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**INCLUSIONARY HOUSING DEVELOPMENTS:
TOWARDS ADDRESSING INEQUALITIES AND SEGREGATION
PATTERNS IN SOUTH AFRICAN RESIDENTIAL NEIGHBOURHOODS**

A CASE STUDY OF COSMO CITY, JOHANNESBURG

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2017

Declaration

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Signed:
Kashmil Gopal (candidate)

Dated:

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Abstract

This dissertation assesses the effectiveness of inclusionary housing in South Africa, as a tool to reduce spatial segregation and inequalities in residential neighbourhoods. To date, South Africa has spatial inequalities and residential segregation across neighbourhoods, distinguished by race and class, characterised as 'exclusionary housing'. Low income people live on the peripheries of urban areas with substandard housing, inadequate services and a lack of employment and other socio-economic opportunities, while the middle and higher income people live in well-developed urban areas with good housing, services and opportunities. This phenomenon is a result of the colonial and apartheid eras where the white minority marginalised the non-white majority by stripping them of all land rights and enforcing segregation laws that made people live in separate areas which were determined on the basis of one's race. These laws were unjust and inequitable. After South Africa achieved democracy, post-1994; the then new democratic government made attempts to redress the wrongs of the past. However, such redress has been at a slow rate. New housing policies were introduced to promote integration and socio-economic inclusion, such as the Housing White Paper of 1994, the Breaking New Ground policy of 2004, and thereafter the Inclusionary Housing Policy of 2007. These three policies are discussed in this dissertation as they were designed with the purpose of redressing the problems of segregation and inequalities in South African neighbourhoods by promoting integration and socio-economic equality, which is the basis for inclusionary housing that is the key theme of this dissertation.

Inclusionary housing is housing that incorporates different income groups, with different housing typologies to cater for the different income groups, all in one development, while providing the same standard of basic services and facilities for all. Inclusionary housing promotes integration and social inclusion, as well as creates many opportunities for the low income, such as employment and an improved livelihood. In South Africa, inclusionary housing was implemented for the first time in 2004, in a development called Cosmo City, situated north-west of Johannesburg. By using Cosmo City inclusionary housing development as a case study, this dissertation assesses the effectiveness of inclusionary housing as a tool to reduce spatial segregation and inequalities inherited from the past and which persist post-1994. This assessment was enabled from the analysis of research conducted in the form of

interviews with key stakeholders and informants in the Cosmo City inclusionary housing development, questionnaire surveys with beneficiaries from the three different income groups in Cosmo City, and field observations, as well as various bodies of literature pertaining to housing policy and inclusionary housing, in the context of South Africa. International examples in the practice of inclusionary housing and IHP, namely USA and China, is used to display how the mixing of income groups function in their housing environment and what level of success was achieved.

The study's findings display that Cosmo City inclusionary housing development is a thriving community that has RDP, partially subsidised, and fully bonded houses in one area. It was found further that there are basic services and facilities provided for all, as well as directly and indirectly created employment opportunities resulting from business and industrial sectors created within the area, as well as from nearby surrounding areas. The research concludes that inclusion within Cosmo City was largely achieved through delivering inclusionary housing in line with the objectives found in IHP and principles of inclusionary housing. The poor are integrated with the higher income and closer to urban areas, and have had their livelihoods vastly improved. Recommendations are made for better achievement of inclusionary housing and IHP goals, in particular, the location of inclusionary housing developments can be improved by making land more accessible within urban areas, and careful consideration must be taken regarding the mix of housing typologies in a development in order to get the recovery rate ideal for long-term financial sustainability and viability of a development. Inclusionary housing can, to a large degree, be responsible for reducing spatial segregation and inequalities in South African residential neighbourhoods.

List of Acronyms

BNG – Breaking New Ground

CoJ – City of Johannesburg

DESA – Department of Economic and Social Affairs

DoH – Department of Housing

DoHS – Department of Human Settlements

HWP – Housing White Paper

IDP – Integrated Development Plan

IHP – Inclusionary Housing Policy

NHC – National Housing Conference

PDG – Palmer Development Group

TPC – Town Planning Compliant

VPADD – Voluntary Pro-Active Deal-Driven

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CHAPTER ONE: RESEARCH INTRODUCTION

1.1. Introduction

The main focus of this study is inclusionary housing. By definition, according to Verster (2008), inclusionary housing is housing that combines people of different income groups into one development, and by doing so, provides different housing typologies to cater for the differing needs and affordability of people. This dissertation seeks to assess the ability and evaluate the level of success that inclusionary housing has in addressing the spatial inequalities and segregation patterns of urban settlements within a South African context. It can be assumed from this that the researcher believes that there are existing spatial inequalities and segregation within South African neighbourhoods that need to be addressed. The researcher aims to demonstrate that by utilising the concept of inclusionary housing, the above identified problem can be significantly reduced. Inclusionary housing being identified as a tool to reduce spatial inequalities and segregation patterns can be further seen in the research objectives and research questions of this paper. With the utilisation of the case study of Cosmo City inclusionary housing development and data collected from interviews, questionnaire surveys and observations, as well as from various sources of literature, this dissertation assesses the effectiveness and success of Cosmo City as an inclusionary housing development, from both the government and developers', and the beneficiaries' perspectives.

1.2. Background to Study and Problem Statement

When the then newly elected democratic government came into power after the 1994 elections, it was faced with many challenges that it had to address and rectify. Its mandate as per the Housing White Paper of 1994 was to create an enabling housing environment for the previously disadvantaged black population to have access to decent housing and basic services and infrastructure. The aim of the government was to redress the substandard living conditions in which the majority poor black population was subjected to living in and to redress the spatial segregation and inequality patterns of neighbourhoods formed by the planning of the past apartheid government.

South Africa in its current state is plagued with extreme inequalities with regards to housing. The poor live in substandard housing conditions which are often hazardous and dangerous to their well-being. According to Verster (2008) these areas are almost always on the outskirts

of the city and are excluded from the opportunities, services and facilities which the inner city dwellers are provided with. This problem originated in South Africa during the colonial period when European settlers started taking ownership of land for their own gain, as per the Native Land Act of 1913. Where the settlers developed cities and utilised land, the native blacks were forced to move away to the outskirts. This further intensified and worsened during the apartheid era, wherein the white minority had taken control of majority of the land. The non-white population was stripped of all land tenure rights and forced to live in designated areas only. All races lived separately from each other; this was the ultimate form of segregation and exclusion. The key apartheid law which enforced this divide was the Group Areas Act of 1951. This law enforced segregation by revoking all rights of non-whites from having permanent residence in newly formed areas classified as areas for whites only. All races were kept separate and forced to live in designated areas, comprising only of people of their own race (Johnson-Castle, 2014; Muller, 1981).

In the post-apartheid period, the effects of the past problems still persist. Attempts have been made to redress these problems in the Housing White Paper (HWP) of 1994 and the Breaking New Ground (BNG) policy of 2004, which are two housing policy documents that were designed for a democratic South Africa, to serve all people justly. In these two policy papers, the government stated that housing and services must be provided in a more equal and inclusive manner.

In 2007, there was a formulation of an Inclusionary Housing Policy (IHP) document. The initial document of this policy had identified a problem of on-going racial and class segregation in South African cities. The assessment indicated that while there is some level of integration, this has however only been achieved between the middle to high income groups as incomes and affordability determine people's locality. As the poor continue to live on the peripheries in both old and new enclaves and in poverty, they continue to be excluded from the city and what it has to offer in the form of access to basic services, public facilities, job opportunities, and an overall better quality of life (IHP, 2007).

Therefore, the main issue explored in this dissertation is the extent to which exclusionary housing hinders the development of the poor, and in turn the extent to which inclusionary housing policy objectives and principles of inclusionary housing can provide a better quality

of life for the poor, as portrayed in the case of Cosmo City, which this dissertation explores as a case study. In interviews with Piek and Jayiya, they both stated that Cosmo City is the flagship housing development in South Africa that started inclusionary housing delivery.

It need be noted that even before BNG and IHP, that there were attempts to follow the then new ideals and principles of the democratic land. The town planners at the City of Johannesburg (CoJ) along with housing officials conceptualised a radical housing development, called Cosmo City, in the early 2000's. In this development they attempted, for the first time in South Africa, to combine people of different income groups to live together in one housing development. It was a mixed-income housing development, which implemented the concept of inclusionary housing (CoJ, 2010).

Housing in South Africa is still developed in a segregated manner according to class and race. The poor are excluded from the inner city as they cannot afford the housing provided on the open property market. They are forced to live away from the city in the fringes of the city where it is more affordable to them. The poor, who are also generally the black majority, are excluded from the comforts of city life (IHP, 2007; Prinsloo, 2008).

The government of South Africa has attempted to counter the problem of exclusion with inclusion. The concept of inclusionary housing development is used as a tool to address the inequalities and segregation patterns currently faced in South African residential neighbourhoods by developing housing in a holistic manner. Inclusionary housing policy advocates that the low income population should be included within the city and be provided with housing, services and the same opportunities as the middle to high income groups.

The concept of inclusionary housing can be seen as a significant contributing factor in the solution to the problems highlighted above as inclusion embodies the democratic ideals of the South African Constitution. The purpose of this dissertation is to evaluate if the IHP is effective in reducing the problem of exclusion of the poor in the inner city housing environment, using Cosmo City inclusionary housing development as a case study.

1.3. Aim of Research Study

The aim of this research is to assess how effective inclusionary housing developments are in integrating lower income groups with higher income groups; it seeks to establish whether

inclusionary housing policy serves as a tool to reduce the existing segregation patterns and spatial inequalities found in South African housing neighbourhoods.

1.4. Research Objectives

This dissertation aims to achieve the following five specific objectives:

- To assess the extent to which the historical colonial, apartheid and post-apartheid planning and housing policies influenced exclusionary development.
- To demonstrate the need for the poor's inclusion in the city.
- To assess how effective Cosmo City inclusionary housing development is in achieving the objectives of inclusionary housing policy.
- To evaluate the level of inclusion and integration achieved in the Cosmo City inclusionary housing development, from an inclusionary housing perspective.
- To propose how inclusionary housing policy objectives could be better met.

1.5. Research Questions

The study aims to answer the following five research questions which have been aligned to the objectives of this research study:

- To what extent has the Cosmo City inclusionary housing development achieved the objectives of inclusionary housing policy?
- Did the historical colonial, apartheid and post-apartheid planning and housing policies have any impact on the existing exclusionary development patterns?
- Why do the poor need to be included in the city?
- In the context of inclusion, how satisfied are the beneficiaries of the Cosmo City inclusionary housing development?
- How could inclusionary housing policy objectives have been better met in Cosmo City in particular, and how can they be better met in inclusionary housing developments in general?

1.6. Hypothesis

If housing is developed in an inclusive manner by mixing the three income levels, providing the same level of basic services, facilities and amenities for all in an equitable manner, and encouraging social integration, the historic exclusionary pattern of South African neighbourhoods can be reduced dramatically.

1.7. Research Methodology

1.7.1. Introduction to Research Methodology

The dissertation is a qualitative study that seeks to establish the extent to which the objectives of inclusionary housing policy have been met in a specific housing development, by utilising interviews with four respondents, questionnaires with 60 beneficiaries, observations, and various literature from relevant sources. This dissertation is case study-based and uses the inclusionary housing development of Cosmo City as a case study.

1.7.2. Identification of Case Study

According to Gerring (2004) a case study is the intensive study of a specific subject matter of interest which could either be a person, an object, a place or a situation. He further states that it involves extensive research and analysis, including documented evidence of a particular issue or situation as well as symptoms, reactions, outcomes of the research and the conclusion reached following the study. Therefore, in this dissertation, a case study is used in an instructive way in order to understand a phenomenon which the author has little practical knowledge of.

The dissertation used the case study of Cosmo City because it is a fully developed and longstanding inclusionary housing development; it was the first housing development of its kind, with the construction beginning in 2004. Cosmo City is located in Johannesburg, South Africa. This case study was purposively chosen because it is relevant and informative to the research topic of inclusionary housing, as it is reportedly a fully integrated inclusionary housing development as stated by the City of Johannesburg and by Codevco, the developers. It was chosen because it incorporates most, if not all, aspects of an inclusionary housing

development. It has three types of housing options to suit the finances of the three income groups, as well as inclusive public facilities and amenities.

“Driving into Cosmo City, one is greeted by a huge, colourful ‘Welcome’ sign. It marks the change the once open land has undergone, becoming a viable, liveable town for people from widely varying financial, cultural and social backgrounds (CoJ, 2008).”

1.7.3. Sources of Data

The study employed two types of data sources, namely primary sources of data and secondary sources of data.

1.7.3.1. Primary sources of data

a. Interviews

Four interviews were conducted with the key stakeholders in the Cosmo City inclusionary housing development. The interviews were semi-structured, in which open-ended questions were posed, that allowed for qualitative research data to be obtained. These interviews were conducted in order to gain knowledge of the processes involved in the development, also professional opinions regarding the Cosmo City development. The interviews were also used to acquire knowledge on how these key stakeholders in Cosmo City perceive the success of inclusionary housing developments, generally, and that of Cosmo City in particular.

Purposive sampling was used to identify the key stakeholders for interviews. In order to obtain accurate data that would inform the research objectives of this study, the researcher identified three sources for primary data, given that their roles highlight them as key stakeholders in Cosmo City.

Firstly, it was important to interview a government official from the Department of Human Settlements (DoHS) who was involved in the development, as Cosmo City is a government-funded housing project. The researcher had the opportunity to interview two such relevant officials. Secondly, it was imperative to interview the developer of Cosmo City, who holds information regarding the planning and project packaging processes undertaken, and the requirements that were delivered in the

implementation of the project. It need however be indicated that a household questionnaire survey was later conducted to get a more detailed understanding of views and experiences by the end-users of Cosmo City inclusionary housing development.

The key informants interviewed are as follows:

- i. The first interviewee from the City of Johannesburg was Mr Molapane Mothotoana, who is the Head of Region C in Johannesburg, whose regional jurisdiction incorporates a large part of the Cosmo City development. Mr Mothotoana was asked a set of questions that were specifically designed for the government official interviewed. Mr Mothotoana shared information and his professional views on the Cosmo City development. It was important to get an insight and understanding from the Department of Human Settlements (DoHS) perspective.
- ii. The second interviewee was Mr Thozamile Jayiya, who is the Project Manager for Programme Implementation & Monitoring in the City of Johannesburg's Housing Department. Mr Jayiya was referred to the researcher by Mr Mothotoana, for the reason that Mr Jayiya was largely in charge of the allocation of housing to beneficiaries, therefore he had information about the aim of Cosmo City providing for the beneficiary market that it had been intended to cater for. Mr Jayiya was asked the same set of questions that were designed for the government official, as he was able to provide further insight and understanding of Cosmo City from the DoHS perspective. He provided educational pamphlets and leaflets to the interviewer that are used by the DoHS to educate end-users about Cosmo City, and about the urban and environmental management within Cosmo City.
- iii. The key informant and interviewee from Basil Read, Codevco who is the developer of Cosmo City, was Ms Davina Piek. Ms Piek was identified as the person who has the most knowledge about the Cosmo City development,

as she is the developments manager at Codevco, and she was also a former employee of the CoJ Department of Housing who was involved in Cosmo City from the conceptual stage. Therefore, Ms Piek was able to provide information about the developmental process of Cosmo City, from pre-construction to post-construction, as well as information regarding the nature of the development being inclusionary housing. She is highly knowledgeable and had provided information over and above what was asked. This interview was voice recorded for ease of analysis.

All interviews were voice recorded for ease of analysis.

b. Questionnaires

The purpose of the questionnaire survey was to gather data from the end-users themselves and use this data to provide an understanding about the day-to-day functioning of the development, which would indicate their sense of satisfaction with regards to inclusionary housing. The aim of the questionnaires therefore was to obtain information regarding the extent of inclusion and housing satisfaction with regards to inclusionary housing principles achieved within the Cosmo City inclusionary housing development.

The researcher initially visited two different locations within Cosmo City and randomly approached people to answer the questionnaires. A reconnaissance study was conducted of the area to identify the two places to conduct the questionnaires. The first was the community centre in Cosmo City which had a clinic located on its grounds, and the second place identified was a shopping complex on a major route. These two locations were selected after observation, based on the fact that they are always highly populated as many residents from all income groups of Cosmo City frequent these places. The researcher did not use the door-to-door approach to visit the beneficiaries' households as that was seen as a challenging approach, in terms of beneficiary unwillingness, its time consuming nature, and safety considerations.

Stratified random sampling was used to select the beneficiaries within the Cosmo City development for the questionnaires, this was done by identifying two categories for

two sets of questionnaires. The first category consisted of residents in 'assisted housing' comprising of RDP and partially subsidized (credit-linked) housing, and the second category was those in fully bonded housing.

Sixty questionnaire surveys were conducted, comprising of 20 from each income group (20 low income/RDP households, 20 middle income/credit-linked households and 20 high income/fully bonded households). The researcher found this to be an adequate sample size to acquire the information needed for this dissertation's research analysis and conclusions. The questionnaire for the first category had specific questions related to inclusion within Cosmo City from a low and lower-middle income perspective. The questionnaire for the second category had questions relating to high income residents feeling towards inclusion.

At the two locations, people were approached randomly and asked if they were willing to participate in the questionnaire, after being told of its research purpose. When the researcher received a positive response, that person was then asked if they are a resident within Cosmo City, and which housing typology they resided in. This identified their category or strata and determined which questionnaire they should be asked to respond to. The researcher repeated this process until all 60 questionnaires were completed. The information gathered from the 20 respondents of each income group gave the researcher a good idea and sense of feel and reaction from the community regarding Cosmo City within the context of inclusionary housing.

c. Observations

Qualitative field observations were conducted in the data collection process. Firstly, a reconnaissance study was conducted for the purposes of making observations. In the observation exercise, the case study area was identified, including the boundaries of Cosmo City. The specific areas within Cosmo City were then identified, including the identification of where the different income groups are located. This was done and observed through identification of the different typologies for the different income groups. Aspects such as infrastructure, amenities and quality of housing were important to note in all areas to attain a sense of inclusiveness in respect of the physical aspects, also places of cultural and recreational activities where interaction

would have been expected to occur were visited to establish the level of inclusivity. It was important to notice and identify any differences within the different areas within Cosmo City, and any manifestation or aspect of exclusion. The researcher was very specific in this regard and drove around extensively making observations, and also walked about in the public spaces of the settlement.

The observations were conducted with utilisation of direct observation in the natural setting. The method of 'participant observation' was used by the researcher and was achieved by interaction with residents in their day-to-day activities within Cosmo City in the attempt to gain a greater insight as to how people of different income groups interact and live together, which is in line with the research objectives.

1.7.3.2. Secondary sources of data

Secondary sources of data include numerous journal articles and literature about inclusionary housing, housing policy books pertaining to integration and fragmentation of housing settlement structures, and government policy documents that dealt with inclusion and inclusionary housing, as well as websites that contained relevant literature. These sources allowed the researcher to gather relevant knowledge about inclusionary housing in order to compile this dissertation, most of which was used in the theoretical framework and literature review.

1.7.4. Data Analysis

All of the data collected and compiled was analysed in order to extract the most relevant information pertaining inclusionary housing and the objectives of this dissertation. The analysis of data was done in a thematic format, with the themes based on the objectives of the research. The data was analysed to demonstrate the effectiveness, or otherwise, of Cosmo City inclusionary housing development.

Analysis in this dissertation was done along three themes, as follows:

- Cosmo City Objectives versus 'Inclusionary' Housing Policy Objectives

The first theme aligned the objectives of Cosmo City inclusionary housing development against the objectives and inclusionary housing principles in IHP

and BNG. This was done to assess if inclusionary housing objectives and principles conform to the general understanding of inclusion and integration, as well as to assess if Cosmo City meets the current objectives and requirements of IHP.

- Exclusion versus Inclusion

The second theme analysed the extent of which inclusion and integration is achieved within the development of Cosmo City, according to indices of inclusion that assess inclusionary housing in terms of spatial location, housing provision, service provision, and accessibility to employment opportunities. Inclusion and/or exclusion based on spatial location was assessed from the layout plan of Cosmo City.

- Beneficiary Satisfaction versus Dissatisfaction

The third theme analysed the level of success that inclusionary housing has had in the Cosmo City development by assessing the satisfaction and/or dissatisfaction of residents living in Cosmo City, within the context of inclusionary housing, as outlined by the indices of inclusion.

