

Factors impacting on the distribution of Reconstruction and Development Programme (RDP) houses in Mafikeng and the sustainability of payments for rates and services

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## DECLARATION

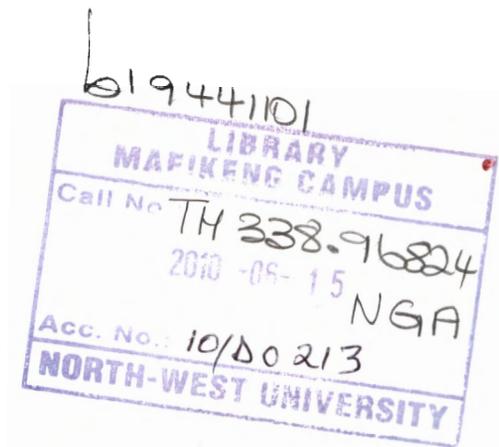
I hereby declare that the dissertation:

### **FACTORS IMPACTING ON THE DISTRIBUTION OF RECONSTRUCTION AND DEVELOPMENT PROGRAMME (RDP) HOUSES IN MAFIKENG AND THE SUSTAINABILITY OF PAYMENTS FOR RATES AND SERVICES**

is my own work, that all sources used or quoted have been indicated and acknowledged by means of referencing techniques and bibliography and that this dissertation for the Master of Business Administration degree was not previously submitted by me for a degree at any university

  
.....  
Khabonini Wilpard Ngazire

*03 March 2010*  
.....  
Date



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## **DEDICATION**

This effort is dedicated to:

My parents Brown and Merriam, my in-laws Sam and Isabella (late), my wife Ruth, my sons Tumelo and Merafe and my daughters Bareng and Kopano, all of whom will always be a part of me.

## ABSTRACT

### Aim and scope

The purpose of this study was to identify the problems encountered by the intended beneficiaries of Reconstruction and Development Project (RDP) houses and also assessed their ability to pay for rates and services related to housing. Specific reference was made to the following objectives which were thoroughly interrogated within the study:

- whether gender is considered in the allocation of houses
- accuracy of information supplied by the applicants
- whether the waiting list is considered during the process of issuing application forms
- are current occupants the original applicants for these houses?
- do the beneficiaries pay for rates and municipal services like water and electricity?

The study was prompted by several reports in both the print and electronic media that deserving beneficiaries were not accessing houses and those who accessed them were unable to sustain payments for rates and services.

### Approach

The researcher used the quantitative approach. A sample of 200 beneficiaries was chosen out of a population of 2150 inhabitants of Mafikeng Extension 39, however only 150 beneficiaries responded to the questionnaire. Information was also collected from 20 beneficiaries in Alabama Extension 3, Klerksdorp and was used as pilot data. The primary instrument that was chosen for data presentation is the questionnaire. Statistical data analysis was done through the usage of the Statistical Package for the Social Sciences, producing tables and bar charts.

### Conclusions drawn from the study and recommendations

The results of the study were positive because they confirmed three of the assumptions that were raised, except for the two questions on gender and fraudulent information. The researcher therefore concluded that the study significantly achieved the purpose for which it was undertaken. Several recommendations were highlighted at the end of the study to try and remedy the situation. The outcome of the study prompted that further studies must be done to determine whether beneficiaries do stay in their houses.

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## **CHAPTER 1: ORIENTATION AND PROBLEM STATEMENT**

### **1.1 Orientation**

#### **1.1.1 Introduction**

Rust (2006) states that twelve years after the advent of South Africa's democracy and the publishing of its White Paper on Housing in December 1994, as well as two years after the approval of the Comprehensive Plan for the Development of Sustainable Human Settlements (also known as Breaking New Ground), dramatic changes have occurred in the housing landscape. An unparalleled property boom has highlighted the potential of property as a prime investment class and this has had a dramatic impact both on the wealth base of existing property owners and the affordability constraints of new home seekers, including the capacity of the State to continue to deliver subsidised housing. The development of informal settlements and the general policy applied to housing in South Africa revolved around subsidies. There are different kinds of subsidies such as the project-linked subsidy, the rural housing subsidy, the individual housing subsidy, peoples housing subsidy, and consolidated housing subsidy (Department of Housing, 2000). The type that was examined in this study was the project-linked subsidy.

The National Department of Housing (2000) reflects in the National Housing Code that subsidies are the most well known of the seven strategies that comprise the National Housing Policy and although not initially introduced with the White Paper in December 1994, an institutional subsidy, allowing for collective ownership and rental tenure was implemented in late 1995. In this regard the assumption is that this form of ownership is temporary and a respite between homelessness and ownership. This implies that a beneficiary acquires sufficient personal equity which, when added to the individual subsidy, allows him or her access the housing he or she needs. It is assumed that the beneficiary will later excuse himself or herself from the cooperative or rental housing arrangement and enter the market on an individual ownership basis.

The Department of Local Government and Housing (2006) describes a Project-linked housing subsidy as a grant from the government that can be used to buy a house, together with the land on which it stands, in a municipal housing project. This subsidy is received only once and it is not a cash payout but is paid directly to the municipality that is building the houses. This mechanism of project-linked subsidies provides for the allocation of housing subsidy funding to the developers to enable them to undertake approved housing development projects on behalf of qualifying beneficiaries. A developer

initiates, manages and executes housing projects. The subsidies are therefore ultimately for the benefit of the approved individual beneficiaries. A developer can be an organisation in the private sector, a public sector institution, or a non-governmental or community-based organisation. Furthermore, developers may comprise joint ventures between a variety of role players or other arrangements.

The National Housing Act (Act 4 of 2001) defines housing development as a variety of processes through which habitable, stable and sustainable public and private residential environments are created for viable households and communities. The building of a house is the culmination of many planning processes and legislative requirements. However, for these processes to be successfully implemented, all the guidelines contained in the housing code and related policy demands need to be followed to the letter. Any deviations need to be supported by relevant authorization as per policy requirements.

The purpose of this study, therefore, was to collect data and validate information supplied by subsidized housing beneficiaries with the actual data captured on the Housing Subsidy System. The study attempted to find the extent of faulty or unethical misrepresentation of facts by applicants of low cost housing, in this instance the Reconstruction and Development Programme (RDP) housing. Attention was particularly paid on the project-linked subsidies, whereby the government of South Africa contracts private developers or municipalities to erect low cost houses for qualifying beneficiaries.

### 1.1.2 Objectives of the study

The study was intended to investigate whether or not the delivery of housing was implemented effectively. The effectiveness or ineffectiveness of the housing policies was checked through aspects like female applicants not getting preferential treatment in the allocation of houses as identified by Aggarwal (2005), access to housing by applicants through misrepresentation of facts as cited by Lubisi (2007), non usage of the waiting list by the municipalities to allocate RDP houses as reflected in The Southern African Housing Foundation (2007), whether beneficiaries do occupy their houses, rent them out or sell them, instead of occupying them as observed by Luhanga (2008) and whether beneficiaries were able to pay for municipal services as indicated by Khan and Thurman (2001).

More specifically objectives of the study were:

To check if there was preferential treatment in accessing RDP houses.

To verify whether information supplied by the interview respondents matched the information captured and stored on the RDP housing subsidy system.

To identify the method used to allocate houses.

To determine whether the original beneficiaries were the ones who occupied the RDP houses.

To verify whether beneficiaries of RDP houses were able to pay for the municipal rates and services

### 1.1.3 Significance of the study

The study is aimed at contributing a great deal towards assessing the extent to which the housing delivery process is being abused in terms of subsidy approvals and the allocation of RDP houses to deserving beneficiaries. Revelation of any unethical methods should assist the authorities in legislating laws aimed at curbing corrupt behaviour, thus contributing towards efficient and effective delivery of accommodation to the most needy.

Lubisi (2007) reflects in the City Press newspaper that former President, Thabo Mbeki mandated the Special Investigations Unit (SIU) to investigate the loss of state funds, the mismanagement and misuse of the government's low-cost housing schemes as well as the conduct of officials administering RDP houses. He cites further that this was prompted by the findings of the Auditor- General's report in 2006 that there was possible fraud, corruption and maladministration in the Housing Subsidy System. The SIU and Special Tribunals Act (2006) gave birth to Proclamation R7 of 2007 on the 25<sup>th</sup> of April 2007 which authorised the SIU to start with the investigations.

According to World Urban Forum 4(2008), people should know who is on the list. Secret lists bring about a suspicion that there is corruption (World Urban Forum 4, 2008). Baumann (2003) observes that government assumes that publicly provided housing is a positive step but that the beneficiary might lack an adequate and sustainable income. The authors concern is why a household would choose to abandon or sell a house and why leaving a house may be a positive outcome for such a household.

Referring to the asset vulnerability framework, it is apparent that a household's poverty has more aspects than monetary income and that a household's vulnerability to income is not a simple function of either income or savings. Once it is clear that a household's assets include factors such as social support from the extended family and proximity to existing or potential jobs, it then becomes evident that circumstances will arise when leaving an RDP house adds to the assets being available to the relevant households.

#### 1.1.4 Delimitation of the study

The research was conducted at Mafikeng Extension 39 in the Mafikeng Local Municipality from a population of 2,150 beneficiaries. A sample of 150 beneficiaries was used in the study. The focus of this research was on the subsidized housing budget allocation of the North West Province for the 2006/2007 and 2007/2008 financial years.

#### 1.1.5 Clarification of concepts and abbreviations

- National Housing Code : The National Housing Code sets out clearly, in one comprehensive document, the National Housing Policy (Section 4 of the Housing Act, 1997).
- Housing Subsidy : A grant made available by the state to a beneficiary for acquisition of land, the provision of certain basic municipal engineering services and the contribution of a permanent residential structure, in terms of Chapter 3 of Part 3 (Housing Subsidy Scheme-Project Linked Subsidies) of the National Housing Code
- HSS : It represents the Housing Subsidy System, which is a computer system used by all Provinces in South Africa to process housing subsidies and to produce reports (Department of Housing, 2000).
- Project-Linked Subsidy : It is a grant from the government that can be used to



buy a house, together with the land on which it stands, in a municipal housing project. This subsidy is received only once and it is not a cash payment but is paid directly to the municipality that is building the houses (Department of Housing, 2000)

- Developer** : The municipality who may serve as the property developer of low cost houses (Department of Housing, 2000)
- Beneficiary** : A natural person who qualifies for a particular Subsidy (Department of Housing, 2000)
- RDP** : Reconstruction and Development Programme meant to address poverty through projects (Department of Housing, 1994)
- Ethics** : The rules or standards governing the conduct of a person or the number of a profession (Free Online Dictionary)
- Sustainable service payments** : Durable payment by beneficiaries for municipal services (Free Online Dictionary)



## **1.2 Problem Statement**

### **1.2.1 Introduction**

In this sub chapter the problem is first stated in general terms and then five research questions are reflected. There are reports and investigations doing rounds in low cost housing commonly known as RDP housing in South Africa, and some of these are supported by the literature study dealt with in chapter 2. These reports in some cases, are negative, and based on untested information. There are, however, incidents where people who actually experienced some form of misfortune related to the distribution of RDP houses have made formal complaints to the relevant authorities and investigations have confirmed this. An example is the report issued by the Special Investigations Unit that non-qualifying government employees were allocated RDP houses.

Complaints by subsidy beneficiaries and the public in general to the government range from the size of the houses, misrepresentation of facts by applicants, corruption by municipal officers and councillors in the allocation of houses, shoddy workmanship on the houses, sale of RDP houses, to non affordability of service payments. This study therefore attempted to investigate the perception created by some of these reports. The focus of this study is based on beneficiary related problems that contribute to the improper distribution of RDP houses at Mafikeng Extension 39.

### **1.2.2 Research questions**

Based on the problem statement and the research objectives in sub chapter 1.1, the following specific research questions were formulated and are placed in perspective with information from the literature:

#### **1.2.2.1 Are female applicants getting preferential treatment in the allocation of RDP houses?**

During the literature review the researcher looked at the extent to which gender influences the allocation of RDP houses. The supreme law of the Country, which is the Constitution of the Republic of South Africa, Act 108 of 1996 makes provision that everyone has the right to access to adequate housing. This provision does not refer to gender in particular but to everyone who might be in need of housing. However, Sadie and Loots (1998) reflect in the literature review that the gender approach to development must be based on transformation of unequal gender and social relations.

This, Sadie and Loots argue would be for the empowerment of women. Kothari (2005) looking at this matter from the Pacific experience also stated that customary laws and civil laws that perpetuate

gender discrimination do not provide enough room for women to challenge discrimination. The emphasis must be on the repeal of those discriminatory laws before any change is realised. The researcher reflects that democracy in South Africa, driven by Constitutional changes has brought about equal opportunities for everybody. The results of this objective must therefore be looked at from the point of housing provision for the needy and not a specific gender.

