

**THE ROLE OF HOUSING ASSOCIATIONS IN MEETING HOUSING NEEDS
AND UPGRADING THE SOCIO-ECONOMIC CONDITIONS OF LOW-INCOME
PEOPLE.**

BY TSHEPO VICTOR LEGODI

SUBMITTED TO THE FACULTY OF ARCHITECTURE AND ALLIED
DISCIPLINES IN PARTIAL FULFILMENT OF A MASTER DEGREE IN URBAN
AND REGIONAL PLANNING(HOUSING)

UNIVERSITY OF NATAL, DURBAN

JULY 1998

ACKNOWLEDGEMENTS

Thanks to my supervisor, Professor Peter Robinson for your guidance, patience and constructive criticisms.

I would like to pass my gratitude to my family and all my friends for encouraging me in my studies.

Special thanks to Cathy Oelofse, my mentor for all the encouragement and guidance she has given me. To Donald Shaffer, my American friend, thank you for rekindling my spirit when I was down. Finally, I thank the Almighty for the strength HE has given me.

ABSTRACT

The huge housing backlog that plagues South Africa requires concerted effort to develop capacity for low-income delivery systems that will improve the socio-economic conditions of low-income people. Social housing, and housing associations in particular are recent housing delivery systems that promise to meet the needs of low-income people in South Africa.

It is the intention of this research to investigate to what extent housing associations can improve housing delivery and improve the socio-economic conditions of low-income people. The literature review provides information on national experience in housing delivery. It investigates the difficulties of housing provision and how delivery fails to meet the needs of low-income people in South Africa. An international model of housing associations is used to provide an alternative form of delivery that may assist in reducing the backlog.

The research uses integrated development as a framework for housing delivery. This paradigm advocates mixed landuse, and mixed income housing. Thus, it a move against 'housing in the veld' and 'one house one plot' delivery, and encourages housing delivery that is integrated with other functions within the inner city.

Two examples of Johannesburg's inner city housing associations, namely Navarone and Jeppe Oval are used as case studies. These two case studies suit an integrated development approach. The survey includes a sample of 30 people from the two housing associations. Data analysis of the socio-economic issues and responses of tenants suggests that housing associations provide better living conditions and therefore a viable option for housing delivery in inner city areas of South Africa.

TABLE OF CONTENTS

ABSTRACT

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

CHAPTER ONE-INTRODUCTION	1
1.1 Introduction	1
1.2 Study focus and relevance	4
1.3. Research problem	6
1.4 Research question and Subquestions	7
1.5 Hypothesis	7
1.6 Research assumption	8
1.7 Definition of Concepts	8
1.8 Chapter outline	10
1.9 CONCLUSION	11

2. CHAPTER TWO-LITERATURE REVIEW HOUSING ASSOCIATION

CONTEXT	12
2.1 Introduction	12
2.2 Welfarist paradigm	12
✓2.3 Post apartheid housing context	13
2.3.1 Institutional status	14
✓2.3.2 Constrained by the past	15
2.3.3 Rising cost and low affordability	17
2.3.4 Unstable financial environment	18

2.3.5	Misdirected policy goals	19	PART 3
2.3.6	New Ground for housing-Responding to South Africa's urban landscape.	20	
2.3.7	Housing design high density/ low rise	21	
2.4	Precedence to South African Housing associations	22	
2.4.1	Criticisms of and Challenges to housing associations	23	
2.4.2	Housing associations' reforms	26	
2.4.2.1	Public-private partnerships	26	
2.4.2.2	Finance	27	
2.4.2.3	Decentralisation	28	
2.4.2.4	Social democracy of housing associations	28	
2.4.2.5	Housing associations and inner city housing	29	
2.4.2.6	Building Form	29	
2.4.2.7	Renovations of old inner city housing stock	29	PART 4
2.4.2.8	Tenure diversity	30	
2.5.	Recommendations for South Africa's housing associations	31	
2.5.1	Research paradigm	31	
2.4.3.2	Comparative advantages of housing associations using integrated development approach	31	
2.5.2.1	Participation of tenants	32	
2.5.2.2	Partnerships	32	PART 3
2.5.2.3	Landuse and land conservation	32	PART 4
2.5.2.4	Built type	33	
2.5.2.5	Alternative tenure system	33	
2.5.2.6	Urban sustainable development	34	
2.5.2.7	Accessibility	34	
2.6	CONCLUSION	35	

CHAPTER THREE- RESEARCH METHODOLOGY	37
3.1 Introduction	37
3.2 Choice of case study	37
3.2.1 A brief history of case studies	37
3.2.2 Choice of case studies	38
3.2.3 Social housing in the inner city	38
3.2.3.1 Johannesburg Housing Company(JHC)	39
3.2.3.1.1 Tenure and Financial Framework	39
3.2.3.1.2 Jeppe Oval	40
3.2.3.2. Co-ordinate Planning and Education Housing Organisation	40
3.2.3.2. 1 Tenure and Financial framework	42
3.2.3.2.2 Background of Navarone	42
3.2.4 Sampling method	44
3.2.5 Replacement policy	45
3.2.6 Access to data	44
3.2.7 Types of questions	45
3.2.8 Cross tabulations	46
3.2.9 Interviews	46
3.2.10 Problems encountered	46
3.2.11 Data presentation	46
4. CHAPTER FOUR-RESEARCH FINDINGS AND THEIR IMPLICATIONS	47
4.1 Introduction	47
4.2 Analysis of views of respondents	47
4.2.1 The demographics of tenants	47
4.2.2 Gender distribution in Jeppe Oval and Navarone	48
4.2.3 Heads of households	48
4.2.4 Age of heads of households in Jeppe Oval and Navarone	49

4.2.5	Age of heads of households and households type	51
4.2.6	Household type and income level of respondents	53
4.2.7	Employment level of respondents in Jeppe Oval and Navarone	55
4.3	Inner city area perception and housing associations	56
4.3.1	Place of residence before moving to the inner city	56
4.3.2	Housing cost compared to the previous accommodation	57
4.3.3	Rental reference	58
4.3.4	Inner city cost saving	59
4.4	Environmental quality and social issues	61
4.4.1	Physical environment in Navarone	61
4.4.1.1	Built conditions	61
4.4.1.2	Housing units and green space	61
4.4.2	Physical environment in Jeppe Oval	62
4.4.2.1	Built conditions	62
4.4.2.2	Housing units and green space	62
4.4.3	Environmental quality of Navarone	63
4.4.3.1	Crowding	63
4.4.3.2	Noise level	64
4.4.3.3	Neighbourhood quality	64
4.4.4.1	Environmental quality of Jeppe Oval	64
4.4.4.1	Crowding	65
4.4.4.2	Noise level	65
4.4.4.3	Neighbourhood quality	65
4.4.4	Visible and secure playing area for children	65
4.4.5	Performance of the housing associations	66
4.4.5	Interest in owning housing units	67
4.4.6	Community participation in housing estates	68
4.4.7	Encourage others to join housing associations	68
4.6	Conclusion	69

CHAPTER FIVE

5.1	Introduction	70
5.2	A review of research subquestions	70
5.2.1	How do housing associations operate?	70
5.2.1.1	Household type in housing associations	70
5.2.1.2	Financial framework	70
5.2.1.3	Participation of tenants	71
5.2.1.5	Tenure systems and tenure preference	71
5.2.1.6	Tenants' perceptions of housing associations' built structure and environmental quality	72
5.2.2	Housing associations' response to South Africa's urban landscape	72
5.2.2.1	Promotion of inner city housing	72
5.2.2.2	How housing associations promote compact city?	72
5.2.2.3	Mixed landuse and multifunctional activity	73
5.3	Research question review	73
5.4	Hypothesis review	74
5.6	RECOMMENDATIONS	75

6. REFERENCES

List of Figures

Figure 1 Cope Development structure	41
Figure 2 The structure of Navarone Housing Association	43
Figure 3 Gender distribution of respondents	47
Figure 4 Heads of households in Jeppe Oval and Navarone	48
Figure 5 Age of households in Jeppe Oval and Navarone	48
Figure 6 The relationship between heads of household's age and type of households in Jeppe Oval	49
Figure 7 The relationship between heads of household's age and type of households in Navarone	50
Figure 8 Household type and income level in Navarone	51
Figure 9 Household type and income level in Jeppe Oval	52
Figure 10 Employment level of respondents in Jeppe Oval and Navarone	53
Figure 11 Place of residence before Jeppe Oval and Navarone	54
Figure 12 Perception of economic opportunities in the inner city	55
Figure 13 Jeppe Oval and Navarone housing cost compared to the previous accomodation	56
Figure 14 Rental preference	57
Figure 15 Jeppe Oval tenants perception of cost saving of the inner city	58
Figure 16 Navarone tenants perception of cost saving of the inner city	59

List of Tables

Table 1 Capital housing subsidy scheme	14
Table 2 Core housing	17
Table 3 Built environment of Navarone court	61
Table 4 Built environment of Jeppe Oval	62
Table 5 Housing quality of Navarone court	63
Table 6 Housing quality of Jeppe Oval	65
Table 7 Playing field for children	66

Table 7 Satisfaction with management of the housing estate	67
Table 9 Interest to purchase housing units	67
Table 9 Participation of tenants in the housing committees	68
Table10 Advice to others to join housing associations	68

List of Maps

Map 1 Johannesburg Inner city

Appendix 1

Questionnaire

Appendix 2

Interviews of housing association officials

1.CHAPTER ONE

INTRODUCTION

1.1 Introduction

Housing provision for the low-income group in South Africa has been a problem that needs creative ideas to achieve a lasting solution. Government has been plagued by a huge backlog in housing provision for low-income groups. Many of the solutions attempted seem to offer little satisfaction to low-income people. They also contribute little to the socio-economic improvement of the poor. Current housing delivery systems have tended to focus on houses as the only entity, without the social services and economic activities that support them.

However, there seems to be a glimmer of hope on the horizon. The Second Ministerial Task Team Report (1996) is suggesting a new approach to housing that may improve delivery in South Africa. According to its recommendations the government needs to pursue a social housing programme which incorporates housing organisations as lead role-players in the delivery of houses. It recommends high density housing and discourages a 'one house one plot' housing approach. It criticises the latter as a masquerade of apartheid planning, perpetuated in current housing delivery projects. The social housing delivery system needs to be seen within the following parameters:

- Housing delivery through an institution to secure accommodation on behalf of tenants;
- Institutional commitment to deliver to a market segment defined by need;
- Long term security of tenure for occupants through a range of appropriate tenure options;
- Financial support through state institutional subsidy for qualifying institutions (companies, share block companies, co-operatives and associations [in terms of Communal Property Association Bill 1995]).

There are two types of social housing, namely co-operatives and housing associations. Housing co-operatives are owned and managed by members contributing money towards their establishment. Members elect the Board of the co-operative, approve budget and financial statements and generally set policies (Fish;1997).

A housing association on the other hand, is run by a housing organisation on behalf of the tenants of a housing estate. Housing associations are formed by organisations committed to housing low-income people. Their boards are composed of tenants' committees and housing organisation staff members. In all these programmes, housing development is largely for low-income people, working together to build housing units for every member of the group. Many recently formed housing associations have been established as Section 21 companies or non-profit-making organisations.

Social housing delivery has been extremely successful in Western Europe. In South Africa, although the idea has not been popular, there are intentions to popularise social housing in the new housing policy. There are social housing trends that have been practised in South Africa's rural settlements and informal settlements in the urban areas. According to Geldorf (1996) land and housing in the rural areas of South Africa are never held privately but are rather allocated around issues of basic human rights. This trend can be easily transformed into the social housing procedure, as most people are familiar with this system.

Collective housing development by interest groups, has been a discernible trend in low-income housing. Small housing organisations, for example the 'Homeless People's Federation', indicate that people can develop a capacity to run housing associations and make them successful.

Some of these organisations are working in the inner city areas. Some inner city houses are provided by social housing organisations as a long term tenure of equity rental, 'rent to own' housing. The tenure system of housing associations offers an alternative tenure to the otherwise dominant ownership system provided by other delivery systems. The rental system is likely to suit temporary sojourners, such as migrant labourers, who are not interested in taking permanent residence in the urban areas.

Non-Governmental Organisations (NGOs) such as Co-operative Planning and Education (COPE) and Johannesburg Housing Company (JHC) are actively promoting social housing and housing associations. There are exceptional examples of emerging social housing projects offered by NGOs like Angus Mansion and Navarone estates in Johannesburg. Their social housing provision is facilitated through the institutional subsidy scheme.

The institutional subsidy scheme is targeted at low-income households that wish to live together in groups. This subsidy scheme is awarded to housing organisations that hold property on behalf of the tenants. The existing housing institutional subsidy scheme is essential for the development of social housing. Dewar (1997) argues that institutional subsidy provided each household with a maximum of R15 000 initially, but the subsidy has been increased to R17 500 per household earning less than R 3 500 per month. This offers a better incentive for house subsidy applicants to join social housing organisations. A complete housing unit in a well located inner city area is also a benefit for low-income households.

Inner city housing usually incorporates the concept of high density housing. Housing types in the inner city consist of walk-up flats and high rise buildings that comply with the compact city development requirements. In contrast to the conventional house type of 'one house one plot' which encourages urban sprawl, housing associations in the inner city bring a new concept to the South African

urban landscape. This study seeks to assess the extent of change this housing delivery has on the tenants' socio-economic conditions.

1.2 Study focus and relevance

This study evaluates the improvement of the living conditions that the housing associations provide to their tenants. This study seeks to understand how inner city location changes the living conditions of low-income people. Housing practitioners and academics, notably Dewar (1994) have repeatedly criticised low-income housing delivery. The delivery system of 'one house one plot' is expensive for low-income households and does not contribute to the improvement of their living conditions. Inner city housing is well located for low-income households, enabling them to improve their living conditions. It provides urban opportunities of jobs and trading markets for informal traders and reduces travelling expenses for low-income households. This study will therefore focus on delivery system adopted by housing associations changes people living conditions.

The need for this study is prompted, among other reasons, by the call for public-private partnerships in housing delivery. The Second Ministerial Task Team Report (1996) urges for a public-private partnership in housing delivery. It argues that development of partnerships is crucial in speeding up housing delivery. Although there has been little interest from the private sector in low-income housing due to many problems in this market, the situation seems to be slowly changing with private sector involvement in social housing.

A few private companies have shown interest in housing associations, Grinaker Construction Company and ABSA Bank, for example have recently contributed to housing association delivery in Johannesburg. The government has put aside a sum of R3.5 million to increase the capacity of non-profit-making housing

organisations and companies to attract private sector investment into social housing (The Second Ministerial Task Team Report;1996).

The concept of compact city and densification of low-income housing has been encouraged as a better development concept than one that encourages sprawl (Arrigone;1996 and Dewar;1994). High density housing such as medium rise houses and three-four storey walk-up flats for low-income people have not been a common feature of the South African urban landscape. Johannesburg inner city housing associations are bringing this concept into the forefront of housing delivery for low-income households.

The idea of a compact city and integrative development is realised by these housing associations. Thus, this study needs to evaluate the extent to which the physical and building type can contribute to the improvement of housing delivery for low-income households.

The existing system of housing delivery has provided housing in isolation from other functional areas such as recreational and workplaces. Inner city housing associations intend to change this system by providing housing within the traditional commercial area. Increased housing development in the inner city is bound to raise the threshold population and bring people closer to job opportunities. Most important however, is that inner city housing contributes to a mixed landuse and a multifunctional activity area.

In light of the above, this chapter will be organised in the following manner. First the research problem will be defined by the researcher, followed by identification of the research question and its sub-questions. Thereafter the hypothesis will be outlined. Research assumptions and definition of concepts will then be provided.

1.3 Research problem

South Africa is faced with an enormous housing backlog to overcome. Despite the huge government contribution, the existing housing delivery system seems unable to make any significant change. The backlog has also been due to lack of private institutional finance, low affordability level and mortgage payments problems. Furthermore, current delivery systems have focused solely on township extensions, reinforcing apartheid planning of 'one house one plot'. On the other hand, cities in South Africa are plagued by urban blight, crime and overcrowding.

The current low-income housing delivery systems do not restructure the apartheid urban landscape. They also add little to the living conditions of low-income people. The Second Ministerial Task Team Report recommends social housing as another form of delivery system. The researcher therefore seeks to evaluate the element of social housing (housing associations) as an alternative delivery system that can improve housing in South Africa.

It is essential that South Africa's low cost housing delivery system contribute to the redressing of these problems. Housing associations are one form of housing delivery that may offer a solution to these problems. The advantages of inner city housing associations are:

1. They provide housing in a cost-effective way through equity share rental and rent to own.
2. Their high density housing delivery system discourages urban sprawl and encourages inner city development;
3. Their inner city concentration provides low-income people with urban opportunities and can lead to socio-economic improvement.

1.4 Research question: To what extent and in what ways do housing associations improve housing delivery for the low-income group in the Johannesburg inner city and contribute to the restructuring of the apartheid city?

1.5 Research subquestions:

How do housing associations operate?

- Who are the tenants of housing associations?
- What tenure system do tenants prefer?
- To what extent do housing associations reduce travelling cost?
- How do tenants participate in housing associations?
- What are their financial frameworks?
- What are the tenant's perceptions of their physical and built environment?

How do housing associations respond to South Africa's urban landscape?

- How do housing associations promote inner city housing?
- How can they promote compact city development?
- How can they contribute to mixed landuse and multifunctional areas?

1.6 Hypothesis

Housing associations offer a form of housing delivery system that can promote the socio-economic integration and reconstruction of the apartheid city.

1.7 Research Assumptions

The existing housing delivery systems do not improve the socio-economic conditions of low-income people.

Housing associations are a different housing delivery system that has not been used in South Africa.

1.8 Definition of concepts

Before getting involved with the research it is essential that the main concepts be thoroughly explained to the reader. The concepts include the following:

Housing associations refer to housing companies or non-profit-making organisations that provide housing at an economic rent. They provide housing to low-income people whose income does not allow them to own or access a mortgage loan immediately. According to Marx (1992) housing associations are non-profit organisations providing housing in terms of a social purpose with the state making up the financial difference between what rent tenants can afford and the amount needed to cover the cost of providing maintenance.

