Race and Housing in Glenwood and Umbilo: The Role of Estate Agents in Residential Racial Integration.

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Submitted in partial fulfillment of the requirements for the degree of Masters of Development Studies, Faculty of Humanities, Development and Social Sciences, University of KwaZulu-Natal

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Abstract

This study focuses on urban transformation that has taken place in the post-apartheid South African city. In particular it examines the role that estate agents play in urban transformation in the setting of two adjacent former white neighbourhoods of Glenwood and Umbilo. During apartheid, racial superiority coupled with discriminatory legislation meant that estate agents worked in a racially structured market. A review of related literature suggests that operations of estate agents are crucial to the achievement of mixed neighbourhoods as they can be both gatekeepers and agents of change. While a lot has been said about urban transformation in the new South Africa, there exists a literature gap on the role that estate agents play in this transformation. The study therefore explores what estate agents’ and black homeowners’ perspectives and experiences are on the issue of urban transformation. Ten interviews were conducted with estate agents and another ten with black homeowners. One interview was also conducted with the ward Councilor with a goal of obtaining their view of the change that has been experienced in the two neighbourhoods.

The findings from the study suggest that there has been a significant change in the operations of estate agents and this has been necessitated by, and resulted in, urban transformation. The change in the operations of the estate agents has been in line with changes in both the economic and political spheres which shape the post-apartheid era. Estate agents have incorporated the new changes in their operations and property ownership and transfer is now done on an affordability basis rather than on racial consideration. However, areas of contestation still exist. Property purchases within a particular ownership arrangement called share block have resulted in some difficulties for purchasers both from the controlling companies of these blocks and also in terms of securing financing from banks. It is crucial to note, however, that black homeowners view estate agents as having undergone tremendous restructuring and have been the major agents of urban transformation in the new South Africa. Residential racial mixing has not been followed by racial integration, a view that is shared by estate agents and black homeowners, but neighbourhoods are thought to be fairly harmonious.
Acknowledgements

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I am greatly indebted to my mother for all the support, financial and psychologically, she has given to see me through this Masters programme. Thank you.

Special mention goes to my dearest wife for understanding me and being there for me throughout the research.

This work is dedicated to my son J’Collins.
DECLARATION

Submitted in fulfilment / partial fulfilment of the requirements for the degree of Masters in Development Studies, in the Graduate Programme in the School of Development Studies, University of KwaZulu-Natal, Durban, South Africa.

I declare that this dissertation is my own unaided work. All citations, references and borrowed ideas have been duly acknowledged. I confirm that an external editor was/was not used and that my Supervisor was informed of the identity and details of my editor. It is being submitted for the degree of Masters in Development Studies in the Faculty of Humanities, Development and Social Science, University of KwaZulu-Natal, Durban, South Africa. None of the present work has been submitted previously for any degree or examination in any other University.

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# List of Acronyms

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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
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<td>DEIC</td>
<td>Dutch East India Company</td>
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<td>IEASA</td>
<td>Institute of Estate Agents of South Africa</td>
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<td>NCA</td>
<td>National Credit Act</td>
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Chapter 1: Agents of Change

The issue of race remains significant in the post-apartheid South Africa. The planning of apartheid had spatial implications which still linger since the abolition of the racial policy (Gregory 2005). During apartheid, discrimination was manifest in policies that excluded non-whites in areas occupied by whites. In line with this, the 1913 Natives (Urban Areas) Act recognized the issue of regional segregation by confining Africans\(^1\) to rural reserves (Smith 1982). From 1948, apartheid sought to extend this by transferring African citizenship to homelands and racially segregating cities under the Group Areas Act. As noted by Durington (2006:3) ‘the South African process (apartheid, segregation) was a geographical process’, aimed at restricting access to certain areas according to race. According to Feinstein (2005:154) ‘the government relied primarily on enforcement of elaborate set of laws and procedures in its attempt to bring the flow into towns under control. Segregation’s underlying principle was the enforced separation, not just subordination, of Africans and whites in spheres of work, residence and government.’ Urban segregation was employed in South Africa to benefit the minority white population and for cities to attain what were considered western standards (Ballard 2004b:72). Africans were not conferred land ownership rights in white areas; they only had these rights in their designated homelands (Smith 1982).

Since the end of apartheid, urban segregation succeeded because of the status that was accorded to different racial groups. Housing segregation remains attached to race leading to a conclusion that race plays a pivotal role as a source of amassing and distributing wealth as well as eliminating others in the social and economic spheres (Gregory 2005). The post-apartheid city has been marked by the development of security villages and gated communities. These developments are acting as barriers to class and to some extent racial mixing and integration. In this regard access to certain communities can be based on race and other potential home seekers can be involuntarily segregated based on their race. The development of security villages and what has come to be referred as re-segregation (Durington 2006) has been made possible by players in the housing markets such as estate

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\(^1\) The terms African and black in this study refer only to the black African people of South Africa as is consistent with much of the general language use by the public although it is acknowledged that Indian and coloured groups were often incorporated in a more inclusive definition of black particularly by the anti-apartheid movement.
agents, lending institutions and homeowners associations, who directly and indirectly regulate access to funds and residential areas.

Some practices of estate agents serve to keep other races out of some suburbs. In the United States of America (U.S.) these practices ranged from marketing strategies and the pricing of homes which prompted Roithmayr to suggest that, ‘neighbourhood segregation may now have become locked into place indefinitely because non-whites cannot afford to move into white neighbourhoods’ (2004:28). This form of institutional discrimination can result in preferential treatment of people of different races. However, in addition to affordability minority groups are targeted for residential discrimination. Blalock (1982) observed that estate agents and money lending institutions had a certain mindset that any degree of racial residential inclusion would result in a fall in property values. In some cases in the U.S., homeowners and estate agents went to the extreme ends of not showing homes in exclusively white neighbourhoods to other racial groups (Blalock 1982; Roithmayr 2004). Homeowners’ associations often included arrangements that required ‘residents to sell through approved brokers and to give the association the right of refusal’ (Roithmayr 2004:27). In the UK, the choice of housing for other racial groups is now being limited by the ‘structure of institutional racism’ (Beider 2009:407) which is now the agent of exclusion. Estate agents are a structured institution and if these institutions are permeable to racism, this can result in preferential treatment of clients.

Since the end of the Group Areas Act in 1991 in South Africa, former white areas have become progressively mixed. The operations of estate agents are therefore very important in the achievement of mixed communities. As Kotze (1999:48) notes ‘previously labelled conservative white cities have undergone metamorphosis...with residential areas being desegregated.’ The African middle class in South Africa can now afford to move into white middle income areas by purchasing properties in these areas, something they could not do during the apartheid era. Africans who have the same adequate purchasing power have also been admitted into gated communities on condition that they continue to conform to the desired characteristics. In this regard, access to middle class communities can be governed by class rather than race.
In both South Africa and the U.S., racial residential mixing in some neighbourhoods has resulted in white flight; whereby whites are moving away from the mixing areas to other areas they deem safe or for other reasons such as the avoidance of mixed neighbourhoods (Ballard 2004a). In the U.S. and the UK, research has shown that players in the property market had incorporated racial discrimination in their operations and this resulted in limited opportunities for other races (Roithmayr 2004; Beider 2009). According to Durning (2006:3), ‘there are several factors that contribute to the process of white flight including commercial relocation, real estate development and perceptions of different social trends.’ Ballard argues that the opening up of neighbourhoods to previously excluded people has led to the engagement of some practices that filter other people out and thus the same people ‘continue to determine the characters of cities and neighbours’ (2005:66). Many white people expect those coming in to fit in with the standards they have established, and they believe that this can occur without any strong enforcement because those coming in will conform broadly to middle class norms as a result of their professional incomes and quality of education. However, some of these established residents feel that some new African neighbours choose not to assimilate into the prevailing standards. As a result they turn to mechanisms that allow for the enforcement of rules, such as gated communities (Ballard 2004a). In the view of some white people, failure to assimilate would result in whites and Africans maintaining their apartheid accorded statuses. The importance of race is not decreasing but rather the significance of class is rising so that it will act as a barrier to integration as was the case with race under apartheid (Ballard 2003).

In terms of the legal environment, Roithmayr (2004:23) notes that, ‘The South African equal protection clause, Section 9, prohibits “unfair discrimination” on the basis of race, gender, sexual orientation and a number of other listed grounds.’ However, it is important to recognise that subtle forms of discrimination persist even though the law clearly prohibits discrimination. Racial superiority still exists and this has resulted in new patterns of segregation being employed to farther racial discrimination especially within the housing market. Housing can be used as the means to discriminate against others perceived to be of low or uncivilized status. There is a complex range of these discriminatory practices from acceptance and inclusion to exclusion and but indeed transformation has taken place.
Previous research in South Africa has focused on other aspects of racial discrimination such as beach segregation (Durrheim and Dixon 2005), desegregation in schools (Battersby 2004) among others. Research in the Netherlands that has attempted to look at the housing market as a platform for racial discrimination has focused on lending institutions and redlining (Aalbers 2005) but not how estate agents have been involved in the desegregation process. There has not been much done on the operations of estate agents and urban transformation in South Africa. The research therefore seeks to investigate the role played by estate agents in urban transformation in South Africa. The research further seeks to understand the various ways (direct and indirect) in which estate agents have contributed and shaped urban change. The researcher posits that estate agents can be both gate keepers who prevent urban change, and can be agents of transformation who can use market forces to seal deals irrespective of race.

Historically estate agents have functioned within a system that generated urban spatial separation. How have estate agents overcome the issue of spatial separation and the racial barrier and incorporated the notion of urban transformation? This study provides a local level analysis of the role of estate agents in urban transformation that has taken place in Durban, specifically focusing on two adjacent middle class suburbs, Glenwood and Umbilo.

1.1 Research Design and Broader Questions

The overall aim of the research was to determine how estate agents have influenced racial residential integration in Glenwood and Umbilo in the post-apartheid era. The research explored the various ways in which these agents influence urban integration. Specific research objectives were:

- To understand what estate agents see as the major trends in their area over the last two decades, and how they explain these trends
- To explore the perceptions that black homeowners in the area have of estate agents
- To examine the ways in which estate agents influence housing choices
- To analyze the way in which estate agents have incorporated the issue of race and urban transformation in their operations.
This is a qualitative study which utilises in-depth interviews as a primary tool for data collection. Data was collected from ten estate agents and ten black residents in the two suburbs. The black residents are house owners in either the Glenwood and Umbilo areas. The study addressed house purchasing and not rentals. An additional interview was conducted with the ward Councilor for this area (these two areas fall under ward 33). The ward Councilor provided some useful insight into this study since she has been in touch with the everyday proceedings in this ward. This approach allowed for a balance in the mix of information sought in addressing the research questions. Data was recoded according to themes which emerged from the interviews. These themes were related to the research questions. The Grounded theory was used to guide data analysis and interpretation.

1.2 Estate Agents

An estate agent can be described as ‘a person who helps people with buying, selling and letting property and land’ (Waller and Nafte, 2007: 5). The agent arranges property or land deals for people, they are the middlemen. They sell property on behalf of owners in return for a commission. When a property owner who is looking for a buyer engages the services of an estate agent, then they are obliged to pay the agent a commission unless otherwise agreed. In the majority of cases, the commission is paid after the two parties to a business transaction have signed a binding agreement of sale. The general rule regarding the commission issue is “no sale, no commission” (Waller and Nafte, 2007: 5).

