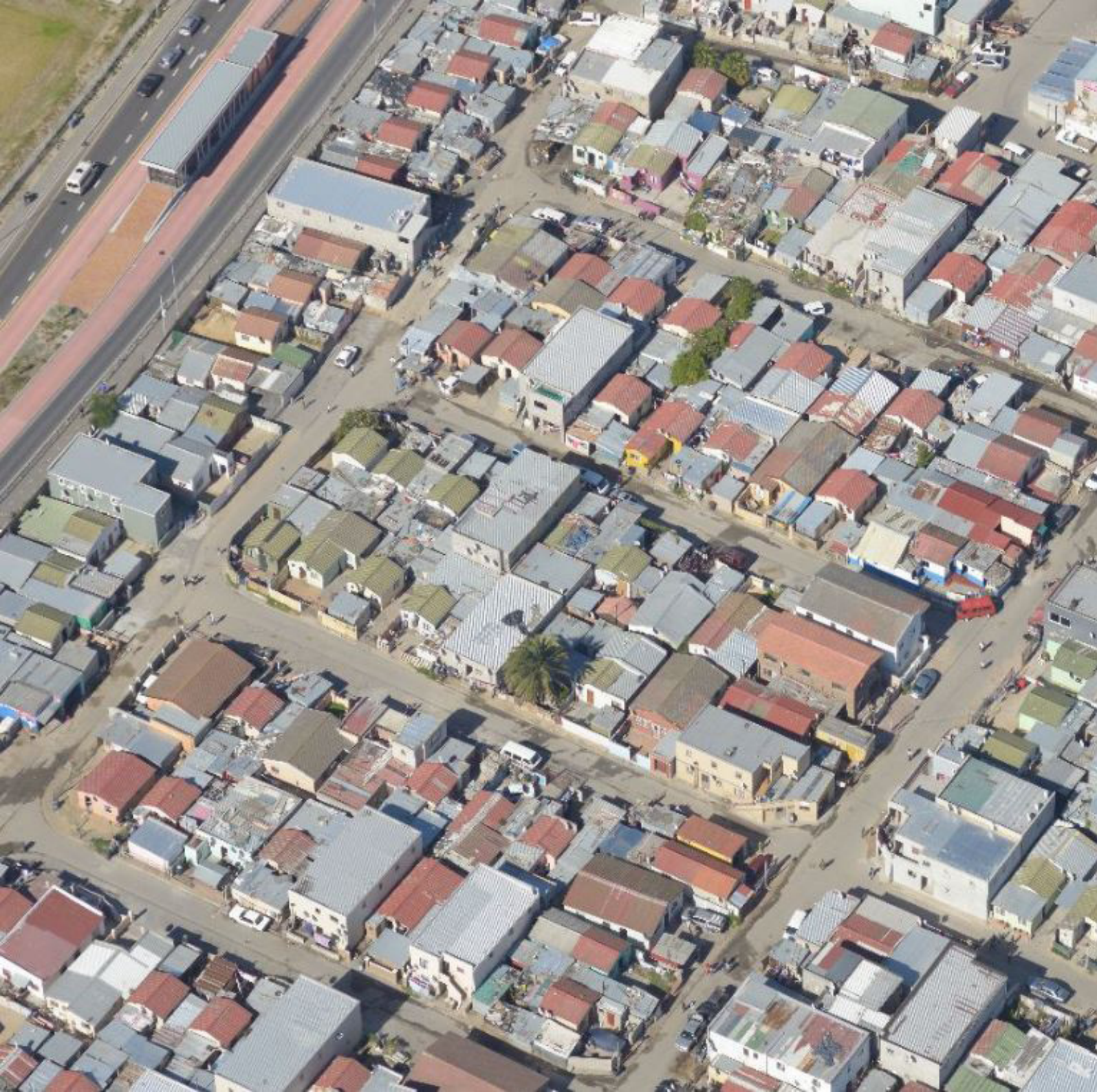


Joe Slovo Park Backyard Study

Executive Summary Report

Version: FINAL

Date: 20/06/2018



Project partners and funders



National Treasury
REPUBLIC OF SOUTH AFRICA



An aerial photo of Joe Slovo Park demonstrates the density of backyard accommodation and a growing number of multi- storey boarding houses which provide rental accommodation to households on low incomes.