#### 1.2.2.2 How accurate is the personal information submitted by applicants of RDP houses?

The Department of Housing is mainly dependent on the Housing Subsidy System to identify data that is contrary to the provisions of the national Housing Act. There are systems in place to crack down on different levels of fraudulent data supplied through the subsidy applications. System links have been established and the Housing Subsidy System is now linked to the Deeds Registration Office, Home Affairs Department, The Persal System and the Labour Department. This has contributed a lot towards the reduction of un-qualifying applicants who receive subsidies. However, there is still a problem with those applicants that are not working for the Public Service. The concern is that 'doctored' payslips or payslips that may have been tempered with might be submitted and approved. Although an attempt will be made to source the validity of data in this study, the researcher is of the opinion that this problem alone might require a separate study.

#### 1.2.2.3 Do municipalities or developers use the waiting list to allocate RDP houses?

Huchzermeyer (2001) reflects the issue of relocation and offer of sale, and whether this is enforceable in the literature review. The author further states that such transactions are usually informal. The first offer of sale would allow government to buy from the beneficiary and re-allocate the house to another deserving beneficiary. Another tendency according to Khan and Thurman (2001) and as stated in the literature review of this study, is that of beneficiaries selling their houses and returning to squatting.

A controlled administrative process in terms of registering those applicants who are in need of accommodation may come a long way in addressing the housing backlog. In the literature review Mathebula (2005) reflects that there are serious administrative discrepancies that lead to applicants waiting in vain for subsidised houses. This study aims to find out whether municipalities do give credence to the waiting lists when sourcing housing subsidy applicants. If waiting lists are not considered then the purpose of identifying the need for housing and allocating subsidies to the needy will have been defeated.

#### 1.2.2.4 Are the current occupants of RDP houses the original applicants of these houses?

Homelessness may not be eradicated in its entirety at any given moment. This is due to new applicants entering the housing market on a continuous basis. However, this situation does not need to be aggravated by the allocation of subsidies to applicants who might be having alternative accommodation. Government uses limited resources to satisfy unending needs of its citizens. These limited resources will have to be used efficiently and effectively for sustainability of low cost housing delivery. The study therefore attempts to find out if people who stay in subsidised houses are the beneficiaries.

#### 1.2.2.5 Do beneficiaries of RDP houses pay for municipal services?

The literature review in this study has reflected that payments for rates and services by the subsidy beneficiaries is a problem. The major cause in non-payment of rates and services is due to affordability by the beneficiaries. Khan and Thurman (2001) have stated in the literature review that the majority of recipients of the government subsidy appear to be the lowest income groups. The authors further state that beneficiaries are simply unable to afford the costs and 80% non-payment for rates and services in new subsidy housing projects is not unusual. It is therefore the aim of this study to find out if subsidy beneficiaries do pay for rates and services.

### 1.2.3 Summary

The above research questions were formulated on the basis of attempting to answer the dilemma raised in the problem statement. The next chapter therefore comes up with the methodology of designing and analysing the problem.

### 1.2.4 Organisation of the study

The dissertation is organised into six chapters in the following manner:

- Chapter 1 reflects the orientation and problem statement of the study and these mainly deal with the objectives and the formulation of the research questions.
- Chapter 2 deals with the conceptual framework and literature reviewed for this study.

- Chapter 3 presents the problem statement and the research questions. The problem is first stated in general terms and thereafter in the form of a number of research questions.
- Chapter 4 reflects an exposition of the investigation. Special attention is given to the sampling, measuring instrument and data analysis.
- The results of the study and interpretation are presented in Chapter 5.
- Chapter 6 presents a discussion of the outcome of the study. Cross-reference to other relevant studies and underlying theory is reflected in this chapter. It is then closed off with a general conclusion, limitations of the study, recommendations and suggestions for future research.



## **CHAPTER 2: CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW**

### **2.1 Introduction**

The previous chapter served to introduce the research objectives and as an orientation to the study. It also dealt with the formulation of the research questions. In this chapter various theories and literature that relate to the field of study are discussed and evaluated. The following aspects are reflected in this chapter: The importance of shelter and the right to adequate housing for all the citizens of South Africa (section 2.2), the extent to which gender influences the allocation of RDP houses (section 2.3), validity of information or data supplied by the applicants of RDP houses (section 2.4), impact of municipal waiting lists on the distribution of RDP houses to beneficiaries (section 2.5), occupation of RDP houses by non beneficiaries (section 2.6), and the severity of non payment of municipal services by the beneficiaries of RDP houses (section 2.7).

Literature review has revealed that not a lot of research has previously been undertaken with regard to the specific problems that are being examined in this study. The researcher therefore used literature that is close to the topic being studied to advance argument.

### **2.2 The importance of shelter and the right to adequate housing for all the citizens of South Africa**

One of the pillars of the Constitution of the Republic of South Africa, Act 108 of 1996 is the right to adequate housing for all the citizens and it is therefore befitting to address some of the acts and approaches that describe this important basic right. The following discussion therefore explains the importance of this right:

#### **2.2.1 The provisions of the Constitution (Act 108 of 1996)**

The Constitution of the country makes the following provision with regard to housing:

Everyone has the right to have access to adequate housing and according to de Vos (2000) the current housing policy is based on a fundamental understanding that housing is a basic need and that the state is obliged to take all reasonable measures to ensure that the right of access to housing is realized.

Housing rights are looked at in the following two areas that are related to housing rights and these are:

- The international right to adequate housing, as expressed in international policy instruments, and
- The South African right of access to adequate housing was expressed in *Government of the Republic of South Africa v Grootboom and Others* (2000) where the Cape Town High Court ruled that authorities were constitutionally obliged to provide shelter for these children and their parents, even if that shelter was of a rudimentary kind. The judges said that the authorities had to draw up a plan indicating how they would provide shelter for their children and parents, and present this plan to the court within three months.

In the *Kayamandi Town Committee v Mkhwaso and Others* (1991:2) the court ruled that the Kayamandi Town Committee of Stellenbosch are barred from removing squatters from land it controls unless it has given consideration to what is to be done to address their housing needs. The ruling reflects that the right of access to housing must not be taken lightly. The Constitution of South Africa, Act 108 of 1996 indicates that it is the responsibility of the State to take reasonable legislative and other measures, within its limited resources to achieve the progressive realisation of this right. This part of the Constitution as well as the ruling in the Kayamandi case, promote the realisation of basic socio-economic rights in more creative and democratic ways.

Section 26(3) of the Constitution (Act 108 of 1996) states that: ‘No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances’. The provisions of the Prevention of Illegal Evictions and Unlawful Occupation of Land Act (1998) also places specific performance obligations on the state to negotiate citizenship and the progressive realization of basic socio-economic rights in more creative and democratic ways.

### 2.2.2 Property rights

According to *Breaking Poverty* (2008) a team of businessmen, religious leaders and academics, who were exploring areas in which the private sector can help government in the successful development of South Africa, submitted a proposal titled “A proposed solution to the housing shortfall in South Africa” to the Minister of Housing in South Africa. This proposal mentioned that enormous political

and social pressure rests on the government to deliver adequate housing and that in response the government has established the RDP housing programme, which until 07 February 2008 had resulted in more than 2.4 million low cost houses being built. The team, however, brought to the fore the fact that the program has several complicated factors, which amongst others comprises the following:

- The team's contention was that the availability of funding did not necessarily convert it into finished houses. The actual process of allocating houses was also alleged to be very corrupt and public perception was said to be creating a growing discontent with regard to service delivery.
- They were also concerned about the amendment to the housing act, which restricted the sale of RDP houses within a period of 5 years from allocation suggesting that this might have led to the informal sale of housing units
- This team of businessmen, religious leaders and academics also came up with the following recommendations:
  - The allocation of RDP houses to people should be a transparent process that is placed under the directive of major auditing companies.
  - The restriction of the sale of RDP houses within a five-year period should be removed subject to the following conditions:
    - No person may directly or indirectly become the owner of more than one RDP house.
    - A bulk services levy could be charged against any property that is sold within the five year restriction period. This bulk services levy might then be allocated to a specific community in which the unit is sold.
    - A specified series of plans could be pre-approved with council to facilitate the upgrading of existing RDP units.

Breaking Poverty (2008) reflects further that the anticipated results of the above legislative changes might be the following:

- Once the grey areas in respect of land transfer have been removed, banks would be willing to issue building bonds on a normal commercial basis because they have access to Title Deeds. In the current market, houses that can be transferred freely have a much higher value than those that have been transferred in the grey market.
- It is also suggested by the team that building bonds should be used only to upgrade and increase the accommodation potential of existing RDP houses. The average RDP house could be doubled in size, with proper access to hot water, electricity and security fencing, quite comfortably with the additional bond finance that would be released. Low cost housing is currently on great demand due to the movement of people from rural to urban areas. Applying the theory of economics of scale, the rentals achieved on the increase in the unit size would easily fund the additional bond and still possibly leave a surplus monthly income for the landowner.
- By removing the restriction on the sale of these units the owners would be able to benefit in the same way as other landowners in a free market economy. It is anticipated that the majority of the RDP houses would be upgraded and/or sold to new owners who would upgrade. The reason for this is the huge shortfall in accommodation availability in South Africa.

The researcher found the proposals as well as the anticipated outcome by the team of businessmen, religious leaders and academics very intriguing. The government is the people of South Africa and it is through our collective efforts that a dent can be made in bringing about change. The change in this instance would be the improvement of policies to make access to housing easy as laid down by the Constitution of the Republic of South Africa.

### 2.2.3 Section 4 of the National Housing Act No 107 of 1997

The aim of the National Housing Act of 1997 is to provide for the facilitation of a sustainable housing development process. It seeks to lay down general principles applicable to housing development in all spheres of government and to define the functions of national, provincial and local governments in respect of housing development. The act provides for the establishment of a South African Housing

Development Board, the continued existence of provincial boards under the name of provincial housing development boards and financing of national housing programmes, to repeal certain laws and to provide for matters connected therewith (Department of Housing, 1997).

#### 2.2.4 Rights based approach to housing

According to Mitlin and Patel (2005) it is not easy in the development industry to define a single approach as it happens in practice and as a result each approach becomes defined in multiple and diverse ways. However, it is possible and useful to establish some of the characteristics of the rights-based approach. Moser and Norton (2001:3) according to Mitlin and Patel (2001:10) argue that “rights can be understood as claims of one person or group on another person, group or institution that have been legitimised by social structures and norms”. Therefore Institute of Development Studies (2003:2) also states that “these rights extend beyond human rights, and incorporate economic, social, cultural and political rights”. In addition there are rights to development such as the right to peace and security and the right to a healthy environment. The Institute of Development Studies (2003:1) states that “the rights-based approach draws on a number of different traditions”.

The most important issue in the rights-based approach for development specialists is its development potential and how a focus on such rights and claims may assist the perceptions of the poor being translated into real outcomes Moser and Norton (2001:21). This approach is believed to lead to policies that enhance social justice, which in turn, reduces social risk and strengthens long-term livelihood security and the realisation of economic and social rights. The rights based approach to housing has received the attention it deserves from both the legal and legislative spheres of governance. This is reflected by Section 26 of the South African Constitution, Act 108 of 1996 which contains the right of access to adequate housing and Section 28(1) which protects children’s right to shelter. The Grootboom Judgement (2000) and other court rulings have, with the assistance of international recommendations, interpreted what this right means for the State. The key principles are that the state must establish comprehensive and coherent programmes, capable of facilitating the realization of the right.(Urban Sector Network, 2003).

### **2.3 The extent to which gender influences the allocation of RDP houses**

The Constitution of the Republic of South Africa (Act no. 108 of 1996) provides that everyone has the right to have access to adequate housing. The Freedom Charter (1955) also states that all people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and security. However, in most if not all the countries in the world, women are not subjected to similar legislation and policies in their countries. Sadie and Loots (1998) indicated that the gender approach to development involves not only an integration of women into development, but looks for the potential in development initiatives to transform unequal gender/social relations and to empower women. The authors further stated that the gender-based approach to development views inequality between men and women as structural, dictated by socio-cultural norms that serve as organising principles of society and distinct because it focuses on women and men, rather than considering women in isolation.

Venter and Marais (2006:74) cited that housing departments in South Africa attempt to measure gender impacts in terms of the percentage of female headed households that are benefitting from a subsidy. The citing by the authors further reflects that it is difficult to measure the gender impact of low income housing. Sadie and Loots (1998:7) continued to reflect that the aim of the National Department of Housing is to facilitate low income housing to the broader population. This is despite the fact that the department has committed itself to enable women to obtain affordable housing. There is presently no specific preference given to the housing needs of low-income women and the current housing programmes do not take the gender issue into perspective. This happens even though the department is looking at the plight of rural women and their problems of access to land. Another problem that hampers the efforts of the department is the decentralisation of power to provinces and local governments through legislation that empowers them to make decisions are not provided for within the policy.