Estate agents have various instruments at their disposal through which they discriminate against ‘others’ in the sale of these properties. The same power to discriminate against ‘others’ is also vested in the banking and financial sector, who through their lending mechanisms dictate who get loans and who does not (Blalock 1982). There has been a significant growth in the numbers and demographics of estate agents in the U.S. and in South Africa. In South Africa during apartheid, this business was only a preserve of the minority white population, in the post-apartheid people of all races have joined the business. The same applies to the U.S.; African-Americans can now also become estate agents.
1.3 City of Durban

Durban is the third largest city in South Africa, after Cape Town and Johannesburg. It is situated in the province of KwaZulu-Natal, on the South East Coast of Africa (eThekwini Online 2012). The city has an estimated population of about 3 million people with blacks, whites, coloureds and Indians constituting the main ethnic groups (eThekwini Online 2012).

1.4 The Study Area

1.4.1 Glenwood and Umbilo

Using the map on urban transformation designed by Heller and Schensul (2011); Glenwood and Umbilo present a good area for analyzing racial integration. This map was constructed using census figures therefore it is representative of the actual changes with regard to racial mixing in as far as racial population figures are concerned. The two areas fall under ward 33. These areas were once white dominated but have become more mixed hence they have undergone some degree of urban change. Glenwood has always been a legacy white area, the map above show that there is not much change in the racial composition of this area. The map shows that Umbilo is more mixed than Glenwood but the majority of people in this area are still whites. In terms of racial breakdown in the ward (according to the 2001 census figures), it is apparent that whites are still the dominant group in the ward accounting for about 61% of the population. Blacks account for about 27% of the population, coloureds 4% and Indians 8% (eThekwini Online 2012).

With regard to racial change in the area, 2001 census figures show that there has been an increase in the population from other races other than white in this ward. Between 1996 and 2001, the population of Africans in the ward increased by almost 30%. During the same period, the population of whites decreased by almost 14% (eThekwini Online 2012). This indicates that there were more black moving into the area whilst some whites left. Racial mixing that has taken place in these places makes the factors behind this transformation worth analyzing.

1.5 Structure of dissertation

This dissertation comprises of four further chapters. Chapter 2 reviews literature on the subject, beginning with the U.S. experience before looking at the South African city. It narrates what has happened in the U.S. and contrasts it to what has happened in South Africa. In the U.S., segregation is traced from as early as the slavery period when Africans landed on plantations in America. The chapter explores how difference over the abolition of slavery resulted in the adoption of segregationist policies that defined African-Americans as second class citizens. African-Americans suffered institutionalized discrimination during the Jim Crow era until civil rights movement made some in-roads resulting in the emancipation of
African-Americans. Removal of all discriminatory legislation has resulted in mixed responses from whites; some whites who are against the idea of racial mixing have moved out of mixing areas, whilst others have remained in mixing areas. In South Africa, segregation is explored from the period before apartheid, during apartheid and in the post-apartheid era. During apartheid institutionalized discrimination minimized contact between races. The government relied on a set of legislation that benefited the minority white population. Residential segregation ensured that Africans remained only in their designated areas. In both the U.S. and SA, several years of white benefit through institutionalised discrimination have benefited white people significantly. The conceptual framework underlining the study is also found in the same chapter. Institutionalised discrimination and involuntary segregation are explored so see how they result in racial discrimination. Taste and voluntary segregation is also examined to understand how individual tastes and preferences affect decisions to live in a particular suburb. Furthermore, race and class issues are addressed to acknowledge that since the end of state led segregation, class has taken the place that race occupied during the days of institutionalized discrimination.

Chapter 3 looks at the methodology that was used in the data collection process and provides justification for the methods used by means of exploring the strengths and weaknesses of the data collection methods. Due to limited resources and time constraints, the study focused on African homeowners only, it could have been extended to other groups such as coloureds and Indians who were categorized as Africans during the apartheid days. Chapter 4 is dedicated to the research findings. It discusses the results of the study and how they are linked with the research questions and conceptual framework. The findings suggest that since the removal of legislation that promoted segregation, Africans can now move into any suburb provided they have sufficient incomes to do so. Residential mixing has brought with it many problems from some white people’s perspective; the incompatibility of cultures has resulted in white flight. Estate agents do not consider individual preferences, due to the commission nature of their job; they sell to all who can afford. The same chapter also makes recommendations for future research. Chapter 5 concludes the study, affordability rather than race is now the determining factor in choice of neighbourhoods. Race is no longer important but economic status. Estate agents use market forces to seal deals irrespective of race. In addition, individual preferences/intent is now less important than economic gains.
Chapter 2: Literature Review

2.1 Introduction

This section reviews racial relations in the U.S. and SA. The experiences of racial discrimination in these places offer interesting parallels. The period of analysis under review ranges from the pre-independence to the post independence. The aim of this review is to identify patterns of segregation within these places. This chapter compares the social and economic results of the politico-legal environment in the U.S. and in SA. Historically racial residential patterns were shaped by legislation such as the “Jim Crow” in the U.S. and Group Areas Act in SA. The removal of these pieces of legislation, in both countries, has resulted in residential racial patterns being shaped by individual practices and preferences on one hand and institutional influences on the other. While both of these factors are clearly influenced by the racial structures of the past, a degree of racial integration is tolerated as long as class is maintained.

The literature review is divided into sections; The U.S. section is divided into historical periods; the period of colonial America; the period of structural segregation and the “Jim Crow” era and finally civil rights and recent urban trends. The second section examines the South African city before apartheid; during apartheid and after apartheid.

2.2 United States (U.S.)

Throughout its history there have been those who have persisted in denying their fellow citizens the right to full participation in the American life, who wished to maintain a society where the “right” skin color or religious preference or cultural heritage was considered to be an essential requisite to acceptance on an equal basis (Rose 1964:30).

2.2.1 Colonial America (1607 to 1783)

A colony refers to a territory that is subject to direct rule by a state. The period 1607-1783 saw the establishment of thirteen British colonies on the east coast of North America. During
this time, people were still arriving in North America mainly from England and other European countries. In 1675 the British government introduced stamp duty in all colonies to get some form of revenue to finance the rising defense costs (Rose 1964). This gave the thirteen British colonies some common ground to engage in a revolutionary war over independence which they won. Following the end of the revolutionary war in 1783, the previously thirteen British colonies came together as one nation under a federal structure and the nation expanded steadily across to the west coast of North America by the mid 1800s.

Racial segregation in the U.S. has its roots in the slavery era that lasted for over two hundred years (Woodward 1957). Segregation can be conceived as the “spatial separation” of individuals or groups of people (Blalock 1982: 86). Slaves began to land in the U.S. as early as the 1600s until slavery was abolished. Many whites benefited significantly from more than two hundred years of slavery which ‘created dramatic asset disparities between them and the African-Americans, particularly in terms of wealth and property ownership’ (Roithmayr 2004:30). During slavery, black people were treated inhumanely, at times they were raided from Africa and sent to America where they were bought and sold so that they would work on plantations. Slavery was brought to the American shores as a result of an increase in agricultural activities which warranted a readily and ample labour force (Rose 1964).

The greatest proportion of the black population in America came from Africa to work on plantations. They were ill-treated and classified as second class citizens (Bryce-LaPorte 1971). Slavery in every colony was legalised by the middle of the 18th century to guarantee a steady supply of cheap labour. Because they were traded, it followed that ‘as “property” the slave had no rights which the white man was bound to respect’ (Woodward 1957:35). Furthermore, ‘Africans were seen as human tools rather than human targets for frontier development’ (Bryce-LaPorte 1971:261). Slavery was a clear case of group alienation and prejudice in America (Rose 1964). According to Gossett (1997:370), ‘the Americans of the older ethnic groups were more and more intent upon holding the line against the rise in status of ethnic groups they believed to be inferior.’ The support of anti-African American laws favoured whites and this resulted in them being superior to any other race (Woodward 1957). By the mid 1800s, segregation was at an advanced stage and the African Americans found themselves increasingly prevented from accessing the public utilities available to whites (Woodward 1957). With the passage of time, continued discrimination and subjugation of
other minority groups resulted in the ensuing civil war in 1861 which saw clashes between states that supported slavery and those that opposed it. Woodward (1957: xiii) argues that ‘The American civil war changed the fabric of American society, altered the American Constitution, rid the land of the curse of slavery and left scars that remain till this day.’ The slaves were released and subsequently granted voting rights (Barnes and Connolly 1999).  

2.2.2 Structural segregation (1865 to 1950)

The abolition of the slave plantation in 1863 was received with widespread condemnation by those who supported slavery. The minority groups enjoyed a short lived equal status with the whites during the period of reconstruction (Blalock 1982). Emancipation of slaves was met with the implementation of “Jim Crow” laws in the South which instituted segregation. “Jim Crow” statutes were laws and regulations that recognized segregation and racial discrimination and subsequently established African-Americans as second class citizens. As a successor of the slavery period, the “Jim Crow” was the new system that ensured white authority over the African-Americans (Rose 1964).

By the late 1800, the “Jim Crow” system segmented the Southern population into a two social class system with whites being superior and African-Americans regarded as second class citizens (Rose 1964). Woodward (1977:7) notes that ‘The public symbols and constant reminders of his inferior position were the segregation statutes, or “Jim Crow” Laws.’ For a period of about seven decades, “Jim Crow” laws were used to create urban segregation.

Under the “Jim Crow” system, laws that were passed required that African-Americans and whites have access to separate public utilities and residential areas. In the 1920s and 1930s, ghettos were then created for the African-Americans; this was achieved through laws that confined African-Americans to these areas. Ghettos were underdeveloped and because of the socio-economic status of most African-Americans these were the only areas where they could afford housing. The ghettos were overcrowded and in most cases did not have proper buildings and ablution facilities. Massey and Denton (1993:19) argue that it was the black people’s ‘low economic status that translated into poor housing.’
Rose (1964:29) observes that wherever the African-Americans landed, ‘they experienced residential, social and economic discrimination.’ Prejudice in the U.S. was perpetuated by the presence of institutional racism (Massey and Denton 2003). Because of their skin colour, African-Americans were seen as inferior and a threat to white civilization (Rose 1964). The “Jim Crow” system resulted in massive protests for almost twenty years by the African-Americans for their civil rights and privileges to be upheld. Refusal to recognize African-Americans as equal beings by most whites and those that supported slavery culminated in the massive civil rights protests, leading to the civil rights movement in the 1950s and 1960s.

### 2.2.3 Civil Rights (1950 to date)

The civil rights movement in the U.S.A was aimed at fighting the injustices of the “Jim Crow” system. Civil Rights movement overturned much of the segregation followed by a final period of affordability based suburban housing. The movement sought to inculcate a change in the mentality of all Americans; tolerance, justice and equality were to be observed so that the prejudice and discrimination that existed in the society would be eradicated (Jones 2006).

The civil rights movements engaged in boycotts and massive demonstrations in their bid to topple the “Jim Crow” system. The boycotts and demonstrations were aimed at disrupting social order and gaining international attention (Goetz 2010). These protests resulted in the adoption of the Civil Rights Act of 1964 which made illegal and unconstitutional all forms of racial segregation. This Act conferred social, economic and political rights to African-Americans (Jones 2006). The courts were now mandated to be impartial in the passing of judgments emanating from discrimination and the undermining of African-American people’s rights. This witnessed the end of the formal segregation that the “Jim Crow” system recognized. African-Americans were liberated politically; they could now vote and be elected for office.