For this research, housing associations will be referred to as non-profit housing organisations that involve low-income tenants who cannot afford to buy or rent houses at a market price. Such a housing association empowers tenants through involving them in managing finance and decision making that affects their housing estate.

Reconstruction of the apartheid city refers to the change in the physical structure or morphology of South African urban areas from their previous planning system. This planning system provided housing on exclusive racial bases. White people were located within and around the city centre; Indians lived immediately after a buffer zone that separated them from Whites.

Coloureds followed them while Africans were placed faraway on the outskirts of the city. These residential areas had unequal services, amenities and economic activity. Therefore, in the reconstruction process, cities should be non-racial and with a change from being exclusively commercial to a mixed land use area.

In the context of this research, apartheid city reconstruction involves moving low-income people into the city precinct, mixed income and mixed activity areas where houses are part of the commercial, recreational and working activities.

Alternative delivery system refers to a change in the current housing delivery systems, such as low density housing delivery of one plot one house. Housing delivery should focus on high density housing (medium high rise and duplexes) that incorporates mixed use activities. A housing delivery system that provides integrated activities where residents can live, play and work.

Integrated development planning refers to a participatory process to integrate economical, sectoral, spatial, institutional, environmental and fiscal strategies in order to support the optimal allocation of resources between sectors and geographical area and across the population in a manner that provides sustainable growth, equity and empowerment of the poor and marginalised communities (Development Bill; 1996).

For this research an integrated development approach relates to housing development as part of the broader participation of tenants and Non-Governmental Organisations in partnership with government and the private sector. The intention of this partnership is to provide houses in an economically viable area that insures desirable social conditions and environmental quality.

Rent to own refers to a tenure system where the tenants pay rent for a specific period usually 10 years, before the houses are sold to individual tenants.

Equity Rent refers to a tenure system used usually by housing associations where tenants of a housing estate can occupy their housing units for a long term, by paying rent only. Tenure is secured because tenants have contributed to the institutional subsidy, which financed the development of a housing association. When a tenant wants to leave a housing association, there will be a refund offered back.

1.9 Chapter Outline

The research dissertation consists of five chapters. Each chapter will have its unique element that will contribute to the total development of the dissertation. The dissertation chapters will be structured as follows:

Chapter one

In this chapter the research problem, the research question and subquestions are explored. The research objectives, a hypothesis and its hypotheses have been outlined. The research assumptions and definitions of concepts were discussed in chapter one.

Chapter Two

A literature review is the focus of this chapter. In this chapter the conceptual framework used is derived from the welfarist paradigm that leads to housing associations delivery system. In the South African housing context, the existing model of 'one house one plot' is critically discussed. In order to provide a precedent, the researcher cites international examples of housing associations and explains how they have evolved through the years. Finally, the researcher discusses the conceptual framework of integrated development as a guide to this research.

Chapter Three

In this chapter the researcher will explain data collection methods and justify the selection. The researcher uses interviews and questionnaires as primary data to complement secondary data. Stratified random sampling is used to gather this data. Furthermore, this chapter provides a historical background of the area and outlines the case studies.

Chapter four

In this chapter the research findings are presented and analysed. This chapter will also illustrate data collected through graphs, tables and maps. The researcher further summarises a profile of tenants, perceptions of the inner city and the housing associations built form and environmental quality. These issues are used to reflect on the research question. Lastly the research analyses the views of housing organisation officials.

Chapter Five

This chapter draws together the research findings and critically analyses whether housing associations are a viable means of housing delivery that can improve the socio-economic conditions of low-income people.

Conclusion

Finally the conclusion draws together the research findings and the literature of this research.

2. CHAPTER TWO

LITERATURE REVIEW-HOUSING ASSOCIATIONS CONTEXT

2.1 Introduction

This chapter is considered in four stages. Firstly, the theoretical paradigm that underlies the conception of housing associations will be discussed. Secondly, the existing model of housing delivery will be explored. Thirdly, there will be an investigation on housing associations delivery system in foreign countries. Thus the international experience of the housing associations will be investigated. The researcher will also explain and discuss the research paradigm and concluding remarks will be given with reference to the discussion.

2.2 Welfarist paradigm

In attempting to understand the theoretical paradigm of housing associations in delivery of houses, it is essential to understand the broader welfarist social economy of Western Europe. According to Neville (1977;33) a 'welfare state is founded on a universal principle of social justice where institutions which create and uphold the right to property should satisfy the concept of justice'. The socio-political landscape of Europe has been dominated by a large measure of government intervention in providing social goods. Emphasis has therefore been social security of citizens within the broader market economy. These states spend substantially on social security such as health, education and housing. ✓

In many countries housing was provided directly by government through local authorities. In other countries such as Germany, the government supported non-profit-making social housing organisations and housing associations. Housing associations from their conception involved substantial government intervention. The intervention has largely been through subsidies and grants to housing companies and sometimes local authorities involving themselves directly as developers.

Smit (1996) states that at present, as in the past, housing associations are predominately found in social democratic states such as Germany, Denmark and Holland. This immediately suggests a particular relationship between housing associations and these states (*ibid*). In these countries the political agenda has been dominated by the social democratic parties that strongly advocated welfarism, and therefore housing delivery has not been different. Along with the substantial housing subsidies, the governments introduced land policies, industrial building and rent controls that ensured housing provision at an affordable cost.

Murie (1997) however argues that the welfare system in Western Europe has been a *laissez faire* one. Central government influence has been restricted to an extent. Intervention has only been to provide citizens with enough social security within the broader capitalist economy. It was not to establish a housing sector outside the capitalist economy (Krafte;1988). Social housing in Western Europe was provided as an incentive for the building industry to stabilise and provide capital for private and housing companies by means of state subsidies.

Government involvement in housing was dominant during the post-Second World War period in most of Western Europe. This was prompted by the acute housing backlog of post-war destruction. According to Hugo and Dieleman (1997) when reconstruction started new built dwellings were modest to make up for the housing scarcity. France, for example, had a shortage of about 14 million housing units. The housing crisis in Europe at the time has some parallels with the current housing backlog in South Africa.

2. 3 Post apartheid housing context

2.3.1 Institutional status

South Africa has a chronic shortage of houses for low-income people. According to the Second Ministerial Task Team Report (1996) the housing shortage is estimated

at 1.5 to 1.9 million, and with an annual increase of 178, 000 units per annum. A large number of low-income communities live in poor conditions in squatter settlements. Government in an attempt to reduce the housing backlog has introduced a capital subsidy scheme (**Table 1**). The level of subsidy varies according to income.

Beneficiaries' monthly income	subsidy scheme amount	Consolidation
R0 – R1500	R15 000	R7 500
R1501- 2500	R9 500	N/A
R 2501 -3500	R 5000	N/A

Housing Subsidy Scheme

Table 1. Capital Housing Subsidy scheme

According to the government housing policy the lower income households earning R800 or less need a subsidy fund of R15 000 for a starter house and an extra R 7 500 for consolidation. For people earning above R1 500, it is believed that they can raise end user finance from financial institutions. The government subsidy scheme consists of institutional, project based and individual subsidies. However, only consolidation and the latter two subsidies have been promoted, to the neglect of the institutional subsidy. In most cases, access to these housing subsidies remains largely dependent on the private developer's specific plans and infrastructure delivery (Bond and Tait; 1996). These technical requirements prevent the households from addressing their housing needs independently. Consequently the choice of housing available for most households is restrained by what the developers have to offer (Spiegel *et al*; 1996).

Most of the new housing projects are built in areas far away from the existing infrastructure. Stout (1997) quotes Malcolm Mitchell, Director of Transport saying "... low-income housing is placing new developments outside the scope of urban

areas where most people live and work in the mistaken belief that it is cheaper to locate settlements in undeveloped areas". This also increases the engineering infrastructure costs and further perpetuates the 'one house one plot' delivery system of apartheid planning.

There is as well a high level of dissatisfaction with the new housing provided through the housing subsidy scheme. According to Tomlinson (1996) people believe that they are worse-off than they were before moving into their new homes, and many argue that their situation has not changed. The dissatisfaction relates to the lack of consultation and the size of the housing unit provided by the developers. The major grievance is that low-income housing has been largely developer-driven with little measure of people's satisfaction.

2.3.2 Constrained by the past

Township housing development has been criticised as dormitory housing that does not offer residential areas with any socio-economic opportunities. However, the housing currently being built continues to be placed in townships. Mills (1993) argues that townships in their present form no longer have value for housing the poor in South Africa. Any housing development in the township perpetuates the planning morphology that has disadvantaged the poor. According to Mills (1993) to continue with this system is unacceptable on several levels, namely;

- Socially; both residents and outsiders experience it as a sterile, anti social and dangerous environment.
- Politically; it is widely considered as an imposition by the state, which has used it as a control mechanism.
- Architecturally; urban designers and architects find little scope within the regulations governing the layout of houses to make a meaningful development effort through the design.

- Morphologically; it is spatially fragmented and segregated leading to infrastructure cost increases and heightened crime.

The apartheid planning system had segregated people according to race and ethnicity. Housing, especially in African townships, has been removed from the socio-economic opportunities of cities. This has resulted in an inefficient service delivery in townships as well as creating high travelling expenses for the 'sojourners', and it has exacerbated urban sprawl. Dewar (1991) argues that the present sprawling system has direct costs of infrastructural development and transport subsidies that are intolerably high, whilst the indirect costs of travel time, traffic jams and air pollution are a result of continued expansion of low density housing.

Dewar (1991) states that the current housing development which incorporates low density, fragmentation and sprawl aggravates and entrenches poverty, inequality and unemployment. For low-income people staying far away from the economic opportunities of cities there are disadvantages, for example service and transport costs are high. The government unnecessarily incurs direct and indirect costs. Conventional houses of township layout are monotonous and sterile. These unit houses have ill defined spaces between residential blocks. Consequently, these spaces fall into disuse, and neglected areas often become a no-man's land of antisocial behaviour and informal refuse disposal.

Moreover, a system of 'one plot one house' is expensive for an aspiring homeowner. Geldorf (1997) comments that there is a concern that the low-income group cannot afford homeownership in the short to medium term without subletting or downward raiding. Individual subsidy schemes that are provided for this housing system could only afford infrastructure and a starter house and leave an enormous responsibility with the end user to complete construction of the house.

2.3.3 Rising cost and low affordability

The rising cost of infrastructure delivery and construction erodes the size R15 000 subsidy. According to Napier (1997) the developers' response has been to offer residents shrinking 'core houses' and roof structures as 'top structure' affordable within the subsidy framework.

RISING COSTS - SHRINKING CORE HOUSING

Because there is not enough money, the incremental core housing approach has been transformed into rudimentary (one room) structures as a starting point. A serviced site typically costs around R 7 500, rising to R11 000 in places with difficult topography like KwaZulu-Natal.

Builders say that for the R15 000, after varying service costs, they can provide single room housing using conventional methods.

Murray and Roberts say its unit would be up to 10 meters square, Grinaker provides three options of 40 meters squared with enclosed toilets, a 20 meters squared room with an outside toilet or a 20 meters squared room with an enclosed toilet according to a newer schemes.

Stocks & Stocks offer a range of three units from 20, 25 and 30 meters squared single-room houses-all providing a wet core in the corner of the room and a sink. Newhco, like M&R, can offer service site in some places, a 17 meter squared one and half structure in others and an enclosed toilet in a large roof /slab structure.

The SA Housing Trust says it can produce a one room product in a region of 19-25 meters squared, LTA, though not producing for the R15 000 market now, says it would produce a 40 meters squared roof with an enclosed 4 meters squared toilet/shower cubicle.

Adapted from Financial Mail, February 09, 1996

Table2 Core housing costs

The housing policy emphasises homeownership and incremental housing. It further assumes that private banking institutions will offer credit to expand the “core unit” housing, which has not been the case (Spiegel *et al*;1996). Small loans required by the ‘core-unit’ households are offered at a higher mortgage rate than those offered to middle-income people (*ibid*).

2.3.4 Unstable financial environment

Despite the Record of Understanding (ROU) a large number of low-income households cannot access credit from a financial institution. ROU is an agreement between civil groups, the building industry, the Department of Housing (DOH) and the Association of Mortgage Lenders (AML) signed following negotiation aimed at creating a stable environment which would be conducive to resumption and extension of lending to low-income borrowers. An agreement was reached to persuade the township residents to abandon bond boycotts. Mortgage lenders, on the other hand, agreed to return to the low-income market and provide 5 000 mortgages in the first year of the agreement. Three years down the line there has been little progress in the extension of credit to low-income households.

According to the Ministerial Task Team Report (1996) there is still much apprehension about the lower end of the housing market. Many financial institutions are not keen to finance housing due to the perceived political, criminal and commercial risks regardless of government guarantees. Financial institutions argue that government has not normalised the lending environment. They argue that:

- the Masakhane campaign has failed to restore a culture of payment;
- civil disobedience remains rife against contracts and ;
- the criminal justice system has partially collapsed, making legal enforcement of court decisions on household eviction extremely difficult.

Housing credit for the lower end of the market is vexed by many problems. Housing delivery through the individual subsidy scheme faces insurmountable problems in meeting government's target of 1 million housing units by 1999.

2.3.5 Misdirected policy goal

The housing policy emphasises ownership. However a large number of low-income people cannot afford ownership. There are many people who prefer rental accommodation. Seemingly, the housing policy has not considered the circular migration phenomenon that is prevalent in major South African cities. According to Dewar (1997) there are a large number of people who do not wish to take home ownership in towns or cities. Circular migration between rural and urban areas is extensive and deeply entrenched (*ibid*). The majority of these people are not looking to live permanently in cities but prefer temporary rental accommodation in urban areas.

The aversion of housing policy to rental housing is based on historical, financial and political reasons. Dewar (1997) lists some of the problems of public sector rental accommodation:

- the provision of some housing by politically accountable institutions is likely to generate a huge level of demand which would prove politically too hard to resist but too expensive to sustain;
- the supply of stock over time will increasingly not match demand, and the allocation procedures will increasingly be politicised;
- the cost of administrative and rent collection would be excessive;
- the rates of obsolescence of building stock would be very high, since tenants would have little or no interest in maintaining the stock.

Rental housing provision is best suited to the non-governmental organisations which are dedicated to housing. These organisations have advantages of non-profit

motivations, non-political influence and organisational capacity to deliver. The newly formed housing associations stand a better chance of fulfilling this capacity.

2.3.6 New grounds for housing responding to the South African urban landscape

The new approach in South Africa involves social housing that focuses on high density housing in the inner city areas. The housing type emphasised now is densification and compact development to redress the ills of the past and bring the low-income group into the urban fabric.

There are moves in South Africa to create an integrated development that intends to change the urban landscape of South African cities. According to Pouleson (1994) the emphasis is to restructure cities into complex compact areas that allow change and accessibility for all. The framework is to create intensified development within systems of corridor activities and nodes. This involvement integrates transport, services, infrastructure and is a move towards mixed use development (*ibid*).

The moves have been prompted partly by an escalating influx of people into inner city areas. After the abolishment of the restrictive laws, people have moved closer to formal and informal urban opportunities in the inner city (Poulsen;1994). The perceived opportunities of being closer to the job and trading markets whilst reducing travelling cost and time have increased the need for housing in the inner city. However, many of the newcomers have suffered numerous disadvantages of poverty, overcrowding and exploitation. Many flats have been neglected and are in an appalling condition. Landlords have inflated rents to such an extent that many people are subletting in order to afford their accommodation.

During the night there is a spread of makeshift homes of cardboard, plastic tents and other materials. A large number of hawkers sleep on pavements, and in railway stations and parks. Most inner cities in South Africa do not have enough housing accommodation for low-income people. Consequently, inner city areas are polluted,

squalid and they are undergoing urban blight. There is increasing crime, and business is fleeing out of the city centres to the outlying suburbs.

2.3.7 Housing design-High density/low rise strategy

A possible solution to this problem is the complete overhaul of the urban area's development planning. Housing has to be a critical element of the integrated planning to redress overcrowding in the cities. Undoubtedly, the complex compact city approach can be provided through high density/low rise housing. According to Arrigone (1996) there are several high density/low rise housing strategies that can be applied in South African urban areas. These strategies include *inter alia* :

- Infilling which provides new housing on suitably located vacant land in the metro area. The infilling can be in an apartheid buffer zone, such as Crown Mines area between Johannesburg and Soweto;
 - Conversion of old and vacant office buildings into new residential areas;
 - Converting the traditional functional commercial area into a mixed use.
-
- In South Africa, there is a strong tendency of exclusive functions which has created penalties for the economy. Whereas the new mixed use approach is a stepping stone towards effective functioning of urban areas. Arrigone (1997) lists some of the advantages of mixed use activity:
-
- A person operating a business from home saves paying for added premises and reduces daily transport cost and time;
 - It reduces pressure on city infrastructure and can save costs for the city's population ;
 - It contributes to the reduction of crime in certain parts of cities;
 - It adds variety, diversity and excitement to what are otherwise monotonous and dreary areas.

Around the country there is an increasing number of inner city housing associations emerging and adopting a high density development approach. In Johannesburg, the JHC and COPE housing associations have high rise and walk-up flats housing stock. In Durban, the newly formed Shayamoya Housing Association is currently running a pilot project of high density/low rise houses for low-income people in Cato Manor (IZWI,06/1998). Emerging social housing organisations such Umzamo Housing Associations, are also involved in high density housing. They were preceded by Garden City, and Peninsula Community Co-operatives which were also actively building medium density housing in Cape Town during the early 1980s (Myers;1985). This indicates a shift from the single storey housing design that has been prominent in the South African low-income housing provision. It is important that with the policy approach to high density development, technical procedures of township development need to be reviewed. Coherent built form, landuse standards and designs need to be established on a national level for application and adjustment on each local and provincial level (Hendler;1996).

The integrated housing programme of the Greater Johannesburg Metro Council focuses on high density houses of 30 meters squared in well located areas of the Metro Council. The housing associations have already laid a good foundation of compact city and high density housing. Housing associations, however, are still in an infancy stage in South Africa. Since there is no legislation for them, most of their guidelines are adopted from the social housing scheme. The approaches of housing associations are learned from international housing experience.

