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HOUSING & URBAN SETTLEMENT

**Potential demand for
social housing in the
Kimberley area of the Sol
Plaatje Local Municipality**



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Potential demand for social housing in the Kimberley area of the Sol Plaatje Local Municipality

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TABLE OF CONTENTS

Table of contents.....	i
List of Figures	v
List of Tables.....	vi
Executive Summary	ix
1. Introduction and background.....	1
2. Aim and objectives	1
3. Methodology	1
4. Outline of the report.....	2
5. Overview of the housing situation in Kimberley.....	2
5.1 An overview of the housing backlog.....	2
5.2 Population growth in Kimberley	3
5.3 Types of housing in Kimberley	4
5.4 Types of housing and income	5
5.5 Housing type and ownership.....	7
5.6 Housing type and gender	8
5.7 Rental housing and rooms per housing type	8
5.8 An assessment of housing delivery since 1994.....	9
6 Public sector management of existing rental stock.....	10
6.1 Historical overview of rental stock and privatisation of this stock	10
6.2 Overview of the existing rental stock	11
6.3 Socio-economic attributes of residents in rental housing in Kimberley	11
6.4 Management of existing rental stock.....	13
7 A profile of applicants for the institutional subsidy.....	14
7.1 Age	15

7.2	Dependants.....	15
7.3	Income	15
7.4	Current housing situation.....	16
8	Private sector perspective on rental housing	16
8.1	Estate agents.....	16
8.2	Employers in Kimberley.....	17
9	An analysis of the questionnaire results.....	18
9.1	Methodology	19
9.2	A profile overview of the respondents.....	22
9.2.1	General overview	22
9.2.2	An overview of the main categories of the survey.....	23
9.3	Current housing situation.....	25
9.3.1	How long in current accommodation	25
9.3.2	Reasons for residing in the current location	26
9.3.3	Means of transport to work.....	27
9.4	Current housing type	28
9.5	Satisfaction levels.....	32
9.5.1	General levels of satisfaction.....	32
9.5.2	Changing the current environment.....	34
9.6	Housing preferences	34
9.6.1	Tenure	34
9.6.2	Preference with regard to number of bedrooms.....	36
9.6.3	Other housing preferences	37
9.6.4	Alternative sanitation and electricity.....	38

9.7	Affordability	39
9.7.1	Income levels of the respondents	39
9.7.2	Employment profile	41
9.7.3	Savings	42
9.7.4	Access to credit.....	42
9.7.5	Current payment culture.....	44
10	Considering the demand and affordability for social housing in Kimberley	44
10.1	Affordability	44
10.1.1	Willingness to pay.....	45
10.1.2	Comparative payment for the different housing sizes	46
10.1.3	The relationship between what respondents are able and willing to pay....	48
10.1.4	The relationship between what respondents are willing to pay and what they are actually paying	49
10.1.5	The relationship between what respondents are able and willing to pay....	50
10.1.6	An assessment of disposable income	51
10.2	How big is the demand	52
11	Concluding Comments	53
11.1	Impact on the existing rental market	53
11.2	Possible dangers	54
11.3	Possible considerations:.....	55
11.4	Synthesis.....	60

ANNEXURE A: Needs assessment & Affordability questionnaire.....	56
ANNEXURE B: Number of questionnaires completed per suburb in Kimberley, 2002	62
ANNEXURE C: An overview of the disposable income of per income category in Kimberley, 2002	63

LIST OF FIGURES

Figure 5-1 : Household income of households renting per housing type in Kimberley, 1996 .	7
Figure 6-1: Income levels per category of the Kimberley rental flats, Roodepan Rental flats and Kimberley houses in the Sol Plaatje Local Municipality, 2002.....	12
Figure 9-2: The percentage of respondents in rental accommodation in Kimberley unhappy with their current housing conditions, 2002.....	32
Figure 9-3: Tenure options preferred by occupants of rental housing in Kimberley, 2002....	35
Figure 9-4: The percentage respondents in rental accommodation accepting alternative sanitation and electricity in Kimberley, 2002	38
Figure 9-5: A comparison of current payment, willingness to pay and expected rentals in the Hull Street project	45
Figure 10-1: A comparison of payment for one-bedroom and bachelor units in Kimberley, 2002	47
Figure 10-2: A comparison of payment for one-bedroom and two-bedroom units in Kimberley, 2002	47
Figure 10-3: A comparison of payment for two-bedroom and three-bedroom units in Kimberley, 2002.....	48
Figure 10-4: A comparison of what respondents are willing to pay and what they are able to pay in Kimberley, 2000.....	49
Figure 10-5:A comparison of what respondents are actually paying versus what they are willing to pay	50
Figure 10.6: A comparison of what respondents are able and willing to pay in Kimberley, 2002	51

LIST OF TABLES

Table 5-1: Income distribution of households in Kimberley, 1996	3
Table 5-2: Population growth in Kimberley, 1991 - 1996.....	4
Table 5-3: A comparison of housing categories in Kimberley, the Northern Cape, Bloemfontein and other urban areas, 1996	4
Table 5-4: Income categories (in terms of percentage) per housing type in Kimberley, 1996..	6
Table 5-5: Housing categories in terms of ownership of their residence in Kimberley, 1996...	7
Table 5-6: Gender profile of owned and non-owned housing categories most likely to be utilised for rental housing in Kimberley, 1996.....	8
Table 5-7: Number of rooms available in the renting housing categories for households that do not own their dwellings in Kimberley, 1996.....	9
Table 5-8: Housing delivery in Kimberley, 1994 - 2002.....	10
Table 6-1: Existing flats and their size in the Sol Plaatje Local Municipality in Kimberley, 2002	11
Table 6-2: The socio-economic attributes of the current residents in rental units in Kimberley, 2002	12
Table 6-3: Number of residents per age group for the existing Roodepan and Kimberley flats, 2003	13
Table 6-4: Number of dependants per category for Kimberley and Roodepan rentals, 2002..	13
Table 6-5: The sliding scale of rent asked per type of unit in Roodepan, (Sol Plaatje Local Municipality), 2002	14
Table 7-1: Distribution of age categories for the Hull street applicants, 2001	15
Table 7-2: The number of dependants for applicants in the Hull Street project, 2001.....	15
Table 7-3: The income distribution of households who have applied for housing in Hull Street, 2001	16
Table 8-1: Private rental housing rates as estimated by estate agents in Kimberley, 2002	17
Table 8-2: The number of people employed per sector in Kimberley, 1996	17
Table 8-3: Income levels of employees in the Sol Plaatje Local Municipality earning less than R7000 per month, 2003	18
Table 9-1: Sampling methods for this study, 2002	20
Table 9-2: An overview of the main socio-economic attributes of the respondents in the survey, Kimberley 2002.....	22
Table 9-3: The age distribution of the respondents in the survey in Kimberley, 2002	22
Table 9-4: An overview of the main socio-economic attributes of occupants of rental housing per geographical category used during the sampling in Kimberley, 2002.....	23

Table 9-5: Number of year at current rental location in Kimberley, 2002	25
Table 9-6: Reasons why respondents choose to reside in their current location in Kimberley, 2002	26
Table 9-7: Means of transport to work, besides walking, for occupants of rental housing in Kimberley, 2002.....	27
Table 9-8: Current housing type for rental housing occupants in Kimberley, 2002	28
Table 9-9: The type of housing units per survey category in Kimberley, 2002.....	29
Table 9-10: Number of bedrooms for rental housing occupants in Kimberley, 2002.....	29
Table 9-11: The number of bedrooms of respondents in rental accommodation per geographical category in Kimberley, 2002.....	30
Table 9-12: A comparison of the number of bedrooms and the dependants in households or rental housing occupants in Kimberley, 2002.....	31
Table 9-13: Access to sanitation for rental housing occupants in Kimberley, 2002.....	31
Table 9-14: Access to water for rental housing occupants in Kimberley, 2002	31
Table 9-15: Satisfaction levels with current rental housing occupants in Kimberley, 2002....	32
Table 9-16: Reasons for the various levels of current dweller satisfaction under the respondents of rental accommodation in Kimberley, 2002.....	33
Table 9-17: Preferred number of rooms needed compared with the current housing situation of occupants of rental housing in Kimberley, 2002.....	36
Table 9-18: Specific housing preference of occupants of rental housing units in Kimberley, 2002	37
Table 9-19: The income distribution of occupants of rental housing in Kimberley with a monthly income between R1500 – R7000, 2000	39
Table 9-20: An overview of the income levels of rental housing occupants in the geographical categories in Kimberley, 2002 (%).....	40
Table 9-21: Employment categories of respondents in rental housing in Kimberley, 2002....	41
Table 9-22: Employment per industries of respondents residing in rental accommodation in Kimberley, 2002.....	41
Table 9-23: The current savings profile of respondents that have savings in Kimberley, 2002	42
Table 9-24: The credit repayment profile of respondents in Kimberley, 2002.....	43
Table 9-25: Credit repayment per income group for rental housing occupants in Kimberley, 2002	43
Table 9-26: Current payment culture of rental housing occupants in Kimberley, 2002.....	44
Table 10-1: Housing size and costs for the Hull Street Project in Kimberley, 2003.....	44

Table 10-2: Amount respondents are willing to pay for rental accommodation in Kimberley, 2002.....	46
Table 10-3: The rent paid per geographical category in Kimberley, 2002.....	46
Table 10-4: Summary of affordability indicators per income category	52
Table 10-5: Determining the demand for rental housing in Kimberley, 2003.....	52

EXECUTIVE SUMMARY

1. The purpose of the research is to examine the housing market in the Kimberly area and gain insight into the demand for a social housing product. At the same time, we shall consider the risks and ability of the potential residents to afford such a product.
2. Methodologically the study was based on an assessment of the current rental housing stock in Kimberley (Sol Plaatje Local Municipality), in-depth interviews with relevant role players, as well as a questionnaire survey to determine housing need and preference.
3. The current rented stock in Kimberley can be divided into three categories, namely, flats in Kimberley, rented houses in Kimberley and the Roodepan flats. Although there are still rented housing units in Galeshewe that have not been transferred by means of the discount benefit scheme, no rent is being collected for them.
4. In general, the current rent is not determined by means of cost recovery principles resulting in, especially the Roodepan flats, being dilapidated. Although payment levels for the rented stock in Kimberley is acceptable, the payment levels in Roodepan are below 35%.
5. Housing delivery in Sol Plaatje Local Municipality since 1994 has mainly focused on formal ownership to low-income dwellers and no rented accommodation was provided during this period. At the same time only a limited amount of private sector housing was provided in the last 5 years.
6. Nearly 70% of residents have been residing in their current location for less than 6 years, while 60% are residing there because they do not have an alternative. Added to this, 75% of the respondents indicated that they would not like to reside at their current location permanently. A large number of people would also like to get closer to their places of employment.
7. As for general levels of satisfaction with current housing conditions, 37% of respondents indicated that they were unhappy, 28,5% were satisfied and the remainder was happy. The lack of security, negative social conditions and poor living conditions, services not being up to standard and lack of privacy were cited as the reasons for being unhappy.
8. Rented housing only is a preference of only 8% of the respondents. However, 58,6% indicated renting with the aim of owning as the main preference and 33,5% want to own a housing unit immediately.
9. The majority of respondents (48,2) preferred three-bedroom units while 46,8% preferred two-bedroom units. Only 5% preferred a one-bedroom unit. Considering affordability, it seems as if two-bedroom units are a safe option in terms of the Hull Street project.
10. There seems to be a fairly high acceptance of alternative electricity but alternative sanitation seems to be acceptable to only approximately 40% of the respondents. This might have a major implication on the demand for the Hull Street project and might impact negatively on the viability of the project.
11. In general, it seems that people with an income of below R2000 per month will not be able to afford housing units in Hull Street but an attempt could be made to cross subsidise between different income groups in the project. Rent should also preferably be kept below R1000 per month.
12. Although the current rent for the Hull Street project is higher than what people are willing to pay, it corresponds fairly well with their ability to pay.

13. The Sol Plaatje Housing Company should budget for a default rate of between 10% and 15%.
14. The current demand for rented housing was estimated at approximately 1300 housing units.
15. The Hull Street project will have a severe impact on the current Roodepan flats in the sense that a large number of people who can afford to pay might leave to the Hull Street Project. This will impact negatively on the financial viability of the Roodepan flats. Current proposals to the effect that part of the Roodepan flats should be incorporated under the Sol Plaatje Housing Company should not be considered before a financial viability study has been conducted.
16. Consideration can be given to using the old-age subsidy to consolidate some of the existing flats in Kimberley into the Sol Plaatje Housing Company.
17. Quality and safety should be used as two essential concepts in the marketing of the Hull Street Project.

1. Introduction and background

The Sol Plaatje Housing Company was established as a non-profitable entity by the Kimberly municipality. The housing company is assisting with the development of the Hull Street Integrated Development Project in conjunction with Sida and Kimberly Municipality. It is proposed that this project will promote ecological solutions, mixed land uses and economical concerns. The project will further facilitate physical and social integration in the city because of its location in relation to the city and its areas of higher density. Furthermore, it is contemplated that 2000 housing units will be built. The construction of 2000 units will also ensure that, the funds from the European Union (through the Social Housing Foundation) (SHF) can be accessed, to build the capacity of the housing institution. In order to inform the planning of the project, as well as for the long-term financial modelling and feasibility of the development, additional information is required on the nature of the target market, the scope of the demand for social housing and the parameters of affordability. It should also be mentioned that Kimberley has been identified as one of the 21 node areas for urban renewal support. Although Kimberley is part of the Sol Plaatje Local Municipality, this study focuses exclusively on the demand for rental accommodation, in Kimberley, as well as the current situation.

Although there is a need for the construction of rental housing, it is necessary to ask couple of questions:

- What is the size of this need?
- What specific needs do people have with regard to rental accommodation?
- Who are the individuals or households that are interested?
- What is the current situation with regard to rental housing in Kimberley?
- What impact will the construction of 2000 units have on the rental housing environment in Kimberley?

2. Aim and objectives

The purpose of the research is to examine the housing market in the Kimberly area and gain insight into the demand for a social housing product. At the same time we shall investigate the risks and abilities of the potential residents to afford such a product.

The specific objectives of the research will be to:

1. Define the potential market demand for social housing in the Kimberly area in terms of the size of the market, awareness in the market as well as the current and potential use of the proposed product and/or service of the housing association.
2. Define the demographics of the potential residents for social housing in the area (i.e. age, gender, income, location, employment status, etc).
3. Define the parameters of what potential residents for social housing in the area can afford.
4. Define the nature of the product and/or service that the housing association should provide in the area in line with the outcomes emerging from objectives 1 to 3.

3. Methodology

Methodologically the following approaches were followed to complete the research:

- An extensive assessment of the 1996 census data was conducted. There were basically three reasons for this. Firstly, it provided a holistic view of housing in Kimberley. Secondly, it contributed important information that guided the way in which the sample for the survey was developed. Thirdly, it also provided information that could be compared to the results of the survey. Although it was not possible to compare all the data, essential comparisons were possible.

- The current rental housing policy and dynamics in the Sol Plaatje Local Municipality were assessed by means of various interviews with officials from the municipality. Documentation related to the rental management was also analysed (e.g., rental contracts and waiting lists).
- Interviews were conducted with role players in the private sector. Specific attention was paid in assessing the trends in the private rental market, as well as employers who might consider renting some of the units for their employees.
- An extensive questionnaire survey was conducted with 508 respondents in the entire Kimberley. A more detailed overview of the methodology in this regard follows in section 9.

4. Outline of the report

The aim of the research is to determine the demand for low-income (R1500-R7000 household income) rental housing in Kimberley (Sol Plaatje Local Municipality). In order to reach this aim, the study has the following objectives:

- To analyse the existing housing situation in Kimberley.
- To analyse the existing management of housing stock belonging to the Sol Plaatje Local Municipality in Kimberley.
- To provide a preliminary overview of the profile of the beneficiaries in the Hull Street project.
- To analyse the empirical evidence provided by the survey results.

5. Overview of the housing situation in Kimberley

An overview of the housing situation in Kimberley is important as it provides a holistic view from which the demand for rental housing could be assessed. This section will start off by analysing the housing backlog and the population trends in Kimberley. This will be followed by an analysis of the different types of housing.

5.1 An overview of the housing backlog

The Sol Plaatje Local Municipality estimates that the housing backlog is 13 770 housing units. This figure is derived from the number of people in informal settlements and backyard shacks. It is further argued that the backlog occurs mainly among people who are in the income bracket of earning less than R1500 per month. It is also stated (somewhat simplistically) that there is no backlog, or a very low demand, for the middle to high-income housing sector. Although evidence was not broken down, it can be expected that the majority of the existing housing backlog is probably located within Kimberley itself. However, in contrast to the identification of the problem in the IDP, as mainly a low-income housing problem, the Hull Street project is seen in the IDP as the area in which future housing development will be focused. Although this project will ensure a larger degree of spatial integration, its ability to reach the poorer sections of the population is limited (see Table 5-1 for an overview of the income levels of households in Kimberley).

Table 5-1: Income distribution of households in Kimberley, 1996

Income groups (rands)	Percentage	Cumulative Percentage
0-1000	41,1	41,1
1001-1500	13,9	55,0
1501-2500	13,3	68,3
2501-3500	7,4	75,7
3501 - 5250	8,5	84,2
5251 - 7000	5,1	89,4
above 7000	10,6	100,0
TOTAL	100,0	

It seems clear, from the above table that 55% of households are earning an income of R1500 and less per month. Approximately 20% of the households in the area earn an income of between R1501 and R3500 per month. In terms of the 1996 value these households are most probably the households which will access the social housing product. In the assessment of the housing backlog of the Sol Plaatje Local Municipality it is also mentioned that the council have a considerably large number existing rental stock. Most of these houses are occupied by low-income dwellers and according to the IDP these houses are characterised by deteriorating physical state. High rental arrears and an increasing deficit on the stock exacerbate the situation. A more detailed assessment of this situation will be given later in this paper.

In order to address the above housing situation the Sol Plaatje Local Municipality has the following strategies:

- To continue the newly initiated housing development strategy in the Hull Street area, in order to develop innovative solutions for application in other housing developments as well.
- To provide improved housing opportunities in informal settlements with potential for a good living environment and well located Greenfield sites, specifically for people with low income. This includes ensuring that people who live in the newly amalgamated areas of the municipality are given proper attention.
- To maximise the use of infill areas, with due consideration to the location, availability and capacity of required infrastructure services. Consideration will also be given for the compatibility of existing development.

With these strategies in mind, a number of housing projects, including the Hull Street project, are mentioned.

5.2 Population growth in Kimberley

The 2002 population of Kimberley is estimated at 212 000 people. The Sol Plaatje Local Municipality's IDP estimates that the growth in Kimberley will not exceed 1% per annum. The following reasons are provided for the apparent slow growth:

- Migration of skilled workers in search of jobs outside the province.
- Migration of students who do not return from universities.
- Declining unemployment levels obliging unskilled and semi-skilled workers to move to the larger urban areas.
- The impact of deaths related to HIV/AIDS.

However, in comparing the 1991 and 1996 census population figures it was found that a higher growth rate could possibly be expected (see Table 5-2).

Table 5-2: Population growth in Kimberley, 1991 - 1996

Area	1991	1996	Annual growth percentage
Kimberley (including historically coloured areas)	80 082	88 290	0,98
Galeshewe	71 118	102 453	3,72
TOTAL KIMBERLEY	151 200	190 743	2,35

If the population growth determined above is further projected to 2002, it can be estimated that the population could be slightly higher at 219 000. Whilst the population in traditional white and coloured areas of Kimberley will probably not grow at more than 1%, the growth rate in Galeshewe for 1991 – 1996 is 3,72%. This growth rate can be seen in the growth of the informal settlements in Galeshewe due to low-income dwellers settling there. This high growth rate is probably still a reaction to the abolishment of apartheid legislation and the opening up of the city in general. However, when compared to the natural population growth rate it is estimated that a growth rate of between 1,5% and 2% can be expected – a figure slightly higher than what the Sol Plaatje Municipality suggests.

5.3 Types of housing in Kimberley

An overview of the housing type in Kimberley will not be worthwhile if it is not compared to the rest of the province and a few other secondary cities in South Africa. Table 5-3 provides a comparison of housing types between Kimberley, the remainder of urban areas in the Northern Cape, Bloemfontein and other urban areas (Polokwane, Sasolburg, Welkom and Kroonstad).

