public sector was typically focused on housing for the middle classes, and the formal private sector was focused on housing for the upper classes, leaving the low-income group not catered for. The Government was also a major shareholder in some housing

finance institutions, and mortgage loans were provided well below market rates. These government initiatives were yielding a disproportionate output, which was well below expectation given the amount of money the government was pouring into the state-owned enterprises.

In response to the failure of the previous policies, dwindling state resources, poor performance by state enterprises in housing provision and a worsening housing challenge-the government introduced neoliberal reforms which focused on a fundamental shift in housing policy, with the State shifting from direct state provision and leaning more towards active participation by the private sector in housing production (Arku, 2009; Tipple & Korboe, 1998). This saw the role of the state shifting to taking on a supporting role by creating the required legal, regulatory and economic framework for the formal private sector to operate. The policy changes were shaped by a growing need for private sector participation, institutional reforms, a favourable financial and regulatory environment and foreign investment in the housing market. Particular measures that were undertaken by the government to encourage private sector participation include:

- Tax incentives to potential investors. Corporate tax was reduced from 55% to 45%, 5-year tax holidays were extended to real estate developers, house purchases from real estate developers were exempted from stamp duty and sales tax on locally produced building material was reduced.
- State-owned enterprises were required to secure private capital and to operate on a commercial basis.
- Rental housing stock was sold to sitting tenants- which resulted in a change in the structure of housing provision.
- Complete withdrawal by the government from budgetary funding mechanisms for housing institutions, with housing institutions and private banks expected to provide mortgages at market rates.

The reform policies successfully attracted substantial private sector real estate developers active in residential construction, civil engineering and real estate development who between 1994 and 2005 invested a total of \$105 billion as shown in the table below:

Table 3-2: Registered real estate projects in Ghana: September 1994-2005

Year	Number of Registered Projects	Values in US\$ '000
1995	8	12 504.54
1996	13	36 617.61
1997	14	8 432.48
1998	11	12 801
1999	10	13 751.14
2000	8	7 243.48
2001	7	4 702.71
2002	7	8 922.97
2003	2	56.18
2004	1	50
Total	81	105 082.11

Source: Arku (2009)

The number of units constructed by formal private developers also increased approximately tenfold after the reform policies were implemented. Despite this success in encouraging private sector developers into the housing market, the struggle for low-income housing in Ghana is not yet over with the main issue being house price unaffordability. As in many other developing countries, unemployment in Ghana is high and household income is generally low, with 39% of the population live below the poverty line, and about 27% living in extreme poverty. What exacerbates house price unaffordability, are a variety of factors that have contributed to rising house costs including rising land costs due to speculative activities, heavy dependence on imported building materials [stringent building codes and regulations prohibit builders from using certain traditional building materials, such as sun-dried bricks, woods and swish] and persistently high inflation rates. The mortgage market system is also said to be not functional with interest rates charged by private banking systems ranging between 30% and 40%. Houses that are provided by the private developers are sold on a pre-sell basis, with home buyers required to make a 50% down payment before the start of construction, which they have to raise on their own as most of the target group doesn't qualify for mortgage finance. As a result, homeownership is out of reach for most of the low-income group, especially given their inability to access mortgage finance.

Scrutiny of the institutional environment in Ghana, however, reveals that from 1970, successive governments in Ghana have tended to adopt neoliberal policies without altering them for local circumstances (Tipple & Korboe, 1998). One major issue which

is a stumbling block in the success of the neoliberal agenda is access to land (Buckley & Kalarickal, 2004; Chazovachii, 2011; Hoek-Smit, 2011). In Ghana, outside of a small government-controlled sector, land is generally not for sale but is only available for occupation on leases and with titles of usufruct (Tipple & Korboe, 1998). The clouded nature of land titles and the lack of bankable titles over traditionally allocated land also inhibits access to mortgage finance (ibid). Housing finance has been recognised as an increasingly important vehicle in providing low-income housing under a neoliberal housing policy (Bolnick & Mitlin, 1998; Buckley & Kalarickal, 2004). It is thus unsurprising that lack of finance has also been identified as an impediment in the provision of low-income housing in Ghana.

Given these challenges that still exist in the low-income housing sector, there is still room for the government to strengthen the environment further for private sector participation, with special emphasis on the low-income group. Inadequate government support, poor publicity, and lack of interest for local materials are acknowledged to be factors that are exacerbating the low-income housing challenge (Arku, 2009) which can still be worked on. Indeed, the adoption of a neoliberal housing policy has drawn a few criticisms. Houses developed by the private sector are said to be unaffordable to the low-income groups due to the liberalization of the land market that has led to speculative activities and escalating prices, (Arku, 2009; Tipple & Korboe, 1998). In addition to these challenges, the total supply of housing in Ghana is marginal compared to the potential housing demand, resulting in the greater part of the population being in critical need of housing (Arku, 2009). This marginalization of the urban poor can be possibly due to an overemphasis on the formal market process in housing policies to the detriment of other existing modes of provision (Keivani et al., 2005).

3.7 The potency of Neoliberalism as a Panacea to the Low-Income Housing Challenge

Researchers are in consensus over one thing: neoliberalism is not uniform, and its expression at the local level is contingent upon local circumstances and the macro environment (Altmann, 2011; Andrew Beer et al., 2007; Fawaz, 2009; Lin & Zhang, 2017; Wang et al., 2012) which can be influenced by the macro environment. The implication therefore for low-income housing provision is that replication of projects based on successes in other areas will need to be supported by a lot of empirical work

as those successful projects can only form the core of a shell and the empirical evidence can then be used to fill in the finer detail. There is thus need to look at each system in detail. As Theodore et al. (2011) colourfully put it, the stubborn embeddedness of the neoliberal agenda and the circumstances of its dynamic evolution warrants serious scrutiny, especially in regard to processes of urban development. Governments in developing countries have proved neither effective nor efficient as housing providers (Berner, 2001). Despite the presence of subsidies, corruption in the tendering process results in profits pocketed by speculative, poorly monitored contractors, and huge targeting errors resulting in a negligible output reaching the targeted low-income group.

Buckley and Kalarickal (2005) note that generally, policymakers have adjusted policies and are now adopting more market-oriented housing policy. Examples that are cited are India, China, Chile, Colombia, Malaysia, and Mexico as countries that appear to have adopted a much more market-friendly public housing policy, with market-oriented subsidy systems having been implemented. This shift towards the market is meant to circumvent constraints that are associated with an interventionist housing policy.

The World Bank warns that while largely private housing markets produce most of the housing in developing countries, this does not necessarily mean that these markets are either efficient or equitable (Mayo & Angel, 1993). Nor does it mean that these markets completely satisfy all housing needs or help attain broader development goals. Housing sector policies must be based on a positive view of how the sector actually works in a given context, and, as well, with specific notions of how it could work better (ibid.) The interplay between structure and agency should be investigated in a neoliberal context, and this calls for more empirical work on the low-income housing space to substantiate the criticisms of neoliberal policies where they have been applied and to also detail their successes.

Policymakers have a choice: either to view the low-income housing challenge from a problem-based perspective or to tackle this challenge through policies that seek to take advantage of the opportunities in urban economies. One way to do this is through viewing cities as motors for development, and as instruments for the growth and

development of regional economies (Winchester, 2005). If there is a way that the housing challenge can be tackled through private sector involvement, then policy should be used to leverage those who are willing to try and serve this market. Use of capital in return for profit would require enterprising actors, and that would attract more and more players, resulting in economic growth. It is known that cumbersome and lengthy regulatory approval processes involved in land acquisition and development tend to limit the private sector participation in the housing industry. The bureaucratic processes lead to inefficiencies, wastefulness, exploitation, delays and high project cost (Makinde, 2014), and this insight can be a point of entry for the State to use policy to leverage private sector efforts in the low-income housing sector.

The private sector has the potential to significantly contribute towards solving the housing challenge and the key to involving the private sector in the provision of low-income housing could be incentives (Winchester, 2005). It should also be acknowledged that the private sector has always been the major contributor in the housing sector (Makinde, 2014; Sivam & Karuppannan, 2002) albeit not to the low-income group. What research still needs to uncover is that key which will just sway the private sector towards the low-income housing segment, despite there being low profits (Mosha, 2013).

Mooya and Cloete (2007) add on to the debate by observing that from a demand perspective, the shift from direct state provision to a more market-oriented intervention would be smoother if the State can, through regulation, improve administration that would reduce waste, enhance cost recovery and provide greater incentives for the low-income groups to become a part of the market recovery and provide greater incentives for the low-income groups to become a part of the market place. A balance between demand and supply can go a long way in ensuring that markets work, especially in the low-income housing sector. Whilst acknowledging the role of the state in enabling markets to work, it is important that state intervention in markets be kept at a bare minimum because powerful interests will inevitably distort and bias state interventions for their own benefit (Harvey, 2007). This is more so in land markets as access to land can be extremely politicized which can further complicate market formation and the efficiency and opacity/transparency of these markets.

There are still no strong competitors to neoliberal ideas when trying to address the housing challenge (Forrest & Hirayama, 2015) especially when the political ideology of homeownership is taken into account. Homeownership is believed to be a natural and normal desire which encourages social stability, social responsibility, and a stronger sense of territorial attachment, which eventually leads to greater social capital, individual household well-being and happiness. This homeownership momentum has undermined acceptability of alternative tenure status, such as rental housing, and this complicates the housing challenge for the low-income groups. If a way can be found to encourage more involvement of private-sector developers in the low-income segment thus extending the benefits of homeownership to the low-income groups, then there are likely to be more positive ripple effects that negate the criticisms of a neoliberal housing policy. This is more so especially in the face of economic austerity that continues to impede any manoeuvres that are required to forge an anti-neoliberal front (Peck, Theodore, & Brenner, 2013).

Homeownership for the low-income group, on the other hand, is associated with economic negative views as it is said to reduce labour market flexibility. For example, it is argued that it ties the target group down through reducing their mobility flexibility thus limiting their ability to explore the market in search for better-paying jobs (Chelcea and Druta, 2016). In this argument, since low-income areas are also generally concentrated in areas with relatively few amenities or services and substandard housing (Derosssett, 2015), homeownership thus ties down the lower-income groups to the areas accessible to them from where their house is located, where there is usually higher levels of crime and social problems, which thus cements their low-income status. The financial burden of also maintaining such substandard homes given that low-income households typically have variable incomes and less savings to get them through periods of unemployment strains them and puts them at high risk of losing equity in a foreclosure (Rohe and Stegman, 1994).

Despite all these disadvantages that are associated with the preference of homeownership tenure for the low-income groups over other tenure choices, there is overwhelming literary evidence that shows that many nations undergoing neoliberalisation promote homeownership over other tenure options (Rolnik, 2013, Forrest and Hirayama, 2015). The homeownership drive is thus more often than not

described as a political force- pursued in spite of any perceived advantages and disadvantages associated with homeownership for the low-income group (Chelcea and Druta, 2016, Rolnik, 2013). There are many countries where a distinctive characteristic feature of the housing system is a tenure structure with higher levels of owner-occupation compared to other tenure systems (Özdemir, 2011) eg South Africa (Moss, 2003), Zimbabwe (Chaeruka and Munzwa, 2009), Ireland (Kitchin et al., 2012) just to mention a few.

Incremental housing has also been touted as an effective strategy for housing low-income groups but at the same time, speculative tendencies tend to bid up land prices. One way of bringing down the cost of land-intensive processes of construction involving multi-storey apartment buildings. The pros of this approach are that high rise buildings discount the price of land by distributing it amongst many families. However, this changes the nature of the housing product from a small parcel of land that can be developed a brick at a time over several years to a finished apartment that requires intensive capital use (Fawaz, 2009). So, not only has neoliberalism resulted in a reduction in state involvement in low-income housing production, it is capable of further alienating the low-income groups from partaking in the market if no proper policy stances are taken. Could there be possibly an alternative economic ideology to neoliberalism? Or neoliberalism needs to be restructured for a better fit in the housing delivery market?

The implication therefore for low-income housing provision is that replication of neoliberal housing projects based on successes in other areas will need to be supported by a lot of empirical work. Successful neoliberal housing projects can only form the shell of any intended projects in a different context, and empirical evidence can then be used to fill in the finer detail. There is thus need to look at each system in detail. As Theodore et al. (2011) colourfully put it “the stubborn embeddedness of the neoliberal agenda and the circumstances of its dynamic evolution warrants serious scrutiny, especially in regard to processes of urban development. Despite all the criticisms the neoliberal agenda does not seem to be retreating (Fernandez Milan, 2016; Kitchin et al., 2012), there is no sign of a U-turn (Hodkinson et al., 2013), nor is there any sign of any radical departures from the neoliberal orthodoxies (Kitchin et al., 2012).

Within the neoliberal camp, the response to these critics has been that neoliberalism is a sound idea, whose outcome is heavily affected by context-specific regulatory landscapes (Chelcea & Druta, 2016). The structure and functioning of housing markets is heavily dependent on the legislative and regulatory environment, which is under the ambit of the state (Bone, 2014; Buckley & Mathema, 2007). For example, land administration, and local land-use regulations that restrict housing supply have been shown to have negative effects that more than offset the gains of a neoliberal policy in housing (Buckley & Mathema, 2007; Hsieh & Moretti, 2017). Housing finance innovations also have to fit into a broader financial sector and legal policies. Whilst acknowledging the role of the state in enabling markets to work, it is important that state intervention in markets be kept at a bare minimum because powerful interests will inevitably distort and bias state interventions for their own benefit (Harvey, 2007). This is more so in land markets as access to land can be extremely politicized which can further complicate market formation and the efficiency and opacity of these markets.

Problems are likely to abound in adopting a neoliberal housing policy in the low-income sector, chief amongst which is very low-incomes among the targeted group to sustain mortgage finance. Volatile economies with high inflation, economic recessions, and lack of primary mortgage instruments contribute towards hurdles in implementing a neoliberal housing policy. Notwithstanding all these similarities in how neoliberalism rolls out in the housing sector, there is a recognition that neoliberalisation is spatially and historically uneven globally (Hodkinson et al., 2013). It has a tentative character which is heavily influenced by political forces and institutional arrangements (A. Beer et al., 2016; Fernandez & Aalbers, 2016), which begs for empirical evidence in the critique of neoliberalism as a possible solution to the housing challenge for the low-income groups.

But, neoliberalism in the context of housing, as has been detailed in the above case studies where it has been implemented takes a slightly different form, it metamorphoses as agents in each economy adapt their strategies to shield themselves from any threats in the market. There is however paucity in empirical data on how the private sector can be incorporated in low-income housing provision as the link between conception and practice has not been made. A complete study on a project that is

financed by the private sector under extreme conditions would thus yield results that might fill this literary gap. Neoliberalism is anchored on markets, property rights and competition. The market can operate as a regulatory principle only if there is competition in the market (Lazzarato, 2009). How states can create markets in the low-income housing sector is the topical question that should be under debate. This further highlights the need for a lot of empirical research where there is private-sector-led development that is targeted at low-income groups. From these studies, lessons can be extrapolated, with the aim of identifying any challenges so housing policies can be adjusted accordingly. So, how adopting a neoliberal policy will play out in any scenario in the provision of low-income housing, should be a synthesis of ideal-type and contingent neo-liberalism ideas, and these neoliberal ideas should be highly flavoured by contextual realities in the market in question.

In conclusion, neoliberalism has resulted in a reduction in state involvement in low-income housing production and gone some way in making markets work, but it is also capable of further alienating the low-income groups from partaking in the market if no proper policy stances are taken. Currently, there are no proffered alternatives by the critiques, thus neoliberalism still needs to be restructured for a better fit in the low-income housing delivery market, which begs for more research in this area.

4. ZIMBABWE: HOUSING POLICY AND OPERATING ENVIRONMENT

4.1 Introduction

This chapter is a descriptive account of the empirical context in Zimbabwe in which this study is located. The rest of the chapter is arranged in seven sections. Section 2.0 looks at the magnitude of the housing problem for the low-income group as it stands currently, and thus highlights the issues that low-income housing developers have to contend with. Section 3.0 explores the housing policies that have been implemented in Zimbabwe since 1980 and the effects of those policies on the housing backlog and private-sector development of low-income housing. The next section explores the regulatory environment from the perspective of the developer whilst section five details the prevailing economic environment that low-income housing developers have to operate in. The penultimate section details the opportunities for low-income housing development by the private sector in Zimbabwe and the last section details the housing development process that has to be adhered to.

4.2 Housing Problem

Zimbabwe is a former British colony which attained its independence on the 18th of April 1980. Shortly after independence, there was an influx of people from the rural areas due to a variety of reasons viz. quest for employment, post-war disturbances in rural Matabeleland and Midlands, drought and food insecurity in the immediate post-war period in the rural areas and families moving to join their husbands after a relaxation of the colonial bylaws on urban settlement (Chitekwe-Biti, 2009). This rural to urban migration, has been recognised as a significant contributor to the low-income housing challenge in most developing countries (Addo, 2013; African Centre for Cities, 2011; Özdemir, 2011; Potts, 2006; Rizvi, 2016; World Bank (IBRD) & USAID, 2016), and Zimbabwe is no exception. As at 2012, from the census results, there were an estimated 3 059 836 households in Zimbabwe, with over 1.2 million households still in need for low-income housing spread across all urban councils in Zimbabwe (Chirisa et al., 2014; Muchadenyika, 2015a).

Need for low-income housing in Zimbabwe has generally been measured by looking at people on local authority housing lists. The waiting list is a pivotal tool for the

housing delivery system as it reflects the needs of applicants and gives an evaluation of how housing delivery is being carried out (Mashoko, 2012; Mutembedzi, 2012). These housing waiting lists are also recognised as the official administrative tools of local authorities where all home-seeking households or individuals register and are classified with regard to the date they register. The registration date then determines the households entitled to get a house or plot and the income group they belong to which determines which housing project they qualify for (Kamete, 2001b). In theory the use of the waiting-list for allocations should limit the emergence of absentee landlords and high income and middle-income households from taking over housing projects intended for low-income groups, and has been used in various countries where supply of housing earmarked for the low income is limited (Barron, 2008; Gallent, 1997; Katz, Turner, Brown, Cunningham, & Sawyer, 2003; Potts & Mutambirwa, 1991)

These housing lists, however, understate the magnitude of the housing problem in Zimbabwe, as they are usually not up to date. This is a result of local authorities having introduced registration fees and renewal fees which cannot be afforded by some low-income earners. These fees have had the effect of reducing the numbers on the waiting list, but nevertheless, these lists remain as the best proxy for housing demand which can be satisfied by private developers who have the capacity to tailor housing products that can be afforded by the low-income groups. At least 80% of the demand for low-income housing is found in level 1 cities. Urban Councils in Zimbabwe are divided into four level- in descending order of status, power, authority and resources. City Councils are categorised as Level I cities, Municipalities are level II cities whilst Town Councils and Local Boards are level III and IV cities respectively, as shown in Table 4-1.

Table 4-1: Waiting list sizes for different urban councils

Level I Cities		Level II Cities	
City Council	Waiting List Size	Municipality	Waiting List Size
Harare	600 000 ¹	Redcliff	n/a
Bulawayo	110 000 ²	Chegutu	9 300 ³
Gweru	23 000 ⁴	Chitungwiza	13 000 ⁵
Masvingo	20 000 ⁶	Victoria Falls	15 000 ⁷
Kadoma	15000 ⁸	Chinhoyi	13 000 ⁹
Kwekwe	16 000 ¹⁰	Gwanda	15 000 ¹¹
Mutare	30 000 ¹²	Marondera	17 000 ¹
		Bindura	n/a

Source: Compiled from various newspaper sources

It is on record that only 1% of the waiting list is being housed annually whilst the state of land delivery is only 2,4% of the demand generated by the waiting list (Palmer Associates, 1995). These figures illustrate that the record of house construction is nowhere near alleviating the housing shortage. The government has consistently said it cannot handle the burden of housing provision due to limited fiscal space and is willing to facilitate private sector involvement especially in the low-income housing segment (GoZ, 2012; Potts & Mutambirwa, 1991). Local authorities, which are supposed to facilitate the delivery of suitable serviced land for low-income housing provision rely on the following main sources of revenue of urban councils (Murimoga & Musingafi, 2014):

- the levying of assessment rates on property;
- receipts from 'trading' accounts like sale of water;
- tariffs or fees for services rendered;
- education and health grants as well as road grants for roads in their areas;

¹ <http://www.sundaymail.co.zw/housing-in-search-of-a-place-called-home/>

² <http://www.sundaynews.co.zw/local-authorities-abandon-housing-waiting-lists/>

³ <https://www.newsday.co.zw/.//2011-09-25-chegutu-grapples-with-housing->

⁴ <http://www.chronicle.co.zw/tinshel-properties-inspired-to-change-gweru-landscape/>

⁵ <http://www.chitungwiza.co.zw/housingpolicy.html>

⁶ <http://www.herald.co.zw/mega-youth-housing-project-for-masvingo/>

⁷ www.chronicle.co.zw/cbz-unveils-a-12-million-housing-project

⁸ <http://www.chronicle.co.zw/city-owed-us10-million/>

⁹ allafrica.com/stories/200607270903.html

¹⁰ <http://allafrica.com/stories/201603151693.html>

¹¹ www.newzimbabwe.com/news-21710.Gwanda./news.aspx

¹² <http://source.co.zw/2014/12/land-choked-mutare-struggles-to-find-housing-space-waiting-list-exceeds-30000/>

- loans for capital works from central government through the national housing fund in respect of housing, general loan fund in respect of other infrastructure like water and sewerage reticulation, roads and stormwater drainage; and
- loans from the open market after obtaining necessary borrowing powers from the Minister.

Funds raised from operations are however insignificant as most ratepayers are unable to settle their bills due to the socio-economic problems that the country is engulfed in (Chipungu & Adebayo, 2013) which has resulted in an unemployment rate that is over 90%. The central government has also been incapacitated in funding the local authorities, resulting in all authorities having budget deficits and thus crippled from carrying out any meaningful development in the housing arena (Brown, 2001; Chirisa, 2014; Chitekwe-Biti, 2009; Kamete, 1997).

Despite waiting lists being the sole way of registering with the local authorities for low-income housing, city councils have rendered these lists useless as they usually don't make reference to them whenever land and housing is available (Mutembedzi, 2012; NewsdzeZimbabwe, 2015). Reasons given for this tendency are that more than 80% of the people on the waiting lists are low-income earners who cannot afford the stands that are being serviced by the city councils, and the local authorities need money for operations. This move has worsened the plight of low-income earners and reduced their chances of getting subsidised housing via the local authorities. The housing situation as it currently stands further highlights the low-income group as a niche market that is currently not being fully exploited and presents opportunities for private-sector developers. Furthermore, abandoning the housing waiting lists implies that the low-income groups have to resort to the market for all their housing needs, a situation which presents opportunities for private developers who might possess resources and key competencies to outperform local authorities in the provision of cheaper housing products to the target group.

4.3 Housing Policies - Background to Zimbabwe's Housing Backlog

Pre-independence, there was always an insufficient supply of housing, through a deliberate policy of discouraging blacks from permanently settling in the urban areas (GoZ, 2012). Between 1965 and 1979 the national housing stock for blacks increased

in response to the rapid growth in the urban population (Muchadenyika, 2015a). This population increase was in part because of economic growth and a liberation war-induced rural-urban migration. After independence, the government of Zimbabwe came up with policies that were intended to rectify the urban housing shortage, and these policies were mainly a reaction to the perceived imbalance that had occurred during the colonial era. Right from the first development plan, Transitional National Development Plan (TNDP) which was launched shortly after independence, in the period 1982/3 – 1984/5, housing was a top priority, and the government hoped to deal with housing backlog through both public and private sector investment (Potts & Mutambirwa, 1991). However, at the end of the planning period, there was a massive gap between planned and actual construction, with only 13 500 out of 115 000 planned houses being delivered. The major reason for this huge discrepancy was lack of adequate fiscal resources, with the budget allocation to the Ministry of Construction and National Housing below the planned required. This fiscal constraint stemmed from a recession that coincided with the TNDP period, a sluggish response from the private sector and foreign investment that was much less than what was hoped for (Mutembedzi, 2012).

By 1985, the national housing backlog was at 240 000, and in the following year, in 1986, the government launched the First Five Year National Development Plan (FFYDP), which was to run from 1986-1990. Even though the housing backlog was at 240 000, the plan set the target at 75 000-100 000. Again this 5-year plan was predicated on significant input from the private sector, with the formal large-scale sector [construction companies, building societies offering construction loans, and employers building housing for employees] expected to play a role. But fiscal constraints and escalating building costs resulted in actual units built during the FFYDP being less than what was achieved during the 2-year TNDP. Thus, the housing backlog has continued growing year after year.

A summary of some housing policies and programs that have been designed to increase housing to the low-income groups since independence is shown in Box 4-1.

Box 4-1: Housing policies and programs post-independence in Zimbabwe

- *The Repeal of Pass Laws (1980)* which had been used to regulate and restrict the form and permanency of black urban residency.
- *Home Ownership* which allowed house occupiers to purchase the Council/Government rental
- *Rent Control Regulations (1982)* to regulate the rental market in ways that offer protection to both tenants and landlords.
- The establishment of the *National Housing Fund (1982)* used as a general development loan through which local authorities received resources for house construction and infrastructural development.
- The establishment of cost-effective and labour-intensive modes of house construction such as *aided self-help* and *Building Brigades* and the development of.
- *The Housing and Guarantee Fund (1985-1995)* to facilitate civil servants and the general public to acquire building society loans for home purchase or construction. The Fund was supported by, among others, the World Bank and USAID and focused on low-income residential development.
- Implementation of *minimum building standards, training of builders* and other *artisans* (trade testing system) to ensure the provision of decent and durable housing and associated facilities.
- Continuation, broadening and refining the maintenance of *Housing Waiting Lists*.
- *Housing Upgrading Programmes* where former ‘bachelor accommodation’ and housing units were upgraded
- *Slum upgrading* with the only large-scale project being Epworth outside Harare.
- *Promotion of Cooperatives and other community-based settlement development models*. Some of these were directly facilitated by local authority Departments of Housing and Community Services and relevant arms of the central government as well as civil society organizations such as NGOs and CBOs.
- *Introduction of rural housing and social amenities programmes* including the creation of a specific Ministry.
- *Private Sector Participation and Employment-based Schemes* where the involvement of the private sector in the delivery of housing has seen several land developers and other companies not involved in the housing sector providing housing for their employees while others were promoted by civil society organizations.

Source: Mutembedzi (2012)

The policy thrust in housing, post-independence, has been skewed towards homeownership, to the unfortunate exclusion of other key policy areas like social, rental and institutional housing (Chaeruka & Munzwa, 2009; Potts & Mutambirwa, 1991). In consequence, 90% of all council housing in Zimbabwe was converted to homeownership post-independence. Those who could afford to buy the council houses that were offered did so, a move which relegated all those who could not afford to buy

the council houses into tenants, lodgers, and to reside in tied accommodation. The fixation with homeownership explains why private sector participation has traditionally been in the high-income end of the housing market (Chaeruka & Munzwa, 2009) as the low-income groups usually do not have the financial capability to own houses (Chinloy & Megbolugbe, 2013; Mooya & Cloete, 2012). The conversion of rental housing to homeownership also resulted in an absence of adequate stocks of affordable social accommodation (Chakaipa, 2010), forcing all low-income earners who wished to have access to housing to register on council waiting lists with the hope of getting access to subsidized land and housing. However, local authorities have been unable to cope with the increase in demand for low-income housing (Rakodi & Mutizwa-Mangiza, 1990a) and they lament the lack of government support in housing the low-income groups, with the last disbursement of funding for housing from the central government via the housing development fund having been received in 1983 (NewsdzeZimbabwe, 2015). The implication for private-sector developers in the low-income housing segment is that the most supported tenure style in Zimbabwe is that which encourages homeownership. Despite this target group having been side-lined in the past by private developers, the pent-up demand in this target group presents an opportunity for private-sector developers to leverage on economies of scale and design homeownership products that are affordable.

4.4 Impact of Zimbabwe's Economic Policies on Low-Income Housing Provision

Zimbabwe's urban housing challenge has been steadily getting worse since independence. Out of an annual target of 162,000 housing units set between 1985 and 2000, the actual delivery of housing units ranged between 15,000 and 20,000 units per annum with production levels falling further to as low as 5,500 plots in the major urban centres against an estimated annual demand of 250,000 units in 2002. The lowest number of allotted stands was recorded at 200 in 2004 and the highest at 10,000 stands in 1989 (Chirisa, 2014). In order to redress the colonial imbalances, expectations in local governance soon after independence were that the new government should remove racial discrimination, abolish dual systems of development emphasizing white and black areas, develop democracy, good governance, decentralisation and to align local governments institutions' politics and policies in such a way that they support national strategies and visions for development (Jonga, 2014). The country's urban

population increased from 23% during the early 1980s to 38.3% in 2010 (Gumbo, 2015), putting pressure on the need for urban housing solutions. Efforts in the housing department were also directed towards upwards convergence, away from established concepts of ultra-low-cost and high-density housing which were perceived as reflective of structural inequalities of the colonial period (Davies & Dewar, 1989). Given that it is generally accepted in the literature that the main challenge to housing the urban poor is housing finance, this section aims to scrutinize Zimbabwe's economic policies, to understand their impact on low-income housing provision by all relevant stakeholders – the local authority, central government, the private sector, and civic groups. To what extent were the economic policies that were crafted skewed towards unlocking finance to solve the housing challenge?

Between 1980 and 2018, the government of Zimbabwe crafted several economic policies as shown in Table 4-2.

Table 4-2: Zimbabwe's economic policies - 1980 to 2018

Date	Policy	Period Covered
1-Feb-81	Growth with Equity (GWE)	1981
1982	Transitional National Development Plan (TNDP)	1982-1985
1985	First Five-Year National Dev Plan (FFYNDP)	1985-1990
18-Jan-91	Economic Structural Development Programme (ESAP)	1991-1995
20-Feb-98	Zimbabwe Programme for Economic and Social Transformation (ZIMPREST)	1996-2000
29-Mar-00	Vision 2020 & Long-Term Development Strategy	1997-2020
1-Aug-01	Millennium Economic Recovery Programme (MERP)	2001-2002
1-Feb-03	National Economic Revival Programme (NERP)	2003-2004
1-Nov-04	Macro-Economic Policy Framework (MEPF)	2005-2006
1-Apr-06	National Economic Development Priority Programme (NEDPP)	2006-2008
30-Sep-07	Zimbabwe Economic Development Strategy (ZEDS)	2007-2011
19-Mar-09	Short Term Emergency Recovery programme (STERP I)	2009
23-Dec-09	Short Term Emergency Recovery programme (STERP II)	2010-2012
1-Jul-11	Medium Term Plan (MTP)	2011-2015
1-Oct-13	Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimASSET)	2013-2018

Source: Sibanda and Makwata (2017)

Government expenditure rose to over 50% of GDP between 1980 and 1989, mainly because of increased spending on health, social services and infrastructure. Funded by an increase in taxation. The budget became unsustainable in the late 1980s due to rising unemployment, increasing inflation and a spiralling budget deficit, and a need for major structural change was recognised (Brown, 2001). In 1990 Zimbabwe joined the World Bank/IMF sponsored Economic Structural Adjustment Programmes (ESAP) in an attempt to jumpstart the economy which was showing signs of stagnation by the late 1980s (ILO, 2006). None of the Economic Structural Development Programme's (ESAP) macroeconomic goals were attained which led to the government introducing a second round of economic reforms, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) in 1996 (Brown, 2001). ESAP which signalled an end to Zimbabwe's socialist economic policies worsened the housing challenges- the removal of subsidies, coupled with escalating inflation, and an increase in unemployment led to a decline in real wages and a dramatic increase in poverty (Brown, 2001; Potts, 2006). The Poverty Assessment Study Survey (PASS), carried out in 1995, showed a high incidence of poverty in Zimbabwe, with 62% of the population classified as poor and 46% classified as very poor, with an income of less than US\$122 per year (GoZ, 2002). Another dimension of state retrenchment was that the national housing fund also shrank (Chirisa et al., 2014). There was overall a negative impact on urban living standards (Potts, 2006) and overpopulation, as most low-income earners could not afford to stay in proper housing became the norm (Chazovachii, 2011).

As for the Millennium Economic Recovery Plan (MERP), launched in 2000, the lack clear priorities, sequencing and binding targets made it difficult to apply resulting in the failure to resolve the macroeconomic imbalance (OECD & AfDB, 2002). This failure stemmed in large part from weak policy implementation and from policy inconsistencies between the Reserve Bank of Zimbabwe and the government, with fiscal policy remaining highly expansionary (Economic Commission for Africa, 2002). NERP, launched in 2003 also tried to address the macroeconomic imbalances which were resulting in high inflation and an overvalued exchange rate, price controls were partly removed, but because the programme was largely incoherent- it did not provide a clear policy framework to fight macroeconomic imbalances, and government still maintained price controls resulting in further deepening of distortions in the

allocation of scarce resources. Despite the implementation of NERP, the construction industry was affected by a shortage of cement, and a sharp increase in building material costs (OECD & AfDB, 2004). NEDPP, which was hinged on PPPs died a natural death as the success of the program was compromised by “Operation Murambatsvina”, a controversial slum clearance program launched in the same period program that left hundreds of thousands of people homeless (Muchadenyika, 2015a). The economy was ailing, and international organisations were pulling out of Zimbabwe or taking a back seat (Gumbo, 2010) so the government came up with yet another programme, the Zimbabwe Economic Development Strategy (ZEDS) in 2007, which contained nothing new, but a repackaging of policies contained in the previous policy announcements, before NEDPP was implemented (Sibanda & Makwata, 2017). The launch of ZEDS was postponed indefinitely at the end of September 2007 (ibid.)

Short Term Emergency Recovery Programmes (STERP I and STERP 2), introduced by the inclusive government managed to address issues pertaining to runaway inflation and economic instability. Under STERP government recognised housing as a critical imperative and pledged to make it a priority, starting with evaluating and reviewing the national housing policy (GoZ, 2009). The review of the national housing policy was to guarantee the transfer of significant portions of land- at least 500 to a million- acquired under the land reform programme by local authorities for housing, and to adopt a multi-stakeholder approach in the servicing of this land- calling on the private sector, government and financial institutions to combine efforts (Chipungu & Adebayo, 2013; GoZ, 2009). What contributed to the success of the program is that politicians worked together and on the housing front, this was evidenced by the government handing over to local authorities the housing projects that were commenced under the failed OG/HK (Chipungu & Adebayo, 2013; Sibanda & Makwata, 2017). Despite these positives, STERP was charged with being too ambitious given that it was short term and therefore did not address the structural development challenges facing the country (Sibanda & Makwata, 2017; Zinyama & Takavarasha, 2014). The Medium-Term Plan (MTP), launched in 2011, was meant to guide all Government programs beyond short term stabilization. This economic program acknowledged that the housing backlog was partly attributable to contracting budgetary allocations and liquidity constraints which made it difficult for private sector participation. Other challenges facing the housing sector were listed as a

shortage of building materials, skills flight, uncoordinated town planning and rural resettlement. Policy measures targeted at resolving these issues included reviewing the national housing policy, resource mobilisation for the National Housing Delivery Programme where the government wanted to ensure that there is construction of core houses and provision of associated amenities for low-income earners and civil servants. The private sector in this economic programme was to be roped in via provision of land for private sector development for the low to middle income earners by the state via the local authorities, establishing PPPs in residential property development and reviewing laws and regulation pertaining to lease arrangements to encourage private sector housing construction (GoZ, 2011). This program was hastily abandoned when the political party, ZANU PF, won the 2013 elections paving the way for the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) Programme in 2013 (Sibanda & Makwata, 2017). ZimAsset was described as a results-based agenda built around four strategic clusters namely: Food Security and Nutrition; Social Services and Poverty Eradication; Infrastructure and Utilities; and Value Addition and Beneficiation. The document acknowledged the housing backlog estimated at 1.25 million housing units and intimated that the Land Reform Program had also increased demand for housing in urban and resettlement areas. ZimAsset sought to improve the standard of living under the social services cluster in the housing department and a target of 125,000 housing units to be constructed over the five years, between 2013 and 2018 was set as shown in Table 4-3.

Table 4-3: Excerpt from ZimASSET's Social Services and Poverty Eradication Matrix

Cluster Outcome	Cluster Output	Strategies	Lead Institution
Improved standard of living	125,000 housing units constructed	<ul style="list-style-type: none"> • Provide serviced land • Strengthen Public-Private Partnerships • Adaptation of new building technology • Strengthen community-based housing organisations • Strengthen micro-housing finance institutions • Adopt densification (vertical expansion) • Recapitalisation of the National Housing and National Guarantee Fund 	Ministry responsible for national housing

Source: GoZ (2013)

This target which was set of 125,000 housing units was a ‘daunting challenge’ (CAHF, 2015) as this economic blueprint was being implemented in a country with serious challenges on transparency, accountability and corruption and weak public service delivery institutions which have serious capacity challenges (Sibanda & Makwata, 2017). ZimASSET required about USD 27 billion to fully operationalise but the country was struggling to fund a USD 4 billion budget whose bigger share was going towards recurrent expenditure. As at 2018, all analysts who were evaluating ZimAsset were in agreement, the economic policy was a flop (Sibanda & Makwata, 2017).

Despite all these economic policies, the economic crises in Zimbabwe has been chalked down to poor macroeconomic management and an unsustainable fiscal policy (OECD & AfDB, 2002). Right from independence, the state and local authorities were in no position to underpin the new housing movement from their own financial resources and instead opted for a market based housing process, based on the concepts of freehold tenure and ability to pay – which underpinned the commodification of council-owned housing (Davies & Dewar, 1989), and this drive for homeownership was inherited and continued post-independence (Kamete, 1998). These economic programmes have been viewed by the western donor community and local analysts as not comprehensive enough to stop the deterioration of the country’s economic and social conditions, mainly due to the lack of political will, and as a result, funding for development programmes virtually dried up, with the AfDB only providing the

country with humanitarian assistance in response to the food crisis in 2002 and 2005 (AfDB, 2007). A solid track record of prudent macro-economic policies and positive development prospects with significant investment supporting economic growth can lead to an improvement of fiscal dynamics and would mean the country would be less dependent on donor aid, as has been witnessed in Ghana where the ratio of total donor aid has reduced from 49% in 2005/6 to 29% in 2015/16 (CAHF, 2015). Only those countries that rank high on good governance indicators and have in place strong political institutions that regulate government policy have good relations with donor institutions and the donor support can go a long way in developing the housing finance sector (*ibid.*). Zimbabwe is a testament to the importance of donor funds in the housing sector, as the highest number of housing units was delivered in the 1990s, largely driven by donor funding. The major impediment for the government to successfully achieve meaningful strides in housing provision was lack of funding, especially after the flight of donor support. It is this lack of funding which was behind the failure of the massive construction program undertaken by the government since independence dubbed “Operation Live-Well” that was undertaken by the government in the aftermath of the slum clearance programme (*Operation Murambatsvina*) in 2005 (Chipungu & Adebayo, 2013; Gumbo, 2010). One of the reasons behind the refusal of the IMF, the World Bank and many donor countries who are very active in the housing sphere to release funds to Zimbabwe was because of its economic policies (Chitekwe & Mitlin, 2001).

Donor organisations are a key player in low-income housing delivery (Mashoko, 2012) as donor support is needed to support community-to-community exchanges, to pay for professional support costs and to provide funds for innovative activities in, infrastructure and housing designed to provide loan funds (Chitekwe & Mitlin, 2001). There are numerous examples of these activities in literature, e.g., in the first decade of its independence (1980-1990), the Government of Zimbabwe worked quite assiduously, with the assistance of the donor community, to upgrade Epworth- a squatter settlement (Chirisa, 2013). During the 1980s and 1990s, local authorities around Zimbabwe embarked on large site and services programmes financed by donor funding through bilateral agreements with the central government (Chipungu & Adebayo, 2013). When donor funding ceased, the site and service schemes were discontinued (Chitekwe-Biti, 2009; Mashoko, 2012). In 1991, Mutare City Council

established a twinning link with the City of Haarlem in Holland, the aim being to provide housing to the poor population living in the Sakubva residential area, with the donor funding schemes contributing 2.1% from 2000 to 2010 (Mashoko, 2012). In the late 90s, lower-income families in Zimbabwe were being offered mortgages at 15 per cent through building societies within a scheme subsidized by USAID at a time when inflation was at 60%. Activities of Dialogue for shelter in Beitbridge, targeted at the low-income group were capitalised by Misereor, the first donor for Dialogue for shelter (Chitekwe-Biti, 2009). The government was also able to send officers to academic institutions for programs in the field of freshwater resources, solid waste and sewage management which are critical in housing under Capacity-Building, Education, Training and Awareness-Raising donor-funded programs (GoZ, 2002). These examples are not exhaustive, but they give a clear indication of the positive impact that donor funding has had in Zimbabwe.

The flight of donor funding and the continued dry spell despite the various economic policies that have been launched from 1980 to 2018 is an indicator that the policies have not had a positive impact on the housing front. Good economic policies are also supposed to result in an improvement in governance indicators, so as to attract other stakeholders such as the private sector into the low-income housing field. Governance indicators for Zimbabwe as measured by the World Bank have generally been declining since 1996.

