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Potential demand for social housing in the Mangaung Local Municipality

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TABLE OF CONTENTS

Executive summary.....	vii
1. Introduction	1
2. Aim and objectives	1
3. Methodology and report outline.....	2
4. Description of areas	2
5. Overview of the housing situation in MLM.....	3
5.1 An overview of the housing backlog.....	3
5.2 Population growth in the MLM.....	4
5.3 An overview of income patterns in the MLM	5
5.4 Types of housing in the MLM	6
5.5 Rental housing and gender	8
5.6 Income distribution for housing units not owned	9
5.7 Relative importance of housing units that are not owned.....	9
5.8 Rental housing and rooms per housing type.....	11
6. An overview of the delivery of housing since 1994	11
7. Housing delivery and state owned rentals.....	12
8. Rental housing from the perspective of the private sector	14
8.1 Economic situation in MLM	14
8.2 Private sector rentals.....	16
8.3 Land for new developments	18
9. Analysis of questionnaire results.....	19
9.1 Methodology.....	19
9.2 Profile of respondents	21
9.3 Current housing situation	24
9.3.1 How long in current location?	24
9.3.2 Reasons for residing in their current location	26
9.3.3 Travel time and means of transport related to work	27
9.4 Current housing type	28
9.5 Current housing type	33
9.5.1 General levels of satisfaction.....	33
9.5.2 Changing the current environment	36
9.6 Housing preferences	37
9.6.1 Tenure	37
9.6.2 Preference with regard to the type of housing unit.....	40
9.6.3 Preference with regard to location.....	44
9.7 Affordability.....	47

9.7.1	Income levels of respondents.....	47
9.7.2	Employment profile of respondents.....	49
9.7.3	Savings.....	52
9.7.4	Existing debt.....	53
9.7.5	Willingness to pay.....	53
9.7.6	Current payment culture.....	57
9.7.7	Comparative payment for different housing sizes.....	58
9.7.8	The relationship between what respondents are willing to pay and what they are actually paying.....	60
9.7.9	An assessment of disposable income.....	61
9.8	How big is the demand?.....	63
10.	Conclusion.....	66
	ANNEXURE A : Needs Assessment and Affordability Questionnaire.....	66
	ANNEXURE B : A spatial overview of MLM 2003.....	74
	ANNEXURE C : The location of suburbs in Bloemfontein, 2003.....	75
	ANNEXURE D : Disposable income in Bloemfontein per income group.....	76
	ANNEXURE E : Disposable income in Mangaung/Heidedal per income group.....	86
	ANNEXURE F : Disposable income in Botshabelo and Thaba Nchu per income group.....	97

LIST OF TABLES

Table 5-1: Population growth in the MLM, 1986 – 2001.	4
Table 5-2: Household income distribution in the MLM, 1996 (urban areas only).	5
Table 5-3: An overview of housing type in MLM, 1996 and 2001.	7
Table 5-4: Gender profile of owned and non-owned housing categories in the MLM, 1996.	8
Table 5-5: An overview of housing units not owned in the MLM (urban), 1996.	9
Table 5-6: The number of housing units not owned and the percentage of housing units not owned in the MLM, 1996.	10
Table 5-7: Number of rooms for rental housing occupants in the MLM, 2003.	11
Table 6-1: Number of housing units constructed by means of the housing subsidy system since 1994 in the MLM.	12
Table 7-1: An overview of existing rental stock and rentals in MLM, 2003.	13
Table 7-2: An overview of the characteristics of residents in MLM rental housing, 2003.	13
Table 7-3: An overview of rental housing units belonging to the Free State Provincial Government, 2003.	14
Table 8-1: An overview of the type of employment in MLM, 1996.	15
Table 8-2: An overview of employment per industry in the MLM, 1996.	15
Table 8-3: The income distribution of individuals working at the University of the Free State, Provincial Government and the MLM, 2003.	16
Table 9-1: An overview of questionnaires completed in MLM, 2003.	20
Table 9-2: An overview of the actual number of questionnaires completed in Bloemfontein per suburb, 2003.	20
Table 9-3: A comparison between the actual number of questionnaires completed and the number of questionnaires planned in Mangaung/Heidedal, 2003.	21
Table 9-4: An overview of the main socio-economic attributes of the respondents in the MLM survey, 2003.	22
Table 9-5: The age distribution of respondents in the MLM, 2003.	24
Table 9-6: Number of years residing at current location in the MLM, 2003.	24
Table 9-7: Reasons why respondents choose to reside at their current location in MLM, 2003.	26
Table 9-8: Average time commuting to and from work on a daily basis in MLM, 2003.	27
Table 9-9: Means of transport to work, besides walking, for respondents in MLM, 2003.	28

Table 9-10: Current type of housing for respondents in MLM, 2003.....	29
Table 9-11: The number of bedrooms per house in MLM, 2003.....	29
Table 9-12: A comparison of the number of bedrooms and the dependants per household for respondents in the MLM survey, 2003.....	31
Table 9-13: Access to sanitation for respondents in MLM, 2003	32
Table 9-14: Access to water for respondents in the MLM, 2003.....	32
Table 9-15: Satisfaction levels with current housing in MLM, 2003	33
Table 9-16: Reasons for being unhappy with housing in the MLM, 2003.	34
Table 9-17: Reasons for being satisfied with housing in the MLM, 2003.....	35
Table 9-18: Reasons for being happy with housing in the MLM, 2003.	36
Table 9-19: Indication by respondents whether they would like to change their current environment in the MLM, 2003.	36
Table 9-20: Aspects that respondents in the MLM want to change in their housing environment, 2003.....	37
Table 9-21: Tenure choice of respondents in the MLM, 2003.....	38
Table 9-22: A comparison of tenure preference and income groups of respondents in MLM, 2003	39
Table 9-23: Type of housing unit preferred by respondents that indicated they want to rent or rent-to-own in the MLM, 1996.....	40
Table 9-24: Specific housing preferences of respondents that want to rent in the MLM, 2003.....	41
Table 9-25: Preference with regard to type of housing unit for respondents who indicated that they want to own or rent with the aim of owning later in the MLM, 2003.	43
Table 9-26: Specific housing preferences of respondents that want to rent-to-own or own in the MLM, 2003.	44
Table 9-27: Locational preferences of respondents that would like to rent or rent-to-own in the MLM, 2003.....	45
Table 9-28: Locational preferences of respondents that would like to rent or rent-to-own in the MLM, 2003.....	46
Table 9-29: An overview of the income levels of respondents in the MLM, 2003.	48
Table 9-30: Type of employment of respondents in the MLM, 2003.....	49
Table 9-31: Industry employed in for respondents in the MLM, 2003.....	50
Table 9-32: An overview of the savings of respondents in the MLM, 2003.....	52
Table 9-33: An overview of existing debt of respondents in the MLM, 2003.....	53
Table 9-34: Amount that respondents are willing to pay in the MLM for renting a housing unit, 2003.	54

Table 9-35: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Bloemfontein (MLM), 2003.....	54
Table 9-36: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Mangaung/Heidedal (MLM), 2003	54
Table 9-37: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Botshabelo and Thaba Nchu (MLM), 2003.....	55
Table 9-38: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in MLM, 2003	55
Table 9-39: Mean rent paid per income group in the MLM, 2003.	56
Table 9-40: Willingness to pay in order to own a house in MLM, 2003.....	57
Table 9-41: An overview of the current payment culture in the MLM, 2003.....	58
Table 9-42: An overview of disposable income per income category for households renting in Bloemfontein, 2003.....	62
Table 9-43: An overview of disposable income per income category for households renting in Mangaung and Heidedal, 2003.	62
Table 9-44: An overview of disposable income per income category for households renting in Botshabelo and Thaba Nchu, 2003.....	62
Table 9-45: The demand for rental housing in Bloemfontein and Mangaung/Heidedal, 2003.....	64
Table 9-46: Locational preferences with regard to the demand for rental stock for respondents in Bloemfontein, Mangaung and Heidedal, 2003.....	64
Table 9-47: Demand for rental housing under commuters between Botshabelo/ Thaba Nchu and Bloemfontein, 2003.	65
Table 9-48: Locational preference for Botsahbelo and Thaba Nchu respondents, 2003.....	65

LIST OF FIGURES

Figure 8-1: An overview of private sector rent in specific areas in Bloemfontein, 2003.....	17
Figure 9-1: The percentage of one-bedroom units per housing type of respondents in MLM, 2003.	30
Figure 9-2: Number of rooms preferred by respondents that want to rent a housing unit in the MLM, 2003	41
Figure 9-3: Percentage of households with more than one income in MLM, 2003.....	51
Figure 9-4: A comparison of payment for one-bedroom and bachelor units in the MLM, 2003.....	59
Figure 9-5: A comparison of payment for one-bedroom and two-bedroom units in MLM, 2003.....	59
Figure 9-6: A comparison of payment for two-bedroom and three-bedroom units in MLM, 2003.....	60
Figure 9-7: A comparison of payment for one-bedroom and three-bedroom units in MLM, 2003.....	60
Figure 9-8: A comparison of what respondents are willing to pay and what they are actually paying in MLM, 2003.....	61

EXECUTIVE SUMMARY

1. The purpose of the research is to examine the housing market in the Mangaung Local Municipality (MLM) and gain insight into the demand for a social housing product. Furthermore, the risks and ability of the potential residents to afford such a product is studied.
2. Methodologically the study is based on an assessment of the current rental housing stock in Mangaung Local Municipality, interviews with relevant role players, as well as a questionnaire survey to determine housing need and preference. The questionnaire survey was conducted in three distinct areas, namely Bloemfontein, Mangaung/Heidedal and Botshabelo/Thaba Nchu.
3. An attempt was made to complete approximately 400 questionnaires per area to allow for generalised conclusions concerning all the areas. In Bloemfontein, Mangaung and Heidedal the sample was determined by tracking households that are currently renting (with an income of between R1 500 and R 7 500 per month). In Botshabelo and Thaba Nchu commuters falling in the same income group were targeted.
4. The Mangaung Local Municipality and the Free State Department of Local Government and Housing have approximately 1 100 rental units in Bloemfontein. Of these units, the approximately 350 units opposite the University of the Free State are probably the best located and the best maintained. In general the quality of rental stock is fair to good.
5. In general, the current rent is not determined by means of cost recovery principles. Although payment levels for the rented stock in the Mangaung Local Municipality are acceptable, it seems that a large degree of subletting is taking place.
6. The private rental market in Bloemfontein is characterised by fairly high rentals (R1 300 – R1 600 per month for a two-bedroom unit) and a cyclic trend in which rented housing units are scarce during January and February but more readily available later in the year. In addition, the market is not always accessible to black people, while virtually no formal rental units have been supplied in the last two decades.
7. Housing delivery in Mangaung Local Municipality since 1994 has mainly focused on formal ownership to low-income dwellers and no rented accommodation has been provided during this period. Moreover, only a limited amount of housing linked to private sector finance has been provided in the last 10 years.
8. Approximately 71% of residents have been residing in their current location for 6 years or less, while 46.8% are residing there due to their proximity to work. At the same time, a large number of people would also like to move closer to their places of employment.
9. As for general levels of satisfaction with current housing conditions, 28.4% of respondents indicated that they were unhappy, 36.8% were satisfied and the remainder were happy. A negative social evaluation, poor living conditions, dissatisfaction with the distance to work and lack of security were the main reasons for being unhappy.
10. Rented housing is the preference of only 9.2% of the respondents, while 21.5% indicated renting with the aim of owning as the main preference and 69.3% prefer owning a housing unit immediately.
11. The majority of respondents (49.9%) prefer two-bedroom units while 35.2% prefer three-bedroom units. Only 15% prefer a one-bedroom unit. Considering affordability, it seems that two-bedroom units are a safe option.

12. In general, it seems that people with an income of below R2 500 per month will not be able to afford housing units in any project. However, an attempt could be made to cross-subsidise between different income groups in the project. Although it seems advisable to keep rentals as low as possible, no specific ceiling was set by the respondents.
13. It is advisable to budget for a default rate of between 10% and 15%.
14. The current demand for rented housing was estimated at approximately 1 200 units in Bloemfontein, Mangaung and Heidedal while it seems that approximately 1 100 commuter families could settle and afford rental accommodation in Bloemfontein.
15. In terms of locational preference it seems that areas in and around the inner-city is preferred while the grasslands east of Heidedal and Bloemanda are also high on the list.
16. Consideration can be given to buying existing municipal rental stock and combining it with new stock.
17. Quality, safety and proximity to work could be used as three main concepts in marketing housing in Bloemfontein.

DEMAND FOR RENTED HOUSING IN BLOEMFONTEIN

1. Introduction

The delivery of housing in the Free State and Bloemfontein has been dominated by project subsidies linked to ownership. In the mean time, high and medium-density housing have become important policy priorities for the Department of Housing. The provision of rented stock by means of the institutional subsidy in Bloemfontein is also on the agenda of the Mangaung Local Municipality (MLM). It has subsequently been included in their document on Integrated Development Planning (IDP). Against this background a comprehensive market analysis is essential to ensure that the scale of the provision of housing in this market is understood. Furthermore, if the building plan of a Social Housing Institution indicates that it will construct 2 000 housing units, it can access funds from various donors. These funds are available 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.

Although there is a need for the construction of rented housing, it is necessary to ask the following fundamental questions:

- How big is this need?
- What specific needs do people have with regard to rented accommodation?
- Who are the individuals or households that are interested?
- What is the current situation with regard to rented housing in the MLM, with specific reference to Bloemfontein?
- What impact will the construction of 2 000 units have on the rented housing environment in Bloemfontein?

2. Aim and objectives

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

The specific objectives of the research will be to:

- Define the market demand for social housing in the area of the MLM in terms of the size of the market, awareness in the market, current and potential use of the proposed product and/or service of the housing association.
- Define the demographics of the potential residents for social housing in the area (i.e. age, gender, income, location, employment status, etc.).
- Define the parameters of affordability, given the profile of potential residents of social housing in the area.
- 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 the three objectives stated above.

3. Methodology and report outline

A number of methodological approaches are used to complete the research. In the first place, an extensive assessment of the 1996 and 2001 census data is conducted¹. This is complemented by a brief overview of the delivery of housing in the municipality. There are basically three reasons for this approach. Firstly, it provides a holistic view of housing in the MLM. Secondly, it contributes important information that could guide the way in which the sample for the survey will be developed. Thirdly, it provides information that could be compared with the results of the survey.

In the second place, the current policy on rented housing and dynamics in the MLM is assessed by means of interviews with various officials from the municipality. Documentation related to rent management are analysed (e.g. rent contracts and waiting lists).

Thirdly, interviews were conducted with role players in the private sector. The information obtained during these interviews is assessed and specific attention is paid to assessing the trends in the private rented market, as well as the number of employers who may consider renting some of these units for their employees. Specific attention is paid to determine the demand for rented housing amongst government officials in the MLM.

The methodologies mentioned are supplemented with an extensive questionnaire survey consisting of 1 200 questionnaires that was conducted in the MLM (see Annexure A for questionnaire). A more detailed overview of the methodology provided will be given before the results of the survey are discussed.

This report is structured as follows:

- It starts off by analysing the housing situation in MLM by means of census data.
- This is followed by a brief discussion on the delivery of housing in MLM since 1994 and the IDP of the MLM.
- A profile of the existing rented stock of MLM and the Free State Provincial Government and the policies related to is given.
- A brief assessment of rental housing from the perspective of the private sector is provided.
- Finally, the results of the 1 200 questionnaires conducted in MLM are discussed and the demand, as well as levels of affordability are determined.

4. Description of areas

In the study a number of areas are mentioned on a continuous basis. These areas are briefly defined below and a map of the area is attached as Annexure B:

Mangaung Local Municipality (MLM): Refers to the area under the jurisdiction of the municipality and includes Bloemfontein, Mangaung, Heidedal, Botshabelo, Thaba Nchu and the rural areas (commercial farms and villages in Thaba Nchu).

¹ It should be noted that, at the time of this report, the 2001 figures were not yet available at community and city level. Figures for the Mangaung Local Municipality will accordingly be used.

Bloemfontein: Refers to the part of the city that was historically reserved for white people. In the section discussing the methodology for the questionnaire interviews, specific reference is made of the areas where the interviews were conducted.

Mangaung: Refers to the former black township adjacent to Bloemfontein. It is important to understand that black urbanisation to Bloemfontein was channelled away from Bloemfontein/Mangaung to Thaba Nchu since 1968 while the boundaries of Mangaung were frozen.

Heidedal: Refers to the former coloured township adjacent to Bloemfontein.

Botshabelo: Refers to the R 293 town established in 1979 to channel black urbanisation away from Bloemfontein and Mangaung – specifically for Sotho speaking people. It is located 55km away from Bloemfontein.

Thaba Nchu – refers to the urban area of the former Homeland of Bophutatswana some 65 km east of Bloemfontein

Thaba Nchu rural – refers to the villages in close proximity to Thaba Nchu

MLM rural – refers to the rural areas of the Mangaung Local Municipality.

5. Overview of the housing situation in MLM

This section attempts to provide an overview of the existing housing situation in the MLM by means of census data. The purpose of this discussion is to serve as background information to the rest of the research. Only limited data was available from the 2001 census at the time of the study. For this reason statistics from the 1996 census were used, along with limited input from the 2001 census, to develop the profile.

5.1 An overview of the housing backlog

Although defining the housing backlog is a fairly complicated process, a couple of indicators related to the backlog are used. The Mangaung IDP views the housing problem in a fairly simplistic manner and claims that not enough information is available. According to the IDP there is a backlog of 69 515 permanent houses in Mangaung, of which 27 263 are in Bloemfontein, 24 409 in Botshabelo, 14 319 in Thaba Nchu and 3 524 in rural areas. Housing was the third priority and mentioned by 85% of wards, with some wards also mentioning title deeds/land ownership. The IDP copy that was available to the CDS did not contain specific indicators and no relation between the objective and the strategies could therefore be found. In order to address the above housing situation the MLM has the following strategies:

- To ensure that social housing for 500 households which includes transitional housing is available for those in need.
- To ensure that 2 000 households are accommodated in new high-density institutional housing with varying options including rent, rent to buy and full ownership.
- To ensure that at least 11 500 new individual houses are built by the MLM as developer, or through People's Housing Process, to NHBRC standards and in attractive living environments.
- To ensure the upgrading/rebuilding of 1 000 dilapidated houses in Mangaung and to retain their historical character.

- To improve the aesthetics and quality of life in the built environment, particularly for new housing development, in terms of housing design in residential areas, layout and infrastructure design.
- To ensure that all houses built in Mangaung comply with NHBRC standards.
- To speed up the approval and issuing of housing subsidies to less than one month from the date an application is submitted.
- To ensure that all rental houses owned by MLM are in “good” condition.
- To establish housing advice centres.

From the above strategies two are important for this study. The first is the strategy to use the institutional subsidy for the construction of 2 000 rental housing units. The second is to ensure that the rental housing owned by MLM is in a good condition. This market research study attempts to determine whether a market for these units does exist and how future rental housing efforts and existing options could be managed.

5.2 Population growth in the MLM

A brief assessment of population growth is necessary to gain some understanding of the growth in the rental market. Table 5-1 provides an overview in this regard.

Table 5-1: Population growth in the MLM, 1986 – 2001

Area	1986	Growth 86-91	1991	Growth 91-96	1996	Growth 96-01	2001	Growth 91-01
Bloemfontein/Mangaung/Heidedal	232 984	5.2	300 150	2.2	334 753	1.8	365 636	2.0
Botshabelo	148 915	3.6	177 926	0.0	177 971	-0.2	175 820	-0.1
Thaba Nchu	64 036	-0.5	62 474	4.4	77 455	0.6	79 764	2.5
MLM rural (estimated)	35 000	-3.0	30 000	-2.1	26 922	-2.1	24 220	-2.1
MLM	480 935	3.5	570 550	1.6	617 101	0.9	645 440	1.2

Source: Statistics South Africa, 1998, 2003; Central Statistical Service, 1986 and 1991

The following comments may be made with regard to the data presented in Table 5-1:

- Over the period 1996-2001 the population growth in the MLM has been 0.9% with the highest growth in the municipal area in Bloemfontein at 1.8%. Over the same period the growth in Thaba Nchu and Botshabelo has declined considerably with the growth in Botshabelo at –0.2% and in Thaba Nchu at 0.6%. This observation reconfirms that Bloemfontein is the economic core of the MLM and that the two former homeland areas (Botshabelo and Thaba Nchu) are actually losing people as the population growth observed in these areas does not account for natural population growth.
- The population growth in the MLM over the last five years (0.9%) has been lower than the average for the Free State (1.78%), which is in turn lower than the average for South Africa.
- The population growth in Bloemfontein mainly occurs in and around Mangaung where it could be as high as 3% per annum. However, this growth is mainly due to the influx of low-income people.
- It should also be mentioned that these official statistics are in contrast to figures used in the Mangaung Housing Development Plan.

From the above information, it is not unreasonable to assume that the increase in the number of people occupying rental housing units in the MLM could be approximately 1% per annum. Two specific factors probably have an influence on the population growth, namely the slow economic growth in the Free State and in the MLM as well as the impact of HIV/AIDS. The Mangaung Economic Development Strategies estimates the economic growth in the MLM at 0.8% per annum. The Free State has in fact experienced negative growth, and fuel consumption figures in the MLM area also suggest negative economic growth. The second factor affecting the observed population growth relates to HIV/AIDS. It is estimated that 31% of pregnant women, or 17.7% of the population, are HIV positive (MLM Draft State of the Environment Report, 2003). These percentages in the Free State are probably some of the highest in South Africa and have most probably played a significant role in the lower than expected population growth in the Free State. The fairly high HIV prevalence rate also increases the risks associated with rental housing since it may result in lower levels of income, more instability in income and eventually job losses.

5.3 An overview of income patterns in the MLM

As mentioned above, one should not view the housing backlog simplistically as was done in the MLM IDP. Another aspect to consider in terms of the housing backlog is the incomes of the households in the MLM. This is important to determine affordability. Furthermore, as the institutional subsidy is dependent on households with a low but stable income, it may also provide some indication of the possible market (see Table 5-2).