Table 5-3: A comparison of housing categories in Kimberley, the Northern Cape, Bloemfontein and other urban areas, 1996

Housing category	Kimberley	%	Rest of NC urban	%	Bloemfontein urban	%	Other urban	%
House on separate stand	28750	63,0	83658	66,3	49546	54,0	65852	55,1
Traditional dwelling	346	0,8	3220	2,6	688	0,7	557	0,5
Flat in block of flats	1532	3,4	2119	1,7	6578	7,2	4175	3,5
Town/cluster/semi-	2755	6,0	7871	6,2	5833	6,4	2896	2,4
Retirement village	22	0,0	121	0,1	1007	1,1	316	0,3
House/flat in backyard	1070	2,3	4594	3,6	5714	6,2	9415	7,9
Informal dwelling/shack in backyard	1292	2,8	3501	2,8	3441	3,8	10388	8,7
Informal dwelling	8968	19,7	17910	14,2	16193	17,6	22317	18,7
Room/flatlet on shared property	419	0,9	1330	1,1	1878	2,0	1765	1,5
Caravan/tent	77	0,2	348	0,3	63	0,1	294	0,2
None/homeless	2	0,0	15	0,0	6	0,0	8	0,0
Other	107	0,2	395	0,3	92	0,1	191	0,2
Unspecified/dummy	219	0,5	814	0,6	559	0,6	902	0,8
NA: Institution/hostel	77	0,2	348	0,3	160	0,2	350	0,3
	45636	100	126244	100	91758	100	119426	100

* Other urban refers to the totals from Welkom, Kroonstad, Sasolburg and Pietersburg (urban areas with the same population as Kimberley)

The following conclusions can be drawn from the table above:

- Houses on separate stands make up the largest percentage for a single housing category in Kimberley, namely 63%. This percentage is 3% lower than that of urban areas in the Northern Cape, but higher than that of Bloemfontein and other urban areas. If only those categories with a potential rental nature (house on separate stand, traditional dwelling, flat in block of flats, informal dwelling in backyard and room/flat on shared property) are taken into account, the percentage differs, but the same trends are visible.
- The second largest category in the table for Kimberley is “informal dwelling or shack elsewhere”, namely 19,7%. It is noticeable that this percentage for Kimberley is higher than for the other urban areas in the Northern Cape, Bloemfontein, as well as the other urban areas.
- In third place is town or cluster housing, which constitutes 6% of the Kimberley housing stock. This percentage is more or less the same for Bloemfontein, other urban areas in the Northern Cape, but considerably higher than the 2,4% for the other urban areas.
- The fourth-largest housing category in Kimberley is a flat(in a block of flats), which constitutes 3,4% of the total housing stock in Kimberley. This is dramatically higher than for the remainder of the Northern Cape (1,7%) but considerably less than the 7% in Bloemfontein and approximately on par with the 3,5% in the other urban areas. The important conclusion in terms of flats (usually rental accommodation), is that Kimberley does not differ from the other urban areas of its size in the above assessment.
- Informal homes in backyards, as well as house/flat or room in a backyard follows the flat category. The first-mentioned, which is usually found in the former black townships, makes up 2,8% of the total housing stock, while the last-mentioned constitutes 2,3% of the total housing stock. It is worthwhile to note that both these categories are remarkably less than that of the other urban areas in the table. Although certain municipal bylaws could be blamed for the differences regarding house/flat/room in backyards, it might at the same time be an indication of a need that exists for more rental housing (as this type is probably more rental-orientated than some of the others).

The discussions above provided a comparative overview of the housing categories in Kimberley. The emphasis in the remainder of this section now shifts to an assessment of the type of housing units within the different suburbs of Kimberley.

5.4 Types of housing and income

It is also important to consider the current housing situation of households in relation to their income. In this section attention will firstly be paid to an overview of the income distribution of all the households according to the type of dwelling that they are residing in. This will be followed by the income distribution per housing type of those households renting a unit in Kimberley (see Table 5-4).

The following comments need to be made regarding Table 5-4

- The highest percentage of households with an income between R0-R1000 can be found in informal backyard shacks (73,8%) and informal housing units elsewhere (69,7%).
- The highest percentage of households with an income of between R1501 and R2500 is found in flats (19%).
- Housing units on separate stands have the largest percentage with incomes above R7000.

It seems that there is already some indication that households with income levels between R1500 and R7000 (in terms of current values) probably prefer smaller and transitional housing units such as flats and cluster housing.

Table 5-4: Income categories (in terms of percentage) per housing type in Kimberley, 1996

Income groups (Rands)	House on separate stand	Traditional dwelling	Flat in block of flats	Town/cluster/semi-detached house	Unit in retirement village	House/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack elsewhere	Room/flat-let on shared property	Caravan/tent	None/homeless	Other
0-1000	29.7	40.2	22.1	31.4	50.0	57.6	73.8	69.7	36.1	20.8	100.0	9.4
1001-1500	12.1	12.3	12.2	12.6	20.0	15.0	14.2	16.8	22.6	5.7	0.0	10.4
1501-2500	14.2	9.0	19.9	14.4	10.0	13.1	8.2	8.6	16.6	26.4	0.0	21.9
2501-3500	8.9	9.0	12.4	9.9	0.0	4.6	1.8	2.3	15.4	15.1	0.0	15.6
3500-5250	11.3	7.4	14.8	12.1	7.5	4.3	0.9	1.2	3.6	21.7	0.0	24.5
5251-7000	7.3	6.1	7.9	7.1	7.5	2.1	0.6	0.5	2.0	8.5	0.0	8.3
Above 7000	16.5	16.0	10.7	12.5	5.0	3.3	0.4	0.9	3.8	1.9	0.0	9.9
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100

An exercise to compare the income levels of households with the type of housing unit was taken further in terms of households that are renting (see Figure 5-1).

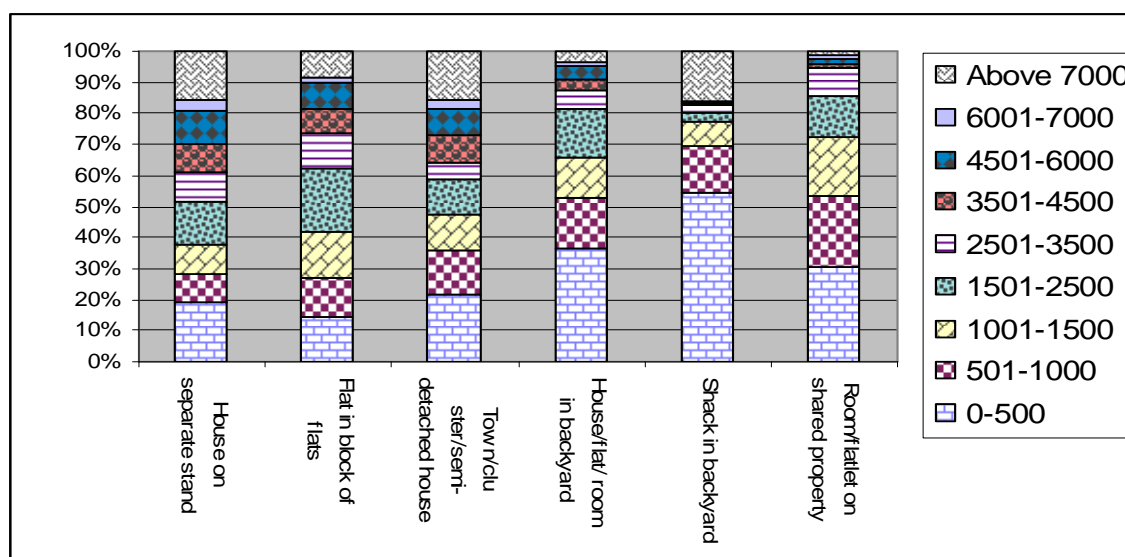


Figure 5-1 : Household income (in Rands) of households renting per housing type in Kimberley, 1996

Once again it is found that the largest percentage of households earning between R1500 and R2500 are residing in flats (nearly 20%). Backyard shacks are more likely to cater for the poorer sections of the rental market, because more than 50% of households in this housing type had an income of less than R500.

5.5 Housing type and ownership

Those housing types with the highest possibility to be part of the existing rental stock in Kimberley were utilised by Statistics South Africa to determine whether the inhabitants own the unit or not. It should immediately be mentioned that such a question with regard to ownership does not always reflect the true situation. In the lower income suburbs people might own the building materials but not the land and would therefore indicate that they own the dwelling. This may result in an over representation of households owning their dwelling (see Table 5-5)

Table 5-5: Housing categories in terms of ownership of their residence in Kimberley, 1996.

Housing category	Yes	%	No	%	Other	%	Total
House on separate stand	24245	88.7	2813	10.3	268	1.0	27326
Flat in block of flats	371	24.2	1152	75.2	9	0.6	1532
Town/cluster or semi-detached	2200	80.9	516	19.0	4	0.1	2720
House/flat/room in backyard	418	41.9	567	56.9	12	1.2	997
Informal dwelling/shack in backyard	962	77.4	275	22.1	6	0.5	1243
Room/flatlet on shared property	178	44.9	148	37.4	70	17.7	396
Total	28374	82.9	5471	16.0	369	1.1	34214

From the above table it seems that:

- 82,9% of households own their housing units compared to 16% renting it in Kimberley. According to the table above this figure represents 5 471 units.
- The highest percentage of non-ownership is a flat in block of flats (75,2%) followed by house/flat/room in a backyard (56,9%), room/flatlet on a shared property (37,4%), informal dwelling in backyard (22,1%), town/cluster or semi-detached house (19%) and a house on separate stand (10,3%).
- The relatively high percentage of households that claim to own their dwellings in the housing category, classified as informal backyard is probably proof of the warning earlier in this section on the dangers of the interpretation of the statistics in this table.

The emphasis now shifts to an assessment of how the distribution between the suburbs of Kimberley.

5.6 Housing type and gender

In order to assess the current situation in Kimberley in a greater degree, an attempt was made to see whether there is any correlation between gender and tenure options (see Table 5-6).

Table 5-6: Gender profile of owned and non-owned housing categories most likely to be utilised for rental housing in Kimberley, 1996

Housing type	Ownership and gender					
	Owned			Not owned		
	Male	Female	% Female	Male	Female	% Female
House on separate stand	16382	7863	32.4	1925	888	31.6
Flat in block of flats	188	183	49.3	596	556	48.3
Town house, etc	1346	854	38.8	385	131	25.4
House/flat/room in backyard	212	206	49.3	285	282	49.7
Shack in backyard	129	49	27.5	150	125	45.5
Room/flatlet on shared property	630	332	34.5	76	72	48.6
TOTAL	18887	9487	33.4	3417	2054	37.5

Source: Statistics South Africa, 1996

Although the percentage of female headed households in housing units which are not owned are 4,1% higher than for houses owned (for the specific housing categories in Table 5.6), there does not seem to be major differences in terms of gender. In terms of houses on separate stands, a flat in block of flats, a town houses and house in backyard, the percentage of female headed households is slightly higher for owned units than for units that are not owned. Although the difference is extremely small, it cannot be ignored.

5.7 Rental housing and rooms per housing type

In this section the assessment shifts to the number of rooms available in dwellings that, according to this report, are rented. The five categories of rental housing are considered with the focus on only those that are not owned (see Table 5-7). Although it is not possible to determine the functions of the rooms, it will still give an idea of the nature of rental housing stock in Kimberley.

Table 5-7: Number of rooms available in the renting housing categories for households that do not own their dwellings in Kimberley, 1996.

Rooms	House on separate stands	C %	Flat in block of flats	C %	Town house etc	C %	House/flat/room in backyard	C %	Shack in backyard	C %	Room/flat on shared property	C %	Total	C %
0	2	0.1	0	0.0	0	0.0	0	0.0	1	0.4	1	0.7	4	0.1
1	135	4.9	47	7.1	12	2.3	314	55.4	205	76.3	72	49.3	785	15.9
2	109	8.7	87	20.2	32	8.5	132	78.7	50	94.8	19	62.2	429	24.5
3	315	19.9	279	62.4	95	26.9	71	91.2	11	98.9	10	68.9	781	40.2
4	738	46.2	4	63.0	226	70.7	33	97.0	1	99.3	29	88.5	1031	60.9
5	527	64.9	212	95.0	95	89.1	5	97.9	1	99.6	7	93.2	847	77.9
6	434	80.3	27	99.1	40	96.9	4	98.6	0	99.6	2	94.6	507	88.1
7	273	90.0	1	99.2	12	99.2	1	98.8	0	99.6	0	94.6	287	93.9
8	163	95.8	3	99.7	2	99.6	0	98.8	0	99.6	0	94.6	168	97.2
9	55	97.8	0	99.7	1	99.8	1	98.9	0	99.6	1	95.3	58	98.4
10+	43	99.3	0	99.7	1	100	0	98.9	1	100	3	97.3	48	99.4
No response	19	100	2	100	0	100	6	100	0	100	4	100	31	100
	2813	100	662	100	516	100	567	100	270	100	148	100	4976	100

The following conclusions can be drawn from the table above:

- 77,9% of all rental housing stock represented in the table above have 5 or less rooms. Although this may in some cases include open plan sitting rooms/kitchens, it is assumed that, in general, it represents two sleeping rooms, a kitchen, a sitting room and a bathroom.
- Although the percentage of housing units in Kimberley that are not owned with 5 or less rooms, were less than the average for all the housing categories together, it is still remarkable that 64,9% of these housing units had five or less rooms.
- In the case of flats, 95% of all housing units had five or less rooms. In fact just less than 65% had 3 or fewer rooms.
- When considering town houses that are not owned, 89,1% had five rooms or less.
- In terms of the rooms or flats in backyards (formal), 55,4% consisted of one room only while 78% had two or less rooms.
- The informal backyard shacks were mostly one room dwelling units because 75,9% consisted of 1 room.

It is therefore possible to conclude that the existing rental housing stock (defined as “not owned” in the census statistics) is mainly for smaller housing units. This is also visible with the housing units on separate stands. In general, it is probably not strange as more mobile households (single mothers or single households) generally occupy this type of housing.

5.8 An assessment of housing delivery since 1994

The Sol Plaatje Local Municipality and, formerly, the Kimberley TLC has an excellent record in terms of housing delivery since 1994. Between 1994 and 1999, the former Kimberley TLC delivered 29,3% of all subsidies in the Northern Cape – 5% more than its share of the Northern Cape population. See Table 5-8 for an overview.

Table 5-8: Housing delivery in Kimberley, 1994 - 2002

Housing projects	Number of units	%	Investment amount	%
BOIKHUTSONG PHASE	415	18,8	7158750	18,9
BOIKHUTSONG PHASE	237	10,7	4360800	11,5
ROODEPAN	201	9,1	3138213	8,3
ROODEPAN	390	17,7	6727500	17,8
COLVILLE/FLOORS	83	3,8	1390250	3,7
COLVILLE/FLOORS	64	2,9	1168384	3,1
GREENPOINT	233	10,6	4019250	10,6
CHRIS HANI	240	10,9	4140000	10,9
JOHN MAMPE	93	4,2	1711200	4,5
BLIKKIESDORP	109	4,9	1635000	4,3
HOMEVALLEY	140	6,3	2415000	6,4
TOTAL	2205	100	37864347	100

It should immediately be said that the housing units constructed by means of the subsidies mentioned in the above table were all single units per stand and all ownership related. From this perspective, it probably makes some sense to diversify housing delivery to other tenure options as well, such as rental.

6 Public sector management of existing rental stock

This section aims at providing a brief overview of the existing public sector rental stock in the Sol Plaatje Local Municipality. The section will be structured as follows:

- An overview of the historic rental stock and the privatisation of this stock.
- An overview of the existing rental stock.
- An overview of the management of existing rental stock.

6.1 Historical overview of rental stock and privatisation of this stock

It was common under the apartheid government, as under most governments in the period between World War II and the mid-1970s, to provide rental housing. However, in the South African context the provision of this form of housing went hand in hand with certain goals of racial separation in the country. Kimberley was no exception to this rule. It is possible to distinguish between the following types of rental housing:

- Rental housing in the historically black areas (Galeshewe) were the typical rental housing units in the former black townships of South Africa, as well as hostel accommodation. A large percentage of the units have been privatised through the R7 500 discount benefit scheme. However, there are still a number of housing units that have not been privatised and that belong to the local municipality. No rent is currently being charged on these housing units. The hostels have been transformed to family units and are currently part of the rental stock of the municipality.
- Rental housing in the historically coloured areas consisted of state rental housing and the Roodepan flats. A large percentage of the state rental housing have been privatised, while rentals are payable in the Roodepan flats. The current physical status of housing in the Roodepan flats is not good. Furthermore, rentals are not calculated on a cost recovery basis. There is also some talk that the Dutch Government might get involved helping to upgrade the Roodepan flats and managing it on a cost recovery basis. It seems that those units that will be managed on a cost recovery basis will be incorporated into the Sol Plaatje Housing Company. The biggest disadvantage of Roodepan is that it is the area furthest away from the Kimberley CBD.

- Rental housing in historically white parts of Kimberley consists of a number of flats, as well as houses for which rent is currently being asked. The quality of these units is fairly good. However, if cost recovery will not take place on these units, their condition will deteriorate over the next ten years.

6.2 Overview of the existing rental stock

The existing flats that are currently rented to people can be divided into two main categories, namely Roodepan and flats in Kimberley. An overview of the size of these units are provided in Table 6-1 below, while the latter part of this section will attempt to provide an overview of the average age of the occupiers and the number of dependants.

Table 6-1: Existing flats and their size in the Sol Plaatje Local Municipality in Kimberley, 2002

Existing flats	Bachelor	1 bedroom	2 bedrooms	3 bedrooms	TOTAL	Average number
Roodepan	0	72	168	168	408	2,24
Flamingo	0	12	16	20	48	2,17
Holland	12	9	12	3	36	1,50
Impala	0	14	38	0	52	1,73
Herculus	0	24	36	0	60	1,60
Newton	0	3	18	3	24	2,00
Eugene	0	6	24	0	30	1,80
Krisant	0	10	22	0	32	1,69
Tiffany	0	0	24	0	24	2,00
Eureka	0	6	14	0	20	1,70
Jonker	0	6	18	0	24	1,75
Total	12	162	390	194	758	2,03
Total Percentage	1,6	21,4	51,5	25,6	100,0	
Percentage Roodepan	0	17,6	41,2	41,2	100,0	2,24
Percentage Kimberley	3,4	25,7	63,4	7,4	100,0	

A number of comments need to be made with regard to the table above:

- Two bedroom flats make up the highest percentage of flats in the Sol Plaatje Local Municipality area, namely 51,5%. This is followed by three bedroom flats making up 25,6%, one bedroom flats (21,4%) and bachelor flats (1,6%). The average size for all rental housing units in Kimberley is 2,03 bedrooms per dwelling.
- In Roodepan, however, the percentage of two and three bedroom flats are the same, namely 41,2%. It also means that the average size of rental dwellings in the Roodepan flats is 2,24 bedrooms per unit.
- The average number of bedrooms per unit in Roodepan is 2,24 versus an average for the Kimberley based units of 1,78 bedrooms per unit. As already mentioned, the average for Kimberley on the flat rental units is 2,03 bedrooms per unit.

6.3 Socio-economic attributes of residents in rental housing in Kimberley

This section will attempt to provide a broad overview of the main socio-economic attributes of residents in the flats in Kimberley and Roodepan. The data was gathered from the existing contracts between the Sol Plaatje Local Municipality and the residents, as well as from an updated list of residents in Roodepan. Table 6-2 provides an overview of the average age, average number of dependants and the average income for residents in the units. However, before the current situation is assessed in more detail, the following comments with regard to the methodology for gathering the information should be made:

- People do not always give their true income.
- Informal exchange of money is usually not reflected.
- The income category indicates income for only one of the household members and excludes, for example, the income of a spouse.

Table 6-2: The socio-economic attributes of the current residents in rental units in Kimberley, 2002¹

	Average age	Median age	Average dependants	Median income (Rand)	Average income (Rand)
Kimberley flats (n = 257)	57	56	1.03	1255	1119
Roodepan flats (n = 165)	44	43	3.23	401	459
Kimberley houses (n = 35)	39	39	3.32	987	1375

It seems that the highest average income was found within the housing rental stock in Kimberley where the average income was R1 375, compared to R1 119 in the Kimberley flats and R459 in Roodepan. The median age compares quite well with the average age but major distortions are visible in the case of income – mainly due to the large number of residents without an income. The income distribution of households in the above rental units is provided in Figure 6-1 below.

