

***AN INVESTIGATION INTO WHY HOUSING  
CONSOLIDATION PROJECTS ONLY  
REACH 70%-80% OF INTENDED  
BENEFICIARIES ON CLOSURE OF THE  
PROJECT IN METROPOLITAN DURBAN***



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## **ABBREVIATIONS**

|        |  |
|--------|--|
| ANC    | African National Congress                    |
| BESG   | Built Environment Support Group              |
| CBD    | Central Business District                    |
| COSATU | Congress of South African Trade Unions       |
| DAG    | Development Action Group                     |
| DoH    | Department of Housing                        |
| GNU    | Government of National Unity                 |
| IDT    | Independent Development Trust                |
| IEC    | Independent Electoral Commission             |
| LRA    | Luganda Residents Association                |
| LDT    | Luganda Development Trust                    |
| NGO    | Non-governmental Organisation                |
| NHF    | National Housing Forum                       |
| PHB    | Provincial Housing Board                     |
| SANCO  | South African National Congress Organisation |
| VIP    | Ventilated Improved Pit latrines             |

# **AN INVESTIGATION INTO WHY CONSOLIDATION HOUSING PROJECTS ONLY REACH 70% - 80% OF INTENDED BENEFICIARIES ON CLOSURE OF THE PROJECT IN METROPOLITAN DURBAN**

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

When the Government of National Unity (GNU) came to power in South Africa in 1994, it inherited a housing sector with severe abnormalities as a result of the policies and political turbulence of the apartheid era (Department of Housing/DoH, 2000a). One of the main problems was and is still the enormous housing backlog facing large sections of the country's population both in rural and urban areas.

The housing crisis in South Africa has received extensive attention by the South African government, non-profit organizations and international actors such as research and aid organisations since the demise of apartheid. This shows the historical and present interest on the subject.

The most significant development in housing policy in 1990 was the creation of the Independent Development Trust (IDT). The IDT, was a parastatal, a government created institution in 1991, which was to address the housing needs of the country's poor. As one form of housing subsidisation, housing consolidation subsidies have been used in housing projects for households to build new houses or improve existing structures on the serviced sites that were previously subsidized through the Independent Development Trust (IDT) in the 1990's. The realisation that between 20%-30% of beneficiaries do not take occupancy at the end of a specific project, has brought a serious concern to the Housing Department, local community structures and Project Managers.

This study, focuses on the Durban Metropolitan Area; it intend to increase one's understanding of why consolidation housing projects only reach 70%-80% of intended beneficiaries on closure of the projects.

The housing consolidation projects in Luganda and Savannah Park, Southern Pinetown, Durban, which are the subject of the present study, were initiated in 1996 and 2000 respectively with the intent to deliver over 2000 houses in both study areas. These are being investigated.

The study takes a form of a wholes tick approach and tries to make a link between the absent beneficiaries and those who informally transfer their property to new owners. The reason is simply that the 20-30% originally intended beneficiaries are not benefiting from the Consolidation Housing Subsidy.

The study aims to look at alternative, cheaper and affordable ways of obtaining title deeds for people who have bought sites informally from the authentic officially recognised beneficiaries. Lastly, the study will contribute by data gathering and analysis, to the understanding of the phenomenon of low-occupancy and informal or *de facto* transfer of property.

## **1.1 DEFINING THE PROBLEM**

It could be said that in spite of increasing government assistance the problem of the homeless and those inadequately housed is still a very serious problem for the South African government and her commitment to service and delivery. In fact reliable statistics indicate that the problem is getting worse. The Industry News (2003) for example, states that *"expenditure on housing as a percentage of total national expenditure is projected to fall from 1.3% in 2002/03 to 1.2% in 2005/06"*. To make a

dent in the housing backlog, housing expenditure, should be at least 3% of national expenditure, ideally 5%. However, it would be probably impossible to spend R15 billion per annum on housing, representing more than 400 000 units per annum *at least in terms of raw numbers* (Industry Insight, 2003)". Still with all those staggering figures regarding housing shortfalls, some beneficiaries do not take advantage of their subsidies by taking occupation of their sites or properties. On the surface this seems irrational .

Hence the research problem can be summarized as follows:

*It sounds like a contradiction that while there are serious backlogs of housing for the poor, beneficiaries that have been allocated sites in consolidation projects do not take occupation of their sites at the end of the day. In some cases a phenomenon of informal transfer of property takes place.*

Historically and at present it appears that a certain pattern is emerging out of the study areas ,as quite a significant number of beneficiaries do not come forward for their consolidation subsidies. One would normally think that there would be a rush for houses or subsidies especially given that according to Sunday Tribune (2004) the government is falling far short of delivering 400 000 houses a year – the magical number that would make a huge dent in the housing backlog for low-income earners.

The housing crisis in South Africa has partly been the result of rapid urbanization. Urbanization is broadly defined as a movement of people mainly from rural to urban areas. It is a process that has occurred, or is occurring, in nearly every part of the world that humans have inhabited. One of the main motivations of people to move into cities is to seek economic opportunities. Due to the unexpected number of people flocking

into the cities most of them find themselves being inadequately housed or homeless.

South Africa has made great strides in developing policies relating to sustainable housing and human settlements which comply with the many international conventions and agendas such as The Habitat Agenda (Global Plan of Action); Agenda 21; The 1994 International Conference on Population and Development's Programme of Action; The United Nations Convention on the Rights of the Child and the Rio Summit.

The South African Constitution of 1996, Section 7 (2) mandates the state to respect, protect, promote and fulfil the human rights as encapsulated in the Bill of Rights, including housing rights. The South African Government has also committed itself to the Habitat Agenda in terms of ensuring adequate shelter for all and making sustainable human settlement safer, healthier and more liveable, equitable and productive.

Emanating from the research problem, typical examples of two Consolidation projects case studies were chosen, namely the Luganda and Savannah Park areas. Both areas previously received Capital Subsidy from the Independent Development Trust (IDT) in the early 1990's, and a further top-up Consolidation Subsidy was granted to beneficiaries in order to improve their houses.

The researcher has observed that in both study areas the projects did not reach their full use of the consolidation subsidies available to the intended beneficiaries. For some reasons when the projects reach around 70% to 80% occupancy, beneficiaries are found to be missing or have informally transferred their properties to someone else in those areas. This seems to be the pattern hence this study attempts to examine the reasons behind this trend.



## **1.2 RESEARCH OBJECTIVES**

The main objectives of the present research project are:

- 1.2.1 To investigate and establish an understanding of why people who own legal sites and who are potential housing consolidation subsidy beneficiaries are not utilizing this opportunity of obtaining the subsidies and occupying their sites.
- 1.2.2 To explore, understand, conceptualize and document how ownership changes hands, the extent of change of ownership, and community perceptions of ownership.
- 1.2.3 To examine the extent to which an informal land market is prevalent, and whether this does explain in part why “owners”/beneficiaries can no longer be found.
- 1.2.4 To establish to what extent the location of the settlements from the centre of activity (away from employment centres) played a role in beneficiaries not taking occupation of their legal sites.
- 1.2.5 To inform policy and strategy directions which would result in adopting appropriate and effective tenure arrangements for the informally transferred property in areas such as the study or similar areas.

This study will also attempt to provide a better understanding of the processes of property transfers which allow poor households to become the *de facto* owners of property, which co-exist alongside formally-recognised *de jure* processes. It is therefore likely that this work will



attempt to contribute usefully to deal with the situation and what the best options and solutions are to that problem.

### **1.3 RESEARCH QUESTION**

The main research question is:

*Under which conditions are housing consolidation beneficiaries not turning up for their subsidies and leaving their legal sites unoccupied or are involved in informal property transfer in the areas of Luganda and Savannah Park?*

This question seeks to examine how effective the role of the housing consolidation subsidy is, as it is undoubtedly one of the broader delivery methods that ought to contribute to the rolling-back of the housing backlog in South Africa. According to Department of Housing (2003) there were 233 284 individual Consolidation Subsidies approved from 262 projects and 2 367 633 different housing subsidies approved from 3620 projects between 1994 to 2003 in South Africa. That translates itself to 9.8% in total of individual beneficiaries that benefited from Consolidation Subsidy method which is quite significant by the year 2003 there were over one and half million houses built through subsidies.

#### **1.3.1 SUBSIDIARY QUESTIONS**

The subsidiary questions can be summarized as follows:

- 1.3.1.1 *Where did the original applicants of the capital subsidy scheme (site and service) come from and what was their age and gender?*

- 1.3.1.2 *What is the present policy of the government regarding vacant serviced sites for which owners are not traceable?*
- 1.3.1.3 *What issues should be considered in the formulation of such a policy and why?*
- 1.3.1.4 *To what extent is the duration between the time the beneficiaries received approval for their capital subsidy application and the availability of consolidation subsidy a contributing factor to beneficiaries' loss of interest in continuing living in the study area?*
- 1.3.1.5 *How far is circular migration contributing to serviced sites being left vacant?*
- 1.3.1.6 *Does the informal exchange of property involve people within the community or people coming from outside?*
- 1.3.1.7 *To what extent are informal transfers a factor in consolidation projects?*

## **1.4 HYPOTHESIS**

**The following hypothesis puts forward the main argument raised in this research:**

*Unemployment and poverty encourages poor households to sell informally or abandon their properties in search of jobs and to follow the increasingly scarce income sources by moving elsewhere away from the project for which subsidy is granted.*

## **1.5 ASSUMPTIONS OF HOUSING POLICY REGARDING CONSOLIDATION SUBSIDY**

**There are several assumptions underpinning the housing policy of the government in terms of consolidation subsidy:**

- a. Policymakers generally assume that every poor and homeless person will readily accept any accommodation afforded to him/her by the state because of his/her desperate status.
- b. It is further assumed that offering people security of tenure will cause them to permanently settle down on their property.
- c. Finally, it is assumed that informal land sales will not take place because people cannot purchase property without proper documentation.

## **1.6 DEFINITION OF CONCEPTS**

BESG (1998) defines "Housing Consolidation" as a set of processes whereby housing is incrementally improved over time. The typical stages of consolidation of an informal settlement are:

- the erection of temporary structures;
  - the granting of formal tenure and provision of basic services in an upgrading project; and finally,
  - the gradual replacement of temporary structures by permanent structures, and the addition of extra rooms.
- 
- *Housing Consolidation Subsidy*: This is a subsidy made available to a Beneficiary who has already received state assistance to acquire a

serviced residential site under a previous housing subsidy regime, on the basis of ownership, leasehold or deed of grant (DoH, 2002). This mechanism has been designed to afford previous beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses. A top up subsidy of R7,500 to construct a house, is granted to beneficiaries with a household income not exceeding R1 500 per month. ([www. Housing.gov.za](http://www.Housing.gov.za)).

- *Dwelling Evolution in progressive developments, or Progressive development:* This is the process by which initially very basic and even precarious forms of shelter eventually become lasting, durable housing. The process is managed by users and, consequently, housing is continuously tailored to the household's changing characteristics and needs. These individual interventions can affect the built environment above the dwelling level. In fact, progressive development is just the way many urban concentrations have been created (<http://www.mcgill.ca/mchg/student/evolution/chapter1/>)
- *Beneficiaries:* These are natural persons who qualify for a particular subsidy, in this case a Consolidation Subsidy, and refer to households who earn less than R1 500, and who previously benefited from capital subsidy under the Independent Development Trust (IDT) or any other subsidy from the pre -1994 government.
- *Legal sites:* for the purpose of this study one refers to sites that have been registered with the Deeds Office in Pietermaritzburg under the name of the original allottee.
- *Informal property transfer* refers to a process that may involve the transfer of land or the transfer of a dwelling structure, or may involve both. This transaction of *property transfer* may take place between a willing buyer

and a willing seller without any registration of that property with the authority.

## **1.7 RESEARCH METHODOLOGY**

The statement at the center of this study is the hypothesis. The researcher expects to achieve:

- a review in housing policy with regards to missing beneficiaries,
- a range of tenure options that should be promoted, and be piloted to test the relative effectiveness of innovative tenure arrangements that could be efficient, sustainable and more flexible in order to suit low-cost housing beneficiaries that who intend residing permanently and those who wish to reside on a temporary basis.

### **1.7.1 SECONDARY SOURCES**

The information of single missing beneficiaries is based on the time when they were allocated sites after receiving capital subsidy from the IDT. Based on the above information the researcher wished to establish whether there would be any link with the change of marital status so as the researcher could draw conclusions of possible reasons of why the identified allottees are missing.

The study made extensive use of Home Affairs and Independent Electoral Commission websites as secondary sources. The main reasons for using the above websites was to establish the whereabouts of the missing beneficiaries, although the websites could not provide an exclusive evidence of the reasons of the allottees present status. In short, the Electoral Commission Website was to provide the researcher with



information regarding the present residential area or voter residential area of the missing beneficiary. It is noted that the information would not be conclusive in the sense that the researcher would not have interviewed the missing beneficiaries regarding the reasons behind their decision to leave their properties.

On the basis of the above reasons regarding the establishment of the whereabouts of missing beneficiaries, the Home Affairs Website was utilised. In this website the researcher used identity documents of 15 missing female beneficiaries on both study areas, who were single by the time the socio-economic survey was done in 1998 . On the Independent Electoral Commission website fifteen (15) Identity Documents of missing beneficiaries in both study areas were used to determine where did the missing beneficiaries registered for voting on the April 2004 National and Provincial elections.

The literature review used by the researcher involved the collection and review of research documents, research from NGOs like the Development Action Group, the Built Environment Support Group and Government policy documents and through utilizing obtainable information found in articles, case studies, journals, theses and books that were easily obtained from libraries, housing resource centres, housing institutions and government housing departments. Fortunately, the material obtained was extensive, wide-ranging, showed great depth and gave more insight to the problem of the study.

### **1.7.2 PRIMARY SOURCES**

The author obtained the lists of missing beneficiaries from the development committees of both study areas, in order that a search could be conducted through the Websites of the Independent

Electoral Commission and Home Affairs is be thoroughly elaborated on following paragraphs.

The primary sources of information for the study were the key stakeholders in both study areas, and the information needed from them was sought by use of interviews and focus groups discussions. While the researcher was conducting a site visit to both study areas, vacant sites were observed. The researcher while still on site visits was accompanied by a local housing advisor. He was shown vacant sites of missing beneficiaries and also newly informally acquired properties. It was at this point that the author felt that it would be important to interview or get more information in relation to the new informally acquired properties and their owners. That information would assist the researcher to understand the reasons as to why new site owners took the route to acquire their properties. The major tool to gather information was tape-recorded, semi-structured, interviews. These interviews were semi-structured because the areas of discussion were open to further interrogation and probing with the informant. All discussion was to be informal and the questions asked were open-ended. A serious effort was made to ensure that all topics were covered through the inclusion of government housing officials both at provincial and local level and interviews with community based organisations in the form of Community Development Committees in both study areas. The researcher took photographs of empty sites and pictures of improved and extended houses of informally newly acquired properties.

#### **1.7.2.1 GOVERNMENT HOUSING OFFICIALS**

Due to the tight schedule of government officials, a face to face interview was not possible to conduct with them concerning the Luganda and Savannah Park projects. However, telephonic arrangements were made with three selected government officials who were to be interviewed. Constraints and limitations were experienced in that the initially selected

government officials to be interviewed were either unavailable or referred the researcher to other relevant officials. For instance the Chief Director of Project Management Ms Nonhlanhla Mthembu referred the researcher to the Director of Policy and Planning Peter Wolff because she felt he is the right person to interact with. Furthermore, the Head of Housing in eThekweni Municipality also referred the researcher to The Director of Research and Policy , Mark Byerley. Belinda Benson the conveyancer in the eThekweni Municipality (Inner West Entity) was responsible for registering Title Deeds for Savannah Park area, was also not available and as the result one had to resort to interview the Head of Housing and Infrastructure of eThekweni executive committee Mr. Nigel Sbu Gumede. However, the interviews obtained were positive in the sense that one of reasons to conduct such interviews was to lobby government officials to review the present housing policy and strategy directions, which would result in adopting appropriate, and effective tenure arrangements and processes for the informally transferred property in areas such as the study areas.

The questions were sent to Mr. Peter Wolff who is a Director of Planning and Policy in the Provincial Housing Department, Mr. Mark Byerley who is a Director of Research and Policy in eThekweni Housing Unit and Mr. Nigel Gumede who is the Head of Housing in eThekweni Municipality Executive Committee. The questions posed to them covered the following areas:

- Whether there exists a housing policy regarding situation of missing beneficiaries.
- What should happen to serviced sites that remain vacant for over a period of eight (8) years.
- What should happen to newly and informally acquired property residents who do not have legal Title Deeds.



- Whether there is a need for a housing policy review pertaining to the above issues. (Refer to Appendix A for interview schedule with government officials)

### **1.7.2.2 NEWLY INFORMALLY ACQUIRED PROPERTY RESIDENTS OF LUGANDA AND SAVANNAH PARK**

The owners of newly informally acquired property in Luganda and Savannah Park are now residents and form part of the community of both areas. It became essential for the researcher to establish their views and reasons why they had acquired their new properties without any legal Title Deeds. Two housing advisors, one from each study area, were used to administer the questionnaires. This research strategy produced a response rate of 100 per cent of a sample of each population of 20 in both areas which was ascribed, among other things, to the fact that the interviewers were drawn from similar areas, were familiar with both study areas, and had previously engaged in field work in the area. Both housing advisors are experienced research assistants and they know exactly which sites or properties are occupied by newly arrived residents and assisted the researcher to identify those sites.

A questionnaire consisting of both closed and open-ended questions was used to access required information from these residents. Questions covered issues like when resident arrived in the area, why they left their previous accommodation, the reason for choosing that area, their income, the price of the property, and whether the transfer of property was informally or formally transferred. If the property was not formally transferred what were the reasons for not having taken a formal route. It was also established whether the interviewees were employed (i.e. informally or formally), where they were employed and whether they purchased the properties in installment or cash. (Refer to appendix B for a copy of the questionnaire).

### **1.7.2.3      LOCALLY BASED COMMITTEE MEMBERS OF LUGANDA AND SAVANNAH PARK**

In both study areas of Luganda and Savannah Park there are elected community representatives who form the development and allocation committees. The researcher conducted interviews with both allocation committees of study areas, as he needed to establish the role of the committees and their influence on the transactions between the original beneficiaries and the newly informally acquired property owners were concerned, as well as the history of both study areas.

The interviews took an informal route. A tape-recorder was utilised in order to avoid the normal way of taking minutes. The interviews were conducted in a way that was less restricting, letting participants express their views with ease with minimum control of the group interviews taking place. The reasons for this process were to let the committee members express their views easily without any strict formal conduct of interviewing that at times limits people. It was possible to conduct the interviews because of the researcher's long standing working relationship with members of both study areas. The main aim was to establish why households are constantly missing and owners informally sell their property.

A clear picture surfaced of how community problems were solved, the historical backgrounds of both areas and peoples' views concerning vacant sites, missing beneficiaries and how they are trying to locate missing beneficiaries, as well as their views on the informal transfer processes taking place in both study areas.