EXECUTIVE SUMMARY

BACKGROUND

Cape Town is gripped by a housing and land crisis. The level of housing need greatly exceeds the scale of provision and formal housing is increasingly unaffordable to poor residents. This has resulted in growing provision of informal accommodation and land invasions. Traditional policies to expand supply have proved inadequate for various reasons. Consequently, the policy environment is shifting, with the state taking on more of an enabling role rather than direct provision of mass housing. The underlying intention is to harness people's own energy and ingenuity to help alleviate capacity and resource constraints within the state.

A vibrant rental housing market could help to accelerate the supply of affordable accommodation, increase urban density and improve functional efficiency. The City of Cape Town has recognized the opportunities offered by backyard renting. The latest IDP commits the City to provide basic services to backyarders living on City-owned property and on private property. It also promises to assist private landowners to formalise backyard structures on their properties. The City's Integrated Human Settlements Framework goes further and outlines two programmes offering similar support for backyard dwellings.

The reality is that backyard renting is growing rapidly in Cape Town, along with other SA cities. This is most apparent in well-located areas close to jobs and public transport. It seems to be providing people with a way to access economic opportunities in the city at prices they can afford. It also reflects the spontaneous efforts of poor homeowners to generate livelihoods. However, the quality of the accommodation is very uneven, and there are problems associated with overcrowding and overloaded public services in many areas. A better understanding