2.4. Precedent to South African housing associations

Housing associations are a popular form of housing delivery in Western Europe in that they assume a social role. In these countries housing is considered a limited social right. The governments of France, Germany and Denmark notably use a system of social housing associations to ensure housing access to poor people

(Power;1993). Thus governments intervention, through giving substantial financial support and tax incentives made a substantial contribution to social housing.

Housing associations usually involve people who share common housing aspirations, for example members of a trade union. Another key element of a housing association is institutional tenure ownership of the housing stock controlled by tenants and an external role player (Geldorf;1993). The latter can be a housing company such as *Nueu Heimat* in Germany or a local authority.

In the case of a housing company, it has to work only in the housing sector and cater only to the lower end of the market. Hemmersma (1997) states that a housing association has to be an approved institution that is working in building, managing, allocating, supplying services to tenants and maintaining the physical environment.

Local authorities can involve themselves as developers and maintainers of the housing stock, although to a lesser extent than housing associations. Hemmersma (1996) asserts that local authorities largely co-ordinate with housing associations by providing subsidies and supervising their work. Local authorities further create access and encourage house building. According to Power (1993) local authorities negotiate subletting agreements with housing associations to help the poor with their housing.

By the late 1960s and the early 1970s many Western European countries had made significant inroads in addressing housing crises. Kemp (1994) says that economic modernisation and urbanisation raised the level of social housing; however, the late 1970s economic crisis threatened the existence of social housing.

2.4.1 Criticisms and challenges on housing associations

During the late 1970s and the 1980s the importance of social housing associations was challenged by classical economists. These scholars and practitioners questioned the efficiency of a welfarist economy and its housing delivery system.

Nesselien (1988) argues that welfarist housing delivery in Western Europe has produced a low number of housing units as compared to that of private sector delivery houses in the United States. Moreover, a lot of criticisms have been levelled against social housing. They include criticisms of the economic efficiency of housing associations, government intervention, rent control and management of social housing associations.

Nesselien (1988) argues that social housing delivery is non-competitive because it is dominated by government. Government legislation and controls in housing finance and building form favoured public provision over the private sector. Hugo and Dieleman (1997) state that investors were not eager to invest in the housing market, not because of the low returns but rather because of the extent of government intervention. The extensive subsidies and active promotion of not-for-profit organisations offset private sector and economic proceeds that would have been gained from taxes. Public housing provision channelled people into one type of housing and provided them with no choice of the type of house they would like.

Social rent has also been criticised by neo-classical economists. Their contention has been that rent control does not give landlords any incentive to improve their housing stock. Nesselien (1988) comments that rent control leads to excessive depreciation of the housing stock. Developers neglect maintenance due to lack of motivation for improvements. Moreover, rent controls have made landlords disregard repairs and leave the stock to run down (*ibid*).

By the late 1970s there was a significant change in government policy throughout Western Europe as a result of economic recession. According to Kemp (1994) the fiscal crises of the late 1970s and the 1980s prompted significant cut-backs in social welfare. There was an overall economic restructuring with government moving out of the economy (Kemp;1994). Private sector involvement dominated the previously government activities. Government intervention in housing delivery was also heavily curtailed. Subsidy contributions were reduced, social houses were sold

for individual ownership, rent controls were relaxed and housing associations were residualised (*ibid*).

Housing associations were also involved in the privatisation of previously social houses. In Germany, for example, housing associations sold some of their housing stock to private individuals, ending their era as social companies to become profit making housing organisations (Kemp;1994). Subsequently, there was a change in the financial management procedures of housing associations. Housing associations were run in the same way as private estates. Krafte (1988) argues that there is hardly any difference between the housing association management and that of the private sector.

As government cut-backs on subsidies became severe, many housing associations increased their rent. Subsequently, many low-income people were excluded because they could not afford rent and a few were confined to unrefurbished inner city social houses. Kraft (1988) states that the most striking problem stemmed from increasing unaffordability by low-income people. Meanwhile housing associations preferred people from the middle income group, believing that they could meet an increase in rent (*ibid*).

In the government reforms of the economy, home ownership was feverishly promoted with appealing incentives and grants given to individual households. The 'right to buy' policy prevailed in most of the welfarist states. In France, for example, there was a rapid increase in the number of people eligible for housing allowance in the 1970s and it rose to 50 percent in the late 1980s (Power;1993). Thus, consequences were severe on housing associations as the middle income group streamed out to buy their own houses in the suburbs. Many houses in the inner city were left to low-income people.

Inner city housing suffered a depreciation of property prices and increasing prejudice. According to Kemp (1994) social housing in the inner city areas was limited to residual housing and often in stigmatised buildings.

As homeownership grew, housing associations began to be confined to 'stopgap' housing for the poor. That is housing associations were 'projectised' by government as low-income housing only, which prejudiced against the poor. Power (1993) adds that the right to buy polarised social housing and highlighted the unpopularity of housing associations with the more affluent tenants.

Pressure increased for the authorities as a result of the chasm in housing quality, and as a result, housing associations resurfaced in an altered form. The housing problems and government aversion to intervention in the provision of housing prompted a new approach to housing associations. The new approach is an integrated approach that incorporates the provision of housing with many other factors. These include public-private partnership, community participation and the general socio-economic improvement of social environment.

2.4.2 Housing association reforms

2.4.2.1 Public-private partnerships

In the reformed social housing programme, housing associations have developed a strong partnership element. In the partnership there is a housing organisation, the local authorities and the private sector. According to Power (1993) by creating partnerships housing associations have created diversity and competition. The partnership also incorporates housing with the integrated development of job creation, local economic development and environmental sustainability.

Currently there are housing partnerships that have resulted in successful housing project delivery. In Britain, for example, a partnership brought the private sector investment into project development of housing associations. Sales returns of some housing units are used to reduce rent cost for other tenants and thus developed a mixed tenure (Griffin;1996) .

In Selby Waterfront housing project, three sectors were involved in a partnership. The local authority contributed land free, the housing association provided capital grants and rentals whilst the private construction company built houses. Some of the houses were built for sale whilst others were rented, and the proceeds of the sales were used to cross subsidise rental houses (Woods;1997). It is clear from the examples that creative involvement of housing partnerships can bring much needed investment to low-income housing. The partnership sometimes goes beyond house construction to build social partnerships that enhance the developmental capacity of residents. The Winnipeg construction company partnership with housing associations in Britain involves the following:

- Using investments in the physical transformation to create training and job opportunities.
- Creating multi-disciplinary partnerships, involving schools and other organisations to ensure that children of the new community benefit from regeneration.
- Providing childcare, language support and health care.

2.4.2.2 Finance

Housing associations have learnt to be prudent with their financial management. Traditionally, housing associations used rent payments to augment the subsidies given by government. The rent payment has to be below the market rent. In Germany, for example cost rent is enshrined in the law of housing associations to keep rates low for tenants. This means tenants pay the cost of running an estate with no profit included.

The traditional form of assistance to housing associations has been through a housing capital grant, financed by government subsidies and tax incentives. The British housing assistance grant for instance, has been provided as a one-off

capital grant payable after completion of a new building or renovation project (Emms;1990). The tax incentives or exemptions can make running a housing association more attractive to the private sector investor. The accounting procedures of the housing association can be set so that the depreciation can be offset against tax (Marx;1992). This finance, however, is usually not enough to finance the entire housing project. Governments have therefore encouraged the housing associations to mix private and public sector lending to expand their programmes (*ibid*). As a result housing associations have developed other creative ways to remain financially sound, besides relying on rent income and subsidies.

Recently, housing associations have used an internal revenue system to sustain themselves, especially now that they were facing increasing reduction of government grants. A system of 'rent to own' and partial selling of the housing stock has increased revenues for housing associations. According to Hemmersma (1997) by selling the housing stock, housing associations realise increased value in their property. They can also use proceeds from selling some of their houses to cross subsidise the rental housing stock.

The other way to make social housing cost effective and affordable to the low-income group is through dynamic costing. The latter is based on two components; capital cost and running cost payments. The capital cost is the fixed amount payable during the economic lifespan, whilst the running cost is paid at the inflation rate by the consumer (Hendler;1996). This therefore reduces the rental of tenants, whilst a housing association is assured of recovering its cost in the long term.

2.4.2.3 Decentralisation

Decentralisation of social housing has moved away from huge, bureaucratic local authorities to local based housing associations as part of the reforms. This means that each housing association operates in its municipal area. Power (1993) states that decentralisation has divided the large and extremely poor local authorities into

autonomous neighbourhood organisations, each with its own executive and budgets. As decentralisation took effect the management too devolved power to the tenants.

2.4.2.4 Social democracy of housing associations

Housing associations have an explicit element of participatory democracy. Tenants are involved in the management of housing associations as major stakeholders. Power (1993) states that tenants are allowed to elect representatives to the housing boards and are consulted over rentals. Furthermore, tenants are involved in the affairs of housing associations from management to caretaking. In their participation tenants develop a closer relationship and attachment to their group housing system (*ibid*)

2.4.2.5 Housing associations and inner city housing

Housing associations in Western Europe have been successful in urban renewal programmes in the inner city areas. According to Power (1993) housing associations grew rapidly in the 1970s, playing a crucial role in inner city renewal. An average of 1 million dwellings were renovated by housing associations for inner city renewal in Britain (*ibid*). The government of Denmark encouraged urban renewal through special funding of tax breaks for the renovation of existing inner city areas (Power; 1993). The Danish National Urban Renewal Company worked together with the non-profit housing societies to renovate slum areas of Copenhagen (*ibid*).

2.4.2.6 Building form

When mass housing became popular in Western Europe, initially there was a concentration on high rise buildings. This focus arose out of the concern to conserve land for other purposes besides housing and to prevent urban sprawl (Power 1993). Later high rise flats fell into disfavour with many people, although medium rise housing remains successful. Furthermore, social housing concentrated on people in the same area, encouraging a social mix of activities and

neighbourhood. According to Power (1993) housing associations embody a mixture of social groups of different ages, households and wide ranging community facilities.

2.4.2.7 Renovation of old inner city housing stock

Social housing has not only focused on new stock building; it has also looked at the restoration, renovation and conversion of old built stock. According to Van Rijn (1996) central government housing subsidies have been offered for urban renewal and renovation of old buildings. Marx (1992) comments that often inhabitants of a declining area are marginalised and displaced during redevelopment. Since housing associations cater for these people, they are not displaced when new investments are made. As a result housing associations have enjoyed enormous popularity by renovating the inner city areas. Power (1993) comments that the popularity of housing association in the 1970s was because of their responsive flexibility to restore old property and gentrification. Subsequently some people were attracted back into the inner city (*ibid*).

2.4.2.8 Tenure diversity

Housing associations are presently popular for their mixed tenure system. The mixture of rental and ownership houses not only provides housing associations with capital revenue; it also attracts people of higher income. According to Power (1993) housing associations in Denmark allow access to all income levels and as a result housing associations are not stigmatised, as they are in other countries. In some countries tenure diversity has been varied to make housing associations attractive and affordable to many households.

In the Netherlands, for example, there are about seven models of tenure and management (Hendler;1996). Over and above the usual renting of stock to tenants, they include owner occupied units, where houses are built and sold to the tenants at the building cost without profit. Social ownership tenure is where the institution

gives the tenants guarantees of buying house units and assists households towards payment in times of financial troubles. Hire purchase is another model where a financial package is arranged for an individual. When buying a house the package is tailor made according to the income, age and personal circumstances of the individual. The repayment can be as long as 50 years (*ibid*). These alternatives give the tenants a vast variety of options to choose from in order to satisfy their housing needs.

Furthermore, housing associations generally provide a more secure tenure for tenants as compared to private landlords. This is because of social tenure, state regulations of housing provision and subsidy consumption (Marx; 1992). The firm security of tenure advantage is coupled with housing which is affordable to people who cannot own or rent at a market price.

2.5 The recommendations for South Africa's housing associations

2.5.1 Research paradigm

The precedents of Western European housing associations can offer South African housing associations valuable lessons of housing delivery. It is the contention of this research that housing should not be delivered on its own, without other social services and functions, such as recreational areas and workplaces, as has been in many South African housing projects.

Housing policy and strategies need to be directed at enabling and supporting communities to mobilise their housing resources. To satisfy their housing needs, the delivery system should be managed in such a way as to maximise community involvement. All efforts of the community, the government and the private sector should lead to the transformation of skills and empowerment of members of the community.

In short, housing delivery system should involve integrated development of all activities that will ensure successful housing delivery to satisfy the people living in

the area. Musterbroek (1996) adds that new legislation on local government requires all municipal areas to use integrated development in the spatial planning framework.

In the light of the above, it would be considered appropriate to use an integrated development planning approach as a theoretical paradigm to guide this research.

2.5.2 Comparative advantages of housing associations using an integrated development approach

There are comparative advantages in using an integrated planning development in the delivery of housing associations, as compared to other forms of housing delivery. *Inter alia* they include private-public partnership, mixed land use and land conservation, built form and an alternative tenure system.

2.5.2.1 Participation of tenants

Involvement of tenants in the everyday management of the estate by housing associations makes tenants feel that they are part of their housing estate. When tenants become involved in the management of their estates they appreciate the prudent use of budget and rent changes. To minimise their cost they will protect their neighbourhood from blight and maintain the value of their property. Housing associations are likely to bring empowerment and social cohesion among tenants (Adler;1996). In their social cohesion people will further develop collective responsibility, and will reduce burglary and crime by surveillance.

2.5.2.2 Partnership

Housing associations can attract private investment comparatively more easily than existing housing delivery systems. The private sector prefers low overhead costs of lump-sum institutional subsidies. High density houses built at scale can yield high return on investment. Whilst some houses are sold to individuals for ownership to recover costs, others can be rented out at subsidised rates. Private-public sector partnerships can bring effective housing delivery at scale that can improve socio-economic conditions, by job creation and sub-construction by the local community.

The White Paper on housing (1994) admits the ineptness of government to provide housing on its own. It calls for the private sector to be involved in joint-ventures of low-income housing delivery. The private sector with its financial muscle can bring in sufficient investments to speedup housing delivery and unlock the housing backlog. The partnership also offers some benefits to economic growth without straining the fiscus. Perhaps it can ultimately help housing associations to be financially independent in the long run and protect the government's coffers.

2.5.2.3 Landuse and land conservation

An integrated development approach advocates optimal use of scarce resources which housing associations are best suited to achieve. The landuse for housing associations involves infilling of vacant land. The landuse density of housing associations is always high because they build medium to high rise houses. Housing associations are also best suited to develop mixed use areas of residents and commercial activities. This will not only facilitate effective landuse; it will also generate a new urban vibrancy and change the apartheid morphology. Housing associations provide opportunities for social and economic integration at neighbourhood level by providing housing in a way that is neither monotonous nor institutional (Marx; 1992).

2.5.2.4 Built type

Comparatively high density social housing delivery is more cost effective than the current systems of housing provision. The layout design of one house one plot is expensive in more ways than one. According to Mills (1993) when assessing the performance of housing delivery systems, a stand alone house is expensive in landuse, bulk and density compared to a courtyard type house. It is crucial that housing policy makers should consider the implication of built form on urban development (*ibid*).

High density buildings of the inner city offer housing associations economy of scale for locating in the city. It raises the threshold population for inner city formal and informal businesses, thus contributing to the gross geographic income and providing effective local economic development.

2.5.2.5 Alternative tenure systems

Housing associations offer people an alternative tenure of renting. Renting is convenient for people who are not interested in owning a house or cannot afford ownership. Dewar (1996) argues that rental options can suit migrant labourers and other people who do not wish to own houses in urban areas. Leasehold by housing associations offers low-income people an adequate shelter as well as presenting them with the socio-economic opportunities of inner city residents.

The rent system of housing associations is not uniformly imposed, rather income differences are considered. Hendler (1996) states that social housing offers the possibility for equity rental, whereby high income people pay more than those with low-income. This prevents low-income people from being excluded due to rent changes.

2.5.2.6 Urban sustainable development

Housing associations in the inner city area can act as a catalyst to urban renewal and sustainable development of derelict cities. Housing associations make good use of existing investments and resources of vacant property, and derelict land thus creating opportunities for sustainable cities (Gwilliam;1998). The renewal of old city buildings attracts business into the inner city and increases the property value of the area. The regeneration process of housing associations improves social cohesion and encourages sustainable development.

The conservation of resources through the re-use of land and buildings goes together with sustainable development (Griffin;1996). Renovation of existing vacant land and derelict areas, intensifying use of sites, increasing density, bringing

vacant/unfit homes back, turning offices and other facilities into housing are major parts of housing association's delivery. Furthermore travelling expenses and traffic congestion are enormously reduced due to the accessibility of the area.

2.4.2.7 Accessibility

The accessibility of workplace, recreational and shopping areas are important in deciding on an area of abode. 'The home is the centre of individual life and provides therefore the focus of the individual's decision about travelling, purchases, leisure and so on' (Gwilliam;1998;23). The low-income housing development should preferably be located where it can reduce the need to travel (*ibid*). In South Africa especially, there is a need to construct new housing that is located nearer to areas of opportunity.

2.6. Conclusion

From the discourse above the researcher argues that the delivery system of housing associations should best be provided in an integrated development planning approach. The most important factor in South Africa is that housing should not be provided in isolation anymore, but should lead to socio-economic development of the low-income poor. The argument is that any housing delivery system needs to improve the socio-economic conditions of the poor and change the landscape of the apartheid city. The integrated development planning approach dovetails very well with the housing association's delivery system. Perhaps the elusive goal of providing a suitable housing solution can be achieved through inner city housing associations.

Undoubtedly, the current planning system of housing delivery of 'one plot one house' is not efficient in terms of housing delivery. Its planning system is a continuation of apartheid planning which houses low-income people away from their working place and economic opportunities. This puts an enormous travelling expense on people going to and from city centres. Moreover, township expansion

exacerbates urban sprawl and puts a strain on service provision (pipelines, electricity) to peripheral houses.

Housing associations as an alternative housing delivery system have many elements that can improve the socio-economic conditions of low-income people in South Africa. The current institutional subsidy provision is a vehicle that gears itself to the delivery system of housing association. For housing associations to increase in capacity and popularity, it is therefore essential that this housing subsidy scheme should be promoted.