#### **1.7.2.4 MISSING SUBSIDY ALLOTTEE INFORMATION**

Information regarding the missing allottees was collected from housing advisors of both study areas. These officials have been directly involved in advising communities during the housing project operation. They assist the beneficiaries to fill housing application forms and show them their boundary pegs if beneficiaries are not sure or missing. They also kept lists of all beneficiaries who are allocated sites and the information of each beneficiary. These are beneficiaries who obtained capital subsidy granted by the Independent Development Trust.

The information of missing allottees was important for the researcher in order to establish the whereabouts and present marital status of missing allottees, through the usage of a combination of information that was collected from the websites of Home Affairs and Independent Electoral Commission as stated earlier on. The researcher used 15 female households who were single by the time they were allocated sites and the same criteria of 15 single male households were used in order to establish from the website of Home Affairs their present marriage status.

The main reason why the author wanted to compare the subject's present marital status to their previous ones as stated from the socio-economic surveys, was to establish the possibilities that they could have joined or now lived with their spouses elsewhere.

#### **1.7.3 DATA ANALYSIS**

A combination of the information collected through the observation of the researcher, and the information collected from the Home Affairs and Independent Electoral Commission Websites, as well as the interviews conducted with government housing officials, and with community based

organizations of Luganda and Savannah Park including newly informally acquired property residents was analysed and interpreted.

The data was processed manually, using both qualitative and quantitative methods. Rigorous observation was used over and above the questionnaire in order to examine the respondents' perceptions on informal transfer of newly acquired property. The answers to the questionnaire were analysed and interpreted throughout in terms of the survey areas, and for each survey area two columns were used: a column referring to number of cases, and another showing the percentage of those cases out of the area sample as a whole.

## **1.8 LIMITATIONS OF THE STUDY**

Like all empirical studies, the present study has its own specific limitations, which have to be brought to the fore in order to guide the reader.

First, the study does not pretend to have all the answers as to why 20% - 30% of beneficiaries are not making themselves available for their subsidies or occupying their sites. Generally speaking, the initial findings pointing to possible reasons as to why beneficiaries abandoned their properties, range from high rate of unemployment that makes present owners of property to sell their property as a matter of desperation for cash, deaths due to sicknesses, migration both back to rural areas and to areas next to employment or economic activity areas, due to marriage and to total disappearance of beneficiaries.

### **1.8.1 INDEPENDENT ELECTORAL COMMISSION WEBSITE**

One of the limitations of the study was unavailability of the missing beneficiaries and the only way to trace their whereabouts was through the Independent Electoral Commission (IEC) website. The main problem or limitation was that even when the researcher has located where the



missing beneficiary has registered for 2004 general election, no interview could be obtained in order to establish the reasons of leaving or abandoning their sites. Thus, the researcher could only make assumptions regarding the processes at play.

This study was limited by the fact that there are only 15 missing beneficiaries out of approximately 200 missing cases from both study areas who appear in the Independent Electoral Commission (IEC) registration website. The rationale behind this is that the researcher found that 7.5% of missing beneficiaries would be a representative sample in this case study. This is unlike a situation where there is a questionnaire and an interaction with the interviewer and respondent taking place.

Therefore, the purpose of these research processes was to establish where the missing beneficiaries are presently residing or where they have registered for voting. By just feeding the IEC registration website with the identification number of the missing beneficiary, the website in return would indicate the area or location where the beneficiary was registered to cast their vote. Through that process, the researcher was able to identify fifteen (15) people from each study area.

### **1.8.2 HOME AFFAIRS WEBSITE**

The limitations of the Home Affairs Website research were similar to those described above, especially of not interacting with the missing beneficiaries. This was true even in cases where the researcher discovered that the missing beneficiaries who were initially single parents now appear from the Home Affairs website as married. No conclusive evidence could be obtained, but the assumption was made that the missing beneficiaries have either joined their spouses at the latter's places of residence. However, the logical conclusion was that a married couple or family needs a stable home environment and the most basic one is

shelter or property. It would then defy any logic to imagine a previously single parent with property abandoning the property when his/her status changes to a married one.

From the Home Affairs Website the researcher also picked fifteen (15) previously single females identified in the socio-economic survey conducted in 1998 from both study areas and 15 single male missing beneficiaries from both study areas. The information of single missing beneficiaries is based on the time when they were allocated sites after receiving capital subsidy from the IDT. After putting in identification numbers to marital status website of Home Affairs, the author was able to establish whether the previously single parent is either married or still single.

Lastly, a limitation of the study is the fact that it does not cover Durban Metropolitan Area as a whole, but rather uses the Luganda and Savannah Park areas as case studies from which useful extrapolations can result, that may indicate provincial and national trends. While the assumptions and research findings do not necessarily represent the general trend throughout the entire province, it is hoped that processes identified in this study could yield generalizations which may be applicable to other parts of the province and to some extent other parts of the country. It nevertheless, represents a good starting point for further research in this important area.

## **CHAPTER TWO**

### **2.0 THEORETICAL FRAMEWORK AND LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This study is based on three broad major theoretical approaches in respect of housing, namely

- The Welfarist approach
- The Interventionist approach
- The Liberal approach .

These approaches have been chosen because they conceptualize the role of the state towards providing to its citizen's essential or basic needs. In South Africa these approaches are applicable to debates pertaining to the needs of the poor and the low-income groups. Housing is viewed as a basic need which affects everybody. Therefore provision of housing has always been a dominant factor in public debate.

Bringing about access to adequate housing remains a key challenge in South Africa. One of main housing policy of the South African Government is to provide Housing Subsidies to the poor people mainly those earning less than R1 500 a month. Therefore, the Consolidation subsidy that is provided in both study areas is in line with the commitments of the government and is in accordance with the South African Constitution.

## **2.2 WELFARIST APPROACH**

Welfarism is based on the premise that actions, policies, and/or rules should be evaluated on the basis of their consequences. Welfarism is of the view that the morally significant consequences impact on human welfare. There are many different levels of understanding of human welfare, but the term “welfarism” is usually associated with the economic conception of welfare. ([Http://encyclopedia.thefreedictionary.com/welfarism](http://encyclopedia.thefreedictionary.com/welfarism))

The South African government approach to housing provision is partly based on the Welfarist theory. It has taken prime responsibility in housing the poor by providing them with shelter to a certain extent. This approach to housing was most prevalent between the 1940's up to the 1970's and was adopted in both socialist and market based economies, albeit in slightly different forms. In socialist countries it was based on the premise that housing, like health and education, is a service which is the responsibility of the state to provide. In market based economies, on the other hand, it emerged out of the recognition that there were certain goods and services (e.g. transport and housing) which were essential to the smooth functioning of the economy and the reproduction of labour power that could not be provided by the private sector and therefore had to be provided by the state (BESG, 1992).

Nevitte (1977) indicates that the Welfarist theory was founded upon the universal principle of social justice where institutions that create and uphold the right to property should satisfy the concept of justice. It is upon these premises that the South African Government Housing Policy leaves a thin line between a supporter approach and the provider approach to the poor or low-income households. There are well thought reasons why the South African Government adopted a supporter paradigm and a welfare approach to address the backlog of the housing of the poor. To elaborate: a pensioner staying alone, owning a 30 m<sup>2</sup> house with 6 free kiloliters of water and 50 kilowatts of electricity and a monthly pension, will be characteristics that fulfill the principles of Welfare theory. On the



other hand when a young couple or a single parent receives the same consolidation subsidy might have a base to build on to enhance their property progressively at a later stage. Then such an approach fits well with the supporter paradigm, and both cases do feature heavily in the South African scenario of poverty alleviation.

The current housing policy in South Africa is based on a fundamental understanding that housing is a basic need. The provision of services, as well as the right to access to housing, is entrenched in the South African Constitution of 1996, that was adopted after the 1994 democratic elections. The Constitution states that the government must take reasonable steps, within available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security. (Constitution of Republic of South Africa, 1996).

One of main crucial issues that South Africa is facing is the problem of unemployment and poverty. The World Development Report (2000) defines poverty as "*unacceptable deprivation in well-being*". But which well-being? The Welfarist approach concentrates in practice on comparisons of "*economic well-being*" or "*standards of living*". There cannot be any tangible economic well-being of any individual or community without having a shelter as one of the basic necessities towards economic well-being. Among the highest in the list of basic needs, Smith (1992) lists food and shelter as a priority.

According to the White Paper on Housing (DOH, 1994) the South African Government is under a duty to take steps and create conditions which will lead to an effective right to housing for all. It also has the duty to refrain from taking steps which promote or cause homelessness. It is also further stated that Government will vigorously promote an effective right to housing for all. Therefore, the author is of the view that the South African government is leaning and keeping in step with the Welfarist approach principles of seeing the state as partly a provider to the most vulnerable of the basic social necessities. The African National Congress (ANC), the Congress of South African Trade Union

(COSATU) and the South African National Civic Organisation (SANCO) (1991) argue that housing is a social right for which the government should take primary responsibility. According to the principles of this theory housing is viewed as an entitlement that everyone should have. The advocates of this theory urge the government to take an active role in housing provision. This approach then informs this study in that the government is taking prime responsibility for the well-being of its citizens.

The Welfarist framework is based on the fact that there are economic imbalances and therefore the state takes responsibility to provide the basic necessities to its citizens. When one looks to the South African history and in particular apartheid history that robbed so many people of the necessary livelihood, it is not surprising that the government took a conscious decision that in order to redress the imbalances of the past, the state would provide a starter house for the poor and lastly the provision of basic services in the form of 6 kiloliter of water and 50kw of electricity for the poor per month.

### **2.3 INTERVENTIONIST APPROACH**

Interventionism is the theory that deals with the nature and justification of the interfering of a person or a government into the matters, decisions or policy of another individual or group. The main focus is commonly on the government, which makes interventions into the lives of her own citizens (Seubert, 2003).

According to the Interventionist approach, the state intervenes in order to correct the existing imbalances or to meet the needs of the people most especially the vulnerable. It is a matter of history that in a country such as South Africa, the previous apartheid government took a deliberate decision to improve the social, economic and political lives of a white minority and mainly the Afrikaner used this type of approach in the 1950's and beyond. Currently the South African government intervenes by offering grants to the poor and vulnerable communities in one of the forms of subsidy grants, of which the consolidation subsidy is one.

This form of housing subsidy is for people who earn up to R1 500 and who previously received grants in the form of site and services. This intervention by the government is in line with what is enshrined in the 1996 Constitution where the state is obliged to "*achieve the progressive realisation of the right to have access to adequate housing*".

One of the ways that the *intervention approach* used by South African government in the mid-1980's as stated by Huchzermeyer (2003) as the policy of '*orderly urbanization*' replacing that of racially based '*influx control*'. As the result the standardized capital subsidy was introduced in the form of site and services interventions.

In the apartheid era the state *intervention approach* was based on influx control but still some form of subsidy was provided for housing, whereas the present state *Intervention approach* is based on correcting the imbalances of the past and mainly targeting the poor. The *Interventionist approach* has been used by different South African Governments at different levels and with different beneficiaries.

State intervention as a response to the needs of the vulnerable in society has been a critical factor for the South African government. According to BESG (1998) shifts of government housing policies in the 1970s and 1980s led to policy approaches which encouraged and supported housing consolidation. These approaches were known by various names, such as the "support approach" and the "enabling approach". The key element of such policies is that the state is seen as the facilitator of housing delivery and not as the direct provider of housing. Turner (1988) saw the role of the state as assisting consolidation by:

- Providing infrastructure and services
- Formulating proscriptive laws defining the limits of what individuals can do.
- Ensuring access to cheap and well-located land, cheap building materials, credit, and technical assistance.

The present South African Government goes beyond the 'support approach' of site and service by providing a Consolidation Subsidy for the poor to have shelter over their heads on those previously neglected serviced sites.

There is no way that people or the country can solve the huge problems inherited from the apartheid regime without the state making a conscious intervention to protect the poor and improve their present dire state of affairs. The discrepancies between black and white in terms of distribution of social facilities including housing are enormous.

The state in South Africa intervened by passing legislation that were pro-poor in order to realize the needs of the disadvantaged and destitute. This was done by the implementation of a policy that as exemplified in the Housing White Paper (DOH, 1994) stated :

*'that the harsh socio-economic realities and sometimes despair faced by the relatively large proportion of poor people in South African society have to be recognised. The state has a fundamental role and responsibility to implement policies and strategies that will redress this imbalance in the distribution of wealth in the country.'*

Hence, the provision of consolidation subsidies in both study areas was designed to conform with the ideals of the White Paper. It targets clearly people who earn less than R3 500 a month. That is a clear example of state intervention in order to uplift the standards of living of vulnerable group within the society, especially the poor and the homeless.

Urbanisation and more specifically identification of a well-located land for the poor households is quite crucial and it entails challenges and risks, which if not properly managed, could create colossal failures in development and social failures. This is particularly so when urban expansions are propelled not by the



dynamism of urban economic activity but driven rather by the abject poverty and distress prevalent in their rural hinterlands. Poor households are still often located on the least desirable, and hence cheapest, land which is often without any hope of creating economic opportunities. This stark reality could encourage households to abandon their sites and look for greener pastures somewhere else, more specifically in the cities.

For any human settlement development more especially for the poor or low-cost housing community to be sustainable, to preserve social cohesion, vibrancy and to have a stable environment it should be well-located and closer to social amenities, economic opportunities and services. Without those necessities neighbourhoods could be inefficient, economically inactive and a source of poverty and crime. It is also important that all consolidation housing projects are adhering to those principles by avoiding urban sprawl development because this is a source of unstable and unsustainable housing project.

Sustainability in practical terms means development being located nearer to available economic opportunities, where the employment opportunities are readily available so as to do away with poverty and be able to have a sustainable residential environment as stated by DOH in the National Housing Code (2000).

## **2.4 LIBERALISM AS A CRITIQUE OF THE ABOVE THEORIES**

Liberalism bears the outlook of Neo-classical theory that locates housing within a general context of capitalism in a market economy. As such it is concerned with the supply and demand of land and the prices resulting from their interaction (Mattingly, 1993). From the formal land market point of view, it can be argued that the supply of land plays a dominant role in the relationship as demand is driven by the willingness and ability of people to pay. The dictum of the “willing buyer, willing seller” in the market situation effectively excludes poor people who cannot afford to pay for the land (Mattingly, 1993).

The fact is that the government is not in a position to pay high prices for expensive land for low-income groups because of the “willing buyer, willing seller” policy. This policy is strongly promoted and supported by the liberal ideologues and the private sector as part of their policies. Most of the site and services provided through IDT capital subsidy has typically been situated on cheap land and in peripheral locations – in areas previously designated *black* which by definition are the less desirable parts of the city. As a result, many subsidy housing developments are not deracialising and desegregating apartheid towns and cities. In fact, because of this policy of “willing buyer, willing seller” promoted by the Liberals, many subsidy housing developments are, in effect, consolidating existing spatial patterns and inequalities. Because of the long distance from industrial centres and lack of other facilities, income generating opportunities are fewer in the new locations. Moreover, the cost of transport into town or city centres tends to be extremely high for residents, not to mention the high costs incurred by the local authority in installing and operating the services and infrastructure (Thurman, S. 1999).

From the neo-classical debate (which Liberalism follows) on the formal land market it can be argued that the market has been exclusionary in that poor people are unable to participate in it. The main reason for this is that it commodifies land and housing. The issue of land and housing for the poor stems from the fact that there is a lack of a system of land delivery to the poor on terms which make it legally accessible and affordable (Mc Neil, 1992).

The Liberalism approach emphasizes the individual having a “choice” and that the state is not to interfere with the “free market”. Whereas Liberalism claims to promote free “choice”, the reality is that “free choice” is exclusive to a particular class of people, the rich people. Ironically, Liberals have been part of the parliamentary process of South Africa that has passed legislation that is neo-classical in nature and automatically excludes the poor in principle whereas, it professes “free choice”.

Dewar and Uytendogaart (1995) argue that lower-income people live further and further away from the higher order commercial and activity nodes of the city and the resulting processes increase their cost of living. The present locational characteristics contribute to inequality and poverty in that the development is still based on the pattern of separate development peculiar to South Africa for a number of political and economic reasons.

One would thus argue that Liberalism contributed to a situation where poor people have been forced to stay far away from areas of economic opportunities and hence they are left with scarce resources. This has left the poor without alternative but to abandon their properties in search for places to stay near their jobs.

Given the history of discriminatory urban policy in South African cities, a central objective of any strategy to manage urban growth must be to provide poorer, disadvantaged groups with residential environments closer to existing urban facilities and employment opportunities. To locate lower income households within the city would represent a powerful mechanism to redress the massive spatial imbalances that have resulted from the apartheid policies (Behren & Watson, 1999).

In South Africa site and service schemes have laid idle for the past eight to nine years without being occupied. The reason for this is that they are located far away from income earning opportunities and the very poor people cannot afford transport costs. What is experienced out of site and service schemes is mass production of serviced sites that have created dormitory suburbs distant from the concentrations of employment, shopping and recreation facilities. This has been perceived by people as a state strategy to shift land and housing provision from the state to the end user (van der Linden, 1994).

South African cities need to explore alternatives to their current pattern of growth, which is inefficient, unsustainable, and exacerbates inequalities in relation to access to resources and urban opportunities (Behrens & Watson, 1992).

## **2.5 CONSOLIDATION HOUSING SUBSIDY**

As stated earlier, the Housing Consolidation Subsidy is meant for persons who, before the inception of the current Housing Subsidy Scheme, received housing assistance from the State in the form of serviced sites, who can apply for a further benefit from the state to improve their housing situation by building a structure on the site or to upgrade an existing one.

The term consolidation simply refers to a process of making something solid or strong. In the housing context, it means making the house complete or the evolution of a house from one level to the other until it reaches a desired state.

According to Napier (1997), consolidation processes are building activities aimed at bringing starter houses to a further stage of completion using either formal or informal construction. There is no time or restriction for when this should be carried out, but it depends solely on the resident's resources such as time, personal savings and labour available. According to Smit and Mbona (1996) housing consolidation processes could be traced back in South African traditional societies, when additional structures were added to a homestead as the households grew. The government hoped that by encouraging and assisting low-income households by providing a 'starter house', it would encourage the beneficiaries to continue with that tradition of improving their homestead.

Tomlinson (1999) describes consolidation as being measured by an improvement in a household's living conditions, for example a progression from a shack to a house, or the development of a community and its integration into the urban environment.



However, in order for the consolidation to succeed and be sustainable the settlement should be situated at a well-located area and be closer to employment areas where economic activities thrive.

## **INTERNATIONAL CASE STUDIES**

### **2.5.1a DANDORA WORLD BANK PROJECT IN KENYA**

The Dandora project was initiated in order to test the legitimacy of the sites and services strategy in providing low-cost shelter for low-income households. The philosophy behind it was to combine public investment in land and infrastructure with simultaneous mobilization of the savings and labour of the individual family. Self-help housing was on the agenda of the international agencies, a process that drew its inspiration from Latin America (HABITAT, 1987).

