




Evaluation of housing assets

SUMMARY REPORT



human settlements
planning, monitoring
and evaluation

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Glossary

BNG	Breaking New Ground
CPI	Consumer Price Index
FLISP	Finance-linked Individual Subsidy Programme
GDP	Gross Domestic Product
NIDS	National Income and Distribution Survey
PHP	People's Housing Process
USD	United State Dollars

Policy summary

The purpose of this evaluation has been “... to determine if the provision of state subsidised housing has addressed asset poverty for households and created assets for Municipalities.” In completing the review more than 400 literature sources were reviewed and approximately 25 interviews were conducted on housing and municipal assets.

The current programme theory emphasises a market-driven approach, access to mortgage loans and climbing the housing ladder as key elements in an asset-building approach. In excess of two million households have to date received a housing unit as the first step in climbing the housing ladder. Yet, the anticipated development path – that suggests that housing would through ownership open up mortgage finance, develop a secondary market and assist poor people in finding a way out of poverty via climbing the housing ladder – seems only to apply to a very small percentage of the population (about 10%). The impact of the global financial crisis suggests that small mortgages and mortgages to low-income households are less likely to materialise in future. Although a significant number of those who accessed fully subsidised housing units rent out space (about 10%–20%) or run home-based enterprises (about 10%–20%), the incomes derived from these initiatives remain small and, in some cases, perpetuate the existing poverty of households. These forms of income however probably contribute to diversifying/strengthen livelihoods.

The value of infrastructure in ensuring better health and education has further been instrumental in addressing poverty. Although evidence is either fuzzy or non-existent, there are suggestions that housing is contributing to stabilising communities, promoting dignity, can be an incentive to reduce risky behaviour. It moreover promotes life-cycle planning, creates increased independence and engenders a sense of security of tenure, control and shared citizenship.

However, asset building as a strategy is institutionally not well embedded in government housing programmes. Non-provision of title deeds, sales restrictions and restrictive land-use regulations all limit asset growth and accumulation for poor households. There is no integrated, holistic approach to asset building and the integration of poor into the housing market remains limited.

The argument that the housing-subsidy system is either an automatic drain or that it is an asset to

municipalities should probably be avoided. The review found that outcomes can at best be described as mixed. The increasing role of the equitable share as an income stream in all municipalities is probably an indication that the numbers of indigent households are growing – many of them probably being linked to either old-township stock or the housing-subsidy mechanism. Yet, it is probably also an indication of increasing dependence on intergovernmental grants from local government and weakening capabilities in revenue generation. There are indications that homeowners living in old-stock housing or in new houses accessed via subsidies are not contributing to property taxes, this despite their having been incorporated in the rates roll.

Though the current, mostly neo-liberal asset-building approach is probably not the most appropriate conceptual lens to follow in respect of asset building, this does not mean that elements of the said approach can or should not be considered. A deliberately hybrid policy approach that borrows from various lenses is more appropriate to underpin asset building through housing. Nine key recommendations are made: (1) policy should conceptualise asset building as a long term and integrated process; (2) Appropriate segmentation of the Housing Subsidy Programme; (3) Support self-help; (4) Accelerate attempts to implement FLISP; (4) Support informal settlement upgrading processes; (6) Support microfinance mechanisms; (7) Tough choices in difficult financial times; (8) Improve location and integrated development; (9) Create a support programme for municipalities to increase their own revenue sources; (10) Consolidate the building environment in respect of the 2.8 million houses been constructed.

Executive Summary

1. Introduction

The purpose of this evaluation is “... to determine if the provision of state subsidised housing has addressed asset poverty for households (are subsidised houses growing in value and are beneficiaries capturing and benefitting from this growth in value?) and created assets for Municipalities.”

2. Methodology

For the purposes of completing the review, we reviewed more than 400 literature sources and conducted approximately 25 interviews on housing and municipal assets. We followed a realist review approach for this review. Realist reviews ask five key questions: (1) What are the embedded institutional knowledge and attitudes?; (2) What mechanisms are at play? (Understanding and describing existing processes and different layers of reality that impact on causality); (3) What is the context? (Geographical location and historical context are two important aspects to be considered.); (4) What regularities can be seen (i.e. patterns, associations or outcomes)?; and (5) What change is seen to be occurring and what triggers this change? Critical realist reviews also differ somewhat from systematic reviews in that they are less rigid in respect of the inclusion/exclusion of material during the review. A fairly systematic process was however followed in identifying relevant literature. The literature search was guided by a number of key hypotheses. The key terms within each hypothesis were then included in a search utilising Google Scholar. Hypotheses were generated at two levels. First, we generated an overall hypothesis stating the relationship between asset building and poverty. A range of subhypotheses was then generated. Next, the original search was followed by an assessment of the relevant documents provided by the National Department of Human Settlements. The above approach was further underpinned by an acknowledgement of three mainstream conceptual understandings of assets, namely political-economic, state welfare theory and development theories.

3. Main findings: household assets

From an economic point of view, there is ample evidence that in excess of two million households have received a housing unit as the first step in climbing the housing ladder. This first step is important even if the ladder is not climbed. Yet, less than 10% of these housing units have been linked to mortgage credit and the available evidence suggests that this percentage is declining. A further 11%–16% enjoyed access to microcredit. Although subsidised housing stock and old-township stock have grown in value, they generally trade at prices below the full subsidy value in both the formal and the informal markets. According to the available evidence, approximately 6% of subsidised housing units have been traded. In general, old-township stock transacts more frequently and at higher prices than do subsidised housing units. Although substantial incremental improvements have been realised, incremental upgrading is generally slow, with the first few years usually being used to consolidate the immediate needs (ceilings, plastering, etc.).

Estimates indicate that there are nearly 350 000 home-based enterprises across South Africa. Yet,

many of these reflect monotype enterprises (and consequently a lack of diversification), limited surface use, low levels of employment and small incomes. There is also very little evidence that the house is used as collateral for a small business loan or is linked to microcredit. Although rental accommodation is quite common, household income from this source of income remains very small and, in many cases, backyard rental accommodation is provided to family and friends (with the backyard dwellers often constructing their own units). Only 1% of microloans have been linked to adding additional rental space. Despite the limited contribution to income, the multiple nature of incomes generated by means of home-based enterprises or rental accommodation should not be ignored.

According to the programme theory, poverty will be alleviated by accessing mortgage finance, developing a secondary market and climbing the housing ladder. Yet, the available evidence show only a small percentage of households to have access to mortgage finance and climbing the housing ladder. It is also important to note that there is evidence that early in the subsidy roll-out, local officials – either intentionally or unintentionally – emphasised the lowest income bands because of problems associated with accessing credit for this market segment. This has resulted in selection favouring those who, based on their income, would not have been able to access mortgage financing. Although many of the problems in accessing mortgage finance should be related to affordability issues resulting from the targeted nature of the subsidy instrument, the lack of an overall functioning market remains problematic. There is, at the same time, also a reluctance to use housing units as collateral in that owners fear losing them. Furthermore, very few can afford to sell a housing unit because there is virtually no stock on the next rung. There are suggestions of the existence of a fairly vibrant informal market, one that is generally believed to be a result not only of the complexities of formal trade but also of the restrictions on sales in national housing policy. There are also some suggestions (both anecdotal and empirical) that the restriction on sales seems to be having a depressing effect on the formal market, even on those to whom it never applied or to whom it now no longer applies. At the same time, both the formal and the informal markets (approximately 10% of units are sold informally) are hamstrung by the fact that housing units are sold well below capital investment values. There is some evidence of downward raiding (in this case this refers to people remaining in smaller units even though they are able to afford better ones) driven by the shortage of stock up-market and with some sales being a direct result of owners having accessed a mortgage loan that had proved not to be affordable in the longer term.

Studies suggest that poor households who have accessed fully subsidised housing are experiencing constrained mobility up the housing ladder. Increasingly households prefer to incrementally invest in existing housing units (as opposed to trading). Such investments to improve the housing units incrementally are commonly associated with improved use-value (not the financial value), which, in itself, may contribute to improved health, education and stability.

The review found that poor location of projects in relation to employment opportunities and to socio-economic opportunities remains the most serious problem associated with the Housing Subsidy

Programme. The National Household Travel Survey for example, indicated that travel time between places of residence and places of employment increased rapidly between 2003 and 2013. A number of cost-benefit studies have indicated the value of optimal location to households (reduced travel time, cost of transport, etc.) and to the municipality. However, other studies have warned against the oversimplified use of terms such as core and periphery. Cities are increasingly multi-nodal. The relationship between employment and housing/human settlements is no straight forward. Recent literature has also increasingly recognised the importance of informal livelihood sources that are accessed in a variety of ways. Patterns of continued circular migration, mine-worker housing in former R293 towns and farm-worker housing all suggest the long-term danger of being locked in within a specific peripheral location.

A number of studies found that while homeownership is a useful for responding for shelter needs, it is not always an effective strategy to addressing income poverty. Housing conceptualisation of poverty alleviation has been narrow. The buck seems to stop at the provision of state-subsidised houses to the poor. While providing a one-off product (a house) allows the state to ‘wash its hands’ of a long-term commitment, there is the assumption that the homeowner will automatically move upwards and out of poverty. Evidence indicates that this has seldom been the case. Most households have not overcome income poverty as a result of having accessed a house. Most poor homeowners regard their property to be their sole asset. For these households the house represents immediate and long-term accommodation and secure tenure rather than a financial asset.

These findings challenge the narrow concept of assets as financial and emphasis on income poverty. The tenure security provided in this way (with or without formal ownership) is by no means insignificant. It engenders a feeling of belonging and shared citizenship, and comes with improved service-delivery potential – even if overall satisfaction levels have been low. There are however examples where this may not have occurred. Short-term evaluations tend to suggest that new housing projects do not necessarily lead to improved social networks – in fact, in many cases they tend to break up social networks. The fact that many projects were greenfield developments did but little to assist in this connection.

There is also evidence to suggest that the benefits derived from improved services have led to somewhat improved health among people residing in subsidised housing units (at least in comparison with informal settlements). It has been established that the prevalence rates of HIV&AIDS and TB infections are lower among those living in subsidised housing units than among those living in informal settlements. More significant adult and child growth has also been recorded in respect of residents of subsidised housing units, while child mortality among residents of subsidised housing was significantly lower than among those in informal settlements (61.7 per 1000 versus 76.7 per 1000). Yet, the evidence suggests that having water on tap on the stand or within 200m and not having to share toilet facilities with other families to be the main mechanisms contributing to better health. The hygiene of the containers used to transport water also seems to be a further mechanism in this regard.

Further evidence suggests that improved housing may be associated with improved mental health among adults and children, with less domestic violence and also with a decrease in drug abuse. Improved housing might reduce crowding (directly related to sexual abuse), which, in turn, has specific positive outcomes for the mental health of children. As for education, there are also indications that children in households residing in subsidised housing units may have slightly better educational outcomes. Pinpointing the mechanisms responsible for such improvements is difficult. It is probably not inappropriate to speculate that improved infrastructure could play a role but these improvements may also be related to the stability created through having housing.

Homeowners mostly view their houses as physical shelter, as a financial asset and as an emotional symbol. Both non-market and market-based understandings of housing exist alongside each other. Rather than primarily being a financial asset per se, the property is seen as a social and familial asset that has physical, symbolic and economic functions. This also suggests that care should be taken not to view housing assets from a single conceptual framework. Neo-liberal frameworks over-emphasise housing as financial/economic assets, while proponents of critical theory underplay these values. Asset-based welfare approaches tend to emphasise the broader aspects (psychological and social) related to asset building. Similarly, development theory emphasises the housing processes and outcomes in generating development capabilities.

Main findings: municipal assets

In as early as 2011, the South African Cities Network noted that municipalities were increasingly dependent on government grants and subsidies (both capital and operating) and suggested that the financial resilience of South African cities “has slipped”. In nominal terms, the equitable share grew nearly four times during the period (1996–2011) (the same trend being discernible after the original Regional Services Council levy replacement was considered). There is evidence that the equitable share has impacted negatively on municipalities’ resilience to generate own income. Furthermore, there is limited discussion on how to expand income from property rates and other avenues available to municipalities. It has become increasingly common for municipalities experiencing funding short-fall to negotiate increases in the equitable share or national grants.

Fully subsidised government housing has had a negative impact on municipal finances. Development contribution related to new low-income housing developments has a detrimental impact on municipal finances – in many cases on their housing development funds. Though this is not the case in Cape Town, housing development funds have come under severe pressure and are close to depletion in Mangaung, eThekweni and Emfuleni. In eThekweni, this contribution has been as high as R110 000 in order deal with problems of topography. This in turn suggests that the development contributions historically made by municipalities may not continue in perpetuity.

The Municipal Property Rates Act of 2004 requires municipalities to include all properties on the municipal rates roll. In compliance with the relevant legislation, all the municipalities we spoke to

had captured all the properties under their jurisdiction on their rates rolls. Where relevant, farms had also been included (as from 2009). In general, property valuations are conducted every four to six years (depending on specific situations). Property rates are however not necessarily levied on all of these properties. According to the current valuation roll for Johannesburg, the R150 000 residential exclusion completely eliminates rates liabilities for 32% of residential property owners or for 24% of the total number of ratepayers in Johannesburg (Urban Landmark, 2009).

Perceptions as to whether the Housing Subsidy Programme is an asset or a liability varied across municipalities and among interviewees. In this regard, while financial managers and engineers were more likely to view the programme as a liability, housing officials were more likely to adopt a more positive attitude towards the subsidy programme. The officials from the various cities also held different views. Officials from eThekweni were somewhat more critical and could not provide examples of housing units provided under the Housing Subsidy Programme having been incorporated in the rates roll. Some examples were mentioned of areas being developed under the Housing Subsidy Programme in Emfuleni and in Cape Town.

The interviews suggest that older, better-located housing units, the availability of bulk infrastructure and municipal accreditation contribute to asset building within a municipal area. Yet, the low registration of title deeds, tight land-use regulations and the size of the municipality (with smaller ones struggling more in this regard) are factors currently hindering asset building and municipalities' ability to generate income.

Three important aspects of institutional embeddedness probably involve long-term risks. The first of these is an increasing dependence on the equitable share. The risk here is that strategic options could be neglected to access more income from property taxes. Secondly, there seems to be very little evidence that asset building is entrenched at the local level. Consequently, the relationship between individual asset-building opportunities and how the municipality can benefit from such opportunities seems somewhat vague in most instances. Thirdly, as regards the over-emphasis on ownership in policy, there also seem to be cases in which overall approaches to both high-density and rental housing have been absent.

Recommendations

Recommendation 1: Policy should contextualise asset building as a long-term and integrated process: Asset accumulation and asset building are long-term projects. Although a 20-year review such as this would certainly provide some indications of short-term gains (or the lack of gains), the longer-term values should be contextualised.

Recommendation 2: Appropriate segmentation of the Housing Subsidy Programme: The international literature on asset accumulation suggests that appropriate segmentation of households could help to focus asset programmes and strategies. Segmentation is currently already visible in the fact that

the Department has the FLISP and a programme on the upgrading of informal settlements (where security of tenure is generated outside title deeds).

Recommendation 3: Support self-help processes: The evidence in the report suggests that households who are actively involved in their housing-construction processes are significantly more satisfied and generally create larger units than the housing units constructed by contractors as part of the Housing Subsidy Programme. Self-help also broadens housing-finance mechanisms to microfinance and unsecured lending practices. The danger is that self-help processes are associated with low-income households while lower-middle-class and middle-class households could benefit from such attempts and from unsecured loans. This will also lessen the prominence of the mortgage instrument as the main housing-finance instrument in the gap-housing market.

Recommendation 4: Accelerate attempts to implement FLISP: The fact that a significant percentage of subsidised housing units have not, as was envisaged by the programme theory, been linked to the market economy, does not mean that there should not be a drive towards creating larger market access. In this regard, the expansion of FLISP and the elimination of obstacles related to it should be considered a priority.

Recommendation 5: Support informal settlement upgrading processes: The current informal settlement upgrading initiatives – as a form of segmentation in respect of asset building – should be supported on an ongoing basis.

Recommendation 6: Support microfinance mechanism: Given the impact of both the global financial crisis and the economic recession, it does not seem as though small mortgage loans will ever return to the South African housing landscape. Evidence from the review suggests that it could become increasingly difficult to provide mortgage finance to lower-middle-income persons. In this regard, the role of microcredit and own savings will become important considerations in respect of housing investments and markets at the lower end of the market. The roles of both microcredit and savings as an integral part of an asset-based approach should be better articulated.

Recommendation 7: Tough choices in difficult financial times: There is no doubt that difficult financial times and the high budget deficit will have implications for housing policy.

Recommendation 8: Improve location and integrated development: The main reasons for the poor market performance and for the poor social performance of housing units provided by the Housing Subsidy Programme relate to their poor location and to the general lack of integrated development (poor access to social amenities). On the one hand, this outcome is the result of the nature of the capital subsidy scheme – which optimises housing size at the expense of location, while on the other hand, it also reflects that there is both little local innovation and support for improved locations.

Recommendation 9: Create a support programme for municipalities to increase their own revenue sources: There is an inherent danger that local government could become increasingly dependent

on grants as opposed to finding ways of expanding their own revenue basis. In this regard, consideration can be given to creating a support programme to assist municipalities to find ways to increase their own revenue sources.

Recommendation 10: Consolidate the building environment in respect of the 2.8 million houses that have been constructed: A nuanced approach to consolidation is required. In some cases, an approach of this kind should be orientated towards improving the physical quality of the housing provided through self-help programmes (building advice and support) and through appropriate local regulations. Depending on the context, consideration should be given to increasing the densities on these stands (which in some cases require substantial revision of municipal regulations and probably also revised infrastructure guidelines). Adequate infrastructure maintenance and maintenance of the public environment at the local level should also be prioritised. In some cases, tenure arrangements will have to be formalised while in others it should be made possible to migrate from the existing tenure arrangements to formal tenure. Finally, consideration should be given to the overall development of sustainable human settlements in the process of consolidation. In some cases, this might mean improving access to social amenities; in other cases, it could involve the development of appropriate public spaces.

1. Introduction

1.1 Background to the intervention

South African housing policy is embedded mainly in three ideologies: redistribution, incrementalism and redress – all of which have to be achieved within a market-economic framework. The programme has at its core the capital subsidy that provides fully built houses to individual households with incomes of R3 500 and less. Responding to the apartheid property ownership biases (in urban areas), the Housing Subsidy Programme adopted an ownership model to redistribute wealth, to ensure the participation of the poor (particularly those of African and coloured ethnicity who were denied ownership in urban areas) and to provide a means with which both to access and begin to engage with the workings of the property market. From the early days of the Housing White Paper (1994), housing was conceptualised as a mechanism with which to address asset poverty and the capital subsidy was deemed to be an instrument that would enable government to level the playing field by addressing the failings of the market so as to ensure that all of poor would have equitable access to the property market.

It is generally acknowledged that government-subsidised housing provision is an effective redistribution strategy as it provides an immovable asset, one that should grow in value over time (and offer further investments) and which may be used to generate income or collateral for more funding or be traded in the market. This echoes the argument by De Soto (2000) that “property is the genesis of the rest of the market economy and that poor people remain poor because they lack assets that can be used as collateral to access finance and can then be used for economic purposes”. Rust (2008), noting that housing is a valuable asset for both

homeowners and society, argues that houses can perform as social assets, economic assets or financial assets. As social assets, houses enhance identity and security, help to build social networks and allow households to access a range of social services and amenities. As economic assets, houses can assist households in generating income through home-based enterprises or by providing rental accommodation. As financial assets, houses can be used as collateral to access finance or as tradable assets and footholds in the property market.

According to the Terms of Reference, the purpose of this evaluation is “... *to determine if the provision of state subsidised housing has addressed asset poverty for households (are subsidised houses growing in value and are beneficiaries capturing and benefitting from this growth in value?) and created assets for Municipalities*”.

The Terms of Reference have also asked specific questions in respect of theoretical understanding, individual household assets and municipal assets. These are outlined below:

Theoretical and conceptual understanding:

- Is the theory of change that informs the housing programmes in responding to asset poverty valid and appropriate to the South African context?
- Further explore the interrelationship between the conditions within the market and the economy and the performance of government-subsidised housing. What is needed for beneficiaries to be sufficiently equipped to engage with the financial markets and for the latter to respond to these?
- How, internationally, are housing assets created for poor households and what are the key drivers in their creation?
- How can the market be effectively engaged to respond to the needs of the subsidised housing market?

Assets for individual households:

- Has the provision of state-subsidised housing addressed asset poverty for households?
- Have these assets assisted beneficiaries in participating in the formal property market and in moving up the ladder in the property market as intended?
- Are these assets creating any wealth for beneficiaries as intended? If not, what needs to be put in place to ensure that these houses become a tool for wealth creation?
- Explore poor households' perceptions regarding and in relation to housing. How do these perceptions inform willingness to engage with the property market?
- Explore whether a correlation exists between ownership of a title deed and ability to realise the value of the asset (in the context of poverty, unemployment, etc.). Is a title deed necessary for beneficiaries effectively to use housing as an asset?

Municipal assets:

- Have housing-development programmes created any assets for municipalities? If so, under what conditions?

- What has been the effect of the housing programme on municipal finances, revenue, the rates base, etc.?
- Are opportunities missed by municipalities to capitalise on housing programmes?
- To what extent have these assets been used as collateral for funding and how have they been used as leverage to access other economic opportunities?
- What outcomes – both intended and unintended – have the focus on asset creation through an ownership model produced?

1.1.1 Creating an asset for households

Despite an original intention to create a viable asset for households, it is debatable that this was indeed achieved, a circumstance brought about by a number of challenges, such as the location of those particular houses, the poor quality of the houses and an overemphasis on the houses themselves during the first decade. The Comprehensive Plan for the Development of Sustainable Human Settlements – known as the Breaking New Ground (BNG) strategy, acknowledged that the houses built in terms of the housing programme did not “become valuable assets in the hands of the poor”. Reiterating the role of housing in addressing asset poverty, the BNG highlighted asset creation in its new emphasis on building sustainable human settlements. It also recommitted the Department of Human Settlements to promoting the realisation of housing both as an asset and as a tool for wealth creation – an asset that beneficiaries could trade and use to move up the ladder in the property market, an asset to be used as collateral for financial assistance and an asset by means of which beneficiaries could leverage their economic circumstances.

The BNG recognised that a number of interventions were required in order to achieve the above objectives. Firstly, an intervention was needed to enhance the housing product by not only improving the quality of the houses, but also by addressing settlement-design deficiencies and moreover improving the design of the product itself. Secondly, the BNG sought to improve the location of new housing projects. This was to be realised by way of a three-pronged land strategy, namely accelerating the release of well-located state-owned land for housing development, acquiring privately owned land and providing funding for land acquisition so that the poor would not bear the high cost of well-located land. Thirdly, there was a need to create linkages between the primary and the secondary residential property markets by not only supporting demand-driven housing delivery and removing barriers to trade but also by allowing municipalities a space to play a decisive role in housing development and moreover by enhancing access to titles. Fourthly, in order for the property market to flourish within the low-income housing sector, the BNG recognised that the role of the private sector within the gap market needed to be strengthened.

Yet, six years after the introduction of the BNG and the attempts by the Department of Human Settlements to address the gaps in its housing response, some still argue that gov-

ernment-subsidised houses have not become the social, financial and economic assets envisaged in the early 1990s as such houses are often located on the periphery of existing townships on land first zoned for township development under apartheid. This might not simply be a locational issue. A study on the workings of the township residential property markets conducted by FinMark Trust suggests that, for the housing asset to create wealth, a secondary property market must be functioning, people must be able to afford housing finance and mortgage lenders must be willing to move downmarket. All of the following are significant if one is to understand the context within which asset creation and wealth creation take place: recognising the role of the property market, acknowledging the absence of a secondary property market for ownership within the gap market, realising that there is a lack of housing stock for those in the gap market and that financial institutions take a conservative approach to lending at the lower end. On its own, government-subsidised housing cannot grow to become the asset it was intended to be. It is thus important to interrogate both the context and the conditions that either facilitate or constrain the creation and development of housing as an asset.

1.1.2 An asset for municipalities

The delivery of human settlements is also expected to create opportunities for municipalities to broaden their income base and, at the same time, develop infrastructure by means of which local municipalities can further generate income and investment. Despite major municipal investment in housing in the rural areas, semi-urban areas and urban areas, a number of these municipalities have not been able to capitalise on the expansion of the built environment. Instead, a cost-benefit analysis by the then Social Housing Foundation (now the Social Housing Regulatory Authority) indicated that subsidised housing might be creating a significant fiscal burden for municipalities in that they were required to absorb the ongoing infrastructure maintenance and the services costs.

Responding to concerns by municipalities that the Housing Subsidy Programme adds a further burden, the Economic Impact Study produced by the Department of Human Settlements in 2011 noted that “the mindset of municipalities needs to be changed from the perception that subsidised housing is bankrupting them to seeing the numerous opportunities for wealth redistribution and economic development that housing can provide”.

1.2 Methods

This section provides an overview of the following key aspects related to the methods used in this review:

- The literature used and the shortcomings of the literature in question
- The interviews and data assessment used for the section on municipal assets
- The critical realist approach used for the review
- A brief reflection on the conceptual lenses used to assess assets in this review

1.2.1 Literature review and shortcomings

A more detailed overview of the methods used to complete the review can be found in Annexure C. Essentially, two main methods were used. The first of these entailed a review of the existing literature. Approximately 400 sources were reviewed for the assignment (see Annexure A and Annexure B). Nearly 70% of the reviewed sources can be categorised as journal articles, book chapters or books. A further 15% to 20% are postgraduate (Master's and Doctoral) dissertations and theses. The remainder can broadly be classified as either grey literature or consultancy reports.

A systematic process was followed in gathering relevant data sources. The following key steps were followed:

- Key-word searches were conducted as outlined in the two phases mentioned above and in the review literature received from the Department of Human Settlements.
- Abstracts were downloaded.
- Abstracts were assessed for relevance and the template was completed.
- Papers that, based on their abstracts, had been found to be relevant, were downloaded.
- These papers were assessed for inclusion in the review.
- Key information from the papers that were included was captured and computerised
- We started writing the process in accordance with the realist review approach.

Overall, a number of points should be made in respect of the available literature. First, available literature is dominated by case studies. Although these case studies are usually enriched by means of mixed methods and do make valuable contributions towards the understanding of housing (including assets), they are found wanting in respect of contextualising asset building over longer periods of time. The case-study nature of much of the available literature also allows a significant number of these reports/papers to contextualise local experiences through critical lenses. There is a limited supply of longitudinal work or on panel data. From an asset point of view, this is problematic in that asset accumulation and asset building are both long-term endeavours. Thus, while case studies are valuable, they offer only temporal perspectives. With a view to studying asset building effectively over generations requires repeated measures over the longer term.

Most research projects reviewed focus on the early development stages of housing processes. Studies tend to measure the satisfaction levels, the levels of access to social amenities or the immediate outcomes of the housing development process on households and neighbouring communities. Once again, the value of such work is not disputed. Yet, evaluations ten years after the inception of the housing project are more likely to reflect on issues pertaining to asset building.

South African housing research is dominated by two poles of research. The first of these – critical theory – has been instrumental in challenging historical housing policies under apartheid. More recently, it has provided valuable criticism of the post-apartheid housing policy. The second is a significant body of work that is largely based on a positivist research paradigm or in some cases on being “ideologically neutral”. Overall, this contributes to a trend in which research is either conceptually rich but empirically poor or empirically rich but conceptually poor.

The notion of housing and asset accumulation has not been high on (academic) researchers’ agenda. The notions of asset-based welfare or asset-based development have been largely overlooked in housing research in South Africa, while, overall, there is a dearth of academic literature on the topic of market-related housing in South Africa. The majority of work in this regard originates from NGOs and individuals not working within the ambit of universities. Furthermore, and not unexpectedly, the majority of the research is narrowly focused on very specific aspects so that the broader, holistic picture of asset accumulation/building is seldom considered.

A further characteristic of housing research is that it is dominated by research conducted in metropolitan areas and then mostly in Cape Town, Johannesburg and eThekweni. Although this trend is very important, it also means that very little is known of the key issues in small urban settlements, small towns and even rural areas.

Although the majority of research originates from mainstream universities, an increasing body of valuable work with a rich empirical basis is also emanating from universities of technology – this is especially true of research on the relationship between housing and health.

1.2.2 Municipal interviews and data assessments

The second main method comprised empirical research in respect of municipal assets. In this regard, focus-group meetings and key-informant interviews were conducted while some consideration was also given to trends in municipal finance. The approximately 20 interviews were conducted with representatives from the Johannesburg Metropolitan Municipality, the Mangaung Metropolitan Municipality, the eThekweni Metropolitan Municipality, the Emfuleni Local Municipality, the Polokwane Local Municipality and the Lukhanji Local Municipality. These interviews targeted financial managers, housing managers and spatial planners. A number of interviews were also conducted with social housing institutions and housing NGOs. A data assessment of municipal financial statements was additionally conducted for a selected number of the metropolitan municipalities.

1.2.3 The critical realist review approach

The overall approach followed in the review is one of “critical realism”. The relationship be-

tween critical realism and research and its ability to inform evidence-based policies is well-established in the literature (Carter & New, 2004; Pawson & Tilley, 2000). The value of the said approach can be highlighted in the following key points (Pawson, Greenhalgh, Harvey, & Walshe, 2004):

- Critical realism views policy as theory. Thus, the capital housing subsidy can be considered vis-à-vis the following theories. At the household level, it is the theory that home-ownership creates assets, which in turn lift people out of poverty. In terms of municipal finance, the relevant theory is that the creation of titling allows local government to leverage land, tax and service charges or to borrow against these assets.
- Critical realism avoids epistemological poles, for example the divide between positivism and relativism/postmodernism.
- Critical realism recognises the importance of contextualising knowledge at different levels. Doing so can explain, for instance, why policies work within certain specific contexts but not within others.
- Critical realism accepts the complex nature of human behaviour and the fact that it is extremely difficult to develop universal rules. Yet at the same time, it recognises that there are patterns that can be identified.
- Critical realism attempts to provide some form of causal relationship. The notion of asset generation through the Housing Subsidy Scheme (and titling) is relevant here. Effectively, we are asking what the causal relationship between ownership and asset generation is and whether ownership is a mechanism to create assets within the South African context.

Critical realism essentially asks five key questions:

- What are the embedded institutional knowledge and attitudes?
- What mechanisms are at play? (understanding and describing existing processes and different layers of reality that impact causality)
- What is the context? (Geographical location and historical context are two important aspects to be considered.)
- What regularities can be seen (i.e. patterns, associations or outcomes)?
- What change is seen to be occurring and what triggers it?

This last question is particularly relevant in that a question in the Terms of Reference asks: “Is the theory of change that informs the housing programmes in responding to asset poverty valid and appropriate for the South African context?”

In terms of its overall approach to the literature review, critical realism follows a systematic approach to assessing data. It however more readily allows new work into the process. The research team was consequently able to include a small number of new sources during the process.

1.2.4 Theoretical underpinnings

Linked to the overall methods used in the review is the acceptance that housing research is deeply entrenched in different conceptual understandings (see Section 2.1 for a more detailed assessment). These conceptual frameworks influence the types of conclusions and policy recommendations from the research. The review suggests that three conceptual lenses impact on housing and asset research. The first overall lens is embedded in political economic theory. The two poles in political economic theory are Marxist approaches and neo-liberal approaches. A second framework that informs asset building is state welfare theory, its essential contribution being that helping the poor to spend more by means of income grants is unlikely to take them out of poverty. Rather, the poor should be assisted to accumulate assets that could help towards addressing their overall poverty. The third framework, one that borrows extensively from the work of Sen (1992; 1993), emphasises the importance of creating capabilities for the poor.

1.3 Programme theory

The housing programme logic is framed by a number of legislative and programmatic provisions. Housing is a right enshrined in the Constitution and the state is obliged to realise this right progressively. The Housing Act, Rental Housing Act, etc. all give expression to the mandate established in the constitution while the code provides the operational mechanisms of delivering on these mandates. Therefore, the programme logic being tested is quite high level and tries to merge different programmes and express policy outcomes.

Broadly speaking, programme theory views the following contextual issues as serving to obstruct full market functioning:

- Racially skewed participation in the property market
- Biased distribution of resources and wealth
- High levels of poverty and unemployment
- Minimal private-sector investment in low-income areas

Programme theory furthermore views the quality and functionality of neighbourhoods as being instrumental to market development. Two key factors of embeddedness are contextualised in the programme theory. The programme firstly states that the limited understanding by the previously excluded of the functioning of the property market is a key inhibiting factor that prevents the poor from participating in the housing market. Moreover, it is assumed that municipalities do not incorporate low-income areas in the rates roll. While the lack of deeds registration is seen as a key mechanism that is not available to a significant number of beneficiaries, it is nevertheless anticipated that the following mechanisms would facilitate appropriate housing markets:

- Well-located land
- Effective planning and deeds registration
- The provision of services

- The creation of functional neighbourhoods
- Access to private-sector finance
- Housing of good quality

According to programme theory, the envisaged outcomes of a functional property market are:

- Subsidy-stock and old-stock houses grow in value.
- Subsidy houses are incorporated in the property market.
- Subsidy houses or old stock enters the rates roll.
- The value of the poor's share of the property market grows.
- The poor move up the housing ladder.

2. Understanding assets

2.1 Conceptual lenses

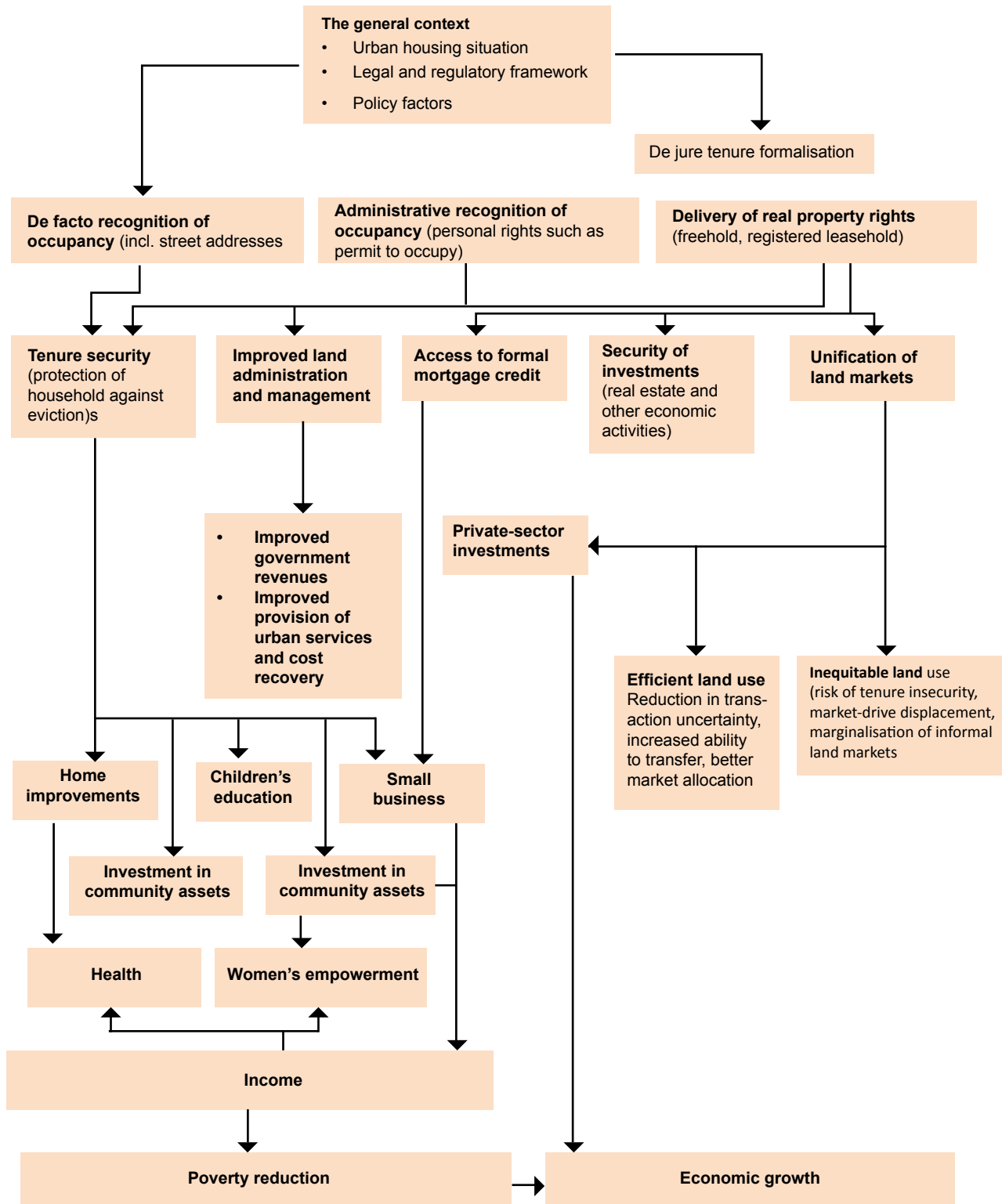
Four main conceptual lenses dominate the thinking about assets and more specifically about housing assets. An overview is provided below of the main attributes of each of these lenses while Figure 1 and Figure 2 are used for a better conceptualisation of the various conceptual lenses.

The critical theory narrative suggests that, although administrative recognition of occupancy is probably the preferred route as regards tenure, de facto recognition of de facto occupancy is in most cases acceptable. The size and quality of housing is often emphasised in that these two factors are seen as important in respect of providing both a decent living environment and a healthy environment. Because spatial justice within the city is important, the optimal location of subsidised units is important. Security of tenure (as opposed to land titling) is a key mechanism in respect of home improvements. As regards the flow in Figure 1, security of tenure can be achieved by means of either a de facto or a de jure process, yet generally, titling is not supported from within this paradigm. Broadly speaking, tenure security and administrative recognition of occupancy should ensure that the household is protected against eviction. Such protection against eviction ought to provide spaces for the education of children and should contribute to a healthy environment and women's participation.

The neo-liberal narrative emphasises ownership, security of investments, access to mortgage credit, the role of ownership in home improvements, the creation of home-based enterprises and the generation of further private-sector investments. All of the above should result in efficient land use and economic growth. The key mechanisms for ensuring more direct income and economic growth are those of formal titling and an effective registering system, which, in turn, are supposed to generate private (mortgage) and public investment through a formal land-administration system. Improved land administration and management should contribute to improved government revenues and improved provision of urban services. The conventional wisdom within this conceptual lens is that improved land administration should contribute to improved government revenues, improved government services and cost recov-

ery. Furthermore, access to mortgage credit could be a stimulator of small-business development. Ownership is also supposed to provide security for investments and unified land markets and, consequently, provide increased private-sector investment, a secondary housing market and economic growth.