Table 5-2: Household income distribution in the MLM, 1996 (urban areas only)

Income group (Rands)	Botshabelo	Botshabelo %	Thaba Nchu	Thaba Nchu %	Bloemfontein	Bloemfontein %	Mangaung	Mangaung %	Heidedal	Heidedal %	MLM	MLM %
0 - 1 000	24 260	64.8	4 314	51.6	7 968	22.1	24 010	57.2	1 380	30.6	61 932	48.2
1 001 - 1 500	5 992	16.0	1 198	14.3	2 435	6.7	6 535	15.6	681	15.1	16 841	13.1
1 501 - 2 500	4 033	10.8	1 182	14.1	3 818	10.6	5 396	12.8	825	18.3	15 254	11.9
2 501 - 3 500	1 326	3.5	603	7.2	3 345	9.3	2 429	5.8	475	10.5	8 178	6.4
3 501 - 5 250	959	2.6	503	6.0	5 537	15.3	1 976	4.7	528	11.7	9 502	7.4
5 251 - 7 000	373	1.0	268	3.2	2 444	6.8	684	1.6	279	6.2	4 047	3.2
above 7 000	489	1.3	298	3.6	10 549	29.2	963	2.3	335.5	7.5	12 635	9.8
TOTAL	37431	100.0	8 366	100.0	36 095	100.0	41 993	100.0	4 503	100.0	128 388	100.0

The data in Table 5-2 suggests that 61.3% of households in the MLM have monthly incomes of R1 500 and less. However, there are differences in this regard between the various urban areas in the MLM. The percentage for Bloemfontein (38.7%) and

Heidedal (45.7%) are considerably lower than the average while the percentages for Botshabelo (80.8%), Mangaung (72.8%) and Thaba Nchu (75.9%) are higher than the average. In terms of rental accommodation within the Social Housing model, it would be these households that would be less likely to become beneficiaries. There may, however, be a small percentage of these households that, due to increases in their incomes, are currently able to afford this form of rental accommodation.

According to data in Table 5-2, approximately 18% of the households (or 23 000 households) in the MLM earned an income of between R1 501 and R3 500 per month in 1996. These households are most probably the ones that will access the social housing product whilst at the same time have probably been neglected in terms of housing delivery since 1994. It is interesting to note that the highest percentage is found in Heidedal (28.8%) followed by Thaba Nchu (21.3%), Bloemfontein (19.9%) and Mangaung (18.6%). Although Heidedal has the most households in this group in terms of percentages, it should be stressed that the 28.8% observed in Heidedal represents only 1 500 households. Although a more detailed assessment of delivery since 1994 will be done in Section 6, it is exactly this group of households who have been neglected in terms of housing in MLM. This group makes up approximately 22% of households earning less than R3 500 per month but have probably not received more than 10% of the subsidies in the MLM.

Although the initial subsidy band excluded households beyond a monthly income of R3 500, it seems that policy in this regard may change to include households with incomes up to R7 500 per month. This will mean that an extra 10.6% of households or 13 500 households could potentially be added. The largest percentage addition will come from Bloemfontein and Heidedal (22.2% and 17.8%, respectively). After 1994 this group was expected to access private sector housing finance. However, this was not always possible and the extension of at least the rental subsidy might provide a better form of housing to people in this income category.

5.4 Types of housing in the MLM

An overview of the housing type in MLM will not be worthwhile if an internal comparison is not conducted. Furthermore, a comparison with the rest of the province and a few other urban areas in South Africa might also be worthwhile. Table 5-3 provides a comparison of housing types in Bloemfontein, Mangaung, Botshabelo and Thaba Nchu while Table 5-3 compares the MLM and Bloemfontein/Mangaung profile with the rest of the province as well as with a number of key urban areas in South Africa.

Table 5-3. An overview of housing type in MLM, 1996 and 2001

Housing type	1996											2001										
	Separate stand	Traditional	Flat	Town house	Retirement village	Backyard formal dwelling	Informal dwelling in Backyard	Shack elsewhere	Room/flat let on shared property	Caravan/tent	None/homeless	Other	Unspecified /dummy	NA: Institution/hostel	TOTAL							
Botshabelo	21 716	3 265	113	202	18	731	6 884	5 837	155	20	1	66	153	0	39 161							
Percentage	55.5	8.3	0.3	0.5	0.0	1.9	17.6	14.9	0.4	0.1	0.0	0.2	0.4	0.0	100.0							
Bloemfontein: Former white area	21 602	471	6 339	4 944	971	2 454	536	1 889	349	40	4	43	118	0	39 760							
Percentage	54.3	1.2	15.9	12.4	2.4	6.2	1.3	4.8	0.9	0.1	0.0	0.1	0.3	0.0	100.0							
Bloemfontein: Mangaung	23 559	197	118	404	24	2 733	2 725	14 262	1 170	18	1	45	301	0	45 557							
Percentage	51.7	0.4	0.3	0.9	0.1	6.0	6.0	31.3	2.6	0.0	0.0	0.1	0.7	0.0	100.0							
Bloemfontein: Heidedal	4 020	7	16	462	8	489	173	14	286	5	0	4	36	0	5 520							
Percentage	72.8	0.1	0.3	8.4	0.1	8.9	3.1	0.3	5.2	0.1	0.0	0.1	0.7	0.0	100.0							
Thaba Nchu	6 010	1 459	63	33	3	139	541	441	41	1	3	46	47	0	8 827							
Percentage	68.1	16.5	0.7	0.4	0.0	1.6	6.1	5.0	0.5	0.0	0.0	0.5	0.5	0.0	100.0							
MLM	77 141	5 409	6 666	6 067	1 027	6 568	10 887	22 494	2 010	84	9	204	657	0	139 225							
Percentage	55.4	3.9	4.8	4.4	0.7	4.7	7.8	16.2	1.4	0.1	0.0	0.1	0.5	0.0	100.0							
Free State urban - Percentage	53.2	3.8	2.7	2.7	0.4	5.4	9.6	19.7	1.3	0.1	0.0	0.5	0.5	0.0	100.0							
2001																						
MLM (including rural)	113 631	7 999	6 132	5 126		6 259	8 011	35 800	1 519	475		59			185 011							
Percentage	61.4	4.3	3.3	2.8		3.4	4.3	19.4	0.8	0.3		0.001			100.0							

The following conclusions can be drawn from Table 5-3:

- Houses on separate stands make up the largest percentage for a single housing category in MLM, namely 55.4%. This percentage is considerably higher in Heidedal and Thaba Nchu where less informal settlements, flats and town house are present.
- The second largest category in the table for MLM is “informal dwelling or shack elsewhere”, with a value of 16.2%. What is noteworthy is that this percentage has risen to more than 19% in 2001. This is probably an indication that the attempts to address and formalise informal settlements have not kept up with the growth thereof.
- The majority of flats (traditionally a rental housing form) are found in Bloemfontein while backyard shacks and formal backyard units (the other types of housing used as rental housing) are more popular in Botshabelo and Mangaung.
- Compared to the rest of the Free State, flats, townhouses and flats are more prominent in MLM. For example 4.4% of units in MLM urban are townhouses compared to 2.7% in the Free State. The comparative figures for formal flats are 4.8% in MLM and 2.7% in the remainder of the Free State urban areas. This is probably an indication that MLM, and more specifically Bloemfontein, has a far larger rental market than the rest of the Free State..

5.5 Rental housing and gender

The Sections 5.3 and 5.4 have indicated the housing types and provided an overview of income patterns of households in the MLM. This section will firstly determine the number of households renting and secondly compare that with gender preferences in this regard (see Table 5-3).

Table 5-4: Gender profile of owned and non-owned housing categories in the MLM, 1996

Area	Owners				Non-owners			
	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Botshabelo	21 136	56.6	16 214	43.4	1 027	56.7	784	43.3
Bloemfontein: Former white area	20 196	79.2	5 297	20.8	8 692	54.9	7 139	45.1
Bloemfontein: Mangaung	24 714	62.4	14 900	37.6	3 505	82.1	763	17.9
Bloemfontein: Heidedal	2 819	66.2	1 439	33.8	794	77.1	236	22.9
Thaba Nchu	4 889	62.3	2 962	37.7	619	100.0	0	0.0
TOTAL	73 754	64.4	40 812	35.6	14 637	62.1	8 922	37.9

According to Table 5-4, the total number of households not owning in the MLM is 23 559 or 17.1% of all households. At the same time, 67% of these rental units are found in the former white suburbs of Bloemfontein. However, the above information should be understood against the following aspects:

- The perception of owning and not owning varies between different groups. The information for especially Mangaung, Heidedal, Thaba Nchu and Botshabelo should therefore be understood in context.
- For example, someone in a backyard shack may believe that he/she owns the shack but not the land. This will be shown in more depth when the type of housing units and the rental preference are assessed later in this section.

In terms of the gender differences, the following key observations should be made:

- In none of the areas did more females than males rent.
- In general the male owners were considerably more than the female owners while male and female percentages for non-owners were more closely related, especially in former white Bloemfontein.

5.6 Income distribution for housing units not owned

This section aims to briefly give an overview of the income bands for households not owning according to the 1996 census date (see Table 5.5).

Table 5-5: An overview of housing units not owned in the MLM (urban), 1996

Income group (Rands)	Botshabelo	Botshabelo %	Thaba Nchu	Thaba Nchu %	Bloemfontein	Bloemfontein %	Mangaung	Mangaung %	Heidedal	Heidedal %	MLM	MLM %
0 - 1 000	1 206	68.9	424	46.5	4 789	36.0	3 539	63.7	424	41.6	10 382	46.0
1 001 - 1 500	234	13.4	95	10.4	1 278	9.6	844	15.2	196	19.2	2 647	11.7
1 501 - 2 500	164	9.4	115	12.6	1 811	13.6	669	12.0	183	17.9	2 942	13.0
2 501 - 3 500	64	3.7	82	9.0	1 332	10.0	228	4.1	77	7.5	1 783	7.9
3 501 - 5 250	43	2.4	85.5	9.4	1 833	13.8	176	3.2	70	6.8	2 207	9.8
5 251 - 7 000	20	1.1	52	5.7	674	5.1	63	1.1	33	3.2	843	3.7
above 7 000	20	1.1	58	6.4	1 594	12.0	40	0.7	38	3.7	1 751	7.8
TOTAL	1 750	100.0	912	100.0	13 312	100.0	5 559	100.0	1 020	100.0	22 554	100.0

It seems from the table that a large percentage (46%) of household in the MLM not owning, earn less than R1 000 per month. At the same time 7.8% earn more than R7 000 per annum. In Bloemfontein 36.0% of the households earn less than R1 000 per month while in Botshabelo and Mangaung this percentage is 68.9% and 63.7%, respectively. The highest percentage of households earning in excess of R7 000 per month are found in Bloemfontein (12%) followed by Thaba Nchu (6.4%).

5.7 Relative importance of housing units that are not owned

Sections 5.5 and 5.6 provided an overview of housing units in the MLM that are not owned according to the 1996 census data, as well as an assessment of the gender implications and income bands of such households. In this section a brief assessment of the degree to which various housing types are not owned (assumed rented) in specific areas is given. The information is presented in Table 5-6.

Table 5-6: The number and percentage of housing units not owned in the MLM, 1996

Number of units not owned							
Area	House on separate stand	Flat	Cluster / town house	House in Backyard	Informal shack in Backyard	Informal house	Room in shared property
Botshabelo	972	2	16	175	412	128	15
Bloemfontein: Former white area	4 245	4 899	1 694	1 942	343	116	279
Bloemfontein: Mangaung	2 764	39	139	1 479	354	506	537
Bloemfontein: Heidedal	455	2	90	313	106	11	257
Thaba Nchu	668	60	13	53	33	20	15
Percentage of units not owned							
Botshabelo	4.5	1.8	7.9	23.9	6.0	2.2	9.7
Bloemfontein: Former white area	19.7	77.3	34.3	79.1	64.0	6.1	79.9
Bloemfontein: Mangaung	11.7	33.1	34.4	54.1	13.0	3.5	45.9
Bloemfontein: Heidedal	11.3	12.5	19.5	64.0	61.3	78.6	89.9
Thaba Nchu	11.1	95.2	39.4	38.1	6.1	4.5	36.6

As mentioned earlier, there is some concern about equating the number of people not owning with the number renting. In fact, the major concern is that a large percentage of people that indicated that they own their dwellings might in fact be renting. For example, it is highly unlikely that only 54.1% of households are renting formal backyard housing units in Mangaung. If that were true, 45.9% of the households in these units would own. This percentage is highly unlikely. The same argument is valid for informal backyard shacks and room in shared property. The statistics for flats, town houses and houses on separate stands are more appropriate. The following main conclusions can be made in this regard:

- The highest percentage of housing units that are not owned is found in Bloemfontein where 19.3% of the housing units fall into this category.
- In terms of flats, 77.3% of households in Bloemfontein residing in such units stated that they do not own. The percentages in the other areas are of little importance since the actual numbers are small.
- The percentage for formal backyard units that are not owned is fairly large but in contrast with the lower percentage for the case of informal units. This probably confirms the suggestion made earlier that respondents might own some of the building material and therefore consider themselves owning their housing unit.

Considering the above dilemma it is suggested that all backyard housing units (formal and informal) should be seen as part of the rental stock in the MLM. With this in mind, the following totals should probably be considered as rental stock in the MLM:

- Bloemfontein: Existing non-owned (15 824) plus backyard and shared units (775) = 16 999.
- Mangaung: Existing non-owned (4 268) plus backyard and shared units (5 430) = 9 798.
- Botshabelo and Thaba Nchu: Existing non-owned (1 811) plus backyard units and shared units (7 168) = 8 979.

5.8 Rental housing and rooms per housing type

This section provides a brief overview of the number of rooms of households renting in the various urban areas of the MLM (see Table 5-7).

Table 5-7: Number of rooms for rental housing occupants in the MLM, 2003

Area	1	2	3	4	5	6+	Total
Botshabelo	31.4	21.2	17.5	18.8	5.6	5.6	100.0
Bloemfontein: former white area	17.3	15.2	18.9	21.7	10.2	16.7	100.0
Bloemfontein: Mangaung	70.6	14.9	5.1	7.2	2.0	0.3	100.0
Bloemfontein: Heidedal	49.7	32.3	4.4	8.2	4.1	1.4	100.0
Thaba Nchu	21.8	9.3	35.0	18.8	7.5	7.6	100.0
MLM urban	16.1	26.8	17.9	15.5	13.8	9.9	100.0

The following comments need to be made with regard to the number of rooms in rental housing units in the MLM:

- The largest percentage of one-room housing units is found in Mangaung where 70.6% of the households that rent are residing in this type of housing unit. Mangaung also has the lowest average housing size of 1.6 rooms per house
- The largest percentages of four-, five-, and six-bedroom housing units are found in the former white parts of Bloemfontein – respectively 21.7%, 10.2% and 16.7%. The average housing size in former white Bloemfontein is 3.6 rooms per housing unit.
- The average housing size in the MLM was calculated as 3.2 rooms per housing unit.

In general the above observations confirm the conventional wisdom that households that would like to rent are usually the smaller households with a need for smaller housing units. The observations also confirm that, in terms of housing size, the housing conditions are the poorest in Mangaung.

6. An overview of the delivery of housing since 1994

This section aims at providing a broad overview of the delivery of housing in the MLM since 1994. Table 6-1 lists the number of houses constructed since 1994 by means of the housing subsidy system.

Table 6-1: Number of housing units constructed by means of the housing subsidy system since 1994 in the MLM

Year	Number of houses completed
1994 – 2001	12301
2002	2610
2003	1151
Total	16062

Source: MLM Housing Department, 2003

The following comments with regard to housing delivery since 1994 can be made:

- Except for approximately 3 500 consolidation subsidies, the remainder of the housing units were constructed by means of project subsidies.
- Thus far no institutional subsidies have been used in the MLM.
- It is estimated that 70% of these units have been constructed in Mangaung Township, 23.9% in Botshabelo and the remainder in Thaba Nchu.
- Approximately 500 subsidies were used in terms of the People's Housing Process.
- It is also estimated that, except for approximately 200 housing units in Thaba Nchu and 200 in Mangaung Township, all housing units were in the lowest income band and therefore did not require any additional housing finance.
- Approximately 150 subsidies were used for the upgrading of the Transnet Hostel (from single-sex units to owned accommodation for families).
- Some of the old single-sex hostels in Mangaung Township were also converted to family units.

7. Housing delivery and state owned rentals

Existing rental stock in the MLM can be divided into two sections, namely that belonging to the MLM, and the stock belonging to the Free State Provincial Government. Table 7-1 provides an overview of the stock and accompanied rentals belonging to the MLM while Annexure C provides an overview of the location of these units in Bloemfontein.

Table 7-1: An overview of existing rental stock and rentals in MLM, 2003

Location	Size	Unit		Rentals (ZAR)	Quality assessed (1-4)	Location
		(n)	%			
Brandwag flats	Bachelor	78	22.2	412	3	Brandwag
	2 bedroom units	70	19.9	578		
	3 bedroom units	203	57.8	719		
Bloemhof flats	2 bedroom	45	100.0	488	4	St George Straat
Stillerus (for the elderly)	Bachelor	42	42.9	151	4	Orangesig
	1 bedroom	56	57.1	209		
Lourierpark town houses	2 bedroom	100	100.0	460	2	Lourierpark
Church street	1 bedroom	16	66.7	301	4	Church street
	2 bedroom	8	33.3	328	4	
Sundry dwellings	House and Flats	68	100.0	-	3	All over the city
Lentehof Flats (for the elderly)	1 bedroom	20	100.0	279	3	Near show grounds
Heidedal scheme (houses)		380	100.0	-	2	Heidedal
Total		1 086				

Source: MLM housing Department, 2003

In general, it seems that the rent asked is not enough to manage these units in the long run. Excluding the rentals in Heidedal, the payment rate was estimated between 75% and 80%. In fact, it seems that the existing rentals only cover the maintenance on housing units and not the salaries and other expenses. It also seems that the rent may be considerably lower than that which would be asked in a social housing project. Apparently there is also a larger degree of sub-renting taking place within the existing rented housing units. Furthermore, from the various interviews it seems that the MLM is either unwilling to address the problem of non-payment or finds it legally difficult to do so. It is also noteworthy that the municipality has a waiting list of approximately 600 people wanting to access rental housing in Bloemfontein. In order to get a better understanding of the profile of inhabitants, an overview is provided in Table 7-2.

Table 7-2: An overview of the characteristics of residents in MLM rental housing, 2003

	Age		Dependants		Income	
	Average	Median	Average	Median	Average	Median
Brandwag flats	38.5	35	1.87	2	R3 631	R3 100
Other stock	45.9	37	1.22	1	R 2 611	R2 230

Source: MLM housing department, 2003

The average age of residents in the Brandwag flats is 38.5 years. This age is considerably lower than that of residents in the other available stock (45.9). This is probably because the other stock includes a considerable number of formal housing units, as well as single rooms, which are usually associated with older residents. It also seems that the level of income of people in the Brandwag flats is remarkably higher than that of people in the other stock. Except for the housing units that are rented, this probably reflects on a higher standard of housing in the Brandwag flats.

There are also a number of units that belong to the Free State Provincial Government (see Table 7-3).

Table 7-3: An overview of rental housing units belonging to the Free State Provincial Government, 2003

Area	Number of units	Size
Ehrlichpark	18	Bachelor
Ehrlichpark	18	1 bedroom
Ehrlichpark	32	2 bedrooms
Ehrlichpark	52	3 bedrooms
President court	3	-
Werda - Brandwag	3	-
Total	126	

Source: Department of Local Government and Housing, 2003.

As in the case of the Brandwag flats, a fairly large number of units are three-bedroom units of which the majority are located in Ehrlichpark. Unfortunately no biographic and socio-economic information was available for the households residing in these units. It should also be mentioned that both the municipal and provincial government recently attempted to privatise these units. A large number of housing units in Bloemfontein have in recent times been privatised while the discount benefit scheme has been used extensively in Mangaung. In fact, Mangaung is the only former black township in which the R7 500 discount scheme has been completed. However, what was not clear is how MLM views the future of their existing stock. Maybe the fact that no precise guideline was available in this regard shows the void in terms of policy relating to existing rentals.

Some consideration could be given to taking over some of these units by means of a social housing institution. The subsidy to the elderly could also be used with regard to some of the units occupied by them.

8. Rental housing from the perspective of the private sector

In this section three related aspects will be discussed, namely:

- A brief overview of the economic situation in the MLM.
- A brief description of the experience of companies in the rental market.
- A brief overview of the number of public officials with a monthly income of between R1 500 and R7 500.

8.1 Economic situation in MLM

The MLM Economic Development Strategy (2003) states the following key characteristics of the MLM economy:

- The MLM has a very small primary sector (4%), followed by a small secondary sector (14%) and a disproportionately large tertiary sector (82%).
- It is mentioned that there are specific concerns about the secondary sector. For a **developing** economy, it is too small in proportion to the tertiary sector.
- Commercial services contribute 35% of the GDP in the MLM, followed by finance (18%), trade (16%), transport (13%), manufacturing (8%), agriculture (4%) and electricity and construction on 3% each. However, no drastic change in the profile of the MLM economy has occurred over the past 16 years under review. Sectors that did show an increase are finance, transport and trade. Manufacturing, construction and agriculture have shown negative growth.

Added to the above, a brief overview of employment type and employment per industry is provided (see Table 8-1 and Table 8-2).

Table 8-1: An overview of the type of employment in MLM, 1996

Type of occupations	MLM	% of total	% Excluding elementary occupations
Legislators, senior officials and managers	6 447	4.2	5.9
Professionals	17 252	11.3	15.9
Technicians and associate professionals	10 716	7.0	9.8
Clerks	15 791	10.4	14.5
Service workers, shop and market sales workers	18 936	12.4	17.4
Skilled agricultural and fishery workers	5 012	3.3	4.6
Craft and related trades workers	24 745	16.2	22.7
Plant and machine operators and assemblers	9 937	6.5	9.1
Elementary occupations	43 494	28.6	0
Total	152 330	100.0	100.0

Table 8-2: An overview of employment per industry in the MLM, 1996

Type of industry	(n)	%
Community, social and personal services	41 947	34.5
Wholesale and retail trade	21 388	17.6
Manufacturing	15 652	12.9
Transport, storage and communication	11 207	9.2
Financial, insurance, real estate and business services	11 198	9.2
Construction	9 947	8.2
Agriculture, hunting, forestry and fishing	6 634	5.5
Electricity, gas and water supply	2 153	1.8
Mining and quarrying	1 598	1.3
Total	121 724	100

The two tables above confirm the general picture of the Bloemfontein economy – although manufacturing probably provides a better overview than what is portrayed in Table 8-1 and Table 8-2 above. Once again the low percentages of people in the primary sector are significant.

The above picture confirms the conventional wisdom that, in general, Bloemfontein is a city in which the public sector (including the tertiary institutions and schools) plays an important role. Concomitant to this, the role of the sophisticated medical services should also be acknowledged. Taking into account the role of the public sector, further investigation into the income bands of public officials is important. Table 8-3 provides an overview of the income distribution of officials at the University of the Free State, Provincial Government and residing in the MLM.

Table 8-3: The income distribution of individuals working at the University of the Free State, Provincial Government and the MLM, 2003

Income categories (ZAR)	UFS	%	FSPG	%	MLM	%	Total	%
1 500-2 500	274	22.8	6	0.1	18	0.5	298	1.8
2 501-3 500	329	27.4	3 228	28.5	2 471	68.4	6 028	37.3
3 501-5 500	374	31.1	3 199	28.2	885	24.5	4 458	27.6
5 501-7 500	225	18.7	4 892	43.2	241	6.7	5 358	33.2
Total	1 202	100.0	11 325	100.0	3 615	100.0	16 142	100.0

UFS: University of the Free State; FSPG: Free State Provincial Government

If the Technikon is added to the table above, it seems that one could roughly estimate that approximately 17 500 people earn monthly incomes of between R1 500 and R7 500 (in the MLM). This number includes all public officials. Approximately 70% of these people are employed by the Free State Provincial Government. This probably makes the Free State Provincial Government the biggest employer in the MLM. Therefore, if any long-term agreements need to be negotiated between a social housing institution and an employer, an attempt should be made to tie such an agreement with the Free State Provincial Government.