PROCESS FOR PROMOTING THE FORMALISATION OF BACKYARD DWELLINGS INTO VIBRANT, SAFE, HIGH DENSITY NEIGHBOURHOODS

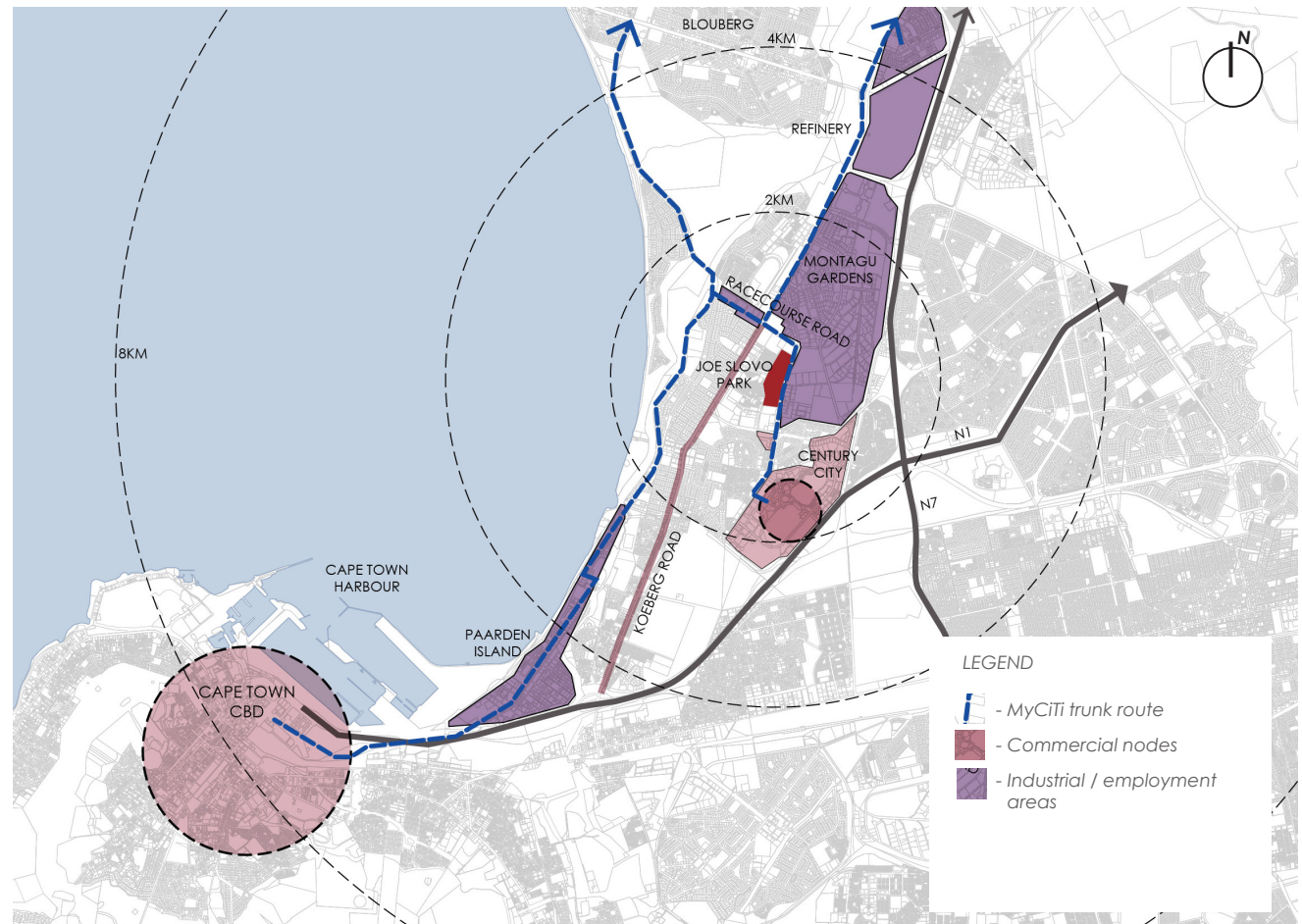


of these challenges and of the underlying dynamics of backyard provision is essential for the government to formulate ways of improving conditions and expanding the sector in a manner that is sustainable.

THE JOE SLOVO PARK PILOT STUDY

In order to get a better grasp of the phenomenon, the City of Cape Town, supported by GTAC and the Cities Support programme, initiated a pilot study in Joe Slovo Park, Milnerton. This neighbourhood was selected for two reasons: (i) it is well-located (it was originally built as a RDP settlement in the 1990s) and has subsequently experienced rapid densification through backyard structures and other forms of rental accommodation, and (ii) many of the utility services have reached capacity and cannot be upgraded because of encroachments into the road reserve and around the utility infrastructure. The combination of intense settlement, poverty and failing infrastructure has created complex governance challenges and an urgent need for remedial action.

As the study progressed it became clear that Joe Slovo Park is a microcosm of the situation facing many townships in SA cities. People are crowding into these localities because of the general scarcity of urban land and housing, which is putting considerable stress and strain on the social and physical fabric. If living conditions can be improved, this would relieve the pressure and help to prevent many land invasions and consequential social unrest and instability. Another bonus would be if those currently benefiting from this market could be persuaded to contribute to the costs of improved service delivery. Municipalities throughout the country are at risk financially because of the 'culture of non-payment' for electricity and other public services.



LOCATION PLAN

1988



1998



2008



2017



HISTORIC DEVELOPMENT OF JOE SLOVO PARK



1998

2005

2012

2017

DEVELOPMENT OF RENTAL HOUSING

PROJECT OBJECTIVES

The original intention was to run a bottom-up action-research process, with the City partnering with local stakeholders to formulate practical solutions to the immediate challenges and to unlock longer-term opportunities for backyard development. The basic idea was to produce material and suggest institutional changes that could be applied elsewhere in Cape Town. The focus was on rental accommodation built on private land. The key objectives were to:

- Obtain a deeper understanding of the backyarding environment and the actors and drivers that support this sector;
- Review other approaches to backyarding pursued elsewhere to assess their relevance to Cape Town;
- Co-design resources to raise awareness of utility services and find solutions that improve public safety and reduce service disruptions;
- Formulate ways to simplify the process of formalising unauthorised structures that could be used by property owners and real estate agents.
- Pilot and institutionalise those solutions that have proven to be effective to assist in a more extensive role out across the city; and
- Develop a long term, context specific strategy for the funding and delivery of improved services and public infrastructure and also explore implications for wider roll out across the city, with particular emphasis on TOD corridors and integrations zones.

The Human Sciences Research Council (HSRC) was appointed as the research partner and intermediary to work with the City and the community to support this process.

METHODS

The study encompassed multiple strands, including (i) a review of the literature on backyard housing in SA; (ii) a survey of the eight metropolitan municipalities' knowledge of and policies towards backyard housing; (iii) an analysis of 2011 Census data and aerial photographs of the area; (iv) an analysis of the preliminary results of a parallel survey of backyarding undertaken by the City; (v) interviews with key informants in NGOs, civil society and politicians with knowledge of the area; (vi) ongoing engagements and interviews with community leaders, home-owners, tenants and informal traders within the area, and (vii) extensive data collection and interviews with officials from all the relevant departments in the City. The time frame of six months was highly compressed considering the unpredictable nature of the community engagement elements and the need to build trust before information could be gathered.

A Project Management Team was formed within the City, with representation from all the relevant departments. The PMT examined the situation in Joe Slovo Park from urban governance and service delivery perspectives. The status quo report includes these insights and distils important implications for urban management in the City.