The purpose of the analysis in the form of these three themes was to ensure that each of the research objectives are met. Both primary and secondary data was used in this dissertation which was analysed and integrated into results, and was used in the conclusions and recommendations.

1.7.5. Validity, Reliability and Ethical Consideration

According to Thomas (2007) reliability and validity of information comes into question when qualitative research is conducted. The research undertaken conducted a qualitative data analysis, therefore it was vital that reliability was attained. Thomas (2007) further states that information received through interviews has the danger of responses being in preference as well as bias of the participants interviewed. In order to avoid this happening, a range of semi-structured questions were drafted for the interviews that were conducted with the relevant informants. The questions were specific to the interviewee, based on his/her role within the Cosmo City development. This allowed for the relevant information to be obtained from each

stakeholder and to avoid responses that were unnecessary or invalid. Questionnaires were conducted with beneficiaries (being the residents of the Cosmo City development). The questionnaires were also structured in a way that allowed relevant information to be obtained from the two categories, 'assisted housing' and fully bonded housing. Reliability was also ensured in this dissertation by validating interview and survey data with observatory deductions.

In terms of ethical consideration, an informed consent form detailing the particulars of the research study as well as indicating the nature, conduct and context within which the analysis would be undertaken was signed by all three interviewees, as well as the respondents of the questionnaires, in order to validate and obtain permission to use the information gathered in this dissertation. This consent form was explained and if the person was unwilling to participate in the research, he/she was made aware that he/she did not have to participate or answer any questions directed to them. The validity and reliability of the information obtained was achieved by identifying the right people to interview as outlined on page 7.

1.8. Structure of Dissertation

Chapter 1 introduces the research topic and outlines what the study aims to achieve. The background to the segregated housing settlement structure in South Africa is highlighted along with the problems of inequalities and exclusion, in the past and current setting. The concept of inclusionary housing is introduced. This chapter then states the objectives of the dissertation as well as research questions which would guide the enquiry into the effectiveness of inclusionary housing policy and inclusionary housing developments in South African housing neighbourhoods.

Chapter 2 outlines the theoretical and conceptual frameworks, as well as review of literature relevant to the subject of inclusionary housing. This provides a detailed background into the problem of housing exclusion, and seeks to highlight the importance of inclusion. It then describes the policy processes in place to allow inclusionary housing to develop in South Africa as well as international experiences of IHP which provides similar scenarios to gain a greater understanding and knowledge of inclusionary housing and IHP.

Chapter 3 describes the background of the study area in detail and indicates all aspects that make it an inclusionary housing development, which makes it a suitable case study.

Chapter 4 presents the findings of the study and analysis of the said findings.

Chapter 5 is the concluding chapter which provides a summary of the results and analysis. It also provides recommendations to Cosmo City inclusionary development, as well as recommendations for inclusionary housing in general, and inclusionary housing policy.

1.9. Chapter Summary

Chapter one provides a brief background and objectives of this dissertation. It also outlines the intended structure of the report and how the researcher is going to present and achieve the objectives set out. The research questions are asked in relation to the effectiveness of achieving the objectives, while making use of relevant sources of data in the form of interviews, questionnaires and observations. In order to proceed with unpacking the research topic, it is crucial to explore the literature and theories that are relevant to inclusionary housing projects in South Africa, and this is done in the next chapter.

CHAPTER TWO: CONCEPTUAL AND THEORETICAL FRAMEWORK, AND LITERATURE REVIEW

2.1. Chapter Introduction

This chapter of the dissertation illustrates that there are ongoing problems of spatial inequalities and residential segregation which exist in the South African housing environment. These problems stem from the past which dates back to the colonial and apartheid eras that South Africa had to endure. The key problem identified and which is addressed throughout this dissertation is the exclusion of the poor from urban areas and what one can classify as 'well-developed high income areas'. Therefore, as outlined in the previous chapter, this chapter illustrates how the notion of inclusion can be used as a tool to redress the problems of exclusion identified and how the concept of inclusionary housing can contribute to solving the problem of spatial inequalities and segregation, and in doing so create a holistic and inclusive housing environment, in line with the South African government's current mandate to create sustainable human settlements.

This chapter builds a theoretical framework that is relevant to explaining the concept and ideology for inclusionary housing, this being poverty eradication, social justice and the right to basic needs. Thereafter an extensive literature review is provided which is specific to establishing a better understanding of segregation and exclusionary housing development in South Africa under white supremacy rule during colonialism and apartheid, and how a democratic South Africa post 1994 began redressing these problems. This chapter highlights the problems faced with an exclusionary housing structure and highlights the importance of inclusion and inclusionary housing development. South Africa, post 1994 has attempted to achieve inclusion of the historically segregated non-white populations by introducing corrective housing policies such as the HWP of 1994, BNG of 2004 and IHP of 2007. International experiences of IHP are used, in particular that of USA and China, to express the need for inclusion and how it is beneficial, and how inclusionary housing objectives create affordable housing for low income people.

2.2. Understanding Peripheral Locations Through the Dependency Theory

According to Baran and Sweezy (1966) the main argument of the Dependency Theory is that the wealth of the metropolis was a result of the poverty of the third world. The theory argues

that the development of the First World, creates the underdevelopment of the Third World. Baran and Sweezy (1966) states that this approach to development uses capitalism. By definition, capitalism is the privatisation of industry for profit gain. According to Walton (2010) capitalism can cover a multitude of iniquities, from highly competitive markets, to state-private mixes, to oligarchic dominance, with varying degrees of property rights. South Africa under the apartheid regime can best be described as an oligarchy. Capitalism hinders economic expansion and social development of the excluded underdeveloped sectors (Baran and Sweezy, 1966). To add to this, Walton (2010) states that a capitalistic approach has huge inter-personal inequalities in all dimensions of well-being, which are associated with massive differences in opportunities.

The Dependency Theory can be used to interpret the characteristics of exclusionary housing development, which is the basis for inclusionary housing policy. Within the context of this dissertation, the South African housing structure shares similar characterisation to the First World depicting the conditions found in the upmarket and fully serviced neighbourhoods, while the Third World share the characteristics of the peripheral excluded locations. The apartheid government is symbolic of the private sector who owns majority of the wealth and land.

By this understanding, the development of the inner city and affluent neighbourhoods, which are relatively high to middle income in terms of people's income levels and affordability of land and housing, are to the detriment of the surrounding areas which are the poor areas, characterised by cheaper land, substandard housing and low income people, as they cannot access better serviced land for housing. This is the case because only a small percentage of the population, being the whites, had the right to land ownership and occupation of majority of the land, while the marginalised poor, being the non-whites, only had a small percentage of land to occupy (Davenport,1991). Areas developed in a segregated and unequal manner, the majority of the people, in this case the marginalised poor on the peripheries, did not benefit from the gains within the city (ibid). According to Seekings (2010) communities that were fully serviced and well maintained served only its residents and in many cases in South Africa these were the high-income areas, meaning that only the rich lived in well serviced areas, while the excluded poor lived in squalid settlement type housing with little to no basic services. Seeking (2010) further states that this is an ongoing problem in South Africa. There

is a lack of affordable housing, as the market rate housing is saturated by the private sector pursuing profits and monetary gain. Inclusionary housing objectives are to involve the private sector in the delivery of affordable housing in their private developments, thus integrating the low income into higher income housing developments (IHP, 2007).

2.3. The Welfarist Theory and Social Justice

According to Korman (2010) the key principle of the Welfarist Theory is social justice, as he says that the right to housing should satisfy the concept of justice. This theory states that housing is a social right, and government should take primary responsibility in the realisation of this right. The government should ensure that people obtain housing that provides them with a better quality of life (Korman, 2010). According to Rawl (1999) in his book titled “A Theory of Justice” social justice is about assuring the promotion and protection of equal access to liberties, rights, and opportunities, as well as taking care of the least advantaged members of society. The basis of whether something is just or unjust depends on whether it promotes or hinders equality. Rawl (1999) identifies social injustice as the lack of access to civil liberties, human rights, and opportunities for healthy and fulfilling lives to the least advantaged members of society.

In the South African context, this is what the government seeks to achieve post 1994. During the apartheid era there were many social injustices committed by the apartheid government. These injustices can be translated to unequal distribution of land for housing and a lack of social inclusion. Inclusionary housing has the potential to redress the injustices from the past and ensure that justice is done, by providing housing that promotes social inclusion, in the sense of integrating the poor into urban neighbourhoods that they were previously excluded from, and new developments that they would have been excluded from, under the injustice of apartheid. Inclusionary housing seeks to promote equality by providing opportunities for the least advantaged members of society (Verster, 2008).

2.4. Basic Needs Approach to Inclusionary Housing

The Basic Needs Approach is closely linked to the Welfarist Theory as basic needs can be said to be a social right for every person. The main objective of this approach is to improve the quality of life of the poor. According to Streeten (1979) the objective of the Basic Needs

Approach is to provide opportunities for the full development of an individual. Streeten (1979) further states that the approach focuses on mobilizing particular resources for particular groups, identified as deficient in these resources.

The aim of the Basic Needs Approach is to meet the basic needs of the poor in the shortest possible time. The basic needs addressed in this dissertation are those identified in the South African Constitution of 1996. The Constitution states that everyone has the right to have their basic needs met. The basic needs identified to be met are the right to adequate housing; the right to have access to health care, food, water and social security; and the right to education (Constitution of the Republic of South Africa, 1996). The Ombudsman (2016) states that basic needs are important for everyone's survival and access to a decent standard of life. The realisation of these basic needs are more compelling for South Africa, because of the fact that the history of apartheid had systematically denied the access to basic needs and services to the majority of South African people.

Housing for the poor in the past lacked access to basic services and amenities, and some of the ways to remedy this is through inclusionary housing. Exclusion of the poor from the city does not provide them with the basic needs that they require. Therefore, alternate housing solutions must be developed in order to provide these needs to the poor (Verster, 2008). In the South African context, this dissertation aims to show that inclusionary housing is a housing delivery method to provide the poor with equal opportunities to realise their basic needs. This is possible by including the poor in the city and urban areas which already has existing infrastructure, services, amenities and opportunities, or providing basic needs for all in an equitable, inclusive housing development.

2.5. Definitions of Key Concepts

2.5.1. Integration

Integration is one of the key topics of this dissertation, closely linked to inclusion. As described by the Cambridge English Dictionary (2016), the word integrate means to mix with and join society or a group of people, often changing to suit their way of life, habits, and customs. Described by Surt Foundation (2010) integration is a model that governs cohesion and diversity, which enables all members of the community to have full access to the opportunities, rights and services available.

For the purpose of this dissertation, inclusionary housing is housing that seeks to achieve socio-economic integration. Socio-economic integration is a concept that can best describe the objective of inclusion. According to the United Nations Department of Economic and Social Affairs (DESA) (2009) social integration is understood as a dynamic and principled process of promoting the values, relations and institutions that enable all people to participate in social, economic, cultural and political life on the basis of equality of rights, equity and dignity. It is the process in which societies engage in order to foster a community that is stable, safe and just, that are based on the promotion and protection of all human rights, as well as respect for and value of dignity of each individual, diversity, pluralism, tolerance, non-discrimination, non-violence, equality of opportunity, solidarity, security, and participation of all people, including disadvantaged and vulnerable groups and persons.

Integration in the context of inclusionary housing will look at social and economic aspects of the environment. As highlighted by Cruz-Saco (2008), social aspects to be achieved for successful integration are: building communities, acknowledging and welcoming diversity, securing access to high quality services, and having access to educational programmes. She also highlights to achieve integration, there must be economic integration which allows for the creation of secure and productive employment, and a reduction in poverty.

2.5.2. Inclusion

Inclusion is defined by the Oxford Dictionary (2016) as “the action or state of including or of being included within a group or structure”. Inclusion in the context of this dissertation makes reference to social, economic and locational inclusion, to be further elaborated on by defining inclusionary housing. Best described by Jeannotte (2008) social inclusion is understood as a process by which efforts are made to ensure equal opportunities for all, regardless of their background, so that they can achieve their full potential in life. It is a multi-dimensional process aimed at creating conditions which enable full and active participation of every member of the society in all aspects of life, including civic, social, economic, and political activities, as well as participation in decision making processes. Social inclusion is in constant battle in circumstances to combat poverty and social exclusion, which is what South African neighbourhoods currently face, with the poor being excluded from the inner city and well-developed urban neighbourhoods.

2.5.3. Inclusionary Housing

Inclusionary housing, also referred to as mixed-income housing, is a form of housing provision that combines different housing types and groups of people, generally of different income levels, within one development or neighbourhood (Verster, 2008). The term 'inclusionary housing' does not carry a formal definition in the housing field as it is interpreted differently by people and varies by housing market.

According to Brophy and Smith (1997) the ratio of income levels and the developer's reasons for seeking to create a mixed-income development will vary. Housing with a mix of incomes is planned because of the conditions that enable it, community desire and need, housing market conditions in the surrounding area, and the availability of financing and/or subsidies.

Calavita and Mallach (2010) states that inclusionary housing refers to: "a means of using the planning system to create affordable housing and foster social inclusion by capturing resources created through the market place," by providing "incentives to private developers to incorporate affordable or social housing as a part of market driven developments." According to Jacobus (2015) inclusionary housing is one of the few proven strategies for locating affordable housing in asset-rich neighbourhoods where lower income residents are likely to benefit from access to quality schools, public services, and better jobs.

The Western Cape provincial government (2009) explains the concept in its Spatial Development Framework as housing that incorporates different housing delivery programmes in order to provide housing and opportunities for low-income, middle-income and high-income people jointly. It is further stated that inclusionary housing is usually a government driven programme to promote mixed-income housing delivery through policies and regulations which include incentives for developers to develop inclusively.

In the context of this dissertation, inclusionary housing means a deliberate effort to construct a housing development that has the mixing of the three income groups, and in doing so, seek to fully integrate a community in terms of the core values of social inclusion which is creating an enabling environment to provide equal opportunities for all, regardless of their background, in an attempt to reduce spatial segregation and inequalities.

Brophy and Smith (1997), and Calavita and Mallach (2010) explain that the principal objective of inclusionary housing is not only to increase the supply of affordable housing, but to do so in a manner that fosters greater social, economic and racial residential integration. By fostering all aspects of integration in urban areas, inclusionary housing gives lower-income households access to better jobs and educational opportunities, thus helping to break the cycle of poverty in which many of the poor marginalised populations are trapped. Inclusionary housing is arguably more effective than many alternative housing provision strategies. When compared to other social housing projects in urban areas, other housing delivery mechanisms, provide for low-to-middle income groups, but while doing so, often create miniature isolated low-income enclaves within the city that lack integration with the broader communities (ibid).

Inclusionary housing can be said to foster social cohesion. According to DESA (2009) social cohesion refers to the elements that bring and hold people together within a society. In a socially cohesive society all individuals and groups have a sense of belonging, participation, inclusion, recognition and legitimacy.

Brophy and Smith (1997), Verster (2008) and Reid (2015) who are supporters of inclusionary housing see it as a tool to address the difficulties related to what has been termed the culture of poverty. They identify some problems resulting from poverty that have an adverse effect on communities. Some of these problems include joblessness, substandard living and welfare dependency. These supporters share the common belief that inclusionary housing best attempts to address the problems faced in the housing environment by promoting a mixture of income levels which reduces the concentration of poor households in a single area.

Brophy and Smith (1997) have identified a few perceived benefits of inclusionary housing, these include:

- The behaviour patterns of some lower income residents will be altered by emulating those of their higher income neighbours. The quality of the living environment, not housing quality alone, leads to upward mobility.
- Non-working low-income tenants will find their way into the workplace in greater numbers because of the social norms of their new environment (for

example, going to work/school every day) and the informal networking with employed neighbours.

- The crime rate will fall because the higher income households will demand a stricter and better enforced set of ground rules for the community.
- Low-income households will have the benefit of better schools, access to jobs, and enhanced safety, enabling them to move themselves and their children beyond their current economic condition.

Johnson (2006) can add to the above mentioned as he states that inclusionary housing developments contributes to an overall increase in the availability of affordable housing, in doing so, it often generates high-quality housing in order to win neighbourhood approval. Reid (2015) states that the low-income affordable units in inclusionary housing developments are indistinguishable from the market-rate units in the developments they are located with, therefore this helps to foster diversity and mixed socio-economic neighbourhoods and also reduces the stigma generally attached to low income housing.

Integration is an integral part of inclusionary housing. Therefore, emphasis in this study is put on the level of integration/inclusion achieved in inclusionary housing developments, as per the indices of integration and inclusion highlighted by Jeannotte (2008) and Council of Europe (n.d), as follows:

- Spatial inclusion (location and public spaces)
- Adequate and equitable housing provision
- Provision of services for all
- Provision of shared facilities
- Access to the labour market

Elaborated on the next page are factors that hinder inclusionary housing by demoting integration, however, these factors should not deter the top priority of inclusionary housing, of improving social inclusion and providing equal housing opportunities to the poor.

2.5.4. Segregation

Segregation is a significant theme in this dissertation, as one of the objectives of the dissertation is to reduce the segregated housing structure of South African neighbourhoods. It is therefore important to understand the meaning of segregation in order to ensure that the core significance of its negative impact can be addressed and be overcome in this instance through inclusionary housing. Segregation is defined by the Cambridge Dictionary (2016) as a method to keep one group of people apart from another and treat them differently, especially because of race or sex.

Cell (1982) defines segregation in South Africa as the separation of people based on a race by an enforced residence in a restricted area, by establishing barriers to social interaction, by separate amenities and educational facilities. Cell (1982) explains that in South Africa, racial segregation originated from the ideology of white supremacy during the colonial and apartheid eras, by enforcing discriminatory means such as policies and legislation that suppressed non-whites. This had led to residential segregation, which bears similarity to exclusionary housing.

2.5.5. Exclusion

Exclusion is similar to the notion of segregation and forms part of a significant theme of this dissertation. Exclusion is the direct opposite of inclusion. As defined by the Cambridge Dictionary (2016), exclusion is the act of not allowing someone or something to take part in an activity or to enter a place.

Also, opposite to social inclusion, social exclusion is understood as the condition that hinders social inclusion. DESA (2009) describes social exclusion as a process through which individuals or groups are entirely or partially excluded from fully participating in all aspects of life of the society in which they live, on the grounds of their social identities, such as age, gender, race, ethnicity, culture or language, and/or physical, economic, or social disadvantages. It may also mean exclusion from decent work, assets, land, opportunities, access to social services and/or political representation.

2.5.6. Exclusionary Housing

In the context of this dissertation, exclusionary housing best describes what inclusionary housing seeks to counteract. In order to understand the term “exclusionary housing” the notion of ‘exclusionary zoning’ will be used to express the construct of exclusion in a housing perspective.

According to Rigsby (2016) ‘exclusionary zoning’ is a vehicle for outright racial discrimination. Such a notion was used to legally forbid non-whites from occupying areas where the whites resided. Areas were zoned for the exclusivity of whites only, in the same way areas in South Africa was demarcated for specific races, under the colonial and apartheid rule which led to spatial segregation and exclusion (ibid; Seekings, 2010).

The idea of 'exclusion' is not new, it has been practiced for years within South Africa as it was used as a tool for ruling by the colonial settlers and apartheid regime. As seen in the definition above of exclusion, it can be said that exclusionary housing is the deliberate attempt to develop housing in a segregated, unequal and unjust manner. According to Seekings (2010) residential segregation is the cause of ‘exclusionary housing’, as this is when towns are divided into race specific areas, whereby all races are forced to live separately, as seen in South Africa after the enforcement of the Group Areas act of 1950.

Spicker (1998) identifies exclusionary housing as being the cause of the lack of resources, disadvantage and severe hardship of the marginalised poor. These are the characteristics found in low income areas as a result of exclusionary housing. It is found that neighbourhoods that consist of the low income populations who are termed ‘excluded’ are typically characterised by a series of problems, such as physical decline, the economic marginality of the people who live there, social problems such as crime and vandalism, and a bad social reputation (ibid).

2.6. Historical Development of Exclusionary Housing in South Africa

Residential segregation in South Africa dates back historically to the dispossession of land by white minority settlers, from the majority native blacks. This was known as the colonial period, when European whites first colonised South African land. In this period, segregation was achieved through the Land Act of 1913 (Brett, 2006). Residential segregation continued

post colonialism, heightening in the apartheid era, which was characterised by apartheid policies such as the Group Areas Act of 1950, the Bantu Authorities Act, Act No 68 of 1951, and the Reservation of Separate Amenities Act, Act No 49 of 1953. Seekings (2010) explains that apartheid planning resulted in towns being harshly divided into separate “White”, “Coloured”, “Indian” and “African” areas that saw non-whites being forcibly removed from their homes and put into racially-designated group areas. Residential segregation was linked to the systematic regulation and control of social interaction in both public spaces, especially municipal facilities. This meant that non-whites could not use the same facilities as whites. Family accommodation for black people in the cities was limited to the small and standardised ‘matchbox’ housing in highly planned townships.