Table 4-4: World Bank governance indicators for Zimbabwe

Governance Indicator	1996	1998	2000	2002	2004	2006	2008	2010	2012	2014	2016	2017
Voice and accountability	-0.61	-0.79	-1.09	-1.36	-1.55	-1.54	-1.55	-1.48	-1.47	-1.26	-1.18	-1.20
Political stability	-0.46	-0.74	-1.32	-1.52	-1.21	-0.93	-1.21	-1.10	-0.78	-0.71	-0.62	-0.77
Government effectiveness	-0.32	-0.33	-0.80	-0.91	-1.00	-1.23	-1.53	-1.51	-1.34	-1.21	-1.16	-1.19
Regulatory Quality	-0.77	-0.70	-1.42	-1.93	-2.06	-1.96	-2.14	-2.07	-1.89	-1.90	-1.72	-1.56
Rule of Law	-0.81	-0.66	-1.34	-1.59	-1.80	-1.74	-1.78	-1.82	-1.63	-1.43	-1.37	-1.38
Control of corruption	-0.28	-0.48	-0.98	-1.23	-1.33	-1.36	-1.36	-1.37	-1.37	-1.39	-1.25	-1.27

Source: World Bank data set¹³

Of interest in the housing sector from other studies are four indicators - government effectiveness, regulatory quality, rule of law and control of corruption. Government effectiveness which measures quality of public service provision, bureaucracy, the competence of civil servants, government policy credibility & independence of civil service from political pressures has an effect on the development in Zimbabwe as studies have lamented on uncalled for transaction costs in the development process, stringent procedures and delays in the approval of plans and permits, slow acquisition of peri-urban land for housing and lack of coordination among the institutions which are involved in housing delivery (Chirisa, 2014; Mashoko, 2012). The policy environment in Zimbabwe is also characterised by a thin dividing line between the policy-making process and party politics and has been described as an authoritarian approach to policy-making, which often results in policies being implemented without stakeholder consultation and support, further reducing the credibility of such policies (Chipungu & Adebayo, 2013). Interference from the Central Government on the day to day management of local authorities has contributed to the crippling of local authorities (GoZ, 2009; Muchadenyika, 2015a). Regulatory quality, on the other hand, looks at the incidence of market-unfriendly policies such as price controls, inadequate bank supervision and excessive regulation. This index was on a downward trend pre-2008, with the index bottoming at -2.14 in 2008. Price controls during the hyperinflationary environment in Zimbabwe adversely affected the construction sector

¹³ <http://info.worldbank.org/governance/wgi/#home>

as there was a significant shortage of building material. Foreign exchange rates were controlled until 1993 (Brown, 2001; Chitekwe & Mitlin, 2001), and in response to worsening macro-economic fundamentals, the government in 2007 reintroduced regulations and exchange rate controls that it had abandoned earlier in the decade (Brown, 2001; Chitekwe & Mitlin, 2001; Sibanda & Makwata, 2017).

Inflation, which peaked at 231 million per cent in 2008 (Stoeffler, Alwang, Mills, & Taruvinga, 2016) resulted in an increase in building costs (Brown, 2001), an increase in market mortgage interest rates beyond what could be afforded by the low-income group (Chitekwe & Mitlin, 2001). There were also building societies that collapsed as a result of hyperinflation (GoZ, 2009). All these economic policies contained useful objectives and roadmaps addressing the challenges that the country was going through. But the results from these economic policies are 'always disastrous', because systematic parameters through which these policies are supposed to be implemented are not clearly defined, possibly due to the institutional design and political culture which undermines a multi-stakeholder approach, as consultation, which is a key input for a healthy policy environment is often not done (Chipungu & Adebayo, 2013).

The country has institutions through which consensus-building can be achieved such as the Tripartite Negotiation Forum that brings together business people, labour movements and the government but the government does not take these institutions seriously (Chipungu & Adebayo, 2013).

Absence of policy credibility led to exchange rate risk and volatility, currency speculation and rent-seeking economic behaviour (Zinyama & Takavarasha, 2014). A general legal framework for faster, non-judicial arbitration of disputes as measured by ease of contract enforcement is also key in the development sector. But it has been shown that in most developing countries state institutions are weak and the enforcement of policy and legislation is wanting, especially in the area of land tenure (CAHF, 2015). Zimbabwe is no different, as, since the land reform exercise, there have been land tenure disputes. The rule of law (effectiveness and predictability of the judiciary, enforceability of contracts, incidence of crime), and, control of corruption (perception of corruption) is very important to attract investment into the low-income housing sector as it improves ease of doing business rankings (CAHF, 2015; Sibanda & Makwata, 2017). In Zimbabwe, the dismissal of councillors, mayors and councillors

due to corruption and the introduction of Governors, Provincial Administrators and District Administrators in urban councils' administration all have failed to improve local governance. In contrast, due to lack of stakeholder and political commitment, corruption has not been abated but has continued to further deteriorate local governance (Chirisa et al., 2014; Jonga, 2014; Kamete, 2001b; Sibanda & Makwata, 2017).

Corrupt tendencies tend to raise the costs of building (Chirisa, 2014), results in hazy land allocation processes and land accumulation in the housing sector by government officials in power and compromises council urban service delivery (Muchadenyika, 2015a, 2015b). All of the country's economic policies acknowledged that combating corruption, especially in the public sector is vital to reviving the economy and even specify the measures that should be taken including the Prevention of Corruption Act and formation of an Anti-Corruption Unit (GoZ, 2009; Zinyama & Takavarasha, 2014), but it is widely perceived that the courts have generally been biased towards the government in handling political cases (Zinyama & Takavarasha, 2014) and the government has not shown any political will to stamp out corruption.

4.5 Regulatory Environment

The regulatory environment governing low-cost housing development can be put into four categories. These according to (Chaeruka & Munzwa, 2009) include:

- policies, legislation and institutional arrangements that relate to land development
- housing development procedures
- housing policy and allied legislation
- housing finance and urban settlement management.

The guiding principles and basic sectoral settlement policies are identified in the Regional Town and Country Planning Act with related statutory instruments. The Housing Standards Act and related Model Building Bylaws, as well as the Minimum Building and Planning Standards define the standards for shelter and structure (GoZ, 2002). Ordinarily and at law, land allocation functions reside in local authorities and central government through the state land office. However, since 2000, countering the prominence of opposition parties in governing cities and urban areas, a new approach

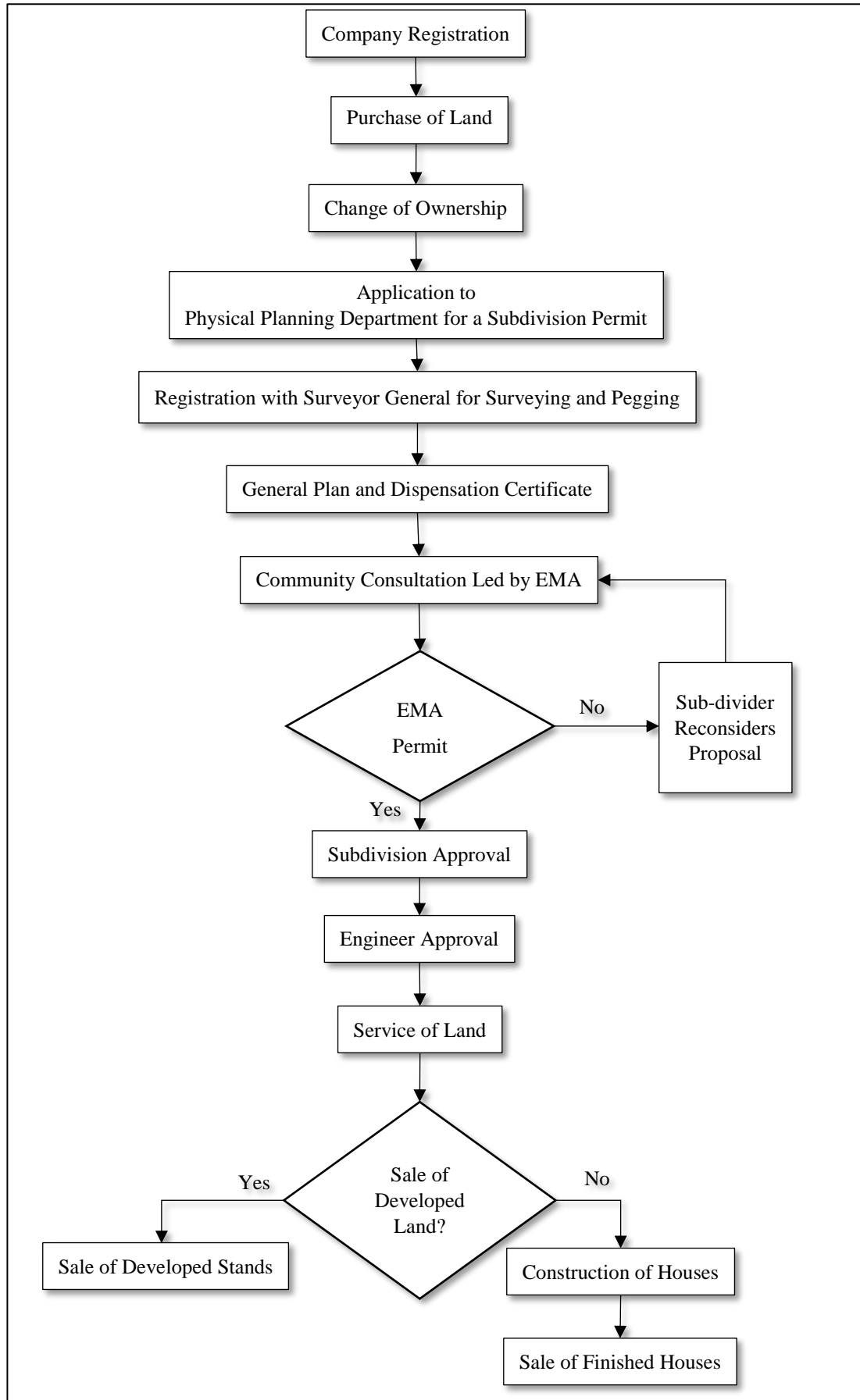
to housing land allocation emerged. Local authorities have been unable to perform land allocation functions (Muchadenyika, 2015a) and the government has used three instruments to undermine the functioning of urban councils: the local government minister; changes to the Urban Councils Act (Chapter 29: 15); and ruling party structures, including youth militia. These developments, though political, inadvertently affect low-income housing developers as the success of such ventures depend on access to land.

The following sections detail the rules that guide the housing development process, access to land for low-income housing and also expounds on the impact of rent control and slum clearance programs in Zimbabwe.

4.5.1 The housing development process in Zimbabwe

The development process is not documented, but through interviews with private developers and officials from the town planning department from the city of Bulawayo, the study was able to gather that the development process follows the flow process in Figure 4-1.

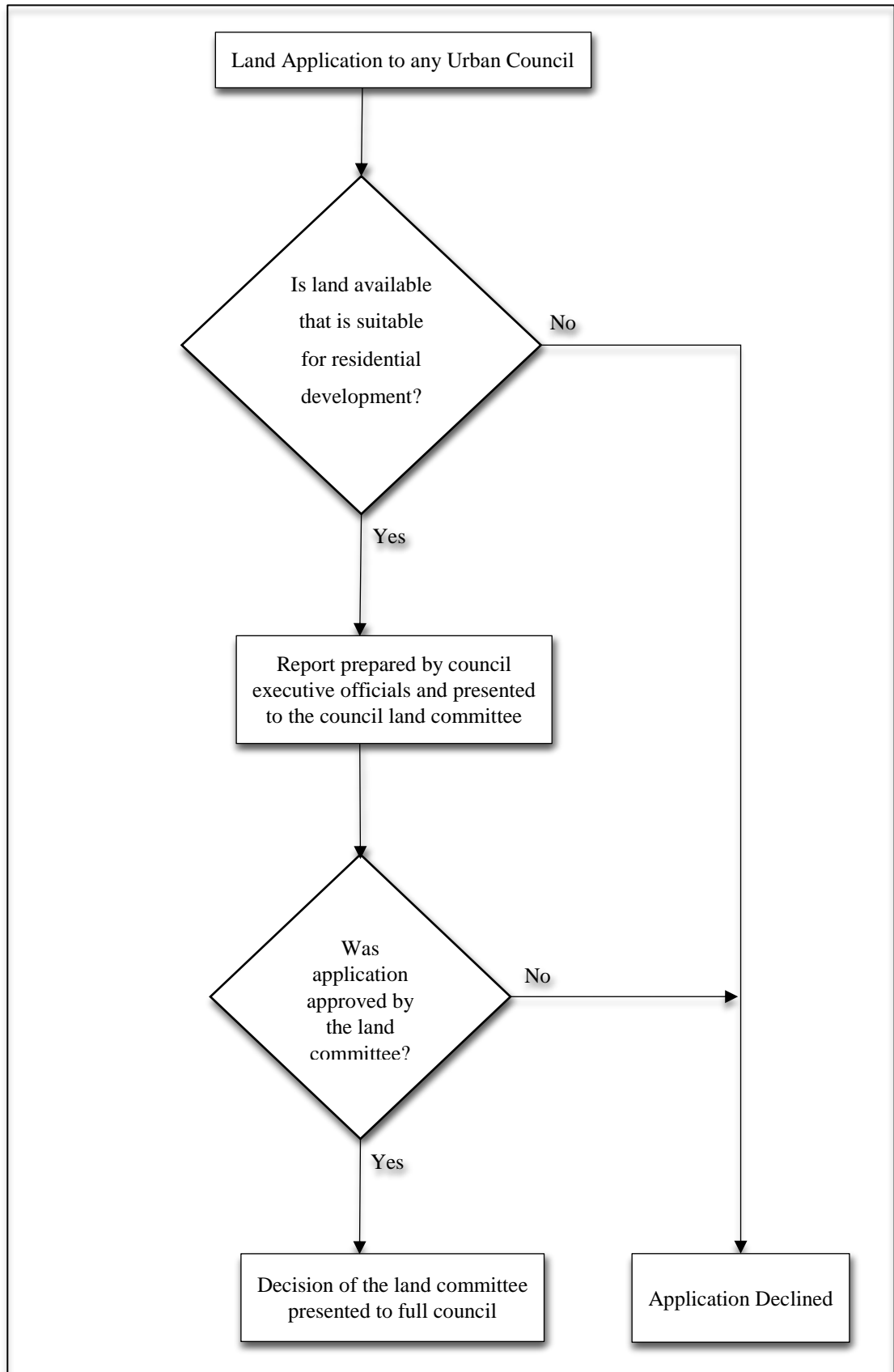
Figure 4-1: The housing development process in Zimbabwe



4.5.2 Access to land for low-income housing

Private developers intending to undertake housing development can either apply for state land or apply for land within local authority bounds. Problems with regard to the acquisition of land and the bad location of many projects on cheap peripheral land with inadequate trunk infrastructure have been listed as one of the major contributors to the low-income housing challenge in Zimbabwe (Mutembedzi, 2012). Muchadenyika (2015a) however posits that for the low-income groups, the challenge is not just the availability of land, but the land should be suitable and affordable for the target group. In Zimbabwe, conversion of state land to private land is a process that takes many stages including acquisition, compensation for improvements, planning, allocation of stands, and full payment (Chirisa et al., 2014), a process that can take years to complete. Level I and Level II cities own land within their boundaries, and this land can be disposed to prospective developers to generate revenue (Chakaipa, 2010). If land is available from the local authority, the process in Figure 4-2 has to be adhered to.

Figure 4-2: Land application procedure from Local Authorities



The flow process is relatively simple as shown above. If one submits a land application proposal to any urban council, and if the land is available and suitable for residential development, the council executive officials write a report in response to the application. The report is discussed, and a decision is taken by the council land committee. If the council land committee approves, the decision is taken to full council, which should ordinarily take a decision as advised by the land committee. However, due to the politics and fighting between the central government and local Authorities, if council land committee is dominated by one party and the full council dominated by another party, it complicates the process, and this can result in land supply bottlenecks (Muchadenyika, 2015a).

During the 1990s and around 2000, Council and the state did not own much land in the urban areas, since most of the land earmarked for urban expansion was privately owned and indications are that there were protracted negotiations with landowners over selling prices (Mutembedzi, 2012). Although farms were offered for urban development under Section 5 of the Land Acquisition Act in 2007 from the fast track land reform (FTLR) exercise, most local authorities could not use them for expansion because they had not been transferred into the local authority jurisdiction through Section three of the same Act. Reasons given point to political misunderstandings between central and local government as each is run by the ruling party and the opposition respectively. Instead, central government gave FTLR-acquired peri-urban land, without services, directly to housing co-operatives, resulting in the sprouting of unplanned settlements around cities (Muchadenyika, 2015a)

Council found it difficult to provide serviced stands on the market because it had had no money and had also lost much of its land in the land occupations of the FTLR program (Mutembedzi, 2012). Both the government and council were finding it a challenge to remove people who had settled themselves on farms which were to be used by the council for urban development. Also, houses were developed on the occupied farms without consultation with the city's Planning Department and the Department of Physical Planning. These were presenting council with difficulties since even though legally council can condemn the structures, politically it cannot do anything since the political party that is in power considers the occupants as legitimate.

4.5.3 Rent control

The rental market is a viable market for housing developers operating in the low-income housing space (CAHF, 2015) but in Zimbabwe, this is not the case. The rental market is guided by Rent Control Regulations which were introduced in 182 and later amended in 2007. While benefiting tenants, the immediate result of rent control laws has been to deter private individual and institutional investment in residential rental properties and to encourage the sale of rented property (Rakodi & Mutizwa-Mangiza, 1990a). Because of the regulations, rental housing has generally been viewed negatively, resulting in considerable capital flight (Chaeruka & Munzwa, 2009). Issues that have been raised that arise from the rent regulation are that it is difficult to evict bad tenants and it is illegal to increase rents on a residential property without a rent order even if there has been a change in ownership for the property or a new lease. State involvement in an otherwise private transaction also complicates the functioning of a rental market as Existing legislation empowers the Minister responsible for housing issues to regulate the letting and hiring of any immovable property, determine and establish bodies (the Rent and Rent Appeal Boards) that deal with the setting of rents charged. The jurisdiction of courts regarding eviction orders is curtailed to protect lodgers/tenants from landlords (Chaeruka & Munzwa, 2009).

4.5.4 Operation Murambatsvina and Operation Garikai

The national slum clearing programs code-named “*Operation Murambatsvina*” (OM) meaning operation restore order, that was carried out in 2005 worsened the housing problem (Msindo, Gutsa, & Choguya, 2013). About 700 000 people are estimated to have been directly affected by the operation through the loss of housing (Chipungu & Adebayo, 2013). Operation “*Garikai/Hlalani Kuhle*” meaning operation live well commenced on 29 June 2005 as a successor programme to deliver low-cost and decent accommodation mainly to the victims of OM (Mufema, 2006). The initial plan was for the government to construct 5 000 housing units countrywide, under phase one and 10 000 housing units under phase two. Due to a shortage of funds, this target was revised and instead phase two then became an aided self-help scheme where developers, employers, co-operatives and individuals were allocated un-serviced land to build their own houses. From inception, the operation was not well planned for and suffered from a lack of funds (Mufema, 2006; Mutembedzi, 2012).

Whilst the operation had noble intentions, the way it was carried out raised a lot of furore as central government overreached local government turf and imposed housing resettlement plans without prior consultation with the local government. A decade later, beneficiaries under the “*Garikayi/Hlalani Kuhle*” housing scheme still did not have sewer trunk infrastructure and potable water and some of the living conditions are squalid (Mutembedzi, 2012). Council was important to the project for various reasons which included the need to assess potential water sources and sewage processing and the provision of services such as transport, education and health facilities. As a result, some settlements that were created by the operation are still classified as informal settlements in council books (*ibid.*) as the projects were not incorporated into local authority areas and are away from the major built-up area of cities and nearby water and sewer connections. Most of the beneficiaries of this operation were however not the victims of OM as most could not raise the deposit that was required under the scheme (Mufema, 2006). Once again, targeting errors resulted in an increase in the number of low-income groups in need of housing solutions.

In summary, despite the various efforts and policies implemented by the state, the housing challenge has been worsening due to the following reasons (GoZ, 2012; Mutembedzi, 2012)

- Lack of policy coherence regarding rural-urban integration,
- Inadequate investment by both the public and private sector in the housing sector,
- Lack of policies to enable effective participation of other actors in housing development,
- Unreliable supply of affordable building materials, and
- Bottlenecks in the land delivery process
- Weak financial capacities of local urban authorities to upgrade both existing old and dilapidated off-sight infrastructure to accommodate new ones.
- Unavailability of relevant appropriate, accessible housing finance mechanisms in the market.

4.6 Facilitating Civil Society and Private Sector Participation in Low-Income Housing

Since independence, all the economic policies have been aimed at increasing civil society and private sector participation in low-income housing. A summary of these policies is given in table 4-2 above. In 1982, a National Housing Fund (NHF) was formed, and its purpose was to allocate government loans to local authorities for the servicing of land and construction of housing earmarked for low-income housing and to also provide funds for civil service housing programme, most of which were low-income oriented (Kamete, 1997, 1998). Provision of these serviced stands was the key for enabling privately mobilised funds into low-income housing via incremental housing. In the 1983 Transitional National Development Plan (TNDP), the concept of self-help was central to policies designed to help alleviate poverty. Housing co-operatives were identified as part of the strategy (Co-operative Housing International [CHI], 2016; Rakodi & Mutizwa-Mangiza, 1990a). With the adoption of neoliberal market reforms in the 1990s under the Economic Structural Adjustment Program (ESAP), the state removed subsidies and all forms of public support to the citizens. Another dimension of state retrenchment was that the national housing fund for public-sector housing which was key in funding aided self-help low-income housing projects (Gumbo, 2010) shrank, resulting in local authorities being unable to service land for the low-income groups (Chirisa et al., 2014). Low-income people have been coming together to pool their resources and build houses for members in the form of cooperatives (Zimbabwe National Association of Housing Cooperatives, n.d) as a way of providing houses for the low-income groups and 94 840 houses were built in the country between 2010 and 2015. These forms of civic organisation have however been fraught with a number of challenges viz. access to sufficient, affordable land in good locations, poor resource mobilisation (Chirisa et al., 2014), access to affordable finance in the form of construction loans, recognizing the financial capacity of the people and the co-operatives and access to affordable building material (CHI, 2016; Rakodi & Mutizwa-Mangiza, 1990a), political interference and vulnerability to land barons (Langa, 2016)

With effect from April 2016, the government of Zimbabwe announced it will stop allocating state land to co-operatives. Council authorities have also stopped issuing land to co-operatives following a review of their housing policy (Voinea, 2016). This

development presents a unique opportunity for private developers who are willing to serve the low-income group as the target group no longer has any alternative options for housing provision. Zimbabwe currently has over 7,000 housing co-operatives that have been registered with the Ministry of Small and Medium Enterprises and Co-operatives Development and these co-ops can now only access land from private individuals, an option which can be too expensive. Given that housing cooperatives have been a fund pooling mechanism, and these cooperatives would then go ahead and engage private developers to develop and construct their houses, this move, therefore, works against small developers and opens opportunities for developers with a higher capital base to buy land and develop that land for presale to the low-income groups.

4.7 Opportunities for Private Sector Low-Income Housing Development in Zimbabwe

Traditionally, in Zimbabwe, private sector provision of housing has concentrated on medium and high-cost housing development (Mutembedzi, 2012). Unlike high-density housing, where most low-income housing schemes are located, low-density housing does not require connected sewer and water systems required for high-density schemes. Beneficiaries can use septic tanks and boreholes for sewer and water respectively and can comfortably occupy un-serviced land unlike low-income developments which are placed in zoning areas where septic tanks are not allowed under the Town and Regional Planning Act (Chapter 29:12).

Given the high housing backlog and a government that is failing to raise the fiscal resources necessary to alleviate the housing shortages in the country, Zimbabwe presents a fertile ground for those private developers willing to adapt their business models and serve the low-income housing sector. The government has openly called on the private developers to partner with the state and local authorities. There are a number of studies which have lamented the high building standards that have to be upheld in Zimbabwe in line with building model by-laws (Chaeruka & Munzwa, 2009; Mufema, 2006), and have listed these as barriers to entry for private-sector developers. UN defines housing standards as measures of the acceptability of housing at a given time and place in a cultural, technological and economic setting (Zami & Lee, 2007). In line with current housing policy, local authorities have sanctioned a reduction in housing standards (Chideme, 2013). These reductions include a reduction in minimum

plot sizes from the traditional 300m² to 150m², a move that will significantly reduce the cost of buying land for the low-income earners. Gravel roads are now permitted as the local authorities are no longer insisting on tarred roads. For the superstructure, whilst the external walls still must conform to the Standards of Association of Zimbabwe, the internal walls can be built using cheaper alternative materials e.g. farm bricks. This reduction in standards is summarised in Table 4-5

Table 4-5: Reduction in building standards

Aspect	Previous	Current
Minimum plot size	300m ²	150m ²
Internal walls	Standard bricks	Alternative cheaper materials
Roads	Tarred	Gravel
Toilets	Strictly sewer	Temporary use of Ecological Sanitation toilets

Patel et al. (2018) point to empirical work from Brazil, India and Tanzania which has shown that high standards e.g. lot sizes and road width impose unnecessary costs on residents, users, and developers by making housing more expensive and they conclude that restrictive regulations have prevented the private sector from supplying affordable housing at a scale that can make a difference. Another aspect of the regulatory framework which should be looked at according to the literature which adds on to costs are cumbersome, costly, and time-consuming land registration and subdivision processes (Monkkonen, 2013, Chirisa, 2014) and complex, bureaucratic, and multi-layered process of converting agricultural land on the urban periphery to developable land suitable for urban use and housing production (Patel et al., 2018).

It is important to note that in Zimbabwe, there is little if any, government support that is offered to private-sector developers who intend to service the low-income group. It is recognised that policy and legislative instruments are usually required to incentivize the participation of private finance in low-cost housing as without such incentives low-cost housing rarely attracts viable and affordable funding options for the poor (Chaeruka & Munzwa, 2009). But in Zimbabwe, due to fiscal constraints, there is a predisposition to try and promote development without raising public expenditure. Of

key interest is the endowment policy where private developers are obligated to cover all the costs of development and/or directly provide or donate land as endowment in-lieu of providing services. The rationale for the endowment policy is that a private development imposes a burden on the local planning authority (either central or local government) in terms of public service provision (schools, hospitals, roads etc.) that would otherwise not be budgeted for. Where there is development of plots that are less than two acres, as is the case in low-income developments, the developer is required to provide piped water supply from an approved source at the developer's cost and the water supply system is to be handed over free of cost to the responsible local authority (*ibid.*).

This contrasts with the support system that has been inbuilt in other countries, e.g. South Africa, to facilitate both private and public entities which are interested in providing low-income housing. The government will practically guide the institutions interested in providing housing targeted at the primary and secondary target market until they are able to qualify for an institutional supply-side subsidy such as the pre-accreditation and Gear-up Grant, Project Feasibility Grant, Specific Intervention Grant (CAHFF, 2012). This approach is also supported by (Kamete, 1998) who asserts that the key to the success of low-income housing projects is the role that the state plays through providing subsidies either via the local authorities or central government.

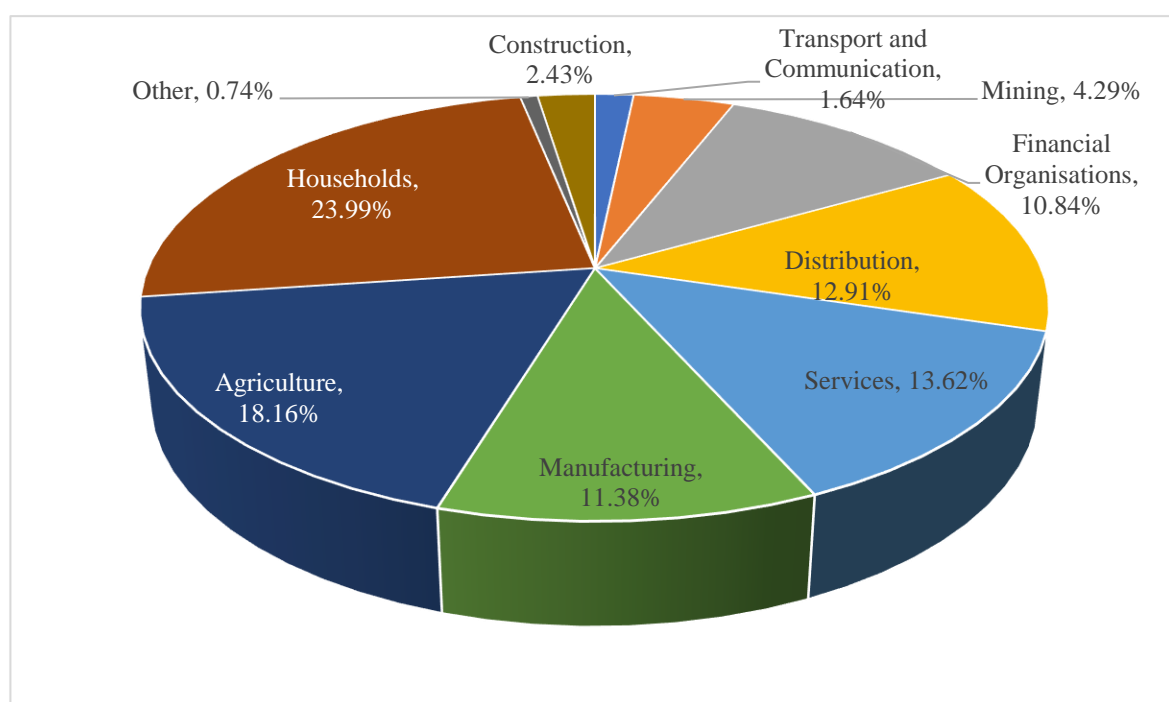
The structural environment in Zimbabwe is therefore fraught with constraints, but there is a huge demand for housing that can still be served by private-sector developers. This situation then calls for adaptive developers who can mould their business models in response to the structural enablers and/or constraints in order to successfully develop low-income housing in Zimbabwe. Beside fiscal constraints cities in Zimbabwe, is facing a myriad of problems ranging from a deteriorating ecological situation, serious pollution, inadequate maintenance of wastewater treatment plants, poor infrastructural framework, garbage collection, dilapidated infrastructure in the CBD, deplorable state of the road infrastructure, rampant corruption and the abuse of loan facilities, poor street lighting, poor and uncoordinated housing delivery system, poor urban transport system, broken water and sanitation system and poor monitoring and enforcement of city by-laws (Mawonde, 2015). Whilst these can be viewed as constraints, local

authorities would be willing to partner with private players to find a way of solving these challenges.

4.8 Prevailing Economic Environment in Zimbabwe

The period prior to 2009 was characterized by severe hyperinflation which contributed to a highly unstable local currency that was eventually abandoned in favour of foreign currency in 2009, a situation that is termed “dollarization”. Since dollarization of the Zimbabwean economy in early 2009, there has been a marked increase in competition amongst various institutions in the issuance of personal loans and consumer credit. As at 31 December 2015, personal loans amounted to 24.28% of the total issued bank loans and was surpassed only by the manufacturing sector. But, lending towards construction and property, which is what might boost private developers willing to venture into the low-income housing production sphere has remained consistently subdued as shown in Figure 4-3.

Figure 4-3: Sector distribution of credit as at 31 March 2018



Source: Reserve Bank of Zimbabwe [RBZ] (2018)

The depressed lending to capital intensive sectors such as construction is reflective of the limited capacity of banking institutions to provide long-term funding due to the short-term nature of deposits. Limited access to offshore lines of credit and the

reluctance by the public to commit funds for long periods (CAHF, 2015) has handicapped the financial institutions, resulting in survival tactics such as offering short term loans at high-interest rates. The construction industry is reeling from the effects of this worsening liquidity crisis, and this has been compounded by this heavy reliance on expensive short-term loans for capitalisation (Nkala, 2012).

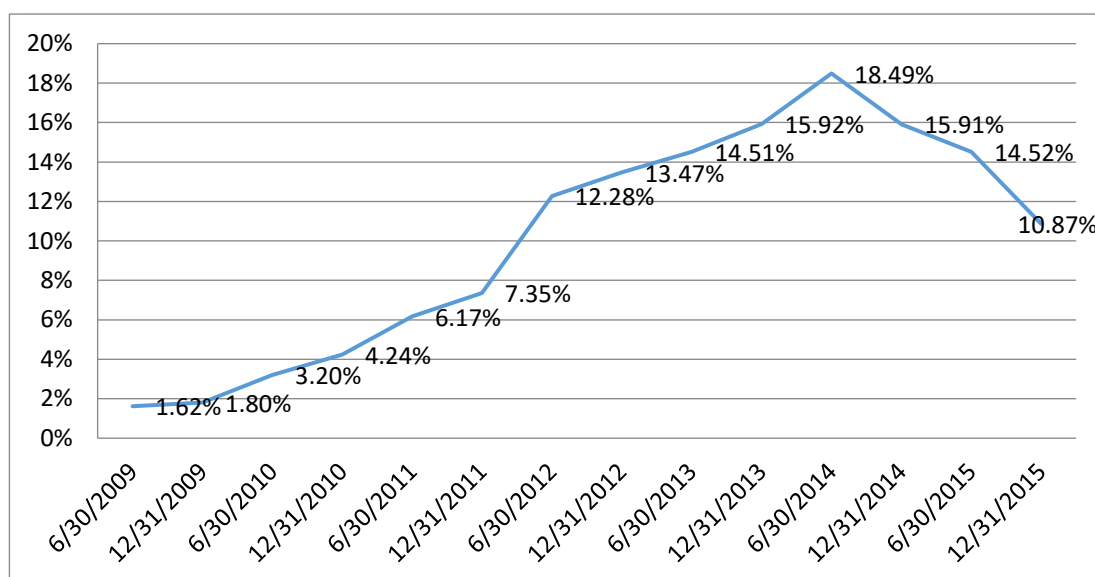
In a bid to encourage lending for construction and property, the minister of Finance and Economic Development implemented the exemption from income tax to receipts and accruals on all mortgage finance in the 2014 National Budget Statement with effect from 1 January 2014 (RBZ, 2014). Also, to incentivise the provision of new additional mortgage financing, the government waived stamp duty on the cession of mortgage bonds with effect from January 2015. This was meant to enhance the availability of resources towards financing housing programs. Access to reasonably priced long-term construction loans by the developers may be the key towards attracting private developers into the low-income housing sphere. As it is, limited availability of affordable long-term finance impacts negatively on the ability of low-income housing developers to provide affordable terms to their clients as in business, the norm is to pass the high cost of borrowing to their customers.

Mortgage lending is largely undertaken by the Central African Building Society (CABS), CBZ Bank, FBC Bank and ZB Building Society. The mortgage lending rates range from 15 -20% depending on the institution. Despite the high cost of funds, financial institutions have developed innovations to reduce the cost of borrowing for low-income clients. Some banking institutions have partnered with housing developers and are offering products designed for low-income groups. Examples are CABS, which offers a low-priced mortgage product for borrowers in high-density areas, for which an interest rate of 12% is charged as opposed to 15% that applies to borrowers in low-density areas. In an effort to enable low-income earners to access housing finance, building societies collaborate with employers to provide loans at subsidised rates. CBZ has introduced a product called 'the Cash-Plus Housing Savings Product' targeted at the informal sector. It involves the potential borrower saving with the institution for twelve months after which the client then qualifies for a loan equivalent to his/her savings (CAHF, 2015).

The idea of securitizing mortgages to spur liquidity in the mortgage market is also mooted in the 2015 monetary policy statement. Securitization is the financial practice of pooling various types of contractual debt such as residential mortgages and selling their related cash flows to third party investors as securities, which may be described as bonds, pass-through securities, or collateralized debt obligations (CDOs). This securitisation process is however dependent on the existence of a secondary mortgage market. A secondary mortgage market allows financial institutions to sell mortgages, which would give financial institutions new funds to offer more mortgages to borrowers. Essentially, an efficient secondary mortgages market connects low-cost capital to housing projects, increases liquidity for lenders, and improves financial risk management for lenders and investors. The Reserve Bank of Zimbabwe (RBZ) governor, however, through the 2014 monetary policy statement, does recognize that an increase in lending to the property sector depends on banking institutions putting in place adequate risk management systems. Credit risk has remained an issue however, that dampens all the efforts to encourage long term lending. An unprecedented surge in loan defaults led to the chronic problem of non-performing loans (NPLs) and foreclosures. This undesirable scenario contributed to the propagation of instability in the Zimbabwean banking system.

Figure 4-4 shows the trend of NPLs in the Zimbabwean banking sector where it can be observed that these loans grew consistently from 1.62% of the total issued bank loans in June 2009 to a peak of 18.49% in June 2014 before starting to decline to the last published level of 10.87% in December 2015. However, despite the declining trend in the level of NPLs, more still needs to be done to completely arrest the problem of chronic NPLs in the Zimbabwean banking sector.

Figure 4-4: Non-performing loans trend



Source: RBZ (2015)

The implication therefore for low-income developers is that in the current economic environment, those who have access to capital, either through savings or injections from partners, are likely to do well. Successful low-income housing development hinges on keeping costs low as much as possible and long-term loan capital in Zimbabwe is currently higher than in other countries. The targeted clientele for the housing development, i.e. the low-income groups are also unlikely to qualify for any loan schemes in the country. Most low-income earners in the country earn an average of 300 dollars and this figure is way below what building societies are willing to consider for long term mortgage and construction. For private developers, this implies that the capital base that a developer will be willing to invest in low-income housing has to take into account that the developer would have to offer funding to the target clientele, i.e. allow the target group to buy the housing on credit over a certain period. As of 2014, only 13.7 % of the economically active population was employed on a permanent basis. This number is likely to have gone down significantly as thousands of workers lost their jobs in the period from July 2015 after a Supreme Court ruling allowing employers to terminate contracts on notice. An estimated 20,000 workers were laid off within the month following the ruling (Dzirutwe, 2015).

4.9 Conclusion

Since independence, public provision of low-income housing in Zimbabwe has continued to face challenges of production, funding, targeting and cost recovery

(Kamete, 1998). This has led to a serious low-income housing gap and the creation of an untapped niche market that can be exploited by private-sector developers. These housing products would be designed in an environment where the government has no fiscal space for subsidies, there is a notable absence of donor activity, there is a dwindling supply of council-owned rented housing stock and more than 80% of the economy is employed in the informal sector due to economic challenges.

5. METHODOLOGY

5.1 Introduction

A potential breakthrough to the low-income housing challenge is to find a formula of attracting private-sector developers to serve this hitherto shunned segment of the society. Fulfilment of this objective calls for empirical investigation and analysis of real-life contexts, where private-sector developers are serving the low-income group. In chapter 2, the structure-agency theory was adopted as the theoretical framework guiding this study, and a conceptual framework therefrom was developed. This chapter develops the methodology and demonstrates how the conceptual framework developed in chapter 2, can be applied in studying private sector initiatives in low-income housing development. Section 5.2 teases out what needs to be accomplished in this study by reflecting on the objectives of this study and the associated methodological implications and challenges. Section 5.3 zooms in on ontology and epistemological issues in this research, all of which culminate in the methodology discussion in section 5.4. Section 5.5 focuses on methodological issues stemming from the Structure-Agency theory – basing on studies that have applied the Structure-Agency theory. The implementation of the conceptual framework that was settled on in chapter 2 is discussed in section 5.6. Section 5.7 discusses the research design and the chapter ends with a conclusion.

5.2 Methodological Implication of this Study's Objectives

The objectives guiding this study call for qualitative research. Formal codified rules of the development process, culture, social norms and the various types of resources that are available to the private-sector developers are all qualitative variables that should be scrutinised to see the extent to which they constrain and/ enable low-income housing development by the private sector. That said, there can be no quantitative data that can be modelled via econometric models that can be applied to the first objective guiding this study that can help determine the structural enablers and constraints for low-income housing development in Zimbabwe. Instead, this study needs a methodology that is flexible enough to deal with contextual qualitative data that comes from detailing the operating environment and exploring how then these aspects of the operating environment impact developers. Object two, which looks at the strategies applied by developers to exploit enablers and to mitigate constraints requires again a

methodology that exposes the development process and allows scrutiny of market processes that are enabled by and or constrained by the contextual environment and how these developers react to these. The role of the government within the development process also calls for a detailed narrative which shows how the role of the government intersects with the activities carried out by the developers. Thus, a qualitative approach is needed to interrogate the effectiveness of policy levers as seen through formal rules and resources that the developers contend with in the development process.

The methodological implication of these objectives is that private-sector developers who have ongoing projects have to be interrogated, with the aim of bringing out their views, drawing mostly on expertise acquired from being active in low-income housing. Healey and Barrett (1990) however warn that empirical research based on trying to decipher the strategies used by players in the development industry is likely to encounter challenging problems of research method and data sources. As she aptly puts “[such research] involves arenas where many powerful actors operate, where secretive strategies are part of the battle for competitive success, where data is scarce and produced in ways which are often difficult to penetrate, and where publicly available documentation and public talk is often deliberately distorted for the purposes of competitive advantage”. Despite these challenges, based on the narratives of the developers, the study needs to sift through all structural variables with the aim of 1) identifying those that directly affect private-sector developers, and 2) determining whether the identified variables are enablers or constraints to private-sector developers and 3) determine how the identified structural enablers are either exploited if they are enablers or dealt with if they are constraints.

Housing research in general, this study included, is susceptible to relativity problems which underlines the difficulty of comprehending housing as a multidisciplinary scientific branch and highlights the need for proper theoretical frameworks for housing research (Erdoğdu, 2011). The first relativity problem is related to ideal solutions to research questions being highly dependent on primary mechanisms involved in the provision and control of housing i.e. the market, the planners and the state. Depending on which actors were included in the study housing problems may be defined differently, and thus ideal solutions may differ. The second relativity stems from the

fact that the function of housing is different for households, the state, and the developers. The third relativity is that solutions developed for housing may bring benefits to some while causing problems for others in the same society. Given the aforementioned, this study adopts a market-based approach to solving the low-income housing challenge. It is from this perspective of the private sector developers that the study problem has been designed and possible solutions to identified problems will be proffered.

5.3 Ontological and Epistemological Perspectives in Housing Research

Ontology refers to understandings about how the social world is reproduced, the nature of existence and the structure of reality (Bisaillon, 2012; Deveau, 2009). These assumptions about the researchers' basic beliefs and worldviews lie behind their theoretical perspectives which reflect the form and nature of reality and therefore what can be known about it (Andrade, 2009; Bisaillon, 2012). This ontological perspective is important in understanding how a research problem has been conceived and the epistemology that is subsequently adopted should be consistent with the ontological view. There are three mutually exclusive metatheories that any study can adopt - positivism, interpretivism or critical realism (Sousa, 2010; Wynn & Williams, 2012). The next section is dedicated to fleshing out each of these metatheories and engaging with the suitability of each of in this study, which culminates in the adoption of critical realism as the best ontological stance that can be adopted compared to the other competing two.