OUTCOMES

It was anticipated that community dynamics would be a risk to the project. However, the extent of community fracture and internal tensions only became apparent when the research team sought to gather evidence in the field. A high level of apathy and mistrust within the community towards the City also became obvious at the same time. Despite concerted efforts by the team over the full six months of the study, the community's support remained tentative and many local residents refused to participate in interviews. The local civic structure, the Joe Slovo Development Forum (JSDF), had only recently been formed and was not properly constituted. Tensions between forum members indicated that a process of stabilization and capacitation was required to establish a representative body before a bottom-up process could be initiated. This was beyond the scope and timescale of the project. A subsequent commitment to run such a process has been made by the City and MURP will work with the JSDF from July 2018 to help strengthen the organization.

The inability to fast-track the bottom-up process meant that the project team decided to focus their resources on producing as comprehensive an analysis of the backyard rental environment in Joe Slovo Park as possible. Their 'status quo' report provides a solid evidence base for future work in the area to proceed. The researchers were able to gain important insights into backyard conditions, the social environment and attitudes towards public services.

LESSONS LEARNT

Some of the lessons learnt from this exercise are generic and applicable elsewhere in Cape Town. Indeed, several are relevant to other urban townships in SA. Others are more specific to the particular physical, social and economic circumstances of Joe Slovo Park. The most important lessons are as follows:

Local governance

- There is deep mistrust between the community in Joe Slovo Park and the City. The presence of officials and other outsiders is viewed with suspicion and sometimes hostility.
- Political conditions and affiliations shift incessantly. The ward councillor is from the ruling DA party, but the EFF and ANC opposition parties hold significant sway within Joe Slovo Park itself. Issues tend to get politicised very quickly, which complicates efforts to find common cause and resolve disputes.
- Governance systems in Joe Slovo Park are extremely weak and it often seems as if there are few shared rules of behaviour or codes of conduct. This City is perceived to be absent and only permitted to render services when there are direct benefits for residents.
- Statutory regulations and municipal by-laws are not enforced. Residents do appreciate or understand the purpose and value of many official rules and regulations.
- Formal governance is dominated by 'crisis management', i.e. reacting to problems when lives are at risk or when violent protests are threatened.
- The neglect of regulations has led to a situation where rectifying irregular activity and upgrading

services is extremely expensive and cumbersome administratively. Residents cannot afford the costs associated with regularisation and formalization.

- Many formal procedures have never been concluded, such as the transfer of title deeds to RDP homeowners. This prevents them from complying with other formal processes, and is further complicated where properties have changed hands informally.
- The departments responsible for urban governance (Area Based Service Delivery and Development Management) are severely under-capacitated to carry out their responsibilities.
- New departments that have recently been established to address backyarding, specifically Informal Settlements and Backyarders, simply do not have the capacity to deal with complexity and scale of the backyard environment.

Social environment

- The level of social organization within the community is weak. This is partly because it is not a long-established community, the population is growing and the neighbourhood functions as a place of transition for many people.
- There is intense competition for scarce resources and power within the community. Consequently, the structures that exist are fractured, contested and dysfunctional. It is very difficult for the City to engage with communities under such conditions.
- There is limited presence of NGOs and civic organizations such as SANCO.

- Many residents do not see Joe Slovo Park or Cape Town as their permanent home, but rather as somewhere to acquire resources and move on. This undermines investment in the area and affects their attachment to the place.
- The original RDP homeowners have similar backgrounds to many of the tenants, yet they benefited early on from a government subsidy. This apparent discrepancy in their economic positions is perceived to be unfair and a source of some social tension.
- There are many foreign nationals in the area. They tend to be more suspicious of the authorities, are more likely to be victimised and pay higher rentals than the locals.
- Almost half of the people occupying backyard shacks are family or friends of the property owner or main household.

Local economy

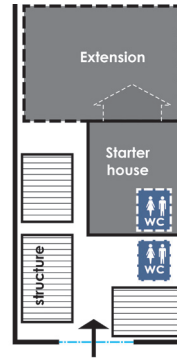
- The local economy is stratified along cultural lines. Older SA citizens comprise the property owning 'elite'; foreigners tend to control informal trade and commerce, and a mix of foreigners and SA citizens are tenants.
- Rental arrangements are not always commercial. Many of the occupiers of backyard shacks pay little or no rent. Rules are generally negotiated, flexible and adaptable.
- Quite high rentals are extracted for better quality accommodation.
- Boarding houses are growing quickly and now

constitute almost 20% of buildings in the area. This suggests that the provision of reasonable accommodation to rent is financially viable without a government subsidy. Public support could improve the quality of these units.