During apartheid, people were housed according to their race, and one’s race would determine the manner in which housing was provided (Seekings, 2010). South Africans that were classified as white lived in relatively prosperous neighbourhoods with good municipal infrastructure, with employment opportunities and lucrative commercial activity, while the South Africans that were classified as non-white were removed to less-serviced neighbourhoods, where they were provided with minimal infrastructure and services on the grounds that they were not equal to the supposedly ‘superior’ whites (ibid).

The legacy of race-based policies in South Africa has produced countless inequalities between the privileged predominantly white population, and marginalized communities defined as non-white under the colonial and apartheid rule (Brett, 2006). The apartheid ideology has involved the systematic identification and classification of the entire population into specific categories on the basis of socially constructed notions of race, and allowed for the forced exclusion and discrimination of the majority ‘non-white’ population by the supposedly superior whites (ibid). This section identifies and highlights the key pieces of legislation that promoted segregation, in the context of this dissertation, and which formed an exclusionary housing phenomenon in South Africa.

2.6.1. The Native Land Act of 1913

The Native Land Act (No. 27 of 1913) was passed to allocate only about 7% of arable land to Africans and leave the more fertile land for whites (Davenport, 1991). This law incorporated territorial segregation into legislation for the first time in South Africa. This directly translates

to the exclusion of non-whites as only the white population had exclusivity to 93% of South Africa's land (ibid).

Davenport (1991) and Muller (1981) make mention of the creation of reserves. They explain that this law created reserves for blacks and prohibited the sale of territory in white areas to blacks and vice versa. They describe these reserves to have been characterised by inadequate housing, poorly serviced, and peripherally located, intended to be as far away as possible from the demarcated white areas. In effect, the Native Land Act of 1913 had created a situation whereby over 80% of land went to White people, who made up less than 20% of the population. The Act stipulated that black people could live outside of the reserves only if they could prove that they were in employment.

Dodson (2013) best describes the Native Land Act of 1913 as being formulated to allowed for wide-scale dispossession of land from the indigenous communities, which was the black inhabitants of South Africa. By dispossessing land from the black population, and allocating them only 20% of the land, it is clearly seen that they were deliberately excluded from majority of the South African land. Non-whites could only have housing in limited spaces as they were excluded from the 'white' residential neighbourhoods. This started the segregated housing pattern of the South African landscape, which ensued during apartheid by the implementation of the Group Areas Act of 1950.

2.6.2. The Group Areas Act of 1950

The Apartheid era was one of division and segregation based on the colour of one's skin. The Group Areas Act of 1950 (Act No. 41 of 1950) was created to split racial groups up into different residential areas of any given town or city (Johnson-Castle, 2014). The Group Areas Act can be regarded as the most successful and significant tool of the apartheid regime in terms of creating distinctive spatial segregation and inequalities in South Africa (ibid).

The result of this Act saw the best and most developed areas being reserved for white people, while the blacks, Indians, and coloureds (non-whites) were assigned to the more rural outskirts of the major urban areas (Brett, 2006; John-Castle, 2014). Approximately 84% of the available land was granted to the white people, who made up only 15% of the total population, while the remaining 16% land was then occupied by non-whites which accounted

for 80% of the population in South Africa during this period (Johnson-Castle, 2014). This had led to non-white populations enduring harsh conditions and problems, such as overcrowding, health related issues such as spread of diseases, shortage of food and funds, amid a host of other problems (ibid).

Once the different areas were defined according to race, anyone living in the 'wrong' area was required to move, or else be forcibly removed. The most affected by these forced removals were the non-white populations, who were stripped off their land, relinquished off all property rights, and had to leave their homes and communities (Cell, 1982; Brett, 2006; John-Castle, 2014). Approximately 3.5 million people were required to leave the homes they had established for themselves, out of this, only 2% were white, in which they were then moved to better areas than they had been living (Johnson-Castle, 2014). Horrell (1978) states that the establishment of non-white areas on the outskirts of the city centre meant that non-whites had to travel vast distances to get to work. This also meant that non-whites were isolated from adequate services delivery, they did not have access to basic amenities, such as hospitals, police stations and other emergency services.

Horrell (1978) explains that the Group Areas Act of 1950 enforced segregation and created deep injustices in society by stipulating that blacks were no longer considered citizens of South Africa, thereby relinquishing them of their rights and responsibilities of the land. Horrell (1978) further explains that it was stipulated in the Act that non-whites were not allowed to own or run businesses within the white areas. This limited their growth and financial development considerably, as they were only allowed to work in their designated areas, and even there, they could not usually afford major enterprises and would try to survive off small supply stores or informal businesses run from a shack.

The Group Areas Act of 1950 can be seen as the ultimate form of segregation and exclusion, seeing that people were divided based on their race and removed from their homes, into areas specific for them, forming a segregated housing landscape of exclusionary housing. This was further heightened by supporting legislation to enforce the apartheid rule.

2.6.3. The Bantu Authorities Act, No 68 of 1951

After the introduction of the Group Areas Act in 1950, the apartheid government introduced the Bantu Authorities Act of 1951, in their objective to keep black people permanently away from the 'white' urban areas. Best described by South African History Online (2014) literature, the Bantu Authorities Act of 1951 was one of the Acts that attempted to keep South African citizens apart on a racial and ethnic basis. The apartheid government achieved this by setting up areas where black ethnic governments had control, these areas were known as 'homelands'. The apartheid government controlled the black ethnic governments and used this Act to push black people out of urban areas to stay in these newly created homelands, thereby enforcing the notion of exclusion. These homelands were subsequently granted independent status by the apartheid government as the homelands were under the rule of chiefs (black traditional rulers) who were subordinate to their white rulers in the apartheid regime.

According to Horrell (1963) as per the Group Areas Act, a key characteristic of the Bantu Authorities Act was that it made the inhabitants of these homelands not to be considered as South African citizens, which is why they were granted their own independent status 'outside of South Africa'. In order to enter towns and cities that were for whites only, blacks had to have passports to enter a South Africa that they were excluded from. These passports were the highly controversial documents known as 'the dom-pass' (South African History Online, 2016). The movement of blacks into white areas was heavily controlled, as permission was only granted for work purposes (ibid).

2.6.4. Reservation of Separate Amenities Act, No 49 of 1953

The then apartheid government further entrenched the notion of exclusion by drafting the Reservation of Separate Amenities Act of 1953. As the title of the Act indicates, it deals with the separation of amenities for different races. As stated briefly from Statutes of The Union of South Africa (1953) the Act stated as follows:

- (1) Any person who had right over a premises (public or private) or vehicle (public or private) could reserve the premises or vehicle, or any portion of such premises or vehicle, for the exclusive use of persons belonging to a particular race or class.

- (2) Any person who used said premises or vehicle that was not reserved for their particular race or class, as per (1), was found guilty of an offense and subsequently charged or imprisoned.

As stated by South African History Online (2014), the Act made certain of unequal allocation of resources such as general infrastructure, education and jobs and formalised this into legislation and law. South African History Online (2014) further highlights that the Act stated that there should be separate amenities and facilities such as toilets, parks and beaches for different racial groups. Furthermore, these facilities were of differing quality for different groups (ibid). Subsequently, apartheid signs indicating which people were permitted to enter/use the facility, such as “whites only” “no blacks allowed” “no non-whites permitted” were displayed throughout the country at all amenities and public facilities (ibid).

The entire idea behind the Reservation of Separate Amenities Act can be directly linked to that of social exclusion at its highest form, whereby the non-white groups were entirely excluded from fully participating in all aspects of life in society. They were excluded in an unequal and unjust way, by an unjust system. At this stage of apartheid, it can be seen that exclusion and segregation of non-whites from the most of South Africa was at its peak, and it had continued to remain such and worsen for the years that the apartheid regime ruled (Brett, 2006; Seekings, 2010).

2.6.5. Post-apartheid Segregation

Post-apartheid, the laws that promoted segregation during the colonial and apartheid periods in South Africa were abolished. However, post-1994, South Africa’s land and housing market has still effectively excluded the country’s poorest citizens from adequate housing. This is due to high land and property costs, and the inability of many poor people to access affordable housing or credit for housing needs. This means that many of the state’s remedial urban settlement interventions and other affordable housing projects remain on the peripheries of cities (Van Der Byl, n.d).

According to Musvoto and Mooya (2016) unsustainable and inefficient patterns of apartheid era planning persist for more than 20 years into the post-apartheid settlements due to unsustainable emerging trends such as the continuing peripheral location of mono-functional

low income housing developments. As stated by Brett (2006) although the apartheid system has collapsed, the segregated spatial pattern in South Africa's housing settlement structure still persists to a large degree, as those populations classified as 'non-white' under apartheid continue to live in much the same areas in which they were concentrated under apartheid as they lack the necessary financial capacity to relocate.

Dewar (1998) believes that housing policy post 1994 actually exacerbates apartheid planning as most low income housing is confined to the urban periphery because of failure to identify land in urban areas closer to the city for development due to high inner city land prices.

In the developing world, land is a crucial resource which has the potential to provide security, food supply and wealth, all of this improves one's standard of living. Land is the key to unlocking the potential for affordable housing, because any integrated housing development starts from access to appropriate land (Casper, 2007).

According to the Department of Local Government and Housing (2005), in South Africa, a large portion of the land is owned by the private sector. Private land tenure means that land belongs to specific individuals or private corporations who have full title to that land. Land is expensive to purchase from private sellers as they wish to make an exorbitant profit on it. Therefore, purchasing such land will result in the development costs for affordable housing being high. Therefore, the low to lower-middle income groups find that the price of the houses offered in the urban area are beyond their affordability, which results in them living on the periphery of urban areas. This is also a problem when linked to government intervention in the provision of affordable housing. Khan and Thurman (2001) indicate that the government cannot acquire adequate land within urban areas to accommodate the low income, therefore housing developments for the poor are located on the periphery of urban areas, and this further imprints spatial segregation.

There have been significant strides made, from 1994 to date, in re-crafting housing policy towards achieving a better functioning, more integrated human settlements structure. However, it has not been at the anticipated rate in which the state and the people had hoped. Government has realised that it needs to further increase its efforts to work with other stakeholders to overcome existing spatial patterns that continue to divide society. This would

include incentivising the private sector to service more of the low income market by providing affordable housing in better-located areas (Van Der Byl, n.d).

Also, identified in the IHP (2007), housing settlement creation in South Africa is still extremely segregated in terms of race and class because there are differences between housing for the rich and poor which coincides with the differences between white and black. The government has been building homogeneous RDP housing for the poor, which is almost exclusively occupied by blacks, and the private sector developers build gated estates and communities for the rich, who are largely although not exclusively white (ibid).

Over the past 22 years into democracy, the government has been trying to promote integration, and in doing so has been making strides towards inclusionary housing.

2.7. Promotion of 'Inclusionary Housing' in South Africa

As stated in the Framework for an Inclusionary Housing Policy (IHP) in South Africa (2007) "Inclusionary housing in South Africa means the harnessing of private initiative in its pursuit of housing delivery to middle/higher income households to also provide (include) affordable housing opportunities in order to achieve a better socio-economic balance in residential developments and also contribute to the supply of affordable housing".

Inclusionary housing in South Africa is primarily to promote greater social inclusion and integration, and to reduce the highly segregated processes of built environment creation in the housing landscape. Prinsloo (2008) stated that the primary reason for the introduction of IHP in South Africa is to promote socio-economic integration, and together with this inclusionary housing is used as a tool to boost the supply of affordable housing.

In the context of housing, social inclusion means more than being just being housed. Along with good quality housing, being included means access and close proximity to services, facilities, jobs and transport, and this is needed in order to redress the problems created from apartheid rule (Hulse, 2012). Post 1994, the then newly elected democratic government had to make changes to South African policies, as well as formulate new policies that foster equality and inclusion. The government continuously aims to reduce the segregated divide in terms of class and race between South Africans that were historically brought on by apartheid, and after, partly by the continual nature of division in terms of income, class and

race (Prinsloo, 2008). The Department of Human Settlements (DoHS) has a 2030 vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements (South African Government, 2017).

In order to achieve this, the democratic South African government included aspects into the country's Constitution to make policies for housing more equitable and ones that are unbiased or segregated.

2.7.1. Constitutional Obligation

Chapter Two of the South African Constitution, called the Bill of Rights, contains sections which relate to integration, which speaks to the promotion of inclusionary housing. It is therefore vital that in order to uphold the Constitution of South Africa, housing be developed in an inclusive and equitable manner.

According to Section 21 of the Constitution of the Republic of South Africa (1996:10), all citizens of South Africa have the right and freedom to move in every province, city and neighbourhood within the country. There is no law that excludes a person from entering or residing in any specific area. No one has the right to deny another person access or property in any specific area

According to Section 25 of the Constitution of the Republic of South Africa (1996:12), the state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis. This means that all citizens have the right to access land anywhere in South Africa and should not be restricted to do so based on social class or race.

According to Section 26 of the Constitution of the Republic of South Africa (1996:13), it is stated that everyone has the right to have access to adequate shelter, and that the state has to make this right a realisation for its citizens. This implies that there should be no discrimination with regards to providing housing for those in need, and there is no mention of this right to access housing being in any specific place, therefore it can be interpreted that housing can be provided in any area in which land is available and which the government deems fit.

Sections 27 and 29 are also relevant within the context of inclusionary housing. Section 27 of the Constitution of the Republic of South Africa (1996:13) states that everyone has the right to have access to health care services; has the right to have access to sufficient food and water; and social security; and if they are unable to support themselves and their dependants, appropriate social assistance. Section 29 of the Constitution of the Republic of South Africa (1996:14) states that everyone has the right to a basic education, including adult basic education; and to further education. Both of which must be provided by the State through reasonable measures that are available to it and with the resources that are available to it. Inclusionary housing developments provides educational facilities, or access to in nearby surrounding areas, in an equal and fair manner, thus acknowledging and realising the fulfilment of peoples' constitutional right.

2.7.2. Evolution of South African Housing Policies

The housing policies mentioned in this dissertation, namely the Housing White Paper of 1994 (HWP), Breaking New Ground Policy of 2004 (BNG), and the Inclusionary Housing Policy of 2007 (IHP), all have recognised and highlighted the harsh socio-economic realities and sometimes despair faced by the relatively large proportion of poor people in South African society. The national government has a fundamental role and responsibility to implement policies and strategies that will redress segregation due to apartheid planning, and in the same time redress the imbalance in the distribution of wealth in the country. In instances where people, due to socio-economic adversity, are not in a position to afford access to secure tenure, basic services and basic shelter, the State has the responsibility to address this situation within the available resource available to it (HWP, 1994). Human settlement projects aim to initiate more spatially, socially and economically integrated communities (South African Government, 2017).

2.7.2.1. *The Housing White Paper (HWP)*

The 1994 Housing White Paper states that “the geographic segmentation of living areas according to race and class, urban sprawl, and disparate levels of service provision and access to amenities in different areas make South Africa's cities very inequitable; inefficient and relatively expensive to manage and maintain.”

Post 1994, the elected democratic government made many attempts to change the poor state of housing in the country. For the first time in its history, South Africa now had a policy framework for all of its citizens. The HWP aimed to provide the previously disadvantaged populations with land, infrastructure, housing and basic services. According to the HWP of 1994 the government has a duty to take steps and to create conditions which will lead to an effective right to housing for all. It also states that a person has a right to live in dignity and in habitable circumstances. It is the government's responsibility to vigorously promote and ensure an effective right to housing for all, within the resource and other limitations applicable to it. Housing policies must therefore be inclusive in nature and promote equality and integration.

The objective of this policy was to provide housing to the previously disadvantaged, in an equitable way, however there were shortcomings which allowed segregation and exclusion of the poor to continue. The HWP provided housing at a rapid rate, in the aim of reducing the housing backlog, and in doing so, it overlooked problems relating to housing quality, and ongoing spatial segregation that later emerged post implementation (BNG, 2004). The HWP failed in two vital aspects with regards to inclusion, it failed in reducing urban sprawl and eradicating apartheid settlement patterns, and in producing better quality housing environments (Smit, 1999).

Khan and Thurman (2001) and Biermann (2004) state that housing post 1994 continued to deliver housing for the low income on the peripheries. These peripheral low income developments continued to deliver housing mainly in terms of numbers at the expense of quality, particularly with regards to good location. Thus the poor continue to be marginalized, with no access to jobs and other urban amenities. With the first attempt being made to redress the problems of the past, it is evident that the HWP of 1994 was not successful in promoting inclusion, however it was a start to providing opportunities for the previously disadvantaged, and had led to the formation of a new approach, one more inclusive and sustainable.

2.7.2.2. Breaking New Ground (BNG)

After the HWP of 1994 came the Breaking New Ground policy (BNG), which was an improved housing policy designed with the lessons learnt from the HWP in mind. The

BNG was a reshaping policy which was launched in 2004. It aimed to address the problems encountered in the HWP. The main problem of the HWP, as identified in the BNG, was that in the process of delivering mass housing, the HWP failed in its design and implementation to deliver housing of good quality that was holistic and sustainable. The vision of BNG was to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing. As referred to in the BNG document, 'sustainable human settlements' refer to: "well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity". The HWP failed to create social inclusion, as stated by Smit (1999), and this is what BNG had aimed to achieve.

The DoH (2004) stated that there was a lack of integration between housing delivery and land use, transportation and bulk municipal infrastructure investment planning, which meant that the existing spatial fabric has shown little change from the initiation of the HWP in 1994. Housing for low-income urban dwellers is still provided on the periphery and very limited delivery has taken place in rural areas. Therefore, the key elements of the BNG included pursuing a more compact urban form, facilitating higher densities, mixed land use development, and integrating land use and public transport planning, so as to ensure more diverse and responsive environments whilst reducing travelling distances.

The two main points within the BNG which align themselves with the objectives of inclusionary housing are found in Chapter Three of the BNG policy, the first being the promotion of densification and integration, and the second is restructuring relating to the enhancement of the location of housing developments. The BNG policy explains that integration and restructuring of housing spaces are public interventions that allow for towns and cities to be built in a manner that enables wealth to be generated and distributed, equal opportunities must be provided, which is the basis of socio-economic integration.

The purpose of densification and integration is to include previously excluded groups into the city and allow them to participate in and enjoy the benefits it offers, as well as to ensure the development of more integrated, functional and environmentally sustainable (DoH, 2004).

The BNG policy highlighted spatial restructuring as criticism was drawn to the location of housing projects, post 1994, as having reinforced apartheid spatial settlement patterns. The objective of spatial restructuring demanded a more decisive intervention in land markets, and the BNG envisaged interventions to address this problem by the State accessing well-located state-owned and parastatal land and through the acquisition of well-located private land for housing development (DoH, 2004, Ramashamole, n.d).

As indicated in the BNG policy, this was done through a strategy that facilitated the release of well-located public land to municipalities that would be developed in cooperation with the Department of Land Affairs and the Department of Public Works. Public land and land held by parastatal organisations, that was deemed suitable for housing purposes, was to be transferred to municipalities at no cost. The strategy was coupled to the Public Land Register, which expected to enhance the coordination of land assembly at project level. Municipalities, in co-ordination with provincial departments had requested land parcels for vesting and transfer (DoH, 2004).

Within the BNG there was also a strategy that was developed in conjunction with the Department of Land Affairs to finance and guide the acquisition of private land for housing purposes. All land that municipalities required for housing development, that was in line with municipal Integrated Development Plans (IDP's) and Spatial Development Frameworks, was made available to them in line with the Housing Chapter of IDP's. Private land for housing was only to be acquired where there was no appropriate state-owned land available. Land was purchased on negotiation according to the current land values. However, the BNG states that land could also be expropriated where needed (DoH, 2004; Van Der Byl, n.d).

Through the BNG, the government shifted towards a reinvigorated contract with the people and partner organizations for the achievement of sustainable human

settlements. This was achieved through the acquisition of land for affordable housing in areas that the government could not acquire land in the past, in order to include the poor into higher income urban areas. The overall theme of the BNG policy envisages the same ideals as inclusionary housing does in creating more sustainable housing in an inclusive manner, by incorporating spatial integration (Ramashamole, n.d).