In Nairobi, unemployment, inadequate incomes and a severe shortage of low-cost housing to cope with post-independence population growth and migration had resulted in the flourishing of squatter settlements and various forms of informal rental slums (HABITAT, 1987).

The researcher sees the situation of severe shortage of low-cost housing in the post-independence era in Nairobi as parallel to the South African situation after the apartheid era, characterized by a serious housing backlog of low-cost housing and the predominance of informal settlements in most South African urban areas.

Although the Dandora project as a pilot project for 6000 plots was extended and in many ways a gamble, it appears that it has achieved many of its objectives, despite many constraints. It may be that in terms of size and expectations, the project was highly ambitious for the skill levels, implementing capacity, and prior experience of financing in such a country. The project was explicitly directed at people with a stable

residence in Nairobi and an income of between KSh 280 and 650 per month. Applicants who already owned a house were not eligible.

### **Project Components**

In 1974, contact was established between the Nairobi City Council and the World Bank, to negotiate support for the implementation of this policy.

As part of the World Bank's recently initiated focus on urbanization and housing, the Bank agreed to provide a loan for a project on an unprecedented scale comprising of the following elements:

- 6,000 plots demarcated and provided with wet cores (toilet and shower);
- Community facilities, i.e. 6 primary schools, 2 health centres, 2 multi-purpose community centres, 1 sports complex, 400 market stalls and workshop cluster
- Trunk infrastructure, i.e. sewers, stabilization ponds, drains, access roads and street lighting; and
- Technical assistance to the plot holders.

The project was indeed an integrated development project. The project was designed to provide lessons leading to changes of attitudes and policies towards sites and services and slum upgrading programmes. Revolving funds were to provide continued inputs into future projects. After completion of the demonstration project, the institutions created were to become a permanent part of the City Council administration (HABITAT, 1987).

The researcher also made some parallels of Dandora's projects as a site and service project in as much as Luganda and Savannah Park projects where each allottee was also allocated a wet core and a Title Deed.

## **Selling the Plots**

Many allottees preferred to sell the plots to obtain money for other higher priority purposes than housing, e.g. buying rural land or starting a business. Type A plots without any investment by the allottee, initially fetched KSh 15,000. Monitoring studies confirm that plots were sold – a fact which is evident from newspaper advertisements – but the extent has not yet been investigated. It was clear, however, that selling of undeveloped plots was far less common than in the case of Thika. Plots were sold at free market prices and not through the procedures demanded by the Housing Development Department in Nairobi (HABITAT, 1987).

Parallels with the South African problem of informal transfer of property by beneficiaries can be seen in this process. However, in the Nairobi context the selling of plots was formal and the location of the project was well-located to economic activity and social amenities being in place. However, the difference is that in Dandora's case researchers were able to interview the beneficiaries personally in order to discover the reasons behind the sale of their plots, whereas in Luganda and Savannah Park the researcher was unable to interact with the beneficiaries. However, the parallels still remain and they need to be followed up by future researchers. One thing that could be learned from Dandora's experience is that it is not all homeless people that prioritize housing, instead they might have other preferences than housing.

### **2.5.1b THE CASE STUDY OF EL GALLO OF CIUDAD GUAYANA, VENEZUELA**

Ciudad Guayana is one of the *progressive department projects* undertaken in Latin America. *Progressive Development* is similar in content with Housing Consolidation. McGill's examples of progressive

development were found in the evolution of dwellings in informal settlements by early researchers in housing, such as Charles Abrams, John Turner, William Mangin and Elizabeth and Anthony Leeds. From the initial shack to the consolidated dwelling, housing in squatter settlements was developed as the household's new needs appeared and priorities changed. In turn, the process of evolution of these man-built environments was a reliable reflection of the inhabitants' requirements and priorities. Observations of Mangin and Turner in Latin American squatter settlements support this affirmation.  
<http://www.mcgill.ca/mchg/student/evolution/chapter1/>

As part of the "El Robie Pilot Project," 1,000 plots with minimum services (communal water taps, electricity and unpaved streets) were developed. In terms of housing, the program included 500 loans for construction materials. The program also sought to encourage the formation of community organizations within the neighbourhoods.  
[\(http://www.mcgill.ca/mchg/student/evolution/chapter1/](http://www.mcgill.ca/mchg/student/evolution/chapter1/)

In conclusion it is quite clear that one of the things that could encourage poor households to abandon their sites is abject poverty and unemployment. Therefore, it is quite wise that when people plan for development, they should take into account this point and try to encourage flexible tenure arrangements that could make it easy for any one thinking of moving on to be easy and a flexible system of transfer of property without a huge burden of bureaucracy could save costs and time.

## **2.6 GOALS AND APPROACHES OF THE CONSOLIDATION SUBSIDY**

One of the main aims and goals of the existing housing policy is to establish a *stable and sustainable public and private residential environment*. The other goal of the housing policy is to reach out and shelter all the homeless population. The consolidation subsidy tries to address that by providing shelter to those who only received the basic level of services like water and roads. The lesson and the irony of the two case studies already cited is that despite of the huge backlog of houses existing in Durban Metropolitan areas only 70% - 80% of potential qualifying beneficiaries coming forward to apply for their consolidation subsidies, the rest of 20% -30% are nowhere to be seen.

The vision for housing as enshrined in the White Paper on Housing provides the basis for the national housing programme. It is enshrined not only in the White Paper but also in the Housing Act of 1997 (no. 107 of 1997) and the National Housing Code. Thus it has been stated that:

*"The establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to:*

- 1. permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the element;*
- 2. potable water, adequate sanitary facilities, and domestic energy supply (DoH, 2000:4)."*



This vision was backed by the constitutional provision, found in section 26 of the Bill of Rights, that '(1) *everyone has the right to have access to adequate housing*'. (Rust, 2003).

The goals of the housing subsidy include:

- ✓ Creating socially and economically viable communities
- ✓ ensuring balanced and sustainable spatial development
- ✓ provision of choice
- ✓ sustainability
- ✓ transparency and equity
- ✓ co-ordination of state investment
- ✓ and creativity and innovation (DoH 1995).

According to Rust (2003), there are three specific sets of outcomes which the policy seeks to achieve.

The first of these relates to the beneficiaries of the housing programme – those families, which live in the 1,4 million houses that been delivered thus far, and those, who are still waiting. For them, the policy seeks to achieve three things.

- To fulfill the constitutional obligation of each citizen of their right to adequate housing as also expressed by Rust (2003).
- To empower beneficiaries economically in the form of providing a house that would be a fixed property that could be used as a collateral in future or improve it to the liking of the beneficiary as Rust (2003) state it *housing subsidy is the only state investment that builds the assets of the poor*.
- Finally, according to Rust (2003) possession of property gives the beneficiary an identity in the sense that is registered under his/her name. The beneficiary could be easily be located and quoting from Rust '*beneficiaries are given not only shelter, but also an address within a local*



*authority area*'. It is quite clear that this intervention is trying to restore and address the legacy of the past 300 years of dispossession of property from the indigenous people.

A recent article written by Charlton and Silverman in the *Mail & Guardian* (5–11, Nov. 2004) states that the preference of low-income families would be to settle in well-located settlements. The authors indicate for example, that

*"Selina Boyani could be living in a flat at the disused Durban Roodeport Deep mine, waiting for a government house. But she would rather stay in her shack in Zone 2, Diepkloof. Motivated by her desire to be near Nombulelo's school Selina Boyani has moved three times in the past two years".*

Given the history of discriminatory urban policy in South African cities, a central objective of any strategy to manage urban growth must be to provide poorer, disadvantaged groups with residential environments closer to existing urban facilities and employment opportunities. To locate lower income households within the city would represent a powerful mechanism to redress the massive spatial imbalances that have resulted from apartheid policies (Behrens & Watson, 1999).

It is within this context that attention is now being turned to vacant, well-located land in South African metropolitan areas as Housing Minister, Ms Sisulu (2004) expressed similar intentions. In Durban, these parcels of land are usually areas cleared under Group Areas Act, or areas where functions are no longer appropriate located like buffer zones. Many of these sites are owned by municipalities, government departments and parastatal bodies and can thus be made available for development with relative ease.

However, sustainable development also means locating settlements near economic opportunities. Establishing community facilities such as halls, clinics, education facilities, recreation facilities enable the creation of viable communities

– with a sense of place and a sense of belonging. There are generally however very few projects that are located well and this could be due to limited political will to locate poor people better (Mahomed, 2000).

By way of example, it has been reported that shack dwellers at Harry Gwala informal settlement near Wattville in Gauteng who were relocated to Clovedene by the Ekurhuleni Metropolitan Municipality were illegally either renting out or selling their low-cost RDP (reconstruction and development programme) houses and returning to their original shacks (Sowetan, 10 May 2005).

*“A number of them have since come back, all claiming that Clovedene was very far from their places of work. Here our people walk easily to Brakpan, Benoni or Boksburg to work or to seek work. Yes, we are not happy about this relocation,”* Ntandazo Dyantyi a local leader said (Sowetan, 10 May 2005).

Charlton and Silverman (2004) take the argument further in terms of the importance of a well-located settlement when they stated that

*“Studies show that unemployment in the area of Durban Rooderport Mine is 98%, compared to 51% when people were living in Diepkloof. Some people lost their jobs at the time of eviction..*

Affordable, well-located, higher density housing is a feasible alternative to the current pattern of low-density peripheral sprawl. The direct cost of a well located, higher density development is not significantly higher than that of a peripheral, low-density development, and may even be less in some cases. In the long term, well-located higher density housing is sustainable and efficient, while the indirect costs of peripheral low-density sprawl makes the process unsustainable and inefficient. However, in order to make affordable, well-located, higher density housing a reality, several changes in policy and practice are essential (DAG, 1993).

## **2.7 HOME OWNERSHIP/SECURITY OF TENURE**

Housing is a central feature of human settlement. In all Housing Consolidation projects the only form of tenure is individual ownership. In both study areas of Luganda and Savannah Park, beneficiaries possess individual ownership and both areas received the capital subsidies from the IDT in the late 1990s and were provided with serviced sites. The beneficiaries in both areas obtained individual ownership Title Deeds. Home-ownership is assumed more especially for the poor or the low-income bracket to be a source of security, to bring a sense of belonging, saving accumulation and an establishment of a stable and a sustainable family.

In the context of comparative research in Mexico, Santiago de Chile, and Caracas, Gilbert (1993) asserts that at present few Latin American governments seek balance in their housing policies and most consistently favour a single-faceted housing solution. They encourage owner-occupation, sacrificing other forms of housing tenure in the altar of the favoured option. The effect is to narrow the range of housing alternatives, which leads inevitably to a decline in the living standards of the poor.

Almost all low-income housing policies in developing countries aim at home-ownership as the only solution to the housing problem (De Wandeler et al. 1992,115). Argentina is not an exception. With a long tradition of state intervention in the housing market, governments of all political persuasions have always encouraged home-ownership (Borthagaray 1986,15).

Housing policy in South Africa has been based on the premise that freehold title is the ideal form of housing tenure to which all households aspire. However, freehold tenure does not always suit the investment priorities of households. For example, the complex pattern of circulatory movement between Durban Metropolitan Area and the rural areas means that households do not necessarily want to invest limited resources in a house in the Durban Metropolitan Area. For

such households public rental in the Durban Metropolitan area may be a better option than ownership. This observation might be one of the reasons why the beneficiaries are not playing by the rules of either informally transferring their property or at the extreme abandoned it as a part of dysfunctions of rigid and uniformed policies.

The above approaches that are based on international experiences inform this study in that the Housing Policy should now review the individual ownership as a dominant tenure form in subsidized housing. Learning from other international experiences of subsidized housing schemes individual form of tenure has turned out to be neither secure, nor sustainable for the very poor. Registered individual title is also not in sync with practices emerging in the low cost urban environment and hence a more flexible tenure arrangement to suit the wishes of the beneficiaries should be investigated.

## **2.8 THE SALE OF PROPERTY**

Tomlinson (1999), when addressing the issue of home-ownership and security of tenure referred to a debate of rental versus ownership, a conventional wisdom propagated at the National Housing Forum (NHF). It was said that if households were given sites to own they would begin to consolidate their circumstances. Anecdotal evidence suggests that consolidation may not be occurring at nearly the scale anticipated. What are the reasons for such an occurrence?

An examination by Tomlinson(1999) in relation to the first years of the housing subsidised scheme, reveals that standards have been fairly uniform – a tenured serviced site of 250 square metres with rudimentary free-standing top structure. This housing option does not necessarily cater for, say, those poorest families on the urban periphery who are still not sure where they wish to live. Rather than put down roots in urban area, they may sell their serviced sites through an informal sale at a fraction of the subsidy value. This will happen when the need to move



on, often in search of work, compels them to do so. In this situation, to rent rather than to own is possibly the better option for these households.

Magni et. al (2002) that most of the low-income households have created their system of land transfer and feel at ease with it. An investigation by the Housing Department of KwaZulu-Natal shows that some beneficiaries are selling their houses almost immediately after completion. The houses, worth R17 000 each are being sold for between R3 000 and R6 000 (Botes et. al, 1999).

Secure land can attract non-beneficiaries (who are in the middle-income groups) to a settlement. Experiences from many developing countries have shown that the failure to afford servicing and maintaining a house has led many poor households to sell their plots to individuals in the middle-income groups. This is also exacerbated by the fact that most developing countries do not have housing schemes that are directly aimed at addressing the housing needs of the middle-income groups. One may argue that such cases reveal that the security of tenure alone does not channel housing consolidation (Mbonane 1999).

Evidence from a study carried out in Nazareth in Southern Pinetown by Mbonane (1999) shows that the housing project that was intended for low-income groups faced difficulties due to the resistance of this group to paying rates and other associated government levies. However, the project ended up benefiting middle income groups who bought sites from the project beneficiaries who could not afford house plans that were required by building by-laws.

Khan & Thurman (2001) observed that the tendency of housing policy beneficiaries to return to squatting was noted by the Provincial Housing Development Boards, where the national database of beneficiaries is registering repeated applications for subsidies, as do developers themselves. They further commented that whether beneficiaries leave their subsidised houses due to speculation, high cost, or the constant movement in search of work, is unclear.

Bond & Tait (1997) explained that for many commentators, the reason for subsidies not reaching the intended beneficiaries relates in part to their vulnerability to speculation/'downward raiding' and their inflexibility to changes in consumer affordability. Due to the phenomenon of downward raiding (purchase of the subsidised plot by higher-income households for cash, typically at large discounts as mentioned above), it is very likely that subsidised properties will soon be in the hands of higher-income groups, as initial occupiers find it difficult to meet the range of ongoing water, electricity and rate charges associated with the current 'full cost recovery' approach advocated by the government.

This action brings to the fore the idea that housing maintenance and improvement require some form of income. Low-income households sometimes leave formalized areas because of economic reasons, especially when they fail to compete economically with middle-income households (Meffert, 1992, Rakodi, 1987).

Findings from several case studies of settlements that have benefited from government housing subsidies conducted by Zack and Charlton (2003) show that "about 20 per cent of owners don't stay in the area – Roodeport Deep south of Johannesburg". In Roodeport Deep the findings show that people sell subsidy houses for between R5 000 and R10 000 (Zack and Charlton, 2003).

Limited research has been done in South Africa regarding the nature of informal land markets, or the kind of land holding in these markets, and the possible implications of the blanket application of freehold title as a response to them. By studying the nature and dynamics of the informal land markets in the town of Folweni, it was proposed that policy makers, government officials and non-government organizations, take more sensitive approaches towards informal land markets so as to maintain South African's highly rated land registration system (Magni et al (2002).



This work seeks to present current debates on informal markets, to understand where informal land transactions or mechanisms originate from, and why they have been adapted to function in the urban context of this country. Parallels are drawn with some international observations regarding informal market operations in the Third World. It is proposed through the argument presented here, that a far broader approach to informal land markets is required. The broader socio-economic circumstances and emerging commercial land markets within which the property market operates also needs to be taken into account (Magni et al, 2002).

Under these circumstances, *de facto* property transfer arrangements have emerged, in terms of which the occupation, use and transfer of land is determined by the people who need land and are able to establish some degree of control over property, rather than being determined by formal *de jure* land administration systems. The basis of *de jure* property transfer systems is that individuals who retain all rights in regard of the use and disposal of those properties may own properties. The *de facto* land transfer mechanisms with which this research is concerned seem to conceptualize the relationship between an individual and property in a fashion, which approximates the indigenous model of property rights. Against this background it is crucially important to find creative ways of protecting the most vulnerable group of the community not to fall victim of the housing 'scam' perhaps by intensifying housing consumer education so as the housing provided ultimately benefits the intended beneficiaries in the long term.

## **CHAPTER THREE**

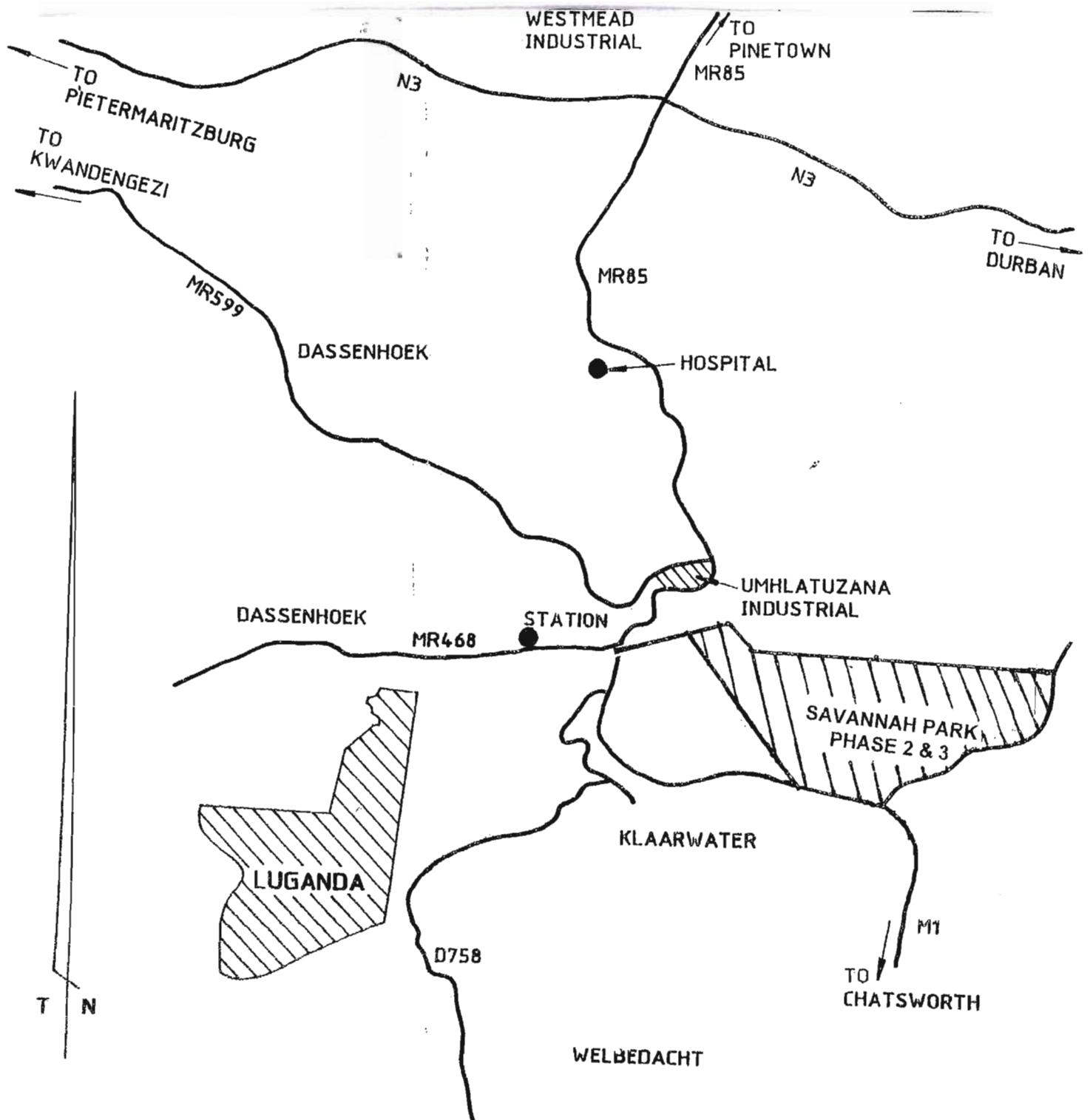
### **3.0 HISTORICAL BACKGROUND OF THE CASES STUDIES OF LUGANDA & SAVANNAH PARK**

#### **3.1 INTRODUCTION**

The Southern Pinetown area is at the edge of Durban Metropolitan area, and had a rural character until the 1970s. Marianhill Mission, part of the Catholic Church largely owned the northern and eastern part of the Southern Pinetown areas, and tenants rented the land from the church. The south-west part of the area was mainly owned by private landowners, and in the 1970s, informal land tenancy became prevalent in these areas (Clark, 1996).