Figure 1: The consequences of de facto recognition of occupancy and formalisation of land tenure (Durand-Lasserve & Selod, 2009)



State welfare theory and asset building have largely been planned and implemented in the United States and to some extent in the United Kingdom. The intention of the approach is to involve more middle- and lower-income households in the formal housing market, which generally is seen as a neo-liberal approach to asset generation. Within this framework, asset building (mainly via homeownership) creates increased housing satisfaction and generates economic stability. While asset building enables people to invest home equity in education, it engenders a sense of security and control, it reduces risky behaviour, it assists in planning for the future, it builds stronger families and communities, guarantees a larger degree of independence and results in an increased commitment to a shared future. Broader social well-being and higher levels of personal well-being – accompanied by significant educational benefits – also flow from asset building. Key mechanisms for creating these assets are titling, access to mortgage finance, savings, intergenerational transfer of assets and education.

The development-theory framework (asset accumulation) emphasises the role of housing and secure tenure (could in some cases be full titling, but this is not necessarily a prerequisite) and the provision of good health and stability so as to be able to gain access to the labour market (the main asset of many poor people being their ability to sell their labour). Security of tenure (either through ownership or through protection against eviction would lead to home improvements, improved children's education and the possibility of using the housing environment to start a small enterprise. The importance of health and participation in the labour market for improved land administration should also be noted. Generally speaking, housing and security of tenure provide a base from which other assets are accumulated. Assets mean that risks can be avoided more easily, while they also provide some opportunities. Assets are usually small and multiple in nature. Housing may contribute to the generation of other assets such as home-based enterprises (promoting multiple income streams). Security of tenure and ownership are both seen as important mechanisms for accumulating assets and improving housing conditions. Saving and having access to credit (especially microcredit) are seen as important mechanisms for building assets. Social capital and social networks generated via housing provision should furthermore be recognised.

Table 1 and Figure 2 provide an overview of the main differences in respect of the different conceptual lenses.

2.2 Towards a definition and conceptual framework

The following definition related to development theory is probably applicable to all lenses (excluding critical theory). Assets are commonly defined as a “stock of financial, human, natural or social resources that can be acquired, developed, improved and transferred across generations. It generates flows or consumption, as well as additional stock” (Moser, 2006, p. 9) (see Figure 2 for an overview). The following key observations should be made in respect of assets as defined in the above:

- Assets can be tangible or intangible and the relationship between the different assets should be understood in an integrated manner. Assets can also not be separated from capabilities (especially the intangible assets).
- Assets are accumulated over time. In the South African housing context, consideration should be given to the inherent incremental nature of housing. The fact that urban home-ownership has only been available to black South Africans for the past three decades renders suspect any assessment based on a relatively short period.
- The transfer of assets across generations is an important concept. Very little of this has occurred in the South African context.
- Assets should also be understood in the context of the life cycle of the asset-holder. Assets play different roles depending on the life cycle of the asset holder. In Europe (more specifically in the United Kingdom), housing assets are important welfare considerations for the aged. For younger people, housing assets might be important in respect of securing access to work, ensuring education and, in some cases, supporting household incomes.
- Furthermore, housing assets cannot be disassociated from the life cycles of settlements/cities and neighbourhoods and the economic drivers associated with such settlements.
- Assets are also highly dependent on processes of coproduction between the household, the state and capital. Existing research has demonstrated the limitations of state and private-sector institutions in respect of contributing to appropriate asset building for the poor.
- The provision of the South African housing subsidy as a welfare asset to households can also not be seen in isolation of a range of other welfare mechanisms. In this regard, while a significant social protection system exists (old-age pensions, child-support grants and a range of disability grants) the equity grant contributes substantially to being able to pay for water and electricity at the local level.
- Consideration should be given to the linkages between housing and other social services such as education and health.
- The rights-based development approach entrenched in the South African Constitution results in the fact that housing assets provided under the Housing Subsidy Programme are seen as an entitlement (a right).
- Assets create agency – the power to act – and they provide people with the capability to be.
- Assets are enduring and are not merely consumed.
- Housing assets in general are only one aspect of asset-accumulation / or asset-building policies (savings programmes, skills development, etc. are examples of others).

2.3 Housing policy, assets and housing markets in South Africa

This section distinguishes between five phases in private-sector housing finance in South Africa :

- Phase 1 (mid 1980s to 1989): Creating a housing platform for an emerging black middle

class

- Phase 2 (1990–1994): Dealing with the crisis and finding policy alternatives
- Phase 3 (1994–1999): Finding a new policy approach to dealing with private-sector finance
- Phase 4 (2001–2007): A matured policy response and increased regulation
- The period after the global financial crisis is discussed in a separate section.

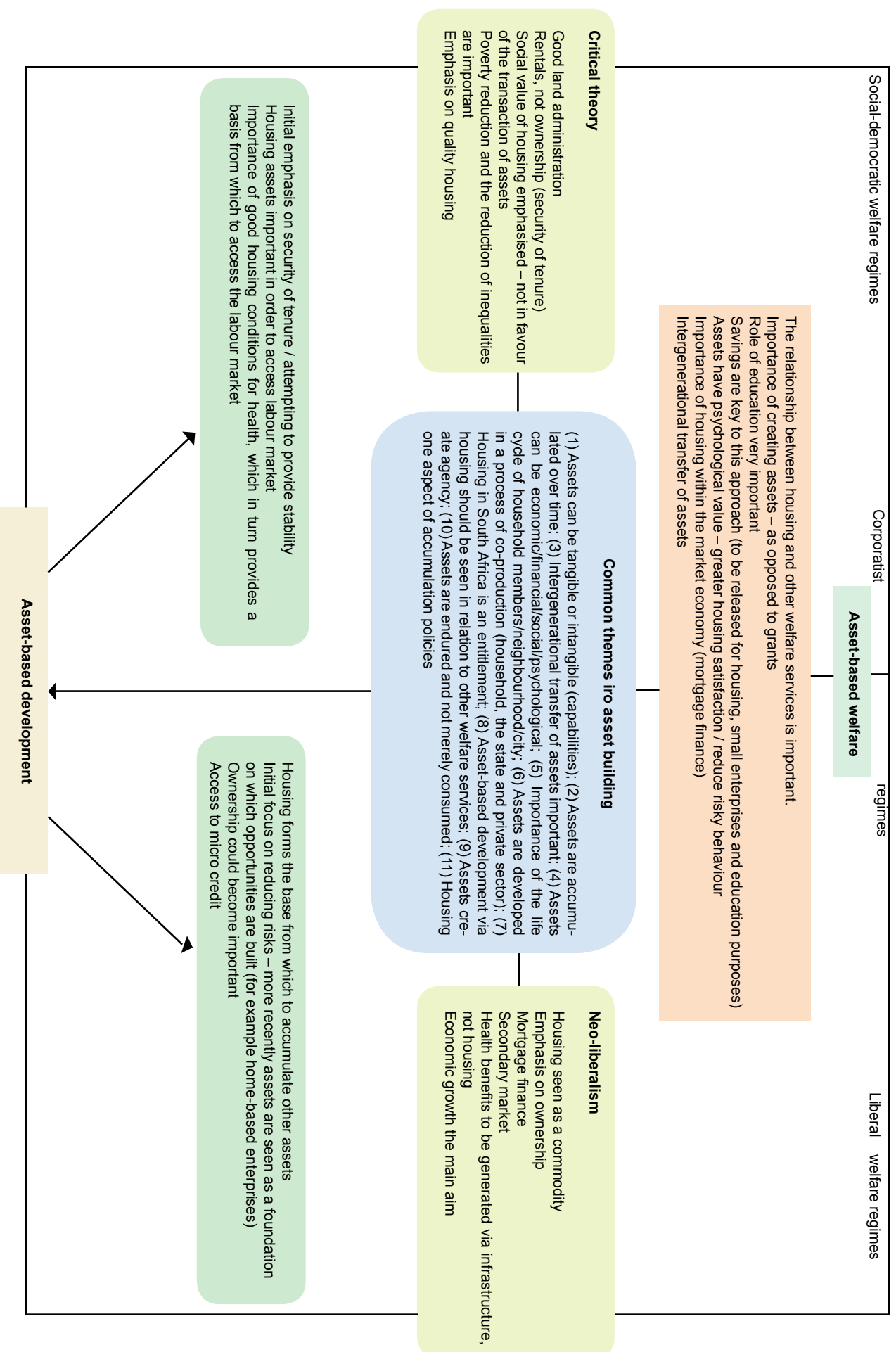
Table 1: Expected outcomes and key mechanisms for generating change for each of the conceptual lenses

	Critical theory	Neo-liberalism
Envisaged outcomes	<ul style="list-style-type: none"> • Emphasis on security of tenure • Quality housing (which leads to good health) • Assets should not be transacted (i.e. should not promote a secondary market). • A spatially just society 	<ul style="list-style-type: none"> • Emphasis on ownership • Quality infrastructure (which leads to good health) • Housing is a commodity and secondary-market development is important.
Mechanisms playing a positive role	<ul style="list-style-type: none"> • Tenure security leads to home improvements. • De facto security of tenure leads to home improvements. • Secondary housing market not important • Bigger housing units supposed to bring improved health/education and improved neighbourhoods 	<ul style="list-style-type: none"> • Ownership (land titling) leads to home improvements. • Ownership leads to increased private-sector investment. • Access to mortgage finance provided • Ownership leads to secondary market. • Ownership leads to further private-sector investments, which in turn lead to economic growth. • Access to mortgage finance • Infrastructure is important in ensuring good health and education.

¹ The work is largely based on existing research (Marais & Cloete, 2014a; 2014b) and follows the same phases identified in the existing work.

	State welfare theory and asset building	Development theory
	<ul style="list-style-type: none"> • Increased housing satisfaction • Emphasis on ownership (closely related to homeownership) • Economic stability • Housing can lead to the generation of other assets such as home-based enterprises. • Home equity can be invested in education (human-capital development). • Sense of security and control • Assets act as incentives to reduce risky behaviour. • Assets foster a desire to look forward and plan. • Assets help people achieve independence. • Assets create stronger families and communities. • Increased commitment to a shared vision • Broader social well-being • Apparent advantages related to homeownership: higher levels of personal well-being, life satisfaction, positive effect on work, home and civil society; improved property upkeep • Homeownership apparently has educational benefits. 	<ul style="list-style-type: none"> • Access to housing facilitates effective participation in the economy/labour market. • Emphasis on security of tenure to create stability, especially for new migrants (more time to search for jobs as opposed to having to find accommodation) • Quality housing/infrastructure creates better health and subsequently leads to increased labour-market participation. • Housing provides a base from which to accumulate other assets. • Whereas the initial focus was on reducing risks (e.g. storms) – more recent thinking focuses on capitalising on opportunities related to assets. • Economic stability • Housing can lead to the generation of other assets, e.g. home-based enterprises.
	<ul style="list-style-type: none"> • Ownership leads to home improvements. • Ownership leads to secondary market. • Ownership leads to further private-sector investments. • Access to mortgage finance • Importance of saving • Intergenerational nature of assets is emphasised • The important role of ensuring good education and using housing assets in ensuring such good education 	<ul style="list-style-type: none"> • Urban housing is often seen as the first step in asset accumulation. • Security of tenure or ownership leads to home improvements. • Although ownership has some advantages, households should, in principle, also be able to transact their dwellings. • Access to credit (especially microcredit) • Social interaction and social support are important.

Figure 2: Conceptualising housing assets within the four main conceptual lenses



Mid 1980s–1989: Creating a housing platform for an emerging black middle class

Historically, the urbanisation of black people was seen as undesirable (influx control was in place until 1985) and freehold was not available to black people in the main urban areas (Mabin, 1991). The massive construction of state rental housing in many black urban townships between the 1950s and the 1970s was generally followed (since the early 1970s) by a period of no further investment in these areas. The first changes occurred in the aftermath of the Soweto riots (Huchzermeyer, 2001a). Firstly, by the mid 1980s, freehold became available to black people – a direct result of the role of the Urban Foundation, a private-sector think tank that was established after the Soweto riots in 1976 (Huchzermeyer, 2001a). By the mid 1980s, the apartheid state started selling off some of the 500 000 state-owned government houses (the majority of these being in former black townships) by means of a big sale and, since the early 1990s, by means of the discount benefit scheme – a policy that continued under the post-apartheid government (Marais, et al., 2014b). Secondly, the availability of freehold to black South Africans from the mid 1980s onwards also meant that opportunities were opened up for finance-linked housing to develop in former black townships.

Despite the intentions and the ideological undertones motivating this period, it was not long before the practical reality on the ground started to materialise as a result of interest-rate hikes and political pressures. Interest rates rose from 13% in 1987 to 20% in 1989 and subsequently constrained affordability in many former black townships (Tomlinson, 2007). At the same time, the South African economy came under pressure as a result of job losses in especially the mining industry. High interest rates, coupled with economic decline and political instability, forced some communities to turn to politically motivated bond-boycotts (Tomlinson, 1997; 2007).

In conclusion, three important points should be made. First, one of the main reasons for the continued emphasis on homeownership and mortgage finance in the post-apartheid period is directly related to the deprivation black South Africans had experienced under apartheid in respect of ownership. Second, in considering assets, the absence, historically, of housing assets for black South Africans should be recognised. Third, initial attempts at expanding homeownership and private-sector housing finance were aimed at middle-class households.

Phase 2 (1990–1994): Dealing with the crisis and finding policy alternatives

This period coincided with the formal negotiations for a democratic South Africa. The apartheid state was still governing South Africa, but much of the race-based legislation was repealed during this period. During this transitional period, a new housing policy was negotiated, which resulted in the release of the first sectoral White Paper after the democratic transition in April 1994 (Rust & Rubenstein, 1996). In the interim, the government of the day, in an attempt to deal with the housing crisis, introduced the Independent Development Trust to provide sites and services (no housing structures) to 100 000 households across South Africa. The private

housing-finance matter did not receive much attention. In fact, the period led to the increased withdrawal of banks from former black township areas (Tomlinson, 2002). The selling of state-owned rental housing was also fast-tracked by the announcement of the discount benefit scheme. This, in practice, meant that most of the state-owned housing units were transferred to their inhabitants free of charge.

Phase 3 (1994–2000): Finding new policy approaches to expand private-sector housing finance

The beginning of this period saw the acceptance of the White Paper on Housing in 1994 (Department of Housing, 1994). Housing finance by the state in the form of a housing subsidy was at the core of the White Paper and was programmed according to a sliding scale.

As the initial house was only to be a starter home and had to be upgraded incrementally, mortgage finance was viewed by many as the most appropriate means by which to improve the quality of the housing unit (Tomlinson, 2007). Furthermore, the incremental decrease of the subsidy amount in association with an increase in household income also suggested that, from the start, the subsidy programme had been viewed as serving to release private-sector capital. Thus, although terms such as creating a secondary housing market, climbing the housing ladder and housing assets were not used in the original White Paper, the way in which the subsidy mechanism was structured assumed that there was a role for private-sector housing finance linked to the subsidy programme. Therefore, in addition to the acceptance of the targeted subsidy, the policy also had to find ways of ensuring that private-sector finance would flow to former black township areas and low-income households.

In order to address this problem, government and the main banks signed the Record of Understanding in 1994. According to Tomlinson (2007), the Record of Understanding followed negotiations between the banks and government to create a “stable public environment”. With a view to resuming lending, the Mortgage Indemnity Fund was created in 1995. Essentially, the Mortgage Indemnity Fund guaranteed banks their investments should non-payment occur as a result of political reasons (Tomlinson, 2007). So as to facilitate this process, government and the banks set a target of 50 000 mortgage loans per annum to low-income earners for the first three years (Jenkins, 1999). After three years, 140 000 mortgage loans to a value of R10bn (the average bond size was approximately R71 000) had been allocated. Tomlinson (2007) is of the opinion that 73 000 (R4bn) went to beneficiaries of the initial one-off state subsidy (average bond size at R55 000). This low linkage between private-sector finance and housing-development processes fell far short of government’s expectations and it created some conflict between the banks and government (Tomlinson, 2007). Because of this conflict, government withdrew its guarantees by 1998, which resulted in banks withdrawing from the low-income market for the second time (Tomlinson, 2007).

In addition to the attempts to persuade private-sector housing-finance institutions to lend

money to lower-income black households, government itself also started to create institutions for this purpose. Thus, in 1996, the National Housing Finance Corporation and the Rural Housing Loan Fund were established. The creation of development-finance institutions during this period was a direct consequence of the fragile foundation of the agreement between government and the banks. At the same time, critical questions were being asked in respect of the appropriateness of mortgage finance.

Phase 4 (2000–2007): The maturing policy response and increased regulation

Given the realities present in the previous phase, government promulgated two new Acts, presented a new set of regulatory requirements for the Housing Subsidy Programme and, by 2004, devised a revised housing strategy.

By 2004, 1.6 million households had received a housing subsidy from government – an investment of R29.5bn (Tomlinson, 2007). However, a number of policy aspects had to be reconsidered. The process of rethinking policy culminated in the release of *Breaking New Ground: A Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements*. Three important points need to be noted in respect of the revised strategy. Firstly, Tomlinson (2006) rightfully argues that BNG represents a shift from quantity to quality and that the initial focus on incremental housing has diminished. Although difficult to gauge, it would also seem that an underlying justification was that larger housing units would more easily link to private-sector housing finance, a tenet that seems also to be espoused by the programme theory as referred to in the introduction to this report. A second point is that, for the first time, terms such as housing assets, climbing the housing ladder and the secondary housing market featured prominently in policy. Thirdly, the emphasis on settlements as opposed to housing should be noted.

In addition to emphasising the economic value of housing, government introduced new sets of legislation to allow free information on housing finance and to promote private-sector investment in housing. Tomlinson (2007) holds that South Africa followed similar legislation to that of the United States of America by promulgating the Home Loan Mortgage Disclosure Act, and the Promotion of Equality and the Prevention of Unfair Discrimination Act in 2000. The South African Community Reinvestment (Housing) Bill (2003) ensured the need to set targets. By 2003, the Financial Sector Charter was also introduced. In it, specific goals were set. Although the Financial Sector Charter had broad transformational aims, at its core lay the goal of a R42bn investment (350 000 new mortgages) intended exclusively for low-income housing. More specifically, three objectives were set for low-income housing (Tomlinson, 2007): (1) implementing a securitisation mode supported by government in order to find new capital for mortgage lending through a secondary market mechanism; (2) creating a system to deal with the abnormal political risks (Lost Limited Insurance); and (3) creating a fixed interest-rate loan product to counter interest-rate hikes. The implementation of securitisation in

the South African context meant significantly larger risks to global capital. Despite some initial hesitance to proceed with securitisation (Tensfeldt, et al., 1993), it gathered momentum at the beginning of the 2000s (Van Vuuren, 2004) and played a crucial role in financing the above investments to the lower end of the market. By the end of this period (the 2008/2009 financial year), the original target of a R42bn investment had been exceeded by just more than R2bn – seemingly with some ease.

In addition to legislation, two other housing-finance innovations became prominent since the early 2000s. First, microlending was increasingly seen as a means by which to address the needs of people in this category. Despite occasional excessive interest rates, the short-term loan periods (in contrast to mortgage finance) and the less strict risk requirements made this a viable alternative. Institutions such as banks also started to finance some intermediaries directly or they created their own microfinance institutions. Second, employee pension funds were introduced (Singh, 2009). However, product awareness from the side of the financial institutions was limited, while pension-secured loans constituted a very small percentage of banks' loan books (Singh, 2009). Yet, what is important to note is, that from a welfare perspective, this boils down to using long-term welfare savings to guarantee housing payments – an example of long-term individualised risks.

The Finance-linked Individual Subsidy Programme (FLISP) was introduced in 2005. The subsidy amount could range between R10 000 and R87 000 – depending on the income of the household applying for the subsidy – and was linked to private-sector finance. In essence, “FLISP enables qualifying beneficiaries to reduce the initial mortgage loan amount or augment the shortfall between the qualifying loan and the total house price” (National Housing Finance Corporation, 2014, p. 2). According to the Centre for Affordable Housing Finance in Africa (2014, p. 4), the poor performance of FLISP can be “... attributed to inadequate supply of suitable and well located land, slow regulatory processes, delays and costs in the provision of bulk infrastructure and new services. There is also a mismatch between available stock, what is provided by the developer and household affordability. In brief, the challenge is to close the gap between the demand by households for affordable, well-located houses with access to a range of amenities and the slow, unsustainable pace of delivering these housing options”. The South African Cities Network (2011) largely confirms this reality. The Centre for Affordable Housing in Africa (2014) adds to the lack of financing options related to gap housing and concludes that the following key aspects should be acknowledged when comparing affordable markets with the overall markets:

- Affordable markets are growing faster than are markets in general and cities across South Africa are enjoying substantial growth as regards the affordable housing market.
- Many markets considered affordable by average values are not affordable when local incomes are used to measure housing affordability.
- Equity can be used to close the housing gap and boost the purchasing power of homeowners in affordable markets.
- Affordable markets have an important role to play in contributing to the South African economy.

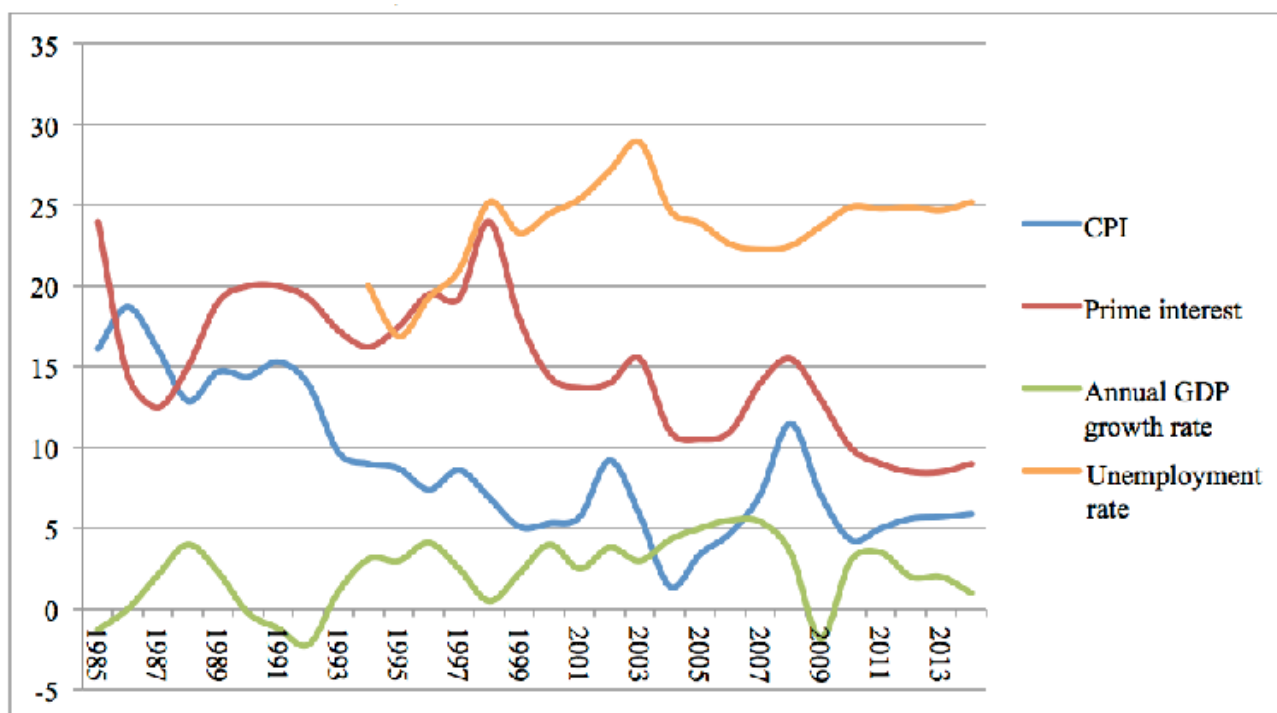
In a valuable contribution, the Centre for Affordable Housing in Africa and the South African Cities Network (2014) further assessed the housing markets, their levels of affordability, market activity and lending practices in the member cities of the South African Cities Network. The work emphasised geographical differences between cities in performances of affordable housing markets. This added a level of complexity and texture to concepts of differentiation and segmentation of the market. Whereas segmentation in policy often been viewed by income group/categories i.e. subsidy, gap, high-end income, etc., this work stressed differences within income groups in different localities.

Throughout the period, there was increased pressure on banks to create more innovative mortgage instruments. To this, banks responded with limited innovative instruments. Instruments experimented with include fixed interest rates, 30-year mortgages and equity withdrawals. Tax deductions, one of the most used mechanisms to enable down-market reach, were not considered. Partly this was due to concerns that the instrument could disproportionately benefit higher-income households compared to poor households.

2.4 Property markets in South Africa after the global financial crisis

Between 1993 and 2009, South Africa experienced economic growth, significant growth having occurred between 2002 and 2007. This economic growth rate, coupled with relatively low interest rates and inflation (but still substantially higher and more volatile than in Europe) all contributed to significant increases in house prices. Substantial achievements in respect of housing finance provided to lower-income households in terms of the Financial Sector Charter – coupled with increased securitisation, would probably not have been possible under different economic conditions. The volatility of inflation and interest rates and also the fact that repossession of housing units was still in the minds of many low-income earners probably lessened the impact of the global financial crisis (though not insignificantly so). Figure 3 provides an overview of interest rates, the Consumer Price Index (CPI), gross domestic product (GDP) growth and the unemployment rate for South Africa over nearly three decades (the unemployment rate has only been available since the mid 1990s).

Figure 3: CPI, prime interest rates, unemployment and annual GDP growth for South Africa, 1985–2013



Although the CPI and prime interest rates were brought down since 1994, the interest rates did not escape volatility. The period between 2004 and 2007 also saw GDP growth outperforming CPI growth – a significant achievement for the South African economy. This period also saw a rapid increase in mortgages. However, by 2008, economic growth had started declining and negative economic growth rates were recorded for the second half of 2009. As will be indicated later in the report, mortgage flows also stagnated. South Africa probably escaped much of the sub-prime crisis experienced in the Global North because both banks and households had more recent memories of interest-rate volatility than did the developed world. Some historical perspective is required before we commence with a more detailed analysis of house prices. In this connection, it should be mentioned that between 1975 and 2002 house-price inflation lay at 11% per annum, while the CPI for the same period lay at 11.5% annually (Luus, 2003). This meant that over a period of nearly 40 years, house-price increases had been lower than inflation. Consequently, as many investors would suggest, investment in housing would not have been a good investment. Yet, a significant percentage of middle-class equity is held in housing. However, since 2003, house prices demonstrated considerable growth and outperformed inflation by significant margins for nearly five years. Two interesting observations can be made from ABSA's House-price Index. First, house prices for all categories (small, medium and large homes) declined significantly between 2008 and 2009. Secondly, by 2010, there had again been growth for all the sizes. Yet, substantial growth was reported for small units by 2010, after which their prices again started declining. This substantial increase most probably resulted from downward raiding by those who sold off bigger housing units – a tendency already noted in the South African housing market at an earlier stage (Luus, 2003).

A second index that we need to refer to is FNB's Former Black Township House-price Index. The overall growth of housing units in former township areas between 2000 and 2006 had been considerably less than that in the major metropolitan areas of South Africa. Yet, by the end of 2006, the growth of house prices in townships had started to exceed the growth in metropolitan areas. This trend persisted up to the end of 2008. During 2009, negative growth rates were experienced in respect of both the former black township areas and the metropolises in general. The decline was however significantly steeper in the former black township areas. The considerable decline in 2009 suggests that township markets are seemingly more prone to high interest rates (a trend that peaked in 2008). The new growth period initiated at the beginning of 2010 saw township markets once again outperform the general market for that year.

One of the long-term problems in respect of mortgages and housing finance is the dearth of historical data. Data on the amounts associated with mortgage flows suggest considerable growth in mortgage flows between 2001 and 2007 (Van der Walt & Prinsloo, 1995; Luus, 2003; ABSA, 2013). These increased flows can also be seen in the ratio of mortgage debt in relation to GDP. There were also substantial changes in the mortgage/GDP ratios over the period between 2001 and 2013. Because of substantial increases in mortgage flows from the banks between 2004 and 2008, mortgage finance expressed as a percentage of GDP rose to 36% in 2007 (we consider only mortgages to households). By the end of 2008, with stricter lending practices and slower economic growth, the percentage dropped to 31%. By the end of 2010, it reached an all-time high of 37% (mainly as a result of negative growth in 2009 and slow growth in 2010). Since then, the percentage has continued to slow down and the 22% recorded for 2013 is only 2% more than the percentage for 2001. It should be noted that these percentages are considerably lower than those recorded in Europe and in the Global North in general.

The available data from the National Credit Regulator (2014) suggest that the percentage of smaller mortgages allocated between 2007 and 2013 declined rapidly (see Table 2)

Table 2: Percentage of mortgage bonds allocated per size, 2007–2013



Subsequently, there was a rapid increase in the percentage of mortgage bonds above R350 000. This trend should be seen not only as having resulted from inflation but also in relation to one of the key outcomes of the global economic crisis and of the economic recession in South Africa, which made banks more aware of the risks associated with lower-income households. The same trend is also visible in respect of the value of mortgage loans related to their sizes as a percentage of the total value of mortgages. In 2007, 84.5% of the total value of new mortgages lay in the categories above R350 000. By the end of 2013, this percentage was 93.2%. The logical consequence of this is that mortgage finance is increasingly being provided to higher-income categories.

In terms of the overall number of mortgages, it is important to note that since 2008, the figure has largely stagnated at 1.84 million mortgages. At the same time, the number of new mortgage allocations decreased from approximately 400 000 per annum in 2007 to a low of 140 000 in 2009 and seems to have stagnated at just above 150 000 per annum. It should be noted that there are some conflicting data in this regard. Marais and Cloete (2014a), working with the National Income and Distribution Survey (NIDS), estimate the 2012 household mortgages at about 900 000. This difference could be associated with methodological problems and maybe an increase in double mortgages.

As was to be expected of difficult economic climates, the total number of property sales dropped from 42 000 at the millennium to approximately 12 000 in 2009 (Muller, 2014). Within this context, mortgage stress and distressed property sales should be investigated in more detail.

The available data suggest a considerable increase in the percentage of mortgages that were 60 days or more in arrears between 2007 and 2009. The 2007 figure stood at 3.26%, while, at its height in 2009, the figure stood at 7.15%. Since 2009, the figure has declined, but by the first quarter in 2014 the 4.03% was still higher than the 3.26% in 2007 (National Credit Regulator, 2014). Severe mortgage stress (more than 120 days in arrears) also increased considerably from 2.19% in 2007 to a high of 4.89% in 2009 (National Credit Regulator, 2014). Although severe mortgage stress declined to just below 3% in 2014, the percentage remains appreciably higher than in 2007. In real numbers, severe housing stress increased from 34 000 units to 91 000 units between the last quarter of 2007 and the second quarter of 2010.

Although speculation in the property industry as regards negative equity is quite often reported in the media, there is very little evidence of such negative equity. Marais and Cloete (2014a) estimate this to have been well below 1%. The economic recession has however resulted in the bond-to-home value exceeding 80%, the percentage having increased from 9.1% in 2008 to 14.1 % in 2010 (Marais & Cloete, 2014a). The Centre for Affordable Housing in Africa (2013) notes that for the first three years loans provided under the Financial Sector Charter performed slightly less well than did the 'normal mortgages' provided on the open market. After 18 months, this difference between loans under the Financial Sector Charter and 'normal mortgages' was found to be statistically significant at the 5% confidence level. The trend in respect of affordable housing is largely identical to that of the Financial Sector Charter loans (Centre for Affordable Housing in Africa, 2013), which suggests that lending to lower-middle income households should not be viewed as a problem.

Although, globally, some work has been done on the impact of the global financial crisis, there is virtually no such work available on South Africa. The work by Marais and Cloete (2014a) represents a first attempt in this regard. As regards household impacts, their paper distinguishes between two specific phases of which the first is closely related to the interest-rate hike in 2008. The second phase kicked in after the South African recession during the second half of 2009. The first phase impacted negatively on low-income black households' ability to maintain their bonds (as a result of the interest-rate hike). The impact of the economic recession in South Africa was much wider and also less orientated towards low-income households in that it impacted more evenly across the racial and income composition of South African society. Furthermore, a significant number of the black low-income households with small mortgages (probably provided by the banks under various government-driven processes – see earlier discussions) were able to continue paying their mortgages. The data also suggest that under the NCA the income requirements for new mortgage applications have increased substantially for new borrowers and this is having protective effect against overexposure for banks and individual households.

In 2010, government announced a R1 billion state-guarantee fund to promote home-owner-

ship for households earning between R3500 and R15 000 per month (initially announced at R12 500). In principle, the scheme had to be integrated with FLISP. It was envisaged that this would be available for mortgage bonds below R300 000 (Financial and Fiscal Commission, 2013) and the eight-year sales restriction would be applicable. A further component envisaged by the programme was to create these loans by means of fixed interest rates. Private property experts by and large expressed their satisfaction with such a move (IOL Property, 2012). Theoretically, it was initially envisaged that lenders would be safeguarded against non-payment. There seemed, however, to be some disagreement on how such a guarantee system should work. National Treasury, it seems, was more inclined to use the fund as a capitalisation fund as opposed to using it as a guarantee fund. Yet, the guarantee system was never implemented and the alternative of a capital subsidy system via FLISP was followed. Though, unfortunately, there is no detailed evaluation of FLISP available, it, in essence, is a means of linking government subsidies with those of the private sector. The Financial and Fiscal Commission (2013) however opines that it did not play a positive role in ensuring that housing finance would be available to more people.

3. Analysis

This section deals with the results from the literature review. It is structured in terms of household assets (discussed in terms of financial/economic assets and social/psychological assets) and municipal assets.

3.1 Household assets: financial and economic

3.1.1 Mortgage finance and collateral

Overall, there are approximately 1.8 million mortgages in South Africa (both individual and business mortgages) (National Credit Regulator, 2014) of which an estimated 1.6 million are related to households (Marais & Cloete, 2014a). This figure seems to represent a significant increase from the mere 500 000 mortgages reported in the mid 1990s (Jenkins, 1999). An increasing black middle class and prolonged economic growth have contributed to the increase in the number of mortgages. The approximately 140 000 mortgages provided to low-income beneficiaries of the housing subsidy in the mid 1990s (as a result of the Record of Understanding), and the 350 000 mortgages provided under the Financial Sector Charter have however further contributed to an increase in the number of mortgages (Tomlinson, 1997; 2007).

The available literature suggests that less than 10% of subsidised houses are linked to mortgage finance and that the percentage is currently seemingly in decline (see Table 2). Old-stock township houses have a significantly higher linkage to mortgage finance and there is evidence that it is becoming increasingly difficult for lower-income households to access mortgage finance.

Table 2: Estimated number of subsidised housing units linked to mortgage finance

Source	Location of study	% linked to mortgage finance / number of houses linked to mortgage finance	Data used and time-frame
Thurman (1999)	Western Cape	8% individual (mostly linked to housing credit)	Not clear, 1994–1999
Jenkins (1999)	Countrywide	9% of project subsidies were credit linked and 24% were individual subsidies	tatistics from the Department of Housing, 1994–1999
Public Service Commission (2003)	Countrywide	1% linked to loans	1994–2003
Rust (2009)	Countrywid	9% of subsidised housing units on the deeds register were linked to mortgage finance	1994–2010
Shisaka Development Management Services (2004)	Selected metropolitan areas	2.5% of households in the incremental secondary submarket obtained a mortgage loan; 17% in the old township market accessed a mortgage loan	Surveys
(Shisaka Development and Management Services, 2011c)	Country wide	8% (120 000)	1994–2009
Tomlinson (2007)	Country wide	73 000 mortgage loans were linked to subsidised housing units – approximately 10% of subsidised housing units	Estimates based on data for 1994–1999
Marais and Cloete (2014a)	Country wide	5.9% for 2012 (percentage of mortgage holders indicating that they had also received a government subsidy) 1.6% for 2012 (percentage of beneficiaries of the Housing Subsidy Scheme indicating that they had a mortgage bond)	NIDS data (2012)

The literature reveals that a number of factors have historically supported the uptake and expansion of mortgage finance. In this regard, the various agreements between government and the banks (Record of Understanding, Financial Sector Charter) (Tomlinson, 2007), se-

curitisation (Van Vuuren, 2004), the age of the settlement (neighbourhood) and the role of old-stock should be mentioned. The targeted nature of the subsidy (focused on low-income household) (Public Service Commission, 2003), the fact that nearly 50% of all subsidised housing units do not have title (Karley, 2003; Melzer, 2005; Rust, 2009; Shisaka Development Management Services, 2011a), affordability and fear of losing one's home have however been instrumental in preventing the uptake of mortgage finance (Melzer, 2005).

3.1.2 Property value

The programme theory envisages that property values will increase over time and, as such, be a valuable instrument in creating wealth. While, in line with national trends, subsidised housing units also saw growth in the period 2002–2007, in the secondary market, subsidised housing units are generally not trading at prices comparable to the cost of providing the units (Shisaka Development Management Services, 2004; Ruiter, 2009; Lemanski, 2011; Roux & Barry, 2011; Shisaka Development Management Services, 2011a). There is nevertheless ample evidence of continued investment to improve the quality and functionality of housing units. Melzer (2005) found bondholders to be more likely to invest in improving their homes than to repay their mortgage or invest in other property. If this is indeed true, the danger of investing in a house without protection seems problematic. Perhaps it also reflects on a lack of understanding of the concept of ownership. There is also evidence that households in owner-built or self-paid units assign higher values to their properties than do those who obtained their houses by means of a housing subsidy constructed by a contractor. Housing units obtained by way of the discount benefit scheme also assign higher values to their units (Shisaka Development Management Services, 2011a; 2011c).

