



**Assessing the benefits and challenges of informal backyard rental housing: A case study of Murchison, Port Shepstone.**

**Zinhle Khumalo**

**Submitted in partial fulfilment of the requirements for the Master of  
Housing Degree School of Built Environment and Development  
Studies**

**2019**

# Declaration- Plagiarism

I.....declare that:

- I. The research reported in this dissertation, except where otherwise indicated is my original work.
- II. This dissertation has not been submitted for any degree or examination at any other university.
- III. This dissertation does not contain another person's data, pictures, graphs or other information unless specifically acknowledged as being sourced from other persons
- IV. This dissertation does not contain other person's writing unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
  - a) Their words have been rewritten but the general information attributed to them has been referenced.
  - b) Where their exact words have been used, their writing has been placed inside quotation marks and referenced.
- V. Where I have reproduced a publication of which I am an author, co-author or editor, I have indicated I detail which part of the publication was written by myself alone and have fully referenced such publications
- VI. This dissertation does not contain text, graphics or tables copied and pasted from the internet, unless specifically acknowledged and the source being detailed in the dissertation and in the reference sections.

Signed: .....

Date: .....

## Acknowledgements

I would like to express my gratitude to the following individuals for their guidance and assistance in the preparation and completion of this study. In that respect, I would like to acknowledge:

- God Almighty, for granting me the opportunity and providing the strength for me to complete this dissertation.
- My supervisors, Dr Claudia Loggia and Mr Vincent Myeni for their patience, motivation and assistance which has helped shape my research ideas through continued support and guidance.
- My family for the support and counsel, especially my grandmother and aunt for the continuous support and prayers.
- Edward Kamwendo, for being a pillar of strength.
- The Ray Nkonyeni Municipality Technical Services Department for their time, assistance and willingness to participate in the study.
- Finally, I would like to thank to the Murchison community for their time and willingness to participate in the study.

# Table of Contents

Declaration- Plagiarism .....	i
Acknowledgements .....	ii
List of Acronyms .....	vii
List of Figures .....	viii
List of Tables .....	x
Abstract	xi
<b>Chapter One: Introduction to the study</b> .....	1
1.1. Introduction .....	1
1.2. Overall benefits of informal backyard rental housing .....	2
1.3. Challenges experienced within the informal backyard rental sector .....	4
1.4. Problem Statement .....	7
1.5. Aim of the Study .....	7
1.6. Study Objectives.....	8
1.7. Hypothesis .....	8
1.8. Main Research Question.....	8
1.9. Subsidiary Research Questions .....	8
1.10. Working Definitions .....	8
1.10.1. Rental Housing .....	8
1.10.2. Informal Rental .....	9
1.10.3. Informal backyard Rental Housing .....	9
1.10.4. Landlord.....	10
1.10.5. Tenant.....	10
1.11. Dissertation Structure .....	10
<b>Chapter Two: Research Methodology</b> .....	12
2.1. Introduction .....	12
2.2. Research Methodology .....	12
2.3. Secondary Sources of data.....	13
2.4. Primary Sources of Data.....	13
2.5. Sampling Method.....	13
2.6. Interviews .....	14
2.7. Data Analysis.....	15
2.8. On Site Observation.....	16
2.9. Case Study .....	16
2.10. Municipal location: Ray Nkonyeni Municipality .....	17
2.11. Case study area.....	19
2.12. Settlement typology .....	20

2.13.	Economic dynamics .....	22
2.14.	Limitations of the Study.....	23
2.15.	Conclusion .....	23
<b>Chapter Three: Theoretical Framework and Literature Review .....</b>		<b>24</b>
3.1.	Introduction .....	24
3.2.	Literature Review .....	24
3.2.1.	Informal backyard rental housing within the apartheid era .....	24
3.2.2.	Informal backyard rental housing within the post-apartheid era .....	25
3.2.3.	The characteristics of Informal backyard rental housing .....	26
3.2.4.	Types of backyard dwellings .....	27
3.2.5.	Demand for Rental Housing .....	29
3.2.6.	Supply of Rental Housing .....	30
3.2.7.	Backyards filling the housing backlog .....	31
3.2.8.	Moving up the housing ladder .....	32
3.2.9.	Local experience of informal backyard rental housing: City of Johannesburg .....	33
3.2.10.	International experience of informal backyard rental housing: Angola .....	34
3.2.16.	The rules and agreements between landlord and tenant .....	36
3.2.16.1.	The Rental Agreements.....	37
3.2.17.	The reason for the proliferation of informal backyard rental housing.....	37
3.2.17.1.	Short comings of Housing Policy .....	37
3.2.18.	Governments' view of informal backyard rental housing .....	38
3.3.	South African policy view .....	39
3.3.1.	Housing White Paper (1994) (HWP) .....	39
3.3.2.	Constitution of South Africa 1996 .....	40
3.3.3.	Housing Act 107 of 1997.....	40
3.3.4.	Prevention of Illegal Eviction & Unlawful Occupation of Land Act No.19 of 1998 ....	41
3.3.5.	Rental Housing Act No. 50 of 1999 .....	41
3.3.6.	Breaking New Ground (2004).....	42
3.3.7.	Social Housing Act, No. 16 of 2008.....	43
3.3.8.	National Housing Code 2009 .....	43
	National Government.....	43
	Provincial Government .....	43
	Local Government.....	44
3.4.	Provincial Policy Interventions for Informal Backyard Rental Housing .....	44
3.4.1.	Western Cape Provincial Government .....	44
3.4.2.	Gauteng Provincial Government.....	45
3.5.	Theoretical Review.....	46

3.5.1. Neoliberalism .....	46
3.5.2. Sustainable Livelihood Approach .....	47
3.5.2.1. Vulnerability .....	48
3.5.3.1. Livelihood Strategies .....	48
3.5.3.2. Assets .....	48
3.5.3.3. Housing as an Asset .....	49
3.5.3.4. Housing as a financial and economic asset .....	50
3.5.3.5. Housing as an asset and poverty alleviation .....	51
3.6. Conclusion .....	52
<b>Chapter 4: Research Findings, Analysis and Interpretation .....</b>	<b>53</b>
4.1. Introduction .....	53
4.2. Thematic Analysis .....	53
4.3. Background of Tenants .....	54
4.3.1. Age and Gender .....	54
4.3.2. Ethnicity .....	54
4.3.3. Employment Status .....	55
4.3.4. Number of Persons living within the Backyard Dwelling .....	55
4.4. Renting Period of Tenants .....	56
4.5. Reason for Living within the Current Dwelling .....	57
4.6. Benefits Experienced by Renters with Access to IBRH .....	58
4.7. Challenges experienced by tenants within the IBRH .....	58
4.8. Solutions to the Challenges Experienced by Tenants .....	59
4.10. Dynamics of landlords .....	60
4.10.1. Age and Gender .....	60
4.10.2. Ethnicity .....	61
4.10.3. Position in the Household .....	61
4.10.4. Households Main Income .....	63
4.10.5. Employment status .....	64
4.11. Issues experienced by landlords .....	65
4.12. Finding ways to address the Issues faced by Landlords .....	66
4.13. Tenancy .....	67
4.13.1 Tenancy Period .....	67
4.14. Reasons behind renting out these dwellings .....	68
5.14. Lease Agreements between Landlord and Tenant .....	68
4.15. Rules Issued by landlords .....	69
4.16. Relationship between tenant and landlord .....	70
4.17. Payments of rentals .....	70

4.18. The informal Backyard Rental Dwelling .....	71
4.18.1. Types of rental dwellings .....	71
4.19. Quality of the Dwellings .....	73
4.20. Proximity of Backyard Dwellings to Employment Opportunity Areas.....	74
4.21. Services .....	75
4.21.1. Basic Services Provided .....	75
4.21.2. Ablution facilities .....	75
4.23. Interview findings with Municipal Official.....	77
4.24. Research findings related to literature .....	79
4.25. Conclusion .....	80
<b>Chapter 6: Summary of Findings, Conclusion and Recommendations .....</b>	<b>82</b>
5.1. Introduction .....	82
5.2. Summary of findings .....	82
5.3. Recommendations .....	84
5.4. Conclusion .....	86
References .....	88
Annexure .....	93
Pre-questionnaire:.....	93
Tenants .....	94
Pre-questionnaire:.....	98
Interview Questions .....	98

## List of Acronyms

BNG:	Breaking New Ground
COJ:	City of Johannesburg
GDHS:	Gauteng Department of Human Settlements
GPF:	Gauteng Partnerships Fund
IDP:	Integrated Development Plan
HWP:	Housing White Paper
NDoH:	National Department of Housing
NHFC:	National Housing Finance Corporation
PIE:	Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998
RDP:	Reconstruction Development Programme
SA:	South Africa
SHF	Social Housing Foundation
SHA	Social Housing Act
SHRA:	Social Housing Regulatory Authority
SMDS	Sishaka Development Management Services
UKZN:	University of KwaZulu-Natal

## List of Figures

<b>Figure number</b>	<b>Description</b>	<b>Chapter number</b>	<b>Page number</b>
<i>Figure 1</i>	<i>Map of Ray Nkonyeni Municipality</i>	2	17
<i>Figure 2</i>	<i>Traditional Authority Areas within Ray Nkonyeni Municipality</i>	2	18
<i>Figure 3</i>	<i>Location Map of Murchison</i>	2	19
<i>Figure 4</i>	<i>BNG Housing found within Murchison</i>	2	20
<i>Figure 5</i>	<i>Housing found within Murchison</i>	2	21
<i>Figure 6</i>	<i>Map showing Murchison in relation to Marburg Industrial Area</i>	2	22
<i>Figure 7</i>	<i>Map showing Murchison in relation to other areas</i>	2	22
<i>Figure 8</i>	<i>Low-cost housing with backyard dwellings in Diepsloot</i>	3	27
<i>Figure 9</i>	<i>Tin Rooms constructed from iron roof sheeting in Diepsloot</i>	3	28
<i>Figure 10</i>	<i>Backyard dwellings in the form of row housing constructed with bricks and mortar</i>	3	28
<i>Figure 11</i>	<i>Typical layout of the main dwelling, backyard dwelling as well as basic services</i>	3	29
<i>Figure 12</i>	<i>Illustration of the South African housing ladder</i>	3	32
<i>Figure 13</i>	<i>Backyard dwellings found within the periphery and inner city in Luanda</i>	3	36
<i>Figure 14</i>	<i>The Housing Asset</i>	3	49
<i>Figure 15</i>	<i>Gender demographics for tenants</i>	4	54
<i>Figure 16</i>	<i>Ethnicity of tenants</i>	4	54
<i>Figure 17</i>	<i>Number of persons per dwelling</i>	4	55
<i>Figure 18</i>	<i>Reason for living behind current dwelling</i>	4	57
<i>Figure 19</i>	<i>Benefits of renting in backyard housing</i>	4	58
<i>Figure 20</i>	<i>Landlord Gender demographics</i>	4	60
<i>Figure 21</i>	<i>Landlord ethnicity</i>	4	61
<i>Figure 22</i>	<i>Households' main income</i>	4	63
<i>Figure 23</i>	<i>Landlords employment status</i>	4	64
<i>Figure 24</i>	<i>Issues experienced by landlords</i>	4	65
<i>Figure 25</i>	<i>Occupational period of property by landlords</i>	4	67
<i>Figure 26</i>	<i>Rentals price range</i>	4	68
<i>Figure 27</i>	<i>Reason for rentals being reasonable</i>	4	71

<i>Figure 28</i>	<i>Row Housing found within Murchison</i>	4	72
<i>Figure 29</i>	<i>Main dwelling that is rented out</i>	4	72
<i>Figure 30</i>	<i>Dwelling quality from the landlords' point of view</i>	4	73
<i>Figure 31</i>	<i>Good quality dwelling from a landlords' point of view</i>	4	73
<i>Figure 32</i>	<i>Ways of commuting to work by tenants</i>	4	74
<i>Figure 33</i>	<i>Flushing Toilet</i>	4	76
<i>Figure 34</i>	<i>Pit Latrine Toilet</i>	4	76
<i>Figure 35</i>	<i>BNG housing at Masinenge</i>	4	77
<i>Figure 36</i>	<i>BNG housing at KwaXolo</i>	4	77

## List of Tables

<b>Table number</b>	<b>Description</b>	<b>Chapter number</b>	<b>Page number</b>
<i>Table 01:</i>	Tenant employment status	4	55
<i>Table 02:</i>	Tenancy period of tenants	4	55
<i>Table 03:</i>	Challenges faced by tenants	4	58
<i>Table 04:</i>	Landlord age group	4	60
<i>Table 05:</i>	Landlords position in the household	4	61
<i>Table 06:</i>	Form of payment that is requested by landlords	4	67
<i>Table 07:</i>	Basic services provided by landlords	4	75
<i>Table 08:</i>	Ablution facilities available	4	75

## Abstract

Established in the 1980s, the informal backyard rental sector has grown at a rapid rate, providing shelter for households wanting to access economic opportunities in the cities. The housing backlog increases every year and issues such as migration to urban areas as well as affordability issues for the low and middle-income households has them resorting to informal settlements and informal backyard rental sector to access housing. The local municipalities then face the dilemma of a high backlog with the challenge of a shortage of resources, expensive land and basic services to deliver the housing to households.

The aim of the study was to assess the benefits and challenges that are experienced by the tenants and landlords within the informal backyard rental housing sector, it was conducted in the Murchison community under the Ray Nkonyeni Municipality within KwaZulu-Natal, South Africa. The objectives include examining the benefits and challenges experienced by the landlords and tenants, to understand the reason behind the proliferation of the informal backyard rental housing sector and to understand the rules and agreements between the landlord and tenant within the sector. A qualitative research methodology was utilized to understand both parties' experiences within the sector, neoliberalism and the sustainable livelihood approach theories were utilized to analyze the study.

The study assesses the policy framework and provides some recommendations that may help the informal backyard rental sector which include having pro-active settlement layouts as well as the support of the microfinance sector so that landlords can be able to access finances to build more informal backyard rental housing. Suggestions of how to help alleviate the challenges experienced and increase the benefits of both the tenant and landlord within the study are proposed.

The main findings indicate that the tenant and landlord benefit from the relationship through monetary exchange in the form of rentals for shelter. The tenants experience the most benefits including, access to services, proximity to transport, access to job opportunities and safety. The challenges experienced within the study show that some tenants do not pay rentals on time and do not follow the rules that are set by the landlord which creates a strained relationship between the tenant and landlord.

**Keywords:** informal backyard rental housing, rentals, landlord, tenant.

# Chapter One: Introduction to the study

## 1.1. Introduction

According to Ebrahim (2011) backyard rental housing was established in the 1980s due to the shortage of affordable accommodation in proximity to economic opportunities. Backyard rental housing can be viewed as a tool that seeks to address accommodation temporarily for people within urban areas as it can provide readily available shelter and basic services such as water and electricity and is in vicinity to economic opportunities. Lemanski (2009: 473) states that “Insufficient and inadequate housing for the urban poor has a long history in South Africa, with apartheid era policies of urban containment resulting in overcrowded and under-serviced townships and informal settlements on the urban periphery”.

Lategan (2013) states that urban areas in South Africa have been greatly influenced by apartheid policies that were active between the years of 1948-1994 and have proven to be a challenge to overcome due to them yielding results such as segregation and uneven development within cities, the results of the policies still affect present development within cities. The settlement planning that was undertaken under the apartheid legacy resulted in races such as Black Africans, Indian and Colored being moved to the outskirts of the city leading to residents having to travel long distances to access economic opportunities. Furthermore, after the apartheid era, the same settlement patterns still exist as low-cost housing is still being located within the outskirts of the city, such planning does not address some of the issues that were left by the apartheid legacy but continues to place residents away from economic opportunities.

The post-apartheid era period brought about a change within South Africa where different races could live in a place of their choosing and for many this meant that they now had the opportunity to reside near economic opportunities and needed temporary shelter. The government under policies such as the Housing White Paper provided mass housing which also created the opportunity to provide informal backyard rental housing. In the post-apartheid period, there was a belief that the massive delivery of new low-cost housing in the cities would soon remove the need for people to live in backyard shacks (Bank, 2007). Turok and Borel Saladin (2015) elaborate that numerous low-income backyard dwellers face the challenge of unaffordability to enter the formal housing market resulting in them temporarily residing in informal backyard rental housing. Chetty (2017) states that backyard housing is seen to be helpful to low-income subsidized housing through rentals providing additional income to the beneficiaries.

The main aim of this study is to assess the challenges and benefits that experienced by both the landlords and tenants within informal backyard rental housing.

## 1.2. Overall benefits of informal backyard rental housing

Small-scale landlords offer well located rental housing for low-income households (Rust, 2006). The informal backyard rental housing sector supplies affordable shelter to the low-income households that cannot access social housing due to issues such as affordability location of social housing as social housing is not available in most small cities. Shapurjee and Charlton (2013) reveal that quality of services are better in backyard rental accommodation than free standing shacks in informal settlements, for example living in free standing shacks in informal settlements mean that people rely on fire or use of paraffin for cooking and candles for lighting which are rather dangerous because they can cause fire. Morange (1999) asserts that backyards provide a physically and socially stable environment compared to free standing shacks in the informal settlements which are perceived as unstable and frightening. Bank (2007) argues that backyards are also places of sharing and support rather than areas of alienation and indifference, which provides both tenants and landlords with social and economic initiatives that helps them sustain themselves and their families. Gardner (2010) further adds that various economic benefits can be achieved such as utilisation of existing infrastructure and ease of access to transportation as well as increased household incomes which results in better opportunities for a future rate base and payment for services.

The small-scale landlords within informal backyard dwellings can utilize the rent to supplement their income (Gilbert et al, 1997). The rent that the landlord accumulates can be used for groceries and paying for school fees as well as paying for basic services such as water and electricity or saved to renovate the main dwelling. Lategan (2012:16) further cautions that “backyard strategies will need to maintain the balance between providing affordable shelter and allowing for some level of addition income for homeowners.” Shisaka Development Management Services (2006) point out that small scale landlords who occupy the property from which they let rooms are motivated by survival, income supplementing or a small business strategy due largely to the fact that such landlords generally have low incomes and returns from letting and capital from other sources are generally too limited to enable the landlord to trade up with respect to his or her accommodation, let alone embark on larger scale property development.

According to Gilbert et al (1997) backyard dwellings provide benefits to poor migrants in order for them to enter urban systems and access economic opportunities, resulting in more support for economic livelihoods and offering quick access to economical, flexible housing which is within proximity to employment opportunities and facilities. The benefits that are experienced by tenants will be outlined below.

Access to services is one of the benefits that are experienced by tenants as they have easy access in comparison to informal settlements this statement is supported by Murphy (1993:54) “Compared to residents of informal settlements, with minimal sanitation and reduced basic cooking and heating methods, backyard dwellers were superior, typically sharing electricity, water and sanitation with their landlord.” This is not to say that informal settlement dwellers do not have access to basic services, in reality most informal settlements remain un-serviced and lack tenure security (Huchzermeyr, 2003), backyard dwellings offer preferential access to services (Lemanski, 2009). One of the reasons as to why backyard dwellings provide preferential services is due to tenants moving into these formal yards with informal dwellings where basic services such as water, electricity and sanitation was formally provided by the government through policy intervention such as the RDP. Although the access to services may be viewed as easy within the backyard, Mehlwana (1997:7) has a differing view stating “there are technical problems such as defective and unsafe electricity connections with frequent outages from over-consumption, as well as social problems such as reliance on good relationships with landlords to access electricity and water, reduces the advantages of backyard living.”

According to Gilbert et al (1997) backyard dwellings provide benefits to poor migrants in order for them to enter urban systems and access economic opportunities, resulting in more support for economic livelihoods and offering quick access to economical, flexible housing which is within proximity to employment opportunities and facilities. Flexibility refers to the choices in the rental accommodation and the ability of the tenant to be moveable around backyard rental accommodation (Matsheng, 2017). Shisaka Development Management Services (2003) supports the above statement by stating that for the poor households that do not have access to employment that is inconsistent, backyard dwellings offer flexibility to respond to changing employment opportunities. The flexibility that is offered by backyard rentals helps tenants to easily move without being held down by lease agreements as one of the main reasons why the tenants move to such areas which have access to services and amenities is due to the proximity to economic opportunities that the backyards provide.

Lemanski (2009) adds that the ease of being able to secure a backyard dwelling is matched by the ease of being able to move elsewhere should new opportunities be available elsewhere. sUN-Habitat (2004) highlights that numerous households rent due to reasoning such as mobility where they are able to relocate easily and flexibility which aids the households in managing their budgets as they are able to move to cheaper housing during tough financial times. Tenants have the opportunity of flexibility where they can move should they find employment elsewhere and would like to be close to employment. Matsheng (2017) states that tenants can either move around a certain township or move to other townships with their shack, and this kind of flexibility allows them to be mobile around the city.

Affordability looks at whether tenants can still be able to carry other financial duties even after paying the backyard rental accommodation (Matsheng, 2017). Carey (2009) states that household renting is cheap and flexible payment is often arranged, payment is in kind rather than cash: renters perform services for owners such as childcare, cooking, cleaning, help with a business etc. A tenant's flexibility to move around is influenced by affordability where if a tenant can afford to move to a backyard with better services can move if he/she can afford to pay. A tenant's affordability is the deciding factor of the quality of the dwellings that they can access, the basic services available as well as the distance they are to walk to access transport services.

### **1.3. Challenges experienced within the informal backyard rental sector**

Lategan (2012: 76) points out that "presently, backyard provision is affected by numerous factors that are financial and legislative in nature in the context of the high housing backlog which has an impact on the low-income households who are seekers of housing." South African policy barely focuses on the support of informal backyard housing as it is barely mentioned in the Breaking New Ground policy, this results in the sector being viewed in a negative light and not receiving any state subsidies or support in order for the sector to thrive better as it provides shelter to households who do not have access to housing. Tshangana (2013) further adds that the challenges associated with access to finance by landlords or homeowners can be viewed as a constraint where landlords are not able to fully capitalize on the benefits of the backyard sector. If the sector had state support in terms of access to finance there would be more informal backyard rental housing provided which would be of better quality which would result in a decrease in the housing backlog and help landlords to move up the housing ladder.

According to Rogers & Blatt (2003) the contribution of affordable options that has been made available for low-income households has been miscalculated, the development of low-cost housing ought to be viewed as a tool and opportunity that will benefit the community as a whole and not just the beneficiaries of low-cost housing. The letting of informal backyard rental housing can be viewed as a tool that seeks to support the both segments of the community (i.e. those who have shelter but seek sustainable livelihood strategies and those seek shelter and have money for rental) through finance in exchange for shelter and vice versa.

According to Lea (2005) the low-income households have been known to have low, unstable or undocumented incomes, no credit history and lack of collateral. The above factors make it hard for such households to access loans to improve their homes or backyard dwellings to improve the quality or move up the housing ladder. According to the Centre for Affordable Housing Finance in Africa (2015:11) “the housing ladder includes all ranges and options of housing, from temporary shelter and informal housing to the highest variety of housing ownership and occupancy models and prices.” Access to funding to improve a home or mortgage can help households to move up the housing ladder, an example would be where a household improves their dwelling in order to sell it so that they can relocate to a home which has better access to amenities and resources. The delivery of housing to low-income households also aids in the provision of assets where the dwelling provided is the asset. According to the Centre for Affordable Housing Finance in Africa (2015) when formally recorded on the deeds registry, the dwelling often becomes a family’s most valuable asset, and as they are transferred or resold become an important means of allowing families to move up the housing ladder.

According to Rust (2006), inability to access credit or affordability constraints limits their capacity to meet their housing needs independently. The statement made by Rust affects both the landlord and tenants where, the landlord might be seeking credit to improve the main dwelling as well as the backyard dwellings to improve the quality of the dwellings so that they make more profits from the rentals, and where the tenant seeks credit to purchase land and construct the dwelling incrementally but being rejected by financial institutions. Rust (2006) admits that access to housing finance has increased for low-income earners but criticizes that the rising property prices have created new and unexpected access challenges to housing finance. The landlord can have challenges with regards to being able to access to credit to improve the dwellings within the yard thereby constricting their financial growth due to charging low rents as they can no longer access subsidies from the government. The Development

Action Group (2018) provides solutions for low-income households to access credit by stating that financial institutions must create microfinance packages that suit the affordability of low-income households as well as government considering financial incentives instead of subsidies.