In his report to the Commission on Human Rights on women and adequate housing Kothari (2005) states that violence against women and the right to housing indigenous land rights and rights to natural resources, discrimination and segregation in eviction and housing as obstacles to land inheritance. This is reinforced by traditional and religious practices norms that give supremacy to men and therefore omit women from decision-making forums. This results in women being excluded from the processes where government policies on land and housing are developed. Kothari mentions further that

customary laws and civil laws that perpetuate gender discrimination do not provide enough room for women to challenge the discrimination. Substantial confusion is also created as a result of conflicts between customary law, legislation and constitutions.

The housing policy in South Africa does not specifically discriminate against women but certain aspects of the policy, coupled with customs and tradition are against women's equal access to housing. This brings about a clash between women's rights as described by the policy and legislation. The World Habitat Conference in October 2006 identified this issue. Two of the most important issues that were cited were women's access to the national housing subsidy and the availability of housing to women in abusive relationships (Brown-Luthango, 2007).

#### **2.4 Validity of the data provided by applicants of RDP houses**

There is no system that can be said to be fool proof but considerable effort must be made to close the gaps in the Housing Subsidy System. The Housing Subsidy System is used to process and store transactions that are related to the housing subsidy applicants. The human element will always play a hand in the manipulation of systems and as a result there is a need to constantly monitor and evaluate them. The following discussion focuses on some of the scams related to housing subsidies as well as the regulatory framework of housing which is the National Housing Code:

- Auditor General's report – Mpumalanga

The Office of the Auditor General (1997) states that the former Director-General of the National Department of Housing informed their office of certain alleged irregularities concerning the approval of a subsidy-linked project for the development of affordable housing in the Mpumalanga Province, granted to an entity styled Motheo Construction (Pty) Ltd. According to the Office of the Auditor General's report this was one of the biggest contracts in low-cost housing awarded by the government, and it was for 10,500 houses at a total cost of R 190,890,000.00. The request to the Auditor-General to audit the approval process followed in granting a subsidy-linked project to Motheo Construction (Pty) Ltd was made on the 06<sup>th</sup> May 1997. The purpose of the request was agreed to and had to establish whether:

- there was proper approval for the project at national and provincial levels.

- there was any misrepresentation.
- there was a proper agreement between the Provincial Housing Board and Motheo Construction (Pty) Ltd, and
- there was compliance with the relevant acts and regulations.

### **Miscellaneous findings by the Office of the Auditor General**

Three houses had to be demolished in Hazyview owing to a dispute regarding the relevant area, since the relevant traditional authority had not been consulted about the development of the area in Hazyview. The first payment of R 9,240,000.00 had already been made to Motheo Construction (Pty) Ltd. This did not take into account the fact that no application for change of land use in Hazyview, Tongaat and Badplaas had been received as at 6 June 1997 for the Nelspruit area by the Local Authority concerned (Office of The Auditor General, 1997).

The Office of the Auditor General (1997) further identified that there were two accounting officers involved in the delivery of housing by means of the Housing Subsidy Scheme. One was the accounting officer of the South African Housing Fund and the other accounting officer was in a Province for which money is made available to him/her in terms of section 13(1) of the Housing Arrangements Act (1993). Section 11 (3)(b) of the Housing Arrangements Act, 1993 states that one third of the members of a Provincial Housing Board should be nominated from the sectors or sub-sectors supplying and financing housing goods and services in the provinces. This stipulation in the Act may have the effect that the appointment of certain members of the Board may result in a conflict of interest. This appeared to have been the case with the Mpumalanga Housing Board.

### **Conclusion of the miscellaneous report by the Office of the Auditor General**

The Auditor General reported that important rules and regulations were not adhered to by the Mpumalanga Provincial Housing Board as well as the Department of Local Government, Housing and Land Administration in the Mpumalanga Province.

- **Housing fraud report by the office of the Auditor General**

The Office of the Auditor General (2006) reported that they have uncovered housing fraud involving more than R300 million in irregular subsidies. A January 2006 Auditor General's report on approval

and allocation of housing subsidies at provincial housing departments had found that just on 4% or 53,426 were either irregularly or fraudulently granted. The Auditor-General said that, “The housing fraud by government employees, impact directly on hundreds of thousands of people waiting for subsidies and these are people who are otherwise condemned to live in shacks and backyards”. He also maintained that the following fraud related activities were taking place:

- That a range of dirty tricks has been used by government employees to take housing subsidies away from people who qualify for them
  - That subsidies were given to government employees who earn more than R42,000.00 per year, and who do not qualify for assistance
  - Payments were made for housing subsidies in the name of people who have died or to people younger than 21
  - That there are examples of applicants who have received multiple housing subsidies
  - That 7 353 government employees benefited from the fraud
  - Duplicate subsidies were paid on the same property account for almost half of all the fraud uncovered by the Auditor-General
  - Fraudulent payments to government officials totalled R94 million.
- **The National Housing Code**

According to the National Housing Act (Act 107 of 1997) the National Housing Policy is contained in a range of reports, debates, laws, legislation and government papers. This policy is referred to as the National Housing Code and it seeks to bring together the preceding extensive range of documentation into a single document, so as to facilitate understanding and ensure that all stakeholders work towards a common vision. The National Housing Code is to be used by political representatives, government officials, financing developers, non-governmental organizations, individuals and community stakeholders. This policy assists decision making in terms of beneficiary allocation, financing, application for a subsidy and allocation of land and related resources. Recipients of project-linked subsidies as defined by the National Housing Act, Act 107 of 1997 are selected by using the following criteria:

- Must be able to enter into a legal contract i.e. must be over 21 or must be married or divorced and of sound mind.
- Must be married, live with your partner or have at least one financial dependent.
- The household head must be a legal resident of South Africa i.e. must be a citizen or have a permanent residence permit
- The recipient must be a first time beneficiary.
- The recipient must have a gross monthly household income of less than R3, 500-00.  
The recipient must not already have benefited from other government housing funding.

The Housing Code is a very important piece of policy because it regulates how, when, by whom and to who, quantifiable and qualitative units of housing should be made available. It is the operational policy that seeks to implement the legislative framework of the National Housing Act, Act 107 of 1997.

## **2.5 Impact of the municipal waiting list on the distribution of RDP houses to the beneficiaries**

The municipal waiting lists for low cost housing are a key factor in assisting the local government to plan properly for the provision of shelter to its residents. However, the municipalities outsource the function of beneficiary administration to private developers who then allocate beneficiaries on first come, first serve basis.

According to Mathebula (2005) “At the core of the housing subsidy programme there is the issue of the waiting list, where applicants are required to apply for a subsidy, meet the eligibility criteria and be placed on the waiting list. The Provincial Department of Housing administers the waiting list for housing subsidies. However, there are serious administrative discrepancies attached to how it is administered as some applicants end up waiting in vain. There are some cases wherein some people applied as far back as 1997/8 but have not received anything. Surprisingly, those who applied recently in the same municipality received the ‘nod’ above those who applied earlier”.

In the preceding paragraph, the author correctly points out the procedure that is to be followed before an applicant for a subsidy is granted or refused. This requirement is embedded within the National Housing Act, Act 107 of 1997. This Act also reflects that Local Government is responsible for the delivery of housing. It is therefore a responsibility of Local Government councils to set up housing departments that will administer the waiting lists.

## **2.6 Occupation of RDP houses by beneficiaries**

A review of literature in terms of whether housing subsidy beneficiaries do stay in their houses is done to determine the extent to which such a practice might be affecting government plans in relation to eradication of homelessness. The researcher attempts to examine whether beneficiaries actually stay in their houses as follows:

- **Low income housing with specific reference to the project-linked subsidy scheme**

Huchzermeyer (2001) states that as per the National Department of Housing, between R1.6 and R4.2 billion of the South African national budget was allocated to low income housing in the past six years, with the release of 1,334,191 housing subsidies since the launch of the new housing policy in 1994. The author further states that low income housing subsidies were structured mainly as once off capital lump-sum grants for a standard housing product with freehold title and they have thus had a significant impact on the low income housing market. She also says that project-linked subsidy developments are located adjacent to and beyond already impoverished townships that are poorly endowed with social and commercial amenities because of the high cost of undeveloped land. Although the subsidy scheme is inclusive of a variation on the individual capital subsidy amount to allow for higher cost of well-located land, it bears no relation to actual land prices. This capital subsidy according to Huchzermeyer (2001) functions as a supply side subsidy for a standardized product 250 to 300 square meter land with a defined level of services and a minimal top structure.

Huchzermeyer (2001) cites that some selling of newly acquired capital subsidy units has been observed, primarily motivated by the need for cash to cover debt (Boaden & Karam, 2000). The National department of Housing responded to this trend by announcing intentions to develop pre-emptive legislation to outlaw the sale of capital subsidy houses (Department of Housing, 2000). By April 2001 the Housing Amendment Bill of 2001 was passed, prohibiting the sale of subsidy houses for the first eight years after acquisition. Huchzermeyer (2001) maintains that it is envisaged that in

cases where households need to relocate the first offer of sale will automatically go to the Provincial Department of Housing. The informal nature of the transaction, however, casts some doubt as to the enforceability of it as cited by Huchzermeyer (2001).

- **Setting the Stage: Current Housing Policy and Debate in South Africa**

Khan and Thurman (2001) state that the tendency of housing policy beneficiaries to return to squatting was noted by the Provincial Housing Development Boards, where the national database of beneficiaries was registering repeated applications for subsidies, as do developers themselves. An investigation by the Housing Department in KwaZulu Natal revealed that some beneficiaries sold their houses almost immediately after completion. The houses, worth R17,000.00 each were sold for between R3,000.00 and R6,000.00. While the sale of subsidized houses is referred to as 'a scam', the situation is not so simple state Khan and Thurman (2001). The observation made by Khan and Thurman in the preceding chapter are a worrying factor because houses that were meant for occupation and ownership of the needy will soon be owned by people who are from the higher income group. This may be exacerbated by the fact that the majority of subsidy recipients are unable to meet their rate and service charges. Khan and Thurman further reflect that the subsidy programme will have done little to solve the low-income housing crisis, and instead it may well raise the population of homeless people, who will in turn no longer be eligible for a future housing subsidy. The authors also indicated that the ongoing concern is whether the housing provided ultimately benefits the intended beneficiaries in the long term (Khan and Thurman, 2001).

## **2.7 Severity of non-payment of municipal services by the beneficiaries of RDP houses.**

Municipalities are expected to raise their own revenue to augment their needs and this is stipulated in the Municipal Finance Management Act (No. 56 of 2003). This, however, is defeated by the culture of non payment of rates and services in most municipalities. This problem is being exacerbated by the increase in the provision of low cost housing to the most needy. The majority of the beneficiaries are either unemployed or depend on government grants and this was observed by this researcher during the analysis of the questionnaire.

Since the inception of subsidies to date, the majority of the recipients of the government subsidy are the lowest income groups. Whether the same groups actually benefit in the longer term from the subsidy is a matter that begs further investigation. Even in those cases where the subsidy is reaching

the lowest income category - a recent study of a cross section of housing projects in the Western Cape revealed that out of the 12 projects covered, 96.9% of the beneficiaries fell into the lowest income category - a critical concern is how beneficiaries will pay for rates and services in the context of low, erratic or no incomes (Khan and Thurman, 2001).

Many beneficiaries are simply unable to afford the costs - either of having the services connected and/or for the on-going service supply such as water, sewerage, rates and electricity - and 80% non-payment for rates and services in new, subsidy housing projects is not unusual. While some local councils have adopted indigence policies and lifeline tariffs, connected in part to their credit control policies which are often not fully enforced), there is no coherent national financial policy in place that offers relief to 'indigent'/very poor households.

## **2.8 Summary**

The importance of shelter and the right to adequate housing for all citizens of South Africa, under sub heading 2.2 in this chapter deals with the legislation and concepts related to RDP housing. The study explores different legislation and policies that are related to housing in general and low cost housing or RDP housing in particular. It deals with the Constitution (2.2.1) as it refers to housing; property rights (2.2.2); the National Housing Act (2.2.3) and the rights based approach to housing (2.2.4). The Constitution deals with the rights of an individual, in as far as housing is concerned. It specifically states that the right to adequate housing is both an international and a South African phenomenon. This seeks to educate the reader about the importance of housing for individuals.

Section 4 of the National Housing Act (1997) lays down general principles that are applicable to housing development in all spheres of government. The rights based approach to housing seeks to show that the state must establish comprehensive and coherent programmes that are capable of facilitating the realization of this right as required by Sections 26 and 28 of the South African Constitution.

All the literature that is subsequent to the preceding two paragraphs is in relation to the objectives of this study. The objectives are as identified from the provisional statement of the problem in chapter 1 and are as follows in this chapter:

Subheading 2.3 - The extent to which gender influences the allocation of RDP houses

Subheading 2.4 – Validity of the data provided by applicants

Subheading 2.5 - Impact of the municipal waiting list on the distribution of RDP houses to the beneficiaries

Subheading 2.6 - Occupation of RDP houses by beneficiaries

Subheading 2.7 - Severity of non-payment of municipal services by the beneficiaries of RDP houses

Subheading 2.8 – Summary of chapter 2.



## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter explores the methodology of the study as defined by the free online dictionary as a body of practices, procedures and rules used by those who work in a discipline or engage in an inquiry; a set of working methods. An exposition of the methodology that was followed is given including the following aspects: population, sample, method of data collection, research instrument, method of data analysis and ethical considerations.

### **3.2 Population**

The population of this study was made up of the owners of the RDP houses at Mafikeng Extension 39. The total population is made up of 2,150 housing units that translate into 2,150 owners.

### **3.3 Sample**

The most important consideration of a sample is that it must be homogeneous as this provides data that are comparable and conclusions that are meaningful and targeted. There are two methods of sampling and these are probability sampling and non-probability sampling. Non-probability sampling does not involve random selection, whereas probability sampling does. Researchers generally prefer probabilistic or random sampling methods more than the non-probabilistic ones. This is so because they consider them to be more accurate and rigorous (Trochim, 2006).

Random samples are used in population sampling situations when reviewing historical or batch data. The most important feature of random sampling is that each unit in the population has an equal probability of being selected. The use of random sampling decreases bias in the sampling process, thus assisting in obtaining a representative sample (Stroud, 2008). The simplest form of random sampling is called simple random sampling. Each individual is chosen randomly and wholly by chance and this happens in such a way that each individual has the same probability of being chosen at any stage during the sampling process (Yates, Moore and Starnes (2008).

This study therefore employed the simple random sampling method by randomly selecting a sample of 200 inhabitants at Mafikeng Extension 39 from a population of 2,150 inhabitants. This calculated into

9.30% of the population, which is reasonable for a big population. Out of a total of 200 inhabitants that were randomly chosen and to whom the questionnaire were distributed, only 150 forms were returned. There was no pre-selection of the sample except for identifying the area at which the sample was to be selected.

The approach that the study followed was to distribute the questionnaires to individuals at Mafikeng Extension 39 on a selective basis. A household was approached with a questionnaire and the purpose of the study was explained to the respondent. The exercise was undertaken by the researcher with two assistants who were also residents of the area at which the study was undertaken. The strategy that was employed was that each participant would handle a specific block and only alternative houses would be visited by skipping two or three houses in-between. The reason for this was to cover as broad and sparse an area as we could because we were dealing with a large population. This approach was maintained until all the 200 copies of the questionnaires were distributed. The sample considered all the beneficiaries equally, irrespective of their age, race, gender, size, language or status.

### **3.4 Method of data collection**

A quantitative research design approach was used in this study. This approach involves the quantitative description of some fraction of the population which is known as the sample, and the subsequent data collection process as explained by Fowler (1988). This exercise of data collection enables the researcher to generalise the findings to a population. There are, however, main concerns of the quantitative paradigm in that although there is a clear prediction of cause and effect, measurement thereof is reliable and valid (Cassel and Simon, 1994). Quantitative research is deductive and particularistic and as such it is based upon the formulation of the research hypotheses and empirical verification on a specific set of data (Frankfort-Nachmias and Nachmias, 1992).

The researcher in this study collected raw data directly from the inhabitants of Mafikeng Extension 39. The method of data collection is through questionnaires. In a review of 748 research studies conducted in agricultural and extension education, Radhakrishna, Leite, and Baggett (2003) found that 64% used questionnaires. They also found that a third of the studies reviewed did not report procedures for establishing validity (31%) or reliability (33%). Development of a valid and reliable questionnaire is a must to reduce measurement error. Groves (1987:162) defines measurement error as the "discrepancy between respondents' attributes and their survey responses". Development of a valid and reliable questionnaire involves several steps and in this study they were applied as follows:

- Questionnaire conceptualization

Statements or questions for the questionnaire are generated in this step. The content from literature and the theoretical framework is transformed into statements or questions. In addition, a link among the objectives of the study and their translation into content is established. The questionnaire in this study measures both the demographic details and the general information supplied by the respondents, in as far as the perceptions, attitudes, knowledge and opinions of the public at large is concerned, in terms of the goings on in the allocation of RDP houses to the beneficiaries. The major variables identified in the questionnaire are the following:

- Independent variables

An independent variable as defined by WikiAnswers at <http://wiki.answers.com> is that variable which is presumed to affect or determine a dependent variable and typically the variable being manipulated or changed. The independent variable in this study is the registered owner of the RDP house and it is numbered as item 2.1. All the questions in the questionnaire depend on the owner and without him or her, this study is not worth performing.

- Dependent variables

A dependent variable according to WikiAnswers at <http://wiki.answers.com> refers to the observed result of the independent variable being manipulated. There can be more than one dependent variables but only one independent variable for that experiment to be valid. All the questions in the questionnaire, other than the one identified as an independent variable will be the dependent variables for this study.

- Format and data analysis

In this step, the focus is on writing questions, selecting the appropriate scale of measurement, layout of the questionnaire, the format, question ordering and the proposed data analysis. The questions that were formulated emanated from the research statements well as the research questions. The questions are divided into two sections namely; eight (8) questions dealing with the demographic details of the respondents and nine (9) questions about the general information to be sourced from the respondents, in relation to the RDP houses. All the major questions were particularly based on the statements and the questions and additional questions were posed to enhance the arguments raised in trying to answer the perceptions.

- The scale of measurement

The scale of measurement that the researcher decided to go with is the Statistical Package for the Social Sciences (SPSS). It is among the most widely used programmes for statistical analysis in social science. In addition it is available at the North West University. The Microsoft Excel was also used to capture the raw data and import it to the SPSS computer programme. This was done by first transforming most or all of the data into measurable variables, and then feed information into the Microsoft Excel programme. This programme informs the researcher if the relationship between the variables follows any known mathematical pattern.

- Establishing validity

After questionnaire conceptualization format and data analysis and the scale of measurement were effected a draft questionnaire was ready for establishing validity. Validity is the amount of systematic or built-in error in measurement as defined by Norland-Tilburg (1990). In this study it was established by getting feedback from some of the employees of the department of housing about the type of questions used in the questionnaire. The following questions were posed by the researcher to try and establish validity:

1. Is the questionnaire valid? In other words, is the questionnaire measuring what it intended to measure? Does it represent the content?

- The research questions emanated from the research problem and the aim of the questionnaire was to measure the problem.

2. Does it represent content?

- Yes. All the research questions and the research statement were catered for within the questionnaire

3. Is it appropriate for the sample/population?

- Yes. It is appropriate because it was a homogeneous population

4. Is the questionnaire comprehensive enough to collect all the information that is needed to address the purpose and goals of the study?

- . Yes. All the five (5) research questions were adequately covered by the questionnaire and additional questions that were very close to the main questions were also added to bring the study closer to its purpose.

5. Does the instrument look like a questionnaire?

- . Yes. It definitely looks like a questionnaire because the format used was created after the researcher had compared several samples obtained from the website and books.

- Establishing reliability

In this final step, reliability of the questionnaire using a pilot test is carried out. Reliability refers to random error in measurement. Reliability indicates the accuracy or precision of the measuring instrument (Norland-Tilburg, 1990). The pilot test seeks to answer whether there is any consistency or inconsistencies per different areas in terms of the research problem being studied..

Reliability in this study was established using a pilot test by collecting data from 20 respondents at Alabama Extension 3 in Klerksdorp. This data was not included in the sample taken at Mafikeng Extension 39. The data was captured in Microsoft Excel format and thereafter analyzed using the Statistical Package for Social Sciences (SPSS).

- Procedure used to collect data

The respondents were given copies of the questionnaire to respond to in writing within a period of two weeks. The questionnaire was then personally collected from the respondents by the distributors. Those who did not answer the questions during the revisit were requested to fill the answers while the distributors were waiting. However this was done in cases where they agreed. They were otherwise, once more requested to fill the questionnaire in for collection after another week. A total period of three weeks was allocated for this exercise.

### **3.5 Research instrument**

The study made use of the questionnaire as its research instrument (see Appendix A). The researcher used this instrument because according to WikiAnswers at <http://wiki.answers.com> questions are structured and very cost effective when compared to other instruments. The site further mentions that this is especially true for studies involving large sample sizes and large geographic areas. Galloway (1997) provided a workbook on questionnaire design and analysis and this was the researcher's point of departure in the design of APPENDIX A which represented the questionnaire to be used in the collection of data.

### **3.6 Method of data analysis**

Data were analysed, and organized categorically and chronologically. This data was reviewed repeatedly and coded continually. A list of major ideas that surface was chronicled as suggested by Merriam (1998). Notes were taken throughout and organized accordingly for purposes of integration into the analysis. In addition the data analysis process will be aided by the use of a statistical data analysis computer program known as the SPSS.

All the information from the 150 questionnaires was captured on the SPSS data analysis system. Variables were defined for all the seventeen (17) questions appearing on the questionnaire. An analysis was done for each of the variables and both tables and bar charts were produced for use in the analysis of these variables. The technique or procedure applied in this study was the descriptive statistics which produced the frequency tables and charts. The reason for employing this technique is because the study used the quantitative research design approach, which involves the quantitative or numeric description.

### **3.7 Ethical considerations**

Adherence to ethics is a critical factor in research and as such Remenyi, William and Money (1998) states that one must be concerned with how research should be conducted and not about what is being researched. He states further that there are three major aspects of the how question and describe them as follows:

- Issue of collection of evidence

In business and management studies the informants or participants in the study need to

know a number of things and be given a series of answers the main issue being that:

- . It is imperative that the researcher does not have any hidden agendas
- . It is essential that the researcher be fully open and honest with the participants
- . It is necessary for the researcher to declare if he or she has any connection or relationship with organisations or individuals which could in any way be construed to be competitive to the participant or his organisation
- . Where a participant does not wish to have his or her name associated with the evidence, this request should be meticulously respected
- . The researcher should not obtain evidence from informants under duress

Taking all the above into consideration this researcher made it a point that all the respondents and affected organisations are treated as follows:

- . The respondents were informed that their views will be respected at all times
- . Respondents were informed that they are participating of their own free will and that there will be no incentive for their participation
- . Explained the importance of the study to all the stakeholders and these are; the respondents, the Mafikeng Local Municipality, Matlosana Local Municipality and the Department of Developmental Local Government and Housing
- . Obtained written approval from both the Chief Director of Housing and the Head of Department of Developmental local Government and Housing to access departmental documents
- . Obtained written approval from the Mafikeng Local Municipality before embarking on this study for access to Mafikeng Extension 39 and staff members dealing with housing

- . Obtained written approval from the Matlosana Local Municipality before embarking on this study for access to Alabama Extension 3 and staff members dealing with housing
- Problems associated with processing the evidence collected

The researcher needs to give considerable attention to the ethical issues related to the processing of evidence. If the evidence is quantitative then the concerns are to do with numerical and mathematical accuracy, which is relatively easy. Any attempt to window-dress or manipulate and thus distort the evidence is of course unethical, as is any attempt to omit inconvenient evidence (Remenyi, William and Money, 1998). The researcher used the quantitative research method in this study.

- The use of the findings

The intention of this study is that the findings will be used for ethical purposes only.

### **3.8 Summary**

Chapter 4 reflects the research design and analysis of data. The results of the pilot study were used to support results obtained from the main study and only in cases where the argument needed more emphasis. The following chapter handles the characteristics of the respondents and presents the results of the study per research question.

## CHAPTER 4: RESULTS

### 4.1 Introduction

Chapter 4 reflected the methodology employed with regard to research design and analysis. This chapter outlines the analysis of the results with respect to each of the seventeen questions that appear on the questionnaire as per Appendix A, and these will be displayed in the form of tables for the twelve general variables and in the form of bar graphs for the variables that answer the 5 research questions.

### 4.2 Characteristics/demographic information of respondents

Tables 4.2.1 to 4.2.12 represent the results of the variables other than those used to answer the research questions and these will be used to add impetus to the major variables:

#### 4.2.1 Age

**Table 4.2.1: Age**

|              |                           | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|---------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>Less than 18 years</b> | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>.7</i>                 |
|              | <b>19 to 25 years</b>     | <i>19</i>        | <i>12.7</i>    | <i>12.7</i>          | <i>13.3</i>               |
|              | <b>26 - 35 years</b>      | <i>75</i>        | <i>50.0</i>    | <i>50.0</i>          | <i>63.3</i>               |
|              | <b>36 - 45 years</b>      | <i>40</i>        | <i>26.7</i>    | <i>26.7</i>          | <i>90.0</i>               |
|              | <b>46 to 55 years</b>     | <i>10</i>        | <i>6.7</i>     | <i>6.7</i>           | <i>96.7</i>               |
|              | <b>56 - 65 years</b>      | <i>4</i>         | <i>2.7</i>     | <i>2.7</i>           | <i>99.3</i>               |
|              | <b>66 and above</b>       | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>100.0</i>              |
|              | <b>Total</b>              | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.1 shows that 50% of the respondents who number 75 were aged between 26 and 35 years. The next age group is the one between 36 and 45 years, numbering 40 at 26.7%. Thereafter it is age group 19 to 25 years with 19 respondents at 12.7%. There is one respondent who was under the age of 18 years and this represented by 0.7%. The age group 46 to 55 years was represented by respondents at 6.7% and for the 56 to 65 years age group four respondents at 2.7%. The age group of 19 to 45 years, with a total of 135 respondents made up the percentage of 89.4 (50%+26.7%+12.7%).