The available literature suggests that a number of mechanisms have inhibited the realisation of property values. These factors include the lack of thickness – with only 11% of respondents in former township areas indicating previously having had a formal housing transaction and less than 1% of subsidised housing units having yearly been formally transacted (Payne, et al., 2008; Shisaka Development Management Services, 2011a), difficulties at grassroots levels in performing transactions (Roux & Barry, 2011), the fact that nearly 50% of housing units did not have title (although the evidence suggests that title does not automatically contribute to higher property values) (Shisaka Development Management Services, 2011a; 2011c), poor location (Shisaka Development Management Services, 2011a), affordability problems in the market (Jones & Datta, 2000; Melzer, 2005; Payne, et al., 2009; Lemanski, 2011), the sales restriction, an insufficient supply of new housing units and, finally, the relatively small and declining number of houses linked to mortgage finance (Jones & Datta, 2000; Melzer, 2005; Payne, et al., 2008; Ruiter, 2009; Shisaka Development Management Services, 2011a; Marais & Cloete, 2014a). Positive mechanisms reflected on in the literature include the fact that houses under the discount benefit scheme have achieved higher prices (Shisaka Development Management Services, 2011a) and that good location has played a positive role

(Lemanski, 2011).

Essentially, the evidence suggests that residents seldom take land/infrastructure costs into consideration in determining the value of their housing units, while historical disenfranchisement, urban exclusion and risk aversion are deeply embedded among low-income households (Melzer, 2005; Payne, et al., 2008; Payne, et al., 2009; Ruiter, 2009; Roux & Barry, 2011; Shisaka Development Management Services, 2011a).

3.1.3 Informal market transfers

A number of studies have suggested extensive, undocumented exchanging of stands or houses provided under the Housing Subsidy Programme. Shisaka Development Management Services (2011a) compared the deeds register and a household survey for both of which sets of data could be compiled (the full study comprised 18 sites in four metro areas, namely Johannesburg, East Rand, Durban and Cape Town). In the household survey, 15% of RDP and 16% of site-and-service scheme occupants indicated that they had transacted in the secondary market, while the deeds analysis indicated only 3% and 2% respectively. Vorster and Tolken in the Western Cape Occupancy Study (2009) found that 9% of properties in the sample had likely been sold informally. There appeared to have been great confusion: despite the deeds register not reflecting this, 59% of buyers claimed that the houses had been in their names and that they were in possession of the title deeds, 3% indicated that the sale had been registered but that they did not have the papers, and 18% indicated that the registration was in process. Marais et al. (2014a) found 15.5% of the stands in Freedom Square in Mangaung not to be occupied by the original owners – with the largest percentage of such cases being related to inheritance. Two other case studies estimated the percentage of informal land transfers to be less than 10% (Lemanski, 2011; Roux, 2013).

Similar to the situation in the formal property market, house prices in the informal land transfers are also substantially lower than the original subsidised amount (Boaden & Karam, 2000; Snijder, 2001; Cross, 2006; Lall, et al., 2007; Vorster & Tolken, 2009; Shisaka Development Management Services, 2011a; Marais, et al., 2014a). Vorster and Tolken (2009) also noted sharp increases in the period between 2002 and 2007 (resembling the situation in the formal housing market in South Africa). Again, a significant percentage of these informal land transfers are related to inheritance (Shisaka Development Management Services, 2004; Marais, et al., 2014a).

The nature of these informal transfers include verbal agreement between parties (Robins, 2002; Shisaka Development Management Services, 2011a; Roux & Barry, 2011); verbal agreement with the addition of a witness (Roux, 2013; Marais, et al., 2014); written private contract between parties (Marais, et al., 2014a); transferring the municipal account to the name of the buyer (Roux & Barry, 2011); delivering the title deed as a form of private conveyance while perhaps changing the name on the deed to that of the buyer (Shisaka De-

velopment Management Services, 2011a); and, lastly, an Affidavit to transfer property rights (Boudreaux, 2008; Marais, et al., 2014a; Robins, 2002; Roux, 2013; Shisaka Development Management Services, 2011a).

Informal land transfers seem to be less prevalent where agents are actively involved in land transfers (Lemanski, 2011; Roux, 2013). Yet, key mechanisms from the literature that have served to support informal land transfer have included the considerable financial costs involved at various stages of the formal process (Boudreaux, 2008; Department of Human Settlement, 2010; Huchzermeyer, 2008; Gunter & Scheepers, 2012; Nell, et al., 2007; Robins, 2002; Roux & Barry, 2011; Shisaka Development Management Services, 2004), legal restrictions on sale enacted by the Department (Geyer & Geyer, 2014; Huchzermeyer, 2008; Lemanski, 2011; Roux, 2013; Roux & Barry, 2011; Shisaka Development Management Services, 2004; 2011a; Vorster & Tolken, 2009), the procedural and regulatory complexity of unfamiliar processes, especially in comparison with the simplicity of local customs (Boudreaux, 2008; Brown & Smit, 2007; Cross, 2006; Huchzermeyer, 2008; Kihato & Berrisford, 2006; Nell, et al., 2007; Roux & Barry, 2011), a lack of service providers to advise and aid in the process (Huchzermeyer, 2008; Lemanski, 2011; Payne, et al., 2009; Roux & Barry, 2011; Shisaka Development Management Services, 2004; 2011a), the slow roll-out and the occasionally faulty nature of title deeds issued to the original beneficiaries (Boaden & Karam, 2000; Roux, 2013; Roux & Barry, 2011; Shisaka Development Management Services, 2004), the need for clearance certificates and also up-to-date rates and services accounts (Boudreaux, 2008; Marais, et al., 2014a; Roux & Barry, 2011; Shisaka Development Management Services, 2004). The low percentage of subsidised housing units linked to formal property, uncertainty in respect of the restriction on sales, limited knowledge of land transfer processes and the intent not to show these transaction to the authorities reflect some examples of how embeddedness within government or within communities further serve to support informal land transfers.

3.1.4 Climbing the housing ladder

The assumption in both BNG and the programme theory for housing is that if beneficiaries are given a housing asset, this will enable them to climb the housing ladder. In this regard, the National Housing Subsidy Programme has been quite successful in helping homeowners move to the first (formal) rung of the housing ladder. In a household survey, Shisaka Development Management Services (2004) found that of those then in possession of a house obtained in terms of the site-and-service scheme, 62% had had no previous dwelling, 9% had lived in backyard shacks, 11% had lived in an informal settlement and 14% had had another site-and-service scheme property prior to settling in the current site-and-service scheme property. They also found that of those then in possession of a subsidised house, 73% had had no previous dwelling, 9% had lived in backyard shacks, 7% had lived in an informal settlement, 3% had had another site-and-service scheme property and 7% had had a formal house before settling in the current subsidy unit (most likely acquired through secondary market trans-

actions). In a study of the Housing Subsidy Programme in the Western Cape, Vorster and Tolken (2009) also found that 73% of the inhabitants had not owned their previous homes.

The next step in the housing ladder is selling the original subsidised housing unit and utilising the “profits” for a deposit on a “better” house. Yet, the available evidence suggests that there is a general unwillingness to sell. Shisaka Development Management Services (2004) found that only 6.4% of the subsidy stock sampled had had formal transactions on the deeds register for the previous five years. This was considered very low given that private developments in the former township areas had registered double this number (12.5%) and that the average ‘normal’ suburb had seen a turnover of around 30% for the same period. In addition, it was noted that owners in former township markets had generally been unwilling to sell: only 22% of the owners of incremental housing, 9% of the owners of old-township stock and 33% of the owners of privately developed houses indicated that they would consider selling. Rather, most owners indicated that they would prefer to improve their current home (Shisaka Development Management Services, 2004). In a survey by Payne et al. (2008), only 5% of owners indicated they would consider selling. Vorster and Tolken (2009) found 72% of their respondents still to be living in the subsidised housing unit they had originally received and that, when asked, 99% had indicated that they did not want to sell. More recently, Marais et al. (2014b) reported that 96% of the respondents in a discount benefit scheme area of Mangaung had been unwilling to sell.

Whereas 89% of the beneficiaries continued to stay in their original houses, 11% of them transacted on the formal housing market. In respect of the latter 11%, Shisaka Development and Management Services (2011c, p. 48) noted that:

- Three percent had retained the subsidy house that they had originally received and had additionally bought another house. Of these, 0.5% now no longer owned their other houses while 2.5% continued to own both their original subsidy house and the other house.
- Eight percent formally sold their original subsidy houses. Of these, most (6%) had not bought another house and had left the property market – i.e. they no longer formally owned property. While two percent had actually bought another house, 0.5% of these no longer owned the second house and 1.5% owned one or more houses.

The fact that subsidised housing units in general are sold below the subsidy amount might actually be a dis-incentive against selling subsidised housing unit. Also, 63% of households who had received a housing subsidy could either not afford further housing finance or had no savings to permit their climbing the housing ladder. Housing appreciation also occurred mainly for those households who had climbed the housing ladder (Olokun, 2007). Rust (2006) consequently argues that this differential growth will lock households onto the rung on which they currently are. The reality of having nowhere else to go if they sell their housing units is one that low-income households have to face (Shisaka Development Management Ser-

vices, 2004; Marais, et al., 2014b). It is thus understandable that several authors are highly sceptical of any significant migration up the housing ladder (Adebayo, 2011; Lemanski, 2011; Royston, 2007, 2012; Rust, 2006, 2007, 2008; Shisaka Development Management Services, 2004). Some literature express uncertainty on whether, given the restrictions that accompany them, formality and ownership are indeed able to act as a ladder for the poor (Cross, 2008a; Charlton, 2010; Gunter, 2012; Royston, 2012). These figures highlight the fact that our understanding of homeownership and how communities view housing and the value of housing remains limited. The question is whether these trends are to persist or whether, over time, a more economic orientation is to follow.

A number of mechanisms are preventing households from climbing the housing ladder. The first problem experienced by households in respect of climbing the housing ladder appears to be that they themselves opt out by preferring to upgrade the home in which they live. Furthermore, households also tend to opt out of traditional/secured housing finance, thereby restricting the increment that will enable them to move up the ladder. Once they are committed to climbing the housing ladder, the next problem is that the market value of their subsidised unit is less than the replacement cost, which means that selling their current house places them at a disadvantage. There is moreover a significant undersupply, especially in relation to demand, in the affordable market. This leads to a significant narrowing of options. Besides the above three aspects, the issue of the housing life cycle of households is probably a key determinant of one's ability and willingness to climb the property ladder. Although the available evidence is scant, evidence from the Western Cape suggests that, in the smaller rural towns, the percentage of pensioners who access housing subsidies is significantly higher than the average of the population in the age group 60–65 years and above (Vorster & Tolken, 2009). Cause for concern is that, where the programme commitment is to extend title deeds, fewer than half of all the subsidies extended between 1994 and 2009 were titled in 2011, with evidence suggesting that the process is now slowing down even further. Yet, in order to participate in formal sales and traditional financing, these households will require title. While not a major discussion point in the literature presented in this section, some note is taken of the dampening effect that the restriction on sales has had on the secondary market (Lemanski, 2011; Ruiter, 2009; Shisaka Development Management Services, 2004). It is important to note that this effect has been found to extend well beyond those to whom it directly applies because of significant confusion as regards how and to whom the restrictions apply (Lemanski, 2011). This results in a further dampening of an already anaemic market. It is also likely that the message often communicated to owners is that a subsidised unit is for life and that it should never be sold, thereby discouraging migration up the ladder.

3.1.5 Incremental upgrading of housing units

Conventional wisdom holds that the security of tenure provided by the housing-subsidy scheme should enable households to invest in their housing units. Such investments can be

done via access to credit or via own savings. The most dominant pattern reflected in literature suggests that households are more likely to do some repairs and maintenance rather than to improve their investment by formally extending the core subsidised unit (Adebayo, 2008; Aigbavboa, 2010; Darkwa, 2006; Govender, 2011a). In addition, when extensions are done, these tend to be done informally with temporary material. The Aigbavboa (2010) study indicated that 59% of their respondents living in subsidised housing had done some form of maintenance repairs to their houses. However, only 6.5% of the respondents had extended their unit and 2.2% had upgraded the entire house. The most common kinds of maintenance done by respondents in Aigbavboa's (2010) study were plastering, painting and adding burglar bars. The research findings are consistent with those of Govender's (2011a) case study in which the evidence indicated that only small-scale improvements had been made in new post-apartheid settlements in eThekweni. The improvements mentioned were ceilings, doors and ceiling fans. Similar findings were made by Darkwa (2006) and Adebayo (2008). Informal extensions in the form of backyard shacks are a common feature of most townships and low-income neighbourhoods featuring subsidised housing (Morange, 2002; Crankshaw, et al., 2000; Bank, 2007; Lemanski, 2009). Overall, these trends may serve to reinforce informality despite attempts by means of the Housing Subsidy Programme to emphasise formality. It also has significant urban management implications – most prominently those in respect of land-use regulations.

Literature reflecting on permanent improvements and extensions to housing units often refers to the People's Housing Process (PHP) (Adebayo, 2008; Lizarralde, 2011), the influence of external funding on extending and improving the unit (Lizarralde, 2011), the role that funding from institutions and savings groups has to play as regards investing in incremental development (Adebayo, 2008), the age of the settlement (Darkwa, 2006; Del Mistro & Hensher, 2009; Govender, 2011a; Marais & Ntema, 2013; Napier & Breimer, 2013), and construction skills within the household (Mkhize, 2003). Napier (2002) and Napier and Breimer (2013) studied housing extensions in Khayelitsha over a period of 26 years. The 2013 study indicated that extensive extensions had materialised in 24 of the 25 houses considered. It should also be noted that about a quarter of these households did not add extensions in the first 11 years. Improvements included adding extra rooms, paving and constructing privacy fences. Govender (2011a) draws a correlation between investment in housing and proximity to a variety of social amenities in the immediate vicinity.

Respondents in some case studies indicated that, though, for a variety of reasons, they aspired to extend their units, constraints prevented them from doing so. These constraints were related to disillusionment with the product that they had received (Aigbavboa, 2010; Bidandi, 2007; Darkwa, 2006), to financial factors (Mkhize, 2003; Adebayo, 2008; Napier & Breimer, 2013) and to poor workmanship that had resulted in defects which beneficiaries lacked the means to repair (Thwala, 2010). Other factors considered in the literature are: unsuitable

locations (Adebayo, 2008); lack of access to building materials (Adebayo, 2008; Mkhize, 2003); building regulations (Adebayo, 2008; Mkhize, 2003); the age, history and type of settlement-upgrading processes in younger settlements seem limited (Govender, 2011a); training and skills aspects (Napier & Breimer, 2013); and, finally, a perceived limited return on investment (Napier & Breimer, 2013).

Mechanisms supporting incremental upgrading include deliberate post-occupancy support (an aspect often ignored by municipalities) (Adebayo, 2008; Lizarralde, 2011) and self-build processes through housing-support centres (Adebayo, 2008; Mani, 2009). The incremental nature of housing policy is not well embedded in the local and sometimes also the provincial government spheres.

3.1.6 Home-based enterprises

In 2007, Rust (2007) estimated that 355 000 home-based enterprises then operated from township or inner city areas in South Africa. Rust's study (2007) found most of the entrepreneurs identified in the survey (70%) to be operating from their homes. The findings suggested that the percentage of entrepreneurs operating from their housing units happened to be higher in township areas (83–89%) than in inner city areas (39–63%) (Rust, 2007). The real figures vary considerably between former black township areas and former white neighbourhoods (Smit & Donaldson, 2011), with some case studies reporting up to 40% of households having home-based enterprises and only 5% having more than one enterprise (Gough, et al., 2003). Home-based enterprises reflect quite similar profiles, limited diversification and little value-adding to the products and more than 60% of these are retail enterprises or do food processing (Napier & Mothwa, 2001; Napier & Breimer, 2013). Yet, other studies have reported substantial entrepreneurial merit and a considerable percentage of home-based enterprises (Rust, 2007).

Reasons for initiating home-based enterprises vary. While some studies found that entrepreneurs had elected to start their enterprises (Napier & Mothwa, 2001), others emphasised necessity (Mulondo, 2009). Rust (2007) and Smit and Donaldson (2011) also indicated that among owners of home-based enterprises, education, access to IT and better communication were major players in the successes and strengths of running a home-based enterprise. Tipple (2004) reported that the home-based enterprise itself tended to take up quite a small proportion of the dwelling – about 20% in South Africa. However, the presence of a home-based enterprise did not necessarily increase densities (Smit & Donaldson, 2011). According to Napier and Mothwa (2001) and Gough et al. (2003), the number of people employed in home-based enterprises in the chosen sites was very small. Between 60% and 64% of home-based enterprises employed no one other than the operator and between 6% and 10% employed two or more people (Napier & Mothwa, 2001). Where the home-based enterprises did employ one or more people to help with the running of the enterprise, 78% were related to

the head of the household. Gough et al. (2003) noted that the typical arrangement regarding children was having to serve in a home-based shop after they had come home from school, thereby allowing the main operator to attend to other activities such as purchasing new stock. There is moreover evidence that significant numbers of foreign traders have taken over existing home-based enterprises. In most cases, there are rental agreements between these entrepreneurs and the homeowners (Ntema & Marais, 2014) – which suggests that even in an arrangement of this kind, homeowners can be assured of multiple incomes.

Although a significant need existed to develop, expand and formalise enterprises, expansion opportunities were limited and the lifespan of home-based enterprises was relatively short. While only a small number of entrepreneurs had loans (Gough, et al., 2003), using the house as collateral for loans virtually never occurred. Many entrepreneurs operating in these localities were not willing to take the risks involved in borrowing money or did not have access to financial institutions (they would not have the right assets to secure a loan, etc.). Since most of the businesses are survivalist in nature, savings levels are very low.

The potential impact of home-based enterprises on poverty alleviation is also contested space. Some argue that home-based enterprises have an unquestionable economic impact on a national scale, that they are an important local source of income and that they have a role to play in poverty reduction (Majale, 2002; Gough, et al., 2003; Rust, 2007). Other researchers were unable to establish these links (Stevens, 2003; Mulondo, 2009).

There seems to be some evidence that secure title, access to finance and available infrastructure improve the existence of home-based enterprises. However, clear evidence that home-based enterprises do in fact contribute to poverty alleviation is limited and the lack of access to finance is an inhibiting factor. The promotion of home-based enterprises at the implementation level of housing projects is also not well embedded. Overall, this inability to link settlements and economic development efforts either at implementation or in respect of land-use regulations should be part of a general drive towards urban management.

3.1.7 Rental housing

Homeownership allows the owner to use the house or stand to rent space out to another person. It means that the physical asset becomes a source of income to the owner/s. Backyarding (as oppose to renting a room in the house) is the most common form of small-scale rental provision appropriate for the beneficiaries of subsidised housing. The real number and share of backyard units declined somewhat between 1996 and 2001 (696 412 vs 692 892), but there was enormous growth (36%) between 2001 and 2011 (to 940 236), this despite government efforts at housing provision and formalisation.

Referring to local case studies, Bank (2007) estimated that between 30 and 50 per cent of all

township houses he investigated had backyard dwellings. In Westlake Village (Cape Town), Lemanski (2009) found that over half of the properties (58%) had backyard dwellings – all of them informal structures – while some hosted multiple dwellings. Vorster and Tolken (2009) found 34% of the occupants of subsidised units in the Western Cape to have backyard units, these however being unevenly distributed. A more sizeable share of households in the larger urban areas had backyard units (as many as 51%), while rural areas had fewer (as low as 7%) (Vorster & Tolken, 2009). Though the majority of these (69%) had only a single structure, 22% had two structures and 9% had three or more (Vorster & Tolken, 2009). According to Crankshaw et al. (2000), an estimated 200 000 people lived in backyard accommodation in Soweto. This was approximately one-fifth of the population and, in terms of households, almost two-fifths. The average council house in Soweto – where landlords were most prevalent in that they represented 74% of the stands and 84% of the formal structures – hosted 2.3 backyard families. Morange (2002) found that between 33% (Walmer Location) and 80% (Helenvale) of the tenants were related to the landlord. Lemanski (2009) and Crankshaw et al. (2000) reported similarly varying figures for Westlake Village (34%) and Soweto (70%). Vorster and Tolken (2009) established that in 35% of the cases it was not a separate household and, of the rest, 25% were related and 32% comprised a mixture of family and non-family. While the custom of only renting a space and the tenants then constructing their own shacks was noted by other authors (Bank, 2007; Lemanski, 2009; Shapurjee & Charlton, 2013), only Crankshaw et al. (2000), Morange (2002) and Vorster and Tolken (2009) found this practice to be relatively prevalent among 25% of tenants in Soweto, 56% of tenants in Walmer Location, 90% of tenants in Helenvale and 45% of tenants in the Western Cape.

The social orientation that often sets in motion the landlord-tenant relationship in most cases also characterises the relationship. Landlord-tenant relationships are often notable for their congenial nature – or at least neutrality (Lemanski, 2009; Morange, 2002; Shapurjee & Charlton, 2013; Shisaka Development Management Services, 2006). A strong justification for providing rental space must certainly be the income supplementation it affords. Landlord-tenant relations have consequently often been suspected of being predatory (Bank, 2007; Lemanski, 2009), and then especially by municipalities (Morange, 2002; South African Local Government Association, 2013). Empirical findings however suggest that such rent is relatively low and moreover severely constrained by (1) the tenant households' ability to pay (Crankshaw, et al., 2000; Morange, 2002; Poulsen, 2010; Vorster & Tolken, 2009); (2) the availability of services (Lemanski, 2009); (3) the location relative to economic opportunity (Lemanski, 2009; Shisaka Development Management Services, 2006); (4) the quality of the housing that is provided (Crankshaw, Gilbert, & Morris, 2000; Morange, 2002; Shisaka Development Management Services, 2006); and (5) the general unwillingness/inability of the landlord to invest in profit maximisation (Lemanski, 2009; Morange, 2002; Shisaka Development Management Services, 2006).

Reports have found rent to be relatively low because of tenant households' inability to pay for the (un)available services, the location of the backyard accommodation relative to economic opportunity, the quality of the housing provided and the general unwillingness/inability of the landlord to invest in profit maximisation. Rental of informal backyard units associated with subsidised housing is then specifically constrained in that such units (1) frequently have illegal electricity connections – if they do have electricity; (2) generally have to share water and sanitation with the main household (especially problematic where these services are provided inside the subsidised units); (3) are generally poorly located relative to economic opportunity; (4) are more often than not end-user created (informal); and (5) are largely put up for rent by landlords who are mainly motivated by survivalist considerations rather than commercial ones.

As already noted, government's general response to rental housing and backyard units has, historically, been one either of silence or antagonism (Bank, 2007; Crankshaw, et al., 2000; Lemanski, 2009; Poulsen, 2010; Shapurjee & Charlton, 2013; Vorster & Tolken, 2009). In addition, South African housing policy has historically been significantly biased towards home-ownership. In a document aimed at the development of a policy position on backyarding, SALGA (2013) presented a series of case studies illustrating the varying responses of municipalities in respect especially of informal backyarding. The responses were summarised as follows (South African Local Government Association, 2013, p. 35–36): (1) “laissez faire” (leave alone); (2) disallowing “illegal structures”; (3) introducing building control; (4) services improvement; (5) upgrading; (6) active encouragement; (7) direct support/gentrification; and (8) inclusion in greenfield development.

3.1.8 Access to employment

The relationship between housing and access to employment is complex. On the one hand, places of work and residence should be as close as possible to one another so as to shorten commuting time and distance. Stable housing environments furthermore also enable newcomers to the housing environment to use their labour productively.

Apartheid planning principles were instrumental in creating settlement sprawl and the location of poor residents on the periphery of many cities in South Africa. Despite there being a significant debate about how location in relation to job opportunities should be understood (at least acknowledging the multi-nodal nature of many South African settlements and that peripheral locations are not always more negative than are the more central locations), the vast majority of evidence seems to suggest that housing units delivered under the Housing Subsidy Programme have, in the main, been peripheral.

Travel times have increased over the past ten years and issues of accessibility remain central to many low-income households. The National Household Travel Survey found that in

the two most urbanised provinces (Gauteng and the Western Cape), there had been an increase in the percentage of learners who needed to spend more time travelling in order to access educational facilities (Statistics South Africa, 2014). Furthermore, approximately 22% of workers left their places of residence for work before 06:00 in the morning. The percentage of workers who walked for longer than 15 minutes to access transport increased from 11% in 2003 to 14.7% in 2013 (Statistics South Africa, 2014). The survey also indicated that in 2013, households needed more time to reach their nearest taxi rank, bus rank or train station than had been the case in 2003 (Statistics South Africa, 2014). In this regard, the percentage of households needing to walk for 15 minutes or longer in order to reach a taxi rank stood at 22.3% in 2013 – up from 17.6% in 2003. Unfortunately, this study did not make allowance for a distinction to be made between different settlement typologies. Our focus now shifts to research that did indeed allow such distinctions to be made.

Access to social amenities and transport infrastructure could in general be better in respect of subsidised housing units (Moolla, et al., 2011; Narsai, et al., 2013; Marais & Cloete, 2014c). Yet, this might merely be related to the formalisation process and not necessarily to the value of location. Second, although access indicators suggest marginally better access for subsidised housing units than for informal settlements, it seems as if the indicators are significantly lower than is the case in inner-city areas (Narsai, et al., 2013). There is also evidence that, in some cities, women prefer peripheral locations to central locations (Cross, 2008b).

Cost-benefit analyses studies essentially suggest that better locations have long-term economic and financial benefits for households (Aucamp & Moodley, 2002; Biermann, 2003; 2006; Simons & Karam, 2008; Venter, et al., 2004; Venter & Cross, 2011). In contrast to the above studies, Bierman (2003; 2006) and Venter et al. (2004) came to somewhat more nuanced (and even conflicting) conclusions after empirical investigation of the value of location for low-income households. They found no conclusive evidence to support the notion that central locations are better than peripheral locations. The cost of residing in the core was regarded as a disincentive towards locating to urban core areas. There was also no clear evidence to suggest that a compact city approach would benefit the poor – comparative, that is, to a sprawling urban trajectory. In this regard, Bierman (2003, p. 10) points out that “[F]or each piece of evidence which suggests a relationship between centrality and least cost and greater benefits, there are as many, if not more, pieces of evidence which negate that relationship”. In general, the argument is that these relationships are complex and may differ between settlements. Empirical evidence suggests that informal work and the multi-nodal nature of urban areas should be considered. Essentially, the work emphasises the importance of local conditions in assessing location.

A number of key mechanisms are perpetuating some of the above realities. This includes a flaw in the initial policy (Huchzermeyer, 2009; 2010; Lalloo, 1999), implementation of the pol-

icy emphasised aspects such as size and the quality of the final product over locational considerations, (Huchzermeyer, 2010) and the nature of intergovernmental relations. The mere fact that transport subsidies are granted by national government and not by local government means that the locational aspects of housing subsidies at the local level are seldom called in question (Aucamp & Moodley, 2002). Or stated differently, as municipalities do not carry the cost of transport subsidies, locational issues are not always given enough priority at the local level. A third mechanism that contributes to locational problems has to do with the relatively low urban mobility that is encountered in South African cities (Crankshaw, et al., 2000; Gilbert & Crankshaw, 1999). Yet a fourth mechanism – one that relates to existing property values – has been found to contribute to the fact that houses under the Housing Subsidy Programme are poorly located (Charlton, 2004).

The issues of embeddedness are strongly related to some of the mechanisms outlined above. Two crucial factors should however be highlighted, namely politician's increasing emphasis on housing size and on policy changes has blinded role players into ignoring locational issues (Charlton, 2004; Charlton & Kihato, 2006). Secondly, though the nature of the existing policy is, in itself, a mechanism towards creating dysfunctional locations for low-income people, it has also become embedded (unquestioned) in practice (Aucamp & Moodley, 2002).

3.1.9 Migration and mobility

This section considers four aspects related to migration, mobility and housing. Though the important point is that in certain locations housing may indeed not be an asset, four aspects of the problem are considered in greater detail: (1) migration trends; (2) hidden urbanities; (3) mine-worker housing; and (4) farm-worker housing.

On the issue of migration, evidence suggests that the circular migration patterns institutionalised under apartheid have not necessarily disappeared (Smit, 1998; Lalloo, 1999; Lalloo, 1999) and that a dual household system (both urban and rural) (Crankshaw & Parnell, 1996; Gilbert & Crankshaw, 1999; Posel & Marx, 2011) continues to play a significant role in a post-apartheid South Africa. There nevertheless seems to be evidence of increased permanency among migrants from rural areas (Gilbert & Crankshaw, 1999) although some evidence of rural-to-rural migration (Cross, et al., 1998; Cross, 2009) or a trend of migrating from a rural area to a small town (Marais & Pelser, 2006; Cross, 2009) also exists.

As for South Africa's "hidden urbanities" (by and large former R293 towns), evidence suggests that a significant number of households in settlements of this kind are locked in and have made significant investments in housing (Crankshaw & Parnell, 1996; Parnell & Crankshaw, 2013). Overall, population growth in these areas is either slow or negative (Krige, 1996; Tomlinson & Krige, 1997; Matiso, 1998). There are however some exceptions (Centre for Development and Enterprise, 1998). Existing investments, coupled with continued bus sub-

sidies (Centre for Development and Enterprise, 1998), are likely to reinforce their locational disadvantages.

The available evidence suggests preference for urban or rural housing among mine workers to be more or less evenly distributed (Marais & Venter, 2006; Cloete, et al., 2009). Yet, attempts to move away from hostel accommodation to the provision of urban housing via living-out allowances and ownership frameworks have generally not assisted in creating urban assets (Cronje, 2014). In fact, mine-worker housing based on homeownership models may indeed be undesirable in some mining localities as it would create further increases in informal settlements (Marais & Venter, 2006; Cronje, 2014). While affordability issues in respect of housing options remain a major problem in, for example, the labour-intensive gold- and platinum-mining industries, affordability seems to be somewhat less of a problem in the more mechanised open-shaft mining of coal and iron ore (Cronje, 2014). Yet, the boom-bust nature of mining holds long-term risks for homeownership housing (Cloete, 2009).

Similar to mine-worker housing, farm-worker housing also has significant challenges. Not only government policies (minimum wages, tenure security legislation), but also increasing exposure to global markets have contributed to a significant exodus of farm workers from farms (Atkinson, 2007). While farmers have largely been unwilling to provide new on-farm housing (Hartwig & Marais, 2005), government policy too has not progressed beyond the point where government subsidies create assets on farms for farmers instead of for farm workers. Increasing off-farm housing stock will also increase the burden on the municipalities of urban areas (Atkinson, 2007) – even if doing so would provide some stability to farm workers (Hartwig & Marais, 2005). See Table 3 for a summary of the main findings.

Table 3: Summary of the main findings within the framework of critical realism

Key themes used in the analysis process	Outcomes	Mechanisms	Embeddedness	Context
Access to mortgage finance and collateral	<ul style="list-style-type: none"> Substantial growth in mortgages since the mid 1990s (500 000–1.8m) (1.6m mortgages related to households) Large number of small mortgages provided late 1990s (Record of Understanding) and mid 2000s (Financial Sector Charter) Less than 10% of subsidised housing units are linked to mortgage finance and the percentage is in decline (becoming increasingly difficult to provide mortgages to lower-income households) Mortgage access for old stock higher than for subsidised housing units New mortgage flows have stagnated since 2008. 11%–16% of subsidised housing units linked to microcredit 	<ul style="list-style-type: none"> Promoting access Various agreements between government and banks (Record of Understanding and Financial Sector Charter); securitisation; age of settlements; locational factors Inhibiting access 40% of subsidised housing units without title; affordability and targeted nature of the subsidy; high levels of debt 	<ul style="list-style-type: none"> Housing-delivery process completed without provision of title to at least 40% of beneficiaries The fear of losing one's home / distrust of banks 	<ul style="list-style-type: none"> Period between 2001 and 2007 experienced substantial economic growth Global financial crisis in 2008 Negative impact of HIV&AIDS on mortgage finance
Property values	<ul style="list-style-type: none"> Subsidised housing units/housing stock in former black townships has grown in value since the early 2000s. Subsidised housing units are in general not trading on the secondary market at a price comparable to the cost of providing the units. Substantial evidence of housing improvement that should also contribute to housing values Old stock obtains higher values. Self-built housing units achieve higher values. 	<ul style="list-style-type: none"> Promoting property values Older stock, good location Inhibiting rising property values Lack of thickness (only 11% of respondents in former township and 1% of subsidised housing units have been formally transacted per annum); difficulties in performing transactions; lack of title; poor locations; affordability problems; sales restrictions; insufficient supply of new units; declining number of units linked to mortgages 	<ul style="list-style-type: none"> Risk aversion by low-income households Households do not view infrastructure cost as part of the cost of housing 	<ul style="list-style-type: none"> Historical disenfranchisement of black people due to apartheid

Climbing the housing ladder	<ul style="list-style-type: none"> Housing subsidies play an important role in providing a housing unit on the first rung of the housing ladder. Less than 7% of beneficiaries of subsidised housing units have made a formal transaction – significantly smaller percentage than the average for township housing stock. Willingness to sell generally very low 	<ul style="list-style-type: none"> Inhibiting factors Other stock not available – if household would sell, the household would have nowhere else to go 	<ul style="list-style-type: none"> Inherent scepticism among owners in respect of climbing the housing ladder 	<ul style="list-style-type: none"> Limited access to mortgages; housing market not functioning well Title not available to a large number of beneficiaries Issues of affordability
Informal housing market	<ul style="list-style-type: none"> Up to 15% of subsidised housing units are transferred informally – this significant percentage due to inheritance. Prices of informal transactions are lower than the full subsidy. Sharp increases of prices in the period 2002–2007 	<p>Promoting informal transfers</p> <p>Financial cost involved at various stages in the process; legal restrictions on sale enacted by the Department; procedural and regulatory complexity of unfamiliar processes, especially compared with the simplicity of local customs; lack of service providers to advise and aid in the process; slow roll-out and occasional issuing of faulty title deeds to the original beneficiaries; need for clearance certificate and up-to-date rates and services accounts; time-consuming process</p>	<ul style="list-style-type: none"> Uncertainty in respect of the restriction on sales Significant percentage do not have title deeds Trend to legalise once the sales restriction does not apply Limited knowledge of land-transfer processes 	

Incremental upgrading of housing units	<ul style="list-style-type: none"> Internal maintenance as opposed to significant structural changes (especially in the first year) Extension estimates vary from below 10% to well over 96% of housing units – depending on the case studies. Incremental upgrading essentially a slow process 	<p>Promoting upgrading</p> <p>Greater emphasis on maintenance than on extension; availability of external funding for extensions; projects in which self-help was instrumental tend to build on this existing strength in a post-construction phase; role of savings schemes small though not insignificant; role of external agents; access to loans/credit; personal finance and savings; cheap building materials; age of settlement; location</p> <p>Inhibiting upgrading</p> <p>Dissatisfaction with the quality of the end product; financial reasons; poor location; limited access to building materials; limited access to skills; stands too small; slow approval of building plans</p> <p>Limited signs that title deeds create significantly more upgrading</p>	<ul style="list-style-type: none"> An increasing emphasis on house size has downplayed incremental upgrading processes. Incremental nature of policy not everywhere accepted 	<ul style="list-style-type: none"> Policy requires incremental upgrading. Self-help lays the foundation for further expansion
Access to employment	<ul style="list-style-type: none"> Evidence from the National Household Travel Survey suggests that travel time increased between 2003 and 2014 (also in the main metropolitan areas). Perceptions regarding access to transport and social amenities in low-income housing projects largely suggest low levels of access. Studies featuring cost-benefit analyses essentially suggest that better locations have long-term economic and financial benefits for households. Yet, more recent work suggests that concepts such as core and periphery within urban areas should be used with greater caution. Empirical evidence suggests that informal work and the multinodal nature of urban areas should be considered. 	<ul style="list-style-type: none"> The capital subsidy nature of policy Intergovernmental relations Low urban mobility The current value of existing properties 	<ul style="list-style-type: none"> Nature of the capital subsidy Emphasis on house size 	<ul style="list-style-type: none"> Apartheid city Danger that the poor may be displaced from well-located land because of market forces

Home-based enterprises	<p>Scale and prevalence</p> <ul style="list-style-type: none"> • 355 000 home-based enterprises operating in former township areas/inner cities • Prevalence of home-based enterprises higher in former township areas than in inner cities or former white areas of South Africa <p>Type of enterprise</p> <ul style="list-style-type: none"> • Despite lack of diversification in enterprises, some studies however detected entrepreneurial merit. • Production/manufacturing underdeveloped <p>Starting an enterprise</p> <ul style="list-style-type: none"> • The outcomes of studies varied: some viewed home-based enterprises as being survivalist; others viewed them as having resulted from entrepreneurial initiatives. <p>Use of space</p> <ul style="list-style-type: none"> • Housing units of operators of home-based enterprises slightly larger and more formal than those of non-home-based enterprise operators • Home-based enterprises take up about 20% of the area of a house. <p>Employment</p> <ul style="list-style-type: none"> • Employment is generally small and household related. • Women form a significant percentage of employees. • The value of employment in close proximity to home was mentioned. <p>Income and poverty alleviation</p> <p>Two viewpoints:</p> <ul style="list-style-type: none"> • Informal economy as found in many home-based enterprises is important and in some cases results in an increase in household income. • Survivalist – does not contribute to taking people out of poverty – no direct evidence that home-based enterprises help to alleviate poverty • Very little evidence that the house is used as collateral for obtaining a small business loan 	<p>Key mechanisms supporting home-based enterprises</p> <ul style="list-style-type: none"> • Some evidence that titling (secure tenure) and infrastructure improve the existence of home-based enterprises • Access to finance <p>Key mechanisms inhibiting the value of home-based enterprises</p> <ul style="list-style-type: none"> • Some studies argue that most home-based enterprises are survivalist enterprises and do not impact positively on the overall poverty in areas in which they are found. • Limited access to finance 	<ul style="list-style-type: none"> • Very little consideration given to home-based enterprises in upgrading programmes/housing programmes • Limited attention devoted to policies promoting home-based enterprises. 	
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Rental housing	<ul style="list-style-type: none"> Substantial growth in the number of backyard shacks between 2001 and 2011 Most backyard dwellings informal High prevalence of backyard dwellings in Cape Town and Johannesburg Average rental income is very small (rent-free lodging found to be prominent). Indications are that a significant percentage of tenants are relatives of the landlords. A significant degree of re-informalisation of upgraded areas In many cases, the tenants themselves construct the housing units. Only 1% of microloans used to create space for rental purposes 	<p>Assisting the development of the backyard rental market</p> <ul style="list-style-type: none"> Good location <p>Inhibiting backyard rentals</p> <ul style="list-style-type: none"> Seen as a social practice 	<ul style="list-style-type: none"> Many see backyard renting as a social practice and not as an income-generating activity. Historically, backyarding has been met either with silence or with antagonism. More recently, responses have been more positive. Generally, government responses have been one of the following: adopting a laissez-faire attitude, disallowing 'illegal' structures, instituting building control, improving services, upgrading or providing active encouragement. 	<ul style="list-style-type: none"> More frequently commented on in metropolitan areas
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<p>Migration and mobility</p>	<ul style="list-style-type: none"> • Migration: evidence that the circular migration patterns institutionalised under apartheid have not necessarily disappeared in a post-apartheid dispensation; evidence of increased permanency among migrants from rural areas • Hidden urbanities: Significant numbers of households in settlements of this kind are locked in and have made significant investments in housing. • Mine-worker housing: The available evidence suggests the preference for urban housing and the preference for rural housing to be more or less evenly distributed. Yet, attempts to move away from hostel accommodation to the provision of urban housing via living-out allowances and ownership frameworks have generally not helped to create urban assets. • Farm-worker housing: Government policies and also increasing exposure to global markets have contributed to a significant exodus of farm workers from farms. While farmers have largely been unwilling to provide new on-farm housing, government policy, too, has not progressed beyond the point where government subsidies create assets on farms for farmers instead of for farm workers. 	<ul style="list-style-type: none"> • Continued circular migration; investments in both urban and rural areas and infrastructure investments (especially in KZN) 	<ul style="list-style-type: none"> • The overall notion that the dismantling of apartheid legislation will lead to the 'normalisation' of migration and urbanisation trends, has up to now been at the heart of the policy response. • As for mine-worker housing, the institutional embeddedness has largely suggested that the multiple-per-person-per-room, single-sex hostel should be transformed. • The notion of improved security of tenure for farm workers has played an important role in securing tenure for some farm workers in a post-apartheid dispensation. 	<ul style="list-style-type: none"> • Increasing globalisation and exposure to international markets
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3.2 Household assets: psycho-social assets

A deliberate attempt was made, on the one hand, to distinguish between economic/financial assets and psycho-social assets, but, on the other, also to include sections on both. The review suggested significant interrelationships in this regard that cannot be ignored.