Backyarders are dependent on their landlords for access to basic services and the informal nature of lease agreements leave them vulnerable to eviction at any time (Lategan, 2013). As the backyard sector is informal in nature, there are never any signed rental agreements, the agreements are normally verbal and the landlord can break them at any time and evict the tenants this leaves the tenants at a vulnerable state as finding a stable place to rent is often challenging as such areas with backyard rooms are in demand and highly sought after by a lot of tenants. Gunter (2014) supports the above statement by stating that tenants feel extremely helpless as they have entered into verbal informal tenant agreements with their landlords resulting in them being insecure about their state of tenureship, this results in tenants cultivating positive relationships with their landlords in an effort to live comfortably.

From reading literature, one notes that landlords often abuse their authority within the yard resulting in tenants being uncomfortable due to the way that the landlords treat their tenants. Gunter (2014) speaks of tenants' rights being abused by the landlords where the living conditions are appalling, and rents are increased haphazardly. As some of the tenants are seen as 'cash poor' (Gorden & Nell, 2006) who earn irregular incomes (Gunter, 2014), having landlords unexpectedly increasing rents puts tenants in a vulnerable position as most do not receive regular income and can be in a position to being evicted due to defaulting on the rent. Lategan (2012) supports this by stating that several landlords see tenants as way of way of making money through rentals and do not attend to the needs of the tenants as the rental areas are often seen as overcrowded where services are inadequate and privacy of tenants is not respected within the yard. Such things can make the tenants stay uncomfortable and make the tenants feel trapped (Gunter, 2014) such treatment results in tenants seeking to rent somewhere else or staying within the yard and enduring the ill treatment given by the landlord due to not being able to afford to rent elsewhere.

Lemanski (2009) argues that although backyard dwellings arguably offer closer proximity to services and infrastructure in comparison to living in an informal settlement, the constant need to negotiate access through landlords, as well as the limited capacity of infrastructure, indicates the limits of informal living within a formal area. Beall et al (2008) makes an example of challenges often undergone by tenants such as landlords often locking houses which limits access to sanitation services at night in the main dwelling. The example made by Beall means

that the tenant is left in a vulnerable position in order to access services which are included in the monthly rent.

## 1.4. Problem Statement

Lemanski (2009) states that the number of people who reside within informal backyard rental housing is increasing at a rapid rate than the number of people who are living within informal settlements. This indicates that this type of housing is becoming popular due to a housing backlog that is currently being experienced. The housing backlog increases every year and issues such as migration to the cities areas means that there are more informal settlements in urban areas as people move to the cities in search of a better life. The Ray Nkonyeni Municipality faces a growing housing backlog of approximately 15 144 which can be attributed to the fact that Hibiscus Coast is the economic hub of the South Coast area (Hibiscus Coast Housing Development Plan, 2009). The Hibiscus Coast Municipality name has been changed to Ray Nkonyeni Municipality. Issues such as affordability and the inability to penetrate the housing market results in many households resorting to informal backyard housing as most of this type of housing is found in well located areas where there is access to economic opportunities.

Informal backyard rental housing within small towns does not have enough research resulting in knowledge gaps when it comes to this sector. Bank (2007:207) states that “there is little that is known about the backyard sector that includes the social and economic nature of the sector.” Research gaps on the informal backyard rental sector are further evidenced by a lack of research on informal backyard rentals in communities located in smaller towns and settlements, with research skewed towards larger cities and metropolitan areas (Zwaig, 2015). Gardner & Rubin (2016) further add that the informal backyard rental sector continues to be misunderstood and poorly researched despite the high number of dwellings that are recorded within the sector. Shapurjee et al. (2014) argues that there is a need for qualitative research to address what Rubin and Gardner (2013) refer to as lack of precise data on the informal backyard sector within South Africa. This study seeks to add knowledge as well as share the experiences of both the tenants and landlords of the informal backyard rental sector within smaller towns and cities.

## 1.5. Aim of the Study

The aim of the study is to assess the benefits and challenges that are experienced by the landlords and tenants within the informal backyard rental sector.

## 1.6. Study Objectives

The objectives of the study are as follows:

- 1.6.1. To examine the benefits of renting the informal rental backyard accommodation.
- 1.6.2. To investigate the challenges/constraints faced by the informal backyard sector in delivering rental accommodation.
- 1.6.3. To understand the reason behind the proliferation of informal backyard rental housing.
- 1.6.4. To understand the agreements and rules between the landlord and tenant within informal backyard rental housing.

## 1.7. Hypothesis

The study seeks to assess if informal backyard rental housing brings about a solution to the backlog by absorbing people who cannot afford to purchase housing and those who seek temporal housing within areas of economic opportunities.

## 1.8. Main Research Question

What are the benefits and shortfalls that are experienced by the landlords and tenants within the informal backyard rental sector?

## 1.9. Subsidiary Research Questions

- 1.9.1. What //benefits do landlords and renters receive with access to informal rental backyard housing?
- 1.9.2. What Challenges do landlords and tenants experience within the informal backyard rental sector?
- 1.9.3. Why do people live in the informal backyard rental housing?
- 1.9.4. What rules and agreements do landlords have for tenants that are renting within the informal backyard rental housing?

## 1.10. Working Definitions

### 1.10.1. Rental Housing

The National Urban Rental Housing Policy (2015) define rental housing as a property occupied by someone other than the owner, where the tenant pays a periodic mutually agreed rental to the owner. Khan (2011) further adds that it may come in the form of cheap rental rooms, apartments of various sizes, or rooms built with substandard construction on illegally subdivided land or partitioned within dilapidated older buildings, rental housing can also be a

shack, rooms built in a slum or behind the owner's house with shared services. Rental housing is differentiated into five categories namely, formal and informal, market driven, need-based, public as well as social.

### 1.10.2. Informal Rental

According to Rubin & Gardner (2013) informal rental is defined as rental relations that do not conform to legal, official or regulatory norms i.e. where the structure is not erected with conventional construction materials, there are no formal lease agreements in place and where the rental takes place within an informal environment such as an informal settlement or 'squatted buildings'. 'This can sometimes be equated with another term, backyard shacks, which is reference to the informality of materials used to construct the unit.' Rubin & Gardner (2013:1) state that "a large number of the backyard dwellings are constructed using building materials that are used for building formal structures." Within the study rentals that are exchanged for shelter are deemed informal due to them not conforming to any regulatory norms, there is no formal lease in place and the structures do not conform to any building standards, the procedure within which the rental relationship is initiated does not conform to any legal protocol that is utilized within the formal rental environment.

### 1.10.3. Informal backyard Rental Housing

According to Lategan & Cilliers (2016:13) "Informal backyard rental housing is an informal structure erected by a property owner or tenant within the boundaries of a formally registered property that contains at least one formal dwelling unit." Lategan & Cilliers (2016), further add that the materials and processes used in order to construct the dwellings do not conform to the National Norms and Standards whereas the main dwelling is formally erected and conforms to planning and building standards. Backyard tenants have access to sanitation and water services that may be accessed within the landlord's main dwellings (Shapurjee et al., 2014). The occupants of informal backyard rental housing have formal connections to their dwellings, which are provided by the landlords this is different from informal settlements. According to Lamanski (2009) backyard dwellings are not as visible as informal settlements due to them being found within existing formal residential areas and have access to infrastructure and basic services. The informal backyard rental dwellings within the case study area are erected by the landlords with the intention of renting them out in exchange for rentals that are in the form of money to tenants, the structures are constructed out of bricks and mortar and have iron roof sheeting.

#### 1.10.4. Landlord

A landlord is defined as an individual who owns property and rents it out to someone for consistent payments, the payments can be either money or in kind which can be in the form of food or services to the landlord from the tenant (SMDS, 2006). There are different types of landlords this is characterized by the number of units within which the landlord lets out and the type of service the dwelling offers. UN Habitat (2003) outlines the types of landlords stating that private landlords are sub-divided into commercial and non-commercial on the basis of the size of their operations where commercial landlords comprise of those who let ten or more tenant households and non-commercial landlords to less than ten. It is to be noted that the term landlord refers to both men and women throughout the dissertation. The Murchison area consists of commercial and non-commercial landlords who rent out the informal backyard dwellings where the backyard dwellings range from 4 to 24 dwellings being rented out.

#### 1.10.5. Tenant

According to UN Habitat (2003) Tenants are considered as people that pay a prearranged rent in exchange for residing within a whole dwelling or within parts of it, the term rent includes individuals who make consistent payments to a landlord, the landlord can be a government institution, a cooperative or a private individual, regardless of whether or not the rental agreement is formal or informal. The term tenant is used when is one is renting within the informal or formal sector as it designates households that are making consistent payments in exchange for shelter. It is to be noted that the term tenant refers to both men and women throughout the dissertation.

### 1.11.Dissertation Structure

The dissertation will be divided into six different chapters will focus on different aspects of the research study and will consist of the following contents:

#### **Chapter One- Introduction to the Study**

The first chapter introduces the focus of the study being informal backyard rental housing, providing a brief history as well as the problem statement, the aims and objectives of the study are defined as well as the main and subsidiary questions are outlined to give an indication of what the study seeks to achieve.

#### **Chapter Two- Research Methodology**

The focus of the second chapter is on the research methodology where the researcher outlines the research tools to be used to collect data, as well as to outline and provide information on the study area.

#### **Chapter Three- Theoretical Framework and Literature Review**

Chapter 3 provides a conceptual framework where common and important concepts within the study are defined. The literature review follows and provides the views of different authors about the backyard sector and provides recommendations on the backyard phenomenon. Furthermore, the theoretical review will be provided with information on how the theories operate as well as linking them with the informal backyard rental sector.

#### **Chapter Four- Research Findings, Analysis and Interpretation**

This chapter provides the data presentation and interpretation from the study area and provides the experiences and views of the tenants, landlords and the Ray Nkonyeni Municipality with regards to the informal backyard rental housing sector.

#### **Chapter Five- Summary of Findings, Conclusion and Recommendations**

The final chapter is linked with the research findings as it takes the data and experiences given by the participants and provides solutions for the challenges that are faced by the participants within the informal backyard rental sector from such representations solutions, conclusions and recommendations will be made about the study.

## Chapter Two: Research Methodology

### 2.1. Introduction

This chapter outlines which research methodology was utilized within this research project as well as the sources of data that were used, the sampling method, sample population has been provided as well as the form of data analysis that was used to analyze the data collected from participants within the project.

### 2.2. Research Methodology

Qualitative research is a method that is used to study and understand the connotations that individuals or groups ascribe to a social human problem, this approach involves developing enquiries and procedures, data analysis which results in the research making interpretations from the data collected (Cresswell, 2013). Qualitative research is more concerned about peoples' views on a matter to better understand a phenomenon. Golafashani (2004) supports the above statement by stating that qualitative research is characterised by its aims, which relate to understanding some aspect of social life, and its methods which (in general) generate words, rather than numbers, as data for analysis. Rajasekar (2006:5) further states that "qualitative research has characteristics such as being non-numerical, descriptive, applies reasoning and uses words, where the main aim is to get meaning, feeling and describe the situation."

The study applied qualitative research methods to better understand the informal backyard housing rental phenomenon. The views of the tenants and landlords were used to understand issues such as why they rent within informal backyard housing structures, understanding the relationship between the landlord and tenant and so on. This aided in better understanding the informal backyard rental housing sector. Qualitative researchers have to gather multiple forms of data such as interviews, observations and documents, as opposed to relying on a single data source, then the researchers review all data, analyze and organize it into categories or themes that cut across all of the data sources (Cresswell, 2014).

Research was conducted within the participants' natural settings, which was within the main dwellings as well as the informal backyard dwellings, this was to ensure that participants are comfortable as they are in an environment that they live in. According to Denzin and Lincoln (2005) qualitative research assists the researcher to engage with the participants in their natural setting in an effort to make sense of phenomena in terms of the "meaning people give to them". Denzin and Lincoln (2005) further mention that qualitative research is frequently utilized to understand the views and experiences of communities in to have a better view of

social factors that play a role in their specific social setting. Having research being conducted within the participants' natural setting also allows the researcher to understand the environment within which the research focuses on.

### 2.3. Secondary Sources of data

According to Kothari (2004) secondary data is defined as information that is already available, this type of information has been collected and examined by another individual. Majority of the secondary data sources will be from the library of the University of KwaZulu-Natal (UKZN) and online, the secondary data sources will focus on issues such as backyard housing, South African housing policy and sustainable livelihoods to better understand the study. "Published data is accessible in different publications of the central, local government, books, magazines and papers, reports and distributions reports arranged by researchers and universities" (Kothari, 2004:45). Secondary sources of data include evaluation, interpretation or analysis of the original information (Wood, 1991). Secondary information in the form of books, journals, articles, dissertations, policies, internet sources and reports were utilized and referenced in Harvard style as recommended by UKZN.

### 2.4. Primary Sources of Data

Within the present study primary sources of data were used to better understand the shortfalls and benefits that are associated with informal backyard rental housing. Kothari (2004) states that primary data is collected whilst doing experiments in an experimental research but in case we do research of the descriptive type and perform surveys, whether sample surveys or census surveys, then we can obtain primary data either through observation or through direct communication with respondents in one form or another or through personal interviews. Yale (2008) defines primary sources of data as sources that provide first-hand evidence in relation the specific topic under investigation. Primary data attained reflects the experiences of the interviewees of Murchison and the Ray Nkonyeni Municipality. The study utilized interviews and the observatory methodology to collect primary data for the tenants, landlords and a Ray Nkonyeni Municipality representative was interviewed in order to understand their own personal and experiential opinion with regards to informal backyard rental housing.

### 2.5. Sampling Method

A sample is a predetermined part of a populace whose properties are examined to gain knowledge about the rest of the population (Webster, 1985). When dealing with people, it can be defined as a set of respondents that are selected from a larger population for the purpose of a survey. According to Alvi (2016) a sample can be distinguished as a group of individuals

that have been chosen from a bigger population for analysis, the individuals from the sample are known as participants. Alvi (2016) further adds that in investigation it is difficult to evaluate every component of a population, a group of individuals is chosen for the assessment, based on data that is obtained from the sample, the interpretations are drawn for the population. The sample was chosen from the area of Murchison, where the households who were chosen under the sample were the landlords and tenants who utilise informal backyard rental housing. Additionally, the Ray Nkonyeni Municipality official will form part of the sample. The sample outlined is regarded as the target population as these households will be able to provide information with regards to the study. Target population refers to all the members who meet the requirements indicated for a research analysis (Alvi, 2016).

The landlord, tenants and municipal representative were sampled using the purposive sampling technique which is also known as judgement sampling. Bernard (2002) and Lewis and Sheppard (2006) define purposive sampling as the deliberate or planned choice of a witness or informant because of their qualities. It is a non-random method that does not require basic hypotheses or a set number of witnesses. The researcher identifies the individuals who are willing and able to provide the data through having knowledge or experience.

Within the study the purposive sampling technique was applied resulting in the study sample comprising of 15 tenants, 15 landlords from the Murchison community and 1 municipality representative from the Ray Nkonyeni Municipality to understand the benefits and challenges experienced within the study.

## 2.6. Interviews

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses, this method can be used through personal interviews and, if possible, through telephone interviews. (Kothari, 2004). The above statement is further supported by Cresswell (2014:56) stating that “in qualitative interviews, the researcher conducts face-to-face interviews with participants, interviews participants by telephone, or engages in focus group interviews, with six to eight interviewees in each group, these interviews involve unstructured and generally open-ended questions that are few in number and intended to elicit views and opinions from the participants.” As Cohen & Manion (1997) point out, the interview can serve a number of distinct purposes. Firstly, it can be used to gather information about the interviewee’s knowledge, values, preferences and attitudes, secondly, it can be used in order to examine a hypothesis or to detect variables and their relationships. The use of semi-structured interviews aids the researcher to ‘probe’ for information from the respondent to gain clarity (Gray, 2004).

Interviews were used within the study to better understand the landlords, tenants and the municipality's view of the informal backyard rental housing sector. Personal and semi-structured interviews were used for the three groups named above. The interviews were for 15 landlords and 15 tenants as well as 1 interview for the Ray Nkonyeni Municipality official. The interviews focused on finding the benefits and challenges experienced by the landlord and tenant, as well as the rules and agreements that are made between both parties. The interview with the municipal official aimed to get an understanding of how the Ray Nkonyeni Municipality views the informal backyard rental sector, its plans for the sector and the challenges that it faces when dealing with the informal backyard rental housing sector.

The interviews presented in the data analysis section sought to answer the study's main and subsidiary questions such the benefits, challenges, the reason for the proliferation within the sector and the rules and agreements that take place within the informal backyard rental housing sector. Additionally, the interviews aided in assessing the study's hypothesis and the role that the informal backyard rental housing sector plays in housing access.

## 2.7. Data Analysis

According to Judd et al. (1998) data analysis is a method for discovering, editing, altering and demonstrating data with the purpose of recognizing appropriate decision making and propose suitable conclusions. Marshall & Rossman (1999) describe data analysis as the process of bringing order, structure and meaning to the mass of collected data. Schostak & Schostak (2008) express the essence of capturing data when they further add that data is not given as a fixed but is open to reconfiguration and thus alternative ways of seeing, finding answers to questions one wishes to answer. There are two methods of analysing data namely quantitative and qualitative.

Due to the nature of the study which deals with the views and experiences of households with regards to informal backyard rental housing, qualitative methods of data analysis were utilized and portrayed using graphs and tables in some instances to better represent the data. Marshall & Rossman (1999) state that qualitative data analysis is defined as an investigation for general data articulations and how they are related to each other within categories. In comparison to quantitative techniques that examine situations and effects that are caused by the circumstances. Muijs (2011), suggests that qualitative methods are more suited to looking at the meaning of particular events or circumstances. Utilising qualitative data analysis helps one to better understand the circumstances that the landlords and tenants live under within the informal backyard rental housing sector.

## 2.8. On Site Observation

Cohen (1980) defines the observational method as a distinct explanation about what the situation "is" in reality as opposed to what should be the case. Observation involves the methodical observation of people's actions and recording, analysing and interpretation of their behaviour. Saunders et al. (2000) differentiates between participant and structured observation; participant observation is largely qualitative and stresses the meanings that individuals give their actions, while structured observation is viewed as quantitative and is centred on how recurrent the activities of the individuals are. Within such classifications the researcher can collect information secretly by hiding the respondent's identity, or collect the data openly (Gray, 2004). Onsite observation was utilized within the research process to better understand the environment that the participants reside in, the observations were noted and with the permission of the participants' photographs of the dwellings and services were taken to aid in the data analysis and presentation process.

The researcher observed the following:

- The types of basic services provided by the landlord.
- The types of finishes used within the dwelling.
- Safety within the yard.
- Proximity to the main road for access to transport.

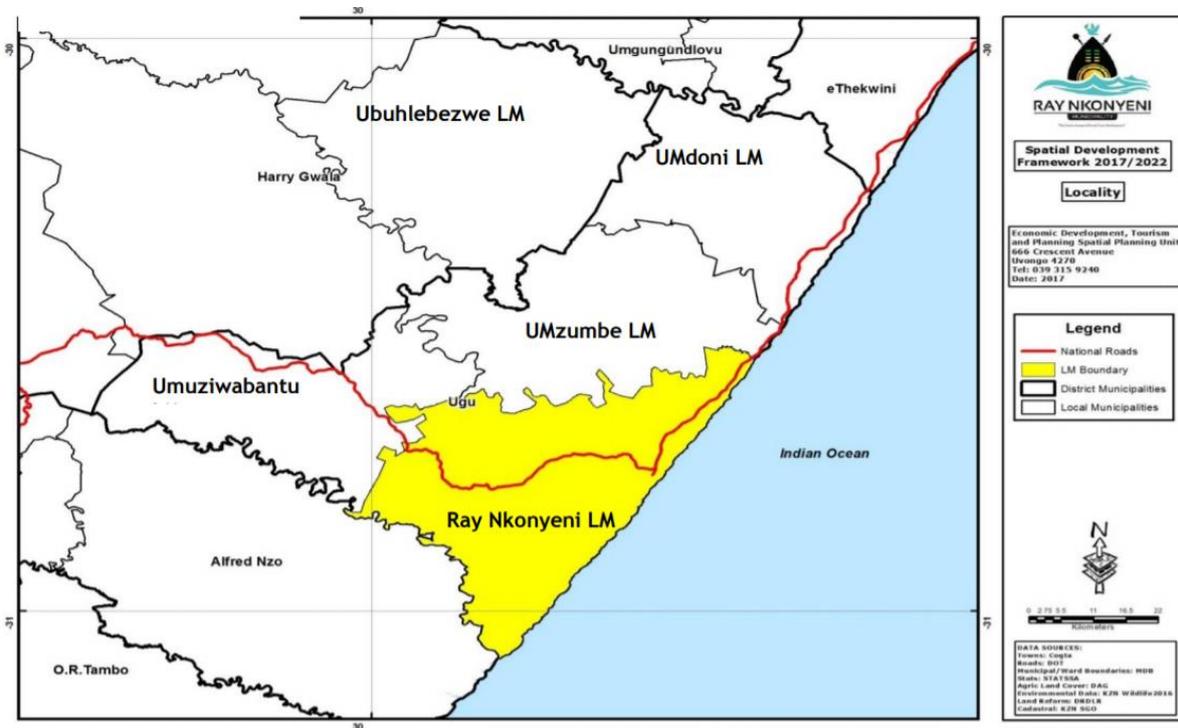
Observation of the environment within which the informal backyard rental housing of Murchison provides a clear view of some of the physical aspects that are provided by the sector and aid in data analysis.

## 2.9. Case Study

Yin (1984) defines a case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. Case studies in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions and their relationships (Zainal, 2007). The study utilized the case study approach to assess the benefits and shortfalls of informal backyard rental housing at the Ray Nkonyeni Municipality within Murchison.

## 2.10. Municipal location: Ray Nkonyeni Municipality

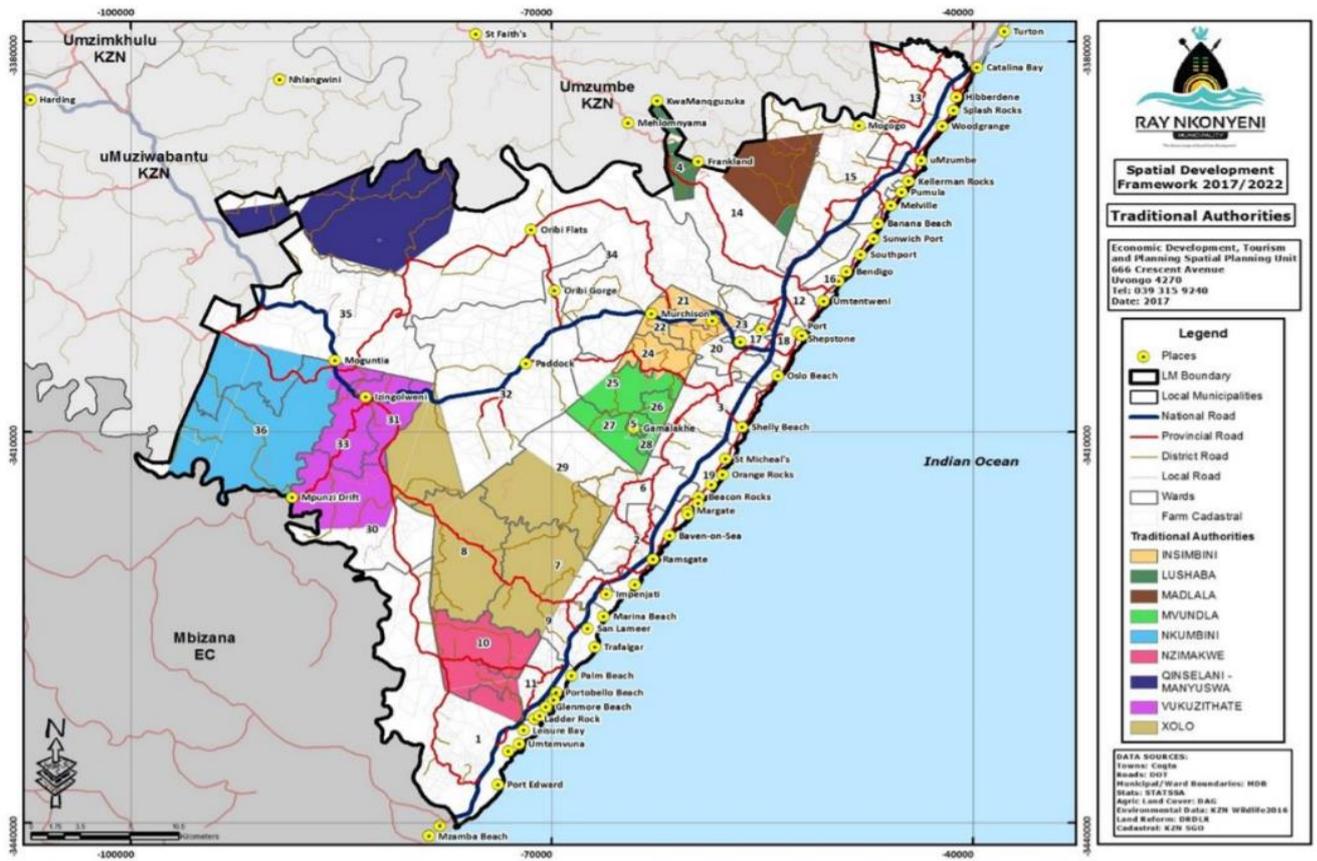
Figure 1: Map of Ray Nkonyeni Municipality



Source: Ray Nkonyeni Municipality IDP, 2017

According to the Ray Nkonyeni Municipality IDP (2017), the Ray Nkonyeni Municipality falls within the Ugu District and is located on the southern part of KZN. The municipal area is characterized by urban formal development on the coastal areas and the inland parts of the area have sparsely populated housing typologies that are less developed. The Ray Nkonyeni Municipality IDP (2017) further states that the geographic area of the municipality is 1594km<sup>2</sup> and has a locational advantage due to it having the National Road (N2) and being a tourist attraction area. The municipality has a population of approximately 348 553, which is considered to be increasing at a rapid rate where the population racial patterns are dominated by Africans (82%) and Whites (11%) (Ray Nkonyeni Municipality IDP, 2017).