The BNG policy further highlights the principles of inclusionary housing by stating that the present and future inhabitants of sustainable human settlements are to live in a safe and a secure environment and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities and health, welfare and police services.

“Sustainable human settlements are supportive of the communities which reside there, thus contributing towards greater social cohesion, social crime prevention, moral regeneration, support for national heritage, recognition and support of indigenous knowledge systems, and the ongoing extension of land rights” (BNG, 2004)

The above quoted, from the BNG policy, creates a platform for further policy planning and implementation that suits the notion of social inclusion, which encompasses the ideals of inclusionary housing developments.

2.7.2.3. *Inclusionary Housing Policy*

Discussions around the sole concept of inclusionary housing in South Africa started in 2005, at a Housing Indaba in Cape Town. As a result of talks on the topic, a social contract for rapid housing delivery was drafted. This contract stated that every commercial housing development not aimed at very low-income groups would have to allocate a certain percentage of units to those who qualify for government housing subsidies (Mokonyane, 2007; Verster, 2008).

In 2007 an Inclusionary Housing Policy (IHP) was drawn up which was to be introduced by the then National Department of Housing, now the Department of Human

Settlements. The primary objective of the IHP was to promote greater social inclusion/integration and to break down the structure of highly segregated processes of built environment creation in South Africa. The IHP also aimed to mobilise private sector delivery capacity for the provision of affordable housing, leverage new housing opportunities off existing stock, promote densification, and make better use of existing infrastructure.

IHP states that the objective of inclusionary housing is primarily to promote greater social inclusion and integration, and to break away from the highly segregated processes of built environment creation in South Africa. As outlined in the Framework for an Inclusionary Housing Policy (2007) the key objectives of inclusionary housing in South Africa can be stated as follows:

- To make a contribution towards achieving a better balance of race and class in new residential developments;
- To provide accommodation opportunities for low income and lower middle income households in areas from which they might otherwise be excluded because of the dynamics of the land market;
- To boost the supply of affordable housing (both for purchase and rental);
- To mobilize private sector delivery capacity to provide affordable housing;
- To leverage new housing opportunities off existing stock at the same as contributing to the densification of South African cities;
- To make better use of existing sustainable human settlement infrastructure.

These objectives have been designed to address the ongoing issues of race and class segregation. The IHP states that although there has been some racial integration in the mid-to-upper-end of the market, the pace of integration is slow and is largely concentrated in the rich and 'first economy' of South Africans as the upper class is seen to integrate freely. Residential areas however are still geographically segregated

by class, with the working class/poor living in low-income housing developments. These low income areas are on the urban periphery, while the middle to high class reside in the well-established and serviced, previously 'white' neighbourhoods, either in older residential areas close to the urban core or in self-contained housing developments on the outskirts of the city. There is currently still very little affordable housing for working class people close to their places of employment in the city centre.

Urban sprawl is closely associated with these two problems. Population densities in South African cities are very low by international standards, resulting in increased service and transport costs for those living on the urban periphery. Since the poor are mostly concentrated in these areas, they are the worst affected (IHP, 2007).

In order to increase densities in South African cities, and promote integration, one of the key objectives found in the IHP, as listed on the previous page, is to involve the private sector in inclusionary housing development, and not leave the sole responsibility with the government. The IHP requires that up to 30% of all residential developments be affordable housing that caters for low income people. This means that a high income housing development must incorporate affordable housing into its development plan, allowing for integration. This condition is however dependent on the area, local governing authority, and the nature of the housing development. The IHP outlines incentives to attract private developers to develop inclusionary housing. There is not much information in the IHP which details the extent of these incentives as these are project-specific and based on the relevant circumstances for a particular housing development. Such incentives however include tax benefits, land provision, assistance in approval processes, development and use rights, provision of infrastructure, and subsidies.

Two aspects of the IHP which are important is the Voluntary Pro-Active Deal-Driven (VPADD) Component and the Town Planning Compliant (TPC) Component. The first is closely linked to the already mentioned involvement of the private sector, as the VPADD states that one approach to implement IHP is when willing partners (government and private developers) find each other and strike a mutually beneficial agreement. This agreement can be interpreted in the form of the private sector

supplying affordable housing (beneficial for government), and the private sector receiving incentives to do so (beneficial to private developer). The TPC Component deals with town planning schemes and zoning, which makes provision for land use zoning in an area to meet the desired criteria for inclusionary housing developments, making the process more efficient (IHP, 2007).

All objectives of the IHP highlight all aspects of inclusionary housing and seek to reduce the spatial inequalities and segregation patterns found in South African neighbourhoods. Social inclusion is the key point and providing affordable housing in a manner that allows low income households to reside within a middle to high income housing development in the ideal way to build inclusive communities.

Brunick and Webster (2003) have identified social benefits of delivering inclusionary housing via IHP, as follows:

- IHP promotes strategic spatial development as integration is key, thereby reducing segregated settlement structure. Housing for lower income populations will no longer be on the outskirts of cities.
- Inclusionary housing can strengthen a community and foster a diverse housing market as it integrates people of different races, backgrounds and income groups. The assumption of people with diverse differences not being able to reside together will be broken down. This promotes socio-economic integration.
- Inclusionary housing enhances the standard of living for all, especially that of the poor who have experienced substandard living.
- The private sector is involved in delivering affordable housing, as mentioned earlier in this dissertation. This allows public funding to be utilised elsewhere, where needed.
- IHP levels the playing field for all developers and regulates the market, as all developers have to conform their housing developments to meet the

requirements of IHP. This can also be said for municipalities, IHP ensures that all municipalities develop inclusively.

Contradictory to the social benefits of IHP, there are also negative factors of implementing inclusionary housing. According to Speers and Patterson (2003), by encouraging private sector involvement, IHP shifts the responsibility of the supply of affordable housing, as well as the financial burden, to the developer rather than the government. The private developers seek to make a profit, and providing affordable housing does not accomplish that, therefore it is often the case that the financial burden is passed on from the developer to the end-user, being the beneficiary of inclusionary housing. Smit (2006) states that implementation costs of an inclusionary housing development are high, and many municipalities are not financially able to proceed with such projects. This is the reason that the private sector is relied on. However, by doing so, the private sector is given control and can dictate many of the terms of an inclusionary housing project. Smit (2006) highlights that the high cost of land would still persist as developers seek to make greater profits, therefore low income people will not find it easy to integrate and compete in the economic market. He further states that developers can be selective of the beneficiaries in order to suit their ideals of the inclusionary housing development, and in doing so, may inadvertently exclude some households.

Speers and Patterson (2003) further state that densification of urban neighbourhoods through the implementation of IHP can become problematic, as there is an influx of people into an area that now has to provide for all of their needs. If local municipalities provide services and amenities to accommodate the influx of people, this puts a burden on the region's infrastructure and can negatively affect the socio-economic climate of an area.

The negative aspects however do not limit the potential that inclusionary housing and IHP has in integrating people of all income and solving the fragmentation of race and class. Local municipalities that envision IHP can accomplish such with efficient planning and management, as seen in the case of City of Johannesburg (CoJ), where Cosmo City inclusionary housing development was implemented.

2.7.2.4. The City of Johannesburg's (CoJ) Vision for Inclusionary Housing

As stated, this dissertation uses the case study of Cosmo City inclusionary housing development that is situated in Johannesburg. Inclusionary housing fits into the housing vision of CoJ. In early 2007, in line with the formulation of IHP, the CoJ finalised a new housing vision and strategy for Johannesburg to address the needs of the majority low income people who cannot afford to house themselves. The strategy also made mention of providing a diversity of housing options that address the different needs and circumstances of all residents in the city (CoJ, 2010).

The CoJ has recognised that the concept of sustainable human settlements, as outlined in the BNG, is linked to the principle of integration. The CoJ housing strategy highlights that settlements will not be sustainable if all citizens do not enjoy the full complement of socio-cultural amenities, such as schools, clinics, libraries, theatres, and sports facilities. Settlements and communities cannot function if the delivery of housing is planned separately from the delivery of bulk service delivery or if historical patterns of race and class segregation persist into the future. Therefore, having acknowledged this, the CoJ endeavours to promote spatial integration (CoJ, 2010).

Spatial integration would be achieved by having housing developments meet inclusionary objectives which are outlined in the housing strategy. When housing is provided in Johannesburg city, it must promote the asset related components of housing, this being social and financial, as adequate housing contributes towards poverty alleviation because a house provides an asset. Housing must support human development and growth, in terms of providing for healthy living, as well as the opportunities that housing developments offers for income generation. The physical construction of inclusionary housing contributes towards economic development, job creation opportunities and overall economic growth. The location of settlements must be planned in order to make a contribution towards urban efficiency which would enhance the overall sustainability of the city (CoJ, 2010).

2.7.2.5. Fleurhof Housing Development

Fleurhof is a 440 hector integrated housing development, situated south west of Johannesburg. Fleurhof is developed on privately owned property in partnership with the CoJ. Development began in 2011. Upon completion, the development will consist of 10 411 units comprising of various types of residential units and forms of tenure that have specific economic target markets. These include: Fully subsidized BNG housing (RDP), GAP (social, FLISP & open market rental) and open market bonded housing (Calgro, 2016). One-third of the housing in Fleurhof is planned to be RDP units and the final third will comprise of bonded houses. The development will further yield mixed-use business centre sites, industrial sites, crèche sites, religious sites, community facilities, school sites and public open spaces (CoJ, 2017).

According to CoJ (2016) the main aim of the development is to establish a truly integrated residential area and to move the previously disadvantaged populations from back yard rooms and shacks to new and permanent homes. As of August 2016 a total of 4 633 units have been completed by developer Calgro M3 and have been allocated to beneficiaries. The remainder are at different stages of construction. CoJ (2016) states that the responses from beneficiaries' have been that of elation and overall positivity.

2.8. Challenges for Inclusionary Housing in the South African Housing Environment

There are numerous constraints and challenges to general housing delivery in South Africa, and more so pertaining to inclusionary housing. There are inefficient and inequitable cities throughout South Africa. As already indicated, this is due in large part to the geographic segmentation of living areas according to race and class, urban sprawl, and the disparate levels of service provision and access to amenities in different areas. This makes South Africa's cities very inequitable, inefficient and relatively expensive to manage and maintain. There are many social features of South African society that pose major constraints and challenges to inclusionary housing policy (Khan and Thurman, 2001; HWP, 1994). As previously stated, South Africa still suffers with inherent socio-economic inequalities, some of these issues as highlighted in the HWP (1994) are prevalent in the context of inclusionary housing today, as follows:

- High expectations: The high expectations of beneficiaries pose a challenge as the government does not have the means and resources to cater for everyone's specific needs and wants.
- Crime and violence: There has been continuing high levels of crime and violence which often hamper or derail development processes. The high-income people do not want to mix with low-income individuals as the poor have the stigma of being criminals and thieves.
- Poor consumer education: The low levels of consumer education increase misunderstanding of developmental and housing issues. Often people do not know their rights or the process of obtaining adequate and socially inclusive housing;
- Non-payment: Many people do not pay for basic services as they feel they have the right to get these services free of charge. This adds immense constraints on the long-term viability of the public environment, as well as limits the amount of resources available for new housing provision. In addition, Piek (2016) states that having the poor not pay for services (rates and taxes) in an inclusionary housing development adds financial strain and burden on the higher income people, who do not want that.

Along with these elements above that encourage exclusion, there are two important factors that hinder inclusionary housing in South Africa that were highlighted in the IHP of 2007, as follows:

The first factor is that inclusionary housing in South Africa cannot be primarily about trying to leverage scale delivery of affordable housing. Private developers deliver housing at a scale averaging 60 000 units over a five-year period while the government has averaged 150 000 units per annum. This is because the private sector develops middle to high income house which take a longer period to construct as compared to the governments low income housing type, in the form of RDP housing. Therefore, providing inclusionary housing which caters for all income groups would require a longer period for delivery as the present goal is to construct

sustainable human settlements of quality and not mass RDP housing as per the old policy mandate of the HWP.

The second factor is that South Africa has levels of income inequality which are among the highest in the world. It can be expected that steep income differences would be apparent between the rich and poor, and these differences are likely to be much steeper in the average inclusionary housing project in South Africa. The rich have historically not wanted to live in close proximity of the poor in South Africa, and almost certainly not within the same development. The major factor impeding social inclusion is inequality in terms of income and wealth (Hulse et al., 2011). The high cost of home ownership operates as a barrier for the lower-income, as poor households are effectively limited in their housing options, which would include private rental market, other forms of social housing or informal housing (ibid).

2.9. International Experience on Inclusionary Housing

2.9.1. Inclusionary Housing in United States of America

As found in the case of South Africa, providing housing to those who cannot afford to pay market rates has been and continues to be a major problem in the United States of America (USA). Due to this, similar to South African IHP, USA shifted away from identifying the government as the primary developer of affordable housing, and has rather introduced inclusionary housing policies that have an increasing reliance on the non-profit and private sectors to partner with government to provide affordable housing (Rosan, 2014). Under an inclusionary housing programme, low and moderate-income housing units are included in an otherwise market-driven development (Calavita, 2006).

According to the National Housing Conference (NHC) (2015) and Calavita (2006) inclusionary housing policies in USA link market rate development, which constitutes high income housing developments, to the creation of homes that are affordable for lower-income households. USA IHP does this in a similar way to South Africa's IHP by offering incentives for private sector developers to make a share (generally 10 to 30 percent) of housing units available to low- or moderate-income households within their market rate development (ibid). Inclusionary housing policies are an increasingly popular tool in strong housing markets in

USA for leveraging growth for affordability and integrating affordable homes into the well-developed urban areas.

The most common incentives offered to private developers are density bonuses, which permit the construction of additional units above the amount ordinarily allowed by the underlying zoning code. Density bonuses are often coupled with other incentives, such as flexible zoning standards that allow developers to build multi-family dwellings in single-family zones or reduce parking requirements. Others incentives include fee waivers and tax abatements, expedited permitting and review processes, which can lower a developers' costs (NHC, 2015).

NHC (2015) reports that inclusionary housing policies have been adopted in nearly 500 jurisdictions and 28 states in USA, and by 2015, inclusionary housing was estimated to have produced about 150 000 affordable housing units.

Speers and Patterson (2003) highlight two of the requirements found in inclusionary housing programmes in USA that bear resemblance in a South African context, which include:

- Inclusionary (affordable) units should have the same aesthetic appearance as market (higher income) units.
- Affordable units should be integrated into the whole development, and not bundled together in one portion of the area.

USA adopts a strategy to their IHP that allows affordable housing to remain affordable over a long period of time, post-development. This is done by ensuring most inclusionary housing programmes have affordability periods of 30 years or greater. Some inclusionary housing programmes require affordability for the life of the building, which is preferable, as short term restrictions can result in the loss of an affordable unit (NHC, 2015).

There are many ways to ensure that affordable units in inclusionary housing developments remain affordable by the continued sale or rental at affordable prices over the life of the affordability term, and are not lost due to illegal sales, foreclosure or negligent rental management practices. Some of these ways include requiring developers to record a deed of trust, proactive monitoring programs, pre-purchase and post-purchase workshops, shared equity homeownership programs with carefully designed resale restrictions, and placing

inclusionary housing units with community land trusts or local non-profit managers (NHC, 2015).

There are many lessons that can be learnt from USA IHP that South Africa can adopt. Inclusionary housing in USA happens at a fast pace, therefore over time, land prices adjust to inclusionary housing requirements, which helps to make the affordability requirements financially more feasible for private developers. There is a strategy in place that makes affordable units remain affordable for a long period of time, as providing affordable housing that is not economically sustainable would be futile to the needs of the poor. It is seen in USA, as in South Africa's case, that the government cannot provide housing for the poor at the rate that is required, therefore providing incentives to private developers to cater for the low income market is an advisable option as they are needed and must be encouraged to contribute to the provision of affordable housing.

2.9.2. Inclusionary Housing in China

In the past China has provided social housing in the form of subsidised rental housing to its citizens which was through government initiatives. However, despite decades of massive provision of subsidised rental housing, the Chinese government has failed to provide adequate affordable housing for the country's poor. Subsidised rental housing in China has in the past been developed in concentrated, large-scale projects which contain units for low-income households only. Urban land for these housing projects tends to be located at the urban fringe, with poor access to public services and economic opportunities. In China, similar to South Africa, this has contributed to social and spatial segregation of the poor (Yang and Chen, 2014; Huang, 2015).

In an effort to address rapidly rising housing inequality and residential segregation, China has adopted its own IHP. The Chinese government believes, as in the case of the South African government, that relying more heavily on private developers to provide affordable housing the country's massive need for low income housing can be met, while at the same time reducing social and spatial segregation (Huang, 2015).

Chinese IHP has led to housing projects that are not the traditional concentrated, large-scale social housing projects built by the government, but rather inclusive housing projects that

have affordable housing combined with market rate housing. This is accomplished through a strategy called “Peitao Jianshe”, which requires private sector developers to provide a certain number of affordable housing units as part of their development of private housing. Peitao Jianshe is the equivalent to what IHP in South Africa seeks, which is the involvement of the private sector (Huang, 2015).

Chan (2007) found the following results from implementing IHP in China: Inclusionary housing in China works when affordable units for the low income are provided with middle income units, as this encounters the least amount of resistance. Careful consideration is taken with regard to where and how to combine affordable housing with high income, market rate housing developments. Private developers in China are incentivised largely by receiving free urban land for development. The affordable units that are developed by the private sector must be of the similar high standard as those of the market rate units. It is therefore encouraged that a development is not marketed as an inclusionary housing development, but rather a housing development of high standard. Inclusionary housing in China has been successful in integrating people of different income groups, and at increasing affordable housing stock.

2.9.3. Inclusionary Housing in India

The Indian government has made an attempt to address the country's lack of affordable urban housing through a programme launched in 2015 called the ‘Pradhan Mantri Awas Yojana’. In the past housing policies had provided houses first without the infrastructure and services needed. This approach basically mimicked the characteristics of the slums where housing is built first and everything else comes much later. Pradhan Mantri Awas Yojana aims to create affordable houses built at speed, and at the same time providing supporting services and amenities by involving communities in decision-making over housing and its location and offering flexible tenure options (Gates Cambridge, 2016; PM Awas Yojana, 2017).

It is also outlined in the new programme that the best way of improving the delivery of affordable housing is to boost the capacity of all those involved, not only the government, but the private sector builders as well as communities must be engaged in building projects. The private sector must be encouraged to develop inclusive mixed income housing and provide good quality affordable housing for the poor (Gates Cambridge, 2016; PM Awas Yojana,

2017). Mixed-income development will aid slum prevention. According to Gates Cambridge (2016) there is resistance from the higher middle income to affluent people as they despise sharing the same buildings or areas as poor households. Gates Cambridge (2016) further states that the biggest impediment to life without slums is the mind-set of people. Peoples' mind-set must change for a more sociable, harmonious and equal future.

2.10. Chapter Summary

The theoretical framework compiled demonstrates the need for inclusionary housing. The Dependency Theory shows that by only developing the urban areas (high-to-middle income areas) in South Africa, the peripheral areas (low-income areas) have suffered the most due to inequitable development. Welfarism, in conjunction with the Basic Needs Approach shows that it is socially just that everyone be equally given the right to housing that fully satisfies the need for one's improved well-being, and in doing so the injustice of segregation due to colonial and apartheid planning will be redressed.

From the literature reviewed in this chapter, it is evident that South Africa still suffers from the past colonial and apartheid spatial planning mechanisms and has numerous problems with regards to housing for the poor. The force and ultimate cause behind segregation was white racism, showing that in South Africa colour prejudice was the problem. Pre 1994 legislation and laws highlighted in this chapter have been those most pertinent to promoting the separation of races which resulted in the segregation of areas. These laws enforced exclusion of non-whites from the city and well-developed urban areas.

The South African government made many attempts to rectify the problems passed down from the Apartheid era resulting from the creation of those apartheid laws. These attempts include housing policy which aimed to develop housing in an integrated and inclusive manner. Inclusionary housing is highlighted as a tool to redress the perceived problems identified. The mixing of income groups within one housing development, that combines different housing types along with adequate services and shared facilities and creates socio-economic opportunities, underpins the ideals of social inclusion. IHP highlights that integration remains a useful tool in the approach to improve the spatial inequalities, inequitable housing and poor service delivery for the poor.