3.2.1 Improved security of tenure

Security of tenure is a key concept among the different conceptual lenses to asset building. A number of sources have made mention of the importance of title deeds (de jure security of tenure) in respect of assuring feelings of security (for example the New Crossroads study done by Cole (2010), the work on Hangberg written by Fieuw (2011) and the Durban case study in Patel's (2011) noting the most obvious aspect of title deeds as serving to provide legal ownership to individuals. A second, but more seldom mentioned concrete aspect of de jure title deeds, relates to the ability to approach financial institutions for loans (Fieuw, (2011) – although apparently only to a limited extent. Thirdly, in a number of case studies (Cousins, et al., 2005; Mogale, 2001; Patel, 2011; 2012), the informal bargaining power that title deeds give an individual has been found to be more highly valued than economic asset value. Fourthly, the psychological role of ownership as a means of addressing the lack of ownership experienced under apartheid has also featured in research (Gunter, 2012; 2013; Gunter & Scheepers, 2012). Effectively, homeownership is thus viewed as a means of ensuring a larger degree of shared vision and of thereby rectifying the lack of ownership under apartheid. Negative aspects related to de jure tenure are that title deeds often provide a gateway to informal markets, bring increased financial stress to bear on a household and occasion gender-related bias when title deeds are registered in a husband's name (Mogale, 2001). Moreover, security of tenure via individual ownership is linked to the regular payment of rates and taxes, which many owners regard to be unaffordable (see Cousins et al., 2005) – despite the equitable share to local government.

Though ownership provides legal title, a number of researchers have also shown that de facto factors contribute to creating feelings of security of tenure. As shown in Patel's (2011) ethnographic case studies, the very process itself, through either informal-settlement upgrading processes or written documentation from a municipality, often led to de facto feelings of security of tenure. Then again, although security of tenure was experienced as a result of having supporting documentation other than a title deed, some respondents nevertheless desired title-deed documentation to experience an ultimate sense of security of tenure (Patel, 2011). Many case studies indicated that the possession of a title deed – regardless of whose name appeared on the title deed – could result in feelings of security of tenure. Physical infrastructure in the surrounding area and aspects related to self-build also positively influenced perceptions of security of tenure. Essentially, the case studies emphasise that a range of factors contributes to a sense of security. Though sense of security and tenure security are not identical concepts, they can nevertheless not be viewed in isolation of each other.

Communal tenure, particularly tenure under tribal leadership was found to contribute to feelings of security of tenure (Cousins, et al., 2005; Mogale, 2001). Mogale's (2001) study in Dikgale, in the Limpopo Province indicated that the majority of the interviewees had found the communal system – under the leadership of the traditional authorities – to be appropriate to their tenure needs. Social constructions within a community were known to influence feelings of security of tenure. Research findings indicated the important role of community leadership and community constructs in influencing perceptions regarding tenure (Cousins, et al., 2005; Fieuw, 2011; Patel, 2011). Aspects such as duration of occupancy and type of tenure (rental versus ownership) also influenced perceptions of tenure security. Other factors that influenced perceptions related to tenure were generational perceptions and external aspects such as employment and income, safety and security, and citizenship. Tenure security can also be experienced through rental options. The case studies of Bowles (2011) and Charlton (2010) investigated the feasibility of rental tenure as opposed to ownership in Alexandra and Joe Slovo, while Patel's ethnographic studies investigated the security of tenure experienced in different forms of rental options.

External influences – such as employment and income (Bowles, 2011; Patel, 2011), safety and security (Patel, 2011) and citizenship (Patel, 2011) (immigrants experience the least secure tenure in South Africa) can lead either to security or insecurity of tenure.

Different forms of security of tenure are embedded at different levels. Studies have revealed that transfer of title deeds and right of occupancy have led to many instances of increased feelings of security of tenure (NPM Geomatics, 2010; Patel, 2011). Fieuw (2011) and Patel (2011) furthermore established that communities agreed with government's granting de facto security of tenure to informal settlers with letters of consent – subject to certain conditions such as only being allowed to build structures with temporary materials. Actions such as municipal registrations and the numbering of shacks by municipalities also create a sense of security in informal settlements earmarked for upgrading (Patel, 2011). However, there were many examples in which the way informal systems operate seemed to run counter to institutional methods (Muzondo, et al., 2007; Ray, 2008; Tissington, 2011; Wilson, 2011). Also, a large number of court cases related to evictions reflected the tension that existed between community structures and institutional embeddedness (Bowles, 2011; Huchzermeyer, 2009; Muzondo, et al., 2007; Ray, 2008; Tissington, 2011; Wilson, 2011). The existing research has also established that consistent messages in respect of tenure security are the exception rather than the rule in that different spheres of government send out mixed messages in respect of security-of-tenure problems (Charlton, 2010; Cole, 2010; Huchzermeyer, 2009; NPM Geomatics, 2010).

3.2.2 Housing satisfaction

Ownership is generally associated with higher levels of housing satisfaction. An implicit as-

sumption of the Housing Subsidy Programme, particularly under BNG, is that having larger homes leads to improved housing satisfaction.

While Tomlinson (1999) argued that larger house size did not necessarily lead to improved satisfaction, other studies have found size to be a factor in respect of housing satisfaction (Mehlomakulu & Marais, 1999; Ntema & Marais, 2013; Sebake, 2010). Tomlinson (1999) further established that house size, quality and cost were the three main factors influencing satisfaction with units in respect of which a housing subsidy and private-sector finance were linked. According to her, a significant amount of dissatisfaction was also occasioned by the fact that the beneficiaries were promised products much bigger than those that, in the end, were delivered to them. Beneficiaries constantly complained about the shoddiness of workmanship and beneficiaries whose previous informal dwelling units had been bigger than the subsidised houses eventually turned out to be, especially felt that they had been taken in (Tomlinson, 1999). The negative perceptions of the quality of houses constructed in terms of the Housing Subsidy Programme were also mentioned by a range of other researchers (Mehlomakulu & Marais, 1999; Sebake, 2010; Aigbavboa, 2010; Moolla, et al., 2011; Zunguzane, et al., 2012; Aigbavboa & Thwala, 2011; Narsai, et al., 2013; Ntema & Marais, 2013). A number of researchers also related these fairly low levels of satisfaction to negative perceptions about the general conditions (physical, social, cultural and economic) current in their broader communities (Sebake, 2010; Moolla, et al., 2011; Zunguzane, et al., 2012). In two case studies probing the importance of design factors, Sebake (2010) found the following aspects to have contributed to housing satisfaction in two medium-density developments: proximity to employment, proximity to a school, proximity to public transport, finishes, size, unit layout and sound insulation. Marais et al. (2003), like Ntema and Marais (2013) found significant differences to exist between the satisfaction levels of beneficiaries of self-build houses (satisfaction levels are higher) and those of houses constructed by developers. Significant levels of housing satisfaction were likewise measured by Himlin (2005) in housing units provided by the People's Housing Process. The existing South African literature indicates that there are various factors or mechanisms that seem either to have inhibited or facilitated the growing sense of belonging and satisfaction among households living in various state-funded housing projects. Though it is probably safe to suggest that there is no evidence that points to the fact that ownership per se contributes to improved satisfaction, we should, at the same time, acknowledge that there is likewise no evidence to suggest that ownership has nothing to contribute in this regard. The evidence also tends to indicate that households experiences improved social status by moving from a shack to a house. Having a house contributed to improved housing satisfaction – even if this happened not to be the case in eThekweni (Narsai, et al., 2013). Low satisfaction levels are often related to the lack of choice, the poor quality of the neighbourhood and lack of access to employment opportunities.

A number of factors related to institutional embeddedness have also had a role to play in

respect of housing satisfaction. First, the notion of a state-driven rather than a people-driven process in the provision of low-income public housing seems significantly to have contributed specifically to high levels of dissatisfaction among households. Perceived state dominance and the undue influence of project planning and implementation are reflected in the beneficiaries' constant general use – during focus-group meetings – of the word *their* instead of *our* in referring to house plans, the building materials used and the construction teams appointed. Second, the long-standing emphasis on housing size has further resulted in an over-emphasis of the state as a key role player in the housing-development process. In some cases, the emphasis on housing size has also had a negative impact on the provision of basic and bulk services (Marais, 2003), which, in turn, reduced housing satisfaction. Third, the widespread lack of a sense of belonging and of ownership in respect of these physical structures (houses) is attributable to various factors, most prominent among which is the failure by state institutions (provincial and local governments) to involve targeted communities actively in both project-planning and decision-making processes (Tomlinson, 1999).

3.2.3 Social networks

Social networks are vitally important to newcomers in urban areas or to people without secure tenure. Housing could potentially stabilise networks in a community or networks between communities and moreover help individual members to adjust to urban life. Social networks are also potentially valuable in respect of access to jobs (both formal and informal) and also of sharing resources within communities. This section considers the extent to which housing developments either contribute to or destroy social networks. A number of key aspects regarding social networks emanated from the available literature.

First, there is evidence of conflict regarding social networks (Lemanski, 2008). In some cases, diverse cultural backgrounds lead to conflict in social networks (Lemanski, 2008; Mafukidze & Hoosen, 2009), while language barriers also play a role (Mnguni, 2010). It seems that communities residing in different types of housing in one area or in two neighbouring communities are prone to conflict (Huchzermeyer, 2006a; Lemanski, 2008; Lizarralde & Massyn, 2008), especially when one of the groups comprises informal settlers (Benit, 2002). A common thread running through much of the literature is that collective community mobilisation is a powerful phenomenon (Huchzermeyer, 2006a; Ndinda, 2009; Ray, 2008). Ndinda (2009), in research in Ezilweleni in KwaZulu-Natal also demonstrated the power of collective action and of raising awareness of civil rights in community meetings.

Although social network is not a fixed concept and can change over time so as to be either inclusive or less inclusive, a number of studies have confirmed that shared histories and the duration of a household's occupancy in an area influence the types of social networks to which a person belongs (Harte, et al., 2009; Mafukidze & Hoosen, 2009; Mnguni, 2010; Mukorombindo, 2012). The Harte et al. study (2009) in Imizamo Yethu indicated the value

of cultural beliefs in influencing an individual's resilience in times of distress, specifically the importance in the Xhosa culture of maintaining social networks. Du Plessis's (2004) publication on council housing in Jan Hofmeyer provides the example of the tension between older tenants (predominantly white residents) and the newer tenants (mostly from the coloured and the black population groups).

Mukorombindo (2012) reported that the main reasons given by individuals for joining organisations had been to have security (i.e. spiritual and financial assistance via stokvels and burial societies), to feel part of the community, to relax, for enjoyment, to make a difference in the community, to learn skills and to develop talents. Many publications elaborated on the importance of women's groups in creating and maintaining social networks (Lizarralde & Massyn, 2008; Ndinda, 2009; Thomas, 2002). Gender aspects were apparent in that women were the vulnerable ones in the community (Mukorombindo, 2012; Thomas, 2002) and likely to be affected by biased decisions (Ndinda, 2009). Women also tended to be more involved in group associations than were men (Mukorombindo, 2012; Thomas, 2002).

According to Thomas (2002), neighbours play a significant role in social networks. Respondents in his Durban case study indicated that they had trusted the people in their local community (neighbours, neighbourhood leaders and local community leaders) much more than they had trusted outsiders to help to address a common problem. Mukorombindo's (2012) research in the Eastern Cape supported Thomas's finding. Mukorombindo's (2012) case study considered the relationship between social networks, social capital and social cohesion, community development and improved general quality of life. A number of publications reflected on the role played by specific individuals in creating and maintaining social networks (Du Plessis, 2004; Huchzermeyer, 2006a; Mnguni, 2010). In many cases, when the individual is not involved in the social network, the network is weakened or ceases to exist.

The location of settlements has an influence on social networks in terms of belonging, segregation and safety. Mafukidze and Hoosen's (2009) research indicated that the convenient location of Diepkloof relative to economic opportunities had given the settlement its own shared identity and to residents it had given feelings of belonging regardless of ethnicity. Interviews conducted by Mukorombindo (2012) substantiated the importance of locality in forming social networks.

There also seems to be evidence that new housing projects bring a larger degree of privatisation and individualisation (Massey, 2013) – a likelihood for which communities are not always prepared.

A number of examples related to embeddedness should also be mentioned. A community organisation can be seen to be both a mechanism for supporting social networks and also

as a notion that is deeply embedded in many communities across the country (Lizarralde & Massyn, 2008). However, whether the public sector has a role to play as regards social networks is debatable and its role is often considered to be negative (Du Plessis, 2004; Huchzermeyer, 2006a; Kallay, 2010; Ndinda, 2009; Thomas, 2002). Huchzermeyer's (2006a) case study in Joe Slovo (Port Elizabeth) suggested that a municipal paradigm shift was necessary so as to empower informal settlement communities to improve their living conditions. Communities tended generally to turn to the non-profit sector rather than to the municipality (Huchzermeyer, 2006a; Ndinda, 2009). A major thread running through much of the empirical work on social networks concerns the negative impact many development-orientated projects have on existing social networks. Developments implemented from the top down often fail either to recognise or understand the dynamics of the communities in which the development is implemented (Benit, 2002; Thomas, 2002; Lemanski, 2011; Lizarralde & Massyn, 2008). Finally, there are also examples of how different approaches and opinions from different government departments are deeply embedded in practice (Huchzermeyer, 2006a). Essentially the evidence suggest that top down delivery has a greater likelihood of destroying social networks. But even where it is not top-down, application of bureaucratic rules can be exclusionary or may fracture social systems as communities compete for limited state resources that are distributed on individual basis.

In conclusion, a number of comments should be made in respect of key mechanism at play. Overall, it seems as if social networks are promoted by the notion of "time" (duration of stay in a specific location), insecure tenure, shared context and history, the need to feel part of a community, financial requirements, knowing one's neighbours, gender, the role of strong individuals and location. Inhibiting mechanisms from the literature include diverse cultural backgrounds, conflict between newcomers and long-time residents, neighbouring communities (NYMBY), language barriers, relocation and the role of powerful people in society.

3.2.4 Health

The link between housing and health has been firmly established in epidemiological research (Thomson & Petticrew, 2005). However, arriving at a full understanding of the causal relationships in this regard has proven to be more problematic (Bradley, et al., 1992; Thomson, et al., 2002). Yet, from an asset-development perspective, good health is seen as an important asset in ensuring employment (either formal or informal), while housing (formal, informal and linked to infrastructure) is seen as one of the most basic assets that should help to create good health. Obviously, the linkages between these two factors are important. This section provides an overview of thirteen main findings in respect of the South African context:

- A number of studies suggested that subsidised housing units generally had better physical health outcomes than did informal settlements/units (Marais & Cloete, 2014c; Narsai, et al., 2013; Shortt & Hammond, 2013). Yet, when Short and Hammond controlled for age, no differences were found. De Wet et al. (2011) found that the health outcomes of

informal dwellers were better than those of formal dwellers but this was mostly because informal dwellers were younger (the authors seem not to have controlled for age). Vorster et al. (2000) found informal settlement areas had better health outcomes/profiles than did lower-income formal areas for a small number of indicators (no indication given as to whether the statistical analysis had controlled for age). Informal settlements had higher HIV infection rates than did formal settlements (Vorster, et al., 2000; Shisana, et al., 2005; Marais, 2007) while migrants living in informal settlements had a greater fear of contracting HIV than did inner-city migrants (Vearey, 2008; 2011; Govender, 2011). Higher rates of TB prevalence were found in informal settlements/informal housing units than in formal urban areas and in settlements with subsidised housing (Tlhabanelo, 2011; Govender, 2011; Govender, et al., 2011a; Govender, et al., 2011b; Marais & Cloete, 2014c). Significantly better health outcomes were found in housing-subsidy houses than in informal settlements for the following conditions: yellow eyes (Marais & Cloete, 2014c), skin disorders (Marais & Cloete, 2014c), rashes (Marais & Cloete, 2014c) and diarrhoea (Mathee, et al., 2009; Tlhabanelo, 2011; Govender, 2011; Marais & Cloete, 2014c). However, higher levels of asthma were recorded in subsidised housing than in informal settlements (Marais & Cloete, 2014c) and in houses where hairdressing units were present (Makene, 2008; Mathee, et al., 2009). Yet, Napier et al. (2000) found no health impacts related to home-based enterprises. There was also evidence that an urban renewal project had led to a decrease in the number of pneumonia cases (Tlhabanelo, 2011) and that the blood pressure of residents in informal settlements was higher than that of the residents in lower-income formal areas (Vorster, et al., 2000). The findings available in respect of mental health are contradictory, with some evidence of improved mental health being related to housing units provided under the housing subsidy programme (Mathee, et al., 2009; Shortt & Hammond, 2013). Yet, some contradictory findings were also recorded in this connection (Vorster, et al., 2000; Marais, et al., 2013). For children, crowding is one of the key mechanisms creating mental health problems (Marais & Cloete, 2014c; Narsai, et al., 2013) and is closely related to sexual abuse in crowded environments (Department of Social Development, 2012).

- Factors like age, hunger and income have a more significant impact on health outcomes than do housing conditions (Mathee, et al., 2009; Marais & Cloete, 2014c).
- Housing-subsidy areas do not necessarily have better access to health care facilities than do informal settlements (Narsai, et al., 2013; Marais & Cloete, 2014c), which is probably related to the location of houses provided in terms of housing-subsidy programmes.
- Adult and child growth in subsidised housing and formal lower-income areas is better than in informal settlement areas (Vorster, et al., 2000; Marais & Cloete, 2014c).
- Subsidised housing units have lower noise levels than do informal settlements and inner-city housing typologies (Makene, 2008; Mathee, et al., 2009; Narsai, et al., 2013).
- Residents of subsidised housing units experience lower levels of violence and have fewer

perceptions of increased crime than those living in informal units and other housing typologies (Makene, 2008; Mathee, et al., 2009). The economic impacts in domestic violence have been articulated elsewhere (KPMG, n.d.) suggesting that the economic impacts on non-economic attributes related to the housing subsidy programme cannot be ignored.

- Lower levels of alcohol and drug abuse are found among residents of subsidised housing units than among those living in informal settlements and other housing typologies (Makene, 2008; Mathee, et al., 2009).
- Though child- and infant-mortality rates are lower among the residents of subsidised housing units than among those living in informal settlements and informal housing units, the said rates are higher than those in other formal settlements (Marais & Cloete, 2014c).
- Residents of informal housing units tend to complain more frequently about indoor temperature than do residents of units in subsidised areas (Mathee, et al., 2009; Narsai, et al., 2013). Lower-income households experienced lower levels of ventilation in their dwellings (Thomas, 2006). Evidence to the contrary is also available (Narsai, et al., 2013).
- Damp is a more serious problem in informal housing units than in formal housing units (Thomas, 2006; Narsai, et al., 2013; Mathee, et al., 2009).
- Residents of subsidised housing units have fewer complaints regarding the lack of cleanliness in the neighbourhood (Mathee, et al., 2009).

As regards housing-related mechanisms, there is very little evidence that housing typologies play a direct causal role. The available evidence however suggests that there are two main housing-related mechanisms: distance from water and having to share toilet facilities with other households. The causal relationship in respect of distance to water is twofold: (1) water use (and thus hygiene) is lower if water is farther away; and (2) containers used to carry water contain bacteria and therefore, the farther the water source from a house, the poorer the health outcomes will be. In respect of sharing a toilet, unclear responsibilities regarding cleaning the toilet and the possible lack of hygiene of one's neighbours are probably the main reasons why sharing a toilet results in worse health outcomes.

Although the literature reflects very little on issues of embedded knowledge, the work of Govender (2011) should be noted in this respect. Because Govender argues that the design of many subsidised houses leads to poor health outcomes, improved housing design could lead to improved health outcomes. On the other hand, an over-emphasis on health can actually in some cases be harmful. For example, improving health outcomes has historically been provided as a reason to destroy informal settlements or set standards at unaffordable levels. A third point is that although the housing programme is in some places accompanied by a consumer-education programme, most health-related programmes do not emphasise the connection between housing and health (Govender, 2011).

3.2.5 Education

Hall (2005) uses data from the 2003 General Household Survey to illustrate that children under the age of 18 are less likely to live in informal housing units than are adults. Hall (2005) rightfully relates this trend to the fact that new migrants would often migrate and leave the children in rural areas. Hall (2005, p. 12) consequently argues that "... rural children are most likely to benefit from the housing subsidy by moving to the cities". The available evidence also tends to suggest that children have, in the main, accessed housing subsidies through their parents/caregivers. Hall (2005), quoting data from the Department of Housing, has suggested that 75% of housing beneficiaries of the Housing Subsidy Programme had child dependants at the time of application. Despite these positives, there are concerns as regards the maintenance of housing units and the formalisation of inheritance procedures should the parents die (the relatively high incidence of HIV/AIDS should be acknowledged in this respect). From a rights-based perspective, these issues are indeed problematic. Hall (2005) quotes a study by Giese, Meintjies, Croke and Chamberlain (2003), which provides evidence that housing maintenance is a major problem among child-headed households. Some however see the de jure exclusion of children older than 18 but younger than 21 from accessing a housing subsidy as problematic, given the prevalence of child headed households.

The Housing Subsidy Programme is commonly criticised for being located on the urban periphery and potentially eroding children's access to education opportunities. Bauman (2003) provides an example of the relocation of households as a result of a housing project in Gauteng. This relocation left the children 14 km farther from their school. The children consequently had to walk this distance to school. At some point, the children erected their own shack near the school and only returned home over weekends. In terms of people's perceptions, there was virtually no difference between respondents in informal settlements and respondents in RDP housing units (Narsai, et al., 2013) – this in the main suggesting that newly constructed neighbourhoods have not improved school access.

The final issue to be considered is whether there are indications that the Housing Subsidy Programme has impacted positively on the educational outcomes of children. In this regard, 33.1% of children aged 14 years and younger in the formal urban-settlement environment fell within the group lower than 1 standard deviation below the average (Marais, et al., 2013). The respective figure for subsidised housing units was 35.6%, while informal settlements recorded 37.3% and children residing in informal housing units recorded 46.9% (Marais & Cloete, 2014c). It is therefore clear that subsidised housing units have only a slightly positive impact on educational outcomes (at least in comparison with those of children from informal settlements).

Mechanisms that support child well-being and education include the requirement that recipients must have dependants to be able to access housing subsidies; they must have access

to services (water and electricity) and the structure itself must provide a space to study. The peripheral location of housing projects is responsible for the fact that little improvement is seen as regards school access (or at least the perception that no significant differences exist in this regard).

3.2.6 Personal dignity, household stability and citizen responsibility

On the one hand, available research suggests that the housing subsidy has not been able to ensure personal dignity, household stability or citizen responsibility. On the other hand, some researchers suggest that there is evidence that is precisely what has happened.

Issues commonly raised to suggest that the Housing Subsidy Programme has not ensured human dignity relate to complaints about the quality and size of the housing units (Ross, 2006; Aigbavboa & Thwala, 2011). Yet, issues of decency and dignity go beyond issues of size and housing quality (Ross, 2006). Ross (2006) found that key to the expectations of low-income dwellers awaiting a new housing project in Cape Town was the expectation that the new housing units would give them some dignity – in their words “ordentlikheid” – and respectability. Improved privacy lies at the root of restoring dignity (Ross, 2006). Yet, for some, restoring dignity was also associated with a larger degree of consumerism, such as being able to acquire household appliances (in that they now had more formal access to electricity). There also seems to be evidence that new housing projects bring a larger degree of privatisation and individualisation (Massey, 2013) – a likelihood for which communities are not always prepared. Many respondents in the work quoted by Ross (2006) suggested that the new housing project would let them “return to a core family scenario” – a scenario that was much different from that prevalent in the informal settlement where “fluidity in social relations” was commonly found.

On the positive side, for black people the restoration of homeownership is commonly seen to be a way of restoring human dignity and of providing symbols of equality for all South Africans (Gunter, 2013; Ross, 2006). Ross (2006) found that the formalisation processes was thought to have “helped” to reduce household conflict to a private issue (in that the other people were now unlikely to hear). Ndinda (2009) however maintains that the housing subsidies have given women a significant degree of security and stability and have therefore served to liberate women. Overall, there seems to be some qualitative evidence that the housing programme has generated a sense of national belonging, pride and dignity (Charlton, 2009; Zack & Charlton, 2003).

Although the notion of modernity is widely assumed in South African housing policy, there are also examples of where formal processes have not necessarily led to formalisation and modernity (Robins, 2002). In fact, formality and modernity were replaced by a new wave of informality and even informal sales in Joe Slovo Park in Cape Town – which has resulted in the informalisation of the land-tenure system. Other researchers have made the point that the

process of housing delivery should contribute to citizenship. Lemanski (2008) maintains that much of the intention of creating active citizenry lies within the active involvement of “beneficiaries” in the housing-delivery process. Active participation processes could be used to address aspects of voicelessness and powerlessness. Yet, community participation can also have unintended consequences (Lizarralde & Massyn, 2008) and is probably not an automatic prerequisite for addressing issues of powerlessness. Table 4 summarises the main findings in respect of psycho-social themes.

3.2.7 Synthesis

Overall, the research evidence on the social and psychological value of the housing subsidy programme is mixed. On the positive side, the research evidence suggests that the Housing Subsidy Programme has contributed to increased security of tenure. In addition to the role played by the provision of title deeds, a range of other mechanisms also contributes to improved security of tenure. However, the available research also suggests that there are some concerns around the economic risks associated with homeownership. The degree of housing satisfaction varied between case studies but relatively low levels of housing satisfaction were generally recorded. Low satisfaction levels are often found to be related to the lack of choice, the poor quality of the neighbourhood and the lack of access to employment opportunities. Yet, it is within the overall aspects of creating dignity and a shared sense of belonging to South Africa in which much of the social value of the Housing Subsidy Programme should be understood. Furthermore, despite limited evidence, some research sources suggest that the Housing Subsidy Programme has contributed to improved health (mainly through better infrastructure provision) and improved educational outcomes.

3.3 Municipal assets

3.3.1 Introduction

It is important that the relationship between individual asset generation and municipal finance be understood. The mainstream theory suggests that erven should be planned, included in the cadastral survey and that doing so would lead to the incorporation of these stands in the municipal rates roll, which ultimately, needs to contribute to land tax. Low-income housing and titling programmes should thus be a means of increasing local municipal revenue. This is also the notion provided in the overall programme theory for housing policy in South Africa. Furthermore, the fact that services are being provided to these settlements allows for services charges that could be a source of income. In the South African context, the intention of the equitable share has been to provide municipalities with an income for those households who cannot afford to pay for their services. Significant in this connection is the importance of understanding the relationship between municipal intention, indigent households and the equitable share. The second consideration concerns what municipalities do/could do to increase the value of individual household assets. Such actions by municipalities can be either intentional or unintentional. There are nevertheless key aspects that need to be considered in the research. Against this background, the

Table 4: Summary of the main findings within the framework of critical realism

Key themes	Outcomes	Mechanisms	Embeddedness	Context
Feeling of security of tenure	<p>There is evidence that title deeds have contributed to increased feelings of tenure security. The value is captured in the following:</p> <ul style="list-style-type: none"> • Importance of informal bargaining power • Larger degree of security of tenure recorded for households in houses delivered through the housing-subsidy mechanism than for households in informal settlements • Title deeds an important form of security in times of community friction • Convenience and proximity to place of employment often outweigh security of tenure through ownership. • Self-help supports security of tenure. • Security of tenure is linked to other securities such as employment and income. • Safety and security are closely related to secure tenure. 	<p>Mechanisms supporting security of tenure</p> <ul style="list-style-type: none"> • Other formal documents (not title deeds) from local authorities increase feelings of security of tenure. • Available infrastructure (as opposed to title) • Local government administrative systems • Both formal and informal transactions contribute to security of tenure. • Physical infrastructure • Community leadership • Duration of occupancy in an area • Examples of effective security of tenure by means of rental housing <p>Mechanisms inhibiting security of tenure</p> <ul style="list-style-type: none"> • Title leads to participation in informal markets • Could result in increased financial stress • Security of tenure not always helpful in areas that experience high levels of migration • Rates and taxes associated with increased titling could be unaffordable. • Could have negative gender impacts 	<ul style="list-style-type: none"> • Individuals have much difficulty in distinguishing between the security of tenure afforded by moving into a subsidised house or by receiving title deeds and other documentation granting occupancy. • A history of evictions related to the lack of de jure tenure security • Contradictory approaches by different spheres of government 	

<p>Housing satisfaction and a feeling of belonging</p>	<ul style="list-style-type: none"> • The housing satisfaction in subsidy-based projects is generally low. • Housing satisfaction in self-build projects is generally better than in contractor-driven projects. 	<p>Leading to dissatisfaction</p> <ul style="list-style-type: none"> • Poor workmanship / poor quality of building materials • Small housing units (although some argue it does not play a role) • Limited choice • General neighbourhood conditions • Poor infrastructure (bulk and internal) • Contractor-built housing • Lack of access to employment and social amenities <p>Leading to increased satisfaction:</p> <ul style="list-style-type: none"> • Self-build (dweller control) • Larger homes (especially in self-build projects) • Proximity to work and social amenities • Improved living conditions for those who resided in informal settlements prior to settling in a house provided by the Housing Subsidy Programme <p>Consideration should be given to the role of urban ownership in ensuring a feeling of belonging for all South Africans.</p> <p>Although there is no evidence to suggest that ownership per se leads to improved satisfaction, it might well be the inherent assumption underlying ownership that contributes to improved "dweller control" (for example the greater flexibility that is associated with ownership).</p>		
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	<p>Low-income housing and ownership do not necessarily lead to the creation of better and more appropriate social networks. In fact, it should be noted that a number of case studies suggest that there may be a range of inhibiting factors. Low mobility among South African urban dwellers probably also suggests that, over time, communities develop social networks. It is thus not always possible to relate the development of social networks to new housing-development processes.</p>		
	<p>Contributing factors</p> <ul style="list-style-type: none"> • In the course of time, diverse communities are able to establish some form of social cohesion. • Collective community mobilisation is occasioned by insecure tenure. • Shared context and history • Need to feel part of a community • Financial values • Gender (females more likely to associate with groups in society) • Knowing the neighbours • The role of strong individuals • Location <p>Inhibiting factors</p> <ul style="list-style-type: none"> • Diverse cultural backgrounds • Conflict between “older” residents and newcomers • Neighbouring communities (NIMBY) • Language barriers • Relocation • The role of powerful people in society 		

Health				Climate
<ul style="list-style-type: none">• Better physical health outcomes are generally experienced in subsidised housing units than in informal settlements/units.<ul style="list-style-type: none">a. Higher HIV-infection rates are encountered in informal settlements than in formal settlements. Migrants living in informal settlements have greater fear of contracting HIV than do inner-city migrants.b. Higher rates of TB prevalence in informal settlements / informal housing units than in formal urban areas and in settlements with subsidised housingc. Significantly better health outcomes in subsidised housing than in informal settlements for the following conditions: yellow eyes, skin disorders, rashes and diarrhoead. Urban renewal leads to a decrease in the number of pneumonia cases.e. Blood pressure of residents in informal settlements is higher than in lower-income, formal areas.f. The presence of hairdressing establishments in units is related to higher levels of asthma.g. Residents of upgraded settlements have better mental-health outcomes than do those living in informal settlements.• Factors such as age, hunger and income have a greater impact on health outcomes than do housing conditions.• Housing subsidy areas do not necessarily have better access to health care facilities than do informal settlements.• Adult and child growth in subsidised housing and formal lower-income areas is better than in informal settlement areas.• Lower noise levels are experienced in subsidised housing units than in informal settlements and other housing typologies.• Lower levels of violence and fewer perceptions of increased crime are experienced in subsidised housing units than in informal units and other housing typologies.• Lower levels of alcohol and drug abuse are encountered in subsidised housing units than in informal settlements and other housing typologies.• Lower child- and infant-mortality rates are encountered in subsidised housing units than in informal settlements and informal housing units but the rates are higher than in other formal settlements.• In-house temperatures are less comfortable in informal settlements/housing units than in subsidised housing units. Lower	<ul style="list-style-type: none">• In respect of housing-related mechanisms, there is very little evidence that housing typologies play a direct causal role. The available evidence suggests, however, that there are two main housing-related mechanisms: distance from water and sharing toilet facilities with other households. The causal relationship in respect of distance to water is twofold: (1) water use (and thus hygiene) is lower if water is farther away, and (2) containers used to carry water contain bacteria; therefore, the farther away a water source is from a house, the poorer the health outcomes are bound to be.• In respect of sharing a toilet, unclear responsibilities regarding cleaning the toilet and a possible lack of hygiene among one's neighbours are probably the main reasons why sharing a toilet results in poorer health outcomes.• Crowding seems to be a significant mechanism that creates poorer mental-health outcomes for children.	<ul style="list-style-type: none">• Poor housing design• Health not embedded in consumer education• Health reasons have historically been used to displace people	<ul style="list-style-type: none">• Climate	

	<ul style="list-style-type: none"> income households have a higher prevalence of smoking and lower levels of ventilation. Infrastructure rather than housing type seems to be the dominant mechanism that leads to better health outcomes. Dampness is worse in informal housing units than in formal housing units. Residents in subsidised housing units complain less about the cleanliness of the neighbourhood. Crowding is the main mechanism that affects mental health among children. Overcrowding is slightly more common in informal settlements. 			
Education	<ul style="list-style-type: none"> More than 70% of households who had accessed housing subsidies have dependants. Households younger than 21 with dependants are unable to access subsidies. Low levels of access to educational facilities have been recorded in studies in eThekweni and Johannesburg. The numeracy scores of children living in subsidised housing units are higher than those of children in informal settlements / informal housing units. 	<p>Mechanisms supporting child well-being and education</p> <p>The requirement that applicants must have underage dependants so as to be able to access housing subsidies (potentially better living conditions and greater household stability)</p> <p>Mechanisms resulting in negative impacts on child well-being and education</p> <ul style="list-style-type: none"> HIV&AIDS result in limited care for orphans, legal tenure problems and problems as regards the maintenance of housing units. The peripheral location of housing projects results in no significant improvements in terms of being able to access schools (or at least the perception that no significant difference has been made). 	<p>Integrated planning and intergovernmental coordination are weak.</p>	<ul style="list-style-type: none"> Policy makes no specific reference to children's rights. Require-ments regarding dependants constitute an important policy imperative to improve children's quality of life.

Personal dignity, stability and citizen responsibility	<p>Issues commonly used to suggest that the Housing Subsidy Programme has not ensured human dignity relate to complaints about the quality and size of the housing units: small size is said to have compromised the privacy of the occupants. Yet, as issues of decency and dignity go beyond issues of size and housing quality, improved privacy lies at the root of restoring dignity.</p> <p>On the positive side: for black people the restoration of homeownership is commonly seen to be a means of restoring human dignity and of providing symbols of equality for all South Africans. Although the notion of modernity is widely assumed in South African housing policy, there are also examples of where formal processes have not necessarily led to either formalisation or modernity and where, ultimately, informality prevailed</p>			
Personal dignity, stability and citizen responsibility	<p>Issues commonly used to suggest that the Housing Subsidy Programme has not ensured human dignity relate to complaints about the quality and size of the housing units: small size is said to have compromised the privacy of the occupants. Yet, as issues of decency and dignity go beyond issues of size and housing quality, improved privacy lies at the root of restoring dignity.</p> <p>On the positive side: for black people the restoration of homeownership is commonly seen to be a means of restoring human dignity and of providing symbols of equality for all South Africans. Although the notion of modernity is widely assumed in South African housing policy, there are also examples of where formal processes have not necessarily led to either formalisation or modernity and where, ultimately, informality prevailed.</p>	<p>Although the shared sense of nationhood – created via ownership for all South Africans – has probably been a key mechanism, the question is whether that could not have been obtained by other means. At the same time, note should probably also be taken of community views that upgraded settlements (new housing) could well be creating a sense of consumerism and, consequently, larger degrees of debt.</p>		<ul style="list-style-type: none"> • The historical exclusion of black South Africans from urban landownership is central to the context.

intention both in policy and in the programme theory is considered against the available literature, new assessments of municipal finance data and a range of interviews conducted with key role players in the sector.

3.3.2 Contextual issues

A number of contextual aspects should be considered in respect of the Housing Subsidy Programme and municipal finance. The historical problems associated with the apartheid city cannot be ignored. The low-density urban sprawl has largely been seen to prevail well into the democratic period and although much has been done to ensure more inclusive planning, the historical exclusion of the poor from urban areas has resulted in the lack of a historical framework on management of urban access for the poor. The acceptance, in the early 2000s, of wall-to-wall municipalities also meant that rural areas and some displaced settlements were included in the municipal domain – and even in some metropolitan areas. Consequently, finding appropriate ways to ensure sustainable municipal finance has, for some years, been quite a struggle.