Informal land tenancy is where household members construct their own shelter on an often illegally subdivided portion of a site and pay rent to the landowner. Removal attempts began to increase in the late 1980s as landowners tried to remove their tenants so as to be able to develop the land for more profitable uses. This led to conflict between the predominantly African tenants and the predominantly Indian landowners (Clark, 1996).

A number of site and service projects, funded by the IDT and National Housing Commission (NHC) were implemented in Southern Pinetown in the early 1990s (Clark, 1996). Of the projects undertaken in the area, the local authority (the Borough of Pinetown) implemented 4 projects, of which Savannah Park was one.



| AREA PLAN | AREAS                      | SCALE    |
|-----------|----------------------------|----------|
| MAP 1     | OF LUGANDA & SAVANNAH PARK | 1:50 000 |

## **3.2 LUGANDA**

Luganda used to fall under the then House of Delegates that was under the jurisdiction of the Indian community. Since it was earmarked for Indian community development, there was some reluctance by the House of Delegates to release land for development to African communities in that area. The first stand-off according to Luganda Residents Association started as far back as 1989 when some houses of Africans were demolished. The press briefing by Luganda Residents Association held on the 14<sup>th</sup> October 1991 in Pinetown gave the rest of the text that is below after threatening to hold a demonstration to offices of the erstwhile Borough of Pinetown.

### **3.2.1 LOCATION**

Luganda is situated 13km south-west of Pinetown's Central Business District (CBD), and is a part of the Southern Pinetown region. It was earmarked by the then metropolitan planning department as a priority area for rapid urban development and densification. Planning authorities have recognized that the Pinetown area has considerable capacity for industrial expansion given its current strong manufacturing base, efficient institutional support structures and the availability of flat serviced industrial land.

The development in Luganda did not come cheap as suppression and oppression of the poor African majority took place in that area. There have been pitch battles and bulldozing of houses and dwellings of African community members. After all this horrific experience of fighting for the land and development, the research assumed that the community would embrace development and take advantage of using maximum government subsidy schemes to their advantage.





It is very difficult to understand why only 70%-80% of beneficiaries are taking advantage of acquiring the already available consolidation housing subsidy. The initial perception of the researcher was that the community would hold to that land jealously and pursue its development . Therefore, one should ask why people leave their land after such nasty and painful battles to obtain the same hard earned land? The next section deals with the historical background of the study area.

### **3.2.2 HISTORICAL BACKGROUND**

Elders of the area who have stayed in the area for a very long time shared some historical background of the study area with the author. The oral history of the area traces the African occupation at least as far back as 1858. Many families on the land can trace their occupation of the site through three generations. Space does not allow a detailed account of the history of the dispossession of ownership of the original occupants. Suffice to say that by the 1950s the African families had become rent-paying land tenants. The area in question was sold to Manvar, an Indian businessman and a farmer some time previous to this. The system of paying land rent continued after this transfer.

On the 18<sup>th</sup> February 1987 an agent for Manvar Farms, which was negotiating the sale of the land in question to a development company (Comhousing Utility Company), for the establishment of a large Indian township, started proceedings aimed at removing the families from the land . An aerial photograph of the area dated 14/7/87 puts the number of dwelling units on the land at this time at 140 (LRA, 1991).

The initial removal attempt culminated in December 1988 with the bulldozing, with the support of a private security company, of a number of structures (possibly 35). It was stated that:



*“Certain acts of resistance took place and there was both a stoning of the bulldozer and shots were fired by the private security company” (Ibid. p5).*

In 1989, 310 households in the area of Luganda began resisting attempts by the landowner and developer, Com Housing, to remove them to make way for a predominantly middle income residential development. Com Housing had bought the 230 Ha piece of land for R5.5 million to develop it. BESG became involved in the area in 1989, and an application for IDT funding of R11.75 million was approved in 1990. Negotiations to buy the land at an affordable price (i.e. approximately R1 million) took more than a year, and the project of site and service was implemented in 1992-1993. The Borough of Pinetown and the Luganda Development Trust, set up by the Luganda Residents Association (LRA) and consisting of seven community members, formed a joint venture to be the developer. Condev, a private sector company, was contracted to be the project manager, while BESG provided support to the Trust.

### **3.2.3 THE ROUTE OUT OF THE DEADLOCK**

During the course of 1990 and early 1991 the community, BESG and other progressive actors worked hard to develop a development strategy to break the deadlock. Plans for a low-income mixed race development were formulated, tested and costed, discussions with the Borough of Pinetown were held, culminating in a preliminary feasibility study which was presented to the Mayor and officials of the Borough of Pinetown in early 1991 (LRA, 1991).

A resolution to resolve the deadlock between the House of Delegates, Com Housing and the Luganda Community was only reached in October 1991.

The Luganda Community was given a green light to proceed living in the area and develop it.

### **3.2.4 ROUTE TO DEVELOPMENT (SITE & SERVICE OPTED FOR IN THE DEVELOPMENT OF THE AREA)**

With the assistance of BESG, an application for IDT funding of R11,75 million was approved in 1990. Negotiations to buy the land at an affordable price (i.e. around R1 million) took more than a year, and the project was implemented in 1992-1993. The Borough of Pinetown and the Luganda Development Trust (LTD), set up by the Luganda Residents Association (LRA) and consisting of seven community members, formed a joint venture to be the developer (BESG, 1998).

A total of 1702 sites were serviced in Luganda, more than 5 times the number of households living there at the time. The level of infrastructure consisted of communal standpipes, ventilated improved pit (VIP) latrines, gravel and tarred roads, and prepayment electricity connections. Most sites were in the 450-550m<sup>2</sup> size range. The area remained largely unoccupied afterwards; by mid-1994 only about 400 sites had been occupied. A large number of sites were allocated on a first come first serve basis to people who had no prior links to the area, and who never visited Luganda again, even though they technically owned a site in the vicinity (BESG, 1998).

### **3.2.5 IMPLEMENTATION OF CONSOLIDATION HOUSING PROJECT**

A proposal for 1702 consolidation subsidies for Luganda was submitted to the Provincial Housing Board (PHB) in November 1994. The application was for consolidation subsidies for R5 000 to R7 500, which were for

providing top structures on serviced sites. The Provincial Housing Board subsequently accepted it in November 1997 and the implementation commenced only in 1998.

The study thus examines what has transpired since the granting of the consolidation subsidy in terms of 350 beneficiaries (LDT, 2004) who have not turned up for application of their consolidation subsidies and what are the reasons for them not coming forward, as well as the phenomenon of land exchanging hands informally.

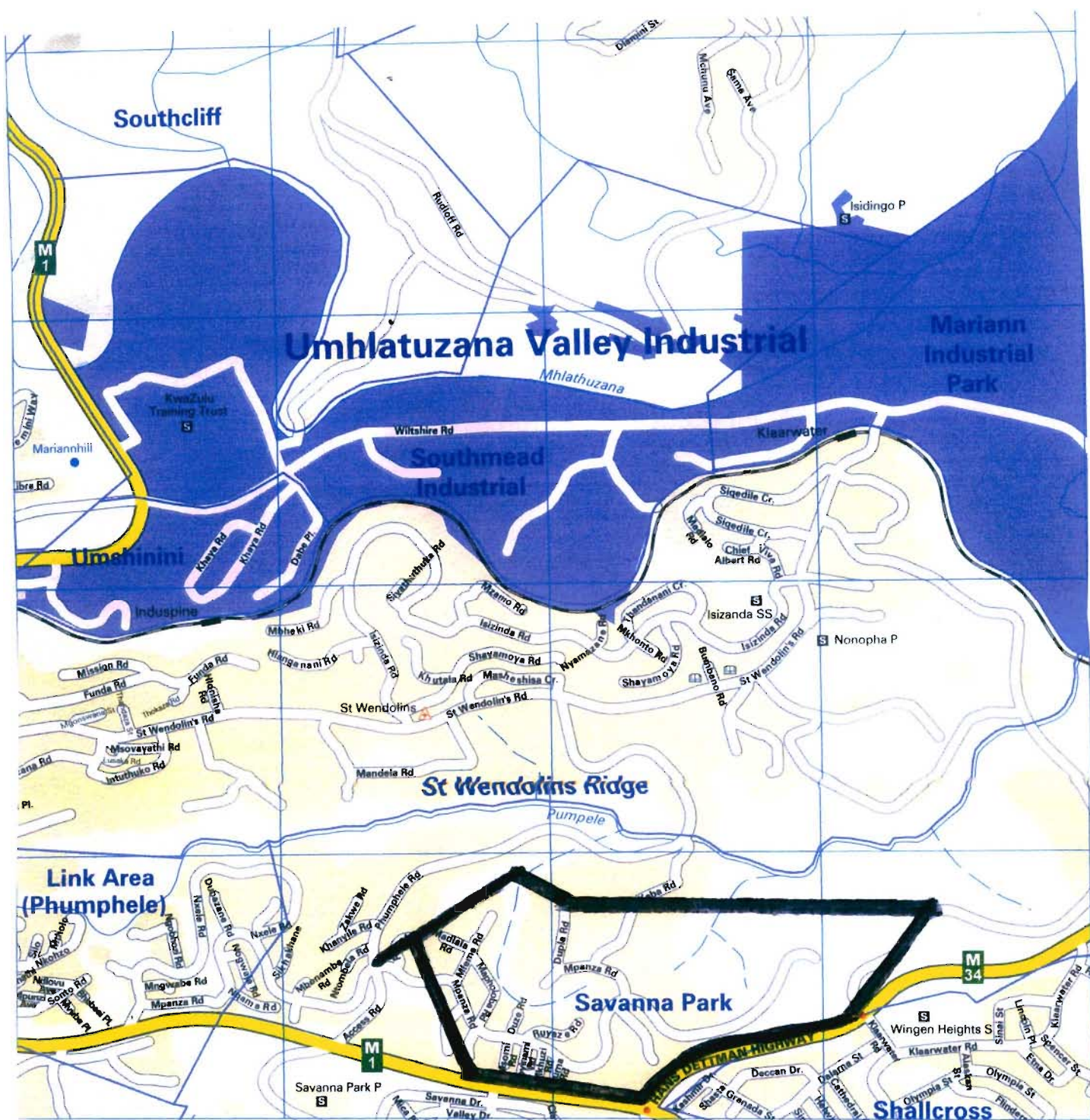
### **3.3 SAVANNAH PARK**

#### **3.3.1 LOCATION**

The Savannah Park community is situated approximately 30 km from Durban and 15 km to the south-west of central of Pinetown, south of the N3 freeway. It is part of the Ward 17 communities under the jurisdiction of Inner West City Council Entity, located in the western Durban Metropolitan area. The area in which it is located is one of the less dense of black settlement located in those parts of metropolitan Durban which were formerly situated inside Natal (as opposed to KwaZulu).

The area has 1 114 sites which were developed some years back by the Independent Development Trust funds which provided a subsidy of R7 500 per site. The funds covered infrastructure such as electricity, roads, water and sanitation in the form of VIPs. Out of 1 114 sites 910 families qualified for a further government consolidation subsidy. The consolidation housing subsidy was approved in February 2002, after 4 years of waiting. Each family received a further R9 775 for the purposes of building a 30m<sup>2</sup> houses or improving their existing house. In the same way like in Luganda most of the people allocated sites originated from outside the area and had no links with the area before (BESG, 2002).





|   |  |   |
|---|--|---|
| <p><b>LOCALITY PLAN</b></p> <p><b>MAP 3</b></p> | <p><b>AREA :</b></p> <p><b>SAVANNAH PARK</b></p> | <p><b>SCALE:</b></p> <p><b>1 : 20 000</b></p> |
|---|--|---|

### **3.3.2 HISTORICAL BACKGROUND**

Savannah Park is one of the settlements that owe its origins to the establishment of the Marianhill Monastery in the last century. As part of their missionary work, the Marianhill fathers bought two farms on where people settled on condition they were baptized into the Catholic faith. The fact that the informal settlements close to St. Wendolins were in origin areas where blacks could own land has largely determined the way they have developed. Such areas, unlike the formal townships, were usually established under the auspices of some intermediary institution (in this case, the Marianhill Mission), which promoted education and entry into the modern economy, and from an early stage took control of their own affairs and organized the community internally (Clark, 1996).

The mission's efforts in the area were terminated after the promulgation of the 1936 Land Act, and although the institution continued to provide sites, it could not issue Title Deeds. In the 1960's, the South African Government decided to relocate black people whose areas were declared either as Indian or Coloured areas to KwaNdengezi and KwaDabeka. In addition, the settlements of Savannah Park II and III, Klaarwater, St. Wendolins, the Link Area, Ensizwakazi and Southampton Park were declared Indian Group Areas; and the settlements of Mpola, Tshelimnyama, and Thornwood were declared Coloured Group Areas (Clark, 1996).

### **3.3.3 FORMATION OF A CIVIC MOVEMENT**

The civic movement in Southern Pinetown emerged out of the resistance to the forced removal attempts of the state. The first community organization in the area was the Save St. Wendolins Residents Association/Isolomuzu Committee of Fifteen. The Built Environment

Support Group (BESG), which had been founded in 1982 to assist communities in struggles over built environment issues, became involved in St. Wendolins in 1983 in support of their struggle against forced removal. In the late 1980s Innova Ekhaya, an Urban Foundation non-profit housing developer, was appointed as the project managers and 500 state subsidized loans were obtained in 1989, and the project was implemented in 1990-1991 (BESG, 1998).

Old committee members said that prolonged period of resistance followed during which the residents of informal communities adjacent to Klaarwater fought against relocation. Although some households did move out of the area, many more stayed on. In 1987, the decision was taken to allow the residents of the area to remain, although this was on condition that the area was incorporated into KwaZulu. The residents of the Marianhill settlements contested this decision in court, and in 1988 it was finally agreed that the area would remain under black settlement and outside the KwaZulu bantustan.

As a result, the area as a whole has a history of well-organized civil society mobilization, who have controlled levels of in-migration and have developed a settlement procedure regulating access to available sites. In 1990, the various civics in the area entered into negotiations with the Pinetown Municipality for the delivery of basic services (Clark, 1996). It was out of this process that Savannah Park was able to obtain the Independent Development Trust capital subsidy for site and services project of which the developer became the local authority (Borough of Pinetown). In 1998 the Savannah Park Development Committee approached BESG to assist it in drafting an application on behalf of Savannah Park community towards a consolidation subsidy process.

BESG provided the community with organizational support such as training the members of the committee in setting up a development trust,



which became a developer in the project when the application was approved in 2002. Some members were trained as housing advisors for the purpose of assisting community members for applying for consolidation subsidy and also for ordering material and boundary pegs identification. The project provided an employment opportunity for the local people. Local builders, material suppliers and housing advisors were the main people who benefited skill wise and financial wise from the project (BESG,2002).

After such a long struggle for the land and resistance by the community of Savannah Park against forced removal by the apartheid regime, one hoped that after obtaining their land, that was so fiercely fought for by the people of Savannah Park, the community would grab the opportunity with both hands and develop their hard earned land with the readily available grants in the form of consolidation subsidy from the government. But the reality on the ground proved otherwise. This study examines the reasons of why 260 beneficiaries (SPDC, 2004) did not turn up for their consolidation subsidy grants and as well as the phenomenon of informally transferring property in the area.

## **CHAPTER FOUR**

### **4.0 RESEARCH FINDINGS: REVIEW OF THE EVIDENCE**

#### **4.1 THE SOCIO-DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS (Newly informally acquired owners)**

As indicated in Chapter one, this study is based on the data collected from the Luganda and Savannah Park settlements. The purpose of this analysis is to produce findings that confirm or reject the hypothesis of the study. The findings of this study were informed by the literature review, data collection from the Home Affairs and Independent Electoral Commission Websites discussed in chapter one and two, as well as the findings obtained and the observations from the field by the researcher.

Further investigation was centred around missing property owners and informally acquired property in Luganda and Savannah Park in terms of the following aspects:

- socio-demographic characteristics of new property owners,
- history of migration and reasons for the move,
- economic characteristics, and finally
- informal land market and the mechanisms of the property transfer.

As cited earlier, the questionnaire was targeted at new property owners because of the following reasons:

- 1) The researcher needed information regarding the social and economic background of new owners and the reason/s that they not apply for the Government Housing Subsidy. Additionally it was sought to discover why they opted to buy property in a specific manner .
- 2) The present new property owners are the people who could provide the researcher with necessary information regarding the original (beneficiaries) owners and the reasons why they left their property, and whether the property was female headed or male headed, whether the previous owner was employed or not and why they sold their property in the manner that they have. Finally whether they have an idea in which area the previous owner had settled.

The description of households of newly informally acquired property form part of the most important part of this chapter, the reason being that firstly, it brings everybody who is having interest in consolidation housing subsidy projects to understand why informal property transactions take place, and how it affects security of tenure. And secondly highlights what the economic standing of new property owners in terms of their earnings. Lastly, it examines why households prefer a certain option of transfer of property over another.

The researcher has provided in the conceptual framework sufficient background on some of the difficulties that poor households in low-cost housing projects internationally and in South Africa face, and how they need to take some harsh decisions of parting with their property or selling it. Questions that can be asked in regard to this process are:

- who buys this property,
- why if the poor need shelter do they abandon it,
- what is going to happen to new property owners without legal title deeds, and
- what is going to happen ultimately with vacant serviced sites of missing allottees?