CHAPTER THREE: BACKGROUD TO STUDY AREA: COSMO CITY

3.1. Chapter Introduction

This chapter in the dissertation provides a background to Cosmo City inclusionary housing development. The objectives of Cosmo City are highlighted which needed to be met in order to reshape the residential landscape of Johannesburg as well as provide adequate housing for the existing informal settlements as outlined below. This chapter also outlines what Cosmo City provides in terms of housing, basic services, amenities employment opportunities in order to develop an inclusive community.

3.2. The Beginnings of Cosmo City

It was in 1996, before the creation of the CoJ metro, that the then Northern Metropolitan Local Council identified the dire need to provide housing for two large informal communities living in the two informal settlements of Zevenfontein and River Bend, located in northern Johannesburg. These two settlements illegally occupied privately owned land (Urban Landmark, 2010). The municipality decided not to relocate the communities, but rather to develop a more permanent settlement, which at the time was in line with the HWP of 1994 that aimed to provide housing for the previously disadvantaged and excluded poor black population (ibid).

Johannesburg was, and to a point currently is, characterised by widely divergent residential neighbourhoods. There are well-serviced areas occupied exclusively by the rich, and in contrast, there are under-serviced areas occupied only by the poor. This segregated settlement pattern is problematic, therefore the CoJ has been constantly aiming to create neighbourhoods that accommodate a mix of households with differing income levels in an attempt to overcome the prominent class divisions that characterise the city (CoJ, 2010).

It was acknowledged by the CoJ that for many years housing delivery had been characterised by row upon row of RDP housing. This delivery mechanism had failed to integrate people and communities. The inclusionary housing delivery approach adopted by the CoJ reflects the shift towards integrating people of different races and income groups (CoJ, 2010).

By acknowledging the inclusionary housing delivery approach, the CoJ envisioned something that was new to South Africa at that time, and the first ever in the country, an inclusive mixed-

income housing development, seen today as Cosmo City. The idea behind Cosmo City was basically to create and foster social inclusion in a then fairly new democratic South Africa.

Cosmo City started with a few minor complications. A portion of the land on which Cosmo City has now been developed belonged to a politician, who was not willing to sell it, and the other part belonged to a company that was willing to sell. After tough negotiations, the municipality was successful in obtaining the land for public benefit. After the land acquisition process was completed, a development framework for the proposed settlement was prepared, after which, CoJ invited five companies to submit development proposals for the development of Cosmo City (PDG, 2011). These proposals were tenders for developing the area according to the design brief and CoJ planning department's layout and expectations, which outlined inclusionary housing principles (ibid). The successful company was Basil Read, which set up a company called Codevco, for the sole purpose of managing the Cosmo City inclusionary housing development. Codevco gave the town planning firm, Urban Dynamics, the task of managing the process of preparing a town planning application to the CoJ, in order to have a detailed layout and plan approved (ibid).

In an interview conducted by the researcher in 2016, Piek states that after Codevco was appointed in 2000, there were delays to the project that resulted in them only beginning work on site in 2004. She highlighted the reasons for the time delays as being the Environmental Impact Assessment, court cases and lengthy community participation processes. The main delay was a court case that involved wealthy property owners who resisted the development, arguing that the development would lower the value of their properties. The property owners took their case to the Johannesburg High Court, but eventually lost the case in 2004. Although objections related to the development were raised through the community participation process, intense community engagement was essential and resulted in the project proceeding as initially planned.

3.3. Cosmo City Objectives

The key objective of Cosmo City was to ensure integration between different income groups and land uses. However, according to Urban Landmark (2010) from the outset, the project was conceptualised to deliver on five key objectives. These include:

- To integrate different income groups in the same area
- To integrate compatible land uses in the same area
- To create, maintain and store value in property for the poor
- To promote sustainability
- To ensure a profit for the developer

In order to achieve full integration as required, it was planned that different housing tenures and housing price-types for different levels of affordability will be provided in the same area, with schools and public open spaces being used as integrating zones. These different residential tenures and land uses were to be made compatible by planning them near each other. It was important that Cosmo City be seen as an attractive place for all income groups to reside, especially higher income groups being enticed to invest in the bonded housing. Cosmo City was designed to be an environmentally sustainable housing development; therefore, natural conservation areas were included in the settlement. There were also solar energy panels installed in buildings, and environmental education given to all residents. Cosmo City is said to have clever planning, a sensible layout, good housing, dedication, and a good regional location (PDG, 2011).

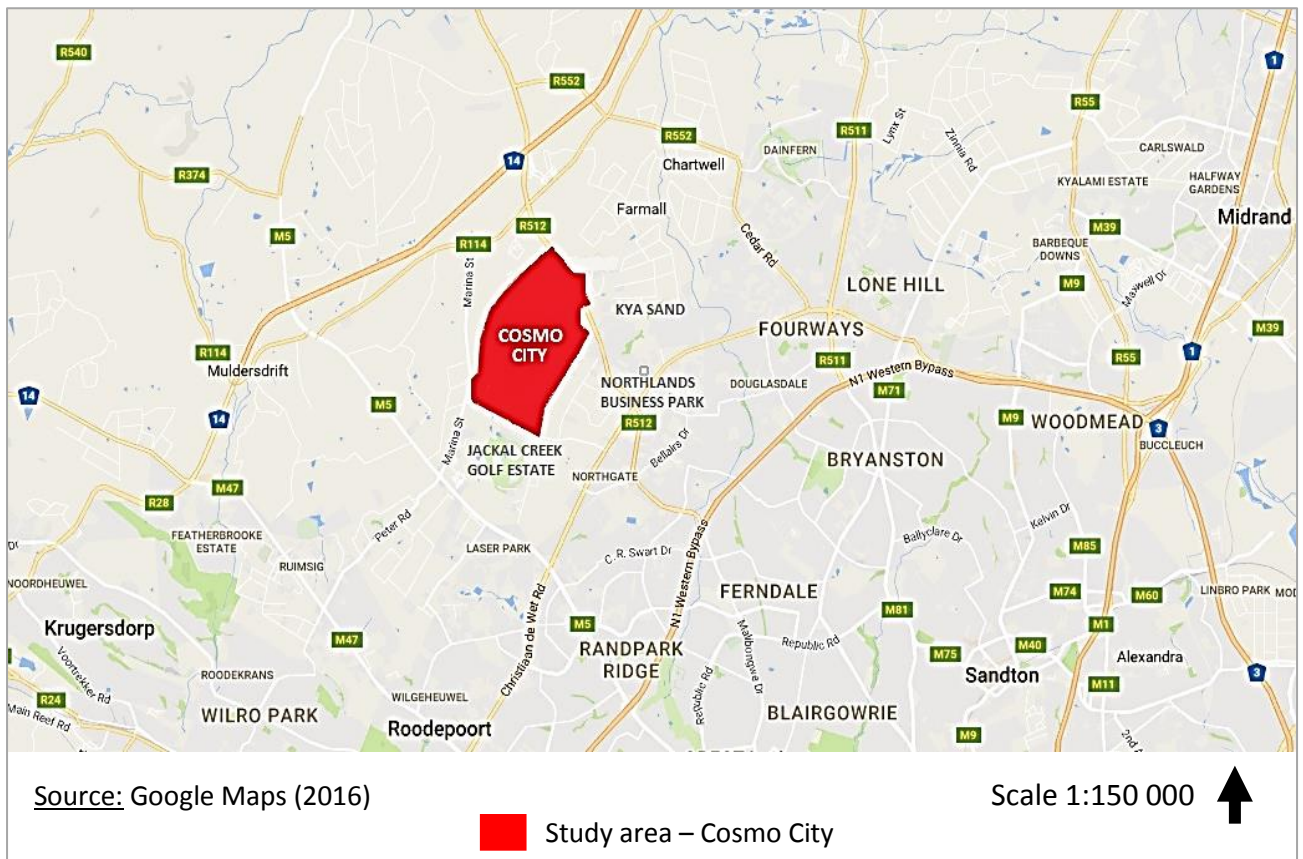
3.4. Background of Cosmo City Inclusionary Housing Project

The project was initiated and undertaken by the City of Johannesburg (CoJ) town and regional planning and housing department, in partnership with the Gauteng provincial government. According to CoJ (2008) Cosmo City is a R3.5 billion greenfield inclusionary housing development, the first of its kind in South Africa. Codevco, which is a subsidiary company of Basil Read, was appointed as the developers of Cosmo City and to act as the city's agent. Work began on this massive greenfield project in late 2004, and was completed in late 2012.

Cosmo City is located in Gauteng province, 25km north-west of the Johannesburg CBD, directly adjacent to Malibongwe Drive, which is the district distributor, between Randburg and Lanseria airport. The development falls under the jurisdiction of region C of the City of Johannesburg Metropolitan Municipality. Region C covers the greater Roodepoort area, parts of Randburg and north-western suburbs. According to PDG (2011) Cosmo City is the best-

located affordable housing development in the north-west of Johannesburg, due to it having relatively easy access to the major suburbs like Randburg, Midrand, Roodepoort and Sandton. The mode of transport for residents without private vehicles is primarily minibus taxis as Cosmo City has a good public transport structure.

Figure 1: Locality Map of Cosmo City, showing the regional context of the site



Cosmo City provides three types of housing to suit the finances of different income groups. The total development covers 1104 hectares and consists of three typologies, which are RDP houses (fully subsidised), credit linked houses (partially subsidised) and fully bonded houses. All together the development provides 11 364 residential units that were built by the developer, comprising of 5 068 RDP units, 2 959 partially subsidised units, 3 337 bonded houses (Urban Dynamics, 2011). Cosmo City also has 1000 social housing units that were developed and are managed separately by a social housing institution (CoJ, 2008).

Along with the mixture of housing, Cosmo City provides all facilities and amenities expected to be found in a fully developed neighbourhood. As seen from the detailed layout, to follow on page 52, of Cosmo City by Urban Dynamics (2011), these include:

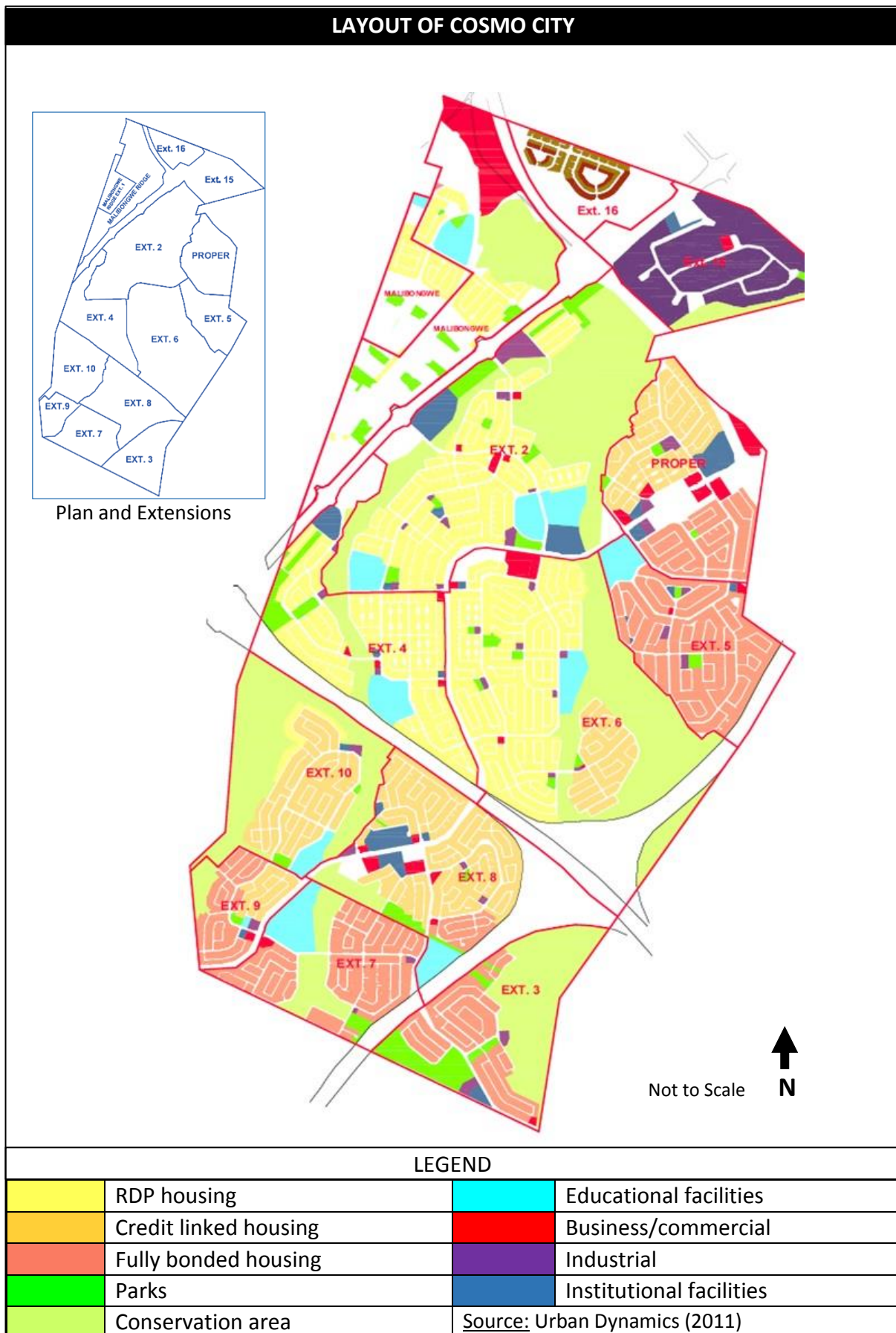
- 18 sites for educational facilities (11 primary schools, 4 secondary schools, and 3 other);
- 40 sites for institutional organisations, such as places of worship;
- 43 parks and recreational sites around Cosmo City;
- 32 sites zoned for commercial and retail spaces;
- A 42ha industrial park that has been developed on the major route;
- A 225ha environmental area that cuts through the development.

According to PDG (2011) Cosmo City does not have healthcare facilities planned into the layout of the development, however there are clinics on site, in the form of mobile clinics that are fully equipped to tend to the needs of residents.

In order to achieve the outcome of Cosmo City today, the brief given to Codevco was to achieve the following:

- Design and acquire all necessary regulatory approvals and build the Cosmo City integrated development.
- Appoint all the necessary professionals and contractors to install the required services for the project.
- Ensure that all vacant and serviced land be developed in terms of the approved township application which may be amended from time to time to suit market conditions.
- Sell all non-subsidised residential and non-residential properties.
- Liaise with all the necessary government departments to acquire schools, parks and clinics, and other public facilities that would make Cosmo City a functional, sustainable and integrated community (Patel, 2014).

Figure 2: Layout of Cosmo City, showing different typologies and facilities



According to Patel (2014) Cosmo City was not only to be a mixed-income housing development, it was to be a lifestyle that had never been tested before. For a development of this nature to work, it was imperative that Codevco designed and developed a housing project that would attract people that could afford to buy elsewhere, but were prepared to invest in an area that catered for all income groups, including making sure of integrating people that would be living in a formal environment for the first time in their lives.

3.5. Chapter Summary

Cosmo City was conceptualised from the need to rectify residential segregation in Johannesburg housing neighbourhoods, and in doing so, provide affordable housing to residents of informal settlements. Cosmo City developed housing based on inclusionary housing objectives and the principles of inclusion and integration. The level of success that Cosmo City has achieved as per its objectives is to be discussed and determined in the next chapter, from the empirical research conducted for this dissertation.

CHAPTER FOUR: PRESENTATION AND ANALYSIS OF DATA

4.1. Chapter Introduction

In this chapter, all of the data gathered from the sources identified, specifically interviews, questionnaires and field observations, is presented and analysed. This is done in accordance to the themes of analysis highlighted in Chapter one, and the indices for inclusionary housing used in this dissertation. The purpose of analytical data is to achieve the objectives and provide answers to the research questions.

This chapter analyses objectives of Cosmo City inclusionary housing development against inclusionary housing objectives and principles found in both the IHP of 2007 and BNG policy of 2004. This is done to establish if Cosmo City meets the objectives of the IHP. The analysis and linkage between the objectives of Cosmo City, BNG and IHP is a key discussion in this dissertation in order to assess if Cosmo City has achieved integration and inclusionary housing as intended and accordingly, as highlighted in subsequent inclusionary housing policies, such as BNG of 2004 and IHP of 2007.

Next, this chapter explores inclusion and exclusion within Cosmo City by assessing the extent and success of inclusion that is achieved in the specific context of inclusionary housing. This is established by utilising the indices of inclusion and integration as highlighted in chapter two. Inclusion is assessed based on spatial and locational factors, provision of adequate housing as per inclusionary housing principles, provision of adequate and equitable services and facilities, and access to the labour market. The satisfaction or dissatisfaction of residents within Cosmo City is then assessed through interaction with residents and responses from the questionnaire surveys. An analysis of the empirical studies provides insight, understanding and lessons, which then allows the researcher to provide recommendations in the chapter to follow.

4.2. Cosmo City Objectives versus 'Inclusionary' Housing Policy Objectives

The primary objective of Cosmo City was that of inclusion. Overall, the objectives of Cosmo City were to create an environment that promoted the integration of different housing typologies and income groups, while simultaneously promoting social and economic inclusion of all residents. IHP objectives were specifically formulated to address the issues of

segregation and inequality in South African housing neighbourhoods, which is directly linked to exclusion. The notion of inclusion was the aim of IHP. In this discussion, the objectives of BNG are discussed as well, as this policy and its objectives incorporate and promote inclusion and the principles of inclusionary housing.

If one had to look at the time lines of the Cosmo City inclusionary housing development, BNG and the IHP, it can be suggested that the Cosmo City inclusionary housing project which began in the early 2000's had informed aspects of the BNG which was only made an official policy document in 2004, and later on resulted in the creation of the IHP in 2007. This can be substantiated from interviews with Molapane Mothotoana and Thozamile Jayiya, in which they stated that during the period that Cosmo City was implemented, looking at South African housing policy that was applicable at the time, Cosmo City was well ahead of its time. Mothotoana and Jayiya both stated that to their knowledge and understanding, there was no IHP, and the BNG was still in the formulation stages as a result of the shortcomings of the HWP. Therefore, they believe that the objectives of Cosmo City had informed and shaped housing policy to initiate housing projects to be inclusive and fully integrated in nature.

The BNG and IHP discussed in relation to Cosmo City is therefore a complex scenario, as it is indicated that these two policies were not formulated and in practice at the time that Cosmo City was conceptualised. Mothotoane stated that "Cosmo City was premature of the BNG policy" and Jayiya stated that "only after Cosmo City did the government see the need for an IHP". The discussion and analysis therefore focuses on Cosmo City meeting the objectives and requirements of housing policies in South Africa that promotes inclusionary housing, which are BNG of 2004 and IHP of 2007. Aligning the objectives of Cosmo City, against IHP and also BNG allows for an assessment and measure of the success of implementing inclusionary housing based on current housing policies, and allows for an assessment of viability and replicability of inclusionary housing developments.

The objectives of Cosmo City against objectives of IHP and inclusionary principles of BNG are not, in some cases, directly linked, however a project-based correlation can be made and explained further. The objectives are not sourced from empirical research; however, it is vital that they are analysed here to demonstrate the manner in which inclusionary housing was

and will be developed in relation to inclusion and integration, and allows for discussion. The objectives are tabulated as follows:

Table 1: Alignment of Cosmo City objectives against IHP objectives and BNG inclusionary principles.