Types of accommodation

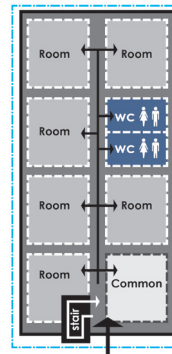
- There are essentially three types of rental accommodation - compounds, boarding houses and micro flats. Each has distinctive characteristics and dynamics. Generalisation should be avoided because patterns of provision are still emerging and they all have their own challenges. Solutions need to be tailored to a particular set of actors.
- Most backyard shacks are owned and built by the tenants who rent the right to occupy the site. Levels of investment in these structures are low, partly because the accommodation is considered temporary and the low cost of entry enables incomers to access the economic opportunities in the surrounding area.
- Some landlords have invested in building solid structures which are rented out on a strictly commercial basis. They are financed in an ad hoc, incremental manner rather than with formal loans. None have sought or obtained formal approvals. Yet they appear to be generally well built.
- Boarding houses are now found on at least 20% of the properties in Joe Slovo Park, and this percentage growing exponentially. Levels of occupation and rentals are substantially higher than the other typologies.

COMPOUNDS



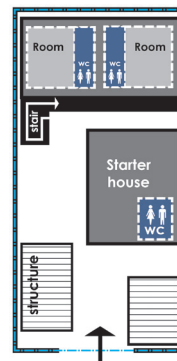
The most common form of backyard accommodation with 4-5 informal dwelling units located to the front of the property with structures at the back of the property set aside for the owner / landlord and their family