These are important questions because they address the main research question and the hypothesis that unemployment and poverty would always cause poor people to constantly migrate in search of job opportunities elsewhere.

**4.2 HOUSEHOLDS THAT HAVE NEWLY ACQUIRED PROPERTY OWNERS**

This section will examine each of the two survey areas, of new property owners, but acquired property through informal property transfers. In examining the tables which appear throughout the report, it needs to be noted, that the data is analysed throughout in terms of the survey areas. N therefore depicts the number of respondents during survey, with a column showing percentage of those cases. A fourth pair of columns shows the total of the entire sample.

**Table 1: GENDER STATUS OF HOUSEHOLD HEAD OF NEW INFORMALLY TRANSFERRED PROPERTY BY STUDY AREA**

| Household Head<br>Gender Status | Luganda |     | Savannah Park |     | Total |      |
|---------------------------------|---------|-----|---------------|-----|-------|------|
|                                 | N       | %   | N             | %   | N     | %    |
| Male head                       | 8       | 40  | 7             | 35  | 15    | 37.5 |
| Female head                     | 12      | 60  | 13            | 65  | 25    | 62.5 |
| Total                           | 20      | 100 | 20            | 100 | 40    | 100  |

**Source: Field Survey (2004)**

Table 1 shows that the new owners of informally bought property in both study areas are mainly female-headed with 60% in Luganda and 65% from Savannah Park. In Luganda only 40% of new owner households are male-headed and 35% from Savannah Park are male-headed. The researcher wanted to establish what the trend was regarding the gender composition of the new households and what the reasons were as well as why they prefer the purchasing route that they opted for. This will be further pursued later in the survey.

**Table 2. AGE OF HOUSEHOLDS HEAD OF NEW INFORMALLY ACQUIRED PROPERTY BY SURVEY AREA**

| Age of the Household Head | Luganda   |            | Savannah Park |            | Total     |            |
|---------------------------|-----------|------------|---------------|------------|-----------|------------|
|                           | N         | %          | N             | %          | N         | %          |
| 21 – 30                   | 2         | 10         | 3             | 15         | 5         | 12.5       |
| 31 – 40                   | 6         | 30         | 6             | 30         | 12        | 30         |
| 41 – 50                   | 6         | 30         | 5             | 25         | 11        | 27.5       |
| 51 – 60                   | 4         | 20         | 5             | 25         | 9         | 22.5       |
| Over 60                   | 2         | 10         | 1             | 5          | 3         | 7.5        |
| <b>Total</b>              | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Study (2004)**

Table 2 shows that the highest proportion of population of people who have informally acquired property in both Luganda and Savannah Park was in the age 31 – 40 age category whose percentage share is 30, while in Luganda the 41 – 50 age category constitutes the highest proportion of 30 percentage of the total population of the sample. Otherwise the under 30's and above 60's constituted the smallest share of the sample. Naturally, this was bound to be so, for the majority of 31- 50 age category is still highly active economically and a need to settle with their family is high.

The evidence above informs the study that most of the moderately young and working age households are desperate for consolidation housing projects.



**Table 3: EDUCATIONAL LEVELS AMONG RESPONDENTS BY STUDY AREA**

| EDUCATION           |   | LUGANDA   |            | SAVANNAH PARK |            | TOTAL     |            |
|---------------------|---|-----------|------------|---------------|------------|-----------|------------|
| N                   | % | N         | %          | N             | %          | N         | %          |
| No formal education |   | 2         | 10         | 1             | 5          | 3         | 7.5        |
| Primary education   |   | 3         | 15         | 2             | 10         | 5         | 12.5       |
| Secondary education |   | 2         | 10         | 1             | 5          | 3         | 7.5        |
| Tertiary education  |   | 9         | 45         | 9             | 45         | 18        | 45         |
| Technical/artisan   |   | 4         | 20         | 7             | 35         | 11        | 27.5       |
| <b>Total</b>        |   | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Study Survey (2004)**

The analysis of the educational levels is a vital component of this research because it provides useful background information on the social and economic lives of the new property owners. In a sense it also addresses indirectly the question of affordability of those new owners. Table 3 emphasizes the aspect of the educational level of new respondents, which gives the idea that 45% in both study areas have acquired tertiary education and 20% from Luganda and 35% from Savannah Park have technical or artisan skills.

Investing in education confers private and social benefits, and is normally cited as a prerequisite of socio-economic development. In particular, female education is increasingly advanced as a means to achieve such development. It has been derived from the survey that some of the new property owners are professionals such as nurses, teachers and managers at their places of employment. Others are technicians and are working as electricians, motor mechanics and some are self-employed and operate from home. This explains why newly arrived property owners are in a position to purchase property with ease. It can also be surmised that housing consolidation for such households should be easier than for original beneficiaries.

4.3 MIGRATION PATTERNS OF NEW PROPERTY OWNERS

The migration histories of new households are important in determining the way in which a household responds to the urban environment: a household which has recently arrived in an urban area will react to the urban environment in a substantially different fashion to a household which is of urban origin, or a household which has resided in urban areas for a long time.

Household migration histories are difficult to measure because of the nature of the individuals caught up in the migration process. Migration between rural and urban areas, and within the urban area, both forced and voluntary, are the dominating feature of most household histories. Migration patterns and the strength of links with rural areas and the ever changing uncertainty on employment obviously have an enormous impact upon housing consolidation in urban areas. The two projects under study are no exceptions to these migration patterns as the next table indicates.

Table 4. LAST RESIDENCE: LOCATION BY SURVEY AREA

| Last Residence      | Luganda |     | Savannah Park |     | Total |     |
|---------------------|---------|-----|---------------|-----|-------|-----|
|                     | N       | %   | N             | %   | N     | %   |
| Durban Metropolitan | 12      | 60  | 14            | 70  | 26    | 65  |
| South Coast         | 3       | 15  | 3             | 15  | 6     | 15  |
| North Coast         | 2       | 10  | 1             | 5   | 3     | 7.5 |
| Far Rural North     | 2       | 10  | 1             | 5   | 3     | 7.5 |
| Far Rural South     | 1       | 5   | 1             | 5   | 2     | 5   |
| Total               | 20      | 100 | 20            | 100 | 40    | 100 |

Source: Field Study (2004)

Table 4 shows the last residence that the new property owners came from. The last move made by the respondent was in the overwhelming number of cases with the average of (65%) from somewhere in the Durban Metropolitan area, (in

Luganda having 60% and Savannah Park 70%). This informs the study that intra-urban migration is a major feature of the migration pattern. The only other area which seems to be feeding people into Durban is the South Coast, which is linked to Durban metropolitan by good transport routes and even then this accounts for only 15% of the population. This remains constant across both survey areas, suggesting that the Durban metropolitan area is receiving relatively little in-migration but is experiencing substantial internal spatial instability, as households within the Durban area move around. It is hypothesized that this is due to the persistence of unemployed, with tirelessly in search of employment opportunities within Durban Metropolitan area. However, as the author indicated earlier on, some of the new owners are involved in informal economic activity that is not well explained for reasons that they only know presumably illicit trading.

#### **4.4 REASONS FOR LEAVING PREVIOUS ARE & CHOOSING PRESENT AREA**

##### **4.4.1 Reasons for leaving the previous area**

Table 5 shows the actual "push" factors which, according to respondents, precipitated the household's departure from their previous place of residence. The dominant reasons for households leaving their previous place of residence is that the present area was far from work and transport routes. The pressure of searching for work/employment, which accounts both for 25% of the total sample is also a vital reason for migrating.

What is evident from the above survey is that unemployment or desperation in looking for employment is rife in both Luganda and Savannah Park and account for 25% in both areas.

Of secondary importance are overcrowding in a settlement that account for 25% in Luganda whereas, in Savannah Park 20% cited "no prospect of buying a

house in that area”, as the reason of leaving their last area of residence. Lastly, only 15% respondents from Savannah Park cited crime and violence as a reason of leaving their previous residence.

**Table 5. REASONS FOR LEAVING THE PREVIOUS AREA BY SURVEY AREA**

| Reasons for leaving          | Luganda   |            | Savannah Park |            | Total     |            |
|------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                              | N         | %          | N             | %          | N         | %          |
| Crime/Violence in the area   | 2         | 10         | 3             | 15         | 5         | 12.5       |
| Overcrowding                 | 5         | 25         | 3             | 15         | 8         | 40         |
| Far from work/transport      | 5         | 25         | 5             | 25         | 10        | 25         |
| No house to buy              | 3         | 15         | 4             | 20         | 7         | 17.5       |
| Looking for work desperately | 5         | 25         | 5             | 25         | 10        | 25         |
| <b>Total</b>                 | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Study Survey (2004)**

Judging from the above results, it can be argued that desperation of finding employment and wanting to be nearer to places of employment and transport could lead to speedy procurement of property in Luganda and Savannah Park. It is then hypothesised that the new households were desperate for well-located housing, which is closer to their work. It is also presumed that they did not qualify for government housing subsidy on the basis of official requirements like income levels. As a result they resorted to the easiest and fastest way of securing a house i.e. to buy it outright immediately, from a household that did qualify for subsidy, but who no longer wanted to reside in the area in which the subsidy had been allocated.



#### 4.4.2 Reasons for choosing the present residential area

It is a fact that different types of settlement will have different attractions for households. New government consolidation subsidised housing settlements would attract households because they offer relatively good accommodation opportunities and services. At the same time the new consolidation housing projects located relatively close to towns like Durban and Pinetown, such as Luganda and Savannah Park may attract people because of their relative proximity to job opportunities and transport routes.

**TABLE 6 REASONS FOR MOVING TO PRESENT AREA**

| Reasons For moving to present area | Luganda   |            | Savannah Park |            | Total     |            |
|------------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                                    | N         | %          | N             | %          | N         | %          |
| Close to work/transport            | 6         | 30         | 8             | 40         | 14        | 35         |
| Informal business opportunity      | 7         | 35         | 7             | 35         | 14        | 35         |
| Could buy house immediately        | 5         | 25         | 4             | 20         | 9         | 22.5       |
| Less crime/violence                | 2         | 10         | 1             | 5          | 3         | 7.5        |
| <b>Total</b>                       | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Survey (2004)**

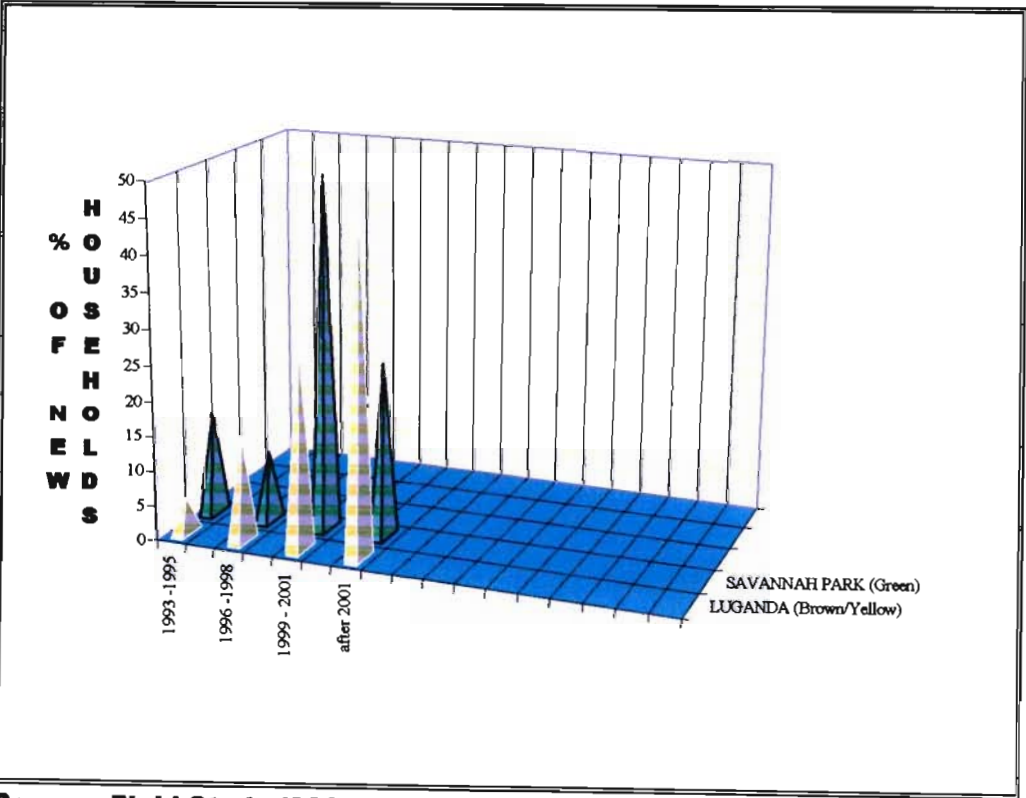
Table 6 shows the factors that attracted new households their present area. Both Luganda and Savannah Park demonstrate specific attractions because the new owners were financially sound to establish informal business opportunity and could afford transport costs due to their status of income according to table 10. The first of these is Savannah Park, where some 40% of the respondents cite the proximity to their places of employment and transport route as being an attraction, with some 35% citing the possibilities of informal business opportunities being available in both study areas. In Luganda, the possibility of buying house within a short space of time or almost immediately was the deciding factor for some 25% of the respondents.



These trends were consistent with the issue of chronic shortage of economic opportunities in areas where they originate from , as well as being far from work and transport routes and of having no prospects of not being able to buy a house in those areas. This prompted them to move to the present area, which is relatively close to work and transport and also having prospects of informal business opportunities and also possibilities to buy a house.

The evidence above implies or reinforces the evidence found in Tables 2 and 3 showing the majority of economically active age category between 30 – 50 of age and also highly educated and qualified in different professions are the ones who bought property in both areas. Table 3 shows that the majority of new owners are either having tertiary education or are having technical education and are both self-employed and formally employed.

**Figure 1: shows the year when the new households arrived in both study areas**



**Source: Field Study (2004)**

Figure 1 illustrates the year in which new households bought their houses located in their present sites. Savannah Park shows a clear peak of 50% of new households during the 1999 to 2001 period, and little evidence of a major influx of new population since then. At the same period Luganda was able to receive a mere 30% of new households. However, the period after 2001 Luganda experienced a major influx of new households claiming a significant 50% of then, whereas, Savannah Park experienced 30% of new arrivals at the same period, though there would appear to have a relatively stable population at the moment. However, the informal land sales started from 1992 but the peak was between 1999 –2001 with 50% of land sales in Savannah Park alone.

With the recent statistics that place unemployment at 40% it is no surprise for poor households to fall victim of quick money making with selling their property for very little money.

As stated earlier on, a large number of sites were allocated on a first-come first-served basis to people who had no prior links to the area, and who never visited Luganda again, even though they technically owned a site in the visit. This might be one of the main reasons that those beneficiaries did not have any interest in staying in those areas. It is also assumed that one of the reasons beneficiaries abandoned their sites, might be a long waiting period for top-up subsidy (consolidation subsidy) to be granted to individual beneficiaries who earlier in the early 1990's received Capital Subsidy in the form of site and services. Both study areas received their site and service Capital Subsidy in the 1990s and only in 1996 was Consolidation Subsidy formulated and approved by parliament and in between applications for the consolidation had to be lodged with the Department of Housing for approval. The period for lodging an application was in 1996 and approval came only in November 1997. During that period some beneficiaries lost hope and left the area seeking greener pastures elsewhere.

## 4.5 ECONOMIC CHARACTERISTICS

Economic characteristics form an important component of this research because it provides useful background information on the social and economic lives of newly informally acquired property owners and the original occupants. It addresses the question of the level affordability and the social and economic status of the new property owners as well as those of the original beneficiary. The author mainly concentrated on new owners who purchased their new houses without registering them, and received information about the original beneficiary from the present owner. What is of interest for the researcher was the investigation of the reasons put forward by original occupants that made them sell their property.

**TABLE 7: THE GENDER STATUS OF THE PREVIOUS OWNER BY SURVEY AREA**

| GENDER OF THE<br>PREVIOUS<br>OWNER | LUGANDA   |            | SAVANNAH PARK |            | TOTAL     |            |
|------------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                                    | N         | %          | N             | %          | N         | %          |
| Male                               | 7         | 35         | 6             | 30         | 13        | 32.5       |
| Female                             | 13        | 65         | 14            | 70         | 27        | 67.5       |
| <b>Total</b>                       | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**SOURCE: FIELD STUDY (2004)**

Table 7 shows that the majority of beneficiaries that sold their property were mainly female-headed households (65% in Luganda and 70% in Savannah Park). The lack of proper or stable employment life for single female parent is not easy. This presumption is based on the fact that according to standard African tradition a married family is normally male-headed. Thus, it is hypothesised that the female-headed households were single parents, who might not even have stable employment. Hence possibilities of becoming easily

vulnerable financially and heavily tempted to sell their property when the situation becomes tough in the long run to maintain the house, and raising the kids at the same time are very visible.

**TABLE 8: REASONS FOR SELLING THE HOUSE BY THE ORIGINAL OCCUPANT BY STUDY AREA**

| REASONS FOR SELLING THE HOUSE        | LUGANDA   |            | SAVANNAH PARK |            | TOTAL     |            |
|--------------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                                      | N         | %          | N             | %          | N         | %          |
| The area being far from work         | 6         | 30         | 5             | 25         | 11        | 27.5       |
| Needed cash desperately & Unemployed | 7         | 35         | 6             | 30         | 13        | 32.5       |
| Joined spouse elsewhere              | 2         | 10         | 3             | 15         | 5         | 12.5       |
| Went back to rural homestead         | 2         | 10         | 3             | 15         | 5         | 12.5       |
| Got employment elsewhere             | 3         | 15         | 3             | 15         | 6         | 15         |
| <b>Total</b>                         | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**SOURCE: FIELD STUDY (2004)**

Table 8 shows the reasons why the original owners sold their houses. Taking into account that unemployed or casual workers are having it difficult to secure transport money to look for employment in Pinetown which is approximately 15km away from the both settlements, it becomes obvious why they choose to sell their property. Durban is even further (35km away from both study areas). It makes sense then to sell as of original owners cited ‘far from work’ as the main reason to leave the area, with 30% from Luganda and 25% from Savannah Park.



One respondent mentioned that the previous owner indicated that the area is far from her employment. As she is working as a domestic worker she prefers to sleep in at her work, that is why she sold her house. The above data demonstrates that a well-located settlement for the low-income housing which is closer to employment and economic opportunities is absolutely crucial for any poor community settlement. It tends to save them transport costs and time which is something very crucial for low-income households in general. Therefore, the author assume that the new owners are better well-off in terms of their incomes (see *table 10*) and could easily afford the transport costs without any serious problems.

According to the results of the present survey, the respondents often stated that the reason why original owners sold their houses as unemployment and a desperate need for cash was a deciding factor for 35% from Luganda and only 30% from Savannah Park of the previous owners. Some 30% of original occupants sold their property due to new employment opportunities outside the area . This suggests a moderate rate of job mobility which is normally influenced by local labour market conditions, such as local unemployment. Issues such as layoffs and resignations rising from present employment influence the determinants of job mobility. Among the factors influencing job mobility are well-located settlements and the level of affordability on the part of some homeowners and the ability to maintain their property. With the high rate of unemployment amongst previous owners it stands to reason why they had to sell their houses when the opportunity presented itself.