5.3.1 Positivism, Interpretivism or Critical Realism?

The positivist approach is the philosophy of science that assumes positive facts, i.e. information derived from sensory experience, interpreted through rational or logical and mathematical treatments, form the exclusive source of all authoritative knowledge; and that there is valid knowledge (certitude or truth) only in this derived knowledge (Given, 2008). Positivists advocate an empirical realist ontology composed of observable, perceptible, measurable, and quantifiable phenomena, which are all assumed to be waiting to be discovered, sensed, and explained by humans (Sousa, 2010). The key assumption behind this approach is that the world consists of social facts that can be uncovered using organised and systematic quantitative and empirical research methods (Allen, 2009).

This philosophical approach has been criticized when studying human behaviour, with the fundamental problem stemming from the assumptions underpinning the philosophy being that it ignores the complexity of the social world that is constructed through dialectical relationships between human agency and social structure. In other words, the positivist view presupposes an atomistic model of the human subject as a passive spectator of given phenomena (Bhaskar, 2013), and also assumes that there exists regularities or law-like generalisations in social settings that can be used for prediction (Easton, 2010; Given, 2008) through looking for statistically significant correlations between variables (Fitzpatrick, 2005; McEvoy & Richards, 2006). This strict nature of the positivist approach means it is constraining, given the more random nature of social processes (Ganderton, 1994). The approach also cannot address, still less reveal, causal links (Easton, 2010), and also bypasses the critical issue of explaining entirely why certain events occur (Easton, 2010; Fitzpatrick, 2005). In essence, the positivist approach to the social sciences negates the role of human agency or trivializes it to such an extent that it becomes meaningless (Bracken, 2010; Given, 2008). It is also mechanistic and lacking in a depth and thus unsuited for providing insights into how individuals might co-author their identities.

Interpretivism which is a philosophical trend associated with postmodernism, which is also referred to as strong constructionism and also as constructivism (Satsangi, 2013; Sousa, 2010) views the social world as fully socially constructed by humankind. The ontological perspective considers reality as existing in the realm of experience, and rarely looks beyond the reality perceived by actors (Lawson, 2002). The interpretive researcher's ontological assumption is that social reality is locally and specifically constructed by humans through their action and interaction and that understanding social reality requires understanding how practices and meanings are formed and informed by the language and tacit norms shared by humans working towards some shared goal. This ontological perspective is a contender in low-income housing research as it is suitable for research aiming for interpretation and understanding. The aim of understanding the subjective meanings of persons in studied domains is essential in the interpretive paradigm. The core idea of interpretivism is to work with these subjective meanings already there in the social world; i.e. to acknowledge their existence, to reconstruct them, to understand them, to avoid distorting them and to use

them as building blocks in theorizing (Goldkuhl, 2012). For an interpretivist study, it is important to understand motives, meanings, reasons and other subjective experiences which time and context are bound.

One major critique of this perspective is that it denies the possibility of knowing what is real through suspending or bracketing objective social reality from epistemic consideration (Lau & Morgan, 2014). Each researcher provides his interpretation without any standard that can be used to judge if one interpretation is superior to the other and as a result, postmodernism rejects the possibility of discerning causality (Easton, 2010; Given, 2008). Given this research, which involves identifying pockets of private sector developers involved in low-income housing, postmodernism which asserts that a phenomena can be explained or reduced wholly to the interpretation of 'meaning' (C. M. Nicholls, 2009) as given by the identified agents – who are the private sector developers in this study- would only focus on reality as perceived by the actors included in the study and not look beyond the realm of subjective perception (Lau & Morgan, 2014; Lawson, 2002) resulting in an overemphasis on agency over structure. This opens up the research to criticism as there is the possibility that the accounts of research participants may be partial or even misguided (McEvoy & Richards, 2006). What is not clear in the interpretivist approach is by what standards one interpretation is judged to be better than another. It is even more problematic when the interpretations are particularistic since this would appear to rule out not just regularity as a criterion but also any form of comparison (Easton, 2010). The inherent tendency of postmodernists to subjectivity, relativity and irrationality limit their potential for practical application through social policy measures, and the focus on individual agency can lead to the power of (macro) social structures being neglected (Fitzpatrick, 2005).

For critical realists, the social world is an open system (Steffansen, 2016) whose existence is largely independent of any knowledge one may have, as the world is not just a reflection of human knowledge (Sousa, 2010). Realists concur with many aspects of the interpretivist critique of positivism – and in particular acknowledge the centrality of human perceptions and reasoning to the study of social science – but do not accept that social science can be reduced wholly to the interpretation of meaning, there is much more to the social world than agents understandings of it as real

structures can impose themselves upon agents both in a way they do not understand, and without the agents knowledge of their existence (Fitzpatrick, 2005). The aim of a research approach underpinned by critical realism is to produce causal explanations and theoretical perspectives on the production of certain outcomes and events through recognising that events occur due to a complex relationship of causation embedded in an entire interconnected social system. Many divergent factors interact that potentially can trigger and cause an outcome to occur. The developers under study thus do not have to recognize an object or mechanism affecting them for its presence to be real. Given this brief review, positivism and postmodernism are thus rejected a priori, and the rest of this chapter focuses on ontology, epistemology and methods, assuming a critical realist perspective is adopted.

5.3.2 Critical Realism – the ontological and epistemological implication

Critical realism, mainly based on the work of Roy Bhaskar (Lau & Morgan, 2014) proposes an ontology that assumes that there exists a reality “out there” independent of our knowledge of it (Easton, 2010; Fitzpatrick, 2005; C. M. Nicholls, 2009; Wynn & Williams, 2012) and distinguishes between three domains of reality- the empirical (consisting of what we experience directly or indirectly), the actual (where events occur whether or not we experience them) and the real (including both experiences, events and the causal powers producing the events (Easton, 2010; Næss, 2016; Satsangi, 2013; Steffansen, 2016; Zachariadis et al., 2013). Given that the most fundamental aim of critical realism is explanation, with answers to the question “what caused those events to happen” The relationship between theory and practice under a critical realist description is dialectic, with theory mediating between the real world and our empirical experience of it. This objective reality which is independent of human knowledge is however epistemically knowable (Lau & Morgan, 2014) which implies that despite the social phenomenon of private sector engagement in low-income housing not being a well-studied field, and market provided solutions not yet well known, the reality is that there are such endeavours that are taking place out there, and market solutions exist, and this reality can be adjudicated on epistemic grounds.

A critical realist ontology contends that structure and agency can be separated analytically to investigate their distinct influences and interaction. Social structures as used here denote overall economic systems, social hierarchies, legislation, social

institutions, material structures as well as prevalent norms and discourses (Næss, 2016), whilst agency refers to the internal decision-making process that leads to the acts of a person or thing which produces effect (C. M. Nicholls, 2009). These social structures are dependent on human actors to reproduce them and people can also affect their transformation. At the same time, these pre-existing structures constrain and also enable human actions (Wynn & Williams, 2012), with some actors having more options allowed them by structures than others (Fitzpatrick, 2005). Critical realism thus provides a perspective for abstracting causal mechanisms that can emerge from the realm of dominant ideas, material resources and social relations (Lawson, 2010), a view which makes the perspective very compatible with the Structure-Agency theory that was adopted as the theoretical framework for this study.

Another central tenet of realist theory is that it assumes that the world is structured, differentiated and stratified with no one strata assumed to be logically prior to any other with regard to social causation (Fitzpatrick, 2005). This framework is thus flexible enough to fully explore this study's problem as it allows for the possibility that the "underlying causal factors" (C. M. Nicholls, 2009) for private sector engagement in low-income housing, which may be embedded in ideologies, material conditions, institutionalised power relationships (Lawson, 2010) or acts of agency. Agency is important to incorporate into a critical realist analysis of the causation because a large number of different intentional 'mechanisms' is based on agency (C. M. Nicholls, 2009). Causal factors may vary between different developers, but this ontological perspective is robust enough to study a phenomenon without succumbing to dualism which some studies applying the Structure-Agency theory have been criticised for though "retroduction" and "retrodiction". Retroduction is explaining a phenomenon by identifying mechanisms and attempting to show their existence through explaining events by postulating and identifying mechanisms capable of causing them whilst retrodiction is using present information or ideas to infer or explain a past event or state of affairs (Satsangi, 2013). Causality, from this perspective when explanations of actual social events and phenomena are studied, is complex, nonlinear and emergent with intricate feedback loops linking multiple causal mechanisms (C. M. Nicholls, 2009). However, the presence of particular structures does not necessarily imply that agency will naturally be enhanced (Fitzpatrick, 2005). This implies that structures have inherent causal properties, but depending on

conditions, causal powers may not be activated, because there may be other contingently related mechanisms which may prevent correspondence between cause and effect (Wynn & Williams, 2012), which may explain the scattered incidences of private sector engagement in low-income housing. For realists, the varying circumstances of each developer engaged in low-income housing are to be expected in an open social system where a multitude of structures are contingently (and unpredictably) related, and where there is scope for human agency within the range of options that these structures enable.

5.4 Critical Realist Methodology

Critical realism supports the idea of an intransitive domain – reality which exists independently of our knowledge or perception of it. But the generation of new knowledge is a socially produced human activity which depends on the specific details and process of its production in the transitive domain (Steffansen, 2016; Wynn & Williams, 2012; Zachariadis et al., 2013). Critical realism, however, does not presuppose a specific set of methods (Steffansen, 2016), but argues for an understanding of knowledge about the phenomena under study as distinct from reality. There are different thought processes that can be applied in the generation of this knowledge, viz. induction, deduction, abduction, retroduction and abstraction. The assumption of the intransitive domain, where structures or powers of things may or may not be observable has methodological implications (Zachariadis et al., 2013). The goal of a critical realist study is explanation seeking to identify the causes of a particular phenomenon through stipulating the factors presumed to causes the phenomena under study (Wynn & Williams, 2012). For example, this study seeks to answer the question “What accounts for private-sector-led low-income housing development in a difficult context like Zimbabwe?” From the set of observable events in the transitive domain, the critical realist researcher attempts to answer the question “What must reality be like in order for this event to have occurred?” (Wynn & Williams, 2012). This reality in question takes place in an open system, and fully explaining the phenomena would include the identification of enabling conditions, stimulus conditions and releasing conditions (Wynn & Williams, 2012). Enabling conditions would be factors that encouraged private sector involvement in low-income housing production, whilst stimulus conditions would be those that triggered or reinforced private sector engagement, whilst releasing conditions would be factors that

removed impediments to the exercise of hypothesized powers and tendencies of the developers. This explanation involves moving from observed phenomena in the transitive domain to their underlying causes in the intransitive domain (Bergene, 2007).

A phenomenon under study can be broken down into events which constitute the outcome under study (Wynn & Williams, 2012). By identifying and explicating the events, a foundation is established for identifying the elements of structure and context from which these events emerge, as well as mechanisms that were enacted (Wynn & Williams, 2012). (C. M. Nicholls, 2009; Wynn & Williams, 2012). According to critical realist ontology, what happens in the world is a result of causal powers working via several mechanisms, some of which may be divergent (C. M. Nicholls, 2009), which if enacted would result in the events identified above (Næss, 2016). Mechanisms may or may not be enacted, and sometimes if enacted, may be counteracted by other mechanisms (Wynn & Williams, 2012). Uncovering causation from a critical realist perspective is about uncovering the different mechanisms that can explain certain outcomes, without asserting that these same factors will necessarily always lead to that outcome (C. M. Nicholls, 2009), for all private-sector developers included in this study. Causality can be explicitly described by detailing the means or processes by which events are generated by structures, actions, and contextual conditions involved in a particular setting (Wynn & Williams, 2012).

The process of hypothesizing about causality is called retroduction, and it allows studies to move between the transitive domain to the intransitive domain. Retroduction is the core of the critical realist model and it is a form of inferences that seeks to meet the critical realist goal of explaining by identifying and verifying the existence of a set of mechanisms which are theorized to have generated the phenomena under study (Oliver, 2011; Wynn & Williams, 2012). These generative mechanisms exist at a deeper ontological level (McEvoy & Richards, 2006), are not always attributable to human actors, are not all observable, and are rarely experienced directly (Wynn & Williams, 2012). Researchers must depend on an ability to identify them by inferring their existence based on the observable experiences believed to have been caused by the mechanism, resulting in the need for a logical argument to explaining how the phenomenon of interest came to be through the emergent properties of the structure

interacting within the study context. One way to do this is to ask - What properties must be true for the phenomenon of interest to exist, as seen through the events that culminate in the occurrence of the phenomena, and to be what it is? (Oliver, 2011; Wynn & Williams, 2012). The result of this retroductive process culminates in mechanisms that may have, must have and could have caused the events (McEvoy & Richards, 2006). This retroductive approach embraces a wide variety of methods which implies that qualitative and quantitative approaches can be integrated in order to hypothesize and identify the mechanisms that cause the events seen in the transitive domain (Zachariadis et al., 2013).

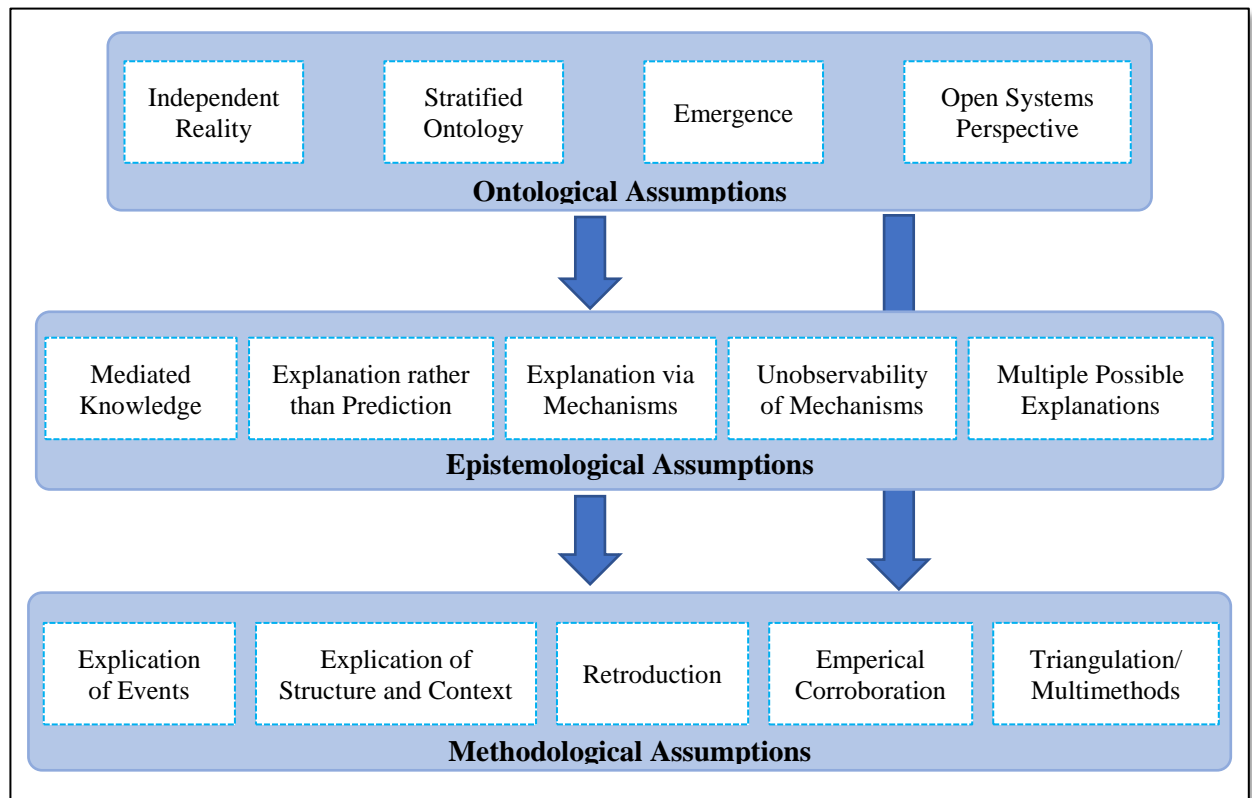
The emphasis on studying multiple, dynamic, and shifting relationships in context favours qualitative approaches capable of producing situated analytical explanations that might help reveal the potential mechanisms involved in observable events (Zachariadis et al., 2013). The key strength of qualitative methods, is that they are open-ended, and can thus be easily adapted to pursue alternative lines of inquiry in the search for retroductive explanations and can help to illuminate complex concepts and relationships that are unlikely to be captured by predetermined response categories or standardised quantitative measures (McEvoy & Richards, 2006).

There are two broad types of research methods associated with critical realism: extensive and intensive research methods (Fitzpatrick, 2005). the former employs large scale survey and statistical analysis to look for patterns and similarities, although with limited explanatory power whilst the latter focuses on individual agents in context using interviews, ethnography and qualitative analysis, to produce causal explanations, which are however limited to the situation being studied. Intensive research methods are thus more suited to the understanding of low-income housing development in a developing country context. Context, in critical realism, is defined as relevant circumstances or external contingencies that affect the events that have occurred and form the frames of reference that allow researchers to choose the relevant elements for study (Easton, 2010). The importance of contextualisation in research is brought out better by critical realism. Approaches to context can be objectified or interpretive (Hjørland & Wikgren, 2005). In the former approach, the objective of research is to study the phenomena in a setting where various contextual factors are distinguished as objective realities. For example, in low-income housing in developing countries, the

PEST (political, economic, social and technological) environment prevailing in a developing country set up provides unique realities with associated constraints /opportunities that can affect the occurrence or instance of private sector low-income housing development. With interpretive approaches to context, the context itself creates meaning by sense-making i.e. understanding the context induces situational awareness and understanding in situations of high complexity or uncertainty.

The case study research is argued to be the best-suited methodology for critical realist studies seeking to develop causal explanations of complex events (Easton, 2010; Wynn & Williams, 2012; Zachariadis et al., 2013). Case studies are often concerned with pinning down the specific mechanisms and pathways between causes and effects rather than revealing the average strength of a factor that causes an effect (Given, 2008). As Wynn and Williams (2012) cogently put it “*the case study method, which is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident... is the best approach to explore the interaction of structure, events, actions, and context to identify and explicate detailed context-sensitive causal explanations of specific phenomena*”. Bergene (2007) however argues for the use of comparative case studies instead of a single case study in the critical realist tradition as comparative cases provide an empirical foundation for retrodution. The argument is that systematic comparison might help the researcher identify structures, internal relations and contingent circumstances whilst simultaneously distinguishing between the different forms they might assume. A problem with comparative case studies might be that knowing what to look for requires extensive knowledge of the mechanisms involved in advance, which highlights the importance of theory in working out the research strategy prior to data collection (ibid.). Theories help to conceptualize objects and structures at the abstract level about necessary or internal relations (Zachariadis et al., 2013). Since the researcher is operating with a partly non-observable reality, theories may help us gain knowledge of structures and mechanisms, and should be used to formulate relevant research questions paying heed to specific contextual circumstances (Bergene, 2007).

Figure 5-1: Ontological and epistemological assumptions of CR and the methodological principles



Source: Wynn and Williams (2012)

5.5 Methodological Issues Stemming from the Structure-Agency Theory

Giddens structuration theory has been proposed as a key example of realist social theory (Fitzpatrick, 2005) and it has been argued that they have complementary strengths and weaknesses. The Structure-Agency theory, which is the theory underpinning this study is derived from the structuration theory and is fully compatible with the critical realist philosophy that has been adopted in this chapter. Studies working under the “Agency-Structure” framework are of the view that social structures are conditions for and continuous outcomes of human agency, and as such, structures are endowed with causal powers (Sousa, 2010). Social structures from a critical realist perspective consist of individuals, groups and organisations along with the set of rules and practices (Wynn & Williams, 2012). In addition, the importance of ideology and how it can function both as a cause and a mediator of events, given that it has a shaping power has been emphasised by a number of studies (Bergene, 2007; Judd, 2005; Oliver, 2011) working from a critical realist perspective. These social structures both

enable and constrain social activities and are themselves produced or transformed by these activities. Applied to the housing development process, this view of structure is exactly the same as that adopted by the Structure-Agency theory which considers agency as constrained/ enabled by power which flows from structure via institutions (formal and informal rules) guiding the development process, ideologies and resources.

A Scopus search for articles which had the words critical realism and housing generated 74 articles, spanning the period 2001 to 2018. None of these articles use the Structure-Agency theory or make reference to it, an observation which resonates with (Guy & Henneberry, 2000) who noted that the Structure-Agency model hasn't been subjected to much theoretical challenge or empirical testing as there has been little substantive research on property development which acknowledges or extends the institutional model (Guy & Henneberry, 2000) and Drane (2013) who noted that the 'model remains in a state of incompleteness, implying that there is need for more empirical studies that apply this theory and improve it. This leaves the study guided by theoretical research studies on housing and empirical studies on other issues such as homelessness. The aim of this section is two-pronged - to demonstrate the compatibility of the Structure-Agency theory with a critical realist perspective whilst at the same time improving the theory for application empirically by addressing the critique that the theory has been charged with. Efforts in this direction will add on to theoretical debates and development in the low-income housing field and hopefully encourage other critical realist researchers to apply the theory in their studies.

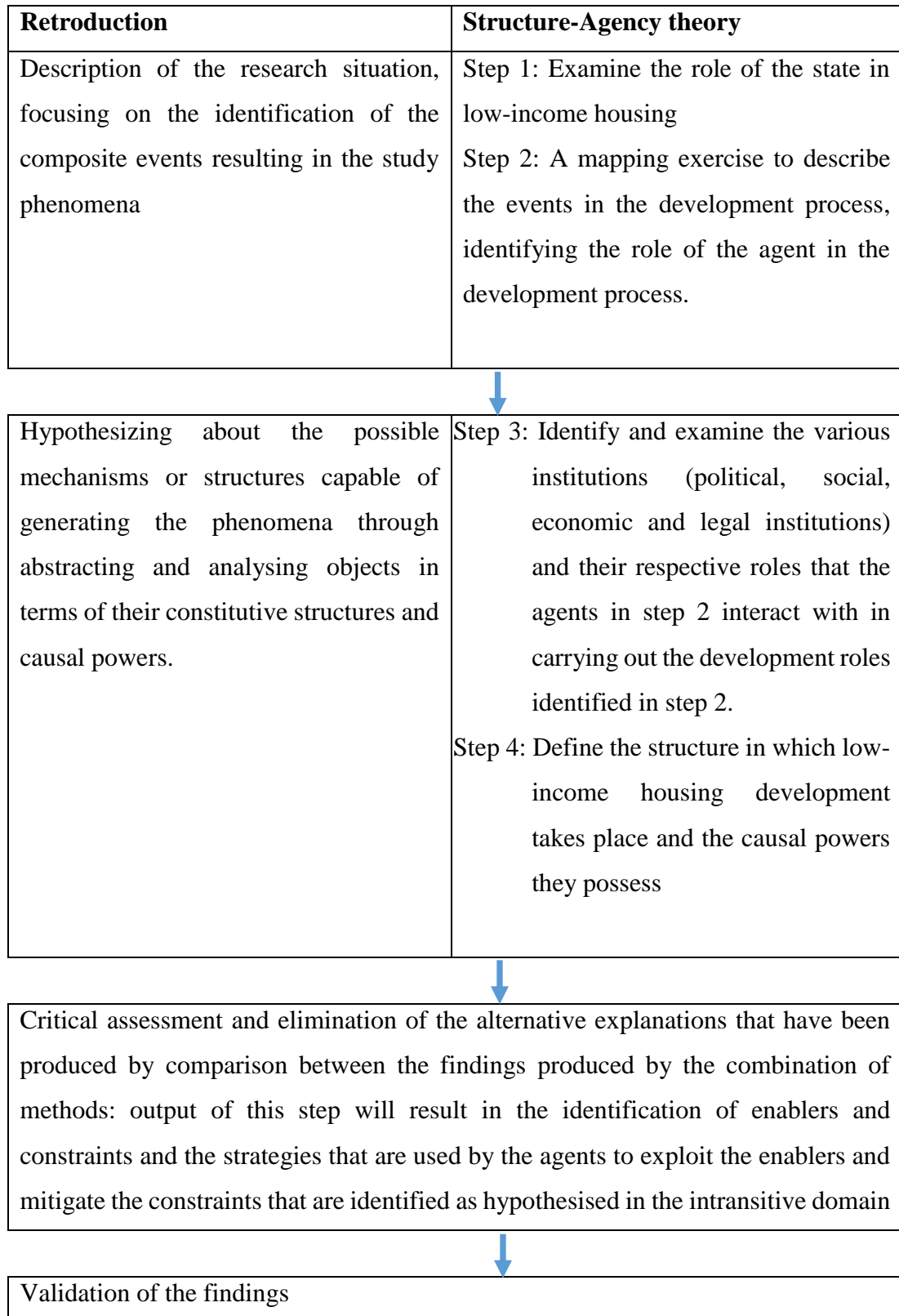
The Structure-Agency theory and the conceptual framework that was developed in this study is in sync with retrodution, which is the core of a critical search realist research (Wynn Jr. & Williams, 2012) is the process of explaining a phenomenon by identifying mechanisms and attempting to show their existence through explaining events by postulating and identifying mechanisms capable of causing them (Satsangi, 2013) can be undertaken in four phases (Zachariadis et al., 2013) as follows:

1. Description of the research situation, focusing on the identification of the composite events resulting in the study phenomenon.

2. Hypothesizing about the possible mechanisms or structures capable of generating the phenomena through abstracting and analysing objects in terms of their constitutive structures and causal powers. This enables the identification of the conditions and properties in the study context necessary to generate the event under study
3. Critical assessment and elimination of the alternative explanations that have been produced by a comparison between the findings produced by the combination of methods. A complementary theory is also used to explain how different mechanisms interact under certain conditions and how they contribute to concrete social phenomena.
4. Findings of the research findings are interrogated to see if the causal explanations uncovered are satisfactory to an “intended audience” with background knowledge and expertise.

The conceptual model that was developed in chapter 2 prescribes five steps which can give both an empirical account of the low-income housing and if combined with the retrodution process described above, postulate generative mechanisms that led to low-income housing development by the private sector.

Figure 5-2: Link between retroduction and the Structure-Agency theory



The state plays a key role in low-income housing as it can shape competition between private and non-profit housing. As such the pace and scale of private sector provision of low-income housing hinges upon a facilitative urban development policy, which can influence the distribution of power between different groups in society, influence investment patterns and modes of housing consumption. (Lawson, 2010). As such, some mechanisms which can explain the success of low-income housing can be gleaned from analysing the role of the state. Historical documents can provide data for this exercise (Zachariadis et al., 2013). Generative mechanisms are enduring and trans-factually active in the domain of the real (Bhaskar, 2013) and under appropriate circumstances are exercised in the domain of the actual, as long as the properties that account for the mechanism persist. Unlike many natural structures, social structures and the powers they possess are not necessarily enduring across periods of time or varying contexts, in large part due to the open systems in which they exist (Wynn & Williams, 2012). Only relatively enduring the most durable are argued to be those which lock their occupants into situations which they cannot unilaterally change and yet in which it is possible to change between existing positions (Fitzpatrick, 2005).

Critiques of the Structure-Agency theory (Ball, 1998; Guy & Henneberry, 2000) point out that the analysis that was done using the Structure-Agency theory on a study on the transformation of Hebburn Riverside in Tyneside, UK by Healey (1992) failed to offer any deep insight into the mechanisms of market capitalism, or to identify in any detail how economic processes frame local development practice. ... [making it] difficult to consider the ways in which locally contingent factors interact with wider forces to produce specific material outcomes. This critique can be addressed if a critical realist perspective and methodology is adopted, which specifies that causation is grounded in the understanding of mechanisms (Satsangi, 2013). Retroduction, uses causal mechanisms as the basis for explanation of a phenomena (Wynn & Williams, 2012) and allows studies to move between the knowledge of empirical phenomena as expressed through events to the creation of explanations in ways that hold “ontological depth” and can potentially give some indications on the existence of unobservable entities and mechanisms in the domain of the real (Oliver, 2011; Zachariadis et al., 2013).

The second problem which is likely to face studies applying the Structure-Agency

theory is that rules to identify causality and to explain change are not well explained (Ball, 1998), with the resulting effect being the difficulty to move beyond the self-interested justifications given by identified agents. Guy and Henneberry (2000) phrased this same concern as that the model tends to downplay any analysis of processes of economic structuring, in favour of a predominantly actor-oriented perspective. Again, a critical realist perspective can help solve this, as the central ontological assumption of realists is that the world is structured, differentiated and stratified (Fitzpatrick, 2005). Causation can thus be conceptualised as ontological stratified, which forces the research to look beyond the views of the agents and consider all mechanism as they exist in the domain of the real. Wynn and Williams (2012) refer to the ‘principle of explication of structure and context’, which is a process where critical realist research seeks to identify and analytically resolve the components of the structure that are causally relevant. Therefore, this critique falls away if critical realist ontology and methodology is adopted.

Van der Krabben and Lambooy (1993) critiques the Structure-Agency model on that institutions and rules governing ownership and control over resources are seen as a static element to the model of the development process, which is too limited a notion of the institutional context. A more dynamic conception of the institutional context is advocated for, which will capture changes in the composition of institutions and organisations involved in the development process. But, housing is regarded as neither an isolated nor static object but surrounded and sustained by a local context of contingently defined emergent relations and dynamic institutions, which mediate housing markets (Lawson, 2002, 2010). Furthermore, critical realism vies to analyse the interplay of multiple mechanisms in an open system (Bergene, 2007; Næss, 2016; Sousa, 2010; Wynn & Williams, 2012). The openness of the world is corroborated by the world’s failure to meet the two conditions that would - close the system: first, entities and structures and powers making up the world are prone to change gradually or radically and second, contingencies (affecting both the exercise of causal mechanisms and configurations and resulting effects) also change over time (Sousa, 2010). Applying the Structure-Agency theory combined with a critical realist perspective thus resolves this critique.

5.6 Delimitations of the Study

There are various agents in the property development sphere viz. developers, landowners, public agency planning officers, politicians, community groups, financiers etc. The study does recognise that each of these agents has an impact on how low-income housing development is carried out, but this research will concentrate on the perspective of low-income housing developers and how these agents impact on the developers' ability to produce low-income housing. The actions of these agents can impose structural barriers or enablers, and this research will try to decipher the nature of these constraints and enablers and how the developers react to this structural environment in the form of strategies.

5.7 Research Methodology

As was discussed in section 5.5, the case study research is argued to be the best-suited methodology for critical realist studies seeking to develop causal explanations of complex events (Easton, 2010; Wynn & Williams, 2012; Zachariadis et al., 2013). A comparative case study design was settled for, which is a strategy that enables the distinction between internal relations and contingent circumstances when employing retroduction (Bergene, 2007). Combined with the Structure-Agency theory to guide the study, this comparison study design will also reveal how the common factors manifest themselves differently in different contexts. The general approach will be to select formal private sector developers who are involved in low-income housing development. It has been demonstrated by other studies that the case study method is the best approach to explore the interaction of structure, events, actions, and context to identify and explicate causal mechanisms, and emphasis should be on a limited number of cases, in a specific setting (Bergene, 2007; Wynn & Williams, 2012). To effectively do this, i.e. develop detailed context-sensitive causal explanations, developments within one local authority, Bulawayo City Council, were included in this study. This enabled the study to be focused by bounding the context so as to expose the causal mechanism and the specific structural/contextual factors that combined to generate private-sector engagement in low-income housing.

5.7.1 Selection of developments and respondents

The study set off by obtaining information from the local authority on private sector developers who have been active in the low-income housing sector. These developers

were then grouped into two groups based on the development roles that were being carried out, i.e. those who were only selling vacant developed stands and those who were selling finished houses to their beneficiaries.

A local authority official in Bulawayo in a preliminary data collection interview session indicated that there are nine active private sector housing developments targeted at the low-income group, all of which were undertaken in the period 2003-2016. The study allocated the letters A to I as identifiers and a survey was conducted in each of these housing developments as part of case selection. With the aid of location maps that were obtained from the local authority, systematic sampling was applied in choosing respondents and every 4th household was included in the survey. The population and sample size that was included in the survey for each of the 9 developments is shown in Table 5-1.

Table 5-1: Active low-income housing developments in Bulawayo between 2003 and 2016

Development	Area	Target population	Study population	Sample Size
A	Cowdray Park	532	532	134
B	Cowdray Park	75	75	58*
C	Cowdray Park	274	274	69
D	Cowdray Park	126	126	32
E	Cowdray Park	983	392	98
F	Pumula South	253	253	64
G	Phelandaba	185	185	46
H	Mbundane	450 (estimate)	450	113
I	Emthunzini	3500 planned	471	118

Total population sampling method was applied in Development B as the target population was small. This is a purposive sampling technique that involves examining the entire population. Out of the 75 households, a total of 58 households agreed to partake in the survey. This was a good response rate as the target was a minimum of 30 respondent so that results could be generalisable to the population. In development G, construction is still ongoing, and even though there are 3,500 planned housing plots, data collection was limited to only a section where most houses had been completed and occupied. This reduced to study population to 471 households and systematic sampling with a sampling interval of 4 was also used.

After carrying the survey in all the nine housing developments, coding and doing preliminary data analysis, only five out of the nine housing developments were chosen for inclusion in this study. Case selection, according to Bergene (2007) should not be random but based on the basis of a belief that they exhibit the operation of structures and mechanisms delineated by the theoretical perspective chosen as the framework. Accordingly, for this study, only developments which exhibited the following were to be included:

1. A significant proportion of the respondents confirmed that they bought a finished house from the developer. This proved very difficult in older developments where due to a property changing hands over time, most occupants had no knowledge if the original structure was built by the developer or the original owner bought a serviced plot and built
2. Due to gentrification and regeneration pressures, most properties in the development had been improved to such an extent that the original structures built by the developer were no longer existent. As such, such areas, even though still classified as low income by the local authority, did not look like they were low-income areas. Another possible reason could have been a change in the economy, the low-income beneficiaries in the early 2000s had a different profile compared to the present-day low-income earners. So, in older settlements, where original purchasers had retired, the houses had been improved so much that they were no longer consistent with what this study conceptualised as a low-income house.

The combination of land development and housing construction presents a unique opportunity set with different risk compared to those developers who concentrate on land development only. Most low-income earners also face affordability issues, which makes it imperative that developers who provide finished housing be the focus of this study. It is on this basis that the three developers with a total of five housing schemes (re-coded to Development 1,2,3,4 and 5) are included in this study as was summarised in chapter one.

5.7.2 Data collection and summary of household survey data

Data was collected using observation, in-depth interviews, document search and household surveys. Government reports, housing policy and strategy documents and newspapers articles, which are a good source of data (Hoey, 2014; Whitehead, 2005) were reviewed to understand the role of the government in low-income housing and to locate the study within an existing body of literature. Given the diversity of institutions involved in low-income housing provision, in-depth semi-structured interviews were conducted with key informants in the low-income housing development sector vis. private sector developers, building societies, the local authority and the Ministry of Local Government, Public Works and National Housing. Government institutions were interviewed in their capacity as regulators whilst building societies were interviewed based on their role as financiers. The criteria for selecting respondents in each group of interviewees was purposive sampling combined with the snowballing technique. After the first interview, the researcher was asked to be directed to the next respondent if there were questions that the first respondent could not adequately answer. This strategy was especially useful with the local authority respondents whose responsibilities and knowledge are limited to the department or section that the respondent is employed in.

A survey of 425 households was also carried out, with respondents drawn from each of the five housing schemes through systematic random sampling. This round of data collection was primarily concerned with objective one i.e. determining the extent to which these housing schemes are successful. This was achieved through designing a questionnaire looking at three issues as follows:

- The beneficiaries of these housing schemes – in this case, this study had to have a sense of who the occupants of these houses are – are they owner-occupied? Are they being rented out? By whom? The demographics of the occupants of these houses irrespective of their tenure status will be handy in this regard.
- The physical properties of the housing units in question – Are they in line with the model building bylaws for low-income housing in terms of minimum plot sizes, building materials, site servicing (water and sewer connections, road construction etc.). Pictures of the housing developments, the state of the roads and other visible features that can be photographed will be useful in this regard.

Also, comments on defects in the superstructure by the occupants will be invaluable.

- The standards for suitable housing in terms of access to basic amenities.

Transcribed notes from the interviews were then analysed through the use of NVivo and survey findings were analysed using Statistical Package for the Social Sciences (SPSS).

The survey population included all the houses in all the 5 housing schemes which were spread out as follows:

The survey included 425 households in the five housing schemes spread out as follows- 69 from Development 1, 46 from Development 2, 118 from Development 3, 58 from Development 4 and 134 from Development 5. All interviews conducted were recorded and transcribed and then organized using NVivo using themes that were derived from the research objectives - constraints facing speculative developers and the strategies employed to deal with these constraints. These constraints and enablers, from the conceptual framework are embodied in the structural environment as presented through resources and the regulatory framework that governs the actions of the various actors in the low-income housing development sphere. Survey results were coded and analysed using SPSS. This data yielded evidence relating to the target group that is served by the private developers in the housing schemes in terms of tenure status, affordability of the houses, quality of the houses and access to amenities.

5.7.3 Validity, reliability and data analysis

This study was conducted from a critical realist perspective, which endeavours to provide explanations of a social phenomenon through the identification of underlying causal mechanisms. The critical realist perspective acknowledges that not all causal mechanisms are attributable to human actors- ensuring that the study is robust enough to interrogate how the interplay between structure, context and human action result in private sector-led low-income housing development. Identification of mechanisms includes detailing conditions that encouraged, reinforced and removed impediments to low-income housing development, which addresses all the objectives of this study.

A combination of document analysis, interviews and observation was used to gather qualitative data. This involved transcribing data that was collected from interviews, revisiting the research objectives to identify the questions that could be answered through the collected data and identifying key terms and phrases used by the interviewees that could give key insights to the study objectives. NVIVO was used extensively in analysing this collected data to identify patterns and connections, most common responses to questions, and finding areas that can be explored further.

After the screening process used for case selection outlined in the section above, survey data preparation and analysis was conducted, which included checking for completeness, data editing and coding in SPSS. Even though the role of qualitative methods within critical realism is more profound as they are epistemologically valid (Zachariadis et al., 2013). Statistical descriptions are regarded as helpful simplifications from a critical realist perspective, as they may be used to develop reliable descriptions and accurate comparisons (McEvoy & Richards, 2006). Overall, attention was paid to how the study was designed and executed, data collection procedures and analysis, in order to get dependable, consistent, and plausible findings. These findings were used to make inferences about the underlying causal mechanisms, keeping in mind that empirical events are particular manifestations of the mechanisms that caused them, and may not appear in exactly the same in a different context (Zachariadis et al., 2013).

5.7.4 Overview of developments included in the study

A total of five developments under three different developers was included in this study. All these developments are in Bulawayo, and their location are shown in Figure 5-3.

Figure 5-3: Location of the housing developments included in this study



- X Developer 1
- X Developer 2
- X Developer 3

Source: Adapted from Google Maps

5.8 Summary and conclusions

This chapter, through reflecting on the objectives of the study and challenges in carrying out research in housing studies, adopted the critical realist ontology as the

best fit. The methodology for this study was developed and strong ties between the critical realist perspective and the Structure-Agency theory were shown. This study, however, found that there are no studies that have combined the Structure-Agency theory with a critical realist perspective in the low-income housing debate, and a conceptual framework that was developed in a bid to extend the theory was shown to be also coordinated with retrodution and therefore applicable empirically. The following chapter presents and discusses empirical data for the study.

6 EMPIRICAL FINDINGS

6.1 Introduction

This chapter presents the empirical findings of the study and is arranged in seven sections. Section 6.2 recapitulates the aims, objectives and hypotheses guiding the study. Section 6.3 presents the analytical stance adopted in this chapter, whilst section 6.4 details the respondents' profiles and a summary of the household survey respondents per housing scheme. Section 6.5 details the data presentation structure and section 6.6 is dedicated to presenting evidence of successful housing production in each of the five cases of housing developments included in this study. This is followed by a presentation of data which points to structural enablers, constraints and strategies in section 6.7. The penultimate section discusses the events in the development process, drawing on empirical findings to detail constraints, enablers and strategies that are used in response to the chapter ends with the conclusion which details the summary of findings.

6.2 Aims, Objectives and Hypotheses

This research investigated the structural enablers, as well as the constraints, for private-sector low-income housing development in Zimbabwe. It particularly focused on how developers exploit the enablers and mitigate the constraints, in order to achieve successful outcomes. A number of objectives were set out at the beginning to guide this study, and these are:

- To assess the extent to which the specific housing schemes have been successful and to derive appropriate lessons for general application.
- To determine the structural enablers and constraints for low-income housing development by the private sector in Zimbabwe.
- To determine the strategies that developers employ to exploit the structural enablers and to mitigate the constraints.
- To assess to the extent to which the agency of the private sector in the development of low-income housing in the Zimbabwean context could be enhanced, and to make appropriate policy recommendations in this regard.

The main question related to these objectives was, what accounts for the success of market low-income housing developments in Zimbabwe despite the environment not being conducive for it? The two sub-questions flowing from this main question were

firstly, how does the structural environment enable and/or constrain low-income developments in Zimbabwe by the private sector? Secondly, what strategies do developers adopt in response to the structural enablers and/or constraints in order to develop low-income housing in Zimbabwe? Ways of mitigating and exploiting structural constraints and enablers respectively can thus be uncovered through scrutinizing the agency of private-sector developers.

6.3 Analytical Stance

The conceptual framework for this research was developed from the Structure-Agency theory. Structure refers to the interrelation of political, social, economic and legal institutions which make it possible for development activity to take place in a systemic form. Structure, as defined here, furnishes both the resources that make development possible and the formal and informal rules that guide the development process. Agency, which is the capacity of individuals to act independently and to make their own free choices, is conceptualised in terms of roles, strategies and interests that culminate in the attainment of specific objectives, which in this case would be the production of low-income housing. Structure can thus enable agency through providing conduits for implementing action that is necessary for development to take place or constrain through prescribing procedures that are at variance with what is deemed necessary for the efficient production of low-income housing.