It can be argued that housing associations are an untried approach of housing delivery in South Africa, an approach that has proved to be successful elsewhere. It is the view of this research that any new housing delivery system has to involve socio-economic integration and reconstruction of the apartheid city. Housing associations can be the alternative housing delivery system that addresses these issues.

It is recognised that ideas imported from the First World can still have relevance in South Africa. In post war Europe, several countries needed reconstruction. South Africa can learn from the solutions and apply them here to develop a South African model that will suit the present conditions in this country.

CHAPTER THREE

CASE STUDIES AND RESEARCH METHODOLOGY

3.1 Introduction

In an attempt to answer the research question this study focuses on two groups, namely housing association tenants and housing association officials. The research has used both primary and secondary data to answer the research question. The latter was explored in chapter two that investigated literature on housing in South Africa and international housing associations. The primary sources investigated in chapter three include semi-structured interviews and the questionnaire.

The research methodology structure was as follows. Firstly, the researcher gives the background to the case studies. Secondly, the sampling method is explained. Thirdly, different ways in which the primary data has been accessed are discussed. The researcher formulated closed and open-ended questionnaire to posed questions that elicit responses on opportunities offered to inner city tenants staying in estates of housing associations. Fourthly, semi-structured interview questions were used to conduct interviews. The interviews were conducted with housing associations' officials to investigate how housing associations can contribute to the restructuring of the apartheid city. Finally, the researcher presents the obstacles experienced in data collection.

3.2 Case study area

3.2.1 A brief history of the case study area

This research was undertaken in the Johannesburg Metropolitan area. It has traditionally been a segregated area not only according to race but also according to landuse activity. The Johannesburg Metro has an apartheid planning structure that has created barriers to low-income households to live in

the inner city. There are few affordable housing units in the inner city area. The area has largely been a commercial area with housing in the periphery. Housing that is available in the inner city is private accommodation, for example in the Hillbrow and Jourbert Park areas. There are about 111.000 people living in 35,000 dwellings flats in the inner city (Adler;1996). In recent years households have shown an interest in buying from the private landlords and in attempting to own their housing estates through social housing schemes. Social housing development is also part of the urban renewal programme in the Johannesburg inner city.

3.2.2 Choice of case studies

The essential requirements for the case study include the following:

- The housing organisation should provide high density housing of walk-up flats and high rise flats.
- The case study should preferably be within or around the Johannesburg inner city area.

The research has selected case studies that involve tenants of the JHC and COPE housing associations. The two case studies are chosen because they are well-established inner city housing associations. They also specialise in high density inner city housing development.

3.2.3 Social housing in the inner city

The Johannesburg metro area had a rapid growth of housing associations in the recent years, for example, Seven Buildings, Badiri, Everest Court, Darwin and Angus Mansion housing associations and the JHC. These housing associations have been spurred by the Gauteng Provincial institutional housing subsidy scheme. Many of these housing associations have taken advantage of this subsidy scheme to purchase flats, and build new houses within the inner city or

the area. The JHC and COPE housing associations are some of the institutions involved in social housing. These two will be the case studies of this research.

3.2.3.1 Johannesburg Housing Company (JHC)

JHC is a social housing provider that focuses on delivery and capacity building.

The JHC mission

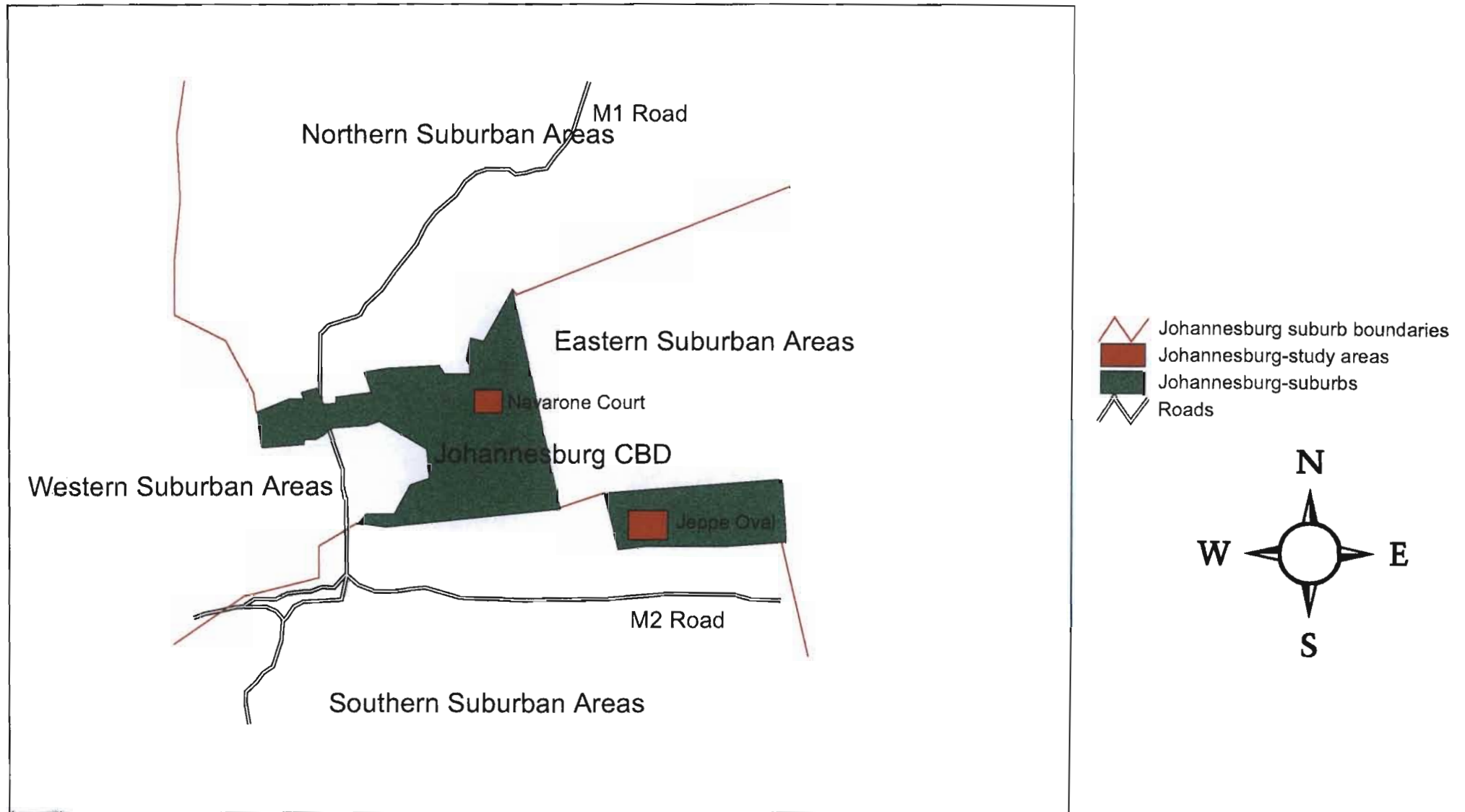
'is to pioneer projects which will address critical areas of housing in Johannesburg through creative partnerships between the construction industry, financial institutions, community organisations and developer funders' (JHC Annual Report 1997).

The JHC has a number of housing estates within and around the Johannesburg inner city area. It accommodates households in high rise flats and newly built medium rise houses. It also converts and renovates old office blocks into new residential flats. Some of its housing estates are San Martin Court with 42 housing units; Towerhill is a building converted from office space into 54 housing units; Tasnim Heights and Jeppe Oval which have about 240 units of walk-up flats. The JHC offers a range of products of two to three walk-up flats, conversion of commercial buildings and new greenfield sites near the inner city.

3.2.3.1.1 Tenure and Financial framework

The JHC largely provides rental housing accommodation. It provides approximately 2000 affordable housing units for a population of about 8 000 to 10 000 people living within the inner and near inner city (Adler;1994). The target market of the JHC is in the range of above R1 500 monthly. Most of its members qualify for state institutional subsidy. The tenure systems offered by this company are rental and 'rent to own' options.

Map 1: Case studies: Jeppe Oval and Navarone Housing Associations



Source: Greater Johannesburg Planning Information Services

Map not to scale

3.2.3.1.2 Jeppe Oval

Jeppe Oval (**Photo1**) is one of the recently developed walk-up flats of the JHC. The building is a greenfield development close to the Johannesburg inner city. Jeppe Oval is located in Jeppestown, next to the Jeppe Station, about 5 kilometres from the Johannesburg CBD. (See map 1)



Photo1: Walk-up flats of Jeppe Oval in Jeppestown

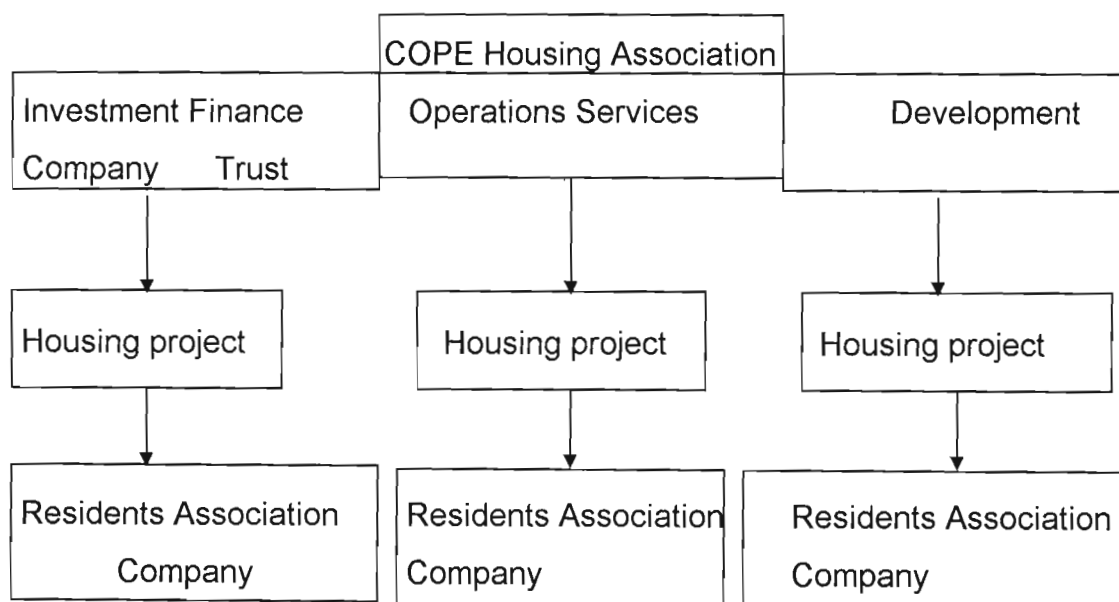
3.2.3.2 COPE housing organisation

COPE is a non-governmental organisation registered as a Section 21 Company. "COPE's mission is to work with poor communities to promote the development of social and affordable housing, participation in and ownership of the process by the beneficiaries and communities involved and support of related income generating and job-creation activities" (COPE ANNUAL REPORT 1996/97).

COPE housing organisation is in the process of increasing the number of housing associations it works with. Its development structure is flexible to increase the number of housing associations working in partnership with it. Currently it has two housing estates under its control, namely Angus Mansion (Philani Ma-Afrika) and Navarone Court (Everest Court Housing Association) in the Johannesburg inner city area. The latter is located in Hillbrow and has a block of 100 housing units. Angus Mansion consists of 67 flats and 11 storeys,

housing approximately 350 tenants (an average of 5.43 people per unit) Fish (1997).

Like many other buildings, Navarone court (**Photo 2**) was previously in the hands of private landlords who neglected maintenance, and tenants were experiencing problems of high rentals (Fish; 1997). After the tenants established residents' committees, they approached COPE to assist them to source institutional subsidies and purchase the respective flats. In conjunction with the COPE housing organisation, tenants established housing associations. Each housing estate is run by a housing board, which consists of residents committee and the COPE housing organisation. (See figure 2)



Source (COPE ANNUAL RERORT 1996/97)

Figure 2. COPE's development structure

3.2.3.2.1 Tenural and Financial Framework

The tenure system offered by COPE housing organisation includes long term lease and 'rent to own'. In the former system residents occupy units by leasing from the company for as long as possible. In the event of tenants leaving a housing association, the tenant will be entitled to some repayment. In a rent to own tenure an individual member can only own a unit after a period of at least 10 years of occupation.

3.2.3.2.2 Background of Navarone

COPE became involved with Navarone in 1991. In 1993 a private company was registered and COPE signed a service agreement with the tenants according to which it will run the company on their behalf (COPE ANNUAL REPORT 1996/97). Navarone court is a walk-up flat located in the middle of Hillbrow. It has 100 housing units, with average of 4.5 people per unit. Navarone is managed by a partnership of COPE and tenants committee (see figure 3).

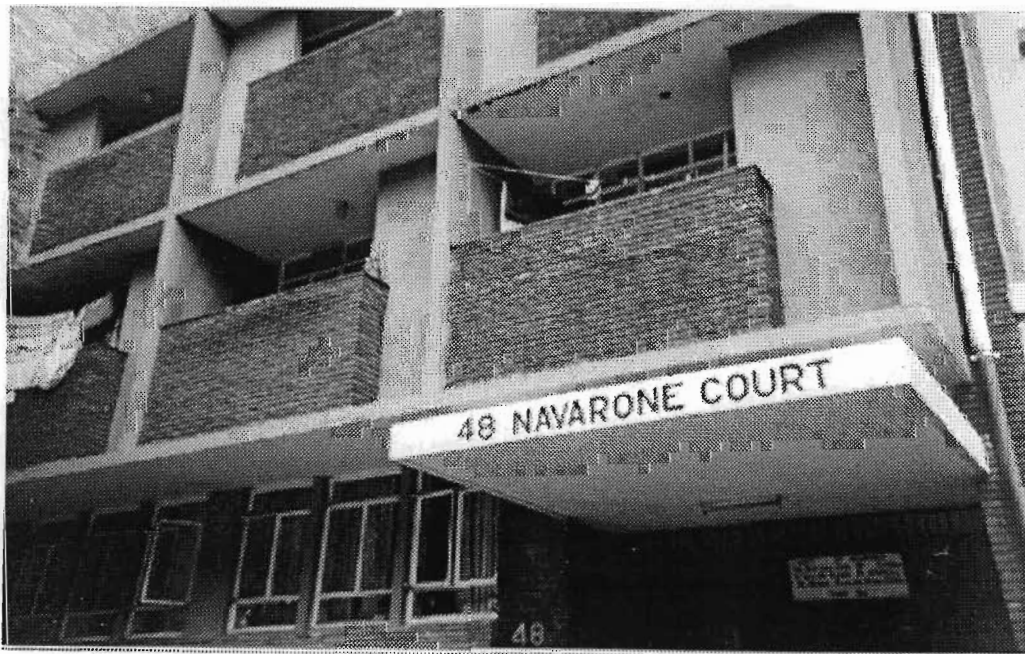
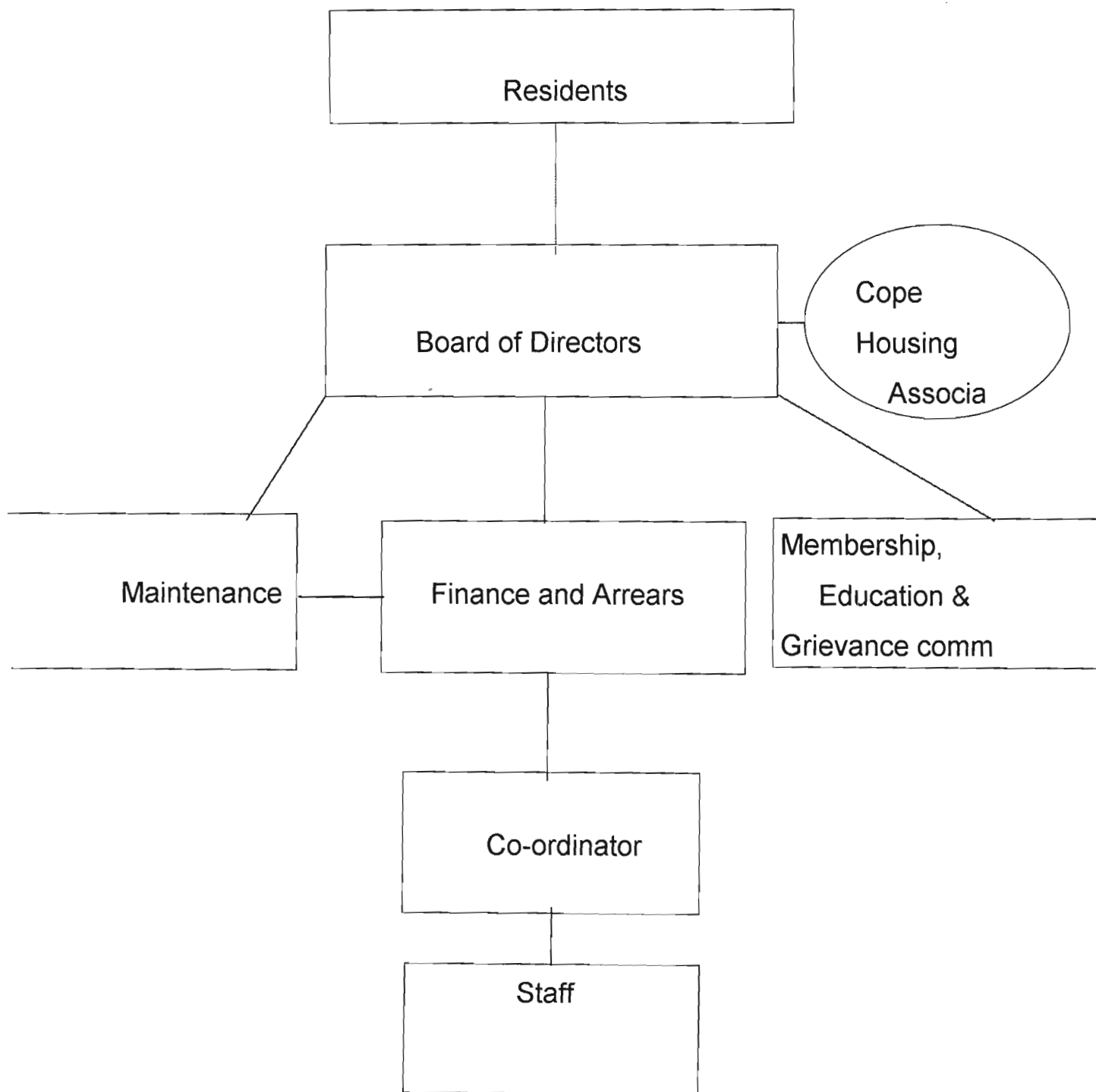


Photo2: Navarone Court building



Source COPE ANNUAL REPORT 1996/97

Figure 2. Structure of Navarone Court Housing Association

3.3 Sampling method

The research applied a random stratified sampling technique in the survey. This technique was preferred because it best shows the required data of both the JHC and COPE housing organisations. It is also unbiased and gives a better reflection of the population. The two housing associations have a similar population profile. They differ in terms of tenure system of rent. Navarone houses tenants in existing or previously private rental flats and its tenure system is 'rent to own'. Jeppe Oval on the other hand has largely rental tenure and greenfield housing. Thus the stratification is related to the difference in housing organisations and population.