#### 4.2.2 Education

**Table 4.2.2: Education level**

|              |                            | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|----------------------------|-----------|---------|---------------|--------------------|
| <b>Valid</b> | <b>No formal education</b> | 13        | 8.7     | 8.7           | 8.7                |
|              | <b>Less than Grade 12</b>  | 65        | 43.3    | 44.0          | 50.7               |
|              | <b>Grade 12</b>            | 57        | 38.0    | 38.0          | 88.7               |
|              | <b>Diploma</b>             | 7         | 4.7     | 4.7           | 93.3               |
|              | <b>Junior degree</b>       | 3         | 2.0     | 2.0           | 95.3               |
|              | <b>Postgraduate</b>        | 5         | 3.3     | 3.3           | 98.7               |
|              | <b>Total</b>               | 150       | 100.0   | 100.0         |                    |



Table 4.2.2 indicates that a total of 65 respondents, who make up 43.3%, had an education level that is less than Grade 12. Thereafter it is Grade 12 at 38% for 57 respondents, no formal education at 8.7% for 13 respondents, diploma at 4.7% for seven respondents, post-graduate at 3.3% for five respondents and finally junior degree at 2% for three respondents.

#### 4.2.3 Marital status

**Table 4.2.3: Marital status**

|              |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------------|-----------|---------|---------------|--------------------|
| <b>Valid</b> | <b>Single</b>   | 134       | 89.3    | 89.3          | 89.3               |
|              | <b>Married</b>  | 10        | 6.7     | 6.7           | 96.0               |
|              | <b>Divorced</b> | 3         | 2.0     | 2.0           | 98.0               |
|              | <b>Widowed</b>  | 3         | 2.0     | 2.0           | 100.0              |
|              | <b>Total</b>    | 150       | 100.0   | 100.0         |                    |

Table 4.2.3 depicts that 134 respondents are single at 89.3%, followed by ten married respondents at 6.7%, three divorced respondents at 2.0% and three widowed respondents at 2.0%.

#### 4.2.4 Number of dependents

**Table 4.2.4: No. of dependents**

|              |                         | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|-------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>No response</b>      | <i>3</i>         | <i>2.0</i>     | <i>2.0</i>           | <i>2.0</i>                |
|              | <b>One dependent</b>    | <i>45</i>        | <i>30.0</i>    | <i>30.0</i>          | <i>30.7</i>               |
|              | <b>Two dependents</b>   | <i>46</i>        | <i>30.7</i>    | <i>30.7</i>          | <i>61.3</i>               |
|              | <b>Three dependents</b> | <i>34</i>        | <i>22.7</i>    | <i>22.7</i>          | <i>84.0</i>               |
|              | <b>Four dependents</b>  | <i>11</i>        | <i>7.3</i>     | <i>7.3</i>           | <i>91.3</i>               |
|              | <b>Five and above</b>   | <i>11</i>        | <i>7.3</i>     | <i>7.3</i>           | <i>98.7</i>               |
|              | <b>Total</b>            | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.4 shows that 46 % of the respondents, who make up 30.7%, mentioned that they have two dependents. Forty five respondents, whose percentage is 30, said that they have one dependent only. Thirty four respondents at 22.7% have three dependents. There were eleven respondents at 7.3% with four dependents and eleven respondents at 7.5% with five and more dependents. One hundred and twenty five respondents who make up 83.4% of all the respondents have at most three dependents. Three respondents who make up 2% did not respond to this question.

#### 4.2.5 Age of dependents

**Table 4.2.5: Age of dependents**

|              |                          | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|--------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>No response</b>       | <i>6</i>         | <i>4.0</i>     | <i>4.0</i>           | <i>4.0</i>                |
|              | <b>Less than 18</b>      | <i>116</i>       | <i>77.3</i>    | <i>77.3</i>          | <i>81.3</i>               |
|              | <b>Less than 21</b>      | <i>11</i>        | <i>7.3</i>     | <i>7.3</i>           | <i>88.7</i>               |
|              | <b>Less than 25</b>      | <i>12</i>        | <i>8.0</i>     | <i>8.0</i>           | <i>96.7</i>               |
|              | <b>Less than 35</b>      | <i>4</i>         | <i>2.7</i>     | <i>2.7</i>           | <i>99.3</i>               |
|              | <b>Between 35 and 50</b> | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>100.0</i>              |
|              | <b>Total</b>             | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.5 reflects that 116 respondents who made up 77.3% of all the respondents for this variable were under 18 years of age. Eleven respondents stated that their dependents were aged between 18 and 21 years and twelve respondents who make up 8% said that the ages of their dependents range from 21 to 25 years. Four respondents (2.7%) were reflected by dependents aged 26 to 35 years. Only one respondent (0.7%) had dependents that are between the ages of 35 and 50 years. Six respondents (4%) did not choose any category.

#### 4.2.6 Source of income

**Table 4.2.6: Source of income**

|              |                                  | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|----------------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>Social grant</b>              | <i>68</i>        | <i>45.3</i>    | <i>45.3</i>          | <i>45.3</i>               |
|              | <b>Salary</b>                    | <i>23</i>        | <i>15.3</i>    | <i>15.3</i>          | <i>60.7</i>               |
|              | <b>Self employed</b>             | <i>6</i>         | <i>4.0</i>     | <i>4.0</i>           | <i>64.7</i>               |
|              | <b>Assistance from relatives</b> | <i>5</i>         | <i>3.3</i>     | <i>3.3</i>           | <i>68.0</i>               |
|              | <b>Handouts</b>                  | <i>4</i>         | <i>2.7</i>     | <i>2.7</i>           | <i>70.7</i>               |
|              | <b>Unemployed</b>                | <i>43</i>        | <i>28.7</i>    | <i>28.7</i>          | <i>99.3</i>               |
|              | <b>Casual employment</b>         | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>100.0</i>              |
|              | <b>Total</b>                     | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |



Table 4.2.6 reflects that 68 respondents who make up 45.3% depended on social grants and 473 of them at 28.7% were unemployed. Twenty three respondents (15.3%) earned a salary and six (4%) of them were self employed. Five respondents who make up 3.3% received assistance from relatives, four respondents (2.7%) lived on handouts and one respondent (0.7%) was a casual employee.

#### 4.2.7 Whereabouts of owner

**Table 4.2.7 Whereabouts of owner**

|              |                             | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|-----------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>No response</b>          | <i>97</i>        | <i>64.7</i>    | <i>64.7</i>          | <i>64.7</i>               |
|              | <b>Staying together</b>     | <i>26</i>        | <i>17.3</i>    | <i>17.3</i>          | <i>82.0</i>               |
|              | <b>Not staying together</b> | <i>27</i>        | <i>18.0</i>    | <i>18.0</i>          | <i>100.0</i>              |
|              | <b>Total</b>                | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.7 shows that 97 respondents who made up 64.7% did not answer this question. Twenty six respondents (17.3%) were staying with the owner and 27 respondents were (18%) were not staying with the owner.

#### 4.2.8 Relationship with owner

**Table 4.2.8: Relationship with owner**

|              |                                  | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|----------------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>No response</b>               | <i>106</i>       | <i>70.7</i>    | <i>70.7</i>          | <i>70.7</i>               |
|              | <b>Renting from owner</b>        | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>71.3</i>               |
|              | <b>Renting from someone else</b> | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>72.0</i>               |
|              | <b>Relative staying free</b>     | <i>37</i>        | <i>24.7</i>    | <i>24.7</i>          | <i>96.7</i>               |
|              | <b>Friend staying free</b>       | <i>5</i>         | <i>3.3</i>     | <i>3.3</i>           | <i>100.0</i>              |
|              | <b>Total</b>                     | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.8 reflects that 106 respondents (70.7%) did not respond to the question. Thirty seven who made up 24.7% said they were staying free with their relatives. Five respondents (3.3%) were friends staying free. One respondent (0.7%) was renting from the owner and one respondent (0.7%) was renting from someone else.

#### 4.2.9 Period of stay

**Table 4.2.9: Period already stayed**

|              |                          | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|--------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>No response</b>       | <i>6</i>         | <i>4.0</i>     | <i>4.0</i>           | <i>4.0</i>                |
|              | <b>Less than 1 year</b>  | <i>143</i>       | <i>95.3</i>    | <i>95.3</i>          | <i>99.3</i>               |
|              | <b>Less than 2 years</b> | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>100.0</i>              |
|              | <b>Total</b>             | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.9 reflects a total of 143 respondents (95.3%) who had lived for less than a year at their residences. A single respondent (0.7%) had resided for more than a year and six respondents at 4% did not answer the question.

#### 4.2.10 Period on waiting list

**Table 4.2.10: Period on waiting list**

|              |                         | Frequency  | Percent      | Valid Percent | Cumulative Percent |
|--------------|-------------------------|------------|--------------|---------------|--------------------|
| <b>Valid</b> | <b>No response</b>      | <i>144</i> | <i>96.0</i>  | <i>96.0</i>   | <i>96.0</i>        |
|              | <b>Less than 1 year</b> | <i>4</i>   | <i>2.7</i>   | <i>2.7</i>    | <i>98.7</i>        |
|              | <b>2 years</b>          | <i>2</i>   | <i>1.3</i>   | <i>1.3</i>    | <i>100.0</i>       |
|              | <b>Total</b>            | <i>150</i> | <i>100.0</i> | <i>100.0</i>  |                    |

Table 4.2.10 shows 6 respondents (4%) who stated that they were on the waiting list of the municipality. This is made up of 4 respondents at less than a year and two respondents at two years. The rest represented by 144 respondents (96%) did not respond to the question.

#### 4.2.11 Where did you live before?

**Table 4.2.11: Where did you live before?**

|              |                             | Frequency  | Percent      | Valid Percent | Cumulative Percent |
|--------------|-----------------------------|------------|--------------|---------------|--------------------|
| <b>Valid</b> | <b>Parents/Relatives</b>    | <i>85</i>  | <i>56.7</i>  | <i>56.7</i>   | <i>56.7</i>        |
|              | <b>Rented accommodation</b> | <i>63</i>  | <i>42.0</i>  | <i>42.0</i>   | <i>98.7</i>        |
|              | <b>Own</b>                  | <i>2</i>   | <i>1.3</i>   | <i>1.3</i>    | <i>100.0</i>       |
|              | <b>Total</b>                | <i>150</i> | <i>100.0</i> | <i>100.0</i>  |                    |

Table 4.2.11 depicts that 85 respondents (56.7%) lived with their parents or relatives, 63 of the respondents (42%) in rented accommodation and two respondents (1.3%) had their own accommodation.