Residential discrimination which was widespread in the U.S. resulted in a movement advocating for fair housing opportunities regardless of race. The movement made progress in the 1960s resulting in the adoption of the Fair Housing Act of 1968 which made illegal all forms of racial prejudice in the housing market. The Fair Housing Act of 1968 resulted in the
issue of residential segregation no longer being perceived as a problem as it was considered resolved; hence it was no longer prioritized (Massey and Denton 2003). By the 1970s ‘a series of regulatory reforms in mortgage lending were initiated to eliminate racially based discrimination in home buying’ (Goetz 2010:138).

Residential segregation plays a pivotal role in preventing the attainment of mixed neighbourhoods. As Massey and Denton observe, ‘residential segregation is the institutional apparatus that supports the other racially discriminatory processes and binds them together into a coherent and uniquely effective system of racial subordination’ (1993: 8). In some instances, apart from single handedly excluding non-whites there has been collaboration between estate agents and lending institutions in racial segregation (Roithmayr 2004). Real estate boards and homeowners associations have been at the fore in housing and residential discrimination in the civil rights era. Roithmayr (2004:26) argues that,

‘By forming cartel-like organizations, whites were able to coordinate their “anti-competitive” behaviour more efficiently. Cartels to promote residential segregation came in three basic organizational forms: the homeowners association, the real estate association board, and the lending institution. These organizations worked independently and together to exclude non-whites from white neighbourhoods.’

In other instances, homeowners and estate agents avoided showing homes in exclusively white neighbourhoods to other racial groups (Blalock 1982). Moreover, homeowners associations often included arrangements that required those selling their properties to do so through designated agents. In theory, allocative efficiency of the market is achieved if there are no ulterior motives present. Roithmayr (2004:27) posits that ‘in the absence of intentional discrimination, the market can distribute goods in a race-neutral way… according to a family’s ability to pay.’ However, the practices of some estate agents have gone a long way in keeping other races out. These practice range from marketing strategies and the pricing of homes which prompted (Roithmayr 2004:28) to suggest that, ‘neighbourhood segregation may now have become locked into place indefinitely because non-whites cannot afford to move into white neighbourhoods.’ As noted by Blalock (1982:93), ‘minorities often find themselves unwanted in certain residential areas, even where their incomes or occupations would permit their entry.’ This can best be interpreted using Becker’s theory of Economics of
Discrimination which states that when people have “tastes for discrimination” they are willing to forfeit income in ensuring that discrimination persists (Becker 1971).

The effects of segregation are still evident up to the present. Schlemmer and Stack (1990:19) note that ‘Race prejudice amongst white residents and estate agents in the U.S. perpetuates the institutionalized separation of the races developed in earlier decades’. In a fact finding inquiry by the United States Civil Rights Commission (USCRC) between 1957 and 1959, it was found that residential discrimination was prevalent. The Commission concluded that a significant proportion of Americans, were being denied equal opportunities to housing based on their race. It is important to note that ‘all these incidents suggest that racism was increasing in the U.S. in terms not merely of violence and open hatred but of subtle and insidious forms of discrimination’ (Gossett 1997:370).

Social movements are still employing tactics of protest in making their positions heard. Today there are various movements in America vying for the recognition of a myriad of social, economic and political rights. Although there has been reconciliation and all repressive laws abolished, the gap between the whites and the African-Americans that was created by the segregationist past continues to widen through other forms of discrimination which are not formal. The social and economic status of African-Americans continues to be undermined by the prevalence of residential segregation (Massey and Denton 1993).

However, it is important to note that in the half century since the scrapping of formal segregation there have been significant inroads made to uphold the social, economic and political rights of the black population. African-Americans are able to hold positions of authority in both the political and economic spheres. The courts are no longer partial and the law is now officially colour blind. Political and legal reforms have resulted in economic emancipation and African-Americans can now afford to move into any neighbourhoods as long as they can afford to stay in such neighbourhoods. The result has been variegated neighbourhoods; mixing has been on the increase as African-Americans are now able to move out of the ghetto into previously white only suburbs.

Yet, racial residential mixing in America has, in some cases, been followed by white flight. White people moved out of the more mixed areas due to anxiety and fear of the increasing
minority populations. According to Kleppner (cited in Gordon 2007:np) ‘People don’t like African-Americans—plain and simple. People talk about declining property values, and I don’t doubt some are honestly concerned. But overall, that’s a smoke screen.’ Whites were moving away from areas that were becoming more mixed and moving to other areas that still have a majority of whites.

2.3 South African City

The issue of race has dominated discussions on urban integration in South Africa’s post-apartheid era. Since the abolition of the 1950 Group Areas Act and other repressive legislation in 1991, the post apartheid-era has witnessed racial mixing in areas that were exclusively reserved for whites. Some former areas have mixed faster than others. The abolition of restrictive and discriminatory legislation has afforded once marginalized groups enhanced opportunities both in terms of economic prosperity and political participation. This has resulted in an increase in affluence among the once marginalized groups and equal access to goods and services. There has been an upward trend with the black middle class moving into areas that were once dominated by whites. In line with this, whites have seen their superiority and dominance challenged and those who could not bear the experience of a more racially mixed society have fled these communities and even the country (Ballard 2004a).

The advent of majority rule has resulted in the prioritization of upgrading the once marginalized communities in terms of infrastructure and this has resulted in the provision of better services. There are more subtle ways being utilized to continue with the practice of segregation. Race relations play a significant role in urban segregation and housing decisions are influenced by racial perceptions of people. Although apartheid extended legal segregation, it should be noted that before this piece of legislation came into effect, segregation patterns were visible in the colonial period. This section explores the trajectory of segregation in the South African city.
2.3.1 Segregation before Apartheid

The establishment of the Dutch East India Company (DEIC) in 1652 in Cape Town as way of providing supplies to the sailing ships resulted in an increase in the need for cheap labour. The colonial conquest marked the need for territorial expansion. In the Cape, the growth of agriculture and wine plantations resulted in an increase in demand for labour. The forced labour of the native people of the areas where the Dutch and subsequently the British settled resulted in “Kaffir wars” (1835-79) (Browett 1982:11). These wars resulted in African people losing most of their possessions to the settlers as a means of forcing them to take cheap labour. According to McCarthy (1990:7) ‘Segregation prior to the Group Areas Act was partly brought about by informal social pressures and individual choice, and partly by a range of discriminatory local by-laws, title deeds restrictions, the Black Land Act (1913) and Pegging Acts (1943 and 1946).’ McCarthy (1990) further notes that segregation indices were high across various cities in South Africa before the Group Areas Act came into effect.

Missionaries persuaded African people to take up labour on settler properties because many were not keen to work for the settlers. As a result, the settlers introduced various forms of taxes to force Africans to take up wage labour. This was also coupled with restrictions on movements meaning that if the Africans were to move around, they required passes/permission to do so. This was so because people would be confined to certain areas. Africans who wanted to settle near towns had to seek permission to do so. The discovery of gold and diamond in the mid to late 1800s also resulted in further subjugation of the black population. Whites who were uneducated would be preferred in positions of authority over the Africans. Africans who worked under the mines stayed in compounds.

During the 20th century, further legislation was passed to control the movement by the African population. The 1913 Natives (Urban Areas) Act recognized the issue of residential segregation (Smith 1982). The intentions of these laws (Natives Land Act 1913, Natives (Urban Areas) Act 1923) were to ensure that Africans would not settle in white areas but rather remain in reserves (Browett 1982). Africans were thus allowed in the white areas ‘for as long as their presence was deemed necessary by the white population’ (Browett 1982:19). However, the flow of Africans into urban areas increased tremendously such that by 1946 they were the largest racial group in towns. This was largely driven by the growth in the
demand of labour in the manufacturing industries which were located in the towns. The coming into power of the Afrikaner Nationalist Party in 1948 brought about a review of segregation policies by making them more comprehensive in preventing the movement of Africans into white areas. This marked the birth of the apartheid era.

2.3.2 Apartheid City

According to Feinstein ‘Apartheid was designed, above all, to sustain and strengthen racial separation in order to ensure white domination’ (2005:151). The first step that the National Party government took as soon as they came into power was to ‘strengthen and intensify many of the most discriminatory features of the South African economic, social and political system’ (Feinstein 2005:150). Discrimination was therefore manifest in policies that sought to exclude non-whites in areas occupied by whites. Apartheid was designed in such a way that there was spatial separation of people according to race (Durington 2006:3). Reliance was made on a set of discriminatory laws and regulations as the government tried to regulate the flow of Africans into urban areas.

During apartheid the Group Areas Act was the main instrument that guaranteed separation of races within urban areas. McCarthy observes that ‘whilst de facto racial-residential segregation has always existed in South Africa, the Group Areas Act extended this segregation and resulted in a centrally-controlled “urban design” which has had major consequences for efficiency and equity in our cities’ (1990:12). The South African apartheid policy significantly affected the country’s socioeconomic and physical environment (Kotze 1999). This policy was enforced by the minority government for the sole purpose of formalizing the practice of racial discrimination.

Furthermore, ‘Segregation’s underlying principle was the enforced separation, not just subordination, of Africans and whites in spheres of work, residence and government’ (Feinstein 2005:154). The planned segregation resulted in non-whites being ‘moved to remote segregated and often barren ghettos while the areas they were forced to abandon were taken over for exclusive occupation by whites’ (Feinstein 2005:151). The fundamentals of Verwoerd’s grand apartheid vision were housed in the quest for separate development along racial lines (Smith 1982:20). The idea of separate development meant that most of the
African people would remain in the rural areas, townships and the mining compounds (Feinstein 2005:151). The policy of apartheid by way of the Group Areas Act and the Separate Amenities Act legalized racial residential segregation and this resulted in Africans and other races being excluded in major cities. In addition, Africans and whites were to use different public amenities, these included schools, hospitals, churches and restaurants among others. Moreover, pass laws were enacted and Africans had to carry passes if they were to be allowed access into white urban areas.

The concept of segregation was also housed in the premise of ‘material and cultural resource preservation’ (Dubow 1989: 12). Urban segregation prospered because of the status that was accorded to different racial groups. In the words of Allen (2002:64), ‘people do not only distance themselves socially from “others” to protect their sense of “self”, but also strive to separate themselves physically from those who they perceive as threatening’. The creation of homelands and townships meant that Africans were only confined to these areas and could not own land or reside in urban areas which were the preserve of the whites. Africans, who were forcefully removed from areas designated as white areas, were offered accommodation in the townships if they had permission under influx control to be working in the city. The townships are mostly located at the periphery of the major cities. The Natives (Urban Areas) Act was utilized to ensure that Africans were confined in their homelands and could not be given permanent residence in the urban areas. Disparities in housing date back to this era which paved way for the spatial differentiation in housing with the whites occupying best areas usually close to the Central Business District (CBD) and other races confined to the margins of the city.