Figure 2: Traditional Authority Areas within Ray Nkonyeni Municipality



Source: Ray Nkonyeni Municipality IDP 2017/18, 2017

The municipality's main urban centers such as Hibberdene, Port Shepstone, Shelly Beach, Margate and Port Edward are located along the coast and the traditional settlements which are under tribal authority such as KwaXolo, KwaNzimakwe, KwaNdwalane and Oshabeni (Ray Nkonyeni Municipality IDP, 2017).

## 2.11. Case study area

Figure 3: Location Map of Murchison



Source: Google Maps, 2019

The area that has been selected for the case study is Murchison within Port Shepstone under the Ray Nkonyeni Municipality. The Ray Nkonyeni Municipal Spatial Development Framework (2017), describes Murchison as a linear densely populated peri-urban settlement that is located along the N2 from Port Shepstone, the clustering of four educational facilities and a health facility has contributed to the categorisation of these areas as an Activity Point. The Location of Murchison hospital has contributed immensely to the development of commercial activities and a development of 2 Taxi ranks at this location. The area is located 8 km away from the Marburg industrial area it is 9 km away from the CBD and has a high number of backyard rental housing, the study sought to assess the benefits and shortfalls that are offered by the backyard rental sector with specific reference to the area of Murchison Ward 21. According to the Ray Nkonyeni Municipal Spatial Development Framework (2017), Murchison is characterized as a densely populated area that lacks township establishment and is an area that can have public/private investment promotion due to it being strategically located next to the N2. The area has numerous civic services such as schools, clinics, a district hospital, community hall, taverns and tuckshops.

## 2.12. Settlement typology

*Figure 4: BNG Housing found within Murchison*



*Source: Researcher, 2019*

*Figure 5: Housing found within Murchison*

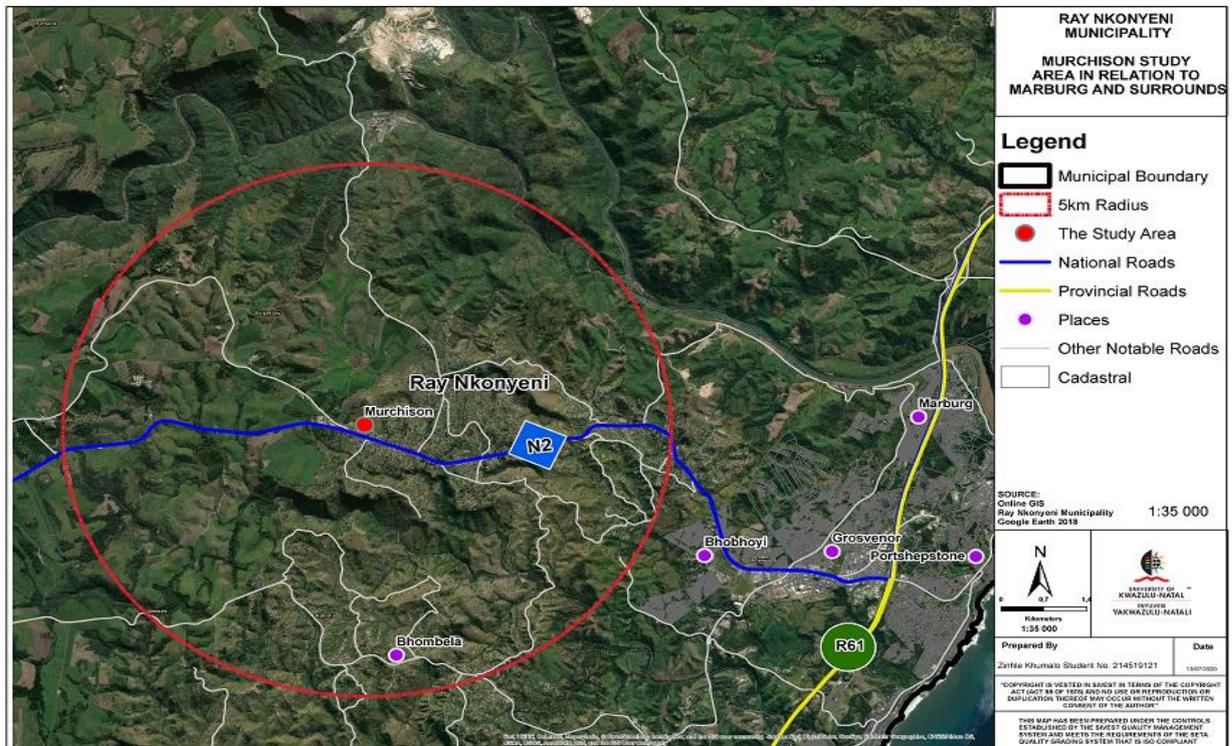


*Source: Researcher, 2019*

The area is peri-urban in nature and is in the process of development with BNG housing, this presents the opportunity to create rental housing which is due to the availability of land, services as well as the demand for such housing as the area is within proximity to economic opportunities. The dwellings available in the area are freestanding. The type of housing that is available within the area is informal (tin housing, as well as housing that is constructed using bricks and mortar) as well as the BNG housing.

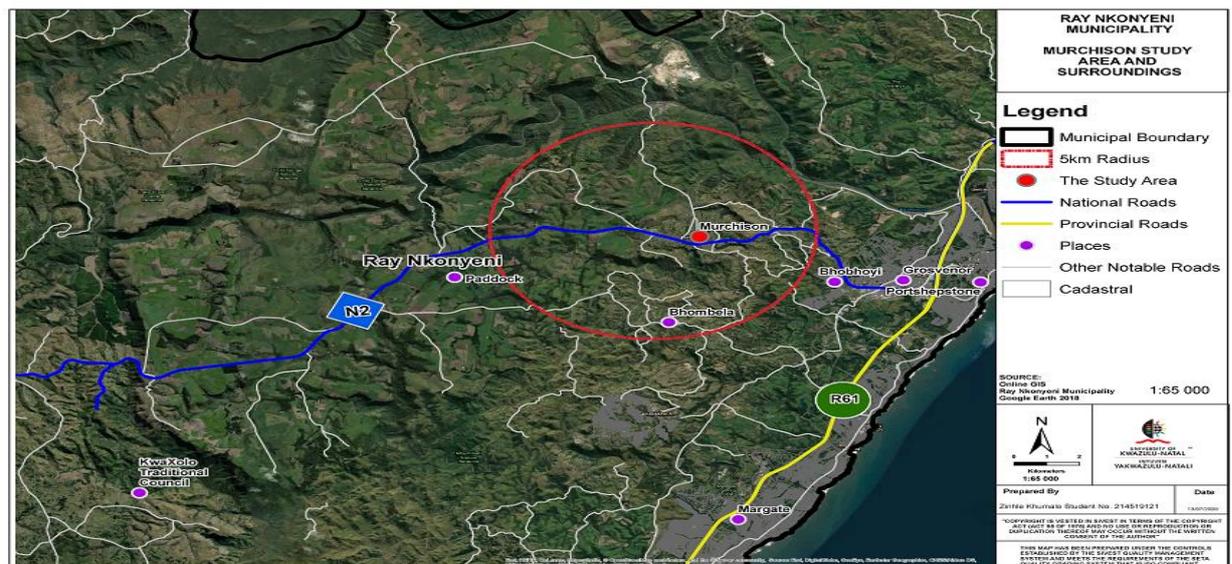
## 2.13. Economic dynamics

Figure 6: Map showing Murchison in relation to Marburg Industrial Area.



Source: Researcher, 2019

Figure 7: Map showing Murchison in relation to other areas



Source: Researcher, 2019

The Ray Nkonyeni Municipality is influenced by different sectors which creates jobs and supports the economic growth of the municipality. Sectors such as agriculture and tourism are dominant within the municipality. Industrial areas such as Marburg have an impact in the municipality's economy and have absorbed households through provision of jobs. The Marburg area is less than 10kms away from Murchison and is considered close as some of the residents walk to Marburg as they work there. According to the Hibiscus Coast Municipality Housing Sector Plan (2009), the main features of the local economy are tourism, commercial agriculture and some limited manufacturing centered around Port Shepstone, Marburg and Margate/Manaba.

According to Ray Nkonyeni Municipality IDP 2017/18 (2017) the municipality has mixed agricultural practice namely commercial and substance farming; commercial farming is dominated by banana plantations, sugarcane farms, whereas substance farming includes maize growing, amadumbe, beans, and sweet potatoes. The agricultural farming which has created jobs for the locals is mainly sugar cane as well as nut farms. As the municipality is along the coast there is a lot of fishing that takes place.

According to Ray Nkonyeni Municipality IDP 2017/18 (2017) Ray Nkonyeni Municipality is a strong tourist attraction place, boasting of well-developed products. The tourism focused areas are Margate, Hibberdene, Shelly Beach and Port Edward, where there are a variety of hotels, clubs, beaches, restaurants, shopping malls as well as golf courses.

## 2.14.Limitations of the Study

The researcher faced challenges in terms of being able to access the Gate Keepers letter on time which led to delays on the anticipated date of finishing the study on time. Secondly, not having enough willing participants made it challenging to collect data within the planned space of time leading to the study taking longer to finish.

## 2.15.Conclusion

This chapter has provided the different research methods that was utilized within the study to provide a better understanding and insight from the different researchers and participants within the study to fulfill the objectives as provided within the first chapter. The case study method to analyze the informal backyard rental housing sector within the area of Murchison was outlined, the type of settlement as well as the housing was outlined to provide an understand of the type of area within which the case study will be based.

# Chapter Three: Theoretical Framework and Literature Review

## 3.1. Introduction

Lategan (2013) highlights that the backyard sector is located within the boundaries of SA, urban areas as well as within rural areas where formal housing has been provided. The high number of backyard dwellings show the demand that is within this sector, this chapter provides working definitions that are utilized within the study. Communities that were once considered anomalous in society, those living without tenure, in informal structures on the margins of society, are becoming a norm in many cities (Gunter & Massey, 2017). The literature review provides an in-depth analysis of the informal backyard rental sector as well as the challenges and benefits that are experienced by the landlords and tenants. The literature review also provides housing policies that are within the South African context as well as how some of the policies have responded to informal backyard rental housing. Furthermore, a theoretical analysis is provided in order to understand the link between informal backyard rental housing and the provided theories.

## 3.2. Literature Review

### 3.2.1. Informal backyard rental housing within the apartheid era

Lamanski (2009:472) states that “insufficient and inadequate housing for the urban poor has a long history in South Africa, with apartheid-era policies of urban containment resulting in overcrowded and under-serviced townships and informal settlements on the urban periphery.” The backyard rental phenomenon began in the 1980s due to a shortage of accommodation that was close to areas of economic opportunity (Lategan & Cilliers, 2016). Lemanski (2009) disagrees with the above statement arguing that the origin of backyard housing can be traced back to the late 1960s when backyard housing became a popular choice, this was due to halt in the construction of housing for urban Black Africans as well as the prohibition of informal settlements. Lamanski (2009) further adds that the increase in urbanization since the 1970s was out of the control of the apartheid government which led to backyard units becoming the popular choice in the yards of formal properties in planned townships.

Informal backyard rental housing can be seen to stem from when the South African government ceased to build formal housing in the late 1960s and early 1970s, which was an attempt to contain urbanization, this resulted in the growing urban population being increasingly accommodated formally as tenants. Gilbert, et al. (1997) further adds that within

the period of 1960- 1970 there was an increase in the black population that was lodged in rooms within the formal houses and doubled up in hostels, the increase resulted in many of the black households moving into backyard shacks. Crankshaw et al (2000) states that the apartheid government allowed the construction of backyard shacks which resulted in land invasion becoming a common practice by the in the mid-1980s, resulting in government loosing regulatory control of South African townships. Morange (1996:6) supports the above by stating that “municipalities allowed squatting and invasion during the apartheid era which was due to the high housing backlog that was faced by residents.”

### 3.2.2. Informal backyard rental housing within the post-apartheid era

The end of the apartheid era saw many of those who could not access urban areas legitimately, gain access to cities via informal housing, either in shanty towns or in the informal backyard structures erected in non-white townships (Gilbert & Morris, 2000). The informal backyard rental housing sector is part of informal housing and is found with numerous settlements within urban centres, rural areas and within the boundaries of South Africa, this housing sector is seen to be helpful due to it providing shelter to those on the housing backlog that are waiting to be housed by the South African RDP programme (Lategan, 2013). Informal backyard rental housing continues to increase and now houses over 756 000 households (StatsSA, 2014), this type of housing is found within new low-cost housing settlements and prolifically in older, well located townships (Lemanski, 2009). Tshangana (2013) claims that with the high number of households that are not absorbed by formal housing, backyard housing has absorbed two thirds of households between 2007 and 2011 (288 000 households), which is exactly double the number absorbed into growing informal settlements (144 000 households).

Lemanski (2009) states that by the year 2009 the proportion of households residing within rented backyard dwelling was increasing at a faster rate than the proportion of households in informal settlements. According to Lategan (2017) the informal backyard rental housing sector includes a rapidly increasing South African housing market due to the sector having a high number of households demanding and supplying such housing. The dawn of democracy in 1994 gave the disadvantaged households the chance to be able to live within urban areas, this resulted in high demand for accommodation where informal backyard rental housing played an essential role of absorbing the high number of people that were migrating to urban areas with hopes of accessing economic opportunities (Shapurjee, le Roux & Coetzee, 2015).

The post-apartheid period presented a belief that the mass delivery of new low-cost housing in cities would soon eradicate the need for households to reside within backyard shacks (Bank, 2007), this has not happened in fact, the proportion of households residing within informal backyard housing has grown steadily in South Africa (Beall et al, 2002). Shapurjee & Charlton (2010:1) highlight that “South Africa’s housing programme transfers a fully funded serviced site and house to qualifying beneficiaries with aims of progressively addressing poverty through homeownership, despite delivering close to 3 million houses since 1994, informal housing still persists.” The point made by Shapurjee & Charlton gives the idea that even though the South African government delivers housing for the poor, there is not enough institutional capacity to deliver such housing resulting in the increase of the housing backlog. Lategan (2013) highlights that the high housing backlog, fast paced urbanization and limited funding on housing programs as well as limited institutional capacity to deliver housing, South Africa’s poor residents have resorted to informal rental market for temporary residence.

### 3.2.3. The characteristics of Informal backyard rental housing

With the given definition of informal backyard rental housing Lategan (2013) and Tshangana (2013) agree that there is not an agreed upon definition of informal backyard rental housing. Furthermore, Tshangana (2013) provides characteristics of informal backyard rental housing which seek to aid in defining informal backyard rental housing, firstly, Informal backyard rental housing operates within a small scale (Crankshaw, Gilbert & Morris, 2000) which seldomly exceeds a few units per property, secondly, “it is produced on privately owned and privately held or controlled land, additionally, accommodation is generally occupied by separate households, units are predominantly utilised for residential habitation” (Gardner, 2010:45), finally, backyard housing can be in the form of commercial and retail spaces and have a wide range of activities such as shops, salons, service providers as well as small scale commercial operations (Tshangana, 2013).

*Figure 8: Low-cost housing with backyard dwellings in Diepsloot*



*Source: Abjater, 2017*

### 3.2.4. Types of backyard dwellings

Informal backyard rental housing has different types of backyard dwellings that are rented by tenants. Watson (2009) distinguishes two categories of backyard dwellings namely, structures built by landlords with the intent to rent to tenants, secondly referring to structures built by tenants on spaces rented from landlords mainly within the informal sector. Carey (2012) provides three different types of backyard dwelling rooms namely 'formally-constructed' backyard rooms are rooms that are detached dwellings that have access to shared services within the property such as outbuildings, garages and backyard rooms. Carey (2012) further adds that another form of backyard housing is pre-fabricated backyard rooms, they are detached units or with access to shared services on the stand (tin rooms, wood rooms, prefab concrete structures etc.). The third type of backyard dwelling is informally-constructed 'backyard shacks' that are free standing shacks constructed out of temporary materials in the form of wood, iron roof sheeting as well as plastic (Gardner, 2010). From the three types of informal backyard housing given by Carey (2012) it should be noted that all the specified units do not meet minimum building standards and such units are found within old townships, subsidized housing areas and informal settlements. Lemanski (2009) further adds that the backyard rooms are utilized for everyday living activities which are inclusive of culinary, hygiene and sleeping needs. The backyard dwellings are always situated within the same compound as the main dwelling. Furthermore, the landlord and tenants share the services such as the tap which is normally positioned in the middle of the yard where everyone can

access easily, services such ablutions and electricity are normally separate from the ones that are utilized by landlord.

*Figure 9: Tin Rooms constructed from iron roof sheeting in Diepsloot*



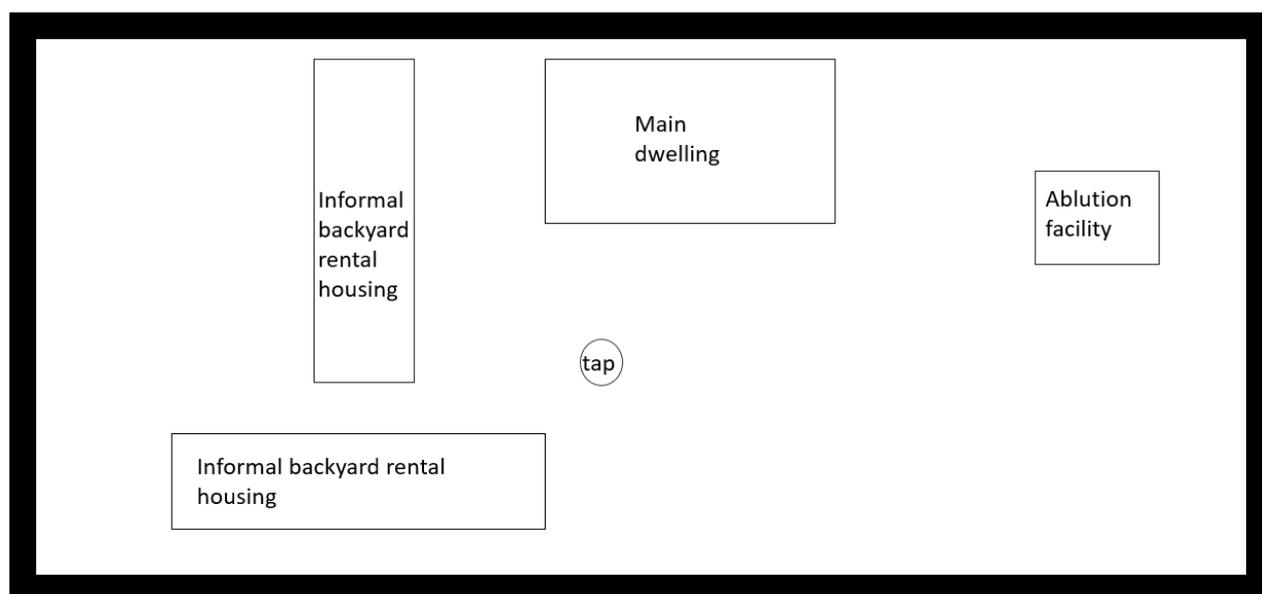
*Source: Chetty, 2017*

*Figure 10: Backyard dwellings in the form of row housing constructed with bricks and mortar*



*Source: Gardner, 2010*

Figure 11: Typical layout of the main dwelling, backyard dwelling as well as basic services



Source: Researcher, 2019

Lemanski (2009) states that backyards have characteristics such as sharing a demarcated stand with a formally developed unit in a formal housing area which has access to services. According to Shapurjee et al (2014) backyard tenants that live within informal backyard rental housing enjoy benefits such as access to sanitation, water and electricity in comparison to informal shanty towns. Lategan & Cilliers (2016:16) suggest that “electrical connections from the main house to the informal dwelling are connected informally, whilst water and sanitation is accessed within the yard, access is sometimes granted to facilities within the main house such as lavatories.” Although there are some similarities between informal settlement dwellings and backyard housing, Lemanski (2009) predicts the continuation and increase of backyard housing because of its preferential access to urban services which are seen to be lacking within the informal settlements. Poulsen & Silverman (2005) point out some advantages of backyard rooms stating that the backyard dwellings often house extended families and support kinship networks, the dwellings can be developed incrementally as the homeowner attains more capital and helps to develop the entrepreneurial skills within communities through rentals.

### 3.2.5. Demand for Rental Housing

Bank (2007) estimates that between 30-50% of all urban township houses have shacks in their backyards, which would mean that a quarter to a third of the township population lives in backyards, mostly concentrated in better-located townships. The high number of backyard dwellings mean that there is a high demand for backyards which are needed by different

households to access housing. McCarthy (2010) states that the demand for rental accommodation is not influenced by income but other factors also considered which include easy access to work and availability of infrastructure. Tshangana (2013) states that the demand for housing is influenced by factors such as lack of alternative accommodation where there is a high demand for accommodation and supply cannot meet the demand, low levels of affordability resulting in households not being able to obtain credit to purchase housing or land to build, as well as demand from households who do not want to own housing.

Carey (2009) states that demand for low-income rental housing outstrips supply within the inner-city areas. The high demand can be due to the easy access to amenities and economic opportunities where households can save on transportation costs. Carey (2009) states that the demand to live within informal rental housing is primarily driven by two factors such as a yearning to reside within the city centre due to it having numerous advantages such as easy access to services and economic opportunities and the low supply of housing stock that caters for missing middle market. The gap market within the housing market faces numerous challenges with access to housing due to not being able to access subsidy opportunities or credit to purchase housing. Tshangana (2013) supports the above statement by stating that demand for backyard dwellings is influenced by households or individuals not being able to access formal or state funded housing, the types of households that may not be able to access such housing are those without a citizenship, illegal residents, people who have already accessed subsidised accommodation and those who do not meet the requirements that are set by the government in order for one to access formal subsidised housing.

### 3.2.6. Supply of Rental Housing

According to Watson (2009) the main supply of informal backyard rental housing is small scale subsistence landlords who are often older and poorer than their tenants and in most cases are female. Rust (2010) highlights that the supply of rental housing is not meeting the demand within South Africa. Gardner (2010) supports the above statement by stating that there is shortage of supply within the rental housing market right up to the R3000 monthly rental level. The shortage of the supply within this sector affects the households of the low-income bracket and those within the gap market who cannot afford to purchase housing.

Tshangana (2013) assesses the factors that affect the supply of informal backyard rental housing which are landlords that build rental accommodation with the intent to make profits, the second motivation for the supply is to provide backyard space to enable family or friends to access the accommodation. Watson (2009) highlights the strategies that can be adopted in to increase the supply of informal backyard rental housing by stating that subsidies can be paid to households to contribute towards rentals in the form of allowances, vouchers or rent

supplements, provision of free or subsidised building materials for rentals where the tenants hire land as well as provision of rental land or housing. The provision of rental housing is in line with the Social Housing Policy which has been implemented within South Africa. Promotion of the rent-to-buy option with the provision of rental land which would be in proximity to economic opportunities and facilities could prove to be beneficial to tenants that face landlords that tend to exploit them.