#### 4.2.12 When last employed

**Table 4.2.12: When last employed**

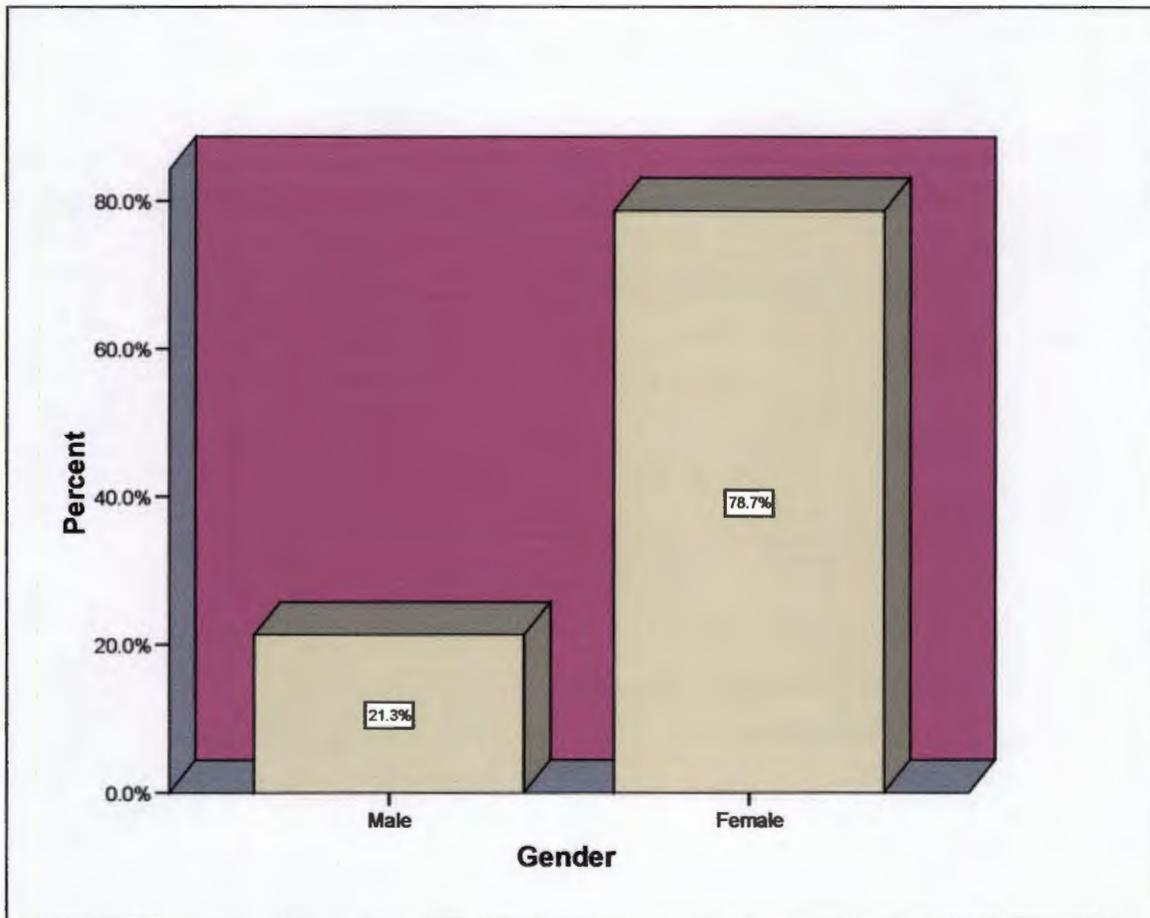
|              |                              | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
|--------------|------------------------------|------------------|----------------|----------------------|---------------------------|
| <b>Valid</b> | <b>Never worked</b>          | <i>113</i>       | <i>75.3</i>    | <i>75.3</i>          | <i>75.3</i>               |
|              | <b>1 year ago</b>            | <i>11</i>        | <i>7.3</i>     | <i>7.3</i>           | <i>82.7</i>               |
|              | <b>2 years ago</b>           | <i>6</i>         | <i>4.0</i>     | <i>4.0</i>           | <i>86.7</i>               |
|              | <b>3 years ago</b>           | <i>3</i>         | <i>2.0</i>     | <i>2.0</i>           | <i>88.7</i>               |
|              | <b>4 years ago</b>           | <i>1</i>         | <i>.7</i>      | <i>.7</i>            | <i>89.3</i>               |
|              | <b>More than 5 years ago</b> | <i>13</i>        | <i>8.7</i>     | <i>8.7</i>           | <i>98.0</i>               |
|              | <b>Missing</b>               | <i>3</i>         | <i>2.0</i>     | <i>2.0</i>           | <i>100.0</i>              |
|              | <b>Total</b>                 | <i>150</i>       | <i>100.0</i>   | <i>100.0</i>         |                           |

Table 4.2.12 shows that 113 respondents (75.3%) never worked, 11 respondents (7.3%) worked over a year ago, 6 respondents (4%) worked 2 years ago, 3 respondents (2%) were last employed three years ago, one respondent (0.7%) had employment four years ago, Thirteen respondents (8.7%) were employed over five years ago and three respondents (2%) did not respond to this question.

### 4.3 Research results

The following bar graphs are used to reflect an analysis of each of the variables representing the five research questions:

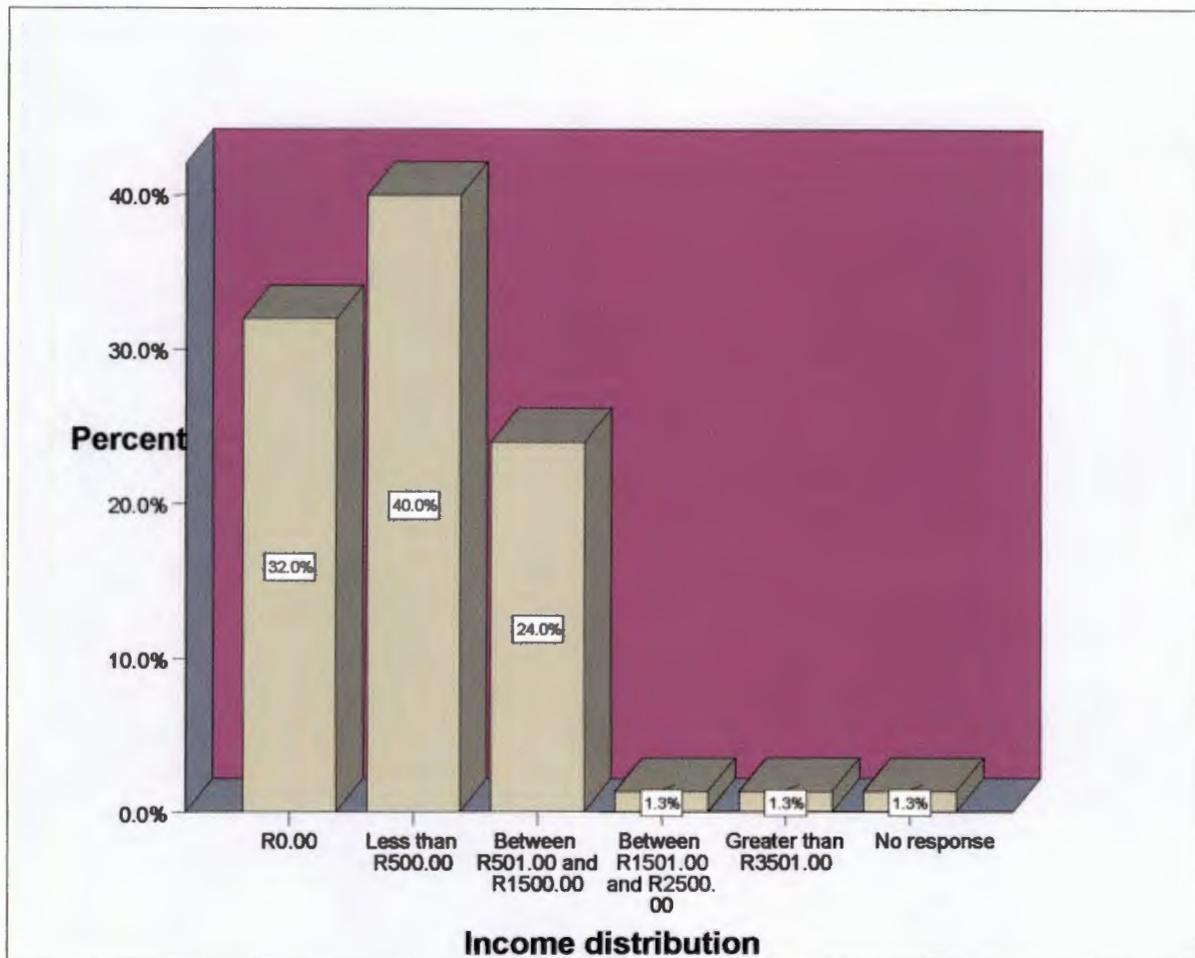
#### 4.3.1. Gender



**Figure 4.3.1: Gender**

Figure 4.3.1 shows that 78.7% of the respondents were females while 21.3% were males. This may suggest that the majority of applicants for housing at Mafikeng Extension 39 who were homeless were females or that the majority of applicants who ultimately qualify for houses (due to previous discrimination on gender lines) were females.

### 4. 3. 2. Income distribution



**Figure 4. 3. 2: Income distribution**

Figure 4.3.2 shows that 40% of the respondents earned less than R500.00 per month, and 32% earned no income at all. 24% earned between R501.00 and R2500.00 per month. The range of R1501.00 to R2500.00 is represented by 1.3% and those who earned more than R3501.00 were at 1.3%. A further 1.3% did not answer the question. A further analysis of Figure 4.3.2 shows that 72% of the respondents earned less than R500.00 or nothing per month.

### 4. 3. 3. Municipal waiting list

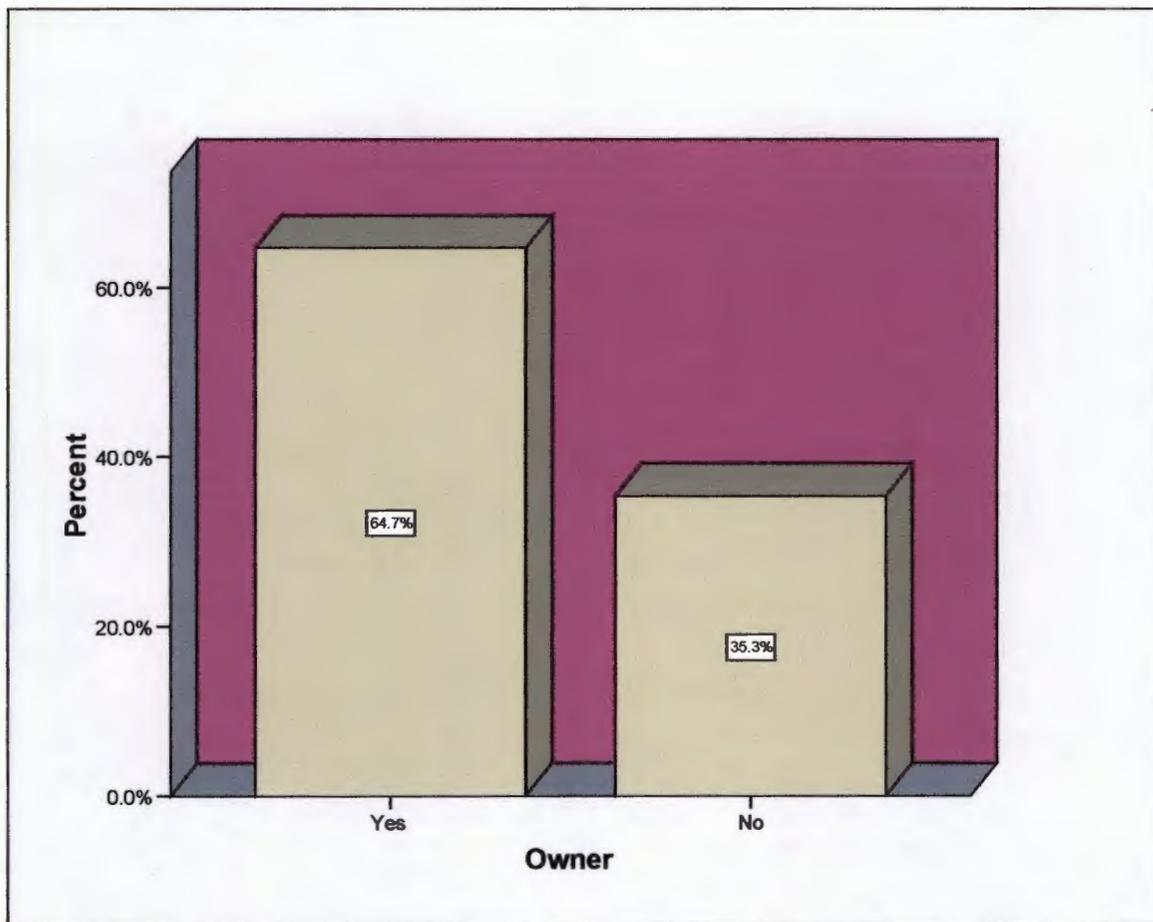


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**Figure 4. 3. 3: Municipal waiting list**

Figure 4.3.3 depicts that 88.0% of the respondents were not on the waiting list of the municipality. Only 6.0% of the respondents stated that they were on the waiting list and 6.0% left the question blank. Comparing Figure 4.3.3 to Table 4.2.10 (period on waiting list), 144 respondents (96%) did not answer the question. The percentage is close to 88% that is not on the waiting list plus 6% that did not answer the question. This suggested that a majority of the respondents had not been on the waiting list of the municipality.