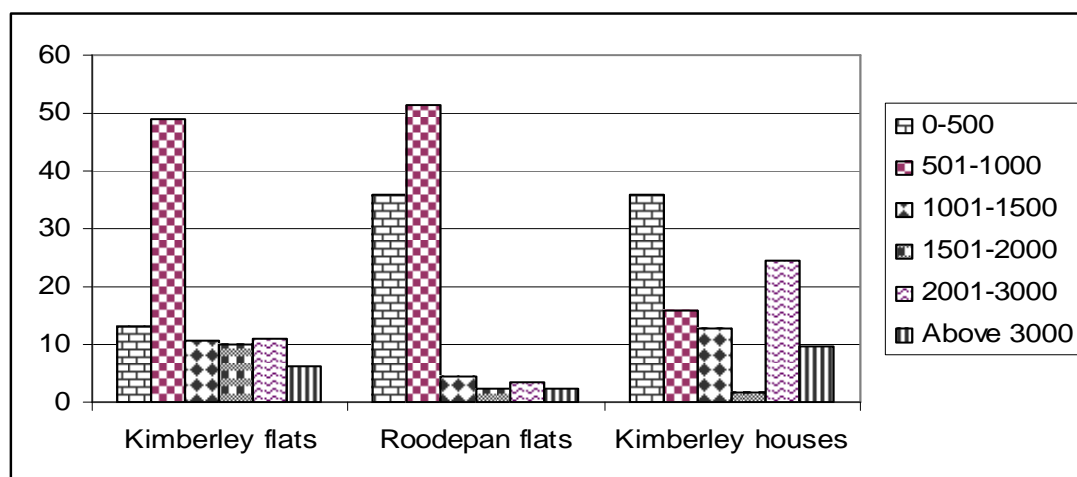


Figure 6-1: Income levels per category of the Kimberley rental flats, Roodepan Rental flats and Kimberley houses in the Sol Plaatje Local Municipality, 2002

An important consideration that will also be assessed in more detail when the demand for rental housing units are discussed later is the percentage and number of people earning above R1500 per month. It is highly unlikely that people from the Kimberley housing units and the Kimberley flats will attempt to occupy units in Hull Street. It can, however, be expected that those from the Roodepan flats who can afford to go to Hull Street, are most likely to move. According to Figure 6-1 above it is approximately 15%-20% of the residents in the Roodepan Flats that will actually move. This means that those who are least likely to contribute in a cost recovery manner will be left behind in Roodepan.

¹ The median is also used as a source because the mean does not always give an indication of how skew the data is

Although the average age was provided in Table 6-2 above, it is also important to provide an overview of the spread in different categories (see Table 6-3).

Table 6-3: Number of residents per age group for the existing Roodepan and Kimberley flats, 2003

Age group	Roodepan		Kimberley		Houses in Kimberley	
	Number	%	Number	%	Number	%
<30	15	9.0	20	7.5	2	9.5
31-40	53	31.7	48	17.9	11	52.4
41-50	46	27.5	46	17.2	8	38.1
51+	53	31.7	154	57.5	0	0
	167	268	268	100.0	21	100

The table confirms the difference between Roodepan and Kimberley regarding the average and median age seen in Table 6-2. It is, furthermore, clear that there is a major difference between the Kimberley rentals and the Roodepan rentals. More than half the residents in the Kimberley rentals is older than 50 years while in Roodepan the average is only 31,7. This fact opens up the opportunity to link some of these units to the Sol Plaatje Housing Company. An overview of the number of dependants is provided in Table 6-4.

Table 6-4: Number of dependants per category for Kimberley and Roodepan rentals, 2002

Number of dependants	Roodepan		Kimberley		Houses in Kimberley	
	Number	%	Number	Number	%	Number
0	0	0	19	11.1	n.a	-
1	17	8.3	56	32.7	n.a	-
2	34	16.7	37	21.6	n.a	-
3	44	21.6	27	15.8	n.a	-
4	34	16.7	25	14.6	n.a	-
5	22	10.8	7	4.1	n.a	-
6	53	26.0	0	0.0	n.a	-
	204	171	100.0	100.0	n.a	-

The following conclusions can be made from the frequency table above:

- The percentage of households with four or more dependants in Roodepan is considerably larger than in Kimberley. The opposite also seems valid as approximately 65% of the households in Kimberley have two or less dependants compared to 25% for Roodepan.
- Although this is probably some indication of the difference in household size, it probably also reflects on a larger housing problem in Roodepan.

6.4 Management of existing rental stock

A number of aspects related to the management of the rental housing stock of the Sol Plaatje Local Municipality in Kimberley are in need of further investigation. These issues are:

- The price of the existing housing stock.
- The link between income and the amount paid for rentals.
- New initiatives with regard to managing the rental stock.

The existing rental stock is priced at two levels. Firstly, the price is determined by the income of the applicant and, secondly, by the size of the flat. Table 6-5 provides an overview of the

rent asked in Roodepan. Although the prices are slightly higher for the Kimberley flats, the Roodepan situation provides an excellent overview of the current situation.

Table 6-5: The sliding scale of rent asked per type of unit in Roodepan, (Sol Plaatje Local Municipality), 2002

Income	1 bedroom	%	2 bedrooms	%	3 bedrooms	%
0-150	126.28	168.4	142.76	190.3	160.34	213.8
151-300	165.18	73.4	118.21	52.5	212.63	94.5
301-350	175.64	54.0	200.36	61.6	226.46	69.7
351-450	187.79	46.9	214.46	53.6	242.53	60.6
451-650	203.59	40.7	236.46	47.3	262.52	52.5
651-1200	205.09	22.8	251.33	27.9	284.75	31.6
1201+	217.07	14.5	252.16	16.8	280.22	18.7

Although the income of residents was not always well recorded, the following comments should be made:

- The percentage of income paid as rent decreases with the increase in income. For a one-bedroom unit it decreases from 168% of the income for the income category R0-R150 (taken as R75 on average) to 14,5% for the income category of above R1200 per month (taken as R1500 on average).
- The same trend is visible for two and three bedroom units.
- Although it is based on a couple of assumptions, the average amount for rental units was determined as R213,76. The average income level for Roodepan was already determined as R459. This means that, on average, households pay 46,5% of the income of the person who has signed the contract with the municipality for rent.
- It is possible to assume, from the available figures for flats in Kimberley, that the prices are probably 10% higher than in Roodepan. It means that the average amount paid on rent is 20,9% of the income of the person who signed the contract. This holds true if an average of R234 per flat is taken as a percentage of the average income of R1119. These figures will, once again, be assessed in more detail in the section dealing with the information gathered by means of the questionnaire (see Section 9.2.2).

In the opinion of the CDS the above situation has the following consequences:

- Costs are not recovered. The result is that the rental housing units will deteriorate over the next 5-10 years. This has already happened to some extent in Roodepan.
- Although the structure has been developed for the poor (without cost recovery), it also seems that it is actually the poor that pays more, pro-rata, for rental housing units.
- The current low levels of payment influence people's perceptions on payment. It will be extremely difficult to reverse such a situation. The current payment levels in Roodepan is below 35%.

7 A profile of applicants for the institutional subsidy

Although the survey results (as will be discussed in Section 9) will provide a profile of the situation of the beneficiaries in the Hull Street project, this section aims at briefly reflecting the results of a questionnaire by the Housing Support Centre in Kimberley in 2001.

7.1 Age

The average age of the head of a household that applied to be included in the institutional housing programme is 35,4 years old while the mean age is 34. This is significantly lower than the average for people residing in flats in Kimberley and Roodepan where the averages are 57 and 44 respectively (see Table 7-1).

Table 7-1: Distribution of age categories for the Hull street applicants, 2001

Age categories	Number	%
≤30	196	32.3
31-40	251	41.4
41-50	119	19.6
51+	40	6.6
Total	606	100

From Table 7-1 it seems that nearly 75% of the applicants are 40 years old and younger. Some reasons for this are:

- The fact that, during the last two decades, virtually no housing units have been constructed for new households in the income brackets above R1500.
- Older people occupy a large percentage of housing units in the Kimberley rentals.

7.2 Dependants

It is also of note that the average household size is significantly larger than in Kimberley or Roodepan. The average for the Hull Street Project applicant is 4,5 household members per household, while the estimate for Roodepan is 4,3 and for the housing units in Kimberley, 4,2. This will also be verified when the survey results are discussed later in section 8. The frequency table for Hull Street applicants is provided below in Table 7-2.

Table 7-2: The number of dependants for applicants in the Hull Street project, 2001

Number of dependants	Number	Percentage
1	29	4.9
2	100	16.8
3	195	32.8
4	147	24.7
5+	123	20.7
Total	594	100.0

7.3 Income

As income is directly related to the ability to recover costs from the residents in rental housing, Table 7-3 provides a brief background on the income of the applicants to the Hull Street Project.

Table 7-3: The income distribution of households who have applied for housing in Hull Street, 2001

Income groups (Rands)	Number	Percentage
0-500	15	2.8
501-1000	100	18.7
1001-1500	142	26.5
1501-2000	86	16.1
2000-3000	121	22.6
Above 3000	71	13.3
Total	535	100.0

Source: Housing Support Centre, 2001

It is worth noting that just more than 48% of the households earn less than R1500 per month. Although a full cost analysis will be conducted in section 9, it seems highly unlikely that those earning below R1500 will be able to afford units in the Hull Street Project – or, at least, only a very small percentage of them.

7.4 Current housing situation

Although the current housing situation will be analysed in more detail by means of the survey results, this section will briefly reflect on the current housing situation of the applicants. The following attributes characterised their current housing situation:

- 61,6% of the respondents mentioned that they would prefer renting while 38,4% preferred not to rent. It should be remembered that this questionnaire was completed after an information session on the proposed projects and the information session probably influenced this decision considerably.
- 27,9% of the respondents indicated that they are currently residing in houses, 23,4% renting a formal room, 7,1% a flat (majority in the Roodepan flats), and 16,6% in a shack (no distinction between shacks in informal settlements or backyard shacks). 21% indicated that they do not currently have a home while 4% indicated “other”.
- Approximately 73% do have access to water in their houses or on their stands.
- 87% of the respondents have accepted the alternative sanitation and energy proposals.

As the purpose of this section was only to provide a brief background with regard to existing information on the possible beneficiaries in Kimberley, it does not entail an in-depth analysis at this stage. The overview provides important information that can be compared to the results of the survey in Kimberley.

8 Private sector perspective on rental housing

8.1 Estate agents

During interviews with the estate agents, they gave the following broad indications in terms of the existing rental accommodation in Kimberley.

- During the past 10 years the housing market in Kimberley has had three distinct periods. The first, in the mid 1990s (1992-1995), was a lively market and went hand in hand with Kimberley becoming the capital of the Northern Cape province. The second period, 1996-1999, was very quiet and can be associated with the increasing interest rates. The third period, after 2000, again reflects a fairly lively market.
- There is a huge demand for rental accommodation that costs between R700 and R2000 per month. The estate agents, with which interviews were conducted, all mentioned that they get several calls on a daily basis in this regard. Most of the people cannot be helped.

- One of the main reasons for the current demand in housing is that virtually no new middle and higher income developments have taken place during the past 5 years. In fact, the private sector undertook no major construction of rental housing units for approximately the past 20 years.

The current private sector price for rental units (as estimated by the estate agents) are reflected in Table 8-1 below:

Table 8-1: Private rental housing rates as estimated by estate agents in Kimberley, 2002

Description	Estimated monthly rental (Rand)
Bachelor flat	R700 – R900
One room flat	R800 – R1000
Two room flat	R1000 – R1400
Three room flat	R1200 – R1800
Bachelor or one bedroom flat in backyard	R800 – R1300
Two bedroom flat in backyard	R1000 – R1500
Two bedroom town house	R1300 – R2000
Three bedroom townhouse	R1500 – R2200

The difference between rates of the Sol Plaatje Local Municipality (see section 7) and the private sector seems clear. The construction of units in Hull Street could potentially make a huge difference in the lower end of this market, especially for new comers to this market.

8.2 Employers in Kimberley

This section aims to assess three aspects. Firstly, a broad overview of the sectoral employment per industry will be provided for Kimberley (see Table 8-2). This will be followed by an analysis of the employment and salary profiles in the Sol Plaatje Local Municipality, as well as a brief overview of financial support for housing by the main employers in Sol Plaatje Local Municipality. Numerous attempts to access information from De Beers was unsuccessful.

Table 8-2: The number of people employed per sector in Kimberley, 1996

Sector employed	Number	Percentage
Community, social and personal services	13831	28.17
Wholesale and retail trade	7200	14.67
Private households	6247	12.73
Industry NEC or unspecified	5722	11.66
Transport, storage and communication	4119	8.39
Manufacturing	3067	6.25
Financial, insurance, real estate and business services	2972	6.05
Construction	2501	5.09
Mining and quarrying	2239	4.56
Electricity, gas and water supply	703	1.43
Agriculture, hunting, forestry and fishing	473	0.96
Exterritorial organisations	16	0.03
Representatives of foreign governments	1	0.00
Total employed	49091	100.00

Source: Statistics South Africa, 1996

The following comments can be made with regard to Table 8-2:

- The highest percentage in a sector is found in community, social and personal service, namely 28,2%. The main contributing industry contributing to this sector is the government sector (provincial and local government). Considering the fact that Kimberley is the capital of the Northern Cape province, this is no surprise.
- Wholesale and retail trade makes up 14,7%.
- Noteworthy as well, is the 4,6% that mining and quarrying represents. De Beers have traditionally been associated with the diamond mining activities in Kimberley.

Against the above background the section will now analyse the salary profiles of the Sol Plaatje Local Municipality (see Table 8-3). The figures in this table should be interpreted with care as it represents individual salaries and not household incomes. In reality it might mean that, if there is more than one income in a household, the household income might be considerably higher.

Table 8-3: Income levels of employees in the Sol Plaatje Local Municipality earning less than R7000 per month, 2003

Monthly income (Rand)	Number	Percentage of
0-1500	7	0.56
1501-2500	51	4.08
2501-3500	189	15.13
3501-5250	637	51.00
5250-7000	364	29.14
Above 7000	359	22.34
	1 248	100.0

Source: Sol PLaatje Local Municipality, 2003-05-30

The following comments need to be made with regard to the table above:

- It should firstly be noted that 77,7% of officials with the Sol Plaatje Local Municipality receive a monthly salary of less than R7000. The remaining 22,3% receives a salary of more than R7000 per month.
- Although, currently, only 15% of the employees would qualify for a subsidy, this could increase considerably if the income bands are raised.
- Alternatively, it indicates the potential to link those households earning below R3500 per month and which qualify for a subsidy with those who potentially would be able to afford these units without the subsidy.

Considering that 13 800 people are working in the community, social and personal services, it means that there is a fairly stable sector for which the profile will probably not differ much from the above.

In terms of housing support provided by the employers to employees the following main approaches are available:

- The Sol Plaatje Housing Company has both an ownership and rental allowance. The allowance for owning is in the vicinity of a R1000 per month while the rental allowance is R250 per month.
- The provincial government sector has no rental allowance but a housing subsidy / allowance of approximately R1000 is allocated to employees.

9 An analysis of the questionnaire results

In section 9 on the methodology a broad overview was given with regard to the survey that was conducted. At that stage no in-depth description of the methodology was given. Before

the survey results can be assessed in more detail, it will be essential to provide an overview of the methodology followed in completing the survey in Kimberley.

9.1 Methodology

The sample for the survey was planned in association with the SHF. A basic questionnaire was provided by the SHF and it was further adjusted in consultation with the Sol Plaatje Housing Company (attached as Annexure A). The questionnaire was designed to:

- Determine the current socio-economic and biographic information;
- Determine the current housing situation and the perceptions of respondents in this regard.
- Determine the housing needs of respondents (including their willingness to accept alternative forms of sanitation and energy).
- Determine affordability levels and the market for rental accommodation in Kimberley.

After an initial assessment, the rental stock in Kimberley was divided into ten geographical categories (see Table 9-1). The following section provides a description of these ten areas:

i) The existing beneficiary list of the Hull Street project: These respondents were taken from the beneficiary list available from the Sol Plaatje Housing Company. They were interviewed in a systematic manner after different meetings at the Housing Support Centre.

ii) Private rentals: These rentals are defined as housing units rented in the private market. It has been divided into 4 sub-categories.

a) *Private rentals: historically coloured areas*. This category includes the suburbs of Gemdene, Greenpoint, Ash, Colville, Florainecille, Homelite and Roodepan.

b) *Private rentals: historically white areas* (Excluding those suburbs that have greyed significantly since the abolishment of the Group Areas Act).

c) *Private rentals: Historically black areas*: this included the whole of Galeshewe.

d) *Private rentals: grey areas*: This included the following suburbs that have shown significant change from white only suburbs under apartheid to multi-racial suburbs in 2002: De Beer, Greenside, West-end and Verwoerdpark (ironically).

iii) Roodepan public rentals: This refers to a number of flats in Roodepan belonging to the Sol Plaatje Local Municipality. There are 408 units. Before hand information was received on households within the income bracket targeted during the survey and these households were systematically surveyed.

iv) Kimberley public rentals: These units refer to the former white area of Kimberley. There are 352 rental units.

v) Roodepan waiting list: This list refers to the names that are on a waiting list for the Roodepan flats. The housing manager in Roodepan provided the CDS with this list and the people who have put their names on this list during the past three years were systematically surveyed.

vi) Kimberley waiting list: This list refers to the names that are on a waiting list for Kimberley public rentals.

vii) Informal settlement waiting list: This list refers to the waiting list consisting of people residing in informal settlements. However, this list was not used to do the sampling. The informal settlement area was divided into four areas and questionnaires were completed.

An overview of the number of questionnaires completed per suburb in Kimberley can be seen in Annexure B. According to this categorisation an intended sample size per category was developed. However, in reality numerous changes had to be made in this regard (see 9-1).

Table 9-1: Sampling methods for this study, 2002

<i>Areas covered</i>	<i>Estimated number of house-holds</i>	<i>Estimated % qualifying (R1500 – R7500)</i>	<i>Estimated population</i>	<i>Sample % of estimated population size</i>	<i>Pro-posed sample size</i>	<i>Questionnaires completed</i>	<i>Sample % for total questionnaires completed</i>
The existing beneficiary list of the Hull Street project	464	100	464	10	46	71	14,0
Private rentals	4510	60	2706	12	325	269	52,9
<i>a) Private rentals: Historically coloured area</i>					67	74	14,6
<i>b) Private rentals: historically white area</i>					91	66	13,0
<i>c) Private rentals historically: black area</i>					123	93	18,3
<i>d) Private rentals: grey</i>					44	36	7,1
Roodepan: public rentals	408	15	61	100	61	58	11,4
Kimberley public rentals	352	45	158	20	32	33	6,5
Roodepan: waiting list for public rentals	1 200	22	264	10	26	21	4,1
Kimberley: waiting list for public rentals	1 000	41	410	10	41	41	8,1
Informal settlements: waiting list	2 000	20	400	5	20	15	3,0

A number of comments need to be made with regard to the above table:

- Because the institutional subsidy intends providing quality housing to people with a stable income, the survey focused on households earning between R1500 and R7000 per month. Although the current subsidy bands for low-income housing only makes provision for a maximum income of R3500, it should be mentioned that the decision to extend this to R7 000 was taken as the income bands might change in the near future. Furthermore, one of the principles of social housing is that projects should promote the mixing of income groups in order to create a larger degree of socio-economic integration. The mixing of income groups also enables the institution to cross-subsidise between different income groups.
- The estimated number for each of the categories was determined by means of a preliminary investigation. Those estimate numbers for private rentals were determined by means of the 1996 census data.
- The estimated percentage of people that would qualify was done by means of a scan of the available income levels from the census data or from an assessment of the income levels of people according to the municipal records on rental or existing waiting lists. Although the CDS is of the opinion that these estimates can be used, it is also accepted that there is probably a margin of error present.

- The estimated population for the survey was determined by multiplying the estimated number with the estimated percentage to obtain a real number.
- The sample percentage was then determined in consultation with the manager of the Sol Plaatje Housing Company and the SHF.
- The survey size for each of the categories could then be worked out. However, in reality a number of differences occurred between what the CDS thought should be conducted and what was possible. As assumed initially, it was difficult to get a quota of households in private rentals. Except for the case in the historically coloured areas, the questionnaires completed for private rentals were all less than planned. Due to this situation the number of respondents on the beneficiary waiting list for the Hull Street project was raised. The main reason for the lack of access to private rentals is probably because it is more difficult to identify these households. In the former white areas of Kimberley it was also difficult to get access to possible respondents due to security reasons.
- It also proved difficult to complete the intended number of questionnaires for the Roodepan waiting list, the Roodepan public rentals and the informal settlements. In general, completing the questionnaires for the waiting lists was an extremely difficult task, as the lists were not always updated when applicants moved from the place of residence provided on the waiting list.
- In general, the refusal rate was extremely low – less than 2%, and about 5% of people in the historically white areas of Kimberley refused to participate. The main reasons for refusals were that people did not want to participate in something involving the municipality, did not have time or viewed the interviewers as a security risk.