3.3.3 Key outcomes

This section considers four main outcomes as regards the interrelationship between municipal finance and the Housing Subsidy Programme.

Outcome 1: Less dependence on own resources

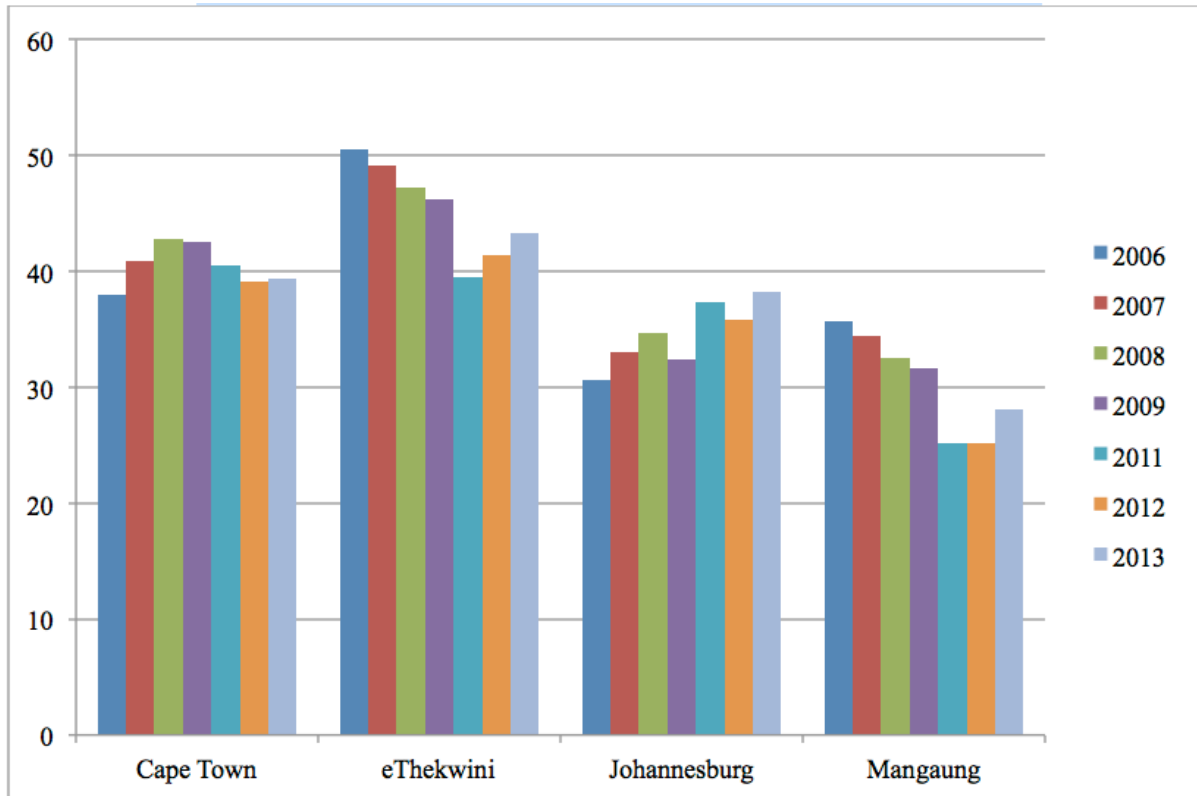
The South African Cities Network (2011) has already noted a few trends in municipal finance for the period 2004–2009. The main trends relevant to this review are the following:

- The only revenue source of which the share has increased over this period has been government grants and subsidies (both capital and operating), which rose from around 6% to 25% between 2004 and 2009.
- In nominal terms, the equitable share grew by nearly four times during the period (the same trend being discernible after the original Regional Services Council levy replacement was considered).
- Increased capital investment has been considerable. Although this is indeed important, the danger is that the longer-term maintenance costs may be ignored.
- There are indications (related to the above factors) that the financial resilience of South African cities “has slipped”.
- Cities have further been experiencing cash flow problems and do not appear to have managed increases in their cost items.

The increasing reliance on grants by municipalities, even among metros, raises question about sustainability of intergovernmental transfers, dependence of fiscal transfers and loss of financial resilience. Much of the literature mentioned above has been confirmed by the following results from our assessment of municipal finance:

The assessment of the municipal finance data for four metropolitan municipalities (Cape Town, eThekweni, Johannesburg and Mangaung) largely confirms the available literature on the topic (see Figure 4).

Figure 4: The proportional share of property rates relative to municipal (own) income in Cape Town, Johannesburg, eThekweni and Mangaung, 2006–2013



The following key points should be made in this respect :

- Since 2006, the annual growth in the equitable share has outperformed growth in property rates, revenue generated by the municipalities themselves (excluding electricity-related income) and the CPI.
- The equitable share expressed as a percentage of own income for the four municipalities confirms the above point. In each of the four cases, the percentages increased between 2006 and 2013.
- The share of property rates as a percentage of own income grew in Cape Town and Johannesburg but declined in eThekweni and Mangaung in the period between 2006 and 2013. Although the reasons for this are complex, it suggests that – at least in some cases – municipalities are able to increase their income from properties (either through new developments or through increases in property rates).
- Mangaung and Cape Town managed to increase the property rates they collected at rates beyond house-price inflation and, in the case of Mangaung, beyond the approved increase in property rates. In Johannesburg and eThekweni, the property-rate increases were more moderate. These results probably suggest that Cape Town and Mangaung managed to add property tax by adding new areas or new development to their property

income stream. In Mangaung this is a direct result of the inclusion of farm land on the rates roll.

During the interviews (both in focus groups and individual), the financial managers questioned the Housing Subsidy Programme and its impact on municipal finance. In eThekweni and Mzunduzi, the free basic services provided exceeded the equitable share by respectively R1bn and R300m. Yet, in Mangaung the municipality is actively recruiting indigents to be able to use the equitable share appropriately. What seemed to be totally absent from most of the discussions were ways to use existing properties to expand the tax base. Overall, it seems easier to canvass for extensive increases in the equitable share than finding ways of increasing the number of households paying land tax in specific localities. Given that only between 25% and 30% of property owners are indeed paying land tax, strategic consideration should be given to expanding this percentage.

The following key points should be made in conclusion:

- There is evidence that the equitable share has impacted negatively on municipalities' resilience to generate own income.
- From the data it is evident that Cape Town and Mangaung have each actively enlarged their incomes from property rates.
- There is virtually no discussion on how to expand income from property rates – it seems to be easier to negotiate increases in the equitable share.

Outcome 2: Depletion of housing development funds / own contribution

Three of the six municipalities that were interviewed have housing development funds. These housing development funds were established in terms of the Housing Act No 107 of 1997. Loans from national and provincial government that were used to finance the sale of housing undertaken by the municipal entity were discontinued on 1 April 1998 and transferred to a housing development fund. Schemes for the sale of housing – both complete and in progress as on 1 April 1998 – were also transferred to the relevant housing development funds. In terms of the Housing Act, all proceeds from housing developments, which include rental income and the sale of houses, must be paid into the fund. Monies standing to the credit of the fund can be used only to finance housing developments within the municipal area, subject, that is, to the approval of the provincial MEC responsible for housing.

The available literature has already brought to light the fact that the development contribution related to new low-income housing developments has a detrimental impact on municipal finances – in many cases on the housing development fund (South African Cities Network, 2011). During the interviews, officials from eThekweni suggested that the municipality had until quite recently made a contribution of R110 000 per stand. The three municipalities each used housing development funds to finance new developments. In all cases, they funded the

infrastructure costs related to housing-subsidy programmes. In two cases (Mangaung and eThekweni), the total value of the funds decreased considerably over the years. In eThekweni, the fund dropped from R650 million in 2006 to R260 million in 2013 and officials who attended the interview sessions considered the fund to be virtually depleted. In Mangaung, the fund stands at less than R4 million. In Cape Town, the housing development fund seems to be markedly healthier: the municipality's 2013 financial statements reflect an amount of just over R500m to be available – more or less the same as the amount available in 2006.

Outcome 3: Properties being captured on the rates roll

The Municipal Property Rates Act of 2004 requires municipalities to include all properties on the municipal rate rolls. Once this has been done, different forms of exemption from paying property rates or significant discounts can be institutionalised (Urban Landmark, 2009). According to the current valuation roll for Johannesburg, the R150 000 residential exclusion completely eliminates rates liabilities for 32% of residential property owners, or 24% of total ratepayers in Johannesburg (Urban Landmark, 2009). The properties that are exempt from property rates are a very small portion of the total number of properties on the roll (and also of the total value of the roll) (Urban Landmark, 2009). The literature confirms that many municipalities provide full exemptions to persons on the indigent register. Some municipalities however limit such exemption to those owning property that falls below a certain market value (Urban Landmark, 2009). Though the literature indicates that the revenue lost by municipalities as a result of direct tax relief is not significant in comparison with total rates revenue, the total cost to the municipality of implementing the tax relief measures is however significant (Urban Landmark, 2009). Some of the literature has pointed to the fact that some households are beginning to abandon their subsidised houses because not only of poor quality and location, but also because they themselves are now liable for rates and other service charges (United Nations Human Settlements Programme, 2005). Therefore, the potential conflict between increased property rates (which could potentially contribute to municipal finance) and the impact of such increases on the poor should be acknowledged.

In compliance with the relevant legislation, all the municipalities we spoke to had captured all the properties under their jurisdiction on their rates rolls. Where relevant, farms had also been included (as from 2009). In general, property valuations are done every four to six years (depending on specific situations). Yet, property rates are not necessarily levied on all of these properties. The important point at this stage is that the programme theory sees the capturing of properties on the rates roll to be an important indication that housing is becoming an asset. While all the municipalities considered in this study did indeed fulfil the legal requirement of capturing all properties within their jurisdiction on the rates roll, the important question is whether the said municipalities were actually deriving income from such properties. Arrangements in respect of property-rates exemption differ among municipalities. In general, exemption is granted based on property value. In Cape Town, properties valued under R200 000 are

exempted, and the respective figures for Mangaung and eThekweni are R70 000 and R180 000. Being exempted from paying for water and electricity seems to be a somewhat more complex matter. Examples were given of three different methods. In some cases, geographical exemption was granted. In other cases – such as in eThekweni – the general exemption that applied nationally in respect of basic free water and electricity was granted. A third method, as applied in Mangaung, suggested that one had to be registered on an indigents register to receive free water and electricity. A significant number of low-income housing units delivered under the Housing Subsidy Programme had not finally been transferred to their beneficiaries. Because these housing units are recorded as municipal property, no property rates can be levied. Yet, “beneficiaries” are recorded on the municipal billing system and – depending on the respective municipalities’ indigent policies – had to pay services charges. Evidence from the data assessment on municipal finance suggests that because of steady house-price increases experienced during the period 2002–2007, the actual property values (as valued every four to six years) have increased rapidly since 2009. Obviously, property rates cannot follow the same trajectory but it also means that the property rates levied as a percentage of property rates valued has decreased considerably over the past decade. In the process, municipalities need to balance developmental goals (not increase property rates too quickly so as to maintain significant levels of ownership) with municipal financial resilience.

Outcome 4: Perceptions on housing as a municipal asset can at best be described as mixed. Perceptions as to whether the Housing Subsidy Programme is an asset or a liability varied across municipalities and among interviewees. In this regard, financial managers and engineers were more likely to view the programmes as a liability, while housing officials were more likely to have a more positive attitude towards the subsidy programme. The officials from the various cities also held different views. Officials from eThekweni were somewhat more critical and could not provide examples of housing units provided under the Housing Subsidy Programme having been incorporated in the rates roll. Some examples were mentioned of areas being developed under the Housing Subsidy Programme in Emfuleni and in Cape Town.

3.3.4 Mechanisms

Information obtained from both the literature and the interviews facilitated the identification of a number of key mechanisms that either support or inhibit asset building in the municipal sphere:

- Time and age of the settlements: In this regard, some evidence from especially Cape Town was given of old stock (and in some cases older houses provided under the Housing Subsidy Programme) contributing to the Cape Town rates base.
- The importance of location (for municipal asset building) was constantly emphasised in literature (Public Service Commission, 2003; National Department of Human Settlements, 2009) and also during our interviews. This happened to be a problem especially in eThekweni. Besides normal market forces pushing subsidised housing units to the periphery, topographical problems in the city were further also contributing to houses being built in

peripheral locations.

- There was also evidence that smaller municipalities found it more problematic to levy taxes from lower-income property owners.
- Municipal accreditation was also commonly mentioned as a key factor in ensuring appropriate management in both the short and the longer term. Troubled relationships between many local governments and their provincial counterparts especially hampered this process towards accreditation (Public Service Commission, 2003).
- The fact that up to 40% of beneficiaries of the Housing Subsidy Programme tended to fall outside the deeds register seemed to be a major problem to many municipalities (National Department of Human Settlements, 2009). Although none of the interviewees suggested that the transfer of title deeds would definitely enable them to levy rates and taxes, the justification was generally linked rather to disposing of land on the municipal books.
- Facilitating land-use regulations in respect of lodgers and home-based enterprises seemed also to be helpful towards creating a sense of assets for homeowners, which, in turn, would contribute to the municipal fiscus. Yet, despite some exceptions, there was not as yet widespread acceptance of the principles in this regard. The long-term potential of levying property taxes on businesses operating from residential spaces also does not seem to be on the agenda.
- The availability of both bulk infrastructure and water seemed also to be helping many municipalities to create assets.
- Finally, it was considered that the significant number of informal land transactions would hold some risk in the long run, for example with regard to the legitimacy of the deeds register, municipal account details and the valuation role.

3.3.5 Embeddedness

Three important aspects of institutional embeddedness probably hold long-term risks. The first of these is an increasing dependence on the equitable share. The risk here is that strategic options could be neglected to access more income from property taxes. Secondly, there seems to be very little evidence that asset building is entrenched at the local level. Consequently, the relationship between individual asset-building opportunities and how the municipality can benefit from such opportunities seems somewhat vague in most instances. Thirdly, as regards the over-emphasis on ownership in policy, there also seem to be cases in which overall approaches to high density and rental housing have been absent.

4. Key findings in respect of policy

This section reflects on the key questions asked in the Terms of Reference for the review.

4.1 Theory and conceptual understanding

The Terms of Reference asks four key questions connected to the conceptual understanding of assets. The said four questions will be addressed in some detail in the present section.

4.1.1 Is the theory that informs the housing programmes in responding to asset poverty valid and appropriate for the South African context?

4.1.1.1 Weighing the evidence

Our assessment of the programme theory will start with the outcomes and work back through mechanisms, embeddedness and contextual factors. The current theory of change essentially reflects neo-liberal undertones and suggests that market forces are central to the housing processes. The housing market is seen as the main mechanism by means of which people may be lifted from poverty. These neo-liberal undertones are visible from the list of envisaged outcomes that emphasises the fact that subsidy stock and old stock grow in value, subsidised houses are incorporated in the property market, subsidised houses or old stock enters the rates roll, the value of the poor's share of the property market grows and the poor move up the housing ladder. Table 5 provides the key evidence in relation to each of the envisaged outcomes. The extent to which each of the outcomes has been achieved is rated from 1–5 (1 = virtually no evidence supporting this outcome; 2 = limited evidence supporting this outcome; 3 = a sizeable degree of evidence supporting this outcome; 4 = significant evidence supporting this outcome; 5 = outcome achieved).

Table 5: Envisaged outcomes in the programme theory evaluated against the existing evidence

Key envisaged outcomes	Key evidence	Rating out of 5
Subsidy stock and old-stock houses grow in value	<ul style="list-style-type: none"> • Some reported growth as regards values of old-stock and subsidised houses – overall less than in the former white city suburbs • Value of subsidised housing units has generally remained significantly below subsidy value • Old-stock housing has significantly higher values than subsidised housing 	OO
Poor move up the housing ladder	<ul style="list-style-type: none"> • Nearly 3m households have received a housing unit on the first rung of the ladder • Only 7% of beneficiaries of subsidised housing units have formally transacted (although some informal transactions should also be mentioned) • Affordability, lack of available stock and willingness to sell remain problematic (linked to the targeted nature of the subsidy) • The initial flow of mortgages has stagnated due to the global financial crisis (fewer mortgages available to lower-income households and fewer small mortgages available) • Evidence that lower-income households will find it increasingly difficult to access mortgage loans 	O
Subsidised houses are incorporated in the property market	<ul style="list-style-type: none"> • Less than 10% of housing units have been transacted. • Informal property transfers estimated at about 10%–15% • Rental income from housing remains low. 	OO
Subsidised houses / old stock enters the rates roll	<ul style="list-style-type: none"> • All housing units entered the rates roll since 2004 • Yet very little evidence of subsidised housing units paying land tax due to a discount system applicable to housing value below a certain threshold level 	OOOOO
The value of the poor's share of the property market grows	<ul style="list-style-type: none"> • There is evidence that a small portion of the subsidised housing stock and old stock have gained value. 	OO

As suggested earlier, the existing evidence seems to suggest that many of the envisaged outcomes have received very low ratings. The high rating given to the fact that subsidised houses will enter the rates roll is mainly due to the fact that the municipalities we interviewed maintained that all housing stock had entered the rates roll. The question, more importantly, is whether they are paying rates and taxes – of which there is very little evidence. The evidence in respect of the above outcomes suggests that the overall achievements have by and large not been attained. Yet, the outcomes should be viewed in causal relationship with the mechanisms outlined in the programme theory. These mechanisms and the evidence available for evaluating their appropriateness are outlined below in Table 6.

Table 6: Envisaged outcomes in the programme theory evaluated against the mechanisms suggested in the programme theory

Key assumed mechanisms	Key evidence	Rating out of 5
Well-located land	<ul style="list-style-type: none"> The inability to locate subsidised housing on well-located land remains a major obstacle – this inability is related to the nature of the subsidy and to local decision-making processes. 	O
Effective planning and deeds registration	<ul style="list-style-type: none"> 40%–50% of subsidised housing units without title deeds Major attempts at integrated planning (very little evidence to suggest that this has led to improved access to social amenities) Infrastructure does however play an important role in health and education. 	OOO
The provision of services	<ul style="list-style-type: none"> In general, service levels have improved as a result of the Housing Subsidy Programme (there is some evidence to suggest that more emphasis on house size has led to smaller investments in services). 	OOOO
Creation of functional neighbourhoods	Very little evidence to suggest that this led to enhanced access to social amenities – care should however be taken in that the creation of functional neighbourhoods is a long-term process.	OO

Access to private-sector finance	<ul style="list-style-type: none"> • Less than 10% of subsidised housing units linked to mortgage finance (percentage is in decline) • Affordability a main constraint (due to the targeted nature of the capital subsidy) 	OO
Good quality housing	<ul style="list-style-type: none"> • Despite increasing pressure to increase the size of housing units, there is very little evidence to suggest that it has helped to improve market access. 	OO

The ratings provided in the above table tend to suggest that, in the main, the envisaged mechanisms suggested in the programme theory have received low ratings. Yet, does this indicate that it is a failure or the start of new process? There is evidence that the Housing Subsidy Programme has played an important role in laying a foundation in terms of the following:

- Both service provision (like the subsequent health improvements) and appropriate planning have played a part towards stabilising South African society. Security of tenure and ownership in urban areas (prohibited under apartheid) also contributed in this respect.
- Although access to private-sector finance and the ability to climb the housing ladder remains limited, the overall foundation was laid so that future generations may reap the benefits. So, despite the fact that very few households have actually used or might use their housing units in economic terms, the foundation laid through the Housing Subsidy Programme enables them to use it if they should so wish.

Yet, despite this inherent current and future opportunity, adherence to the programme theory seems currently to be limited

4.1.1.2 So, how appropriate is the existing programme theory?

The question posed in the Terms of Reference relates to the appropriateness of the existing programme theory. The evidence suggests that the envisaged programme theory (a mainly neo-liberal theory) is essentially appropriate to between 10% and 20% of the beneficiaries (depending on how one rates certain aspects). The evidence suggests that the envisaged outcomes in the programme theory are generally not appropriate to the majority of households who have received a subsidised housing unit. Yet, this does not mean that it is totally inappropriate – it may indeed be appropriate to some beneficiaries or partially appropriate as households accumulate assets over the long term. Given the long-term nature of asset generation, an approach of this nature might only be appropriate in an incremental way over the long term or even only with the second and third generations. The findings also suggest that a number of factors aimed at facilitating the envisaged outcomes seem not to function appropriately: housing units are mostly not located on well-located land; there is limited evidence of effective local planning, while at least 40% of housing units are not registered at the deeds office; and, there is little evidence of functional neighbourhoods having been established.

Obviously, one could ask the question whether 100% coverage of title deeds associated with the Housing Subsidy Programme could have made a difference. Yet, such an improvement in terms of the provision of title deeds would probably not have contributed to more than 20% of the households linking their housing assets to the formal market economy.

The main problem associated with the existing programme theory is that it assumes that all households should follow the single programme theory. What should be considered is both a segmented approach with different programme theories for different segments and an articulation of the non-economic values associated with housing. In fact, that is already to some extent occurring. The fact that the Department of Human Settlements have both an informal settlement programme and the FLISP suggests existing segmentation – the one being directly linked to the market economy and the other more socially orientated. Secondly, an approach that makes it easy to “migrate” between different contextualisations of housing (for example an easy migration between, on the one hand, secure tenure under the informal settlement programme and full ownership, on the other, as circumstances change.

4.1.1.3 Is there a link between state interventions and market interventions and what are the implications?

In addition to the connections made above, one wonders whether state interventions create a sound basis for improved market interventions. The available evidence suggests that:

- Mortgage finance (private-sector finance) was linked to 8% of the housing units constructed under the Housing Subsidy Programme. The key question in this regard concerns the extent to which the fact that only about 50% of housing units were registered at the deeds office has contributed to this low percentage.
- The second link between state intervention and market development lies in the potential development of a secondary housing market. As earlier indicated, only 6% of the housing units provided between 1994 and 2009 were sold. The percentage of stock that was sold in one year never exceeded 1%. Higher levels of sales were recorded in the Western Cape and in Gauteng and the discount benefit scheme also experienced higher levels of sales. Although the fact that the sales restriction is not applicable to houses obtained in terms of the discount benefit scheme has probably had a part to play, the older units and the level of gentrification associated with older units have probably also been contributing reasons. There is also some evidence that a small number of households acquired second homes (with about 3% of the 6% who sold their housing units suggesting that a small but new class of landlords is developing).
- Informal market transfers seem to have been substantially more than the 6% that were realised in terms of formal transfers, the available evidence suggesting that informal transfers could well be double that of formal transfers in that the majority informal transfers are linked to “transfer” occurring after the death of the original owner. It should also be accepted that, in some cases, money changed hands in these transactions that are how-

ever never formally registered with the deeds office.

- In the period between 2002 and 2007, South Africa saw some of the most substantial annual increases in house prices. Although the prices of units in former black townships and those of subsidised housing units also increased appreciably, the prices of subsidised housing units were generally lower than the amounts originally used to subsidise these units.
- There is some evidence from the municipal interviews to suggest that property values have increased in neighbourhoods adjacent to the areas that received housing subsidies.

Broadly speaking, it seems as if the link between state interventions and market development is limited. The appetite to sell housing units remains low. Yet, in line with the emphasis on intergenerational values of asset-building approaches, the question is whether the first generation will indeed be the generation to benefit. The literature fails to indicate the extent to which the existing rather small market links will expand at scale in future.

4.1.1.4 The need for segmentation

The justification for greater segmentation comes from two sources in this report. First, the notion of segmentation is well entrenched in the international literature on asset accumulation. The main justification for such market segmentation lies in the fact that, even within the general definition of poor households, not only the levels of poverty but also of income and the regularity of income differ noticeably. The second justification originates from the fact that some level of segmentation has already occurred in respect of the current Housing Subsidy Programme. At the bottom end, the Informal Settlement Upgrading Programme has emerged as an important attempt to deal with informal settlements; at the higher income end, FLISP has been introduced. Thus, although, the overall programme theory remains the same, two vastly different programmes are being followed.

4.1.1.5 Low-income housing: was the aim profit-making or social benefit?

The question is whether the original policy aim was orientated towards wealth creation or social benefit. Some attention was devoted to this issue earlier on in this review. The evidence from the review suggests that both aspects were important. Three general points should be made:

- As regards the historical problems associated with addressing the housing problem and the large-scale informal settlement development in the early 1990s, one of the immediate aims was to deal with increased urbanisation and urban settlement. Social concerns were central to this drive.
- Yet, the way in which the subsidy was originally structured also suggest that the long-term value of creating assets was already entrenched at that point. The fact that the subsidy became smaller as income increased suggests that private-sector finance and market mechanisms had to contribute to housing provision.
- The emphasis on wealth creation through housing became more prominent with the ac-

ceptance of Breaking New Ground. Terms such as ‘housing as an asset’ and ‘climbing the housing ladder’ were used explicitly for the first time.

Perhaps the main problem in respect of the above question is that policy should aim either to create a social benefit or to contribute as an economic asset. Globally, the majority of housing products and processes perform both functions. Therefore, the most appropriate response would probably be to emphasise both functions. Quite often, policy responses react like a pendulum – swinging from one extreme to the other. The emphasis on the economic value of housing in Breaking New Ground highlighted the omission of the term in the original policy – this in spite of the fact that the original subsidy inherently promoted market access.

4.1.2 Explore further the interrelationship between the conditions within the market and economy and the performance of government-subsidised housing. What is needed both for beneficiaries to be sufficiently equipped to engage with the financial markets and for the latter to respond to this?

The available evidence on the interrelationship between market conditions and the performance of government-subsidised housing can be summarised in the following key points:

- Less than 10% of subsidised housing units are linked to mortgage finance although a further 11%–16% are linked to microcredit.
- Agreements between the banks and government have led to the provision of a significant number of small mortgages.
- The available evidence suggests that the global financial crisis contributed to a large percentage of these small mortgages being redeemed or to households losing their housing units (at least more likely to happen in 2008 when interest rates increased).
- The period after the global financial crisis has led to a substantial decrease in the number of new small mortgages and fewer mortgages being provided to low-income households. The initial progress made via various agreements between the banks and government has probably been lost.
- Approximately 6% of subsidised housing units has formally been transacted and between 10% and 15% have been transacted/transferred informally.
- There is limited evidence that owners of subsidised housing units have climbed the housing ladder.
- Existing debt levels among households should be noted, as should the contribution of the overall high levels of unemployment in South Africa. The historical trends regarding interest rate volatility is a further inhibiting factor.

Overall, the evidence suggests that most of beneficiaries of housing subsidies are unlikely to engage with the market through formal processes such as accessing mortgage loans and trading on the formal market. The reasons for this reality are complex:

- On the one hand, the phenomenon is directly related to the targeted nature of the subsidy, which focuses on poorer households. Subsequently, affordability remains a key issue and the global financial crisis has reinforced this issue. Furthermore, the relatively high levels of existing debt do not assist households in accessing housing finance. Evidence

suggests that the gross debtors book is fast growing, having accumulated to R1.59billion by the end of June 2014 (National Credit Regulator, 2014).

- There are also indications that the subsidy benefitted older people in inverse proportion to their share of the population. Focusing on households in the latter part of their life cycle (or of their work life cycle) is not conducive to creating opportunities for housing finance. One should however acknowledge that the above example suggests that housing thus performs a social role.
- Furthermore, available evidence indicates that banks are becoming progressively unwilling to provide small mortgages to low-income households.
- Many of the housing units are still in the hands of first-generation urban households. For many such households the notion of stable access to an urban area outweighs the potential value of selling the house.
- Yet, at the same time, low-income households are seemingly reluctant to risk losing their homes by accessing mortgage loans. In this regard, the volatility of interest rates over the past twenty years and the evidence of properties in possession have lessened the appetite for mortgages among low-income households. One should acknowledge that the “hesitance from low-income households” combined with the banks’ “unwillingness” probably contributed to the fact that the South African banking system came out of the global financial crisis virtually unscathed.
- There is some evidence that where transaction support is provided a larger number of formal transactions are recorded.
- The sales restriction and the between 40% and 50% housing units in respect of which deeds have not been registered remain an effective barrier to formal secondary-market development.

That 80% of the beneficiaries are not accessing housing markets (as expressed in the programme theory) does not suggest that appropriate interventions should not be undertaken to ensure market access for the 20% who do indeed access the market. Essentially, this is the gap market. Key requirements in this regard are:

- Ensuring that title deeds are registered
- Removing the sales restriction
- Developing a specific asset-building programme that goes beyond the housing asset so as to also include aspects such as saving schemes and plans to finance education pathways. This is a crucial lesson from the international experience. It suggests that an asset-building policy that focuses on one element of asset building is more directly exposed to the particular risks associated with that specific asset.

However, for the remaining 80%, the overall approach should be different and could even be further segmented. For this group, engagement with financial markets would be limited to either short-term loans or to microcredit. The importance of creating stability and a healthy environment from which active participation in the labour market can be ensured is central in

respect of this group. At the same time, the foundation can now be laid with a view to ensuring market links for future generations.

4.1.3 Internationally, how are housing assets created for poor households and what are the key drivers in asset creation?

The section dealing with the different conceptual lenses has outlined four conceptual lenses through which asset building can be articulated. Two of these conceptual lenses are directly related to asset-building strategies. Asset-based welfare (or asset building) is mainly implemented in the US and the UK (more recently also in the East) and is strongly yet not exclusively linked to neo-liberalism and liberal welfare regimes. Asset-based development (asset accumulation) is more frequently used in the developing world in contexts in which formal work is limited and a substantial percentage of the economy is run by the informal sector.

Asset-based welfare emphasises asset building. Essentially, housing is seen as a means by which, in the long run, governments can reduce their welfare expenditure. Asset-based welfare is entrenched in a range of government programmes and, ideologically, asset-based welfare is closely linked to liberal welfare states and neo-liberalism. Asset-based welfare assumes that increasing the poorer households' income will help them to spend more, but such income is unlikely to expand either the asset-bases of these households or their ability to escape poverty. Typical programmes would include homeownership (housing), savings schemes and planning for the education of household members. The main idea is, over years, to build some equity that may be used for education, health or as collateral for starting an enterprise. Available savings (equity) should then only be used to access the above-mentioned services. It is further expected that the emphasis on ownership will contribute to a range of psychological assets that will all contribute to improved citizenship and higher levels of satisfaction. Although some research has indeed shown some of these relationships, more critical engagements have, in actual fact, questioned causality. The welfare nature of asset building also proceeds into old age. In the long run, households should be able to assist in financing some of their retirement costs by either selling off the units or by means of other mortgage instruments such as "reverse mortgages" that are available in the US and the UK (not available outside ownership). Furthermore, the overall approach within these asset-based welfare programmes is to reduce the risks associated with assets – beneficiaries of these programmes are consequently also encouraged not to limit their assets to housing. Finally, it should be mentioned that this drive towards asset-based welfare, together with a range of other mechanisms, has been instrumental in creating the sub-prime crisis in the US.

Asset-based development (asset accumulation) is built on some of the same assumptions considered in connection with asset-based welfare. However, a number of differences should be noted. Asset-based welfare emphasises asset building (in many cases through a range of government programmes) while asset-based development emphasises asset accumulation

(essentially through informal processes). Within this framework, housing and security of tenure play important roles in respect of providing a stable foothold in urban settings. The literature emphasises housing as the first step in asset accumulation. Good housing conditions should provide good health, which should, in turn, enable participation in the labour market. Although the latest research suggests that the role of housing in these processes could be in fact different in different circumstances, there seems to be some agreement about the fact that housing in many cases plays the role of providing stability to many households so that they can be healthy and have access to the labour market. Small home-based enterprises and renting out a room (in many cases in the informal economy) are key ways of using assets productively. The second-generation impacts and advantages obtained as a result of ensuring a stable housing environment are emphasised. Little empirical work is however available in this regard.

One of the fundamental differences between the two approaches lies in the notion of tenure security of the housing units. In asset-based welfare, homeownership is seen to be the key mechanism for creating assets. Yet, in asset-based development or asset accumulation, security of tenure is seen as the first step in ensuring the urban access and stability from which labour markets can be accessed. A system in which it is possible to “migrate” easily between these approaches could prove to be helpful.

4.2 Household assets

We focus on the specific questions with regard to household assets.

4.2.1 Have the housing assets assisted beneficiaries to participate in the formal property market and to move up the ladder in the property market as intended?

The point has already earlier been made that less than 10% of subsidised houses are linked to mortgage finance and that the available evidence of transactions in the formal property market is less than 5% (probably closer to 1%). This figure is however substantially higher in respect of old-township stock. In cases where housing units have been transacted (formally or informally), the original amount paid for the property (i.e. the house itself, the land and the infrastructure) has seldom been recouped. The future also does not seem to be too rosy in that fewer new mortgages are being provided and both lower-income households and small mortgages appear to be in decline. Despite an increase in the value of subsidised housing units (albeit less and somewhat later than in the former white suburbs of South African cities) in the five-year period prior to the global financial crisis, there is very little evidence of households having climbed the housing ladder (with a few minor exceptions in Cape Town and in Soweto).

Does this then mean that some form of market orientation in housing policy would be inappropriate? In our opinion, this is largely an indication of the need for improved segmentation in policy. There is surely some space for enabling markets to work. Yet, it also means that, for

the vast majority of cases, the programme theory should be different. Within this context, an indication of the overall policy approach could be linked to different programme theories at the programme level. Yet, the overall understanding of asset accumulation through housing could be captured at both the policy and the programme level.

4.2.2 Has the provision of state-subsidised housing addressed asset poverty for households?

The evidence suggests that the overall contribution to wealth via formal housing processes – as envisaged in the programme theory – has been rather small (though not insignificant). Although there has been some appreciation in housing value, access to mortgage finance and climbing the housing ladder have, in the main, been limited. Yet, the latter conclusion is only valid if the programme theory, a neo-liberal or asset-based welfare approach is followed. An asset-based development conceptual lens would emphasise the following key aspects in respect of developing assets and addressing poverty:

- The importance of housing assets in providing a steady home within an urban environment is internationally acknowledged. Once the housing asset itself has been secured, more time can be devoted to finding some form of employment, building social networks and accumulating other assets. The international literature also suggests that such housing assets also lay the foundation for good health and participation in the labour market (both formal and informal). Although there is no evidence from this review to suggest the value of housing in contributing to labour absorption (both in the formal and informal sectors), there is some evidence to suggest that the Housing Subsidy Programme has contributed (largely through infrastructure mechanisms) to improved health (at least comparative to informal settlements).
- The second potential economic impact of housing is located in the intergenerational value of housing. The international evidence generally suggests that second-generation households devote less time to finding, creating and accumulating appropriate housing (something their parents did) and are therefore able to spend more time on education and, in the long term, finding better employment and therefore better housing. Although there is no evidence from the South African literature in this respect, there is no reason to believe that the South African outcomes in this regard may be less significant.
- Incremental upgrading of houses provided under the Housing Subsidy Programme suggests that own investments are being made towards the assets received from government. Although the impact of these housing consolidation processes in terms of improving housing value is small (yet not insignificant), they do provide for improved living conditions to be associated with the housing asset.
- The evidence from the literature review suggests that very few households extend their housing units with the sole aim of taking in lodgers. The evidence further points to the fact that rentals are generally low. However, a significant percentage of households rent out space to backyard dwellers. Although, in economic terms, there is probably significant

value that can be derived from housing assets by taking in lodgers, the current situation should probably be understood differently. Such income (from renting out housing/stand space) is unlikely to make a significant impact in terms of getting people out of poverty, but it contributes a small share towards increasing households' dependence on multiple incomes.

- The same is probably true of home-based enterprises. Despite some exceptions, there is very little evidence of home-based enterprises taking people out of poverty. Small contributions to household incomes can however not be ignored.
- The value of subsidised housing in terms of education should also be understood. Although research in this regard is minimal, there are some indications that children living in subsidised housing units do indeed experience better educational outcomes – comparative to children living in informal settlements. Also, the stability provided by the Housing Subsidy Programme is sure to contribute to second-generation economic outputs.

Table 7: Framework in terms of which the economic impact on psycho-social assets should be considered

Key findings	Framework/indicators to measure the economic advantages related to socio-economic benefits of the Housing Subsidy Programme	Potential economic impact
Stability / feeling of belonging / citizenship	Saving costs in securing urban access	More time to find employment leads to improved incomes Improved national economy measured in terms of GDP Loss of tax income to the state Improved quality of life Overtime paid for absenteeism

Health benefits (largely through better infrastructure)	Increased number of days available to find employment	Improved household income Increase in the size of the national economy (GDP) Loss of tax income Overtime for absenteeism
	Number of working days lost/gained (also in the informal economy), specifically, days gained by women	
	Fewer doctor/clinic and hospital visits – overall health costs	Cost to household income State medical costs in treating disease (including prescription costs) Costs and caregivers' time (providing care to those who are ill)
	Improved children's health / reduction of child mortality	Cost to household income State medical costs in treating disease (including prescription costs) Cost of state investment in citizens from infancy to old age
	Ease of access to clean water and sanitation	Time and cost of fetching water (linked to the cleanliness of the containers)
	Improved primary school enrolment	Long-term economic impacts of education Second-generation benefits
	Mental-health benefits – also for children in respect of preventing overcrowding	Long-term economic impacts Second-generation benefits Economic impacts of child abuse and sexual harassment
	Improved educational outcomes	Improved education – has long-term economic value (productivity, etc.) Second-generation benefits
Education	Improved educational outcomes	Improved education – has long-term economic value (productivity, etc.) Second-generation benefits
Social networks	The health value of social networks should not be underestimated. Some indication that housing projects could negatively impact on social networks	Mental-health benefits Positive impacts on finding employment/income Access to financial resources

Table 7 above provided a summary of the psycho-social aspects of the Housing Subsidy Programme. The question arises as to what the economic benefits of the psycho-social value of the Housing Subsidy Programme are. The Terms of Reference did not request a cost-benefit analysis but some indication of the key points in this connection will nevertheless be provided. A study in India, one attempting to calculate the cost benefits of the psycho-social aspects of a housing subsidy programme, drew the following main conclusions (Water and Sanitation

Project, 2006a):

- Problems in accessing clean water and sanitation contributed to 20% of the total cost associated with poor access to water and sanitation. Most of the cost in this regard was found to be associated with time lost in the process of accessing sanitation. School access and workplace access, too, made significant though small contributions to the overall percentage.
- Health-related cost contributed 71.7% of the total costs, with the highest cost being calculated for premature death (in respect of which child mortality figured most prominently), productivity loss and the cost of health care. As for diseases, diarrhoea contributed two-thirds of the costs related to specific diseases.
- Impacts related to the cost of drinking water (the household treatment of water, bottled water and the cost of fetching clean water) accounted for nearly 8% of the total impact.