2.3.3 Post Apartheid City

The issue of housing was one of the core challenges that the African National Congress (ANC) government sought to address when it came to power in 1994 (Bond 2000). Racial inequalities existed within the housing domain. The government adopted the Reconstruction and Development Programme (RDP) to address the inequalities of the racial past. Housing required urgent attention so the ANC government had a mandate to provide affordable and better housing for the majority of the African population which was homeless. However, the houses that the government provided further segregated the majority of African people from
the centre of economic activity as the houses are located at the periphery (Bond 2000). The government could not provide adequate housing for all those in need and this left the private market to provide housing for those in need.

The post apartheid city is marred with by the apartheid past. The construction of spaces under the apartheid era has had a residual effect on South African communities (Gregory 2005). Racial transformation has mainly been aimed at formal desegregation and the promotion of racial residential integration. The removal of the formal policy of apartheid has resulted in an increase in the mobility of the once marginalized groups into areas they were once not allowed. Some whites have been more accepting of the reality of shared neighbourhoods as they expect incoming people to assimilate but some are against the idea of mixed neighbourhoods. Failure to assimilate has been cited as one of the problems of racial residential mixing (Ballard 2004a). This failure to assimilate has often been reflected in cultural differences between the African people and whites. Examples include high noise levels, too many visitors and the practice of livestock slaughtering in the suburbs (Ballard 2004a). These practices are not common with the whites and they would expect people who live in the suburbs to be “civilised”. On the other hand, there has been an increase in the number of gated communities caused by white flight and more generally, middle class areas. These communities act as safe havens for those moving out.

Although the formal segregation era has lapsed, desegregation has been slow due to the intractable nature of segregation. With the abolition of all repressive laws that prohibited racial integration, the post-apartheid city is marked by new forms of segregation (Goldberg 1998). According to Goldberg (1998:24), ‘the new segregation arises through the expression of individual and collective preferences about where to live, where to shop, where to work, and where to send children to school.’ However, with the end of apartheid, new forms of urban segregation emerged and under these new forms the groups that were segregated decades ago continue to be segregated. The perceptions of some whites about other racial groups still persist and this continues to have an effect on the creation of space through segregation (Gregory 2005). The old goals of the apartheid segregation are still sought by the segregationists. According to Ballard (2004c:70),
'...the injustice of apartheid was not random or simply spiteful, but was pursued for a series of interlocking social objectives of white privilege, white accumulation, and to increase social distance between whites and those who they considered could undermine their ambition to create modern European cities.'

The quest for creating and maintaining “clean” neighbourhoods often results in the exclusion of others who are perceived to hold contrasting views and behaviours. Ballard (2005:66) notes that, ‘... people’s sense of themselves is highly depended on their sense of place. This provides a motive as to why people might pursue strategies of boundary maintenance and attempt to regulate access by outsiders and thus manipulate the environment in terms of this relationship between identity and living space.’ In the words of Sibley (1988:409), ‘the purification of social space’ is the underlying principle in the drawing up of boundaries against other racial groups.

Housing segregation remains attached to race leading to a conclusion that race plays a pivotal role ‘as a source of mobilization, division and exclusion’ (Erasmus 2005 cited in Gregory 2005). Where incomes have not been sufficient for the Africans to move into areas where they have been previously excluded, the result has been the mushrooming of informal settlements on the margins of middle class neighbourhoods. This has instilled fear in some middle class people and the result has been relocation to other areas.

2.3.4 White Flight

White flight has been a feature of the post apartheid South Africa. White flight entails the process whereby whites move away from their mixing areas to other areas they deem safe or areas they perceive to be in line with their socioeconomic status. According to Durington (2006:3), ‘there are several factors that contribute to the process of white flight including commercial relocation, real estate development and perceptions of different social trends.’ These factors have resulted in the decisions by the whites to migrate or ‘semigrate’ (Ballard 2004a). According to Ballard (2004a), ‘semigration is a process whereby individuals move within the country or the city.’ In contrast with those who have emigrated, many have chosen the option of smaller scale relocations or what has been called “semigration” (Ballard 2004a). In South Africa the most favourable destination for those who semigrate has been Cape Town.
because it is still perceived to accord the same status as the first world (Ballard 2004a). Usually “semigration” involves relocation to a place where one feels they are secure and maintains their status; this in most cases could be a place that excludes the perceived low status others (Ballard 2004a).

The post apartheid era witnessed an increase in racial mobility and mixing with the once marginalized groups. An increase in crime has been a trend that has happened alongside racial mixing. This has been further necessitated by the mushrooming of informal settlements close to the once exclusively white neighbourhoods and other middle income residential areas. Insecurity and fear of crime can be argued to be the central driving tenets of white flight. Lemanski (2006) in her study of two Cape Town cities refers to this as “fear” (of crime plus) referring to all the other perceived disadvantages of racial mixing. The fear of crime and the unknown has generally been fuelled by the settling of the previously excluded groups in areas closer to the white owned suburbs and to a larger extend by everyday media reports of kidnappings, carjacking and shoot outs (Lemanski 2006).

It can be argued that ‘crime produces insecurity, distrust and a negative view of a community’ (Hartnagel 1979: a). This has resulted in insecurity levels rising amongst the dominantly white groups. Lemanski (2004:788) further notes that, ‘the first residential option is the decision to move into a security village in which clustered houses are surrounded by electric walls with an entrance gate operated 24 hours a day by security personnel.’ Gated communities which are perceived as safe places have been the landing ground for those who have fled the more mixed, mixing and dangerous communities. They act as a barrier between people of different races and class and perceived “dangerous others”. A resident of one gated community in Durban cited crime as an issue in propelling white flight when she said,

‘… In the last 10 or 15 years…when I was a child I used to walk around all the time to the mall and there were no problems. I would never, never let my kids walk around the streets now. I just…you know, you forget about the crime and then the next day you hear a story and not just about what happened to a friend of a friend but something happens to someone you actually know either on the way to work someone smashes through their window or whatever. So the crime is an issue but I haven’t
spoken about it in a year or so…since I moved into this estate I haven’t had to talk about crime. I see it on the news and that is all.’ (Durington 2006: 8)

Durington observes that ‘gated communities are perceived to be symbolic cultural bastions and safe havens from crime and other social ills affecting social spaces outside of their confines’ (2006:4). Inhabitants of these communities all have similar characteristics and have a homogenous background of “fear” (Durington 2006). Admission into these communities and security villages depends on an individual possessing certain characteristics that are common to the other inhabitants of these communities. People associate with those they perceive to be of equal status and are harmless; however, given the alarming level of crime in South Africa, white and other people belonging to the same class have found “comfort zones” in security villages and gated communities (Ballard 2004b).

White flight has been further propelled by real estate development (Durington 2006) which has pioneered the development of security villages and gated community, developments where the “right of admission is reserved”. Estate agents can play a role in ensuring that these communities remain a preserve of people of the same class or socioeconomic status. The sale and rental of homes in these enclaves is limited to estate agents who have to identify people of the desired characteristics. The decisions to migrate have been based on a consideration of such facts. There has been an increasing importance of class with regard to admission into gated communities. Africans who have the same economic status as the whites have also been admitted into gated communities, many residents hope that they conform to the desired characteristics.

The development of the fear industry has resulted in further residential segregation which is almost the same with the one that prevailed in the apartheid era, the only difference being that the new form of segregation is not formalized (Lemanski 2004). Coupled with fear has been the negative attitude towards desegregation maintained by some whites. One respondent in an interview by Ballard (2003a) put it clearly when they noted that the perception that racial mixing is bad is inculcated in the young ones at an early age and whites grow with that mentality which can be confirmed in their attitudes towards desegregation. This attitude has resulted in the exclusion involving what Sibley described as the ‘purification of social space’ (Sibley 1988:409). When the gated communities started in South Africa, the Africans who
had access to these communities were usually servants who spent the day working but at the end of the day would leave the premises (Durington 2006). However, this has changed over the years and class has become a very important factor regulating access by people of other races into these areas.

### 2.3.5 Housing Issues in the Post-Apartheid South Africa

The post-apartheid era has been faced with a myriad of challenges in trying to redress the inequalities of the apartheid past. According to Durington (2006:4) ‘A major obstacle in the plans to create an equitable society in South Africa concerns the development, construction and availability of housing.’ The goals of the ANC government of eliminating poverty and racism are thwarted by the emergence and intensification of a ‘separation along class and racial lines’ in residency issues (Nattrass 2003:34). Roithmayr (2004:55) notes that, ‘The South African equal protection clause, Section 9, prohibits “unfair discrimination” on the basis of race, gender, sexual orientation and a number of other listed grounds’. But subtle forms of discrimination persist even though the law clearly prohibits discrimination. Anxiety about difference still exists and this has necessitated the emergence of new patterns of segregation to farther racial discrimination especially within the housing domain. Housing continues to be used as the means to discriminate against others perceived to be of low status or uncivilized. For example, letting agencies often receive strict orders from property owners to consider occupation of premises according to race.

When the official laws of segregation were abolished, many whites saw the solution of continued segregation lying in the market. The post-apartheid environment is marked by the absence of the lawful tools of discrimination that were present in the apartheid era. ‘In the post apartheid environment, such tools are clearly not available, and the smooth implementation of white people’s will is not guaranteed, forcing a search for alternative expressions of power’ (Ballard 2005:82). As noted by Ballard (2004c:55) ‘In its final two decades, the white state was forced to abandon orthodox Verwoedian thinking and its last roll of the dice was to turn to the market as a possible sustainable means of keeping problematic others out.’ Thus there is need for people to conform to the characteristics of the dominant groups to negotiate access to the communities that are dominated by whites (Battersby 2004; Ballard 2004b).
The market through its various mechanisms has been at the fore in continuing residential segregation (Beider 2009). With the advent of majority rule and desegregation, there is a marked increase in the movement of other races into areas that were a preserve of the whites due to perceived benefits of living in these areas. As observed by Ballard, the opening up of neighbourhoods to previously excluded people has led to the engagement of some practices that filter other people out and thus the same people ‘continue to determine the characters of cities and neighbours’ (2005:66). This continued residential segregation through private strategies may be attributed to a ‘failure of assimilation to regulate the lived environment’ (Ballard 2004a:59). The newcomers have brought in different cultures and failed to follow the culture of the people they found in the new neighbourhoods. Those comfortable with differences have welcomed Africa people in their neighbourhoods.

In South Africa, desegregation has been a one way process entailing the movement of previously marginalized groups into previously white areas and seldom vice versa (Battersby 2004). This has created enormous strain on the housing situation resulting in an increased demand for accommodation and in some instances properties to buy. Some whites enjoy a privilege that has roots in the apartheid past. They have benefited economically and this has afforded them an advantage over other racial groups. In an interview conducted in Durban, one respondent argued that, significant economic and resource benefits during the apartheid has given whites a head start and due to their better economic status they are likely to resist mixing with people of a perceived low economic standing (Ballard 2003). Although we are witnessing more mixing along racial lines, not all people are keen to mix and their disapproval to this mixing is reflected in the decision taken to exclude admission of other racial groups in flats or shared houses. This has also been of the making of the private players in the real estate business who have kept problematic others out through various mechanisms including working in tandem with the homeowners.

Ballard drawing on Bauman argues that ‘the fear of mixing that once drove the colonial and apartheid state projects, as with many modernist projects around the world is now privatized’ (2004c:59), Blalock (1982:3) sees the problem primarily in terms of ‘faulty human institutions that, at least in principle, are correctable.’ There is an increasing role of private players in reinforcing racial discrimination. The choice of housing for other racial groups is
now being limited by the ‘structure of institutional racism’ (Beider 2009) which is now the agent of exclusion.