Ten fieldworkers from the Kimberley area were trained and undertook the fieldwork for the study. The following methodological procedures were followed with regard to the different categories:

- For waiting lists the respondents were identified by means of the existing information on the waiting lists.
- Although the questionnaire was focused on households, only one person in the household usually completed the survey. An effort was made to conduct the interview with the main breadwinner in a household.
- For the private rentals each of the areas was divided into their respective suburbs. The number of respondents was then divided proportionally amongst the suburbs according to the estimates of the census data. These suburbs would usually have been divided into four smaller areas and the respondents were equally selected from these four areas. In practice it would mean dividing a suburb into four with four questionnaires to be completed. In each of the divided areas one questionnaire would then be completed.
- The respondents for the beneficiary list of the Hull Street project were identified in a systematic manner after a meeting between the beneficiaries and the project management committee.
- A list with income amounts was available for those in existing public rentals. The respondents were then determined at random for those qualifying according to the income levels.
- An original English questionnaire was developed. This questionnaire was used to complete the survey. However, each fieldworker was also provided with an Afrikaans and Tswana questionnaire. Where respondents requested to do the questionnaires in one of these two languages they were handed the questionnaire to be able to read it in their language of preference.

9.2 A profile overview of the respondents

9.2.1 General overview

Considering the methodological approach described above, it is important to provide a brief overview of the main socio-economic attributes of the results of the survey (see Table 9-2).

Table 9-2: An overview of the main socio-economic attributes of the respondents in the survey, Kimberley 2002

<i>Attribute</i>	<i>Ratio / percentages or averages</i>
Male / female ratio	55:45
Average age	35,8
Median age	34
Percentage South African citizens	100%
Current employment	92,9%
Percentage of respondents with at least a grade 11 or 12 certificate	62,2%
Percentage of one person households	17,7%
Average household size	3,5
Median household size	3
Average monthly income (Rand)	R3 001,85
Percentage currently paying rent	96,1%
Percentage currently receiving government grants	9,7
Percentage that have received a housing subsidy	1,8
Percentage that own / have owned property before	2,2
Number of households with two incomes	21,6%

Some of these attributes will be used later when discussing the results of the survey to try and explain some of the results in more detail. An important aspect is that the average age determined by means of the survey is considerably less (35,8) than that determined from the data available at the municipality for their current clients in rental accommodation. Furthermore, the average income of households in the survey is also much higher than that of current tenants in the Sol Plaatje Local Municipality. The last-mentioned difference should partly be attributed to the fact that the research methodology that was followed required a minimum household income of R1500 per month. An essential point is that 96,1% of households are currently paying rent, while a very small percentage were homeowners previously and 100% of the respondents are South African citizens. It should also be noted that that approximately 4% of people that will apply for a unit will not qualify in terms of the subsidy requirements. This needs to be considered when sourcing applications for the project. The 4% is from combining people who received housing grants and own property already.

Although the average age was indicated in the table above, no reference was made to the age distribution of the current occupants of rental housing in Kimberley. For more detail see Table 9-3.

Table 9-3: The age distribution of the respondents in the survey in Kimberley, 2002

Age categories	Number	Percentage
19-30	177	34,9
31-40	205	40,4
41-50	87	17,1
50+	38	7,5
TOTAL	507	100,0

Note: No response was 1.

From the above age distribution of the population it was found that 75,4% of the respondents were 40 years old and younger. In essence the market for rental accommodation is thus probably for the more mobile and younger households.

9.2.2 An overview of the main categories of the survey

The section above provided an overview of the results of the survey for all the respondents. In this section the emphasis shifts to an assessment of the socio-economic attributes per survey category (see Table 9-4)

Table 9-4: An overview of the main socio-economic attributes of occupants of rental housing per geographical category used during the sampling in Kimberley, 2002

Attribute	Hull street beneficiary list	Private rentals historically coloured	Private rentals historically white	Private rentals historically black	Private rentals: grey	Roodepan rentals	Kimberley rentals	Roodepan waiting list	Kimberley waiting list	Informal settlements
Male / female ratio	58:42	35:65	58:42	74:26	67:33	59:41	21:79	43:57	44:56	73:27
Average age	34,5	32,1	34,3	33,3	35,0	39,6	47,2	34,1	33,5	33,1
Median age	34	29	35	33	33,5	38,5	43,5	29	33	32
Percentage SA citizens	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Currently employed	100%	89,2%	100%	95,7%	100%	91,4%	56,3%	90,5%	95,1%	100%
Percentage of respondents with at least a grade 11 or 12 certificate	63,4	63,0	87,9	76,3	66,7%	37,9%	45,5%	52,4%	41,5%	46,7%
Percentage of one person households	12,7	30,1	31,8	8,6	2,8	3,5	39,4	28,6	19,5	0,0
Average household size	3,3	3,4	3,0	3,5	4,0	4,0	2,8	3,0	3,5	5,0
Median household size	3	3	3	3	4	3	2	3	3	5
Average monthly income	2878,63	2788,94	4278,70	2906,00	3660,90	2381,49	2681,88	2821,52	2652,42	2383,40
Percentage that have received a housing subsidy	1,4	1,4	0	1,1	8,3	3,4	0	0	2,4	0
Percentage that own / have owned property before	1,4	4,1	1,5	4,3	2,8	0	0	0	2,4	0
Percentage SA citizens	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Although the basic information in the table above will be used in the remainder of the document, it does provide an overview from which concluding comments can be made: The following comments with regard to Table 9-4:

- Considering the gender ratios, it is noticeable that the largest female percentage is found in private rentals in historically coloured areas (65%), Roodepan waiting list (57%) and Kimberley waiting list (56%), as well as in the existing rentals in Kimberley (79%). Although this could be a reflection on the way in which the fieldworkers identified the respondents in the households, it might also be an indication that in these areas the need for rental housing is biased towards females.
- At first sight it does seem as if the lowest levels of employment are found in the Kimberley rentals (56,3%). However, 37% of the people in this area that indicated that they were unemployed were actually pensioners with some form of stable income.
- Strangely enough the lowest level of people with at least a grade 11 or 12 was found in Kimberley rentals (45,5%). This can probably be attributed to the fact that the housing unit/flats have traditionally been built to house sub-economic white people. The fact that a large percentage of these people are older women probably also contributes to the low level of education in this area.
- The highest percentage of one-person households are found in the Kimberley rentals (39,8%), private rentals in the traditional white area of Kimberley (31,8%), the Roodepan waiting list (28,6%) and private rentals in the historically coloured areas of Kimberley (30,1%). This trend corresponds with the larger percentages of female-headed households found in these areas.
- The highest average household size was found in the informal settlements while the lowest average household size was found in the Kimberley rentals.
- Households in private rentals in the traditional white areas of Kimberley has the highest average income (R4278,70) while households in the Roodepan rentals and informal settlements has the lowest (R2381,49 and R2383,40 respectively).
- The highest average age was found in the Kimberley rentals (more than 47 years old on average) and in the Roodepan rentals (over 39 years of age). This can probably be attributed to the fact that, once people have accessed these housing units, the turnover is considerably lower than in the private rental units. The lowest average age was found in the private rentals in the historically coloured areas, as well as in the informal settlements. This can be an indication of the fact that housing provision does not keep up with the population growth in these areas. Excluding affordability (which is probably lower in the informal settlements), there could probably be a reasonable expectation that a large percentage of beneficiaries come from the Roodepan area (both existing Roodepan flats and private rentals). The reason being that it is the furthest away from the CBD and there seems to be pressure from new households wanting to access housing. However, this aspect will be touched on again later in the report.
- It is also interesting that the average age for Kimberley rentals found in the survey is 10 years lower than the statistics determined by means of the rental information. The same trends are visible in Roodepan. This can be attributed to the fact that it is probably easier for the municipality to get the information from the older people – only about 50% of the residents' information was available. In terms of income the survey has reported larger incomes than the municipal information for both Kimberley and Roodepan rentals. This deviation can probably be attributed to the fact that in the survey household income was requested while the forms from the municipality requires the income of the person with whom the contract is signed. Secondly, the true incomes are probably not provided to the municipality.

As the survey was focused specifically on monthly household income levels between R1500 and R7000, it was important to provide a brief overview of the results of the survey.

9.3 Current housing situation

As the main aim of the report is to determine the demand for rental housing in Kimberley, a large section of the questionnaire was devoted to determining the housing need of households earning between R1500 and R7000 per month. This section will start off with assessing the current housing situation. This will be followed by different analyses that investigate their need with regard to tenure, the type of housing units they would prefer, as well as their willingness to accept alternative forms of tenure.

9.3.1 How long in current accommodation

The first question that was put to the respondent was to determine how long they have been residing at their current location. This is some indication of their current mobility, a higher mobility is usually associated with a rental preference (see Table 9-5)

Table 9-5: Number of year at current rental location in Kimberley, 2002

Years at current location	Number	%
1-2 years	177	35.0
3-4 years	99	19.6
5-6 years	70	13.8
7-8 years	41	9.1
9-10 years	39	7.7
More than 10 years	80	15.8
No response	506	100.0

No response: 2

It is clear that 35% of the respondents have been staying in their current location for less than 2 years whilst 54,6% have been residing in their current location for less than 4 years. At the same time a significantly high percentage (15,8%) of households have been residing in their current location for more than 10 years. Further investigation into this trend showed that:

- The largest mobility (staying for less than two years at current location) was found in the historically white areas of Kimberley and in the so-called grey areas. This should probably be attributed to the dynamics of the private market, as well as the fact that the income levels of the households in both these groups were considerably higher than the average. The higher income probably makes households somewhat more mobile. The highest percentage of households residing in their current location for more than 10 years are found in the Roodepan rentals (36,2%) and for those on the Roodepan waiting list (52,4%).
- In terms of gender difference, it seems as if males were somewhat more mobile than females. 40,2% of the males have been residing in their current location for less than 2 years while the percentage for females are 28,7%. As one would expect, the percentage for males residing in their current area for longer than 10 years (13,4%) is lower than that of females (18,7%)
- In terms of age, it also seems as if younger people have shorter periods of residence at their current location than older people. For example, 43,2% of those between ages 19 and 30 have been residing in their current location for less than two years. This is considerably higher than the 21,1% of respondents who are older than 50 years and have indicated that they have resided there for less than two years.

Considering the above, it seems as if the mobile seekers of rental accommodation have the following attributes:

- Higher income.
- Residing in the historically white areas of Kimberley and areas that have greyed since the abolition of the Group Areas Act a decade ago.

- More likely to be males than females.
- Probably younger.

9.3.2 Reasons for residing in the current location

Respondents were asked in a closed question why they are residing in their current location. They were given three possibilities with the option of providing their own answer. These possibilities and the answers are reflected in Table 9-6.

Table 9-6: Reasons why respondents choose to reside in their current location in Kimberley, 2002

Reasons	Number	Percentage
Close to work opportunities	89	17,5
Family live here	99	19,5
Nowhere else to go	307	60,4
Other	13	2,6
TOTAL	508	100,0

The results show that just over 60% of the respondents indicated that they have chosen their current location because they have nowhere else to go. This is probably some indication of a specific demand for new housing units. In other words, if a better alternative was available they would probably have chosen it, considering that these households are most likely to afford housing in the Hull Street Project. Of the remainder of the respondents, 17,5% indicate that closeness to work opportunities contributed to their decision while 19,5% indicate the closeness to their family. The following socio-economic and biographic characteristics provide some further insight into the dynamics:

- Both younger and older respondents tend to provide closeness to family as the main reason for their current place of residence. In this regard, 28,3% of those respondents between 19 and 30 years and 30,6% of those respondents older than 50 years have given such an indication. This is higher than the 19% average for all the respondents. Closeness to work opportunities is less important for these two age groups. Only 15% of those households between 19 and 30 and 5,6% of the households older than 50 have indicated proximity to work as a reason for their current location, compared to the average of 17,5%.
- In terms of gender difference males (22,2%) versus 12,9% of females tended to opt for the closeness to employment opportunities. Females indicated proximity to family (22,7%) and the fact that they had nowhere else to go (64,4%) as more important than males (17,8% and 60%).
- In terms of the geographical categories used in this study private rentals:grey have indicated proximity to work as the main reason. Of these respondents, 55,6% indicated closeness to work as the main reason for their choice. Considering the historical reality of group areas, this is an important consideration. At the same time it should also be mentioned that, as already indicated, the income levels of tenants in this area have been considerably higher than the average income of the sample. As for giving their choice of location as proximity to family, 43,9% of the respondents on the Kimberley waiting list was the highest percentage. Private rentals in historically coloured areas was the second highest as 40,3% of the respondents indicated it as the main reason for their current location.

From the locational analysis above, it seems that there are two conflicting forces at work:

- Firstly, there is the force to get closer to work and the process to oppose the previous racial planning frameworks, with the requirement that these people have money to do it.

- Secondly, in the traditional white and coloured areas it seems as if family proximity is still the norm, which will probably not challenge the racially based apartheid settlement patterns.

An important point that should be taken into account is whether the respondents would like to reside in their current location permanently. Nearly 75% of the respondents have answered no to this question. This is not strange considering the high percentage of respondents that indicate that they are residing in their current location only because they do not have anywhere else to go. Furthermore it is worth mentioning that:

- 100% of the people on the Roodepan waiting list indicated that they would not stay in their current location permanently. This is surely an indication of a serious housing need, as well as the poor location of Roodepan with regard to the Kimberley CBD.
- More importantly is that respondents in the Roodepan flats had the second highest percentage of indicating that they would not stay in their current location permanently – 91,4%. Although this probably reflects negatively on the location of the area with regard to the CBD, the quality of the housing stock is probably also an important reason.
- Strangely enough, the highest percentage of people who maintained that they would settle permanently was those in informal settlements (64,3%). This probably reflects a total different housing need. For example, it was already indicated that, on average, the households are bigger in the informal settlements. In the second place were those households in the Kimberley rentals where 57,6% of the people indicated that they would settle permanently in their current location.

Important conclusion with regard to rental housing: One can conclude that there is possibly a major need for quality housing developments that bring people closer to their work opportunities. The Hull Street project is an example of this need. To a large degree this need was already addressed for those households which could access the private rentals in Kimberley.

9.3.3 Means of transport to work

An aspect which links closely with proximity to work relates to the type of transport used to get to work. In Table 9-7 the answer to this question is analysed in more detail.

Table 9-7: Means of transport to work, besides walking, for occupants of rental housing in Kimberley, 2002

Means of transport	Number	%
Taxi	319	63.8
Bicycle	22	4.4
Personal car	133	26.6
Bus	26	5.2
TOTAL	500	100.0

No response: 13

The large percentage of people using taxis is noteworthy (63,8%). The second largest percentage of 26,6% respondents were using their personal car. Although the question was not phrased in such a way as to determine the respondents with personal cars, it probably gives some indication as to the respondents with personal cars. The following aspects should also be mentioned:

- The highest percentage of taxi use was under the Roodepan rentals (90,5%) and Roodepan waiting list (86,2%). Considering that Roodepan is the area furthest away from the Kimberley CBD, this does not come as a surprise.

- The highest incidence of private car use was found with private rentals in historically white Kimberley and in the Kimberley rentals (both 66,7%).
- It was also found that more females than males use taxis as a means of transport (72,1% vs. 56,9%) and that more males than females use personal cars (28,1% vs. 24,8%).
- No specific trends with regard to the influence of age could be determined.

The Hull Street project would probably play a significant role in minimising the dependence on taxi transport, especially for households from the Roodepan area. It is also already possible to assume that the Hull Street Project will probably have a major impact on existing rentals in the Roodepan flats, as well as the private rentals in the Roodepan area, because it is likely that people will be moving to the Hull Street project.

9.4 Current housing type

In order to gain an understanding of the current housing situation, respondents were requested to give an indication of the type of housing they are currently residing in, the size of this housing unit, as well as the level of services available to this housing unit (see Table 9-8).

Table 9-8: Current housing type for rental housing occupants in Kimberley, 2002

Type of housing	Number	Percentage
House on separate stand	217	42.9
Flat	132	26.1
Informal settlement	19	3.8
Backyard shack	33	6.5
Formal unit in backyard	79	15.6
Other	26	5.1
TOTAL	506	100.0

No response: 2

The largest percentage of respondents that preferred renting, rented houses on separate stands (42,9%), compared to 26,1% in flats. Although the way in which the sample was determined probably played an important role in this regard.

In order to provide a better assessment of the current housing situation, the current housing conditions are categorised in terms of the geographical categories used during the survey (see Table 9-9).

Table 9-9: The type of housing units per survey category in Kimberley, 2002

Areas	House on separate stand	Flat	Informal settlement	Backyard shack	Formal unit in backyard	Other	TOTAL
Beneficiary list	66.2	4.2	4.2	5.6	5.6	14.1	100.0
Private rentals: historically coloured	55.4	16.2	0.0	5.4	23.0	0.0	100.0
Private rentals: historically white	59.1	25.8	0.0	1.5	10.6	3.0	100.0
Private rentals: historically black	19.3	1.1	0.0	20.4	48.4	10.8	100.0
Private rentals: grey	64.7	17.7	0.0	0.0	8.8	8.8	100.0
Roodepan rentals	0.0	100.0	0.0	0.0	0.0	0.0	100.0
Kimberley rentals	0.0	100.0	0.0	0.0	0.0	0.0	100.0
Roodepan waiting list	82.6	4.4	0.0	13.0	0.0	0.0	100.0
Kimberley waiting list	75.6	2.4	2.4	9.8	7.3	2.5	100.0
Informal settlements	0.0	0.0	100.0	0.0	0.0	0.0	100.0

The following conclusions can be made:

- Of those respondents on the beneficiary list that were interviewed, 66,2% are currently residing in a house on a separate stand.
- It is also interesting to note that a greater percentage of people on the two waiting lists are currently residing in houses on separate stands. This is probably an indication of extended families or more than one household per housing unit.
- Backyard shacks are also prominent in the private rentals in the historically coloured areas (5,4%), as well as in the private rentals in the historically black areas of Kimberley (20,4%).

Added to the type of housing unit, respondents were asked to indicate the number of bedrooms in their rental housing unit (see Table 9.10).

Table 9-10: Number of bedrooms for rental housing occupants in Kimberley, 2002

Number of bedrooms	Number	%
1	158	31.8
2	214	43.1
3	114	22.9
4	8	1.6
5	3	0.6
TOTAL		

No response: 13

It seems as if two-bedroom units are the favourite housing size because 43,1% of the rental housing stock belong to this category. On average, each unit has 1,96 bedrooms. Taking into consideration that the average household size is 3,5, it means that, on average, there are 0,56 rooms per person or nearly two persons per room.

The remainder of this section will attempt to analyse the number of bedrooms per dwelling from a different perspective, namely the number of bedrooms for each of the geographical categories, as well as for each of the housing types (see Table 9-11).

Table 9-11: The number of bedrooms of respondents in rental accommodation per geographical category in Kimberley, 2002

Area	1 bedroom	2 bedrooms	3 bedrooms and more
Beneficiary list	19.4	29.9	50.7
Private rentals: historically coloured	25.0	51.4	23.6
Private rentals: historically white	38.1	52.4	9.5
Private rentals: historically black	65.2	33.7	1.1
Private rentals: grey	27.8	8.3	63.9
Roodepan rentals	7.0	56.1	36.8
Kimberley rentals	21.2	78.8	0.0
Roodepan waiting list	4.8	66.7	28.6
Kimberley waiting list	24.4	34.1	41.5
Informal settlements	73.3	26.7	0.0
TOTAL	31,8	43,1	25,1

It seems that the following relevant comments can be made with regard to the table above:

- More than 50% of respondents on the beneficiary list are currently residing in three-bedroom units or bigger. Although it will be discussed in more detail later in the report, it is possible to conclude that needing a bigger house is probably not the main reason for looking for alternative housing. However, it seems likely that there will be a need for three bedroom units. Whether it is affordable is another question that will be addressed later in the report.
- The highest percentage of one-bedroom units was found in the informal settlements (73,3%) and the private rentals: historically black (65,2%). This can probably be attributed to the number of backyard dwellings and backyard shacks in these areas.
- At the same time the largest percentage of three bedroom units or more were found in the Private rentals: grey. This is not unconnected from the finding above that the second largest number of housing units with one bedroom are currently found in the private rentals of the historically black area of Kimberley.

The housing size per current housing type is analysed in more detail in Figure 9-1 where the number of one-bedroom units per housing type is compared.

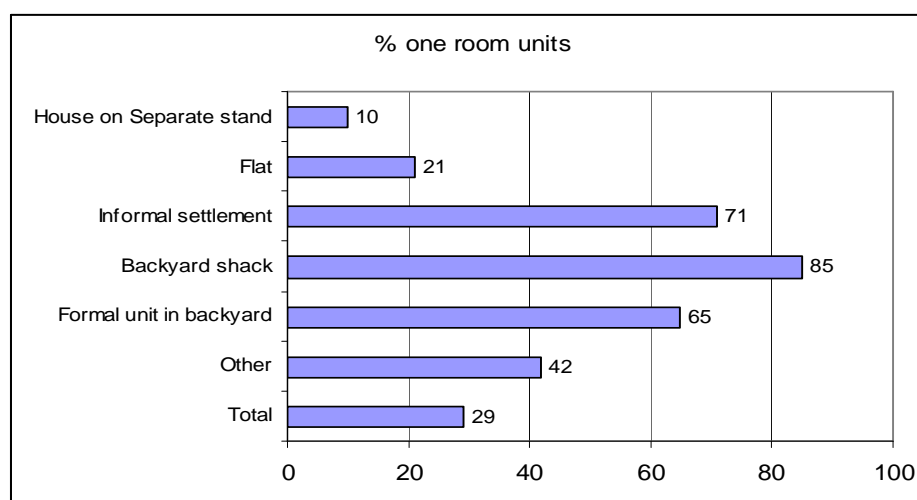


Figure 9-1: The number of one-bedroom units per housing type of respondents in rental accommodation in Kimberley, 2002

From the above table it seems that the largest percentage of one bedroom units are found in backyard shacks (85%) followed by the informal settlements and the formal units in the backyards (65%). The lowest percentage of one-bedroom units is found in houses on separate stands (10%).