### 3.2.7. Backyards filling the housing backlog

The informal backyard rental housing sector exists within a larger, complex housing sector that is dependent on formal housing to function (Shapurjee, Coetzee & Le Roux, 2014), the fact that it continues to exist within areas of subsidised housing indicates the important role that is played by this sector of housing (Bank, 2007). Informal backyard rental housing provides shelter to households that are have not been able to access formal housing through mortgage finance or through subsidies, the sector also provides housing to households that seek temporal shelter as they access economic opportunities in the city. Tshangana (2013) supports the above by stating that South Africa's formal government subsidised programme absorbs a large proportion of households every year but is still insufficient to cater for all new households created annually resulting in 713 000 households resorting to live in informal backyard housing, this sector presents an affordable and viable option for some households. In South African cities, overall, between 30 and 50 percent of all township houses have shacks in their yards (Tshangana, 2013).

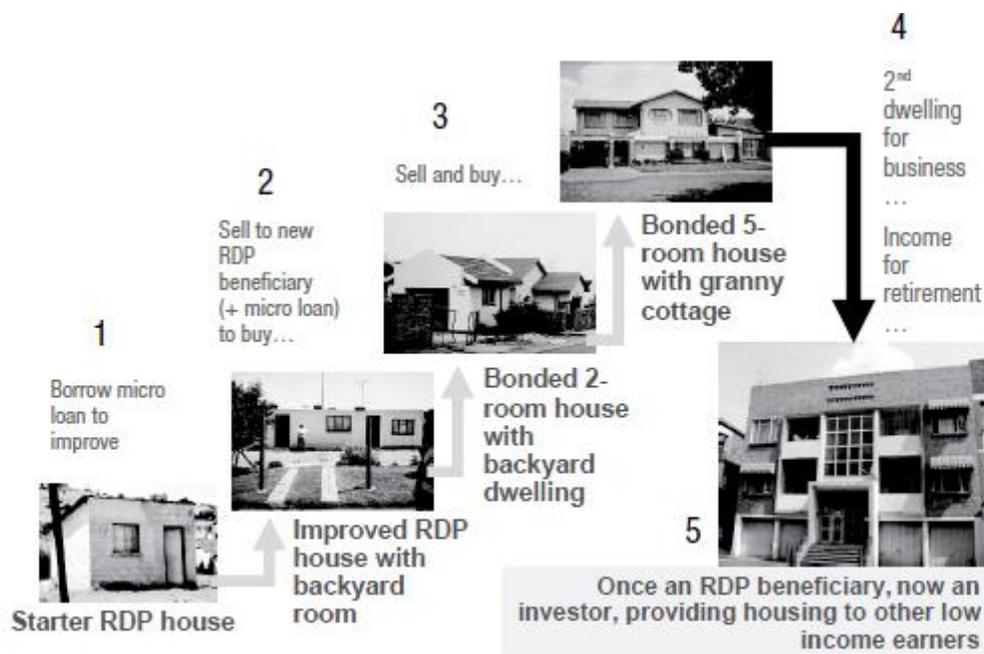
Tshangana (2013) states that the back yarding sub-market addresses the needs of specific sectors of the population who are unable or unwilling to access formal accommodation, either because they are on the waiting list for subsidised housing, they fall into the gap market and do not have effective demand for bonded housing. Lategan (2012) views the informal backyard rental housing sector as critical and needs attention from the public and private sector as it accommodates many households and supports livelihoods. Gardner & Rubin (2013) state that the informal backyard rental housing sector has the capability to relieve pressure from the country's current housing backlog as well as providing alternative and affordable rental accommodation for many of South Africa's urban residents.

Gardner (2010) argues that there is an inadequate capacity for housing delivery it is generally recognised that the state, under current policy, cannot deliver housing (whether to buy or to rent) on the scale required in South Africa at a sustainable rate and within the means of lower-income households. The incapacity of the state to address the backlog at the required scale creates an opportunity for the small-scale landlords to provide accommodation in exchange for rentals. Sharpurjee & Charlton (2013) state that the critiques of backyard accommodation

in South Africa mainly echoes the fact that RDP housing is not enough to address the wider urban housing needs particularly rental housing and how backyard accommodation has been stepping to fill the housing backlog gap. Poulsen & Silverman (2017) support the above statement by stating that since backyard accommodation is built on land that is already zoned residential it should be seen as a solution to South Africa's housing shortage rather than a problem.

### 3.2.8. Moving up the housing ladder

Figure 12: Illustration of the South African housing ladder



Source: Rust, 2006

Rust (2006) defines the ladder within the South African context stating that in the subsidised housing programme, the ladder is envisioned as follows: the title deed given to beneficiaries when they receive their units gives them ownership of a housing asset that can be improved and later sold. The profit from the sale will help them access mortgage finance on their next house. In this way, they can continue to climb the housing ladder, accessing progressively better houses in the process, and maximising their asset value. When households acquire income earning opportunities it leads to them being able to improve the quality of the dwelling that they live in.

Government provides beneficiaries with their first step on the property ladder and then hands them over to the existing capitalist housing market in which they now have a stake, with the assumption of market integration, upward mobility and collateral security. Rust (2007) states

that the incoming earning potential of housing asset (through backyard rental accommodation) provides opportunity for incrementally improving the original houses without a need for mortgage housing finance, and that might help beneficiaries climb out the housing ladder as envisaged by the state.

### 3.2.9. Local experience of informal backyard rental housing: City of Johannesburg

According to Poulsen (2010) after the discovery of gold, the City of Johannesburg (CoJ) was viewed as place of opportunity. Viewing the CoJ as a place of opportunity meant that more people were migrating to the city to access employment which also affected housing demand and supply within the city. As such this resulted accommodation being limited. Poulsen (2010) highlights that this led to overcrowding within buildings where several households would share one apartment resulting in the deterioration of buildings as well as strain on services and lack of management which aggravated the situation. Within the formal townships the number of backyard dwellings within the shadows of subsidised homes continued to increase (Chetty, 2018). The housing situation suggested that there was a shortage of housing that is growing faster than the provision of subsidised housing.

According to the Gauteng Department of Human Settlements (GDHS) (2014:2) informal backyard rental dwellings were highlighted and acknowledged as “a pivotal form of alternative accommodation that needs to be afforded equal stature” in addressing the current housing shortage. The CoJ acknowledges the backyard sector and how it helps to decrease the housing backlog which has not been done by other municipalities within SA. Tshangana (2013) states that the CoJ created plans which are inclusive, where backyard dwellings are included in the primary designs of certain developments such as plans of Alexandra as well as Cosmo City. According to GDHS (2014) Gauteng accommodated funding mechanisms for landlords by developing financial institutions such as Gauteng Partnerships Fund (GPF) and National Housing Finance Corporation (NHFC). The inclusivity and acknowledgement of the backyard sector within Gauteng is a positive step as it benefits the landlord economically (through rentals) and the tenant socially through being able to access shelter. The supply and demand for informal backyard dwellings has prompted the CoJ planning department to investigate and position alternative building materials for the construction of formalised backyard dwellings, thereby affording landlords an asset with value (GDHS, 2014).

Watson (2009) provides the objectives of the Gauteng Backyard Rental Programme which were to eradicate the informal backyard structure and replace them with structures that comply with standards, upgrade and formalise the structures as well as to regulate and enhance the

sector. Watson (2009) further adds that the backyard upgrade encouraged the landlords to raise the rents resulting in the displacement of the poor tenants, agreements between the landlord and tenant remained verbal, some landlords converted their back rooms to businesses, the upgrade resulted in tenants organizing themselves into a Backyard Dwellers Association where they motivated backyarders in other areas to reject the scheme. The upgrading scheme mostly benefited the landlords where the issue of double subsidization occurred where the landlord had accessed the first subsidy through the RDP dwelling and the second subsidy through the backyard dwelling upgrade.

Tshangana (2013) provides an overview of the strategies that have been used by the Gauteng province to address the informal backyard rental housing sector, where the first strategy is building control which is seen in areas such as Cosmo City in Johannesburg where in some low middle and higher income areas the urban management process allowed the development of conventionally constructed approved backyard structures as the structures conformed to minimum standards. Tshangana (2013) further speaks of the active encouragement through zoning tools where in Johannesburg a blanket of second dwelling policies have been implemented further noting that Ekurhuleni created a special land use zone intended to create a legal framework where backyard housing can occur and be adequately regulated. Gauteng Province has taken the step of including backyarding units for rental by beneficiaries in the primary designs of certain developments, including Alexandra and a new phase of Cosmo City's development (Tshangana, 2013). Furthermore, Tshangana (2013) states that a backyard upgrading programme to upgrade and formalise backyard units by eradicating informal structures and replacing them with formal units which complied with the ordinary minimum norms and standards.

### 3.2.10. International experience of informal backyard rental housing: Angola

Authors such as Ebrahim have stated that informal backyard rental housing is a uniquely South African phenomenon when looking at the informal nature of the dwellings and the relationship between tenant and landlord, yet Tshangana (2013) contests the findings stating that evidence from countries such as Norway, Canada, Brazil and India have the same features that are present with the local backyard context. Within the African countries Angola has been found to have a similar nature that of the South African context which will be discussed below. Tshangana (2013) argues that backyarding should not be viewed as less modern or uniquely developing world but as a response to a set of housing needs and as a livelihood response which is universal in its application.

The Centre for Affordable Housing Finance in Africa conducted research on the backyard housing that is found within Angola in the city of Luanda. Within the year of 1975 the newly independent Angolan government inherited real estate, housing, commercial properties and land (Centre for Affordable Housing Finance in Africa, 2017). The land and properties were under the control and ownership of the state. The Angolan Government therefore became responsible for the allocation and management of a total of 127,568 units and apartments across the country, many flats and houses were informally occupied or squatted in the immediate post-independence period and others were allocated by local officials based on their own criteria of need (Centre for Affordable Housing Finance in Africa, 2017).

The Centre for Affordable Housing Finance (2017) states that there is a large sector of informally rented housing within the peri-urban area in Luanda where the rented property may be small as a shared room or go up to a whole, large house, the property being rented may be only a space, it may be a property constructed by the landlord or it may be a formally constructed property, most informally rented housing is an annex in the backyard to the main house and consists of one bedroom and one living room.

The Centre for Affordable Housing Finance (2017) states that in most cases the landlord and tenant have a written informal contract where both parties agree on the rules and expectations of both parties upon renting the property, renting contracts can also be agreed on a verbal manner. The contracts that are undertaken by the landlord and tenant are the same as the ones undertaken within the backyard sector in South Africa. The building materials of rented housing in Luanda are almost always concrete blocks, as is the case with all forms of housing in Luanda, the rental housing offered has less probability of accessing piped water as well as electricity (Centre for Affordable Housing Finance in Africa, 2017).

The backyard rental housing that is offered in Luanda as a response to market demand where households cannot afford to purchase housing, the solutions provided by the Centre of Affordable Housing Finance after concluding the study state that there should be rent to purchase schemes available, governments should review their housing policies and develop strategies for rental housing which removes biases against non-owners. Incorporating the informal backyard rental housing into policy plans can be seen as inclusive as backyards do absorb people that are looking for housing.

Figure 13: Backyard dwellings found within the periphery and inner city in Luanda



Source: Centre for Affordable Housing Finance, 2017

### 3.2.16. The rules and agreements between landlord and tenant

Within most of informal backyard rental housing sector rules and agreements are used in order to help foster a good relationship between the landlord and tenant as both parties live in the same yard. According to Lategan (2017:43) states that “an oral or written agreement or ‘understanding’ may or may not be negotiated that provides permission for settlement and may include terms or rental remuneration, conditions of service access, eviction procedures as well as other landlord and tenants’ rights.” As informal backyard rental housing operates within the informal sector it follows minimal general rules and agreements as it is bound by formal policies and laws that regulate renting between the tenant and landlord. UN Habitat (2011:19) states that “many of the rental agreements maintained between the landlord and tenant are informal in nature, concluded outside the regulatory framework or formal legal system.” Lategan (2012) states that very few landlords have legal lease agreements and most rented units violate building and planning regulations in various ways where if they were to conform to formal systems would impose costs (in time as well as money) that would put renting beyond the means of most low-income households.

Introducing formal agreements within the informal rental sector would result in a high number of households within the low-income bracket not being able to afford to rent within informal backyard rental housing as such households have turned to this sector due to not being able to being absorbed by the formal housing sector. Watson (2009) points out that most supply-side strategies applied in existing areas serve to raise the cost of provision of the rented space or make its provision more difficult and hence would serve to raise rents and/or displace lower income families.

### 3.2.16.1. The Rental Agreements

Lategan (2017) states that the rental agreements that are entered into within the informal backyard rental sector range from informal to formal which are in written form, are verbally agreed upon or never formally communicated between tenant and landlord, instead they evolve according to a range of needs and circumstances. The rental agreements differ from one landlord to another due to the quality of dwelling and services offered, this also includes the rules that are offered by landlords to tenants which also cover what the tenant can and cannot do within the yard, such rules also differ from one landlord to another. Chetty (2018) states that the process of taking deposits, maintaining backyard units and managing informal stock are similar approaches adopted in the formal property market. The point made by Chetty suggests that as much as the backyard sector has informal processes that are not as stringent as the formal rental sector, the processes that are adopted are informed by the formal property rental sector. Lategan (2017) highlights that rental agreements may or may not include provisions on service access, eviction procedures and the rights enjoyed by both landlords and tenants, where no agreement is negotiated before occupation.

### 3.2.17. The reason for the proliferation of informal backyard rental housing

Tshangana (2013) and Lemanski (2009) agree that despite the mass delivery of low-income housing the informal backyard rental sector continues to grow, where the reasoning behind the growth can be concluded to reasons such as failure of housing policy in South Africa as well as the rapid rate of urbanization which results in the housing backlog leading to households resorting to informal backyard dwellings as a last resort (Lategan, 2013).

#### 3.2.17.1. Shortcomings of Housing Policy

South African housing policy highly focuses on promoting and providing homeownership for households, where beneficiaries are expected to utilize their dwellings solely for living and not for income generation (Baumann, 2003; Napier, 2007). 1994 brought about a new change to South Africa as it signified democracy, this resulted in the disadvantaged groups moving into urban areas to access economic opportunities this also meant that such groups needed housing within these areas and the most popular form being rental housing. According to Baumann (2003) and Napier (2007) letting yard space is a direct response to the failures of the housing policy to recognize poor people's poverty, as well as their uses and understandings of land and property. Lemanski (2009:476), further adds that "the housing subsidy scheme itself plays a crucial role in encouraging and creating opportunities for backyard shacks to thrive, although this is clearly an unintended consequence of South

Africa's housing policy it is ironic that a strategy seeking to eradicate informality actually provides additional opportunities for informal backyard housing in the city."

According to Watson (2009), South African politicians are diffident towards supporting and accepting informal rentals due to the liberal promises made to deliver dignified human settlements for all. The liberal promises made by politicians is supported by the South African Constitution which states that 'everyone has a right to housing' (RSA, 1996). The delivery of housing to all who need it is faced by challenges such as capacity and budgetary constraints. Lategan (2012) supports the above statement by adding that the state of the housing market with formal housing delivery declining, demand rising and many people remaining ineligible for housing subsidies, make informal rentals a viable option. According to Morange (1996: 23) "South African housing policies of the past ignored the informal rental market due to an unwillingness to accept informal structures as part of the housing stock." This action is criticized by Lemanski (2009) stating that even though private housing is growing at a rapid rate and is used by the low-income households the South African government still promises and advocates for homeownership.

According to Lemanski (2009), the Breaking New Ground (BNG) housing strategy has some focus on the increase rental options which is viewed as secondary to homeownership. One can state that inclusivity was achieved within the BNG policy as there are more rental options which can cater for the different income brackets and yet despite such strategies brought about by the government, there is still an increase on the households who rent within backyard dwellings (Lemanski, 2009). South Africa faces a high housing backlog, Lemanski (2009) argues that the government fails to acknowledge the role played by the policy itself in encouraging backyard shacks both on the demand-side, as prospective beneficiaries await housing, and on the supply-side as existing beneficiaries seek the means to maintain a formal lifestyle.

### **3.2.18. Governments' view of informal backyard rental housing**

According to Lemanski (2009) backyard accommodation has been critiqued by policy for its informal conditions that are seen to destroy the order that the RDP housing programme is implementing. Backyard housing is acknowledged in policies such as HWP and BNG but there are no strategies outlined to help the sector. Tshangana (2013) outlines the negative connotations that are associated with the sector such as the structures being illegal, accommodation being unsafe and unhealthy due to overcrowding and poorly constructed and not complying with standards. Lemanski (2009) points out that the housing policy's aim to formalise the informal through the provision of subsidy housing proliferates informality because it emphasizes homeownership instead of addressing the issues of rental housing.

The housing strategies are rigid and not accepting of some low-income situations that are faced by households who choose to rent in the informal backyard rental housing while accessing economic opportunities in the city.

Morange (1999) asserts that policies do not support backyard accommodation because they lack technical solutions and conceptual ability to support the market's flexibility. Matsheng (2017) states that the intention of the housing policy to formalise and eventually eradicate poverty through distribution of housing is not efficient in addressing the issues of poverty, beneficiaries still engage in informal activities such as backyard rental accommodation to generate income. Informal backyard rental housing is not receiving support due to it going against the intentions of the housing policy, which is to achieve formality, the policy does not look at how the sector aids both the tenant and landlord through cash in exchange for shelter. Backyard rental accommodation provides households an opportunity to improve their lives because it provides opportunities of income, to improving housing and can help households realise housing as an asset and consequently improve the quality of life of the RDP beneficiaries (landlords) (Matsheng, 2017).

### 3.3. South African policy view

#### 3.3.1. Housing White Paper (1994) (HWP)

The most prominent housing policy to emerge after the advent democracy was the White Paper: A New Housing Policy and Strategy for South Africa, released in 1994, the White Paper acknowledged the existence of the backyard sector and promoted concepts which could be reconciled with addressing the needs of the backyard segments (Lategan, 2012). According to RSA (1994) the concepts included serving all segments of the housing market, enhancing the initiative of individuals to improve their housing circumstances, promoting access to socio-economic opportunities and basic services, promoting freedom of housing choice and removing past discriminatory mechanisms.

Although the HWP acknowledges the backyard sector it does not formulate any mechanisms to help the sector improve, this could be due to reasons as stated by Watson (2009) that traditional housing policies have always regarded informal rentals as temporary in the sense that their inhabitants will later move to low-cost housing; and unwilling to accept informal structures as part of the housing stock (Morange, 1996). According to Lategan (2012) policy intervention is focused on narrow and inflexible approaches, thereby overlooking informal backyard rental sector and its contribution toward housing stock accumulation. Lategan (2013) further states that the HWP did not independently influence or improve the regulation of the

backyard sector at national or provincial level, nor did it contribute to the formulation of policies in this regard.

### 3.3.2. Constitution of South Africa 1996

The Constitution of the Republic of South Africa 1996 is the supreme law of the country of South Africa where section 26 (1) states that 'everyone has the right to access adequate housing' and Section 26 (2) asserts that the state must take legislative and other measures to achieve the progressive realisation of this right in as far as the states available resource allows (RSA, 1996). The above section of the constitution makes it a priority to provide housing for people who cannot provide the means to be able to access housing for themselves, where the state has to use the available resources in other to provide housing for those in need. Ngwenya (2016) agrees that the Constitution is the main guide that housing policy and other applicable laws are drawn from it as it is the ultimate law of the country.

Dugard (2016) states that the right to housing is a nexus right encompassing so much more than just bricks (or tin) and glass (or plastic), the provision of housing is very closely tied to the provision of basic services (water, electricity and sanitation. With the delivery of most housing projects within South Africa Section 26 (1) is fulfilled through the provision of the dwelling, sanitation, water as well as electricity through having the sites being serviced. Tissington (2011) looks beyond the scope of basic services and housing but also considers the amenities that should be provided with housing emphasising the importance of livelihoods, transport, clinics, hospitals, and schools as well as sports fields. Dugard (2016), states the state interventions towards housing and basic services have been primarily restricted to state housing projects, while informal settlements continue to receive interim basic services, including sanitation.

### 3.3.3. Housing Act 107 of 1997

According to South Africa (1997), the rental housing act of 1997, section 2 (1) e (iii), advocates the establishment, development and maintenance of socially and economically viable communities with safe and healthy living conditions to ensure the elimination and prevention of slums and slum conditions. Ngwenya (2016) states that the Housing Act guides the development and implementation of housing policies in South Africa. According to the Housing Act 107 of 1997 (1997), the Housing Act and its amendments is the supreme housing law that replaces all previous housing legislation and clarifies the roles and responsibilities of the three spheres of government to provide housing. Additionally, the Housing Act 107 of 1997 (1997) states that the Minister must set a National Housing Code including a national housing policy and binds all other parties involved with housing to act in accordance with the housing policies.

### 3.3.4. Prevention of Illegal Eviction & Unlawful Occupation of Land Act No.19 of 1998

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998 also known as the PIE Act serves to provide for the prohibition of unlawful eviction, to provide for the eviction of unlawful occupiers and to repeal the Prevention of Illegal Squatting act of 1951 and other obsolete laws; and to provide for matters incidental thereto (South Africa: 1998). The PIE Act seeks to protect households that live in land that is privately owned as well as state owned. According to Dugard (2016) the act also protects households who occupied land lawfully at some point in the past but no longer have the consent of the property owner to occupy the land, as well households who illegally occupied land in the beginning. PIE Act states that eviction or property repossession on grounds of non-payment may only happen if a reasonable amount of warning has been served on the owner or tenant. The PIE Act also protects the tenants from being evicted where the landlord has to provide warnings before evicting the tenant from the property.

### 3.3.5. Rental Housing Act No. 50 of 1999

The second chapter of the Rental Housing Act is titled 'promotion of rental housing property' it speaks of the responsibility of the government in terms of promoting rental housing. The act states that the government must promote a stable and growing market that meets the latent demand for affordable rental housing for households that are historically disadvantaged by unfair discrimination and among poor persons by introduction of incentives, mechanisms and other measures (Rental Housing Act, 1999).

The Rental Housing Act is a legislation that regulates the relationship between landlords and tenants in all types of rental housing (Dugard, 2016). The Rental Housing Act provides the duties for both the tenant and landlord in order to protect the interests of both parties. According to section 15 (1) (f) of the Rental Housing Act (1999), unfair practices can inter alia relate to; the changing of locks, deposits, damage of property, demolitions, municipal services, overcrowding, health matters etc.

Chetty (2018) states that the act sets out the rights and obligations of the landlord and tenant and provides the fundamental rules with regards to rental contracts, including provisions applicable when agreements are either verbal or in writing. Mohamed (2010:2) states that "for the first time, tenants occupying backyard dwelling, outbuildings and other rental dwellings have the ability to challenge unscrupulous landlords." Chetty (2018) challenges the statement made by Mohamed stating that even though the Rental Housing Act of 1999 protects tenants

from landlords, it is often not enforced resulting in many of tenants living within informal backyard dwellings being exposed to corrupt landlords. The point highlighted by Chetty shows that tenants can be exposed to corrupt landlords which may result in a tense relationship between the landlord and tenant where the landlord abuses their power as they cut off the basic services at will. The tenant would then either move out or continue to stay due to issues such not being able to afford other places or the dwelling being in proximity to services. The tenants and landlords within the informal sector are not aware of the rental housing tribunal which would assist in solving the issues between the landlord and tenant.

Section 3 of the Rental Housing Act motivates that the Minister must introduce a rent subsidy programme to stimulate the supply of rental housing property for low-income persons (Rental Housing Act, 1999). Dugard (2016:7), challenges the above statement stating that “It is unclear if the Department of Human Settlements (DHS) regards its current social/rental subsidy programmes as having fulfilled these obligations.”

The Rental Housing Act makes provision for Provincial Rental Housing Tribunals which have been created to resolve (through mediation or formal hearings disputes between the landlord and tenant as well as to safeguard against unfair practices that may prejudice the landlord and tenant (SERI, 2013). The section of the act outlines the duties of the landlord and tenant as well as duties of the rental tribunals. According to SERI (2013), the duties of a landlord include; taking necessary steps in ensuring that the property rented is maintained, the landlord is expected to provide receipts for all rental payments and deposits as well as to respect the tenants’ privacy. SERI (2013) also outlines the duties of the tenants which include paying for the rent and services on time and in full as stipulated by the landlord or rental agreement, where the tenant is only permitted to use the rental property for the purposes agreed upon in the rental contract. The Rental Housing Act No.50 of 1999 makes provision for rental housing tribunals which are to be established across various provinces and are to advise the landlords and tenants of their respective rights and obligations as well as to resolve any conflicts arising from unfair rental practices.