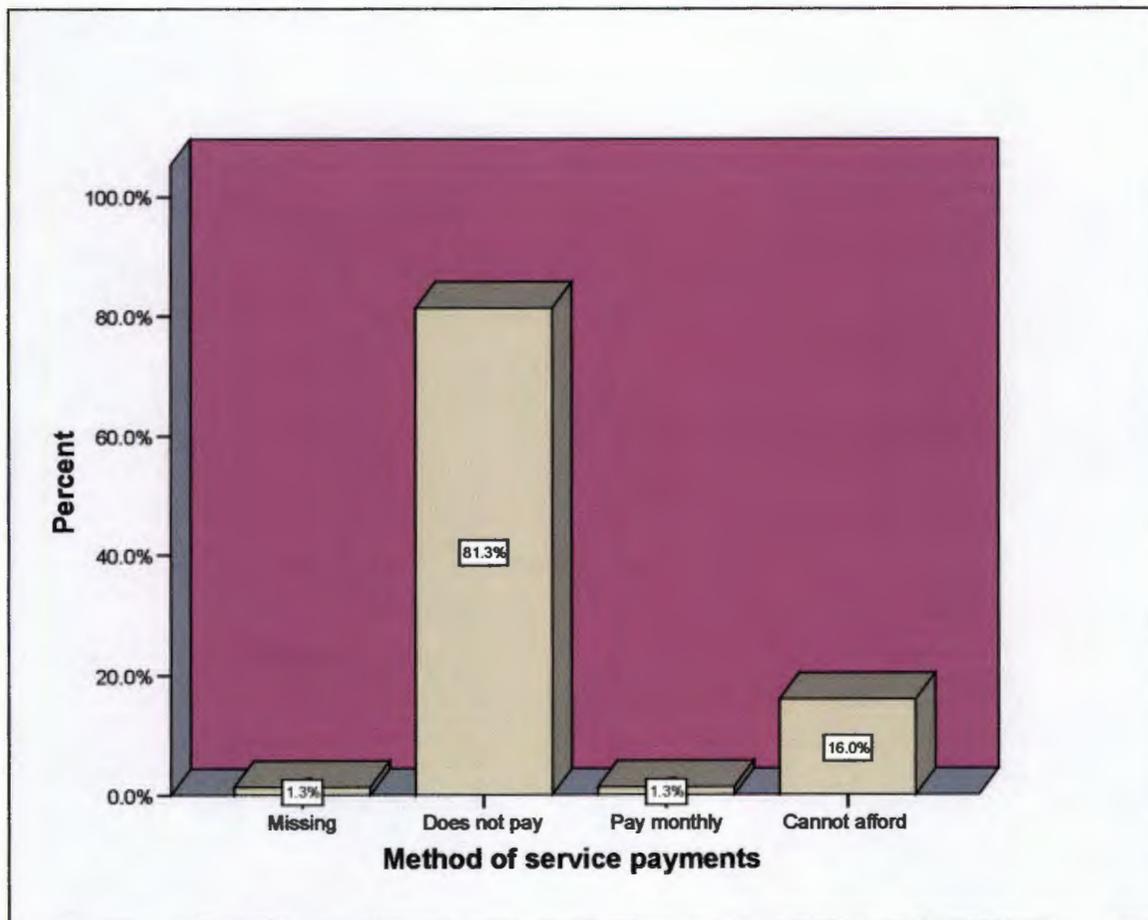
#### 4. 3. 4. Owner



**Figure 4. 3. 4: Owner**

Figure 4.3.2 shows that 64.7% of the respondents were the rightful owners of the houses and 35.3% of the respondents said they were not the rightful owners. This is further explained by table 4.2.8 (relationship with owner), which shows that 37 of the respondents (24.7%) were relatives staying free and five respondents (3.3%) were friends staying free. Two respondents (1.4%) said they were renting from either the owner or somebody else. A majority of the respondents were either owners or people staying with the owners as shown by 64.7% (figure 4.3.4, 24.7% (table 4.2.8-relatives staying free) and 3.3% (table 4.2.8-friends staying free). The total percentage of this category added up to 92.7%.

#### 4. 3. 5. Method of payment for services



**Figure 4. 3. 5 Method of service payments**

Figure 4.3.5 shows that 81.3% of the respondents did not pay for services while 1.3% of the respondents said that they were paying. Sixteen percent of the respondents stated that they cannot afford to pay and 1.3% did not respond. An overwhelming 97% of the respondents (81.3% + 16.0% = 97.3%), stated that they did not pay for the services. This is also supported by the results of Figure 4.3.2, which show that 72% of the respondents had very little or no income.

#### **4.4 Summary**

It must be noted that Tables 4.2.1 to 4.2.12 were used to assist with the interpretation of the results for the different questions used in the questionnaire. These are sub questions that are used solely for the purpose of supporting the results of the primary questions that were posed to attempt to answer the research problem.

These main questions are represented by the bar charts stated as figures 4.3.1 to 4.3.5. This chapter therefore dealt with the interpretation of the results that were obtained after the analysis of data collected through 150 questionnaires received from the respondents at Mafikeng Extension 39. The 150 questionnaires represent the dependent variable in this study which is the beneficiary whilst the bar charts and figures mentioned above represent the independent variables. All the independent variables used in the evaluation and interpretation of the findings are directly linked to the beneficiary. The next chapter, which is chapter 5, focuses on the discussion of the results and come up with conclusions and recommendations.

## CHAPTER 5: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents the outcome of the study and cross reference is made to other relevant studies and the underlying theory. It is closed off with a general conclusion, limitations that the researcher came across and recommendations for further studies in relation to this area.

### 5.2 Discussion of results

#### 5.2.1 Results of question 1- Do female applicants receive preferential treatment when they apply for RDP houses?



Sadie and Loots (1998) as reflected in the literature reviewed for this study reveal that there is still a lot of inequality between men and women and that the current housing programmes do not take gender issues into perspective. Kothari (2005) also mentions that there is a prevalence of certain cultural norms that deprive women of their rights to land and housing in the Pacific Islands. Brown-Luthango (2007), states that the housing policy in South Africa does not specifically discriminate against women but that certain aspects of the policy, together with customs and tradition are against equal access to housing by women.

The Constitution of the Republic of South Africa, Act 108 of 1996 states that everyone has the right to have access to adequate housing. This basic right is taken further by de Vos (2001) who states that the current housing policy is based on a fundamental understanding that housing is a basic need and the State must then ensure that access to this right is realised.

The research question was meant to find out if female applicants were getting preferential treatment when they apply for RDP houses. The results of the question as shown in chapter 5 show that **78.7%** of the respondents were females. The results of the pilot data in chapter 4 also showed that **75%** of the respondents were females and only **25%** were males. This showed that the majority of applicants for housing were females. All the reviews of the literature referred to above had suggested that women are being discriminated against when it comes to housing. However, the view of the researcher is that the number of female participants did not reflect bias towards them but could be due to other factors as reflected in the conclusions.

### 5.2.2 Results of question 2- How accurate is the personal information submitted by the applicants of RDP houses?

During a review of the housing fraud report by the Office of the Auditor General (2006) as stated in the literature review about the approval and allocation of housing subsidies at provincial housing departments had found that just on 4% or 53,426 subsidies were either irregularly or fraudulently granted. The monetary equivalent of these irregular subsidies as uncovered by the Office of the Auditor General amounted to more than R300 million. The Auditor General maintained further that subsidies were given to government employees who earn more than R42,000.00 per year or R3,500.00 a month.

The results of the research question (as per figure 4.3.2) as well as those of the income distribution under the pilot test data showed that 72% and 80% earned less than R500.00 or nothing per month respectively. Only one respondent (1.3%), earned above R3,500.00 and there was no respondent who earned above R3,500.00 under the pilot test. The one respondent out of a total of 150 respondents is insignificant and might have been an error on the part of the respondent when completing the questionnaire.

Khan and Thurman (2001) reflect that another issue of concern with regard to how the housing subsidy is being allocated relates to that of fraud. The authors state that the Heath Special Investigating Unit, which was set up to root out fraud and graft in the public sector is probing 530,000 cases in which different categories of private and public officials may have plundered the public funds. Some of the scams include some families gaining more than one subsidised plot by getting relatives and spouses applying too. It was however not possible for the researcher to verify whether the respondents in this study might have acquired other dwellings by using relatives or spouses. This can be tested when these beneficiaries apply for their own subsidies and the housing system declines their applications.

### 5.2.3 Results of question 3- Do the municipalities use the municipal waiting list to allocate RDP houses?

Several factors ranging from bribery and corruption to inability to perform by officials has led to the waiting lists not being properly managed and this is evidenced by the following synopsis:

According to Ahmed (2008) the Alexandra Vukuzenzele Crisis Committee (AVCC) residents re-occupied houses in Alexandra Extension 7 since the 20th of March 2008 after negotiations failed to bear any fruit for the poor people of Alexandra. The houses that were built in Extension 7 were earmarked for poor residents of the township but bribery and corruption of the Alexandra Renewal Project (ARP) has denied them access to the houses that are legitimately theirs. They have been on the waiting list since 1996. The inability of the municipal authorities to establish or use the waiting lists for the allocation of subsidies to beneficiaries takes away the realization of their constitutional right.

Figure 4.3.3 (chapter 4), shows that 88% of the respondents were not on the waiting list of the municipality. This suggests that the municipality did not use its housing list to allocate beneficiaries and that allocation was done randomly.



#### 5.2.4 Results of question 4 – Are the current occupants of RDP houses the original applicants of these houses?

The Housing Amendment Bill was passed in 2001 to prohibit the sale of subsidy houses for the first eight years after acquisition. However, in the literature review, Boadem and Karam (2001) are questioning whether this law is enforceable given that individuals may enter into informal transactions or agreements, or may even at times succumb to pressure from middlemen with a profit motive or to the debt collectors.

Khan and Thurman (2001) reflected that the Provincial Housing Development Boards were noting the tendency of housing policy beneficiaries to return to squatting. This was established after the national database of beneficiaries had registered repeated applications for subsidies.

The housing department of KwaZulu Natal implemented an investigation which showed that some beneficiaries are selling houses almost immediately after completion. The study by the department also brought to the fore the phenomenon of downward raiding, which refers to the purchase of the subsidised house by higher income households for cash at large discounts.

This, it is argued, is due to the fact that the initial occupiers find it difficult to meet the charges for water, electricity and rates. The writers maintain that the subsidy programme will have done little to resolve the low income housing crisis, and that the ongoing concern will be, whether the housing provided will ultimately benefit the intended beneficiaries in the long run.

The results of the study as per figure 4.3.4 show that 64.7% of the subsidy houses at Extension 39 were occupied by their rightful owners and 35.3% not. It must however be noted that the 35.3% is probably made up of a substantial number of relatives or friends as shown by the results of pilot table 4.2.8. In this table 28% (24.7% +3.3%) is made up of relatives and friends who were staying with the owners and consequently responded to the questionnaires in the absence of the owners.

These results, therefore, do not match the information that the researcher sourced from the literature reviewed for this study in as far as occupancy of the houses is concerned. However, a point of concern could be the two respondents who stated that they were renting the houses from their owners. This specific matter may warrant an investigation to find out the circumstances under which the leasing may be taking place.

### 5.2.5 Results of question 5 – Do the beneficiaries of RDP houses pay for the Municipal services?

The literature that was reviewed for this study showed that the majority of the recipients of the housing subsidy appear to be the lowest income groups. This was revealed by a study of a cross section of housing projects in the Western Cape, which showed that 96.9% of the beneficiaries fell into the lowest income category. This brings about the question of how beneficiaries will pay for rates and services with low, erratic or non-existent incomes.

According to Khan and Thurman (2001) up to 80% non-payment for rates and services in new subsidy housing projects is not unusual. This, the authors state, is as a result of beneficiaries being simply unable to afford the costs of new connections or ongoing service supply.

The results of Figure 4.3.5 seem to support the above review. Ninety-seven percent of the respondents did not pay for rates and services, whilst only 1.3% confirmed that they were actually paying. The notion that the majority of the recipients of housing subsidies appear to be the lowest or zero-income groups is also supported by the results, as depicted by Figure 4.3.2 (income distribution).

In the analysis 72% of the respondents earn less than R500.00 a month or no income at all. It is therefore apparent that the beneficiaries of low-cost houses are not able or cannot sustain the payments for rates and services. This seems to defeat the very noble aim of government, which is the provision of shelter to its disadvantaged communities. Khan and Thurman (2001) further state that some municipalities have introduced the indigent policies to try and carry those who are unable to make payments. However, lack of a coherent national financial policy that deals with the indigent households and non-implementation have contributed to its failure.

## **5.3 Conclusions**

### **Question 1**

The researcher concludes that the number of female participants does not reflect that there is preferential treatment in terms of gender and that the significant number of women applicants may be due to the following factors:

- Abolition of policies that restricted women after the Beijing Accord
- The erosion of gender inequalities after the introduction of the South African Constitution
- Changes in the socio-economic conditions of individuals in South Africa after the formation of different levels of governance, and
- Migration of individuals from urban to rural areas.

### **Question 2**

Given the outcome of the results of question 2, it was concluded that there was no evidence of fraudulent presentation of facts by the beneficiaries at the time they applied for houses. Information about their earnings could not be independently verified because the housing subsidy system is not linked to private employers but only to the persal system for public servants. The exercise of verifying the employment of an applicant can therefore not be said to be correct.

A significant number of respondents stated that they were not the rightful owners of the RDP houses. A question that may then arise is whether the applicants really needed the houses in the first instance or whether they would occupy them late, after water and electricity have been installed. A follow up investigation needs to be carried out to answer this question.

### **Question 3**

Municipalities keep a register of residents who are in need of accommodation to enable them to plan properly for their housing needs. However, this does not seem to be the case because in both the pilot and research results, the housing list was not considered when the beneficiaries applied for the RDP houses. Service delivery will therefore be vastly affected because houses will not be allocated to people in dire need, thus increasing the backlog of housing delivery in the country.

#### **Question 4**

A substantial number of respondents i.e. 64.7% occupied their houses and 28% was made up of their relatives or friends. This suggests that a total of 92.7% occupied their houses directly or indirectly and 7.3% is occupied by beneficiaries other than the above. Another argument could be that non owners (made up of 28% and 7.3% = 35.3%) were the ones that actually stayed in these houses. It is therefore concluded that not all the occupants of the RDP houses in Extension 39 were the original applicants of these houses.