8.2 Private sector rentals

This section provides a broad overview of the main trends, rent and a brief overview of management systems that are in place.

In both cases the estate agents that were interviewed had stock available. It should be mentioned that this is normally the situation in Bloemfontein towards the end of a year. However, at the start of each year the estate agents usually do not have stock available. This can be attributed to the fact that students move in and out during these periods. It should be kept in mind that a large proportion of the private rental market in Bloemfontein consists of students (estimated at 10% - 20%). It should also be mentioned that students were not part of the sample taken since a deliberate effort was made to exclude students. At the same stage it should be mentioned that, although the University of the Free State and Technikon Free State have both grown considerably during the last 10 years, this growth has mainly been in terms of poorer black students who cannot necessarily afford private sector rentals. The University of the Free State has grown by at least 50% since the mid-1990s (from approximately 8 000 full-time students to 12 000 full-time students). The Technikon has grown from approximately 6 000 students in 1995 to approximately 9 000 in 2003.

In only a marginal number of cases did the estate agents rent stock to employers that require housing units for their workers. This situation occurred mainly in the construction industry. It should also be mentioned that a large percentage of existing open housing units consist of newly built townhouses in Langenhovenpark. Another factor that seems to play a role is that some owners indicated reservations about leasing their housing units to people of colour. A letter by a doctor from Thaba Nchu in the local newspaper "Die Volksblad" is further evidence in this regard. In the light of a slight over supply of rental units, there are indications that owners are becoming less rigid. However, it still seems that it is more difficult to access rental housing in Bloemfontein if you are black. Another factor mentioned was that three-bedroom flats

are extremely scarce, despite the apparent demand for it. It should also be mentioned that, as far as flats are concerned, virtually no rental stock has been added in Bloemfontein during the last 20-25 years.

When units suitable for renting were considered, a distinction was made between flats in and around St George Street (southern part of the CBD), flats to the northern part of the inner city and adjacent to the inner-city, as well as town house rentals. An average of the estimates given by the estate agents was used. Figure 8-1 gives an overview in this regard:

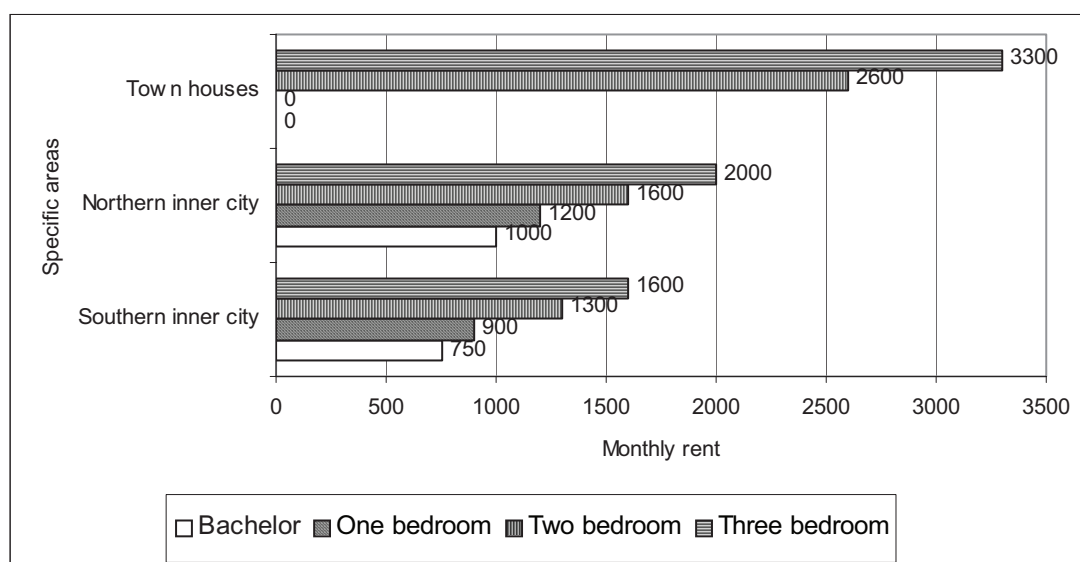


Figure 8-1: An overview of private sector rent in specific areas in Bloemfontein, 2003

It should be noted that no bachelor and one-bedroom townhouses exist and these categories were accordingly given a nil in Figure 8-1. The lowest rent is found in the vicinity of St George Street in Bloemfontein (southern inner city). However, the rent for a two-bedroom flat is already R1 300 according to the estimates from the estate agents. It also seems that the southern parts are approximately 25% cheaper than the northern parts. Townhouses are approximately 40% more expensive than flats in the northern parts of the inner city.

As far as the systems that are available to these agencies for selecting tenants are concerned, the following should be mentioned:

- In most cases an individual interview is conducted with all applicants.
- Applicants have to be able to show a stable monthly income.
- All applicants are tested against national “non-payment” lists.
- Some of the estate agents have their own lists of poor payers.
- In general, an income of between 1.5 and 2 times the rent is required to access a rental housing unit. The income required, compared to the rent, is extremely low. This is probably some indication of the fierce competition in this regard.
- Various systems are in place to ensure that non-payers are immediately identified, communicated to and, if needed, given order to evacuate the premises or housing unit.
- Any social housing institution can benefit from having access to the “bad debt” list as well as linking with some of the existing lists.

8.3 Land for new developments

The MLM, in association with the developers of Mandela View on the former Bloemduin industrial area, has identified land in this development for possible social housing. In this section a brief overview of the Mandela View development will be provided followed by short assessment of whether a social housing development is viable in this area.

A Taiwanese company initiated Mandela view in 2000 to provide middle to high-income housing on land adjacent to Bloemduin. Bloemduin was an example in the BBT region of a border industry area (similar to Roslyn near Pretoria). Bloemduin is located approximately 20km from Bloemfontein and 35 km from Botshabelo along the N8. However, unlike Roslyn, Bloemduin never developed as no real market existed. This was mainly because the economy in and around Pretoria is on a considerably larger scale than in Bloemfontein. It is important to note that fairly extensive bulk infrastructure is available in the area, such as a reservoir and sewerage dams. In the first phase 1 500 housing units are planned. The final development will consist of 15 000 units, a golf estate, a hotel and international conference centre. The project provides housing units between R90 000 and R200 000. So far 40 housing units have been sold of which 34 have been occupied. Except for the single houses per stand, which are normally planned, the existing plan also makes provision for stands on social housing units may be developed by means of the institutional subsidy

Although the CDS was only alerted to the possible development of Mandela View after the questionnaire was completed, a number of comments need to be made with regard to the development of Mandela View as a potential site for social housing. First, a brief assessment of the Mandela View development will be made. This will be followed by a number of critical questions with regard to the development. These questions will be asked against the framework of existing legislation on urbanisation and development, as well as possible comments from the results of the survey.

The development of Mandela View should be complemented in terms of the following points:

- It seems to be a sincere endeavour by a developer that has a sense of social responsibility.
- The developer has attempted to plan an integrated and holistic development with stands for schools, clinics, shopping centres, etc.
- It could potentially form part of a development corridor along the N8 and was propagated as such to the developer by government institutions.
- The fact that banks are willing to provide bonds in the area is an indication that a settlement environment has been created that is conducive to private sector finance.

Despite these commendable efforts by the developer the following crucial questions should be answered:

- To what degree does it comply with the intention of higher urban densities as propagated by the Development Facilitation Act (act 67 of 1995) and the Urban Development Framework? One could argue that it does comply if a larger number of residents from Botshabelo and Thaba Nchu decides to locate there. This seems to be the case. However, if residents from Bloemfontein and Mangaung were to settle there, it would probably decrease urban densities and result in further urban sprawl.
- Concomitant to the argument of lower densities, the Development Facilitation Act requires optimal use of existing infrastructure. Once again, there are two

ways of looking at this. Firstly, it is true that the Mandela View development makes use of existing infrastructure available in the areas. However, it also places high demands on the existing social infrastructure, for example, schools, clinics and parks. The long-term impact on financial viability should also be calculated (e.g. longer travel distances to collect refuse, road maintenance, etc.)

- To what degree would such a development comply with the criteria set out in the Social Housing Policy? Two of the main requirements of this policy are higher densities and urban renewal.
- Is there a market for such a development of 15 000 units over 10 years? The fact that only 40 units have been sold to date could indicate a problem in this regard. However, the developer is of the opinion that the slow progress is due to the delays by various government departments in providing the necessary social amenities such as schools and clinics. A more detailed analysis of the market will be provided later in this report.
- There was no decisive indication by the respondents in terms of their sentiments about Mandela View as a possible housing option.
- There seems to be land available for social housing in better located areas. The possibility of inner-city buildings exists while land in Vista Park and in the grasslands east of Heidedal is also available (see Annexure C for a map indicating these areas).

The CDS does not want to become involved in a debate on the location of Mandela View. The above assessment of Mandela View in terms of existing policy should enable the municipality and the developer to make their own decisions. At the same time, the remoteness of Mandela View from places of work should also be into account. This would suggest that Mandela View is not the optimal area for locating rental housing.

9. Analysis of questionnaire results

In Section 3 dealing with the methodology of the investigation, only a broad overview of the survey that was conducted was given. Before the survey results can be assessed in more detail, it is essential to provide an in-depth overview of the methodology followed in completing the survey in the MLM.

9.1 Methodology

The MLM survey consisted of three main sub-surveys, namely surveys in Bloemfontein, Mangaung township/Heidedal and in Botshabelo/Thaba Nchu. An attempt was made to complete approximately 400 questionnaires in each of these areas (see Table 9-1). This sample size was chosen in order to be able to make generalised conclusions for all three areas.

Table 9-1: An overview of questionnaires completed in MLM, 2003

Area	Number of questionnaires	Percentage	Percentage of estimated number of rentals
Bloemfontein	399	32.8	2.5
Mangaung/Heidedal	399	32.8	7.5
Botshabelo/Thaba Nchu	415	34.2	3.5
Total	1 213	100.0	

In both Bloemfontein and Mangaung/Heidedal 399 questionnaires were completed. Only commuters were interviewed in Botshabelo/Thaba Nchu and 415 questionnaires were completed. A specific methodology was used for each of the three areas, as discussed below:

In Bloemfontein a specific decision was made to focus on the areas in and around the inner city, as well as on some of the rental housing owned by the MLM. Respondents were chosen on the criteria of 1) currently renting a home and 2) having a monthly household income of between R1 500 and R7 500. Furthermore, the sample was determined by the relative number of people currently renting in each of the suburbs. A multi-stage method for sampling was used in the suburbs. This mainly consisted of dividing the area in 10 sub-areas and again subdividing each sub-areas to allow the required number of questionnaires to be completed. In the inner city specific buildings were assigned to the fieldworkers. Fieldworkers were provided with the number of questionnaires to complete at each of these buildings by means of a random sampling method. A consistent method of accessing possible respondents per building was used. This mainly included the following principles:

- Dividing the number of interviews to be conducted by the number of floors in the building.
- Deciding how many interviews to do per floor or on which floors to conduct them.
- For odd-numbered buildings, always starting at the top of the building, working down.
- For even-numbered buildings, always starting from the bottom of the building, working up.

Table 9-2 reflects on the envisaged number of questionnaires for Bloemfontein and the actual number conducted in each area.

Table 9-2: An overview of the actual number of questionnaires completed in Bloemfontein per suburb, 2003

Suburb	Actual (number)	Actual %
Brandwag	39	9.8
Inner City	160	40.1
Hilton	53	13.3
Willows	79	19.8
Westdene	68	17.0
Total	399	100.0

In the table above, Brandwag is the only area not close to or in the inner city. All of the 39 questionnaires completed in Brandwag were conducted in the MLM-owned

flats in the area. Technically the locations where the interviews were conducted was difficult to monitor, as the boundaries between different areas were not always clear to respondents and fieldworkers. In fact, the names provided by respondents, especially in the inner city, increased the actual numbers in Westdene and Hilton. However, this was crosschecked with the areas allocated to the fieldworkers before the Table 9-2 was completed and all inconsistencies were rectified.

In Mangaung the same multi-staged sampling method was used. An attempt to include people from various old hostels failed for two reasons. Firstly, people believed they owned the units and, secondly, in many cases their income did not meet the criteria. Table 9-3 provides a comparison between the actual number of completed questionnaires and the numbers originally planned.

Table 9-3: A comparison between the actual number of questionnaires completed and the number of questionnaires planned in Mangaung/Heidedal, 2003

Suburb	Actual	Actual (%)	Planned	Planned (%)
Heidedal	107	27.3	93	23.3
Mangaung- Batho	70	17.9	74	18.5
Mangaung- Bloemanda	37	9.4	40	10.0
Mangaung- Bochabela	91	23.2	89	22.3
Mangaung- Pholapark / Hostels	7	1.8	32	8.0
Mangaung- Kagisanong	19	4.8	25	6.3
Mangaung- Phahameng	61	15.6	42	10.5
Mangaung- informal areas	0	0	5	1.25
TOTAL	392	100.0	400	100.0

* 7 missing responses under actual column

The number of questionnaires completed in Heidedal was slightly higher than planned for according to the proportion of people renting in Heidedal. As already noted, the number of questionnaires completed in hostels and informal settlements were also less than planned for. For the other suburbs, the planned and actual numbers of questionnaires show good agreement.

In Botshabelo and Thaba Nchu a different technique was used. In the first place, the questionnaire for those areas focused exclusively on commuters between Bloemfontein and the two areas. A specific effort was made to ensure that both bus and taxi commuters were interviewed. Furthermore, 40% of the interviews were conducted on Friday and Sunday afternoons or Monday mornings to access commuters that only commute at the beginning and the end of the week. A specific proportional division between Thaba Nchu and Botshabelo was made on the grounds of the proportions of people in these two areas. Of the 415 questionnaires, 147 (35.4%) were completed in Thaba Nchu and 268 (64.6%) in Botshabelo.

9.2 Profile of respondents

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 9-4).

Table 9-4: An overview of the main socio-economic attributes of the respondents in the MLM survey, 2003

Attribute	Bloemfontein	Mangaung/ Heidedal	Botshabelo/ Thaba Nchu	Total
Male/female ratio	46:54	60:40	63:37	56:44
Average age	31.9	35.9	35.9	34.6
Median age	29	32	35	32.0
Percentage South African citizens	98.7	99.5	99.3	99.2
Percentage currently employed	94.0	84.7	96.6	91.8
Percentage of respondents with at least a grade 11 or 12 certificate	92.5	73.4	74.9	80.2
Percentage of one-person households	54.4	30.4	21.1	35.0
Average household size	3.05	3.23	3.55	3.32
Median household size	3	3	3	3
Average monthly income (Rand)	4 763.01	3130.67	3568.67	3818.80
Percentage currently paying rent	99.7	97.2	59.4	84.7
Percentage currently receiving government grants	8.3	24.1	11.5	14.6
Percentage that have received a housing subsidy	6.3	4.6	4.4	5.0
Percentage that own/have owned property before	5.8	5.8	31.5	14.4

Although most of these attributes will be discussed in more detail later, a number of comments need to be made:

- It is noteworthy that the male-female ratio in Bloemfontein is fairly different from that in Mangaung/Heidedal, as well as in Botshabelo/Thaba Nchu. In Bloemfontein the ratio is 46 males for every 54 females. In both the other two areas the male respondents are in the majority. Although this is understandable in the case of Botshabelo and Thaba Nchu where males have traditionally been the commuters, it is significant in the case of Mangaung.
- The average age for renters in Bloemfontein (31.9) and the median (29) are considerably lower than that in Mangaung/Heidedal (35.9 and 32, respectively). This is probably an indication that renting in Bloemfontein is much more influenced by the presence of renters in early adulthood than Mangaung/Heidedal. However, the average age is considerably younger than found in the Brandwag flats earlier as well as other municipal rental stock.
- It should also be noted that, although the sample in Botshabelo did not specifically focus on current renters, the average age for Botshabelo and Thaba Nchu is the same (35.9). However, the median age of 32 in Mangaung is lower than that in Botshabelo/Thaba Nchu (35). Although the average ages of commuters in these areas are the same, the above observation probably suggests that in Botshabelo more older people are commuting than in Thaba Nchu.
- The percentage of people that are South African citizens is fairly high in all the areas (99.2%). In Bloemfontein this percentage is lower than the average for MLM while in Mangaung/Heidedal and Botshabelo/Thaba Nchu marginally higher than the average.
- The high percentage of people currently employed can be attributed to the fact that the sampling required respondents with a household income between R1 500 and R7 500 per month. In the case of Botshabelo, respondents it also suggests that commuting takes place, which in turn assumes employment in Bloemfontein for the majority of the Botshabelo respondents. The highest percentage of employment is recorded in

Botshabelo/Thaba Nchu (96.6%), followed by Bloemfontein (94%) and Mangaung (84.7%).

- The percentage of people with at least grade 11 or 12 certificates was fairly high at 80.2%. This is especially noteworthy when compared to the situation in Kimberley where only 62.2% of people have similar qualifications. The percentage is the highest in Bloemfontein (94%), followed by Botshabelo/Thaba Nchu (74.9%) and Mangaung/Heidedal (73.8%).
- The average percentage of one-person households is 35%. In Bloemfontein the percentage is considerably higher at 54.4% and In Mangaung/Heidedal it is lower at 30.4%. In Botshabelo/Thaba Nchu the percentage is 21.1%, which is probably a reflection on the fact that the survey in this area did not focus exclusively on existing renters.
- The average household size for the case study in the MLM was recorded as 3.32 people per household while the median was 3. The average was the lowest in Bloemfontein (3.05), followed by 3.23 in Mangaung/Heidedal and 3.55 in Botshabelo/Thaba Nchu. Once again, the higher average household size in Botshabelo/Thaba Nchu can be attributed to the fact that the sample did not focus on renters only, but also included owners.
- According to the respondents, the average monthly income of a household is R3 818.80. The highest average of R 4 763.01 was recorded in Bloemfontein with commuters from Botshabelo and Thaba Nchu recording an average of R3 568.67. The average in Mangaung and Heidedal was R3 130.67. It is noteworthy that the average is considerably higher than that found in Kimberley at the end of 2002 (Sol Plaatje Housing Company, 2003).
- In Bloemfontein and Mangaung/Heidedal, respectively, 99.7% and 97.2% of respondents pay rent on a monthly basis. It is, however, unfair to compare these percentages with those of Botshabelo and Thaba Nchu, as the respondents in these areas are not necessarily currently renting.
- According to the survey, 14.6% of the respondents are currently receiving some form of government grant. This corresponds to 24.1% in Mangaung/Heidedal, 11.5% in Botshabelo/Thaba Nchu and 8.3% in Bloemfontein.
- The largest percentage of people interviewed that claimed that they had previously received a housing subsidy was found in Bloemfontein (6.3%), compared to 4.6% in Mangaung/Heidedal and 4.4% in Botshabelo/Thaba Nchu. The average for the sample was 5%.
- Although the average percentage for people who have previously owned property is 14.4%, this figure is distorted by the fact that the survey in Botshabelo/Thaba Nchu purposefully included owners. The percentage for both Bloemfontein and Mangaung/Heidedal stands on 5.8%.

Although the average age of respondents was indicated in Table 9-4 above, no reference was made to the age distribution of the respondents. Table 9-5 provides information on the age distribution of respondents in the MLM.

Table 9-5: The age distribution of respondents in the MLM, 2003

Age categories	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
19-30	222	55.6	171	42.9	122	29.4	515	42.5
31-40	125	31.3	123	30.8	197	47.5	445	36.7
41-50	29	7.3	49	12.3	78	18.8	156	12.9
50+	23	5.8	56	14.0	18	4.3	97	8.0
Total	399	100	399	100	415	100	1213	100

The highest percentage of respondents in the 19-30 years category is found in Bloemfontein (55.6%), followed by Mangaung/Heidedal (42.9%) and Botshabelo/Thaba Nchu (29.4%). As already noted, the lower percentage of residents in this age category in Botshabelo/Thaba Nchu can be attributed to the fact that the survey was aimed at people commuting and not necessarily at respondents who are currently renting a home. In general, the profile confirms the basic assumption that the rental market mainly focuses on younger and more mobile households.

9.3 Current housing situation

The section above provided a broad overview of the main socio-economic characteristics of the respondents that were questioned during the survey. As the main aim of the report is to determine the demand for rental housing in Bloemfontein, a large section of the questionnaire was devoted to determining the housing need of households earning between R1 500 and R7 000 per month. This section will start off by assessing the current housing situation of respondents. This assessment will be followed by sections that investigate the need of the respondents 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 location?

The first question put to the respondents was to determine how long they have been residing at their current locations. A higher mobility is usually associated with preference for rental housing (see Table 9-6).

Table 9-6: Number of years residing at current location in the MLM, 2003

Years	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
0-2	254	63.7	189	47.4	91	21.9	534	44.0
3-4	102	25.6	82	20.6	51	12.3	235	19.4
5-6	21	5.3	34	8.5	36	8.7	91	7.5
7-8	14	3.5	20	5.0	29	7.0	63	5.2
9-10	1	0.3	14	3.5	66	15.9	81	6.7
10+	7	1.8	60	15.0	142	34.2	209	17.2
Total	399	100.0	399	100.0	415	100.0	1213	100.0

Table 9-6 shows that 44% of all respondents have been staying at their current location for less than two years, whilst 63.4% have been residing in their current location for less than 4 years. At the same time, a significantly high percentage (17.2%) of households have been residing in their current location for more than 10

years. Further investigation into the time-span of residence at the current location reveals the following:

- The largest mobility (respondents staying at the current location for less than two years) was found in Bloemfontein where 63.7% of the respondents indicated that they have been residing in their current locations for less than two years. This percentage should be compared with the 47.4% in Mangaung/Heidedal and 21.9% in Botshabelo/Thaba Nchu. This large percentage of people in Bloemfontein with a fairly high level of mobility is probably an indication of an active rental market. In a similar study in Kimberley the corresponding figure was 35.0%. Furthermore, it is noteworthy that 93.3% of the respondents in the inner city indicated that they have been residing in their current locations for 4 years or less while in Hilton and Westdene this figure was 95% and 90%, respectively. The highest percentage for respondents in Mangaung residing at their current address for less than two years were found in Botshabelo (69%). It is noteworthy that the corresponding figure for Heidedal was 13%. This is probably an indication that the housing pressure in Mangaung is considerably higher than in Heidedal. The highest mobility in Botshabelo was found in block J where 44% of the residents have been residing at their current location for two years or less. This may be an indication of an informal settlement developing in the area and should be considered when marketing is conducted.
- In terms of the gender difference, it seems that in all three areas males are somewhat more mobile than females. In Bloemfontein, 53.1% of males have been residing at the current location for two years or less. This is considerably higher than the 46% of male respondents for Bloemfontein. The same trend is observed in Mangaung/Heidedal but in Botshabelo/Thaba Nchu the more mobile group seems to be the females. In these areas females made up only 37% of the sample but 40.7% of the respondents had been residing at their current location for two years or less. This information could also be important when considering a marketing campaign.
- When comparing mobility to age groups it was found that mobility in the 19-30 year age group in Bloemfontein is higher. This age group constitutes 55.6% of the respondents in Bloemfontein but 71.2% of these have been residing at their current location for two years or less. The same trend is visible in Mangaung/Heidedal where 42.9% of the respondents are in this age group but 59.6% have been residing at their current location for two years or less. In Botshabelo and Thaba Nchu the age group constitutes 29.4% of the total sample but the percentage of households residing at their current location for two years or less is 41%.
- Considering the influence of income on mobility, the following comments can be made: In Bloemfontein the income group with the highest mobility was found to be the R2 501 – R3 500 income group. In this income group 80.9% of the respondents had been residing at their current location for two years or less. This is followed by the R2 001 – R2 500 income group where the corresponding percentage was 76%. In Mangaung/Heidedal it seems that the group with the highest mobility was the R2 001 – R2 500 income group where 56.7% of the respondents had been residing at their current location for two years or less. This income group is followed by the R2501 – R3 500 income group. For Botshabelo/Thaba Nchu, where the focus was not exclusively on current renters, the highest mobility was found within the R3 501 - R5 500 (29.1%) and R2 501 – R3 500 (21.6%) income groups.