The researcher used a sample of 15 percent. That is, of the 100 household units of Navarone housing association 15 people were interviewed. Fifteen out of 100 people in Jeppe Oval were interviewed. A random sample was compiled out of the stratified data. The researcher used house unit addresses to conduct the survey sample. The survey used random sampling which was as representative as possible and reflected the total population. That is, each household in a block of flats had an equal chance of being selected as part of the sample. The researcher believes that the housing association's tenants are a homogeneous population in relation to the socio-economic data that is required.

3.4 Replacement policy

In the sample study the researcher used a replacement policy where tenants were not willing to participate. This policy was also used in cases where the tenants on the sample were not available after having been visited twice. In these instances the researcher then included the immediate neighbouring tenants who were not in the sample before.

3.5 Access to Data

Primary data was collected from tenants focusing on the socio-economic opportunities of people living in the inner city area. The researcher was interested to know whether tenants in the city are better off in terms of living conditions as compared to living in townships. The research intended to determine the extent to which proximity to economic opportunities have improved conditions as compared to their previous dwellings.

The survey was structured using a questionnaire to capture all the pertinent questions of the research. The questionnaire format was preferred because questionnaires are cost-effective, and easy to respond to, and they guarantee the respondent anonymity. According to Kidder and Judd (1985) questionnaire is an important research tool that gives interviewees an opportunity to disclose sensitive information without giving away their identity, thus avoiding prejudice.

In the questionnaires the researcher has used predominantly closed-ended questions, with few open-ended questions. Closed-ended questions are preferred as they can facilitate processing of feedback information. Lewis-Beck (1994) argues that closed-ended questions codify answers and as a result information can be categorised and formalised. However, open-ended questions were used in cases where the researcher sought an expressed opinion from respondents.

3.6 Types of questions

Different types of questions about socio-economic issues were presented. They included the following: income level, housing cost (services and rate cost) travelling expenses, rental or ownership tenure, family size, environmental quality, security level, perception of the inner city, duration of residence and access to social services.

3.7 Cross tabulation

Household type and age have been another cross tabulation analysis that was observed. According to Dieleman and Pieter (1997) literature shows that three characteristics (age, type of household and income) determine the propensity of household to rent or own. That is, a young couple with no children prefer to rent whilst older couple with children usually prefers to own. However, this clearly is dependent on income and usually applies to the middle income families. The researcher would like to assess whether this pattern is true of households in inner city social housing.

According to Dewar (1996) social rental housing can facilitate circular migration, and it incorporates people not interested in living permanently in the urban area. The researcher therefore investigated whether the rental accommodation of housing associations has attracted circular migrants.

3.8 Interviews

Officials of the housing associations were interviewed. Personal semi-structured interviews were conducted because they probe and allow flexibility in the data gathering (Kidder and Judd; 1985). Personal interviews help in correcting misunderstandings and allowed for probing inadequate and vague answers to obtain meaningful information (*ibid*). In this instance data was gathered by writing key phrases in the process of the interviews. At the same time the researcher tried to maintain eye contact with the interviewee. This was very important in order to observe the interviewee's comfort with the type of questions asked.

3.9 Problems encountered

Most of the problems in this research were encountered during the fieldwork. In administering questionnaires, some tenants in Navarone could not understand some of the questions. The researcher had to lead them through to understand

some of the questions. The researcher had to lead them through to understand some of the questions. This could have affected results by biasing the responses. In the case of Jeppe Oval the researcher was initially led to believe that there were 240 housing units. However, it was discovered later that only about 105 of the units were occupied. This altered the sample population to 15 of the 105 occupied housing units.

It was the intention of the research to get the response of an inner city metro official. After numerous postponed appointments with the only official responsible for inner city housing the interview could not take place as the latter left for vacation. That is, the researcher was informed that the official concern is the only person in the department who works with the local housing associations. Thus the response of the local authorities to housing associations was not obtained.

3.2.10 Data presentation method

The researcher has presented data using graphs and tables to show the household income levels, age structure and rent tenure, etc. Cross tabulations are also presented in graphs. It is the belief of the researcher that these graphs would best show the correlation relationships in the data. Where necessary, photos are also used to enhance the description of the area and to show the physical and environmental conditions of the housing estate.

CHAPTER FOUR

RESEARCH FINDINGS AND THEIR IMPLICATIONS

4.1 Introduction

After an extensive examination of secondary literature, it is appropriate to analyse the primary data. The latter involves the questionnaire and interviews. The primary data analysis will also be related to the research paradigm of integrated development discussed in chapter two. Thus, the researcher will evaluate the housing association's impact on housing delivery and improvement of socio-economic conditions of tenants.

The data collected from the questionnaire sample is divided into three sections. Firstly the respondents' profile, which includes gender distribution, age level and household type amongst other things. Secondly the respondents' perception of the inner city and their level of satisfaction about their housing environment will be evaluated. Lastly, environmental quality and social issues will be explored. Issues that will be explored include physical condition of the buildings, service delivery and neighbourhood and environmental quality.

4.2 Analysis of views of respondents

It is the intention of this Chapter to use the data collected and explain to what extent do Johannesburg inner city housing associations improve the socio-economic conditions of low-income tenants. The chapter also intends to highlight how the housing associations respond to South Africa's urban landscape.

4.2.1 Demographics of housing tenants

The housing associations' profile of tenants is important in analysing the nature of people living in these types of houses. A breakdown of the tenants' social and economic status is observed in the two case studies to determine any relationships.

4.2.2 Gender distribution in Jeppe Oval and Navarone

Figure 3 shows that there is a gender distribution of respondents from Jeppe Oval and Navarone. The latter had a high number of female respondents, 73.3 percent and Jeppe Oval had more males than female respondents, 53.3 percent of the total. Of the total number 47.0 percent were females and 53.0 percent were males in both Jeppe Oval and Navarone.

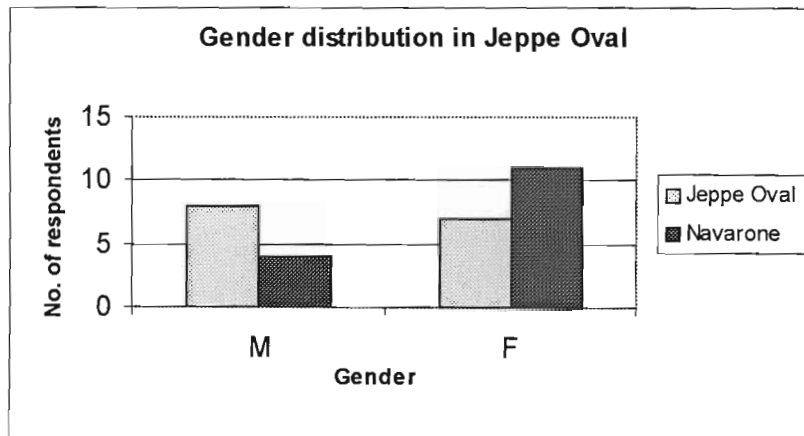


Figure 3 Gender distribution of respondents

4.2.3 Heads of households

The statistics of heads of households are different in Navarone and Jeppe Oval. There is a large male concentration as heads of households, 60.0 and 53.3 percent for Jeppe Oval and Navarone respectively. **Figure 4** shows that the number of women headed households is very close to that of males in both areas. Jeppe Oval and Navarone have 40 and 46.7 percent of women headed households respectively. The high number of women headed households shows that the importance of considering the needs of women in housing associations. Thus their participation is very crucial in housing associations, as is shown by their presence in the housing committee of Navarone.

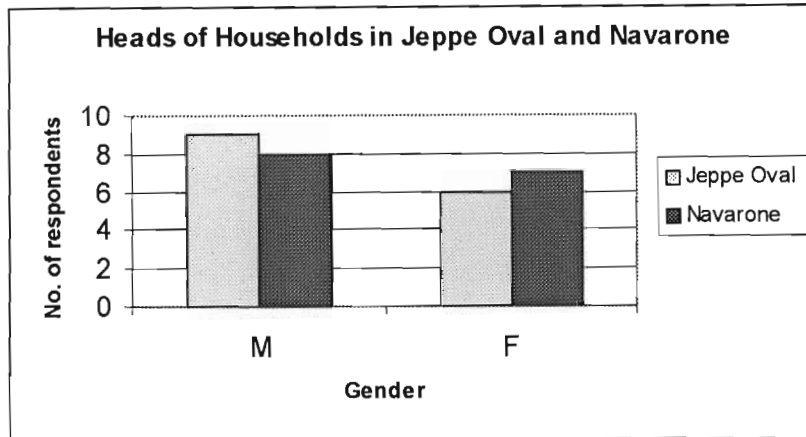


Figure 4 Heads of households in Jeppe Oval and Navarone

4.2.4 Age of heads of households in Jeppe Oval and Navarone

The age group of the heads of households also differs. Heads of households who are 25 to 35 years make up a majority of respondents in both case studies.

Figure5 shows that Navarone and Jeppe Oval 53.3 and 60.0 percent of the respondents respectively fell in this age group. In the age group of 36 to 45, 33.3 percent is from Navarone and 26.7 percent from Jeppe Oval. Only 13.3 percent of respondents in both areas were in an age group of above 46. This reflects that the tenants in city inner housing associations tend to fall into the category of younger rather than older people.

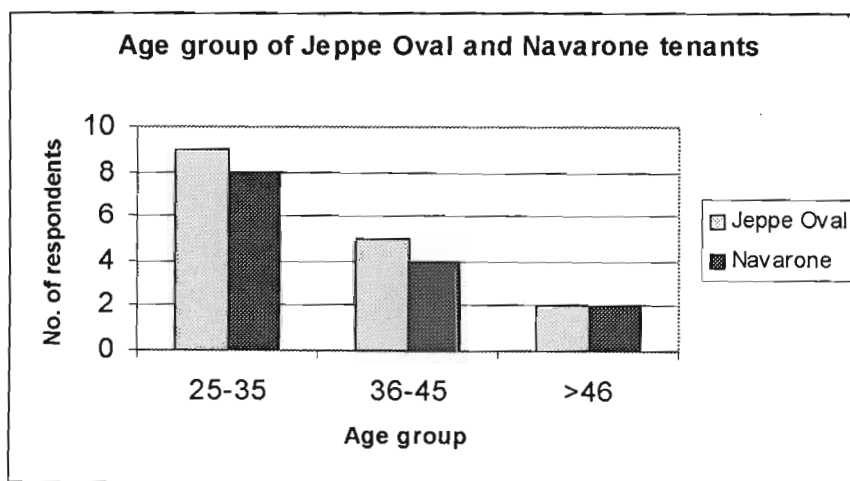


Figure 5 Age group of respondents in Jeppe Oval and Navarone

4.2.5 Relationship between the age of heads of households and household types

Jeppe Oval has a high concentration of heads of households who are either single or couples with children aged 25 to 35 years. In **Figure 6**, single households makeup 33.3 and those couples with no children make up 26.7 percent. In 36 to 45 age group has 20.0 and 6.7 percent of couples with no children and singles respectively. The remaining 13.3 percent were heads of households above 45 years who have children. This supports Dewar's (1996) argument that housing associations are ideal for young people and families. These people are normally starting a family or establishing homeownership. Their income is usually too low for them to live in outlying areas. They can only afford to reside in convenient areas such as the inner city.

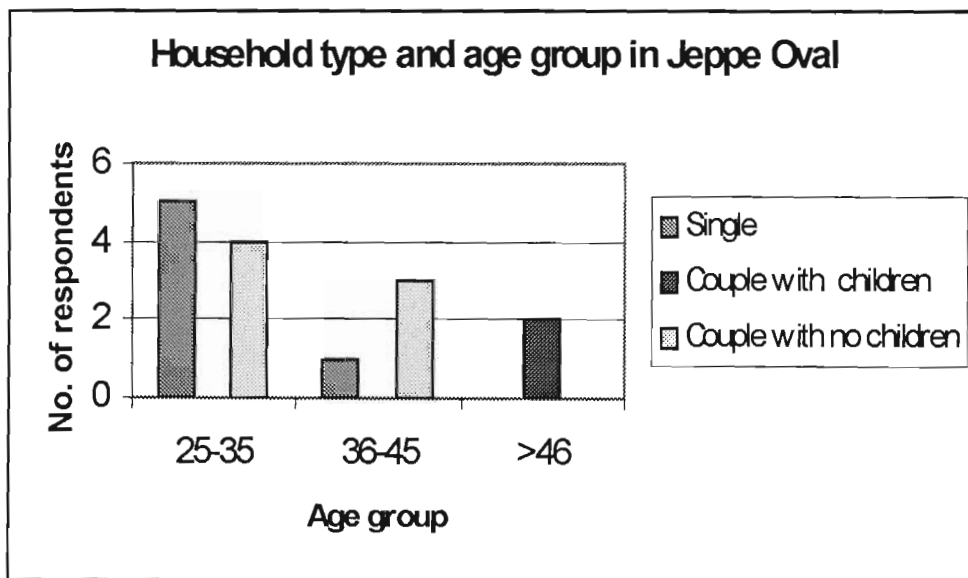


Figure 6 Relationship between the heads of households and the type of household in Jeppe Oval

In Navarone Court 40 percent of the respondents are 25 to 35 years old and their household types differ. **Figure 7** shows that single person households in this age group make up only 13.3 percent, couples with no children 6.7 percent and couples with children 20.0 percent. The second largest number of respondents is in the age group of 36 to 45 years. In this age group 26.7 percent of respondents are couples with children, 6.7 percent are single person households and 13.3 percent are couples with no children. The last group of 45 years and above are couples with no children, make up 13.3 percent. Navarone has considerably more couples with children than Jeppe Oval. This is because many people in Navarone have bought their flat and intend to stay permanently as owners of the flat. Thus Navarone has older heads of households with children than Jeppe Oval. This would be a likely household composition when there is 'rent to own' tenure in a housing estate.

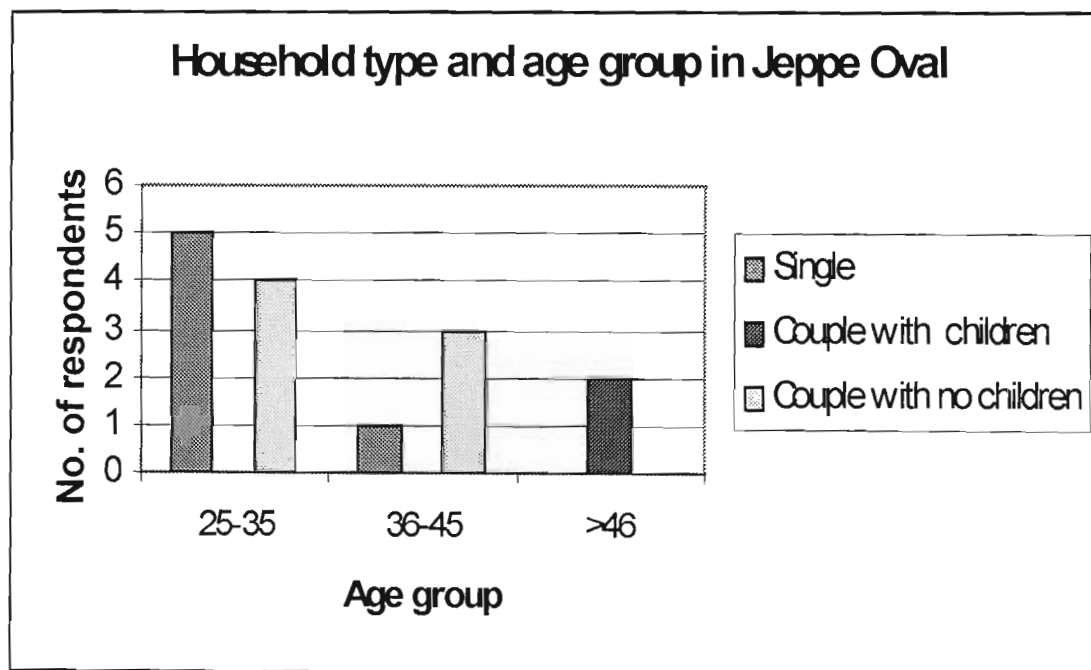


Figure 7 Relationship between the age of head of household and household type in Navarone

4.2.6 Household type and income level of respondents

Figure 8 indicates that Navarone has 60 percent of respondents earning between R0 and R1 500 per month. 13.3 percent are couples with no children with an income ranging from R0 to R800 per month. Couples with children are 26.7 percent and earn less than R800 monthly. A corresponding 26.7 percent of respondents are couples with no children in the income range of R801 to R1500 per month. People earning above R1500 include 13.3 percent of couples with no children and 6.7 percent of couples with children earning in the range of R1501 to R2500 and R2501 to R3500 per month respectively. This indicates that Navarone has many tenants earning not more than R1500. This could be a result of the tenure system of 'rent to own' where tenants are to own their housing unit in future, and therefore most are not planning to leave the estate. It also means the housing association is attracting people of mixed income but still holding to their mandate of housing the lowest income household.