BOARDING HOUSES

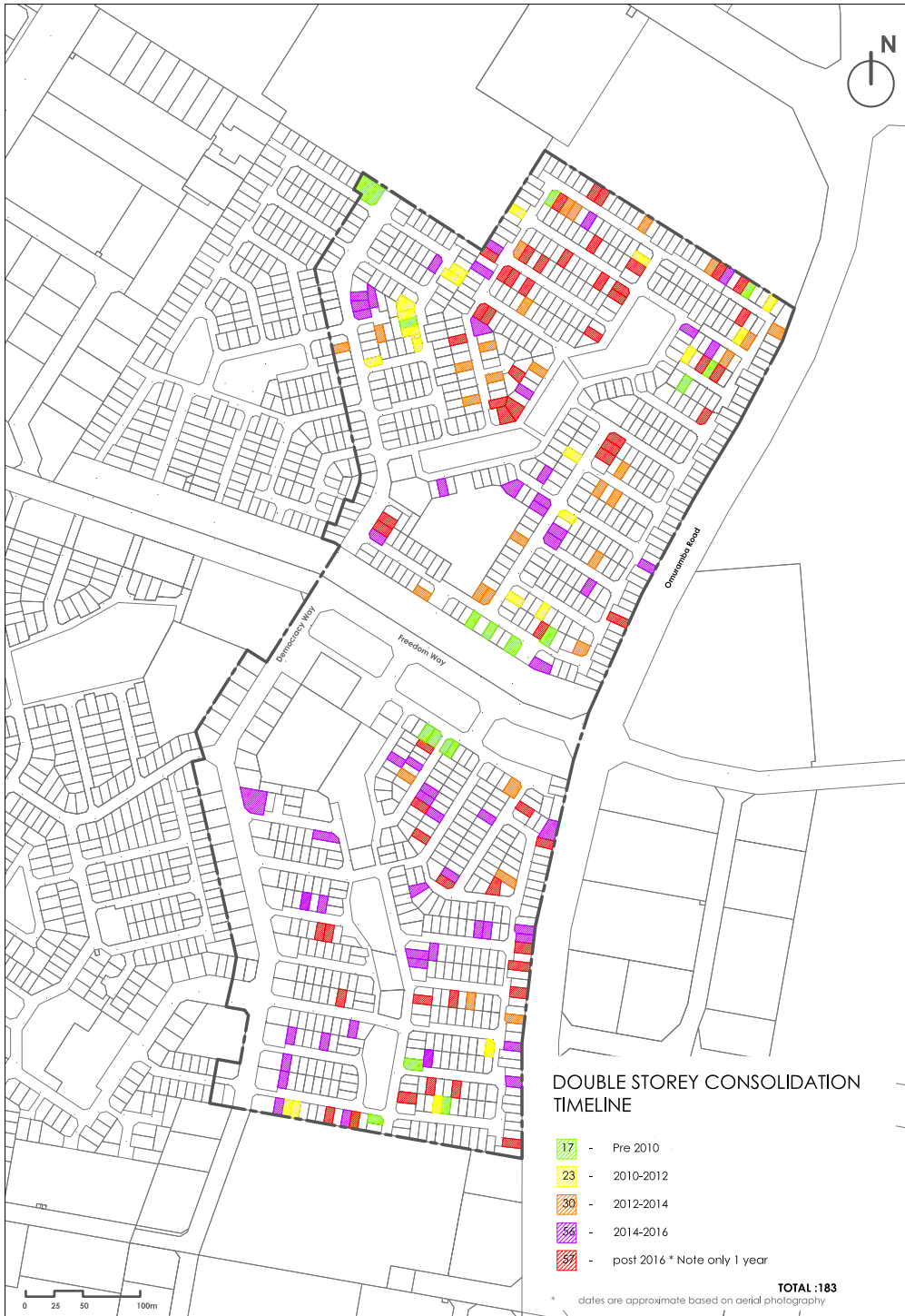


Boarding house in Joe Slovo Park

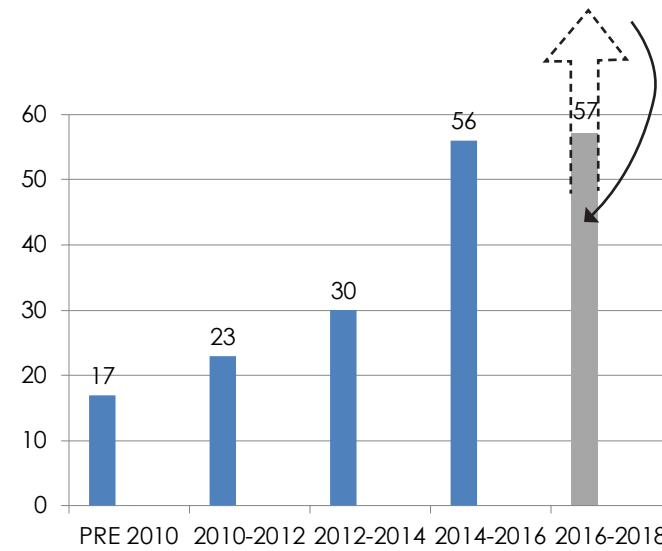
MICROFLATS



An aerial photo of Ilitha Park in Khayelitsha illustrating the prevalence of micro flats within areas where there is market appetite.



Note: 2016-2018 only represents one year (2017). The final figure for this 2 year period is likely to be significantly higher