The total impact was estimated at 53.8USD billion in 2006 or the equivalent of 6.4% of the GDP in India. The annual impact per person was estimated at 45USD in India, 39 USD in Pakistan and 25USD in Bangladesh (Water and Sanitation Project, 2006a; 2006b; 2012). Other estimates suggest the cost of poor sanitation to be equivalent to 3.9% of GDP in Pakistan (or 0.8% if only direct costs are taken into consideration) (Water and Sanitation Project, 2006b). Although the overall cost in South Africa is likely to be less because of lower population densities and a largely non-tropical climate, the overall impact of improved infrastructure should not be underestimated.

4.2.3 Are these assets creating any wealth for beneficiaries as intended? If not, what needs to be put in place to ensure that these houses become a tool for wealth creation? How can the market be effectively engaged to respond to the needs of the subsidised housing market?

This section considers two main aspects. After attention has been devoted to whether the housing subsidy has contributed to wealth creation or to poverty alleviation, the mechanisms required to promote housing as a wealth creator will be discussed.

4.2.3.1 Wealth creation or poverty alleviation?

In the light of the evidence from the literature, the question posed by the Department of Human Settlements is whether the housing subsidy has created wealth or alleviated poverty. Much of the problem in answering this question is that it is a binary question that assumes an answer to either the one or the other. The answer to this should rather be seen in the link between poverty alleviation and wealth creation. The overall evidence in the report suggests that very little real wealth has been created. Only small numbers of people have climbed the housing ladder, accessed mortgage finance and made substantial profits from their housing in order for them to create wealth. Yet, the stability generated through the housing subsidy and the benefits in terms of health and other social amenities have improved the overall platform from which some wealth can, in the long run, be generated. The international evidence

¹ See, Robert K. Yin (2012), Applications of Case Study Research, Third Edition. Sage.

suggests the real importance of housing to the second and third generations.

4.2.4 Mechanisms

The available evidence suggests that very few households have created wealth as intended by the programme theory. Furthermore, there is probably space to increase the percentage of people who could potentially benefit from the processes articulated in the programme theory. In this regard, the following key mechanisms could be considered:

- Expand FLISP (one way of making housing finance more affordable).
- Optimise location and integrated development.
- Provide transaction support.
- Lift the sales restriction.
- Improve title access.
- Emphasise asset building beyond housing (international asset-building programmes suggest that, in addition to housing assets, participants in these programmes should build a portfolio of assets). Develop appropriate asset-building programmes (including aspects beyond housing).
- Consider the role of different mortgage instruments (the global financial crisis led to a number of different mortgage instruments being developed worldwide. Even if the applicability to the South African situation is probably limited, giving this aspect some consideration could prove to be helpful).
- Improve both basic consumer education and information on housing markets.
- Deal with existing high debt levels of many households across South Africa.

Generating wealth for those who would not generate wealth through the mainstream programme theory would include:

- Emphasising location
- Providing security of tenure
- Understanding and expanding on the second-generation economic impacts of housing stability
- Expanding programmes that provide microfinance for housing purposes
- Providing technical building support
- Emphasising the importance of basic infrastructure

4.2.5 Poor households' perceptions about and in relation to housing and how this informs willingness to engage with the property market

There is evidence to suggest that poorer households are inherently hesitant of engaging with the property market. Contributing reasons are the lack, historically, of both engagement in land transactions and appropriate information. Furthermore, empirical evidence suggests that some households are indeed sceptical of accessing mortgage finance and would rather prefer microfinance or their own savings (incremental upgrading processes). The history of volatile interest rates and properties in possession are still indelibly etched in the memories of

many households. Yet, the risk of overexposure to unsecured lending is real. Understandably, there seems to be a trend towards risk aversion among poorer households. This should also be understood against the fact that providing one's house (one's main asset) as security also poses the risk of losing it. In fact, there is evidence of a distrust of banks. Furthermore, many households housing still regard housing to be a social asset.

4.2.6 Is a title deed necessary for beneficiaries to effectively use housing as an asset?

The current programme theory suggests following a mainstream development pathway. This, in turn, suggests that title deeds are indeed a requirement for being able to realise asset value. This approach is valid in as far as it provides assistance in accessing mortgage finance and enabling households to transact. The fact that 40% of the beneficiaries have not had access to formalised deeds remains a major obstacle within this approach.

Yet, as earlier noted, only a small percentage of households have in fact followed the programme-theory route. The available evidence suggests that not only title deeds contribute to enhanced feelings of security of tenure, but also that a range of complementing factors is important. According to the evidence, a title deed is important both in informal bargaining and in community friction. Tenure security is furthermore often closely related to safety and security issues. However, tenure security is often driven by a range of other mechanisms and not by a title deed as such. These mechanisms include other formal documents suggesting proof of occupancy, the fact that infrastructure is being provided, local government administrative systems, community leadership, duration of occupancy and other forms of security of tenure (for example rental housing). There is also evidence that even where houses are transacted and transferred informally (not registered on the deeds register) this still support tenure security.

To conclude, while title provides legal tenure security, a range of other factors also play a role in creating tenure security at the household level. If asset building is viewed in market terms (including asset-based welfare), direct ownership is crucial. Yet, for asset-accumulation processes, tenure security is appropriate. Maybe the important lesson from this should be a decision, in principle, to accept intermediate forms of tenure but only on condition that some level of flexibility exists between these forms of tenure.

4.2.7 Is climbing the housing ladder beneficial and is there a dark side to asset creation?

The programme theory suggests that climbing the housing ladder is crucial in respect of utilising the wealth entrenched in housing. According to the available evidence, climbing the housing ladder has been rather limited with sales of subsidised housing units being less than 1% of the available stock in a single year. Evidence on whether those who have climbed the housing ladder are substantially better off than those who did not is likewise limited. Yet, as indicated in the theoretical overview, utilising housing within the context of asset creation

is contested terrain. Evidence from the USA suggests that asset building should be closely integrated with savings programmes and educational objectives, which suggests that asset building is not only a housing or an economic concept. The long-term evidence on house-price inflation in South Africa suggests that, over a period of 30 years, house-price inflation was lower than the Consumer Price Index. Consequently, using housing as an asset-building approach is not a risk-free approach. The same can be said of increased exposure to markets. Climbing the housing ladder and creating assets through asset-accumulation policies are therefore also not free of risk.

4.2.8 Asset building: ownership or rental?

The discussion provided in this report could create the impression that ownership is a prerequisite for asset building or asset-accumulation policies. This impression was created by the fact that the South African Housing Subsidy Programme emphasised ownership (even though about 50% of the housing units did not receive title deeds) and the overall emphasis on ownership in asset-building strategies across the world. Yet, in asset-accumulation strategies (more appropriate to the developing-world context), secure tenure (irrespective of whether by means of rental or ownership) is the key consideration. Thus, asset accumulation could occur in contexts where households rent housing.

4.3 Municipal assets

In this section, we turn to reflecting on the questions regarding municipal assets that were posed in the Terms of Reference.

4.3.1 Have housing development programmes created any assets for municipalities? If so, under what conditions?

Mixed responses were received from the various municipalities on the question as to whether the Housing Subsidy Programme and old stock have contributed to municipal assets. Four of the seven municipalities were of the opinion that assets had indeed been created (albeit in very small quantities). None of the municipalities were willing to venture an estimate of the percentage of units that were contributing to land tax and income for the municipality.

The information obtained from the literature and the interviews aided in the identification of a number of key mechanisms that have been found to either support or inhibit asset building in the municipal sphere. The following key factors were identified:

- Time and age of the settlements – in this regard, some evidence from especially Cape Town and Emfuleni was given of old stock (and in some cases of older houses provided under the Housing Subsidy Programme) having contributed to the rates base of the city.
- The importance of location (for municipal asset building) was constantly emphasised both in literature (Public Service Commission, 2003; National Department of Human Settlements, 2009) and during the interviews. It seems as if eThekweni, especially, has been struggling to find appropriate locations for the Housing Subsidy Programme. In addition to

normal market forces pushing subsidised housing units to the periphery, the topographical problems in the city also contribute to the use of peripheral locations. Yet, the officials with whom interviews were conducted nevertheless identified good location to be one of the main attributes of stock that has been assimilated into property-rates payment system.

- Larger municipalities found it easier to incorporate subsidised housing units into the rates paying system.
- Municipal accreditation was also commonly mentioned as key factor in ensuring appropriate management in the short and the longer term. A troubled relationship between many local governments and their provincial counterparts were found to contribute to this situation (Public Service Commission, 2003). Most municipalities were of the opinion that local decision making could result in better location, which, in turn, would assist towards asset building.
- The fact that between 40% and 50% of beneficiaries of the Housing Subsidy Programme currently fall outside the deeds register seems to be a major problem to many municipalities (National Department of Human Settlements, 2009). Yet, none of the interviewees suggested that the transfer of title deeds would definitely enable them to levy rates and taxes. Rather, the motivation in general was linked to disposing of land on the municipal books.
- Facilitating land-use regulations in respect of lodgers and home-based enterprises could assist in creating a sense of assets for homeowners. Land tax could even be a means of increasing municipal income. However, these are aspects that seldom feature in municipal thinking.
- The availability of both bulk infrastructure and water seem also to be helping many municipalities to create assets.
- Finally, the significant number of informal land transactions might hold some risk in the long run with regard to, for example, the legitimacy of the deeds register, the municipal account details and the valuation role.
- In the case of Soweto, land-price increases were commonly attributed to good infrastructure provision and significant investment of the private sector in especially shopping complexes.

4.3.2 What has been the effect of the housing programme on municipal finances, revenue, the rates base, etc.?

Despite all urban stands having been incorporated in the rates roll in accordance with the stipulations of the Municipal Property Rates Act (2004), this has not necessarily led to an increase in the percentage of property owners who are paying property rates. In fact, there is increasing evidence of a dependence on the equitable share. In essence, the following key trends are discernible:

- Growth in the equitable share (inter-governmental grants) is outperforming growth in own revenue sources.

- Evidence suggest that the growth in the equitable share has impacted negatively on the resilience of municipalities to generate own income.
- Except for Cape Town and some parts of Soweto there is very little evidence that property rates have grown substantially more than anticipated – which suggests the inclusion of new properties in the rates roll and being taxed to be fairly small or non-existent.
- Any discussion regarding how to expand income from property rates is virtually absent. It thus seems to be easier to negotiate increases in the equitable share.

4.3.3 Are opportunities missed by municipalities to capitalise on housing programmes?

In general, municipalities seem to view the Housing Subsidy Programme in a very narrow sense and that the notion of asset building (either for themselves or for the households in question and then also the interrelationship between these aspects) is not well entrenched at the municipal level.

4.3.4 4.3.4 To what extent have these assets been used as collateral for funding and how have they been used as leverage to access other economic opportunities?

Neither the literature, nor the interviews provided evidence that municipalities have used collateral generated by the Housing Subsidy Programme to leverage other economic opportunities.

4.3.5 What outcomes – both intended and unintended – have the focus on asset creation via an ownership model?

A distinction has been drawn between intended and unintended consequences.

4.3.5.1 Intended outcomes for municipalities

The Housing Subsidy Programme has been instrumental in providing housing opportunities to approximately three million households across South Africa. The long-term impact of these housing units in terms of providing some form of mainly urban stability should be acknowledged. In addition, as one of the representatives from Cape Town mentioned during the focus-group discussions, the Housing Subsidy Programme was a mechanism that was instrumental in creating infrastructure in South African cities. Although evidence is still somewhat limited, some of the municipalities have indicated that the availability of the Urban Settlement Development Grant has indeed promoted larger integration at the settlement level. Whether this has contributed to increased market linkages is however not all that clear.

4.3.5.2 Unintended outcomes for municipalities

Cognisance should be taken of the following important unintended consequences (some of which have already been mentioned earlier in the review report).

- The increasing dependence on grant funding for the operational costs of low-income homeowners has been reflected in existing literature and was also evident from the interviews and other data.

- Yet another unintended consequence is that there seems to be an increasing tendency to ignore high-density housing in some of the cities. In some cases – for example eThekweni – these housing units were sold off. Johannesburg, through JOSCO, is attempting to deal with this situation but it has not succeeded in preventing low-density sprawl.
- Despite there being some rental housing programmes, the emphasis on ownership housing has largely resulted in the inefficient management of municipal housing stock and also to low priority being assigned to rental housing stock in general (both private and public).
- Neglect of rental housing in favour of the ownership model (based on a one-household-per-stand principle) has further served to reinforce low densities and apartheid spatial legacies. The longer-term maintenance consequences of sprawling infrastructure provision will still have to be calculated in the future.
- In some municipalities, such as Emfuleni, the Housing Subsidy Programme has increased the pressure on the existing bulk infrastructure.
- The mere fact that 40%–50% of the housing units have not been registered with the deeds office, has resulted in an increase in municipal land under the jurisdiction of many municipalities.

5. A final word and recommendations

During many of the workshops held to discuss this report, the authors were routinely asked whether large-scale investment through the Housing Subsidy Programme was worthwhile or a good investment. Obviously, the answer to this question is neither simple nor straightforward and a normative answer to this question is therefore not possible. The report has referred to both the intended and unintended outcomes of the programme. Despite all the negative points associated with the Housing Subsidy Programme (poor location, poor-quality workmanship, further urban sprawl, low market access) it did deliver housing opportunities and ensured a larger degree of entitlement (for those who received ownership) to more than three million households in South Africa. Within the notion of asset building, the provision of these housing units has laid the foundation for further investments, improved health and access to formal/informal work. What is more problematic is the fact that the Housing Subsidy Programme has, in the main, been the dominant housing-delivery process. Thus, although there is evidence to suggest that the Housing Subsidy Programme has generally performed satisfactorily, the question is whether government would want to proceed in the same way (given all the negative and unintended outcomes). If the housing programme is to continue, mechanisms will have to be found that not only increase spatial integration and densities but also minimise possible ghettoization. If not, these aims will have to be pursued by utilising alternative programmes designed to achieve the said aims. Asset building through the housing programme should also be viewed in more holistic terms.

Based on the foregoing discussion, this section provides nine main recommendations.

Recommendation 1: Policy should contextualise asset building as a long-term and integrated process: Asset accumulation and asset building are long-term projects. Although a 20-year review such as the present one would certainly provide some indications of short-term gains (or lack of gains), the longer-term values should be contextualised. At the same time, it should also be mentioned that current asset-building processes in South Africa view asset building as a housing and economic process (as is clear from the programme theory). The international evidence suggests that although asset building through housing is important, other savings schemes and educational goals are to be integrated with the existing asset-building programmes. The South African context provided scant evidence of an integrated approach to asset building. The danger of using housing as the only or the predominant asset is very real. A more appropriate response would be to view housing in relation to other assets and capabilities (such as education). This more holistic approach is pivotal given that in the period between 1972 and 2002, house-price inflation was slightly lower than the Consumer Price Index. Yet, the programme theory for human settlements is characterised by its largely economic orientation.

Recommendation 2: Appropriate segmentation of the Housing Subsidy Programme: The international literature on asset accumulation suggests that appropriate segmentation of households could help to focus asset programmes and strategies. This drive for segmentation also originates from the reality that segmentation is currently already visible in the fact that the Department has both the Finance-linked Individual Subsidy Programme (FLISP) and a programme on the upgrading of informal settlements (by means of which security of tenure is generated outside title deeds). Segmentation in no way inhibits the functioning of integrated housing pathways between the different segments. Thus, although segmentation is an important consideration in policy formulation, the overall housing system should be viewed as a single system in which movement between segments is easy.

Recommendation 3: Support self-help processes: The evidence in the report suggests that households who are actively involved in their housing-construction processes are significantly more satisfied and generally create larger units than the housing units constructed by contractors as part of the Housing Subsidy Programme. Self-help also broadens housing-finance mechanisms to microfinance and unsecured lending practices. The danger is that self-help processes are associated with low-income households while lower-middle-class and middle-class households could benefit from such attempts and from unsecured loans. This will also lessen the prominence of the mortgage instrument as the main housing-finance instrument in the gap-housing market.

Recommendation 4: Accelerate attempts to implement FLISP: The fact that a significant percentage of subsidised housing units have not – as envisaged by the programme theory – been linked to the market economy, does not mean that there should not be a drive towards

creating larger market access. In this regard, the expansion of FLISP and the elimination of obstacles related to its implementation should be considered a priority.

Recommendation 5: Support informal settlement upgrading processes: The current informal settlement upgrading initiatives – as a form of segmentation in respect of asset building – should be supported on an ongoing basis. The obvious danger associated with this particular programme is that, in practice, the houses themselves may not look much different from the houses provided under the Housing Subsidy Programme. Further, justification for the Informal Settlement Upgrading Programme lies both in the health benefits associated with infrastructure provision and in the importance of securing a foothold in the urban setting for households dependent on informal work.

Recommendation 6: Support the microfinance mechanism: Given the impact of both the global financial crisis and the economic recession, it does not seem as though small mortgage loans will ever return to the South African housing landscape. Evidence from the review suggests that it could become increasingly difficult to provide mortgage finance to lower-middle-income persons. In this regard, the role of microcredit and own savings will become important considerations in connection with housing investments and with markets at the lower end of the market. The roles of both microcredit and savings as an integral part of an asset-based approach should be better articulated.

Recommendation 7: Tough choices in difficult financial times: There is no doubt that difficult financial times and the high budget deficit will have implications for housing policy. Given the fiscal limitations, providing the subsidy at its current levels at scale might just not be financially possible. In this regard, decisions about who and what is to be subsidised should again be given some serious thought.

Recommendation 8: Improve location and integrated development: The main reasons for the poor market performance and for the poor social performance of housing units provided by the Housing Subsidy Programme relate to their poor location and to the general lack of integrated development (poor access to social amenities). On the one hand, this outcome is the result of the nature of the capital subsidy scheme – which optimises housing size at the expense of location, while on the other hand, it also reflects that there is both little local innovation and support for improved locations.

Recommendation 9: Create a support programme for municipalities to increase their own revenue sources: There is an inherent danger that local government could become increasingly dependent on grants as opposed to finding ways of expanding their own revenue basis. In this regard, consideration can be given to creating a support programme to assist municipalities to find ways to increase their own revenue sources.

Recommendation 10: Consolidate the building environment in respect of the 2.8 million houses that have been constructed: A nuanced approach to the said consolidation is required. In some cases, an approach such as this should be orientated towards improving the physical quality of the housing provided through self-help programmes (building advice and support) and putting appropriate local regulations in place. Depending on the context, increasing densities on these stands (which in some cases could require substantial revision of municipal regulations and probably also call for revised infrastructure guidelines) should be considered. Adequate maintenance of infrastructure and maintenance of the public environment at the local level should also be prioritised. In some cases, formalising tenure arrangements will be required; in others, the ability to migrate from the existing tenure arrangements to formal tenure should be facilitated. Finally, consideration should be given to the overall development of sustainable human settlements in the process of consolidation. While in some cases this could mean having to improve access to social amenities, in other cases it could entail the development of appropriate public spaces.

5. Further research

Against the background of the findings and recommendations of the study, we next discuss a number of topics for future research. These are merely brief justifications regarding gaps identified during the review.

First, some attention should be devoted to the notion of informal land transfers. Although some research is currently emerging in this regard, consideration should be given to a better understanding of the mechanisms that drive informal land transfers, their contribution (or lack of contribution) to asset building and possible ways of addressing the situation administratively.

Second, much of the research on FLISP suggests that a number of structural problems are indeed hampering its implementation. Although the slow level of implementation certainly suggests the need for continuous monitoring and research, the focus of the research may well also be altered. Instead of concentrating on the reasons for the slow implementation, consideration could be given to reflecting on those who have successfully been funded through the mechanism. The key question then becomes what factors contributed to the successful accessing of the Housing Subsidy Programme and the extent to which these have been found to assist in asset building.

Third, linked to the above point about continued research work in respect of FLISP, a concerted effort should also be made to ensure that the basic market conditions and trends are available. There should obviously be a focus on what is commonly known as “gap housing”, but cognisance should be taken of broader market trends applicable to the housing market

in general.

Fourth, because many of the results suggest that assets are accumulated outside the formal housing market, much more could be done to ensure that asset accumulation and the role of housing in asset accumulation are understood. The data provided by means of the National Income and Dynamic Study could be an important point of departure in this connection. This can help one to understand housing pathways and housing ladders in the South African context (though, admittedly, NIDS's ability to facilitate an understanding of housing ladders is somewhat limited).

Understanding asset building among middle-income households (the gap market), may well be an important study. Although some evidence may be available from NIDS, a separate survey (preferably some kind of panel survey) should contribute to better understanding this segment. A survey of this kind should focus on processes of climbing the housing ladder and the creation of housing and other assets and how these may or may not reduce the longer-term impacts on the state welfare system.

The emphasis on asset building and on asset accumulation as long-term processes suggests that we should strive better to understand the nature and processes related to intergenerational transfer of assets. Though NIDS could well once again be helpful, it unfortunately only has data from 2008, which could perhaps mean that other methods have to be used to gain some initial understanding of this phenomenon.

One of the consequences of the global financial crisis has been the development of a range of alternative/intermediate housing-finance instruments worldwide. Although, many of these may be relevant, there may be some relevance in scoping these instruments and developing an understanding of their applicability to the South African context.

Housing research in South Africa has predominantly been conducted in the main metropolitan areas of the country. Yet, while this is a very good starting point, one that assists in understanding housing in the larger economies of the country, it also means that the existing understanding of housing processes and of their contributions beyond these areas is limited.

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Annexure B: Literature overview by research theme

B1: Mortgage finance

Authors and year	Title of paper	Type of paper and method	Main focus of paper
Boudreaux (2008)	The legal empowerment of the poor: titling and poverty alleviation in post-apartheid South Africa	Detailed empirical work (qualitative) – number and targeting of interviews unknown, interviews with households evident	Examines the effects of property titling programs in Langa Township, outside Cape Town
Collins (2006)	Focus note: housing and finances for the poor	Detailed empirical work (quantitative) – Household diaries	Brings together evidence from the South African Financial Diaries with Bangladesh and Indian Financial Diaries to expand our understanding of how poor families “turn money into house”
Department of Human Settlement (2010)	Research to investigate obstacles in the issuing of title deeds to government subsidy beneficiaries	Detailed empirical work (qualitative) – 49 interviews with conveyancers, municipal officials and provincial officials	Establishing the current status regarding the issuing of title deeds while gathering the understanding on the process of registering title deeds, identify bottlenecks in the transfer process as well as challenges experienced by the role-players and lastly establish the interventions required to remedy the situation
Financial and Fiscal Commission (2013)	Exploring alternative finance and policy options for effective and sustainable delivery of housing in South Africa	Policy analysis (use of secondary data)	Included a literature and policy review, budget analysis and financial modelling of various housing interventions
Gunter and Scheepers (2012)	“Crisylida Capital”: hatching informal township property markets to benefit low-income residents in Johannesburg, South Africa	Detailed empirical work (mixed methods) – 385 household questionnaires and 6 interviews with estate agents	Looking at township property in Johannesburg, South Africa, informal transactions in the property market can be utilised to facilitate the creation of a property ladder that starts at informal slum and ends in formally developed property

Jenkins (1999)	Difficulties encountered in community development under the new South African housing policy	Policy analysis	Focuses on the difficulties experienced with community involvement in developing low-cost housing projects primarily in the period 1993-1997
Jones and Datta (2000)	Enabling markets to work? Housing policy in the “new” South Africa	Policy discourse analysis	The principles and achievements of housing policy during the government of President Nelson Mandela are assessed against the specific meter of a World Bank list of policy ‘do’s’ and ‘don’ts’ that are part of a strategy to enable markets to work
Kajimo-Shakantu and Evans (2006)	The role of banks in the provision of low-income housing finance in South Africa: Can they play a different role?	Detailed empirical work (qualitative) – interviews with five banks and a housing organisation	Examined the banks’ resilience to change the status quo so as to become more flexible and all-inclusive
Karley (2003)	Challenges in mortgage lending for the underserved in South Africa	Detailed empirical work (quantitative) – 198 household questionnaires	Empirical findings on impediments to institutional lending and household’s predicaments in borrowing
Lemanski (2011)	Moving up the ladder or stuck on the bottom rung? Homeownership as a solution to poverty in urban South Africa	Detailed empirical work (quantitative) – 100 household questionnaires and deeds analysis	The South African ‘housing subsidy system’ is assessed using quantitative and qualitative data from in-depth research in a state-subsidized housing settlement in the city of Cape Town
Marais and Cloete (2014a)	Financed homeownership and economic downturn in South Africa: Evidence from the National Income and Dynamics Survey	Detailed empirical work (quantitative) – Secondary data analysis on the National Income Dynamics Survey	Evaluates attempts at private sector housing finance and the impact of the global financial crisis and economic recession at the household level
Marais et al. (2005b)	Non-payment of mortgage bonds in South Africa: The voice of defaulters	Detailed empirical work (quantitative) – 100 telephonic interviews with defaulters	Provides an understanding of the reasons for the non-payment of mortgage bonds in the South African context

Marais et al. (2014b)	Towards an understanding of the outcomes of housing privatisation in South Africa	Detailed empirical work (quantitative) – 395 household questionnaires	Uses historical methodology to trace the historical lack of secure tenure for urban black South Africans. The results suggest that housing privatisation processes in South Africa cannot be viewed only through a political economic lens.
Melzer (2005)	Access to housing finance in the low-income market: a review of recent data	Detailed empirical work (quantitative) – Secondary analysis of FinScope 2005 survey of 2988 adults	Explores consumers' perceptions on housing finance
Melzer (2006)	How low can you go? Charting the housing finance access frontier: A review of recent demand and supply data	Detailed empirical work (quantitative) – Secondary analysis of FinScope 2005 survey of 2988 adults	What percentage of the target market actually have access to these products, and to what extent will these products enable banks to transform the low income housing finance sector?
Mills (2007)	The Kuyasa fund: housing microcredit in South Africa	Descriptive case study	Describes the Kuyasa Fund that focuses solely on the provision of loans for use in housing
Payne et al. (2009)	The limits of land titling and home ownership	Detailed empirical work (mixed methods) – secondary sources, stakeholder analysis, interviews, household questionnaires, focus group discussions, workshops	Reviews whether land titling programmes have achieved the benefits claimed by their proponents
Payne et al. (2008)	Social and economic impacts of land titling programmes in urban and peri-urban areas: international experience and case studies of Senegal and South Africa	Detailed empirical work (mixed methods) – secondary sources, stakeholder analysis, interviews, household questionnaires, focus group discussions, workshops	Assesses the social and economic impacts of land titling and home ownership programmes in urban and peri-urban areas of developing countries
Pearson and Greeff (2007)	Causes of default among housing micro loan clients	Detailed empirical work (quantitative) – Secondary analysis of Transunion Credit Bureau of six housing microloan lenders, FinScope 2005 survey, The Financial Diaries, 792 housing microloan borrowers	Research into the causes of default among low income housing loan clients

Pillay and Naude (2006)	Financing low-income housing in South Africa: Borrower experiences and perceptions of banks	Detailed empirical work (quantitative) – 653 household questionnaires	Provides information on the experiences and perceptions of low-income borrowers in the housing market of South Africa, specifically in their dealings with commercial banks
Public Service Commission (2003)	Report on the evaluation of the National Housing Subsidy Scheme	Detailed empirical work (mixed methods) – document review, project review, interviews with provincial housing, 1200 household questionnaires,	Study to evaluate the National Housing Subsidy Scheme (HSS) and make recommendations on how it can be improved
Rust (2006)	Analysis of South Africa's housing sector performance	Conceptual (using secondary data)	Sets out current housing sector performance in respect of demand and supply, and argues for new areas for attention by the State as it seeks to ensure access to housing for all South Africans in line with its policy objectives
Rust (2008)	Housing finance in sub-Saharan Africa: Reflections from South Africa	Conceptual (using secondary data)	Considers the state of housing finance in sub-Saharan Africa with a South African lens
Rust (2009)	Trends in RDP and related markets: 1994–present	Detailed empirical work (quantitative) – Housing beneficiary database, deeds data	Property trends in RDP (and similar) houses
Rust (2012)	Housing Finance: Mortgage loan performance in South Africa	Detailed empirical work (quantitative) – credit bureau data for mortgages issued by the big four banks	The performance of mortgages granted to lower income households in South Africa since 2004
Shisaka Development Management Services (2004)	Workings of Township Residential Property Markets Study: Phase 3	Detailed empirical work (mixed methods) – 2004 household questionnaires, cadastral review, interviews, focus groups, 400 entrepreneur questionnaires	The FinMark Trust, together with the Micro Finance Regulatory Council / USAID, the Ford Foundation, the National Housing Finance Corporation and South African National Treasury commissioned research into the working of township residential property markets with an overall emphasis on the secondary market.

Shisaka Development Management Services (2011a)	Government Subsidised Housing Assets: Main Overall Report	Detailed empirical work (mixed methods) – Housing beneficiary database, deeds data, interviews with beneficiaries, visible investment survey	Research into the extent to which the housing subsidy programme has translated into a housing asset benefit for beneficiary households
Shisaka Development and Management Services, 2011c.	Housing subsidy assets: exploring the performance of government subsidised housing in South Africa	Empirical evidence of housing delivery in South Africa	Detailed statistics available on housing delivery in South Africa
Thurman (1999)	An evaluation of the impact of the National Housing Policy in the Western Cape	Detailed empirical work (qualitative) – interviews with community members and wide range of actors involved with housing provision	Examines what has been achieved on the ground in the Western Cape in relation to key goals of the housing policy and identifies blockages and problem areas experienced
Tomlinson (2007)	The development of a low-income housing finance sector in South Africa: Have we finally found a way forward?	Policy analysis	Examines the history of lending to low-income black households beginning in the late 1980s and describes the problems encountered by the banks from the early 1990s onward
Vorster and Tolken (2009)	Western Cape Occupancy Study	Detailed empirical work (mixed methods) – household questionnaires, in-depth interviews and focus groups with municipal officials and property market role-players	A profile of occupancy and report on certain aspects related to the impact of projects on occupants' lives

B2: Property values

Authors and year	Title of paper	Type of paper and method	Main focus of paper
FNB (2014)	Property barometer: former township markets	Detailed empirical work (quantitative) – based on secondary analysis of data for the FNB Property barometer	Reflects on property market indicators for the former black township property market
Jones and Datta (2000)	Enabling markets to work? Housing policy in the “new” South Africa	Policy discourse analysis	The principles and achievements of housing policy during the government of President Nelson Mandela are assessed against the specific meter of a World Bank list of policy ‘do’s’ and ‘don’ts’ that are part of a strategy to enable markets to work

Lemanski (2011)	Moving up the ladder or stuck on the bottom rung? Homeownership as a solution to poverty in urban South Africa	Detailed empirical work (quantitative) – 100 household questionnaires and deeds analysis	The South African 'housing subsidy system' is assessed using quantitative and qualitative data from in-depth research in a state-subsidised housing settlement in the City of Cape Town
Marais, et al. (2014a)	From informality to formality to informality: extralegal land transfers in an upgraded informal settlement of South Africa	Detailed empirical work (quantitative) – multi-wave household questionnaires of area, 31 interviews in cases of transfer	Investigates the nature of extralegal land transfers in an upgraded informal settlement
Melzer (2005)	Access to housing finance in the low-income market: a review of recent data	Detailed empirical work (quantitative) – Secondary analysis of FinScope 2005 survey of 2988 adults	Explores consumers' perceptions on housing finance
Palmer Development Group (2011a)	Urban LandMark Land Release Assessment Tool: Cosmo City case study	Detailed empirical work (quantitative) – financial modelling	Applies the Urban LandMark Land Release Assessment model in two Gauteng case studies, namely Cosmo City and Pennyville
Palmer Development Group (2011b)	Urban LandMark Land Release Assessment Tool: Pennyville case study	Detailed empirical work (quantitative) – financial modelling	A Land Release Assessment (LRA) model was developed and used to assess the cost effectiveness of the case studies in the Western Cape
Palmer Development Group (2011c)	Urban LandMark Land Release Assessment Tool: Comparison between the findings of the Western Cape and Gauteng case studies	Detailed empirical work (quantitative) – financial modelling	Provides a comparison between the findings of the two Western Cape case studies, and the two Gauteng case studies on which the Urban LandMark Land Release Assessment tool was applied
Payne, et al. (2009)	The limits of land titling and home ownership	Detailed empirical work (mixed methods) – secondary sources, stakeholder analysis, interviews, household questionnaires, focus group discussions, workshops	Reviews whether land titling programmes have achieved the benefits claimed by their proponents
Payne, et al. (2008)	Social and economic impacts of land titling programmes in urban and peri-urban areas: international experience and case studies of Senegal and South Africa	Detailed empirical work (mixed methods) – secondary sources, stakeholder analysis, interviews, household questionnaires, focus group discussions, workshops	Assesses the social and economic impacts of land titling and home ownership programmes in urban and peri-urban areas of developing countries

Rhizome Management Services and RebelGroup Advisory (2009)	Cost-benefit analysis: social rental housing and RDP housing	Detailed empirical work (quantitative) – financial modelling (cost benefit analysis)	Results of a cost benefit analysis undertaken to compare social rental housing (as the potential investment or “project case”) with RDP housing (as the status quo or “base case”)
Roux and Barry (2011)	Land transactions in social housing in the Western Cape of South Africa: a narrative of Kransdorp	Detailed empirical work (mixed methods) – residents, local leaders, municipal officials, conveyancers, secondary sources, municipal valuations roll	Development of a land registration usage theory based on an in-depth exploration of how and why property buyers decide to transact within or outside the land registration system
Ruiter (2009)	Integrated housing developments have the potential to assist in bridging the “gap” between “Breaking New Ground” (BNG) housing and affordable housing: Cosmo City as a case study	Detailed empirical work (mixed methods) – deeds analysis for 106 transfers, municipal valuations on 192 properties, 197 household questionnaires, in-depth interviews with banks/developers/ government	To determine whether fully subsidised BNG house developed within an integrated development such as Cosmo City can fetch sufficient value to bridging the “gap” between BNG house and an affordable house and thereby assisting a household to leverage itself up the housing ladder.
Shisaka Development Management Services (2004)	Workings of Township Residential Property Markets Study: Phase 3	Detailed empirical work (mixed methods) – 2004 household questionnaires, cadastral review, interviews, focus groups, 400 entrepreneur questionnaires	The FinMark Trust, together with the Micro Finance Regulatory Council / USAID, the Ford Foundation, the National Housing Finance Corporation and South African National Treasury commissioned research into the working of township residential property markets with an overall emphasis on the secondary market.
Shisaka Development Management Services (2011a)	Government Subsidised Housing Assets: Main Overall Report	Detailed empirical work (mixed methods) – Housing beneficiary database, deeds data, interviews with beneficiaries, visible investment survey	Research into the extent to which the housing subsidy programme has translated into a housing asset benefit for beneficiary households
Sibiya (2013)	Gentrification in the former black townships: the case of Soweto in South Africa	Detailed empirical work (qualitative) – interviews with a variety of stakeholders	Focused on a case study, Soweto Township, with the aim of investigating whether it is experiencing any of the characteristics associated with gentrification

B3: Informal market transfers

Authors and year	Title of paper	Type of paper and method	Main focus of paper
Boaden and Karam (2000)	The informal housing market in three of Cape Town's low-income settlements	Detailed empirical work (mixed methods) – 80 household questionnaires in four low-income settlements and interviews with those involved in housing development	The effectiveness of government policy with respect to the housing subsidy scheme and with the interests of the housing subsidy recipient
Boudreaux (2008)	The legal empowerment of the poor: titling and poverty alleviation in post-apartheid South Africa	Detailed empirical work (qualitative) – number and targeting of interviews unknown, interviews with households evident	Examines the effects of property titling programs in Langa Township, outside Cape Town
Brown and Smit (2007)	Voices of the poor	Conceptual	The literature review attempts to capture some of the most important debates and issues with regards to the question of access to urban land for the poor
Cross (2006)	Attacking urban poverty with housing: toward more effective land markets	Conceptual	Addresses some of the questions around what makes housing an effective strategy for poverty reduction, in the interests of encouraging urban markets for land and housing to work for the poor
Department of Human Settlement (2010)	Research to investigate obstacles in the issuing of title deeds to government subsidy beneficiaries	Detailed empirical work (qualitative) – 49 interviews with conveyancers, municipal officials and provincial officials	Establishing the current status regarding the issuing of title deeds while gathering the understanding on the process of registering title deeds, identify bottlenecks in the transfer process as well as challenges experienced by the role-players and lastly establish the interventions required to remedy the situation
Geyer and Geyer (2014)	Residential transformation in South Africa – reopening the “dead” capital debate	Conceptual	Critiques the application of De Soto's ideas in South Africa
Gunter and Scheepers (2012)	“Crisylida Capital”: hatching informal township property markets to benefit low-income residents in Johannesburg, South Africa	Detailed empirical work (mixed methods) – 385 household questionnaires and 6 interviews with estate agents	Looking at township property in Johannesburg, South Africa, informal transactions in the property market can be utilised to facilitate the creation of a property ladder that starts at informal slum and ends in formally developed property

Huchzermeyer (2008)	Settlement informality: the importance of understanding change, formality, land and the informal economy	Conceptual	Reflects on critical aspects of informality which exposure to the current shifts and dynamics in the struggle for relevant informal settlement policy and intervention in South Africa have revealed
Kihato and Berrisford (2006)	Regulatory systems and making urban land markets work for the poor in South Africa	Conceptual	Influences of regulatory frameworks on access (especially cost of acquisition) to land among the urban poor
Lall, et al. (2007)	Subsidized housing and access to land in South African cities	Detailed empirical work (analysis of secondary quantitative data) – General Household Survey	Examines if provision of subsidised housing has stimulated complementary private and household investment in housing and the alternative to the current strategy of providing subsidized housing – by promoting the availability of serviced land for individual development by the poor
Lemanski (2011)	Moving up the ladder or stuck on the bottom rung? Homeownership as a solution to poverty in urban South Africa	Detailed empirical work (quantitative) – 100 household questionnaires and deeds analysis	The South African 'housing subsidy system' is assessed using quantitative and qualitative data from in-depth research in a state-subsidised housing settlement in the city of Cape Town.
Marais, et al. (2014a)	From informality to formality to informality: extralegal land transfers in an upgraded informal settlement of South Africa	Detailed empirical work (quantitative) – multi-wave household questionnaires of area, 31 interviews in cases of transfer	Investigates the nature of extralegal land transfers in an upgraded informal settlement
Marx (2006)	Conceptualising "the economy" to make markets work for the poor	Conceptual	Suggests that to make urban land markets work for poor people it is necessary to engage in activities that reconceptualise dominant understandings of 'the economy' and economic growth
Marx (2007)	Do informal land markets work for poor people: an assessment of three metropolitan cities in South Africa. Synthesis Report	Conceptual	Provides an overview of two sets of literatures: informal market dynamics and understandings of informality and the dynamics and management of urban land systems