Furthermore, ‘members of each class wish to distance themselves from those whom they perceive to be lower on the social scale, because of the negative externalities that residential mixing with such people is thought to bring’ (Johnston 1980:184). The privatization of public land by real estate developers has also contributed to the marginalization of most members of other races. There have been tendencies by institutions which are major players in the housing and property markets to make decisions based on race. Lending institutions have played a significant role in segregation, based on their lending decisions. Durrheim and Dixon (2005:213) note that, ‘mortgage-lending practices and the dynamics of the property market for instance, undoubtedly help to perpetuate residential segregation.’ This is also supported by Smith (1982:204) who asserts that ‘the barriers to qualification are formidable and are exacerbated by the individual rules for mortgage finance imposed by building societies.’

2.4 Conceptual Framework

The framework for the study was divided into structural discrimination and involuntary segregation, taste and voluntary segregation and race and class.

2.4.1 Structural discrimination and involuntary segregation

In both the U.S. and SA, segregation prospered because key institutions were used in the property market to institute racial discrimination in making decisions with regard to housing. Sullivan (2005:27) defines institutionalized discrimination as ‘the inequitable treatment of groups resulting from practices or policies that are incorporated into social, political or economic institutions and that operate independently from the prejudices of individuals.’ Players in the property market such as homeowners associations, estate agents and banks have often prejudiced groups of people or individuals in reaching their decisions. Estate agents can be perpetrators of institutional discrimination if they are involved in practices such as steering. Real estate steering is the practice of directing clients towards or away from
certain neighbourhoods. This can be as a result of racial prejudice and estate agents would advise property purchases in certain neighbourhoods based on the client’s race. Estate agents may also choose not to show properties in certain neighbourhoods to some clients even if these properties are in line with what the client needs. Institutional discrimination plays an important role in highlighting the effect of the discriminatory decisions that are employed by players in the property market.

In the U.S., Delgado and Stefancic (2001:107) note that ‘real estate steering, redlining, and denial of loans and mortgages especially after the end of World War II, prevented Africans from owning homes, particularly in desirable neighborhoods.’ Lending institutions have often discriminated against other racial and subjected groups by excluding them from mortgage finance (Blalock 1982). Redlining is ‘the practice among lending institutions of, in effect, drawing boundaries around certain sections of a city and refusing to make loans available in these areas unless they are to the right persons’ (Blalock 1982:95). Therefore, redlining is ‘a form of place based exclusion’ (Aalbers 2005:100). Exclusion through redlining augments the practice of segregation and afflicts the marginalized groups (Aalbers 2005). When redlining areas, lending institutions provide codes for undesirable suburbs and they will not extend credit for any property purchases in such neighbourhoods (Roithmayr 2004:29). This practice would ensure the exclusion of other race groups in certain neighbourhoods. Furthermore, letting agents have also adopted a more or less similar practice. When looking for tenants for vacant properties, they have adopted a coding practice which ensures racial discrimination.

Segregation in most of the cases is involuntary in nature as has been shown by studies in South Africa and the U.S. (Gossett 1997). ‘Involuntary segregation usually involves both spatial and social barriers because social distance is most easily maintained through physical distance... residential segregation accounts in large part for other patterns of separation’ (Rose 1964:111). People can be involuntarily separated from the dominant group through the enforcement of laws or other barriers that make it difficult for other groups of people to access certain communities. Documented findings point to the fact that when there is some of form of battle between dominant and minority groups, ‘the minority tends to withdraw from the field of competition in the long run, and shifts to more or less non-competitive fields in order to survive’ (Yuan 1963:257). Several years of white privilege have translated into
material gains and inequality. This has often resulted in differences in material wealth between whites and people of other races. White privilege can perpetuate segregation because of affordability.

### 2.4.2 Taste and voluntary Segregation

In contrast to institutional forms of discrimination, Gary Becker’s ‘Economics of Discrimination’ Theory posits that people have ‘tastes for discrimination’ which results in exclusion, institutionalized discrimination, deprivation and prejudice (Becker 1971:31). Becker notes that when tastes for discrimination are higher, trade between different racial groups will be reduced (ibid). Becker goes on to say that ‘If someone has a “taste for discrimination”, he must act as if he were willing to forfeit income in order to avoid certain transactions (1971:16).’ In this regard, if estate agents have a taste for discrimination, they would not extend their services to people of particular race groups. Schlemmer and Stack (1990) argue that tastes for discrimination are not reduced by class homogeneity thereby concluding that race prejudice can be a strong factor that causes a lack of greater integration of black-white residences. However, estate agents can ignore “tastes for discrimination” because all they want is their commission.

Voluntary segregation involves an individual or a group of individuals secluding themselves into an area by choice; resulting in the formation of racial enclaves (Yuan 1963). Reasons for voluntary segregation vary but include resisting assimilation thereby preserving a sense of supremacy (Yuan 1963). Society discriminates against minority groups based on the characteristics and perceptions of this group (Yuan 1963). Another example of voluntary segregation is the way in which other kinds of people with similar characteristics and perceptions, such as young people, have a tendency to group together. Voluntary segregation does not curtail assimilation but delays the process to some extent (Yuan 1963:264).

Racial prejudice occurs when individuals or a group of individuals are hostile to people of another racial group. The hostility is in most cases propelled by certain beliefs and generalizations about the behaviour and characteristics of other racial groups (Allport in Katz 1991: 9). The negative labelling of other racial groups developed into intolerance in society.
Africans may voluntarily segregate themselves by refusing to move into former or currently white areas even if they can afford to move into such neighbourhoods. However, the study found that in most cases affordability rather than social forces was the key factor in residential segregation.

### 2.4.3 Race and Class

The issue of housing can also be affected by perceptions of race and class which ultimately has an effect on resource distribution within societies. The perpetuation of a cycle of exclusion of Africans from white areas limits chances of upward mobility of this group (Delgado and Stefancic 2001). This is because the chances of attending better schools and access to better public services for this group will be limited; resulting in a cycle of inequality. This study examines the intersection of race and class in the property purchasing processes.

Race and class can result in different treatment of two heterogeneous groups; access to resources can be based on this. Race and class in South Africa are closely related with the race that benefited from apartheid constituting the higher class. As noted by Brewer and Stonecash (2001:137) ‘Income reflects the resources individuals have at their disposal, which significantly affects their access to opportunities and quality of life.’ From this perspective, it follows that previously excluded families that have more income can afford to move into former white neighbourhoods thereby achieving integrated communities in terms of race but not in terms of class. The fact that estate agents are driven by the profit motive also means they can provide their services to anyone depending on their ability to pay. Therefore class rather than race can be a major factor in choice of communities to live. According to Becker (1971:16) ‘The discrimination by an individual against a particular group depends on the social and physical distance between them and on their relative socioeconomic status.’ In the new South Africa, class is acting in the same that race did during apartheid because in most cases people of a higher social class are usually whites. However, there are also people from previously disadvantaged groups who have found themselves up the class ladder; these have managed to move into white areas. African people can also desire to stay in neighbourhoods that reflect their socioeconomic status and may discriminate against other people of lower economic status. In this regard, race is less important than the ability to pay.
Beider (2009) interprets segregation patterns in terms of the interaction of demand and supply. He argues that access to opportunities depend on the interaction of demand and supply. Greater racial residential mixing can now be achieved through the operations of ‘market forces that are no longer fettered by legal racial barriers’ (Heller and Schensul 2011). The combination of new market forces and the removal of racial barriers to mobility has in turn shifted the logic of spatial inequality from racial segregation to class segregation (Seekings 2008).

Banks can take advantage of changes in the economy and extend credit to Africans thereby improving their chances of purchasing properties in better neighbourhoods. On the same note, estate agents who operate on a commission basis can ignore racial prejudice and sell to all regardless of what resisters to change think. As has happened in the U.S., estate agents may also participate in practices such as blockbusting in which they engineer the rapid influx of black people and chase out white people thereby making profit. The study findings confirm that to a greater extent, it is issues of supply and demand that are governing the operations of estate agents and thereby urban transformation. Most importantly, it has been the ability of families or individuals to secure finances that has resulted in urban transformation.

2.5 Conclusion

The preceding section has examined what segregation looked like and how it was achieved under periods of legislated segregation and what happened after that legislation was repealed. What emanated from the study of the literature is that in both the U.S. and South Africa, structural discrimination was used to ensure that blacks and other minority groups were discriminated and segregated by whites in all spheres of life. Discrimination and other social and economic predicaments were made possible by the presence of legal and political policies that institutionalised racial discrimination. It has also been realized, in South Africa, that prior to independence, whites had a lot of power to regulate the social and economic environment and this power was vested in the legal and political environment. African-Americans in the U.S. were forced into ghettos and prevented from accessing white areas. During these periods of segregation, black people were in most cases involuntarily segregated from areas occupied by whites. In a similar fashion, this has been the case in South Africa where Africans were forcefully removed from white areas and confined to homelands and
townships. During the era of suppression, structural discrimination was prevalent and people were willing to preserve their white neighbourhoods by not allowing property sales to Africans; minority groups were involuntarily segregated.

In conclusion to the literature review, in South Africa, when Africans were accorded equal opportunities and could improve on their socio-economic standing, the response for some was to move away from townships into areas that accorded their new status. This resulted in some whites moving away from the mixing areas due to anxiety and a general fear that is brought about by racial residential mixing. Recent trends indicate that discrimination is no longer manifest in laws and regulations but class is now acting in the same way that race did under oppression. In this regard, blacks and other minority groups can voluntarily segregate themselves from white areas. Access to neighbourhoods is now regulated by class issues rather than race; it is now a matter of affordability. Market forces are now regulating residential mixing, people can now move into areas they afford to be in; there is an increasing importance of class. Some people still have a racial mentality but this cannot be publicly confessed as racial discrimination is no longer legal. Neighbourhoods have generally become more mixed.
Chapter 3: Methodology

This is a qualitative research project that focuses on the subjective experiences of participants around the subject of race and housing. The study is based on a case study of two adjacent suburbs of Glenwood and Umbilo; twenty one in-depth interviews were used as primary sources of data collection. Ten interviews were held with estate agents operating in the two areas and another ten interviews were also conducted amongst the black residents of these two areas who own properties. An additional interview was held with the ward councilor for the Glenwood and Umbilo areas (these two areas fall under ward 33). The ward councilor was a key respondent in this case due to her familiarity with issues in these areas. This section explains the research design governing this study and how data was collected and analysed in this study.

3.1 Research Design

Research design acts as bridge between research questions and data collected; it ensures that the data collected provides a clear answer to the questions asked (de Vaus 2001:9). According to de Vaus 2001:16, ‘Research design refers to the structure of an enquiry: it is a logical matter rather than a logistical one.’ Furthermore, a research design should provide the best method for data collection, and this method should provide ‘reliable, valid and meaningful data’ (de Vaus 2001: 80). Information was acquired through in-depth interviews with African homeowners residing in the two areas, estate agents operating in the area and also the ward councilor for the Umbilo and Glenwood areas. Indian and coloured homeowners were not included in the research because it was beyond the scope of this study. The study included homeowners because they have involved estate agents when they were purchasing their properties in these areas. The research was designed as a case study.