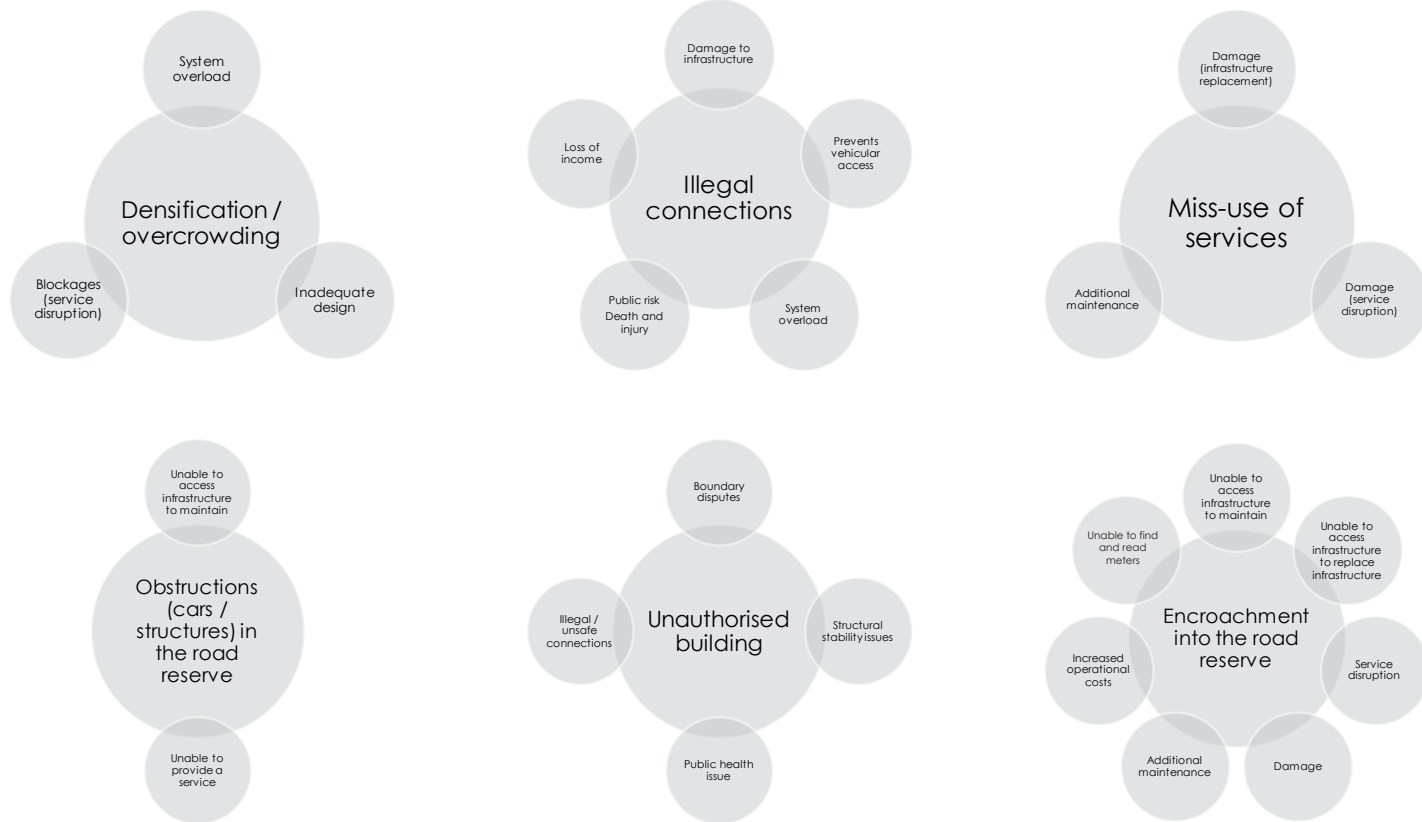
Number of new structures built within 2 year intervals

Number of units	Number of tenants	Rental per room
18	+ 28	+ R1600
9	+ 18	R 1500 – 1800
4	10	R 1650 small room R 1850 big room
15	30	R 2000
16	32	R1500

Occupancy and rentals of double storey boarding houses

Infrastructure and services

- Most backyard tenants do not pay for services rendered from the main house, except for electricity. Some 80% of the tenants appear to pay for electricity.
- Utility services are operating beyond their capacity and failing as a result of the intense use and lack of maintenance.
- In many instances it is physically impossible to access, repair or replace these services as a result of building encroachment.
- Utility services are typically in crisis management mode – problems are addressed when they present an imminent risk to the public.
- Theft and vandalism of infrastructure and services is widespread. Payment levels are very low across the board.
- The extraordinary costs associated just with maintaining services and rectifying faults justifies changing the approach. Fire-fighting should be replaced by a preventative approach.



Mapping of common issues facing line departments

CONCLUSION AND CLUES TO THE WAY FORWARD

	Value of infrastructure	Normal operating costs	Extraordinary operating costs	Revenue / Tariff / income	Planned investment	Notes
Electricity	R24 000 000	Not Available	R5 500 000*	-R13 340 000	None	* Total recoverable amount needs to be determined
Water	Not Available	Not Available	Not Available	Not Available	None	
Sanitation	Not Available	Not Available	R9 000 000 – R12 000 000	Not Available	R3 538 000**	* To be implemented as funding becomes available
TDA Assets and Maintenance	Not Available	Not Available	Not Available	N/A	None	
Solid Waste Management						
Collections	N/A			- R1 500 000***		*** Properties qualify for 100% rebate therefore a net cost to the City.
Area Cleansing	N/A		R 2 803 994			
Solid Waste service to Informal Settlements	N/A		R710 767			New contract has recently been awarded.

ANNUAL COSTS OF SERVICE PROVISION

- One of the obstacles to change is that the extent of the financial losses that are being incurred on a daily basis is not known, and the scale of the benefits that would be achieved from a more forward-looking approach is not fully appreciated.
- Few line departments have concrete plans to upgrade services and expand their capacity to meet the needs of the enlarged population.
- An integrated and coordinated response to upgrading municipal services is required. Bringing the community on board could also persuade people to start contributing to the costs of provision.