It has been noted in literature that the main impediment to housing the low-income group is the high cost of development relative to the income of the low-income group (CAHF, 2015; Chirisa, 2014; Magwaro-Ndiweni, 2013). A literature scope of the housing challenge in Zimbabwe showed that the two structural variables that are theorized in the conceptual framework, institutions and resources are the same variables that have been flagged as responsible for imposing high costs to the housing development process. These costs can be identified through looking at the resources needed for housing development in the form of factors of production, i.e. land, labour, capital, and can also be due to the effect of regulation on transaction and production costs that are embedded in the formal supply value chain for housing delivery (Chazovachii, 2011; Chipungu & Adebayo, 2013; Chirisa, 2014; Chitekwe-Biti, 2009; Chitekwe & Mitlin, 2001; Gumbo, 2015; Kamete, 2001a; Mashoko, 2012; Muchadenyika, 2015b; Rakodi & Mutizwa-Mangiza, 1990a; Zami & Lee, 2007).

Failure of public sector housing projects in Zimbabwe has been attributed to poor cost recovery to the government, making the projects and programmes not replicable (Kamete, 1998; Muchadenyika, 2015b). This failure implies that given the operating environment, the government finds it difficult to produce housing that is affordable to the target group and also conforms to the standards stipulated in the planning regulations (Zami & Lee, 2007). In response, there have been calls to the government to facilitate and enable housing development by other stakeholders such as the private sector to reduce costs and promote access (Gumbo, 2015).

Predicated on this foregoing analysis, the analytical stance that is adopted in this study is simple and logical - if despite the adverse operating environment that exists in Zimbabwe, there are private sector developers who are providing low-income housing, then this entails that there must be structural enablers that are being exploited by the developers, and strategies that are used to mitigate the constraints to low-income housing. It also follows that these strategies must have one overriding objective - cost containment. This analytical stance provides, by force of reason, an objective way of closely examining the empirical evidence gathered for this study to provide an explanatory synthesis of the research problem. The study thus has two hypotheses – the first hypothesis is that despite the adverse environment there exists in Zimbabwe structural enablers that make market solutions to the low-income housing challenge possible. The second hypothesis states that developers have specific discernible strategies which they employ in response to the adverse operating environment to reduce development costs to levels that enable them to successfully provide low-income housing.

6.4 Respondents' Profiles

The primary research strategy adopted in this thesis is the case study. Five case studies of housing developments were conducted, with data for each of the five developments collated from documentation, in-depth interviews, direct observation and surveys. These multiple sources of data enable a systematic inquiry into a set of related events which aims to describe and explain a phenomenon of interest (Neale, Thapa, & Boyce, 2006; Yin, 1981; Zucker, 2009). Given the diversity of institutions involved in low-income housing provision, in addition to the developers and beneficiaries in each case, other interviewed key informants who were instrumental in providing multiple

perspectives and contextual information for the case studies were financiers, the Bulawayo Local Authority, and the Ministry of Local Government, Public Works and National Housing. The breakdown of the respondents for this study is shown in Table 6-1.

Table 6-1: Interview respondents included in the study

Actor	Number	Identifiers
Private sector developers	3	Developer 1, 2, 3
Building societies	5	BS1, 2, 3, 4 and 5
Local authority	5	LA1, 2, 3, 4 and 5
Ministry of Housing	2	MH1 and 2

A survey of 425 households in the five housing schemes located in and around the second largest city of Zimbabwe, Bulawayo was also carried out. The number of respondents in each scheme is shown in Table 6-2.

Table 6-2: Household survey respondents per housing scheme

Housing Scheme	Frequency	Per cent
Housing Development 1	69	16.2
Housing Development 2	46	10.8
Housing Development 3	118	27.8
Housing Development 4	58	13.6
Housing Development 5	134	31.6
Total	425	100.0

6.4.1 Developer 1

Developer 1 is a company that was founded in the year 2000, and the initial thrust of the company was construction activities directed mainly at servicing of residential stands as well as the development and construction of both residential and commercial buildings. In its portfolio, the company is actively involved in low and medium-density housing contracts, land development and commercial buildings. One of the guiding statements in the company's vision is to provide affordable housing. In pursuit of this, the company has been active in the affordable housing sector since inception and has been involved in different housing projects with a combined potential of more than 5,600 low-income houses in and around Bulawayo, not counting other housing projects outside Bulawayo. The company has more than 400 employees and it is also

a member of the Construction Federation of Zimbabwe (CIFOZ). An interview was secured with the chief accountant, who is head of finance for all the company's divisions.

6.4.2 Developer 2

Developer 2 is a housing development company domiciled in Bulawayo. This company has over 30 years' experience in the construction industry with quite a significant number of tender contracts being awarded to it by the Ministry of Public Works and National Housing since the early 1980s. Amongst its varied portfolio of clients other than the ministry, the company has built several schools and shopping centres in and around Bulawayo and also has medium and high-density housing schemes and individual contracts all over the country. The company diversified and branched into affordable- housing in 2006 when they entered into a partnership with the local authority to service and build 116 low-income housing units in one of the high-density areas of Bulawayo. Since then, the company has gone on to have their own affordable housing development with an expected 5,000 residential units. This company is a member of Zimbabwe Building Contractors Association (ZBCA) which is one of the two non-profit national organisation that is active in Zimbabwe together with CIFOZ and serve as a pseudo governing body for active contractors in the market. An interview was secured with the project's director.

6.4.3 Developer 3

This company has been active in affordable housing construction since 1996 when it was awarded a contract to service and develop 532 houses in one of the high-density areas in Bulawayo. Since then, the developer has been awarded contracts to develop residential stands and build houses in Chirundu, Chivi Growth Point, Gwanda, Gweru, Plumtree and Victoria Falls. In 2015, the developer also entered into a partnership with Beitbridge Town Council, to construct 700 two, three and four-roomed affordable housing units that would be sold on a cost-recovery basis. In Harare, the company has over the years constructed over 3000 affordable housing units targeted at the low-income groups. The company is well diversified as in addition to the construction business, which includes medium-density and low-density houses, the company owns a wholesale business. An interview was secured with the chairman of the company.

6.4.4 Building Society: BS 1, 2, 3, 4 and 5

Bulawayo as the second-largest city has representation in terms of all registered building societies in Zimbabwe namely CBZ Building Society, Central African Building Society (CABS), FBC Building Society, ZB Building Society and National Building Society Limited. The study sought to interview all representatives of the five building societies in Zimbabwe. Separate interviews were held with a Mortgage Operations Manager at each bank, whose responsibilities include ensuring strict adherence to all compliance and regulatory requirements as well as department policies and procedures.

6.4.5 Local Authority: LA 1, 2, 3, 4 and 5

Five key informants were included in this study from the Bulawayo Local Authority. LA1 was from the Housing and Building section of the Local Authority under the Housing and Community Services department. This section of the local authority deals with the provision and maintenance of houses, plan approvals and inspections. LA2, 3 and 4 were from the Town Planning department, which handles development permits, applications for land, non-title and topographical surveys, investigations and resolving of boundary disputes and issuance of survey instruction to private land surveyors. LA5 is from the water and sewer department which deals with the provision of trunk infrastructure.

6.4.6 Ministry Local Government, Public Works and National Housing: MH1 and 2

There were two main departments that were of interest in this study that fall under the Ministry of Local Government, Public Works and National Housing- the Department of National Housing the Department of Physical Planning. Interviews were conducted with the officer in charge of National Housing and Social Amenities, MH1, and the provincial planning officer in the Department of Physical Planning, MH2.

6.5 Data Presentation Structure

The study findings are presented, analysed and discussed in terms of the four study objectives guiding this study. This study is based on prima facie evidence that there is successful low-income housing development by the private sector in Zimbabwe and accordingly, Section 6.6 is dedicated to addressing objective 1 through presenting

evidence that was gathered from each of the 5. The second objective is on the challenges and enablers constraining and/enabling low-income housing development and the corresponding strategies used to mitigate/exploit these. Empirical evidence is presented using the conceptual framework variables, vis. institutions, resources (land, labour and capital) and ideology in section 6.7. and interrogated using the analytical stance detailed in section 6.3. The role of the Government in the development of speculative low-income housing and the extent that this is enabling will be a by-product of this analysis and will address the last objective.

6.6 Evidence of Successful Low-Income Housing Development

Evidence was gathered from the 5 housing developments on a case by case basis. Section 6.6.1 presents the criteria for success that is adopted for this study. Case studies 1 to 5 are then presented consecutively from section 6.6.2 to section 6.5.6. In each case, details on when the land was purchased, pertinent information on development and construction progress and the extent to which these housing developments are successful is then addressed using the criteria of successes presented in section 6.6.1.

6.6.1 Criteria used to measure the success of housing developments

The complexity of defining term ‘low-income housing’ was discussed in chapter 1, and it was shown that there are clearly three levels of income groups that are catered for in the zoning of residential areas in Zimbabwe – high-income, middle-income and low-income. It is acknowledged that use of income only to define the ‘urban poor’ is misleading (Mitlin, 2004; Wratten, 1995) and the criteria used to identify the urban poor isn’t explicit and universal (Wratten, 1995), and this is even more pronounced in Zimbabwe, where, due to the nature of the economic environment, there are serious distortions in reported income and employment statistics as more than 90% of the economically active population is employed in the informal sector (BBC, 2017). Salary levels in the country are generally very low, with incomes for most civil servants falling well below minimum consumption expenditure requirements (Tawodzera, 2014), which catapults most of these workers into the low-income group as defined by the international poverty datum line which stands at USD2>10 for low-income groups (Rizvi, 2016). The meaning that is therefore attached to the term “low-income housing” has a profound effect on the issues that will be of concern in this

study, when looking at private sector provision, a concern which requires the term to be defined upfront.

In the context of Zimbabwe, and in the context of this study, the term low-income housing is defined as housing which is situated in the high-density areas, which adheres to formal planning regulations and design stipulations as enshrined in the Regional, Town and Country Planning Act (RTCPA) and Model Building Bylaws. This type of housing has the lowest permissible standards, and any formal low-income housing development can't be situated anywhere else except in the high-density locations. Emphasis is thus placed on the physical attributes of the properties in question as the quality of housing and access to basic services is a clear dimension of urban poverty (African Centre for Cities, 2011).

If these developments adhere to formal planning regulations and design stipulations, the houses should have the following features relating to plot sizes, outbuildings, building materials and infrastructural facilities as espoused in the regulations (Chirisa, 2014; Kamete, 1999; Zami & Lee, 2007):

- Adhere to orderly parcelling of space in line with the city's master plan
- Plot sizes ranging from 70 to 200 square metres for houses built after 2004 whilst for houses built before then the range is between 150 to 300 square metres.
- Walls constructed of material approved as approved by the Department of Public Works including burnt clay brick or block, cement bricks or blocks and stabilised soil bricks or blocks whilst recommended roofing materials include asbestos sheets, clay tiles, and zinc.
- The housing only constitutes (accommodates) a single family with no outbuildings permitted on the stands.
- All plots should have an individual connection to a reticulated water supply network
- Access roads should be gravel roads with a cross gradient of about 5% and gravel thickness of between 100 and 150 mm
- Dish drains are to be used instead of piped culverts, to reduce costs.

The difficulties associated with the use of private capital for profit emanating from lack of mortgage funding for the target group (Lea, 2005; Moss, 2001), no credit records (Lea, 2005; Loxley, 2013; Moss, 2001; Stein & Castillo, 2005) and a host of other risks which include credit risk, liquidity risk, and cash flow risk (Binns, 2012; Kamete, 1997; Stein & Castillo, 2005) are acknowledged in literature and are the reasons put forth for the reluctance by private developer to invest. On this basis, the ability of private developers in Zimbabwe to produce housing that conforms to the formal planning regulations and design stipulations expounded in this section counts as success.

6.6.2 Case 1: Housing Development 1

Housing Development 1 was undertaken by Developer 1 in the high-density suburb of Cowdray Park in Bulawayo. Virgin land, with a capacity for a total of 274 planned plots was sold to the developer by the Bulawayo City Council in 2003. Project specifications included in the memorandum of understanding between the developer and the local authority stipulated that the developer was to construct roads, put in sewer and water lines as shown in the location map that was obtained from the Local Authority below depicted in Figure 6-1.

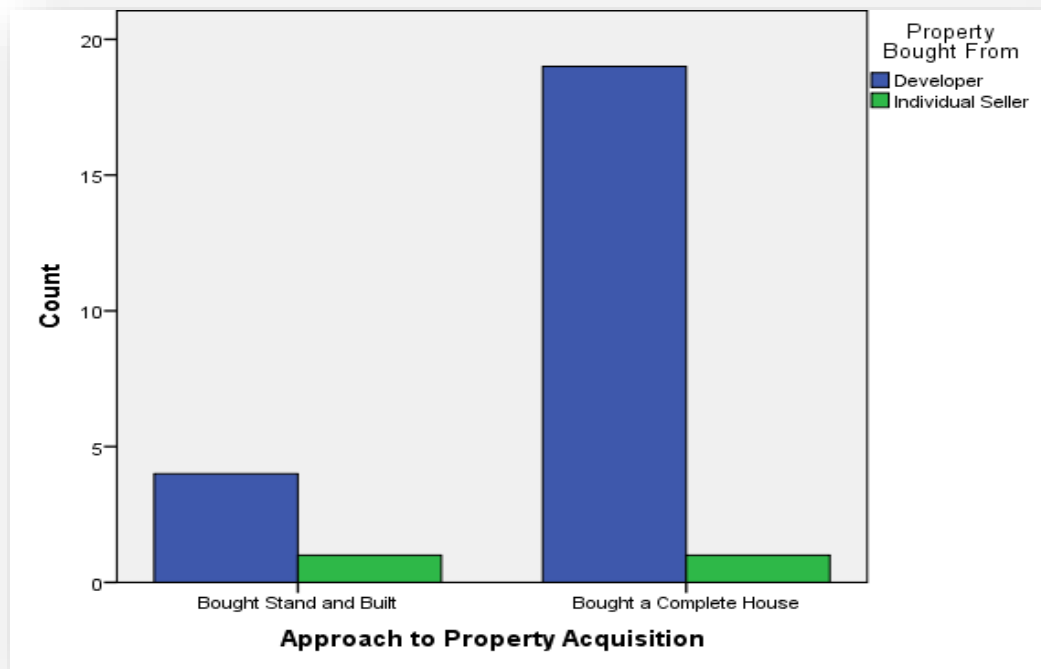
Figure 6-1: Housing Development 1 layout plan



Source: Bulawayo City Council (2006a)

Using this location map obtained from the local authority, a visit to the site showed that construction was complete, and all houses were occupied. The layout of the houses in the development tallied with the approved layout plan shown in figure 6-1. As such, there is orderly land parcelling in the housing development that conforms to the approved layout. The housing development is accessible from the main road, and all houses have vehicular access just as shown on the map. Of the 69 survey respondents in Development 1, the study recorded 26 homeowner respondents who confirmed how their properties were acquired. Their responses showed that over and above the memorandum specifications, Developer 1 had two product offerings in this housing development - completed housing and serviced plots. The predominant and preferred property acquisition method was, however, the purchase of completed housing as shown in Figure 6-2.

Figure 6-2: Property acquisition methods in Housing Development 1



These findings confirm that there were no other developers active in the area other than Developer 1. Of interest also was the low levels of property sales by individuals in the housing development, which points to the absence of speculative activity. Even though the scheme was launched in 2003, beneficiaries seem to be holding on their properties. This trend can be explained by that 100% of the homeowner respondents reported that they do not own any other properties. Housing Development 1 thus extended the opportunity of homeownership to these beneficiaries who before moving into the housing development were either in rental accommodation (77%) or living with family (15%) with the remainder in alternate accommodation options. Figure 6-3 depicts typical 2 and 4 roomed houses built by the developer in Housing Development 1.

Figure 6-3: Typical houses built by the developer in Housing Development 1



These houses were constructed on plot sizes in the 90-200 m² or in the 200-300 m² range as shown in Table 6-3, which shows survey responses from a total of 54 out of 69 respondent who could confirm their plot sizes

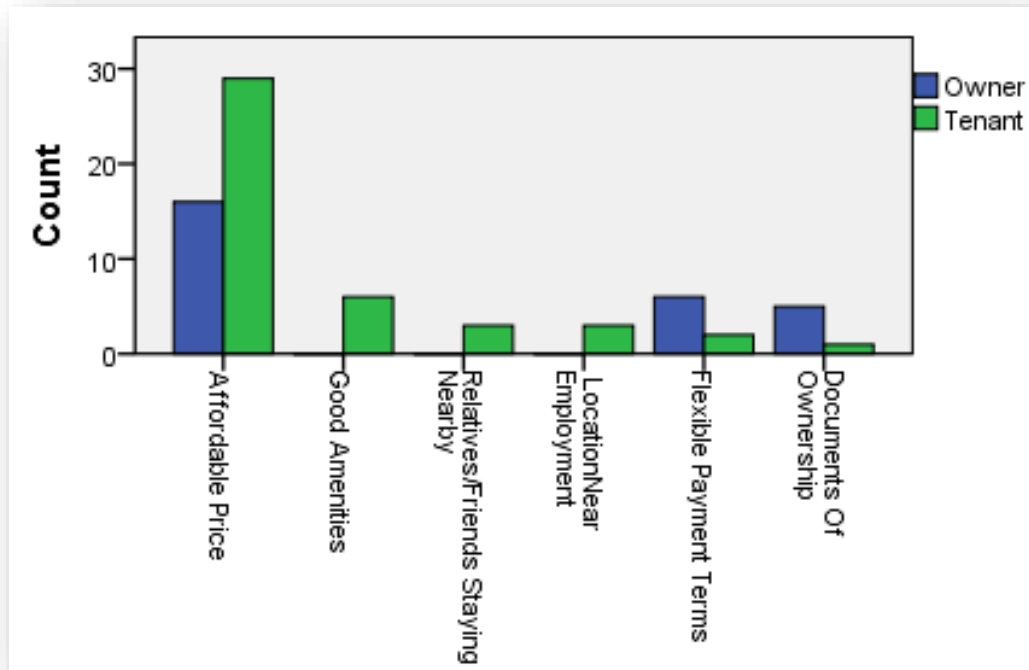
Table 6-3: Plot sizes in Housing Development 1

Plot Size (m²)	Frequency	Percentage
0-89	0	0
90-200	34	62.67
201-300	20	37.03
above 300	0	0
Total	54	100

Housing Development 1 conforms to the stipulations of Circular Number 70 of 2004 that gazetted new national housing standards for high, medium and low-density residential areas. Terraced housing, which is a row of houses sharing sidewalls, according to the circular is the only housing type that can be built on plot sizes that are below 89m², and in line with these, there were no terraced houses that were observed in the five housing schemes. All the houses were standalone as shown in figure 6-2. Building materials that were used by the developer in all the houses were concrete blocks and burnt bricks with an asbestos roof. To avoid contamination of data, only findings from homeowner respondents, who purchased their house from the developer and had not made any structural alterations to their houses were considered. A site visit revealed that Housing Development 1 has been completed, with all allocated stands

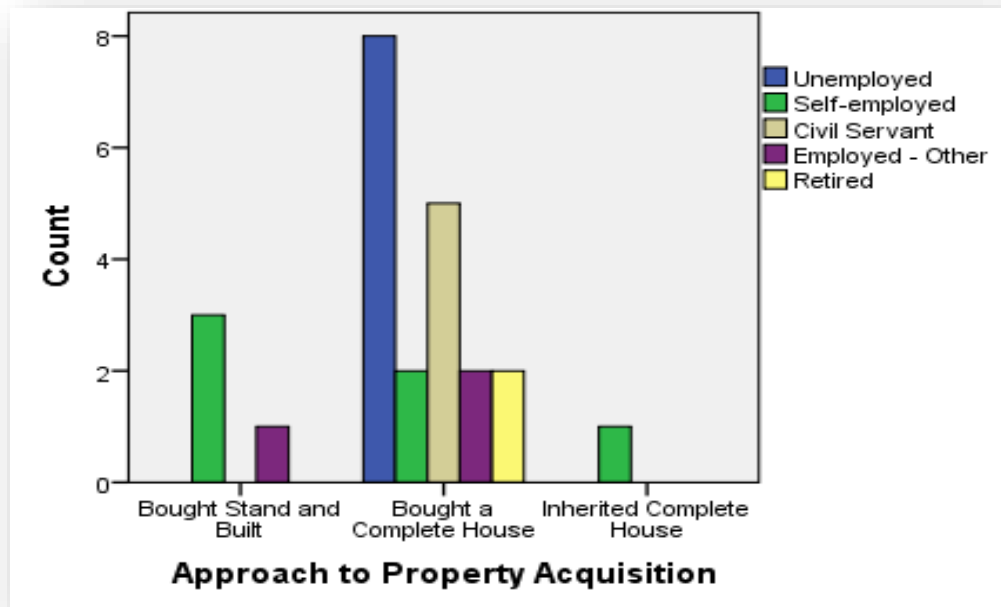
having been developed. The housing scheme is fully occupied mainly because the houses are considered affordable as is shown in Figure 6-4.

Figure 6-4: Key decision factors attracting beneficiaries into Housing Development 1



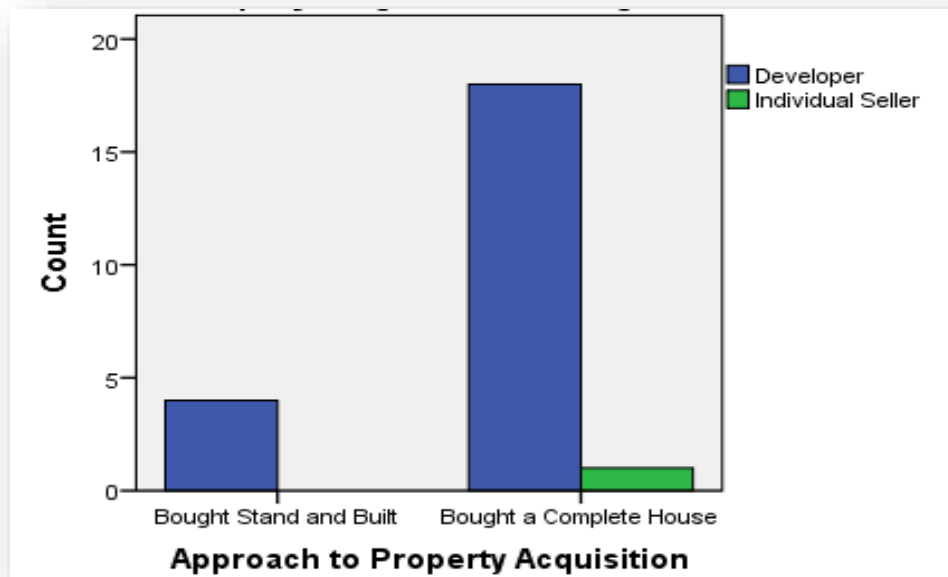
For the homeowners, affordability was a major pull factor in the housing scheme, followed by flexible payments terms and lastly availability of documents of ownership. These findings imply that these market solutions are considered to be reasonably priced by the beneficiaries. The employment status of the household heads currently residing in this development shows that there is predominantly low-income people in this development as shown in Figure 6-5.

Figure 6-5: Nature of employment of household heads in Housing Development 1 and approach to property acquisition



Of the homeowners who bought complete houses, the majority are the unemployed, civil servants and the self-employed, and these people are generally classified as low-income earners especially in developing countries where most civil servants are amongst the lowly paid workforce (Lehmann, Dieleman, & Martineau, 2008). There is also very low onward selling of houses in the scheme as is seen through a very low figure of beneficiaries who acquire houses via individual sellers as shown in Figure 6-6.

Figure 6-6: Approach to property acquisition in Housing Development 1



This implies that there were no other developers that were active in this development other than Developer 1 and there is minimal speculative activity by the beneficiaries in this scheme, where individuals buy completed houses for resale. Furthermore, 100% of the beneficiaries do not own other properties other than the ones bought via this housing development. Thus, the beneficiaries in Housing Development 1 are first-time homeowners, who before this housing scheme were precluded from owning property, due to lack of affordable housing options with flexible payment terms. Table 6-4 shows that beneficiaries living in the housing development are fairly satisfied with the size of the rooms, roofing and quality of walls, with more than 75% of respondents in each instance saying they are satisfied.

Table 6-4: Evaluation of the work of the developer in Housing Development 1

Satisfied with:	Count	Percentage
Size of Rooms	33	76.7%
Roofing	33	76.7%
Quality of Walls	38	88.4%
Roads	11	25.6%
Drainage	10	23.3%

Of concern however is the roads and drainages, which scored very low percentages. A visit to the site showed that roads and drainages are yet to be constructed as per the standards stipulated in the regulations as shown in Figure 6-7.

Figure 6-7: Access road in Housing Development 1



Servicing in this housing scheme is also incomplete as shown in Table 6-5 which depicts access to amenities.

Table 6-5: Access to amenities in Housing Development 1

Access to Amenities	Count	Percentage
Running Water	26	44.1%
Sewer Services	26	44.1%
Electricity	0	0.0%
Refuse Collection	51	86.4%
Nearby Schools	9	15.3%
Nearby Clinic	21	35.6%
Nearby Police Station	21	35.6%

Less than 50% of the households included in this survey have access to reticulated water and sewer services, a situation, which implies that the developer is not yet done with land servicing. All other amenities included in Table 6-4 are not provided by the developer but help paint a picture of the quality of life in the housing development. No household has access to electricity, pending supply of infrastructure which should be provided by the government via the Zimbabwe Electricity Supply Authority. A critical

need for proximal schools is also noted amongst other amenities such as clinics and police stations, whose provision falls under government.

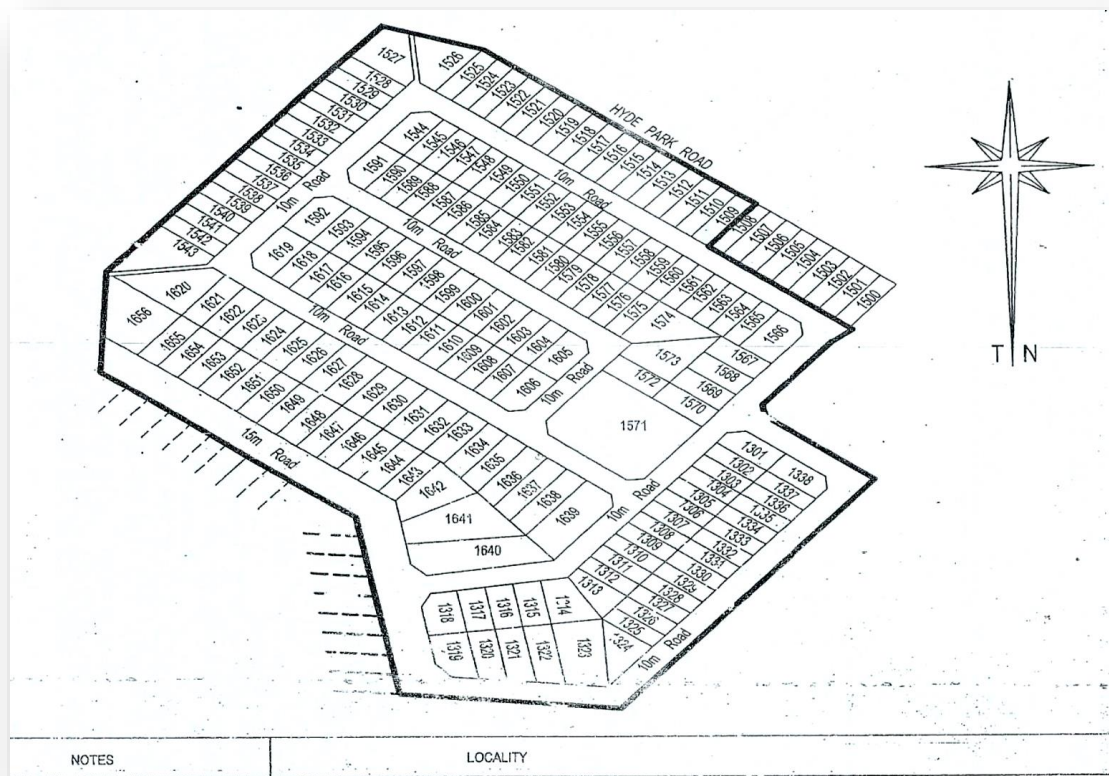
In summary, in Housing Development 1, construction of housing which adheres to building by-laws in terms of layout, plot sizes, and materials used is complete and all the houses are occupied. The current beneficiaries are the low-income group and they consider houses in this development affordable. It is however noted that more than half of the households in the development still do not have access to basic amenities like sewer and water, and roads are yet to be constructed to the required standards, which implies that land servicing is not yet complete. All households in this scheme have no access to electricity, and a critical need for nearby schools was noted.

6.6.3 Case 2: Housing Development 2

This housing development was also undertaken by Developer 1 in the high-density suburb of Phelandaba. Land for this development was bought from the local authority in 2006 and the company was given the go-ahead to start servicing the area in 2008¹⁴. A location map accessed from the local authority showed that the development had 75 stands as shown in Figure 6-8.

¹⁴ <https://allafrica-com.ezproxy.uct.ac.za/stories/200811211013.html>

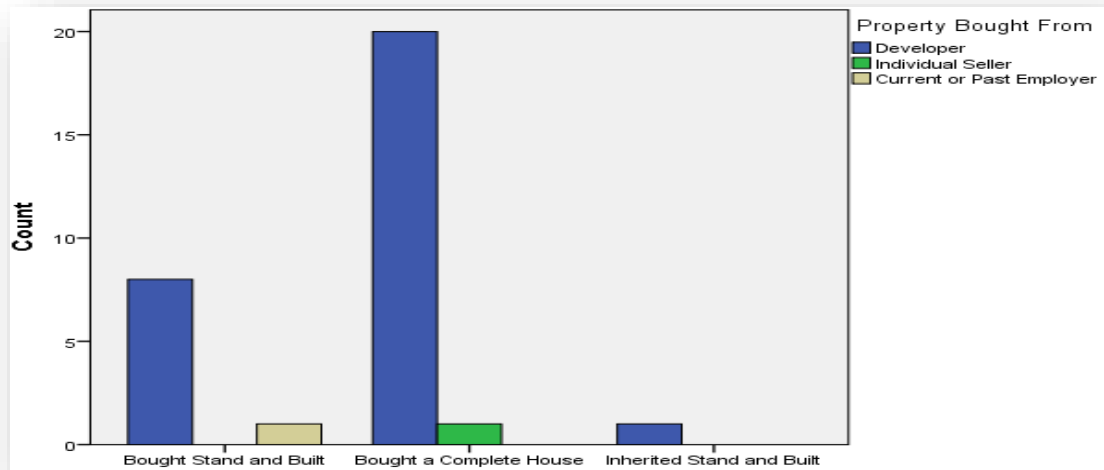
Figure 6-8: Housing Development 2 location map



Source: Bulawayo City Council (2009)

The study confirms that the layout that was observed on site tallies with the approved layout plan in Figure 6-8. At the time of the survey, in November 2017, all the plots that are shown in the location map had housing that was 100% complete. Survey results recorded 67% owner respondents who confirmed that Developer 1 built most of the houses in the area, with a small fraction of the property being sold off as serviced vacant plots as shown in Figure 6-9.

Figure 6-9: Approach to property acquisition in Housing Development 2



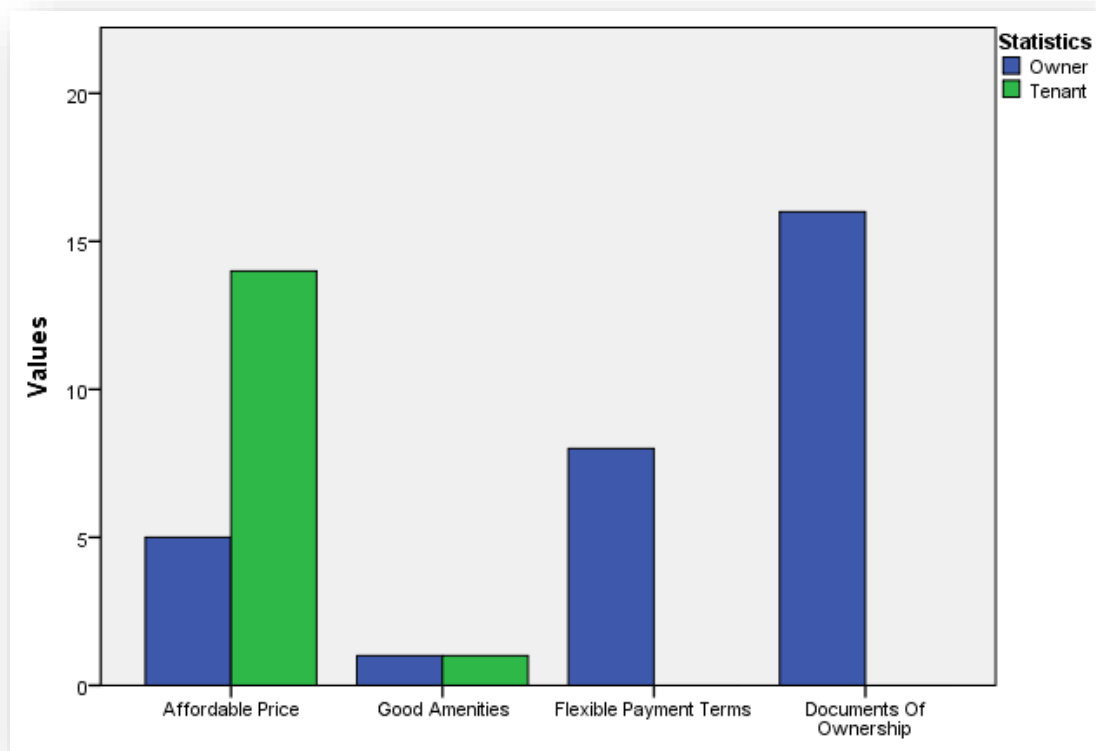
These findings indicate that there were no other developers who were active in the area other than Developer 2. Beneficiaries had the option to purchase serviced plots, but the most preferred product was completed housing. There is also very low speculative activity amongst the beneficiaries as is shown by the very low figures recorded of houses bought from individuals in Figure 6-9. This implies that beneficiaries who bought housing from the developer are holding on to their properties and not forward selling these houses. Of the 28 homeowner respondents, this study recorded 98% of the homeowner respondents as first-time homeowners who only managed to buy housing in Housing Development 2. Before they moved into their new homes, these respondents were either staying in rental accommodation or staying with family, except for the one respondent who was staying in his other house as shown in Table 6-6. As such, the housing development enabled these respondents to penetrate the formal property market and move from renting to owning their own houses.

Table 6-6: Type of immediate-past accommodation of homeowner respondents in Housing Development 2

Immediate-past accommodation	Frequency	Percentage
Rented	19	65.6
Staying with Family	8	27.6
Own Alternative House	1	3.4
Employer-Provided	1	3.4
Total	29	100.0

The key decision factors that influenced beneficiaries to choose to settle in this development are shown in Figure 6-10. For homeowners, affordability, flexible payment terms and documents of ownership were a pull factor.

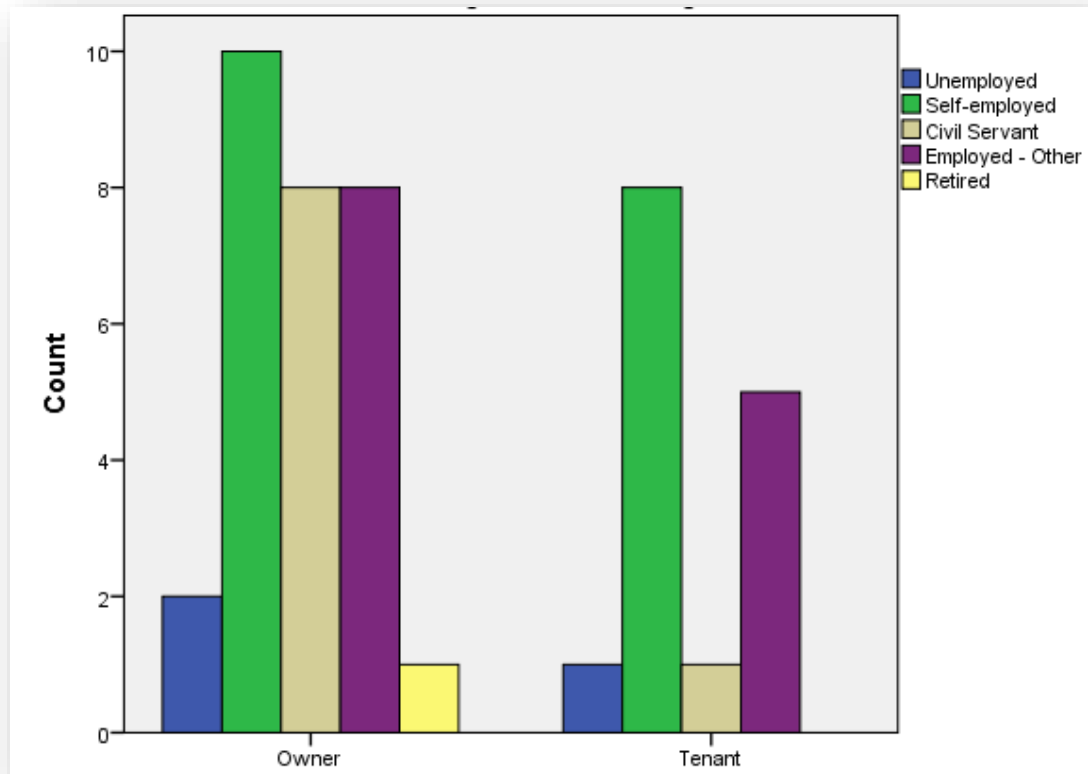
Figure 6-10: Key decision factors attracting beneficiaries into Housing Development 2



For tenants, the key consideration was the price of rentals, which were considered affordable. As shown in Figure 6-11, beneficiaries in the development are

predominantly the self-employed and civil servants, and, despite this, they consider these houses affordable.

Figure 6-11: Nature of employment of household head in Housing Development 2



Typical houses that we built by the developer in this housing scheme are shown in Figure 6-12.

Figure 6-12: Typical houses built by the developer in Housing Development 2



The plot sizes in the housing development are all less than 300m², which shows adherence with the Bulawayo Local Authority’s zoning guidelines for low-income housing and Circular Number 70 of 2004 which gazetted revised national housing standards for high, medium and low-density residential areas. As shown in Table 6-7 findings collected from 23 respondents who knew their plot sizes show that there were no plots in the scheme whose size was below 89cm² and none above 300m². It was observed that all the houses in the development are stand-alone houses that do not share any sidewalls. Such houses, according to the building bylaws should be constructed on plot sizes above 90cm², and in this housing development, the smallest plot size was recorded at 200m².

Table 6-7: Plot sizes in Housing Development 2

Plot Size (m ²)	Frequency	Percentage
0-89	0	0
90-200	11	47.83
201-300	12	52.17
above 300	0	0
Total	23	100

To check for the building materials used by the developer in the housing development, responses were filtered to look at homeowner respondents who bought from the developers and have not yet extended their houses. 100% of all these responses showed that houses in Housing Development 2 were constructed using concrete blocks and asbestos roof, all of which are listed as allowable building materials according to the

Zimbabwe Model Building By-Laws, Model Building (amendment) by-Laws,1980 (No.1), (Amendment) By-Laws, 1981 (No.2). Table 6-8 shows the proportion of beneficiaries out of 42 respondents who are satisfied with the sizes of rooms, roofing, quality of walls, and drainages is fairly reasonable. There were no specific issues that were raised to substantiate why some of the beneficiaries were saying they are not satisfied with the roads and drainage.

Table 6-8: Evaluation of the developers work in Housing Development 2

Satisfaction with:	Count	Percentage
Size of Rooms	27	64.3
Roofing	31	73.8
Quality of Walls	28	66.7
Roads	24	57.1
Drainage	30	71.4

There were quite a number of comments regarding roads in the development with most of those who said they were not satisfied citing that the roads become impassable during the rainy season. This implies that roads and the drainages still need to be addressed. A picture of a typical road found in this development, shown in Figure 6-13, shows that the developer has only done bush clearing. As such, roads in this housing scheme are yet to be done in line with regulations.

Figure 6-13: Access road in Housing Development 2



The study also found that almost all households have access to running water and sewer, which shows that the housing development is connected to the Local authority trunk infrastructure. Other than water and sewer, the local authority also provides ancillary services that residents are billed for such as garbage collection, which shows that the Housing Development 2 is a formal settlement that is recognised by the Bulawayo Local Authority. Residents also have access to nearby schools and clinics, which is an indication of the quality of life led by the residents of Housing Development 2 as shown in Table 6-9.

Table 6-9: Access to amenities in Housing Development 2

Access to Amenities	Frequency	Percentage
Running water	41	91.1%
Sewer services	39	86.7%
Electricity	0	0
Refuse collection	36	80.0%
Nearby schools	42	93.3%
Nearby clinic	37	82.2%
Nearby police station	39	86.7%

In summary, in Housing Development 2, construction of housing which adheres to building by-laws in terms of layout, plot sizes, and materials used is complete and all the houses are occupied. The current beneficiaries are the low-income group and they consider houses in this development affordable. It is however noted that there are a few households that still do not have access to basic amenities like sewer and water, and roads are yet to be constructed to the required standards which implies that land servicing is not yet complete. All households in this scheme have no access to electricity, but access to other amenities like schools, clinics and police stations was noted.

6.6.4 Case 3: Housing Development 3

The same developer who serviced virgin land and built low-income housing in Case 1 and Case 2 is the architect behind Case 3. Land for this scheme is in the periphery of the Bulawayo administrative boundary, but within the Bulawayo master plan boundary. This land was purchased from an individual in 2008, and as a result, the Bulawayo Local Authority did not have the location map for this area. In lieu of this, a satellite picture of the area was obtained from Google maps and is shown in Figure 6-14.