**TABLE 9:    EMPLOYMENT STATUS OF PREVIOUS HOUSE OWNERS**

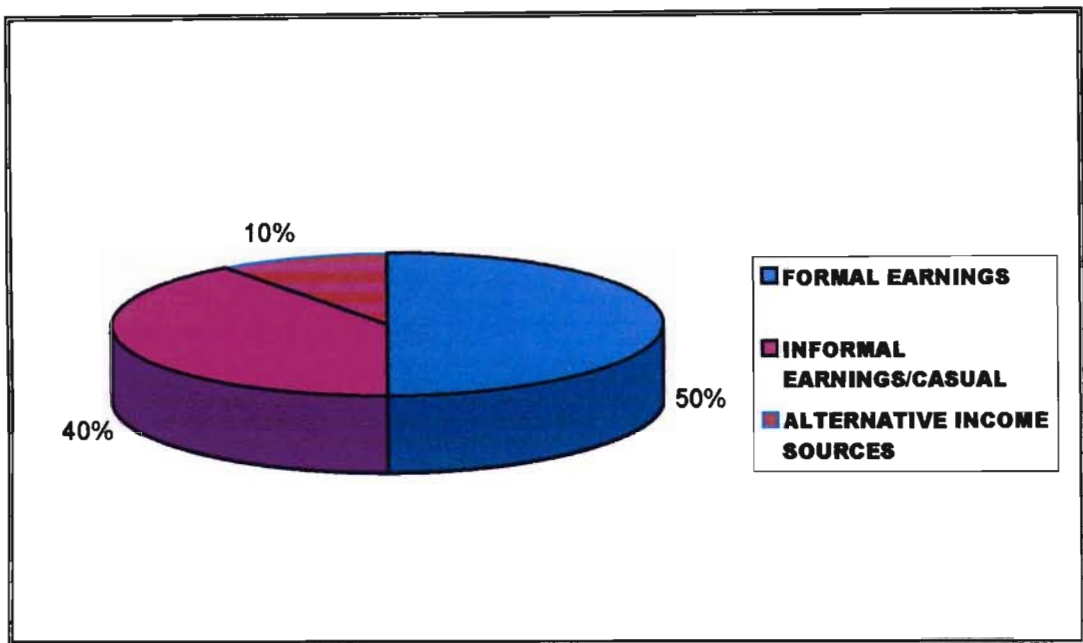
| TYPE OF WORK<br>THE PREVIOUS<br>OWNER HAD                            | LUGANDA   |            | SAVANNAH PARK |            | TOTAL     |            |
|--|-----------|------------|---------------|------------|-----------|------------|
|  | N         | %          | N             | %          | N         | %          |
| Doing Casual work  | 6         | 30         | 5             | 25         | 11        | 27.5       |
| Domestic worker  | 4         | 20         | 6             | 30         | 10        | 25         |
| Informal Employment<br>hawker (selling items<br>like vegetables etc) | 4         | 20         | 3             | 15         | 5         | 17.5       |
| Unemployed   | 6         | 30         | 6             | 30         | 10        | 30         |
| <b>Total</b>   | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**SOURCE: FIELD STUDY (2004)**

Table 9 shows the type of employment of the original occupants. The survey indicates that 30% beneficiaries of both study areas are unemployed. In Luganda a substantial number of original owners were involved in casual work, which accounts for 30% while in Savannah Park stands at 25% of the population. In Savannah Park some 30% of the previous owners were formally employed as domestic workers. A mere 20% of original owners in Luganda 15% in Savannah Park survived by informal means such as selling fruit and vegetables and running spaza shops. Obviously with the type of work they did, they could not sustain themselves and their families for the long time. It is quite clear and well established that low-income households in both consolidation housing projects have experienced affordability problems, but these are seen as being due to unemployment, and income inadequacy, as incomes are far too low to keep up with concurrent increases in the cost of living. More especially, poor households with low levels of job skills and education, find their income becoming stagnant or in many cases declining. This is unlike the new households who are have a higher level of education and are also armed with

technical skills and thus are better placed than the original beneficiaries to afford housing. Among individual characteristics, age and education are therefore important.

**FIGURE 2: SOURCE OF MONTHLY EARNINGS OF NEWLY ARRIVED HOUSEHOLDS**



**Source: Field Survey (2004)**

One of the key ingredients of the conceptual framework is the question of the middle-income that benefit from low-cost housing because they buy from the poor who do not have enough resources. The researcher attempted to get a sense of the nature of or the type of employment of the newly acquired property households have. Judging from the above results, it can be seen that 50% of the population is formally employed and 40% informally employed. Some of the respondents are generating extra income through tenants/lodgers, shebeens and spaza shops. It is no surprise that these new owners could easily buy out the original beneficiaries .

Looking back at table 3 the survey results informed the reader that 45% of the population have tertiary education and 30% have technical background or are

artisans, which makes it easy for them to start their own business or gain employment.

The informal sector is always difficult to identify for a number of reasons. Some illegal activities such as sheebens or the selling of dagga are classified as informal sector activities inasmuch as they represent means whereby individuals generate income in the absence of formal employment. For the purpose of this study alternative income sources are referred to as illicit informal trade.

**TABLE 10. HOUSEHOLD INCOME OF NEW HOUSE OWNERS  
BY SURVEY AREA**

| Household Earnings per month | Luganda   |            | Savannah Park |            | Total     |            |
|------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                              | N         | %          | N             | %          | N         | %          |
| Up to R4 500                 | 2         | 10         | 2             | 10         | 4         | 10         |
| R4 501 – R7 500              | 12        | 60         | 10            | 50         | 22        | 55         |
| R7 501 – R9 500              | 3         | 15         | 4             | 20         | 7         | 17.5       |
| R9 501 and above             | 3         | 15         | 4             | 20         | 7         | 17.5       |
| <b>Total</b>                 | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Study (2004)**

Given the profile of productive activities undertaken by newly arrived property owners above, it is likely that household incomes can be described as be relatively moderate-high. Table 9 shows the earnings from all sources of households within the population. The sample in table 6 justifies the reasons which were found on Table 5 that part of the reasons of in-migration were largely because of *informal business opportunities* and also to get *closer to workplace*.

More than half (55%) that is on average of the total of the newly arrived population is earning between R4 501 – R7500 per month, which is quite a moderate income. Simultaneously 20% of the population in Savannah Park earns between R7 501 – R9 500 and 20% also in Savannah Park earns more than

R9 500 a month which is quite a considerable income. Therefore, the findings from both study areas indicate that the informal housing market is lucrative to middle to high-income earners because they do not pay any transfer duties, land exchanges hands very quickly and the property value is not necessarily market related.

It can be argued that the overall population of newly arrived owners of property in both study areas are economically active and as such they do not represent the poorest strata in Durban Metropolitan area. They are relatively well-off judging from the types of houses they bought and renovated, as photos in a subsequent section of this chapter indicate.

#### **4.6 MECHANISMS OF PROPERTY TRANSFER**

One important concept needs to be identified once more from the outset. This report is broadly concerned with issues of *property transfer*, mainly *informal property transfer*. This may involve the transfer of land or it may involve the transfer of a dwelling structure, or it may involve both. By *transfer* this report refers to the process whereby one individual upon another confers the right of use of a property.

The main focus of this report, is on informal mechanisms for property transfer as they exist in the Consolidation Housing Subsidy low-income settlements of Metropolitan Durban. Normally what happens is that the individual who needs property either approaches the owner of the property or negotiates for the transfer. The agreement is either verbal or through issuing a receipt of payment that is issued during the transaction of purchasing the property from the original owner. This form of transaction is acceptable within the community and they see no reason to follow the *de jure* way of transferring property which takes long and is quite expensive. The property that is sold or transferred ranges from a two roomed house, which is later extended to suite the new owner to a quite substantial dwelling.



**TABLE 11: PURCHASE PRICE FOR PROPERTY WHICH IS LATER IMPROVED OR A SUBSTANTIAL BIG STRUCTURE BY SURVEY AREA**

| Purchase prize for Property | Luganda   |            | Savannah Park |            | Total     |            |
|-----------------------------|-----------|------------|---------------|------------|-----------|------------|
|                             | N         | %          | N             | %          | N         | %          |
| R5 000 – R10 000            | 8         | 40         | 9             | 45         | 17        | 42.5       |
| R10 001 – 15 000            | 9         | 45         | 5             | 25         | 14        | 35         |
| R15 001 – 20 000            | 2         | 10         | 0             | 0          | 2         | 5          |
| R20 001 – 25 000            | 1         | 5          | 3             | 15         | 4         | 10         |
| R25 001 – R30 000           | 0         | 0          | 2             | 10         | 2         | 5          |
| R30 000 and above           | 0         | 0          | 1             | 5          | 1         | 2.5        |
| <b>Total</b>                | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

**Source: Field Survey (2004)**

Table 11 shows the selling prices or the amount of money paid for purchasing property in both study areas. The researcher discovered that the informal transactions between the buyer and the seller of property is a normal practice and an adequate means of saying that the property has been transferred and occupation can then take places that as both the buyers and settlers are concerned. Most of the houses are sold between R5 000 and R10 000 accounting for 45% in Savannah Park and 40% for Luganda. Table 11 also suggests that 45% of houses were purchased by new owners for between R15 000 and R20 000. On one exception in Savannah Park a house was bought by more than R30 000 because it was already improved and renovated, constituting only 5% of the total population of Savannah Park.

From the house prizes, it can be depicted that the new owners are well secured when it comes to cash and that suggests that they are able to generate some form of income. This evidence once more indicates that the middle income people are in a position to afford to maintain their new property. Table 11 also suggests that the reason why the new owners did not opt to apply for



consolidation subsidy is because they could not qualify as they earn more than R1 500 per month, the maximum monthly income for households who can benefit from consolidation subsidy. As a result it would be impossible for them to attempt to apply for consolidation subsidy.



Photo 1: One of the properties bought informally, renovated and extended with an unsurfaced driveway and retaining walls in Luganda.

The size and design of the houses of most of the new owners speak volumes in terms of affordability. They quickly extend and renovate their new property to their own tastes. It just reinforces the notion that it is easy for middle-income households to consolidate their property than most of the low-income households who mostly do not have permanent employment.



Photo 2: Another of the houses that was informally bought and extended in Luganda



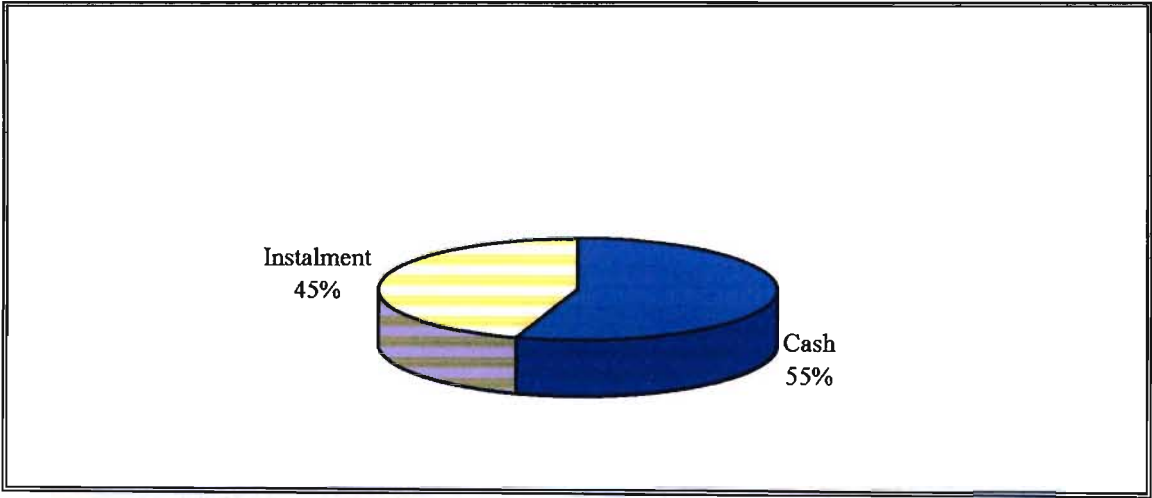
Photo 3: Property which belonged to one of the new owners in Savannah Park, the house was bought but the transfer is not formally registered with the local authority.





Photo 4: New house owners bring along aesthetic character into the area in Savannah Park. The house was informally purchased and extended. Housing consolidation is all about creativity and expansion.

**FIGURE 3: MODE OF PAYMENT FOR THE HOUSE BY NEWLY ARRIVED OWNERS (The percentages are averages)**



**Source: Field Survey (2004)**

In the population as a whole, on average some 45% of individuals purchased their property through installments in other words the transaction is concluded between the transferee and the transferor and the terms of payment are also concluded at that moment. The agreement or contract is sometimes verbal and at times the receipt given upon the first payment serve as a form of proof or agreement.

A further 55% of individuals have paid cash for their newly acquired property. The author surmises that the new owners either could afford to pay cash because they have constant income of some sort or they were able to acquire cash through other means not mentioned in the survey.

**Table 12: NATURE OF TRANSFER OF PROPERTY AREA BY SURVEY AREA**

| Nature of Transfer of Property | Luganda   |            | Savannah Park |            | Total     |            |
|--------------------------------|-----------|------------|---------------|------------|-----------|------------|
|                                | N         | %          | N             | %          | N         | %          |
| Formal                         | 0         | 0          | 0             | 0          | 0         | 0          |
| Informal                       | 20        | 100        | 20            | 100        | 40        | 100        |
| <b>Total</b>                   | <b>20</b> | <b>100</b> | <b>20</b>     | <b>100</b> | <b>40</b> | <b>100</b> |

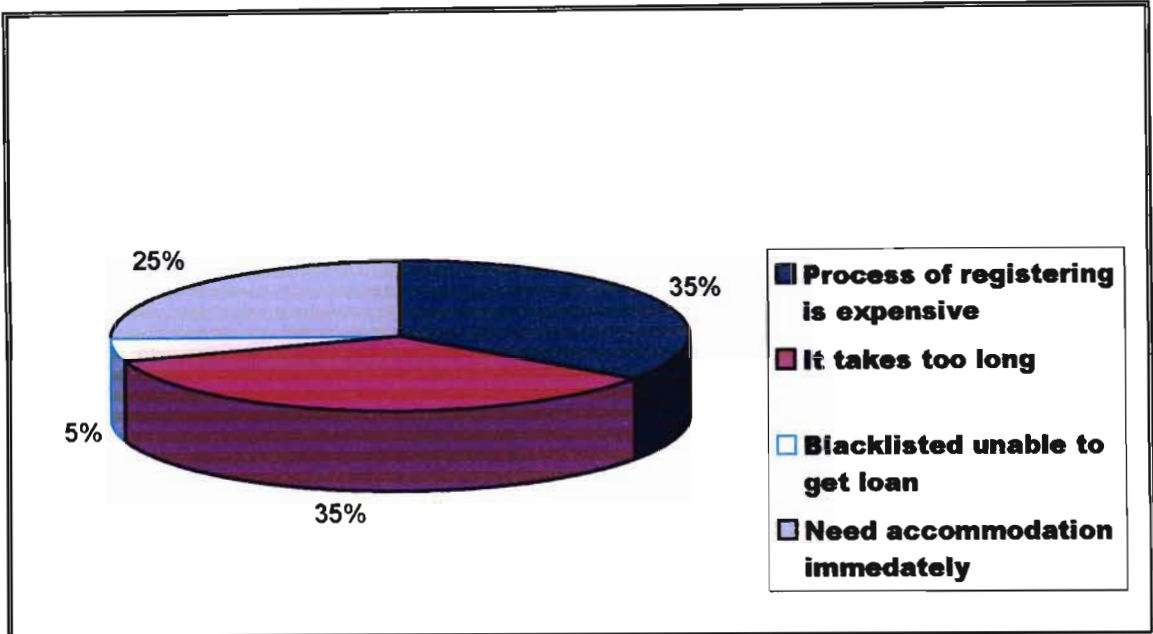
**Source: Field Study (2004)**

The researcher did pose a question whether the new owners are registered with the Deeds office, but to his surprise, that was not the case. Instead they all opted for an informal transfer route. It is an established fact that Government Subsidy houses by law are not supposed to be sold without Government approval and as such most of the buyers or sellers are reluctant to go through formal route. This was confirmed when informally discussing with one of the respondents.

Table 12 shows the nature of transfer of property and it can be seen that 100% of new arrivals opted for the informal transfer route. The only tenure form in

Consolidation housing projects for urban poor is individual ownership. Therefore, registering of newly acquired properties and obtaining of transfers from the original beneficiaries are not maintained because people find that it takes too long to process and that it is too expensive to register transfers.

**FIGURE 4: REASONS WHY PEOPLE PREFER INFORMAL ROUTE FOR TRANSFER OF PROPERTY**



**Source: Field Study (2004)**

One of the new property owners informed the researcher in private and confidentially that the reason why he opted for the informal route of purchasing property is because first he earns more than would allow him to qualify for subsidy and second he is blacklisted and therefore cannot access credit to purchase a house via a normal channels. It has also been established that most of the low-income households have created their own local methods of land transfer and feel comfortable with them. In most cases these methods are free of charge and avoid bureaucratic barriers, and have worked well for those involved.



Figure 4 illustrates that 35% of the respondents involved in the transfer of property feel that the processes of transferring property within the low-income community takes long. In the same breath 35% of the respondents cited registering a new house being expensive. Figure 4 also shows that 25% of new owners cited that they needed accommodation immediately as a reason of not registering their new property. It is understandable when looking back at Table 5, which indicated overcrowding in the previous residence of new owners as one of the main reasons for leaving such residence. No previous owners have come back to claim their property, even though they remain legal owners of these properties, or at least of the sites on which the improved houses are now located. This shows that informal transfers are effective and respected by those involved.

#### **4.7 MISSING BENEFICIARIES – REASONS FOR LACK OF UPTAKE OF THEIR PROPERTY**

One difficult task for the researcher was to locate or to find beneficiaries who abandoned their sites and left for other places. In most cases those missing beneficiaries did not leave their forward contact number or addresses. As a result the author was not in a position to interview the missing beneficiaries in order to have their side of the story as to the reasons that led them to abandon their sites. It is for this reason that the researcher took the initiative of tracing missing beneficiaries through the Independent Electoral Commission Website.