The number of dependants is usually a determining factor in the number of rooms that low-income housing units have. This relationship is further investigated in Table 9-12.

Table 9-12: A comparison of the number of bedrooms and the dependants in households or rental housing occupants in Kimberley, 2002

Number of bedrooms	Number of dependants				
	1	2	3	4	5 or more
One bedroom	25.7	37.5	13.2	11.0	12.5
Two bedrooms	28.2	32.9	21.2	8.2	9.4
Three or more bedrooms	19.2	23.1	26.9	19.2	11.5

One and two-bedroom units seem to be more popular in households with one or two dependants as 63,2% of households with one or two dependants reside in one-bedroom units and 61,1% in two-bedroom units. If this is compared with three or more-bedroom units where only 42,3% of households with one or two dependants are residing, the difference is fundamental. The most important conclusion that can be draw from this, is that housing size is to some degree determined by household size.

Considering access to sanitation and water, the following information was found from the survey (see Table 9-13).

Table 9-13: Access to sanitation for rental housing occupants in Kimberley, 2002

Type of access to sanitation	Number	%
None	1	0.2
Bucket	21	4.1
Waterborne in house	365	71.9
Waterborne outside house	119	23.4
VIP	2	0.4
TOTAL	508	100.0

The current access to sanitation as reflected in the Table 9-13 seems fairly good. In considering the alternative tenure proposals in the Hull Street Project, it will be important to acknowledge that, according to the survey results, households are used to waterborne sanitation. For the current rate of access to water see Table 9-14.

Table 9-14: Access to water for rental housing occupants in Kimberley, 2002

Type of water access	Number	%
In house	385	75.8
On stand	105	20.7
Public tap	18	3.5
TOTAL	508	100.0

Access to water also does not seem to be a problem as 96,5% of the respondents have access to water on the stand or in their housing units.

9.5 Satisfaction levels

9.5.1 General levels of satisfaction

The above section provided an overview of the current housing conditions. The emphasis now shifts towards assessing the levels of satisfaction within the current housing situation (see Table 9-15). An assessment in this regard is important as it provides insight into the current dilemmas and preferences in order to ensure that the same mistakes are not made in the Hull Street Project.

Table 9-15: Satisfaction levels with current rental housing occupants in Kimberley, 2002

Criteria	Number	%
Unhappy	188	37,0
Satisfied	145	28,5
Happy	175	34,4
TOTAL	508	100,0

From the table above it is noteworthy that 37% of the respondents were unhappy with their current housing unit. At the same time 34,4% noted that they were happy and 28,5% responded were satisfied. The question therefore arises in which areas are respondents the most unhappy or happy. Figure 9-2 provides an overview of the percentage of respondents unhappy in each of the geographical areas considered during the survey.

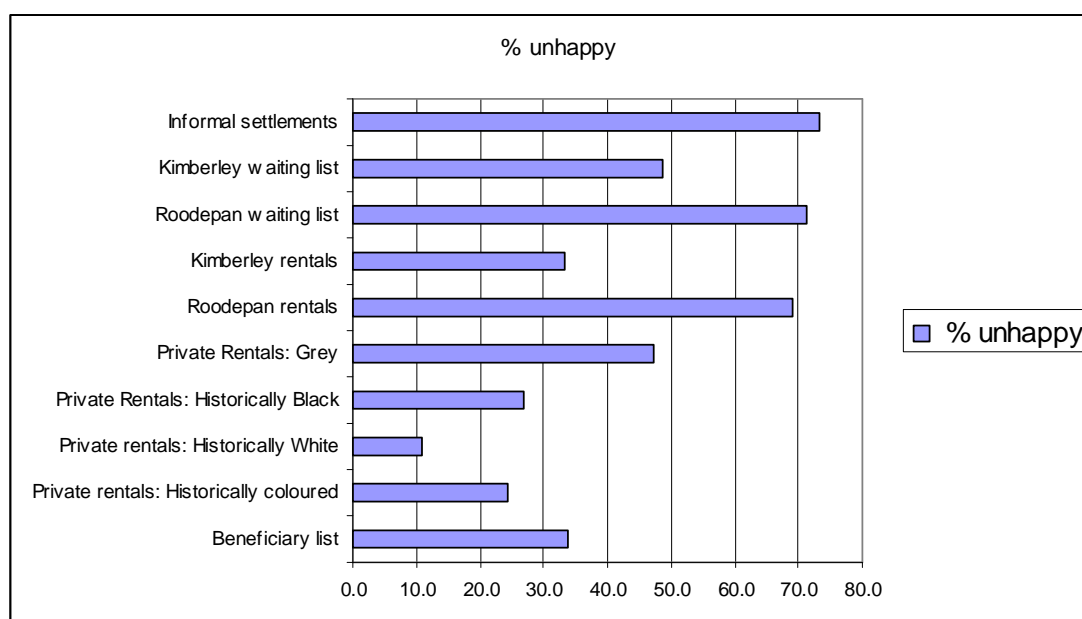


Figure 9-2: The percentage of respondents in rental accommodation in Kimberley unhappy with their current housing conditions, 2002

From the above table the following comments can be made:

- The largest degree of unhappiness is found under respondents currently residing in informal settlements (73,3%), respondents on the Roodepan waiting list (71,4%), residents in the Roodepan rentals (69%), residents on the Kimberley waiting list (48,8%) and residents in the Private rentals: grey (47,2%).
- Although the percentage of unhappiness is understandable for the informal settlements, people on waiting lists and residents in the Roodepan rentals, the high percentage for the private rentals: grey is interesting. It probably means that, once the Hull Street project is complete, you may find a large percentage of people from

private rentals: grey accessing housing units in the Hull Street project. This conclusion is made with the assumption that, in terms of location, they have moved to a better location. However, their unhappiness is probably related to the quality of housing that they are residing in.

- Another interesting result from the figure above is that the percentage of unhappiness for those respondents in the beneficiary waiting list is only slightly lower than the average percentage for all of the respondents (33,8% versus 37%). The implication of this is that the level of current satisfaction is probably not the most important reason in considering resettlement. Other factors such as current location, the relationship within a household, etc., might play a more important role.

Therefore, the following results provide some indication of the level of satisfaction of respondents who are currently in rental accommodation in Kimberley.

- In terms of the current housing type and the level of satisfaction it was already seen from Figure 9.2 that the largest percentage of unhappiness is recorded in informal settlements. This is followed by households currently in flats (43,9%), which probably reflects the unhappiness in the Roodepan flats and households in backyard shacks (42,3%).
- Slightly more males (40,1%) were unsatisfied with their current situation compared to 33,3% of females.
- The highest level of unhappiness when considering age groups was found within the age group 41-50. This might be an indication of unhappiness with the size of the housing units as the larger families are usually found in these units.
- In comparing the satisfaction levels with the current number of bedrooms in a house, no specific trend could be found. However, the results showed that the highest level of unhappiness was found with those currently occupying one-bedroom units (40,3%) and those in three-bedroom units (39,1%). The lowest level of unhappiness was found with households in two-bedroom units. This is probably an indication that developing 2 bedroom units would be a save option.

The analysis was taken a step further by asking the respondents what their reasons were for their current level of satisfaction (see Table 9-16).

Table 9-16: Reasons for the various levels of current dweller satisfaction under the respondents of rental accommodation in Kimberley, 2002

Reasons for unhappiness	Reasons for being satisfied	Reasons for being happy
No security - unsafe (23%)	Positive social evaluation (27,8%)	Positive overall evaluation (38,4%)
Negative social evaluation (18,2%)	Positive overall evaluation (20,3%)	Positive social evaluation (22,6%)
Living conditions are poor (14,4%)	Proximity to facilities, work and family (19,5%)	Quiet and peaceful (14,0%)
Facilities not up to standard, e.g. electricity, water, sanitation (12,8%)	Quiet and peaceful (13,5%)	Proximity to facilities, work and family (11,0%)
No privacy (7,5%)	Safe and secure (6,0%)	Safe and secure (10,4%)
Not satisfied with proximity to work (3,2%)	Other (12,9%)	Other (3,6%)
Rentals are too high (3,2%)		
Other (17,7%)		

Basically, being unsafe is the main reason for unhappiness while safety and security are also prominent reasons under the satisfaction and happy columns. This could also be seen in association with privacy that was also given as a reason for not being happy. With any new development, this aspect should be addressed adequately. The other reasons for not being happy have to do with the current living conditions. This is something that, in its positive format, contributes to higher levels of satisfaction. A further point that should be mentioned

is that proximity to work and family, or the lack thereof, is regarded as reasons for being unhappy and being satisfied and happy. Interestingly enough, too high rent is only mentioned by 3,2% of the respondents as a reason for being unhappy. The results reflected in the above table should also be seen against the fact that 60% of respondents have indicated that they reside in their current location as they have nowhere else to go (see Table 9-6). The table above could also be used to develop a marketing strategy for the project.

9.5.2 Changing the current environment

With the knowledge gained from Table 9-16 the respondents were asked whether they would change anything in their current living environment. Interestingly, only 26,2% of the respondents indicated that they will change some aspects. This is more than 10% less than those indicating they were unhappy. This could probably be interpreted from two conflicting viewpoints. On the one hand, one could argue that the higher percentage of people unhappy against the percentage that will change their environment is an indication that people are not desperate. On the other hand, it could be an indication that people have given up hope changing their environment and are looking for alternatives.

In assessing what they will change the following main answers were given:

- Need for a better and bigger place to stay (35,5%).
- Road conditions (19,1%).
- Security (15,6%).

Some of the other reasons were:

- Negative social aspects.
- Renting problems.
- Lack of sanitation.
- Lack of water facilities.
- Lack of electricity.
- Total environment should be upgraded.

Looking at this assessment in association with the assessment on satisfaction and the various reasons for different levels of satisfaction, it seems that two main aspects come to the forefront:

- Living space.
- Security.

9.6 Housing preferences

The section above assessed the current housing situation of the respondents. The focus will, however, shift to the preferences with regard to housing. Although the affordability of certain preferences will be discussed in more detail later in the report, a general overview in this regard is essential.

9.6.1 Tenure

As the institutional subsidy is based on rent or rent to buy options, the first question was to determine what the tenure preference of the respondents were (see Figure 9-3).

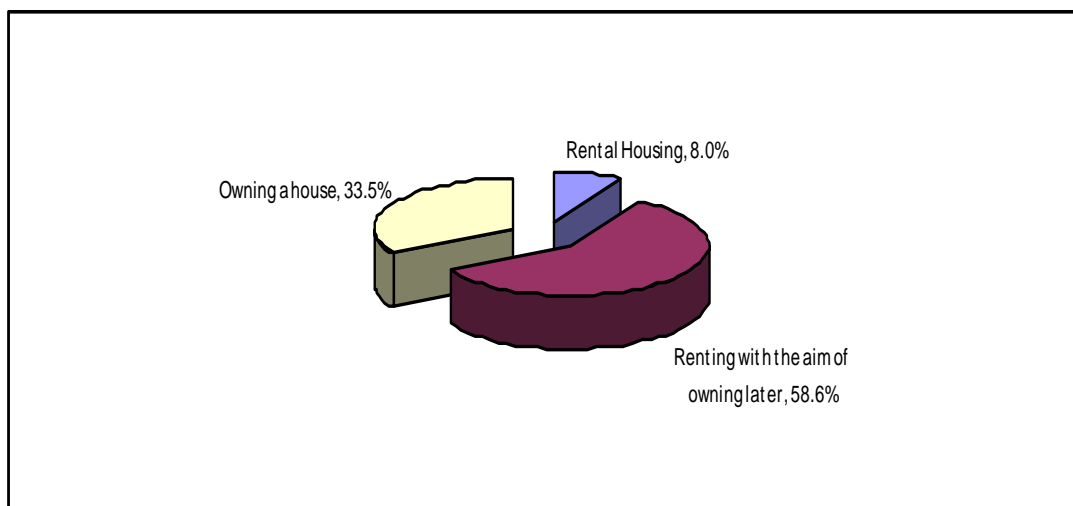


Figure 9-3: Tenure options preferred by occupants of rental housing in Kimberley, 2002

From the above table it seems that the rent only option has extremely limited attraction as only 8% of the respondents indicated that they would prefer this option. However, renting with the aim of owning later is the most popular preference (58,6%) with the option of owning only at 33,5%. It should be remembered that respondents could also have manipulated their answers after hearing that the survey is about rental housing only. At the same time it does not seem as if one could ignore the preference for ownership. However, the Sol Plaatje Housing Company should take note and probably promote the rent-to-buy option more specifically. It also seems the experience on national level that the rent-to-buy option is extremely difficult to operationalise. It is important that cognisance is taken of this situation. The following are more in-depth findings in terms of biographic and socio-economic considerations:

- The respondents with the biggest preference for rental housing currently reside in the private rentals of the historically black areas (Galeshewe). This is significant, as it is probably the area with the largest population growth rate. It could mean that there is a steady market for rental housing in this area. The largest preference for renting with the aim of owning later came from respondents in the Roodepan rentals (89,5%) and from the respondents on the Hull Street beneficiary list (81,7%). Other areas that were above average are private rentals in the historically white area, private rentals:grey and respondents on the Kimberley waiting list. Respondents on Roodepan waiting list (71,4%) and the Kimberley rentals (54,5%) mostly prefer the ownership option.
- In terms of gender difference it is interesting to note that 11,6% of males and 3,5% of the females preferred the rent option. Considering renting with the aim to buy, 57,1% of the males and 60,4% of the females preferred this option. 36,1% of the female respondents and 31,3% of the male respondents prefer the ownership option. Although these differences are not considerable, the renting preference by males should be acknowledged. Earlier in the report (SPECIFY) a comment had already been made with regard to the apparent larger degree of mobility amongst males.
- Although small differences in opinion exist with regard to age, it is not considerable enough to point out in more detail.
- In assessing the possible role of household income it was found that 8,8% of households earning between R1500 and R2500 per month and 12,4% of households earning between R2501 and R3500 prefer rental housing. Only 1,4% and 2,1 1% of the income groups R3501 – R5250 and R5251 – R7000 would like to rent. It seems that the aspiration of higher income people is homeownership or the rent-to-buy option. However, the major difference was on the rent-to-buy option and not on the

ownership options where more or less the same percentage of respondents in the income group indicated that they prefer ownership. It seems especially the R5251 – R7000 income group that are more likely to consider the rent-to-buy option than any of the other groups.

9.6.2 Preference with regard to number of bedrooms

Those respondents that indicated they would like to rent or rent with the option of owning later were asked how many bedrooms they would like to have in a development (see Table 9-17). It should be noted that in the question only 1,2, or three bedrooms were left as an option.

Table 9-17: Preferred number of rooms needed compared with the current housing situation of occupants of rental housing in Kimberley, 2002

Number of rooms	Preferred %	Current %
1	5.0	31.8
2	46.8	43.1
3	48.2	22.9
4	0	1.6
5	0	0.6
TOTAL	100.0	100.0

Note: this is for those indicating rent or rent to buy options only.

From the table above it seems that, in general, the current houses are smaller than the preferred houses. For example, only 5% of the respondents indicated that they preferred a one-bedroom unit while 31,8% of the respondents are currently residing in such a unit. At the same time 48,2% of the respondents indicated that they preferred to have a three-bedroom unit compared to 22,9% that are currently residing in a three-bedroom unit. With an average household size of 3,5 this is also understandable.

In terms of geographical categories it was found that the highest indication of the need for one-bedroom units came from households in private rentals in the historically white areas of Kimberley. Although the Hull Street Project is to a large extent multi-racial, the number of white applicants is significantly low. If it is assumed that the majority of the respondents in the historically white areas are white, it could be argued that the need from the current applicants might reflect an even smaller need for one-bedroom units. The smaller than average household size in the private rentals in the historically white areas of Kimberley might contribute to this finding (3,0 household size versus 3,5 average household size for all the respondents). The biggest need for three bedroom units or bigger came from the existing Roodepan rentals where 83,3% of the respondents expressed the need for three bedroom units.

Looking at gender, a small percentage more females requiring one and three bedroom units. However, in general these differences are so small that it could be ignored.

In terms of age, the older age group, above 50 years, showed more interest in one-bedroom units (20%) while the age group 19-30 showed the lowest percentage of need for three-bedroom units. The age group between 41 and 50 expressed the highest preference for three bedroom units. This confirms the assumption made earlier in this section that the number of bedrooms that households prefer is mainly influenced by their current household size.

9.6.3 Other housing preferences

A number of other questions with regard to housing preferences were asked to the respondents. A summary of these is provided in Table 9-18.

Table 9-18: Specific housing preference of occupants of rental housing units in Kimberley, 2002

Preference indicator	Yes (%)	No (%)
Prefer housing unit on top floor?	31,3	68,7
Prefer housing unit on ground floor?	68,7	31,3
Prefer balcony if on top floor (for those on the top floor)?	77,6	22,4
Should space for gardening be provided?	97,2	2,8
Do you often receive visitors?	85,8	14,2
Should space be provided for trading from home?	67,1	32,9
Should space be provided for children to play?	94,9	5,1
Should space be provided for cultural activities?	60,6	39,4

In terms of the needs expressed above the following comments need to be made.

Unit on top or ground floor:

A large majority of respondents (68,7%) favoured units on the ground floor. Furthermore, from the current people on the Hull Street project waiting list, 84,6% favoured housing units on the ground floor. In terms of gender difference 9% more females preferred housing units on the ground floor than males. No real age difference was found.

Balcony

For those respondents that indicated that they would like to have a housing unit on the top floor, 77,6% indicated they would prefer a balcony.

Gardening:

The large percentage of respondents requiring a place for gardening should be considered in the Hull Street project.

Visitors:

A significant percentage (85,8%) indicated receiving visitors often. Although some space could be provided for private motor car parking for visitors, one should also acknowledge that a large percentage of visitors might not have personal cars and might use taxis.

Space for trading:

A significant percentage of respondents indicated that they would like to see space to be provided for trading from the intended premises (67,1%). The largest percentages in this regard came from the private rentals in historically black Kimberley and from the informal settlements (both more than 70%). This could be an indication of a specific preference from the African population. It is also noteworthy that 67,6% of the applicants on the Hull Street waiting list indicated this as a preference. From a gender perspective 6,5% more males preferred space to be allocated for trading. Interestingly, the highest percentage of respondents that indicated that space should be allocated towards trading was in the income group of R5250 – R7000.

Place for children to play:

A place for the children to play was a preference with almost all the respondents as 94,6% of the respondents answered in this question positively. Therefore, it would be an important consideration when constructing the Hull Street project.

Space for cultural activities

A fairly large percentage of the respondents (60,2%) indicated that they would prefer having space for cultural activities. This need was more significant with respondents from the informal settlements and Roodepan rentals where 93,3% and 86,2% of the respondents indicated this preference. For the applicants in the Hull Street project waiting list the percentage was 60,6% - the same as for the average for all the respondents.

9.6.4 Alternative sanitation and electricity

The Hull Street Project originated from the principle that the housing units should be far more environmentally friendly – in line with international accords such as Agenda 21 and the environmental suggestions from the Istanbul conference in 1996. As the first phase of this environmentally friendly housing was completed in Galeshewe, it is important to test the respondents' attitudes for this unknown aspect of the suggested project. Alternative sanitation consists of a toilet structure in which the faeces and the urine are separate from the beginning and the owner is responsible for removing the faeces on a regular basis. The alternative energy requires people to utilise sun and gas energy to a larger degree. The results of the responses accepting these environmental considerations are reflected below (see Figure 9-4).