Figure 6-14: Location of Housing Development 3



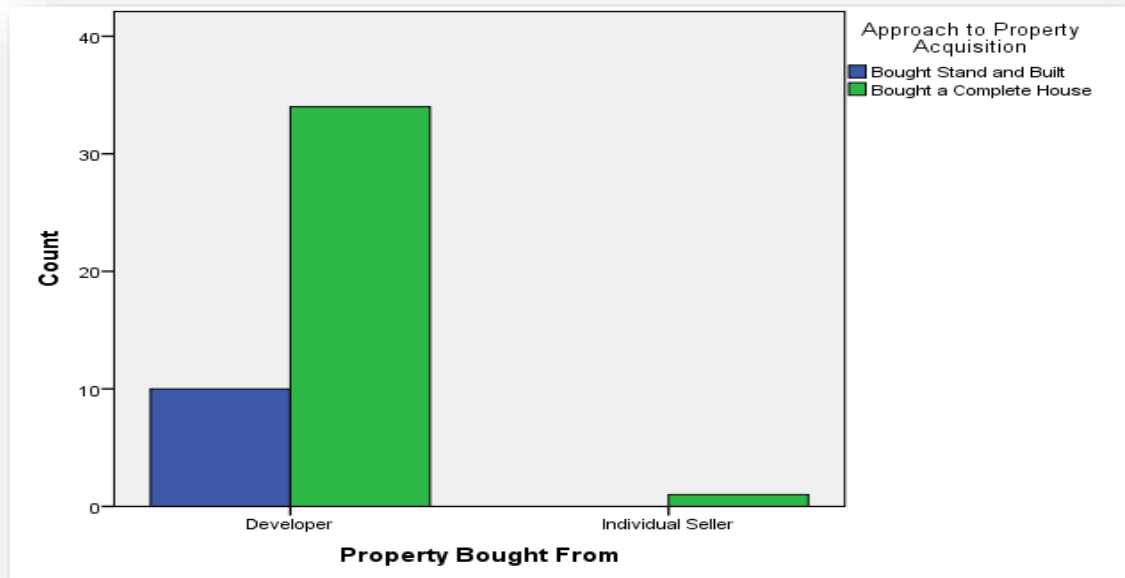
Source: Adapted from Google Maps

The suburb is nestled just on the edge of the city's boundary, next to the well-developed suburb of Pumula in Bulawayo. The housing development has a potential of 3,500 households, but at the time of the survey, the development was about 30% complete with most houses still at various stages of completion. The study confirms that even though the housing development lies just outside of the Bulawayo Local Authority administrative boundary, it is connected to the city's well-developed road network. In the course of data collection, the housing development was accessed on one side from Khami Road, which is a major wide tarred road which goes all the way to Tsholotsho, an administrative district in Matabeleland North, and on the other side via the suburb of Pumula. In addition, within the housing scheme, there is orderly land parcelling, with houses constructed in rows which allow all plots individual vehicular access. It was however noted that the housing development does not yet have a compact look compared to the older suburbs as some houses are still in different stages of construction.

From the survey results from 134 households, the study recorded 34% owner respondents who confirmed that properties in the area were acquired from the

developer, and beneficiaries had the option of purchasing either a completed house or a vacant plot as shown in Figure 6-15.

Figure 6-15: Property acquisition options in Housing Development 3



Only one recorded case in the development was recorded where a respondent bought a completed house from an individual. The low-level of recorded individual sales also point to very low speculative activities amongst the beneficiaries as they are not forward selling the properties purchased in the development. These findings also confirm that there are no other developers who are active in Development 3 other than Developer 1 and indicate that most of the housing in the area was built by the developer since the number of properties sold as vacant plots is less than that of completed housing sales. Even though construction is still ongoing, all the 134 households that were included in the survey were staying in completed housing as shown in Figure 6-16.

Figure 6-16: Typical housing in Housing Development 3



Construction materials that were used in this housing development by the developer were building blocks and asbestos roofing as shown in Figure 6-16. The houses are arranged in rows and there is provision for individual vehicular access to each plot. 96% of the plot sizes in the development are between 120m² and 300m² with only three plots recorded which are above 300m² as shown in Table 6-10. Further probing

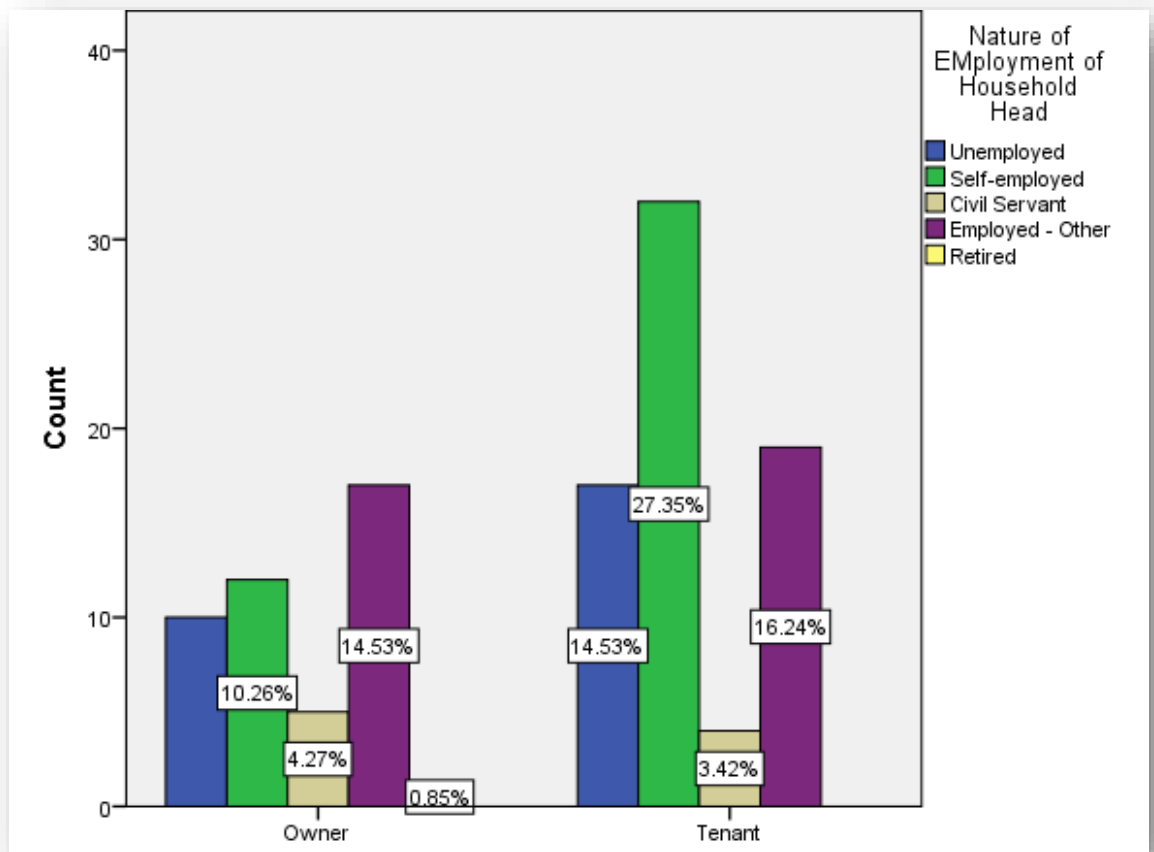
revealed that plots that are more than 300m² are typically corner plots that have irregular plot sizes. The smallest recorded plot size in the Housing scheme was 120m², which is ideal for the stand-alone houses that were observed through the scheme.

Table 6-10: Plot sizes in Housing Development 3

Stand Sizes (m²)	Count	Percentage
120	7	9.7
180	3	4.2
200	18	25.0
225	17	23.6
250	7	9.7
300	17	23.6
Above 300	3	4.2
Total	72	100.0

Survey finding showed that occupants in this housing development were mainly low-income, with 40% of households occupied by homeowners whilst 60% had tenants. Occupations of heads of households in the two tenure subcategories included the unemployment, self-employed, civil servants and in the other category was included respondents who were employed by private companies and individuals as security guards, cleaners, gardeners, and a few in white-collar jobs as shown in Figure 6-17.

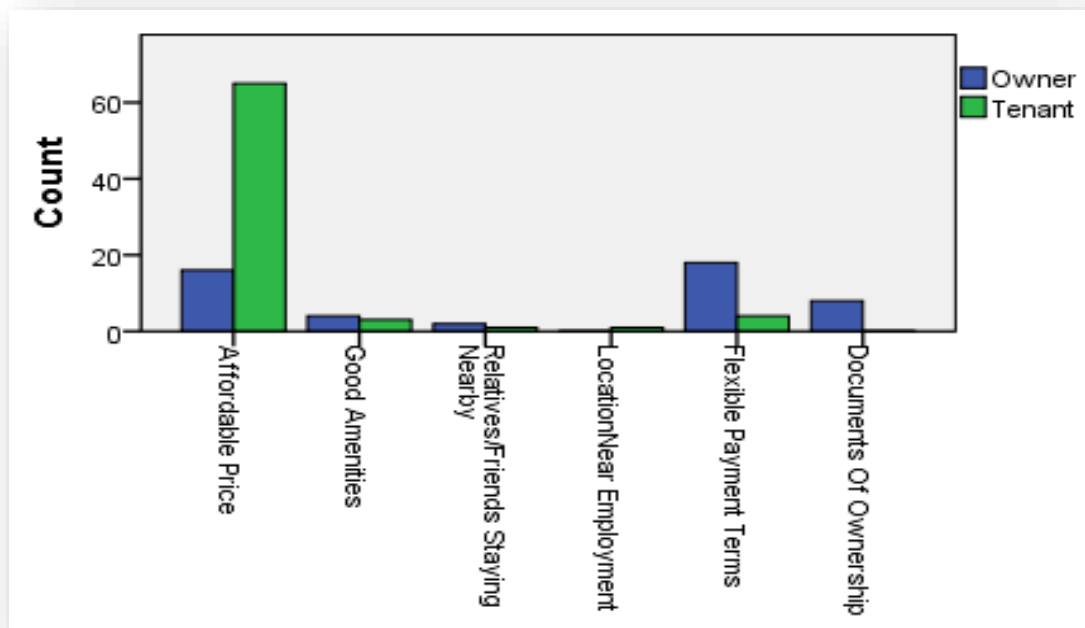
Figure 6-17: Occupation of Housing Development 3 residents



The beneficiaries in this development conform to the profile of the low-income as is seen through the predominance of unemployed and self-employed household heads who make up more than 60% of the respondents. The plight of civil servants has also worsened over the years in Zimbabwe due to inflationary upward pressures on the poverty datum line that is not accompanied by increases in salaries. As a result, most civil servants are now classified as low-income. Most of the jobs recorded in the other category are menial jobs which do not pay much.

What has attracted most of the occupants into this housing scheme is affordability as shown in Figure 6-18. However, for owner-occupants, the major reason for buying into the scheme was flexible payment terms, which combined with the affordable price, made it easier for them to penetrate the housing market.

Figure 6-18: Key decision factors attracting beneficiaries into Housing Development 3



One measure of the success of these housing developments is affordability. From the perspective of the beneficiaries, Housing Development 3 is providing affordable housing options for both tenants and homeowners. For tenants, rentals charged in the development are affordable and were the major pull factor. Owner-occupants were mostly interested in affordability in terms of the purchase price, flexible payment terms and availability of documents of ownership. Only 2 out of a total of 40 homeowner respondents said they own another property. These findings, when combined with the job categories of the household heads presented in figure 6-16 despite the beneficiaries are low-income, they have managed through Housing Development 3, to be first-time homeowners. This development thus shows the possibilities of extending homeownership to people who have low-income jobs. Table 6-11 shows that beneficiaries in the development are generally satisfied with the size of the rooms, the roofing and quality of walls.

Table 6-11: Evaluation of the work of the developer in Housing Development 3

Satisfaction with:	Count	Percentage
Size of Rooms	84	82.4
Roofing	76	74.5
Quality of Walls	59	57.8
Roads	18	17.6
Drainage	14	13.7

A notable decrease in satisfaction with the work of the developer was however seen in roads and drainages. A site visit showed that the housing scheme is accessible, but most of the roads have just been bush cleared as shown in Figure 6-19 and drainages are yet to be constructed.

Figure 6-19: Access road in Housing Development 3



Residents in this development, however, do not have access to running water, sewer services and other ancillary services as shown in Figure 6-12.

Table 6-12: Access to amenities in Housing Development 3

Access to Amenities	Count	Percentage
Sewer Services	14	18.40
Running Water	0	0
Electricity	0	0
Refuse Collection	0	0
Nearby Schools	55	72.40
Nearby Clinic	48	63.20
Nearby Police Station	46	60.50

Residents access water from communal boreholes that are strategically placed around the development and can also buy tap water from people residing in the adjacent suburb of Pumula. The developer also transports drinking water once a day using a bowser. MH3, however, revealed that:

“The developer laid all sewer and water pipes, but due to certain administrative challenges, between Bulawayo Local Authority and UMguza RDC, the development still hasn’t been connected to trunk infrastructure. The developer funded those sewer ponds, just to make sure the discharge doesn’t go into the river. They will be closed with time when the area is connected to the Bulawayo trunk infrastructure since Bulawayo has its own sewer treatment plants, SAST 1 and 2.”

As such, even though the development is not yet connected to trunk infrastructure, some residents do have access to the sewer infrastructure. The sewer ponds found in Housing Development 2 are shown in Figure 6-20.

Figure 6-20: Sewer ponds in Housing Development 3

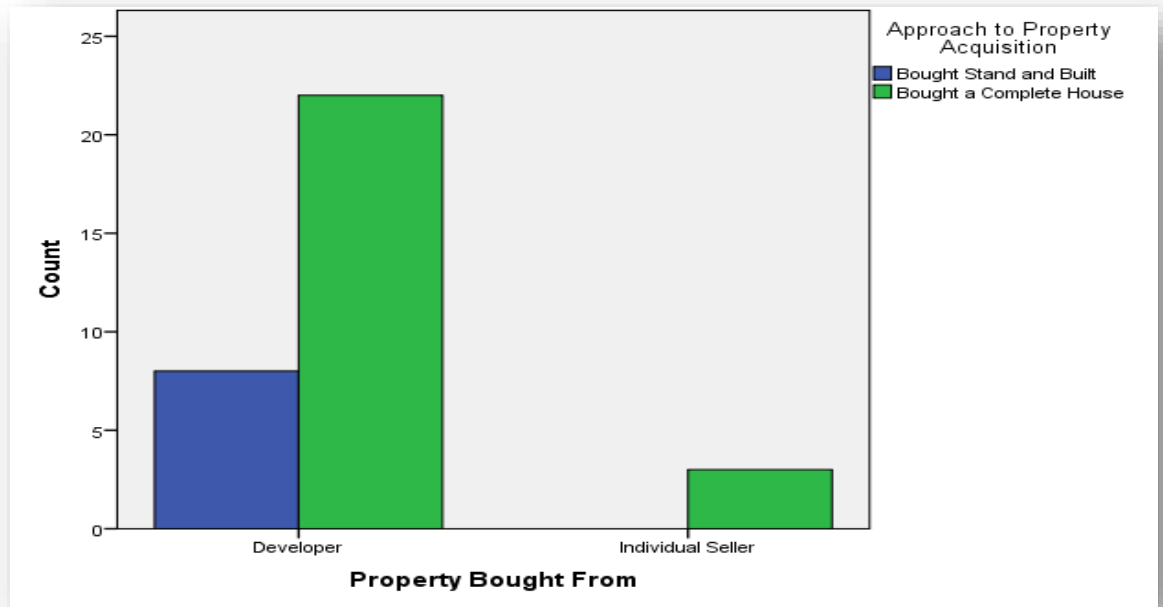


In summary, in Housing Development 3, construction of housing which adheres to building by-laws in terms of layout, plot sizes, and materials used is still ongoing, but all completed houses are occupied. The current beneficiaries are the low-income group and they consider houses in this development affordable. It is however noted that despite the developer having laid pipes in the completed sections all the households in this housing development are not connected to the local authority trunk infrastructure and thus there is no access to reticulated water and sewer services. Sewer ponds, constructed by the developer are used as an alternative low-cost waste treatment option whilst residents get water from boreholes dotted across the development, bowsers brought in by the developer and from the nearby suburbs. Roads and drainages in sections where there are completed units are also not complete, implying that the developer is not yet done with land servicing.

6.6.5 Case 4: Housing Development 4

This housing development is in Cowdray Park a high-density suburb in Bulawayo. Land for the development was allocated by the Bulawayo Local Authority in 1994. 51 households were successfully surveyed from 75 plots. Of the 51 respondents, 59% were homeowner respondents, and these confirmed that the developer's product offering included serviced plots and completed housing as shown in Figure 6-21.

Figure 6-21: Property acquisition options in Housing Development 4



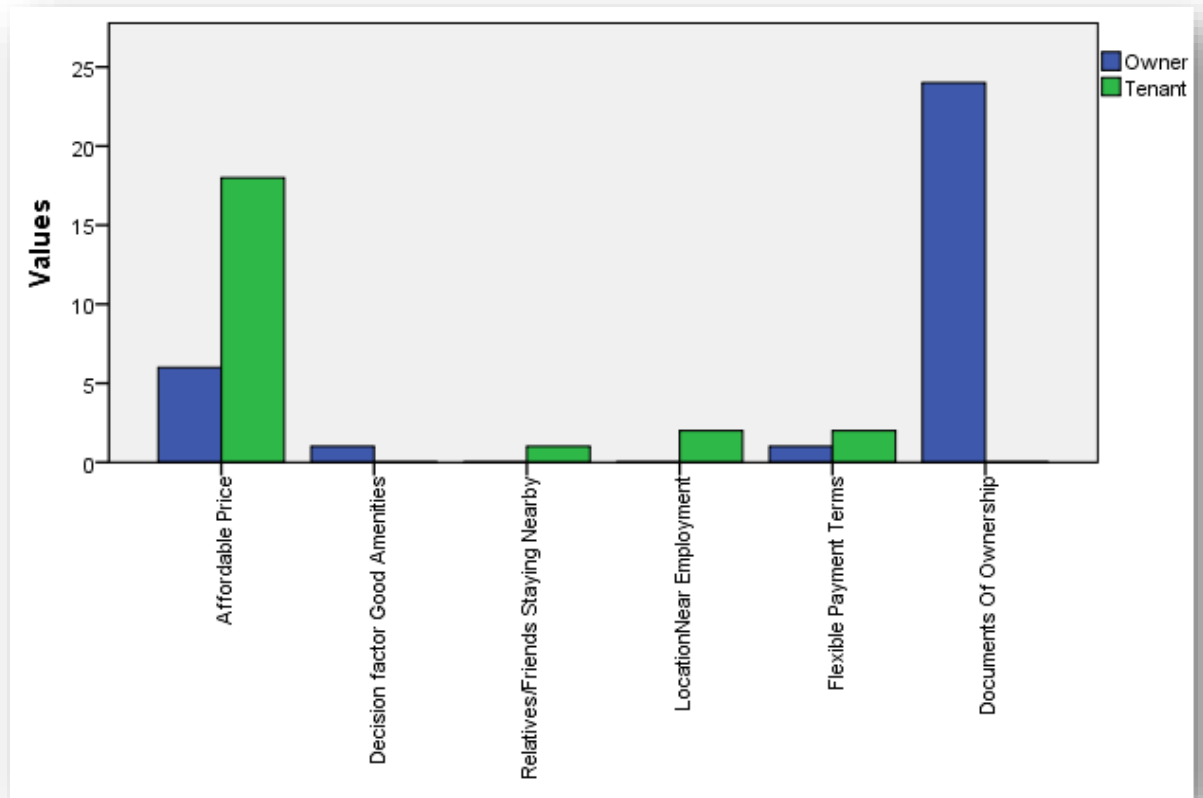
These findings also show that there was no other developer who was active in the housing development other than Developer 2. The study recorded homeowner respondents who bought into the scheme as far back as 2007, but despite this, the very low levels of individual sales in the development point to beneficiaries who bought into the scheme, not for speculative reasons but want to hold on to their properties. Only 5 out of the 30 homeowner respondents reported that they own other properties and further probing revealed that 4 of the 5 were referring to undeveloped plots in other newly developing areas. These findings show that Housing Development 4 provided a chance for over 96% of the homeowner respondents to be first-time homeowners and to upgrade their tenure status from tenants to homeowners. At the time of the survey, all the houses had been completed and were occupied. Typical housing that was built by the developer is shown in Figure 6-22.

Figure 6-22: Typical housing in Housing Development 4



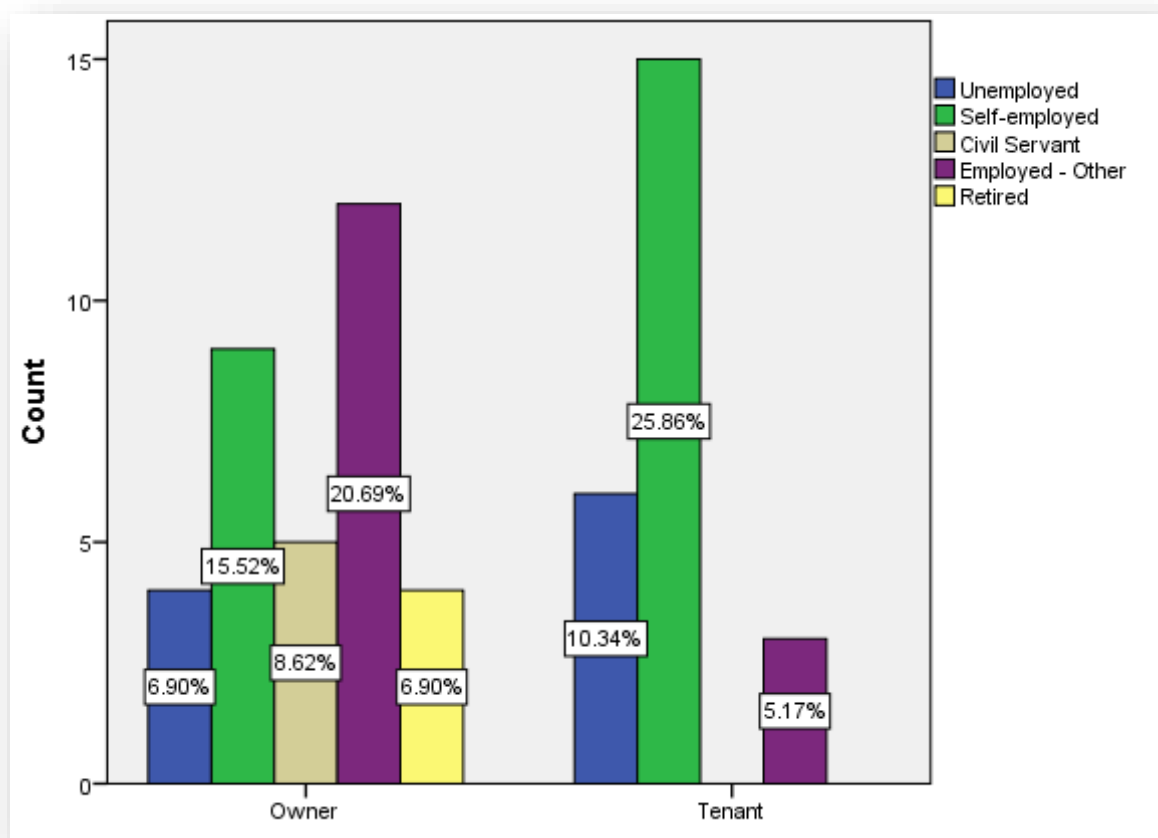
In the housing development, the study confirms that there is orderly land parcelling that tallies with the layout map that was obtained from the local authority and shown in Figure 6-23 . All the plot numbers that were listed on the map in the region bound by the bold black line in Figure 6-23 were present and the layout plan was the source document that was used for systematic sampling in the study.

Figure 6-24: Key decision factors attracting beneficiaries to Housing Development 4



More than 64% of the current beneficiaries are either unemployed, self-employed or retired as shown in Figure 6-25 whilst the rest include civil servants and other job categories which are generally low income. The job categories presented here attest to the success of the housing development in targeting the low-income group. But, despite this, the beneficiaries consider the housing options availed to them via this housing development as affordable.

Figure 6-25: Employment status of household heads



The beneficiaries are generally satisfied with the work of the developer in the housing scheme in terms of the size of the rooms, roofing and quality of walls, but a marked decrease was noted with regards to roads and drainages as show inTable 6-13.

Table 6-13: Evaluation of the work of the developer in Housing Development 4

Satisfaction with:	Count	Percentage
Size of Rooms	38	74.5
Roofing	47	92.2
Quality of Walls	34	66.7
Roads	10	19.6
Drainage	23	45.1

A site visit showed that roads and the associated drainages are not yet complete as shown in Figure 6-26. So far, bush clearing has been done, and even though the roads are functional, and houses are accessible, the developer is yet to construct the roads as per the required standards.

Figure 6-26: Typical road in Housing Development 4



Residents in this development mostly have access to basic amenities such as water and sewer services and other local authority provided services such as refuse collection schools clinics and police stations as shown in Table 6-14. This shows that the housing development is a formal development that is acknowledged by the local authority as residents are charged for these services.

Table 6-14: Access to amenities in Housing Development 4

Access to Amenities	Count	Percentage
Running Water	41	70.7
Sewer Services	41	70.7
Electricity	0	0
Refuse Collection	55	94.8
Nearby Schools	28	48.3
Nearby Clinic	24	41.4
Nearby Police Station	48	82.8

Land servicing in this housing development is still ongoing, as seen through roads which are not yet complete and a section of the residents who are still not connected to the local authority trunk infrastructure. There is also still no access to electricity in the housing scheme. Electricity provision, however, lies with the government via its parastatal.

In summary, in Housing Development 4, construction of housing that adheres to building by-laws in terms of layout, plot sizes, and materials used is complete and all the houses are occupied. The current beneficiaries are the low-income group and they consider houses in this development affordable. More than 29% of the households in the development however still do not have access to basic amenities like sewer and water, and roads are yet to be constructed to the required standards, which implies that land servicing is not yet complete. All households in this scheme are still not connected to electricity, and the housing development could benefit more from having a nearby school and clinic.

6.6.6 Case 5: Housing Development 5

Land for Housing Development 5, situated in the suburb of Cowdray Park, was sold to the Developer by the Bulawayo Local Authority in 1996 and servicing started in 2001, with a total of 532 plots and roads with a total length of 140km to be serviced and developed by Developer 3. From 134 respondents, the study recorded 66 homeowner respondents who confirmed the property acquisition options that were available to them in the housing scheme as shown in Table 6-15.

Table 6-15: Approach to property acquisition in Housing Development 5

Property Bought From	Bought Plot and Built	Bought Complete House	Inherited Complete House	Total
Developer	23	36	1	60
Individual Seller	1	5	0	6
Total	24	41	1	66

The findings confirm that there were no other developers active in the area except Developer 3, and beneficiaries had the option to purchase either a serviced plot or a completed house. The low rate of individual sellers who are active in the development shows that there is no evidence of speculative as most property sales are through the developer and beneficiaries buy and then hold on to their properties.

At the time of the survey, all the houses in the housing development were complete and occupied. Typical housing that was built by the developer is shown in Figure 6-27.

Figure 6-27: Typical housing built by the developer in Housing Development 5



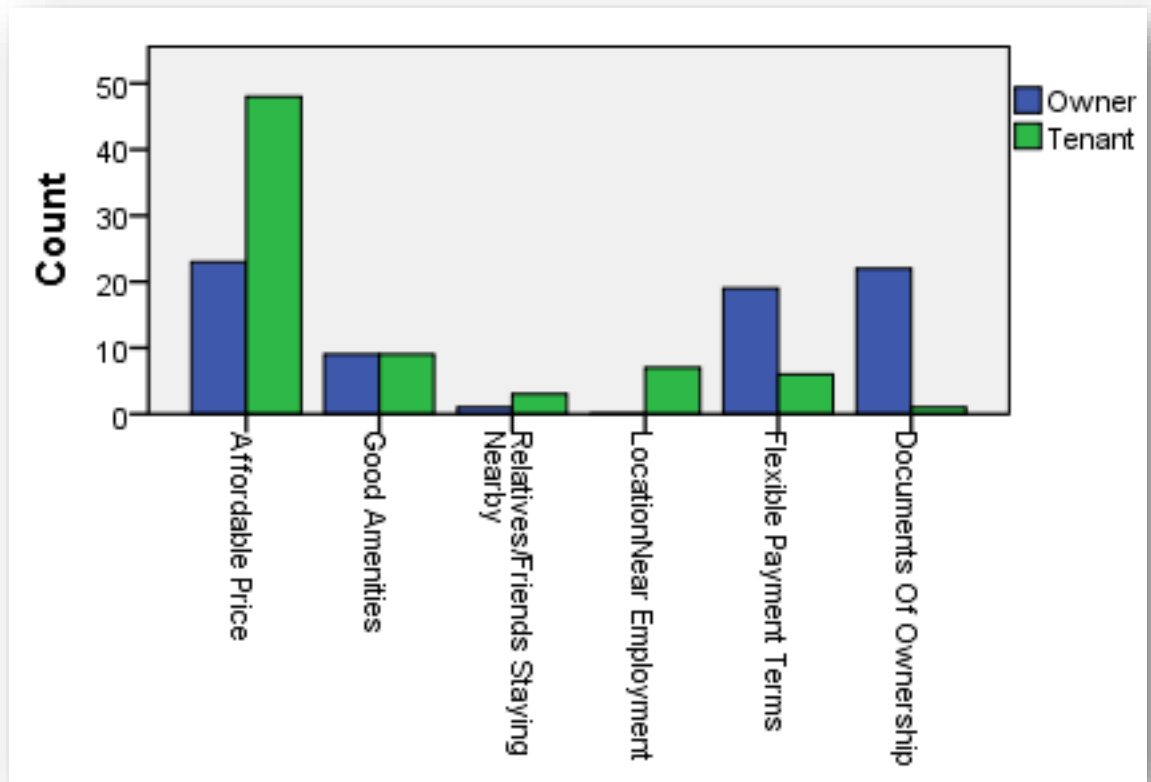
A layout map, obtained from the Local Authority shows orderly parcelling of space, with houses arranged in rows that allow vehicular access to each individual plot, and access roads that connect the housing Development to the main road infrastructure as shown in Figure 6-28.

Table 6-16: Plot sizes in Housing Development 5

Stand size (m²)	Count	Per cent
below 100	0.0	0.0
100-120	12	13.33
200	58.0	64.44
200-300	13	14.44
above 300	7.0	7.79
Total	90	100.0

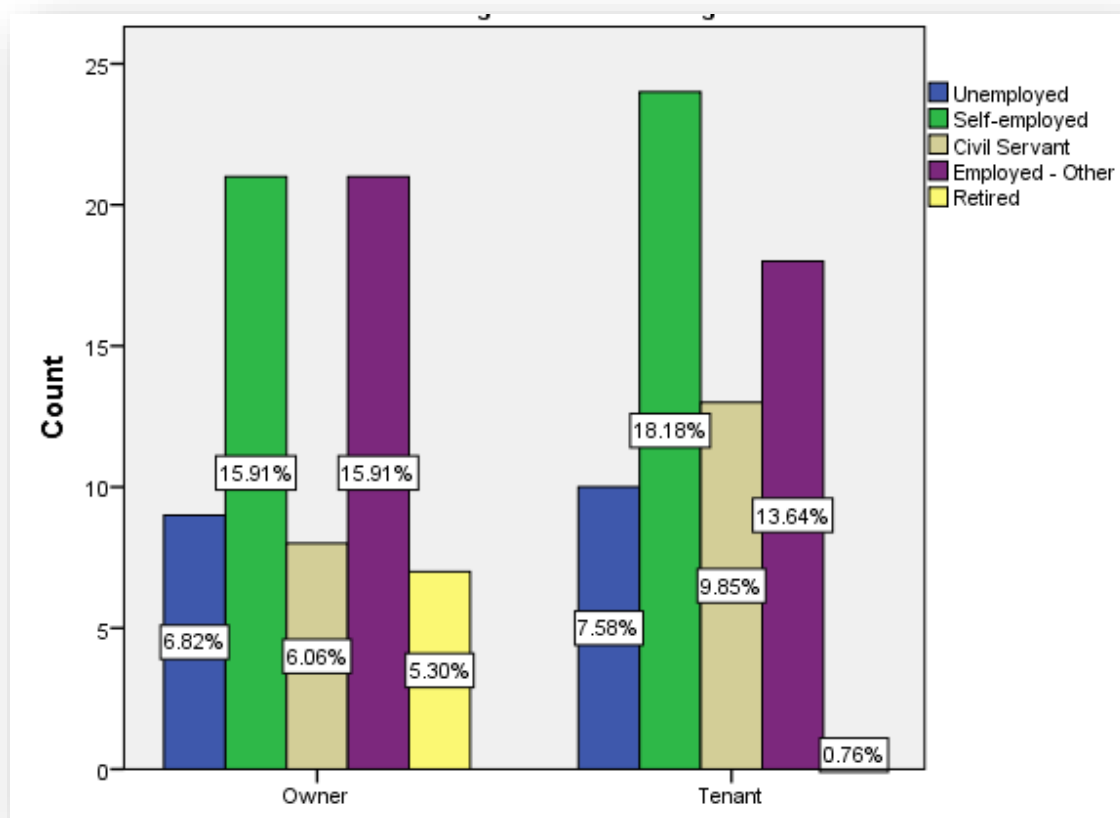
These findings indicate that plot sizes were in line with the zoning guideline for high-density suburbs, where plot sizes are normally below 300m². Exceptions are however made for corner stands, which can be slightly bigger than the recommended plot size. From both the owner and tenant respondents' point of view, the housing scheme was affordable, but in addition to that, homeowner beneficiaries were interested in flexible payment terms and also security of tenure as documents of ownership were available as shown in Figure 6-29.

Figure 6-29: Key decision factors attracting beneficiaries into housing Development
5



These beneficiaries who were attesting to the affordability of houses in this scheme are mainly low-income earners as shown in Figure 6-30. The figure shows that more than 53% of the current beneficiaries spread across the two tenure options are either unemployed or self-employed or retired, thus essentially falling into the low-income category. That said, this housing development is successfully serving the low-income group.

Figure 6-30: Nature of employment of household head in Housing Development 5



More than 75% of all beneficiaries were satisfied with the size of the rooms, roofing, and quality of wall, which shows that the Housing development delivered an acceptable product to the beneficiaries as shown in Table 6-17.

Table 6-17: Evaluation of the work of the developer in Housing Development 5

Satisfaction with:	Count	Per cent
Size of Rooms	98	77.8
Roofing	109	86.5
Quality of Walls	107	84.9
Roads	18	14.3
Drainage	58	46.0

It was however noted that the rate of satisfaction significantly went down with respect to roads and drainages. A site visit showed that the developer has not yet completed road construction to the required standards and lack of drainages makes the roads unpassable during the rainy season as shown in Figure 6-31.

Figure 6-31: Typical road in Housing Development 5



Compared to the all the other case presented above, land servicing is almost complete in this housing development, although it is noted that there are still a few households which are yet to be connected to trunk infrastructure so they can get access to reticulated water and sewer services as shown in Table 6-18.

Table 6-18: Access to amenities in Housing Development 5

Access to Amenities	Count	Percentage
Running Water	106	79.7
Sewer Services	106	79.7
Electricity	113	85.0
Refuse Collection	104	78.2
Nearby Schools	94	70.7
Nearby Clinic	99	74.4
Nearby Police Station	103	77.4

In summary, in Housing Development 5, construction of housing that adheres to building by-laws in terms of layout, plot sizes, and materials used is complete and all the houses are occupied. The current beneficiaries are the low-income group and they consider houses in this development affordable. About 20% of the households in the development however still do not have access to basic amenities like sewer and water, and roads are yet to be constructed to the required standards, which implies that land

servicing is not yet complete. 85% of houses in this development have access to electricity unlike in the other schemes where all households are not yet connected to electricity. Access to amenities is also relatively good compared to the other housing developments.

A summary table showing the characteristics of these 5 developments is shown in Table 6-19

Table 6-19: Summary characteristics of the 5 housing developments

	Development 1	Development 2	Development 3	Development 4	Development 5
Status as at April 2018	Sold out	Sold out	Ongoing	Sold out	Sold out
Size of the scheme	274 plots	185 plots	185 plots	75plots	532plots
Product offering	Serviced plots plus 2 and 4 roomed houses	Serviced plots plus 2- and 4-roomed houses	Serviced plots plus 2-,3-and 4- roomed houses	Serviced plots plus 2 and 4 roomed houses	Serviced plots plus 2 and 4 roomed houses
Land	Sourced from the local authority	Sourced from the local authority	Bought from an individual	Supplied by the local authority as part of the PPP	Sourced from the local authority
Finance	Developer financed	Developer financed	Developer financed	PPP model	Underwritten by 2 building societies
Houses	Construction completed, and all houses fully occupied	Construction completed, and all houses fully occupied	Construction still ongoing	Construction completed, and all houses fully occupied	Construction completed, and all houses fully occupied
Roads and drainages	Incomplete	Incomplete	Incomplete	Incomplete	Incomplete
Sewer services	44.1%	91.1%	18.4%	70.7%	79.7%
Running water	44.1%	86.7%	0%	70.7%	79.7%
Electricity	0%	0%	0%	0%	85%

6.7 Structural Enablers, Constraints and Strategies

The above case studies showcase the efforts of private developers to provide market housing solutions for the low-income group. The act of transforming urban land into both low-income housing and sites for low-income housing, when occurring through the market mechanism, takes place through agents who strive to convert factors of

production to produce a predetermined outcome at a profit, which in this study is low-income housing. The conceptual framework developed in this study postulates that structure which is the interrelation of political, social, economic and legal institutions impinges on the agents' ability to produce housing as it contains prescriptions that both forbid and permit action. As such, structure was conceptualised as a set of rules and resources that provide the critical link between the action realm and the institutional realm and thus can enable and/or constrain agency. Given that institutions enable and constrain through governing the way material resources are accessed and used, this section looks at the structural variables that were identified in the conceptual framework, resources (land and land use rights, capital, labour), and using the analytical stance described in section 6.3, analyses the extent that institutions (planning regulations, building standards, procedures in getting land use rights, informal institutions) enable or constrain access to and use of these resources and the strategies employed by the developers in response. Ideology, which is also a structural variable in the Structure-Agency framework, was taken as constant from the developers' perspective since they are all profit-oriented, but this study acknowledges the ideological orientation of other role players in the housing development process as having a constraining or enabling effect on the developers.

This section will address the first and second hypothesis by highlighting how developers are able to have successful housing developments as seen through the five case studies presented above, given the adverse operating environment. This is attained through analysing the constraints and enablers embedded in the operating environment – and all the structural variables in the conceptual framework can either constrain or enable agency. Strategies that are then implemented in response to these enablers and constraints by the developers in each of the five case studies are then inferred. Strategies can only be implemented if there are resources available to the developer, the rules permit implementation of such a strategy and the ideological stance of the state and other role players is consistent with market solutions to the low-income housing challenge. For the low-income households where housing affordability is a challenge, it is evident that resources are the key to successful housing provision. Local realities, as reflected in the institutional environment, however, impose unique barriers to access and use of resources (Derossett, 2015; Gopalan & Venkataraman, 2015). Unavailability of construction resources may lead to project delays, which tend to

result in cost overruns (Hwang, Zhao, & Ng, 2013; Marzouk & El-Rasas, 2014) and magnify perceived risk that is embedded in housing projects targeted at the low-income groups.

6.7.1 Land suitable for low-income housing

The most important development resource in low-income housing is land. The conceptual framework recognises that unavailability of land would hinder agency of developers, as, without land, no development can take place. Similarly, if land is available but is expensive, housing options that can be developed by the market become skewed in favour of higher-income groups at the expense of low-income housing. Scarcity of adequately located and properly planned land has been cited as a barrier to low-income housing solutions the world over (Ibem, 2011; Moss, 2003) and the high cost of land has also been identified as one of the leading causes for affordability problems in developing countries, (Childress & Alliance, 2015; Du & Peiser, 2014; Turner, 1967). This shortage of land gives rise to land mafias, illegal encroachments and corruption (Gopalan & Venkataraman, 2015) and these issues vary with local realities. Land is usually under the purview of the government, either central government or local government, and this makes this valuable resource subject to political and ideological influences – socialism, communism, neoliberalism and other such variants (Childress & Alliance, 2015; Claussen, 2015; Derossett, 2015).

The supply of land for low-income housing in Zimbabwe has always been considered as a public-sector responsibility via the provision of land by local authorities (Brown, 2001; Chitekwe-Biti, 2009; Chitekwe & Mitlin, 2001; Kamete, 1998; Muchadenyika, 2015b) to individuals, cooperatives and private developers. Residential land can be situated under either an urban local authority or a rural district council, and the processes and procedures that are followed to access this land and the associated development permits differ, thus presenting different structural enablers and constraints. Within the Bulawayo administrative boundary, developers could only purchase land after having their development proposals approved by the local authority, thus making the local authority's credence of market solutions to the housing problem a structural enabler. If land for housing development is to be bought from the local authority, the developer must apply for land, and this application must be

accompanied by a proposal, which can be rejected, as was revealed by LA1 who explained that:

“All these developers got land from the Council, except for Developer 1, who used his own private land under uMguza RDC for Housing Development 3. But for all the other developments under him, he was offered the land by the Council. The developer approaches the Council with a proposal..... if the application is approved, we do not however sell them the land at a subsidized cost. We have our own standard rates that we use, [when] selling virgin land to these developers. Meaning that they would then have to service the land on their own.”

Thus, in four of the five developments, the land was purchased from the Bulawayo Local Authority. Issues that came up from this response were that supply of land that is suitable for low-income housing within the Bulawayo Local Authority boundary can only be supplied by the local authority. Since the local authority determines who gets access to this land, when and for how much, land acquisition within the Bulawayo administrative boundary is a non-market process. As such, access to this land hinges on the ideological orientation of the local authority, the processes that are followed in the allocation of land and the efficiency with which the local authority can make such land available. Land for Housing Development 4 was acquired through a public-private partnership arrangement, with the Bulawayo Local Authority bringing to the table land, and the developer, land servicing finance for the housing development.

Land for Housing Development 1 and 5 was purchased from the local authority and allocated in 2006 and 1996 respectively without any notable constraints. The value of this land according to both developers was insignificant “due to inflation” and wasn’t a key issue in fixing the selling prices in the developments.

In Housing Development 2, land for the development was initially allocated in Pumula South, and work commenced on the site. However, because of bad terrain and numerous landfills in the construction area, the developer felt it was uneconomic to build low-income housing in the area. The local authority then had to look for an alternative area for Housing Development 2, which was allocated in 2008 as was explained by Developer 1:

“We realised that the site that was allocated to us had to be rehabilitated first before construction could begin and we could not keep costs low. So, we had no choice but to go back to the local authority and request for a site that is suitable for low-income housing construction. It took time for us to get the replacement, but it was better to wait than to construct on the original site.”