Cosmo City Inclusionary Housing Objectives	Inclusionary Housing Policy Objectives	BNG Inclusionary-linked Principles
To integrate different income groups in the same area	<p>To make a contribution towards achieving a better balance of race and class in new residential developments</p> <p>To provide accommodation opportunities for low income and lower middle income households in areas from which they might otherwise be excluded because of the dynamics of the land market</p>	<p>Integrating subsidised, rental and bonded housing</p> <p>Combining different housing densities and types, ranging from single-stand units to double storey units and row houses.</p> <p>Using housing development to break down barriers between the First-Economy residential property boom and the Second-Economy slump</p>
To integrate compatible land uses in the same area	Land uses in inclusionary housing developments must be appropriately zoned, as per TPC component	Providing ancillary facilities such as schools clinics and commercial opportunities
To create, maintain and store value in property for the poor	To boost the supply of affordable housing (both for purchase and rental)	Ensuring that property can be accessed by all as an asset for wealth creation and empowerment
To promote sustainability	<p>To leverage new housing opportunities off existing stock at the same time contributing to the densification of South African cities</p> <p>To make better use of existing sustainable human settlement infrastructure</p>	Using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
To ensure a profit for the developer	To mobilize private sector delivery capacity to provide affordable housing	<p>Private sector involvement</p> <p><u>Source:</u> (BNG, 2004; IHP, 2007; Urban Landmark, 2010)</p>

As illustrated in the table, the objectives of Cosmo City share similarities to the objectives of the IHP and principles of the BNG. The first objective of Cosmo City was to integrate different income groups in the same area. This objective was achieved by providing different housing typologies, tenure options and price-types within the same area, with public amenities and facilities used as integrating zones. This objective can be linked to two objectives of the IHP, whereby the policy seeks to achieve a balance of race and class in residential developments and to provide housing opportunities to the low to middle income groups that are otherwise excluded from the open housing market. Within the BNG it is stated that a key principle of a comprehensive housing plan must seek to integrate subsidised, rental and bonded housing. It states that there must be a combination of different housing densities and types, ranging from single-stand units to double storey units and row houses, and that housing developments must be used to break down the barriers and disparities between the first-economy residential properties and the second-economy residential properties. Cosmo City had made an attempt to reduce problems of racial, income and class segregation by integrating different income groups and providing different housing typologies and tenures within the same area and development. This is not the only approach in addressing segregation, but providing affordable housing for the poor alongside housing for the upper middle to high income is one method of doing so, and the same principle approach can be seen in the objectives of the IHP and BNG.

The second objective of Cosmo City that of integrating compatible land uses in the same area, is linked to the IHP via the TPC component. The TPC component stipulates that land use planning must be done in accordance to zoning/rezoning requirements of an area to allow for appropriate use of land. Cosmo City was a green field development, therefore in its town planning layout, zoning was done in accordance to compatible land uses in order to achieve integration. This can be seen in the layout of Cosmo City (seen in Chapter Three on page 52), which in its planning was designed to achieve integrating compatible land uses in the same area by making provision for residential and non-residential uses near each other. The BNG policy states that in order to accomplish the same, every housing development must make provision for ancillary facilities such as schools and clinics, as well as commercial facilities to provide economic opportunities within developments. If one had to analyse the layout of Cosmo City in terms of integrating compatible land uses, it can be said that there was

appropriate planning in the use of the land, as follows: housing is densified with RDP housing which require smaller plot sizes, there are adequate facilities incorporated into the residential areas, and there are economic opportunities available in the form of designated businesses, commercial and industrial areas.

The third objective of Cosmo City was to create, maintain and store value in property for the poor. A similar objective addressing this point is seen in the BNG policy, where it is stated that housing development should ensure that property created can be accessed by all as an asset for wealth creation and empowerment. IHP states that it is important to boost the supply of affordable housing for both purchase and rental housing options. In Cosmo City, the supply of affordable housing was boosted through the provision of fully subsidised and partially subsidised options. This created value, as the moment property is created it holds a value by becoming a fixed asset. The value of this asset is established by the supply and demand of such. The supply of affordable housing was created in Cosmo City, in the form of RDP and credit linked housing. If the affordable housing developed is highly desirable, the demand will increase, if the demand increases so would its value, and if desirability does not change, the value would be stored.

Davina Piek and Jayiya stated in their interviews that housing in Cosmo City was in high demand during the allocation stages. Piek said that there was some concern as to how well the bonded houses would sell, considering the assumption that high income people would not want to live in an area with lower income people in close proximity and specifically RDP housing. To her delight she reported, the bonded houses sold at a very fast rate, and the demand for more housing was high. During the field visit conducted, Cosmo City was observed to be a well built and thriving community, as houses were well kept and the area was well serviced. With the demand being high, this suggests that property values are stored, and this would benefit the home owners in the sale of their housing. Piek informed that RDP houses may be sold after 8 years, which means that currently all houses in Cosmo City are able to participate in the open property market. When asked about property prices in the interview with Piek, she mentioned that RDP houses were allocated free, credit linked houses sold in the region of R300 000, and bonded houses sold between R400 000 to R600 000. Upon review of current property prices in the area, as per property website listings, the standard RDP houses are being sold for approximately R300 000, credit linked houses are being sold for

R500 000 to R700 000, and bonded houses are sold from R800 000, demonstrating appreciation in property value that has taken place.

The fourth objective of Cosmo City is to promote sustainability. It is the mandate of the government to create sustainable human settlements, and sustainability is a major component of BNG and subsequently IHP. The IHP can be said to promote sustainability from two of its objectives, firstly by using existing housing stock for housing creation and densification, and secondly using existing infrastructure in the creation of new housing. These objectives promote sustainability by making the best use of what already exists, thereby reducing developmental costs as well as the costs to the environment that housing developments have (destruction of fauna and flora). Cosmo City however, was developed on rural and farm land, therefore there were no existing housing opportunities and very limited services and infrastructure. However, if further development had to take place, in order to densify Cosmo City itself, or surrounding areas, the infrastructure created for Cosmo City can be best used in that creation, with possibly minor upgrades if the need arose. This would reduce negative impacts to both the budget and the environment.

The last objective of the Cosmo City inclusionary housing development was to ensure profit for the developer. Basil Read is a private development company which won the tender to develop Cosmo City. Basil Read formed a subsidiary company called Codevco which was specifically formed for the development of Cosmo City. Any profit-based private company has the primary purpose of making a profit from the work that it does. Piek stated that Basil Read had taken a keen interest in the Cosmo City inclusionary housing development, because it was a revolutionary concept of housing delivery, and the potential profit yield was attractive, considering the extent of housing, facilities and infrastructure that was required for the development. The IHP has an objective pertaining to the mobilization of the private sector to deliver affordable housing within their capacity. This means that the private sector has a mandate to contribute towards the delivery of affordable housing. Piek stated that profit for Codevco was achieved through the planning, construction and post-construction services it provided.

It can be seen that many objectives and principles of Cosmo City inclusionary housing development align themselves with the IHP and BNG. Therefore, although these two policy

documents did not exist at the time, Cosmo City is aligned with the ideals of inclusionary housing in the current understanding of IHP. After assessing the objectives and finding them to be those of inclusion, it is important to assess if Cosmo City has achieved these objectives.

4.3. Inclusion versus Exclusion

The extent of inclusion achieved in Cosmo City inclusionary housing development will be assessed, as already mentioned, using the indices of inclusion and integration highlighted for the purpose of this dissertation. These include: spatial and locality factors, the provision of adequate and equitable housing, the same level of service provision for all, the provision of adequate shared facilities, and providing opportunities to the poor, such as access to the labour market. Added to the above mention, also used as an indication of inclusion is an assessment of interaction between people of different income groups that would determine social integration.

4.3.1. Adequate Housing Provision

In terms of Cosmo City providing adequate affordable housing, as per one of the indices of inclusion, it can be said that Cosmo City has achieved a level of inclusion. This was accomplished by integrating the three housing typologies within the development, which was the key objective of the project, and is also a key principle of inclusionary housing. However, in providing the three typologies of housing to cater for the three different income groups, it can be said that there has been an element of exclusion that has resulted from the placement of the three housing typologies, as visible by assessing the layout of Cosmo City (Chapter Three, page 52), although not substantial enough to warrant a statement that Cosmo City has failed in its delivering inclusionary objectives.

Mothotoana in his interview stated that notwithstanding in success with inclusion, he views Cosmo City to have some aspects of exclusion. In his view, the different typologies are kept apart, which means that there are different income areas, resulting in Cosmo City development itself being developed in a segregated manner. He compares this segregated pattern of housing typologies to the formation of areas made under the Group Areas Act of 1950, where segregation was rife. In this instance it is not different races being segregated, but rather different income groups. If one looks at the layout of Cosmo City, this interpretation of exclusion by Mothotoana is evident. The Cosmo City development is categorised into

different sections which allowed for phases in the development process. These sections or phases are called 'Extensions'. The extensions are seen in the detailed layout in the previous chapter, and seen to be categorised according to different housing typologies found in Cosmo City. This is tabulated as follows:

Table 2: Areas ('extensions') of Cosmo City and housing typologies

Extension 2	RDP
Extension 3	Bonded
Extension 4	RDP
Extension 5	Bonded
Extension 6	RDP and Credit Linked
Extension 7	Bonded
Extension 8	Credit Linked and Bonded
Extension 9	Credit Linked and Bonded
Extension 10	RDP and Credit Linked
Malibongwe	RDP
Proper	Credit Linked and Bonded

Source: Urban Dynamics (2011) - Cosmo City Layout

From Mothotoana's view and from assessing the layout, it is clear that each extension is for a specific housing typology and intended income group. In the cases where typologies overlap in a certain area, it is seen from the layout that this is done only with the closest income groupings, namely the credit linked housing (RDP and credit linked or credit linked and bonded). Credit linked housing is never in its own individual area, it is used as an integrating typology. The RDP houses have their own designated areas (Extensions 2 and 4, and Malibongwe), along with combined areas with credit linked housing (Extensions 6 and 10). The bonded houses have their own designated areas (Extensions 3, 5 and 7), along with combined areas with credit linked housing (Extensions 8 and 9, and Proper). RDP houses are never combined with bonded houses. This means that the low income people do not live in close proximity to high income people. Low income people only reside in the same development as the high income, but not side by side.

Furthermore, as is evident from the layout of Cosmo City, housing typologies and income groups are separated by barriers and buffers. It is clear from the layout that this is mainly done to keep the RDP houses and bonded houses separate. Extension 5 (bonded) is separated

from Extension 6 (RDP and credit linked) by a conservation area. Extensions 3, 7 and 9 which comprise mainly of bonded houses are separated from Extensions 2, 4 and 6, which is the combined concentrated area for RDP houses, by Extensions 8 and 10, which are the predominantly credit linked areas, and these extensions are further separated by a major roadway which cuts through the site, almost dividing it into two. Extensions with combined housing typologies are separated by conservation areas. All housing typologies are grouped in clusters, and each cluster is separated by either a conservation strip or a major roadway. From viewing the layout of Cosmo City, and observing apparent barriers and buffers between the RDP and bonded houses, it can be said that this shows an attempt to keep the low income households away from the high income ones, although it is unclear whether this was deliberate or inadvertent.

4.3.2. Spatial Inclusion or Exclusion

In terms of the locality or placement of the three housing typologies within a site context, as seen from the layout, the RDP houses are located from the top north-western portion of the site, and extend inwards towards the centre of the site. The credit linked housing is located predominantly around the centre of the site, between the RDP and bonded houses, which as mentioned is used as a buffer between the RDP houses and the bonded houses. The bonded houses are located at the eastern and southern boundaries of the site. Judging from the surrounding and adjacent areas, as seen from the locality map in Chapter Three (page 52) it can be said that there is an element of exclusion in the placement of the RDP and bonded houses in relation to the site placement and surrounding areas. This is evidenced from the locality map, displaying that the bonded houses, for the high income group, are located on the periphery of Cosmo City, at two points which are adjacent to Kya Sands and Northlands Business Park on the eastern edge, and next to Jackal Creek Golf Estate on the southern edge. Kya Sands and Northlands Business Park is a fully developed industrial and business district, and Jackal Creek Golf Estate is a high income housing estate. It can be speculated that these well-developed business and high income estate areas may not have wanted RDP houses located in close proximity to them. The RDP houses which are located towards to centre of the site and extend to the north-western portion of the site are not located near any fully developed area, as the area that extends further west to this is relatively undeveloped farm land which borders the North West province.

When assessing the location of Cosmo City on a broader scale, it can be said that there is not much inclusion in a regional context. This is due to the site being located on the north-western periphery of the Gauteng province. During the observation exercise, it was the researcher's observation and experience that the travel distance to Cosmo City from the main hub of Johannesburg city, other areas of Gauteng such as Midrand and Sandton, and attractions of Gauteng, ranges from 20 to 40 kilometres. However, from the information gathered from the interviews with Davina Piek and Jayiya regarding the conceptualisation of Cosmo City, it can be said that this placement was not intentional, with the purposes of exclusion. The Gauteng province is highly densified and Cosmo City was conceptualised and created from the dire need and purpose of housing the informal settlements of Zevenfontein and River Bend. Piek stated that this land was chosen due to its close proximity to the informal settlements that needed to be moved across and housed, and after pre-development assessments, this land was seen to be appropriate for development.

Piek stated that the planners have made all efforts to make Cosmo City included within the region as it is developed on major routes, allowing for easy accessibility in and out of the area, as seen in the locality and layout maps. Piek also noted that there is a large amount, and a growing rate of backyard dwellings. These are dwellings that are formed in the backyards of existing houses. This shows that Cosmo City in its placement and what it has to offer, with regards to its locational, is desirable and the demand to be in Cosmo City is extremely high.

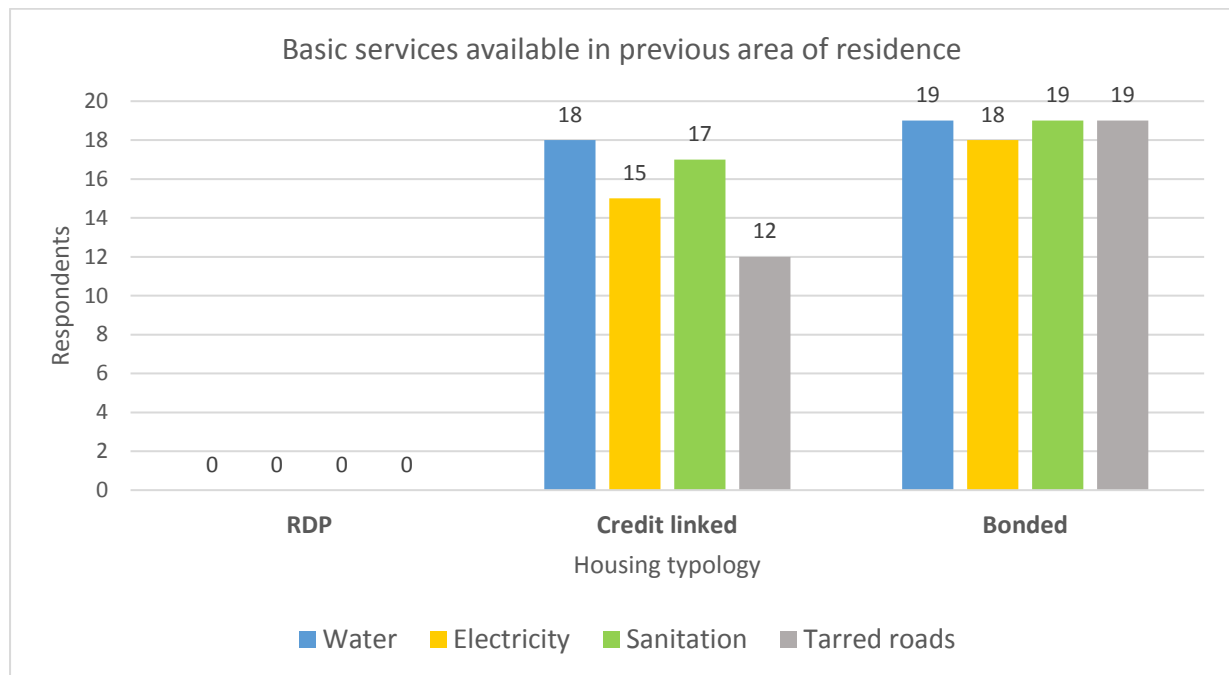
However, with the reporting of exclusionary aspects, intentional or unintentional, it must be reiterated that Cosmo City has achieved the inclusionary housing objective of providing three housing typologies all within one development, and that considering the locality and layout of the Cosmo City development to assess the level of inclusion is not the only indicator of inclusion and integration to be used. As stated earlier in this chapter, this dissertation has outlined other indices to assess inclusion. Another indicator to assess inclusion is service provision.

4.3.3. Service Provision

In relation to the provision of services, Cosmo City has all of the basic services provided to all of its residents. When asked in the questionnaire which people had access to basic service provision in their previous place of residence before moving to Cosmo City, results show that

not all of Cosmo City’s current residents had access to and enjoyed basic services, such as running tapped water, electricity, sanitation and tarred roads with appropriate infrastructure. Figures 3 below displays results from respondents of the questionnaires, that shows the state of the access to basic services in the residents’ previous areas of residence.

Figure 3: Basic services that current residents had access to in their previous place of residence



Source: Questionnaire survey (2016)

Figure 3 illustrates that previously, people in different income groups had experienced basic service delivery differently. From the results of the research conducted and displayed in Figure 3, no person from the RDP houses had basic services in their previous place of residence. This shows that the low income households were disadvantaged and excluded from receiving basic services. This is mainly because majority of the residents of RDP houses previously resided in informal settlements, such as Zevenfontein and River Bend, therefore they could not be provided with all of the basic services that one would receive in a formal household.

In the credit linked housing, Figure 3 displays that majority of the people had access to basic services in their previous place of residence. The middle income group was not entirely

excluded from the provision of basic services and although some of these beneficiaries had come from rural areas, basic services were still provided to most.

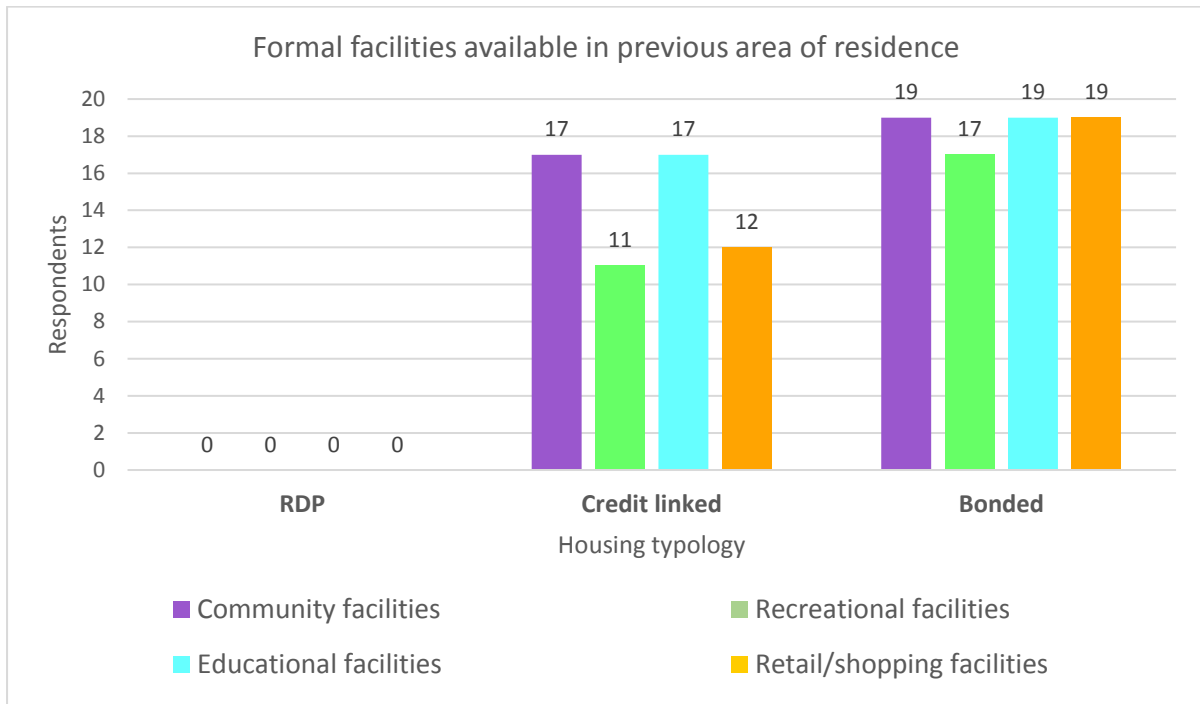
With regards to the high income group residing in the bonded houses, Figure 3 displays that 95% of them had access to basic services in their previous place of residence. This would indicate that they had in all likelihood lived in well-developed and serviced neighbourhoods that basic services were catered for.

When asked about people's current access to basic services after moving to Cosmo City, as anticipated the results of the questionnaires show a clear indication that in Cosmo City, all residents of all housing typologies and all income groups are provided with basic services. All respondents indicated that they have running tapped water in the house, electricity supply, sanitation facilities and live in a well-developed area with tarred roads and good infrastructure. With all income groups living in the same development, they all enjoy the good road network that links Cosmo City internally and externally to surrounding areas and major routes.