Considering the above analysis, it seems that the mobile seekers of rental housing in Bloemfontein have the following characteristics:

- They fall in the younger age category (19-30).
- They are more likely to be male.
- They fall in the income group of R2 001 – R3 500 per month.

In Mangaung / Heidedal their characteristics are:

- They fall in the younger age category (19-30).
- They are more likely to be male.
- They fall in the monthly income group of R2 001 – R3 500.

In Botshabelo and Thaba Nchu their characteristics are:

- They fall in the younger age group (19-30).
- They are more likely to be female.
- They fall in the income group of R2 501 – R5 500 per month.

9.3.2 Reasons for residing in their current location

Respondents were asked in a closed question why they are residing at their current location. They were given three possibilities with the option of choosing their answer. These possibilities and the answers are reflected in Table 9-7.

Table 9-7: Reasons why respondents choose to reside at their current location in MLM, 2003

Reasons	Bloemfontein (n)	%	Mangaung / Heidedal (n)	%	Botshabelo / Thaba Nchu (n)	%	Total (n)	%
Close to work opportunities	239	64.1	169	44.8	133	32.8	541	46.8
Family living here	58	15.5	58	15.4	185	45.7	301	26.1
Nowhere else to go	76	20.4	150	39.8	87	21.5	313	27.1
Total	373	100.0	377	100.0	405	100.0	1155	100.0

Missing cases: 58

The results show that residents in Bloemfontein have indicated proximity to work as the main reasons why they reside at their current locations (64.1%). This is considerably higher than the 44.8% in Mangaung/Heidedal and the 32.8% in Botshabelo/Thaba Nchu. The 32.8% in Botshabelo/Thaba Nchu is unexpectedly high if one considers the daily commuting time that people spend on buses or in taxis. It is furthermore important to note that 39.8% of respondents in Mangaung/Heidedal indicated that they have nowhere else to go. For Heidedal alone this figure was 43.1%. Proximity to family is the main reason for residing in Botshabelo (45.7%). In general, the importance of proximity to work should be acknowledged as an important aspect determining residential location. Further in-depth investigation showed the following:

- In Bloemfontein gender played no significant role in the choice of residence in a specific location. The only minor difference was that slightly more females than males indicated “nowhere else to go” as the main reason for locating at their current place of residence (21.4% versus 19.2%). In Mangaung/Heidedal more males than females indicated proximity to work as the main motivation for their residential choice (47.4 versus 40.7).
- In both Mangaung/Heidedal and Botshabelo/Thaba Nchu the 19-30 year income group had the highest percentage of respondents that indicated that the reason for their current location relates to proximity to work. In Mangaung/Heidedal this percentage is 54.0% and in Botshabelo and Thaba Nchu 45.4%. These percentages are considerably higher than for any of the other age categories. In Bloemfontein the 41-50 year age group has the

highest percentage of people indicating that their choice of residence was influenced by proximity to work (68%), followed by the age group of 19-30 years.

An important question that should be asked is whether the respondents would like to permanently reside at their current location. Just over 40% of the respondents for the total sample answered yes to this question. The corresponding figure was nearly 60% in Botshabelo/Thaba Nchu, 30% in Mangaung/Heidedal and 54% in Bloemfontein.

9.3.3 Travel time and means of transport related to work

Closely related to the reasons for residing in a specific area, is the means of transport and travelling time. An outline of travelling time in the various areas is given in Table 9-8.

Table 9-8: Average time commuting to and from work on a daily basis in MLM, 2003

Minutes	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo (n)	%	Total (n)	%
0-20	217	54.4	121	30.3	56	13.5	394	32.5
21-40	144	36.1	98	24.6	71	17.1	313	25.8
41-70	33	8.3	124	31.1	65	15.7	222	18.3
71+	5	1.3	56	14.0	223	53.7	284	23.4
Total	399	100.0	399		415		1213	
Mean (min)	27		51		78		53	
Median (min)	20		50		90		40	

As could be expected, respondents in Bloemfontein had the shortest daily travel time to and from work. The average for the Bloemfontein respondents was 27 minutes (with a median of 20) while 54.4% of these respondents indicated that they travel to and from work for less than 20 minutes per day. In fact 90.5% indicate that travel time entails less than 40 minutes per day. In Mangaung/Heidedal the average daily travel time to and from work is 51 minutes (median 50 minutes) with 54.9% of the respondents indicating that they travel for less than 40 minutes. In stark contrast to Bloemfontein and Mangaung/Heidedal, travel time for the residence of Botshabelo is on average 78 minutes (median of 90 minutes) with 53.7% of the respondents indicating that they travel for 71 minutes or more each day.

In terms of travel time between Botshabelo/Thaba Nchu and Bloemfontein it should be acknowledged that not all respondents interviewed travel on a daily basis. It was therefore important to consider the average and median for those households travelling on a daily basis only. The mean recorded was 96 minutes per day while the median was 100 minutes. In context, this is nearly 5 times longer than for the respondents in Bloemfontein and twice as long as for the residents in Mangaung/Heidedal. The relatively high number of respondents in Botshabelo (56) who indicated that they travel for less than 20 minutes per day is odd. This number may reflect the travel time of respondents residing in Bloemfontein during the week.

Added to the amount of time spent travelling, the mode of transport to and from work is also important (see Table 9-9).

Table 9-9: Means of transport to work, besides walking, for respondents in MLM, 2003

Means of transport	Bloemfontein (n)	%	Mangaung / Heidedal (n)	%	Botshabelo / Thaba Nchu (n)	%	Total (n)	%
Taxi	114	28.8	318	80.7	129	31.2	561	46.6
Bicycle	7	1.8	15	3.8	11	2.7	33	2.7
Personal car	258	65.2	50	12.7	51	12.3	359	29.8
Bus	17	4.3	11	2.8	223	53.9	251	20.8
Total	396	100.0	394	100.0	414	100.0	1 204	100.0

Missing cases = 9

From the above table the following comments can be made:

- The use of a taxi for transport to work is the highest in Mangaung/Heidedal where 80.7% of the respondents indicated that they are using this form of transport.
- 53.9% of the respondents in Botshabelo/Thaba Nchu indicated that they use a bus to commute to and from work. This percentage is considerably higher for daily commuters of which 73.8% make use of buses. Weekly and monthly commuters increasingly use taxis. The percentage of weekly commuters that use taxis is 53.1% while for monthly commuters it is 67.8%.
- In Bloemfontein the predominant means of transport is a personal car (65.2%).
- The 2.7% of respondents in Botshabelo and Thaba Nchu who indicated that they use bicycles as a means of transport could be attributed to respondents who reside in Bloemfontein. In fact, two thirds of these respondents reside in Bloemfontein during the week.

This section has shown the importance of proximity and access to employment. Although reference will again be made to this background later in the study, especially when considering the situation in Botshabelo, the role of rental housing in addressing the historical spatial distortions should at present be acknowledged. Any new developments should attempt to minimise further spatial distortions and try to integrate the municipal areas. If a new social housing project achieves the principle of spatial integration, the principle of proximity to place of employment could be used extensively as a marketing slogan.

9.4 Current housing type

Before a number of housing preferences can be analysed (as is done later in this report), it is essential to consider the current type of housing in the various areas in the MLM. Three specific aspects that will be analysed in more detail are the types of housing units, the number of rooms and general access to services. The section starts off with an analysis of the type of housing units in the three areas under consideration (see Table 9-10).

Table 9-10: Current type of housing for respondents in MLM, 2003

Type of housing unit	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
House on separate stand	29	7.3	140	35.8	269	65.5	438	36.5
Flat	347	87.2	11	2.8	1	0.2	359	29.9
Informal housing unit		0.0	14	3.6	32	7.8	46	3.8
Backyard shack		0.0	15	3.8	30	7.3	45	3.8
Formal unit in backyard	9	2.3	174	44.5	68	16.5	251	20.9
Other	13	3.3	37	9.5	11	2.7	61	5.1
	398	100.0	391	100.0	411	100.0	1 200	100.0

Missing cases: 4

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

- In Bloemfontein the largest percentage (87.2%) of respondents reside in flats while 7.3% reside in houses on separate stands. These percentages are, to a large degree, the result of the methodology followed during which only the inner city and surrounding areas were surveyed.
- In Mangaung and Heidedal, the largest percentage of respondents resides in formal units in backyards (44.5%). This is followed by 35.8% in housing units on separate stands, 3.8% in backyard shacks, 3.6% in informal housing units elsewhere and 2.8% in flats.
- In Botshabelo and Thaba Nchu the largest percentage of respondents (65.5%) resides in housing units on separate stands, with 16.5% in formal units in backyards, 7.8% in informal units and 7.3% in backyard shacks. Of the housing units on separate stands, 32% rent. In terms of informal housing units, backyard shacks and formal units in backyards, the majority are rented (>70%). This is a fairly important observation, since the respondents who are renting in these areas, are the most likely people to be interested in rented housing units in and around Bloemfontein.

The second aspect that will be discussed in terms of the current housing situation is the number of bedrooms in the various housing units (see Table 9-11).

Table 9-11: The number of bedrooms per house in MLM, 2003

Rooms	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
1	116	29.4	247	64.5	103	25.4	466	39.4
2	203	51.5	95	24.8	164	40.4	462	39.1
3	70	17.8	35	9.1	113	27.8	218	18.4
4	3	0.8	6	1.6	22	5.4	31	2.6
5+	2	0.5	0	0.0	4	1.0	6	0.5
	394	100	383	100	406	100	1183	100

Missing cases: 30

Two-bedroom units are predominant in both Bloemfontein and Botshabelo/Thaba Nchu with 51.5% and 40.4% of respondents respectively recording units with this number of bedrooms. In Mangaung and Heidedal one-bedroom units are more common as 64.5% of the housing units fall within this category. Once again the fact that in Botshabelo/Thaba Nchu respondents were not necessarily chosen on the ground of being an existing renter made a significant difference. The average numbers of bedrooms and medians for the areas are:

- Bloemfontein: 1.91 (median 2)
- Mangaung/Heidedal: 1.48 (median 1)
- Botshabelo/Thaba Nchu: 2.17 (median 2)
- Total: 1.86 (median 2)

Considering the above averages and the average number of people per household, the following number of bedrooms is available per person for each of the three areas:

- Bloemfontein: 0.62 rooms per person
- Mangaung/Heidedal: 0.46 rooms per person
- Botshabelo/Thaba Nchu: 0.61 rooms per person
- Total: 0.56 persons per room

It is also important to gain some understanding of the number of rooms associated with the different housing forms. To this end Figure 9-1 provides an overview of the percentage of one-bedroom units for each type of housing unit. This assessment is conducted for the full study area and no distinction is made between the three areas.

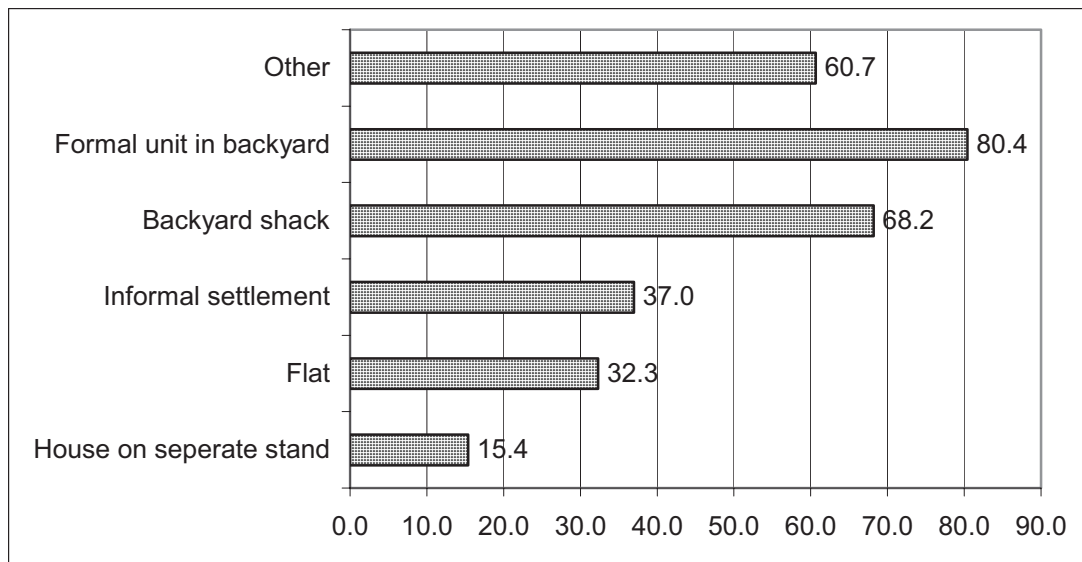


Figure 9-1: The percentage of one-bedroom units per housing type of respondents in MLM, 2003

The largest percentage of one bedroom units are found in formal units in the backyard (80.4%), followed by 68.2% in backyard shacks and 60% in other areas. The lowest percentage of one-bedroom units is found in housing units on separate stands.

A factor that usually influences the number of rooms that a household requires is the number of dependants per household. The validity of this statement is confirmed in Table 9-12 where an overview of the number of bedrooms and the number of household members in the MLM is provided.

Table 9-12: A comparison of the number of bedrooms and the dependants per household for respondents in the MLM survey, 2003

Bloemfontein					
Rooms	Household members				
	1	2	3	4	5+
1	39.9	32.8	11.4	7.7	14.3
2	49.3	58.6	54.3	43.6	57.1
3+	10.8	8.6	34.3	48.7	28.6
Mangaung/Heidedal					
1	62.3	69.5	65.9	51.2	66.7
2	28.1	24.2	25.3	24.4	16.7
3+	9.6	6.3	8.8	24.4	16.7
Botshabelo/Thaba Nchu					
1	51.2	37.7	17.6	12.3	9.1
2	38.1	43.5	45.4	38.4	33.3
3+	10.7	18.8	37.0	49.3	57.6
Total					
1	48.3	50.0	32.3	21.6	31.7
2	41.0	39.2	40.9	35.9	29.4
3+	10.7	10.8	26.8	42.5	38.9

The following observations can be made from the table above:

- It seems that bigger households generally tend to have bigger housing units. Households consisting of one or two people (one dependant) generally occupy the largest number of one-bedroom housing units. For example, in total 48.3% of one-person households reside in one-bedroom units. The corresponding figures are 62.3% for Mangaung/Heidedal, 39.9% for Bloemfontein and 37.7% for Botshabelo and Thaba Nchu.
- However, it seems that in Mangaung the housing shortage is more severe since one-bedroom units are consistently occupied by households larger than one. For example, 69.5% of respondents with a household size of two, 65.9% with a household size of three, 51.2% with a household size of four and 66.7% with a household size of five or more occupy one-bedroom units. These percentages are considerably higher than the corresponding percentages for Bloemfontein and Botshabelo/Thaba Nchu.

The third aspect to be discussed with regard to the current housing situation is the access to services for the three areas under investigation in the MLM. Two specific aspects will be analysed, namely access to sanitation and access to water. Table 9-13 provides background on the access to sanitation.

Table 9-13: Access to sanitation for respondents in MLM, 2003

Type of access to sanitation	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
None		0.0	1	0.0		0.0	1	0.0
Bucket	1	0.3	1	0.3	74	17.9	76	6.3
Waterborne in house	391	98.2	133	33.9	114	27.6	638	53.0
Waterborne outside house	3	0.8	255	65.1	139	33.7	397	33.0
VIP system	1	0.3	2	0.5	64	15.5	67	5.6
Other	2	0.5		0.0	22	5.3	24	2.0
	398	100	392	100	413	100	1203	100

Missing cases: 10

In general, access to sanitation seems to be fairly good. Water-borne sanitation seems to be available in the houses or on the stands of more than 99% of the respondents in Mangaung/Heidedal and Bloemfontein. The corresponding percentage for Botshabelo/Thaba Nchu is 86%. In Botshabelo/Thaba Nchu 11.9% of the respondents are still dependent on either the VIP system or a bucket system. One aspect that could be used in marketing, especially in Mangaung/Heidedal and Botshabelo/Thaba Nchu, is the fact that waterborne sanitation would be available.

The second aspect of services relates to the current level of access to water. A distinction was made between access to water in the house, on the stand or by means of a public tap (see Table 9-14).

Table 9-14: Access to water for respondents in the MLM, 2003

Type of access to water	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
In house	393	98.74	111	28.32	112	27.2	616	51.2
On stand	5	1.256	280	71.43	277	67.2	562	46.8
Public tap	0	0	1	0.255	23	5.58	24	2.0
	398	100	392	100	412	100	1 202	100.0

Missing cases: 11

As with sanitation, access to water generally seems to be fairly good as 98% of respondents indicated that they at least have water on the stand. This is, once again, an aspect that could be used to good effect in terms of marketing. It will be important to emphasise the fact that water will be available inside the house as this is not always the case, especially in Mangaung/Heidedal and Botshabelo/Thaba Nchu.

This section attempted to provide an overview of the current housing situation of the respondents. This overview is important since, firstly, it provides some background on the current situation on which any new development should try to improve. Secondly, it provides some information that could be emphasised when marketing is conducted. In fact, it seems that different marketing strategies should be followed in each of the areas. This aspect will be discussed in more detail later.

9.5 Current housing type

9.5.1 General levels of satisfaction

Section 9.4 provided an overview of the current housing conditions of the respondents. The emphasis now shifts towards assessing the levels of satisfaction within the current housing situation (see Table 9-15). This type of assessment is important as it provides insight into the current dilemmas and preferences in order to ensure that the same mistakes are not made with a new development

Table 9-15: Satisfaction levels with current housing in MLM, 2003

Criteria	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Unhappy	52	13.1	142	36.0	148	35.9	342	28.4
Satisfied	174	43.7	159	40.4	110	26.7	443	36.8
Happy	172	43.2	93	23.6	154	37.4	419	34.8
Total	398	100.0	394	100.0	412	100.0	1 204	100.0

Missing cases: 9

The table shows that 28.4% of all respondents were unhappy while 36.8% were satisfied and 34.8% were happy. When comparing the three areas, the lowest percentage of unhappy residents was found in Bloemfontein where only 13.1% of the respondents indicated unhappiness. Bloemfontein also recorded the highest percentage of respondents being happy. The highest percentage of respondents being unhappy was recorded in Mangaung/Heidedal 36% and 35.9% in Botshabelo. In general, it seems that these two areas will probably be the source from which residents in a new social housing project will come. Further investigation into the levels of satisfaction indicate that:

- The largest degree of unhappiness was found under residents in informal settlement (54.3%), backyard shacks (51.1%) and formal units in backyards (43.8%). In Bloemfontein the highest percentage of unhappy people was found in flats (14.7%). In Mangaung/Heidedal the highest percentage of unhappy people resided in formal units in backyards (45.7%), while in Botshabelo/Thaba Nchu informal settlements (68.8%) were associated with the greatest degree of unhappiness. For Bloemfontein the highest percentage of respondents reacting negatively resides in flats owned by the council in Brandwag where 25.6% of the respondents indicated unhappiness. Furthermore, in Heidedal only 10.3% of the respondents stated that they were unhappy.
- No specific trends regarding gender and housing satisfaction were visible from the statistics.
- In terms of age groups, the largest number of people that indicated unhappiness fell in the 19-30 and 31-40 age groups where 30.7% in each of these categories indicated that they were unhappy. This should be compared with the average of 28.4%.
- In Bloemfontein the 19-30 year age group and the 50+ age group indicated percentages of unhappiness higher than the average for Bloemfontein (15.4% and 21.7%, respectively, compared with the average of 13.7%).
- In Mangaung the 19-30 and 31-40 age groups respectively recorded 37.3% and 38.2% unhappiness compared to the 36% for Mangaung/Heidedal as a whole.
- The 19-30 and 31-40 age groups indicated a significantly larger degree of unhappiness in Botshabelo and Thaba Nchu. These figures are 49.6% and

40%, respectively, compared with the total of 35.9% for Botshabelo/Thaba Nchu.

In order to gain a better understanding of the reasons behind the different levels of satisfaction, respondents were requested to provide reasons for their answers. In the remainder of this section the specific reasons for the answers will be analysed in more detail. This will be done for each of the three categories (unhappy, satisfied, happy) but in such a manner that the differences for each of the reasons can be noted. An analysis of the reasons for being unhappy in each of the three areas is provided in Table 9-16.

Table 9-16: Reasons for being unhappy with housing in the MLM, 2003

Reasons for being unhappy	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
Negative social evaluation*	17	34.7	46	33.8	34	23.9	97	31.2
Living conditions poor**	5	10.2	26	19.1	31	21.8	49	15.8
Not satisfied with distances to work	3	6.1	5	3.7	31	21.8	36	11.6
No security & unsafe	15	30.6	10	7.4	7	4.9	32	10.3
Facilities not up to standard*	1	2.0	15	11.0	14	9.9	30	9.6
No privacy	7	14.3	15	11.0	5	3.5	27	8.7
Rent to much		0.0	12	8.8	13	9.2	25	8.0
Other	1	2.0	7	5.1	7	4.9	15	4.8
Total	49	100.0	136	100.0	142	100.0	311	100.0

* Negative social evaluation: Do not like the people in the neighbourhood, social problems, shebeens, drug dealing, no friends, etc.

** Living conditions poor: Small spaces, everything crammed together, etc.

*** Facilities not up to standard: Problems with water, electricity and sanitation.

The following comments can be made with regard to the data in Table 9-16.