Housing Development 2 thus highlights that for low-income housing, suitable land not only makes reference to the location of the land. Other important factors that should be considered is the quality of the land – with land that will not require extensive work on it to convert it to useable land being ideal. The soil type, bedrock in the area, water table, slope of the land and natural drainage are some of the factors that have to be closely considered by a developer before the land is purchased to minimise costs.

Land for housing development 4 was allocated in 2004, through a partnership deal entered into by Developer 2 and the Bulawayo Local Authority as was explained by Developer 2:

“...We really got a foot in the door in the [low-income housing] business when we started being subcontracted by the local authority to service virgin land in the 90s. After that, building on the experience we had amassed, we were able to land a partnership with the local authority to service virgin land and build housing...that was really a game-changer for us. Our housing development had 75 plots, but we had to service a total of 113 plots as part-payment in lieu of land purchase cost.”

Public-Private Partnerships (PPPs) were popular in Zimbabwe in the 1990s, mainly driven by donor funding -especially the USAID and the World Bank (Chipungu & Adebayo, 2013) and represent a complex organisational arrangement where each sector does what it can do best (Kamete, 1998). PPPs have been undertaken by the local authorities in all urban areas in Zimbabwe, Bulawayo included, with various stakeholders - private developers, financiers, cooperatives, employers, donor organisations, the community and human rights groups such as Dialogue on Shelter, Zimbabwe Homeless People’s Federation, Shack/Slum Dwellers International, (Magwaro-Ndiweni, 2013; Mashoko, 2012; Muchadenyika, 2015a, 2015b). The urban

councils provide virgin land and the developer provides the required infrastructure, thus limiting the role of the local authority to land allocation and development control rather than ownership of housing projects (Muchadenyika, 2015a).

However, a resolution taken by the Bulawayo Local Authority to stop selling land to private developers in 2009 represents a shift in the implementation of the underlying ideology of embracing market solutions by the Bulawayo Local Authority and has since become a constraint to low-income housing development. The local authority has stopped selling land to private developers was explained by LA1:

“We have since moved away from selling virgin land to the private developers. Council is now running its own program of preselling stands directly to the beneficiaries. Under this program we have our stands that are not yet serviced, we dispose of the stands exactly like the private developers were doing and then we service using the funds raised.”

All developers, who have plans for new low-income housing developments, who did not buy land from the local authority before 2009 can no longer access land from the local authority. As a strategy to counter this shift which is negatively affecting the developers, land for Housing Development 3 was purchased in the periphery areas of Bulawayo which falls under Bulawayo according to the master plan but is yet to be incorporated. Enabling factors that make this strategy possible is the Bulawayo master plan, which came into effect in 1994, resulting in the urbanisation of some sections of uMguza Rural District which will eventually be incorporated into the Bulawayo Local Authority. MH2 explained that:

“In Zimbabwe, we have two tiers of local authorities, urban and rural. Land that falls within each local authority is delimited by a political/administrative boundary. Then you have the master plan boundary, which details the direction of growth of a bigger local authority which inevitably leads to a bigger local authority encroaching into a smaller usually rural authority. Rural land that is within the boundaries of the master plan changes from being rural land to urban, but is still under the purview of the rural authority...so for example, uMguza has one urban portion, being the Rangemore area, because it was urbanized through the Bulawayo master plan in 1994, and landholders

in that area are now obliged by the master plan to comply with urban standards as set by the Bulawayo Local Authority...Some landholders who can't comply simply sell to private developers."

This land which lies on the periphery of the city falls under uMguza RDC and is mostly land that is privately held. The political environment which has pushed some individual landowners who own large tracts of land in this area to sell combined with lack of access to resources by the Bulawayo Local Authority to purchase this land gives private developers a fair chance to access the land via the market process on a willing buyer willing seller basis, which is how land for Housing Development was acquired as was explained by Developer 1:

"There is land on the periphery. Since we couldn't get land from the local authority, we approached the owner of a large tract of land under uMguza. He was scared of the land grabs, and that was a good incentive for him to sell. He was seeing what was happening. You know that most of the land is owned by whites? We approached him, and we offered him a good price. He gave us a portion of it, and the other portion he kept for himself. I believe the portion that he kept for himself was gazetted [for redistribution]."

The political environment that was prevailing in the country mainly the land reform programme opened opportunities for the developer to access formerly privately owned land in the periphery of the city that would otherwise not have been accessible at a reasonable price. The programme intended to alter the ethnic balance of land ownership, officially begun in 1980, progressed from willing buyer-willing seller to compulsory acquisition in 1992 and then fast track land reform in 1999 eventually forcing some landowners to sell off their land holdings (Muchadenyika, 2015a). All the land that has been urbanised by the Bulawayo master plan, currently under uMguza Rural District Council, will eventually be incorporated into the local authority purview, as it is already planned for under the local Master plan as high-density residential areas. There already are provisions for service provision for such areas under the master plan, but the Local Authority, due to a shortage of funds, has not been able to buy the land that has been gazetted as residential land under the master plan as was explained by LA4:

“If you look at areas such as Emthunzini and eMbundane in uMguza, they are all within Bulawayo in terms of the master plan. The master plan says that these areas are to be developed as high-density residential areas, but we are not buying due to shortage of funds.”

The resource constraints faced by the local authority to purchase land this land that has been gazetted has resulted in the emergence of a “capitalistic mode of land supply” (Sivam, 2002), as seen in this study through the developers having to scout for privately owned land in the periphery of the local authority areas with the intent to subdivide and develop the land. This development is a symptom of the inability of the conventional land delivery process to meet the demand for land (Sivam, 2002) in this case by the local authority. The land problem, identified in this study emanates from refusal to sell land by the local authority. Potential urban land within the Bulawayo Local Authority administrative boundary that can be released to willing developers lies frozen as the local authority tries to unlock funds to develop the land itself despite the myriad of challenges that it is faced with, which has seen the actual number of developed stands filtering through to the low-income group dwindling to nothing in the last several years.

Acquiring land from the market, as was done in Housing Development 3, the study concludes, is a viable land acquisition strategy that can enable developers to continue being active in low-income housing development in Bulawayo. It may not necessarily lower costs, but it allows the developers to continue being active in the low-income housing space. This study contends that ordinarily, access to local authority land would be the cheaper and most preferred option, but it is not available now. Given the circumstances that are prevailing in Zimbabwe, it is still possible for developers to get land from the private sector at a reasonable price because of political dynamics. The political and economic environment prevailing in Zimbabwe ensures access to the land at bargain prices as landowners who are selling to the developers have to comply on one hand with political pressures of the land redistribution and apportionment exercise, with all landowners found with large tracts of land losing them to the government at little or no compensation. On the other hand, legal ramifications that come with failure to comply with zoning requirements, now that the Rangemore area in uMguza RDC

has been urbanised through the Bulawayo master plan, also force the landowners to be open to negotiations with developers. This strategy though outside the cases presented in this study was also noted with Developer 2, who also mentioned that he is currently working on a bigger housing development in uMguza RDC. If a developer wants to have a low-income housing development in Bulawayo now, if there is no change in the policy stance of the local authority, the developer would have to purchase land on the periphery of the city as was done in Housing Development 3.

Despite the decision by the Local authority to stop selling land for low-income housing which changed the operating environment for the private-sector developers and became a structural constraint, developers are still able to produce low income housing because they have resources that enable them to buy land from the market and the political environment makes it possible for them to get this land at a reasonable cost as is seen through Housing Development 3. Purchasing such land would then imply that the developers as the landowners, have to adhere to the master plan requirements through subdividing their landholding into high-density low-income housing as has happened with Housing Development 3 under Developer 1. Developer 2 is awaiting subdivision permits for another low-income housing development also under uMguza Rural District Council. Developer 3, does not currently have any private landholding in and around Bulawayo, and other than Housing Development 5 and cannot have any other housing development unless if the local authority reverses its decision. As a result, he has expanded his operations into other local authority areas that are still willing to work with private developers. By positioning themselves in this manner, the developers locked in the option to develop low-income housing and have circumvented a constraint that presented itself via a policy shift by the local authority, even though market solutions are still encouraged.

The disjuncture between official prices charged by the local authority and market-adjusted prices given the prevailing inflation rates meant that the price of land in all the housing developments where land was purchased from the local authority was negligible. Prices of land lagged behind inflation significantly. Even though it is acknowledged that land is the costliest component in low-income housing, this study found that this was not the case in Housing Developments 1, 2, 4 and 5, where land was purchased from the local authority. In Housing Development 3, the land was

bought in 2008 from the market, at the height of hyperinflation, which culminated in the abandonment of the local currency in favour of the use of other foreign currencies. Cost benefits from Housing Development 3 were realised mainly in land valuation challenges for tax purposes. Where land being disposed of was acquired after the 1st of February 2009, capital gains tax is chargeable at the rate of 20% of the capital gain, but for all land that was acquired before 1st February 2009, capital gains tax is chargeable at the rate of 5% of the gross capital amount realized from the sale (ZIMRA, 2018). The selling price of housing units in the housing development includes a component of capital gains tax, and a positive spin-off, the low capital gains tax cost which is pushed forward to the developers is low, which lowers the overall cost of housing units. The combination of low real land values and the lower capital gains tax that is loaded in the sale price results in relatively affordable housing units.

The evidence above shows that land costs in the five cases were kept low due to a combination of factors that kept land costs low despite there being no subsidies. In summary, this was due to the disjuncture between official prices of land and inflation-adjusted values, which resulted in negligible costs of land, low capital gains tax due to land valuation challenges post dollarization and in Housing Development 3, negotiated low cost of land in uMguza RDC due to land reform pressure and the need to comply with the Bulawayo master plan, which resulted in some landowners deciding to sell off parts of their landholding.

6.7.2 Formal and informal institutions

In the conceptual framework, formal and informal institutions were defined as the rules that govern the way material resources are used and thus inherently contain prescriptions that both forbid and permit action and/or outcome. This section presents evidence on the impact of formal and informal institutions on the success of the housing developments presented above. This is achieved via analyzing the extent that rules guiding access to development rights, land servicing of peri-urban land, development control and transfer of properties were constraining or enabling agency of the developers in the five housing developments.

6.7.1.1 Access to development rights

From the conceptual framework, another important resource in low-income housing development, other than land, is the associated land rights viz. subdivision and development permits and certifications that allow developers to go through the development process (Carrillo, 2014; Marzouk & El-Rasas, 2014; Odeyinka & Yusif, 1997). Access to land is in part dependent on the subdivision process (Rakodi & Mutizwa-Mangiza, 1990a) and all housing sub-divisions should have planning permissions that follow an approved layout plan for development to be considered as legal, which is the master plan (Kamete, 1999, 2001b). Without planning permission, development or construction does not generally take off in Zimbabwe, which ensures compatibility of proposed developments with the required use of land and space in question (Chirisa, 2014). Criticisms have been directed at the planning process with charges being that it is too elitist and static, rigid, narrow-minded, too regulatory (Kamete, 1999), cumbersome, bureaucratic, and inefficient (Chirisa, 2014; Muchadenyika, 2015b). One aspect which is now mandatory for any major project, adding on to the number of institutions involved in the planning process is the undertaking of an Environmental Impact Assessment (EIA) in line with the provisions of the Environmental Management Act of 2002 (Chapter 20:27) (Chipungu & Adebayo, 2013). As such, the effect of regulation on access to development rights and costs of development becomes pronounced. Inefficacy and bureaucracy are some of the points that were raised by the developers, which stifle private sector participation as was aptly highlighted by Developer 2:

“We are currently working on another affordable housing development, and our subdivision permit still hasn’t been approved even though it has been in the system since 2013, and the reason given is that issuance of subdivision permits was suspended by the government in 2013. That’s the only reason why we haven’t started on this project because we can’t process our papers. The turnaround time for permits really frustrates! For example, I submit for subdivision right, then I have to resubmit the same thing with drawings for sewer, water reticulation and road designs to get a development permit. Why can’t I submit everything at once, with my drawings and everything, for me to say this is what I propose to do? Then I get one result at once”

The main bottleneck that negatively impacts agency is the time taken to process these permits. To deal with this, the developers claim that the only strategy that works is to bribe government officials as was explained by Developer 2:

“The system is really skewed in favour of those with connections at the Local Authority. So, we know that it takes three months for a subdivision permit to be issued. But you get developer X coming in, buying land in March for example, and in June, Developer X is done with servicing and construction and they are already selling, and everything seems to be in order. How would they have done it?”

This points to corruption within the planning process, fuelled by inefficiency built into the system which also influences some developers to look for ways to beat the system. Regulation also plays a part in dictating the upfront costs that must be borne by developers. For example, Section 39 of the Regional Town and Country Planning Act states that there shall be no subdivision of property without a permit (GOZ, 1976). In the same act, Section 40 (5) (a) (ii) stipulates as one of the conditions for a subdivision permit that the applicant lodges in survey records with the Surveyor-General within the period specified in the temporary subdivision permit. From a sample subdivision permit that was obtained from the Physical Planning department [attached in appendix 4], this period is twelve months, which implies that developers who buy land in the periphery of Bulawayo are initially given one year to get their land title surveyed, thereby creating an independent title to the newly created land parcel. If the developer is unable to comply with this condition within the given period, the temporary subdivision permit expires, unless if they apply for an extension. Developers thus cannot apply for development permit before they have raised funds for title surveying upfront as part of the conditions of getting a permanent subdivision permit. Getting land title surveyed is however expensive as explained by LA4:

“If a developer buys land from or partners with a private landowner, the land will have to be subdivided, and after that, they would have to do a title survey, of which the cost is steep.”

In Housing Development 3, Developer 1 acknowledged the high cost of getting land title surveyed, and at the same time, noted that without a subdivision permit, they could

not apply for a development permit. This process is not negotiable as it is enshrined in the regulations, but, due to information asymmetry flowing from a whole chain of actors involved in the issuance of subdivision and development permits, the developer was able to get a development permit without fulfilling the conditions of the temporary subdivision permit. Developer 1 explained that:

“After subdivision, there is another type of survey, which is called a title survey. Right now, all the land used for Housing Development 3 is not, yet title surveyed. It’s a bit expensive, so eeish, right now our plots are not title surveyed. We built in the cost of the title survey into the price, but the truth is, title surveying is not at the top of our priorities right now. Once we got our development permit, we were good to go.”

This study finds that the processes and procedures to be followed to access development rights differ, depending on the location of the land in question- within the Bulawayo administrative boundary or within the Bulawayo master plan boundary. For the housing developments located in Bulawayo (Housing Development 1, 2, 4, and 5), the developers bought land that was planned for and title surveyed. However, land that was bought for Housing Development 3 was an unplanned block, that had to be subdivided and title surveyed, with the Department of Physical Planning being the planning authority overseeing this process in place of the RDC, as the RDC does not have a planning office. Development permits and development control, however, lie with the RDC, whilst trunk infrastructure is provided by the Bulawayo Local Authority creating a chain of different actors involved in the accessing land and development rights in the Bulawayo periphery as summarised Table 6-20.

Table 6-20: Administrative bodies in the land development process

	Bulawayo	Bulawayo periphery
Land allocation	Bulawayo Local Authority	Market process
Planning and title surveying	Bulawayo Local Authority	Developer
Responsible authority for subdivision permits	Bulawayo Local Authority	Ministry- Department of physical planning
Responsible authority for development permits	Bulawayo Local Authority	uMguza RDC
Responsible authority for trunk infrastructure	Bulawayo Local Authority	Bulawayo Local Authority

There is thus a lot of information asymmetry where there are different administrative bodies involved in the land development process, which presented a fertile ground for the developer in Housing Development 3 to work around the system as seen through the developer getting a development permit for Housing Development 3 without fulfilling the requirements of the temporary subdivision permit. MH2 explained that there were administrative challenges faced by the government which resulted in the government suspending the issuance of subdivision permits:

“We suspended the issuance of subdivision permits in 2013 and resumed in 2017 due to in-house administrative issues that I am not at liberty to disclose, but some developers had temporary subdivision permit, valid for one year, and those expired, and due to the suspension, couldn’t renew. This situation that we see here, that is a result of shortcuts. There is a challenge there. Some developers somehow got perpetual development permits, on the strength of a temporary subdivision permits, but you see, I can’t tell you how, because development permits are issued by RDC, we only handle subdivision permits.”

Despite it being known that private sector provision of low-income housing hinges upon a facilitative urban development policy, it took the government more than four years, to resolve the issues that resulted in the suspension of these permits and this attests to the inefficiencies that characterise public sector offices that have been a concern in the academic field (Al-Ahbab, Singh, Gaur, & Balasubramanian, 2017; Brinkerhoff & Brinkerhoff, 2015; Klein & Price, 2015; Lewis & Fall). The only way around this challenge according to the developers is through “oiling the system” through bribes, quid pro quos and kickbacks as was admitted by Developer 1 who said:

“Well corruption comes in a lot of ways, and sometimes we are forced to. Of the records, we had challenges with our permit, for Housing Development 3 and we had to do something! Permits for subdivision were suspended by Physical Planning in 2012, but in other areas, they are still developing. This office here in Bulawayo, they were saying it was very corrupt. Right now, there is no one with a development permit here in Bulawayo. Even in uMguz, they were suspended, and all works were suspended. But people are still developing. I don’t know whether we can call it corruption, or it’s something bigger. But

to me, the major downfall is on the monitoring - it's not there."

The pace and scale of private sector provision of low-income housing hinges upon a facilitative urban development policy, and the Government plays a significant role in determining the institutional environment that guides the development process via planning and regulating the development process (Buckley & Mathema, 2007; Sivam, 2002). Regulation complexity, it has been argued influence land and housing costs as complicated procedures and steps for obtaining permits make it difficult for developers to quickly respond to changing housing demand (Chirisa, 2014; Chitekwe-Biti, 2009; Sivam, 2002). This study finds that regulatory bottlenecks which are embedded in formal institutions, via the planning process affects the rate at which developers access their permits, but informal institutions, coupled with access to resources to bribe officials provide a channel through which developers can fast-track permit applications. There is a strand in corruption literature that suggests that in the context of pervasive and cumbersome regulations in developing countries, corruption may actually improve efficiency through reducing delays in moving files in administrative offices and in getting ahead in slow-moving queues for public services (Bardhan, 1997). Thus, bribery or corruption as a strategy will minimize the waiting costs associated with the queue and overall minimise opportunity costs of time for the developers.

It is also argued that the legislation that guides subdivision of land in Zimbabwe, which was initially enacted in pre-independent Zimbabwe discourages the transfer of land and introduces bureaucratic hurdles to timely subdivision and transfer of land (Zhou, 2002). The housing policy acknowledges bottleneck in the housing delivery process, specifically lack of policy coherence regarding rural-urban integration, inadequate investment by the public in the housing sector, lack of policies to enable effective participation of other actors in housing development and regulatory bottleneck in the land delivery process (GoZ, 2012). Chitekwe-Biti (2009) however noted that Zimbabwe's urban housing policy is often "full of good intentions and reads like most conventional housing policy documents fashioned on UN-Habitat's enabling ethos, [placing] great emphasis on government creating an enabling environment for stakeholder involvement in the housing delivery process but, despite the policy principles of ensuring secure tenure, none of these intentions have been put into

practice.” It can thus be concluded that there is no political commitment to solve the issues that hinder private sector engagement in low-income housing provision. Housing policy, planning, politics are identified as causal mechanisms that constrain low-income housing development.

Inefficiency in processing permits, which results in developers having to wait for months before they can commence development results in project delays, which tend to result in cost overruns (Hwang, Zhao, & Ng, 2013; Marzouk & El-Rasas, 2014) and also magnify perceived risk that is embedded in housing projects targeted at the low-income groups. The institutional framework, which stipulates that title surveying should be done before one can apply for a development permit, also increases the upfront costs that must be borne by a developer. All development processes, however, converge at the Local Authority, and local authority personnel are prone to abusing the system for personal gain. Developers thus use this channel to minimise costs associated with such project delays. As was shown above using evidence gathered from Housing Development 3, informal channels were used to mitigate these bottlenecks that hinder access to development permits as they allow developers to engage in bribery, which reduces costs, associated with delays in accessing permits. By managing to get development permits without adhering to the condition of title surveying, the developer also postponed the costs of title surveying to a later stage whilst simultaneously fast-tracking access to development permits.

6.7.1.2 Land servicing of peri-urban land

Rules guiding service provision to rural land that has been urbanised via a master plan but has not yet been incorporated, this study has shown, have a great impact on the success of housing developments. Survey findings revealed challenges in access to amenities in Housing Development 3 where out 118 households that were surveyed in this study, it was noted that no household had access to running water, and only 12% of the respondents said they have access to sewer services as was shown in Table 6-12. Urban sanitation standards are set and controlled through a variety of legislative mechanisms from the Housing Standards set by Ministry of Local Government, Rural and Urban Development, the Public Health Act enforced by the Ministry of Health and Child Welfare and the Water Act enforced by the Ministry of Lands and Water resources. Mudege and Taylor (1997) however noted that in Zimbabwe, there is

usually confusion of regulatory and implementation roles of government as responsibility for sanitation does not fall clearly within any government agency. They further note that local authorities are tasked with responsibility for service provision, but they do not have any technical agency to resort to for advice and policy guidelines or other technical support. It is also accepted in literature that land is a political resource and the impact of politics is felt more in the conversion of land from agricultural to urban land under formal procedures (Ding, 2007; Sivam, 2002) and political pressures compound legal, administrative and technical problems in provision of on-site and off-site infrastructure in new developing urban areas (Turk, 2008). Responses from Developer 1 and LA4 showed that Housing Development 3 could be more successful if these issues were addressed. Developer 1 felt the local authority and the government were not doing anything to redress the challenges faced and explained that:

“At the moment, because of the economic and political environment, everyone is just turning a blind eye on the situation....”

LA4 in response, however, pointed out that local authorities also need guidance with how to handle service provision to households on land that is yet to be incorporated as follows:

“Mind you we are politically governed, so because of politics, that’s why you find that uMguza has been refusing to adhere to incorporation. How are we supposed to provide services when all those households are not administratively under us? Planning and politics go together, you can’t separate the two.”

LA5 also echoed the same sentiments and added that incorporation would imply that the Bulawayo local authority could mobilise the resources that are needed to maintain the sewer:

“If as Bulawayo Local Authority we connect those households which are under uMguza RDC, how then will we be able to collect the money from those residents? Keep in mind we don’t get any funds from the government, as such, we can’t afford to provide services for free.”

In the face of these constraints in providing access to sewer and water, in Housing Development 3, Developer 1 has resorted to using sewer ponds. These sewer ponds are one of low-cost natural wastewater treatment methods suitable for developing countries (Gijzen, 2000; Nhapi & Gijzen, 2004). A picture of the sewer ponds taken from the site was shown in Figure 6-20. The existence of these sewer ponds explains why some respondents in the development said they have no access to running water, but they have access to sewer services. This was the lowest cost strategy that the developer could implement pending the two local authorities sorting out the administrative and political issues affecting service provision to the housing development. Communal water sources such as boreholes have also been put in by the developer, who has also undertaken to bring in drinking water on a daily basis using a water bowser to mitigate the effect of lack of access to reticulated water as was explained by MH2:

“The developer has plumbing that was put in place in those houses, and there are bowsers that the developer brings in ...he supplies drinking water to the people in that area. So, they use buckets when they are bathing, and they can flush their toilets using buckets...The developer funded those sewer ponds, just to make sure the discharge doesn't go into the river. They will be closed with time when the area is connected to the Bulawayo trunk infrastructure since Bulawayo has its own sewer treatment plants, SAST 1 and 2.”

Development 3 thus presents as a case where a cursory glance shows a development with hundreds of households with no access to water and sewer services. However, this study shows that the developer has come up with a workaround that can work meantime until the government has sorted out the impasse between the two local authorities. These are issues which are outside the control of the developer, but Housing Development 3 is evidence of the innovativeness and commitment of the developer in coming up with acceptable housing solutions to the low-income group. In Zimbabwe, national policy dictates that the urban local councils should provide water and sanitation services to the residents (Chinyama, Chipato, & Mangore, 2012), but this is not happening in the upper Rangemore area. The plight of thousands of people who have houses in these areas, including Housing Development 3, has been

reported in the press since 2007 with the government not responding to these calls. For Housing Development 3, the study has shown that the developer has had to step in to provide solutions to the water and sewer crisis in the housing development, at the lowest cost possible. These costs being faced by the developer would not have been necessary had the government placed urgency in dealing with the administrative issues conflicting the two local authorities. As such, this study argues that the housing development is successful but there are drawbacks that are being faced as was shown in this section, which if addressed would make the development even more successful.

6.7.1.3 Development control and rules guiding the transfer of properties

In Housing Development 5, challenges emanating from in-adherence to formal procedures by stakeholders involved in the development process were noted. Issues raised were multiple beneficiaries allocated to one plot and in some cases, multiple title deeds on one property were issued to several beneficiaries. Several houses were encroaching onto the next plot, which was only noted when construction had been completed and residents wanted to put up perimeter walls. According to Developer 3, some of these issues were just a symptom of the inefficiency that characterised service provision by the local authority and government service departments and the development would have been a resounding success if these challenges had not been faced. Developer 3 explained that:

“Just as much as I, the developer was answerable, so was the local authority as they were the monitoring body. Some of these issues could have been easily picked up and rectified during inspections whilst still at trench level. Normally, the inspector should measure the distance from the perimeter water to the structure, and this distance should not be less than one metre. I had signed proof from the local authority personnel that they had inspected the site, and they had given us permission to continue with construction.”

There were also errors at the Deeds Registry Office. Beneficiaries who bought into the development at inception were given title deeds to enable them to qualify for mortgage finance. In cases where a beneficiary defaulted on their mortgage payments, the property in question was repossessed by the developers on the strength of a high court ruling and allocated to someone else. The deeds office, however, would issue new

deeds in favour of the new beneficiary without processing the cancellation of the first deed. This resulted in some properties having multiple deeds and ownership of such properties was contested. Section 8(1) of the Deeds Registries Act, [Chapter 20:05] provides “*Save as is otherwise provided in this Act or in any other enactment, no registered deed of grant, deed of transfer, certificate of title or other deed conferring or conveying title to land, or any real right in land other than a mortgage bond, and no cession of any registered bond not made, as security, shall be cancelled by a registrar except upon an order of court.*” Despite this provision, Developer 3, with the registrar of deeds and the city of Bulawayo being the second and third respondents have been taken to court due to some properties in Housing Development 5 having multiple title deeds. The developer, however, still has the appetite to continue being active in the low-income housing and has had a fresh start in other local authorities, where he has even bigger low-income housing projects, with the latest being a project launched in 2015 to construct a total of 700 two, three and four-roomed housing units in Beitbridge.

6.7.3 Finance

This section looks at finance for low-income housing developments, which includes funding for land acquisition, development and end-user funding. The government can be a significant source of finance for low-income housing development and this can be achieved via purchase of privately held land that can be allocated for low-income housing by local authorities, providing subsidy support to both developers and end-users, supplementing local authority funds via treasury allocations, and loans to local authorities for low-income housing. However, due to the treasury being insolvent and broke, the government in Zimbabwe has inadequate resources to channel towards housing (Chipungu & Adebayo, 2013; Zinyama & Takavarasha, 2014). This lack of fiscal space is one of the major forces behind the failure of most public housing programs that have been implemented in Zimbabwe (Chipungu & Adebayo, 2013; Chirisa et al., 2014; Potts, 2006; Zinyama & Takavarasha, 2014). As such, developers operating in the low-income housing space are operating in an environment where they can only use private sources of finance as the government has no capacity for subsidy support. Land for Housing Developments 1, 2 and 5 was sold at unsubsidized rates as was explained by LA1:

“We sold land to these private developers [for Housing Development 1, 2 and 5], but not at subsidized costs. We had our own standard rates that ensured we recoup on a cost-plus basis that we used when selling virgin land.”

The removal of subsidies in housing was part of trying to reduce the budget deficit (Brown, 2001; Chirisa et al., 2014). Unavailability of suitable mortgage products on the market was also lamented on by Developer 1 and 2 who said they do not have access to reasonably priced, long-term mortgage funds that they can use to finance the housing developments. Developer 1 explained that:

“We have never, not even once, received a long-term loan from our banker. They say as a matter of policy, they don’t lend to the construction sector, as it is too risky. So, for Housing Development 1, 2 and 3 I did not get any loan from the bank. This makes it hard for us to make it in this construction business. We have a very good relationship with our bankers, and we have been using the same banker for the past 15 years, and we give him very good business especially if you look at the moneys that go through our bank accounts.”

When queried on why they were not lending out to low-income housing developers, financiers raised the issue of risk, and in addition, concerns about risk management as the major deterrent for them in extending loan finance as was explained by BS5:

“With these private developers, it’s an absolute no-no, we don’t offer loan finance. The risk is just too much. We think they are not disciplined in managing their funds.”

Some financial institutions, in principle, do lend to low-income developers, but because of the perceived risks, the lending criteria that is used for the developers is so rigorous that no low-income housing developer makes it through the initial screening process as was explained by BS1:

“We do have corporate loans, but the lending criteria is so stringent that most of the developers are not able to qualify for loans. We do value proposition, i.e. look at what business they are giving us, and their financial statements. But the main thing that

makes it difficult for the developers to qualify is the issue of collateral. What we don't want is to be exposed without anything that we are holding onto if the client defaults.”

Interviews with the local authority revealed that even when the developer has fully paid for land, as is the case in Housing Development 1, 2 and 4, the local authority does not issue title deeds to the developer but will instead wait until the developer has fully serviced the land, adhering to all conditions set by the local authority. Title deeds will then be issued but in the name of the final beneficiary who would have purchased from the developer. This leaves the developers with no collateral that they can use to look for funding from financial institutions, unless if they have other properties that have nothing to do with the project at hand as was expounded on by LA5:

“The Local Authority doesn't give developers title deeds before they are done servicing the land, and even when they are done, title deeds will only be given to the final beneficiary.”

The reluctance of financial institutions to voluntarily participate in low-income housing has been noted before (Gumbo, 2010; Kamete, 1997, 2001a), with the criteria for eligibility and lending terms generally not suitable for the low-income group, unless there are loan guarantees from external organisation such the government or donor institutions which reduce the perceived risk exposure to the financial institutions. Building societies have only been active in low-income finance where there have been supporting schemes by either the government, or donor agency programs such as USAID, and the United Nations Development Programme (UNDP) enabling the building societies to offer loans at a lower rate due to availability of loan guarantees (Chitekwe & Mitlin, 2001; Gumbo, 2015; Kamete, 1997, 2001b). Developer 1 and 2 did not get any loan funding for Housing Developments 1, 2, 3, and 4. Housing Development 5 did get funding as was explained by Developer 3:

“We lined up financiers and we figured that with higher numbers of potential beneficiaries came economies of scale and on paper, the proposals were really good, there was potential for profits, which is why we were able to get two building societies to sign up for this.”

With the concept of Housing Development 5, Developer 3 approached these developers and asked them if they were willing to provide end-user finance upfront. The developer, with the help of the local authority, transferred proof of ownership of the property to those beneficiaries who qualified for mortgage finance before land servicing was done to pave the way for the registration of mortgage bonds in favour of the building society advancing the mortgage loan. In return, the financier agreed to fund the cost of the land and the construction work for the qualifying beneficiary. Given that land for Housing Development 5 was allocated to Developer 3 in 1996, poverty levels back then were relatively lower compared to that of the same target group ten years later when the country was in the throes of hyperinflation. Combined with the government guarantees and donor support, this explains why it was possible for the Developer to arrange funding for the development in this manner. This study thus finds that this is the only housing development where this deviation from procedure was allowed. Housing Development 1, 2, 3 and 4 had no financial support from both central and local government and also no recourse on the market. The institutional environment, via rules guiding the issuance of title deeds for high-density land sold to private developers and stringent conditions guiding loan issuance to developers left the developers with no access to mortgage funding. The question then that this study sought to answer was, how did these developers minimise costs of financing given that they were not getting any subsidies or assistance of any kind from the government, and did not have viable financing options on the market?

Three strategies were noted - off the plan selling and upfront deposit-taking combined with developer provided finance. All these strategies are implemented upfront, before the developer has broken ground, thus raising the much-needed finance for development at minimum cost. Off-the-plan selling strategy involves marketing and selling a proposed development, without any development having taken place at all. The deposits that the clients would have paid are then used to kick-start the projects. That way, even if the risk associated with the target group is high, the developer does not necessarily have to put down all the capital other than the unavoidable land purchase cost and preliminary costs to get the land development rights. The study finds that the rate at which finished projects are rolled out reflects the efficiency and speed with which the funds raised are utilised, which is what differentiates the private sector

developers with the local authority which has tried to adopt the same strategy but with little success.

To raise the money needed for Housing Development 4, Developer 2 revealed that they made sure that the deposit that the clients put down covered all the costs that the developer was likely to incur. This meant that Developer 2 did not need to borrow money for the construction of the housing units, and the deposit acted as a show of commitment from the beneficiary, thus effectively reducing the risk associated with serving the low-income group.

Developer 2:

“We eventually came to the realisation that we don’t really need external funding because you find that for things like servicing, and the initial construction costs you can find means and ways of raising the funds. In Housing Development 4, we made sure that the deposit that the clients put down covered all the costs that we would have incurred. For low-income developments, which are typically in the high-density areas, servicing costs are usually around USD3 dollars to 3.50 per m². This won’t exceed USD700 or so per plot. And then for construction costs, we can be talking of maybe USD5,000 per unit. That means that the deposit that we asked for from the beneficiaries, USD7,500 was enough to cover all our costs. Even if the risk associated with the target group is high, we did not necessarily have to put down our own money. From experience, we have learnt a lot. And for one to survive in this market, you can’t just apply textbook knowledge.”

The high deposit that was payable upfront in Housing Development 4 was acceptable to the beneficiaries as the developer had marketed the Housing Development to potential beneficiaries who had just retired or were about to retire and were still not homeowners and other workers who could access lump sums from work. Survey findings showed that Housing Development 4 had the highest number of homeowner respondents who indicated that they were retired compared to the other housing developments. Targeted marketing was the main strategy used in this Housing Developers as was explained by Developer 2:

“There are very few people locally of course who can afford the deposits that we were asking for, but with us, the key was advertising our housing development in the right places. We have a lot of clients e.g. pensioners, someone who would have gotten his payout or just about to retire who still didn’t own a house. We also had customers who were with the National Railways of Zimbabwe. I have forgotten what scheme it was, but the company owed them a lot of money from accrued salaries, and they were able to buy into our scheme without any hassles after being given lump sums from work.”

For Housing Developments 2 and 3, Developer 1 managed to raise development funds through selling land and the housing ‘off the plan’. The developer explained that once the subdivision process was completed, the developer would immediately start selling, with the beneficiary choosing the product type they want between a serviced plot and a finished house. To get an agreement of sale, the beneficiary had to pay a deposit upfront, with the balance payable over several years ranging between 10 and 15 years. This strategy enabled development funds for Housing Developments 2 and 3 to be successfully raised at minimum cost as was explained by Developer 1:

“So, with the drawings on a map, before we started working on the project, we advertised the project for people to come and start buying before anything had been put up. Those who had faith in us obviously were given a discount. They chose a plot from the plan and the type of house that they want based on the site plan and the floor plans that we had in the office and then they paid a deposit. Keep in mind that on the ground, nothing had been done. This is how we financed these two housing schemes [Housing Development 2 and 3]. There was no other way.”

The houses are sold on a first come first serve basis using this off the plan method and the aim is to sell as much as possible, to raise money for developments. Actual development, however, did not follow the first come first serve approach, but the land was serviced, and houses built sequentially, irrespective of whether the land in question had been bought and paid for or not. The developer likened the approach to a revolving fund, with the company being seen continually churning out developments, whilst receipts from the sale of new housing go towards funding work in progress. Since the beneficiaries also do not have access to affordable long-term mortgages, the developer also offers payment plans that range between 10- and 15-years negotiable

on a case by case basis. Developer 1 explained that:

“With these developments, we just disregarded everything we know about shadowing the mortgage process, compounding and mortgage calculators and all those things. The instalments that we charge, they don’t have a formula. We just say... Uhm if the client can afford 100 dollars per month, then ok let them pay 100 dollars.”

Emphasis in coming up with the monthly instalments is on ability to pay by processes of negotiation. The developers suit the payment terms to whoever is before them, which shows a degree of flexibility.

The target group, according to the building societies can only access mortgage loans provided they have a property with title deeds that can be used to guarantee the loan, they take out mortgage life protection, house owners insurance, and they are in formal employment on a permanent contract. If the required loan is to cover building costs, then in lieu of title deeds, the client is expected to produce a certification of compliance from the Local Authority, a verification survey certificate from the surveyor-general, a site plan showing all the neighbouring plots, a bill of quantities and a copy of the approved plan. LA4 explained that:

“A certificate of compliance is given to a developer after he has completed a project and the project team comprising interdepartmental members from the local authority, mainly, town planning, sewer and water, an engineer, a representative from the contractor and a plumber, is satisfied. The list of things that the developer must do to be issued with the certificate varies, depending on the project’s specifications. But in the case of private developers who start working on virgin land, they would be expected to first service the land in terms of water, sewer and roads. If the developer has met all the terms and conditions of the project specification, the developer is issued with the certificate of compliance.”

A verification survey certificate is a confirmation that the property in question has been title surveyed. As part of the conditions to get a permanent subdivision permit, all developers who subdivide a block of land are supposed to lodge proof of title survey with the local authority or the relevant planning office. A site plan is a general diagram, not necessarily

drawn to scale, which shows the location of the property in question relative to other properties in the vicinity. As such if the developer has adhered to all codified rules in the development process, beneficiaries should be able to access all these documents to support mortgage loan applications, if not from the developer in question, then from the local authority.

Developers are however unable to furnish their clientele with these documents as pre-selling means the developers would not have fully complied with the local authority land servicing requirements when they sell to beneficiaries. As such, in all the housing developments included in this study, the developers will not be having certificates of compliance or title deeds and in the case of Housing Development 3, no survey certificate. This implies that beneficiaries in these housing developments are unable to access mortgage finance via the formal financial systems. The presented findings show that developers have no access to finance, and in turn, the beneficiaries as an indirect result also do not have access to mortgage finance, a situation that magnifies the effect of lack of resources on agency. Given that most of the clients do not qualify for loans as per the above discussion, what private-sector developers then do is to offer their clients payment terms that mirror mortgage loans offered by financial institutions as shown in Table 6-21.

Table 6-21: Payment terms offered by the developer 1 over 15 years for Housing Developments 2 and 3

No. of Rooms	Deposit	Instalment by Plot Size						
		200m ²	225m ²	250m ²	300m ²	350m ²	400m ²	450m ²
2	\$1,500	\$130	\$145	\$160	\$195	\$220	\$240	\$260
3	\$1,500	\$190	\$210	\$220	\$235	\$250	\$270	\$290
4	\$1,500	\$205	\$225	\$255	\$270	\$280	\$305	\$320
5	\$1,500	\$330	\$345	\$360	\$380	\$400	\$420	\$435

Because these loans are offered in-house, Developer 1 waived the requirements that are normally asked for by financial institution when advancing mortgage loans, vis. title deeds or certificates of compliance, site plans and or verification of survey certificate, bill of quantities, and copies of approved plans. Instead, the requirements that prospective homeowners were asked to adhere to are:

- USD5 registration fee

- USD1,500 deposit
- 4 certified copies of the National Identity Card
- 2 witnesses with 2 certified copies of ID each
- 1 guarantor with proof of income.

Developer 1 was quick to point out they do not specify the relationship between the potential beneficiary and the guarantor. As such, the guarantor could be any1, from an employer, family member, friend or acquaintance. Housing Development 2 and 3 were thus open to anyone who could pay the USD1,500 non-refundable deposit irrespective of their employment status. This made the housing developments easily accessible by the target group. Without mortgage finance, the target group would not be able to afford the housing products offered by the market, but this strategy makes it easy for the developers to presell their developments, thus raising funds which would otherwise be scarce whilst simultaneously serving even the lowest echelons in the low-income group as seen through homeowner respondents in the survey who are unemployed and those active in the informal sector.

Offering developer funding allows the developers to circumvent regulatory measures put in place by the local authority. It is thus possible for a developer to raise funds for low-income housing development through bypassing financiers, thus removing any external pressures to comply with the local authority requirements. As such, in all the five cases, developers built housing on partially serviced residential plots and gave the target group permission to reside in those houses without the developer having gotten a certificate of compliance and a certificate of occupation from the local authority. Evidence to this effect was presented in section 6.6 as seen through households who do not have access to sewer and sewer services and incomplete roads in all the five housing developments. This strategy also allows the developer to avoid title survey costs. This cost, according to LA2, has to be borne by private developers who buy land at the periphery of the local authority area, as was the case in Housing Development 3. Given that beneficiaries in the housing developments are given up to 15 years to pay and are not entitled to title deeds before payment is finished, Developer 1 can thus afford to defer the title survey costs, creating room to use funds intended for one project to finance other projects.

With these relaxed qualification requirements, the developers attract both salaried and non-salaried low-income earners who are willing to work hard to afford a home. Proof of commitment is the USD 1,500, which is not refundable, but whatever instalments would have been paid towards the scheme are refundable should the beneficiary decide to pull out before he has been allocated a house. The rationale behind adopting this approach to low-income housing is that the low-income group does not take lightly any opportunities to access homeownership housing. The USD1, 500 non-refundable deposit is a lot of money to the low-income group, and if someone has managed to save that much and they are prepared to put it up as a down payment, they will make sure that they do not lose that investment. Therefore, the company does not do any credit checks at all to check on the credit history of the applicant, as it is aware that the client cannot claim ownership to the house in question before the client has paid in full. There have been a few defaults that have been experienced according to the developer, and in all the cases, there is recourse to the civil courts under the high court. On the strength of the signed contract of sale between the developer and the beneficiary, where it is clearly stated that deposits paid are non-refundable, and the route to be taken in case of default, if the developer proves that there has been default, and the client acknowledges such default, judgement in the civil case is always against the clients and the developer is able to repossess the house in question and allocate it to someone else. Instead of paying back all the instalments paid, the developer claims part of these as rental, depending on how long the client had been staying in the house in question.