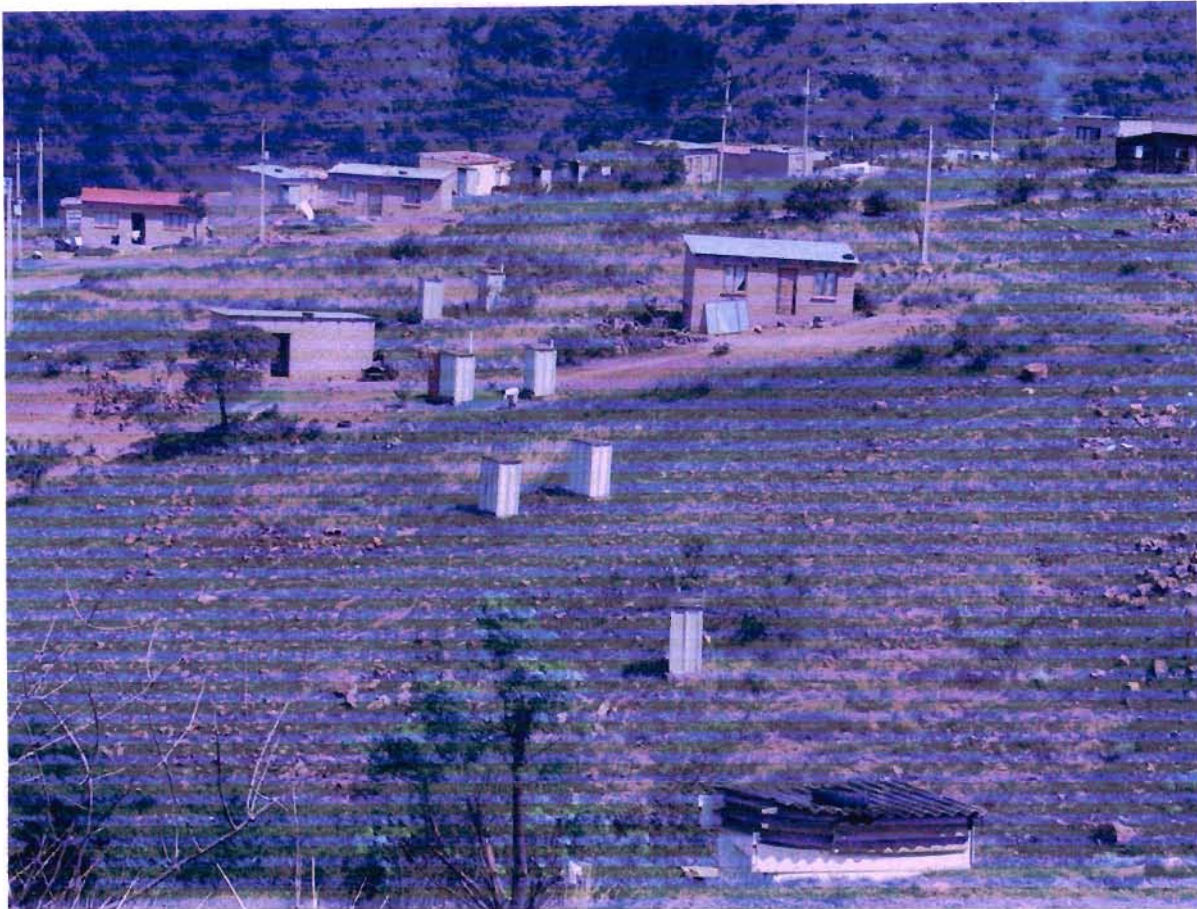


Photo 5: Shows some of the empty sites of missing beneficiaries in Luganda

The researcher obtained personal details of fifteen (15) missing beneficiaries, from documents of socio-economic surveys carried out in 1996 and 1998 and these were used to try to locate the whereabouts of missing beneficiaries in both study areas.

Table 13 shows where the missing beneficiaries registered for the April 2004 general elections.

**TABLE 13: LOCATING THE WHEREABOUTS OF MISSING BENEFICIARIES BY VOTER REGISTRATION WEBSITE BY SURVEY AREA**

| Area of Voter Registration of missing beneficiary | Luganda   |            | Savannah Park |            | Total     |            |
|---|-----------|------------|---------------|------------|-----------|------------|
|   | N         | %          | N             | %          | N         | %          |
| Urban Area outside Study Area                     | 6         | 40         | 6             | 40         | 12        | 40         |
| Rural Area  | 4         | 27         | 5             | 33         | 9         | 30         |
| Not appearing on voters roll                      | 5         | 33         | 4             | 27         | 9         | 30         |
| <b>Total</b>                                      | <b>15</b> | <b>100</b> | <b>15</b>     | <b>100</b> | <b>30</b> | <b>100</b> |

**Source: Home Affairs Website (2004)**

The above results indicate that 40% of missing beneficiaries in both study areas have registered in residential areas outside the study areas, while 27% registered for elections of 2004 in rural areas that were originally from Luganda and only 33% also registered in rural areas from Savannah Park. The most important question to ask is why they have registered outside their own areas where they have properties. The researcher surmises that both urban registered and rural missing beneficiaries might have either migrated or might have found employment elsewhere and specifically in the areas where they are now registered as voters. The rest of the missing are unaccounted for and no specific comment can be made about them.





Photo 6: Illustrates toilets on empty sites that have been abandoned by beneficiaries in Savannah Park. It is a headache for neighbours and the local authority.

However, assumptions could be made that one of the possible reasons for beneficiaries to leave these study areas is the long waiting period of approval of Consolidation subsidy late in 1997. Such delays could be seen as a source of disgruntlement. In Luganda beneficiaries received their Capital Subsidies in 1993 and only had the approval of Consolidation subsidy four (4) years down the line in 1997. For poor households and others who are unemployed, patience is quite expensive; they therefore tend to move on with their lives and move to other areas where they can survive. This constant on-migration of households in upgraded or new settlements creates a constantly replenished supply of new people coming in and even houses available for occupation by middle-income and others also in need of housing.

#### **4.7.1 LOCATING MISSING BENEFICIARIES THROUGH HOME AFFAIRS WEBSITE.**

The author obtained details of fifteen (15) missing single females and fifteen (15) single male beneficiaries from the Community Based Organisations in order to determine their present marital status. The main reason behind this was to try to

make a link of their new marital status and their leaving their properties most probably with their spouses as a result of this change.

The following Table (14) captures this information.

**TABLE 14: PRESENT STATUS OF PREVIOUSLY SINGLE FEMALE MISSING BENEFICIARIES BY STUDY AREAS**

| Present Marital Status of Previously single female beneficiaries | Luganda   |            | Savannah Park |            | Total     |            |
|--|-----------|------------|---------------|------------|-----------|------------|
|  | N         | %          | N             | %          | N         | %          |
| Married  | 9         | 60         | 8             | 53         | 17        | 56.5       |
| Still single (no change)   | 6         | 40         | 7             | 47         | 13        | 43.5       |
| <b>Total</b>   | <b>15</b> | <b>100</b> | <b>15</b>     | <b>100</b> | <b>30</b> | <b>100</b> |

**Source: Field Study (2004)**

Table 14 shows the change in marital status of single female missing beneficiaries. The findings inform the researcher that marital status of missing female beneficiaries has been more revealing than their missing male counterparts because their status of marriage has overwhelmingly changed. From the research it was established that 57% of previously single female were now married and that could be the main reason that they have moved to join their spouses elsewhere. According to African traditional marriage arrangement normally a female spouse would join the male spouse at his place of stay. It is difficult to get a definite proof of this however, since the beneficiaries concerned are nowhere to be seen but the author presume that it is a probable reason why they joined their spouses. Regarding male missing beneficiaries the findings were insignificant, 1% have married while the rest remain unmarried. Table 8 indicates that 10% of beneficiaries in Luganda sold their properties and more



than likely joined their spouses and 15% of beneficiaries from Savannah Park did the same. It might be possible to assume that this pattern took place with beneficiaries who abandoned their sites, and they had also joined their spouses elsewhere. This particular trend needs to be pursued and understood further by other researchers. The rest 43% missing females' marital status remains the same, and it is difficult to explain the reasons why they have abandoned their sites especially when one cannot get hold of them and it is a matter that future researchers could pursue in order to know exactly what the reasons are for them to abandon their sites. Perhaps the reason was what was stated earlier on, that a large number of sites were allocated on a first-come-first-served basis to people who had no prior links to the area, and who never visited the area again, even though they technically owned a site in the vicinity. This could however not be empirically established by this study.

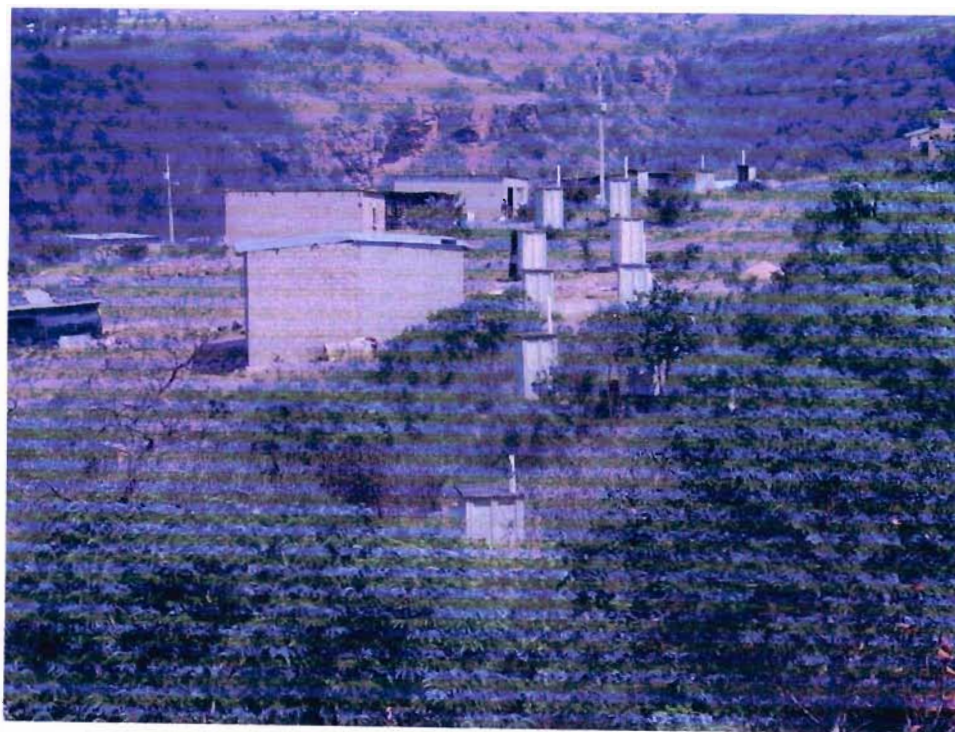


Photo 7: Empty serviced sites in Luganda of missing beneficiaries in Luganda lie unutilized and as consolidated.

## 4.8 CHAPTER SUMMARY

Households searching for housing in consolidation housing projects tend as a rule to avoid the option of formal transfer of property as has been noted. One of main reasons put forward is that people find it too expensive to register transfers when the house is sold. Therefore, informal land sales are taking place on a large scale.

The question of affordability comes into question as urban unemployment mounts. The existing *de jure* processes whereby there should be money paid for transfer fees, before property can be transferred have become less and less affordable for low-income households. Transfer duties, inspection fees, stamp duties, conveyancing fees, and municipal deposits all are factors which need to be budgeted for when properties are transferred through *de jure* processes. These add to the overall cost of acquiring a property. The informal processes for transfer of properties described in the chapters above allow households to acquire property for residential purposes without the burden of these additional expenses.

The only tenure form in consolidation housing projects for the urban poor is individual ownership. And thus, this makes it difficult for the Government or housing officials to expropriate property of a missing beneficiary because he/she is in possession of a title deed. A comprehensive Housing Policy concerning missing beneficiaries in consolidation projects, and how their empty property should be dealt with, need to be reviewed as soon as possible.

In nearly all cases, people who moved onto new acquired houses are well to do households, many with some sort of profession. The one interesting exception to this rule is for those who earned their income through alternative sources which are obviously illicit.

With very few exceptions, previous owners of houses were informally employed or doing some casual work and some were unemployed altogether. Given the state of their financial hardships or uncertainty in terms of them finding a permanent employment, they were forced to move onwards to search for employment elsewhere. The implications of these findings is that wide scale informal transfer of property in consolidation projects would continue unless a comprehensive Housing Policy is brought into place to deal with of empty serviced sites and regulation of informal transfer of property phenomenon.

Finally the author thinks that consolidation subsidies, because of their individual ownership nature, tend to lock low-income households in a specific location, which is not a natural state of housing. In any settlement, there are people who will want to move for a whole range of reasons, and an 'out' mechanism should be provided for by policy.

## **CHAPTER FIVE**

### **5.0 CONCLUSION AND RECOMMENDATIONS**

#### **5.1 CONCLUSION**

The purpose of this research was to address the research questions and the hypothesis set up with regard to the nature of the study. The conceptual framework of the study, the analysis and interpretation of findings have been unpacked in the preceding chapters.

This research has identified factors such as unemployment, low income, generalized abject poverty and peripheral unsustainable development in both study areas as contributing to *informal selling and abandoning of property by poor households and forcing them to seek employment and greener pastures somewhere else.*

The findings of the study reveal that:

1. *Individual (formal) Ownership is a significant social and economic risk in Consolidation Housing Projects because it is virtually the only form of tenure provided in all Consolidation Housing Projects in South Africa:*

Because of this, empty serviced sites are abandoned by their owners when they move elsewhere, and the serviced site cannot be utilized or transferred to someone else in need of shelter by the local authorities because the original owner still has a Freehold Title. Thus, legally the site belongs to the missing beneficiary. The empty sites might create problems because there is a danger of those sites being illegally occupied or invaded by outsiders. The worst part of it is that legally owned properties are also being sold without following the formal transfer procedures. As a result social problems for the community and the local officials in that area are created. It is imperative that a comprehensive housing policy regarding empty sites and cheaper transfer mechanisms should be development as soon as possible.



2. It has been established that unstable and uncertain informal employment is rife accounting for 20% in Luganda for example and casual work consisting of 30% in Savannah Park alone. It has also been established that unemployment was a common factor in both study areas, and accounted for 30% in both study areas as the resultant beneficiaries were poverty stricken and that resulted in selling of their houses. This brought the researcher to the conclusion that establishing dormitory settlements in the periphery without support of economic and social amenities within the area, is a source of unsustainability and social cohesion of the new community. This has managed to confirm the hypothesis of the study as it states that *unemployment and poverty encourages poor households to sell informally or abandon their properties in search of jobs and to follow the increasingly scarce income sources by moving elsewhere away from the project for which subsidy is granted.*

3. There is a significant informal housing market occurring in Housing Consolidation subsidy projects of Metropolitan Durban. From the data, out of 15 missing beneficiaries checked at Home Affairs website and another 15 missing checked through IEC website and the 20 respondents that bought houses informally from both study shows the extend of the problem that the authorities has in Consolidation Housing Projects. Again it must be said that the *de facto* tenure which arises out of these informal mechanisms of property transfer are cheaper and more accessible to low-income households than formal tenures and official mechanisms for transferring property. For this reason, one of the major findings of the present study is that informal transfers are common and seem to be acceptable to the local community. This is a huge challenge for the policy makers to address this kind of the problem, whose long term repercussions are as yet unclear. It could be that there may be legal ownership battles down the line, but it is not apparent so far, which gives new owners a false sense for security. Given the importance of security of tenure in post-apartheid policy, this situation needs to be addressed.



4. In the written interview with Mr. Peter Wolff of Provincial Housing Department and Mark Byerley responsible for policy and in eThekweni Municipality it emerged that there is a lack of clear policies concerning missing beneficiaries in consolidation projects that contributed to serviced sites remain empty and unutilized. It remains a challenge of housing policy and coming up with a solution concerning missing beneficiaries in consolidation projects and this review of housing policy needs to be prioritized.

5. Both the housing developments of Luganda and Savannah Park are located on the periphery of the city because this is where the land is cheapest and where it is possible to acquire large pieces of land suitable for large housing projects. Both Luganda and Savannah Park are more than 30km from Durban CBD and hence the low-income households require more money for transport costs to go to work or look for work. The findings indicated that a significant number of the beneficiaries whom according to the new owners sold their houses from Luganda stated 'area far from work as a reason and in the same breath 25% of Savannah Park also expressed the same sentiments. The lack of economic infrastructure in both areas of Luganda and Savannah Park and being located away from the economic opportunities definitely deprive them means of livelihood.

In conclusion, it can be argued that individual ownership in the case of consolidation subsidy housing projects can restrict labour mobility, and formal transfer procedures are usually not followed. A comprehensive housing policy that will incorporate what measures to be taken with regard to missing beneficiaries in consolidation housing projects needs to be formulated as a matter of urgency.

One would recommend that a housing policy should be reviewed, and that missing beneficiaries be given a time limit of at least six (6) months to locate all

of them and for them to come forward and claim their properties and thereafter should forfeit them. And at a later stage the authorities could allocate those sites to the needy people, who qualify for consolidation subsidies, or even other subsidies.

## **5.2 RECOMMENDATIONS**

The study has revealed that unemployment, poverty and lack of innovative types of tenure systems in consolidation housing projects are a significant threat to sustainable residential environments for low-cost housing and, subsequently, to the entire subsidized housing projects. It is in this context that the following recommendations are made:

1. On tenure options: different tenure arrangements are often best suited to the specific needs of individual households. *A range of tenure options should be promoted, and pilot projects that test the relative effectiveness of innovative tenure arrangements should be supported.* Offices should be placed at local municipality areas where it will be easy to be accessed by poor communities when they need to register transfers. Also transfer fees for low-income housing should be either zero rated or be totally free in order to make it affordable for the poor to obtain title deeds. Instead of sticking to only one form of tenure in consolidation housing projects other tenure options such as rental facilitate labour mobility, which is an essential survival strategy for many low-income households, need to be introduced and tried.
2. Well-located higher density infill developments as opposed to peripheral low-density developments should be promoted in order to reduce transport costs and to allow beneficiaries to be nearer to economic and employment opportunities. This in itself would help to reduce unemployment and

poverty, and promote sustainable residential environment. And in the end the question of selling property informally due poverty would be avoided and also the abandoning of property to look for work elsewhere could be a thing of the past. Integrated development plans and strategies during planning and development of low-income housing is crucial. It means that work and commercial, social and cultural facilities must be incorporated in the housing development plans of low-income housing. The point that is made in this part is not necessarily to locate people in the Central Business District but it is to create job and economic opportunities within areas of low-income communities. As was indicated in the data analysis, the respondents indicated that one of the main reasons to sell their houses was due to 'area being far from' which means that they have to pay extra transport costs.

3. A clear cut policy on missing beneficiaries on Consolidation Housing Projects should be formulated stipulating a time limit to missing beneficiaries and also a clear cut new policy on low-income households property transfer because the present property transfer regulation are based on first world standards and European background. Such a policy would curb under-utilization of serviced sites that have been left abandoned and unused.

To summarize, the author argues that while more research is needed to develop a comprehensive policy on missing beneficiaries in Consolidation Housing projects, it is clear that there is a need for improved provision and availability of urban land that is well-located and affordable. All of these issues will have to be directly tackled in order to create the conditions for rapid progress and growth. This is a serious challenge for Housing policy makers.

This study, while shedding light on the issue of missing beneficiaries and informal transfers of housing pinpoints the need for further research in these two areas, to

come up with findings in this regard that can inform a reviewing of housing policy, even at a national level, on consolidation projects involving a greater number of new house owners that purchased their houses informally and trying all over again to get hold of missing beneficiaries in order to understand in full the reasons why they abandoned their property.