- Negative social evaluation is the most prominent reason for unhappiness and 31.2% of the respondents indicated dissatisfaction with this aspect of their living conditions. Interestingly enough, it is the most prominent cause for unhappiness in Bloemfontein (34.7%), followed by Mangaung/Heidedal (33.8%) and Botshabelo/Thaba Nchu (23.9%).
- The second most important reason for unhappiness relates to poor living conditions as indicated by 15.8% of the respondents. This is more prominent in Botshabelo/Thaba Nchu and Mangaung/Heidedal where 21.8% and 19.1% of respondents, respectively, stated this reason. In Bloemfontein the percentage was 10.2%.
- The third most important reason is that respondents were not satisfied with the distances to work and/or facilities/amenities (11.6%). As can be expected, this is significantly higher in the case of Botshabelo/Thaba Nchu where 21.8% of the respondents mentioned this as their reason for being unhappy.
- A lack of security was mentioned by 10.3% of the respondents and was far more prominent in Bloemfontein where 30.6% of the respondents indicated this as their reason for unhappiness.
- The other reasons were all indicated by less than 10% for the total sample. It is interesting that lack of privacy was indicated by 14.3% of respondents in Bloemfontein if it is kept in mind that Bloemfontein had the lowest number of people per room. Furthermore, too high rent as a reason for dissatisfaction is more prominent in Mangaung/Heidedal and Botshabelo than in Bloemfontein. However, if current payment of rent is compared, the rent in Bloemfontein is

significant higher. It should, however, at the same time be acknowledged that the quality of stock in Bloemfontein is significantly higher.

In Table 9-17 the reasons for being satisfied are assessed in greater detail.

Table 9-17: Reasons for being satisfied with housing in the MLM, 2003

Reasons for being satisfied	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
Positive evaluation overall*	17	10.2	54	34.8	33	36.3	104	25.2
Positive social evaluation**	17	10.2	62	40.0	15	16.5	94	22.8
Proximity to facilities	55	32.9	18	11.6	8	8.8	81	19.6
Safe & secure	27	16.2	8	5.2	21	23.1	56	13.6
Quite & peaceful	25	15.0	3	1.9	2	2.2	30	7.3
Negative social evaluation	9	5.4	2	1.3	2	2.2	13	3.1
No security & unsafe	5	3.0		0.0		0.0	5	1.2
Facilities not up to standard	1	0.6	1	0.6	1	1.1	3	0.7
No privacy	2	1.2	1	0.6		0.0	3	0.7
Not satisfied with proximity to work		0.0		0.0	2	2.2	2	0.5
Environmental conditions not up to standard		0.0	1	0.6		0.0	1	0.2
Rent too much	1	0.6		0.0		0.0	1	0.2
Other	8	4.8	5	3.2	7	7.7	20	4.8
Total	167	100.0	155	100.0	91	100.0	413	100.0

* Positive evaluation overall: No problems, do not want to move

** Positive social evaluation: Like the people in the neighbourhood, family and friends nearby, etc.

*** Negative social evaluation: Do not like the people in the neighbourhood, social problems, shebeens, drug dealing, no friends, etc

The reasons for being satisfied could be positive or negative. From the data presented in Table 9-17, the following observations may be made:

- Positive overall evaluation (25.2%) and positive social evaluation (22.8%) were the two main reasons for being satisfied.
- Proximity to facilities is the third most prominent reason for satisfaction with 19.6% of the respondents indicating this reason. It is significant that 32.9% of the respondents in Bloemfontein opted for this choice as reason for satisfaction.
- A safe and secure environment, as well as quiet and peaceful living conditions are the fourth and fifth most significant reasons for being satisfied. It must be noted that 23.1% of respondents in Botshabelo indicated a safe and secure environment as the reason for satisfaction.

Table 9-18 reflects on the reasons for respondents being happy with their housing.

Table 9-18: Reasons for being happy with housing in the MLM, 2003

	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Positive social evaluation	29	17.1	47	51.6	43	30.7	119	29.7
Positive evaluation overall	15	8.8	23	25.3	58	41.4	96	23.9
Proximity to facilities	69	40.6	13	14.3	14	10.0	96	23.9
Safe & secure	35	20.6	5	5.5	23	16.4	63	15.7
Quite & peaceful	22	12.9	2	2.2	2	1.4	26	6.5
Other		0.0	1	1.1		0.0	1	0.2
	170	100.0	91	100.0	140	100.0	401	100.0

* Positive social evaluation: Like the people in the neighbourhood, family and friends nearby, etc.

* Positive overall evaluation: No problems, do not want to move.

It is interesting to note that the reasons for being happy with housing correlates well with the reasons for being satisfied in terms of the percentages of respondents stating these reasons for their satisfaction or happiness. However, positive social evaluation is now the predominant reason for happiness while positive overall evaluation is the second most important reason. The greater emphasis on proximity to facilities expressed in Table 9-18 is noteworthy.

In conclusion, the crucial issues that should be acknowledged when developing new housing stock in the rental market and that should be considered when marketing this stock are:

- Emphasis should be placed on the total settlement/housing environment.
- Social issues and the social environment should not be neglected.
- This type of housing should ensure a large degree of urban integration and closer proximity to work.
- Security seems to be an important consideration.

9.5.2 Changing the current environment

With the background gained from the previous section the respondents were also asked whether they would change some aspects of the living environment. Table 9-19 provides more detail in this regard.

Table 9-19: Indication by respondents whether they would like to change their current environment in the MLM, 2003

Yes/ No	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Yes	124	31.2	159	41.1	163	39.7	446	37.3
No	273	68.8	228	58.9	248	60.3	749	62.7
Total	397	100	387	100	411	100	1195	100.0

Missing cases: 19

In terms of the total sample, 37.3% of respondents indicated that they would like to do something to change their current housing situation. The highest percentage is found in Mangaung where 41.1% stated that they would like to change their current housing environment. Mangaung is followed by Botshabelo (39.7%) and Bloemfontein (31.8%). In a follow-up question respondents were requested to indicate what they would like to change (see Table 9-20).

Table 9-20: Aspects that respondents in the MLM want to change in their housing environment, 2003

What would you like changed?	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
Sanitation	2	1.6	17	11.0	63	39.6	82	18.8
Security	50	40.7	19	12.3	4	2.5	73	16.7
Negative social environment	38	30.9	20	13.0	15	9.4	73	16.7
Road conditions	3	2.4	30	19.5	22	13.8	55	12.6
Need a bigger/better place to stay	6	4.9	24	15.6	21	13.2	51	11.7
Environment	9	7.3	18	11.7	9	5.7	36	8.3
Water facilities	2	1.6	14	9.1	9	5.7	25	5.7
Other	6	4.9	5	3.2	4	2.5	15	3.4
Renting problems	6	4.9	1	0.6	6	3.8	13	3.0
Electricity	1	0.8	6	3.9	6	3.8	13	3.0
Total	123	100.0	154	100.0	159	100.0	436	100.0

The largest percentage of respondents indicated that they would like to change their current situation with regard to sanitation (18.8%). This is especially high in Botshabelo where we have already indicated that access to sanitation is at the lowest level in the MLM. Secondly, respondents stated that they would like to see an improvement in existing security. As can be expected, this is the highest in Bloemfontein where 40.7% of the respondents mentioned this aspect. 16.7% of the respondents indicated that they would like improvements in the negative social environment. Road conditions, especially in Mangaung/Heidedal and Botshabelo/Thaba Nchu, are the fourth most prominent aspect that respondents would like to see changed.

These factors should be considered when a marketing strategy is developed. Slogans about a secure place with water and sanitation could play a crucial role to attract potential residents.

9.6 Housing preferences

Section 9.5 assessed the current housing situation of respondents in the MLM. The focus will now shift to the preferences regarding housing. Although the affordability of certain preferences will be discussed in more detail later in the report, a general overview of the preferences is appropriate.

9.6.1 Tenure

As the institutional subsidy is based on rent or rent-to-buy options, the first question posed to the respondents was to determine what type of tenure they preferred. The results are presented in Table 9-21.

Table 9-21: Tenure choice of respondents in the MLM, 2003

Tenure choice	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Rented housing	52	13.0	36	9.0	24	5.8	112	9.2
Owning a house	246	61.7	272	68.2	321	77.5	839	69.3
Renting with the aim of owning later	101	25.3	91	22.8	69	16.7	261	21.5
Total	399	100.0	399	100.0	414	100.0	1 212	100.0

The percentage of people who would like to own a house is 69.3%. This figure is the highest for respondents from Botshabelo/Thaba Nchu (77.5%) and the lowest for respondents in Bloemfontein (61.7%). It should also be noted that it is considerably higher than the percentage of 33.5% of respondents who preferred owning a house, as recorded in Kimberley. Only 9.2% of the respondents opted for renting a house while 21.5% of the respondents would consider renting with the aim of owning later. A comparison with Kimberley shows that 8% preferred renting and 58.6% preferred renting with the aim of owning.

Other results that are important and should be mentioned include:

- For the total sample, the highest preference for rent and rent-to-own was in the 50+ and 19-30 years age group. 40.2% and 33.8% of respondents in these two categories, respectively, indicated this preference compared with the average of 30.7% for the total sample.
- The other two age groups (31-40, 41-50 years) have a higher preference for ownership.
- A considerably high percentage of female respondents favoured renting or renting to own later. 11.7% of females versus 7.2% of males favoured renting. Similarly, 23.5% of the female respondents preferred rent to own compared with 19.9% of male respondents.

Added to the above, the role that income plays with regard to tenure preference should be investigated in more detail. Table 9-22 provides some indication in this regard.

Table 9-22: A comparison of tenure preference and income groups of respondents in MLM, 2003

Income group	Preference	Bloemfontein (n)	Mangaung/ Heidedal (n)	Botshabelo/ Thaba Nchu (n)	Total (n)
R1 500-R2 000	Rental housing	25.0	10.9	5.7	10.9
	Owning a house	60.0	62.3	84.9	67.8
	Renting with the aim of owning later	15.0	26.8	9.4	21.3
	Total	100.0	100.0	100.0	100.0
R2 001-R2 500	Rental housing	24.0	10.4	3.9	9.5
	Owning a house	48.0	73.1	85.5	75.0
	Renting with the aim of owning later	28.0	16.4	10.5	15.5
	Total	100.0	100.0	100.0	100.0
R2 501-R3 500	Rental housing	17.6	7.2	8.9	10.9
	Owning a house	50.0	71.0	70.3	64.7
	Renting with the aim of owning later	32.4	21.7	20.8	24.4
	Total	100.0	100.0	100.0	100.0
R3 501-R5 500	Rental housing	15.0	5.1	5.0	8.7
	Owning a house	56.7	70.5	72.3	66.2
	Renting with the aim of owning later	28.3	24.4	22.7	25.1
	Total	100.0	100.0	100.0	100.0
R5 501-R7 500	Rental housing	6.3	11.1	4.8	6.9
	Owning a house	73.0	68.9	88.1	74.8
	Renting with the aim of owning later	20.8	20.0	7.1	18.3
	Total	100.0	100.0	100.0	100.0

The following comments can be made with regard to the data listed in Table 9-22:

- Compared to the average response of 13.0% for rental housing in Bloemfontein, the highest preference for rental housing was found in the R1 500 – R2 000 income group where 25% of the respondents indicated this preference. This is followed by 24% of the respondents in the R2 001 – R2 500 income group. It should be kept in mind that the R1 500 – R2 500 income group represented only a small percentage of the respondents in Bloemfontein.
- Considering Mangaung, where 9% of the respondents preferred rental housing, the R1 500 – R2 000, R2 001 – R2 500 and the R5 501 – R7 500 income groups recorded above average percentages of respondents with a preference for rental housing.
- In Botshabelo/Thaba Nchu, where the average percentage with a preference for rental housing was 5.8%, the R2 501 – R3 500 income group recorded an above average percentage.
- In Bloemfontein, the income groups between R2000 and R3500 indicated a higher preference for the rent-to-own option.
- In Mangaung, where the average preference for rent-to-own was 22.8%, the income groups R1 500 – R2 000 and R 3 501 – R5 500 indicated higher than average preference for this option.
- In Botshabelo/Thaba Nchu, where the average preference for rent-to-own was 16.7%, the income groups R2 501 – R3 500 and R 3 501 – R5 500 indicated higher than average preference for this option.

9.6.2 Preference with regard to the type of housing unit

In Section 9.6.1 an overview of the preference with regard to tenure was given. This section attempts to analyse the preference of respondents with regard to the type of housing unit. A specific distinction will be made between the preferences of those respondents wanting to rent or rent-to-own and those wanting ownership or rent-to-own.

Rental preferences:

The answers in this section concern the preferences of respondents who indicated that they would prefer to rent or rent-to-own. Four main groups of questions were asked, namely:

- The type of housing unit they would prefer.
- The number of bedrooms it should have.
- Specific questions on micro-preferences in and around the housing unit.
- A question with regard to preferred location.

Respondents were given the opportunity to choose between multi-storey housing units, duplex units, single storey houses per stand, cluster housing or any other form of housing. The specific preferences with regard to the above are reflected below in Table 9-23.

Table 9-23: Type of housing unit preferred by respondents that indicated they want to rent or rent-to-own in the MLM, 1996

Type of housing unit	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Single storey houses per stand	59	38.6	83	68.0	62	68.1	204	55.7
Duplex unit	53	34.6	19	15.6	8	8.8	80	21.9
Multi-story housing unit	14	9.2	7	5.7	13	14.3	34	9.3
Cluster housing	19	12.4	7	5.7	7	7.7	33	9.0
Other	8	5.2	6	4.9	1	1.1	15	4.1
Total	153	100.0	122	100.0	91	100.0	366	100.0

According to the table above, the highest preference in all three areas are for a single-storey unit per stand. 55.7% of the respondents preferred this option. Duplex units were the second most popular choice (21.9%). The third and fourth choices were multi-storey units (9.3%) and cluster housing (9.0%). In Bloemfontein, most respondents preferred single-storey units (38.6%). This choice was followed by duplex units (34.6%), multi-storey units (9.2%), cluster housing (12.4%) and other forms of housing (5.2%). The respondents from Mangaung also preferred single-storey units (68.0%) followed by duplex units (15.6%), multi-storey units (5.7%), cluster housing (5.7%) and other forms of housing (4.9%). In Botshabelo, 68.1% of the respondents preferred single-storey units per stand, 8.8% duplex units, 14.3% multi-storey units, 7.7% cluster housing and 1.1% other forms of housing. Although these percentages provide some indication of the preferred form of housing in the MLM, they should always be matched with affordability. Furthermore, one of the main objectives of the institutional subsidy programme is to ensure settlement integration and higher levels of densities. This is harder to achieve when providing single-storey units. It also seems that people from Bloemfontein are more used to the various types of housing units because a smaller percentage of respondents from Bloemfontein preferred single-storey units.

Added to the question on the type of unit that respondents preferred, they were also asked the number of bedrooms they would prefer in a housing unit. The results are displayed in Figure 9-2.

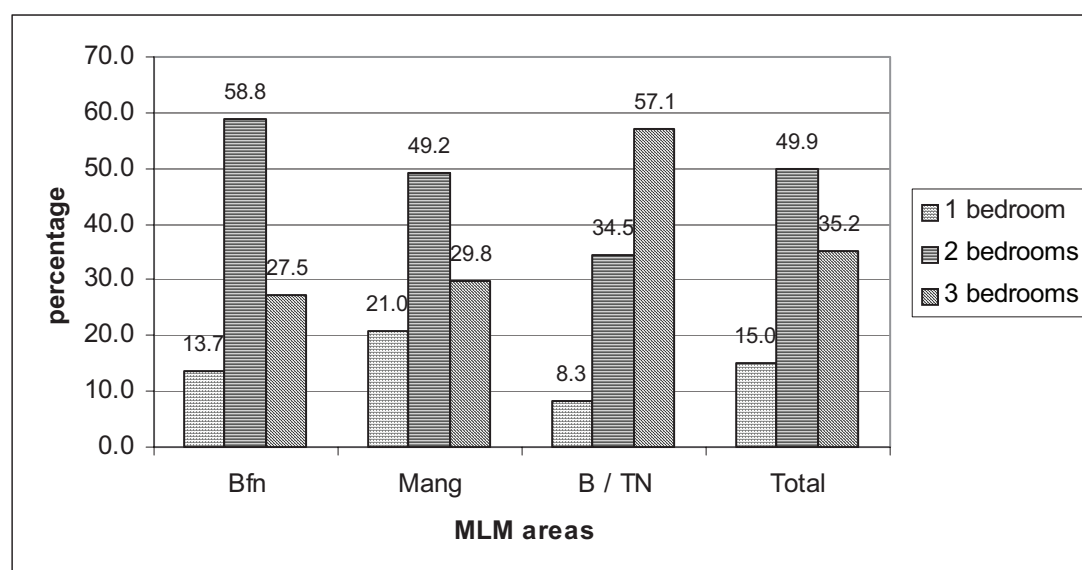


Figure 9-2: Number of rooms preferred by respondents that want to rent a housing unit in the MLM, 2003 (Bfn = Bloemfontein; Mang = Mangaung and Heidedal; B / TN = Botshabelo and Thaba Nchu)

In all three areas the highest preference was for two-bedroom units. 49.9% of the respondents that wanted to rent preferred this option. The second preference was for three-bedroom units (35.2%) followed by one-bedroom units (15.0%). Interestingly enough, the largest preference for one-bedroom units was found in Mangaung and Heidedal where 21% of the respondents preferred this option. The largest preference for two-bedroom units was recorded in Bloemfontein (58.8%) with the largest percentage of residents from Botshabelo and Thaba Nchu indicating three-bedroom units as their preference. If these preferences are compared with the existing number of rooms per unit, it seems that there is a considerable demand for two-bedroom units. 39.4% of respondents are currently residing in a one-bedroom unit while 39.1% live in two bedroom units. It seems that, in practical terms, two-bedroom units may be in line with what the market requires.

In terms of the other preferences, Table 9-24 summarises the responses that were received from the three areas covered by the survey.

Table 9-24: Specific housing preferences of respondents that want to rent in the MLM, 2003

Preference	Bloemfontein		Mangaung / Heidedal		Botshabelo / Thaba Nchu		Total	
	% Yes	% No	% Yes	% No	% Yes	% No	% Yes	% No
Unit on top floor	37.9	-	13.8	-	27.4	-	27.2	-
Unit on ground floor	62.1	-	86.2	-	72.6	-	72.8	-
Balcony if on top floor	58.6	41.1	78.3	21.7	70.0	30.0	65.8	34.2
Space for gardening	87.5	12.5	87.8	12.2	84.6	15.4	86.9	15.6
Do you often receive visitors	85.6	14.4	78.9	21.2	70.3	29.7	79.6	20.4
Space for trading	49.7	50.3	70.7	29.3	74.1	25.9	64.7	35.3
Space for children to play	77.1	22.9	85.4	14.6	90.1	9.9	83.1	16.9
Space for cultural activities	46.4	53.6	65.6	34.4	72.5	27.5	59.3	57

The following comments may be made regarding the responses listed in the above table:

Unit on top or ground floor

A large majority of respondents that prefer renting favoured units on the ground floor (72.8%). When comparing the three areas, the highest preference for ground-floor units is in Margaung (86.2%) while the highest preference for top-floor units is in Bloemfontein (37.9%).

Balcony

Of those respondents preferring to reside on the top floor, 65.8% would like to have a balcony.

Gardening

A significant percentage (86.9%) of respondents required a place for gardening and this should be considered in a new development.

Visitors

A significant percentage (79.6%) indicated that they often receive visitors. Some space could be provided for visitors' parking. One should, however, take into account that a large percentage of visitors may not have private cars and might use taxis.

Space for trading

A significant percentage of respondents indicated that they would like space to be provided for trading from the intended premises (64.7%).

Place for children to play

A place for the children to play was preferred by 83.1% of the respondents.

Space for cultural activities

A fairly large percentage of the respondents (59.3%) indicated that they would prefer having space for cultural activities.

Ownership preferences

In the above section the specific preference with regard to the type of housing unit and other micro preferences for housing were discussed. In this section a more detailed analysis of the housing preferences of the respondents preferring to own or rent-to-own will be assessed. Table 9-25 provides an indication of the preferences with regard to the type of housing.

Table 9-25: Preference with regard to type of housing unit for respondents who indicated that they want to own or rent with the aim of owning later in the MLM, 2003

Area	Type of unit	Owning a house	%	Renting with the aim of owning later	%	Total	%
Bloemfontein	1-bedroom flat	1	0.4	2	2.1	3	0.9
	2-bedroom flat	10	4.1	3	3.1	13	3.8
	3-bedroom flat	7	2.8	4	4.1	11	3.2
	2-bedroom town house	42	17.1	20	20.6	62	18.1
	3-bedroom town house	48	19.5	28	28.9	76	22.2
	2-bedroom house	39	15.9	12	12.4	51	14.9
	3-bedroom house	99	40.2	28	28.9	127	37.0
	Total	246	100.0	97	100.0	343	100.0
Mangaung/Heidedal	2-bedroom flat	1	0.4	4	4.8	5	1.4
	3-bedroom flat	1	0.4		0.0	1	0.3
	1-bedroom town house	1	0.4	1	1.2	2	0.6
	2-bedroom town house	7	2.6	6	7.1	13	3.7
	3-bedroom town house	8	3.0	4	4.8	12	3.4
	1-bedroom house	1	0.4	1	1.2	2	0.6
	2-bedroom house	82	30.4	32	38.1	114	32.2
	3-bedroom house	170	63.0	40	47.6	210	59.3
Total	270	100.0	84	100.0	354	100.0	
Botshabelo	1-bedroom flat	0	0.0	0	0.0	0	0.0
	2-bedroom flat	9	2.8	3	4.3	12	3.1
	3-bedroom flat	9	2.8	4	5.8	13	3.3
	2-bedroom town house	16	5.0	2	2.9	18	4.6
	3-bedroom town house	36	11.2	14	20.3	50	12.8
	1-bedroom house	4	1.2	0	0.0	4	1.0
	2-bedroom house	52	16.2	10	14.5	62	15.9
	3-bedroom house	195	60.7	36	52.2	231	59.2
Total	321	100.0	69	100.0	390	100.0	
Total	1-bedroom flat	1	0.1	2	0.8	3	0.3
	2-bedroom flat	20	2.4	10	3.9	30	2.7
	3-bedroom flat	17	2.0	8	3.1	25	2.3
	1-bedroom town house	1	0.1	1	0.4	2	0.2
	2-bedroom town house	65	7.8	28	11.0	93	8.5
	3-bedroom town house	92	11.0	46	18.1	138	12.6
	1-bedroom house	5	0.6	1	0.4	6	0.5
	2-bedroom house	173	20.6	54	21.3	227	20.8
3-bedroom house	464	55.4	104	40.9	568	52.0	
Total	838	100.0	254	100.0	1092	100.0	

The highest preference was for a 3-bedroom house and 52% of respondents opted for this choice, while 72.8% opted for a three or two-bedroom house. However, Bloemfontein recorded a considerably lower percentage (51.9%) for two and three-bedroom units because town houses were also an option for a fairly large percentage of the respondents (40.3%). The fact that town house units are not well known in Mangaung, Heidedal, Botshabelo and Thaba Nchu probably is also reflected in the data in Table 9-25.