In Housing Development 1, 4 and 5, clients were also given payment terms, but these were relatively short term compared to those offered by Developer 1 in Housing Development 2 and 3. Since Housing Development 2 and 3 payment terms were easier than in the other housing developments, the consequences of that were that the beneficiaries in these two schemes were relatively worse off from an income point of view compared to the other housing development beneficiaries.

The interest of the developer in the face of limited capital is to ultimately bring down production costs through efficient allocation of resources and internal synergies. At the same time, the developers need to create an effective market for their product and they do this by offering affordable payment terms that are similar to rent to buy

arrangements. Access to finance for the target group circumvents the problem of lack of financial resources, which is recognised as one of the biggest contributors to the low-income housing challenge (El Sakka, 2016; Mukhtar, Amirudin, Sofield, & Mohamad, 2017; Sivam, 2002). Flexible payment terms also mean that the developer can attract more buyers into the scheme which keeps the project liquid, with those joining in later helping to finance housing that is currently being constructed as expounded on by Developer 1:

“In a nutshell, this thing is more of a ‘revolving fund’, don’t know if that’s the term. It’s like people pooling their resources together and then we manage those resources and make decisions with that. Housing in the scheme is built chronologically, and we do not look at the payment records as we build, so you may find that payments being made by customer 100 in the scheme are being used to finish up housing for customer 50. We just build, and customers have to await their turn. We believe if there is affordable housing on the market, we will get more and more customers coming to us demand outweighs supply in this market.”

This process of selling off the plan goes against what the local authority had in mind when they started selling virgin land to the developers. The idea behind was that the private developers have resources that the local authority does not have access to, and as such, could afford to develop land and sell the developed land meant for low-income housing in the high-density areas at a faster rate than what the local authority could as was explained by LA4:

“What was expected from the private developers, when we started selling virgin land, was for them to finance the servicing of the land...But unfortunately, what they would do is that they would start by selling the plots.”

The logic behind opening up land servicing to private developers from the local authority’s point of view was that the developers have access to resources that the local authority does not. It was thus unexpected that the developers would then start selling virgin land before development has taken place, and this practice was seen throughout the five housing developments. Even though the Local authority is aware that developers, presell the plots before any development on the ground has taken place,

this practise is likely to continue uncurbed as the developers are not directly accountable to any regulatory body as was explained by LA4:

“But what I am saying is that the sale of plots, isn’t councils’ baby.... but the contract signed in the sale of the plot will be between the developer and the person purchasing the plot from the developer.”

However, as befits the role of the local authority, the Bulawayo City Council still wants to ensure that there is proper targeting of the beneficiaries. The council does this through maintaining systems and structures from the period when the local authority was providing serviced land and housing and would use a housing waiting list and insist on updated housing forms in any housing transactions. The Local authority has stopped allocating land using the housing waiting list, but it insists that private developers use the waiting list in allocating housing, if the housing developments are located in the high-density areas. LA2 explained that:

“Long back, we used to, for low-income housing, give first preference to people with the older housing forms. Being on the waiting list for so long was a sign that the person was struggling and could not afford to look for housing solutions on his own. We as the Local Authority have since stopped allocating land in that manner, plots were now being advertised, and we are now using the first come first serve basis. We really need the money. If someone comes with enough money, they are now allocated a plot there and then. If someone comes with a form dating back to 1980, we ask how much money they have. If the person does not have enough money for the deposit, we ask them to wait but yes, we do insist that private developers should only sell to beneficiaries who are on the waiting list...but that is just a money-making scheme by the local authority, I don’t see how it protects the low-income group.”

All the developers acknowledge this requirement in their housing schemes, but simply push on the administrative burden and cost to the beneficiaries as was explained by Developer 2:

“Yes, when someone comes through to us, we ask for their housing waiting list form. But, if someone does not have, we encourage them to go and get one. It’s just a matter

of just going to get one. So, you can buy from us before you get the form and then you then go and get the form. Because whenever that's going to be, when the time comes for registration, you will need a form. Whether u joined today, or you joined a few years back...it doesn't matter to us."

The Local authority also insists on limiting purchasers of housing in the western high-density, with each person only allowed to own one residential property. This requirement affects developers, who should then only sell to an individual who does not own a plot or house in the high-density areas. Developer 1, however, said they do not have the administrative capacity to check if their beneficiaries own other houses or not and explained that:

"At the moment we don't have the administrative capacity to check if they own more than one house. As a company we also don't limit our customers to just one property, but, the municipality does not allow that. So, we talk to them. We tell them that they can buy as many houses as they want, but when it comes to registration, they will have a problem. They will have to register the property in other names."

There is no law that directly prohibits developers from implementing the off-the-plan strategy as a way of mobilising developer finance, and the local authority has no capacity to enforce that developers only sell to clients who are already registered on the local housing waiting list. This regulatory loophole combined with the huge demand for low-income housing makes it possible for the developers to successfully raise the much-needed finance to service the land and construct low-income housing units from the beneficiaries themselves. In summary, it was shown that developers and beneficiaries have no access to reasonably priced funding from the market and there are no subsidies that are available on the market, Funding for development if thus raised by the developers through preselling developments, with developers required to pay deposits upfront. In all the five cases, these deposits represented the first significant inflow of funds to kick-start the development process, with Housing Development 1, 4 and 5 charging large deposits that were enough to cover land servicing and construction. Other than deposits, the developers also extended payment terms to the beneficiaries, and in Housing Development 2 and 3, the payment terms mimicked mortgage-funding payable of -15 years. These inflows represented a steady

flow of funding into the housing developments, ensuring that the housing developments were liquid.

6.7.4 Labour

From the conceptual framework, labour is the cost of bringing things together, and examples of these are the costs of laying infrastructure, the laying roads and construction costs. Labour, which includes building material costs, technical capacity and skills, availability of financially sound contractors to choose from during construction projects, good onsite project managers and technical professionals such as surveyors (Hwang et al., 2013), can also determine affordable-housing project success (Gopalan & Venkataraman, 2015; Hwang et al., 2013; Poon, Yu, Wong, & Cheung, 2004; Turner, 1967). Issues that crop up in this area in developing countries are limited access to reliable services (Altmann, 2011) due to serious brain drain, as technically skilled people usually leave developing countries in search of better opportunities elsewhere. The cost of hiring specialist labour was lamented on in Housing Development 3, where a huge block of land was bought at the periphery, which had to be subdivided and then title surveyed. The strategy used to deal with this high cost of title surveying was to use informal channels to acquire a development permit without fully adhering to the requirements of the temporary subdivision permit as was discussed in section 6.5.2 which resulted in the developer postponing title surveying the land. To lower costs associated with hiring contractors, the strategy noted across all five housing developments was for the developers is to manage their low-income housing developments as main contractors. This significantly reduced costs in Housing Development 2 as was explained by Developer 2:

“The structure itself, we did that ourselves instead of subcontracting out. We also have a qualified plumber in-house who is on our payroll, which worked out much cheaper than looking for a specialist plumber who would have charged us per man-hours. For specialist jobs like roofing, we hired out a company that specialises in roofing. But as the main contractors we were in charge of the project i.e. the standards, quality, health and safety, all of that, that was our main purpose, that’s why we are referred to as the main contractor. Our main task was to mobilise other suitably skilled contractors to get the job done, at the lowest cost possible.”

The same trend was noted in Housing Developments 1, 2 and 3 as was explained by Developer 1 who revealed that where possible, they cut out the intermediary and handle all their projects in-house including all land servicing requirements from road construction, brick moulding and superstructure construction without subcontracting any work out. Holding all other things constant, for the same level of quality that is codified in building bye-laws, where everything is done above board, subcontracting might have been more efficient and resulted in lower costs. But, given the volatile operating environment that was prevailing in Zimbabwe, where, as part of managing the situation, developers had to cut corners, this study finds it logical that the developers would want to maintain a tight rein on what corners to be cut and how. An external contractor might not exactly have a ready grip on how to use informal channels if need be to get things done, making it more cost-effective for the developers to be the main contractors. Given the volatility of the operating environment, being the main contractors meant that the developers were holding on to the option to change things as they go.

According to the model building by-laws, local authority building inspectors should carry out regular inspections of any building structures being put up in the city during various stages of construction (Zami & Lee, 2007). The local authority should work with the private developer right from the time the developer has the subdivision permit and drawing plans for sewer and water reticulation as was revealed by LA5:

“Once the drawings for water and sewer works have been approved, [the developer] will be given clearance to start working on the site.... When the developer is proceeding with sewer and water reticulation he must liaise with the council as much as possible, so the council can inspect and correct if need be.”

As can be seen above, building regulation enforcement should begin right from the time the developer starts servicing the land. These inspections then should continue during the various stages of inspection including setting out, excavation, slab level, window level, gable level, roofing timber/sheets, plumbing open test, plumbing final test, plastering and flooring, finishes. These stage inspections are mandatory according to the model building bye-laws but the Bulawayo Local Authority, due to understaffing, is not able to carry out these inspections on time. LA4 explained that:

“We have challenges as the Local Authority, sometimes no inspections would have been done. Like I told you, we are understaffed. We do certain tests that we term regularisation in cases where housing would have been built without any inspections being done. The developer is asked to pay a fine, and then we do our tests. E.g. we can dig a small trench to check if the foundation meets our specifications, but we do admit, that there are things that are hard to correct e.g., if the material used is substandard, the house would have to be destroyed. But we are human, we understand that there is a housing challenge, so we try to strike a balance between costs incurred and insisting on certain standards.”

These labour challenges thus mean that local authorities are not able to carry out their development control function as stipulated in the regulations. Developers are thus able to implement cost-cutting strategies such as not fully complying with the memorandum of agreement terms in land servicing, using untested alternative building materials and avoiding inspections, and reducing standards to reduce costs during land servicing and superstructure construction. Developer 1 acknowledged flouting of procedure in that they do not adhere to stage-by-stage inspection requirements that are enshrined in the building bylaws and explained that:

“Inspections? No, not all the time. But it’s not always our fault as developers, take for example Housing Development 3, it is under Bulawayo, but is being administered under uMguza RDC. uMguza doesn’t have the resources or the manpower to supervise an urban settlement since they are an RDC. Even if uMguza were to want to inspect, they don’t have engineers to work with, so we do our own inspections and proceed with the developments.”

The Bulawayo Local Authority also has the same challenges as uMguza RDC in carrying out inspections, and the reasons given boil down to lack of resources to employ adequate staff to carry out inspections as was explained by LA3:

“Council should inspect [the work being done by developers], but at the moment, we don’t have an in-house engineer.....we don’t have capacity to employ as posts were

frozen...we only have one surveyor for the whole local authority...we are seriously understaffed...”

Developers working on low-income housing projects are aware that the local authority is not able to effectively carry out its role as gatekeeper of housing standards, and they are capitalising on the situation. In all the five housing developments, the three developers have not adhered to the stipulations by the local authority that they should finish servicing before they start building, have inspections carried out at each of the various stages of superstructure construction, and also apply for certificates of occupation before allowing beneficiaries to move into the constructed structures.

In Housing Development 5, Developer 3 cited the difficult operating environment, which made it difficult for him to complete land servicing. The hyper-inflationary period in Zimbabwe which peaked in the period 2008 – 2009 crippled the operations of Developer 3, and Housing Scheme 5 was subsequently not serviced to completion during this hyperinflationary period as per the memorandum of agreement signed with the local authority. Developer 3 explained that:

“Land for Housing development was allocated in 1996 and were given until 2003 to complete the project. But in 1997, with ESAP on one hand, and government paying huge pay-outs to the war veterans, the economy started spiralling downwards and there were serious inflationary pressures and we missed our deadlines.”

In reaction to these challenges, Housing Development 5 was then done in phases, with the developer trying to secure contractors at prices that were close to the initial budget estimates as was explained by Developer 5:

“Decision making just had to be done on the fly. There was no time to dilly-dally as the time lag between planning and implementation meant that prices would have moved, and execution would be impractical. It was a rat race for me in this scheme. But the biggest cost in servicing the land is doing the roads. Roads take up approximately 60% of budgeted funds, and gravel alone, can be expensive and that’s before we look at other materials. We also had no equipment and had to hire excavators, front-end loaders and tipper trucks. You also need to compact the road,

and to engage local authority guys to do what we call soil tests. But what hit us the most was the cost of hiring the equipment...prices kept going up...and we just couldn't keep up."

In order to deliver this housing in Housing Development 5, given the uncondusive operating environment, priority was given to housing delivery over regulatory compliance as explained by Developer 3:

"We were in a bit of binder. Oh well, at the end of the day, we had to make a decision - disappoint hundreds of customers and face lawsuits, or renege on the servicing and finish housing construction and then deal with the local authority later."

The same approach to housing provision was noted in Housing Development 1, where priority was placed on housing provision over the completion of land servicing as was explained by Developer 1:

"All the houses were fully paid for, and the inflationary environment made it relatively easy for the beneficiaries to pay off their dues. We were however adversely affected. We are still not yet done with the scheme, as the roads still need attention and the stormwater drains are not yet done, which makes this scheme a liability in our books."

The inflationary environment thus depleted the resources that had been accumulated by Developer 1. A visit to the site showed that construction of the houses was finished as there were no undeveloped plots, and all the houses were occupied. Thus, despite the difficult operating environment, the developers managed to construct and deliver all housing units. Developer 1 also explained that:

"We will be charged penalties I suppose when the time comes, but for now there is absolutely no regulation. Absolutely nothing. The only thing that I have seen these guys doing is doing a good job when evaluating applications for permits...that's done by the physical works department. But the moment one gets the permit, I haven't seen any government or local official involved. We are just doing the best we can to provide housing for our clients."

This study thus concludes that roads and drainages are the costliest components in land servicing. Left to their own devices, as there is little or no development control by the local authority due to staffing challenges, developers resort to constructing houses before they are done with land servicing. This allows developers to postpone land-servicing costs to a later stage and priority is given to house construction. This study thus notes the use of temporary roads in lieu of properly done roads that meet the development standards stipulated in the regulations to reduce costs. All the housing schemes are connected to other existing residential areas, the city centre and the rest of the city through these temporary roads.

Construction materials and equipment are also an important part of labour whose absence can hinder agency (Carrillo, 2014; Hwang et al., 2013; Marzouk & El-Rasas, 2014). Once a developer has land, development rights and finance to commence work on-site, the next step is land servicing and construction of houses. In carrying out this development, the key to providing an end-product which is suitable for the target group according to the developers is keeping costs low. One reason it's possible to keep costs low in Zimbabwe is that there are no rigorous health and safety regulations that the developers are obliged to comply with, as was revealed by Developer 2:

“The reason why it can't be done in other countries e.g. South Africa, for example, is that there are health and safety regulations which make low-income housing less profitable. A developer would have to pay for lots and lots of permits. Here in Zimbabwe, once I got my building plans approved [for Housing Development 4,] it was all systems go.”

The real resource cost of compliance consists of three elements: costs associated with the purchase, installation, operation and maintenance of new equipment; changes in the inputs or mixtures used in the production process; and the capture of waste products that can either be disposed of, sold or reused (Windapo, 2013). Due to forex shortages in the country, it has significantly become difficult for the developers to import earthmoving equipment into Zimbabwe, giving those who have been in the field for long first-mover advantages. As such, the lax health and safety regulations are not resulting in there being need to purchase new equipment. All the developers in the study affirmed that they serve the target group mainly because they have access to

earthmoving equipment and have resorted to backward integration to enable cost-cutting and consolidation of resources that can be made available in-house. All these are coping mechanisms in reaction to the unavailability of loan capital.

In Housing Development 3, the study found that in-house manufacturing of construction materials significantly cut down on building materials costs. The developer has experimented with alternative materials, specifically using block bricks that were made using coal ash in Housing Development 3. Instead of the traditional stones, cement and sand, they also throw in coal into the mix when they are manufacturing their block bricks. However, no tests are done to check on the quality of the bricks used, and once plastered, the difference in the materials used would not be visible at all as was explained by Developer 1:

“With our bricks, we are using coal ash. Look at this brick, it's dark greyish, but ordinarily, these bricks should be grey due to the granite. The dark spots that you are seeing here, that's the coal ash.... We don't know if they are stronger, coz we did not do any quality testing. On the internet, we see in other countries, they use what they call coal ash, but it certainly does bring down production costs.”

Developer 1 has a manufacturing division that has its own registered company name that sells its production output to the Housing Development 3 project. The division, which has two brick manufacturing plants, manufactures building materials such as clay and concrete bricks, roofing tiles and pavers among other products. The division was formed and funded from the proceeds paid through by the Housing Development 3 beneficiaries as was explained by Developer 1:

“Where do you think the capital for such investments is coming from? From our conversation, you can figure that one out. Of course, the idea was pretty noble. What we are saying is that when doing a low-income housing project, I wouldn't want to be going to these well-established companies to buy bricks. This, which we are doing, is like backward integration, it lowers costs.”

The in-house production of building material not only keeps down costs but also ensures speedy completion of projects thus reducing costs that may arise due to project

delays. Some of the bricks are manufactured on-site, which not only reduces stockout costs but also cuts down on transport costs for the bricks. The developer is also directly in control of product quality, which is also determined by the quality of materials used.

Developer 2 has a long record of accomplishment in the construction sector, which spans over 30 years. The developer has thus amassed in addition to the many years of experience a lot of construction equipment and vehicles, which help, minimise on equipment hire costs in Housing Development 2. In summary, cost-cutting measures that were noted in this study can be summarised as follows: in-house manufacturing of bricks to reduce material costs, transport costs and project delays and backward integration to enable consolidation of and efficient use of construction equipment, consolidation and efficient allocation of equipment and human resource and bypassing cumbersome regulation. These findings are summarised in Table 6-22.

Table 6-22: Summary table -Developer strategies used in each housing development to ameliorate constraints

Constraint	Strategies used in each housing development				
	Housing Development 1	Housing Development 2	Housing Development 3	Housing Development 4	Housing Development 5
Failure to access suitable land from the local authority		The developer stopped working on the site and entered into fresh negotiations with the local authority. After a lag of 2 years, developer was eventually allocated another site which has fewer issues	The developer bought a block of land at the periphery of the city but within the local authority master boundary, subdivided and proceeded with the development. Enablers-land reform, master plan and financial resources to buy.		
High cost of land	Not an issue as land prices lagged behind inflation significantly	Not an issue as land prices lagged behind inflation significantly Low capital gains tax due to land valuation challenges post dollarization	Land reform and masterplan zoning layout pushed landowners to sell and the developer was able to negotiate price downwards Low capital gains tax due to land valuation challenges post dollarization	PPP arrangement – developer serviced plots as payment in lieu of land purchase cost Low capital gains tax due to land valuation challenges post dollarization	The land was paid for using long term mortgage finance
Difficulties in accessing development rights			Informal channels used to bypass procedure. The developer got a development permit without fulfilling the requirement of a subdivision permit		
No Financial support from the government and financial institutions	Off the plan selling Deposit taking The developer provided short-term finance	Off the plan selling Token deposit The developer provided long-term finance	Off the plan selling Token deposit The developer provided long term finance	Off the plan selling Significant deposit paid upfront by the client The developer provided short-term finance	Off the plan selling to adjust for inflationary pressures Inflation-adjusted payment terms offered on outstanding balances

Constraint	Strategies used in each housing development				
	Housing Development 1	Housing Development 2	Housing Development 3	Housing Development 4	Housing Development 5
High cost of land servicing	<p>Prioritise housing construction over land servicing</p> <p>Allow clients to occupy completed houses without getting clearance from the local authority</p>	<p>Prioritise housing construction over land servicing</p> <p>Allow clients to occupy completed houses without getting clearance from the local authority</p>	<p>Prioritise housing construction over land servicing</p> <p>Allow clients to occupy completed houses without getting clearance from the local authority</p>	<p>Prioritise housing construction over land servicing</p> <p>Allow clients to occupy completed houses without getting clearance from the local authority</p>	<p>Prioritise housing construction over land servicing</p> <p>Allow clients to occupy completed houses without getting clearance from the local authority</p>
High cost of labour	<p>Developer managed the development as the main contractor.</p>	<p>road construction and superstructure construction handled inhouse without subcontracting</p> <p>In-house production of building material used in the development</p>	<p>Avoided title surveying and used informal channels to get a development permit</p> <p>road construction, brick moulding and superstructure construction handled inhouse without subcontracting</p> <p>In-house production of building material used in the development</p>	<p>Developer amassed over the years a lot of construction equipment and vehicles, which helped minimise equipment hire costs</p>	<p>The developer was ill prepared for the high cost of labour and is still struggling with finishing the development.</p>
Lack of amenities e.g water, sewer services, electricity			<p>Use of boreholes, water bowsers and Septic ponds to make the development more attractive to the target group</p>		

6.8 Discussion of Findings

The first objective in this study was to assess the extent to which the five housing developments have been successful and to derive appropriate lessons for general application. The study finds that these housing developments are successful in the sense that:

- The typology of the houses, in terms of location and plot sizes, conform to low-income housing as per zoning regulations.
- The extent of land servicing that has been done, the layout of the houses and building materials used all fit in with the criteria used to describe formal housing.
- There are predominantly first-time homeowners in all the housing developments who are penetrating the homeownership market for the first time.
- The current beneficiaries of the housing developments as shown through survey findings - both homeowners and tenants are relatively low-income.
- These low-income beneficiaries are buying market provided housing solutions by the developers, which shows that market housing solutions are reaching the low-income group.
- The key decision factor influencing the beneficiaries to buy these market-provided housing solutions is affordability. This implies that from the beneficiaries' perspective, these housing developments are within their means.
- There is very little speculative activity in the housing developments as beneficiaries buy these houses and hold on to them because they own no other house other than the house bought via these housing developments. This is seen through very little recorded cases of individual property sellers in the housing developments, which shows that people are not buying from the developers for onward resale.

That said, the success of these housing developments is not unqualified. Even though these housing developments have provided thousands of completed housing units and beneficiaries are getting onto the formal property ladder through the developments, there are critical failures that still need to be probed and addressed to make market solutions to the housing challenge even more successful. The inability of the

developers across all the five cases to develop roads and drainages as per regulatory requirements points to a need for regulatory reforms via a focused review of the standards guiding roads and drainages in consultation with the developers. Resource constraints faced by the government are also identified as the main reason behind lack of access to basic amenities such as water and sewer services, electricity, garbage collection, schools and clinics. As such, the failure by the government to complement the efforts of the developers is a critical issue that detracts from the success of the housing developments and reduces the overall quality of life of the beneficiaries in the housing developments.

The first hypothesis guiding this study is that despite the adverse environment there exists in Zimbabwe structural enablers that make market solutions to the low-income housing challenge possible, as seen through the five cases that were presented. The second hypothesis states that developers have specific discernible strategies that they employ in response to the adverse operating environment to reduce development costs to levels that enable them to successfully provide low-income housing. The running thread throughout the empirical findings in this chapter was that low-income housing production requires innovation to minimise costs. Access to land, it is shown in the study findings, is a critical factor which provides entry into the low-income housing sector. The high cost of land is documented as a barrier to market solutions to the housing challenge (Ibem, 2011; Makinde, 2014; Moss, 2003). This study confirms that access to land is a critical enabling factor as, in all the five cases, developers were able to cut down on land costs due to several factors. The real value of the land sold by the local authority to the developers was eroded to an insignificant component due to the hyperinflationary period that prevailed in the country from the late 1990s to 2009. This low value, compounded by the adoption of a basket of foreign currency as legal tender by the government, meant that there were also valuation challenges on land transactions thus attracting a lower capital gains tax. Land for the housing developments on the periphery of the city, was sourced from the market and this study notes that even so, land values were low due to shocks such as pressure on white landowners to sell land due to the land reform program and resource constraints which incapacitated the local authority from bidding for this land that has been urbanised via the master plan. Land is indeed the most critical resources in low-income housing provision as whoever owns it would have locked in the option to develop the land.

Although the circumstances which resulted in low land values in this study may not be exactly replicable in any other setting, these study findings show that adverse economic environments that are so characteristic of developing countries may contain hidden structural enablers which may be exploited by developers. Inflationary environments, resource-constrained governments, political pressures pushing for land reforms are a few examples of issues which may be found in most developing countries. Within such environments, developers can scan the environment to look for opportunities that can reduce land costs.

What can be deduced from the presented findings is that the cost of servicing land, particularly constructing roads, is very high, due to the high standards that DOI in the model building laws. These same findings have been echoed in other studies, which lament the high cost that comes with strict adherence to orderly parcelling of space, provision of water, sewer and roads infrastructure before construction and certification of housing units before occupation (Chirisa, 2014; Gumbo, 2015; Kamete, 1998; Rakodi & Mutizwa-Mangiza, 1990a). Despite formal rules that are enshrined in the Zimbabwe Model Building Bylaws, the five cases in this show that housing construction was done before land servicing was completed as a cost-cutting measure due to a number of enabling factors:

1. Regulatory loopholes. The withholding of certificates of compliance by the local authority if private-sector developers have not fulfilled their mandates as stipulated under the memorandum of association signed by the two parties doesn't preclude construction of housing from being undertaken.
2. Lack of budgetary support to the local authorities by the government resulting is understaffing which makes it difficult for the local authority to carry out their development control function. As such no inspections in ongoing developments are done.
3. Information asymmetry due to many stakeholders in the land development process. This is the case in uMguza RDC where subdivision permits are issued by the department of physical planning under the Ministry of Housing, whilst development permits and development control is under the RDC and trunk infrastructure is provided by the Bulawayo Local Authority.

4. Inefficiencies built in the urban housing system due to political interference. Rural district councils do not have the expertise or the capacity to manage urban settlements, but government via the physical planning department approves subdivision plans in such areas. This effectively leaves the developers without any supervision.
5. Fines that are not deterrent, as the developers prefer to flout regulations in preference for speedy completion of the housing projects.
6. Corrupt personnel within the development system who make it possible for developers to bribe if need be to fast-track access to subdivision and development permits and to bypass formal cumbersome procedures.

The principle of bypassing regulation that is viewed as cumbersome for ideal market solutions to the low-income group can be implemented by developers in any developing country where there are regulatory loopholes, inadequate development control by the local authority, non-deterrent fines and informal channels that can be used to bribe personnel and evade scrutiny. Despite there being codified rules that guide the development process, this study finds that in a bid to minimise cost, the prescribed rules were not followed but instead, from the five housing developments, the following development process was observed:

- Finance for the land is sourced
 - Land comes forward
 - Land is subdivided into plots
 - Subdivided plots are sold and allocated to beneficiaries to raise money for the developments
 - Services are partially provided
 - Buildings constructed
 - Buildings are allocated to beneficiaries and occupation immediately takes place
 - Services continue to be provided
 - Formalization then takes place – certificates of compliance, certificates of occupancy, title deed documents and in some cases, title surveying etc.
- Sequence can be interchangeable*
- Events occur simultaneously*

The events that were identified in the development processes show that the processes that are followed in low-income housing development by private developers are diverging from the processes that are stipulated in building bye-laws. *Circular Number 70 of 2004* stipulates that it is a standard requirement that all plots are to be connected to a reticulated water supply network before construction of the superstructure can commence (Chirisa, 2014). As such, current regulation follows the traditional planning servicing-building-occupation (PSBO) framework, which has proved to be very ineffective and inefficient in most developing countries (Gumbo, 2014, 2015). In all the five cases, there was evidence pointing to people settling in the housing developments in the absence of full basic services like water and sanitation, roads and electricity. These findings clearly point to building construction and occupation occurring before servicing of the stands is complete. Gumbo (2015) identifies three approaches to land and housing delivery- the formal land and housing delivery sequence which follows the planning-servicing-building-occupation (PSBO) framework, the informal land and housing delivery sequence which follows the Occupation-building-planning and servicing (OBPS) framework and what he terms the bridged innovative land and housing delivery sequence which follows the Planning-Occupation-Building-servicing (POBS) framework. These study findings point to a fourth framework that follows the following sequence – planning-building-occupation-servicing (PBOS). The outcome from this innovative framework is large-scale standard and cheaper housing provided to the low-income groups at a pace that is faster than what can be achieved when beneficiaries are building for themselves. It also avoids problems to do with inadequate spaces being left for servicing which are experienced in the POBS and the OBOS framework as the developer puts in place sketchy infrastructure and respects boundaries in the building of the houses. This strategy where people settle in developments in the absence of basic services like water and sanitation, with roads and electricity provided later is termed “parallel development,” (Chirisa et al., 2014). This study notes that whilst parallel development is recognised as the most viable option in incremental housing by housing cooperatives and other informal builders, in formal housing schemes, developers are expected to first complete land servicing before house construction. The sequence of events listed above is thus evidence of developers again bypassing regulation in order to enable the most practical and cost-effective process flow given the target market.

Bureaucratic procedures in planning are argued to be the cause of inefficiency in the general urban system as seen through time taken to process development permits. Developers in this study also faced the same challenge and the only strategy that they have is to “oil the system” if they want to avoid the red tape that surrounds the development sector and to cut costs associated with such problems. The study notes that informal institutions enable corruption and regulatory evasion, which helps deliver low-income housing, but all these strategies come at a cost. There is a need to reform the system to ensure that the benefits that arise from all these antics are maintained whilst trying to sort out the root causes that make developers resort to such.

Housing policy has economic and social implications as it affects housing supply and demand forces via prices, physical conditions, levels of investment, tenure choice, and residential mobility (Mayo & Angel, 1993). This study shows that due to the concerted homeownership drive that has characterised housing policy in Zimbabwe, developers have a viable market for low-income housing schemes as there are no other housing options that are available. Although the homeownership drive is however not supported by complementary market provided mortgage funding, with financiers giving varied reasons such as lack of security of tenure, high cost of administering loans and fear of high default rates, developers fill this gap through selling housing on payment terms that mirror mortgage finance whilst simultaneously lowering their own cost of capital. In summary, this study has shown that the various stages of the land development and housing production process arguably lead to substantial increases in costs. In reaction to these, developers use informal institutions to fast-track development permits and to evade cumbersome regulation and are innovative in amassing resources that are critical for low-income housing development such as land, finance and labour at the lowest cost possible. All these strategies result in cost reduction, and the result is a product that is acceptable to the target group, which supports all the two hypotheses that guide in this study.

The study thus concludes this discussion segment by affirming that despite the adverse environment in Zimbabwe, there exist structural enablers that make market solutions to the low-income housing challenge possible. The specific strategies that are employed in response to the adverse operating environment to reduce development costs have also been detailed, together with the challenges that make it difficult for the

developers to achieve more successful outcomes. As such, the overall aim of the study, which was to investigate the structural enablers, as well as the constraints, for low-income housing development in Zimbabwe, to determine how developers exploit the former and mitigate the latter, to achieve successful outcomes has been fully met.

6.9 Implications of findings to literature

This section scrutinizes the findings presented in this chapter from a theoretical perspective and attempts to answer the question- does neoliberalisation work in Zimbabwe? The mission under neoliberalism is to facilitate conditions for profitable capital accumulation even in domains that have been formerly regarded as off-limits to the calculus of profitability such as low-income housing (Harvey, 2007; Hyslop, 2016; Schipper, 2015). To achieve this, Governments have at their disposal according to Mayo & Angel (1993) enabling instruments that address demand-side and supply side constraints - developing property rights, developing mortgage finance and rationalizing subsidies, providing infrastructure for residential land development, regulating land and housing development and organizing the building industry to create greater competition in the building industry. As such, under a neoliberal housing policy, the role of the state is to create and preserve an institutional framework that is appropriate and conducive for engaging the private sector in home building programs for the lower end of market and providing serviced plots at affordable levels (Harvey, 2007; Mooya & Cloete, 2007; Thahane, 1993).

The study findings however point to “defacto neoliberalism” instead of a planned deliberate drive by the state as supported by enabling instruments that are at the state’s disposal. There is no subsidy support for both developers and the target group because of fiscal constraints, formal mortgage finance is not available to the target group as there are no government guarantees available to ameliorate the inherent risk that would be faced by financial institutions, the macro economic environment is fraught with uncertainty- a situation that ordinarily discourages investment of private capital. The government is also failing to carry out its development control function because of inadequate resources- a situation which has resulted in local authorities failing to provide land for low income housing, being understaffed and unable to conduct onsite inspections and incapacitated to enforce codified development standards and procedures. This inability has resulted in all beneficiaries in housing developments 1,2,3 and 4 having no title deeds. The state is also failing to complement the efforts

of the developers as local authorities are failing to provide basic sewer and water service to some residents in private-sector developed housing schemes. In all the development, most residents also don't have electricity as the parastatal responsible for electricity provision doesn't have adequate funds, which drastically reduces quality of life for the beneficiaries in the developments.

The study thus concludes that neoliberal policy in Zimbabwe would work to the benefit the low-income group if the government adopts a more proactive stance and works in creating a conducive environment through addressing housing finance availability, and regulatory reform. In this study, it was shown that financiers were wary of the risk that the low-income group presents, and this was evident in the discriminatory mortgage qualification criteria used to screen applicants. Without long-term housing finance, the number of beneficiaries to the housing schemes presented in this study would reduce drastically to a subset of those either with adequate savings or those retiring and entering the property market for the first time through using their pension pay-outs which was a negligible number. These findings paint a very gloomy picture about housing options that are available to the low-income group at the present moment and in the near future should strides not be made to rope in the financial sector.

Developer funding has provided a canvas on which government can see the feasibility of extending mortgage funding to the low-income groups and this model can be upscaled and snowballed across the country if the government offers guarantees to financial institutions. Indeed, most of the informally employed low-income earners have either no credit history at all or a poor credit history, which poses a high risk to the private investor (Lea, 2005; Loxley, 2013; Moss, 2001; Stein & Castillo, 2005), and this study has shown that these characteristics are even more prevalent in a developing country context where informal sector employment can be even higher than formal sector employment. As was shown in the study, this target group does take on long term binding financial obligations which can be used to create credit records. The ability to pay rentals consistently and/or monthly repayment to developers as seen in this study can be a solution around the lack of credit records.

Critics of the existing model building bylaws in Zimbabwe state that the housing market is characterised by high, rigid, and outdated building standards as entrenched

in the Town country and model building bylaws (Chirisa, 2014; Chitekwe-Biti, 2009; Davies & Dewar, 1989). The paper finds that cost minimization was achieved through non-compliance with regulation with regards to road standards, drainages and permits and in some developments, though the use of untested building materials mainly due to lack of regulatory enforcement and enabling informal institutions which allowed developers to employ bribery as a means of managing the red tape associated with urban housing development. This study findings adds on to the debate about the impact of regulations on urban housing markets in developing countries especially when the state is not able to enforce such regulations. The impact of unrealistic formal regulations may drive developers into engaging in certain activities e.g. corruption, and there is need to question various planning and building regulations. To reduce the cost of development, there is need to look carefully at the regulatory environment, and this is a critical point and answer the question: Can affordable formal housing be produced within the current regulatory environment? This study findings point to the contrary, which shifts the debate to the following: if formal housing in low income housing cannot be produced within the law, can the law be changed to suit what the people can afford? These settlements which have gone for years without access to water sewer, electricity, roads and drainage systems are symptoms of failure to enforce existing regulations. This view is supported by Monkkonen (2013) who showed that Indonesia has lower rates of access to water and sewerage infrastructure than comparable countries like Malaysia, the Philippines, Vietnam due to lack of, or inconsistency in enforcement of regulations. Cases where building regulations are flouted are also highlighted by Glaeser and Henderson (2017).

In conclusion, the study findings raise important questions which should be tackled from a theoretical and empirical perspective. Given the inability to enforce regulations, how can enabling mechanisms for increased market-driven low-income housing be framed to also ensure developer accountability and consumer acceptable delivery outcomes in developing countries? Solutions to this question would harmonize the financial and economic interest of the private sector with the political and social needs of the government and that can only happen through policy intervention. This study presented empirical evidence that shows bottlenecks in the planning process, the extent that developers are affected by the bottlenecks and the workarounds that are used to overcome these constraints, which points to the resilience of the private sector

developers and willingness to provide housing solutions to the low-income group. The government can capitalise on this entrepreneurial and enterprising spirit by addressing the stated constraints, which would create a conducive operating environment in line with neoliberal policy approach.

7. SUMMARY, CONTRIBUTION AND FURTHER RESEARCH

7.1 Summary of The Thesis

The main aim of this study was to account for the success of private sector led low-income housing developments in Zimbabwe, despite the environment not being conducive for it. It was premised at the beginning of the study that these developments represent successful adaptation to the structural environment and it was hoped that at the end of the study, the research would have uncovered how the structural environment enables and/or constrains low-income group developments in Zimbabwe, and the strategies then used by the developers to exploit the enablers and to mitigate the constraints.

The study was carried out in Zimbabwe and therefore cast in a setting that is typical if not slightly worse than most developing country contexts. Given the recent debates surrounding the appropriateness of neoliberal policies in the low-income housing sphere, this study yields insights into the feasibility of having successful low-income housing developments when the macroeconomic, political, legislative and regulatory environments are less than ideal. Zimbabwe is a classic textbook case of a developing country that has an acute housing challenge on one hand and a difficult operating environment on the other. It has all the challenges that have been noted by studies that have espoused the challenges of providing housing via the market mechanism to the low-income group vis., lack of collateral, inadequate mechanisms for credit history checks, high housing standards and no government subsidies due to limited fiscal space. Zimbabwe also suffered from severe hyperinflation pre-2009 and is now working in a dollarized economy, which has also brought its own unique challenges, chief amongst which is lack of confidence in the banking system, resulting in disintermediation. Financial institutions thus work with short term funding, which makes it difficult to lend long term. Unemployment rates are also very high, with more than 80% of the population involved in informal sector activities as a means of survival. How then do private-sector developers navigate these challenges when serving the low-income group?

The thesis consists of seven chapters altogether. Chapter 1 gave the background to the low-income housing challenge and explained the empirical puzzle under study, i.e., that despite the adverse macro-economic environment, there appear to be successful

low-income housing developments taking place. The aim of the study was thus to uncover that which accounts for the successful developments through interrogating the structural environment and teasing out the strategies that developers adopt in response to the structural enablers and constraints. Chapter 2 looked at the key theoretical perspectives for low-income housing development by the private sector in developing countries, and this review culminated in the adoption of the Structure-Agency theory as the best theory that can be used to conceptualise the problem under study. A conceptual framework was then developed using the six variables that are the cornerstone of the structure –agency theory – institutions, resources, ideology, interests, strategies and roles.

Chapter 3 placed the neoliberal ideology in low-income housing into perspective. The neoliberal doxa has shaped housing policy, and the importance of housing policy cannot be overemphasised in low-income housing. The evolution of low-income housing policy was traced with the point of explaining how neoliberalism got to be established as a dominant policy framework. Key elements of a neoliberal housing policy and how it relates to low-income housing were discussed together with the criticisms against neoliberalism in housing policy, all of which help frame the findings within the neoliberal discourse.

A socio-economic profile of Zimbabwe was given in chapter 4. The evolution of the housing policies and how these contributed to the housing problem in Zimbabwe was detailed. The regulatory environment, prevailing macro-economic environment and opportunities for private sector low-income housing development were also discussed. At the end, the chapter ties this all by looking at the housing development process that has to be adhered to in Zimbabwe, giving a comprehensive picture of the operating environment for low-income housing development.

Chapter 5 discussed the ontological perspectives in housing research, and critical realism was shown to be the best ontological perspective to help explain what causes low-income housing development by the private sector to take place despite the unfavourable contextual environment. Research methods arising from the various ontological positions were also considered in chapter 5 and chapter 6 presented the research findings, analysis and discussion.

7.2 Main Findings and Conclusions

Despite critiques that abound in the literature on the cons of neoliberal housing policy, this study showed the success and capacity of a market-oriented approach to housing the low-income group. From the five housing developments that were included in this study, four completed developments, Housing Developments 1, 2, 4 and 5 saw private developers developing and building housing that satisfies regulatory stipulations of what a low-income housing unit is, in terms of location, physical attributes and the socio-economic profile of the beneficiaries on a total of 1,066 plots. The same applied to Housing development 3, which has a potential of over 3500 houses and is still ongoing. The local authority has attempted to replicate the same strategies that are being used by the developers, but bureaucratic processes, understaffing challenges and deference to the central government for tender processing significantly weigh down the local authority resulting in the land development process being absurdly slow. The study, however, noted that though housing solutions to the low-income group are being provided by the market, from the planning system, institutional framework and access to land, finance and labour, which still need to be probed and addressed to make market solutions to the housing challenge even more successful. Of note were planning failures, resulting in high costs associated with constructing roads and drainages, time taken to process development permits, resource constraints faced by the government resulting in lack of access to basic amenities such as water and sewer services, electricity, garbage collection, schools and clinics in some developments, policy inconsistency regarding incorporation of urbanised rural land and lack of access to developer and end-user finance. To deal with these constraints, developers in all the housing schemes applied strategies that all had an overarching aim of bringing down development costs. Departure from prescribed processes that are stipulated by regulations that guide the development process was noted. This regulatory evasion was enabled by regulatory loopholes, incapacitation of the local authority due to lack of funds to enforce development control, information asymmetry amongst the many stakeholders in the land development process, and informal channels that enable bribery as a strategy. To lower financing costs three strategies were noted - off the plan selling, upfront deposit-taking, and developer provided finance. Other notable strategies were in-house manufacturing of construction materials and developers

doubling as contractors. These strategies ensured that developers had firm control over the quality of material used and speed with which projects were completed.

7.3 Policy Recommendations

It has been noted in this paper that the state enters the development processes via sectoral policies, as a development intermediary itself, and to safeguard particular interests and values (Healey and Barrett, 1990). However, the financial and economic interest of the private sector need to be harmonized with the political and social needs of the government and that can only happen through policy intervention. There are frictions that have been noted in the low-income housing sector, which the government should iron out if more private players are to be involved in the low-income housing sector. Bottlenecks in the planning process have been noted and acknowledged by the government, with the 2012 housing policy listing in detail the key problems that constrain housing delivery in Zimbabwe, including lack of policy coherence regarding rural-urban integration, inadequate investment by the public sector in the housing sector, lack of policies to enable effective participation of other actors in housing development, unreliable supply of affordable building materials, and bottlenecks in the land delivery process. This study has raised the same issues, which is evidence that these bottlenecks have not been addressed to date. In addition, this study presents empirical evidence that shows the extent that the developers are affected by the bottlenecks and the workarounds that are used to overcome these constraints, which points to the resilience of the private sector developers and willingness to provide housing solutions to the low-income group. The government can capitalise on this entrepreneurial and enterprising spirit by addressing the stated constraints. Given that the government is currently working on a land developers bill, this research comes at an opportune time to make policy recommendations, which are listed below, aimed at redressing the highlighted challenges which if resolved would reduce housing development costs and pave way for more successful private sector solutions to the housing challenge.