#### **Question 5**

Municipalities need sustained payments for the services that they provide to communities under their jurisdiction. This will enable them to, in turn, sustain the provision of services. Almost all the respondents i.e. 97%, stated that they do not or could not afford to pay for the municipal services. This is contrary to the results of table 4.2.6 (source of income), which shows that only 28.7% of the respondents was unemployed and could as a result not manage to make any payments. The municipality must therefore come up with a strategy to collect service payments from those who can afford.

#### **5.4 Limitations of the study**

Not enough research has been conducted before on the sub problems discussed above. Most research topics that the researcher reviewed in this study revolved around issues that were related to poor workmanship, conditions under which squatters live, over crowding and corruption in general. There is also a lack of relevant literature and the researcher had to make do with literature that was close to but was not direct to the problems there are being studied.

#### **5.5 Recommendations**

It is recommended that the following measures be introduced and implemented, if the aforementioned problems are to be answered and the housing backlog is to be substantially reduced:

- That the processing and approval of subsidy applications should be done on a needs basis. A needs analysis must first be carried out and only then can an allocation be done. This should take place after a thorough screening of an individual has taken place and it must address issues like previous allocations and spousal or beneficiary allocations.
- That the housing subsidy system should be linked to all the major registers in South Africa like the population register of the Department of Home Affairs, the persal system of the Public Service, the unemployment register of the Department of Labour, the deeds register of the Deeds Office and any other service that may be beneficial to this cause.
- That consideration should be given to the municipal waiting list and that it must be done in conjunction with all the other screening services. The implementation of the waiting lists must be enforceable by law, and it must be a requirement for qualification as a future low cost housing beneficiary.
- That the Deeds Office should not re-register RDP houses that have been registered, within a period of at least ten years unless with the permission of the Department of Housing. This will discourage would be fraudsters and applicants without a real need for a house, to obtain and get rid of houses as they wish. It is also recommended that the municipalities do an audit of occupancy and ownership every two years. This will give the extent to which the housing backlog is being addressed and the system is being abused.

- That prepaid water and electricity services be installed for each household to enforce payment of services. This will improve revenue collection and enable the municipalities to sustain the provision of these services.
- That an audit or an investigation be carried out to verify whether any letting of the RDP houses is taking place, especially after the results of the study revealed that two occupants were renting the properties.
- That an audit or an investigation be instigated to test whether houses are not illegally sold before the end of the mandatory five year period.

## **5.6 Suggestions for future research**

This researcher believes that further studies must be carried out within the low cost housing environment with the specific aim of identifying hindrances to housing provision that cannot be picked up by the systems that are already in place. This study has identified a situation that may warrant research and this is the assumption that some applicants do not actually stay in their houses and may be renting them out or have fraudulently sold them by colluding with the buyers without the knowledge of the relevant municipalities. This may assist in identifying whether low cost housing is allocated to the beneficiaries who are not desperate for shelter.

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**APPENDIX A**

**ANALYSIS OF RDP HOUSING BENEFICIARIES - PROJECT LINKED SUBSIDIES  
NORTH WEST PROVINCE**

**Stand number** : .....

**Beneficiary** : .....

**Municipality:** \_\_\_\_\_

**Area** : \_\_\_\_\_

**Respondent** : \_\_\_\_\_

**Date** : \_\_\_\_\_

**Purpose** : \_\_\_\_\_

**1. DEMOGRAPHIC DETAILS OF THE BENEFICIARY**

1.1 Gender of the beneficiary

1. Male

2. Female

1.2 Age

1. < 18 years

2. 18 to 25

3. 26 to 35

4. 36 to 45

5. 46 to 55

6. 56 to 65

7. >65

1.3 Educational level of the beneficiary

1. No. formal education

2. Less than standard 10

3. Standard 10

4. Diploma

5. Junior degree

6. Postgraduate

**1.4 Marital status of the beneficiary**

1. Single
2. Married
3. Divorced
4. Widowed

**1.5 How many dependents do you have?**

1. 1
2. 2
3. 3
4. 4
5. Other specify

**1.6 Ages of the dependents**

1. Less than 18
2. Less than 21
3. Less than 25
4. Less than 35
5. Between 35 and 50
6. > 51 years

**1.7 Source of income**

1. Social grant
2. Salary
3. Self employed
4. Assistance from relatives
5. Handouts
6. Unemployed
7. Casual employment

**1.8 Income Distribution**

1. < 500
2. 501 - 1500
3. 1501 - 2500
4. 2501 - 3500
5. > 3500
6. 0

**2. GENERAL INFORMATION**

2.1 Are you the registered owner of the house

1. Yes
2. No

2.2 If not where is the owner?

1. I don't know
2. Staying together
3. Not staying together

2.3 What is your relationship?

1. Renting from owner
2. Renting from someone else
3. Relative staying free
4. Friend staying free
5. Bought from owner

2.4 For how long have you stayed here?

1. Less than 1 year
2. Less than 2 years
3. Less than 3 years
4. Less than 4 years
5. Less than 5 years
6. More than 5 years

2.5 Were you on the waiting list of the municipality?

1. Yes
2. No

2.6 If yes, for how long?

1. Less than 1 year
2. 1 year
3. 2 years
4. 3 years
5. 4 years
6. 5 to 10 years
7. More than 10 years

2.7 Where did you live before?

1. Parents/Relatives
2. Rented accommodation
3. Own

2.8 When was your last employment?

1. 1 year ago
2. 2 years ago
3. 3 years ago
4. 4 years ago
5. More than 5 years ago
6. Never employed

2.9 How do you pay for municipal services?

1. Do not pay
2. Pay as and when
3. Pay monthly
4. Cannot pay



APPENDIX B  
**The Department of Developmental  
Local Government and Housing  
North West Province  
Republic of South Africa**

*Chief Directorate: Housing Delivery*

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**TO :** CHIEF DIRECTOR – HOUSING DELIVERY

**FROM :** K W NGAZIRE  
ASSISTANT DIRECTOR – CLAIMS

**DATE :** 16<sup>th</sup> OCTOBER 2006

**SUBJECT :** REQUEST FOR ACCESS TO HOUSING FACILITES DURING MY STUDY FOR RESEARCH ON PROJECT-LINKED HOUSING FUNDED PROJECTS (RDP HOUSES), WHICH IS A REQUIREMENT FOR THE MBA PROGRAMME AT THE NORTH WEST UNIVERSITY.

---

**Purpose**

To get permission to peruse documentation and visit RDP housing sites in order to fulfill the requirements of the Master of Business Administration programme.

**Background**

I am registered for a 2-year MBA programme with the North West University since January 2006. Part of the requirements for completing the programme is that research must be finalized successfully and within the 2-year period.

The study is going to be beneficial to all the parties involved, particularly the housing environment because whatever results obtained from this research are going to assist the department to adjust where necessary or come up with new policies.

The university has accepted my proposal for the study and I therefore wish to commence with data collection as soon as possible. Collection of data is envisaged to be over a period of 2 months, and this is to start from the beginning of November 2006.



APPENDIX B

I have attached a copy of my research proposal for ease of reference and further information. I would also like to state in advance that any sensitive information that I come across during the research process will not be divulged to any outside parties, but only to the relevant authorities of the housing department.

Trusting that this request will receive your humblest and immediate consideration.

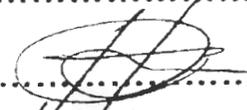
Yours truly,



.....  
K.W. Ngazire (Assistant Director – Subsidy Claims)  
Tel : 018 – 387 6012

*Recommended*

Authorised by: ..... (Chief Director-Housing Delivery)

Signature : ..... 

Date : *16/10/06* .....

Approved : *Yes* ..... (DDG-Dept of Loc Govt & Housing)

Signature : ..... 

Date : *17/10/06* .....

cc. Director – Asset Management  
Deputy Director – Subsidy Claims



# The Department of Developmental Local Government and Housing

North West Province  
Republic of South Africa

*Chief Directorate: Housing Delivery*

**TO : THE MUNICIPAL MANAGER  
MAFIKENG LOCAL MUNICIPALITY**

**FROM : K W NGAZIRE**

**DATE : 16 MARCH 2007**

**SUBJECT : REQUEST FOR ACCESS TO HOUSING FACILITIES DURING  
MY STUDY FOR RESEARCH ON PROJECT-LINKED  
HOUSING FUNDED PROJECTS (RDP HOUSES) AT  
IMPERIAL RESERVE, DANVILLE AND MAFIKENG  
EXTENSION 39, WHICH IS A REQUIREMENT FOR THE MBA  
PROGRAMME AT THE NORTH WEST UNIVERSITY.**

## Purpose

To get permission to peruse documentation and visit RDP housing sites in order to fulfill the requirements of the Master of Business Administration programme.

## Background

I am registered for a 2-year MBA programme with the North West University since January 2006. I am now registered for my final year of studies and the requirement for completing the programme is that a research project must be finalized successfully before the end of this year.

The study is going to be beneficial to all the parties involved, particularly the housing environment because whatever results obtained from this research are going to assist the department and the municipality to adjust where necessary or come up with new policies.



APPENDIX C

The university has accepted my proposal for the study and I therefore wish to commence with data collection as soon as possible. Collection of data is envisaged to be over a period of 2 months, and this is due to start as soon as your permission has been received.

I have already solicited the permission of the Department of Local Government and Housing, and both the DDG(Mr. Igbal Motala) and the Chief Director(Mr. Hans Kekana, have acceded to my request. I would also like to state in advance that any sensitive information that I come across during the research process will not be divulged to any outside parties, but only to the relevant authorities of the housing department.

Trusting that this request will receive your humblest and immediate consideration.

Yours truly,

.....  
K.W. Ngazire (Assistant Director – Housing Claims)  
Tel : 018 – 387 6012  
Cell: 082 2160 728

Approved : ..... *H. J. SMIT* ..... (Municipal Manager)  
Signature : ..... *H. J. Smit* .....  
Date : ..... *2/4/07* .....

## APPENDIX D

**TO : THE MUNICIPAL MANAGER  
MATLOSANA LOCAL MUNICIPALITY**

**FROM : K W NGAZIRE**

**DATE : 02<sup>nd</sup> FEBRUARY 2007**

**SUBJECT : REQUEST FOR ACCESS TO HOUSING FACILITES DURING  
MY STUDY FOR RESEARCH ON PROJECT-LINKED  
HOUSING FUNDED PROJECTS (RDP HOUSES) AT  
ALABAMA EXTENSION 3, WHICH IS A  
REQUIREMENT FOR THE MBA PROGRAMME AT THE  
NORTH WEST UNIVERSITY.**

---



### **Purpose**

To get permission to peruse documentation and visit RDP housing sites in order to fulfill the requirements of the Master of Business Administration programme.

### **Background**

I am registered for a 2-year MBA programme with the North West University since January 2006. I am now registered for my final year of studies and the requirement for completing the programme is that a research project must be finalized successfully before the end of this year.

The study is going to be beneficial to all the parties involved, particularly the housing environment because whatever results obtained from this research are going to assist the department and the municipality to adjust where necessary or come up with new policies.

**APPENDIX D**

The university has accepted my proposal for the study and I therefore wish to commence with data collection as soon as possible. Collection of data is envisaged to be over a period of 2 months, and this is due to start as soon as your permission has been received.

I have already solicited the permission of the Department of Local Government and Housing, and both the DDG(Mr. Igbal Motala) and the Chief Director(Mr. Hans Kekana, have acceded to my request. I would also like to state in advance that any sensitive information that I come across during the research process will not be divulged to any outside parties, but only to the relevant authorities of the housing department.

Trusting that this request will receive your humblest and immediate consideration.

Yours truly,

.....  
K.W. Ngazire (Assistant Director – Housing Claims)  
Tel : 018 – 387 6012

**Approved** : .....(Municipal Manager)

**Signature** : .....

**Date** : .....

**DIRECTOR: INFRASTRUCTURE & UTILITIES**

APPENDIX E

CITY OF  
MATLOSANA

Tel: +27 18 484 7064/7068 Fax: +27 18 484 7065, PO Box 99 Klerksdorp 2570  
E-Mail: [wmaje@klerksdor...org](mailto:wmaje@klerksdor...org) / [housing@klerksdor...org](mailto:housing@klerksdor...org) Website: [www.klerksdor...](http://www.klerksdor...)

*Eng: W. Maje*

8 May 2007

The Chief Director  
The Department of Developmental  
Local Government and Housing  
**MAFIKENG**  
2735

**ATTENTION: MR KW NGAZIRE**

**REQUEST FOR ACCESS TO HOUSING FACILITIES**

The above-mentioned subject has reference.

Your request for access to housing facilities during your study for research on project-linked housing funded projects at Alabama Extension 3 has been approved.

The study will truly be beneficial to our municipality in the sense of identification of problem areas which will need some form of interventions.

Hope you find this in order.

For all logistical arrangements, please contact Mr Witness Maje at (018) 484 7064.

Yours faithfully

**MM MOADIRA**  
**MUNICIPAL MANAGER**