In terms of the other preferences, Table 9-26 summarises the results of the survey in the three areas under investigation.

Table 9-26: Specific housing preferences of respondents that want to rent-to-own or own in the MLM, 2003

Preference	Bloemfontein		Mangaung / Heidedal		Botshabelo / Thaba Nchu		Total	
	% Yes	% No	% Yes	% No	% Yes	% No	% Yes	% No
Space for gardening	87.3	13.8	88.3	11.7	78.5	21.5	84.4	15.6
Do you often receive visitors	76.3	23.7	80.5	19.5	64.9	35.1	73.3	26.7
Space for trading	31.8	68.2	47.8	52.2	45.0	55.0	42.1	57.9
Space for children to play	77.7	22.3	83.0	17.0	72.8	27.2	77.6	22.4
Space for cultural activities	29.3	20.7	62.4	37.6	62.7	37.3	50.6	49.4

Gardening

A significantly large percentage (84.4%) of respondents required a place for gardening and this should be taken into account in a new development.

Visitors

A significant percentage (73.3%) stated that they often receive visitors.

Space for trading

The percentage preferring space for trading is considerably lower than in the case of rental housing (42.1% versus 64.7% for renters).

Place for children to play

A place for the children to play was preferred by 77.6 % of the respondents.

Space for cultural activities

A fairly large percentage of the respondents (50.6%) indicated that they would prefer having space for cultural activities. However, this percentage is smaller than in the case of respondents who preferred renting (59%).

9.6.3 Preference with regard to location

This section is again divided by separately considering the responses of the respondents that would like to own and the respondents who would prefer renting.

Rental preference

Respondents were asked to indicate their preference in terms of location. The results are listed in Table 9-27.

Table 9-27: Locational preferences of respondents that would like to rent or rent-to-own in the MLM, 2003

Area	Preferred location	%
Bloemfontein	Renovated building in inner-city	13.9
	Grasslands east of Heidedal	0.7
	Suburbs surrounding inner-city	78.1
	Batho	0.7
	Botshabelo/Thaba Nchu	0.0
	Other	6.6
	Total	100.0
Mangaung/Heidedal	Renovated building in inner-city	7.1
	Grasslands east of Heidedal	46.5
	Suburbs surrounding inner-city	16.5
	Batho	8.7
	Botshabelo/Thaba Nchu	0.8
	Other	20.5
	Total	100.0
Botshabelo	Renovated building in inner-city	11.8
	Grasslands east of Heidedal	16.1
	Suburbs surrounding inner-city	29.0
	Batho	5.4
	Botshabelo/Thaba Nchu	36.6
	Other	1.1
	Total	100.0
Total	Renovated building in inner-city	11.1
	Grasslands east of Heidedal	20.2
	Suburbs surrounding inner-city	44.7
	Batho	4.6
	Botshabelo/Thaba Nchu	9.4
	Other	10.0
	Total	100.0

The following observations may be made:

- The preference for the suburbs surrounding the inner city was the highest with 44.7% of respondents selecting this option. The percentage of respondents preferring the suburbs was the highest in Bloemfontein (78.1%), followed by Botshabelo (29.0%) and Mangaung/ Heidedal (16.5%).
- A renovated building in the inner city was preferred by 11.1% of all the respondents that prefer renting. Interestingly enough, this preference is the highest amongst respondents in Bloemfontein (13.9%), followed by Botshabelo (11.8%) and Mangaung/Heidedal at 7.1%.
- If the above responses are considered together, it seems that 55.8% of the respondents would prefer rental housing in or adjacent to the inner city. This includes 92% of the respondents in Bloemfontein, 23,6% of the respondents in Mangaung/Heidedal and 40.9% of the respondent from Botshabelo/Thaba Nchu. Considering the importance of the location of the inner city to places of work, as indicated earlier in the report, this is surely an aspect that should be considered in more detail.
- The grasslands east of Heidedal were the choice of a fair number of respondents. In terms of the total sample, 20.2% of the respondents indicated

this location as their first choice. The highest preference for the grasslands was from respondents in Mangaung (46.5%).

- Batho was included as a possible location for housing as it is fairly well located in terms of access to the inner city of Bloemfontein. Overall 4.5% of the respondents opted for this choice.
- The “other” option was fairly high in Mangaung and various suburbs within Mangaung were mentioned as possible locations. The suburb of Bloemanda was the most prominent.

Preference by owners

The section above provided an overview of the preferred location of those respondents that would like to rent or rent-to-own. The aim in this section is to briefly assess the preferred location of those that want to own or rent-to-own (see Table 9-28). This question regarding the preferred location was initially formulated to research possible locations for rental housing. For this reason, what was meant with “suburbs surrounding the inner city” could be misleading. The initial idea was that it referred to the area adjacent to the inner city. However, it is possible that the respondents could have interpreted it more widely.

Table 9-28: Locational preferences of respondents that would like own in the MLM, 2003

Area	Preferred location	%
Bloemfontein	Renovated building in inner-city	9.0
	Grasslands east of Heidedal	1.2
	Suburbs surrounding inner-city	81.2
	Batho	1.7
	Botshabelo/Thaba Nchu	0.3
	Other	6.6
	Total	100.0
Mangaung/Heidedal	Renovated building in inner-city	2.5
	Grasslands east of Heidedal	31.9
	Suburbs surrounding inner-city	14.4
	Batho	10.2
	Botshabelo/Thaba Nchu	0.3
	Other	40.7
	Total	100.0
Botshabelo	Renovated building in inner-city	7.5
	Grasslands east of Heidedal	11.9
	Suburbs surrounding inner-city	23.2
	Batho	2.1
	Botshabelo/Thaba Nchu	53.9
	Other	1.5
	Total	100.0
Total	Renovated building in inner-city	6.3
	Grasslands east of Heidedal	15.1
	Suburbs surrounding inner-city	38.6
	Batho	4.7
	Botshabelo/Thaba Nchu	19.3
	Other	16.1
	Total	100.0

The major differences in the preferences of the respondents that would like to rent and the respondents that would like to own are:

- A smaller percentage of the respondents that would like to own opted for the inner city and surrounding suburbs, as well as the grasslands.
- A larger percentage of respondents that would like to own chose Botshabelo/Thaba Nchu and other areas.
- The 16.1% of respondents who chose “other” can be divided as follows: in Botshabelo and Thaba Nchu a fairly large percentage of respondents chose Botshabelo or Thaba Nchu as location. In the suburbs of Bloemfontein, Mangaung was chosen. It should also be noted that four respondents chose Mandela View although this option was not given explicitly in the questionnaire.

9.7 Affordability

The report has thus far provided an overview of the current housing situation of the respondents, as well as certain housing preferences. The focus will now shift to determining the levels of affordability of housing. It starts off by investigating the following:

- The levels of income of the respondents.
- Employment attributes of the respondents.
- Current payment cultures.
- Savings.
- Debt.
- Willingness to pay.

This investigation is then followed by an overall assessment of the levels of affordability in which the following steps will be taken:

- A comparison of payment for various sizes of rental housing will be made.
- The relationship between the ability and willingness of respondents to pay will be investigated.
- The relationship between the ability to pay and actual payment will be assessed.
- An assessment of disposable income will be made.

9.7.1 Income levels of respondents

Before an assessment of the income levels of the respondents is made, one should bear in mind that the survey population consisted of households with a monthly income of between R1 500 and R7 500. Table 9-29 provides an overview of the incomes in the MLM (for the three areas under investigation).

Table 9-29: An overview of the income levels of respondents in the MLM, 2003

Tenure preference	Income category	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
Rental housing	R1 500-R2 000	5	9.6	15	41.7	3	12.5	23	20.5
	R2 001-R2 500	6	11.5	7	19.4	3	12.5	16	14.3
	R2 501-R3 500	12	23.1	5	13.9	9	37.5	26	23.2
	R3 501-R5 500	19	36.5	4	11.1	7	29.2	30	26.8
	R5 501-R7 500	10	19.2	5	13.9	2	8.3	17	15.2
	Total	52	100.0	36	100.0	24	100.0	112	100.0
Owning a house	R1 500-R2 000	12	4.9	86	31.9	45	14.1	143	17.1
	R2 001-R2 500	12	4.9	49	18.1	65	20.3	126	15.1
	R2 501-R3 500	34	13.8	49	18.1	71	22.2	154	18.4
	R3 501-R5 500	72	29.3	55	20.4	102	31.9	229	27.4
	R5 501-R7 500	116	47.2	31	11.5	37	11.6	184	22.0
	Total	246	100.0	270	100.0	320	100.0	836	100.0
Renting with the aim of owning later	R1 500-R2 000	3	3.0	37	40.7	5	7.2	45	17.2
	R2 001-R2 500	7	6.9	11	12.1	8	11.6	26	10.0
	R2 501-R3 500	22	21.8	15	16.5	21	30.4	58	22.2
	R3 501-R5 500	36	35.6	19	20.9	32	46.4	87	33.3
	R5 501-R7 500	33	32.7	9	9.9	3	4.3	45	17.2
	Total	101	100.0	91	100.0	69	100.0	261	100.0
Total	R1 500-R2 000	20	5.0	138	34.8	53	12.8	211	17.5
	R2 001-R2 500	25	6.3	67	16.9	76	18.4	168	13.9
	R2 501-R3 500	68	17.0	69	17.4	101	24.5	238	19.7
	R3 501-R5 500	127	31.8	78	19.6	141	34.1	346	28.6
	R5 501-R7 500	159	39.8	45	11.3	42	10.2	246	20.3
	Total	399	100.0	397	100.0	413	100.0	1209	100.0

From the information in Table 9-29 the following comments can be made with regard to the respondents that preferred to rent a house:

- 50% of these respondents had a monthly income of between R2 501 and R5 500.
- It is interestingly to note that in the combined monthly income groups of R2 501 – R3 500 and R3 501 – R5 500, the highest percentage of respondents reside in Botshabelo and Thaba Nchu (66.7%). Although this could be expected as the survey focused on commuters, it emphasises the potential market for rental housing amongst current commuters in Bloemfontein.
- In Mangaung 41.7% of the respondents were in the income group of R1 500 – R2 000. When comparing the three areas under investigation, it is reasonable to expect that affordability in Mangaung will be the lowest.

In terms of the incomes of respondents who prefer owning, the following comments can be made:

- The two monthly income categories with the largest percentages of respondents are the R3 501 – R5 500 and R5 501 – R 7 500 categories. 49.4% of the respondents fell into these two categories.
- The percentage of respondents in the monthly income categories R1 500 – R2 000 and R2 001 – R2 500 that want to own is smaller than the percentage of the respondents that want to rent.

Considering the households that want to rent with the aim of owning later, the following should be noted:

- 50.2% of respondents fall in the income categories of R3 501 – R5 500 and R5 501 – R7 500.
- The above observation is interesting because the percentage is slightly higher than the 49.4% recorded in these two income categories for respondents wanting to own.

In general, the income levels are also considerably higher than those recorded in Kimberley where 50.1% of respondents recorded an income of below R2 500 per month. Furthermore, there was virtually no difference in the household income recorded for male and female respondents (R4 difference). The 31-40 year age group had the highest average monthly income of R4 109.67 compared to the lowest income of R3 175.55 for the age group of 50 years and older.

9.7.2 Employment profile of respondents

An important aspect to consider with regard to affordability, is the employment profiles of the respondents. In order to determine this profile, an in-depth analysis will be provided in terms of the following aspects:

- The type of employment.
- The industry of employment.
- The number of household members contributing to the household income.

When enquiring about the type of employment and the industry in which respondents are employed, an attempt was made to ensure that the categories correlated well with the categories as provided in the census data. Table 9-30 provides an overview of the type of employment of respondents.

Table 9-30: Type of employment of respondents in the MLM, 2003

Type of employment	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Professional	89	22.4	72	18.6	107	25.9	268	22.4
Service workers, shop and market sales people	45	11.3	98	25.3	87	21.1	230	19.2
Clerks	82	20.6	55	14.2	67	16.2	204	17.0
Technician and associate professionals	48	12.1	39	10.1	41	9.9	128	10.7
Legislators, senior officials and managers	28	7.0	7	1.8	22	5.3	57	4.8
Craft and related trades	9	2.3	17	4.4	10	2.4	36	3.0
Elementary	2	0.5	18	4.6	11	2.7	31	2.6
Skilled agricultural	4	1.0	3	0.8	8	1.9	15	1.3
Other	91	22.9	79	20.4	60	14.5	230	19.2
Total	398	100	388	100	413	100	1199	100

From the table above, the following comments may be made:

- The highest percentage of respondents indicated that they are professionals (22.4%). It is noteworthy that this is also the predominant employment type in Botshabelo/Thaba Nchu where 25.9% of the respondents were recorded to fall in this category.

- Professionals are followed by service workers, shop and market sales people (19.2%) and clerks (17.0%).
- Technicians and associate professionals are fourth with 20.7% of the respondents falling into this category.
- In general, from this profile it seems that people are fairly well employed. This is especially true if one considers that the Kimberley study had a 23% allocation to elementary jobs compared to the 2.6% in the present study.
- The figures for professionals in this section are considerably higher than indicated in Section 8.

Table 9-31 gives a comparison of the industries operating in the three study areas.

Table 9-31: Industry employed in for respondents in the MLM, 2003

Industry employed in	Bloemfontein (n)	%	Mangaung/ Heidedal (n)	%	Botshabelo/ Thaba Nchu (n)	%	Total (n)	%
Community level, services	139	34.9	155	39.9	133	32.4	427	35.7
Wholesale and retail	68	17.1	59	15.2	49	11.9	176	14.7
Financial services	61	15.3	25	6.4	51	12.4	137	11.4
Manufacturing	23	5.8	26	6.7	44	10.7	93	7.8
Construction	23	5.8	19	4.9	20	4.9	62	5.2
Private household	5	1.3	9	2.3	37	9.0	51	4.3
Agriculture	4	1.0	4	1.0	8	1.9	16	1.3
Mining		0.0		0.0	2	0.5	2	0.2
Other	75	18.8	91	23.5	67	16.3	233	19.5
Total	398	100	388	100	411	100	1197	100

The fact that the economy of Bloemfontein is extensively linked to the public sector is reflected in the table above. Of the respondents, 35.7% stated that they were employed in the community level and service industry. The highest percentage of respondents employed in this industry was recorded in Mangaung (39.9%). Wholesale and retail received the second highest response (14.7%), followed by financial services (an industry in which some growth has taken place lately) and manufacturing (7.8%). The fairly high percentage in the category “other” is probably a result of fieldworkers not completing the question in a satisfactory manner.

The third aspect to be considered in this section is to what degree households have more than one income. More than one income in a household minimise the risk if one of the individuals loses his/her work. The percentages of households with more than one income in the study areas are shown in Figure 9-3.

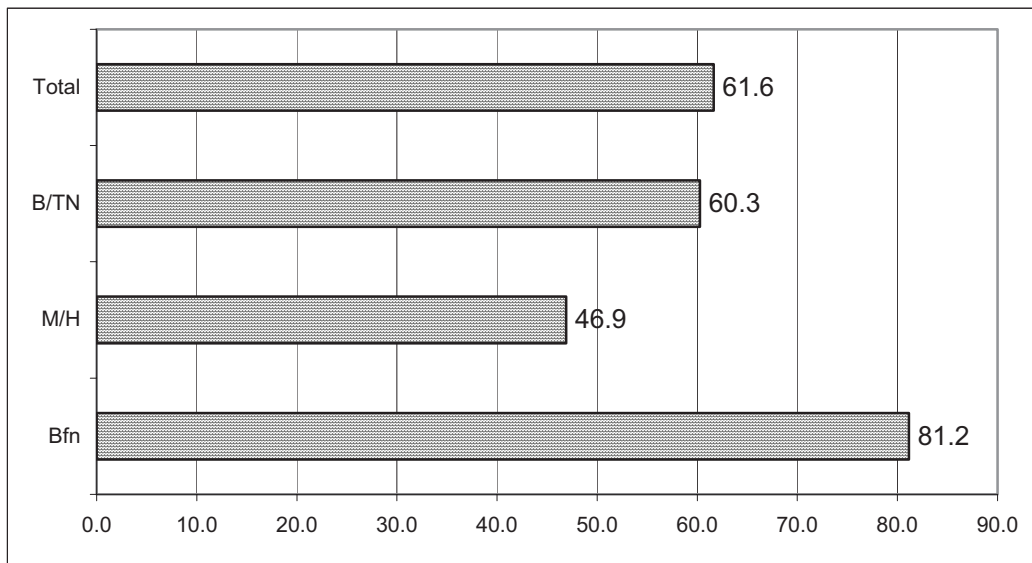


Figure 9-3: Percentage of households with more than one income in MLM, 2003
(Bfn = Bloemfontein; M/H =Mangaung/Heidedal; B/TN = Botshabelo/Thaba Nchu)

The figure above shows that 61.6% of the households have more than one income. This is fairly significant and lessens the risk of households losing all their income due to unemployment, and the associated risks for defaulting on rent payments. The highest percentage was recorded in Bloemfontein (81.2%) followed by Botshabelo/Thaba Nchu (60.3%) and Mangaung/Heidedal (46.9%).

In general, the occupancy types and industries look fairly normal for the MLM. The fact that a fairly large percentage of households have more than one income, also has positive implications when considering affordability.

9.7.3 Savings

In this section the current amount of savings of respondents will be assessed. This is an important indicator of affordability since:

- It could be an indication of the availability of funds to pay a deposit.
- It could also be an indication of the ability of a household to manage a financial shock such as losing its main income.

In Table 9-32 an overview of the current levels of saving is provided.

Table 9-32: An overview of the savings of respondents in the MLM, 2003

Type of saving	Bloemfontein			Mangaung/Heidedal			Botshabelo/Thaba Nchu			Total		
	n	%	Average savings (Rand)	n	%	Average savings (Rand)	n	%	Average savings (Rand)	n	%	Average savings (Rand)
Savings account or	318	79.7	3 433	197	83.8	2 897	343	72.8	2 767	858	77.6	2 967
Stokvel	66	16.5	783	34	14.5	1 581	123	26.1	1 502	223	20.2	1 302
Housing institution	9	2.3	829		0.0		1	0.2	4 000	10	0.9	1 146
Others savings	6	1.5	22 952	4	1.7	6 250	4	0.8	6 850	14	1.3	13 579
Total	399	100.0	5 126	235	100.0	3 499	471	100.0	3 577	1105	100.0	4 068
Average savings for total sample			3 276			1 728			2 767			2 593

On average, respondents who save have R4 068 available. The average savings for the total sample are R2 593. According to the table above, savings in Bloemfontein is the highest (R5 126), followed by respondents in Botshabelo (R3 577) and Mangaung (R3 499). It should be noted that the “n”-value in Table 9-31 could be higher than the actual number of questionnaires completed in each area because one respondent could have indicated savings of more than one type. It should also be noted that the available savings in the MLM are considerably higher than comparative savings in Kimberley, which was researched by the Sol Plaatje Housing Company.

It is also noteworthy that for the largest percentage of respondents (77.6%), savings are placed in a savings account. This observation probably means that this sort of account is readily available. The second largest percentage of respondents have their savings in a stokvel (20.2%). In general, it seems that a fair amount of savings is available. This should assist households to pay deposits fairly easily and to absorb some of the risk in case of job losses. From these observations, it seems that existing saving mechanisms can be used to attract savings as a possible way to access rental housing.

9.7.4 Existing debt

An analysis of the existing debt is important since it provides some indication of the financial situation of the respondents. It also gives an indication of the respondents' access to credit. Table 9-33 provides an overview of the existing debt of respondents.

Table 9-33: An overview of existing debt of respondents in the MLM, 2003

Type of debt	Bloemfontein			Mangaung/Heidedal			Botshabelo/Thaba Nchu			Total		
	N	%	Average debt (Rand)	N	%	Average debt (Rand)	N	%	Average debt (Rand)	N	%	Average debt (Rand)
Hire purchase	77	16.6	647	160	34.7	533	168	28.1	430	405	26.6	512
Credit card	102	22.0	388	17	3.7	435	10	1.7	815	129	8.5	428
Loan	44	9.5	1 018	56	12.1	551	60	10.1	668	160	10.5	723
Clothing account	214	46.2	315	199	43.2	297	322	53.9	307	735	48.3	307
Other debt	26	5.6	742	29	6.3	324	37	6.2	479	92	6.0	505
Total	463	100.0	834	461	100.0	676	597	100.0	653	1521	100.0	713
Average debt for total sample			554			481			571			536

From the data in Table 9-33 the following comments need to be made:

- The largest percentage of respondents had clothing accounts (48.3%), which required an average repayment of R307 per month. There are no major deviations in terms of average payments on clothing accounts in the three areas under consideration, although in Bloemfontein the monthly account payment for clothing (R315) is slightly higher than in Mangaung/Heidedal and Mangaung/Thaba Nchu (R297 and R307, respectively).
- Hire purchase is the second highest form of debt as 26.6% of respondents had some debt of this type. Monthly repayments average R512. For hire purchase, debt in Bloemfontein is considerably higher than in Botshabelo/Thaba Nchu and Mangaung/Heidedal.
- Credit card debt is available to 8.5% of the respondents, averaging a monthly repayment of R428. Access to credit cards is considerably higher in Bloemfontein where 22.0% of the respondents had some access to it compared to 3.7% in Mangaung/Heidedal and 1.7% in Botshabelo/Thaba Nchu.

Although the previous section indicated that a fair number of respondents have some form of savings, it also seems that respondents have extensive debt. This debt is more available to respondents in Bloemfontein than respondents in Mangaung/Heidedal and Botshabelo/Thaba Nchu.

9.7.5 Willingness to pay

This section will analyse the perception respondents with regard to renting or owning a house (see Table 9-34).

Table 9-34: Amount that respondents are willing to pay in the MLM for renting a housing unit, 2003

Amount (ZAR)	Bloemfontein (n)	%	Mangaung/Heidedal (n)	%	Botshabelo/Thaba Nchu (n)	%	Total (n)	%
R0-R100		0.0	4	3.0	7	10.0	11	3.2
R101-R200		0.0	13	9.8	18	25.7	31	9.0
R201-R300	1	0.7	14	10.6	5	7.1	20	5.8
R301-R400	2	1.4	30	22.7	6	8.6	38	11.0
R401-R500	5	3.5	25	18.9	15	21.4	45	13.1
R501-R600	3	2.1	24	18.2	6	8.6	33	9.6
R601-R800	11	7.7	12	9.1	8	11.4	31	9.0
R801-R1 000	23	16.2	6	4.5	3	4.3	32	9.3
R1 001-R1 250	29	20.4	3	2.3	1	1.4	33	9.6
R1 251-R1 500	39	27.5	1	0.8	1	1.4	41	11.9
R1 501-R2 000	25	17.6		0.0		0.0	25	7.3
Above R2 001	4	2.8		0.0		0.0	4	1.2
Total	142	100.0	132	100.0	70	100.0	344	100.0

From the data in Table 9-34 it is seen that respondents in Bloemfontein are willing to pay the highest rent. 68.3% of the respondents in Bloemfontein stated that they are willing to pay in excess of R1 000 per month. For residents from Botshabelo and Thaba Nchu this figure is 2.8% while in Mangaung it is only 3.1%. The high percentage in Bloemfontein can be attributed to higher income. Bloemfontein also has a history of paying higher rent while the opposite is possibly true of Mangaung. The relatively high rent that respondents from Botshabelo are willing to pay is noteworthy. To assess these trends in more detail, the following tables (Table 9-35 to Table 9-38) provide a detailed overview of what respondents of each area view as acceptable, what they are currently paying and what they are willing to pay.