Napier (2009)	Making urban land markets work better in South African cities and towns: arguing the basis for access by the poor	Conceptual	Discusses what balance market distortions and failures are to blame for the fact that the majority of the poor remain dislocated to the peri-urban fringes of cities and towns
Nell, et al. (2007)	Overview of urban land as a commodity in South Africa	Conceptual	Overview of the urban land sector in South Africa in a manner that focuses on the qualities and elements of urban land as a commodity within the South African economy
Payne, et al. (2009)	The limits of land titling and home ownership	Detailed empirical work (mixed methods) – secondary sources, stakeholder analysis, interviews, household questionnaires, focus group discussions, workshops	Reviews whether land titling programmes have achieved the benefits claimed by their proponents
Robins (2002)	Planning suburban bliss in Joe Slovo Park, Cape Town	Detailed empirical work (qualitative) – range of interviews with households and experts	Investigates the “return to informality” in a low-income housing scheme
Roux (2013)	Land registration use: sales in a state-subsidised housing estate in South Africa	Detailed empirical work (mixed methods) – residents, local leaders, municipal officials, conveyancers, secondary sources, municipal valuations roll	Development of a land registration usage theory based on an in-depth exploration of how and why property buyers decide to transact within or outside the land registration system
Roux and Barry (2011)	Land transactions in social housing in the Western Cape of South Africa: a narrative of Kransdorp	Detailed empirical work (mixed methods) – residents, local leaders, municipal officials, conveyancers, secondary sources, municipal valuations roll	Development of a land registration usage theory based on an in-depth exploration of how and why property buyers decide to transact within or outside the land registration system
Shisaka Development Management Services (2004)	Workings of Township Residential Property Markets Study: Phase 3	Detailed empirical work (mixed methods) – 2004 household questionnaires, cadastral review, interviews, focus groups, 400 entrepreneur questionnaires	The FinMark Trust, together with the Micro Finance Regulatory Council / USAID, the Ford Foundation, the National Housing Finance Corporation and South African National Treasury commissioned research into the working of township residential property markets with an overall emphasis on the secondary market.
Shisaka Development Management Services (2011a)	Government Subsidised Housing Assets: Main Overall Report	Detailed empirical work (mixed methods) – Housing beneficiary database, deeds data, interviews with beneficiaries, visible investment survey	Research into the extent to which the housing subsidy programme has translated into a housing asset benefit for beneficiary households

Snijder (2001)	Shacks for shelter, houses for sale	Detailed empirical work (qualitative) – 19 interviews with both tenants and landlords	Provides a context for the understanding of the informal housing market
Vorster and Tolken (2009)	Western Cape Occupancy Study	Detailed empirical work (mixed methods) – household questionnaires, in-depth interviews and focus groups with municipal officials and property market role-players	A profile of occupancy and report on certain aspects related to the impact of projects on occupants' lives

B4: Climbing the housing ladder

Authors and year	Title of paper	Type of paper and method	Main focus of paper
FNB (2014)	Inclusion through housing: limitations and alternatives in Johannesburg	Detailed empirical work (mixed methods) – secondary data from Alex Benchmark Survey (2005), household survey (2006) and two focus groups (2007)	Assessing the ability of homeownership (and associated wealth creation) to foster urban inclusion of the previously marginalised
	Housing delivery as anti-poverty: Is South Africa on the right track?	Conceptual	Addresses questions around the validity of South Africa's anti-poverty approach, which makes use of housing delivery as government's key anti-poverty delivery model, intended to bring the urban poor into full participating economic citizenship
	Low-cost housing in township real estate as a catalyst for wealth creation and local economic development: A spatial perspective of townships surrounding Johannesburg	Detailed empirical work (mixed methods) – 385 household questionnaires in 13 township locations (10-50 per location), six interviews with property professionals	Examination of low-cost property in Johannesburg as a potential market that could inject wealth into the hands of marginalised communities
	Moving up the ladder or stuck on the bottom rung? Homeownership as a solution to poverty in urban South Africa	Detailed empirical work (quantitative) – 100 household questionnaires and deeds analysis	The South African 'housing subsidy system' is assessed using quantitative and qualitative data from in-depth research in a state-subsidised housing settlement in the city of Cape Town

	Towards an understanding of the outcomes of housing privatisation in South Africa	Detailed empirical work (quantitative) – 395 household questionnaires	Uses historical methodology to trace the historical lack of secure tenure for urban black South Africans. The results suggest that housing privatisation processes in South Africa cannot be viewed only through a political economic lens.
	A macro-perspective on the first decade of South African housing delivery and its contribution towards the formation of sustainable settlements and communities	Policy analysis	Works from a description of some of the key strategic impacts of the programme, towards a vision for the future in which state sponsored settlements will become more rewarding places to stay
	The impact of the Financial Sector Charter (FSC) in improving the creation of housing stock in the low income market	Detailed empirical work (qualitative) – seven interviews with experts in various positions	To analyse the impact of the Financial Sector Charter (FSC) in the creation of housing stock for the low income market
	The potential impact of an inclusionary housing policy on the affordability housing in South Africa	Detailed empirical work (qualitative) – eight interviews with experts in various positions	Determines the impact of the framework for inclusionary housing on the affordability of housing and outline potential implementation hurdles that should be addressed
	Social and economic impacts of land titling programmes in urban and peri-urban areas: international experience and case studies of Senegal and South Africa	Detailed empirical work (mixed methods) – Secondary data, stakeholder analysis, key informant interviews, 456+576 household interviews, focus group discussions and local workshop	Examines the extent to which changes in the social and economic characteristics of those affected can be attributed to titling
	Inequality and economic marginalisation	Conceptual (using secondary data)	Argues for a broad based access to property, broader than access to title allows, with the potential for wider, quicker and more sustained reach
	Integrated housing developments have the potential to assist in bridging the “gap” between “Breaking New Ground” (BNG) housing and affordable housing: Cosmo City as a case study	Detailed empirical work (mixed methods) – deeds analysis for 106 transfers, municipal valuations on 192 properties, 197 household questionnaires, in-depth interviews with banks/developers/ government	To determine whether fully subsidised BNG house developed within an integrated development such as Cosmo City can fetch sufficient value to bridging the “gap” between BNG house and an affordable house and thereby assisting a household to leverage itself up the housing ladder.

	Analysis of South Africa's housing sector performance	Conceptual (using secondary data)	Sets out current housing sector performance in respect of demand and supply, and argues for new areas for attention by the State as it seeks to ensure access to housing for all South Africans in line with its policy objectives
	Workings of Township Residential Property Markets Study: Phase 3	Detailed empirical work (mixed methods) – 2004 household questionnaires, cadastral review, interviews, focus groups, 400 entrepreneur questionnaires	The FinMark Trust, together with the Micro Finance Regulatory Council / USAID, the Ford Foundation, the National Housing Finance Corporation and South African National Treasury commissioned research into the working of township residential property markets with an overall emphasis on the secondary market.
	Housing Finance in South Africa	Conceptual (Opinion, using secondary data)	Challenge to article by Moss "Measuring the Impact of the Financial Sector Charter (FSC) with Respect to Low Income Housing in South Africa"
	Western Cape Occupancy Study	Detailed empirical work (mixed methods) – household questionnaires, in-depth interviews and focus groups with municipal officials and property market role-players	A profile of occupancy and report on certain aspects related to the impact of projects on occupants' lives
	The dynamics of the formal urban land market in South Africa	Conceptual (using extensive secondary data)	To explain the dynamics of the formal urban land and property market in South Africa

B5: Incremental upgrading of housing units

Authors and year	Title of paper	Type of paper and method	Main focus of paper
Adebayo (2008);	Preconditions for housing consolidation: towards a suitable package of support for incremental housing in South Africa: a case study of eThekweni municipality	PhD that make use of qualitative and quantitative research instruments to examine and analyse the housing support experience in three different types of incremental housing projects, located in eThekweni Municipality, in the KwaZulu-Natal Province.	To examine the application of the supporter paradigm in the incremental housing process in South Africa, and the way support for housing consolidation has been orchestrated in practice

Aigbavboa (2010);	An evaluation of the post occupancy experience of housing subsidy beneficiaries in South Africa: a case study of Gauteng	Master's degree employed quantitative and qualitative methodologies. Data from 78 questionnaires were analysed	Evaluates satisfaction of beneficiaries with allocated subsidy houses
Bank (2007)	The rhythms of the yards: urbanism, backyards and housing policy in South Africa	Detailed empirical work (qualitative) – details unclear	Explores the internal social logic and dynamics of the yards as a vehicle for deepening our understanding of how these social spaces work and what kind of urban experience is generated within them
Bidandi (2007);	The effects of poor implementation of housing policy in the Western Cape: a study case of Khayelitsha Site C	Master's	
Charlton (2006);	Learning from the local. Experiences of informal settlement upgrading in KwaZulu-Natal	Conceptual paper – based on secondary sources and previous experience	Discusses examples of informal settlement upgrading undertaken over a 14-year period in KwaZulu-Natal
Crankshaw, et al. (2000);	Backyard Soweto	Article used a stratified sample and do an analysis household survey that was done with 2 947 households in 1997	Comparing backyard accommodation context of South Africa with context in Chile
Del Mistro and Hensher (2009);	Upgrading Informal Settlements in South Africa: Policy, Rhetoric and what Residents really Value	Article used stated choice method. Four focus groups were conducted that was attended by four participants each	Estimates the value that residents of an informal settlement place on aspects such as level of municipal engineering services, location and type of upgrade, and the size of the dwelling
Govender (2011a);	An evaluation of housing strategy in South Africa for the creation of sustainable human settlements: a case study of the eThekweni region	Detailed empirical work (mixed methods) – Questionnaire designed via Delphi technique (20 experts), administered to 394 families in six different settlements, focus groups with beneficiaries	This thesis is concerned with looking at why the government has underperformed in delivering low income housing projects that evolve into socially sustainable and integrated communities.
Lizarralde (2011)	Stakeholder participation and incremental housing in subsidized housing projects in Colombia and South Africa	Article uses qualitative methods through a Temporary Multi-Organization (TMO) stakeholder analysis	Who Has Been Driving the People's Housing Process? A case study of Vosloorus Extension 28 and Ivory Park Ward 78 PHP Projects in Gauteng Province

Mani (2009);	Who Has Been Driving the People's Housing Process? A case study of Vosloorus Extension 28 and Ivory Park Ward 78 PHP Projects in Gauteng Province	Identifies limitations and shortcomings in the implementation of the People's Housing Process projects. It is argued that these shortcomings may be attributed to the interpretation and application of the PHP Guidelines and Policy	Identifies limitations and shortcomings in the implementation of the People's Housing Process projects. It is argued that these shortcomings may be attributed to the interpretation and application of the PHP Guidelines and Policy
Mkhize (2003); (2005)	An investigation of how construction skills transfer leads to sustainable employment and housing improvements in incremental housing projects	Master's degree compares three case studies in the KwaZulu-Natal. Interviews were conducted with 105 beneficiaries that received incremental building training	Looks at the employment impacts of beneficiaries who received construction skills in incremental housing projects
Morange (2002)	Backyard shacks: the relative success of this housing option in Port Elizabeth	Detailed empirical work (quantitative) – 40 landlord questionnaires, 110 tenant questionnaires	This paper tries to understand the reasons for the success of backyard shacks in Port Elizabeth in an unfavourable context.
Marais and Ntema (2013);	The upgrading of an informal settlement in South Africa: Two decades onwards.	Article compares four surveys results completed between 1990 and 2008. Interviews were conducted with between 90 and 200 respondents. Census data of 1996 and 2001 were used as secondary data sources	Article does a long-term evaluation of the upgrading of Freedom Square, a township in Bloemfontein over a period of 20 years.
Napier (2002);	Core housing, enablement and urban poverty: the consolidation paths of households living in two South African settlements	Detailed empirical work (quantitative) – questionnaire administered with 444 households in two case studies (Inanda Newtown and Khayelitsha)	The central research question was whether core housing should be accepted as a sufficiently supportive institutional and physical framework for allowing or enabling households to counter situations of urban poverty, achieve adequate housing, and integrate themselves into the city.
Napier and Breimer (2013);	A long way home: following 26 years of core housing consolidation and the struggle to achieve a sense of dignity	Detailed empirical work (mixed methods) – Secondary sources, 25 in-depth, semi structured interviews with head of households	This article analyses the provision of core housing in Khayelitsha, aiming to explore to what extent the South African government's approach to providing large-scale housing addresses the relevant demands in the context of rapid urbanisation

Ntema (2011);	Self-help housing in South Africa: paradigms, policy and practice	Detailed empirical work (mixed methods) – 200 questionnaires administered with beneficiaries and two focus groups	The aim of this research has been to evaluate the application of dweller control and self-help principles in self-help housing policy and practice in South Africa by means of three case studies.
Sefika (2012);	The privatisation of public housing in South Africa: incremental upgrading processes in Mangaung	Detailed empirical work (mixed methods) – 390 questionnaires administered with 390 households, deeds data, photographic analysis, and in-depth interviews with experts	The argument in this dissertation is that housing studies focus mainly on the political-economy paradigms and ignore the role played by other social theories.
Thwala (2010)	Structural Defects in Houses Delivered Through People's Housing Process (PHP) Scheme in South Africa: A Case Study of Gauteng Province	Report on a pilot survey conducted in two PHP sites in Johannesburg. Sixteen questionnaire data was compared	investigating into the causes of structural defects in houses delivered through this scheme and making recommendations on how these
Velayutham	From top structure to home : incremental growth of subsidised housing in Mamelodi.	Master's degree use qualitative and quantitative case study methodologies.	Incremental growth in two areas of Mamelodi is investigated

B5: Incremental upgrading of housing units

Authors and year	Title of paper	Type of paper and method	Main focus of paper
Adebayo (2008);	Preconditions for housing consolidation: towards a suitable package of support for incremental housing in South Africa: a case study of eThekweni municipality	PhD that make use of qualitative and quantitative research instruments to examine and analyse the housing support experience in three different types of incremental housing projects, located in eThekweni Municipality, in the KwaZulu-Natal Province.	To examine the application of the supporter paradigm in the incremental housing process in South Africa, and the way support for housing consolidation has been orchestrated in practice
Adebayo (2008);	An evaluation of the post occupancy experience of housing subsidy beneficiaries in South Africa: a case study of Gauteng	Master's degree employed quantitative and qualitative methodologies. Data from 78 questionnaires were analysed	Evaluates satisfaction of beneficiaries with allocated subsidy houses
Aigbavboa (2010);	The rhythms of the yards: urbanism, backyards and housing policy in South Africa	Detailed empirical work (qualitative) – details unclear	Explores the internal social logic and dynamics of the yards as a vehicle for deepening our understanding of how these social spaces work and what kind of urban experience is generated within them

Bank (2007)	The effects of poor implementation of housing policy in the Western Cape: a study case of Khayelitsha Site C	Master's	
Bidandi (2007);	Learning from the local. Experiences of informal settlement upgrading in KwaZulu-Natal	Conceptual paper – based on secondary sources and previous experience	Discusses examples of informal settlement upgrading undertaken over a 14-year period in KwaZulu-Natal
Charlton (2006);	Backyard Soweto	Article used a stratified sample and do an analysis household survey that was done with 2 947 households in 1997	Comparing backyard accommodation context of South Africa with context in Chile
Crankshaw, et al. (2000);	Upgrading Informal Settlements in South Africa: Policy, Rhetoric and what Residents really Value	Article used stated choice method. Four focus groups were conducted that was attended by four participants each	Estimates the value that residents of an informal settlement place on aspects such as level of municipal engineering services, location and type of upgrade, and the size of the dwelling
Del Mistro and Hensher (2009);	Upgrading Informal Settlements in South Africa: Policy, Rhetoric and what Residents really Value	Article used stated choice method. Four focus groups were conducted that was attended by four participants each	Estimates the value that residents of an informal settlement place on aspects such as level of municipal engineering services, location and type of upgrade, and the size of the dwelling
Govender (2011a);	An evaluation of housing strategy in South Africa for the creation of sustainable human settlements: a case study of the eThekweni region	Detailed empirical work (mixed methods) – Questionnaire designed via Delphi technique (20 experts), administered to 394 families in six different settlements, focus groups with beneficiaries	This thesis is concerned with looking at why the government has underperformed in delivering low income housing projects that evolve into socially sustainable and integrated communities.
Lizarralde (2011)	Stakeholder participation and incremental housing in subsidized housing projects in Colombia and South Africa	Article uses qualitative methods through a Temporary Multi-Organization (TMO) stakeholder analysis	Comparative article between subsidised housing approach in South Africa and Colombia
Mani (2009);	Who Has Been Driving the People's Housing Process? A case study of Vosloorus Extension 28 and Ivory Park Ward 78 PHP Projects in Gauteng Province	Detailed empirical work (quantitative) – Secondary data analysis and in-depth interviews with 5 beneficiaries in each case study	Identifies limitations and shortcomings in the implementation of the People's Housing Process projects. It is argued that these shortcomings may be attributed to the interpretation and application of the PHP Guidelines and Policy

Mkhize (2003); (2005)	An investigation of how construction skills transfer leads to sustainable employment and housing improvements in incremental housing projects	Master's degree compares three case studies in the Kwa-Zulu-Natal. Interviews were conducted with 105 beneficiaries that received incremental building training	Looks at the employment impacts of beneficiaries who received construction skills in incremental housing projects
Morange (2002)	Backyard shacks: the relative success of this housing option in Port Elizabeth	Detailed empirical work (quantitative) – 40 landlord questionnaires, 110 tenant questionnaires	This paper tries to understand the reasons for the success of backyard shacks in Port Elizabeth in an unfavourable context.
Marais and Ntema (2013);	The upgrading of an informal settlement in South Africa: Two decades onwards.	Article compares four surveys results completed between 1990 and 2008. Interviews were conducted with between 90 and 200 respondents. Census data of 1996 and 2001 were used as secondary data sources	Article does a long-term evaluation of the upgrading of Freedom Square, a township in Bloemfontein over a period of 20 years.
Napier (2002);	Core housing, enablement and urban poverty: the consolidation paths of households living in two South African settlements	Detailed empirical work (quantitative) – questionnaire administered with 444 households in two case studies (Inanda Newtown and Khayelitsha)	The central research question was whether core housing should be accepted as a sufficiently supportive institutional and physical framework for allowing or enabling households to counter situations of urban poverty, achieve adequate housing, and integrate themselves into the city.
Napier and Breimer (2013);	A long way home: following 26 years of core housing consolidation and the struggle to achieve a sense of dignity	Detailed empirical work (mixed methods) – Secondary sources, 25 in-depth, semi structured interviews with head of households	This article analyses the provision of core housing in Khayelitsha, aiming to explore to what extent the South African government's approach to providing large-scale housing addresses the relevant demands in the context of rapid urbanisation
Ntema (2011);	Self-help housing in South Africa: paradigms, policy and practice	Detailed empirical work (mixed methods) – 200 questionnaires administered with beneficiaries and two focus groups	The aim of this research has been to evaluate the application of dweller control and self-help principles in self-help housing policy and practice in South Africa by means of three case studies.
Sefika (2012);	The privatisation of public housing in South Africa: incremental upgrading processes in Mangaung	Detailed empirical work (mixed methods) – 390 questionnaires administered with 390 households, deeds data, photographic analysis, and in-depth interviews with experts	The argument in this dissertation is that housing studies focus mainly on the political-economy paradigms and ignore the role played by other social theories.

Thwala (2010)	Structural Defects in Houses Delivered Through People's Housing Process (PHP) Scheme in South Africa: A Case Study of Gauteng Province	Report on a pilot survey conducted in two PHP sites in Johannesburg. Sixteen questionnaire data was compared	investigating into the causes of structural defects in houses delivered through this scheme and making recommendations on how these defects will be forestalled in the houses that will be delivered in the future
Velayutham	From top structure to home : incremental growth of subsidised housing in Mamelodi.	Master's degree use qualitative and quantitative case study methodologies.	Incremental growth in two areas of Mamelodi is investigated

B6: Home-based enterprises

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Adebayo, 2011)	Still no room in the inn: post-apartheid housing policy and the challenges of integrating the poor in South African Cities	Adebayo did a literature review.	The researchers investigated the element of incremental housing in the process of housing delivery, where government played a role of a supporter to housing beneficiaries whilst beneficiaries were expected to achieved housing adequacy over time, through the process of housing consolidation.
(Aigbaybo & Thwala, 2011)	Housing experience of South African low-income beneficiaries	Survey questionnaires were administered to four RDP housing subsidy locations in Johannesburg with 120 heads of the household.	The researchers surveyed the housing experience of South African low-income beneficiaries. They assessed the socio-economic/ demographic profile of the occupants since the housing units were allocated to them. Included in the study was the look into the beneficiaries' home usage.
(Boudreaux, 2006)	The effects of property titling in Langa Township, South Africa	The study interviewed housing beneficiaries and government officials.	Boudreaux particularly inspected the effects of property titling in Langa Township, one of the oldest townships in Cape Town and its effects on economic growth and poverty alleviation for Langa's residents.
(Breimer & Napier, 2013)	A long way home: following 26 years of core housing consolidation and the struggle to achieve	Breimer and Napier used Eyethu in Khayelitsha as a case study and they also chose 25 consolidated plots for further qualitative research.	Breimer and Napier (2013) looked into housing consolidation in Cape Town townships and how beneficiaries used their plots.

(Gough, Tipple, & Napier, 2003)	Making a living in African cities: the role of home-based enterprises in Accra and Pretoria	Gough, et.al used an existing sets of quantitative data to compare and contrast HBEs in low-income settlements in Accra and Pretoria.	The researchers investigated the type of businesses operating in low-income settlements of Pretoria (formal and serviced and informal and unserviced) to try and determine the type of businesses found in these areas and their contributions to the household livelihoods and the limits to growth that they face
Majale (2002)	Regulatory guidelines for urban upgrading: towards effective pro-poor change	This is a conceptual paper focusing in informal settlements of the poor countries in the "South"	Majale looked into regulatory guidelines for urban upgrading with a hope of effecting pro-poor change. Majale hope to influence the governance, productivity, efficiency and equity in order to ensure safe and secure living environments, sustainable livelihoods, and a better quality of urban life for people living in poverty. Majale therefore acknowledges that sustainable human settlements include sustainable livelihoods such as HBEs
(Matsebe, 2009)	Home-based enterprise in social housing: enhancing the quality of life of residents?	This was an in-depth research project carried out in Kimberly and East London	Matsebe (2009) explicitly focused on social housing and home-based enterprises. The study did not investigate existing HBEs but rather discussed whether allowing home-based enterprises in social housing would enhance the residents' quality of life.
Mnguni (2011).	Government intervention and the use of the house for income generation in informal settlements: A case of Cato Crest, eThekweni Municipality	Mnguni conducted interviews with municipal housing officials and household surveys with Cato Crest households who had HBEs in the informal settlements and those who operated HBEs in the upgraded settlement.	Mnguni's dissertation (2011) investigated how the upgrading of informal settlements impacts on home-based enterprises. The study was conducted in Cato Crest in the eThekweni Municipality. Mnguni researched both the municipality officials and housing beneficiaries.
(Mulondo, 2009)	Understanding the use of fully subsidised houses as a place of business by the urban poor: poverty repackaging or avenue to escape poverty	The research was conducted in Lotus Gardens, Pretoria with 20 HBE owners. The researcher used a qualitative approach in the form of in-depth individual interviews.	This study sought to understand whether the use of fully subsidised houses as a place of business by the urban poor is an avenue to escape poverty or a manifestation of a form of poverty.

Napier, Ballance & Macozoma (2000)	Predicting the impact of home-based enterprises on health and the biophysical environment: observations from two South African settlements	The researchers conducted qualitative interviews with 147 households with HBEs on the environmental impact of home-based enterprises. 115 of the respondents were from the formal sites and serviced settlement and 100 from the unserviced settlement, both located in similar biophysical environments to the East of Pretoria.	The study wanted to capture the complexity of the interrelationship between households, enterprises and the environment
(Napier & Mothwa, 2001)	Push and pull factors in the initiation and maintenance of home work in Pretoria settlements	The researchers conducted quantitative and qualitative interviews with 30 HBEs in 2 Mamelodi settlements (a formal and serviced settlement and an informal and unserviced squatter settlement)	The study was to determine the reasons why people start home-based enterprises. This helps determine the role of HBEs in the economy of a settlement
(Payne, Durand-Lasserve, & Rakodi, 2009)	The limits of land titling and homeownership	These authors looked at detailed case studies in South Africa comparing them with Senegal	The authors refer to land title and ownership to review whether land titling programmes have achieved the benefits claimed by their advocates. Although the paper considers the wider impact of titling some reference was made to home-based enterprises.
Rosenberger (2003)	Sustainable low-cost housing – review of three low-cost housing developments in Gauteng Province, Johannesburg	To accomplish this, three housing projects in Gauteng were selected and reviewed using the available documents. There were also some follow up interviews with relevant government officials and town planners	Rosenberger's mini-dissertation was intended to investigate the extent to which low-cost townships are meeting sustainability criteria. For each project the ecological risks, social sensitivity, economic stability and available technology were analysed
(Rust, 2007)	Supporting the housing asset triangle	Data for this study was collected through a survey with 400 entrepreneurs in former townships in Cape Town, Johannesburg, Ekurhuleni and Ethekwini.	The researcher emphasises the importance for government to intentionally support the asset/housing triangle. This study focuses on how the homes of these entrepreneurs contributed towards their businesses.
Smit & Donaldson (2011)	The home as informal business location: Home-based business (HBB) dynamics in the medium-sized city of George	Smit & Donaldson sampled respondents from former whites-only group areas and those from the racially segregated black and coloured areas. In all they had 98 respondents.	These authors investigated the dynamics of HBEs in the medium-sized city of George.

(Social Housing Foundation, 2009)	Cost-benefit analysis: Social Rental Housing and RDP Housing	The research was conducted as a comparative cost-benefit analysis (CBA) between social rental housing and RDP housing.	One of the elements they looked at was the economic CBA which bear relevance to this section of the report
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B7: Rental housing

Authors and year	Title of paper	Type of paper and method	Main focus of paper
Bank (2007)	The rhythms of the yards: urbanism, backyards and housing policy in South Africa	Detailed empirical work (qualitative) – details unclear	Explores the internal social logic and dynamics of the yards as a vehicle for deepening our understanding of how these social spaces work and what kind of urban experience is generated within them
Crankshaw, et al. (2000)	Backyard Soweto	Detailed empirical work (quantitative) – Household questionnaires	Investigation of backyard shelters in South Africa, considering the examples presented internationally, specifically Chile
Lemanski (2009)	Augmented informality: South Africa's backyard dwellings as a by-product of formal housing policies	Detailed empirical work (mixed methods) – details unclear	Explores the new dimensions of informal backyard housing, both for landlords and tenants, as a consequence of South Africa's formal housing policies.
Morange (2002)	Backyard shacks: the relative success of this housing option in Port Elizabeth	Detailed empirical work (quantitative) – 40 landlord questionnaires, 110 tenant questionnaires	This paper tries to understand the reasons for the success of backyard shacks in Port Elizabeth in an unfavourable context.
Poulsen (2010)	A room in the city: strategies for accessing affordable accommodation	Detailed empirical work (mixed methods) – based on diverse previous research	Explores the socio-economic circumstances of the persons occupying these rooms, their strategies for seeking accommodation in the city in the face of a shortage of appropriate and affordable housing, and under conditions of extreme poverty.
Royston (2012)	Inequality and economic marginalisation	Conceptual (using secondary data)	Argues for a broad based access to property, broader than access to title allows, with the potential for wider, quicker and more sustained reach

Shapurjee and Charlton (2013)	Transforming South Africa's low-income housing projects through backyard dwellings: intersections with households and the state in Alexandra, Johannesburg	Detailed empirical work (qualitative) – 8 landlord and 10 tenant interviews	Focuses on the intersection between a particular mode of informal housing, backyard dwellings, and state subsidised low-income housing projects
Shisaka Development Management Services (2006)	Small scale landlords: research findings and recommendations	Detailed empirical work (mixed methods) –interviews with landlords in the inner city (237) and township (1091), tenants (125), successful landlords (20) and service providers, secondary data, and focus groups	Provides a deeper understanding of housing as a productive asset and its role in promoting economic activity and improved affordable housing supply, through supporting the activities of Small Scale Landlords
South African Local Government Association (2013)	Developing a response to backyarding for SALGA	Policy discussion	To develop a universally applicable backyarding policy framework in South Africa, which up to now has not been formalised in national policy discourse and that has led to diverse and often damaging public responses
Vorster and Tolken (2009)	Western Cape Occupancy Study	Detailed empirical work (mixed methods) – household questionnaires, in-depth interviews and focus groups with municipal officials and property market role-players	A profile of occupancy and report on certain aspects related to the impact of projects on occupants' lives
Watson and McCarthy (1998)	Rental housing policy and the role of the household rental sector: evidence from South Africa	Detailed empirical work (qualitative) – 70 in-depth interviews with landlords and tenants	Draws on a small-scale survey of households in South Africa to highlight the crucial role being played by the household rental sector, and argues for its incorporation into current housing policy

B8. Access to employment

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Aucamp & Moodley, 2002)	Making low-cost housing projects more accessible for public transport in eThekweni: what are the costs?	Conference paper, cost-benefit analysis of different locations in EThekweni	Compares the short-term and long-term costs associated with specific location for low-income housing programmes

(Biermann, 2003)	Investigation into the energy consumption implications of alternative locations for low income housing development in South African urban areas	Grey report.	Evaluates empirical evidence in respect of housing and location in respect of work opportunities
(Biermann, 2006)	A sustainable livelihood cost-benefit model to enhance the understanding of the dynamics between low income housing and location	Article, based on empirical work	Evaluates empirical evidence in respect of housing and location in respect of work opportunities
(Charlton, 2004)	An overview of the housing policy and debates, particularly in relation to women	Article. Conceptual paper	Policy paper with regard to housing and women
(Charlton & Kihato, 2006)	Reaching the poor? An analysis of the influences on the evolution of South Africa's housing programme	Book chapter. Conceptual paper	Reflections on housing policy changes
(Charlton, 2013)	State ambitions and peoples' practices: an exploration of RDP housing in Johannesburg,	PHD	Reflects on ways in which people use their subsidised housing units within the urban context
(Crankshaw, et al., 2000)	Backyard Soweto	Detailed empirical work (quantitative) – Household questionnaires	Investigation of backyard shelters in South Africa, considering the examples presented internationally, specifically Chile
(Cross, 2008a)	Housing delivery as anti-poverty: Is South Africa on the right track?	Grey report.	Policy paper on the role of housing in asset building

(Cross, 2008b)	Women's households and social exclusion: A look at the urbanisation dimension	Book Chapter, based in detail empirical work	Reflections on preferences of location of women in urban areas
(Department of Transport, 2006)	National Land Transport Strategic Framework	Policy document	Transport policy
(Dimitrov, 2012)	The link between transport, social exclusion and energy issues in the South African context	Masters dissertation	Reflections on key issues of location regarding low-income housing projects
(Gilbert & Crankshaw, 1999)	Comparing South African and Latin American experience: migration and housing mobility in Soweto	Article, based in detail empirical evidence	Reflections on urban mobility in SA
(Huchzermeyer, 2001b)	Low-income housing and commodified urban segregation in South Africa	Article, Conceptual paper	Reflection on the capital subsidy and location
(Huchzermeyer, 2001c)	Housing for the poor? Negotiated housing policy in South Africa	Article, Conceptual paper	Reflection on the capital subsidy and location
(Huchzermeyer, 2004)	Unlawful occupation: informal settlements and urban policy in South Africa and Brazil	Book, Conceptual paper	Reflection on the capital subsidy and location
(Huchzermeyer, 2009)	The struggle for in situ upgrading of informal settlements: a reflection on cases in Gauteng	Article, Conceptual paper	Reflection on the capital subsidy and location
(Huchzermeyer, 2010)	A legacy of control? The capital subsidy for housing and informal settlement intervention in South Africa	Article, Conceptual paper	Reflection on the capital subsidy and location
(Lalloo, 1999)	Arenas of contested citizenship: housing policy in South Africa	Article, Conceptual paper	Reflection on the spatial allocation of housing subsidies
(Moolla, et al., 2011)	Housing satisfaction and quality of life in RDP houses in Bram Fischer, Soweto: A South African case study	Article, Detail empirical evidence associated with perceived levels of access to work and social amenities	Reflection on access to social amenities

(Marais & Cloete, 2014c)	"Dying to get a house?" The health outcomes of the South African low-income housing programme	Article, Detail empirical evidence associated with perceived levels of access to work and social amenities	Reflections on access to health facilities
(Narsai, et al., 2013)	Variations in housing satisfaction and health status in four lower socio-economic housing typologies in the eThekweni Municipality in KwaZulu-Natal	Article, Detail empirical evidence associated with perceived levels of access to work and social amenities	Reflections on access to social amenities
(Simons & Karam, 2008)	Affordable and middle-class housing on Johannesburg's mining sites: a cost-benefit analysis	Article. Case studies / cost benefit analysis	Cost benefit analysis of different housing options
(Statistics South Africa, 2014)	National Household Travel Survey	Statistics	Provides comparative data on travel times etc
(Todes, 2003)	Housing, integrated urban development and the compact city debate	Article, conceptual paper	Conceptual reflections on the location of housing
(Venter, et al., 2004)	Low-cost housing location in South Africa	Conference paper	Conceptual and empirical evidence reflecting on the spatial location of housing
(Venter & Cross, 2011)	Location, mobility and access to work: a qualitative exploration in low-income settlements	Conference paper,	Conceptual and empirical evidence reflecting on the spatial location of housing

B9. Migration and mobility

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Atkinson, 2007)	Going for broke: the fate of farmworkers in arid South Africa	Book. Policy assessment	Evaluates the policy responses towards farm workers
(Atkinson & Marais, 2006)	Urbanisation, indecision, and the future urban agenda in South Africa	Book chapter, policy assessment	Policy paper
(Bekker, 1991)	Cities straddling homeland boundaries	Book chapter, historical understanding	Historical context
(Bernstein, 1991)	Challenge of the cities	Book chapter, historical understanding	Historical context
(Centre for Development and Enterprise, 1998)	South Africa's "discarded people": survival, adaptation and current policy challenges	Grey report, 2000 interviews	Evaluates the consequence of being settled behind the homelands

(Cloete, et al., 2009)	Breaking New Ground, social housing and mineworker housing: the missing link	Article, Conceptual paper	Conceptual argument in respect of mine housing
(Cloete, 2009)	Housing options for mineworkers in arid and semi-arid regions: the case of Kathu	Masters dissertation, 400 interviews with mine workers	Assesses mine-worker housing needs
(Crankshaw & Parnell, 1996)	Housing provision and the need for an urbanisation policy for South Africa	Article, Conceptual argument	Argues in favour of urban housing (as opposed to rural housing)
(Christopher, 1994)	The atlas of apartheid	Book, historical understanding	Historical context
(Cronje, 2014)	Digging for development: the mining industry in South Africa and its role in socio-economic development	Grey report, Based on in-depth interviews in the industry	Policy paper
(Crush, 1992)	The compound in post-apartheid South Africa	Article, historical understanding	Historical context
(Cross, et al., 1998)	Constructing migration: infrastructure, poverty and development in KwaZulu-Natal	Article, reflections on migration trends	Reflections on migration trends
(Cross, 2009)	Migration trends and human settlements	Presentation, reflection on migration trends	Reflections on migration trends
(Du Toit, 1993)	The micro-politics of paternalism: the discourses of management and resistance on South African fruit and wine farms	Article, Conceptual paper	Reflections on farm workers in the Western Cape
(Ewert & Hamman, 1999)	Why paternalism survives: globalisation, democratization and labour on South African wine farms	Article, Conceptual paper	Reflections on farm workers in the Western Cape
(Government of South Africa, 2004)	Stakeholder consultative report on housing policy for farmworkers	Policy document	Policy document
(Demissie, 1998)	In the shadow of the gold mines: migrancy and mine housing in South Africa	Article	Policy reflections on mine-worker housing

(Gilbert & Crankshaw, 1999)	Comparing South African and Latin American experience: migration and housing mobility in Soweto	Article. Household survey	Reflections on housing mobility in Soweto
(Hartwig, 2004)	Farm worker housing in South Africa: an evaluation of an off-farm housing project	Masters dissertation, Qualitative interviews	Reflections on off-farm farm-worker housing options
(Hartwig & Marais, 2005)	Farm-worker housing in South Africa: An evaluation of an off-farm project	Article, qualitative interviews	Reflections on off-farm farm-worker housing options
(Krige, 1996)	Botshabelo: former fastest-growing urban area in South Africa approaching zero population growth	Grey report. Statistical assessment of population movement in Botshabelo	Population dynamics in Botshabelo
(Laloo, 1999)	Arenas of contested citizenship: housing policy in South Africa	Article, Conceptual paper	Reflections on mine-worker housing
(Mabin, 1991)	The dynamics of urbanisation since 1960	Book chapter, conceptual paper	
(Marais, 1997)	The dynamics of urbanisation since 1960	Book chapter, conceptual paper	Historical context
(Marais, 2001)	Botshabelo's changing housing landscape: A critical analysis	Article, based on household survey in Botshabelo	Baseline paper on the housing reality in Botshabelo
(Marais, 2001)	Towards a policy framework for post-apartheid housing investment in former homeland areas: evidence from the Free State	Article, conceptual paper	Provides a proposed framework for possible investment in former homeland areas
(Marais, 2003)	Good intentions with negative consequences. The case of housing size in the Free State Province of South Africa	Article, based on housing delivery statistics	Evaluates the spatial allocation of housing subsidies
(Marais, 2005)	Housing in former homeland areas of South Africa: delivery, issues and policy in the Free State	Conference paper	Provides a proposed framework for possible investment in former homeland areas