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**APPENDIX A****SCREENING QUESTION**

**A: IS THIS HOUSE REGISTERED IN EITHER YOU OR YOUR SPOUSE/PARTNERS NAME?**

**B: IF YES, IF GO TO NEXT HOUSE. IF NO THEN CONTINUE WITH INTERVIEW**

**DEMOGRAPHIC INFORMATION**

|   |   |     |                         |
|---|---|-----|-------------------------|
| Checked by Researcher (Thabo Mokoaleli) |   |     |                         |
| 0.001                                   | Name  |     | 0.002 Date              |
| 0.01                                    | Questionnaire Number                                      |     | 0.02 Interviewer (name) |
| 0.03                                    | Date of Interview   | / / |                         |
| 0.3.1                                   | Address and tel. no of respondent. ( if available)        |     |                         |
| 0.3.2                                   | Name of the area (WRITE IN NAME)                          |     |                         |
| 0.04                                    | Project Type: Housing Consolidation                       |     |                         |
| 0.05                                    | Level of Consolidation<br>1 = None      2 = Consolidation |     |                         |

**1: DEMOGRAPHICS**

| 1.1.<br>Name of household members<br>(list all household members. | 1.2<br>Gender?<br><br>1= Male<br>2= Female | 1.3.<br>What is the relationship to the H/h HEAD?<br>1= Head<br>2= Spouse/partner of head<br>3= Child of head<br>4= Sibling of head<br>5= Parent of head<br>6=Grandparent of head<br>7= Other relative<br>8= Lodger / Tenant | 1.4.<br>Age in Years at next birthday?<br>In years | 1.5.<br>What is the gender status of the Household HEAD?<br><br>1 = Male<br>2 = Female | 1.6.1<br>What is highest level of education completed ?<br><br>1= No formal schooling<br>2=Primary education<br>3= Secondary<br>4= Tertiary education<br>5 = Technical/Artisan | 1.7.<br>Is the Household Head employed?<br>1 = Formally<br>2 = Informally | 1.8.<br>How much income does the household receive per month<br><br>In Rands |
|---|--|--|--|--|--|---|--|
| 1.1.1   | 1.2.1                                      | 1.3.1  | 1.4.1  | 1.5.1  | 1.6.1.1  | 1.7.1   | 1.9.1 <b>R</b>   |
| 1.1.2   | 1.2.2                                      | 1.3.2  | 1.4.2  | 1.5.2  | 1.6.1.2  | 1.7.2   | 1.9.2 <b>R</b>   |
| 1.1.3   | 1.2.3                                      | 1.3.3  | 1.4.3  | 1.5.3  | 1.6.1.3  | 1.7.3   | 1.9.3 <b>R</b>   |
| 1.1.4   | 1.2.4                                      | 1.3.4  | 1.4.4  | 1.5.4  | 1.6.1.4  | 1.7.4   | 1.9.4 <b>R</b>   |
| 1.1.5   | 1.2.5                                      | 1.3.5  | 1.4.5  | 1.5.5  | 1.6.1.5  | 1.7.5   | 1.9.5 <b>R</b>   |
| 1.1.6   | 1.2.6                                      | 1.3.6  | 1.4.6  | 1.5.6  | 1.6.1.6  | 1.7.6   | 1.9.6 <b>R</b>   |
| 1.1.7   | 1.2.7                                      | 1.3.7  | 1.4.7  | 1.5.7  | 1.6.1.7  | 1.7.7   | 1.9.7 <b>R</b>   |
| 1.1.8   | 1.2.8                                      | 1.3.8  | 1.4.8  | 1.5.8  | 1.6.1.8  | 1.7.8   | 1.9.8 <b>R</b>   |

## 1.9 ALTERNATIVE SOURCES OF INCOME

| <b>1.9</b><br><b>Does any member of the household receive income or any money from[ ]?</b> 1=yes 2=no<br><b>PROMPT FOR EACH ITEM; FOR EACH ITEM MARKED WITH A YES=1</b> |         | <b>How often is this money received?</b><br>1= Daily                      2=Weekly<br>3=Monthly<br>4=Annually<br>5=Other, specify | <b>In total, how much money does the household receive in this period?</b> |
|---|---------|---|--|
| <b>Businesses</b>   | 1.11.1  | 1.11.2  | 1.11.3 R   |
| <b>Rent from tenants/lodgers</b>  | 1.11.4  | 1.11.5  | 1.11.6 R   |
| <b>Pensions</b>   | 1.11.7  | 1.11.8  | 1.11.9 R   |
| <b>Welfare Payments and Grants</b>  | 1.11.10 | 1.11.13   | 1.11.14 R  |
| <b>Business Investments</b>   | 1.11.15 | 1.11.16   | 1.11.17R   |
| <b>Other Family (Remittances)</b>   | 1.11.18 | 1.11.19   | 1.11.20R   |
| <b>Other</b>  | 1.11.21 | 1.11.22   | 1.11.23R   |

## SECTION 2: GENERAL QUESTIONS

|      |  |        |  |
|------|--|--------|--|
| 2.1  | <b>Were you the original subsidy beneficiary?</b><br>1=Yes, 2=No, <b>IF NO CARRY ON</b>  |        |  |
| 2.2  | <b>When did you acquire this house? (Year)</b>   |        |  |
| 2.3  | <b>Is this house registered in either you or your spouse/partners name?</b><br>If no proceed to next questions.  |        |  |
| 2.4  | <b>Why is the house not registered in the family's name?</b><br>1=Process of registering is expensive, 2=Process takes long, 3=Blacklisted with credited bureau would not qualify for loan, 4=Needed accommodation immediately |        |  |
|      | <b>From whom did you buy this house?</b><br>1=Bought it from a friend/relative, 2=Bought it from a stranger,   |        |  |
|      | <b>If yes, how much? (Rands)</b>   | R..... |  |
|      | <b>What was the nature of payment or agreement?</b><br>1=Cash 2=Instalment   |        |  |
| 2.5  | <b>Where was your last residence?</b><br>1=Durban Metropolitan Area, 2=South Coast, 3=North Coast, 4=Rural North, 5=Rural South  |        |  |
| 2.6  | <b>Would you like to sell this house?</b><br>1=yes, 2=No <b>IF NO and if Yes, why</b> (Write in full sentence)   |        |  |
| 2.7  | <b>If you were to sell this house, how much would you sell it for? (Rands)</b>   | R..... |  |
| 2.8  | <b>Do you know of any house sales in this area?</b><br>1=yes, 2=No <b>IF NO GO TO 2.11</b>   |        |  |
| 2.9  | <b>If yes, why do you think these houses were sold? (Write in full sentence)</b>   |        |  |
| 2.10 | <b>If no, why do you think houses have not been sold? (Write in full sentence)</b>   |        |  |
| 2.11 | <b>Do you think it will be easy to sell THIS house compared to other houses in this area?</b><br>1=yes, 2=No   |        |  |
| 2.12 | <b>If yes, why? And if no, why not? (Write in full sentence)</b>   |        |  |



**SECTION 3: BACKGROUND & DESCRIPTION OF THE HOUSE WHEN YOU MOVED IN**

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| 3.1 | What were your reasons for moving into/ settling into this project area?<br>1=Wanted to be closer to work/ transport, 2=Less Crime & violence in the Area,<br>3=Could buy a house immediately, 4=There are prospects of informal business opportunities                             |  |
| 3.2 | How has your economic position changed since moving into this house?<br>1=Got better, 2=Stayed the same, 3=Got worse  |  |
| 3.3 | Give a reason for your answer in the above question. (Write in full sentence)   |  |
| 3.4 | What income generating activities took place in the room/s since you moved into this house? (Multiple response allowed)<br>0 = none, 1=Spaza shop, 2=Shebeen, 3=Technical workshops (Mechanics/Electrician etc),<br>4=Tenants/Lodgers, 5=Other, please specify                      |  |
| 3.5 | Was a previous owner a single parent or married family?<br>1= Single parent, 2= A couple/married family,  |  |
| 3.6 | Do you know if the previous owner was employed or working if yes what type of work & if no state as well?<br>1= Doing casual work, 2=Working as a domestic worker & stay in at work, 3=Informal employment (hawker, vendor etc), 4=Unemployed                                       |  |
| 3.7 | Do you know the reasons why the previous owner sold the house? If yes, why?<br>1=Yes, the area was far from former beneficiaries' work 2= Needed cash desperately did not have any employment, 3=Got employment elsewhere, 4=Went back to rural homestead 5=Joined spouse elsewhere |  |

**SECTION 4: IMPROVEMENTS UNDERTAKEN BY CURRENT OWNER**

|      |   |  |
|------|---|--|
| 4.1  | Have you made any improvements to your house?<br>1=Yes, 2=No IF YES, GO TO 4.12   |  |
| 4.12 | What type of improvement have you done in house?<br>1=External improvement, 2=Internal improvement, 3=Extensions, 4=Site improvements   |  |
| 4.13 | Thinking about the improvements, what three things made it difficult for you to do them?<br>1=Not enough money, 2=Builder stole materials, 3=Builder was slow/unreliable, 4=Builders' workmanship was poor,<br>5=Transporting materials, 6=Supplier did not deliver on time, 7=Supplier did not deliver all materials ordered, 8=Quality of materials delivered was poor, 9=Other, please specify |  |

**APPENDIX B**

**INTERVIEWS WITH THE GOVERNMENT OFFICIALS INVOLVED IN  
HOUSING DEVELOPMENT CONCERNING 20%-30% OF  
BENEFICIARIES WHO ARE NOT ABLE TO ACCESS  
CONSOLIDATION SUBSIDY DUE TO ABSENTISM**

NAME OF THE OFFICIAL:.....

JOB TITLE:.....

DATE:.....

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- 1.0 In most of the Consolidation Housing Subsidy Projects in Durban Metropolitan Area at the end of the housing project one only reach 70%-80% of the intended beneficiaries.

What is the housing policy regarding beneficiaries who are not able to be traced and not occupying their sites?

## **LUGANDA/SAVANNAH PARK CASE STUDIES INTERVIEWS - 2004**

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2.0      What do you think should happen to serviced sites whereby their owners have left them vacant for more than 8 years and there are not traceable?

## **LUGANDA/SAVANNAH PARK CASE STUDIES INTERVIEWS - 2004**

- 3.0      There are beneficiaries who have informally sold their property to new owners. What is the present policy of the government to new informally acquired property owners who are not registered with the Deeds Office?

- 4.0      Do you think that there is a need for policy review to accommodate point 1 and 3?

## APPENDIX A

### SCREENING QUESTION

**A: IS THIS HOUSE REGISTERED IN EITHER YOU OR YOUR SPOUSE/PARTNERS NAME?**

**B: IF YES, IF GO TO NEXT HOUSE. IF NO THEN CONTINUE WITH INTERVIEW**

### DEMOGRAPHIC INFORMATION

|   |   |      |                    |
|---|---|------|--------------------|
| Checked by Researcher (Thabo Mokoaleli) |   |      |                    |
| 0.001                                   | Name  |      | 0.002 Date         |
| 0.01                                    | Questionnaire Number  | 0.02 | Interviewer (name) |
| 0.03                                    | Date of Interview   | / /  |                    |
| 0.3.1                                   | Address and tel. no of respondent. (if available)                         |      |                    |
| 0.3.2                                   | Name of the area (WRITE IN NAME)  |      |                    |
| 0.04                                    | Project Type: Housing Consolidation                                       |      |                    |
| 0.05                                    | Level of Consolidation<br>1 = None                      2 = Consolidation |      |                    |

### 1: DEMOGRAPHICS

| 1. Name of household members list all household members. | 1.2 Gender?<br>1= Male<br>2= Female | 1.3. What is the relationship to the H/h HEAD?<br>1= Head<br>2= Spouse/partner of head<br>3= Child of head<br>4= Sibling of head<br>5= Parent of head<br>6= Grandparent of head<br>7= Other relative<br>8= Lodger/ Tenant | 1.4. Age in Years at next birthday?<br>In years | 1.5. What is the gender status of the Household HEAD?<br><br>1 = Male<br>2 = Female | 1.6.1 What is highest level of education completed ?<br><br>1= No formal schooling<br>2=Primary education<br>3= Secondary<br>4= Tertiary education<br>5 = Technical/Artisan | 1.7. Is the Household Head employed?<br>1 = Formally<br>2 = Informally | 1.8. How much income does the household receive per month<br><br>In Rands |
|--|-------------------------------------|---|---|---|---|--|---|
| 1.1  | 1.2.1                               | 1.3.1   | 1.4.1   | 1.5.1   | 1.6.1.1   | 1.7.1  | 1.9.1 <b>R</b>  |
| 1.2  | 1.2.2                               | 1.3.2   | 1.4.2   | 1.5.2   | 1.6.1.2   | 1.7.2  | 1.9.2 <b>R</b>  |
| 1.3  | 1.2.3                               | 1.3.3   | 1.4.3   | 1.5.3   | 1.6.1.3   | 1.7.3  | 1.9.3 <b>R</b>  |
| 1.4  | 1.2.4                               | 1.3.4   | 1.4.4   | 1.5.4   | 1.6.1.4   | 1.7.4  | 1.9.4 <b>R</b>  |
| 1.5  | 1.2.5                               | 1.3.5   | 1.4.5   | 1.5.5   | 1.6.1.5   | 1.7.5  | 1.9.5 <b>R</b>  |
| 1.6  | 1.2.6                               | 1.3.6   | 1.4.6   | 1.5.6   | 1.6.1.6   | 1.7.6  | 1.9.6 <b>R</b>  |
| 1.7  | 1.2.7                               | 1.3.7   | 1.4.7   | 1.5.7   | 1.6.1.7   | 1.7.7  | 1.9.7 <b>R</b>  |
| 1.8  | 1.2.8                               | 1.3.8   | 1.4.8   | 1.5.8   | 1.6.1.8   | 1.7.8  | 1.9.8 <b>R</b>  |



## 1.9 ALTERNATIVE SOURCES OF INCOME

| <b>1.9</b><br><b>Does any member of the household receive income or any money from [ ] ?</b> 1=yes 2=no<br><b>PROMPT FOR EACH ITEM; FOR EACH ITEM MARKED WITH A YES=1</b> |         | <b>How often is this money received?</b><br>1= Daily 2=Weekly<br>3=Monthly<br>4=Annually<br>5=Other, specify | <b>In total, how much money does the household receive in this period?</b> |
|---|---------|--|--|
| Businesses  | 1.11.1  | 1.11.2   | 1.11.3 R   |
| Rent from tenants/lodgers   | 1.11.4  | 1.11.5   | 1.11.6 R   |
| Pensions  | 1.11.7  | 1.11.8   | 1.11.9 R   |
| Welfare Payments and Grants   | 1.11.10 | 1.11.13  | 1.11.14 R  |
| Business Investments  | 1.11.15 | 1.11.16  | 1.11.17R   |
| Other Family (Remittances)  | 1.11.18 | 1.11.19  | 1.11.20R   |
| Other   | 1.11.21 | 1.11.22  | 1.11.23R   |

## SECTION 2: GENERAL QUESTIONS

|      |   |        |
|------|---|--------|
| 2.1  | Were you the original subsidy beneficiary?<br>1=Yes, 2=No, IF NO CARRY ON   |        |
| 2.2  | When did you acquire this house? (Year)   |        |
| 2.3  | Is this house registered in either you or your spouse/partners name?<br>If no proceed to next questions.  |        |
| 2.4  | Why is the house not registered in the family's name?<br>1=Process of registering is expensive, 2=Process takes long, 3=Blacklisted with credited bureau would not qualify for loan, 4=Needed accommodation immediately |        |
|      | From whom did you buy this house?<br>1=Bought it from a friend/relative, 2=Bought it from a stranger,   |        |
|      | If yes, how much? (Rands)   | R..... |
|      | What was the nature of payment or agreement?<br>1=Cash 2=Instalment   |        |
| 2.5  | Where was your last residence?<br>1=Durban Metropolitan Area, 2=South Coast, 3=North Coast, 4=Rural North, 5=Rural South  |        |
| 2.6  | Would you like to sell this house?<br>1=yes, 2=No IF NO and if Yes, why (Write in full sentence)  |        |
| 2.7  | If you were to sell this house, how much would you sell it for? (Rands)   | R..... |
| 2.8  | Do you know of any house sales in this area?<br>1=yes, 2=No IF NO GO TO 2.11  |        |
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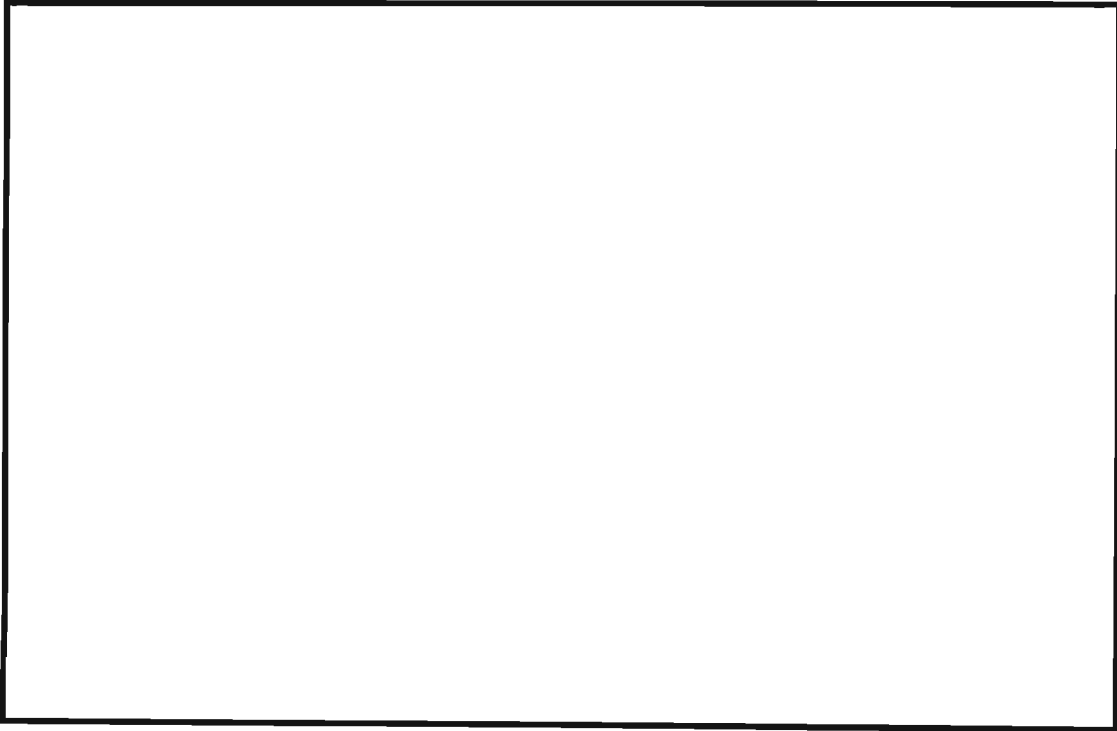
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