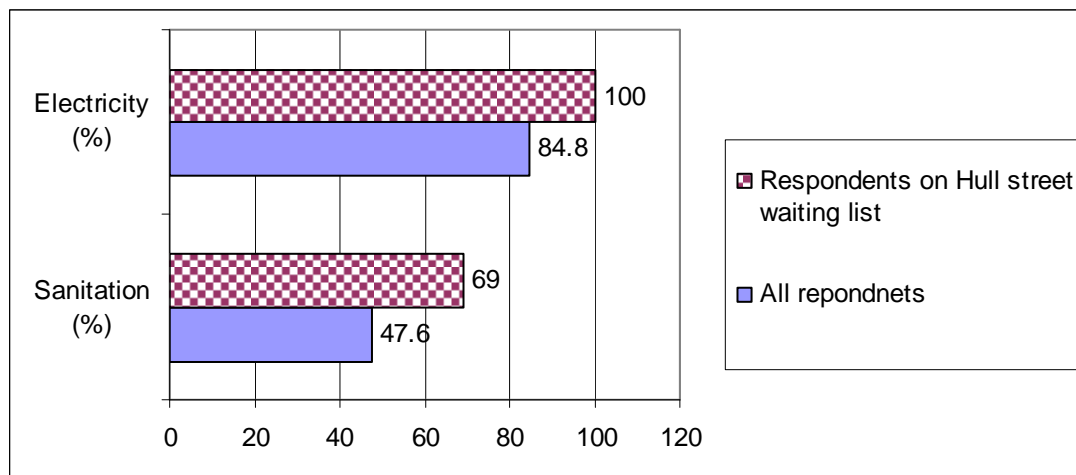


Figure 9-4: The percentage respondents in rental accommodation accepting alternative sanitation and electricity in Kimberley, 2002

Essentially from the figure are the fairly low levels of acceptance of alternative sanitation proposed in the Hull Street project. Less than 50% of all respondents accepted this alternative. With regard to the acceptance of alternative electricity more than 84% of the respondents found this acceptable. A more important aspect from the figure above is that the percentage for the Hull Street project is considerably higher than that for all the respondents. This difference can probably be ascribed to one of the following reasons:

- The desperate outlook of the people who have applied for a housing unit in the Hull Street project. They could be so desperate that they would accept any thing just to be accommodated. In fact, it was also a pre-requisite in the questionnaires that applicants to the project had to complete.
- It is also possible that the information and informal training that has taken place during the course of the interaction between the Sol Plaatje Housing Company and the applicants could have persuaded them to accept the alternative sanitation and electricity options.

An attempt was also made to investigate whether different levels of acceptability of alternative tenure are visible in terms of the different tenure types. In this regard 75% of

respondents preferring rental housing also accepted alternative sanitation. The percentage acceptance of alternative sanitation for respondents who wanted to own a house was 49,3% and 38,1% for those who wanted to rent to own. These figures might give some indication of a lower level of acceptability in cases where a longer term residential commitment will be undertaken.

In conclusion, it seems that the current levels of acceptability of alternative sanitation are low. However, it also seems that this is an attitude that could be changed but that it would need a specific effort to educate these consumers in the future.

9.7 Affordability

This section has thus far attempted to provide an overview of the current housing situation of the respondents, as well as certain housing preferences that they might have. The focus will, however, now shift to determining what the affordability levels of the respondents might be. The factors that will influence the affordability of specific aspects will also be examined. The following aspects will be considered:

- Income levels of respondents.
- Employment attributes of the respondents.
- How many respondents are currently paying for their units?
- What amount are they willing to pay for their units?
- What amount are they currently paying?
- The expenditure levels of the respondents (compared with disposable income).
- The credit worthiness of respondents.
- The ability of respondents to save effectively.

9.7.1 Income levels of the respondents

This section will start with the overall income patterns found in the survey after which some socio-economic and biographic information will be tested (see Table 9-19). Before assessing the results from the table below, it should be noted that the survey methodology required finding respondents with a household income between R1500 – R7000.

Table 9-19: The income distribution of occupants of rental housing in Kimberley with a monthly income between R1500 – R7000, 2000

Income categories (Rand)	Number	Percentage	Cumulative percentage
R1501 – R2500	254	50,1	50,1
R2501 – R3500	130	25,6	75,7
R3501 – R5250	74	14,6	90,3
R5251 – R7000	49	9,7	100,0
TOTAL	507	100,0	

No response: 1

The largest percentage of respondents (50,1%) is in the income category between R1 501 – R2 500 per month. Considering the current ceiling of R3 500 joined spouse income for the housing subsidy, the table above shows that approximately 75,7% of the households fall into the category of R1501-R3500. This is the income category currently considered as the potential income category for the social housing product. The other two income categories therefore make up the remainder of the respondents, namely 24,3%. There seems to be three relevant conclusions from the above information:

- The largest proportion of rental housing occupants is in the R1501-R2500 category, which, at the same stage, is probably also the category with the largest risk involved.

- Consideration should also be given to an equal spread of possible options for the various income categories, especially if there is some change to the current ceiling R3500 is lifted to R7000.
- Considering the average household income of R3001,85 for the respondents in this survey it means that the per capita income of the households is R857,67.

As already noted in Table 9.4, the highest average income of the 10 geographical categories came from the private rentals in the historically white part of Kimberley. The lowest average income was recorded from the informal settlement area. Table 9-20 below provides an overview of the income categories for each of the geographical areas.

Table 9-20: An overview of the income levels of rental housing occupants in the geographical categories in Kimberley, 2002 (%)

Areas	R1501 - R2500	R2501 - R3000	R3001 - R5250	R 5250 - R7000	Per capita income ²
The existing beneficiary list of the Hull Street project	53.5	25.4	14.1	7.0	872.3
Private rentals: historically coloured area	59.5	23.0	9.5	8.1	820.3
Private rentals: historically white area	19.7	21.2	21.2	37.9	1426.2
Private rentals: historically black	46.2	36.6	9.7	7.5	830.3
Private rentals: grey	28.6	17.1	42.9	11.4	915.2
Roodepan: public rentals	69.0	25.9	5.2	0.0	595.4
Kimberley public rentals	48.5	39.4	12.1	0.0	957.8
Roodepan: waiting list for public rentals	52.4	28.6	14.3	4.8	940.5
Kimberley: waiting list for public rentals	65.9	14.6	17.1	2.4	757.9
Informal settlements: waiting list	80.0	6.7	13.3	0.0	476.7

From the table above the following comments should be made:

- The highest percentage of households with an income in the R1 501 – R2 500 group is present in the informal settlements, followed by the Roodepan rentals and the people on the Kimberley waiting list. These two areas also have the lowest per capita income of all the categories under consideration. In terms of the demographic and income parameters it is highly unlikely that a new development would draw large numbers of people from these two areas.
- The highest percentage in the R5250 – R7000 income group is found in the private rentals in the historically white and grey areas of (37,9% and 11,4% respectively). It should also be noted that the 42,9% of households in the grey areas earn an income of between R3501 and R5250. The per capita income from these two areas is also significant higher than the average.

² Per capita income was determined by calculating the income in terms of the different categories and dividing it by the number of dependants per housing unit.

- Once again the per capita income of households that are on the waiting list for the Hull Street project compare favourably with the average for the total sample population (only slightly higher on R872 versus R857).

In terms of the influence of age and gender the following comments can be made:

- Male respondents recorded an average income of R420 per month more than female respondents did.
- In terms of age the highest income were reported with those households between 19 and 30. This could probably be an indication that there is a growing demand by younger households with stable income in this age group. This is the period before they move on to become homeowners.

9.7.2 Employment profile

The above section provided an overview of the income profile of the respondents of the questionnaire. Income is, however, only one aspect with regard to affordability of housing. An aspect such as the risk of becoming unemployed is also important. Therefore the following three aspects will be analysed in more detail:

- Current type of employment.
- The basic sectors they are employed in.
- The number of household members contributing to the household income

Table 9-21 provides an overview of the type of employment categories of respondents while Table 9-22 presents the type of sectors that respondents are employed in.

Table 9-21: Employment categories of respondents in rental housing in Kimberley, 2002

Employment category	Number	%
Elementary work	115	23,1
Professional	107	21,5
Artisan	73	14,7
Administrative worker	60	11,8
Security staff	46	9,2
Driver	26	5,2
Pensioner	26	5,2
Other	55	9,3
TOTAL	508	100,0

Table 9-22: Employment per industries of respondents residing in rental accommodation in Kimberley, 2002

Employment industries	Number	%
Private sector	245	52,0
Government related sectors	123	26,2
Mining related	36	7,6
Self employment	13	2,8
NGO/ CBO	12	2,5
Other	79	8,9
TOTAL	508	100,0

Although professionals are quite well represented, elementary occupations have the largest percentage of people employed in the categories. Added to the large section of people employed in the private sector, it shows some degree of vulnerability. The following aspects characterise their income:

- 9,6% receives some form of governmental support. Of the respondents that receive government support 32% receive a pension, 22% a disability grant, 14% child maintenance and 26% receive other governmental grants.
- Only 4,6% indicate that they receive financial help from their family.
- Of the 40% of the respondents that indicated that they are married, 51% said that their spouse is working. This is fairly significant, as these households where both the head of the household and their spouse are working are more likely to absorb the shock of retrenchments.
- Finally, it was found that 21,6% of the households have two incomes which distributes the risk of unemployment a bit more than one income only. However, this might also result in the household not being able to access the housing subsidy as their joint income might be in access of the subsidy requirements. Except for possible rationalisation in the government service no specific indication of major downscaling was recorded.

9.7.3 Savings

Although it should be acknowledged that respondents in the formal sector will have some form of savings through their pension funds, it is worthwhile to consider the current savings that households have. Once again, this might give some indication of the ability of these households to overcome certain shocks on the income or expense sides. 33,6% of the respondents indicated that they have savings. Table 9-23 gives an overview of their available savings, as well as the average amount per type of savings that is available.

Table 9-23: The current savings profile of respondents that have savings in Kimberley, 2002

Type of saving	Number of respondents	Percentage	Average savings (Rand)
Savings account	150	81.52	505.16
Savings scheme at bank	19	10.33	705.26
Housing institution	8	4.35	337.50
Stokvel	3	1.63	733.33
Other	4	2.17	165.14
Total	184	100.00	514.86
Average saving for total sample			186.49

Roughly speaking it seems as if the average savings of R514 per household might be enough for a deposit of one month. However, this amount is only saved by 184 respondents or 36% of the respondents. It, therefore, means that 64% of all respondents do not have savings. If the average savings available for all households is taken, an amount of R186,49 is available per household. This is totally insufficient even for a deposit equal to one month's payment. Saving by means of a savings account seems to be the most relevant form of saving.

The average saving for males (for those who do save) was R538 and for females R490 per month. 62,7% of respondents who indicated that they save are males and 31,3% females. Interestingly, the highest savings per month was found in the age group 19-30 where the average amount saved was R645 compared to R402 for the age group 31-40. Savings amounted to R563 for those between 41-50 and R495 for those households older than 50 years.

9.7.4 Access to credit

The other way of getting cash is by means of accessing credit. However, an analysis of credit is not only important in assessing the credit worthiness of the respondents but also to see

whether they are not burdened by their credit. 51,4% of the respondents indicated that they have some form of credit. An in-depth analysis of this credit is provided in Table 9-24.

Table 9-24: The credit repayment profile of respondents in Kimberley, 2002

Type of credit	Number of respondents	Percentage	Repayment per month (Rand)
Hire purchase	19	39.34	693
Credit card	22	4.84	474.95
Loan	29	6.37	533.03
Clothing account	207	45.49	371.14
Other	18	3.96	262.22
Total	455	100.00	435.80
Average credit per household			390.33

The following comments can be made with regard to the credit of respondents:

- The average monthly credit repayment per household is more than two times the average savings amount per household.
- On average, households with credit pay R435,80 per month on their credit. When considering that the average credit per household is R390,33, repayment amounts to approximately 13% of their gross income.
- The largest percentage of respondents have indicated that they have a clothing account (45,49%) while over 39% have indicated that they make repayments on a hire purchase. A very small percentage of respondents have credit card debt (4,8%) and loans (6,4%).

It is also important to gain some understanding of the percentage of credit that households in different income groups access (Table 9-25).

Table 9-25: Credit repayment per income group for rental housing occupants in Kimberley, 2002

Item	R1500-2500		R2501-3500		R3501 – R5250		R5250 – R7000	
	Amount (Rand)	% of income	Amount (Rand)	% of income	Amount (Rand)	% of income	Amount (Rand)	% of income
Hire purchase	82.26	4.11	156.16	5.21	308.77	7.27	534.49	8.73
Credit card	1.57	0.08	4.23	0.14	74.32	1.75	81.63	1.33
Loan	5.78	0.29	31.62	1.05	42.78	1.01	136.94	2.24
Clothing account	74.49	3.72	147.69	4.92	308.75	7.26	302.65	4.94
Other	5.47	0.27	6.85	0.23	17.43	0.41	23.45	0.38
Total	169.58	8.48	346.54	11.55	752.06	17.70	1079.16	17.62

The following comments can be made with regard to the table above:

- Access to credit increases with the increase in income. Households earning between R1500 and R2500 (R2000 average) per month spend 8,5% of their income on credit repayment compared to 11,5% in the income bracket R2501-R3500, and 17,7% for households earning R3501 – R5250.

9.7.5 Current payment culture

An important consideration is the current payment culture. In this regard respondents were asked whether they are currently paying their rent and their municipal services (see Table 9-26).

Table 9-26: Current payment culture of rental housing occupants in Kimberley, 2002

Criteria	Answer
Percentage respondents paying rent	96,1%
Percentage respondents paying for services	66,5%
Average amount paid for rent	R433,16
Average amount paid for service	R209,66

Table 9-26 reflects the answers for the total sample. Although the current payment levels for renting and services are fairly high, one should probably make some provision for payment levels below 100% in the budgeting process. The current rate for service payment is 86%. It also seems that the current levels of rent payment could be attributed to the effective management of the existing housing stock. The high rent payment can also be attributed to the higher income levels of households with whom the interviews were conducted. The high payment rate is also in contrast to the reality of payment in the existing rental stock in the Sol Plaatje Local Municipality.

10 Considering the demand and affordability for social housing in Kimberley

10.1 Affordability

In order to determine guidelines with regard to affordability, the following aspects were analysed with the help of the SHF:

- The current comparative payment between the different sizes of housing units.
- The relationship between what respondents are able and willing to pay.
- The relationship between what respondents are willing to pay and what they are actually paying
- An assessment of the over and under spending per income category.

Furthermore, the information mentioned above should be compared with the estimates from the Hull Street Project (see Table 10-1).

Table 10-1: Housing size and costs for the Hull Street Project in Kimberley, 2003

Size (m2)	With Geysers, Tiling			Without Geysers, Tiling		
	Total Cost (Rand)	Loan (Rand)	Monthly (Rand)	Total Cost (Rand)	Loan (Rand)	Monthly (Rand)
42	56,053	29,440	727	51,768	25,155	655
42	56,833	30,220	744	52,548	25,935	672
45	59,110	32,496	780	54,825	28,211	708
55	64,373	37,759	865	60,088	33,474	793
53	65,745	39,131	897	61,460	34,846	825
84	99,718	99,718	1,936	95,433	95,433	1,864
84	100,498	100,498	1,953	96,213	96,213	1,881

It is important to consider the willingness to pay, current payment and the reality with regard to the cost of development of the respondents (see Figure 10-1).

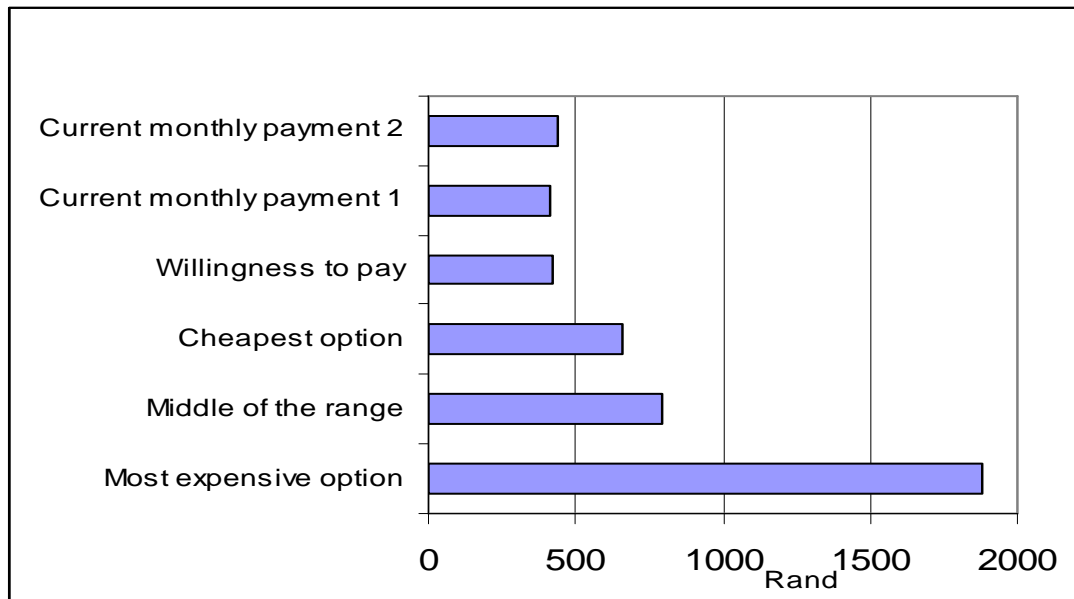


Figure 10-1: A comparison of current payment, willingness to pay and expected rentals in the Hull Street project

Before in-depth conclusions are drawn from the table above, it will be important to explain the two figures for current monthly payment. The questionnaire asked the respondents two questions in this regard, once separately and once as part of their expenses. Current monthly payment 1 refers to the first one and current monthly payment 2 to the second. The following are comments on the two questions:

- The current payment or willingness to pay, as a percentage of the average income, ranges between 13,05% and 14,4%.
- However, if the payment to the cheapest option is considered, the percentage rises to 21,8%. This is for 42 square-meter housing units with two bedrooms without tiling and a geyser.
- For the middle of the range option, a 55 square-meter housing unit with a geyser and tiling, the amount is R858 or 28,5% of the average income.
- The most expensive option will require 65% of the income of the average household.
- The most important aspect from this figure is probably that there is a huge gap between current payment and willingness to pay versus the cost of such a unit when it is completed. The cheapest option will cost approximately R230 more and the middle of the range option about R450 more.

10.1.1 Willingness to pay

The above section has indicated the income and expense of residents. The question is what they are willing to pay (see Table 10-2).

Table 10-2: Amount respondents are willing to pay for rental accommodation in Kimberley, 2002

Amount (Rand)	Number of respondents	Percentage of respondents
0-100	14	2.8
101-200	52	10.3
201-300	85	16.8
301-400	113	22.3
401-500	117	23.1
501-600	64	12.6
601-800	49	9.7
More than 1000	13	2.6
Average		R418.05

The average amount that respondents are willing to pay for their housing is R418.05. It is noteworthy that only 12,3% of the respondents were willing to pay an amount of access of R600,00, which is the amount required to afford the Hull Street project. It is furthermore also interesting to compare what respondents are currently paying versus their income in the various geographical categories (see Table 10-3).

Table 10-3: The rent paid per geographical category in Kimberley, 2002

Area	Average rent paid (Rand)	Average income (Rand)	Expenditure/Income
Beneficiary list	436.19	2876.63	15.1
Private rentals: historically coloured	402.64	2788.94	14.4
Private rentals: historically white	709.21	4278.7	16.5
Private rentals: historically black	275.5	2906	9.4
Private rentals: grey	877.22	3660.9	23.9
Roodepan rentals	230.67	2381.49	9.6
Kimberley rentals	339.34	2681.66	12.6
Roodepan waiting list	365.63	2821.52	12.9
Kimberley waiting list	338.94	2642.52	12.8
Informal settlements	0	2383.4	0

Although the percentage of income paid to rent of a housing unit in most of the areas is below 15%, private rentals: grey pay 23,9% of their average income on their housing unit.

10.1.2 Comparative payment for the different housing sizes

The purpose of this assessment is to investigate whether there is an increase payment between different housing sizes. Figures 10-1 compares the amount that employed respondents are willing to pay for a bachelor unit and a one-bedroom unit. Figure 10-2 compares the amount that respondents are willing to pay for a one-bedroom unit compared to a two-bedroom unit. Figure 10-3 compares amount willing to be paid by the respondents for a two-bedroom unit and a three-bedroom unit. It should be noted that there were some outliers, and they were excluded from the figures.