### **3.3.6. Breaking New Ground (2004)**

The Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements was released in 2004 as a response to escalating housing backlogs and the inferior quality of units and neighbourhoods delivered (Lategan, 2012). According to RSA (2004:8) “the only direct reference to the backyard sector cited in BNG denotes the fact that more information on the scale, condition, rental charges and facilities which are provided within this sector and the linkages between this sector and the broader residential property market is required.” Even though the backyard sector was acknowledged within the HWP as well as

BNG, the sector continues to increase despite formal housing delivery, Lategan (2012) states that the BNG continues the established trend of recognizing the sector without providing guidelines for regulation and management.

### 3.3.7. Social Housing Act, No. 16 of 2008

According to Ngwenya (2016) the Social Housing Act (SHA), No. 16 of 2008, is enacted to establish and promote a sustainable social housing environment and to define the functions of national, provincial and local governments with respect to social housing. According to the SHF (2010) the Social Housing Act is the main piece of legislation for the social housing sector which was aligned with the Rental Housing Act of 1997 and Housing Act of 1997. The SHA of 2008 has objectives such as establishing and promoting social housing environment that is sustainable, establishing the roles of the various spheres of government in social housing, providing or the establishment of the Social Housing Regulatory Authority (SHRA) and defining its role as the regulator of all Social Housing Institutions that have obtained or in the process of obtaining public funds (NDoH, 2008).

### 3.3.8. National Housing Code 2009

According to Section 4 of the Housing Act (RSA, 1997), the minister of housing must publish a National Housing Code called the National Housing Code (referred to as the 'Code'. Where the Code (a) must contain national housing policy; (b) may, after consultation with every MEC and the national organisation representing municipalities as contemplated in section 163(a) of the Constitution, include administrative or procedural guidelines in respect of (i) the effective implementation and application of national housing policy; (ii) any other matter that is reasonably incidental to national housing policy.

#### National Government

National government must establish and facilitate a sustainable national housing development process by formulating housing policy. It must also monitor implementation through promulgation of the National Housing Code and the establishment and maintenance of a national housing data bank and information system.

#### Provincial Government

Provincial government must act within the framework of national housing policy and create enabling environment by doing everything in its power to promote and facilitate the provision of adequate housing in its housing in its province, including the allocation of housing subsidies to municipalities.

## Local Government

Local government (i.e. municipalities) must take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to ensure that the constitutional right to housing is realised.

### 3.4. Provincial Policy Interventions for Informal Backyard Rental Housing

The informal backyard sector presents an opportunity to both the tenant and landlord, where the tenant accesses shelter and amenities in exchange for rentals to the landlord which can increase the quality of life. Watson (2009:9) states that “South African politicians are often hesitant in their endorsement and acceptance of informal rentals.” Politicians are hesitant to endorse due to the negative connotation that has been towards informal backyard housing, this is also evident in the national housing policy not addressing the problems that are faced within informal backyard rental housing. Lategan (2014) supports the above statement by stating that national policy does not address the management of current backyard stock or the regulation of future development within the sector.

Watson (2009) argues that traditional South African policies think of informal backyard rental housing as a sector that it is temporary as its residents are to later move into RDP housing. Lategan (2017:79) argues that “In fact renters usually remain in backyard structures, even when RDP projects are delivered as alternatives.” Having households continuing to live within informal backyard rental housing even when alternative formal housing is provided due to reasons stated by Lategan (2017) such as RDP projects being located away from economic opportunities resulting in higher transportation costs due to being located away from economic opportunities. The national policy formulators should provide policies that focus on informal backyard housing in order to eliminate white elephants. One can state that some provincial governments have attempted to face the informal backyard sector as it is rapidly increasing, provincial governments such as Gauteng and the Western Cape have created policies that focus on informal backyard rental housing which will be discussed below.

#### 3.4.1. Western Cape Provincial Government

The Western Cape Province introduced the Western Cape Province’s Social Housing Strategy 2010-2014, the strategy aims to increase the supply of affordable rental accommodation, where it was noted that most of the rental accommodation is normally in demand within the low-income bracket (Western Cape Department of Human Settlements, 2010). The strategy that is introduced within the province planned to formulate policies to support the increase and formalisation of backyard housing within the province. The formalisation of housing within the

backyard sector could result in issues such as high rents that will be charged by landlords. Lemanski (2009) states that many of the problems associated with the formalisation of the informal sector could be mitigated by rent controls, which need to be implemented and monitored by public authorities. Lategan (2017) disagrees with the rent control option stating that it seems unrealistic due to the state's withdrawal as well as having limited public resources.

Lategan (2013) evaluates the Social Housing Strategy stating that it faced challenges which include the strategy not being widely adopted by municipalities within the province due to reasons such as restrictions imposed by financing legislation and policies as municipalities may only use funding to improve property in ownership of the authority in question. The restrictions by finance legislation can be viewed as a challenge towards the strategy reaching its objectives as it hinders the formalisation of the informal backyard rental sector which continues to increase within the province.

The emerging draft policy that was drafted by the Western Cape Department of Human Settlements is to address the matter of backyard housing. Watson (2009) evaluates the policy draft and states that the policy aimed at having housing set aside for backyard tenants, provision of subsidies that support the upgrading of backyard dwellings owned by landlords as well as having backyard dwellings being formalised. Having informal backyard dwellings being included within the housing stock as well as them being formalised means that landlords can be able to access credit and can use the dwellings within the yard as surety. Setting aside housing that will absorb backyard tenants means that they will be able to access formalised housing that can be used as an asset, which is where there will be a shift from tenants being in an informal sector to a formal sector where they are able to access credit and use the dwellings as an asset.

### 3.4.2. Gauteng Provincial Government

The Gauteng Department of Human Settlements drafted a policy document in 2015 which focuses on informal backyard rental housing. The Gauteng provincial government stated that the reason behind this policy is because the province is having an increased population in however the land for the provision of housing does not respond to the growth (Gauteng Provincial Government, 2015). The statistics showed that there is a high number of informal backyard inhabitants which increased from 459,526 in 2001 to 712,956 in 2011 projecting a growth of 4.5% each year (Stats SA, 2011). The rapid increase of informal backyard housing provides a picture of a sector that is contributing towards an increase of housing backlog.

The Gauteng Policy on Backyard Rental Housing (2015:13) has objectives such as cultivating the growth of rental housing market as an affordable housing sector; "facilitating and

encouraging focussed interventions that concentrates on improving the backyard rental housing market”; establishes intergovernmental institutional arrangements that promote backyard rental accommodation. The policy looks at supporting and improving the sector as well as tackles the housing backlog.

## 3.5. Theoretical Review

### 3.5.1. Neoliberalism

The term *neo liberalism* has many synonyms like pure capitalism, neo conservatism, neo classicism, all primarily used for the same set of principles, it is accredited to Adam Smith, who in 1776 invented the idea of a liberal economy and government in his book, ‘The Wealth of Nations’ (Cline, 2001). According to Sandhu (2004) neo liberalism implies freedom which is necessary for economic productivity, progress and development. Lie (2006) gives a more detailed definition of neoliberalism stating that neoliberalism is in the first instance a theory of political economic practices that proposed that human well-being can be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade, the role of the state is to create and preserve an institutional framework appropriate to such practices.

A neoliberal state is one where the government does not have a huge intervention impact on the market and as such a state under this type of governance can result in the people who do not have resources to participate in the markets available being subject to issues such as not being able to penetrate the market and be subject to poverty. Harvey (2005), further stresses that state interventions in markets (once created) must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals and because powerful interest groups will inevitably distort and bias state interventions for their own benefit.

As the neoliberal state functions under the free market it has an impact on housing supply and demand for the different economic classes as Nicholls (2005) states that there are issues under housing affordability such as house price inflation, the relative costs of home ownership, and the shortage of affordable housing. Such issues result in the low-income households not being able to own housing and further have a problem in penetrating the market and moving up the housing ladder, this results the households renting within the private sector as Nicholls stated and also leads to the problem of informal settlements as households cannot afford mortgages. Low-income earners have been highly affected by declining levels of affordability over the last decade resulting in low-income earners renting within the private market (Nicholls, 2014).

Moreover, the low and middle-income households are marginalized in the sense that they are not granted loans easily due to issues of affordability, this is where one sees that there is demand from households to access housing but not have enough resources to access housing resulting in the high-income earners being able to access formalized housing and loans easily due to issues such as affordability. "In order for the housing sector to deliver efficiently, private markets should take the function of producing and distributing the housing stock" (Sandhu, 2004:2). The point articulated by Sandhu has a good impact on the supply of housing as the households do not have to wait long periods of time in order to access housing as the market is ready to supply housing based on affordability, this however has a negative influence on the lower income classes who cannot penetrate the market due to not being able to participate in the market as affordability becomes a hindering factor.

Due to the size and fast growth, the informal housing sector in South Africa has the structure of a neoliberal market (Gilbert, 2014). The backyard informal rental sector falls under the informal and private markets due to not being regulated by the public authorities. This sector has neoliberal characteristics such as; individual entrepreneurial freedoms, free markets and free trade (Harvey, 2005). 'The informal housing sector is a vital form of shelter for many of the urban poor, the structure and nature of this market is not clear as it is found in the informal sector' (Napier, 2009:73). The informal backyard rental housing sector plays a significant role by providing a service to the new urban immigrants that need access to housing thereby providing a source of income to the low-income landlords who rent out the dwellings (Gunter, 2014). The backyard sector absorbs households who come to urban areas in order to access economic opportunities by providing them with affordable accommodation in proximity to socio-economic opportunities.

### 3.5.2. Sustainable Livelihood Approach

According to Hossain (2005) a livelihood is generally defined as comprising the capabilities, assets, including both material and social resources, and activities required for a means of living. Chambers (1991) defines livelihoods as different methods that compromise the capabilities, assets (inclusive of both material and social resources) and activities required for means of living. A livelihood therefore draws on the wealth, knowledge, skills and adaptive strategies of the poor (UNDP, 1998).

Hossain (2005) outlines that a livelihood is sustainable when it can withstand and recover from different stresses and shocks and maintain or improve its capabilities and assets within the present and in the future while not destroying the natural resources. According to Meikle (2001), sustainable livelihoods reflect the needs of deprived individuals. The urban poor are seen as vulnerable due to lack of resources and assets and most vulnerable to poverty.

“Vulnerability to shocks and stresses, rather than just lack of wealth is a defining factor of poverty, the urban poor, whether or not they are migrants, survive through undertaking a variety of activities, which mainly take place in the informal sector.” (Meikle et al., 2001:2).

### 3.5.2.1. Vulnerability

According to Moser (1996) vulnerability has been defined as the uncertainty of the wellbeing of people or communities within a fluctuating environment (ecological, social, economic, political) in the form of sudden shock, long terms trends or seasonal cycles. DFID (1999) defines vulnerability as trends, shocks and seasonality which people have limited or no control on but affect their lives. IDS-Vulnerability and Poverty Reduction Team (2013) argue that vulnerability is a function of assets ownership and factors that mediate assets, poor people are vulnerable due to their low command of assets. The statement made above gives an understanding that the more assets that a household own, the less exposed the household is vulnerability. Olajide (2015) argues that vulnerability has been identified as a major hindrance to sustainable livelihood and poverty alleviation, therefore, creating opportunities and fighting vulnerability from all its dimensions are a prerequisite for sustainable livelihoods and poverty reduction. The poorest and most vulnerable households are forced to adopt strategies, which enable them to survive but not to improve their welfare (Hossain, 2005).

### 3.5.3.1. Livelihood Strategies

According to Hossain (2005) household strategies are values that guide households when seeking housing goods for coping with urban life. Household strategies can be understood as activities that households partake in in order to survive and have access to goods such as food, water and electricity. Urban areas are highly commercialized due to goods such as food and rent being accessed through the market resulting in poor households needing to have more cash income than rural households in order to live (Wratten, 1995; Satterthwaite, 1997).

Roberts (1994) states that by pooling resources, combining resources, being economically involved within the formal and informal economies, by constructing one’s own shelter and the use of social networks, households can be able to avoid being trapped in the culture of poverty through livelihood strategies. ‘In urban areas households seek to mobilize resources and opportunities and to combine these into a livelihood strategy which is a mix of labor market involvement, savings, borrowing and investment, labor and asset pooling as well as social networking’ (Grown and Sebstad cited in Rakodi 2002:6).

### 3.5.3.2. Assets

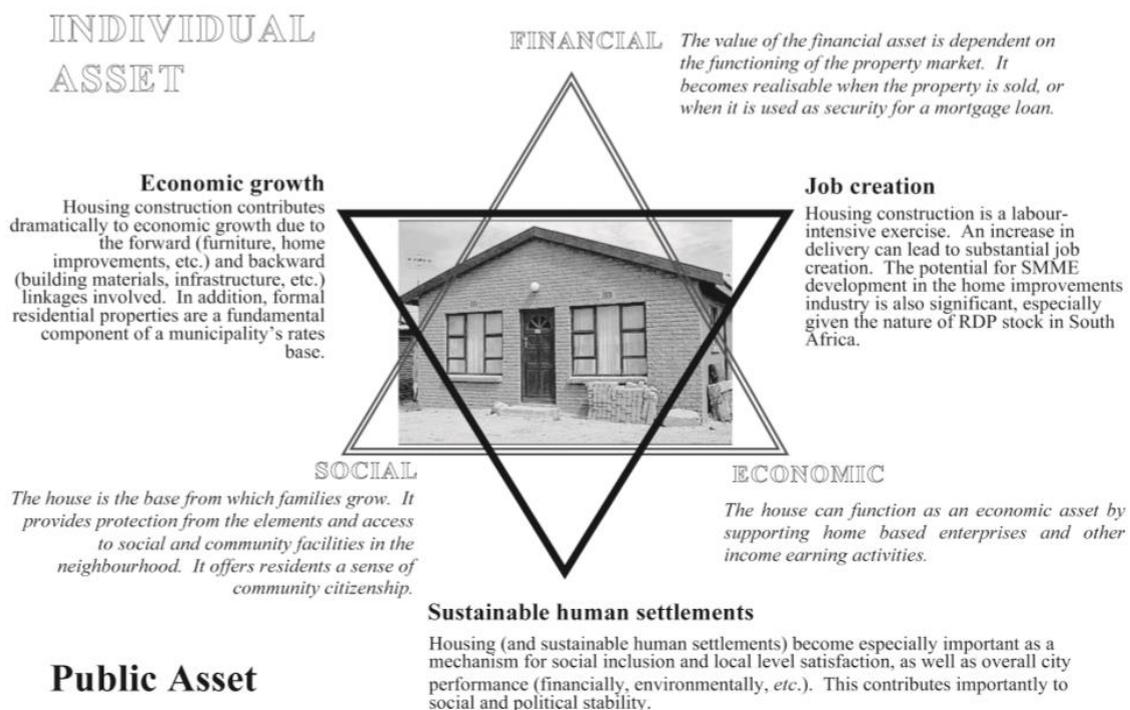
Assets are at the core of livelihoods and poverty and are the bedrock within which livelihoods are built (Elasha *et al.*, 2005). Assets enable people to build capacity to withstand vulnerability

to shocks (Olajide, 2015). According to the World Bank (2011) owning assets determines if an individual or household lives in poverty or not, lack or access to assets can be understood as resources that create opportunities or vulnerabilities. When a household has proprietorship of assets, they can be used to gain income which can aid in the households' access to basic services in order to survive. Rakodi (1999) states that access to assets defines people's capability to achieve improved well-being and lack of access and control over assets is a cause and a consequence of poverty and factor that perpetuates poverty. Olajide (2015), supports the statement made by Rakodi by further adding that access to adequate and balanced assets is therefore necessary for empowerment for living above poverty. Stein & Horn (2012) states that assets are defined as stocks of financial, human, natural or social resources that can be acquired, developed, improved and transferred across generations, including both tangible and intangible assets.

There are many types of assets that are used by both the urban and rural poor but due to the focus of this study housing as a physical asset as well as housing as a financial asset will be outlined below within this theoretical review

### 3.5.3.3. Housing as an Asset

Figure 14: The Housing Asset



Source: Rust, 2008

The concept of housing has long been recognized as more than mere shelter as it is not only to providing privacy and security, especially to the urban poor, but also facilitates economic and physical wellbeing (Hardoy and Satterthwaite, 1990; Ghosh, 1994). Housing is often one of the most important assets for the urban poor, as it is used for both productive (renting room, using the space as a workshop area) and reproductive purposes (Moser, 1998) in addition to shelter. Housing is highly beneficial to the urban poor due to the roles that it can play. Housing can generate income through renting out dwellings to tenants and home-based enterprises (Moser, 1998a; Moser, 1998b; Kellet and Tipple, 2005; Tipple, 2005). Charlton (2013) adds that housing is an important asset because it enhances identity, security and dignity of the households but argues that it does not change the poverty conditions of the beneficiaries. Rust (2007) argues that the incoming earning potential of housing asset (through backyard rental accommodation) provides opportunity for incrementally improving the original houses without a need for mortgage housing finance, and that might help beneficiaries climb out the housing ladder as envisaged by the state.

Rust provides a multidimensional understanding of housing as an asset using a triangle which looks at how housing can add value and be beneficial to the household, it looks at housing from a social, economic and financial perspective which helps the household to shift away from vulnerability. Rust (2008) states that the house as a social asset provides shelter and can be transferred as an inheritance, this form of an asset enhances identity and security. Satterthwaite (2005) agrees with the statement made by Rust by stating that the social networks found within neighbourhoods promotes building community ties as well as the ability to access facilities and services through having a legal address. 'As an economic asset, housing also offers the potential of income generation through home-based enterprises – whether through retail, production or services, or the provision of rental accommodation' states Rust (2008:34). The last role that housing can become as an asset is financial in the sense that it can be sold within the market, used as collateral for households to be active within the market (Rust, 2008).

#### 3.5.3.4. Housing as a financial and economic asset

According to Adebayo (2011) housing can become an economic and financial asset through it being a venue of operating home-based enterprises. The operation of home-based enterprises can help shift the household away from vulnerability through the income that the household will be gaining from it which can improve their state of living. Housing within the informal backyard rental sector can be seen as being able to act as an asset through having the landlord letting out back rooms in order to generate income as well as letting of rooms for commercial purposes as renting out a room to use as a salon, take away shop or spaza shop as well as renting out the garage to use as a workshop. As the provision of RDP and BNG housing

is formal housing and can be used as collateral due to the tenure status that the owns it can enable the owner to access a loan in order to start a business or renovate the home in order to sell and move up the housing ladder. Carey (2010) highlights that when low-income households rent out dwellings it provides an economic benefit as the households are then able to supplement their income which is a livelihood strategy.

Housing as a financial asset was encapsulated in the BNG housing policy amendment in 2004 which emphasised the wealth creation aspect of the housing asset (Charlton, 2013). When households have access to formal housing, they can use it as collateral for loans or can be sold resulting in movement up the housing ladder thereby making them less vulnerable to shocks. Rust (2007) states that housing policy envisioned that the use of housing as collateral can help households to buy better housing they desire and more importantly this would offer households an opportunity to improve their financial situations. Lemanski (2011) disagrees with the notion that selling the households dwelling can result in movement up the housing ladder by stating that there have been where beneficiaries are unable to sell their housing as the transaction values were too low to move up the housing and were unable to purchase better housing. The low price of such housing can be attributed to issues such as beneficiaries not improving the homes before selling as well as the location access to social and economic opportunities available where such housing is located.

Charlton (2013) states that few beneficiaries have used their housing as collateral, this can be due to beneficiaries not considering the housing as a financial asset further stating that literature on housing as a financial asset is weak and insufficient to alleviate poverty. Charlton (2013) further adds that some beneficiaries resort to other strategies such as running a business from the yard and backyard rentals to generate income, such actions are largely unsupported by policy and local authorities. Having policy not supporting the informal income generating strategies is ironic as the BNG policy states that it aims to alleviate poverty through the housing provided.

#### 3.5.3.5. Housing as an asset and poverty alleviation

Moser (1998) states that the poor are owners of very complex assets and that to overcome poverty, policy needs to assist them use their full assets productively. Lemanski (2010) states that in the global South, policies providing property titles to low-income households are increasingly implemented as a solution to poverty, integrating poor households into the capitalist economy using state-subsidized homeownership is intended to provide poor people with an asset that can be used in a productive manner. The objectives of BNG were that housing provision should address poverty alleviation, economic growth and creating an asset for the poor and developing sustainable human settlements (Charlton and Kihato, 2006).

According to Moser (1998) poverty is not only caused by lack of assets but also by the inability to create an appropriate strategy to manage and secure available assets. For the Department of Human Settlements, the delivery of housing is to help individuals and families to use their homes as an asset to escape poverty and create wealth (Cross, 2006).

Lemanski (2010) notes that in the capitalist economy, homeownership is often perceived as the definitive measure of financial success: a commodity that can be traded, improved and used as security for loans, representing an individual's primary stake in the economy. Once households have acquired property, they can be able to generate income or access loans where the property is used as collateral as well as selling the house and moving up the housing ladder. Gordon *et al* (2011) notes that there is a lack of support to the income-generating aspect of housing asset means that the potential of housing to alleviate poverty is squandered. The Department of Human Settlements must make means to educate households of how they utilize their homes in order to gain profits in order to shift away from vulnerability. Charlton (2013) argues that the whole housing asset is flawed, because there is confusion around the government's interpretation of policy and failure of the state to understand the beneficiaries' relationship with housing.

### 3.6. Conclusion

The literature review chapter has provided definitions and an in-depth view of the informal backyard sector by first providing its history and background of how it originated and has assisted by providing shelter to households that want to live closer to the city in order to access economic opportunities in order to better their lives. The benefits that are experienced by tenants such as mobility assists the tenant to be able to relocate easily in order to access opportunities or better quality informal rental housing, whereas the main benefit that is experienced by the landlord is the rentals which can be used to supplement or become the main income for the household, this is where one sees the relationship between the landlord and tenant where one party provides shelter in exchange for rentals in the form of money. The Republic of South Africa has laws and regulations which guide the rental sector and seeks to protect both parties, the Rental Housing Act in particular seeks to resolve any issues through the Rental Housing Tribunal. The literature review supplied the international and local case studies to highlight the differences and similarities of the sector.

## **Chapter 4: Research Findings, Analysis and Interpretation**

### **4.1. Introduction**

The chapter of research findings and analysis focuses on presenting and analyzing the data that was collected within the case study area in order to fulfill the study objectives. The chapter is divided into segments, where the first section outlines the type of analysis that was used within the case study followed by the section that sought to uncover the tenants socio-demographic information as well as the challenges and benefits that are experienced by the tenants. The chapter also provides insight on the landlords' socio-demographic information and uncovers the benefits and challenges as experiences of the landlords. Additionally, there is also a focus of tenancy from the tenants' and landlords' point of view to better understand why the tenants rent within the informal backyard rental dwellings, the issue of the rentals as well as the quality of dwellings from the landlords' perspective. The final section of the chapter uncovers the Ray Nkonyeni Municipality views with regards to informal backyard rental housing within its local authority area.

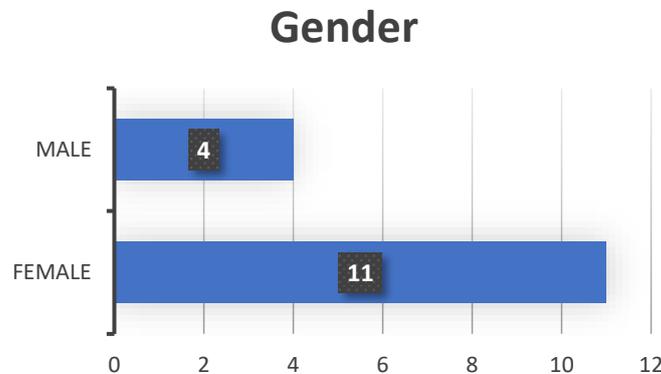
### **4.2. Thematic Analysis**

The thematic analysis identifies, analyzes and helps to report on patterns (themes) within data, it classifies and defines data sets in rich detail (Braun & Clarke, 2006). As the study makes use of qualitative research methods, the thematic analysis will be used in conjunction with the qualitative research method in order to organize and analyze data, this will help to better understand the themes seen within the study. Braun & Clarke (2006:7) state that "a theme captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the data set." The thematic analysis can be understood as highly helpful within the case study as it will help the researcher to organize data collected according to the main and subsidiary questions within the study. Additionally, thematically organizing the data collected for the study aids in analyzing the patterns that take place within the study.