7.3.1 Development control and standards

The land shortages that were noted in this study partially stem from lack of resources by the local authority to enforce regulatory compliance via development control, which has resulted in the local authority, as a mitigatory measure, deciding not to involve

private developers in the low-income housing market. This study recommends that there is need for a more cost-effective approach to development control so that all stakeholders benefit – the developers get land that has been planned for and title surveyed from the local authority, which significantly reduces development costs to be borne by the developer, and the beneficiaries get access to even more affordable housing at a faster rate.

Development control tools that the local authority relies on such as permits, inspections and penalties are not effective at all if they are left as currently structured, as shown in this study. Instead, these development controls result in opportunities for corruption and delay the delivery of housing to low-income groups. For example, the complicated procedures and delays in obtaining subdivision permits that were raised by Developer 1 and 2 create barriers to entry and make it difficult for the private developers to quickly respond to the needs of the low-income group, resulting in there being need to redo cost-benefit assessments given the volatile economic climate that the developers are operating in. This challenge can be fixed if the government irons out the institutional framework surrounding development permits. The willingness by developers to make illegal payments to expedite and avoidance of inspections is just a symptom of the underlying problems in the development process, which if not fixed, would take the earmarked land out of the market for a long time and would make the whole process too risky for the developer given the amount of capital outlay that is needed to complete both land development and house construction (Chirisa, 2014; Sivam, 2002).

The local authority problems that are cited in this research are not unique to Bulawayo only, but have been cited in other urban councils (Chirisa, 2014) and the reasons that are cited are lack of adequate resources by the local authority to carry out their development control functions and the inability or willingness by the government to make any financial contribution to local authorities towards urban housing construction programs (Brown, 2001; Chipungu & Adebayo, 2013; Chitekwe-Biti, 2009; Kamete, 1997). It is not only private-sector developers who have resorted to sidestepping the development control process but all civic society groups that are active in low-income housing are affected. For example, in Harare, Mavambo savings scheme under Zimbabwean Homeless People's Federation started building houses in

November 2000 without building plan approval, as the local authority was taking too long to process the plans and the whole group ended up deciding that they could not wait (Chitekwe & Mitlin, 2001).

From this research, the local authority redefined their role from a provider of housing to only a virgin-land allocator and regulator of private and co-operative housing developments and this has changed once again with the local authority stopping all allocation to private developers and cooperatives, thus redefining their role again. This is despite that the main advantage of private-sector participation is that it enables the public sector to draw on the financial, managerial and technical capabilities of the private sector by placing decision-making on private contractors and investors who have the incentive to pursue maximum efficiency (Sivam, 2002). It has generally been accepted that the conventional housing delivery methods in which the government and local authorities provide services stands and complete housing units are no longer possible and marginalize the low-income groups (Muchadenyika, 2015a; Rakodi & Mutizwa-Mangiza, 1990b), but the underlying reason why the local authority wants to continue doing so is because they are incapacitated from effectively carrying out their development control and enforcement role. As Zami and Lee (2007) cogently put it across, “the legislation and enforcement of high standards may be well-intentioned, for they are meant to guarantee high-quality shelter for the rich and poor alike but, if enforced, frequently lead to the ironic conclusion that the latter are priced out of the market and get no housing at all”. It is this study’s contention that it’s not just the standards that can result in the pricing out of the low-income groups like the high standards of roads, but insistence on complex and rigid land and housing delivery systems without the resources and infrastructure in place to make sure that the process can be carried out expeditiously. Investment into the building inspectorate departments is critical if the management of the construction process is to be wholly monitored to ensure the sustainability of structures whilst taking advantage of private sector engagement in the low-income housing field.

This study recognises that it is not an ideal situation when there are standards that are not followed. If the standards are maintained as they are, and development control is tightened there is a possibility that the final housing product may be out of reach of the target market or there will be a marked increase in corruption cases as developers

find ways of regulatory evasion which would also raise the cost of housing. Given that the effects of corruption are two-pronged- on one hand, informal channels enable developers to get things done faster, on the other hand, there are costs associated with corruption. The most visible cost is the money that is spent upfront over and above the development costs to 'oil the system'. On the other hand, the need to engage/ invoke informal institutions where such activities take place essentially makes the low-income housing market a closed market, which can't be navigated by other investors who might have access to capital but do not have the social capital necessary to engage in corrupt activities. The root causes of corruption in the development process emanate from issues that are beyond the control of developers such as planning failures, which result in time-consuming, costly and complicated processes and procedures to get planning permissions, and development standards that are perceived by developers to be too high for the target group. There is thus need for rectification of all issues that make it necessary for developers to resort to corruption. If all such issues can be addressed in such a way that all the current benefits that developers are getting through engaging in corrupt activities are maintained, there is likely to be an immediate reduction in development costs.

This study recommends that there is a need for a platform for continuous dialogue between the government, developers and all other stakeholders directly involved in the housing development process. If standards, which are perceived to be too high by the developers are imposed, there is likely to be a proliferation of regulatory evasion as was shown in this study. If there is active involvement and dialogue amongst all stakeholders, some of the barriers that are listed above will be dealt with. The use of technology can also significantly reduce development control costs. A visible centralised system, which enables a digital footprint of all activities by the developers, details of which can take any shape, can enable the local authority to note quickly any anomalies or potential problems remotely and quickly arrange for physical inspections, thus reducing the need for manual inspections of all houses in all developments. Such a system would also equip the local authority with the ability to detect any unlawful activities and stop them before they get worse. Examples of things that can be captured in the system are permit application tracking modules, progress reports by the developers, record of inspections carried out in any, service requests by the developers to the local authority etc. Efficiency and transparency would be positive spinoffs of

such a system as it can also easily be used to prioritise permits which have taken too long to be approved, thus reducing the costs associated with bureaucratic delays and the need to engage in corrupt activities to get things done.

All developers acknowledged gains that come with getting land that has been planned for and already title surveyed, and such gains could also be extended to material control. If the local authority directly sources materials that should be used for sewer pipes and water pipes that will then be coupled to the trunk infrastructure, and developers buy from the local authority or from approved suppliers, the local authority would have already indirectly started implementing development control at little cost.

7.3.2 Land shortages

The shortage of land ideal for low-income housing highlights that land is a finite resource. Resource constraints, which limit the ability of the local authority to buy land coupled with increasing urban population figures, indicate that it is likely that if available land is not managed judiciously, the land problem is likely to worsen in the near future. All the housing developments that were included in this study were standalone houses, and if this trend increases, there are likely to be problems of urban sprawl, which will also make development costs high. From a policy perspective, there is a need to consider the concept of low-income high-rise buildings as a more cost-effective model. Sectional title is a viable tenure option compatible with the homeownership drive that guides the Zimbabwean housing policy. There is land that was set aside by local authorities in all cities that was meant for high-rise buildings, which land is called 'flat sites'. Such land has not been utilised as local authorities cite the high cost of building associated with building up. This study thus recommends that the private sector be allowed to develop such areas as they have the capacity to do so at a lower cost.

The shortage of land reinforces the culture of politicization of land, which further clouds up the development process, and makes the environment unconducive for some private sector players who might not be willing to play the political games that may unlock land for low-income housing. A capitalistic mode of land supply (Sivam, 2002) has emerged, as seen in this study through the developers having to scout for privately owned land in the periphery of the local authority areas with the intent to subdivide

and develop the land. This development is a symptom of the inability of the conventional land delivery process to meet the demand for land in this case by private developers. The conversion of land in the periphery of the local authority into urban land has turned out to be a highly politicized process. Such political struggles for the control of Zimbabwe's urban areas create an urban dilemma, characterized by a voiceless population living in settlements with no access to water and sanitation services as was noted in Housing Development 3. However, this is not unique to Zimbabwe, as similar findings have been reported in other countries such as India (Sivam, 2002). To deal with this, the Central Government can issue policy directives directed at resolving challenges that have been noted in this research, e.g. a directive requiring rural-urban councils to release gazetted land to urban councils. These directives were effective in China, which has seen over the years a significant involvement in private developers in solving the low-income housing challenge (Cao, Feng, & Tao, 2008). Local authorities should also be conscious of the need for a multi-stakeholder approach to solving the low-income housing challenge and should align their objectives with that of the national housing policy.

7.3.3 Targeting of low-income housing beneficiaries

Although the housing delivery process acknowledges the importance of proper targeting of beneficiaries of the low-income housing developments, the operationalization of the targeting process as enshrined in the use of the housing waiting lists leaves a lot to be desired as all interview respondents in this study, including respondents from the local authority, have questioned its usefulness. Housing waiting lists as enshrined in the housing policy have continued to be the main allocation tool that is used and maintained by all local authorities (Mutembedzi, 2012). Though meant to enhance proper targeting, housing waiting lists are not a true reflection of how the allocation is done, in both public sector and private sector housing developments, which points to the official administrative tools of local government in the form of housing waiting lists being dysfunctional. It is not possible for beneficiaries to check how far up the list they have gone as the system in Bulawayo is still manually maintained, and the costly renewal fees have resulted in the process of registering and renewing the waiting list form being a constraint to the low-income group. The government and local authorities are not responsive to this, resulting in the house and land allocation process also being opaque and thus prone to politicking.

depending on whom the beneficiary knows if there are any development projects. The range of income that qualifies a beneficiary as a low-income earner is also not clear (Kamete, 1998).

Private developers' housing developments are open to anyone who can afford to buy land and housing. With proper support from the government, these housing developments can be leveraged on to reach the low-income group, if a proper targeting platform is availed. The one house per person rule in the high-density areas is a good policy, but the administrative burden of checking if a client owns another house cannot be pushed to the private developers as is currently happening. A searchable read-only database of homeowners can be made available on the local authority website to private developers, searchable for example by a person's national identity number, to make the screening process easier without necessarily exposing the system to bureaucratic tendencies.

7.4 Contribution to Knowledge

The first contribution to knowledge acknowledged in this study is a contribution to theory. This was achieved by extending the reach of Structure-Agency theory to a different context. A conceptual framework that can be used to inform further work in the low-income housing field was developed. Using the variables from the Structure-Agency theory, the study has refined the model, addressing the shortcoming that the model has been charged with. Coupled with a critical realist ontology, the study shows that the Structure-Agency model is a compelling theory that can be applied in different contexts and can be used to further housing research. Use of this conceptual framework will result in a more comparable body of knowledge that is not limited by contextual boundaries.

This study also contributes to empirical literature. There has been a debate in literature on the feasibility of market solutions to the housing challenge, with clearly two dichotomous views among studies. This study has contributed to the debate by providing empirical evidence of market housing solutions targeted at low-income groups. Using Bulawayo as a case study, the study showed that the private sector has had the most impact in denting the low-income housing backlog. Appetite for more investment in low-income housing was noted, as seen through projects that are still

work in progress or still being planned, despite the difficult operating environment. This study thus shows that with adequate support from the government via institutional reforms, supported by political will, more private sector involvement can be cultivated. Although low-income housing development is a well-researched area, there is paucity in empirical studies that look at the strategies that developers employ to exploit structural enablers and to mitigate the constraints that are embedded in adverse economic conditions. The solution to the low-income housing challenge in Zimbabwe and other developing countries where the government has fiscal constraints lies in creating a conducive environment for private sector participation in low-income housing. This study noted constraints that are being faced by the developers, these being lack of access to land, bottlenecks in the planning process, lack of developer and end-user mortgage finance, rigid planning standards, high planning standards especially on road designs. If the government works on ironing out these constraints, even if the economic environment does not improve, there is likely to be an increase in private sector activity in the low-income housing sector. The main enabling factors for private sector participation in this study were a homeownership ideology that has been entrenched in the beneficiaries, a housing policy that is supportive of private sector engagement, and secure property rights.

Another contribution to empirical literature relates to empirical data relating to private sector participation when certain key assumptions that have been taken for granted in the provision of low-income housing like the availability of subsidies are relaxed. A significant body of research work assumes states are typically in a position to provide subsidy support to both the low-income groups and the developers to bring down the cost of low-income housing and yet in developing countries, governments rarely have sufficient fiscal space to support subsidies, creating a lacuna in the literature. This study provided a canvas on which to test what happens if low-income housing development were to take place without subsidy support. Other contextual issues that were explored were the lack of end-user finance and loan capital for housing development. Private sector developers are innovative enough come up with customised solutions to contextual challenges as these as was shown in this study- with off the plan selling and developer provided finance tackling the unavailability of mortgage funds. The challenges that are faced by the private-sector developers and the strategies that are pursued to deal with these challenges demonstrate the resilience of

the private sector and the determination with which the private sector approaches business, even in the low-income housing sector.

This study's findings add on to the debate about the impact of regulations on urban housing markets in developing countries especially when the state is not able to enforce such regulations. The impact of unrealistic formal regulations drives developers into engaging in certain activities e.g. corruption, and there is need to question various planning and building regulations. From the study, it can be concluded that there is a trade-off between affordability and regulatory compliance. To reduce the cost of development, there is need to look carefully at the regulatory environment to check if affordable formal housing can be produced within the current regulatory environment. This study findings point to the contrary with settlements which have gone for years without access to water sewer, electricity, roads and drainage systems being symptoms of failure to enforce existing regulations.

The final contribution to knowledge made by this study is a contribution to policy. Practical insights on how policy can be used to align the regulatory framework in such a way that challenges faced by developers active in the low-income housing provision are proffered under policy recommendations. Submissions towards the land developers bill are included which focus on policy levers that can be tweaked to address institutional and resource constraints faced by developers. The main highlights are an innovative use of technology to ameliorate development control challenges and to improve targeting of beneficiaries, targeted review of development standards and need for a platform for continuous dialogue between the government, developers and other stakeholders in the land development process

7.5 Limitations of This Study and Suggestions For Further Research

There are various agents in the property development sphere viz. landowners, public agency planning officers, politicians, community groups, investors in the form of financial institutions, shareholders etc. The conceptual framework that was developed in this study is robust enough to be used to analyse each of these actors. However, this research only concentrated on the perspective of low-income housing developers and therefore did not fully do justice to the developed conceptual framework. The actions of each of the actor in the low-income housing value chain can impose structural

barriers or enablers to low-income housing development, and research along this line of inquiry can help produce a fuller picture of the feasibility of market provided housing solutions for the low-income group.

The study showed the negative impact of unrealistic and unenforced regulations on urban housing markets. These findings point to a need to shift the debate through further research to the following: if formal low-income housing cannot be produced within the law, can the law be changed to suit what the people can afford? This status quo raises another pertinent point for developing countries- given the inability to enforce regulations, how can enabling mechanisms for increased market-driven low-income housing be framed to also ensure developer accountability and consumer acceptable delivery outcomes?

The flouting of procedures by developers included in this study implies that not all beneficiaries in these developments can get title deeds to their properties. The developers feel that adherence to regulations slows down the housing delivery process, but these findings run counter a strand in literature, which touts the importance of security of tenure as the solution to urban poverty. Notable work in this field is Hernando DeSoto, who posits that a lot of the urban poor populace possesses dead capital. Compliance, from this study's findings, might push up the cost of housing to unaffordable levels and delay project completion. Further research thus needs to be done to reconcile these two conflicting views.

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**APPENDIX 1: PRIVATE-SECTOR HOUSING PROJECTS
APPLICATIONS DECLINED BY THE BULAWAYO LOCAL
AUTHORITY**

Private Sector Player	Date	Issue	Outcome
Application 1	Feb 2011	Application lodged in July 2010 to purchase virgin land suitable to service and build 200-500 low-income housing units, with the local author carrying out stage inspections	Application declined as the local authority preferred a partnership instead, with the local authority in charge of servicing the land. Reference made again to the private developers who had failed to complete developments during the hyperinflationary period.
Application 2	August 2011	Application lodged to develop flats for low-income housing in Emganwini in April 2011. The case had merits and the recommendation by the director Engineering services was that they accept the application	Application declined. Reason: Some developers had in the past not completed their housing projects
Application 3	November 2011	Application for virgin land to service and develop residential stands (no date when the application was lodged). Applicant went through the prequalification process and the application had merits	Application declined. Reason: Council no longer wanted to deal with private developers.
Applicant 4	November 2014	Application for land to build 4000 houses was discussed. Reference was made to July minutes where the same application was discussed, and the local authority was not comfortable	Request for more information before decision can be made. approved subject to the company submitting a performance bond

Application 5	July 2017	Application for a joint partnership with the Local authority to service 517 low-income residential land	Application declined as the Local authority no longer wanted a partnership but preferred to get a mortgage loan itself for the servicing of the land.
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Source: Town Country and Planning Committee meeting minutes

APPENDIX 2: EXTRACT OF CONDITIONS FROM A TEMPORARY SUBDIVISION PERMIT

REGIONAL TOWN AND COUNTRY PLANNING ACT, CHAPTER 29:12

SECTION 40

FILE NO: BYO/METRO/RC/101

PERMIT NO. BYO/METRO/08/17

APPLICANT: XXXXXXXXXXXX

PERMIT FOR THE SUBDIVISION OF LAND

SUBDIVISION OF STAND XXXX

KENSINGTON TOWNSHIP: BULAWAYO DISTRICT

The Minister of Local Government, Public Works and National Housing (hereinafter called "the Minister") hereby grants a PERMIT, in terms of Section 40 (5)(a) of the Regional, Town and Country Planning Act, Chapter 29:12 (hereinafter called "the Act") to: XXXXX (hereinafter called the applicants) in respect of an application dated 30 August 2017 and numbered BYO/METRO/08/17 in the Register of the provincial planning officer, Matabeleland North for the Subdivision of :

A certain: piece of land situated in the DISTRICT OF BULAWAYO

Being: STAND XXXX, KENSINGTON TOWNSHIP

Measuring 2,1081 ha

AND

A CERTAIN: pieces of land situated in the district of Bulawayo

BEING: THE REMAINDER OF STAND XXXX KENSINGTON TOWNSHIP

MEASURING: 4,2130 ha

AS WILL MORE

FULLY APPEAR: from Subdivision Diagram No. bb715 attached hereto

SUBJECT: to the under-mentioned conditions

PART 1: STANDARD CONDITIONS

CONDITION 1: The applicants through their Land Surveyor shall within 12 (twelve) months from the date of issue of this PERMIT or any extension of this period which may be granted by the Minister in writing lodge with the Surveyor General for action in terms of Section 40(5)(a)(ii) of the Regional, Town and country Planning Act, chapter 29:12 and section 25 of the Land Survey Act Chapter 20:12 such documents as the surveyor General may require in connection with this permit

Condition 2: A water supply source of quality acceptable to Matabeleland Provincial Medical Director shall be provided by the Applicants at their own cost on Stand XXXX KENSINGTON

TOWNSHIP OF STAND XXX KENSINGTON TOWNSHIP and the remainder OF STAND XXX KENSINGTON TOWNSHIP

CONDITION 3: Sewerage Disposal system of the quality acceptable to the Matabeleland Provincial Medical Director shall be provided on Stand XXXX KENSINGTON TOWNSHIP OF STAND XXX KENSINGTON TOWNSHIP and the remainder OF STAND 374A KENSINGTON TOWNSHIP

CONDITION 4: 10% of proceeds from the sale of each piece of land created by the Subdivision excluding the value of any improvement of the date of Disposal, shall be paid to the local authority as endowment.

CONDITION 5: Implementation of this project shall be subject to the requirements of section 97 of the Environmental Management Act (chapter 20:27)

CONDITION 6: The Registrar of Deeds shall not register the transfer of Stand XXXX KENSINGTON TOWNSHIP OF STAND XXX KENSINGTON TOWNSHIP and the remainder OF STAND XXX KENSINGTON TOWNSHIP unless the application for such registration is accompanied by:

- a) A certificate of compliance issued by the local Authority confirming that the Applicants have fully complied with condition 2 and 4 above, and
- b) Written confirmation by the Local Authority to the effect that the Applicants are up to date with the payment of any property rates and levies

PART 11: CONDITIONS FOR INCLUSION IN THE TITLE DEEDS TO PROPERTIES

CONDITION 1: All conditions mentioned or referred to in the said certificate of Register Title Number XXXX dated 16 September 2017 shall be carried forward

CONDITION 2: Each one of the pieces of land created by the subdivision shall be used for residential and agricultural purposes only and the buildings permitted on each piece of property shall consist of one principal building designed and approved for use as a single-family dwelling and any other buildings directly ancillary to the use of the property for residential and agricultural purposes

CONDITION 3: Servitudes over each property created by the subdivision for all water supply, storm and water drainage channels, sewerage reticulation and other public utility purposes shall be granted by the owner of the stand as and when required by and at no cost to the requesting Authority

CONDITION 4: No buildings other than the boundary walls and fences shall be erected within 9 meters of any road boundary and 5 meters from any other boundary

..... Date.....

ACTING PROVINCIAL PLANNING OFFICER

MATABELELAND NORTH

For PRICIPAI DIRECTOR OF PHYSICAL PLANNING

APPENDIX 3: SIGNED ETHICS CLEARANCE FORM

Application for Approval of Ethics in Research (EIR) Projects
Faculty of Engineering and the Built Environment, University of Cape Town

APPLICATION FORM

Please Note:

Any person planning to undertake research in the Faculty of Engineering and the Built Environment (EBE) at the University of Cape Town is required to complete this form **before** collecting or analysing data. The objective of submitting this application prior to embarking on research is to ensure that the highest ethical standards in research, conducted under the auspices of the EBE Faculty, are met. Please ensure that you have read, and understood the **EBE Ethics in Research Handbook** (available from the UCT EBE, Research Ethics website) prior to completing this application form: <http://www.ebe.uct.ac.za/isr/eberesearch/ethics.pdf>

APPLICANT'S DETAILS		
Name of principal researcher, student or external applicant	Bridgt Guguluthu Tarvingo	
Department	Construction Economics and Management	
Preferred email address of applicant	brvtr002@myuct.ac.za	
If a Student	Your Degree: e.g., MSc, PhD, etc.	PhD
	Name of Supervisor (if supervised)	Manya M Mcoya
If this is a research contract, indicate the source of funding/sponsorship		n/a
Project Title		Speculative low income housing

I hereby undertake to carry out my research in such a way that:

- there is no apparent legal objection to the nature or the method of research; and
- the research will not compromise staff or students or the other responsibilities of the University;
- the stated objective will be achieved, and the findings will have a high degree of validity;
- limitations and alternative interpretations will be considered;
- the findings could be subject to peer review and publicly available; and
- I will comply with the conventions of copyright and avoid any practice that would constitute plagiarism.

SIGNED BY	Full name	Signature	Date
Principal Researcher/ Student/External applicant	Bridgt G Tarvingo		18 Jun 2017

APPLICATION APPROVED BY	Full name	Signature	Date
Supervisor (where applicable)	Manya M Mcoya		19/6/2017
HOD (or delegated nominee) Final authority for all applicants who have answered NO to all questions in Section 1; and for all Undergraduate research (including Honours)	Click here to enter text.		Click here to enter a date.
Chair: Faculty EIR Committee For applicants other than undergraduate students who have answered YES to any of the above questions.	SITHOLE Click here to enter text.		24/7/2017

Signatures Removed

APPENDIX 4: PRIVATE DEVELOPERS INTERVIEW GUIDE

Section A: Overall Business Strategy

This open-ended approach is hopefully going to give the researcher insights into the broad business around the low-income housing development business. The points under each question are just prompts that will help the researcher prompt the respondent in case the respondent does not have much to say in response to the question

1. What motivated you to go into low-income housing?
2. Please define “low-income” as is applied in the housing schemes that you have.
3. Did you face any barriers to entry in the property development arena?
 - Access to land
 - Access to finance
 - Failure to satisfy the regulatory requirements
4. How do you fund low-income housing ventures?
 - Own capital
 - Loan finance
 - Government subsidies
 - Venture capitalist
 - Partnerships
5. Your company vision and mission states thathow does low-income housing fit into all this?
6. What are your plans for the next 5 years in terms of:
 - Product categories
 - Market segments
 - Geographic areas
 - Core technologies
 - Value creation strategies
7. Do you face a lot of competition in the low-income housing sector?
8. How do you differentiate yourself from your competitors?
 - Image
 - Customisation
 - Price
 - Styling

- Product quality
- Targeting strategy

9. Which vehicles do you rely on to achieve your objectives?

- Internal developments
- Joint ventures
- Acquisitions
- Licensing/franchising

10. How do you get your returns, given that you are serving the low-income segment? I want to understand the economic logic of the business...i.e. where do your returns come from?

- Economies of scale
- Low costs through scope and replication advantages
- Backward integration

11. What are the major bottlenecks that you have faced in this business?

- Access to land
- Access to finance
- Access to labour
- Regulatory constraints
- Corruption
- Political interference

12. How does the macro-economic environment pose a threat to the successful running of low-income housing schemes? And how do you handle these challenges?

- Dollarization and the introduction of bond notes
- Low liquidity levels in the country
- High unemployment rates
- Low GDP rates
- Volatile regulatory environment e.g. intro of Statutory instrument 64 of 2016 on the control of the importation of goods.
- Corruption

13. In other countries, there is a lot of literature which points to the difficulties associated with serving the low-income group e.g. low and unstable incomes, no credit history, lack of collateral and insufficient subsidy support
What is it that you do differently that makes you succeed in serving this group despite these factors?

Section B –Questions on land servicing and construction

Documents to ask for- general road plans and building plans for the housing schemes

14. What are the dimensions of the houses that you build for the low-income group?
15. The 2012 housing policy document states in section 5.4 Housing Policy and Legislative Framework “[The legislative agenda flowing from this policy will include, but not be limited to, codification of the recent relaxation of standards associated with building materials and plot sizes, parallel and incremental development](#)”

Have these changes been operationalised? And have you adapted your house plans to be in line with these new relaxed standards?

16. What is your role as a company in the value chain?
 - Land development
 - Superstructure construction
 - Superstructure and finishing
 - Marketing
17. What are your key competencies in the role that you play as stated above?
18. Which activities do u subcontract out? And which ones do you do in-house?
19. With reference to figure 1 (see the last page), are there any regulatory constraints, that you feel, if relaxed would make you better able to serve the low-income group?
 - policies, legislation and institutional arrangements that relate to land development
 - housing development procedures
 - housing policy and allied legislation
 - urban settlement management policies
20. How do you handle these regulatory challenges?

Section c- marketing and selling of low-income housing.

Documents to ask for- a copy of the agreement of sale, a brochure showing housing options for each scheme.

21. Who qualifies for the low-income housing schemes?

Consider the risks associated with serving the low-income housing group

(default risk, credit risk, liquidity risk)

22. How do you screen the applicants?

Risk management...this determines company exposure to risk associated with the low-income group

- Unstable incomes
- No credit history
- Lack of collateral

23. Do you use any credit reference bureaus to check on the applicant's creditworthiness?

24. How do you allocate housing?

25. What are the payment terms?

26. Do you work with financial institutions who provide mortgage loans to your clients?

27. What is the uptake rate for the housing schemes? Or are all the schemes oversubscribed?

28. In case of default. What action do you take?

29. At what point do you give title deeds to the clients?

30. Do you face any challenges in marketing or selling housing under the low-income schemes?

****End of interview****

APPENDIX 5: LOCAL AUTHORITY INTERVIEW GUIDE

The latest plan document that is currently in effect for Bulawayo City Council is the 2014-2018 strategic document.

Questions from the strategic document

On page 19: The Local authority intended to improve access to land through improving land delivery systems and engagement of landowners [see page 19].

1. Which were the bottlenecks that had been noted in the land delivery system that the local authority intended to improve on?
2. Which changes have been implemented in the land delivery systems so far?
3. Has the council managed to acquire any land that was privately owned for housing purposes?
4. What progress has been made so far with respect to the above objective in terms of
 - a) Hectares purchased
 - b) Number of stands planned and approved by the council and
 - c) Number of areas incorporated [see page 19]

The BCC also intends to improve housing affordability in the period 2014-2018 [see page 19] through minimising the percentage changes in plot prices, social housing rentals and housing construction costs.

5. How significant is the stock of social housing units in Bulawayo?
6. Has there been an increase in the number of these units since 2014? How much has been set aside for maintenance of these units in each year since 2014?
7. Who qualifies for housing within these social housing units?
8. From 2014 to date, what has been the percentage change in social housing rentals?
9. How does the local authority come up with a price for stands? Is there a standard rule that is followed in pricing for different income segments?

As of 2013, there were 100 000 people on the housing waiting list according to the BCC 5-year strategic plan, and the plan was to reduce the waiting list by 10% annually.

10. May I know how the numbers have changed from 2013 to date?
11. How many stands have been planned, approved and serviced by the city council and which areas per annum from 2014 to date? The target from the strategic plan was 130 000 stands per annum
12. Of these stands, how many stands were allocated to people on the housing waiting lists?
13. What criteria were used to determine recipients of the stands that were developed?
14. If these targets have so far not been met, what have been the challenges faced?
15. How is the local authority trying to mitigate these challenges if any?

Page 31

The 5-year strategic plan also focuses on increasing the number of private housing developers that are approved by the Council in the city.

16. Has there been an increase in the number of active private housing developers since 2013 where there were 23 approved?
17. Can I get a list of these private housing developers?
18. Does the City council engage in any partnerships with these private developers? If so, in which areas?
19. If there are any private developers that are into low-income housing development, is there any support that they get from the local authority in terms of
 - a) Access to land? - is there any quota/land that is set aside for low-income housing development
 - b) Subsidy support? Maybe in the form of a lower cost of land? Or waiver of property taxes?
20. How has the involvement of organisations such as UDCORP affected your ability to deliver land and / housing to the low-income groups?

Land servicing or development

21. Which activities does the local authority subcontract out?

Waiting list management

22. Is this database a manual system or it has been computerised?
23. How does the local authority use this list? Of what value is it?
24. There are some private developers who say that their clients have to be registered on the housing list 1st before they can buy any housing on their schemes, what is the rationale for this?

APPENDIX 6: CENTRAL GOVERNMENT INTERVIEW GUIDE

In the period 2009 to present, there have been a number of strategy documents that have been prepared by the Ministry of National Housing and Social Amenities, in a bid to address the housing shortage. These are listed below:

- Ministry of National Housing and Social Amenities' Strategic Plan for 2010 to 2014;
- 2012 National housing policy document
- 2013 ZimAsset document and the supporting Home Ownership Scheme document

Questions from the 2012 housing policy document

[Page vii] Government will, however, when necessary be obliged to intervene and provide safety nets for the vulnerable groups amongst the society.

1. Please define the term, vulnerable groups, as it is used in the housing policy?
2. Which housing options are there for these vulnerable groups?
3. How are these housing options funded?
4. Which distribution channels are used?

[Page 5] 3.0 Policy Principles

1d. Guaranteeing fiscal space for housing development.

- How much has been set aside for housing for each of the consecutive years? I can get the figures from the ministry budget
5. Why is the trend the way it is? If it's decreasing why?

[Page 5] A 'continuum of options' will be deployed tapping into complementary market and non-market solutions. This will be pursued through;

a. Strengthening the role of local authorities (decentralization).

6. UDCORP has been tasked with servicing of state land. How has the involvement of a parastatal organisation such as UDCORP affecting the ability to deliver land and / housing to the low-income groups?
7. Is this still in line with the decentralisation strategy that is set out in the housing policy?

[Page 6]4) Removing land and finance delivery bottlenecks using diverse instruments in a transparent and accountable manner. This will entail;
c. Effective use of targeted instruments like subsidies.

8. Are there any subsidies that are offered either to the target group or to private sector developers that are interested in serving the low-income group? If yes, please explain the types of subsidies that are there and how the intended recipients can access the subsidies.

Pg. 13- The housing policy document states in section 5.4 Housing Policy and Legislative Framework “The legislative agenda flowing from this policy will include, but not be limited to, codification of the recent relaxation of standards associated with building materials and plot sizes, parallel and incremental development”

9. Have there been any significant inroads towards the use of alternative materials for low-income housing here in Zimbabwe? And adjustment of housing standards for housing targeted at the low-income group?

[page 15]

The Policy adopts the following strategies:

- 1) Regulate private sector housing development to reduce risks to investors and home seekers,
- 2) Provide a registration framework for the private sector,
- 3) Support with issues of access to land (the quota reserved for the private sector),
- 4) Provide partnership guidelines and assist in conflict resolution,
- 5) Facilitate access to resources as relevant, and
- 6) Facilitate the establishment and implementation of an incentive regime that encourages diverse private sector participation

10. Are there any particular regulatory instruments that govern property developers other than the existing regulatory instrument listed on page 20 – i.e. other than the constitution of Zimbabwe, Local government law, land law, Environmental management act, etc
11. Please explain how the state plans to reduce risk to investors
12. How far has the ministry gone with respect to compiling a register of active property developers? Last I checked, there was no comprehensive register [see page 8 of the 2012 housing policy document] except for associations such

as CIFOZ and ZBCA and ZIPRODA, of which membership is not compulsory.

13. There has been quite a number of reports in the press about a proposed “land developers bill”.
 - a) What is the progress relating to the development of this bill?
 - b) What are the highlights of this bill?

14. On page 15, the housing policy mentions a quota of land that is reserved for the private sector.
 - a) How much land is set aside for private sector developers and over how often
 - b) Who is the custodian of this land? i.e. Who administers it and what criteria is used to ensure that it is accessed by private low-income housing developers?
 - c) What are the terms and conditions that are attached to this quota of land?

15. Which other resources can the government assist with other than land?

16. Are there any other incentives that have been established and implemented to date in a bid to encourage private sector participation in low-income housing development?

[\[page 6\] Increasing opportunities for state and non-state partnerships.](#)
[\[page 15\] Provide partnership guidelines and assist in conflict resolution,](#)

17. Does the government engage in any partnerships with private developers in the provision of low-income housing? Can I get examples of such projects if they are there?

18. From the ZimAsset document – the 5-year strategy document that’s meant to guide the country, the target that was set for the ministry responsible for national housing was the construction of 125 000 units in the period Oct 2013 to Dec 2018. The strategies that are listed in the document include the recapitalisation of the National Housing and National Guarantee fund.

To what extent has this been successful?

19. The Home Ownership Scheme, launched by the government in support of the Five Year National Housing Delivery Programme (NHDP) 2014-2018 details plans of the state to move out of the facilitatory role in housing provision, and start directly contributing towards housing development for low and medium-income groups.
 - a. How well was the scheme received by the targeted recipients?
 - b. Which areas have been developed under the scheme?

APPENDIX 7: BUILDING SOCIETIES INTERVIEW GUIDE

Bulawayo as the second-largest city has representation in terms of all registered building societies in Zimbabwe namely CBZ Building Society, Central African Building Society (CABS), FBC building societies, ZB building society and National Building Society Limited.

Questions for this interview guide were crafted after going through the Building Societies Act Chapter 24:02

1. Do you offer mortgage loans? If yes, may I please have a look at the terms and conditions?
2. Are there any other collective loan schemes for those who want to access housing via cooperatives or low-income housing developments?
3. Do you offer any financial support to private developers who are running low-income housing development schemes? If yes, what are the terms and conditions?

Part 111 section 17 [page 12] of the Act states that local authorities are allowed to

(t) to enter into joint ventures with the State, a local authority or any other person for the purpose of erecting buildings, roads, stormwater drains, water and sewerage systems and such facilities.

4. Are there any projects to this effect that are being engaged in by building societies with Local Authorities?
5. Please explain to me how mortgage loan amounts, repayment periods and amortizing amounts are calculated, given the following provisions as listed in the Building Societies act:

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22 Advances must be reducible or fixed-term advances

(1) No society shall, on the security of a mortgage or hypothecation, make any advance other than a reducible advance or a fixed-term advance.

(2) The terms of a reducible advance shall provide for the annual reduction of the capital amount outstanding and for the **repayment of the total capital amount within a period of not more than thirty-five years**. If any portion of the capital amount advanced has been repaid to the society and the society has re-advanced an amount not more than the portion so repaid, the capital amount of the original advance still

outstanding and the amount so re-advanced shall be repaid within a period of not more than thirty-five years calculated from the date of the re-advance.

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(6) A society shall not, in making a fixed-term advance on the security referred to in subsection (1), **advance more than sixty-six and two-thirds per centum of the value reasonably determined of the property mortgaged or the lease hypothecated:**

Provided that if collateral security is furnished, it may advance an amount—

(a) not exceeding the value so determined of the said property or lease; or

(b) not exceeding the sum of sixty-six and two-thirds per centum of the value so determined of the said property or lease, plus the value of the collateral security calculated in the manner prescribed;

whichever is the lower.

6. How does the building society handle 2nd and 3rd mortgages given the provisions of section 24 on page 15 as detailed below:

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24 Advance on property already mortgaged prohibited

No society shall advance money on the security of immovable property which is subject to an existing mortgage bond unless such existing mortgage bond is in favour of the society or unless preference under such existing bond is waived in favour of the society, is secured by the mortgage of such property, plus the aggregate amount of costs and preferent charges incurred by the society of such items as may be prescribed.

7. Are there any incentives from the government that encourage you to extend mortgages to the low-income group? [The financial gazette reported on April 10, 2014, that banks and building societies get exemptions from income tax to receipts and accruals on mortgage finance from January 1, 2014.
8. How do u define low-income groups?
9. Given the current economic environment, where there is high job insecurity after that landmark high court ruling which allowed employers to terminate job contracts as per the provision of the labour act, how do you protect yourself against default risk?
10. Is there any other bureau other than the financial clearing bureau, set up in 2015?

11. How do you deal with the possible introduction of the Zimbabwean dollar? Is it a significant risk factor that has to be managed from a lender's perspective?

12. According to literature, the low-income group are characterised by

- Low incomes with little or no subsidy support
- Unstable incomes – especially for those in the informal sector
- No credit history
- Lack of collateral
- And sometimes lack of marketable title on land used for LIH projects

As a building society, if you offer loans to this income group, how do you deal with this additional risk?

APPENDIX 8: QUESTIONNAIRE FOR HOUSING DEVELOPMENT BENEFICIARIES

1. Location: _____

2. Housing Scheme: _____

3. Age of Household Head:

1	Under 23	4	40 – 49
2	24 - 35	5	50 – 59
3	36 - 39	6	Over 60

4. Gender of Household Head:

1	Male
2	Female

5. Marital Status of Household Head:

1	Single	3	Widower/Widow
2	Married	4	Divorced

6. Number of Dependants: _____

7. Nature of Employment of Household Head:

1	Unemployed	2	Civil Servant
2	Self-employed	4	Employed –Other
3	Retired		

8. Supplementary Income:

1	Yes
2	No

9. Occupancy Type:

1	Owner
2	Tenant

10. Construction Material Used:

1	Concrete Blocks and Corrugated Iron Roof
2	Concrete Blocks and Asbestos Roof
3	Burnt Bricks and Corrugated Iron Roof
4	Burnt Bricks and Asbestos Roof
5	Mud Bricks and Corrugated Iron Roof
6	Mud Bricks and Asbestos Roof
7	Other: _____

11. Stand Size (Square Metres): _____

12. Total Number of Rooms in the House: _____

13. Number of Rooms Respondent Occupies: _____

14. Number of Families Staying on the Same Property: _____

15. Type of Immediate Past Accommodation:

1	Rented
2	Staying with Family
3	Staying with Friends
4	Own Alternative House
5	Destitute
6	Employer Provided

16. Location/Suburb of Immediate Past Residence:

1	High Density	4	City Centre
2	Medium Density	5	Squatter Camp
3	Low Density	6	Out of Town

17. Number of Years Respondent has lived on the Property: _____

18. Factors Considered in Choosing to Live at Current Property:

1	Affordable Price
2	Good Amenities
3	Relatives/Friends Staying Nearby
4	Location Near Employment
5	Flexible Payment Terms
6	Document of Ownership Available

19. Access To:

	Yes	No	Comment
1			Running Water
2			Sewer Services
3			Electricity
4			Refuse Collection
5			Nearby Schools
6			Nearby Clinic
7			Nearby Police Station

20. Satisfied With:

	Yes	No	Comment
1			Size of Rooms
2			Roofing
3			Quality of Walls
4			Roads
5			Drainage

[SECTION B] – OWNER-OCCUPIED HOUSING

22. Property Bought From:

1	Developer	
2	Individual Seller	
3	Current or Past Employer	

23. Approach to Property Acquisition:

1	Bought Stand and Built	
2	Bought a Complete House	
3	Inherited Stand and Built	
4	Inherited Complete House	

24. Property Bought in ZWD Era?

1	Yes	
2	No	

25. Where Applicable, Amount (in USD) Spent On:

1	Buying the Stand	
2	Building the House	

26. Breakdown of Total Purchase Cost (in USD):

1	Deposit	
2	Instalment	
3	Years to Pay	
4	Other Charges	
5	Total Purchase Cost	

27. Source of Funds Used in the Above:

1	Personal Savings	
2	Loan from a Bank	
3	Payment Terms from the Developer	
4	Retirement Funds	
5	Other: _____	

28. Improvements Done Since Acquisition:

1	Extension		4	Interior Tiling	
2	Dura Wall/Gate		5	Plastering/ Painting	
3	Paving		6	Other: _____	

29. Major Repair Work Done Since Acquisition:

1	Roof Leaks		3	Drainage	
2	Cracks on Walls		4	Other: _____	

30. Respondent Owns Another Property:

1	Yes		2	No	
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[SECTION C] – TENANT-OCCUPIED HOUSING

31. Property Being Rented From:

1	Relative	
2	Friend	
3	Colleague	
4	Company	
5	Other: _____	

32. Monthly Rental per Room (in USD): _____

33. Owner Also Resident at the Property:

1	Yes	
2	No	

34. Reason for Renting:

1	Still Building or in the Process of Buying a House	
2	Cannot Afford to Buy Own Property	
3	Cannot Get Land to Build Own Property	
4	Other: _____	

35. Capacity to Buy Own House in the Next Five Years:

1	Yes	
2	No	