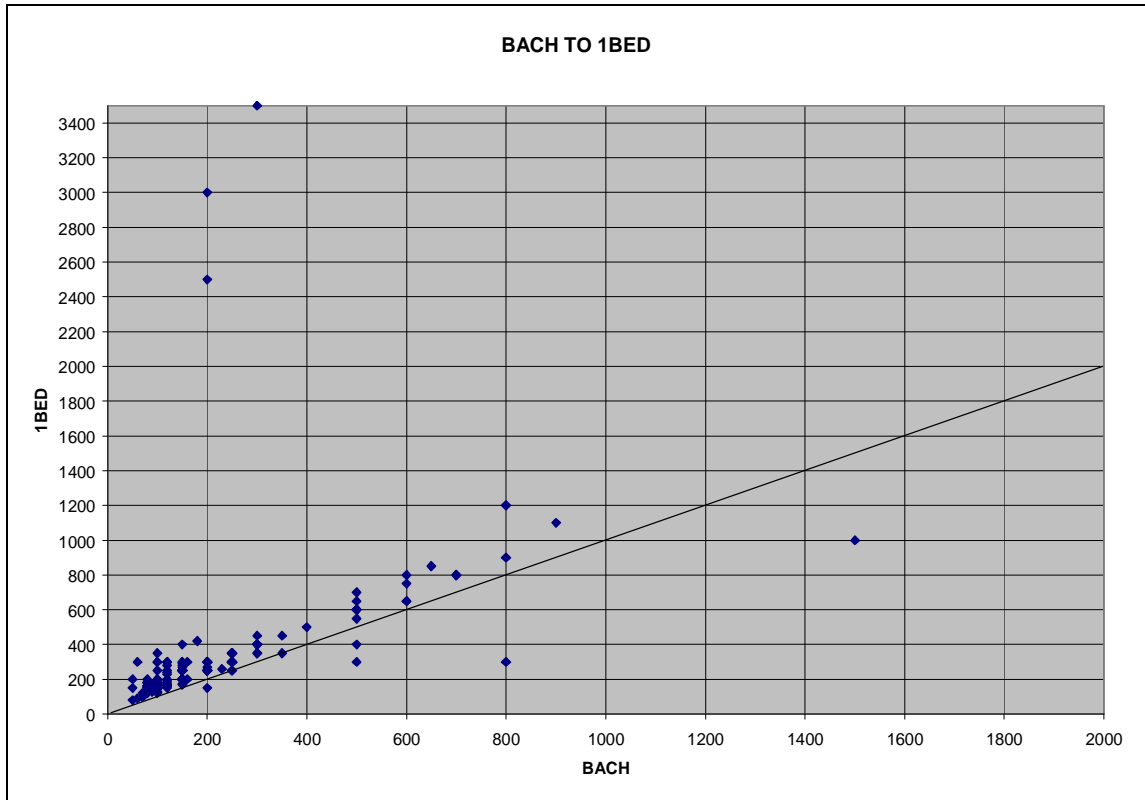


Figure 10-1: A comparison of payment for one-bedroom and bachelor units in Kimberley, 2002

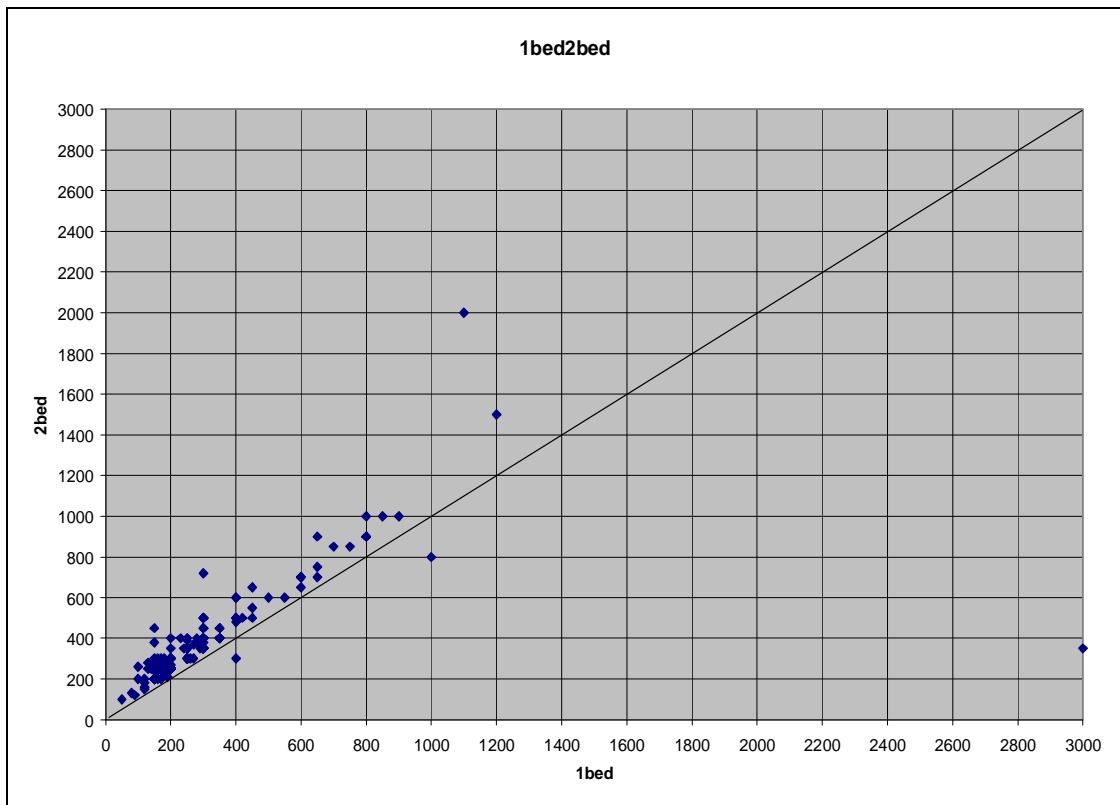


Figure 10-2: A comparison of payment for one-bedroom and two-bedroom units in Kimberley, 2002

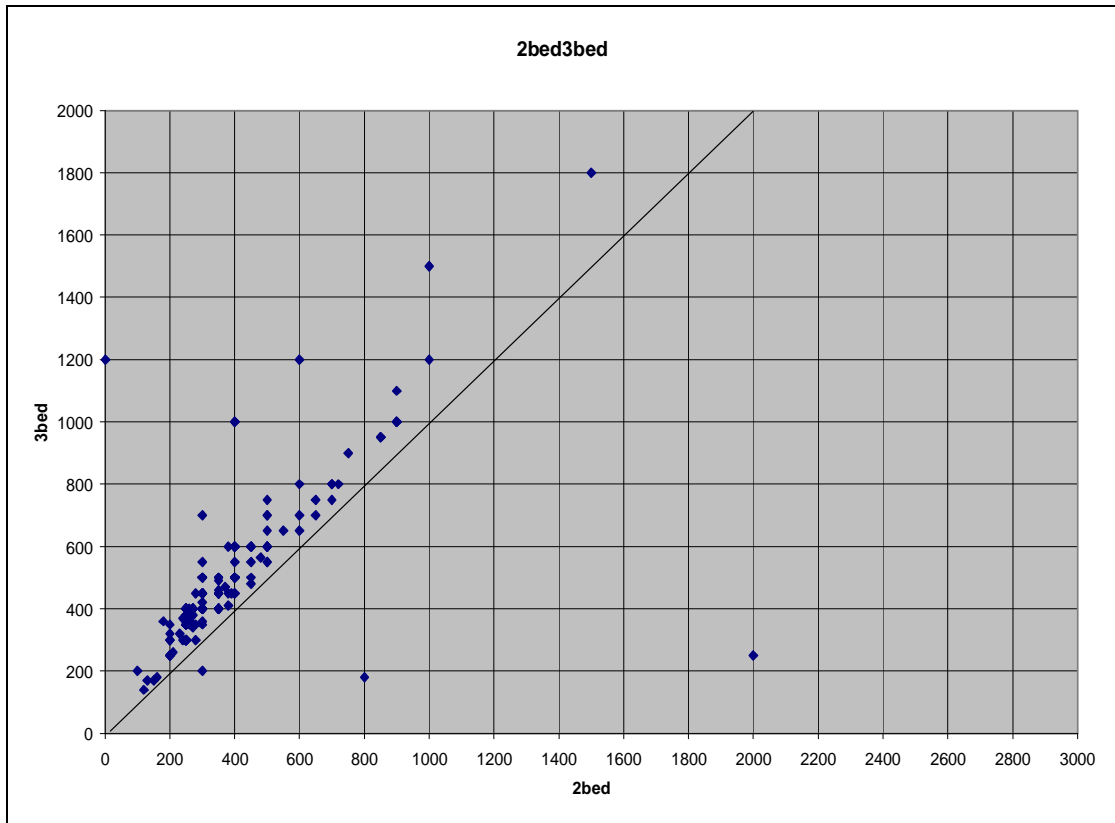


Figure 10-3: A comparison of payment for two-bedroom and three-bedroom units in Kimberley, 2002

Overall, Figures 10-1, 10-2 and 10-3 show that the respondents are only willing to pay rentals below R1000/month for all the units. The Hull street project rentals should therefore not exceed R1000/month. The respondents are willing to pay rentals of less than R500/month a bachelor unit. R400 – R600/month for a one-bedroom and/or two-bedroom unit, and R400 – R800/month for a three-bedroom unit. When compared to the projected rentals for the project reported in Table 10-1, the rental charges significantly exceed what the respondents would be willing to pay. The other options appear to be within the perceived rental parameters of the respondents.

However, one needs to consider the willingness to pay, with the actual ability to pay and the affordability of the respondents. Table 10-3 presents the actual current rentals paid by respondents in the 10 geographical areas covered in the survey.

10.1.3 The relationship between what respondents are able and willing to pay

The relationship between what respondents are willing to pay versus what they are actually paying is reflected in Figure 10-4 below.

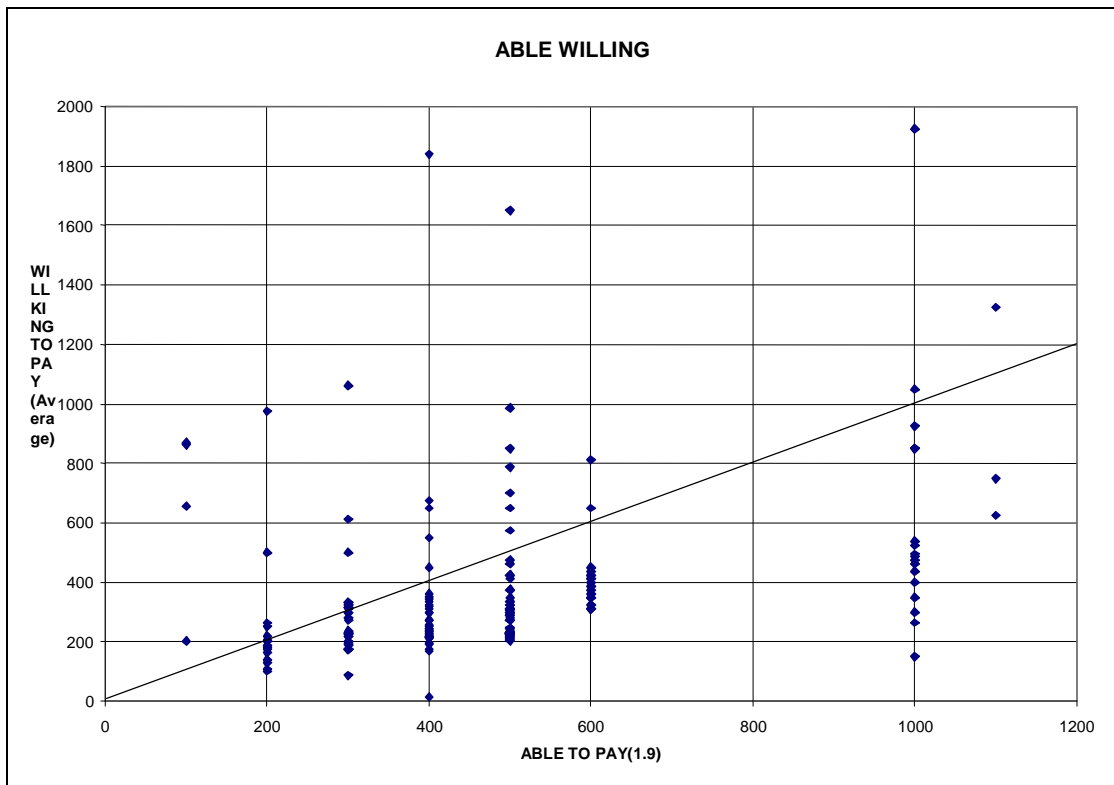


Figure 10-4: A comparison of what respondents are willing to pay and what they are able to pay in Kimberley, 2000

Figure 10-4 compares what the respondent's state they are able to pay as rent, and what they are willing to pay, on average, as rent. The figure shows that in many cases the respondents are able to pay much more than what they are willing to pay on average for renting a unit. This indicates that the rentals for the project can be a bit higher than what the respondents have indicated they are willing to pay for the units. Of note, is that a number of cases indicate an ability to pay R600 or less per month, while the respondents are only willing to pay R400 or less per month. There are however some cases showing an ability to pay R1000/month and yet a willingness only to pay R600 or less per month for rent.

Figure 10-4 provides further insight by comparing what the employed respondents are able to pay and what they are actually paying for their rental accommodation.

Figure 10-6 shows that there are only a few cases where the respondents are actually paying more than R1000/month for rent. These respondents also indicate that they are not actually able to more than R1000 for rent. Most of the cases show that they are actually paying less for rent than what they are able to pay.

10.1.4 The relationship between what respondents are willing to pay and what they are actually paying

In addition to the above assessment, the analysis now shifts to the comparison of what respondents are willing to pay and what they are actually paying (see Figure 10-5).

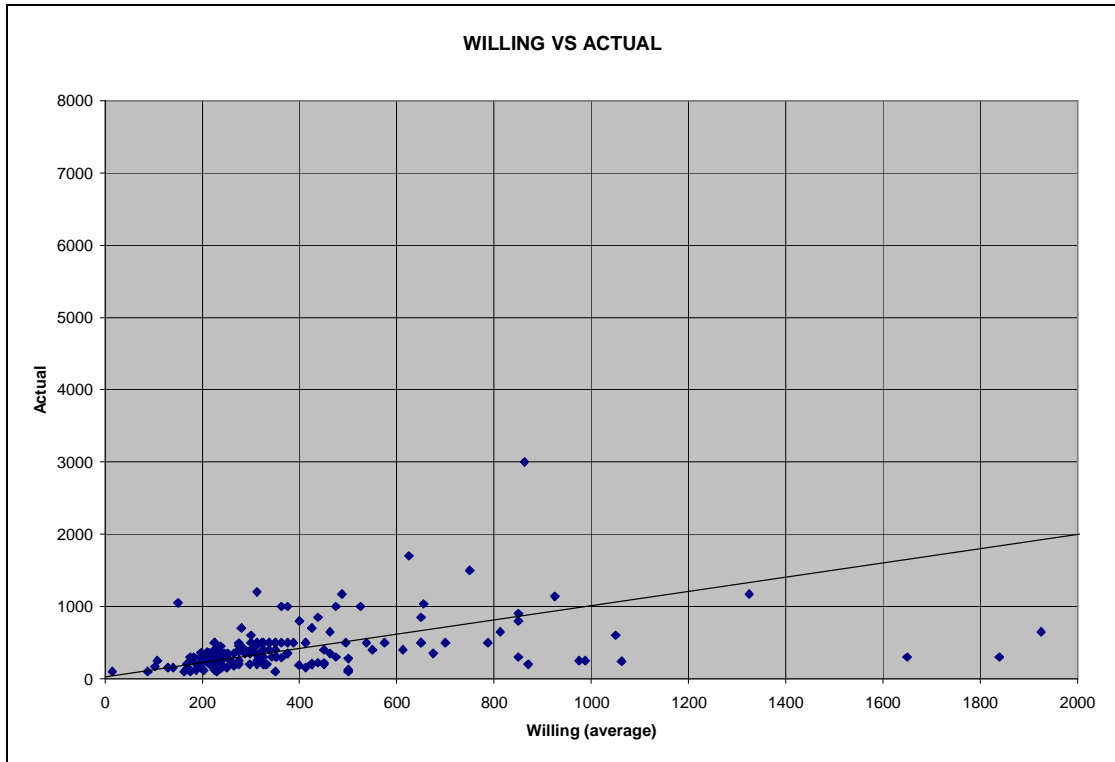


Figure 10-5: A comparison of what respondents are actually paying versus what the are willing to pay

The information in the figure above shows that there are not a major difference between what people are willing to pay and what the are actual paying at the moment. For those in existing municipal rentals this is somewhat worrisome as they are paying rates far below cost recovery.

10.1.5 The relationship between what respondents are able and willing to pay

Added to the above argument, Figure 10-6 provides evidence with regard to the relationship between actual payment versus what respondents are able to pay.

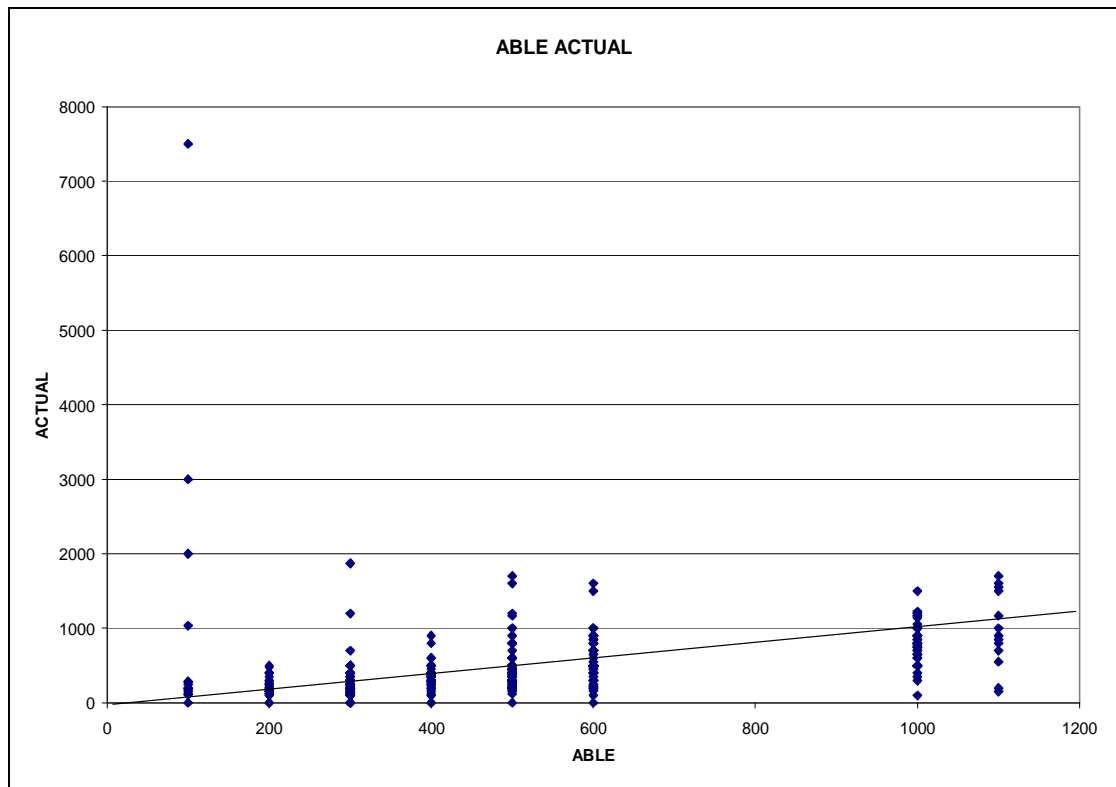


Figure 10-6: A comparison of what respondents are able and willing to pay in Kimberley, 2002

As in the case of actual payment versus willingness to pay, there seems to be no major difference between what people are able to pay and what they are actually paying.

10.1.6 An assessment of disposable income

The assessments above provided some idea of the relationship between actual payment, willingness to pay and the amount that respondents are able to pay. The emphasis now shifts to determining the disposable income of the different income groups. The disposable income for each income group is presented in Annexure C. The following methodological procedures should be noted:

- It was calculated at the bottom and top end of each category.
- Calculations do not include credit accounts and rent as stated in the database.
- The database only includes employed participants.
- Disposable income totalling zero has been excluded.

From Annexure C the following summary can be presented in Table 10-4:

Table 10-4: Summary of affordability indicators per income category

Indicators	R1500	R2500		R3500		R5250		R7000
Median disposable income	375	1370	765	1725	1475	2900	2520	4290
No of respondents in category	224	224	121	121	71	71	47	47
Number of households overspending	33	3	12	2	11	4	3	0
% of households overspending	15	1,3	9.9	1,7	15,5	5.6	6.4	0
Current credit repayment	R169	R169	R346	R346	R752	R752	R1079	R1079

The following concluding comments can be made with regard to the table above:

- The Sol Plaatje Housing Company should budget for a default rate of between 10%-15%.
- The highest percentage of overspending is found in the R1500 category.
- If existing credit payment is considered, it seems highly unlikely for someone with an income of below R2500 per month to be able to afford housing in the Hull Street Project.