(Marais, 2013)	The impact of mine downscaling on the Free State Gold-fields	Article, based on detailed statistics of the Free State Goldfields	Reflects on the implication of mine downscaling – among others for housing
(Marais & Krige, 1999)	Post-apartheid housing policy and initiatives in South Africa: reflections on the Bloemfontein–Botshabelo–Thaba Nchu Region	Article, Based on housing delivery statistics	Evaluates the spatial allocation of housing subsidies in Mangaung
(Marais & Krige, 2000)	Who received what where in the Free State, 1994–1998: an assessment of post-apartheid housing policy and delivery	Article, based on housing delivery statistics	Evaluates the spatial allocation of housing subsidies
(Marais & Ntema, 2013)	The upgrading of an informal settlement in South Africa: twenty years on-wards	Article, based on household survey of 200 households in Freedom Square	Reflects on migration trends in Mangaung
(Marais, et al., 2005a)	Manufacturing in former homeland areas of South Africa: the example of the Free State Province	Article, Data on economic activity in former homeland areas	Reflects on spatial trends in the location of manufacturing enterprises in the Free State
(Marais & Venter, 2006)	Hating the compound, but ... Mineworker housing needs in post-apartheid South Africa	Article, Survey of 1200 mine workers on housing needs	Reflections on the spatial preference of mine workers in respect of housing
(Marais & Pelsner, 2006)	Voting with their feet: post-apartheid population trends in the Free State	Article, statistics on migration movement in the Free State	Reflections on migration movements in the Free State
(Marais & Wessels, 2005)	Housing standards and housing rights: the case of Welkom in the Free State Province	Article, Case study	A case study investigating the requirement of a deposit by families in the Free State Goldfields
(Marais, et al., 2010)	Low-income housing policy and practice in arid and semi-arid South Africa: policy lessons and implications	Article, Five case studies	Conceptual reflections on mine-worker housing

(Matiso, 1998)	Changing migration patterns in the Bloemfontein–Botshabelo–Thabane Nchu region: perceptions of past, present and future locality of ex-Botshabelo residents in Mangaung informal settlements	Masters dissertation, 200 Households	Focused on households that have moved from Botshabelo to Bloemfontein
(Morris, 1981)	A history of black housing in South Africa	Book. Historical context	Historical context
(Nel, et al., 2011)	Demographic and economic changes in small towns in South Africa's Karoo: looking from the inside out	Article, Migration statistics	Migration movements in the Karoo
(Nel & Hill, 2001)	Deindustrialisation and local economic development initiatives in KwaZulu-Natal, South Africa	Article, Economic decline in former homeland areas	Reflections on deindustrialisation
(Ntema, 2013)	Historical and future population trends in Botshabelo	Conference paper, based on statistics SA data	Population-movement trends in Botshabelo
(Parnell & Crankshaw, 2013)	The politics of 'race' and the transformation of the post-apartheid space economy	Article, Conceptual paper	Reflects on those factors influencing decision on the spatial allocation of investment in South Africa
(Platzky & Walker, 1985)	The surplus people: forced removals in South Africa	Book. Historical context	Historical context
(Posel & Casale, 2003)	What has been happening to internal labour migration in South Africa, 1993 - 1999	Article, Based on statistics from the census and the annual household survey	Reflections on internal labour migration in South Africa
(Posel & Marx, 2011)	The interaction between informal land markets and rural-urban migration	Grey report. Based on household survey	Reflections on rural-urban migration in KwaZulu-Natal
(Shisaka Development Management Services, 2011a)	Government Subsidised Housing Assets: Main Overall Report	Grey report. Based on extensive household and deed surveys	Reflections on the spatial divide in the allocation of housing subsidies
(Smit, 1998)	The rural linkages of urban households in Durban, South Africa	Article, Based on household survey	Reflections on the urban/rural housing preferences for housing

(South African Cities Network, 2014)	Outside the core: towards understanding of intermediate cities in South Africa	Grey report, Case studies	Reflections on housing in intermediate cities in SA
(Tomlinson, 2007)	The development of a low-income housing finance sector in South Africa: Have we finally found a way forward?	Article, Policy paper	Policy reflections on housing finance in SA
(Tomlinson & Krige, 1997)	Botshabelo: coping with the consequences of urban apartheid	Article, Policy paper	Policy reflection on future investment in Botshabelo

B10. Improved security of tenure / feeling of belonging

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Bowles, 2011)	A long Road Home: Housing Rights in South Africa's Informal Settlement, Joe Slovo	Paper conducted 11 open ended interviews in and around Joe Slovo with residents of the settlement, task team leaders, a housing developer and other individuals involved in the field of study	Aimed to find out what people in Joe Slovo knew about their housing rights, how they felt about the evictions and their victory, and since winning the case, what happens now as regards housing.
(Muzondo, et al., 2007)	Land Conflicts in Informal Settlements: Wallacedene in Cape Town, South Africa.	Article doing participatory research and interviews with residents in the Wallacedene community and surrounding suburbs. In addition community leaders, local politicians, planners, officials, NGO employees, and farmers in the surrounding area were also interviewed. The total number of interviews not indicated	Examines conflicts over land and housing and how these conflicts are being managed.
(Cole, 2010)	The struggle for property ownership in New Crossroads: The "tandpyn" that won't go away.	Qualitative interviews	Explores the intended and unintended consequences of homeownership for poor citizens living in informal settlements
(Charlton, 2010)	Inclusion Through Housing: Limitations and Alternatives in Johannesburg	Article utilised workshops and focus groups	This paper moves beyond considerations of tenure – ownership or rental – to propose other ways of conceptualising housing as a contribution towards inclusion of the poor.
(Downie, 2011)	Urban Pro-poor registrations: complex-simple ?the Overstrand Project. Potchefstroom	Analysis of legal documents	Investigates the formulation of municipal housing projects

(Dickinson, 2011)	Blue Moonlight Rising: Evictions, Alternative Accommodation and a Comparative Perspective on Affordable Housing Solutions in Johannesburg	Article analyses court cases	This paper moves beyond considerations of tenure – ownership or rental – to propose other ways of conceptualising housing as a contribution towards inclusion of the poor.
(Fieuw, 2011)	Informal settlement upgrading in Cape Town's Hangberg: local government, urban governance and the "Right to the City".	Master's degree. Qualitative interviews	Study seeks to unravel the governance complexities elicited by this potentially progressive planning intervention.
(Himlin, 2008)	There Shall be Houses, Security and Comfort": Freedom Charter declaration becomes a reality for farmworkers in Muldersdrift	Conceptual paper	Looks into the legal representation and interpretation of farm workers' right to housing
(Hoosen & Mafukidze, 2008)	Public to private ownership: an analysis of the challenges characterizing formal housing transfer in Diepkloof (Johannesburg)	Structured and semi structured interviews. Interviewed city officials at the Johannesburg housing department and 12 individuals from Diepsloot	Findings in respect of larger land management project in Johannesburg
(Huchzermeyer, 2009)	The struggle for in situ upgrading of informal settlements: a reflection on cases in Gauteng	Personal interviews with lawyers representing squatters	Presents the case of three informal settlement communities in Gauteng Province that have struggled for recognition of basic principles of the informal settlement upgrading programme.
(Kruuse, 2008)	Life in the suburbs after "Grootboom": the role of local government in realising housing rights in the Eastern Cape	Case-study approach. Interviewed evicted residents in an informal settlements in Port Elizabeth as well as housing officials and project consultants, for his Eastern Cape case study	Focuses on the perspective of evicted residents and the influence of court cases steering legal outcomes
(NPM Geomatics, 2010)	Towards managed land settlement: A review of five South African case studies	Case study approach. Telephonic and e-mail based interviews	Reviews land settlement management aspects
(Mogale, 2001)	Changes in residential tenure security in South Africa - shifting relationships between customary, informal and formal systems.	Qualitative methodology based on informal interviews with residents in the Mbombela area in Mpumalanga	Examines tenure security and tenancy practices in some of South Africa's informal urban areas.

(Patel, 2011)	Tenure and vulnerability: The effects of changes to tenure security on the identity and social relationships of the urban poor	Ethnographic methods and in-depth interviews	Investigates shack dwellers conceptions of tenure security as an ideal, experiences of tenure insecurity, and the strategies they have adopted to achieve a sufficient degree of security.
(Pithouse, 2008)	Business as Usual? Housing rights and "slum eradication" in Durban, South Africa.	Conceptual overview with reference to case studies	This report into housing rights and 'slum eradication' in Durban was undertaken by the Geneva based Centre on Housing Rights and Evictions
(Ray, 2008)	Occupiers of 51 Olivia Road v City of Johannesburg: enforcing the right to adequate housing through "engagement"	Legal case studies	Focuses on the outcomes of law cases
(Tissington, 2011)	Demolishing development at Gabon informal settlement: public interest litigation beyond Modderklip?	Qualitative research and investigate court case outcomes	This article examines recent developments at the Gabon informal settlement (Gabon), situated in Daveyton township, Benoni in the Ekurhuleni Metropolitan Municipality, where in May 2010, over 300 families had their shacks illegally demolished by the municipality and Metro police.
(Wilson, 2011)	Litigating Housing Rights in Johannesburg's Inner City: 2004-2008	Conceptual paper	Reflects on when and how litigation works as part of a rights-based strategy for change

B11. Housing satisfaction

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Aigbavboa & Thwala, 2011)	Housing experience of South African low-income beneficiaries	Detailed empirical work (quantitative) – 120 household questionnaires in four different housing subsidy schemes in Johannesburg	Study intends to identify the factors that influence housing residential satisfaction among beneficiaries of government housing subsidy schemes
(Baumann, 2003)	Harnessing people's power: policy-makers' options for scaling up the delivery of housing subsidies via People's Housing Process	Policy discourse analysis	The purpose of this study is to identify existing and potential problems surrounding the delivery of subsidised housing via the People's Housing Process (PHP), and evaluate existing and/or potential solutions for those problems.

(Cross, 2008a)	Housing delivery as anti-poverty: is South Africa on the right track?	Conceptual	The paper analyses South African housing and delivery debates, emphasising the central questions on location, city form and the peripheralisation of the poor in relation to their journey to work
(Department of Housing, 1994)	White Paper on Housing: a new housing policy and strategy for South Africa	Policy document	Guidelines for the implementation of National Housing Policy Frameworks
(Department of Housing, 2004)	Breaking New Ground: a comprehensive plan for the development of sustainable human settlements	Policy document	Guidelines for the implementation of National Housing Policy Frameworks
(Hall, 2005)	Accommodating the poor? A review of the housing subsidy scheme and its implications for children	Policy discourse analysis	This paper investigates whether the National Housing Programme gives meaning to children's socio-economic right to adequate housing and to shelter by effectively targeting poor children, their caregivers and the households in which they live.
(Himlin, 2005)	How to keep the 'people' in PHP: an evaluation of the Vosloorus People's Housing Process	Detailed empirical work (quantitative) – a survey of households, building contractors, labourers, and steering committee members	An evaluation of a Peoples' Housing Process in Vosloorus in terms of the level of community participation, type of housing outcomes and satisfaction levels among beneficiaries
(Mehlomaku-lu & Marais, 1999)	Dweller perceptions of public and self-built houses: some evidence from Mangaung (Bloemfontein)	Detailed empirical work (mixed methods) – questionnaire survey with 100 households and in-depth interviews	Assessing dweller satisfaction and dweller perceptions of their housing units in two types of housing delivery systems – self-built units and government-constructed housing units
(Moolla, et al., 2011)	Housing satisfaction and quality of life in RDP houses in Bram Fischer-ville, Soweto: A South African case study	Detailed empirical work (quantitative) – households survey in Bram Fischer-ville, Soweto.	Is a discussion on housing satisfaction and quality of life in the RDP housing development in Bram Fischer-ville, Soweto

(Narsai, et al., 2013)	Variations in housing satisfaction and health status in four lower socio-economic housing typologies in the eThekweni Municipality in KwaZulu-Natal	Detailed empirical work (quantitative) – 300 households survey in four lower socio-economic housing typologies in Durban	An investigation of perceived housing satisfaction in terms of housing outcomes and provision of basic municipal services among residents of RDP housing development, Informal settlement, traditional housing development and inner-city apartments in Durban
(Ntema & Marais, 2013)	Comparing low-income housing outcomes in self-help and contractor-driven projects: the case for longitudinal research	Detailed empirical work (quantitative) – 400 household questionnaires	Comparison of the housing outcomes and satisfaction levels in two low-income housing programmes (contractor-driven and self-help housing programmes)
(Ntema, 2011)	Self-help housing in South Africa: paradigms, policy and practise.	Detailed empirical work (mixed methods) – 400 household questionnaires in 2 township locations, 15 in-depth interviews, 10 focus group discussions	Evaluation of the application of dweller control and self-help principles in self-help housing policy and practice in South Africa by means of three case studies
(Ross, 2006)	Model communities and respectable residents? Home and housing in a low-income residential estate in Western Cape, South Africa	Detailed empirical work (qualitative)- in-depth interviews with residents relocated from an informal settlement (The Park) in Cape Town	The paper explores the ways in which housing provision precipitated complex moral reasoning and social reorganisation among impoverished residents of a Cape town shantytown as they attempted to actualise their ideals of respectability.
(Sebake, 2010)	Does participating in the development of medium-density mixed housing projects make a difference in the residents' satisfaction with the quality of their environment?	Detailed empirical work (quantitative) – households survey questionnaires	An investigation of whether the involvement of the residents of social housing developments at the planning and design stages of the implementation of MDMH projects affects their satisfaction with the quality of their built environment
(Zunguzane, et al., 2012)	Perceptions of the quality of low-income houses in South Africa: Defects and their causes	Detailed empirical work (quantitative) – 45 households questionnaires and 29 contractors questionnaires	The study intends to determine the underlying factors that have seemingly engendered the production of poor-quality low-income houses in South Africa.

B12. Social Networks

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Benit, 2002)	The rise or fall of the 'community'? Post-apartheid housing policy in Diepsloot, Johannesburg.	Article, methodology entailed personal communication with 13 stakeholders involved with the Diepsloot project between 1998 and 1999	Study shows correlation between public intervention and the construction or destruction of the local 'community'.
(Du Plessis, 2004)	Living in 'Jan Bom': Making and imagining lives after Apartheid in a Council Housing Scheme in Johannesburg	interviewed 12 households in Jan Hofmeyer, and a further five semi-structured interviews with council representatives and other role-players familiar with the Jan Hofmeyer social housing context	This article focuses on the texture of everyday life – the lived experience – in Jan Hofmeyer, a council housing scheme in Johannesburg.
(Harte, et al., 2009)	Imizamo Yethu: a case study of community resilience to fire hazard in an informal settlement Cape Town, South Africa	Article reflect on 30 households interviewed in a field-based research survey	The paper identifies and examines factors that enhance community resilience in the informal settlement of Imizamo Yethu, particularly in response and recovery to fire events.
(Huchzermeyer, 2006a)	Challenges facing people-driven development in the context of a strong, delivery-oriented state: Joe Slovo Village, Port Elizabeth	Article followed a case study approach spanning a time period of eight years. The case study was based on background documentation and twelve in-depth interviews with key informants that have been directly involved in the Joe Slovo process, such as the Homeless People's Federation and the People's Dialogue NPO, different tiers of government, and consultants engaging with the community property association	Case study gives an indication of the extent of the paradigm shift that will be required on the side of municipalities and elected politicians in order to engage with mobilised and empowered informal settlement communities seeking to improve their living conditions.
(Jay & Bowen, 2011)	What residents value in low-cost housing schemes: some South African concepts	This article reflect on a small survey, with interviews with key stakeholders. They collected data with residents residing in housing developments or at the premises of local government and private sector officials as appropriate. A total of 22 interviews were done and two focus groups were conducted	Identifies what established (existing) residents of low-cost housing in South Africa regard as important or of value

(Kallay, 2010)	Urban housing constraints and civil society engagement in Cape Town, South Africa: an analysis of the N2 Gateway project	Master's - Conceptual paper	Paper examines the N2 Gateway Project in Cape Town, South Africa, a pilot project of nation's new Breaking New Ground housing strategy, and the ways in which civil society has engaged with the project
(Khoza, 2010)	Citizen participation in the Alexandra Urban Renewal Project. University of Johannesburg	Master's degree utilising three explanatory case studies	Investigates citizen participation in developmental and local government
(Lemanski, 2008)	Houses without Community: problems of community (in)capacity in a low-cost housing community in Cape Town, South Africa.	Article reflects on fieldwork in Westlake village. Fieldwork was conducted over two specific periods (January–June 2004 and September–December 2006) with residents and other invested parties in the area.	The paper assesses the community's struggle to assert itself collectively over time, linking their pre-development community diversity to subsequent exclusion from the development process and continuing problems of post-development community consolidation.
(Lizarralde & Massyn, 2008)	Unexpected negative outcomes of community participation in low-cost housing projects in South Africa.	Article reflect on discussions with the community members, and conducted semi-structured interviews with public officers and the NGOs responsible for the projects	Investigates how community-based approach has had unexpected consequences that perpetuate some of the shortcomings that profit-driven builders, planners and public projects have inflicted in South African cities: low densities, urban fragmentation, limited opportunities for economic growth
(Mafukidze & Hoosen, 2009)	Housing Shortages in South Africa: A Discussion of the After-Effects of Community Participation in Housing Provision in Diepkloof	Article focus on in-depth interviews with key informants in the Diepsloot area in Johannesburg	This paper attempts to reconstruct and critique the outcomes of a participatory process that seeks to address housing shortages by using the narratives of local residents in Diepkloof.
(Mnguni, 2010)	An investigation of community participation in housing delivery at the Joe Slovo Settlement in the Western Cape. University of the Western Cape	Used semi-structured/informal interviews combined with observation methods. Conducted structured interviews with 30 subsidy beneficiaries in order to investigate beneficiaries' perceptions and levels of participation in the housing process. These beneficiaries were selected through random sampling methods.	This research seeks to understand community participation in the process of housing delivery at the Joe Slovo informal settlement in the Western Cape. The Joe Slovo community is currently facing several challenges emanating from inadequate engagement in housing delivery

(Mukorombindo, 2012)	Social networks in recently established human settlements in Grahamstown East/Rhini.	Master's degree uses strategic interviews with six target respondents in selected municipalities in the Eastern Cape. Also used survey questionnaires	This dissertation attempts to understand the concepts of social capital and social networks within the South African government's current policy on "human settlements". It considers the association between social networks, social capital and social cohesion, community development and improved general quality of life.
(Ndinda, 2009)	Women's participation in housing delivery: the case of Ezilweleni, South Africa.	The article used focus group data and household questionnaires were conducted with 16 female household heads	Research was conducted to explore women's participation. In housing delivery after 1994
(Sebake, 2010)	Does participating in the development of Medium-Density Mixed Housing projects make a difference in the residents' satisfaction with the quality of their environment?	Conference paper, used survey questionnaires	That aimed to determine the appropriateness and applicability of medium-density mixed housing (MDMH) developments in South Africa.
(Shisaka Development Management Services, 2006)	Resource Report 5: Research into landlords in inner cities Annexure A: Results of survey of landlords and tenants with rental units in two city areas	Used random sampling methods, with screening interviews where tenants (125) and landlords were interviewed. Shisaka (2006) employed structured interviews that were administered through questionnaires	Research into the relationship between landlords and tenants
(Thomas, 2002)	Local participation in development initiatives: the potential contribution of an understanding of social capital	Collected data in Siyanda in two phases. Two hundred and fifty women aged between 16 and 40 were interviewed. Thomas (2002) data tools were based on composite Social Capital measurement tool called SCAT (Social Capital Assessment Tool)	This paper uses the results of a study into the vulnerability of women in an informal settlement in Durban (South Africa) to show how an understanding of the social capital of the women in the community can be of value in working with local communities in the design and implementation of appropriate development interventions.

(Westaway, 2009)	Aspects of environmental quality of life that affect neighbourhood satisfaction in disadvantaged and advantaged Johannesburg communities	Article used cross-sectional analytical research design and made comparisons between four groups living in diverse neighbourhoods. The study focused on satisfaction with neighbourhood aspects. The interviews were conducted with residents residing in 303 tenure allocated informal settlement stands in Soweto, 160 residents living in a squatter camp in the same informal settlement, and 375 black and 358 white residents living in a middle-class suburb in Johannesburg suburb	Research ascertains which aspects of environmental quality of life affect neighbourhood satisfaction
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B13. Health

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Ambert, 2006)	An HIV and Aids lens for informal settlement policy and practice in South Africa	Book chapter, mainly conceptual considerations	Emphasises the importance of infrastructure for good health
(Bokako, 2000)	An HIV and Aids lens for informal settlement policy and practice in South Africa	Unpublished Masters dissertation. Tested the quality of water held in containers in informal settlements	Evaluates settlement policy by through the need to address HIV&AIDS and the cleanliness of water containers in informal settlements
(Charlton & Kihato, 2006)	Reaching the poor? An analysis of the influences on the evolution of South Africa's housing programme	Book Chapter, Policy evaluation	Discusses history and evaluate policy
(De Wet, et al., 2011)	Poor housing, good health: a comparison of formal and informal housing in Johannesburg, South Africa	Article Cross sectional survey in Johannesburg (1427 interviews); a composite indicator of chronically ill health was used and related to formal and informal housing	Paper evaluates health in different housing typologies
(Department of Housing, 1994)	White Paper on Housing: a new housing policy and strategy for South Africa	Policy paper	Housing policy since 1994
(Department of Housing, 2004)	Breaking new ground: a comprehensive plan for the development of sustainable human settlements	Policy paper	Housing policy since 2004

(Govender, 2011)	The health and sanitation status of specific low-cost housing communities as contrasted with those occupying backyard dwellings in the City of Cape Town, South Africa	Doctoral dissertation, Cross sectional survey and inspection of 336 households with 1080 inhabitants	Investigates the relationship between health and sanitation status in low-income housing projects in Cape Town
(Govender, et al., 2011a)	Contribution of water pollution from inadequate sanitation and housing quality to diarrheal disease in low-cost housing settlements of Cape Town, South Africa	Article, Cross sectional survey and inspection of 336 households with 1080 inhabitants	Investigates the relationship between water pollution from inadequate sanitation and health
(Govender, et al., 2011b)	Housing conditions, sanitation status and associated health risks in selected subsidized low-cost housing settlements in Cape Town, South Africa	Article, Cross sectional survey and inspection of 336 households with 1080 inhabitants	Investigates the relationship between housing conditions and health in subsidised housing units
(Huchzermeyer, 2001b)	Low-income housing and commodified urban segregation in South Africa	Article, conceptual contribution	Conceptual contribution
(Huchzermeyer, 2004)	Unlawful occupation: informal settlements and urban policy in South Africa and Brazil	Article, conceptual contribution	Conceptual contribution
(Leuta, et al., 2011)	Good choices make healthy homes: Reflections on sustainable human settlements in SA	Popular article, Conceptual paper outlining the relationship between housing and health in the South African context	Discusses conceptual understanding of housing and health
(Khan, 2003)	Continuities, ambiguities and contradictions: the past, present and (possible) future of housing policy and practice in South Africa	Book Chapter, Conceptual arguments	No empirical evidence; conceptual paper arguing that smaller houses have negative health outcomes
(Lukas, 2009)	The microbiological health-related quality of container stored water in an informal settlement in the Northern Cape	Masters dissertation, Both studies tested the quality of water held in containers in informal settlements	Tested the quality of water in containers in informal settlements

(Makene, 2008)	Housing-related risk factors for respiratory disease in low cost housing settlements in Johannesburg, South Africa	Masters dissertation, Cross sectional survey of approximately 700 individuals in 5 settlements in Johannesburg (HEAD survey)	Evaluates health and housing relationships
(Marais, 2007)	The uneven impact of AIDS in a polarized society	Article, mainly conceptual with some empirical evidence	Some empirical evidence
(Marais & Ntema, 2013)	The upgrading of an informal settlement in South Africa: twenty years onwards	Article, Conceptual discussion of health and housing	Conceptual contribution of health and housing
(Marais, et al., 2013)	Housing conditions and mental health of orphans in South Africa	Article, Quantitative cross sectional survey of around 600 orphans and vulnerable children	Comparing mental health outcomes with different housing typologies
(Marais & Cloete, 2014c)	"Dying to get a house?" The health outcomes of the South African low-income housing programme	Longitudinal (NIDS) survey data based on 27000 respondents across South Africa	Evaluates the impact of the Housing Subsidy Programme on health
(Marais & Krige, 2000)	Who received what where in the Free State, 1994–1998: an assessment of post-apartheid housing policy and delivery	Article. Policy assessment	Conceptual contribution
(Mathee, et al., 2009)	Inequity in poverty: the emerging public health challenge in Johannesburg	Article, Cross sectional survey of approximately 700 cases in 5 settlements in Johannesburg (HEAD survey)	Evaluates public health and housing
(Napier, et al., 2000)	Predicting the impact of home-based enterprises on health and the biophysical environment: observations from two South African settlements	Cross sectional survey of three different settlement types (360 respondents)	Assesses the impact of home-based enterprises
(Narsai, et al., 2013)	Variations in housing satisfaction and health status in four lower socio-economic housing typologies in the eThekweni Municipality in KwaZulu-Natal	Cross sectional survey considering health and housing satisfaction across different housing types (sample size 300 individuals)	Mainly perceptual aspects of health related to housing typologies

(Muller, 2002)	Quantification of the human health risks associated with kerosene use in the informal settlement of Cato Manor, Durban	Masters dissertation, cross sectional survey	Investigating at the health implications of kerosene use in an informal settlement
(Norman, et al., 2007)	Estimating the burden of disease attributable to indoor air pollution from household use of solid fuels in South Africa in 2000	Article, Extrapolation from existing information and studies in order to determine the implications for South Africa	Evaluates the burden of diseases associate with indoor pollution in different housing typologies
(Olufemi, 1999)	Health and homeless street women in South Africa	Article, Qualitative interviews with 88 street women in Johannesburg	Health status of homeless street women
(Tomlinson, 1999)	From rejection to resignation: beneficiaries' views on the South African Government's new housing subsidy system	Article, Policy paper	Conceptual contribution
(Tomlinson, 2001)	Housing policy in the context of HIV&AIDS and globalisation	Grey report, Policy paper	Mainly conceptual contributions
(Shisana, et al., 2005)	South African National HIV Prevalence, HIV Incidence, Behaviour and Communication Survey, 2005.	Grey report, Policy paper	Mainly conceptual contributions
(Shortt & Hammond, 2013)	Housing and health in an informal settlement upgrade in Cape Town, South Africa	Academic article, cross sectional survey of 211 individuals - self reported health and mental health indicators	Investigated the health outcomes of an upgraded informal settlement
(Tlhabanelo, 2011)	The impact of urban renewal on the health status of the community of Evaton	Masters dissertation, Area-based assessment based on qualitative interviews	Investigates the impact of urban renewal on health
(Thomas, 2006)	Social Capital and Mental Health of Women Living in Informal Settlements in Durban, South Africa, and Lusaka, Zambia	Book chapter, qualitative methods	Qualitative study investigating female mental health in an informal settlement
(Thomas, et al., 1999)	Household environment and health in Port Elizabeth, South Africa	Grey report, Cross sectional survey of housing and health in Port Elizabeth	Relates housing to health

(Van Wyk, 2008)	A review of health and hygiene promotion as part of sanitation delivery programmes to informal settlements in the city of Cape Town	Masters dissertation, Qualitative methods	Reflections on health and hygiene promotion in informal settlements
(Vorster, et al., 2000)	The impact of urbanisation on physical, physiological and mental health of Africans in the North West Province of South Africa: the THUSA study	Article, Cross sectional survey of 1854 individuals in the North West Province, including a significant amount of biomedical tests	Important contribution relating urban living conditions to health outcomes
(Vearey, 2011)	Challenging urban health: towards an improved local government response to migration, informal settlements, and HIV in Johannesburg, South Africa	Article, Cross sectional survey of 487 households	Reflects on government responses in relation to the health needs to new migrants
(Vearey, 2008)	Migration, access to ART, and survivalist livelihood strategies in Johannesburg	Article, Cross sectional survey of 487 households	Reflects on government responses in relation to the health needs to new migrants

B14 Education

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Baumann, 2003)	Harnessing people's power: policy-makers' options for scaling up the delivery of housing subsidies via People's Housing Process	Conference paper, Policy assessment	Evaluation of People's Housing Process
(Department of Housing, 1994)	White Paper on Housing: a new housing policy and strategy for South Africa	White Paper, Policy document	Policy outline in 1994
(Hall, 2005)	Accommodating the poor? A review of the housing subsidy scheme and its implications for children	Grey report. Policy assessment	Paper assesses the degree to which children benefited from housing policy in South Africa

(Marais & Cloete, 2014c)	"Dying to get a house?" The health outcomes of the South African low-income housing programme	Article, Use NIDS data on a national scale	Focus of the paper is on health but included some educational aspects
(Moolla, et al., 2011)	Housing satisfaction and quality of life in RDP houses in Bram Fischerville, Soweto: A South African case study	Article, Survey of 400 residents	Evaluation of satisfaction (including access to educational facilities)
(Narsai, et al., 2013)	Variations in housing satisfaction and health status in four lower socio-economic housing typologies in the eThekweni Municipality in KwaZulu-Natal	Article, Survey of nearly 2 000 residents	Evaluation of satisfaction (including access to educational facilities)

B15. Personal dignity, household stability and citizen responsibility

Authors and year	Title of paper	Type of paper and method	Main focus of paper
(Aigbavboa & Thwala, 2011)	Housing experience of South African low-income beneficiaries	Detailed empirical work (quantitative) – 120 households questionnaires in four different housing subsidy schemes in Johannesburg	Study intends to identify the factors that influence housing satisfaction among beneficiaries of government housing subsidy schemes.
(Antony, 2009)	Housing delivery and empowerment in post-apartheid South Africa: the case of Nkonkobe Municipality	Master's dissertation, evaluation research	Investigates the levels of empowerment via housing-delivery processes
(Charlton, 2009)	Housing for the nation, the city and the household: competing rationalities as a constraint to reform?	Article, conceptual	Policy paper
(Gunter, 2012)	"Crisylida Capital": hatching informal township property markets to benefit low-income residents in Johannesburg, South Africa	Detailed empirical work (mixed methods) – 385 household questionnaires and 6 interviews with estate agents	Looking at township property in Johannesburg, South Africa; informal transactions in the property market can be utilised to facilitate the creation of a property ladder that starts at informal slum and ends in formally developed property
(Gunter, 2013)	Creating co-sovereigns through the provision of low-cost housing: The case of Johannesburg, South Africa	Article, household survey	Mainly focuses on the notion of a shared nationhood through low-income housing

(Lemanski, 2008)	Houses without community: problems of community (in)capacity in a low-cost housing community in Cape Town, South Africa.	Article reflects on fieldwork in Westlake village. Fieldwork was conducted over two specific periods (January–June 2004 and September–December 2006) with residents and other invested parties in the area.	The paper assesses the community's struggle to assert itself collectively over time, linking their pre-development community diversity to subsequent exclusion from the development process and continuing problems of post-development community consolidation.
(Lizarralde & Massyn, 2008)	Unexpected negative outcomes of community participation in low-cost housing projects in South Africa	Article reflects on discussions with the community members, and conducted semi-structured interviews with public officers and the NGOs responsible for the projects	Investigates how community-based approach has had unexpected consequences that perpetuate some of the shortcomings that profit-driven builders, planners and public projects have inflicted in South African cities: low densities, urban fragmentation, limited opportunities for economic growth
(Massey, 2013)	Informal settlement upgrading and the effect of governmentality on women's social networks: a case study of New Rest and Makhaza, Cape Town	Article, qualitative work	Argues that housing processes impact negatively on social networks
(Meintjes, 2000)	Poverty, possessions and proper living	Master's dissertation	The focus is on how housing programmes lead to (or the expectation) of increased household goods.
(Moolla, et al., 2011)	Housing satisfaction and quality of life in RDP houses in Bram Fischer-ville, Soweto: A South African case study	Detailed empirical work (quantitative) – households survey in Bram Fischer-ville, Soweto.	Is a discussion on housing satisfaction and quality of life in the RDP housing development in Bram Fischer-ville, Soweto
(Ndinda, 2009)	Women's participation in housing delivery: the case of Ezilweleni, South Africa	The article used focus-group data and household questionnaires were conducted with 16 female household heads	Research was conducted to explore women's participation in housing delivery after 1994.
(Robins, 2002)	Planning suburban bliss in Joe Slovo Park, Cape Town	Article, qualitative case study	Policy paper
(Ross, 2006)	Model communities and respectable residents? Home and housing in a low-income residential estate in Western Cape, South Africa	Article, qualitative interviews	Reflects on the impact a project had on the dignity of the beneficiaries.

(Rust, 2003)	No shortcuts: South Africa's progress in implementing its housing policy 1994–2002	Grey report, conceptual	Policy paper
(Zack & Charlton, 2003)	Better but ... beneficiaries' perceptions of the government's housing subsidy scheme	Grey report, qualitative work	Evaluation of the level of satisfaction of beneficiaries of the housing programme

Annexure C: Detailed overview of methods

The overall approach followed in the review is one of “critical realism”. The relationship between critical realism and research and its ability to inform evidence-based policies is well-established in the literature (Carter & New, 2004; Pawson & Tilley, 2000). The value of the said approach can be highlighted in the following key points (Pawson, Greenhalgh, Harvey, & Walshe, 2004). Critical realism:

- views policy as theory. Thus, the capital housing subsidy can be considered vis-à-vis the following theories. At the household level, it is the theory that homeownership creates assets, which in turn lift people out of poverty. In terms of municipal finance, the relevant theory is that the creation of titling allows local government to leverage land, tax and service charges or to borrow against these assets.
- avoids epistemological poles, for example the divide between positivism and relativism/postmodernism.
- recognises the importance of contextualising knowledge at different levels. Doing so can explain, for instance, why policies work within certain specific contexts but not within others.
- accepts the complex nature of human behaviour and the fact that it is extremely difficult to develop universal rules. Yet at the same time, it recognises that there are patterns that can be identified.
- attempts to provide some form of causal relationship. The notion of asset generation through the Housing Subsidy Scheme (and titling) is relevant here. Effectively, we are asking what the causal relationship between ownership and asset generation is and whether ownership is a mechanism to create assets within the South African context.
- In other words, critical realism essentially asks five key questions:
- What are the embedded institutional knowledge and attitudes?
- What mechanisms are at play? (understanding and describing existing processes and different layers of reality that impact causality)
- What is the context? (Geographical location and historical context are two important aspects to be considered.)
- What regularities can be seen (i.e. patterns, associations or outcomes)?
- What change is seen to be occurring and what triggers it?

This last question is particularly relevant in that a question in the Terms of Reference asks: “Is the theory of change that informs the housing programmes in responding to asset poverty valid and appropriate for the South African context?”

Household literature review

The household literature review used the hypothesis that “housing subsidies” create “assets”³ that will alleviate “poverty” (both for households and municipalities). These three key search terms were entered in inverted commas. This was followed by further searches for mechanisms and outcomes identified in the literature and in the materials provided during the inception meeting. The search for relevant literature was thus carried out on three levels: Level 1: At this level, the search revolved around the main research hypothesis, namely that housing subsidies create assets which alleviate poverty.

Level 2: At the second level, the literature search explored a range of mechanisms and outcomes in five categories (these merely stated outcomes and mechanisms as hypotheses that may/may not have been validated during the review). These were identified via an initial scan of the existing literature.

Social assets

Housing subsidies improve social networks and create social capital.

- Housing subsidies improve health outcomes.
- Housing subsidies improve educational outcomes.
- Housing subsidies create security of tenure for women (were integrated into the various sections of the report).
- Housing subsidies create security of tenure for the aged (were integrated into the various sections of the report).
- Housing subsidies create security of tenure for the disabled (were integrated into the various sections of the report).
- Housing subsidies reduce mobility (were integrated into the various sections of the report).
- Housing subsidies improve household stability.
- Housing subsidies result in a higher degree of citizenship responsibility.

Psychological assets

The capital housing subsidy leads to a feeling of improved security of tenure.

Housing subsidies create a feeling of belonging.

Housing subsidies improve social inclusiveness and integration (were integrated with social networks).

Housing subsidies improve positive attitudes towards one’s “asset” (house).

Housing subsidies help to restore people’s dignity.

³ The term “housing subsidies” include informal settlement (since the early 1990), upgrading and the discount-benefit scheme, and other government programmes, where applicable.

Financial assets

- Housing subsidies allow households to trade their units.
- Housing subsidies enable households to climb the housing ladder.
- Housing subsidies allow people to raise collateral for other business activities.
- Housing subsidies make it possible to obtain mortgage finance.
- Housing subsidies reduce expenditure on transport if the houses are well located.

Economic assets

- Housing subsidies have a positive impact on home-based enterprises.
- Housing subsidies help increase household income.
- Housing subsidies can result in rental income.
- Housing subsidies lay the foundation for increased investment in housing.
- Housing subsidies lead to an increase in the property values of units.
- The informal trade of subsidised housing units mitigates their potential value.
- Housing subsidies improve households' access to employment.

Housing assets and poverty

- Housing subsidies alleviate poverty (question was addressed in conclusion).
- Housing subsidies increase poverty (question was addressed in conclusion).
- Level 3: Finally, all other material available from existing databases or provided by the Department of Human Settlements was reviewed (for inclusion in / exclusion from the final review).

Municipal review

The municipal literature review was conducted in two main phases. During Phase One, the emphasis was on obtaining literature related to municipal finance in South Africa. Phase Two focused on municipal infrastructure provision and municipal assets. After the municipal literature review had been completed, stakeholders in a select number of municipalities were interviewed in a range of interviews. Six group sessions of two hours each were conducted with the following groups:

- 3–5 property specialists from the private sector invited from all over the country
- 3–5 municipal finance persons from municipalities (chiefly those in the large metropolitan areas)
- 3–5 municipal engineers (mainly the large metropolitan areas)
- 3–5 municipal planners (mostly from the large metropolitan areas)
- 3–5 representatives of social housing institutions (where applicable)
- 3–5 representatives from planning and housing NGOs

Yet, overall, attendance did not come up to expectations and a range of follow-up interviews was conducted in Cape Town, eThekweni and Johannesburg. A detailed financial analysis of the financial statements of four metropolitan areas was simultaneously conducted (eThekweni, Johannesburg, Cape Town and Mangaung).

A more detailed description of the process followed is outlined in the steps below:

1. Key-word searches were conducted as outlined in the two phases mentioned above and in the review literature received from the Department of Human Settlements.
2. Abstracts were downloaded.
3. Abstracts were assessed for relevance and the template was completed.
4. Papers that, based on their abstracts, had been found to be relevant, were downloaded.
5. These papers were assessed for inclusion in the review.
6. Key information from the papers that were included was captured and computerised
7. We started writing the papers in accordance with the realist review approach.

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