Table 9-35: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Bloemfontein (MLM), 2003

Housing unit size	Respondents able to pay this rent	Current payment of rent	Willingness to pay
	Amount (ZAR)	Amount (ZAR)	Amount (ZAR)
Bachelor flat	620.38		
One bedroom unit	754.81	924.09	1 071.38
Two bedroom unit	1 063.21	1 386.98	1 335.35
Three bedroom unit	1 443.21	1 203.00	1 155.77

Table 9-36: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Mangaung/Heidedal (MLM), 2003

Housing unit size	Respondents able to pay this rent	Current payment of rent	Willingness to pay
	Amount (ZAR)	Amount (ZAR)	Amount (ZAR)
Bachelor flat	210.36		
One bedroom unit	306.71	218.58	400.47
Two bedroom unit	416.59	400.22	473.47
Three bedroom unit	550.00	590.00	629.07

Table 9-37: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in Botshabelo and Thaba Nchu (MLM), 2003

Housing unit size	Respondents able to pay this rent	Current payment of rent	Willingness to pay
	Amount (ZAR)	Amount (ZAR)	Amount (ZAR)
Bachelor flat	181.79		
One bedroom unit	225.83	160.95	420.91
Two bedroom unit	290.83	170.90	331.47
Three bedroom unit	380.83	352.81	441.65

Table 9-38: A comparison of the amount respondents are willing to pay, are currently paying and find an acceptable rent in MLM, 2003

Housing unit size	Respondents able to pay this rent	Current payment of rent	Willingness to pay
	Amount (ZAR)	Amount (ZAR)	Amount (ZAR)
Bachelor flat	378.57		
One bedroom unit	479.14	392.39	615.90
Two bedroom unit	663.33	841.69	869.69
Three bedroom unit	891.89	796.05	825.03

The following comments may be made with regard to the four tables above:

- In terms of what respondents view as an acceptable rent, as well as their current rent, it is evident that there is an increase in payment as the housing size increases from a bachelor unit to a one-bedroom unit, two-bedroom unit and three-bedroom unit. Only in the case of willingness to pay do respondents indicate that they will pay less for a three-bedroom unit than for a two-bedroom. This is the case in Bloemfontein but not in Mangaung/Heidedal and Botshabelo/Thaba Nchu. This can probably be attributed to the fact that, in Bloemfontein, the need for three-bedroom units is proportionally smaller than in the other two areas.
- In all cases the current amount paid for rent is less than what respondents are willing to pay. This is probably an indication that rent could be higher than current tariffs.
- Except for two bedroom units, current payment is less than what respondents view as acceptable rent.

In order to further assess the affordability, the emphasis in this section now shifts to assessing the mean rent paid in each of the areas and comparing it to the estimated monthly income of respondents (see Table 9-39).

Table 9-39: Mean rent paid per income group in the MLM, 2003

Estimated monthly income	Bloemfontein		Mangaung/Heidedal		Botshabelo/Thaba Nchu		Total	
	% of income	Mean rent	% of income	Mean	% of income	Mean	% of income	Mean
R1 500-R2 000	65.4	1 145	12.2	213	8.6	150	17.2	301
R2 001-R2 500	48.3	1 086	11.5	258	6.5	147	16.6	374
R2 501-R3 500	33.1	994	10.4	313	5.9	177	16.4	493
R3 501-R5 500	24.8	1 117	8.6	389	5.4	244	15.1	679
R5 501-R7 500	21.8	1 416	7.1	464	5.3	343	17.3	1125
Average rent		1 215		302		203	246	631

* Income is taken as the middle of each category

The following comments can be made from the information presented in Table 9-39:

- In terms of the total sample, the main trend is that the smaller the income, the higher the percentage of income that is spent on rent. For example, respondents in the monthly income group of R1 500 – R2 000 spend 17.2% of their income on rent. It is noteworthy that in Bloemfontein this percentage is 65.4%, which confirms the comments of an estate agent earlier that they request a stable monthly household income of at least 1.5 times the rent.
- The percentage of income that respondents in Mangaung/Heidedal and Botshabelo/Thaba Nchu currently pay towards rent is considerably lower than in Bloemfontein.
- Although this theoretically means that respondents from Mangaung/Heidedal and Botshabelo/Thaba Nchu should be able to pay higher rent, it also means that they are used to paying smaller percentages of their income for rent. This is an aspect that should be acknowledged and planned for – especially in terms of a marketing strategy.

The willingness to pay of respondents that preferred ownership is evaluated in Table 9-40.

Table 9-40: Willingness to pay in order to own a house in MLM, 2003

Income (ZAR)	Bloemfontein		Mangaung/ Heidedal		Botshabelo/ Thaba Nchu		Total	
	(n)	%	(n)	%	(n)	%	(n)	%
R0-R100		0.0	5	1.4	3	0.8	8	0.7
R101-R200	1	0.3	13	3.5	7	1.8	21	1.9
R201-R300		0.0	24	6.5	28	7.1	52	4.7
R301-R400		0.0	39	10.5	60	15.2	99	8.9
R401-R500		0.0	70	18.9	65	16.5	135	12.1
R501-R600	3	0.9	62	16.8	44	11.1	109	9.8
R601-R800	6	1.7	64	17.3	85	21.5	155	13.9
R801-R1 000	36	10.4	48	13.0	68	17.2	152	13.7
R1 001-R1 250	33	9.5	19	5.1	12	3.0	64	5.8
R1 251-R1 500	58	16.7	10	2.7	21	5.3	89	8.0
R1 501-R2 000	113	32.6	16	4.3	2	0.5	131	11.8
Above R2 001	97	28.0		0.0		0.0	97	8.7
Total	347	100	370	100	395	100	1 112	100

Although no in-depth assessment of the affordability and willingness to pay in order to own a housing unit will be conducted, a number of key comments need to be made with regard to the table above:

- The amount that respondents are willing to pay to own is considerably higher than what they are willing to pay for rent. For example, 61.9% of respondents mentioned that they are willing to pay R600 and more to own a house compared to only 48.3% for those who would prefer renting.
- Although such a trend is understandable, it is a further indication that respondents could probably pay more towards housing than what is currently the case – even for rental accommodation.

9.7.6 Current payment culture

The current payment culture of respondents is important when assessing payment risk, as well as when determining an approach to manage payment. An overview of the current payment culture in the MLM is presented in Table 9-41.

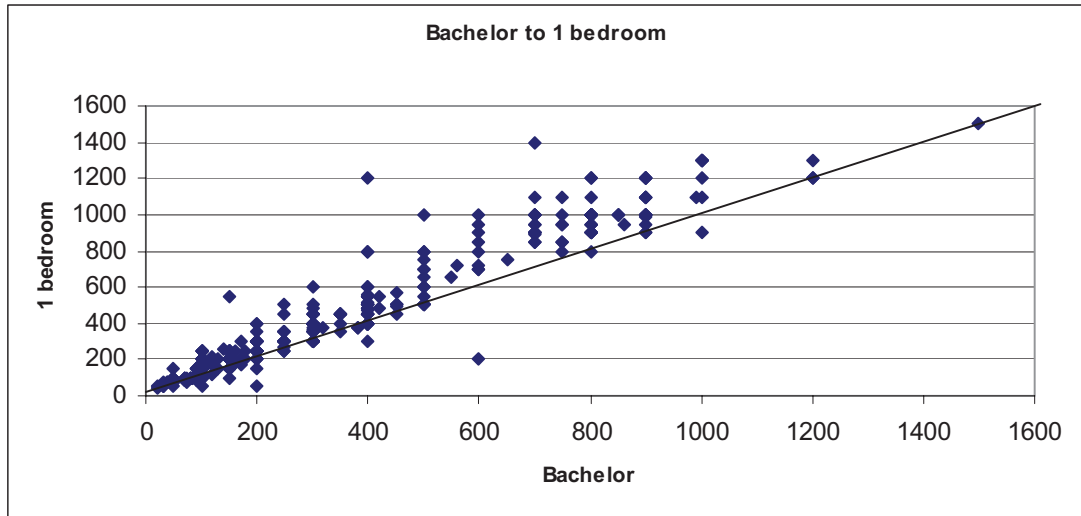
Table 9-41: An overview of the current payment culture in the MLM, 2003

Criteria	Bloemfontein		Mangaung/Heidedal		Botshabelo/Thaba Nchu		Total	
	(n)	%	(n)	%	(n)	%	(n)	%
% of respondents paying rent	396	99.7	386	97.2	246	59.4	1 028	85.2
% of respondents paying for services	382	95.7	299	75.3	399	97.3	1 080	89.6
Average amount paid for rent (ZAR)	398	1215.06	388	301.98	246	203.07	1 032	630.54
Average amount paid for services (ZAR)	382	226.24	299	121.59	403	126.35	1 084	160.24
% of respondents paying rent on monthly basis	398	99.7	389	97.5	246	59.3	1 033	85.2
% of respondents paying for services on monthly basis	386	96.7	299	74.9	401	96.6	1 086	89.5

From Table 9-41 it can be seen that 85% of all respondents pay their rent while 89% of respondents pay for services. One should, however, caution against a simplified assessment of these percentages. In the first instance, the lower payment for services in Mangaung could be an indication that the landlord pays for the services. The fact that only 59.4% of respondents pay rent in Botshabelo is noteworthy. As can be expected, the largest amount of rent and service payments occur in Bloemfontein (R1 216 and R2 26 respectively), followed by Mangaung/Heidedal in the case of rentals and Botshabelo/Thaba Nchu in the case of payment for services.

9.7.7 Comparative payment for different housing sizes

The purpose of this assessment is to investigate whether there is a variation in the payment for different housing sizes. Figure 9-4 provides the information for the comparison between a one-bedroom unit and a bachelor flat.



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Figure 9-4: A comparison of payment for one-bedroom and bachelor units in the MLM, 2003

The most important conclusion from the above figure is that respondents would pay more for a one-bedroom unit than for a bachelor unit. The same trend is visible with all the other comparisons where the respondents pay more for larger units than for smaller units (see Figure 9-5 to Figure 9-7).

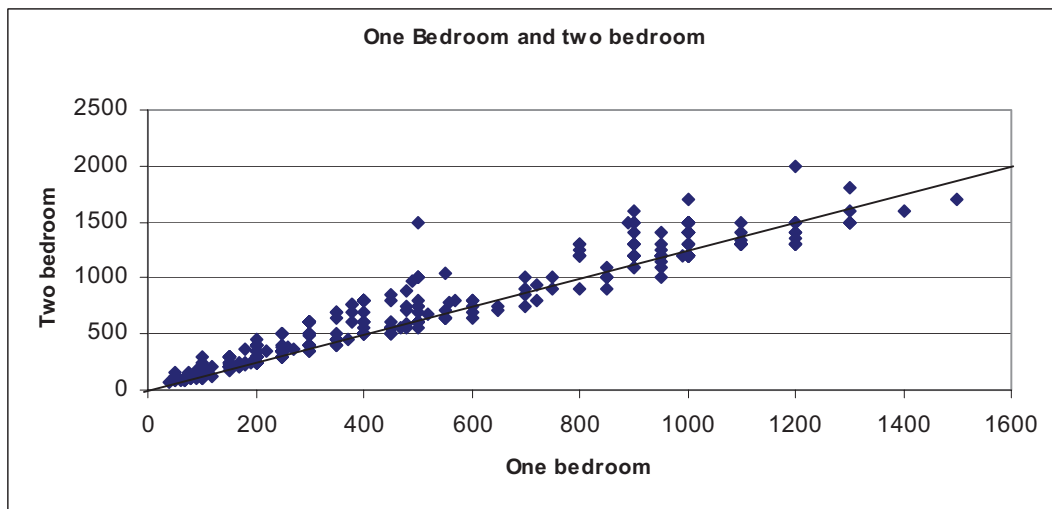


Figure 9-5: A comparison of payment for one-bedroom and two-bedroom units in MLM, 2003

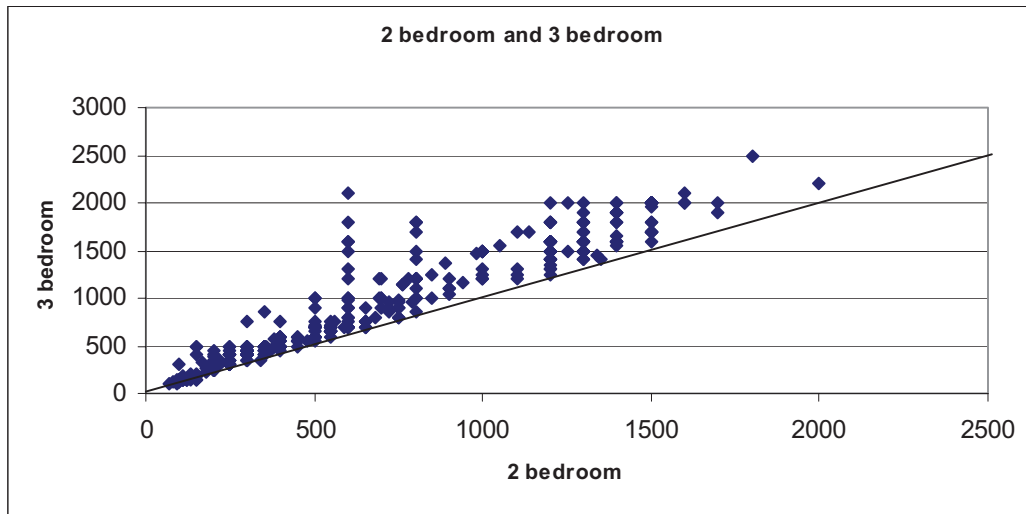


Figure 9-6: A comparison of payment for two-bedroom and three-bedroom units in MLM, 2003

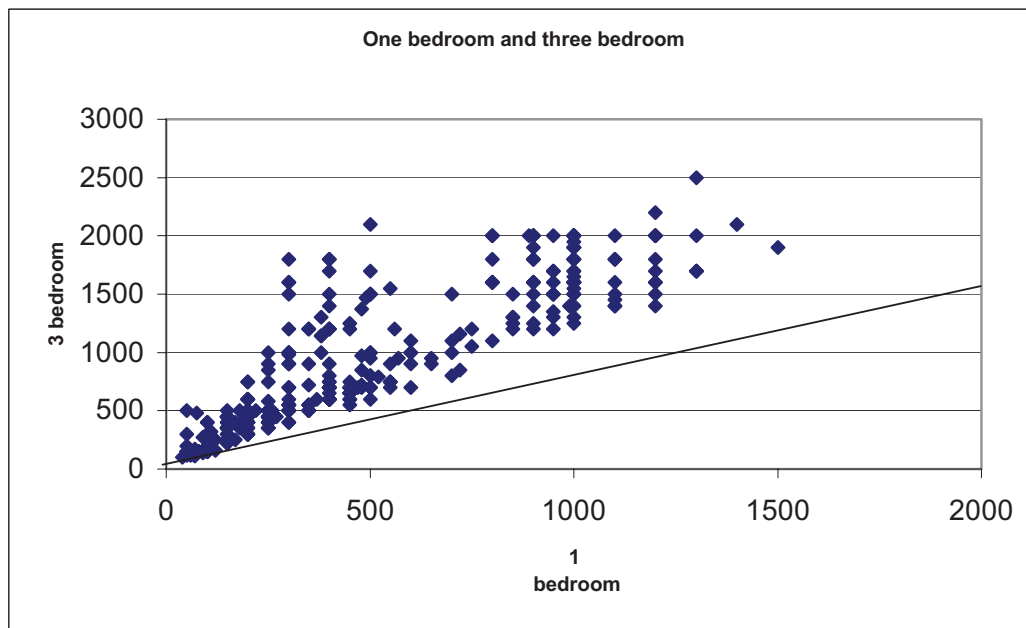


Figure 9-7: A comparison of payment for one-bedroom and three-bedroom units in MLM, 2003

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

Figure 9-8 provides a visual comparison of what respondents are willing to pay and what they are actually paying at present.

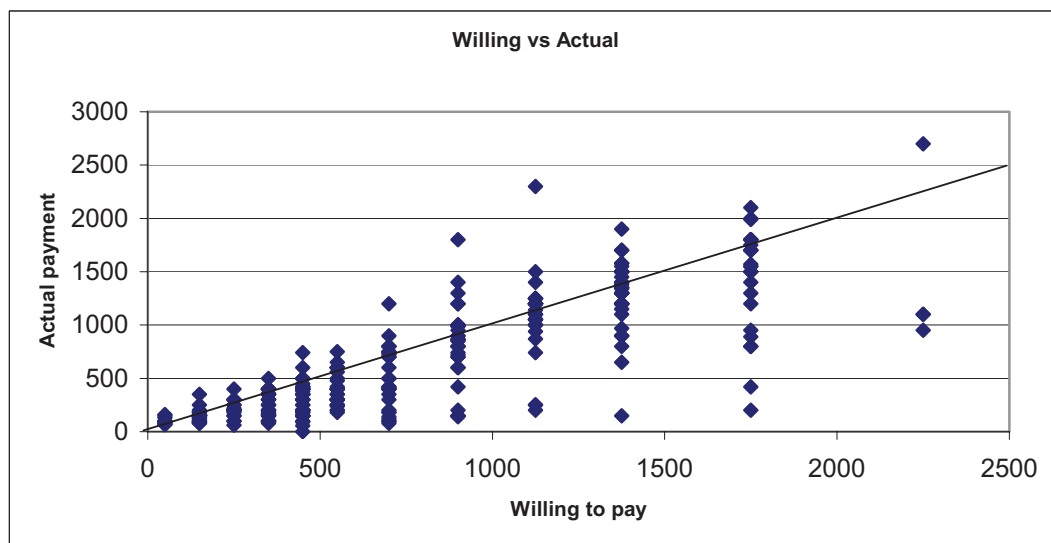


Figure 9-8: A comparison of what respondents are willing to pay and what they are actually paying in MLM, 2003

From the figure above it seems that respondents, in general, are willing to pay more than what they are currently paying for rent. Although the current rent is extremely low, it means that higher rents will not necessarily be rejected.

9.7.9 An assessment of disposable income

The assessments in the previous sections provide some indication of the relationship between actual payment, willingness to pay and the amount respondents is able to pay. The emphasis now shifts to determining the disposable income of the different income groups. The scale of disposable income for each income group in each of the three areas is presented in Annexure D, Annexure E and Annexure F. The following methodological procedures were used:

- The disposable income was calculated at the bottom and top end of each category.
- Calculations did not include credit accounts but included rent, as stated in the database.
- The database only includes employed respondents.
- Disposable income calculated as zero was excluded

An overview of the disposable income per income category in the areas under investigation is presented in Tables 9-42 to 9-44.

Table 9-42: An overview of disposable income per income category for households renting in Bloemfontein, 2003

Indicators	R1 500	R2 000		R2 500		R3 500		R5 500		R7 500
Median disposable income	-750	-250	-460	30	-470	520	70	1 830	750	2 760
Number of respondents in category	19	19	25	25	69	69	119	119	162	162
Number of households overspending	16	12	18	11	49	12	56	8	33	0
% of households overspending	84.2	63.2	72.0	44.0	71.0	17.4	47.1	6.7	20.4	0.0

Table 9-43: An overview of disposable income per income category for households renting in Mangaung and Heidedal, 2003

Indicators	R1 500	R2 000		R2 500		R3 500		R5 500		R7 500
Median disposable income	-20	530	-390	90	-10	980	480	2 510	1 660	3 720
Number of respondents in category	137	137	67	67	69	69	78	78	46	46
Number of households overspending	62	35	41	26	35	6	18	2	9	0
% of households overspending	45.3	25.5	61.2	38.8	50.7	8.7	23.1	2.6	19.6	0.0

Table 9-44: An overview of disposable income per income category for households renting in Botshabelo / Thaba Nchu, 2003

Indicators	R1 500	R2 000		R2 500		R3 500		R5 500		R7 500
Median disposable income	-440	140	-70	380	340	1 380	870	2 800	1 560	3 500
Number of respondents in category	54	54	76	76	103	103	144	144	42	42
Number of households overspending	37	24	38	19	34	7	31	1	6	0
% of households overspending	68.5	44.4	50.0	25.0	33.0	6.8	21.5	0.7	14.3	0.0

With regard to the information presented in Tables 9-42 to 9-44, the following key conclusions may be drawn:

- Households in the income groups below R2 500 per month seem to have larger negative disposable incomes. This is especially true in the case of Bloemfontein.
- It seems that it will be fairly easy to provide households with monthly incomes above R2 500 access to housing.

- However, in case for households with incomes below R2 500 per month, mechanisms should be put in place to ensure that the risks with regard to these households are specifically assessed.
- Considering the risk of non-payment it seems that in the monthly income categories above R2 500, budgeting should be done for 10%-15% defaults.

9.8 How big is the demand?

One of the main objectives of the research was to determine the demand for rental housing in the MLM. In this section the demand will be determined by a separate assessment of each of the three areas under consideration. In addition the demand in Bloemfontein, Mangaung and Heidedal will be discussed together as a unit while the demand in Botshabelo will be discussed separately.

The following procedure was used in the case of Bloemfontein, Mangaung and Heidedal

- The total number of households in the area was taken (using data from 1996).
- The number of households was projected for 2003.
- The estimated percentage of households not falling in the income categories required was subtracted.
- The percentage of households renting, as estimated in Section 5, was then used to estimate the existing number of households renting.
- The percentage of households preferring renting (of the total above) was determined.
- The percentage of households that has a member owning a house or that has previously received a housing subsidy was then subtracted.
- The percentage of households without employment was subtracted.
- This number obtained was then multiplied with the fraction of households that are unhappy or satisfied. The underlying assumption is that respondents in these two categories would possibly consider moving to a new venue.
- The new number was then multiplied with the fraction of households of which the respondents was younger than 40 years.
- Finally, the number was multiplied with the fraction of households that could afford this housing option.

Table 9-45 below provides an overview of the above methodology:

Table 9-45: The demand for rental housing in Bloemfontein and Mangaung/Heidedal, 2003

Criteria	Households 1996	Households 2003	Percentage / growth rate
Current households	90837	102919	1.8% annual growth
Current rentals		30361	29.50%
Fall into income category		21253	70.00%
Prefer rent or rent to own		7460	35.10%
Do not own property		7049	94.20%
Percentage of SA citizens		6986	99.10%
Has not received a subsidy previously		6602	94.50%
Employed		5902	89.40%
Unhappy or satisfied		2485	42.10%
Age below 40 years		1983	79.80%
Affordable		1160	58.50%

According to the above table the estimated demand for rental housing in Bloemfontein, Mangaung and Heidedal is 1 160 units. If the locational preferences are matched to the possible market, the results listed in Table 9-46 are obtained.