4.3.4. Provision of Public Facilities and Amenities

Another indicator for inclusion is the provision of public facilities and amenities in an inclusionary housing development. However, it is not merely the provision of facilities for each income group that determines inclusion. The key is to provide shared facilities that can be accessed, utilised and enjoyed by all in a collective manner. It is the use of facilities within a community which ultimately creates integration and inclusion, as they are public spaces for everyone to share and interact. Figure 4 on the next page displays results from respondents of the questionnaires that shows their access to facilities in the residents' previous areas of residence.

Figure 4: Formal facilities that current residents of Cosmo City had use of in their previous area of residence.



Source: Questionnaire survey (2016)

Figure 4 shows that from the RDP section of Cosmo City, no respondent of the questionnaires had any access to any facilities their previous area of residence. Again, it can be said that this is the case because most, if not all of them, came from the informal settlements of Zevenfontein and River Bend. Respondents in the credit linked houses indicated that in some areas they had access and use of facilities that were provided. From the 20 respondents in the credit linked households, 17 said that they had community facilities, predominantly in the form of community halls and churches; 11 said they had recreational facilities, such as community parks and sport fields; 17 said that they had educational facilities, both primary schools and high schools; 12 said that they had formal retail and shopping facilities. In the high income households, as seen in Figure 4, 95% of respondents in the bonded houses had access to community, educational and retail and shopping facilities, and 85% had access to recreational facilities. This is a clear indication that majority of high income people had access to all the facilities their previous areas, which as would be expected, were fully developed to cater for their income group and class of people.

When asked about the facilities provided in their current place of residence, and what each income group had access to and use of, all respondents indicated that all four facilities, as mentioned in Figure 4, were provided for them in Cosmo City and they had use of all facilities in a shared manner. This is a clear indication that inclusion was achieved in Cosmo City in terms of providing the area with facilities and providing access to these facilities to all. Respondents indicated that the sharing of facilities is what allows for inclusion as it is in the use of the same facilities that people of different income groups interact.

4.3.5. Access to the Labour Market

As per the indices of inclusion used in this dissertation, in the process of providing inclusionary housing, it is important to provide access to the labour market and employment opportunities within or in close proximity of an inclusionary housing development. As stated before, Cosmo City has a thriving economic sector, in the form of commercial and industrial areas. The development is well located in the sense that it is close to other well developed areas which have further economic opportunities for employment.

Figure 5: Employment status of respondents, before and after moving to Cosmo City



Source: Questionnaire survey (2016)

As seen from Figure 5, the bar graph illustrates that of the 20 RDP (low income) beneficiaries surveyed, 11 were unemployed before moving to Cosmo City, and only 3 were unemployed after moving to Cosmo City, at the time of the research. This indicates a reduction in the unemployment rate of the low income by 73%, with the unemployment rate of low income residents at Cosmo City being 15%. This can be attributed to Cosmo City's business, commercial and industrial developments which create employment opportunities, as well as Cosmo City's location and proximity to nearby areas with opportunities for employment. When beneficiaries were asked the question as to how moving to Cosmo City had improved their employment status, many of them responded that Cosmo City had enabled them to find employment by providing employment opportunities within the area and bringing them closer to existing opportunities from surrounding areas, which has improved their lives. Although it was indicated during discussions with beneficiaries that some of the employment is casual and/or informal, this is considered as employment for the purposes of showing the change in one's economic situation.

From the 20 credit linked beneficiaries surveyed, 4 were unemployed before moving to Cosmo City, and only 1 was unemployed after moving to Cosmo City, at the time the research was conducted. This indicates a reduction in the unemployment rate of the middle income by 75%, with the unemployment rate at Cosmo City for the middle income being 5%. This can also most likely be attributed to the creation of employment opportunities provided through the development of Cosmo City and opportunities from the surrounds as respondents indicated that moving to Cosmo City has benefitted them by finding employment.

People from the bonded houses were neither unemployed before nor after they moved to Cosmo City. The research conducted shows that the unemployment rate in Cosmo City at the time of the research was approximately 7%, and the development of Cosmo City has been either directly or indirectly responsible for reducing the unemployment rate of its population by approximately 73%.

4.3.6. Interaction and Social Integration in Cosmo City

Another index for determining inclusion, as per the indices of inclusion used in this dissertation, and mentioned in the beginning of this chapter is interaction and social integration in Cosmo City. To do this, all 60 respondents were asked if they have interaction

with people of different income groups, and if they have made new friends within Cosmo City upon moving to the area. The results are indicated in Table 3 below.

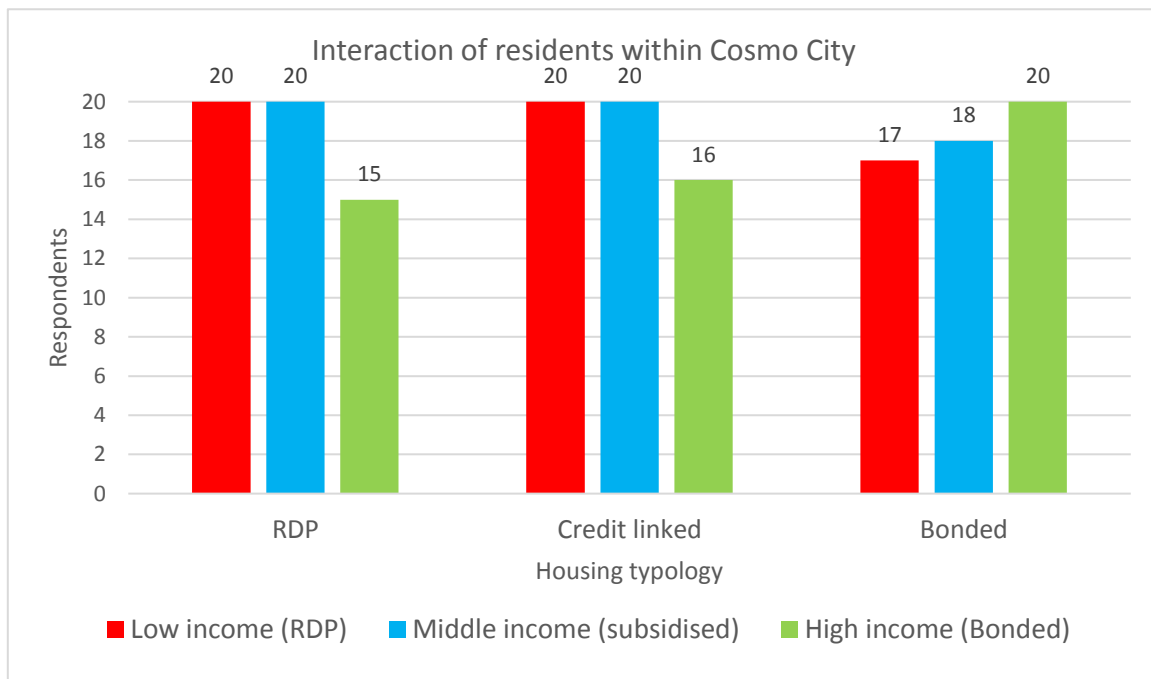
Table 3: Residents’ responses to making new friends within Cosmo City

Have you made any new friends within Cosmo City?	RDP (20)		Subsidised (20)		Bonded (20)	
		20	100%	20	100%	20

Source: Questionnaire survey (2016)

Table 3 indicates that all 60 respondents have made new friends after moving to Cosmo City, which shows that interaction and socialising occurs within Cosmo City. However, it is important and only relevant if interaction has occurred across and between the three different income groups, as the purpose of integration in relation to inclusionary housing is to promote social cohesion. To assess this, respondents from all income groups were asked to indicate what interaction of theirs is with other residents of different income groups. These results are seen below in Figure 6.

Figure 6: Interaction between different income groups, on the basis of friendships created across income groups



Source: Questionnaire survey (2016)

From Figure 6, it is seen that there is interaction between low income and middle income groups as all the respondents in both groups have stated that they have a friend or friends from their own income group and from that of low or middle income groups. There is a concern with interaction between the low income and the high income, as well as that between the middle and the high income groups.

The responses received from the low and middle income groups indicate 15 low income respondents stated that they did befriend people from the bonded houses, and 16 middle income respondents stated the same. The data from high income respondents who live in the bonded houses show that 17 respondents made a friend or friends from the RDP households, and 18 stated that they have made a friend or friends with the middle income people from the credit linked houses. However, during discussion and further elaboration from the high income respondents who stated that they had not formed friendships with lower income groups, all stated that they have interaction with all people within Cosmo City and do not have any form of discrimination, it has just been the case that they have not befriended anyone. Therefore, the respondents themselves made no suggestion that there is any form of resistance from high income people to interact and socialise with people of lower income groups as them.

4.3.7. The Effectiveness of Inclusion in Cosmo City

Having presented the results based on the indices of inclusion used in this dissertation to determine the success and effectiveness of inclusionary housing, it can be said that Cosmo City has achieved many of the objectives of inclusion. Although Motholoana expressed his belief that Cosmo City has some aspects of exclusion relating to the placement of income groups, he later stated that a development of this nature has provided opportunities for the poor by promoting integration to a large degree. Jayiya views Cosmo City as being a success in achieving inclusion. He states that inclusion is achieved by having higher income earners being included in the development alongside the poor, and this reduces the notion and stigma of Cosmo City housing development being a poor peoples' place.

It was noted through field observation that many houses in the 'low income' portion of Cosmo City had been drastically changed and improved on. RDP houses had been renovated and extended dramatically into what some may label 'mansions'. Houses are constantly under

renovation and it is rare to see any standard RDP house in the area at this point in time. The pictures below demonstrate some improvements taking place on RDP houses at the time of the field visit.

Figure 7: Typical RDP house in Cosmo City



Source: Google images (2016)

Figure 8: RDP house under improvement and extension



Source: Site visit (2016)

Figure 9: A street in the low income portion of Cosmo City. It is seen here that the street is well maintained and every house along this street has been extensively modified



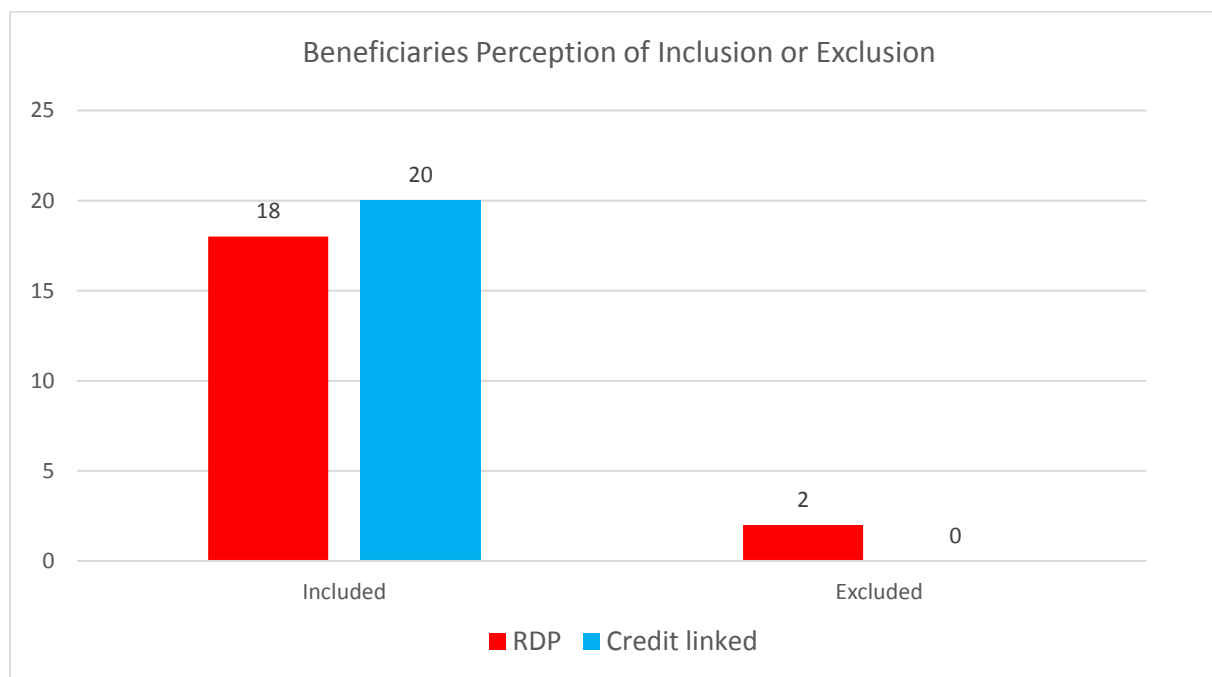
Source: Site visit (2016)

The pictures above are evidence that people in the RDP houses improve their circumstances and better themselves, and no longer have to live in a typical RDP house and be classified as poor for the rest of their lives. This suggests a clear improvement from their previous financial position and change of income group. This can be a result of many people, across all income groups, finding employment after moving to Cosmo City. Finding a decent job improves one's

quality of life which is done by providing access to the labour market. This contributes to the success of inclusionary housing developments by meeting that particular index of inclusion.

In order to assess how well inclusion has been achieved, and to assess the success of Cosmo City inclusionary housing development, it was necessary to receive input from the end-users. During the questionnaires conducted, the low and lower-middle income respondents, who are the beneficiaries of assisted housing in the development, were asked to express and explain their feeling of, and thoughts on inclusion within Cosmo City. A question was posed to the them, asking if they feel excluded in any way while living in Cosmo City, or whether they feel included in the development. Their responses are captured in Figure 10 below.

Figure 10: Beneficiary perception of inclusion or exclusion within Cosmo City



Source: Questionnaire survey (2016)

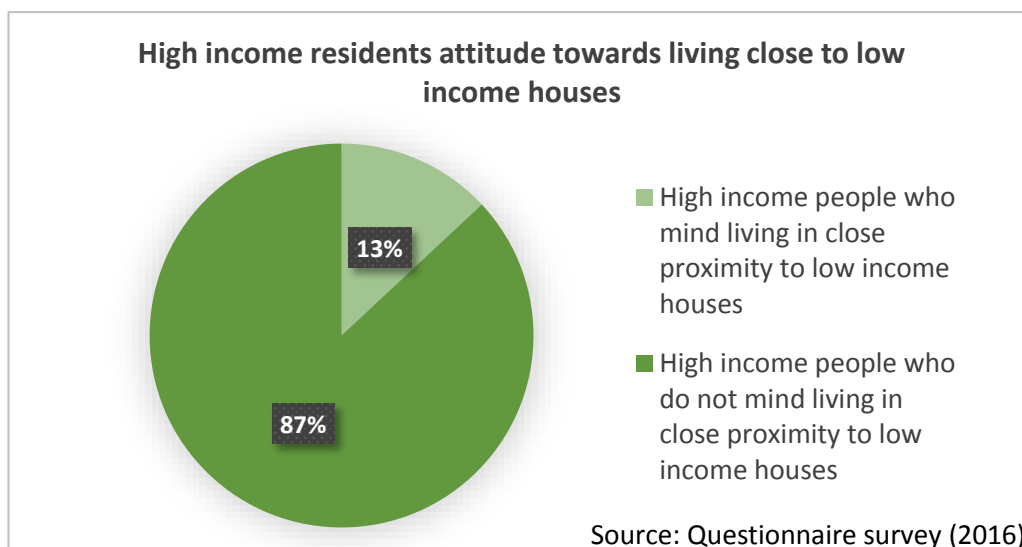
The main aim of inclusion is to have the low to lower-middle income populations integrated into communities and urban areas. Figure 10 shows that 90% of low income respondents who reside in RDP houses feel included in Cosmo City from their understanding of inclusion. Their general understanding of inclusion, from the responses received, is that inclusion means that people live together, and that opportunities are given to them, as the poor, to combat the legacy of apartheid. From Figure 10, only 10% of RDP beneficiaries stated that they do not feel included. When asked why during discussions, they stated that they do not have any

involvement in the other residential areas of Cosmo City, and that they live in their home amongst their RDP neighbours, almost separate and disconnected from the high income areas of the development.

Figure 10 shows that 100% of the lower-middle income respondents, who live in the credit linked housing, feel included. They stated during discussion that they feel integrated into the community and see no disparities in their housing, service provision and opportunities provided to them. It can be said from their explanation that the lower-middle income group feels included because they are closely linked in proximity to both low income groups and high income groups and merge into both categories. The credit linked household respondents made mention of their housing type being similar to that of the higher income bonded houses, therefore they do not feel excluded in anyway. When asked what inclusion meant to them, the respondents stated that Cosmo City is a great approach to redress the past and deliver housing for all citizens of South Africa. A number of respondents made mention of the fact that Cosmo City has provided a number of opportunities to the people, in terms of basic services and employment.

People from the bonded houses, who are the high income people, were asked a different question, not to judge their feeling of inclusion or exclusion, but to ascertain their feeling about living in an area that has low to lower-middle income people in close proximity, and mainly RDP housing. Figure 11 shows the results from high income respondents.

Figure 11: Attitude of high income residents in bonded houses towards living in close proximity to RDP houses



As seen in Figure 11, from the results to the question posed, there is an overwhelmingly positive response by the high income respondents, with 87% stating that they do not mind living in close proximity to lower income people. This can be said to be an anticipated response, due to the fact that purchase of the bonded houses was made while buyers were aware about the nature of Cosmo City being an inclusionary housing development. During the interview, Piek indicated that all home owners and residents were educated about Cosmo City via training and information workshops held by Codevco. Piek also mentioned that through marketing and advertising, Cosmo City was marketed as a flagship housing project that had a mixture of housing typologies and income groups, and as stated before, the demand for the bonded houses was high, indicating that high income people mainly did not mind living in an inclusionary housing development. There is a small percentage of high income people who mind living in close proximity to low income people, that being 13% of the respondents questioned. When they were asked to substantiate their attitude in this regard, they made reference to low income people living in RDP houses being the cause of crime in the area. This is not relevant or plausible as the issue of crime cannot be directly linked to lower income people.

Another method to determine the extent of inclusion achieved in Cosmo City was to consider the satisfaction of the beneficiaries and end users of the Cosmo City inclusionary housing development. Inclusionary housing is only achievable if it meets the needs and approval and acceptance of the people. It has been established that all income groups have access to basic services, facilities and employment opportunities, based on the statistical analysis of the research data. However, it must be assessed whether residents are satisfied with what has been provided to them with inclusionary goals in mind.

4.4. Beneficiary Satisfaction versus Dissatisfaction

In the interview with Piek, she stated that there has been an overall positive response from the residents of Cosmo City, across all income groups, with regards to the housing, services, facilities and employment opportunities they have received. This was corroborated by the responses of the questionnaire survey conducted. From the survey, the results yield a high level of satisfaction in all aspects of Cosmo City, from all three income groups, indicating that they are satisfied with the end product of Cosmo City inclusionary housing development, and

all that it has to provide and offer. Respondents were asked to rate their level of satisfaction based on the indices of inclusion used in the research in order to assess their satisfaction with inclusionary housing, and subsequently the outcome of their ratings would be used to assess the effectiveness and success of inclusionary housing.

Table 4: RDP and Credit linked respondents’ level of satisfaction with inclusion in Cosmo City

	Satisfaction level	Low income (RDP)	Middle income (Credit linked)
Location of Cosmo City	1	-	-
	2	-	-
	3	20	20
Housing provision	1	-	-
	2	-	-
	3	20	20
Basic service provision	1	-	-
	2	-	-
	3	20	20
Access to facilities	1	-	-
	2	-	-
	3	20	20
Access to employment opportunities	1	-	-
	2	-	-
	3	20	20

1 – Not satisfied

2 – Satisfactory

3 – Very satisfied

Source: Questionnaire survey (2016)

Table 4 above displays the responses received from the low and lower-middle income people surveyed showing their level of satisfaction with regards to their interpretation of inclusion. The results indicate that all respondents are very satisfied with the location of Cosmo City in relation to the region it is in, the fully subsidised or partially subsidised houses that they were provided with, the basic services that they were provided with, their access to facilities in the area, and their access to employment opportunities. When the low and lower-middle income people were asked if they feel that the aspects they were asked to rate their satisfaction on were delivered in a fair and equitable manner, in comparison to what was delivered to the higher income, they all responded that they believe this to be the case. From interaction and

responses received in the questionnaire survey it is evident that the low and lower-middle income people in Cosmo City have a great appreciation for and satisfaction with the area. All of the low income respondents stated that Cosmo City has changed their lives for the better. The low income respondents stated that Cosmo City has provided them with housing, which they previously did not have, and it gives them a sense of stability, safety and security through home ownership. The most notable and remarkable finding from the research is that many of the low income households had improved their lives to the point whereby they no longer live in the RDP house provided to them initially. From interaction with beneficiaries, some have indicated that they have moved across into the credit linked housing and bonded housing as a result of their change in financial standing and improved affordability.