The research design was able to address the research questions because interview questions for estate agents were different from those of homeowners. This allowed for proper responses to individually directed questions. In-depth interviews with the respondents resulted in more information being gathered on the subject of urban transformation.
3.2 Case study

Case study research involves the collection of data from a specific locality to get an in-depth understanding of the subject under study. Case studies can be a great source of information as they allow for a deeper investigation of the subject in a specific locality. For this study, purposive sampling was used to identify the case studies that offered the best setting for communities that were once exclusively white under apartheid but have become more mixed in the post apartheid era. The areas that were investigated were selected after careful studying of the Heller and Schensul map on urban transformation (See Chapter 1). Umbilo and Glenwood were chosen as suitable case studies for the study because they have become more mixed in the new South Africa. However, it should be noted that case studies can provide results that cannot be generalized but that are just suited for the area investigated.

3.3 Grounded Theory

Grounded Theory was developed by Strauss and Glaser in the early 1960s. It is a qualitative methodology that emerged from the observed shortfalls of the quantitative methodological aspects of social research (Corbin & Strauss 1990). The discontent with the quantitative methodology was with regard to the issues of hypotheses generation and the subsequent development of rigid empirical methodologies that sought to quantify every aspect of the research process. The underlying principles of the theory stipulate that researchers should enter the research arena with no pre-set ideas to test but rather formulate hypothesis as data collection progresses. In line with this, concepts that frequently emerge from interviews should be given significance. The researcher is given flexibility in the interview process and should change questions as they deem fit to enable the data collection process to be smooth flowing. When the data collection is over, data analysis can only take place after the recurring concepts have been coded and categorized for hypothesis generation (Corbin & Strauss 1990). The grounded theory approach guided this study as the researcher wanted to understand the urban transformation in an open and exploratory way.
3.4 Data Collection

Grounded theory advocates the use of unstructured or semi-structured interviews as the preferred methods for data collection. Interviews (unstructured or semi-structured) allow for the participants to expand on their experiences of the subject under investigation thus bringing up new themes. For purposes of adhering to the theme under investigation, researchers have guiding questions. The blending of unstructured and semi-structured segments of the interview allows for the respondent to give their account of the issue at hand whilst adding new insights on the topic under investigation. Twenty one semi-structured interviews were conducted with ten randomly selected estate agents and ten randomly selected homeowners and the ward councilor. Semi-structured interviews allow for the interviewees to express themselves further in an unrestricted manner. Interviews were recorded, transcribed, coded and analyzed afterwards. Face to face interviews provide information of a rich quality. Furthermore, interviews avoid the problem of group bias which may emerge in group interviews or focus groups. In practical terms, it is also easy to record and transcribe a one on one interview because in most cases the recordings are clearer than those of group interviews where some interviewees might speak randomly thereby making it difficult to listen to the recordings.

Most of the estate agents interviewed have been working in the area for the past 15 years. This period of the service to the community was an advantage in that they have experienced both the apartheid and the post-apartheid periods hence their responses were very informed. Black homeowners’ tenure of stay in the area was varied with a lot of those interviewed having had moved into the area at the end of the apartheid era. During the interviews, interviewees were allowed to speak freely on the subject of urban transformation. The interviewer had a set of structured questions that guided and directed the interview process. As data collection and analysis are two interrelated processes under the theory, questions for future interviews were altered before the new interviews were done. The result was a set of relevant interview questions which resulted in rich data being collected.
3.5 Sample selection

The estate agents’ sample was randomly selected from a number of estate agents operating in the Glenwood and Umbilo areas. The agents were identified from the yellow pages and the Institute of Estate Agents of South Africa (IEASA) registry and those with their offices in the area under study were automatically considered in the sample. A list was drawn for all estate agents falling into these areas and from this, ten were randomly selected. The result was five whites, three Africans and two Indians, estate agents.

The researcher attended various show days and through the spread of word of mouth was able to identify ten African homeowners for interviews. These people were considered for interviews on the basis that they either stayed in one of the suburbs under study. An additional interview was done with the ward councilor of these two communities as they fall under one ward. The Councilor gave some insightful knowledge into the study. This methodology resulted in a good mix of views from all sides before conclusions could be made.

3.6 Data analysis

Analysis of the data collected for this study was done in line with the principles of grounded theory and was therefore on an ongoing basis. Data analysis began from the first interview done and interview questions for the following interviews were also altered in line with the analysis done. This allowed for the removal of unnecessary questions during the interview process paving way for more relevant interview questions. Contextualization of the study was necessary in aiding the smooth flow of the data analysis process. Information on what estate agents saw as the trends in urban change were matched with the perceptions of the black homeowners and the ward councilor and then summarized. This synthesis of information gathered enhanced the analysis of urban transformation trends. Data analysis was also done in line with the research questions that were raised in the first chapter of the study. This allowed the data to be analyzed in a manner that fulfilled the aims and objectives of the study. Responses from interviewees were selected and grouped under themes that allowed their subsequent interpretations. The themes were significant in the structuring and interpretation of the findings thereby arriving at a conclusion for the study.
The themes that were developed included, neighbourhood change (trend analysis), prejudice vs. affordability, obstacles to homeownership, role of estate agents in urban transformation, African homeowners’ perceptions of estate agents, among others. The clusters and the information that underlined them formed a basic report that provided findings for this study and forms the findings chapter.

3.7 Limitations

The data collection process for the study was not without problems. An African interviewing a white estate agent about urban transformation was an issue that was received with mixed feelings. The resultant was a mix of short answers and edginess. Some of the information that was supposed to come out of the study might not have due to issues surrounding the researcher’s race and nationality.
Chapter 4: Research Findings and Analysis

This chapter summarizes the research findings and provides an analysis of the major elements. To ensure that the chapter addresses the research questions presented in the introductory chapter 1, it is divided into sections that best relate to the main research objectives. The research objectives were:

- To understand what estate agents see as the major trends in their area over the last two decades, and how they explain these trends
- To explore the perceptions that black homeowners in the area have of estate agents
- To examine the way estate agents influence housing choices
- To analyze the way in which estate agents have incorporated the issue of race and urban transformation in their operations.

The first part provides a synthesis of what both black homeowners and estate agents see as the trend in urban transformation in the Glenwood and Umbilo areas in the past two decades. Secondly, segregation in the new South Africa is investigated before moving to the issue of share block accommodation. In addition, involuntary and voluntary segregation are contrasted in accordance with the findings of the research. Thirdly, affordability and prejudice are addressed and how they affect housing choices in the Glenwood and Umbilo areas. The last section of the chapter looks at the role of estate agents in urban transformation.

4.1 Towards Mixed Neighbourhoods: Trend Analysis

What I’ve seen over the past 15 years has been a movement of people into previously white areas. We now have Indians, Africans and coloureds in all the good neighbourhoods around Durban. The end of apartheid and the coming into power of the ANC has resulted in more opportunities for other races. Economic opportunities especially, have necessitated the movement by Africans and Indians into this area (Interview: Estate Agent 1).
The two areas under investigation were previously white areas which have become more mixed with the advent of majority rule. Estate agents and black homeowners concur that the areas have become mixed after political emancipation was achieved. From an estate agent’s point of view, there has been a significant inflow of people of other races that were precluded in the areas under apartheid, a significant proportion of them being black. For some people democracy has resulted in economic emancipation and thus African people and other previously disadvantaged groups of South Africa could now afford better housing. The immediate move was to relocate to an area or neighbourhood that suited the newly accorded social status and this has resulted in Glenwood and Umbilo being mixed race areas.

Both estate agents and black homeowners agree that a balance has now been struck between the races resident in the Umbilo area and mixing is also prevalent in the Glenwood area albeit to a lower extent. In Glenwood, there are still more whites than other racial groups although there has been an in-migration of Africans. This can be explained in terms of the prices for houses in this area which are higher than Umbilo. The Glenwood area falls into the upper middle income bracket, a view that is shared by both estate agents and black homeowners. The high prices of properties in the Glenwood area can also be attributed to the availability of quality facilities and the neighbourhood’s proximity to the CBD. This area also boasts of good educational facilities, including one the best High school in KwaZulu-Natal (Durban Girl High School) and also the University of KwaZulu-Natal (UKZN).

The availability of such facilities result in an increase in the demand for properties in the area as parents seek the best education for their children. Prices of properties in the areas have been on the increase. In America, there was a widespread belief that if African-Americans move into white neighbourhoods, property values would drop (Blalock 1982: Roithmayr 2004). In the post-apartheid period, property values have increased by percentages of over 300 across the general South African market (Du Toit 2007). Most of the estate agents interviewed shared the same perception that property values have more than quadrupled in the past 15 years (Interviews with estate agents: 1, 2, 4, 6, 7 and 9).

The reasons that were cited for this significant rise in property values were more dependent on general changes in the economy. The booms and slumps in the economic cycle have played a major role in the variance in property values. Estate agents in the areas under study
were asked whether the coming of other races especially Africans had propelled property prices to increase. All the estate agents interviewed shared the same view that the rise in the prices of houses and other properties was in line with the global trends and the economic conditions that prevailed within South Africa. The significant increase in property prices in this area can also be attributed to market forces. The opening up of neighbourhoods might have resulted in an increase in demand for properties in the area and this in turn would cause an increase in the prices of houses in the area. Although the prices have sky-rocketed, there is still a large influx of black families for residential purposes into these areas. Although some white people might have a taste for discrimination, which results in white flight, and although some black people might have a taste for discrimination in the sense that they prefer to live in the township than move into a former white area, enough black people have not exhibited a taste for discrimination and have moved to former white suburbs and enough white people have stayed to produce a mixed suburb. If the destination for some whites is an expensive neighbourhood, some white people remain in the mixing neighbourhoods if they cannot afford to move to expensive suburbs.

The majority of those buying properties in the two areas are purchasing for their sole occupation although some are buying for investment. The affordability of houses in the Umbilo area has resulted in the area becoming more mixed compared to the nearby Glenwood. There are however a lot of complaints from the residents about the rate of crime in the Umbilo area which is high. It is crucial to note that some black homeowners in the area agree that crime is a problem in the neighbourhood. However, they attribute it to outsiders and foreigners not to insiders something that has various views depending on who you approach with the question (Interviews with homeowners; 1, 2 and 5).

The mixing that has taken place has also resulted in the out migration by some whites who were resident in the area. They have migrated to other areas or have moved to other parts of South Africa or even abroad. Of the 10 estate agents interviewed, 8 explained the out migration of white people from the two areas in terms of natural processes. One of the estate agents stated that,

If somebody has got the money they are likely to improve and move to the Berea, Durban North; Umhlanga. It is just a normal migration as you have more (financially
stable) you would want to move to so called better areas and also most people have been here for a long time because being central, their kids could go to good schools and varsity. Some are selling simply because the house has become too big for them to move into a smaller place, so they will be downgrading (Estate agent 2; Interview).

As noted above, the economic boom that was experienced in South Africa from 2000-2007 has resulted in a general increase in property values by close to 300% (Du Toit 2007). The subsequent rise in property values has been met with an increase in residential turnover as people sought to make the best out of the situation at hand hence the variegated neighbourhoods. On the question of where African families were coming from, estate agents are of the view that some are coming from the townships but a majority of them are coming from around the CBD, former white areas and Indian areas, where they were renting (Estate agent; Interview 3). This was also confirmed by the black homeowners when they were asked the same question.

