

# Small Scale Private Rental Strategy

Launch  
11<sup>th</sup> February 2010



**Urban LandMark**

# Background



- Strategic literature review & assessment (Watson)
- Landlord/tenant focus groups (Social Surveys)
- Focus Groups
- Household Rental Report (Carey)
- **Strategy (Gardner)**





# Definition: Small-Scale Rental

- Separate delivery system from objective accommodation outcome & subjective quality descriptors
- Core elements of a universal definition:
  - Small scale, local-level production
  - Recognized, privately-held land (owned, tribal, rented but not illegal)
  - Managed by private individuals or households
  - Rented to separate individuals / households (monetary exchange)





# Statistics



- SSR accommodates approximately 10% of all SA households (850 000 + households)
- 35% of all SA households that rent are in SSR.
- Average rentals (2008) are R150 (informally constructed units) and R300 (formally constructed units)
- 53% of SSR units are formally constructed
- Formally constructed SSR is fastest growing sub-sector
- No direct state support

# Motivation

SSR offers scope for rapid delivery of affordable, appropriate, acceptable, adaptable and desirable accommodation with significant private investment & low public investment, while meeting key human settlement principles



# Towards a small scale rental strategy



- Focus: creation & delivery of new intermediate, affordable private rental stock, not eradication or gentrification of existing stock
- Harness SSR potential, not weaken its delivery ability through ad-hoc interventions



# Small scale rental strategy: three thrusts



1:national realities, norms and standards





# Small scale rental strategy: three thrusts



2: acceptance & support for SSR sector as  
NB housing sub-market



# Small scale rental strategy: three thrusts



3: engagement with SSR delivery system to promote & support rapid development of new, acceptable SSR accommodation within existing settlements



# Elements of a SSR Strategy



1. Institutional Requirements
2. Facilitative Mechanisms
3. State Investment
4. Pilot Programmes



# Facilitative Mechanisms



1. Settlement planning & design
2. Settlement development methodology
3. Municipal controls
4. Access to on-site services
5. Infrastructure Capacity
6. 'Supply Chain' Support Programmes
7. Housing Support
8. Access to finance (HMF)