## 4.3. Background of Tenants

### 4.3.1. Age and Gender

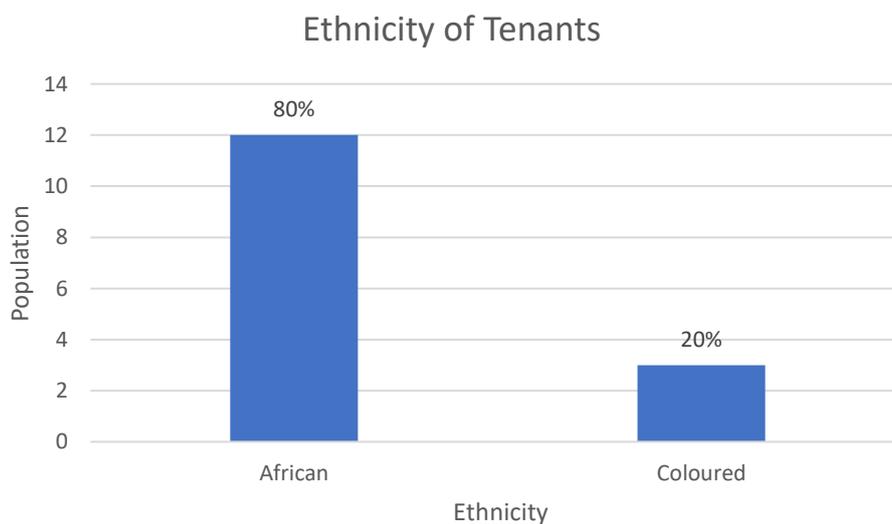
Figure 15: Gender demographics for tenants



Research findings suggest that the dominant gender within the selected population for tenants within Murchison are females at 11 (73%) and 4 (26%) males. The age group of tenants that is most common is the ages of 20-49 which is the age of the workforce that is active within the economy. These findings show that the population that rents the informal backyard dwellings are individuals that are there to work as they are not from the Ray Nkonyeni Municipality.

### 4.3.2. Ethnicity

Figure 16: Ethnicity of tenants



The study found that the chosen population of tenants comprises of 12 Africans and 3 Coloured where Africans are most dominant, this can be due to the Murchison area being a predominantly black tribal area.

### 4.3.3. Employment Status

Table 1: Tenant employment status

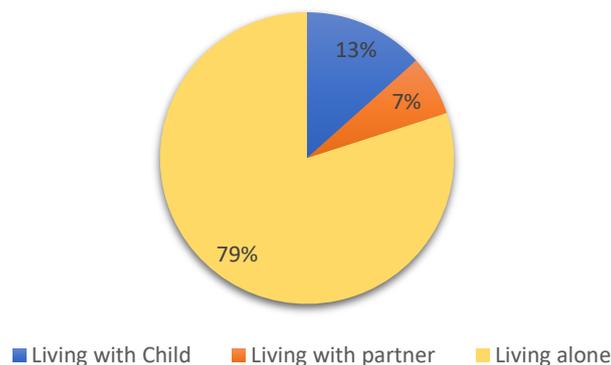
Employment status	Interval	Percentage
Unemployed	0	0%
Employed	15	100%

Findings from the study indicate that from the chosen population of tenants all of them are employed, the reason that they have rented out the backyard dwellings is so that they be closer to work as they are not from around the Ray Nkonyeni Municipality.

### 4.3.4. Number of Persons living within the Backyard Dwelling

Figure 17: Number of persons per dwelling

#### Number of Persons per Dwelling



The study uncovered that from the chosen population, 100% of the tenants are not from within the Murchison area, the tenants have migrated to the city of Port Shepstone in search of better opportunities and to be closer to work, the study also wanted to uncover if the tenants lived with anyone else on the dwelling where it was found that only 2 out of the 15 tenants reside with their children and only 1 out of 15 tenants stayed with their partners, which suggests that residing within these dwellings is purely to access better economic opportunities. Of the given 15 tenants it was discovered that only 3 of the tenants were married and the remaining 12 are single.

## 4.4. Renting Period of Tenants

Table 2: Tenancy period of tenants

Tenancy Period	Interval	Percentage
0-5	10	66%
6-10 years	3	20%
11-15 years	2	13%
Total	15	99%

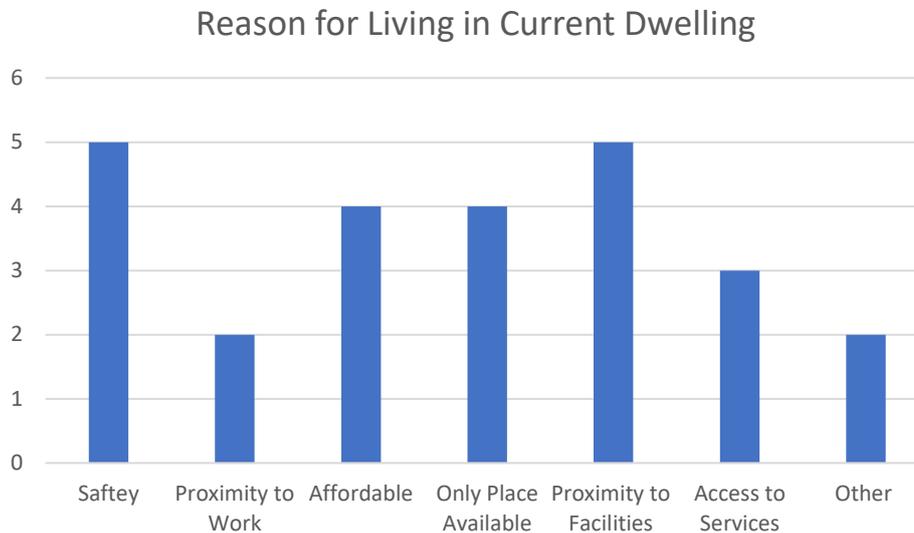
The renting period of tenant is influenced by the services that are accessed, the proximity to work as well as the relationship between the tenant and landlord. The renting period of tenants range from 4 months to 15 years, where a majority of the tenants have been renting for a period of 0-5 years due to recently moving to Murchison, out of the 15 tenants only 4 of the tenants had moved from a different landlord due to issues such as high rents and long water cuts within that section of Murchison. The remaining tenants that have lived within the backyard dwellings for a period of 6-15 years have been with the same landlord and have not moved due to the level of services and relationship with their landlord.

Tenant A1 who has resided in a backyard dwelling for 15 years stated that:

*'I love living here because I am close to the bus stop, the stores are close by and my landlord is like family we spend a lot of time together and there is never any disagreements'*

## 4.5. Reason for Living within the Current Dwelling

Figure 18: Reason for living behind current dwelling



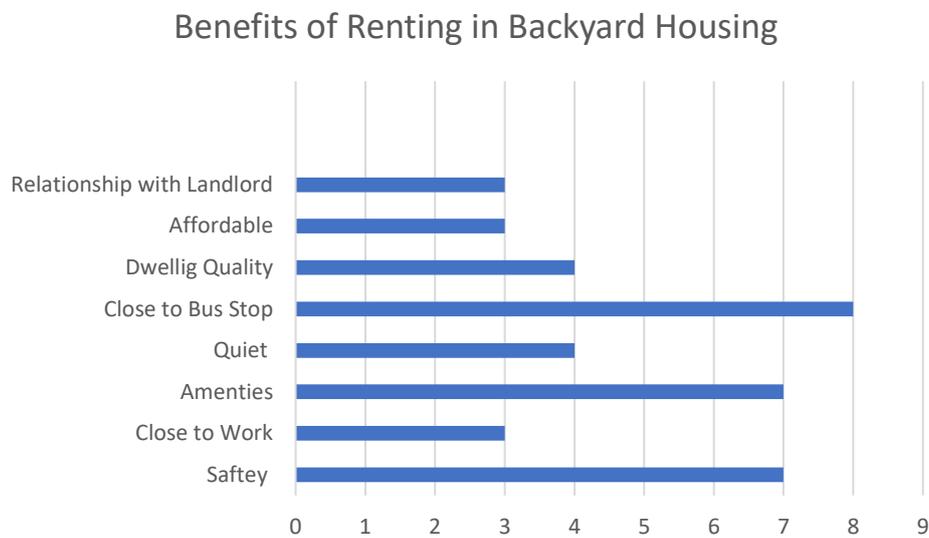
When enquiring about why the tenants chose to reside in the current dwelling a number of reasons were discussed where safety (where there are burglar guards as well as having the premises fenced) and proximity to facilities such as shops and the bus stop being the highest. Reasons such as affordability and the dwelling being the only one available were the second highest reasonings. The tenants stated more than one reason why they live within the current dwellings.

Tenants were asked about how long they plan to stay within their current backyard dwellings, and some of the tenants stated that they do not plan on moving out soon, some stated that they will move out once they retire, 4 (26%) stated that they will move once they are permanently employed as they will be able to afford better accommodation a number of tenants stated that they will move out once they are out of work as they are employed on a contract basis and 1 (7%) tenant stated she will be moving once her stated subsidised dwelling is complete as it is on the progress of being built.

The tenant who intends to move out as soon as possible experiences problems with the landlord due to issues such as the landlord not have adequate basic services (the yard does not access to water and the waste is not disposed of accordingly), there is also a tavern within the yard and that results in noise issues and the landlord does not have a set date within which the tenants should pay rentals.

## 4.6. Benefits Experienced by Renters with Access to IBRH

Figure 19: Benefits of renting in backyard housing



The study wanted to uncover the benefits that are experienced by the tenants within informal backyard rental housing, where tenants stated that the highest benefits are safety, basic services that are within the backyard as well as renting in a yard that is close to the main road and bus stop. The tenants mentioned more than one benefit that they have experienced as they are living within the informal backyard rental housing. The mentioned benefits can be seen as resources that can make the tenants life easier and comfortable within the year which results in less chances of the tenant moving out. Proximity to amenities, living within a quiet yard, quality of the dwelling and affordability of the dwelling are as benefits that are experienced by tenants within the Murchison informal backyard dwellings. The quality of the dwelling has an impact on how long the tenant stays as well as how comfortable they get, this includes if the room is plastered and painted, if there are tiles and burglar guards, the quality of the dwelling has an impact on the overall cost of the dwelling. 3 of the tenants stated that they are happy with the relationship that they have with the landlord and that makes it easier for them to live within the yard, this decreases the chances of the tenants moving out any time soon.

## 4.7. Challenges experienced by tenants within the IBRH

Table 3: challenges faced by tenants

None	Relationship with landlord	Noise within yard	Safety	Lack of basic services	Quality
10	4	4	3	2	2

Gardner & Rubin (2016), state that landlords within this sector have been associated with being unfair where rents are increased without notice and abuse their power when it comes to tenants resulting in strained relationships. The study wanted to assess the level of challenges that are experienced by tenants with regards to living within informal backyard rental housing, the tenants stated the numerous challenges that they experienced within the yard. 10 (66%) of the tenants stated that they had no challenges within the yard whilst the remaining 5 (33%) stated that they experience challenges such as noise within the yard, safety where the yard is not fenced and there is no burglar guards, basic services where there is no adequate access to water within the yard as well as dwelling quality where the tenants feel uncomfortable living within the dwelling due to issues such as the dwelling not being plastered or the roof leaking.

Tenant B2 stated that:

*'The landlord knows that the roof leaks when it rains and this affects our belongings, she keeps saying that she will fix the roof but never does'*

The study found that 4 (26%) of the tenants have issues with their landlords due to how the landlords treat the tenants which results in strained relationships. Majority of the issues between landlord and tenant are due to rentals where the tenants pay late resulting in a reaction from the landlord where there are threats of eviction for the tenant.

#### 4.8. Solutions to the Challenges Experienced by Tenants

The tenants provided solutions to the challenges, by stating that with regards to safety the gate should be locked (in instances where the yard is fenced), the yard should be fenced and burglar guards installed. Within instances where the tenants complained about the noise within the yard the tenants stated that there should be a noise curfew for tenants. Within a particular backyard there is a tavern and backyard dwellings and due to the drinking that takes place on weekends it results in high noise levels which was a complaint from one of the tenants and tenant C stated that:

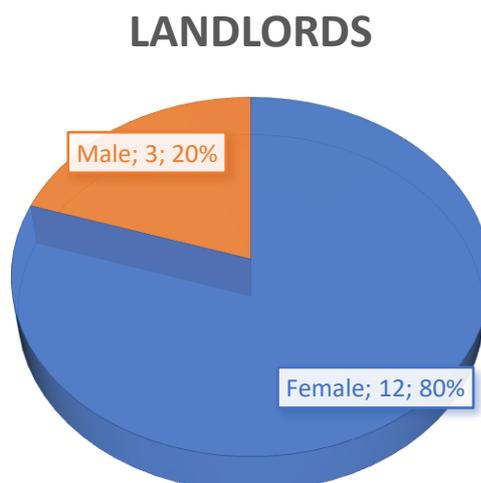
*'Sometimes people move from drinking inside the tavern to standing next to the dwellings and they make a lot of noise and it is not safe as we do not know these people, the landlord needs to enforce the rule that these people must drink inside the tavern and not come out and bother us with noise'*

The tenants that have strained relationships with the landlords stated that the landlords should be considerate and respectful with regards to how they approach them when there are issues and not threatening the tenants with eviction.

## 4.10. Dynamics of landlords

### 4.10.1. Age and Gender

Figure 20: Landlord Gender demographics



Within the area of Murchison, the most dominant gender within landlords was females which was four times more than the number of males within the selected population. This suggests that is a large number of women headed households who rent out dwellings in order to supplement the family income and support the dependents as they are the only adults within the household.

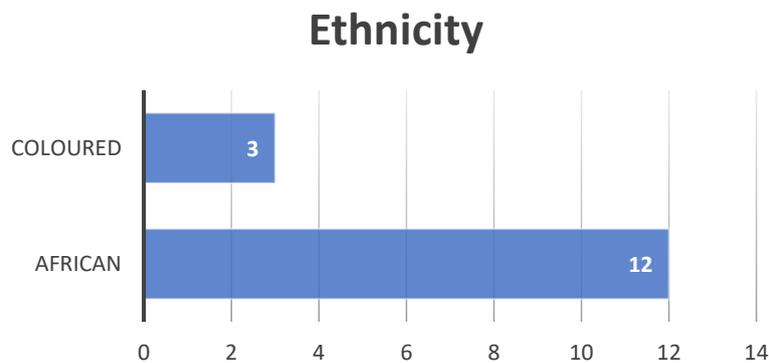
Table 4: Landlord age group

Age	Interval	Percentage
20-29	1	7%
30-39	1	7%
40-49	5	33%
50-59	4	26%
60-69	3	20%
70-79	1	7%
Total	15	99%

The age within the chosen populace was dispersed which is where the youngest landlord was within the age group of 20-29 and having the oldest landlords being within the age group of 70-79. The most dominant age which was 40-49 was a total of 5 landlords within the area, where the landlords let out the rooms because they have children and grandchildren that they are supporting and also want to have an extra income. The age of 40 to 59 years can be seen to consist of landlords who are not employed and seek to have a stable monthly income, whilst the landlords in the 60-79 category are pensioners who also want to have a supplementary income to their pension.

#### 4.10.2. Ethnicity

Figure 21: Landlord ethnicity



The research findings show that the most dominant ethnicity within the case study are Africans (87%) and Coloureds at (13%), this is due to the area being a tribal authority area with a high number of Africans.

#### 4.10.3. Position in the Household

Table 5: Landlords position in the household

Position	Interval	Percentage
Head	13	86%
Partner to Household Head	2	13%
Total	15	99%

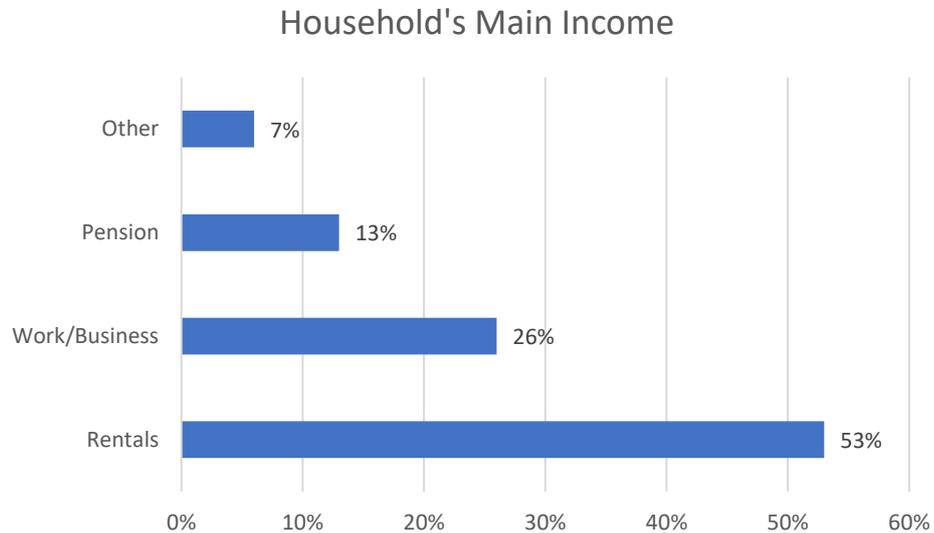
The study's findings found that the 13 (86%) of the landlords were household heads and were the main providers of the household needs, whereas 2 (13%) of the landlords were the partners of the household heads and were the owners of the backyard dwellings. The study area found that 11 (64%) of the households were women headed, the landlords were single and had no adult male figure within the household which resulted in the landlords seeking to adopt livelihood strategies such as renting out backyard dwelling in order to supplement the family income. 2 (13%) of the households are male headed households, where the landlords are married and live with their wives and dependents, the male landlords rent out the dwellings to supplement the income as they have stay at home wives who take care of the home and the yard.

The remaining 2 (13%) backyard dwellings are owned by the partners of the household head, the owners of the backyard dwellings are married to the heads of households and one is male and the other is female. The male is a stay at home father who takes care of the children whilst the wife works far and comes home once a month, the owner built the backyard dwellings with his retirement money so that he could be able to support his wife's studies (she is now the household head as she has obtained her qualification and has a job and supports the family) and to be able to contribute to some of the family needs. The female landlord is unemployed and built the backyard dwellings from the stokvel money she has accessed in order to later renovate her home and have extra money every month.

The findings suggest that the landlords rent out the dwellings in order to have a supplementary income in order to support their families and only 1 case of a landlord who is saving the rentals in order to renovate the dwelling.

#### 4.10.4. Households Main Income

Figure 22:: Households' main income



The households' main income is separated into 4 streams where (8) 53% of the households' main income is from the backyard rentals, this income pays for the basic needs such food, water and some clothing as well as school fees and DSTV accounts of the household. The landlords whose main income is from the rental dwellings are letting out more than 10 units within the yard in order to have a steady income as most of the dwellings are always occupied. It was noted that there is a high demand of the backyard dwellings within the study area which has resulted in landlords charging high prices for the rentals.

26% (4) of the households' main income came from work (salaries) or from the businesses that landlords owned, this is where the rentals become a supplementary income and pay for goods such as school fees and contribute towards savings.

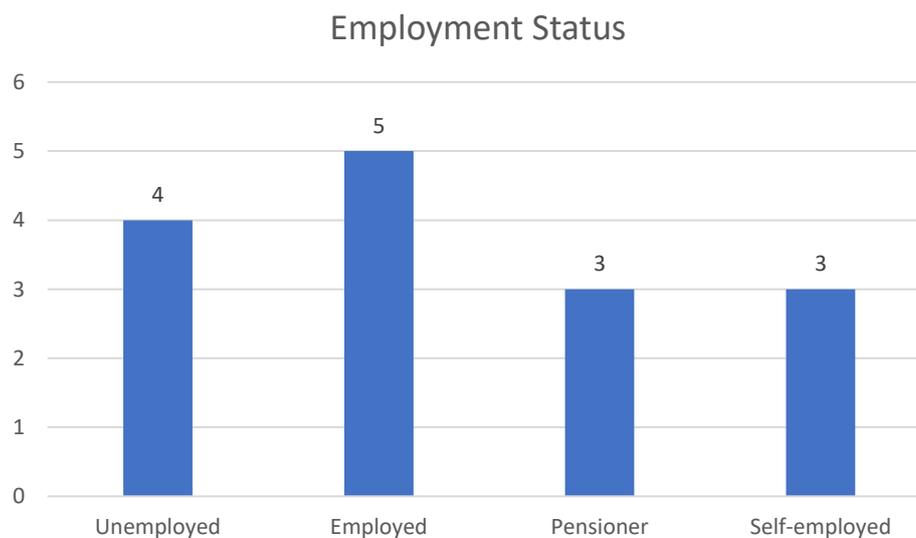
Landlord 1A owns 21 backyard rooms has a catering business and owns a security training school which is situated within the yard, one of the classrooms is also rented out by a local church on Wednesdays and Sundays. Furthermore, the landlord also partakes in short term letting to the students who live far in one of the back rooms, the letting takes a period of 2-3

weeks depending on the course. Within the students' rooms beds and desks are provided and the students only come with their bedding and food. Landlord 1A is the head of the household, the many strings of income that she partakes in are the main contributors to the household income. Landlord 1A is an example of a household that does not depend on the rentals in order to meet the households needs.

13% (2) of the landlords stated that the main income of the household was the pension fund, in such instances where the main income is the pension fund, the landlord owns less than 4 backyard rooms and charges a cheaper rent than the other landlords, the services provided are also of a lesser quality, e.g. pit latrine toilets in comparison to having flushing toilets, where the yard is not fenced etc. The rentals are thus used for costs such as insurance, DSTV and clothing for the dependents of the landlords.

#### 4.10.5. Employment status

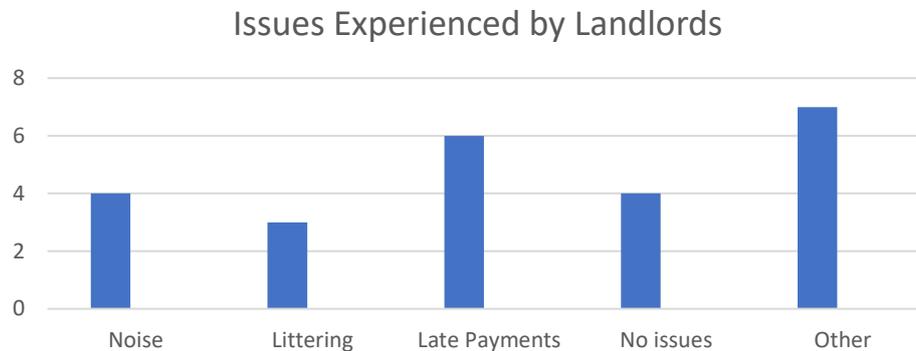
Figure 23: Landlords employment status



The employment status of the landlords varied where 4 (27%) of the landlords were unemployed which made the rentals the main source of income for the household, 5 (33%) of the landlords were employed and noted that the rentals are supplementary income which is used to pay accounts and pays for children's school fees and so on. Additionally, 3 (20%) of the landlords were pensioners which they stated that the rentals were used as supplementary income to the pension that they receive. 3 (20%) of the landlords are recorded as self-employed, the landlords also use the yard for other income generating purposes such as having a tavern, having a security training school, selling chickens as well as selling food at the taxi rank.

## 4.11. Issues experienced by landlords

Figure 24: Issues experienced by landlords



Within the study it was found that 4 (26%) landlords do not experience any issues with the tenants due to them following the rules and agreements that are set by the landlords. 11 (73%) of the landlords stated numerous common issues that they face with regards to tenants mainly; paying the rentals late, noise as well as making the yard dirty due to littering. The other issues were mainly leaving the tap open, breaking things within the property as well as violence within tenants in relationships.

Issues such as littering, leaving the tap open, and breaking things within the property can be due to the yard rules not being enforced strongly by the landlord and tenants being careless by not taking care of the resources that they use within the yard.

The issue of violence between tenant relationships happens mostly when tenants are in a relationship and live together, when they have issues such cheating or when they consume too much alcohol they get into violent fights, which has resulted in some landlords stating that they do not want females who have multiple partners living within the yard.

The paying of rentals late is due to some tenants not getting paid on time at work, the landlords normally have a rule that rentals should be paid by the 3<sup>rd</sup> or 5<sup>th</sup> of each month, if they are not paid by the set date it normally results in arguments.