Table 9-46: Locational preferences with regard to the demand for rental stock for respondents in Bloemfontein, Mangaung and Heidedal, 2003

Preferred area	Percentage preference	Number of units
Renovated building in inner-city	10.3	119
Grasslands east of Heidedal	23.5	273
Suburbs surrounding inner-city	47	545
Batho	5.6	65
Botshabelo/Thaba Nchu	0.4	5
Other: Mangaung	10.1	117
Other	3.1	36
Total	100	1 160

Table 9-46 indicates that residents of Bloemfontein, Mangaung and Heidedal would like to reside as close as possible to the economic core of MLM, namely Bloemfontein. According to Table 9-46 consideration could be given to the construction of approximately 650 units in or on the periphery of the inner-city.

For Botshabelo and Thaba Nchu the same methodological procedure as above was used except that the possible demand was seen as those households commuting between Bloemfontein and Botshabelo/Thaba Nchu. The results are listed in Table 9-47.

Table 9-47: Demand for rental housing under commuters between Botshabelo/Thaba Nchu and Bloemfontein, 2003

Criteria	Households 1996	Households 2003	Percentage / growth rate
Current households	37431	37 400	
Households with at least one commuter		8 000	
Current renters		4 288	53.60%
Consider moving to Bloemfontein		2 384	55.60%
Will consider renting in Bloemfontein		2 356	98.80%
Do not own property		2 252	95.60%
Percentage of SA citizens		2 236	99.30%
Has not received a subsidy previously		2 138	95.60%
Employed		2 065	96.60%
Age below 40 years		1 588	76.90%
Affordable		1 112	70.00%

It seems that the demand for rental housing under commuters between Bloemfontein and Botshabelo could be approximately 1 100 households. This observation regarding the demand was further supported in interviews with municipal officials. It should also be acknowledged that renting housing in Bloemfontein would not necessarily mean that the linkage with Botshabelo and Thaba Nchu would not be maintained. In essence persons considering to move are somewhat younger, have resided in Botshabelo for less than the average of the sample and do have less dependants. The locational scenario of housing preference is presented in Table 9-48.

Table 9-48: Locational preference for Botshabelo and Thaba Nchu respondents, 2003

Preferred area	Percentage preference	Number of units
Renovated building in inner-city	18.6	216
Grasslands east of Heidedal	25.4	295
Suburbs surrounding inner-city	45.7	531
Batho	8.5	99
Other	1.7	20
Total	100.0	1 160

It should be mentioned that, in Table 9-48, Botshabelo and Thaba Nchu were removed as preferred areas of location because, in terms of the demand, respondents had already indicated that they would prefer rental housing in Bloemfontein. From the analysis of the above locational preferences in terms of the demand for rental housing it seems that another 700+ units can be constructed in and around the inner city.

10. Conclusion

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 MLM 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, 28.4% of respondents indicated that they were unhappy, 36.8% were satisfied and the remainder were happy. A negative social evaluation, poor living conditions, dissatisfaction with distances to work and lack of security were the main reasons for being unhappy. Rented housing is only a preference of 9.2% of the respondents, while 21.5% indicated renting with the aim of owning as the main preference and 69.3% prefer owning a housing unit immediately. Against this background the current demand for rented housing was estimated at approximately 1 200 units in Bloemfontein, Mangaung and Heidedal while it seems that approximately 1 100 commuter families could settle and afford rental accommodation in Bloemfontein.

The second objective aimed at defining the demographic aspects of potential residents for social housing. Although a variety of demographic attributes were identified regarding rented housing in the MLM, rented accommodation seemed to be a larger preference under:

- Younger respondents; and
- Are more likely to have smaller families

Thirdly, the study determined some guidelines with regard to affordability. In general, it seems that people with a monthly income of below R2 500 will find it difficult to afford housing units – even with the assistance of the institutional subsidy. An attempt can, however, be made to cross-subsidise between different income groups in the project. Although rent should be kept as low as possible, it does not seem that specific ceiling values were indicated by the respondents. In general respondents are able to pay more than what they are currently paying. It is suggested that one 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 the first three objectives. The majority of respondents (49.9%) preferred two-bedroom units while 35.2% preferred three-bedroom units. Only 15% preferred one-bedroom units. Considering affordability, two-bedroom units seem to be a safe option.

Annexure A: Questionnaire

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>Bloemfontein</i>	1
	<i>Mangaung / Heidedal</i>	2
	<i>Botshabelo</i>	3

This paragraph should be read as an introduction.

Hello, my name is (*fieldworker name*) and I am working for the Centre for Development Support at the University of the Free State and the Social Housing Foundation. 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 possible e housing project planned for the area. **PLEASE NOTE THAT THIS IS A MARKET RESEARCH EXERCISE AND WILL NOT NECESSARILY LEAD TO HOUSING BE PROVIDED.**

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

- *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*

--	--	--	--	--

For office use only

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 1 No 2

3. Are you a religious person? Yes 1 No 2

4. Are you currently employed? Yes 1 No 2

If NO, are you currently seeking employment? Yes 1 No 2

If NO, why not? _____

5. What is your highest school grade passed?

Standard 5 and below (Grade 7) 1 Standard 6 - 7 (Grade 8 & 9) 2 Standard 8 (Grade 10) 3 Standard 9 - 10 (Grade 11 & 12) 4

6. Do you have any formal after school training? Yes 1 No 2

7. Do you have any informal training? Yes 1 No 2

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 1 Family living here 2 Nowhere else to go 3

Other reason please specify: _____

10. How long do you travel per day to and from work: (indicate in minutes for both ways) _____

11. Do you want to reside in the area permanently? Yes 1 No 2

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

Taxi 1 Bicycle 2 Personal car 3 Bus 4

13. Have you ever received a government housing subsidy? Yes 1 No 2

14. Do you own any property or housing? Yes 1 No 2

15. What is your current marital status?

Married	1	Single / Never married	2	Widowed	3	Divorced	4
---------	---	------------------------	---	---------	---	----------	---

16. 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 Mangaung Local Municipality (including Bloemfontein, Botshabelo and Thaba Nchu)

Rental housing	<input type="text" value="1"/>	Owning a house	<input type="text" value="2"/>	Renting with the aim of owning later	<input type="text" value="3"/>
----------------	--------------------------------	----------------	--------------------------------	--------------------------------------	--------------------------------

If renting or rent to own is selected answer 1.1 to 1.3 – otherwise go to 2.

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

2 If you want to own, what type of house would you like to own: (only to be completed by those indicating they want to own or rent to own)

1-bedroom flat	1	2 bedroom flat	2	3 bedroom flat	3
1 bedroom townhouse	4	2 bedroom town house	5	3 bedroom townhouse	
1 bedroom house	8	2 bedroom house	9	3 bedroom house	

2.1 How much are you willing to pay for your choice? _____

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

Yes 1 No 2

4. Do you currently receive visitors often?

Yes 1 No 2

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

Yes 1 No 2

6. Should specific space be provided where children can play?

Yes 1 No 2

7. Should space be provided for cultural/traditional activities?

Yes 1 No 2

8. What type of housing unit would you prefer?

		Multi-story housing units	1	Duplex units	2
Single store houses per stand	3	Cluster housing	4	Other	5

9. How much rent will you be able to pay per month for housing and if you would like to own how much are able to pay?

<i>Rent per month</i>	(✓)	Payment per month if you want to own	(✓)
R0 - R100	1	R0 - R100	1
R101 - R200	2	R101 - R200	2
R201 - R300	3	R201 - R300	3
R301 - R400	4	R301 - R400	4
R401- R500	5	R401- R500	5
R501 - R600	6	R501 - R600	6
R600 – R800	7	R600 – R800	7
R800 - R1000	8	R800 - R1000	8
R1001 – R1250	9	R1001 – R1250	
R 1251 – R1500	10	R 1251 – R1500	
R1500 – R2000	11	R1500 – R2000	
Above R2000	12	Above R2000	

11. Where would you like this unit to be located?

A renovated building in the inner-city	1	In Grasslands to the east of Heidedal	2	In suburbs surrounding the inner-city	3
In Batho	4	Botshebelo / Thaba Nchu	5		

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 - R2000		1
R 2001 – R2500		2
R2501 – R 3501		3
R 3501 – R 5500		4
R 5501 – R7500		

4. What type of job do you have?

Legislators, senior official and managers	1	Professional	2	Technician and associate professionals	3
Clerks	4	Service workers, shop and market sales	5	Skilled agricultural	6
Craft and related trades	7	Elementery	8	Other	9

5. In which industry are you employed?

Community level, services	1	Wholesale and retail	2	Private household	3
Manufacturing	4	Financial services	5	Construction	6
Mining	7	Agriculture	8	Other	9

6. 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

7. Do you currently receive any financial help from your family? Yes 1 No 2

If YES, how much (Rands)?

R

How often?

8. Do you currently have any debt?

Yes

1

No

2

8.1 Do you currently have any savings?

Yes

1

No

2

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

Type of debt	✓	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	

9. 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
School fees (books, uniforms, transport)	R	R
Municipal taxes	R	R
Newspapers	R	R
Maintenance on house	R	R
Car maintenance	R	R
	R	R

E. CURRENT HOUSING SITUATION (for Botshabelo residents the house in Botshabelo)

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

Unhappy

1

Satisfied

2

Happy

3

Why do you feel this way? _____

2. What is the name of the suburb you are residing in? (if Botshabelo indicate Block)

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 1 No 2

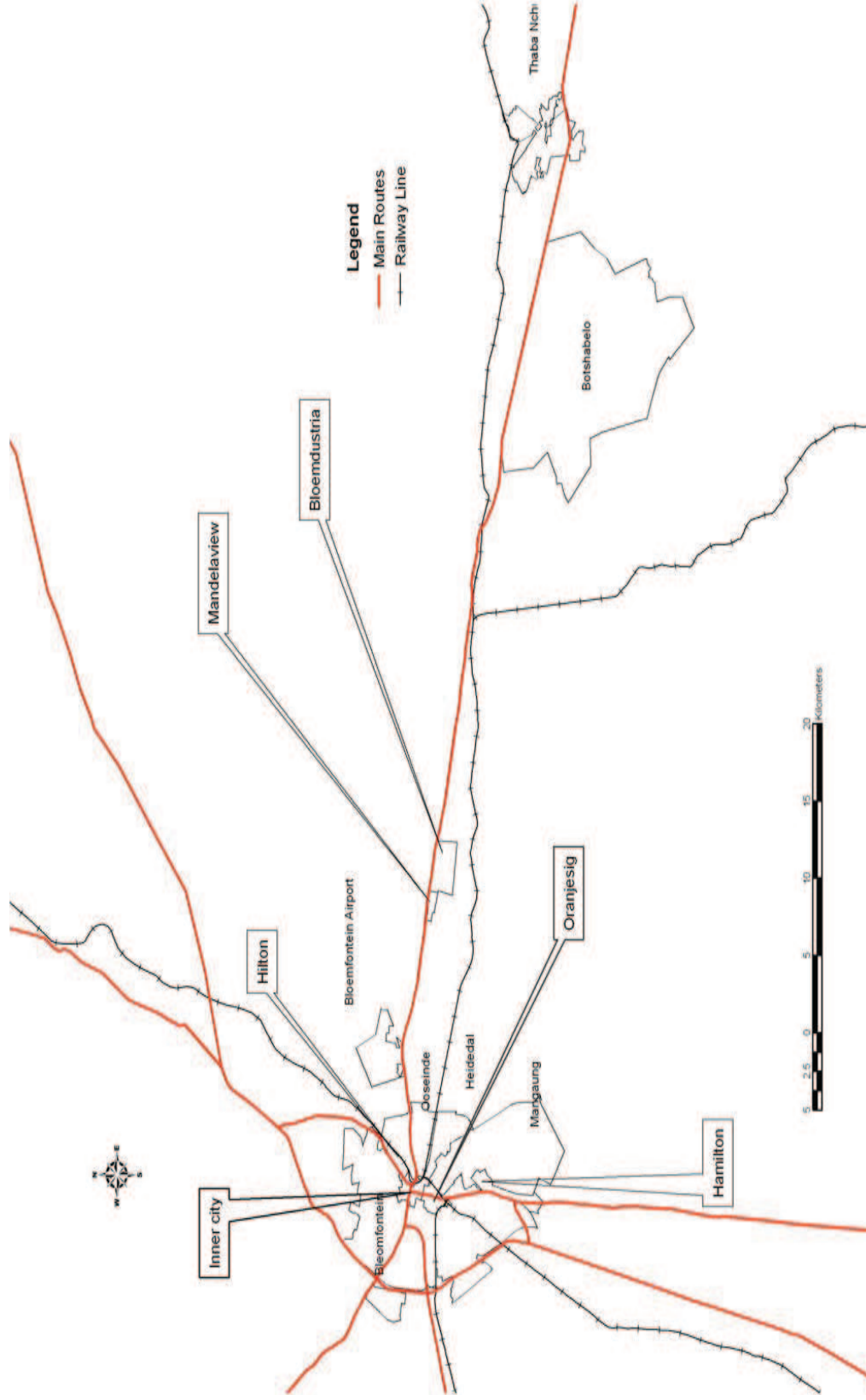
If YES, please specify what: _____

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

F. BOTSHABELO RESIDENTS ONLY

1. Are you currently renting or owning a house in Botshabelo	Rent	1	Own	2	
2. Would you consider moving to Bloemfontein if good quality housing is provided in Bloemfontein?	Yes	1	No	2	
2.1. Would you consider renting such a unit in Bloemfontein?	Yes	1	No	2	
3. How often do you travel between Botshabelo / Thaba Nchu and Bloemfontein?	Daily	1	Weekly	2	
	Monthly	3	Other	4	
4. If you do not travel on a daily basis, what type of housing do you reside in Bloemfontein?:					
House on separate stand	1	Informal settlement	3	Formal unit in backyard e.g. garage	5
Flat	2	Backyard shack	4	Other	6
5. Explain the nature of tenure with regard to the house / place you reside in Bloemfontein	Own it	1	Rent it	2	
	Stay for free	3	Other	4	

Annexure B: A spatial overview of MLM, 2003



Annexure C: The location of suburbs in Bloemfontein, 2003



Annexures D: Disposable income in Bloemfontein per income group

	R1500 income			
BLOEMFONTEIN	-4550	-3930	-2775	-2360
	-2088	-1710	-1485	

-10
-98
-8
-754
-674
-50
-4
-390
-2
-12
087
07
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Bloemfontein

R2000 income

-4050	-3430	-2275
-1860	-1588	-1210

-10
-98
-8
-7
-6
-5
-48
-3
-254
-174
00
0
119
2
38
423
57
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Bloemfontein

R2001 income

	-2226	-2209	-1995	-1349
-10	842			
-9	1			
-8	8			
-7	88			
-6				
-5				
-4	76			
-3	9			
-2				
-1	8664			
0	95			
0	79			
1	46			
2				
3	9			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Bloemfontein

R2500 income

-1727 -1710 -1496

-10
-9
-85
-7
-6
-5853
-42
-39
-298
-1
0
023
10
2
31335
4 04
579
646
7
89
9
10
11
12
13
14
15
16
17
18
19
20

	R2501 income						
Bloemfontein	-3269	-3004	-2551	-1954	-1944	-1839	-1677
	-1539	-1492	-1280	-1249	-1229	-1109	

-1073
 -9554
 -8630
 -7974
 -6543
 -59933
 -498744332
 -3642
 -29431
 -1961
 070
 0236
 10299
 2079
 30
 44
 518
 6
 74
 8
 9
 10
 11 01
 12
 13
 14
 15
 16
 17
 18
 19
 20

Bloemfontein

R3500 income

	-2270	-2005	-1552
-10			
-9	54		
-8	4		
-7			
-6	7		
-5	4		
-4	9		
-3			
-2	853		
-1	1		
0	83		
0	445		
1	369		
2	025		
3	456		
4	0066		
5	012556667		
6	357		
7	0568		
8	038		
9	29		
10	236		
11	0299		
12	079		
13	0		
14	4		
15	18		
16			
17	4		
18			
19			
20			

2100,

2110

	R3501 income								
	-3114	-2929	-2854	-2814	-2754	-2474	-2446	-2183	-2034
	-1759	-1667	-1639	-1619	-1559	-1549	-1531	-1509	-1439
	-1339	-1329	-1321	-1312	-1287	-1273	-1260	-1110	
-10	5								
-9	70								
-8									
-7	9542								
-6	70								
-5	422								
-4	62100								
-3	976544								
-2	984								
-1	9876552211								
0	887654322								
0	33556								
1	234								
2	013499								
3	578								
4	000234678								
5	02459								
6	123368								
7	0678								
8	3								
9	4								
10	12								
11	077779								
12									
13	2								
14									
15									
16									
17									
18									
19									
20									

Bloemfontein

Income R5500

-1115

-10
-93
-851
-75
-6
-5
-474
-3
-2
-18
03
0
19
24
3368
44569
569
66778
7123
89
94
1029
11 0457
1229
13
14577
1537899
16 023455
17 015
18 0123447788
19112345677
2033556
21234
22 013499
23578
24 000234678
25 02459
26123368
27 0678
283
294
3012
31 077779
32
332
4650

5500

Bloemfontein

R5501 income

	-1954	-1745	-1679	-1493	-1469	-1435
	-1314	-1229	-1184	-1137	-1124	-1119
-10	2					
-9						
-8						
-7	966					
-6	44					
-5	400					
-4	87663					
-3	8					
-2	31					
-1	633					
0	986655421					
0	225					
1	167799					
2	07					
3	69					
4	569					
5	0012335589					
6	11228					
7	01233555669					
8	00348					
9	0445					
10	00159					
11	12289					
12	224567					
13	166					
14	3555588					
15	0368					
16	127					
17	0011125589					
18	012259					
19	248					
20	4					
21	4					
22	366					
23	33					
24	03					
25	357					
26						
27						
28	5					
29						
30						

3601

Bloemfontein

Income R7500

0	4	
1		
2	5	
3	2	
4		
5	036	
6	18	
7	7	
8	1678	
9	7	
10		
11		
12	033	
13	55	
14	599	
15	12336	
16	1	
17	68	
18	366	
19	013344578	
20	225	
21	167,799	
22	07	
23	59	
24	569	
25	0011335589	
26	11228	
27	01233555669	
28	00348	
29	0445	
30	00159	
31	1228	
32	224567	
33	166	
34	3555588	
35	0368	
36	127	
37	0011125589	
38	012258	
39	238	
40	4	
41	4	
42	366	
43	23	
44	03	
45	357	
	4850	5600

Annexure E: Disposable income in Mangaung / Heidedal per income group

Mangaung / Heidedal	R1500 income						
	-2272	-1987	-1945	-1605	-1521	-1424	-1325
	-1252	-1241	-1230	-1165	-1164	-1117	-1104
-10	862						
-9	65						
-8	85						
-7	732						
-6	9855111						
-5	88422						
-4	988864320						
-3	6610						
-2	854432100						
-1	8520						
0	77632						
0	1135667899						
1	00112578						
2	44468888						
3	16668899						
4	0015						
5	01133689						
6	466889						
7	0289						
8	34						
9	001134455668						
10	4						
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

Mangaung /
Heidedal

	R2000 income				
		-1772	-1487	-1445	-1105
-10	2				
-9	2				
-8	2				
-7	543				
-6	6610				
-5	862				
-4	65				
-3	85				
-2	732				
-1	9755111				
0	88422				
0	111135679				
1	4499				
2	255567899				
3	247				
4	022368				
5	1135667899				
6	00112578				
7	44468888				
8	16668899				
9	0015				
10	01133689				
11	466889				
12	0289				
13	34				
14	001134455668				
15	4				
16					
17					
18					
19					
20					

Mangaung
Heidedal

	R2001 income					
	-1565	-1416	-1347	-1344	-1294	-1269
-10	85					
-9	9					
-8	972					
-7	87620					
-6	9941					
-5	6550					
-4	9874210					
-3	97					
-2	91					
-1	542					
0	94					
0	67					
1	4					
2	24					
3	7					
4	17					
5	0477					
6	00379					
7	156					
8	13579					
9						
10	7					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Mangaung
Heidedal

R2500 income

-10	6
-9	1
-8	44
-7	97
-6	
-5	85
-4	9
-3	973
-2	87621
-1	99941
0	6651
0	0125789
1	02
2	08
3	457
4	05
5	67
6	4
7	24
8	7
9	17
10	0477
11	00379
12	156
13	13579
14	
15	7
16	
17	
18	
19	
20	

Mangaung
Heidedal

	R2501	income					
		-2080	-1929	-1669	-1337	-1321	-1104
-10							
-9	985						
-8	4						
-7	52						
-6	9960						
-5	11						
-4							
-3	9533						
-2	9960						
-1	72						
0	7653211						
0	22559						
1	12389						
2	1239						
3	38						
4	035						
5	22						
6							
7	111						
8	888						
9	022						
10	045						
11							
12							
13	4						
14							
15							
16							
17							
18							
19							
20							

Mangaung / Heidedal || R3500 income

-10|8
-9|3
-8|
-7|
-6|7
-5|
-4|
-3|32
-2|
-1|0
0|
0|014
1|5
2|47
3|0039
4|88
5|
6|0466
7|0039
8|27
9|2346788
10|22559
11|12389
12|1239
13|38
14|035
15|22
16|
17|111
18|888
19|0129
20|45

2340

Mangaung
Heidedal

R3501 income

	-3992	-2921	-1959	-1843	-1789
-10		-1639	-1398	-1149	
-9					
-8					
-7					
-6					
-5					
-4					
-3					
-2					
-1					
0					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Mangaung
Heidedal

	R5500 income	
-10		-1993
-9	2	
-8		
-7		
-6		
-5		
-4		
-3		
-2		
-1		
0		
0	4	
1	5	
2	1	
3	6	
4		
5		
6	0	
7		
8	5	
9		
10		
11		
12	8	
13	3	
14	03	
15		
16		
17	789	
18	57	
19	6	
20	45	
21	023	
22	112358	
23	2499	
23	113388	
25	14	
26	2344	
27	178	
28	04	
29	2556	
30	13	
31	1355668	
32	01	
33	0	
34	28	
35	05	
36	7	
37	12466	
38	9	
39	0	
40		

Mangaung
Heidedal

R5501 income

-10
-9
-8
-7
-6
-5
-4 95
-3 8
-2 5
-1 8
0 33
0
1 6
2 0
3
4 6
5
6 3
7
8 9
9 77
10 37
11 5
12 3
13 5
14
15 1
16 26
17 0 12 77
18 6
19
20 7
21
22 34 77
23 0
24 22
25 38
26 37
27 3
28 12
29 0
30
31
32
33
34
35 1
36
37
38
39

Mangaung 40 |
Heidedal R7500 income

6
7
8
9
10
11
12
13
14
15 14
16 1
17 4
18 1
19 66
20
21 6
22 0
23