Only one homeowner stated that they were staying in township neighbourhood prior to their move to the middle class neighbourhood. ‘I was staying in Umlazi then I was quite fortunate to get a job as a supervisor at the harbour. At first I would travel from Umlazi to work but with time it became exhausting. I then got a loan from the then….bank and that is how I moved to Umbilo’ (Interview with homeowner 1).

The majority of black homeowners confirmed that they have been renting apartments in and around the city. Therefore, the opening up of neighbourhoods has only resulted in people who can afford to move into them doing so. The Umbilo area was built for people who used to work at the harbour and surrounding industries. The advent of democracy meant employment equity policies promoting the employment of previously disadvantaged categories of people. This resulted in a significant number of black people getting better jobs at the harbour. As the employment prospects for the black people at the harbour surged, a lot of pressure was also put on the need for accommodation close to the work place. Eventually black people were offered accommodation in the Umbilo area, a move that witnessed the desegregation of the neighbourhood as it became more mixed (Interviews with homeowners; 3, 4, 6 and 7).
4.2 Segregation in Umbilo and Glenwood

The study has found that the nature of segregation that is now prevalent is different from the one that was experienced during apartheid. The black homeowners that were interviewed in the study agreed that involuntary segregation has been eradicated. Voluntary segregation has surfaced as the most prominent type of segregation in the new South African city but this is attributed to individual preferences. Some white people have often moved out of mixing areas and some black people have also remained in the townships because they either cannot afford to stay in the previously white suburbs or they prefer to remain in the townships.

On the subject of whether estate agents should steer people away and towards particular properties, black homeowners concurred that this activity is not desirable and should not be tolerated. Estate agents did not support the notion of directing potential homeowners from certain neighbourhoods. They however noted that where segregation is alleged to be prevalent, it is because the estate agents will just be fulfilling the needs of the clients. A client may state that they need a property in an area that has a certain percentage of a certain racial group and all the estate agent can do is to look up in their stock and match the stock with the requirements of the client. In this case, it is a matter of individual preferences and the client would voluntarily choose an area where they would find people they feel they could relate with by stating that they want to stay in area that is occupied by black people, for instance. The quote below is a good example of this;

I wanted an area where I would not feel lonely, an area where I could meet other black people and make friends you know what I mean. So I specifically asked my agent about that and he said Umbilo was the right place because there is quite a significant black population. So in a way you can say that he guided me into this area but this is what I was looking for, he didn’t force me (Homeowner 2; Interview).

4.2.1 Share block as a platform for segregation

The share block still appears to be the platform for much of the discrimination encountered as cultural preservation is at the fore for occupants of these units. If a share block company
acquires a building, each flat/unit is assigned a certain number of shares. Individuals who will occupy these units will have to buy or have shares in the company owning the building. In turn, they get share certificates and an agreement for occupation and use of the flat. In contrast, sectional title refers to a situation where certain parts of a single building are owned by different individuals. If a person purchases a unit/flat in such a property, they are issued with a title deed which gives them ownership of the unit.

In the case of share block, estate agents agreed that they have to adhere to the requirements of the body corporate. In this regard, clients are likely to be selected on the basis of their race and this will mean that prospective black property owners can be involuntarily segregated by the racial criteria involved in the property purchasing process. It is very hard if not impossible for other races to be accommodated in the share block as access to these properties remains difficult. If an estate agent is selling a property in the share block then they have to adhere to the client specification that they are given by the body corporate. As one of the estate agents pointed out, ‘the person wishing to purchase a unit within a share block is in most cases required to undergo an interview session where they will discuss everything that is involved in share block accommodation’ (Interview; estate agent 4). However, it should also be borne in mind that it is not only discrimination that results in most Africans not owning properties in the share block but the high costs of the apartments.

I can’t say it’s because whites prevent other races in occupying share block apartments, one has to look at the cost of acquiring bank loans for such purchases. The costs are too high for many and this might be another reason why you don’t find as many Africans in share block apartments situated in good neighbourhoods than anywhere else (Interview; estate agent 4).

In the U.S., homeowners formed associations that worked hand in glove with the estate agents in furthering racial discrimination and segregation (Roithmayr 2004). The study sought to investigate whether this kind of association is prevalent in South Africa. One of the estate agents confirmed that there was an incident when one resident in a white neighbourhood called her to say that they should not sell the property next to theirs to a black person as they did not wish to have a black neighbour (Interview; estate agent 6). In open neighbourhoods, such individuals had little influence and it was both in estate agents’ and the
sellers’ interest to make a sale regardless of race. However, the issue of share block purchases that has been discussed above acts as one case in point where it could be argued that estate agents are collaborating with body corporate to keep other races out. An estate agent had this to say on the subject of associations and discrimination,

People want to sell their houses, and the moment they sell their houses, they won’t be concerned who gets it. I know maybe about share blocks where the trustees want to interview the client/buyer or the person moving in. There are also regulations I wouldn’t say discrimination but rules that govern the share blocks according to a certain age or race (Interview; estate agent 9).

Here it is not only up to the client’s ability to finance the purchase of the property but rather to the decision making process of the body corporate. White people selling in open neighbourhoods no longer care about who purchases their property as long as these people can meet the financial obligations. This has resulted in more mixed neighbourhoods across South Africa. Even if remaining neighbours would like to maintain a mixed neighbourhood they have no way of preventing sales to black people. It is only in a share block situation where the remaining neighbours have some say over who can purchase a house there.

Schlemmer and Stack (1990) argue that tastes for discrimination are not reduced by class homogeneity thereby concluding that race prejudice can be a strong factor that causes a lack of greater integration of black-white residences, such can be true for the share block.

4.3 Prejudice vs. Affordability

In this study, it was found that if feelings of hostility are still experienced, those individuals with such experiences are keeping it to themselves. Neighbourhoods are reported to be fairly harmonious; everyone involved in the study agreed that feelings of hostility have died down with regards to the property business. According to one white estate agent,

I think the times have changed and we sell to people who can afford. I can’t turn down an offer from an African simply because they are African. One thing that you have to understand about this business is that we don’t have salaries and our work is
commission based so if you don’t make sales, your family starves! I work on a first come first served basis, simple. White, black, Indian, purple…I sell to all (Interview; estate agent 7).

All racial groups have equal access to any neighbourhood, depending on their ability to finance the purchases. As noted by Pacione (2005) there are various markets city wide which are serving different people according to their ability to pay. This has been a recurring phenomenon throughout this study. People are free to stay in any neighbourhood as long as they can afford to. It is therefore crucial to note that neighbourhood change that is evident in the new South Africa is guided by financial ability of different racial groups to be in areas that satisfy their needs.

The findings of this study have confirmed that contrary to the apartheid era, property purchases in the post apartheid era are marked by a move from racial to economic consideration. In this regard, in most of the cases where property purchases are involved, it is a person’s financial ability that is considered not their racial characteristics. One homeowner had this to say;

I wasn’t unfairly treated or looked upon because of my colour when I bought my house in Glenwood. She was a white lady (the estate agent) and she respected me and helped me until the sale went through. I don’t think there is still that mentality amongst anyone in the property business. The customer is king; you also have to remember that it is difficult these days to get a sale through so if you get someone who is interested in your property you thank the heavens. It’s all about who has the money (Interview; homeowner 2).

4.4 Current state of Umbilo and Glenwood

Given that two decades have passed since the end of the Group Areas Act, one of the objectives of this study was to ask respondents to reflect in general terms on the degree of change from the apartheid city. All respondents concurred that the idea of apartheid was not good as it created a rift between people of various races. The post-apartheid city is different from the apartheid city in that there are no legal racially discriminatory policies in effect. The
result has been the emergence of fairly harmonious neighbourhoods that accommodate people of different racial backgrounds. Not only have the neighbourhoods become mixed, but also other public facilities such as schools. The notion that all human beings are equal as long as they have the same income has been embraced by most people and this has necessitated the transition that is taking place. Some people might still have their racial tendencies but the general trend has been one of promoting human equality.

According to one homeowner;

I think what they did to us during that period (apartheid) was not good at all because before God we are all equal. I am glad that it is a thing of the past and these days we have equal rights and we can go anywhere we want. My neighbours are an old white couple and they have been in the area for the past 30 or so years. We are very good friends, they invite us for dinner and we invite them for dinner, even when they have something going on they invite us over, here and there we borrow each other stuff. We have mutual respect for each other and we have clearly put our past behind us (Interview; homeowner 3).

Although there have been a string of positive developments, the crime rates have also been high in the post-apartheid city an observation that is shared by all the residents of the city. This crime has been blamed on different people depending on who you are getting the information from. The fear of crime has been noted as the greatest push factor in the Umbilo area. ‘Obviously you get a lot of people saying we have had enough of this (crime) and we can’t continue to live in uncertainty, they don’t know what’s gonna happen to them in the next minute’ (Interview; estate agent 8). This view is supported by Spinks who observes that ‘the post-apartheid fear of crime facilitates a new form of internal residential spatial order remarkably similar to apartheid segregation’ (2001:4). Hostility is still present albeit in a more intrinsic form as racial discrimination has been made illegal.

One striking observation has been that the fear of crime exists to most residents of the area regardless. ‘When I first moved here it was a lot better but nowadays it’s an everyday thing especially around this area, there is a lot of foreigners who just loiter around doing nothing. I’m seriously considering moving to Glenwood’ (Interview; homeowner 4). In the
neighbourhoods, a lot of dynamics are at work resulting in the migration and emigration of others. Out-migration has been on the increase and white people have been the largest group reported to be on the move. In addition to emigration, they have been migrating to other areas in South Africa where they feel that there is a sense of security. The areas where they are migrating to have been in most of the cases gated communities (Ballard 2004b; Durington 2006).

4.5 Black Homeowners’ Perceptions of Estate Agents

Estate agents have been surrounded by all sorts of controversies and some people have argued that they are acting as gatekeepers to some neighbourhoods. Other views have been shared in the study of the literature, such as the collaboration of estate agents and lending institutions in UK, U.S. and the Netherlands (Roithmayr 2004; Aalbers 2004; Beider 2009). However, the findings from this study suggest that estate agents have undergone significant change and are therefore in a position to extend their services to all races. Black homeowners in the study reported no discrimination or unfair treatment from the estate agents and choice of where to live is now governed by individual taste and preference.

One homeowner noted that choice of suburb to live in is more of individual preferences when they said, ‘Obviously estate agents when they want sales, they can offer you other properties in other areas, but I think the overall decision lies with you whether you want the option that they gave you or not’ (Interview; homeowner 5). Here, the estate agents are viewed as having the power to point you in a particular direction but the ultimate choice of whether to go there lies with the client.

Most of the other homeowners in the study agreed that estate agents are treating everyone equally in the property market (Interviews with homeowners; 1, 2, 3, 4, 6, 7, 9). According to a resident of Umbilo on the issue of how they perceive the role that estate agents have played in urban transformation, the response was ‘I think that they (estate agents) have undergone a great deal of change from what they used to be back then’ (Interview; homeowner 4). The same resident went on to highlight that estate agents have opened up neighbourhoods to all who can afford when they said, ‘Seriously, I just think that anyone who has money to pay just buys the houses’ (Interview; homeowner 4).
Estate agents are therefore acknowledged for their role of opening up access to neighbourhoods to all people who can afford. As noted by another homeowner, ‘The agents have played a great part in ensuring that other races own properties in the urban areas. This is shown by a growing number of blacks who have bought houses and are now residents in these areas. Ya..... I feel they have managed to cross that racial barrier’ (Interview; homeowner 7). The general view is that estate agents have now turned to the operations of the market to ensure equity in treatment of people of different backgrounds.