10.2 How big is the demand

One of the main objectives of the research was to determine the demand for rental housing in Kimberley. The process is explained in the Table below (see Table 10-5)

Table 10-5: Determining the demand for rental housing in Kimberley, 2003

Criteria used	1996	2010	Motivation
CURRENT HOUSEHOLDS	45636	49901	Growth rate of 1.5% p.a. used
CURRENT RENTALS		7984	16% according to census data
PREFERENCE FOR RENTING		5309	66,5% using both rental and rent-to-buy options
OWN PROPERTY		5193	2.2% own property
QUALIFYING FOR SUBSIDY		5099	1.8% has received subsidy
EMPLOYMENT STABILITY		4385	Taken as private sector, government sectors and mining related
CURRENT SATISFIED OR UNHAPPY		2877	65,6% according to 9.5.1
AGE 40 AND BELOW		2166	75,3%
AFFORDABILITY		1300	60% of sample (determined by the 50% that owns above R2500 and 10% below R2500)
TAKING INTO ACCOUNT ALTERNATIVE SANITATION		619	48% were satisfied with alternative sanitation

In order to understand the above table the following explanation should be provided:

- It started off with the number of households according to the 1996 census in Kimberley.
- This amount was then multiplied with an annual growth rate of 1,5% p.a. between 1996 and 2003.
- Then, according to the earlier assessment, 16% of the households in 1996 in Kimberley were renting.
- As the survey focussed on rental only, the percentage of people that preferred rentals or rent-to-buy units were then used to see what the current demand is.

- From the number above 2,2% and 1,8% were deducted respectively for households that have previously owned a housing unit and for households that have previously received subsidies.
- Employment stability was then taken as those households within a stable income – this was taken at 86% percent.
- From this the percentage that is satisfied and unhappy was calculated. Satisfied respondents were included, as it was visible from the results that a large percentage of people being satisfied will also consider new accommodation.
- As rental housing is usually preferred by younger households, the percentage of households younger than 40 years were considered.
- It was determined that 60% of the respondents would be able to afford the current rent (of the 50% earning above R2500, it was estimated that 80% would be able to afford it) and it would be affordable to 20% of those earning below R2500. This makes up 60% of the sample.
- After doing this calculation, it was determined that a market exists for approximately 1300 units.
- However, considering that only 48% of the respondents were comfortable with the idea of alternative sanitation, it meant that the possible demand dropped to only 600 units.

11 Concluding Comments

11.1 Impact on the existing rental market

As the study followed the broader Kimberley framework, the question is what the impact would be on the various geographical areas used for the purpose of the analysis during the research. Although some comments have been made with regard to the possible impact of the Hull Street Project, this section aims to comment on the possible implications.

Existing households on beneficiary list

Although it seems that affordability might be a problem, it is not possible to make specific comments in regard to this problem.

Private rentals: historically coloured

Due to the current location of these areas (the furthest away from the Kimberley CBD), it could be expected that a relatively large percentage of households might consider the Hull Street Project as a possibility.

Private rentals: historically white

Although households in these areas are probably the most likely to afford units in the Hull Street Project, they are least likely to occupy these units. The main reasons are that they are already occupying housing in close proximity to the CBD, or, if not, they most probably have private motor cars. Secondly, they are already, to a large extent, paying affordable rentals in the private sector that are considerably higher than in the public sector.

Private rentals: historically black

Hull Street might provide an alternative, especially for smaller households. It could be expected that some households from this area would occupy housing units in Hull Street.

Private rentals: grey

It could be expected that there might be quite a number of people from this group occupying units in the Hull Street project for the following reasons:

- Their initial reason for moving into their existing units was to get closer to work opportunities. Therefore, the Hull Street Project would continue to provide for this need.
- However, the study showed that people in this category paid the largest percentage of their income on rentals. The average amount paid by these households is higher than that of the rentals in Hull Street.
- A probable move to Hull Street might have an impact on the price of existing rent in this area.

Roodepan rentals

The construction of the Hull Street project would have the following implications on the existing Roodepan rentals:

- Those households that are able to afford it would most probably take up units in the Hull Street Project.
- As rent in Roodepan is far below a cost recovery rate, it would mean that the Roodepan flats are most likely to lose those households that can contribute towards paying their rent.

Kimberley rentals

It is highly unlikely that the Hull Street Project will have any impact on the existing Kimberley rentals for the following reasons:

- The majority of existing rental facilities is well-located in relation to the CBD and other job opportunities.
- The rent in Hull Street will be considerably higher than the existing rent in the Kimberley rentals.

Roodepan waiting list

It could be expected that those households to afford the rent in Hull Street would in actual fact take up residence in the Hull Street Project.

Informal settlements

The impact on informal settlements would probably be limited for the following reasons:

- The income levels of households in informal settlements are too low to afford the rent in Hull Street.
- Households in the informal settlements also had the highest number of dependants. Considering the lower income levels, this is highly unlikely that households from this area would move into the Hull Street Project.

11.2 Possible dangers

The following aspects should be acknowledged:

- The alternative sanitation will most probably reduce the existing market considerably – as already indicated when the demand was analysed.
- The existing municipal rent is extremely low. This will create the impression that the rent in Hull Street is extremely high. A considerable effort needs to be taken to ensure that this perception does not have a negative impact. This also needs political support.
- The possible take-over of flats in Roodepan creates a major risk to the Housing Company. As already noted, it is most likely that those households that can afford the Hull Street Rentals will probably move to the Hull Street Project.

11.3 Possible considerations:

Although possible alternatives to a number of problems have already been mentioned, the following section summarises the main aspects that should be considered:

- Using the old-age subsidy and consolidating the aged in some of the existing rentals in Kimberley. It should be noted that these units are already being occupied by a large percentage of older people.
- Proposals that parts of the Roodepan flats should be incorporated under the Housing Institution will be disastrous and should not be considered before a financial viability study has been conducted.
- The following aspects should be considered in marketing:
 - Quality
 - Safety and security
- Considering the selling of some units straight away – maybe those with alternative sanitation.

11.4 Synthesis

As stated in Section 2, the study had four objectives. The first objective was to define the potential market demand for social housing in the Kimberly area in terms of the size of the market, awareness in the market and current and potential use of the proposed product and/or service of the housing association. As for general levels of satisfaction with current housing conditions, 37% of respondents indicated that they were unhappy, 28,5% were satisfied and the remainder was happy. The lack of security, negative social conditions and poor living conditions, services not being up to standard and lack of privacy were cited as the reasons for being unhappy. Rented housing only is a preference of only 8% of the respondents. However, 58,6% indicated renting with the aim of owning as the main preference and 33,5% wanted to own a housing unit immediately. Against this background a potential market of 1 300 units was identified. However, the influence of alternative sanitation should not be underestimated and might influence this demand considerably.

The second objective requested that the demographic aspects of potential residents for social housing should be defined. Although a variety of demographic attributes were identified regarding rented housing in Kimberley, rented accommodation seemed to be a larger preference under female-headed households and smaller households. A considerable number of single-headed households were interested in renting.

Thirdly, the study envisaged some guidelines with regard to affordability. In general, it seems that people with an income of below R2000 per month will not be able to afford housing units in Hull Street. An attempt can, however, be made to cross subsidise between different income groups in the project. Rent should also preferably be kept below R1000 per month. Although the current rent for the Hull Street project is higher than what people are willing to pay, it corresponds fairly well with their ability to pay. The Sol Plaatje Housing Company should budget for a default rate of between 10% and 15%.

In the fourth place, we set out to define the nature of the product and/or service that the housing association should provide in the area in line with the outcomes emerging from objectives 1 to 3. The study indicated that the majority of respondents (48,2) preferred three-bedroom units while 46,8% preferred two-bedroom units. Only 5% preferred a one-bedroom unit. Considering affordability, it seems as if two-bedroom units are a safe option in terms of the Hull Street project

Annexure A:

NEEDS ASSESSMENT & AFFORDABILITY QUESTIONNAIRE

All fieldworker instructions are in italics

Please fill in the following before starting the interview

<i>Fieldworker name:</i>		
<i>Fieldworker supervisor:</i>		
<i>Date:</i>		
<i>Interview type</i>	<i>Beneficiary list</i>	<i>0</i>
	<i>Private rentals: Historically Coloured</i>	<i>1</i>
	<i>Private rentals: Historically White</i>	<i>2</i>
	<i>Private rentals historically: Black</i>	<i>3</i>
	<i>Private rentals: Grey</i>	<i>4</i>
	<i>Roodepan: rentals</i>	<i>5</i>
	<i>Kimberley rentals</i>	<i>6</i>
	<i>Roodepan: Waiting list</i>	<i>7</i>
	<i>Kimberley waiting list</i>	<i>8</i>
	<i>Informal settlements</i>	<i>9</i>

This paragraph should be read as an introduction.

Hello, my name is (*fieldworker name*) and I am working for the Sol Plaatje Local Municipality (Kimberley) I would like to find out more about your housing situation and needs. We are trying to find out what people need and what they are prepared to pay for housing.

We would like to interview you if you have the time. Will you please answer the following questions to the best of your ability and as honestly as possible. All the information will remain confidential and anonymous and you do not need to answer any questions that you are not comfortable with. The more information you provide, the better it will serve to advise and inform the housing project planned for the area.

Thank you for your participation and assistance.

Please note the following before starting the interview with the respondent

Tick (✓) the applicable blocks

Gender: Male Female

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- *In the questionnaire tick the applicable blocks or fill in information where necessary*
- *Be careful when filling in the table questions*
- *If you encounter any problems call your supervisor*

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For office use only

A. PROFILE OF THE RESIDENT

I would like to ask some questions about you.

1. What is your age (in years)? Date of birth:

2. Are you a South African citizen with a valid ID document or passport? Yes No

3. Are you a religious person? Yes No

4. Are you currently employed? Yes No

If NO, are you currently seeking employment? Yes No

If NO, why not? _____

5. What is your highest school grade passed?

Standard 5 and below (Grade 7) Standard 6 - 7 (Grade 8 & 9) Standard 8 (Grade 10) Standard 9 - 10 (Grade 11 & 12)

6. Do you have any formal after school training? Yes No

7. Do you have any informal training? Yes No

8. How long have you been staying in the area (years)? (current location)

9. Why have you been staying in the area? (current location)

Close to work opportunities Family living here Nowhere else to go

Other reason please specify: _____

10. Do you want to reside in the area permanently? Yes No

11. What form of transport do you have to use most often besides walking?

Taxi	<input type="text"/>	Bicycle	<input type="text"/>	Personal car	<input type="text"/>	Bus	<input type="text"/>
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12. Have you ever received a government housing subsidy? Yes No

13. Do you own any property or housing? Yes No

14. What is your current marital status?

Married	<input type="text"/>	Single / Never married	<input type="text"/>	Widowed	<input type="text"/>	Divorced	<input type="text"/>
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15. If married is your spouse working? Yes No

B. INFORMATION ON THE RESIDENTS FAMILY AND DEPENDENTS

I would like to ask you about your immediate family or dependents

1. Do you have any dependents?

Yes

No

If YES, please specify how many (number):

2. Have any of your dependents/family ever received a government housing subsidy?

Yes

No

3. Do any of your dependents/ family own any property or housing?

Yes

No

C. THE NEED AND DEMAND FOR HOUSING

I would like to ask you about the type of housing that should be provided

1. What type of housing would you be interested in the area?

Rental housing

Owning a house

Renting with the aim of owning later

If renting or rent to own is selected answer 1.1 to 1.3.

1.1 How much rent do you think should be charged for the following per month?

A rental amount must be provided for each type of unit below

Bachelor/room	R
1-bedroom unit	R
2-bedroom unit	R
3-bedroom unit	R

Would you be willing to pay these kinds of rentals for housing?

Yes

No

1.2 What form of housing would you choose to rent in the area?

1-bedroom unit

2-bedroom unit

3-bedroom unit

1.3 Which would you prefer?

Unit on ground floor

Unit on top floor

If the unit were on the top floor, would you like a balcony?

Yes

No

1.4 Should space be allowed for a garden at the housing unit?

Yes

No

1.5 Do you currently receive visitors often?

Yes

No

1.6 Should space be allowed for working/trading at your home?

Yes

No

1.7 Should specific space be provided where children can play?

Yes

No

1.8 Should space be provided for cultural/traditional activities?

Yes 1 No 2

1.9. How much rent will you be able to pay per month for housing?

<i>Rent per month</i>	(✓)
R0 - R100	1
R101 - R200	2
R201 - R300	3
R301 - R400	4
R401 - R500	5
R501 - R600	6
R500 - R1000	7
More than R1000	8

D. AFFORDABILITY OF THE RESIDENT

I need to ask you about your income and expenses to determine what kind of housing product you will be able to afford.

1. Are you currently paying rent for where you are staying?

Yes 1 No 2

If YES, how much (Rands)? R How often?

2. Are you currently paying for any municipal services (water, electricity)?

Yes 1 No 2

If YES, how much (Rands)? R How often?

3. What is your and your wife's estimated monthly and/or weekly income? (indicate by ticking the applicable block)

Income	Weekly (✓)	Monthly (✓)
R 1500 - R2500		1
R 2501 – R3500		2
R 3501 – R 5250		3
R 5251 – R7000		4

4. I am working as _____(type of job) at _____(company)

4. Do you receive any government financial help / support?

Yes 1 No 2

If YES, what type of financial help / support?

Pension 1 Disability 2 Foster grant 3 Child maintenance 4 Other government grants 5

5. Do you currently receive any financial help from your family?

Yes 1 No 2

If YES, how much (Rands)?

R

How often?

6. Do you currently have any credit?

Yes

1

No

2

6.1 Do you currently have any savings?

Yes

1

No

2

If YES, what type of credit or what type of savings?

Type of credit	✓	Repayment per month (Rands)?	Type of savings	✓	Current amount saved
Hire purchase	1	R	Savings account	1	R
Credit card	2	R	Stokvel	2	R
Loan	3	R	Saving scheme at bank or financial institution	3	R
Clothing account	4	R	Housing institution	4	R
Other:	5	R	Other:	5	R
	6			6	

7. What are your estimated weekly expenses on the following: (fill in expenses not specifically listed)

Expenses	Weekly	Monthly
Rent	R	R
Water	R	R
Electricity	R	R
Food	R	R
Transportation	R	R
Liquor / Alcohol	R	R
Clothing	R	R
Shoes	R	R
Shoe repair	R	R
Dry cleaning	R	R
Cigarettes	R	R
Household items	R	R
Lotto / gambling	R	R
Telephone	R	R
Gardening	R	R
Animal feeding	R	R

Other expenses	Weekly	Monthly
Church	R	R
Burial society	R	R
Union	R	R
Social activities	R	R
Stockvel	R	R
Cash for household	R	R
Furniture	R	R
Appliances	R	R
Cash send to family elsewhere	R	R
Amount for savings in bank or financial institution	R	R
	R	R
	R	R
	R	R
	R	R
	R	R
	R	R
	R	R

E. GENERAL

Lastly some general questions to finish off the interview

1. How do you feel about staying at the area where you are staying now? (✓)

Unhappy

Satisfied

Happy

Why do you feel this way?

2. What is the name of the suburb you are residing in?

3. Explain the nature of your current housing unit:

House on separate stand	1	Informal settlement	3	Formal unit in backyard e.g. garage	5
Flat	2	Backyard shack	4	Other	6

4. How many bedrooms in your current house?

5. Explain your current access to sanitation

None	1	Waterborne in house	3	VIP system	5
Bucket	2	Waterborne outside house	4	Other	6

6. Explain your current access to water:

In house	1	On stand	2	Public tap	3
----------	---	----------	---	------------	---

7. Would you like to change anything in the area to improve your situation?

Yes

No

If YES, please specify what:

8. Are you willing to accept alternative forms of sanitation? (fieldworker to explain)

Yes	1	No	2
-----	---	----	---

9. Are you willing to accept alternative forms of electricity (fieldworker to explain)

Yes	1	No	2
-----	---	----	---

10. Do you have any comments that you would like to add:

Thank you for participating in the research.

***Annexure B: Number of questionnaires completed per suburb
in Kimberley, 2002***

	Extensions	Frequency	%
1	Beaconsfield	28	5.5
2	Colville	15	3
3	Donkerhoek	14	2.8
4	Floors	16	3.2
5	Galeshewe	95	18.7
6	Hostels	9	1.8
7	Gemdene	2	0.4
8	Homelite	5	1
9	Homestead	6	1.2
10	Homevale	15	3
11	Moghul park	13	2.6
12	New Park	15	3
13	Phuthanong	3	0.6
14	Phuthanong informal settlement	2	0.4
15	Roodepan	47	9.3
16	Roodepan Flats	55	10.8
17	Sobantu	9	1.8
18	Square Hill Park	5	1
19	Vergenoeg Ext.	18	3.6
20	Albertynshof	3	0.6
21	Belgravia	6	1.2
22	Cassandra	6	1.2
23	City Centre	3	0.6
24	De Beers	13	2.6
25	Du Toitspan Road	1	0.2
26	Greenpoint	4	0.8
27	Greenside	8	1.6
28	Hadison	4	0.8
29	Herlear	6	1.2
30	Ipeleng	2	0.4
31	Mankurwane	2	0.4
32	Memorial	9	1.8
33	Rhodesdene	5	1
34	Southridge	3	0.6
35	Verwoed Park	3	0.6
36	West End	11	2.2
37	Ash Burnham	6	1.2
38	Kimberley North	12	2.4
39	Pescodia	4	0.8
40	Monument Height	2	0.4
41	Heizelson flat	13	2.6
42	Other, e.g. street names	9	1.8
	Total	507	100

Annexure C: An overview of the disposable income of per income category in Kimberley, 2002

R1500 income		R2500 income		R2501 income	
min	-6780, -2169	min	-5780, -1169	min	-2304, -1259
-10	8	-10		-10	
-9		-9		-9	
-8	9	-8	0	-8	
-7	54	-7		-7	
-6	53	-6		-6	
-5	32	-5		-5	
-4	61	-4		-4	440
-3	5520	-3		-3	760
-2	77654111	-2		-2	963
-1	996543321	-1		-1	5
0	98877655332110	0		0	842
0	01222334455667899	0		0	
1	01223458899	1	1	1	12
2	00011245566779999	2	55	2	46
3	0000012233445556677788899	3	57	3	013678
4	00112222334455577778899	4	78	4	23344579
5	01222333444555577889	5	48	5	013567888
6	00012236669999	6	458	6	112555666779
7	01112334455577889	7	033456899	7	01233467
8	0011244555677778	8	014466788	8	2489
9	1122457	9	12233445777899	9	01567888
10	023679	10	01222334455667899	10	00004466789
11	013	11	01223458899	11	0027789
12	1	12	00011245566779999	12	12589
13	8	13	0000012233445556677788899	13	0666
max	1423	14	0011222233444557778899	14	002669
		15	01222333444555577889	15	04679
		16	00012236669999	16	89
		17	01112334455577889	17	279
		18	0011244555677778	18	12
		19	1122457	19	06
		20	023679	20	
		max	2100, 2115, 2135, 2215, 2380, 2423	max	1901, 1961

R3500 income

R5250 income

min	-1305
-10	
-9	
-8	
-7	
-6	
-5	
-4	
-3	
-2	6
-1	
0	
0	
1	
2	
3	
4	
5	559
6	239
7	036
8	4
9	157
10	
11	12
12	46
13	013678
14	23344579
15	013557888
16	112555666779
17	01233467
18	2489
19	01567888
20	00004466789
21	0027789
22	12589
23	0666
24	002669
25	04679
max	2686, 2690, 2720, 2771, 2795, 2810, 2825, 2900, 2960
	R5251 income
min	-1480, -1280, -30

min	-3599, -3109, -2319, -2069, -1434, -1259
-10	
-9	52
-8	
-7	8
-6	22
-5	0
-4	
-3	4
-2	8
-1	9
0	931
0	
1	
2	057
3	
4	9
5	357
6	0
7	
8	
9	0
10	5
11	46
12	05
13	05679
14	278
15	0
16	01378
17	01577
18	237
19	5
20	2
21	004
22	002
23	55
24	037
25	23
max	2651, 2951
	R7000 income
min	270, 470, 1720, 1971

min	-1850, -1360, -570, -320
0	
0	
1	
2	
3	1
4	9
5	
6	
7	9
8	2
9	6
10	
11	22
12	4
13	
14	06
15	5
16	5
17	13
18	
19	5
20	02
21	
22	48
23	0255
24	
25	
26	
27	
28	09
29	15
30	05
31	01247
32	235
33	568
34	2356
35	02278
max	3620,3700,3770,3850,3852,3890,3950,3950,3970,4100,4100,4150,4180,4223,4272,4280,4400,

0	
0	
1	
2	2
3	
4	
5	1
6	
7	
8	
9	
10	1
11	
12	
13	4
14	
15	28
16	0
17	5
18	
19	18
20	5779
21	08
22	7
23	2
24	057
25	246
26	459
27	00255
28	0
29	29
30	7
31	0
32	
33	7
34	11
35	15
max	3610, 3700

0	
10	
15	
20	
21	
22	6
23	
24	
25	
26	
27	6
28	
29	
30	9
31	
32	7
33	35
34	
35	0
36	6
37	3
38	02245
39	3
40	27
41	5
42	0279
43	19
44	04557
45	005
46	7
47	4
48	25
49	
50	
51	266
52	6
53	06
max	5450