4.5. Post-development Problems with Inclusion in Cosmo City

As stated in interviews with Motholoana, Jayiya and Piek, Cosmo City was the first of its kind, the first attempt by the democratic South African government to develop an inclusionary housing development, therefore, it is expected that there would be some failures and problems encountered along the way.

There is only one major problem identified by Piek that has a direct link to inclusionary housing, this being that Cosmo City is a poor income generation model as there is a lack of recovery by CoJ for service provision. Piek says that she believes that the ratio of the mix of the three different typologies was not correct. From the 11 364 housing opportunities developed by Codevco, the portion of RDP houses (which numbered 5068) was over-represented. Piek substantiates this by indicating that CoJ has to bear all the costs for services for these 5 068 RDP houses as they do not pay rates and taxes. Therefore, the CoJ generates an income only from recoveries received from the remaining 6296 households, which is a recovery rate of 55% to maintain the entire development. In order for an inclusionary housing development to be sustainable and function efficiently, the ratio of the different housing typologies to be combined must be more carefully considered in future developments.

Cosmo City had provided a lesson for future inclusionary housing developments from this unanticipated problem. During her interview, Piek provided insights into a new inclusionary housing development that Basil Read is currently working on (2016) called Savanna City. Savanna City is a private development by Basil Read, in partnership with Old Mutual. In

Savanna City, Piek states that the mix of housing typologies was more carefully considered as of 18 500 housing opportunities created, there are 6000 RDP houses being provided, which allows for an anticipated recovery rate of 68% to maintain the financial long-term viability of the development.

4.6. Chapter Summary

From the results of the interviews and questionnaire survey, it is seen that Cosmo City has largely achieved the objectives of the IHP. Cosmo City has achieved a high level of success with regards to inclusion which is in accordance to the objectives of IHP and BNG, as well as the principles and indices of inclusion. Cosmo City has been successful in providing three different housing typologies that cater for the relevant income groups. Basic services have been provided to all, along with adequate facilities and amenities for everyone to use and enjoy. It has also provided employment opportunities to residents, and improved the economic situation of many individuals and households. Cosmo City can be said to be an inclusionary housing development.

It is because of the abovementioned successes that beneficiaries of Cosmo City have expressed their satisfaction with what they were provided with in Cosmo City. Residents in RDP households have expressed the most appreciation in receiving housing, services and opportunities. As per the analysis of the empirical data, it is seen that Cosmo City has improved peoples' livelihoods.

Cosmo City can however be said to have some elements of exclusion. From the analysis of the layout, this can be deduced in terms of the placement of housing typologies around the site which kept the most disparate income groups spatially separate. However, as stated, as per the IHP objectives, and indices of inclusion used for the purposes of assessing the level of inclusion and success of inclusionary housing, it can be said that a large degree of inclusion was in fact achieved in Cosmo City. Cosmo City was the first of its kind, therefore planners and the municipality did not anticipate and foresee the problems with the layout and recovery model. From the results of this analysis, conclusions and recommendations can be made which seek to improve and enhance inclusionary housing. The next chapter considers all aspects specific to inclusionary housing developments and provides recommendations to avoid problems that may be encountered in future inclusionary housing developments.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1. Chapter Introduction

This chapter concludes the research study. Conclusions are made on the effectiveness and success of inclusionary housing and IHP being a tool redress the problems of the past and reduce the spatial inequalities and segregated patterns of neighbourhoods, using Cosmo City as a benchmark. Subsequently, recommendations are made to improve IHP in South Africa, and for future inclusionary housing developments.

5.2. Conclusions

As indicated in Chapter 2, South Africa has a legacy of residential segregation based on race and class inequalities and injustices, dating back to the colonial and apartheid periods. It was during the apartheid period in particular that segregation was intensified, as housing and communities were created in a segregated manner, under the Group Areas Act of 1950 and the Separate Amenities Act of 1951. Majority of people, being non-whites, were excluded from the inner cities and urban areas, as the inner cities and built-up urban areas were reserved for whites only. Post-apartheid South Africa has made attempts to redress these inequalities through the drafting of a fair and just Constitution in 1996, HWP of 1994, BNG of 2007, and IHP of 2007, among other planning and housing related policy and legislation. However, the process to rectify the segregated housing pattern and inequalities in South African neighbourhoods has been slow. In the post-apartheid period, integration of the previously disadvantaged non-white population into formerly white reserved areas was lacking, due to an ongoing segregation of classes. The lack of affordability of the low income restricted them from being included in well-developed urban areas. It is noted that the democratic government made attempts to provide housing opportunities for the low income populations, and achieved this to some degree in the form of RDP houses and other forms of subsidised housing. However, the housing that was provided still shaped the South African landscape in a segregated pattern, and income groups were inadvertently kept separate in their respective housing developments.

The CoJ saw the need to change this, therefore Cosmo City inclusionary housing development was envisaged and developed to promote integration. Cosmo City was conceptualised with

the aim to change exclusionary housing patterns by providing sustainable human settlements that was inclusive and holistic in nature. As stated from the understanding of previous definitions in this dissertation, inclusionary housing is a mechanism to promote integration within communities. Inclusionary housing was developed in order to redresses the spatial inequalities and segregation caused by colonial and apartheid planning. In general, inclusionary housing accomplishes a number of objectives. It delivers affordable housing as per the mandate of the government post 1994. It breaks down barriers that prevent the poor from living in, and being included in decent neighbourhoods, and reduces the stigma of poverty and crime that is attached to poor people. Inclusionary housing developments give low income people opportunities to improve their well-being. The most important opportunity created is that of employment, which results in economic growth, enhanced livelihood, and an overall better quality of life. It fosters social and economic inclusion.

According the indices used in this dissertation to determine the success of inclusion achieved in Cosmo City, it was unanimously found that Cosmo City has largely achieved its objectives and goals of being an inclusionary housing development. This was achieved by Cosmo City being integrated spatially into the regional location of Johannesburg, next to well-developed and established areas, such as Kya Sand and Northlands Business Park, and on major routes to other areas such as Sandton and Midrand. Cosmo City provides three housing typologies which caters for the three different income groups, which includes RDP housing, credit linked housing and fully bonded housing, to cater for the low income, middle income and high income groups respectively. Together with providing adequate housing, Cosmo City provides adequate basic services for all of the residents, and infrastructure that services the whole community. There is also provision of adequate facilities and amenities, which are shared by all residents of all income groups. The sharing of facilities promotes interaction amongst residents and promotes social inclusion and cohesion. People largely expressed satisfaction with Cosmo City, specifically people from the low to lower-middle income groups who did not have adequate housing and basic services and facilities previously. The creation of Cosmo City has also provided people with access to employment opportunities. Many people who were once unemployed before moving to Cosmo City have now found employment, as the results of the research indicated.

Cosmo City does have a few problems that are indicative of a lack of inclusion as there is an issue of income groups within the developmental area having exclusionary characteristics, as per the assessment of the spatial layout, and there is an inconsideration regarding the mixing of typologies. The RDP housing is always kept physically separated from the bonded housing by buffers and barriers, in the form of conservancy areas, major roads and by the credit linked houses. It is notable that there is no principle of inclusion within the IHP that specifies exactly how housing typologies are to be integrated which has in effect created a loophole that allows this exclusionary practice to occur.

The other problem is the incorrect mix of housing typologies which has implications for the income generated through recovery from rates and taxes. Because there are too many RDP houses in the development who do not pay rates and taxes the financial sustainability of a development is threatened, and this also hinders replicability of inclusionary housing developments if more careful consideration is not taken. IHP does state that the private sector is to provide a maximum of 30 percent affordable housing to their overall development, however, but where it is a government initiative, ratios of housing typologies are not stated, meaning that there is no guideline to ensure the incorrect mixing of housing typologies does not hinder financial viability of a government-based inclusionary housing development.

IHP is a vital component in redressing issues of segregation and inequalities, and sets a benchmark for housing development. This policy is in accordance to the Constitution of South Africa where as stated, every citizen should be provided with the ability to access adequate housing, and while doing so, be allowed and have the freedom to access that housing and reside in whichever area he or she chooses to. IHP makes this possible, regardless of race and affordability factors hindering such an occurrence. This is accomplished by harnessing the resources of the private sector to make a contribution to affordable housing stock, as seen in the IHP of the USA and China. The South African IHP stipulates that every private development should incorporate affordable housing into their developments. By promoting this in the IHP, integration is achieved, opportunities are distributed equally, and much needed housing is provided. Following the objectives of IHP will create an enabling environment to provide equal opportunities for all, regardless of one's background, in an attempt to reduce spatial segregation and inequalities.

5.3. Recommendations for Inclusionary Housing and IHP

The following are recommendations for inclusionary housing and IHP, suggesting how future inclusionary housing developments could be improved on and how IHP objectives could be better met.

Inclusionary housing can be improved by considering the location of the development within the context of the region it is in. Inclusionary housing developments should be located in well-developed areas, not on peripheral locations. This can further increase the opportunities provided and available to lower income groups, in terms of allowing them to access greater employment opportunities, lead a better quality of life and attain a greater sense of inclusion.

IHP can recommend and provide stricter guidelines with regards to the locality of inclusionary housing developments. The TPC component could be revisited to intensify specific land use zones that allow only inclusionary housing to be developed within that area. The requirement may be that inclusionary housing developments be within regions (new land use zones) that have a larger urban base, consisting of a middle to higher income population.

Inclusionary housing developments must have comprehensive service cost and recovery plans as part of the feasibility study phase. This would ensure that the municipality in which it is developed can generate the revenue required to service and sustain the development. Municipalities should conduct appropriate studies and produce anticipated revenue reports, which would show the long term viability of the project. It needs to be taken into account that the revenue from current projects is the basis for replication and delivery of future projects. IHP can stipulate that appropriate research studies be conducted to assess anticipated revenue to ensure the above mentioned.

For the efficient functionality and sustainability of an inclusionary housing development, there must be careful consideration of the mix of housing typologies. There should not be more than 30 percent (of total housing stock in a development) allocated to RDP housing in any inclusionary housing development, as 70 percent is adequate recovery to sustain a development. IHP can stipulate this to be the maximum ratio.

5.4. Final Conclusion

The recommendations above are not exhaustive. These are recommendations as per the findings and conclusions of this dissertation. Cosmo City has been a suitable case study, as it is the precedent to all inclusionary housing developments that followed, and that will follow in South Africa. It helped shape the current IHP ensure that all future housing developments conform to the principles of inclusion, integration, social inclusion, and inclusionary housing. It can be said that inclusionary housing is the means to reduce existing spatial inequalities and segregated patterns in South African neighbourhoods. If housing developments are inclusive in nature, in terms of mixing the three income levels, providing the same level of basic services, facilities and amenities for all in an equitable manner, and encouraging social integration, the historic exclusionary pattern of South African neighbourhoods can be largely reduced.

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APPENDICES

Appendix 1: Interview Questions for the Key Stakeholders in Cosmo City

Interview questions for CoJ officials, Mr Motholoana and Mr Jayiya

1. Cosmo City has been described in many readings as a fully integrated, inclusionary housing development. Do you as the DoHS describe it as this?
2. Why did the government see a need for an inclusionary housing development like Cosmo City?
3. What did the government aim to achieve by creating a development of this nature?
4. What were the objectives of Cosmo City?
5. What inclusionary principles were considered when planning the project?
6. Were there any criteria for integration, in the essence of inclusion?
7. Has Cosmo City aligned its objectives with use of IHP?
8. Has Cosmo City achieved its objectives? If so, how is this demonstrated?
9. What are the shortcomings and/or failures of Cosmo City?
10. From the failures/shortcomings stated, how will these be addressed to improve Cosmo City?
11. In your opinion, how good has this development been at addressing social, racial and income-based segregation?
12. What other projects incorporating inclusionary housing has the local government been involved in? Have they achieved the same level of inclusion, if not why? If they have been more successful, how so?

Interview questions for Cosmo City developer - Codevco, Davina Piek

1. Cosmo City has been described by the CoJ as a vibrant fully integrated housing development, do you as Codevco describe it as such?
2. Why did Codevco see the need to develop an inclusionary housing development such as Cosmo City?
3. What did Codevco aim to achieve in developing Cosmo City?
4. What were the objectives of Cosmo City, given to Codevco by the CoJ?
5. To your understanding, are these objectives aligned with that of South African IHP?
6. What role does Codevco have post-development?

7. What has the response been from the beneficiaries of Cosmo City?
8. Did Cosmo City meet the objectives that the CoJ set out to achieve?
9. What were the problems experienced during the development phase of Cosmo City?
10. What are the problems in Cosmo City post-development?
11. Are there any improvements that can be made to Cosmo City?
12. What do you see the future of Cosmo City as?
13. In your personal and professional opinion, has Cosmo City achieved its objective of being an inclusionary housing development?

Appendix 2 (a):

Questionnaire for the 'assisted housing' (RDP and Credit linked) residents of Cosmo City

Qualifying questions:

Are you a resident of Cosmo City?

What type of house do you have within the development?

1	RDP house	
2	Subsidised house	

1. Social data: Demographics of beneficiaries with Cosmo City

1.1 Race of beneficiary

1	Black	
2	Indian	
3	Coloured	
4	White	
5	Other	

1.2 Age of beneficiary: _____

1.3 How many people reside in your household? _____

1.4 What income bracket does your household fall under? (combined income)

1	R0 – R3000	
2	R3001 – R7500	
3	R7501 – R15000	
4	R15001 >	

1.5 Are you the primary bread-winner/provider to your household? Yes ____ No ____

If no, who else is? _____

2. Socio-economic data: History of beneficiaries

2.1 Where were you living before coming to live in Cosmo City?

2.2 What were the factors that made you live in your previous area?

2.3 Who informed you about the possibility of living in Cosmo City?

2.4 What made you consider moving to Cosmo City?

2.5 How did you acquire a house within this development?

2.6 Were you provided with all the essential basic services in your previous household/area?

Water	
Electricity	
Sanitation	
Tarred roads	

2.7 Did your previous house/area have the following facilities found here?

Community facilities	
Recreational facilities	
Educational facilities	
Retail/shopping facilities	

2.8 Are the facilities listed in 2.7 better or worse in this development, and why?

2.9 Are you currently employed? Yes _____ No _____

2.10 Were you employed before moving to Cosmo City? Yes _____ No _____

2.11 Were there any employment opportunities in your previous area for the people who reside there? Yes_____ No_____

2.12 Do you think moving to Cosmo City helped you find employment? Yes_____ No_____

2.13 Have your travelling costs reduced after the move to Cosmo City Yes_____ No_____

3. Accessibility data:

3.1 How far did you have to travel from your previous place of residence to and from work?

3.2 How far do you have to travel now to and from work?

3.3 Is travelling to and from work easier for you in terms of:

3.3.1 Time saved Yes_____ No_____

3.3.2 Accessibility in and out of Cosmo City Yes_____ No_____

3.3.3 Public transport available Yes_____ No_____

3.3.4 Are you saving costs or spending more money on travelling? Yes_____ No_____

3.4 Is accessibility to the facilities and amenities within Cosmo City easy for you to get to by walking? Yes_____ No_____

3.5 How far do you have to walk to get to the facilities, as listed in 2.7?

Community facilities	Mins
Recreational facilities	Mins
Educational facilities	Mins
Retail/shopping facilities	Mins

3.6 Is it safe for you to walk in and around Cosmo City without the fear of being knocked by a motor vehicle, and without the fear of crime? Yes _____ No _____

4. Inclusionary data:

4.1 How has living in this development changed yours and your household's life?

4.2 Have you had added difficulties? If yes, how so?

4.3 Rate your quality of life:

1	Good	You are happy with your quality of life	
2	Satisfactory	You are content, but expected more	
3	Poor	You do not like your quality of life	

4.4 Is there any limitations to where you can go in and around Cosmo City?

4.5 Have you made any new friends within Cosmo City? Yes ____ No ____

If yes,

Income level: L ____ M ____ H ____

Race: _____

4.6 How did you meet your new friend(s)?

4.7 If any, what form of interaction do you have with the 'bonded' residents in Cosmo City?

4.8 What does inclusionary housing mean to you?

4.9 Do you feel excluded in any way while residing in Cosmo City? If so, how?

4.10 Do you think that the goals and ideas of inclusionary housing as you have described have been achieved in Cosmo City? If yes, how? If no, what do you think has failed and how would it be, or have been achieved?

4.11 If any, what were your concerns with a housing development of this nature?

4.12 How satisfied are you with your house in the level of 1 to 4 as seen below?

Please elaborate as to your chosen level of satisfaction.

	Level of satisfaction	Meaning	
1	Very satisfied	You are happy with your house/product	
2	Satisfactory	You are happy but could be a little better	
3	Not satisfied	Do not like the housing product	

Appendix 2 (b):

Questionnaire for 'bonded' residents of Cosmo City

Qualifying questions:

Are you a resident of Cosmo City?

Do you have a bonded house type within the development? Yes _____

1. Social data: Demographics of beneficiaries with Cosmo City

1.1 Race of beneficiary

1	Black	
2	Indian	
3	Coloured	
4	White	
5	Other	

1.2 Age of beneficiary: _____

1.3 How many people reside in your household? _____

1.4 What income bracket does your household fall under? (combined income)

1	R0 – R3000	
2	R3001 – R7500	
3	R7501 – R15000	
4	R15001 >	

1.5 Are you the primary bread-winner/provider to your household?

Yes _____ No _____

If no, who else is? _____

2. Socio-economic data: History of beneficiaries

2.1 Where were you living before coming to live in Cosmo City?

2.2 What were the factors that made you live in your previous area?

2.3 Who informed you about the possibility of living in Cosmo City?

2.4 What made you consider moving to Cosmo City?

2.5 How did you acquire a house within this development?

2.6 Were you provided with all the essential basic services in your previous household/area?

Water	
Electricity	
Sanitation	
Tarred roads	

2.7 Did your previous house/area have the following facilities found here?

Community facilities	
Recreational facilities	
Educational facilities	
Retail/shopping facilities	

2.8 Are the facilities listed in 2.7 better or worse in this development, and why?

2.9 Were there any employment opportunities in your previous area for the people who reside there? Yes _____ No _____

2.10 Have your travelling costs increased or reduced after the move to Cosmo City?

3. Accessibility data:

3.1 Where do you work? (if applicable)

3.2 How far did you have to travel from your previous place of residence to and from work?

3.3 How far do you have to travel now to and from work?

3.4 Is travelling to and from work easier for you in terms of:

3.4.1 Time saved Yes _____ No _____

3.4.2 Accessibility in and out of Cosmo City Yes _____ No _____

3.4.3 Public transport available Yes _____ No _____

3.4.4 Are you saving costs or spending more money on travelling?
Yes _____ No _____

3.5 Is accessibility to the facilities and amenities within Cosmo City easy for you to get to by walking?

Yes _____ No _____

3.6 How far do you have to walk to get to the facilities, as listed in 2.7?

Community facilities	Mins
Recreational facilities	Mins
Educational facilities	Mins
Retail/shopping facilities	Mins

3.7 Is it safe for you to walk in and around Cosmo City without the fear of being knocked by a motor vehicle, and without the fear of crime?

Yes _____ No _____

4. Inclusionary data:

4.1 How has living in this development changed yours and your household's life?

4.2 Have you had added difficulties? If yes, how so?

4.3 How do you feel about living in close proximity to low income houses?

4.4 Have you made any new friends within Cosmo City? Yes ____ No ____

If yes,

Income level: L ____ M ____ H ____

Race: _____

4.5 How did you meet your new friend(s)?

4.6 If any, what form of interaction do you have with the 'bonded' residents in Cosmo City?

4.7 What does inclusionary housing mean to you?

4.8 Do you feel excluded in any way while residing in Cosmo City? If so, how?

4.9 Do you think that the goals and ideas of inclusionary housing as you have described have been achieved in Cosmo City? If yes, how? If no, what do you think has failed and how would it be, or have been achieved?

4.10 If any, what were your concerns with a housing development of this nature?

4.11 How satisfied are you with your house in the level of 1 to 4 as seen below?

Please elaborate as to your chosen level of satisfaction.

	Level of satisfaction	Meaning	
1	Very satisfied	You are happy with your house/product	
2	Satisfactory	You are happy but could be a little better	
3	Not satisfied	Do not like the housing product	