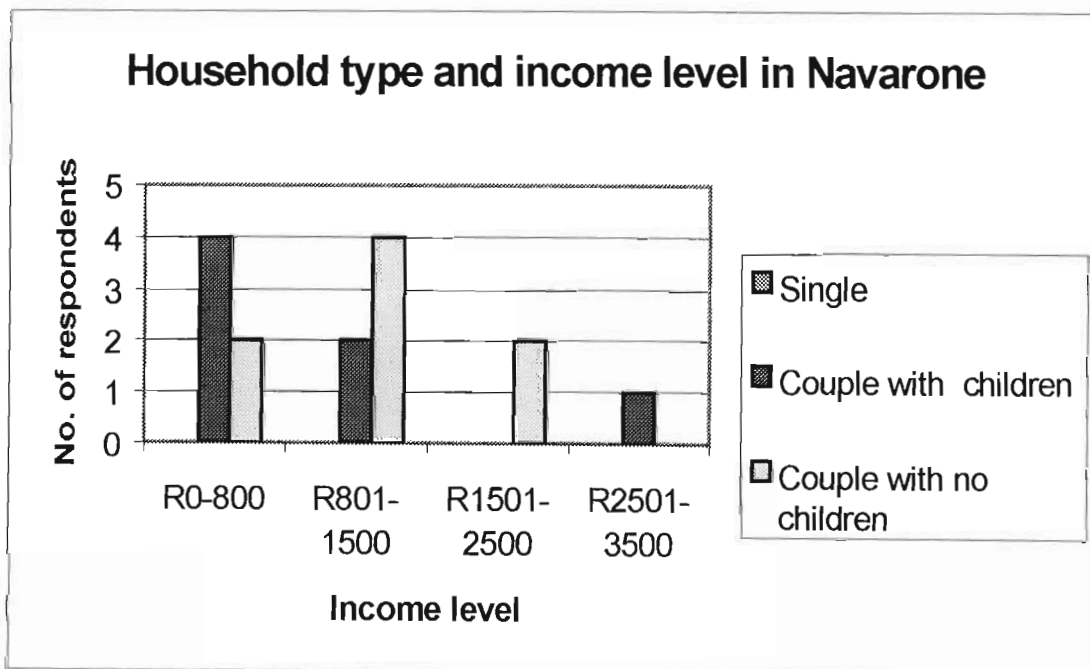


Figure 8 Level of income for households in Navarone

In Jeppe Oval the situation is slightly different. There is a large concentration of respondents above R1500 income group. **Figure 9** shows that one third of people earn less than R800 a month. Single person households in the R1 501 to R2 500 and R2501 to R3 500 monthly income range amount to 20 and 13.3 percent respectively. In the income range of R1501 to R2500 there are 26.7 percent childless couples. In the highest income range of R2500 to R3500 there are 6.7 percent couples with children. This reflects a slightly higher number of people in Jeppe Oval who are in the higher income range than in Navarone. The presence of mixed groups also illustrates the flexibility of housing associations to integrate people of different levels of income. The new trend of mixed income groups is very clear in both Jeppe Oval and Navarone. This is a positive development for these housing associations, their composition of low-income and middle income assist in cross subsidisation.

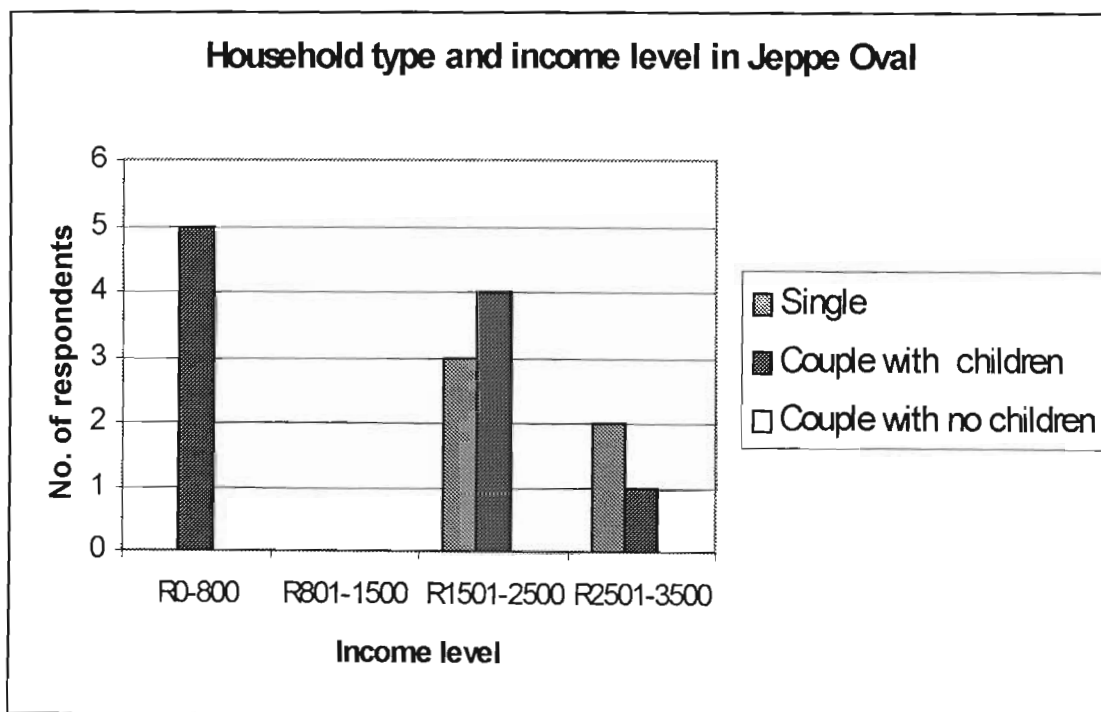


Figure 9 Level of income for households in Jeppe Oval

4.2.7 Employment levels of respondents In Jeppe Oval and Navarone

Jeppe Oval has a high number of respondents in formal employment, amounting to 60 percent of the respondents (see **Figure10**). Navarone has 40 percent of respondents formally employed. Both Navarone and Jeppe Oval have 26.7 percent of respondents unemployed. Navarone has only 20 percent of respondents in informal employment. The higher employment level in Jeppe Oval may be a result of a large number of male respondents working, as against the high number of unemployed respondents in Navarone who are housewives. The two housing associations show a low number of informally employed tenants. This is rather surprising, as it would expected that with the increasing number of hawkers in the inner city, housing associations would have several informal traders as tenants. The unemployed seems to be unexpectedly high in the housing associations. In an open ended question tenants said that there are few employment opportunities in the inner city, just as there are too few jobs throughout the country. This might be due to structural employment in the economy that affects inner city tenants.

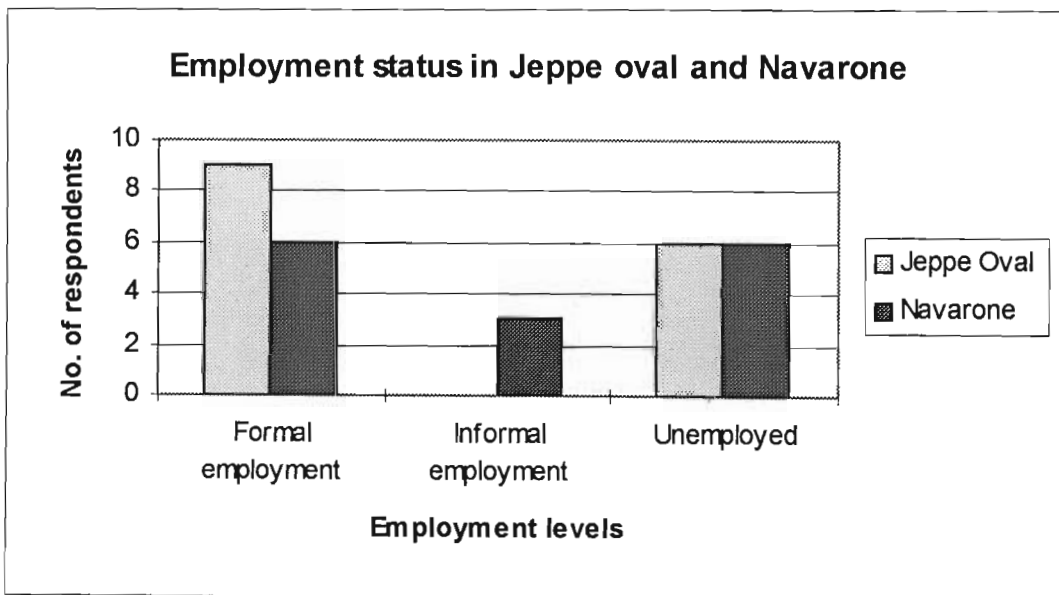


Figure 10. Employment level of respondents

4.3 Inner city area perception and housing associations.

4.3.1 Place of residence before moving to the inner city area

Figure 11 shows that people coming from the townships make up a large number of the tenants in both Jeppe Oval and Navarone. 40.0 percent of the tenants in Navarone came from township areas. A corresponding number of its people come from rural areas, 40.0 percent of the respondents. This might indicate that Navarone facilitates circular migration. Perhaps the reason for this relates to migrants establishing a foothold in Navarone earlier. They might also be attracted by the ideal placement of Navarone to life opportunities and consequently low travelling expenses. In Jeppe Oval on the other hand only 6.7 percent of respondents came from rural areas. Respondents who stated that they are from other areas specified that they came from inner city private flats and maidsrooms in White areas. Most respondents from these areas moved to Jeppe Oval because they needed a safer environment and more spacious rooms. This therefore indicates that these housing associations meet different needs for people. This makes them popular housing for low-income households.

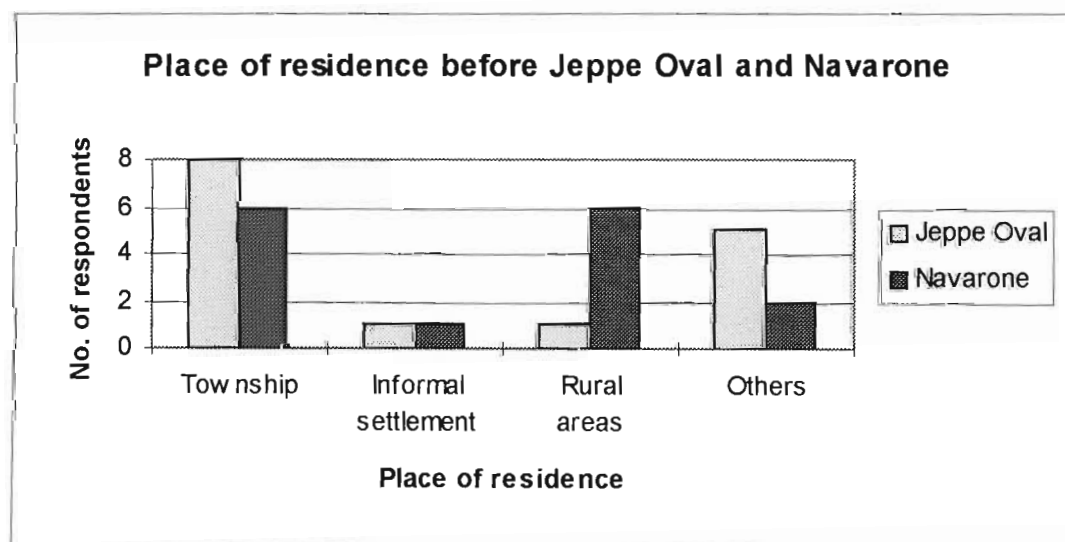


Figure 11. Place of residence before moving to Jeppe Oval and Navarone

4.3.2 Housing cost change as compared to the previous accommodation

In Jeppe Oval respondents indicated that housing costs are higher than in Navarone area. **Figure 13** shows that 53.3 percent in Jeppe Oval said that their housing units are more expensive than their previous accommodation. 33.3 percent said that their housing costs have remained constant, whereas 13.3 percent stated that their housing costs have not changed. Navarone had a completely different response pattern. 53.3 percent of respondents stated that their housing cost has been constant. 26.7 and 20 percent of the respondents said housing cost have increased and decreased respectively. Jeppe Oval's relatively high rates have two likely explanations. The first one is that most people are from the townships or from maidsrooms in White areas where little or no housing cost was incurred. Another possibility is that Jeppe Oval has new buildings, and therefore its rent is higher than that experienced before. Meanwhile most respondents in Navarone said their housing costs have not changed compared to those of their previous accommodation. Although housing cost in the inner city area is expected to be relatively higher than in outlying areas, the cost of housing association accommodation is expected to be affordable to low-income people since they form part of non-profit-making social housing providers.

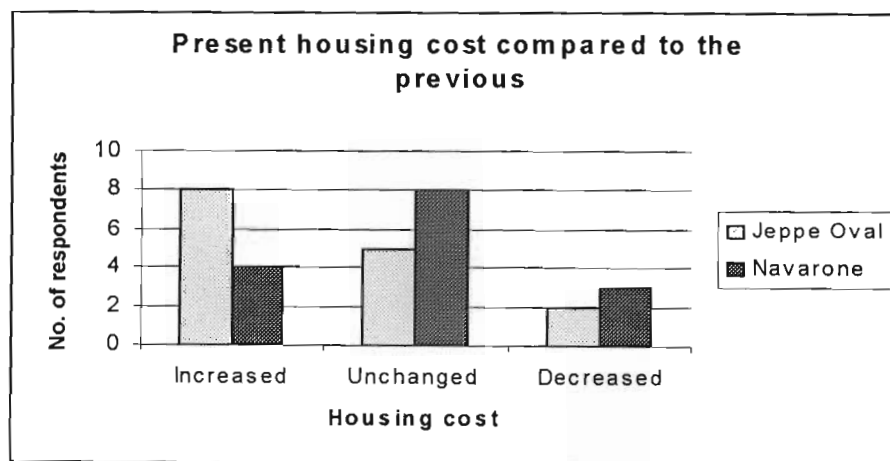


Figure 13 Navarone and Jeppe Oval housing cost compared to previous cost their tenants'.

4.3.3 Rental preference

Figure 14 shows 60.0 percent of all respondents said that the rental system does not reduce their housing cost. However, 80.0 percent of Navarone respondents indicated that their rental system reduces housing costs. Respondents compare 'rent to own' system to investment in homeownership without using a mortgage loan. The lack of preference of Jeppe Oval respondents for their tenure stems from lack of ownership. People would rather rent knowing that in the end they will own their housing units. Many people in the housing associations seem to prefer the 'rent to own' tenure system over rent only tenure. This provides housing associations with a clue of the most preferred tenure system. Perhaps the system of 'rent to own' not only offers tenants the opportunity to own a housing unit but also improves the socio-economic conditions of low-income people as they will be assured of decent houses. Moreover the 'rent to own' arrangement provides better security of tenure, which can encourage tenants to invest in their properties.

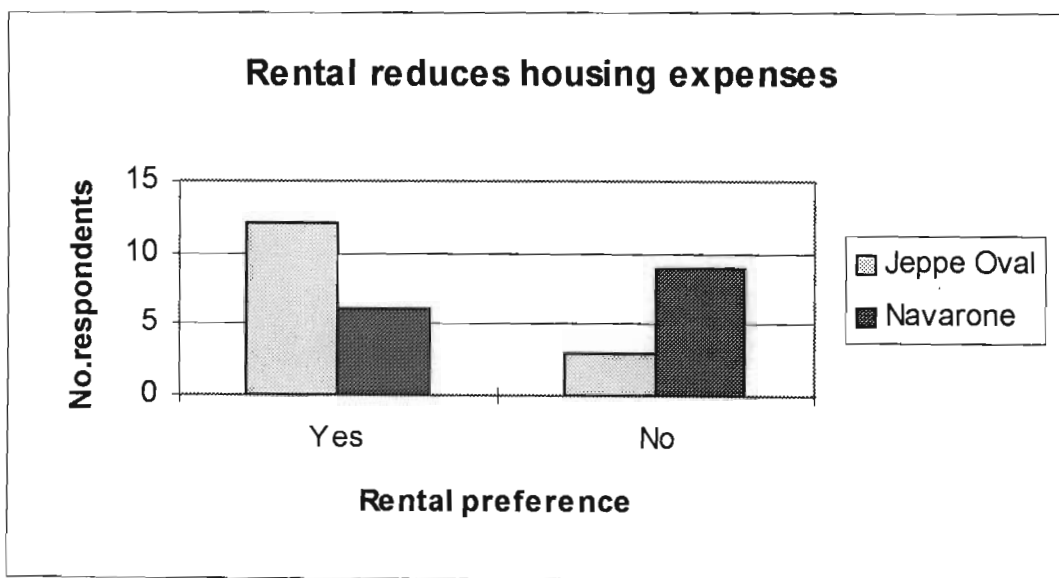


Figure 13 Rental reduces housing cost

4.3.4 The inner city cost saving

Although a significant number of people in Jeppe Oval stated that their housing costs have increased on average, 60.0 percent of the respondents stated that inner city life is cost saving. Similarly, the majority of respondents in Navarone stated that inner city life is cost saving. **Figure 15** shows that 60.0 percent of Jeppe Oval respondents said that they are saving money by living in the inner city area. On the other hand, 40.0 percent felt that they are not saving in inner city area housing. The respondents who claimed that inner city living is not cost effective are likely referring to their rent cost, since some of the tenants are from areas where they paid virtually nothing for their accommodation. For most tenants however there are savings in terms of travelling to work, shopping and the general access to other activities and areas.