4.6 The Role of Estate Agents in Urban Transformation

The removal of discriminatory legislation has meant Estate agents have become more flexible in their operations and as a consequent their market has also widened. Estate agents have dropped the racial aspect that played centre stage in the apartheid era and the result has been that neighbourhoods have been unlocked and those who can afford to move into these areas can do so. This has resulted in the Umbilo and Glenwood areas becoming more racially mixed.

The role that estate agents play in urban transformation should not be underestimated. In the post apartheid South Africa, these agents have been the entry point of other races into areas that were preserves of certain races. Estate agents now consider a client’s needs and their ability to meet those needs before they strike a deal. As one agent put it,

You ask them what his needs are, he will tell you I need three bedrooms, with en suites it must have three lounges, double lock up garages and a pool. So you will look at the stock you have and try to match the particular needs with the properties available (Interview; estate agent 10).

On the subject of steering which loomed in the literature study, estate agents claimed that they do not steer clients in any direction. They provide their services to all and do not push any clients towards a particular neighbourhood in a bid to maintain white neighbourhoods. ‘There is no such thing as white neighbourhoods, no one has any right over a neighbourhood and what we try to do is to make sure that people get properties in any neighbourhood that
they want and that is my job. I ensure that the various needs of any particular client are met to the best of my ability’ (Interview; estate agent 1). The change in what estate agents consider can best be reflected in the “rainbow” neighbourhoods that are evident in the post-apartheid South Africa. The current situation is one of human equality and non-racism.

4.7 Obstacles to Home ownership

Home ownership remains a problem for the black majority in the post-apartheid South Africa. As one respondent put it in the interview;

I would say that the obvious one is affordability, there is very low crime in this area, schools are here, and there is the basic public facility that anybody would need around here, around the area so in that respect it’s an area which would suit anybody so the only problem that I foresee is whether a person can afford to be in the area or not (Interview; estate agent 1).

With the recent economic environment, it has not been easier for lending institutions to give credit to anyone without enough security for the repayment of the loan. This is one area that has been problematic for the majority black people who do not have any form of surety to get credit to finance their property purchases. According to one estate agent;

We recently had the NCA (National Credit Act) which puts a lot of pressure on the banks not to lend money willy nilly. In other words, the lending criteria becoming tighter and tighter so it’s no longer easy for people to actually get the bonds because of the NCA (Interview; estate agent 4).

Accessibility of bonds and other credit lines by race still remains an area of contestation that needs to be interrogated. Some of the black homeowners that were interviewed feel that the banks and other credit institutions are still inclined to the white people and are therefore likely to extend credit to them rather than to the Africans. ‘If you look at the proportion of white people who are getting loans and compare that with that of the Africans, you can see that there is foul play somewhere. The white people continue to get loans easily’ (Interview; homeowner 6).
Most of the black homeowners are not pleased with the way credit is extended by Banks and other credit institutions. They argue that there is a lot of discrimination in the approval and granting of credit by the institutions involved. They feel this is militating against urban transformation as people who gained during the apartheid days continue to do so since they can afford the assurance that is required in order to get credit. Most of the homeowners suggest that there is need for government intervention in the loan approval process with the setting up of a dual credit system that caters differently for the different racial groups. As argued by a homeowner,

They (banks and lending institutions) should have that criteria something where they say this is for the previously disadvantaged people who are showing potential that they will be capable to repay the bond or mortgages. I mean seriously a lot of people do not have this collateral they could afford to buy a house now, but if you do not have this collateral then you won’t get a bond and that’s not good (Interview; homeowner 2).

What these statements do not acknowledge is that the National Credit Act was intended to prevent consumers from getting into more debt than they can manage. This is equally true given the current economic conditions which are against lending. It therefore remains that property ownership will remain a problem for the majority black people.

4.8 Summary of Findings

The study has found out that neighbourhoods have changed since the end of apartheid; they have become more mixed. The issue of the share block emerged as one area where Africans still feel racial prejudices are still prevalent. In this regard, tastes for discrimination maybe higher in share block purchases; the issue of affordability may not apply here. In addition, lending institutions have also been identified as an obstacle to greater racial residential mixing. Access to financial lines of credit remains a key obstacle to most of the prospective homeowners. Estate agents are no longer partial in their operations; they provide their services to all who can afford. This has resulted in the unlocking of neighbourhoods that were once occupied by people of a single race. African homeowners perceive estate agents as fair
individuals who use market forces to seal deals irrespective of race. Individual preferences or intent is no longer more important than economic factors. Property purchases are based on the law of supply and demand. Although individual racial prejudices may be present, these have often not been expressed explicitly.
Chapter 5: Conclusion

The racial divide of the Group Areas Act of 1950 has, at least in principle, been broken and now people can now live where they wish depending on whether they can afford to be in such areas. This research has revealed that estate agents have shifted their focus from being purely racial to economic in their operations. During apartheid, it was a matter of race rather than affordability. However, the post apartheid South Africa is marked by a move towards racial integration thus race is no longer an important component when estate agents consider who to sell to. They now consider the ability of an individual to pay for a particular property. This has resulted in greater neighbourhood racial mixing although racial patterns endure because of affordability. Estate agents can steer people away from other properties towards other properties depending on the needs of the clients.

Schensul and Heller observed that ‘as legal barriers broke down, people moved, but within specific paths determined by spatial, racial, and class hierarchies: only certain areas of the city were porous, and only to certain people’ (2011:2). The post-apartheid city has been marked by the opening up of most of all the neighbourhoods. As observed by Ballard (2004b), class has become synonymous with race during the apartheid era. People are now being accepted in some neighbourhoods on class compliance. This has been true for the gated communities that have been a common feature of the post-apartheid era. Racial discrimination in the housing market has significantly declined, especially in the operation of estate agents. There are however allegations of racial discrimination on the part of body corporate in the share block, lending institutions and other credit institutions.

The study has unveiled that residential racial integration in the Glenwood and Umbilo areas has been necessitated by the democratization of the political economy of South Africa. The removal of legal barriers that supported racial discrimination meant that there was no racial superiority. Neighbourhoods became porous to all races and this resulted in their subsequent metamorphosis. With estate agents considering affordability as their main criteria for sealing deals has meant that previously excluded people could now move into areas that were once no go areas during the apartheid era. The overall trend in urban transformation has been the moving in of black people into areas that were once a preserve for the whites. However, contrary to reports in the U.S. that if Africans move into white areas property values would
fall dramatically (Roithmayr 2004), the results of black in-migration in South Africa has coincided with the subsequent sky rocketing of property values especially between the period 2000-2007 as a result of a general increase in demand.

Black homeowners in both Umbilo and Glenwood do not see estate agents as a stumbling block in the urban transformation process. They see them as agents of transformation, the drivers of change who use market forces to seal deals. Greater racial residential mixing can now be achieved through the operations of ‘market forces that are no longer fettered by legal racial barriers’ (Heller and Schensul 2011). Obstacles to homeownership are therefore much on the economic front than one of racial discrimination in as far as the operations of estate agents are concerned. The change that has been taking place has resulted in a mixture of both negative and positive attitudes. The increase in the crime rate in the post-apartheid city has been a cause for concern, with all races moving to other areas because of this fear.

4.9 Areas for Further Research

The operations of body corporate within the share block set-up needs to be investigated because this is an area that constantly featured during the study as an area where racial discrimination is still alive. There is also need to conduct an investigation of the various credit and mortgage criteria and address any anomalies in the extension of credit for purposes of property purchases. Further studies need to be carried out to investigate attitudes of various racial groups to the urban transformation that has been taking place.
**Bibliography**


APPENDIX: A

Research Instrument: Interview Guide.

Estate Agents

1. How long have you been operating in this area?
2. How is business at the moment?
3. Which aspects of this work do you like and which aspects do you dislike?
4. What are the major types of housing in this community?
5. What has been the trend in house sales and ownership for the period you have been operating in this area?
6. What do you think might have caused such trends?
7. Are your clients buying to let or for their occupation?
8. What is the general level of income of residents of this area?
9. Is homeownership restricted to particular racial groups or nationalities?
10. Is homeownership limited to a particular social class?
11. Are there any particular kinds of people who you think of as your major growth market?
12. How have prices of properties changed since you started operating in this area?
13. Has residential turnover been on the increase or decline in terms of race?
14. Where are those moving into this community coming from and where are those leaving heading?
15. When people move away or into this community, what is it that pushes them away or attracts them?
16. Do you have any impressions as to why they are going?
17. Do you think there is racial integration in the estate agent industry? (For black Estate Agents)
18. Are you aware of any issues that have emerged in relation to racial integration, for example reactions from neighbours? Can you recall any anecdotes or incidents in this regard?
19. Do you think there are some potential difficulties with the transition that has been taking place? Or are these fairly harmonious neighbourhoods?
20. What factors do you or other estate agents take into consideration when deciding which particular properties to show particular seekers?
21. Do you think estate agents should steer particular people towards or away from particular properties?
22. How do you market your properties?
23. Who is your target population?
24. What do you see as obstacles to homeownership in this community?
25. What do you think of the legacy of the apartheid city? Do you think the segregated apartheid city is still in place and why or do you think it has changed and why (or maybe both).

For Tenants
1. For how long have you been living in this area?
2. What informed your decision to move to this area?
3. Where were you coming from?
4. Did you encounter any challenges in securing a property in this neighbourhood?
5. If so, what challenges did you meet?
6. What is your perception on the role of estate agents in ensuring racial integration from your personal experience with them?
7. 'Is it possible that estate agents play a role in directing certain kinds of people to certain kinds of places'
8. What do think of the legacy of the apartheid city? Do you think the segregated apartheid city is still in place and why or do you think it has changed and why (or maybe both).

For Ward Councillor
1. For how long have you been a ward Councillor for this area?
2. Have you ever had any queries brought to you by the residents with regard to the operation of estate agents?
3. If so, what have been some of these issues?
4. What is your perception of the role of estate agents in ensuring integrated communities?
5. How has home ownership changed in these areas?
6. What do you think is attracting/chasing people to/from this community?
7. What do you think of the legacy of the apartheid city? Do you think the segregated apartheid city is still in place and why or do you think it has changed and why (or maybe both).
21 January 2010

Mr C Mucheuki
478 Esther Roberts Road
Glenwood
DURBAN
4001

Dear Mr Mucheuki

PROTOCOL: Race and Housing in Glenwood and Umbilo
ETHICAL APPROVAL NUMBER: HSS/0025/2010: Faculty of Humanities, Development and Social Sciences

In response to your application dated 06 January 2010, Student Number: 209525589 the Humanities & Social Sciences Ethics Committee has considered the abovementioned application and the protocol has been given FULL APPROVAL.

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Professor Steve Collings (Chair)
HUMANITIES & SOCIAL SCIENCES ETHICS COMMITTEE

SC/sn

cc: Dr R Ballard
cc: Ms S van der Westhuizen