The Joe Slovo study did not get as far as proposing specific solutions. Nevertheless, it produced valuable insights and provides a useful platform for future action. Backyarding could make a major contribution to housing in Cape Town, but it requires more hands-on support to make this happen and to protect the public interest. Recent policy and institutional shifts suggest a growing interest in this sector. However, the resources required have not been properly understood or allocated. The City's focus to date has been on improving backyard access to basic services on City-owned land. If the City is to succeed in harnessing the full potential of this sector it needs a broader strategy for engaging with the actors in this field to achieve a bigger and better impact.

Any solution will require resources to be marshalled towards this end. The multi-faceted nature of this sector requires clear institutional direction and some reorganization. This includes greater prioritisation at executive level. A balance needs to be struck between an integrated, area-based approach - where officials work hand-in-hand with the community - and a more programmatic approach where particular services are implemented city-wide. The ultimate solution is bound to require some combination of the two and opportunities to involve other local external stakeholders such as civil society and the Montague Gardens- Marconi Beam Improvement District (MMID) should be explored.

In order to make progress in Joe Slovo Park, or in any other neighbourhood experiencing similar challenges the following ten aspects need to be taken forward:

KEY RECOMMENDATIONS

1. Strengthening community organisation and trust

Concerted efforts are required to improve relationships between the City and local communities. More effective community organization would help. The City should support the development of local forums and structures with which it can engage and negotiate mutually-beneficial outcomes. The more empowered these structures are, the better able they will be to promote local stability and consensus – preconditions for effective engagement. Undertaking small practical projects that respond to community needs can help to build social trust and confidence. There is currently commitment to driving this process through MURP but the outcome of this process needs to result in real and tangible actions.

2. Practical problem solving

In areas where informality dominates people's lived realities, imposing compliance with formal procedures and regulations is unlikely to succeed. Solutions need to be negotiated, which means all parties accepting a level of compromise. Careful facilitation is vital, with a focus on the broader benefits for the community, rather than being driven by individual interests.

3. Engage with specific stakeholders and understand power relationships

It is necessary for engagement to happen with the 'right' stakeholders to ensure that actions stand the best chances of success. This requires that important gatekeepers and power brokers within the community are identified. Direct involvement of these actors can circumvent obstruction and improve traction.

4. Support the development of affordable rental accommodation

The housing problems in townships like Joe Slovo Park will not be solved within the confines of the neighbourhood. Broader measures need to be developed and implemented to increase the availability of well-located rental accommodation within the city as a whole. An affordable housing policy that supports the development of small scale rental in and around the areas experiencing high demand is likely to relieve local pressures and problems. Improved backyard living conditions will also help to prevent land invasions by disgruntled backyarders.

5. Public safety

No-one can disagree that an important point of departure is the issue of health and safety. Strategies need to be developed to reduce the levels of risk to which ordinary people are exposed as a result of precarious buildings, fire hazards, illegal electricity connections, blocked drains and the accumulation of human waste.

6. Regularising ownership

Property ownership is central to most formal governance processes. The transfer of title deeds to beneficiaries needs to be fast tracked, and assistance needs to be given to those who have transferred properties informally. Property owners also need to be informed of their rights and obligations.

7. Planning for population growth

The City needs to embark on a process that accommodates population growth and guides long-term investment. This process should be initiated once community structures are in a position to engage constructively and when there are groups that can work with officials towards a long-term vision. Planning at the local neighbourhood scale makes sense because the implications are tangible and meaningful.

8. Public education campaigns

Many formal rules and regulations are inaccessible to ordinary people, who do not see the benefits of compliance. A series of educational campaigns, using material that is readily accessible, would raise awareness around the merits of regulation, how infrastructure works and how municipal decisions are made. Improved awareness will also make it easier to persuade residents to contribute to the costs of public services and ensure that delivery is more financially sustainable. Such material could be used elsewhere in the city as well.

9. Streamlined procedures and tools

Trying to regularise conditions that are far removed from formal systems creates a procedural minefield that is technically cumbersome and costly to rectify. Each of these systems needs to be unpacked and reconstituted to make the regularization much simpler. A coordinated approach to this task is required because such processes are informed by a range of laws and regulations across different agencies (like the deeds office and surveyor general) and spheres of government. This could perhaps be led by the Cities Support Programme.

10. Further research

The City is currently research at two levels. A metro-wide study is currently underway and this needs to be enriched by more detailed work such as that has emerged through the Joe Slovo Park Study. More targeted studies should be to clarify the processes and dynamics, and to consider the extent to which Joe Slovo Park is unique or typical of other relatively newly-established townships.