Landlord B2 stated that:

*'I am a very understanding person, if a person is not going to pay the rentals on time they must notify me so that I can plan ahead, but sometimes the tenants do not tell me and that leads to us having disagreements'*

## 4.12. Finding ways to address the Issues faced by Landlords

Landlords raised solutions to the issues that are experienced within backyards, the solutions mainly focused on noise levels, late payments and littering. Landlord C stated that the tenants should keep noise levels to a minimum so as to not disturb the other tenants. A total of 4 landlords stated that there should be a noise curfew.

Landlord D stated that:

*'Having the tenants only making noise on Fridays and Saturdays and switching off the radio at 10:00 pm will make things easier because not a lot of my tenants' work on weekends and I want everyone to be comfortable here'*

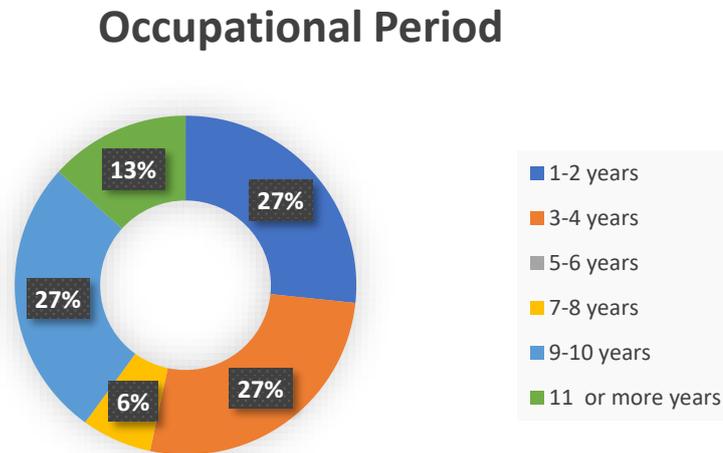
Late payments are one of the issues that affect landlords the most and that results in strained relationships between the landlord and tenants. 2 (13%) landlords stated that the solutions to late payments is eviction where reasoning was that the renting out of dwellings is purely business and if tenants do not pay on time it affects their budgets and plans. 4 (26%) landlords stated that they understand the issues that people who work unstable jobs face and therefore the tenants should notify the landlord when they will be making payments late so that the landlord will know.

With regards to the littering that takes place within the yard landlords raised that the tenants should clean after themselves as well hiring a cleaner to take care of the yard and that is inclusive of the ablution facilities.

## 4.13. Tenancy

### 4.13.1 Tenancy Period

Figure 25: Occupational period of property by landlords



The tenancy period within the backyard of the study area shows that 27% of landlords have rented for a period of over a year to two years, as well as 27% (4) of landlords renting 3-4 years and 9-10 years respectfully. The landlords stated that renting out the dwellings provides an extra income which helps with basics such as paying for food, water as well as insurances and school fees. Within the time period which the landlords have been renting out the dwellings a number of the landlords have been able to extend their main dwellings or build additional backyard dwellings as there is a high number of households that rent out the dwellings due to working within nearby areas such as Marburg, Port Shepstone CBD, Murchison Hospital as well as companies such as Dwala and NPC.

Table 6: Form of payment that is requested by landlords

Form of payment	Interval	Percentage
Cash	13	86%
Debit	2	13%
Total	15	99%

The form of payment that is received for the rentals is either cash or deposited into the landlords account. 86% (13) of the landlords receive cash for the rentals and 13% (2) of the landlords want the rentals to be deposited. Some of the tenants stated that some of the companies do pay the rentals on the tenants' behalf and that results in the rentals being paid

to the landlords. This leads to the data findings showing that most of the landlords receive both cash and debits due to the agreements between the tenants and the companies that they work for. The 13% (2) of the landlords that stated that they want the rentals debited is due to the rentals always being paid late when they are in the form of cash.

Respondent A stated that:

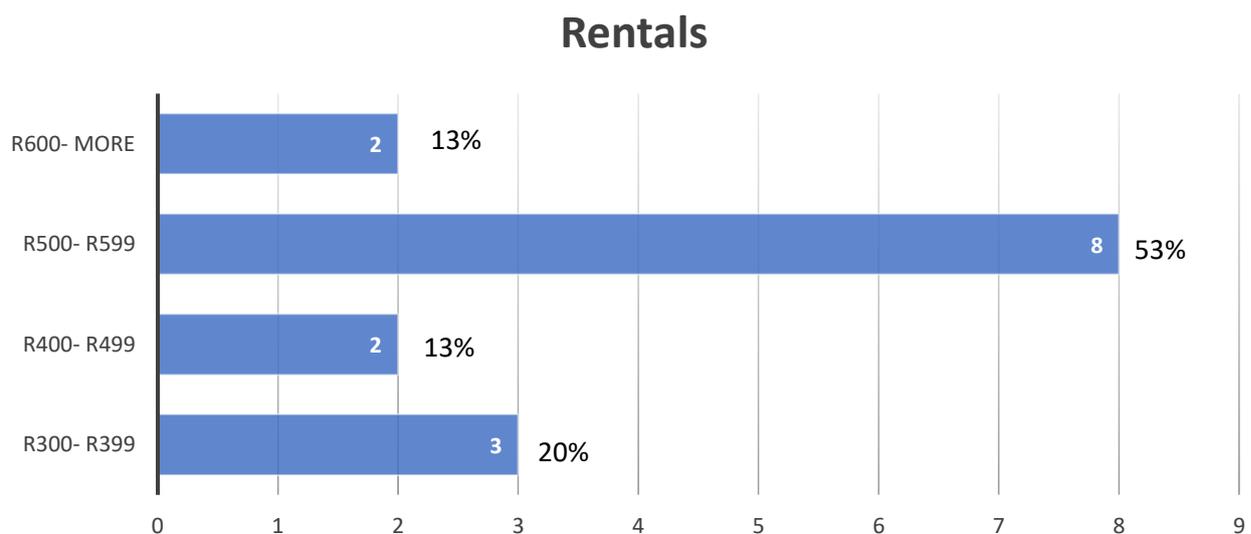
*'Most of the tenants pay the rentals late and this causes issues for me because I have bills to pay, so I made the rule that they need to debit the money when they get paid so that there are no issues between us.'*

#### 4.14. Reasons behind renting out these dwellings

14 (92%) of the landlords stated that the reason behind renting out the backyard dwellings is to access an additional income which can be viewed as of great help to the family. Within the households where the household head is unemployed and is a single parent the rentals pay for everything, including basic goods and services such as food, water, electricity as well as clothing accounts. 1 (7%) landlord stated that the rentals are used for savings in the Stokvel so that they are able to upgrade their family home as the household head works well and provides for the family.

#### 5.14. Lease Agreements between Landlord and Tenant

Figure 26: Rentals price range



Before a tenant moves in the backyard dwelling verbal agreements are made in order to ensure that there is a good relationship between the landlord and tenant. The study found that

there are common agreements that are entered upon by both parties such as having a tenant pay the rentals upfront before moving in and that is considered as a deposit for the tenant in order to secure the dwelling. The rentals ranged from R350.00- R1700.00, where R500.00 was the most common price in the rentals, the landlords charge according to how they view the quality of the dwelling as well as the proximity to facilities and services that are available to the tenants. The tenants are also to let the landlord know ahead of time if they are to move out as well as to notify the landlord if there are any damages.

When asking landlord B the reasoning behind choosing to charge R1700 for the rent the reply was:

*'The dwelling is new, it is safe here because it is fenced, the rooms are 8mx6m for R1700.00 which means that the tenants could share the room, I have electricity, running water and ablution facilities within the dwelling, I also charge a rental of R800.00 for a room that 4mx6m within the new dwelling because it is a smaller size and I have other rooms outside that I charge a rental of R500.00 because they are not fenced as they are not within the yard and are small'*

Although when speaking to tenant A that pays rentals of R800.00 to the same landlord they stated that:

*'I like living here and the rooms are spacious but the only issue that I face is that there are scheduled water cuts by the municipality and sometimes they go on for days which make it hard to live here as the bathroom is in the dwelling and we share it, it is very unhygienic when there isn't any water'*

#### 4.15. Rules Issued by landlords

The agreements that are between the landlord and tenants are rules of what the tenant is expected to do in order occupy the dwellings. The most common rules and agreements that were made between the landlord and tenants were landlords stating that they do not want the tenants to litter, no children are live within the premises, no drinking within the yard and no tenants should have too many partners. The reason behind stating that there should be no littering within the yard is due to not having care takers and so that the yard stays clean. Most of the landlords stressed that there should be no children living within the premises because

of safety issues so that the children are not exposed to issues such as harassment of any kind as well as noise issues within the yard.

The landlords stated that there shouldn't be any drinking within the yard as that results in noise levels and often times in violence occurring within the backyards. The landlords stressed that female tenants should not have a lot of partners because that has resulted in violence between the males that are relationships with the female tenants, within cases where the landlords have experienced such issues the tenants were told to move out as the disruptions and violence will not be tolerated within the yard.

#### 4.16. Relationship between tenant and landlord

Findings from the study discovered that although there are certain challenges that are experienced by the tenants, 14 (92%) of the tenants expressed that overall there is a good relationship between them and the landlords. The tenant who stated that there is not a good relationship with the landlord due to the landlords conduct and treatment of tenants resulting in the tenant wanting to move out of the yard.

When asked about what should be done in order to have a good relationship with the relationship, 15 of the tenants stated that nothing should be done as the relationship is good and stating that 'I enjoy staying here' and 'I love the relationship that I have with her, she is like my sister.'

Tenant D stated that:

*'Nothing can be done about her (landlord) because this is how she is, and the only solution is for me to move out of here so that I can be able to be civil to her in the future'*

#### 4.17. Payments of rentals

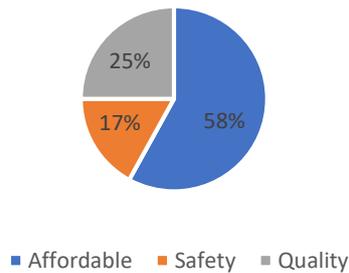
The form of payments as an exchange between the landlord and tenant is money and it is expected to be paid at a certain date as per verbal agreement between the two parties. 11 (73%) of the tenants pay rents in the form of cash and 4 (26%) of the tenants debited the rentals into the landlords' bank account. When asked why they debit the rentals 3 (20%) of the tenants stated that the employer pays the rentals and it is work policy to have the rental debited into the landlords account, whilst 1 tenant personally debits the rentals.

Tenant A2 stated that:

*'Sometimes someone in the yard does not pay the rentals on time and the landlord starts shouting at us, so as a person who does not like noise and her knocking on my door, so I made an agreement so that the rentals are debited because she never apologizes for shouting at us'*

Figure 27: Reason for rentals being reasonable

### Reason for Rentals Being Reasonable



The amounts that tenants pay for rentals range from R300.00-1200.00 and tenants were asked if they thought that the rentals were reasonable and 2 (13%) of the tenants said that the rentals were unreasonable, and the landlords were overcharging in comparison to other backyard dwellings. 13 (86%) of the tenants were happy with the rentals that are currently charged due to reasons such as being able to afford the rentals, safety as well as the quality of the dwellings.

## 4.18. The informal Backyard Rental Dwelling

### 4.18.1. Types of rental dwellings

The type of backyard rental dwellings were free standing dwellings as well as row housing. One landlord rented out the main dwelling and lived in one of the backyard dwellings which they saw as a strategy of accumulating more money as they could charge more per room and make a profit as the landlord is unemployed. The most prevalent type of backyard dwellings are the row housing units as seen in figure below, the row housing is most frequently use because it saves space, can accommodate more units and saves costs in building as the units share common walls.

*Figure 28: Row Housing found within Murchison*



*Source: Researcher, 2019*

*Figure 29: Main dwelling that is rented out*



*Source: Researcher, 2019*

## 4.19. Quality of the Dwellings

Figure 30: Dwelling quality from the landlords' point of view

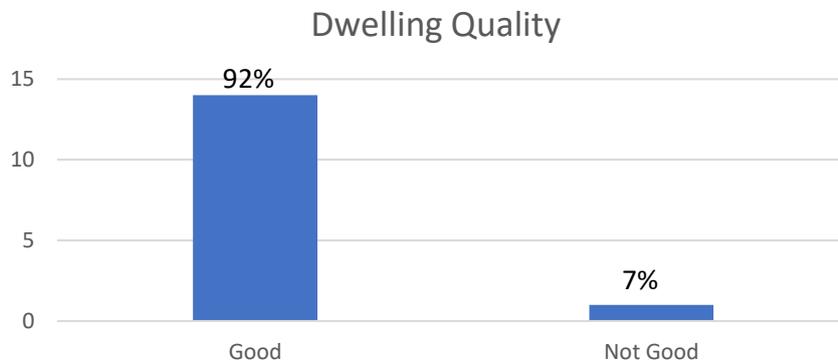


Figure 31: Good quality dwelling from a landlords' point of view



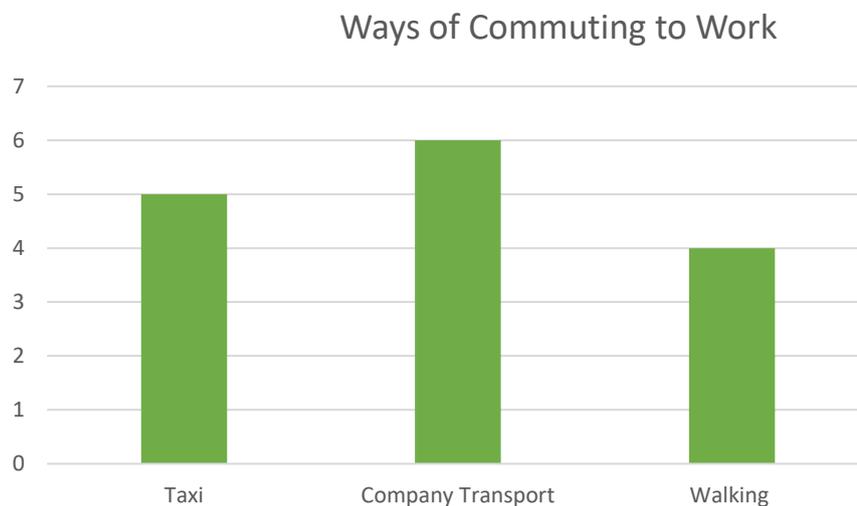
Source: Researcher, 2019

Landlords were asked if they were happy with the quality of dwellings and if they wanted to renovate the dwellings in the future, 14 (92%) of the landlords stated that they were happy with the quality of the dwellings and only 1 (7%) stated the dwelling is not good quality due to the roof leaking and the cracked walls. All landlords stated that they wanted to improve the dwellings as that helps with the profitability of renting out the dwellings. It is to be noted that none of the landlords spoke of accessing loans in order to improve the dwellings which means that the money from the rentals would be the money that is used to renovate the dwellings.

## 4.20. Proximity of Backyard Dwellings to Employment Opportunity Areas

Literature suggests that tenants migrate closer to the city centre in order to access economic opportunities, tenants were asked if they felt that Murchison was within proximity to work and 13 (86%) of tenants felt that the area is close to work whilst 2 (13%) of tenants stated that they felt that the area that they live in is not close to their areas of work and they do not want to move because they are comfortable in the area due to the reasons such as the area being safe, being satisfied with the dwelling quality and its services as well as having a good relationship with the landlord

*Figure 32: Ways of commuting to work by tenants*



The study also found that a number of tenants walk to work or utilize taxis whilst some use company transport which makes living within Murchison convenient for them due to saving on transport costs and being close to work. 5 (33%) of the tenants take taxis to work and do not spend more than R20-R40 a day depending on the area that they work in. The ways within which the tenants commute to work are contributing factors when it comes to selecting the area where they will be renting out the informal backyard rental dwellings, some of the tenants also have to send money home which means that the less money that is spent on rentals and transport the more money that they will be able to use for their own needs and money to send home as well as to have savings.

## 4.21. Services

### 4.21.1. Basic Services Provided

Table 7: Basic services provided by landlords

Basic Service	Interval	Percentage
Water	15	100%
Electricity	15	100%
Waste Disposal	6	40%

According to the Constitution of South Africa (1996), Section 27 (c) states that everyone has the right to access water and the state must make measures to make sure that this right is achieved. As the backyard housing is provided within the yards of BNG housing basic services such as water, electricity as well as sanitation services are provided. All the landlords provide water within the yard as well as electricity and sanitation. The landlords also noted that there are water cuts within the area and there is provision of a communal tap which never runs out of water. All of the landlords stated that the water rates monies are deducted from the tenant's rentals every month.

The Murchison area is considered as peri-urban and therefore the local municipality does not collect waste from the area, this results in the landlords either disposing of the waste themselves or having the tenants disposing of the waste themselves. A total of 9 (60%) of the landlords do not dispose of the waste that is made by tenants resulting in tenants having to burn the waste in the backyard, 6 (40%) of the landlords dispose of the tenants themselves through collecting the tenants waste and disposing it elsewhere or having the landlord taking the responsibility of burning the waste within the yard once a week.

### 5.21.2. Ablution facilities

Table 8: Ablution facilities available

Type of Toilet	Interval	Percentage
Flush Toilet	9	59%
Pit latrine	6	40%
Total	15	99%

*Figure 33: Flushing Toilet*



*(Source : Researcher, 2019)*

*Figure 34: Pit Latrine Toilet*



*Source: Researcher, 2019*

There are two main types of ablution facilities that are found within the backyard dwellings where 9 (59%) of the dwellings flushing toilets and 6 (40%) are pit latrines. Both types of ablution facilities are found within the yard and are detached from the backyard dwellings. The tenants take turns with cleaning the facilities so that they are kept clean.

## 4.23. Interview findings with Municipal Official

The Ray Nkonyeni Municipality has several housing projects that are being delivered simultaneously within areas such as Gamalakhe, Masinenge, KwaXolo, KwaMadlala as well as Murchison and has completed housing projects such as Kwanzimakwe, Oshabeni and Merlewood. The delivery of housing projects results in job creation and skills transfer which can uplift the communities concerned. The type of housing that is delivered within the municipality under BNG is freestanding units as well as 2 story flats.

As Ray Nkonyeni Municipality is along the south coast the area has high agricultural output resulting in the creation of employment and migration into the city due to the tourism and industrial areas that are found within the town.

*Figure 35: BNG housing at Masinenge*



Source: KZNDHS, 2016

*Figure 36: BNG housing at KwaXolo*



Source: KZNDHS, 2016

The meeting between the researcher and municipal official was held at the Ray Nkonyeni Municipality Technical Services Department who holds the position of Policy Specialist. The Policy specialist was recommended by the Technical Services Departments Manager as he felt that the specialist is knowledgeable about informal backyard rental housing and has been involved in policy formulation and informal backyard rental housing issues and trends. The focus of the interview was on informal backyard rental housing and future initiatives of the sector. The findings were as follows:

The municipal official stated that the Ray Nkonyeni Municipality is aware of the informal backyard rental housing sector and it is most prevalent within the low-income areas such as Gamalakhe, Murchison, Kwanzimakwe and Bhobhoyi, all of the mentioned areas have had RDP and BNG housing delivered to them. The Ray Nkonyeni municipality does not view informal backyard rental housing in a negative light as there are a lot of households who have not accessed formal housing, the municipal official proposes that there needs to be a housing needs register where the people who live within informal housing either upgrade or are relocated to formal housing.

The municipality has not taken much action when it comes to the issue of informal backyard rental housing as the municipality is awaiting the informal backyard rental housing policy document to be finalized, once the policy is finalized research will be done so that a housing needs register will be formulated, the only challenge that the municipality faces is finding suitable land.

The future plans of the municipality with regards to informal backyard rental housing include having a housing needs register, walkup flats due to the shortage of land, complying with the informal backyard rental housing policy and formalizing informal backyard rental housing through upgrading or relocating residents to formal housing.

The Ray Nkonyeni Municipality faces numerous challenges with regards to addressing informal backyard rental housing such as the shortage of land, planning regulations that result in some housing projects being white elephants due to them not addressing the changing needs of the beneficiaries, the lack of bulk infrastructure as it is costly to install it within greenfield projects as well as lack of funding to undertake greenfield projects.

The solutions to the challenges that are faced by the municipality include the municipality acquiring suitable land, having a district municipality fund for the bulk infrastructure cost and having a data base of people that need access to housing (i.e. the Housing Needs Register).

## 4.24. Research findings related to literature

This section will compare the literature from different researchers to the findings that were uncovered within the study area and will be discussed below:

Although Bank 2007:20 suggests “most municipalities have not extended basic services to backyard residents”, they do generally acknowledge that backyard dwellings constitute an important alternative source of accommodation in light of municipal housing shortfalls and long waiting lists (Paquet & Donaldson, 2011). Within the area of Murchison, the municipality is aware of informal backyard rental housing and the municipality has not made any efforts to extend the basic services to the households that rent out backyard dwellings.

Carey (2009) states that household renting is cheap and flexible payment is often arranged, payment is in kind rather than cash. The tenants within the study area only pay rentals in the form of cash and there no payment in kind in exchange for shelter.

Bank’s (2007) suggests that municipalities are generally indifferent to the plight of backyard dwellers, refusing to ‘acknowledge their long existence’. The Ray Nkonyeni Municipality acknowledges the existence of informal backyard sector and has plans to aid landlords and tenants within this sector through policy implementation in the future.

According to Morange (2002), tenants prefer to rent in an area that they know well or originate from, are generally well-integrated into the area, building strong neighborhood relationships, with critical mutual support mechanisms developing between tenants and landlords. 14 tenants from the chosen sample are not from the area and have moved into the area in order to be closer to work and proximity to transport systems to work.

Access to water supply and sanitation is generally controlled by landlords, with few backyard dwellings provided with an independent water supply and most found to have no ablution facilities (Zwaige, 2015). Access to water and sanitation is not controlled by landlords within Murchison, the landlords have a tap within the yard which tenants can access whenever they want and tenants have their own ablution facilities and the landlords have their own private ablution facilities, the ablution facilities for the tenants are usually within the yard and are detached from the tenants and landlords dwellings.

Bank (2007) uncovered in his 2005 survey conducted in Duncan Village that 70 percent of households reported no conflict in their communities that were once considered anomalous in society, those living without tenure, in informal structures on the margins of society are becoming a norm in many cities (Gunter & Massey, 2017). Majority of tenants stated that they do not experience any conflict with their landlords and that resulted in some stated that they

do not plan moving from the backyard dwellings as there is a good relationship between the landlord and tenant.

McCarthy (2010), states that the demand for housing is not influenced by income but by other factors, also taken into account which include easy access to work and availability of infrastructure. Tenants stated that choosing the backyard dwelling to rent in is influenced by its proximity to the bus stop, if it is fenced and the quality of the dwelling.

Small-scale landlords offer well located, rental housing for low-income households (Rust, 2006). The small-scale landlords within Murchison rent out backyard dwellings for a cost which is viewed as affordable by the tenants, majority of the rentals were within the R500.00 bracket. The tenants also have an option to move to cheaper backyard dwellings as the rentals differ from landlord to landlord and start from R350.00 to R1700.00. The price of the rentals is based on the proximity to the bus stop, services available within the yard as well as the quality of the dwelling.

Shisaka Development Management Services (2006) point out that small scale landlords who occupy the property from which they let rooms are motivated by survival, income supplementing or a small business strategy due largely to the fact that such landlords generally have low incomes and returns from letting and capital from other sources are generally too limited to enable the landlord to trade up with respect to his or her accommodation. The landlords within the study area rent out the backyard dwellings in order to have a supplementary income so that they can be able to pay for somethings within the household, there are also landlords who are unemployed and use the rentals as their sole income in order to support their families.

Mehlwana (1997:7) states that “there are technical problems such as defective and unsafe electricity connections with frequent outages from over-consumption, as well as social problems such as reliance on good relationships with landlords to access electricity and water, reduces the advantages of backyard living.” Within the Murchison area, there are no unsafe electrical connections to the backyard dwellings or social problems where the tenants need to have good relationships with the landlord in order to access the services, the landlords have their own ablution facilities and water is shared as it is within the yard, there were no cases of landlords locking taps, the ablution facilities for the tenants were mostly outside the house which means that they can access them at anytime.

## 4.25. Conclusion

This chapter provided the data analysis that shows the views of the tenants, landlords and the Ray Nkonyeni Municipality aided in seeing how the three different parties view informal

backyard rental sector and the benefits and challenges that are experienced by tenants and landlords. The municipality official interview provides the municipality's insight and how they plan to address informal backyard rental housing as it is a growing sector.