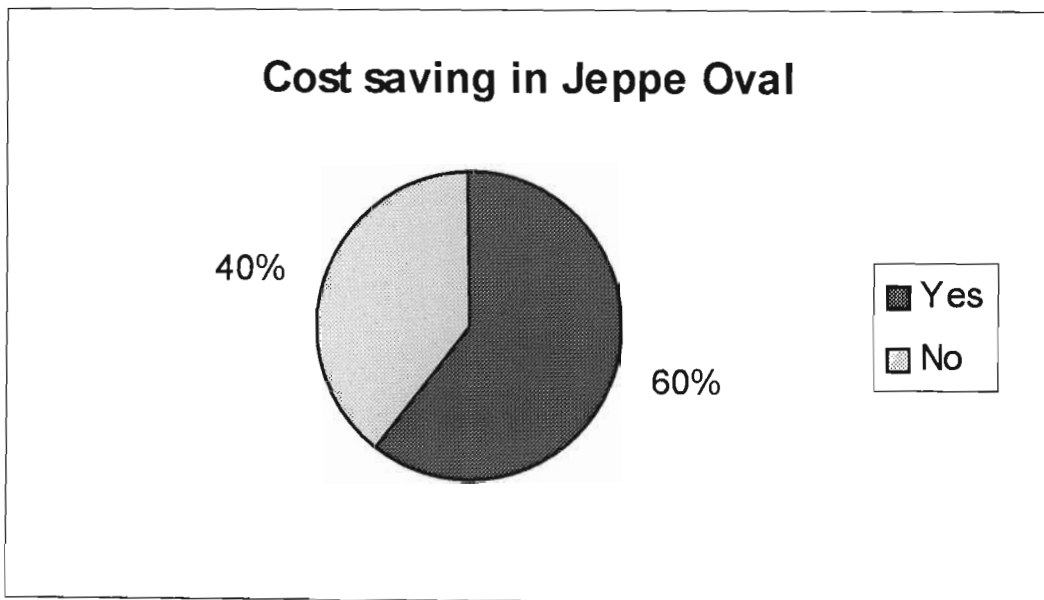


Figure 15 Jeppe Oval tenants' perception of cost saving of the inner city

The response in **Figure 16** shows that Navarone tenants are much happier and are saving a lot by staying in the inner city. A majority, 80.0 percent of the total respondents, said that life is cost saving in the inner city. Only 20.0 percent of them stated that life is expensive in the inner city area. The high number of tenants in Navarone who stated that they are saving by staying in the inner city could be due to their estate's lower rent cost and its convenient location compared to Jeppe Oval.

The respondents in the two housing associations have stated that inner city housing is more cost saving than living in outlying areas. Many cited the convenience to shopping, recreational and working areas. In Jeppe Oval and Navarone high positive responses indicated that the respondents appreciate the convenience of the inner city. This reflects a great appreciation of housing delivery that integrates housing with other social and economic activities. It shows also that housing associations' delivery of inner city housing suits the needs of low-income people and assists in promoting an improved their standard of living for them.

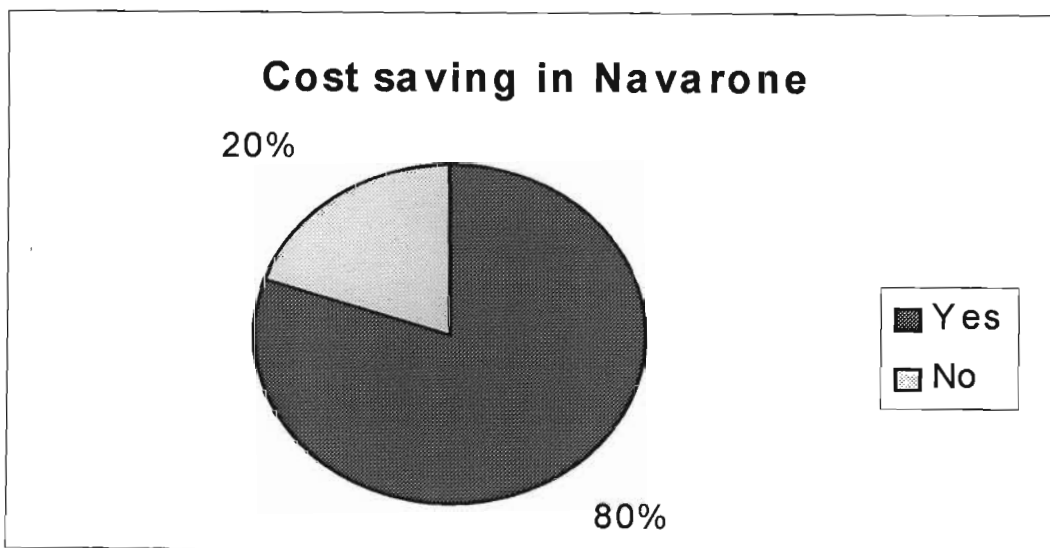


Figure 16 Navarone tenants perception of cost saving of the inner city

4.4 Environmental quality and social issues

The environmental quality of social housing is crucial to increase its attractiveness to low-income people. Social services, building structure, good neighbourhood quality and green space are some of the amenities that attract people to housing association estates. The primary aim of any housing association is to provide access to social services, amenities and to empower low-income households. Jeppe Oval and Navarone are examples of two housing associations that provide these services to their tenants. In this research the level of satisfaction of tenants in these housing associations has been evaluated.

4.4.1 The physical environment in Navarone

4.4.1.1 Built conditions

The Navarone tenants generally have a high appreciation of the quality of the built environment in their block. The structure and building condition of the flats are considered good. In **Table 3** none of the respondents stated that the flat conditions are in an unsatisfactory condition. Of all respondents, 20.0 percent indicated that their flat is in a good condition. From the total number of respondents, 80.0 percent stated that their flat structure is in a satisfactory condition.

4.4.1.2 Housing units and green spaces

Tenants are satisfied with the building conditions of Navarone court. None of them complained about the housing unit space being small. Of the entire tenant respondents in **Table 3**, 33.3 percent said that their housing unit space is at least reasonable for them to reside in, while 66.7 percent of respondents are satisfied with their housing unit space. The provision of satisfactory unit space in housing is not common in many low-income housing delivery systems, but for these housing associations the feeling of tenants about unit space is positive. This indicates a better type of housing provision by the housing associations.

However, tenants said that no green space is provided at Navarone, suggesting that the extension of their living space into outdoor areas was limited.

Conditions	Unsatisfactory	Reasonable	Satisfactory	Total
Flat structure	0	3	12	15
Housing unit space	0	5	10	15
Green space	15	0	0	15

Table 3 Built environment quality of Navarone court

4.4.2 Physical environment in Jeppe Oval

4.4.2.1 Built conditions in Jeppe Oval

In Jeppe Oval, the reaction of the respondents to the environmental quality of their housing estate is mixed. **Table 4** shows that a few people, 13.3 percent, stated that the building conditions are poor. The majority of the respondents indicated that their building structure is in a satisfactory condition. That is, 46.7 and 40 percent respectively indicated that their flat structure is either in a reasonable or satisfactory condition. The building structure is one element of housing that can attract or repel people.

Most respondents in Jeppe Oval and Navarone indicated that they are reasonably or completely satisfied with the building structure. It should be noted that high rise is a new concept in mass housing in South Africa. The perceptions of tenants about high rise and walk-up flats are very important for the future provision of medium rise housing. In the new spatial development planning, which recommends corridors, connecting nodes and urban renewal programmes, the development of high density/medium rise building by housing associations would be ideal.

4.4.2.2 Housing unit and green spaces

Respondents in Jeppe Oval showed a similar trend to that of Navarone respondents on housing unit space. None of the respondents complained that the housing unit space was too small. 53.3 and 46.7 percent of tenants

respectively. That is most respondents indicated that their housing unit spaces satisfy their needs.

Jeppe Oval provides a comparatively high level of green space. Out of all the respondents 20 percent are not satisfied with the green space provided. 80 percent of respondents said they are happy about the green open space in their housing estate. Green space is another element that has to be considered in housing provision. Navarone, however, does not have a green open space in the neighbourhood. Jeppe Oval has a green open space and most respondents expressed satisfaction with its provision (see **photo 5, Appendix 3**). Green space provides a housing estate with aesthetic value, and an extension of living space, which many tenants appreciate. The Jeppe Oval provides green space, which is a rare occurrence in many low-income housing delivery systems.

Conditions	Poor	Reasonable	V.good	Total
Flat structure	2	7	6	15
Housing unit space	0	8	6	15
Green space	0	3	12	15

Table 4 Built environmental quality of Jeppe-Oval

4.4.3 Environmental quality in Navarone court

4.4.3.1 Crowding

Navarone respondents showed a similar response to Jeppe Oval tenants with regard to crowding. No respondents indicated that there is serious overcrowding in their block. A majority, 80 percent, stated that there is no overcrowding while 20 percent said there is a little overcrowding (**Table 5**). COPE housing association has managed to regulate the number of people per housing unit, helping to reduce overcrowding. Therefore the housing estate facilities are not overburdened. This could save money in terms of repairs and in relation to depreciation of the flats. This shows that housing associations provide a housing management system that promotes a better home environment.

4.4.3.2 Noise level

Navarone tenants said that they enjoy the quietness of their housing estate, 33.3 percent stated that there is no noise and 66.7 percent indicated that there is an acceptable level of noise in the area. Many tenants are happy that the housing association has managed to reduce noise and shebeens, which are the trademarks of neighbouring flats. Thus the housing association has brought respect and co-operation which was lacking before among tenants.

4.4.3.3 Neighbourhood quality

Table 5 shows that, 66.7 percent of respondents state that their neighbourhood is poor in relation to their building. Only 33.3 percent of respondents are content with their neighbourhood. Most tenants indicated that their housing is far better as compared to other buildings in the area. Majority of them complimented the housing organisation for improvement of their housing conditions. Tenants complain about the crime level that is prevalent in their neighbourhood. This is one factor that works against inner city housing associations. It is therefore essential that crime be reduced for people to be attracted to inner city housing associations.

Issues	None	Acceptable	Unacceptable	Total
Crowding	12	3	0	15
Noise level	5	10	0	15
Neighbourhood	0	5	10	15

Table 5 Housing quality of Navarone housing estate

4.4.4 The environmental quality of Jeppe Oval

4.4.4.1 Crowding

The level of crowding in a flat goes together with the environmental quality of the housing. Contrary to the prevalent overcrowding of inner city flats, housing association respondents experience little overcrowding. In Jeppe Oval housing, a total of 60 percent of the respondents stated that there is no serious

overcrowding in their building (**Table 6**), whereas 13.3 percent said there is overcrowding, and 26.7 percent said there is an acceptable level of crowding.

4.5.2.2 Noise level

Jeppe Oval tenants said that there is little noise in their housing estate. Of the total number, 60 percent of the respondents said there is no noise in their flat, and 33.3 percent said that there is little noise, whereas 6.7 percent of respondents stated that there is an unacceptable level of noise. Jeppe Oval's location on the fringes of the inner city provides a quieter environment.

4.5.2.3 Neighbourhood quality

Jeppe Oval respondents stated that their neighbourhood quality is good. An equal number of respondents, 46.7 percent indicated that the neighbourhood is reasonable and acceptable.

Navarone and Jeppe Oval showed similar responses to the environmental quality questions. The respondents indicated their appreciation of their environmental conditions provided by the housing organisations. The comparatively high percentage of Jeppe Oval respondents who rate their neighbourhood quality as good could be related to the quieter estate location of Jeppestown, which has lower crime levels than the Hillbrow area where Navarone is located.

Issues	None	Acceptable	Unacceptable	Total
Overcrowding	9	4	2	15
Noise level	9	5	1	15
Neighbourhood quality	1	7	7	15

Table 6 Environmental quality of Jeppe Oval housing estate

4.4.4 A visible and secure playing area for children

The flats in Jeppe Oval are built in such a way that it is secure for children to play in a visible area. In **Table 7**, 73.3 percent of respondents in Jeppe Oval

stated that their buildings have a visible and secure place for children to play. Only 13.3 percent indicated that their children play in a nearby area but not in a place that can be seen from the flats. 6.7 percent said there are no playing fields for children. In Navarone 33.3 percent said there is no playing area for children. The majority in Navarone, 73.3 percent said there is an area for children to play nearby, but not in a place that can be observed from the flats.

Children playing fields and provision of green space are valuable asset to housing associations, and should be planned for in the development of high density housing. Navarone has no space for children to play, while Jeppe Oval has been built with an area where children can play in full view of their parents and caretakers. The buildings are patio houses that provide view of playing children and offer general surveillance.

Area	Nearby	Visible and secured playing area	Faraway	None	Total
Navarone	11	0	0	4	15
Jeppe Oval	3	11	0	1	15

Table 7 Playing field for children

4.4.5 Performance of the housing associations

In Navarone there is a high level of satisfaction with the financial management of the housing estate by the housing organisation. A significant 80 percent of the respondents said that they are satisfied with the duties performed by housing management. This reflects the good relationship that the housing organisation has with tenants. Thus COPE's project managers seem to be attending to tenants complaints and involving the housing committee in the decision making process of the estate. Only 20 percent felt that their housing organisation is not performing financial and management matters to their satisfaction.

Jeppe Oval respondents indicated mixed responses on the running of their housing estate. A slight majority, of 53.3 percent has confidence in the financial

management of the housing association. 46.7 percent said they are not satisfied with the management of the housing company. Unlike Navarone, tenants in Jeppe Oval seem to have little communication with JHC's project managers. Tenants' housing problems are not attended to speedily. Moreover tenants in Jeppe Oval do not have a housing committee which can advance their complaints.

Area	Yes	No	Total
Navarone	12	3	15
Jeppe Oval	7	8	15

Table 8 Satisfaction with the management of the housing estates

4.4.6 Interest in owning the housing units

Tenants were asked to respond as to whether they would like to purchase their housing units. The Navarone respondents said they have all purchased their flats with the assistance of the housing organisation. It is therefore not surprising that 100 percent of them indicated that they are willing to purchase their housing units.

In Jeppe Oval, only 20 percent said they will not buy their current housing units, whilst 26 percent said they are not sure whether they would like to buy their houses. However a majority, 53.3 percent respondents have expressed the desire to purchase their housing units. This reflects that tenants appreciate houses managed by the inner city housing associations. In other words tenants are happy and believe that housing associations provide better living conditions, which is reflected in their willingness to invest financially in these housing blocks by buying their houses.

Area	Yes	No	Not sure	Total
Navarone	15	0	0	15
Jeppe Oval	8	3	4	15

Table 9 Opportunity to purchase housing unit

4.4.7 Community participation in the housing estate

Housing organisations work together with the tenants through tenants housing committees. Respondents in Navarone said that there is participation of tenants in the housing committees. As **Table 10** shows, of all Navarone respondents, 80 percent indicated that they are participating in their housing association. The remaining 20 percent said that there is not full participation in the housing association. Tenants in Navarone said that everyone participates in decision making in regularly held mass meetings. Jeppe Oval has not yet formed a housing committee; therefore this question was not applicable in their case. Tenants of Jeppe Oval reflect this in the low perception of management. Overall, the tenants said that there is social democracy in housing associations, that every housing delivery system needs in order to improve the lives of low-income people.

Area	Yes	No	Total
Navarone	12	3	15
Jeppe Oval	0	0	15

Table 10 Participation of tenants in the management of housing estates

4.4.8 Encourage others to join a housing association

To determine the general satisfaction of tenants, it was asked whether tenants would advise other people to join a housing association. **Table 11** shows that respondents were unanimous in agreeing that they would all advise other tenants to join a housing association. This therefore shows that there is a high level of satisfaction with the delivery system of housing associations.

Area	Yes	No	Total
Navarone	15	0	15
Jeppe Oval	15	0	15

Table. 11 Advise others to join a housing association

4.6 Conclusion

The intention of this chapter has been to provide an analysis of all relevant data from the questionnaires and interviews conducted. This data reflects on the socio-economic issues of tenants in Navarone and Jeppe Oval. In the questionnaire (**Appendix 1**) the researcher questioned tenants on their built conditions as well as environmental quality.

This chapter concludes with an analysis of the views of officials of the housing association's officials. In the interviews (**Appendix 2**), the way housing associations respond to the apartheid urban landscape was explained. Mixed land use and activity and a compact city are some of the strategies used by housing associations to change the urban form in South Africa.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter seeks to review the research question, the subquestions and the hypothesis provided in the first chapter. The intention of the research question is to investigate “to what extent and in what ways do housing associations improve housing delivery for the low-income group in Johannesburg inner city and contribute to the restructuring of the apartheid city”.

5.2 A review of the housing associations in relation to the research question and its subquestions

After a thorough presentation and analysis of primary and secondary data, it is appropriate to revisit the research question and evaluate it in relation to the data provided.

5.2.1 How do housing associations operate?

5.2.1.1 Households types in housing associations

The two housing associations have a substantial number of young people in the age group of 25 to 35 years. Most of these tenants are first time homeowners. A large number of them constitute single person and couples with children households. The former is also in a transitional stage of home ownership. They can either decide to stay forever or move to other areas. In Navarone, most respondents are committed to staying forever because they have bought the flat.

5.2.1.2 The financial framework

In the two case studies, project managers stated that these two housing associations are financially sustainable. The rate of payment of rent is high, with a default rate of 5 percent. The rent in Navarone is R488 considerably lower than Jeppe Oval's R650 to R800 for bachelor and two bedroom family units

respectively. 75 percent of tenants earning less than R3500 are accommodated by housing associations. The housing association has been successful in attracting people of mixed incomes and this helps in cross subsidisation of the lowest income people. Housing associations can therefore provide the lowest income people affordable rent that corresponds with their income. These people are relieved from high rent of inner city, whilst socio-economic conditions are improved by staying near opportunity area.

5.2.1.3 Participation of tenants

Jeppe Oval has no housing committee and tenants are not represented in the housing board of the association. It was however discovered later that there are caretakers who act as liaison officers between the tenants and the housing company. These people are not elected by the tenants but chosen by the housing company to report on maintenance problems. Navarone on the other hand has a housing committee that is elected by the tenants. The committee reports back to tenants weekly on Wednesdays. This has proved to be an effective way of involving tenants in the management of the housing association. Tenants of Navarone appeared to be more satisfied with their participation in the affairs of their housing estate than tenants of Jeppe Oval. In participatory democracy of tenants in management of their estates, housing associations improve tenants social awareness of democratic decision making and eventually uplift their social development.

5.2.1.4 Tenure system and tenure preference

The tenure systems of the housing associations include rental and 'rent to own'. In 'rent to own' the tenants pay rent for a certain period, for example 5 to 10 years, before they can own housing units as sectional titles. This is the tenure system used by 80 percent of the tenants of Navarone while 20 percent are renting only. The rent system is used by most tenants of Jeppe Oval. Tenants pay rates and services but have the security to their housing units by virtue of

subsidy contribution, although they do not have the right of ownership. Most importantly, housing associations tenure systems of rent provide low-income people with additional form of tenure and create capacity for people who can afford mortgage loans.

The two housing associations follow an international trend of mixed system tenure in their housing estates. These tenure systems suit people with different housing needs. Rental works well for circular migrants, especially for rural migrants staying at Navarone, and newly married couples with no children wishing to stay near their work places. The 'rent to own' system on the other hand would be preferable for people willing to reside permanently and own housing units in the inner city.