## **Chapter 6: Summary of Findings, Conclusion and Recommendations**

### **5.1. Introduction**

This chapter seeks to provide a summary of key findings within the study as well as provide recommendations on how to approach the sector and conclusion of the study.

### **5.2. Summary of findings**

The study showed that the high demand for informal backyard rental housing is influenced by the location of the dwellings, including the distance from the mini-bus stop, basic services available within the yard, safety (e.g. fenced or burglar guards installed). Thus, dwellings that are close to the main road are in very high demand.

The demand for 'good quality' (dwellings with good ablution facilities, burglar guards, clean yard and aesthetically pleasing dwellings) is high and it outstrips the offer. This results in some of the tenants living far from the main road and paying way less as some of the landlords do not have enough capital to improve the dwellings resulting in some of the rental dwellings to be vacant and landlords receiving less income from the renting the informal backyard rental dwellings.

Watson (2009) stated that the main supply of informal backyard rental housing is small scale subsistence landlords who are often older and poorer than their tenants and in worst cases are female. The study found most of the statement was true. Majority (13) of the landlords that were interviewed in the study were female and most (10) were women headed households. The age difference was found that most of the landlords were in their 40s and are in a position to be economically active, it should be noted that more than 50% of the landlords do not rely on the rentals in order to make a living but the rentals assist in having a better quality of life and the households are able to afford more due to the supplemented income that comes from the rentals.

The benefits that are experienced by landlords is gaining rentals that help supplement their income, where the rentals can be used to pay for food and other expenses. One of the landlords stated that the rentals that are accumulated are used by the household as part of a stokvel savings in order to improve their home.

Majority of the tenants within the study expressed that living within informal backyard rental housing within Murchison was beneficial due to living close to work where one can commute to work on foot, taxi or being fetched by staff transport. Additional benefits that were most highlighted was safety, access to basic services as well as renting in a yard that is within proximity to the main road. Such benefits are what drives the demand for good quality rental housing within the Murchison area.

Majority of tenants do not experience challenges within the informal backyard rental housing that they occupy and that is highly influenced by the relationship between the tenant and landlord and how they treat each other. Five of the tenants stated that they experienced challenges such as high noise levels, no adequate access to water as well as issues of the landlord not maintaining the dwellings resulting in the tenant not being satisfied with the dwelling quality. There are cases where the tenants report cases of defects within the dwellings and the landlord not fixing them which strains the relationship between both parties as it can sometimes be challenging to find a new backyard dwelling to rent in a short space of time.

The main challenges that are experienced by the landlords is late payments of rentals which results in a strained relationship between the landlord and the tenants. Resulting in cases where some of the landlords stated that late payments result in some tenants being evicted from the dwellings leaving them homeless until they find another landlord within the area.

The rental rules and agreements that are entered between the landlord and tenant before a tenant moves in is verbal. The agreement between the two parties is that the tenant pays the rental upfront and that acts as a deposit for the tenant to live in the dwelling. The rules that are made by the landlord are verbally communicated to the tenant before moving in, this includes, the payment date of the rentals, noise levels, if kids are allowed to live in the yard, littering and so on. In most cases the tenants adhere to the rules, yet the landlords also speak of some tenants who have no regard for the rules and that results in the landlords calling meetings to speak about such issues.

Small-scale landlords are known to offer rental housing that is affordable and well located and caters to the needs of the tenants which becomes in demands because of the quality of the dwelling and within proximity to the bus stop and amenities. The rentals that are received by the landlords become supplementary income for those that are employed, and the unemployed landlords have the rentals as their sole income which supports the family. The affordability of the rentals to the tenants leads to the dwellings being always occupied which results in the landlords having a steady income from the rentals. It was noted in the study that there is not a lot of cases where the tenants' default in the payments of rentals monthly as all

of the tenants are employed. The motivation behind the small-scale landlords renting out informal backyard rental dwellings is due to the need of wanting to supplement their income, to rent out the dwellings in order to have a steady income as some of the landlords have retired and need the money to survive as well as using the rentals for savings to renovate and extend the main dwelling. It was noted within the study that the landlords do not plan to add anymore additional backyard dwellings to rent out as they are satisfied with the rentals that they are getting as well as some having the issue of not having enough space within the yard to add the additional informal backyard rental dwellings.

The Ray Nkonyeni Municipality does not view informal backyard rental housing in a negative light as this sector absorbs households that need accommodation. The municipality is supposed to support the sector through provision of housing but currently is facing a challenge of not having enough suitable land and financial means to tackle the demand.

### 5.3. Recommendations

Backyarding provides small-scale and household landlords with complementary and supplementary income, this economic potential should be supported, especially for some of the most vulnerable groups (i.e. the elderly and previously disadvantaged women-headed households (Tshangana, 2013). As the backyard sector continues to grow despite the housing policies and subsidies that are in place in order to fulfil 'people's right to housing'. Strategies should be in place in order to help the sector prosper. "Any strategy will have to take the sensitive relationship between the tenant and landlord into account in order to strengthen the sector in a regulated manner which does not contradict its most basic principles, the entire backyard sector rests on the need provided by destitute renters and the affordable housing supplied by landlords" (Lategan, 2012: 65). The study of assessing the informal backyard rental housing the following recommendations were noted:

- As informal backyard housing is associated with being located near economic opportunities, government should propose policies to help this sector as there is a problem of having public housing being constructed on the outskirts of the city where it becomes a challenge to access economic opportunities resulting in some people moving back to the informal settlements to be closer to economic opportunities and housing projects not addressing all the socio-economic issues that are faced by the low-income communities
- Rental tribunals should be promoted by government especially as they are able to mediate within informal rental housing and formal rental housing this is decrease

issues and strained relationships between the landlord and tenant. The promotion of rental tribunals would include the Department of Human Settlements having campaigns that teach the community about the rights and responsibilities of both the tenant and landlord and the resources that are at their disposal which would aid in having an well informed rental sector.

- The state should support the informal backyard rental sector through the provision of additional infrastructure such as ablutions in the yard and communal taps as the growing populace is theoretically known to put strain on the infrastructure.
- The Ray Nkonyeni Municipality plans to formalize the informal rental backyard dwellings through upgrading or relocating residents to formal housing. The solution proposed by the municipality may have a negative on both the tenant and the landlord as the landlords need the rentals to supplement their income, this would result in a loss for the landlords if the tenants are relocated. It is also important to note that the housing backlog is ever increasing and if tenants are relocated to better formal housing there will be other tenants that will move into the informal backyard rental housing. Upgrading the informal backyard dwellings will result in the landlords increasing the rentals as the dwellings will be of better quality, such actions will also result in double subsidization as there are still households that have not accessed any subsidies and are still in the waiting list for housing. Both actions affect the tenant and landlord relationship, the provision of additional infrastructure is a better option for both parties.
- Social housing should be provided in small towns that are showing growing economic potential and are anticipating increasing migration rates in the coming years. This option can be especially helpful to households who do not want to live within the area that are renting in forever. The towns can be chosen through having studies done on the rate of immigration within the town as well as the demand of rental housing from the immigration population and affordability of such rentals so that should the social housing eventually be delivered does not turn into white elephants within the town.
- Provincial government must also adopt the mindset that is used by the City of Johannesburg and Western Cape Provincial government as is it helpful and is in line with BNG through the use of housing as means of creating income thus resulting in more households being absorbed into housing through informal backyard rental housing.
- The government must help both the landlord and tenant to attain small loans in order to be able to renovate the dwellings or to purchase land especially in tribal areas where the price rate of land is cheaper and that will result in households incrementally building

their dwellings and create a more stable informal private rental backyard housing sector.

From participating in the study the following knowledge gaps were noted:

- A study that looks at the rate (%) of landlords who upgrade their dwellings from the rental income that is received from the informal backyard rental housing.
- A study that compares the differences in challenges that are experienced by landlords within big cities and small towns.

## 5.4. Conclusion

The study sought to understand the informal backyard rental housing within the small town of Port Shepstone in the area of Murchison. Therefore, the study can conclude that informal backyard rental housing absorbs households who cannot afford to purchase housing and households who seek temporal housing in areas of economic opportunities.

The study uncovered the benefits that are experienced by the landlords and tenants which are the provision of rental accommodation in exchange for income (rental). The availability of such housing is beneficial as it provides shelter at an affordable rate whilst households access economic opportunities.

The study uncovered interesting outcomes such as the fact that tenants choose the dwellings based on safety of the yard, noise levels, cleanliness of the yard and as well as basic services provided within the yard. The reason for less strained relationships between the tenants and landlords is due to the two parties not sharing the basic services as there has case studies where the landlords locks the main house at night if the two parties share ablution services.

The challenges that are experienced by both the landlord and tenant especially those that result in strained relationships can be solved by verbal communication and if there are serious issues the parties should be resort to the rental tribunal which is fair to both the landlord and tenant.

The informal backyard rental sector continues to increase and when the government provides solutions to the sector should avoid issues of double subsidization as that can be viewed as unfair as there is a high housing backlog that increases every year. As the sector continues to proliferate government should work with tribal authorities as small towns such as Murchison are under tribal authority where funding is provided to tenants in order to build incrementally or have the use of the Enhanced People's Housing Process which will result in skills transfer and access to housing through subsidization.

The rules and agreements that are used within the informal backyard rental sector are similar to the ones used within formal rental housing where the difference is that the formal rental sector uses written rental agreements and the informal rental sector uses verbal agreements and such agreements are also important.

## References

- Abjater (2017) Panoramio-Photo of Diepsloot Township scene. [Online] Panoramio.com Available at: <http://www.panoramio.com/photo/35363285?source=wapi&referrer=kh.google.com#>. Accessed 24 March 2019
- Adebayo P.W. (2010), 'Making assets out of Low-income Housing in Post-apartheid South Africa: Policy Issues, Possibilities and Challenges', *International Journal for Development and Social Research*, 1(2), Bhubaneswar.
- Affordable Rental Housing (2008). A look at a vital yet often ignored sector – Development action Group, Cape Town.
- Alvi, M. (2016). A manual for selecting sampling techniques in research. University of Karachi. Iraq.
- Bank, L. (2007). The rhythms of the yards: urbanism, backyards and housing policy in South Africa. *Journal of Contemporary Studies*, Volume 25.
- Bank, L. (2008). Rhythms of the yards: Urbanism, Gender and Backyard shack upgrading in a South African City. *Journal of Contemporary African Studies*, 2(3), pp. 34-45.
- Burke, T. & Tiernan, A. (2002) 'A load of old garbage: applying garbage-can theory to contemporary housing policy', Institute for Social Research, Working Paper No. 3.
- Cain, A. (2017), Angola's Housing Rental Market, Luanda: Centre for affordable housing finance in Africa
- Carey, S. (2009). Investigation into the proliferation of Low-income private rental housing
- Choudry, A., & Shragge, R. (2011). Disciplining dissent: NGOs and community organizations. *Globalizations*, 8(4), 503-517. doi:10.1080/14747731.2011.585855
- Crankshaw, O., Gilbert, A. & Morris, A. (2000). Backyard Soweto. *International Journal of Urban and Regional Research*, 24(4), pp. 841-857.
- Cash, C. (2014). Towards achieving resilience at the rural-urban fringe: the case of Jamestown, South Africa. *Urban Forum*, 25(1), pp. 125-141.
- DE SOTO, H. (2003). *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.

Defilippis, J., & Saegert, S. (Eds.). (2012). *The community development reader* (2nd ed.). New York: Routledge.

Plessis, D.D. (2014). Critical A Reflection on Urban Spatial Planning Practices and Outcomes in Post-Apartheid South Africa. In *Urban Forum* (Vol. 1, No. 25, pp. 69-88).

Ebrahim, Z. (2011), Social Housing Regulatory Authority. [http://www.sahf.org.za/Images/2011%20Proceedings/PowerPoints/Zohra\\_Ebrahim.pdf](http://www.sahf.org.za/Images/2011%20Proceedings/PowerPoints/Zohra_Ebrahim.pdf) Date of access: 2 November 2012.

Gardner, D. (2010). *Small-scale private rental: a strategy for increasing supply in South Africa*. Urban Landmark.

Gardner, D., & Rubin, M. (2016). The 'other half' of the backlog: (Re) considering the role of backyarding in South Africa. In C. Liza, G. Tristan, v. D. Mirjam, S. Warren, & D. Scott, *Upgrading Informal Settlements in South Africa: A partnership Based Approach* (pp. 76-95). Cape Town: UCT Press.

Gauteng Department of Human Settlements (GDHS). (June 2016). *Gauteng Policy on Backyard Rental Policy*. Gauteng.

Gilbert, A., Mabin, A., McCarthy, M. & Watson, W., (1997). Low-Income rental housing: Are South African Cities Different?. *Environment and Urbanization*, 9(1), pp. 133-148.

Gilbert, A. (2014). Housing the Urban Poor. *The companion to development studies*, Volume 21, pp. 257-262.

Gordon, R. & Nell, M. (2006). *Small-scale landlords: Research findings and recommendations*. Pretoria: CSIR Built Environment

Goebel, A. (2007). *Sustainable urban development? Low-cost housing challenges in South Africa*. Johannesburg: Habitat International.

Gunter, A. (2014). Renting shacks: landlords and tenants in the informal. *Urbani izziv*, (25 (s)).

Gunter, A. and Massey, R. (2017). Renting Shacks: Tenancy in the informal housing sector of the Gauteng Province, South Africa. In: Środa-Murawska, S. and Szymańska, D. editors, *Bulletin of Geography. Socio-economic Series*, No. 37, Toruń: Nicolaus Copernicus University, pp. 25-34.

Hasenfeld, Y., & Garrow, E. (2012). Non-profit human-service organizations, social rights, and advocacy in a neoliberal welfare state. *Social Service Review*, 86(2), 295-322. doi: 10.1086/666391

Hossain, S. (2005). Poverty, household strategies and coping with urban life: examining 'livelihood framework' in Dhaka City. *Bangladesh eJournal of Sociology*, 2(1), pp. 20-34.

Housing Act 107 of 1997 (amended by Acts 28 and 60 of 1999; Act 4 of 2001) (Housing Act)

Hurchzermeyer, M. (2002). Informal Settlements: production and intervention in twentieth century Brazil and South Africa. *Latin American Perspectives*, 29(1), pp. 83-105. Johannesburg.

Hurchzermeyer, M. (2003). A legacy of control? The capital subsidy for housing, and informal settlement intervention in South Africa. *International Journal of Urban and Regional Research*, 27(3), pp. 591-612.

Lategan, I. (2012). A study of the current South African housing environment with specific reference to possible alternative approaches to improving living conditions. North West: North West University

Lategan, L. (2013). An Exploration of the Informal Backyard Rental Sector in South Africa's Western Cape Province. Cape Town: ISOCARP.

Lemanski, C. (2009). Augmented Informality: South Africa's backyard dwellings as a by-product of formal housing policies. Habitat International.

Makamu, R. (2012). Background of housing delivery process in South Africa. s.l.:s.n.

McCarthy, M. (2010). Public Sector Rental Housing Programme Implementation, Toolkit for

Misselhorn, M. (2008). Position paper on informal settlement upgrading. Part of a strategy for the second economy. Cape Town: Urban Landmark.

Mohamed, S. (2010). Tenant and landlord in South Africa. Durban: Organisation of Civic Rights

Morange, M. (2002). Backyard shacks: the relative success of this housing option in Port Elizabeth, 13(2), pp. 3-25.

Mosha, A. C. (2013). Low-Income Access to Urban Land and Housing in Botswana. *Urban Forum*, 24(1), 137-154.

Moss, V. (2003). Preview of housing finance systems in four different African Countries: South Africa, Nigeria, Ghana and Tanzania. International Union for Housing Finance, London.

Moyo, W. (2014). Urban Housing Policy and its Implications on the Low-Income Earners of A Harare Municipality, Zimbabwe. *International Journal of Asian Social Science*, 4(3), 356-365.

NDoH 'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements' (2004):[www.westerncape.gov.za/text/2007/10/bng.pdf](http://www.westerncape.gov.za/text/2007/10/bng.pdf)

NDoH 'National Housing Code' (2000)

Özdemir, D. (2011). The role of the public sector in the provision of housing supply in Turkey, 1950–2009. *International journal of urban and regional research*, 35(6), 1099-1117.

Nicholls, S. (2014). Perpetuating the problem: neoliberalism, commonwealth public policy and housing affordability in Australia: *Australian Journal of Social Issues* Vol.49 No.3, 2014.

Phillips, B. (2011) 'The great Australian dream - just a dream?', AMP-NATSEM Income and Wealth Report, Issue 29, July, Sydney

Rental Housing Act 50 of 1999 (amended by Act 43 of 2007) (Rental Housing Act)

Rust K. (2006), 'Analysis of South Africa's Housing Sector Performance', FinMark Trust, South Africa.

Rust K. (2008), 'Exploring the Housing Asset', FinMark Trust, 10, South Africa.

Rust K., Zack T., Napier M. (2009), 'How a focus on asset performance might help "Breaking New Ground" Contribute Towards Poverty Reduction and Overcome the Two economy divide', FinMark Trust, 2009 (54), pp.51-61, South Africa.

Rust, K. (2006). Analysis of South African's Housing sector performance, Johannesburg: Fin Mark Trust.

Shapurjee, Y., Le Roux, A. and Coetzee, M. (2014). Backyard housing in Gauteng: An analysis of spatial dynamics. *Town and Regional Planning*, 64, pp.19-30.

Smit, W. (2006). Understanding the Complexities of informal settlements: insights from Cape Town. In: M. Huchermeyer & A. Karam, eds. *Informal settlements: A perpetual challenge?*. Cape Town: University of Cape Town Press, pp. 103-125.

South African Government (1994), 'The Housing White Paper: A New Housing Policy and Strategy for South Africa', Department of Housing, Republic of South Africa.

South African Government (2004), 'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements', Department of Human Settlements, South Africa.

Tissington, K. (2011). *A resource guide to housing in South Africa 1994-2010: Legislation, policy, programmes and practice*. SERI.

- Tshangana, A. (2013). Local Government Position on Municipal Responses to Backyarders and Backyard Dwellings, s.l.: South African Local Government Association.
- Turok, I. & Borel-Saladin, J. (2014). Is Urbanisation in South Africa on a sustainable trajectory. *Development Southern Africa*, 31(5), pp. 675-691.
- Turok, I. (2016). Housing in the urban premuim. Johannesburg: Habitat International.
- Turok, I. (2016). South Africa's new urban agenda: Transformation or compensation. *Local Economy*, 31(1), pp. 23-45.
- Turok, I. & Borel-Saladin, J. (2016). Backyard Shacks, informality and the urban housing crisis in South Africa: Stopgap or Prototype Solution. s.l.: Housing Studies.
- UN-HABITAT. (2003). The challenge of slums; global report on human settlements. Nairobi: UN-Habitat.
- UN-HABITAT. (2009). Housing the poor in African cities. Rental Housing: a much neglected housing option for the poor. Quick Guide 7: rental housing. Nairobi: UN-HABITAT
- Van Rooyen, E. & Antonites, A. (2007). Formalising the Informal sector: a case study on the city of Johannesburg. *Journal of Public Administration*, 42(3), pp. 324-346.
- Watson, V. (2009): Strategic literature assessment for informal rental research project, Report to the Social Housing Foundation, March 2009
- Yates, J. and Milligan, V. (2007). Housing affordability: A 21st century problem, Final report. *Australian Housing and Urban Research Institute (AHURI), Sydney Research Centre*.
- Zweig, P.J. (2015). Everyday hazards and vulnerabilities amongst backyard dwellers: A case study of Vredendal North, Matzikama Municipality, South Africa. *Jàmbá: Journal of Disaster Risk Studies*, 7(1), pp.1-8.

# Annexure

## Appendix A: Tenant Interview

### Pre-questionnaire:

1. Position in the household?

-----

2. What is your age and gender?

-----

3. What is your marital status?

-----

4. Does your spouse/partner live in this household?

-----

Ethnicity?

-----

5. What is your occupation?

-----

6. Number of adults living within the household?

-----

7. Number of children living in the household?

-----

8. Head of household employment status

-----

9. Is your house owned or rental?

-----

Tenants

1. Where is your 'home'?

-----  
-----

2. What are the reasons that led you to live here?

-----  
-----  
-----  
-----  
-----  
-----  
-----

3. How long have you been renting here?

-----  
-----  
-----

4. Why did you choose to rent here within this particular backyard?

-----  
-----  
-----  
-----  
-----  
-----  
-----

5. Who do you live with?

-----  
-----

6. How do you commute to work?

-----  
-----  
-----

7. How long have you been renting within this backyard dwelling?

-----  
-----  
-----

8. Why do you live in a backyard dwelling and not anywhere else?

-----  
-----  
-----  
-----

9. What are the three things that you like most about living in this backyard dwelling?

-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----

10. What are the three things that you don't like about living in this backyard dwelling?

-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----

11. What solutions do you have for the things that you do not like about living within this backyard dwelling?

-----  
-----

-----  
-----  
-----  
-----  
-----

12. Do you feel that the location of where you stay is close to work?

13. How do you pay your rentals?

-----  
-----  
-----

14. Do you feel that the rentals are reasonable?

-----  
-----  
-----

15. How long do you plan to stay within this backyard dwelling?

-----  
-----  
-----

16. Do you feel that the basic services provided by the landlord are adequate?

-----  
-----  
-----  
-----  
-----  
-----  
-----

17. Do you experience any issues with your landlord?

-----  
-----  
-----  
-----  
-----

-----  
-----

18. How do you think that these issues can be resolved?

-----  
-----  
-----  
-----  
-----  
-----  
-----

19. Do you feel that you have a good relationship with your landlord?

-----  
-----  
-----  
-----  
-----  
-----  
-----

20. What do you think can be done to have a good relationship with your landlord?

-----  
-----  
-----  
-----  
-----  
-----  
-----

## Appendix B: Landlord Interview

### Pre-questionnaire:

1. Position in the household?

-----

2. What is your age and gender?

-----

3. What is your marital status?

-----

4. Does your spouse/partner live in this household?

-----

5. Ethnicity?

-----

6. What is your occupation?

-----

7. Number of adults living within the household?

-----

8. Number of children living in the household?

-----

9. Head of household employment status

-----

10. Is your house owned or rental?

-----

### Interview Questions

1. How long have you been renting out your backyard units?

-----

2. What is the reasoning behind you renting these backrooms to your tenants?

-----

-----

-----

3. What material is your backyard dwelling constructed out of?

-----  
-----  
-----  
-----

4. Did you construct it yourself?

-----  
-----  
-----

5. What form of payment do you receive for letting tenants stay within your backyard dwelling?

-----  
-----  
-----

6. How much do the rentals cost including the deposit?...how did you arrive at this amount (did you rely on comparing with what other landlords charge or based on your household needs?)

-----  
-----  
-----  
-----  
-----

7. Which is the date within which you want the rentals to be paid?

-----  
-----  
-----

8. Do you receive your rentals on time?

-----  
-----  
-----  
-----  
-----

9. What are the terms and conditions of renting your backyard dwelling?

-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----





-----  
-----  
20. Who is the service provider of the services?

-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----

21. What rules do you have for your tenants?

-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----  
-----

#### Appendix C: Municipality Official Interview

1. Is the municipality aware of the informal backyard rental housing sector within Ray Nkonyeni Municipality?

-----  
-----  
-----  
-----  
-----  
-----  
-----

2. Describe how the Ray Nkonyeni Municipality views informal backyard rental housing?

-----  
-----  
-----  
-----  
-----  
-----  
-----

3. How does the municipality deal with the issue of informal backyard rental housing?

-----  
-----  
-----  
-----  
-----  
-----  
-----

4. What are the future plans of the municipality with regards to informal backyard rental housing?

-----  
-----  
-----  
-----  
-----  
-----  
-----

5. What initiatives does the municipality have in mind for informal backyard rental housing?

-----  
-----  
-----  
-----  
-----  
-----  
-----

6. Does the municipality support informal backyard rental housing with regards to contributing towards the decrease in the housing backlog?

-----  
-----  
-----  
-----  
-----  
-----  
-----

7. What challenges does the municipality experience in terms of addressing informal backyard rental housing?

-----  
-----  
-----  
-----  
-----  
-----  
-----

-----  
-----  
-----  
-----

8. Which solutions can be given in terms of addressing the challenges named above?

-----  
-----  
-----  
-----  
-----  
-----  
-----