5.2.1.5 Tenant's perceptions of the building conditions and environmental quality offered by housing associations

Most tenants have expressed delight about the building conditions, low noise level, house unit space and green space provided by the two housing associations. These factors have an impact on improving the living conditions of tenants and providing them with better housing. Respondents were however not so happy with their neighbourhood environment. Many tenants showed concern about the high crime level in their neighbourhood.

5.2.2 Housing associations' response to South Africa's urban landscape

5.2.2.1 Promotion of inner city housing

The two housing associations see themselves as social housing providers that want to bring people to convenient areas (see **appendix 2**). They argue that housing should be integrated with other activities. Thus they advocate a mixed landuse and a multifunctional area. JHC's intention is to attract people to the inner city as part of Johannesburg's inner city renewal programme. Working together with the Gauteng Provincial Housing Department, the inner city housing

associations are being used as part of a densification initiative to change the current system of low density housing. The JHC for instance, has a mandate to provide 500 housing units annually within and around the inner city, and this will be achieved through high density housing. Inner city housing is a move away from apartheid city planning of separation of activities according to landuse. Housing associations intend to change South Africa's urban landscape by increasing residential blocks within a commercial functional area.

5.2.2.2 How housing associations promote a compact city

In cases of high land cost and the need to house people in areas of opportunities, high density houses are an efficient option. Inner city housing association project managers said that the advantages of bulk infrastructure, strategy location and mandate to operate in the inner city encourage them to focus on compact city housing. The built form that is manageable and saves costs is walk-up flats. Densification and infilling are some of the strategies implemented by JHC and COPE housing associations with the intention to change South Africa's urban landscape. These are moves away from township extensions and urban sprawl that were dominant in apartheid city development.

5.2.2.3 Mixed landuse and multifunctional activity area

Housing associations are working to increase mixed landuse through conversions of office blocks into residential zones. The housing associations would like to see business remaining in the inner city and integrated with other activities, such as housing. Thus housing association project managers expressed an appreciation of the mutual benefit of added value of mixed activities (see **appendix 2**). They said there is a potential of increased threshold population for businesses. On the other hand, business increases the property value of houses within the inner city. Housing associations play a role of changing South African urban landscape from separate development to mixed activity. The intention is to create cities wherein people can live, play and work

without having to travel from one area to another. When travelling costs are reduced, the standard of living will improve especially for low-income people.

5.3 Research question review

In the preceding review of the research subquestions, housing associations have demonstrated the capacity to improve the socio-economic conditions of low-income people. Most respondents have indicated their appreciation of the impact housing associations have on their lives. From a range of issues including living conditions, social facilities and economic opportunities most respondents are happy about the delivery system of housing associations.

After considering all the research subquestions it is possible to provide an answer to the research question. Thus, housing associations improve housing delivery for the low-income group in the Johannesburg inner city. They improve the socio-economic conditions of low-income people by providing them with decent housing. Moreover, they are a vehicle that aims to change the urban landscape of South Africa. They promote compact city development, and mixed landuse and bring low-income people into areas of economic opportunity.

5.4 Hypothesis review

In chapter one the hypothesis was outlined. It stated that "housing associations are another form of housing that can promote the socio-economic integration and reconstruction of the apartheid city".

From the previous chapters, it is clear that housing associations are a huge contributor to the improvement of the living conditions of low-income people in the Johannesburg inner city. Most tenants in the inner city housing associations stated that they are experiencing a better standard of living. The services, and the environmental conditions offered by the housing associations are of satisfactory level to many tenants. Nonetheless, some of the respondents stated

that their economic opportunities have not increased and also a small number of people feel that living in the inner city gives them increased opportunities. In Jeppe Oval tenants are not satisfied with the rental tenure system. Most of them wish to have ownership of their housing units. Thus 'rent to own' would be a preferable tenure system.

Inner city housing associations are keen to change South Africa's urban landscape. They are aggressively advocating more housing within and around Johannesburg inner city. Their aim is to increase inner city high rise and walk-up flats. Their target is 500 housing units annually (COPE;1996/97 ANNUAL REPORT)

In light of the above it can be stated that the hypothesis is valid. Housing associations delivery system promotes socio-economic integration and reconstruction of the apartheid city. On the other hand, however, it should be mentioned that respondents expressed some problems about the inner city housing. These include the high crime level in the inner city and a need for more 'rent to own' tenure. The researcher would therefore like to provide suggestions in this regard.

5.5 Recommendations

Ownership of housing units and blocks of flats by tenants in the inner city is a crucial step for inner city housing. Most tenants would like to own their housing units. Increased ownership by tenants is likely to make them take care of their environment. Moreover, people will invest more in their housing units and flats. It would be further recommended that research should be conducted on tenure alternatives and preferences in housing associations.

Housing associations should also help to facilitate circular migration, thus its rental system can help people who do not want to stay permanent in urban

areas. With a large number of circular migrants living in often violence ridden hostels, housing associations can substitute them and provide better conditions for these people.

Every housing association should be required to have a housing committee. In the case of Jeppe Oval, it was observed that caretakers are nominated in place of a housing committee. Tenants have, however experienced some problems which caretakers cannot solve as effectively as the Navarone housing committee. The committees need to be legislated as part of the housing associations, and independent structure monitoring their functioning.

Housing committees and participation of tenants in the housing boards should be encouraged. This would develop organisational capacity, social democracy among tenants and further provide incentives for better management of housing associations.

In a large-scale improvement of the inner city all factors should be included. Urban renewal should not only end with infrastructure improvement but it should include upgrading of the security system in the area, such as circuit television and police patrols. These would promote the image of the inner city and improve its safety. The ability of housing associations to attract more people into the inner city would largely depend on the safety level provided in the area.

Improvement and increase of green space and safe playing fields for children are also important for expansion of housing in the inner city. High density housing, such as of walk-up flats, needs green spaces not only for aesthetics but also for recreation.

The two housing associations have noticeably low numbers of self-employed tenants. These people make up a large number of workers in the inner city. It

would be assumed that these people would prefer to live near their trading areas. Thus housing associations should attract hawkers or informal traders to live in the inner city, next to their market.

National legislation, strictly for social housing and especially for housing associations, is fundamental for increasing the delivery of housing. Housing provision should not take its guidelines from a variety of laws such as co-operative law of farmers. This slows the pace of social housing delivery.

Lastly, housing associations should target economically viable areas such as new corridors, urban renewal programmes and other nodes of potential economic opportunities for tenants.

6. REFERENCES

Adler, T. (1996) Orientation of Housing Associations in the South African Setting: Johannesburg Housing Company, Social Housing in South Africa, Unpublished paper. Johannesburg.

Adler, T. and Oelofse, M. (1996) The Housing Subsidy Scheme: In (eds.), Rust, K. and Rubenstein, S. *A Mandate to Build; Developing consensus around a national housing policy in South Africa*, Ravan Press, Johannesburg.

Arrigone, A. (1997) Urban densification through low rise, high density density housing. *Open House Institute*, 22(3), p 4-19.

Balchin, P. (1985) *Voluntary Housing Movements*, Routledge, New York.

* Bond, P. and Tait, A. (1997) The failures of housing in post apartheid South Africa, *Urban Forum*, 8(1), p 3-15.

Co-operative Planning and Education (1996/97) COPE Annual Report, Johannesburg.

Department of Housing (1994) White Paper on Housing, Government Printers, Pretoria.

Department of Housing (1996) The Second Ministerial Task Team Report, Government Printers, Pretoria.

Development Bill (1996) Planning Concept. Integrated development plan papers, Government Printer, Pretoria.

* Dewar, D. (1991) Political changes and the urban poor in South Africa. *Urban Forum* 2(1), p 94-105.

* Dewar, D. (1997) Vexatious question of rental housing, *Urban Forum* 8(1), p 94-105.

* Dieleman, F.M. and Pieter, C.J. (1997) From renting to owning, Life Course and Market Circumstance. *Housing Studies* 9(1), p11-26.

Emms, P. (1990) Social housing: A European dilemma? Bristol University, SAUS papers.

Geldorf, J. (1997) Social housing: The better option, Unpublished paper, Johannesburg.

Griffin, C. (1996) Bordesley Urban Village, *Housing & Planning Review*, 51(6), p9-13.

Gwilliam, M. (1997) Regeneration and household growth, *Housing & Planning Review*, 52(6), p23-25.

* Hammersma, D. (1996) Role of social housing institutions and infrastructure in the Netherlands, Social housing in South Africa, Urban Sector Network, Johannesburg.

Hendler, P. (1996) Overview/analysis of major bottlenecks in delivery of low-income housing and possible solutions, Urban Sector Network, Johannesburg.

* Hugo, P. and Dieleman, F.M. (1997) Social rented housing: Recent changes in Western Europe, Introduction. *Housing Studies*, 12(4), p 421-426.

IZWI Cato Manor Community Newspaper (1998) Social housing project Set to make history, Vol 21, June, Cato Manor Development Association, Durban.

Johannesburg Housing Company Limited (1997) Johannesburg Housing Company Annual Report, Johannesburg.

* Kemp, P.A. (1994) Housing allowances and the fiscal crisis in the Welfare state. *Housing Studies* 9 (4), p 531-541.

Kidder M.S. and Judd, K. (1985) *Research methods in Relation*, Rinehart and Winston, New York.

* Krafte, S. (1988) The future of Social housing: Problems and Prospects of social ownership, *Urban Quarterly* 24(2), p 295-314.

Lewis-Beck, P. (1994) *Research Practice, International Handbook of Qualitative Application in Social Science*, SAGE publications, New York.

Marx, C. (1992) Alternative Housing delivery institutions, Housing Co-operatives and Housing Associations, Built Environment Support Group, Durban.

- * Mills, G. (1993) Housing in South Africa: Linking building form to delivery process, *Urban Forum* 2 (1), p 93-98.
- * Murie, A. (1996) Social Rented Sector and the Welfare State in the UK. *Housing Studies*. 12(4), p 437-462.
- Musterbroek, G. (1996) New Legislation for local government, Parliamentary Whip, June, Idasa, Cape Town.
- Myers, S. (1984) Housing Associations Define, *Housing/ Behuising*, June, p 25-26.
- Napier, M. (1996) The Incremental Growth of Housing: a post occupancy investigation of core housing in Khayalitsha and Inanda. Division of Building Technology, Discussion Document, CSIR, Pretoria.
- * Nesselein, R. (1988) Housing in the welfare states, Has government intervention raised housing investment and lowered the housing cost?. *Urban Quarterly* 24(2), p283-301.
- * Nevitte, A. A. (1977) Housing in a Welfare State, *Urban Studies* 14(1), p33-40.
- * Pouleson, L. (1997) Inner city communities and urban environment: The role of the physical planning professionals, *Urban Forum*, 5(1), p41-60.
- Power, A. (1993). *Hovels to High Rise, State Housing in Europe since 1850*, Routledge, New York.
- Smit, D (1996) Appropriate delivery systems for local government. Siyakhana Consultants Company Draft paper on housing delivery. Unpublished paper. Durban.
- Smit, D. and Heyman, C. (1993) Thinking about an institutional framework for housing key issues, NFH paper, Durban.
- * Spiegel, G. et al (1996) Houses or Toilets? housing provision in a context of diverse demands. *Urban Forum*, 9(4), p1-17.
- Stout, H. (1997) A house divided, *Housing in Southern Africa*, January p14-16.

Tomlinson, M. R. (1996) Is Mortgage Bondage a Financial Noose?, *Urban Forum*, 9 (4) p 30-45.

* Van Rijn, M. (1996) The role of social Housing in the Netherlands. Social housing in South Africa. Urban Sector Network, Johannesburg.

Woods, G. (1997) Selby Waterfront Initiative, *Housing & Planning Review*, 52(4), p14-19.

Appendix 1

DEPARTMENT OF HOUSING, NATAL UNIVERSITY

Questionnaire

Your are asked to assist in the conducting this questionnaire, the latter is part of the resear project to evaluate the delivery capacity of housing associations. You are therefore asked t fill in **X** in each question with a box provided, put a circle around yes or no question and writ where there is a fill-in space.

General issues

1. How long have you lived in the inner city social housing?

No. of years	X
0-2	
2-4	
5 and above	

2. Where did you live before you came to the inner city?

1. Township
3. Rural areas
2. Informal settlement
4. Other place, specify.....

3. How long are you prepared to stay in the inner city housing?

- 1 Permanently
- 2 Temporary

Give a reason for your answer

.....

.....

.....

.....

Economic issues

4. Does the rental housing reduces your housing expanses

1 Yes 42 No

Explain your reason

.....

.....

.....

5. Does your present housing reduces your travelling cost compared to your previous accommodation?

1 yes 2. No

6. Do you rent or rent to own your housing unit?

1 Rent (equity share) 2. rent to own

7. Is the housing association's security of tenure adequate for you ?

1 Yes 2. No

Explain your Answer

.....

.....

.....

.....

8. How has your housing cost changed as compared to your previous accommodation?

1 Reduced 9.3 Unchanged

2 Increased

Social issues

14. How is the level of service delivery in your housing estate?

Issues	Poor	Good	V.Good
Electricity supply			
Rubbish collection			
Water/ Sewage			

15. How is the level of security at your housing estate/ flat?

1. Poor
2. Good
3. V.good
4. Excellent

17. How is the level of accessibility of social services?

Indicators	walking distance	Distant	Far away
Clinic			
School			
library			
Sportfield			

17. Does the housing association's give your child/children greater access to the following'

Issues	poor	Good	V.good
Sports			
School			
Entertainment			

1. none
2. nearby area

2. away in a distance
4. visible and secured area

- 1 Single
2. A couple with no children
3. A couple with children

Age group	Mark.
0-5	
6-12	
13-21	

1 Yes .2 No
3 not sure

.....

.....

.....

1 Yes 2 No

Explain your reason

.....

.....

.....

.....

23. Has your housing association committee's allowed you greater participation in the running of your housing estate

1 Yes

2 No

Explain your

role.....

.....

.....

.....

24. Is your housing association's committee representative of all tenants? For Exp. women, non-educated

.....

.....

.....

.....

25. Has the housing committee structures made the housing estate better and provided you with sufficient voice?

.....

.....

.....

26. Are you satisfied with the financial management of the housing estate?

1. Yes

2. No

Explain your

answer.....

.....

.....

.....

29. According to you what are the advantages of housing association estates

.....

.....

.....

.....

30. If you could change anything about how your housing association is managed what would you change ?

For exp, rental, management and security

.....

.....

.....

Attitude about the Physical environment

31. How would you describe the built environment ?

Issues	Poor	Good	V.good
Flats structure			
Housing unit space			
Neighbourhood quality			

32. How is your level of environmental quality in relation to the following?

Issues	Low	Acceptable	Good	Excellent
Overcrowding				
Noise level				
Green Space				

Thank you

Appendix 2

The analysis of views of Jeppe Oval and Navarone housing associations officials

Interviewee 1: Pekwe Mphahlele

Work Status: Navarone court project manager

Date : April 08 1998

The project manager of Navarone Court stated that COPE works as a social housing provider. Its specific focus is inner city housing, since that is seen as a convenient place for low-income people. He expressed the importance of access to essential facilities such as shopping, recreation and working areas. The strategy of COPE, according to him, is to make housing part of the integrated activities in the city. Thus COPE would like to see mixed activity in the inner city, with housing as a major part.

The other intention is to reverse the urban landscape of the divided city. COPE aims to increase the number of low-income people owning flats and housing units in the inner city. He argues that low-cost housing in strategic areas such as the inner city can only be accomplished by building high rise or walk up flats. The inner city already has the infrastructure, which saves money, and the bulk high density is also more cost effective than housing development in the outlying area.

The rent payment is affordable at R448 per month. The rent cost includes rates and services and the tenants pay regularly. The majority of tenants, 75 percent who are accommodated in the flat, qualify for government subsidy. COPE, however, welcomes other people who earn a high income above R4000 per month.

The capital finance of the housing organisation includes 95 percent raised through the NHFC and 5 percent from the inner city housing upgrading fund. In

the case of Navarone court 80 percent of the cost went to renovation and 20 percent to purchasing the building. COPE housing organisation has not yet developed any partnership with a private organisation.

COPE housing organisation has a problem with high crime in the inner city area. According to Mr Mphahlele it is one problem that discourages people to stay in the inner city area. COPE has consistently lobbied the provincial government to increase the number of police on the streets and to install other security systems to reduce the crime rate.

According to Mr Mphahlele the other problem they experience involves legislation of Section 21 Companies, which says profits should not be distributed. COPE would like to see this law changed, so as to share their proceeds with their tenants.

Interviewee 2: Ronalda Fisher

Work status : project manager for Jeppe Oval

Date : 09 April 1998

Johannesburg Housing Company (JHC) is also a social housing provider , its mandate is to deliver 500 housing units annually in and around the inner city area. According to Ms.Fisher, JHC is party to the Johannesburg revitalisation programme. It intention is to encounter act the decay areas in the Johannesburg inner city.

The type of houses it provides is strictly high density of high rise, walk-up and detached. JHC intention in terms of changing the urban landscape is to increase the high density houses and encourage more inner city housing by low-income people. The housing development is used to promote socio-economic integration in the city. JHC housing delivery aims to change the monotonous urban landscape of divided urban activities.

The capital cost of Jeppe Oval has been financed through loans from the European Union. JHC raised some capital through the institutional subsidy of its tenants. The tenants in Jeppe Oval are mostly people qualifying for the government housing subsidy. The rent cost is R650 to R800 per month. Rent cost includes the overhead cost, service and rates, as well as capital cost recovery.

According to Ms.Fisher tenants participate through housing committee and hold meetings regularly every month. It was however established that this is not the case. The tenants are participating through the caretakers that are chosen by the housing company. The caretaker liaises between the housing company and the tenants on maintenance problems.

One of the few problems that JHC encounters with Jeppe Oval involves tenants subletting housing units to illegal immigrants an exorbitant cost. These housing units are sometimes rent by druglords, who spoil the quality of the neighbourhood.

Another problem relates to the crime level in the inner city. Jeppe Oval like Navarone wants the security system in the neighbourhood to be improved. They have proposed that crime should be monitored through closed circuit television and that there should be more police on the streets to reduce incidents of crime.