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## **IMPROVING PROTECTIONS FOR URBAN RENTERS IN THE GLOBAL SOUTH**

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### **EXECUTIVE SUMMARY**

This policy brief addresses the growing need to better protect renters from the adverse impacts of rapid urbanization in the Global South. It responds to the fact that urban renters, and the challenges they face, have long been overlooked by policy-makers and planners. The brief begins by unpacking the heterogeneity of renters as well as the nuanced and highly context-specific relationships that exist between diverse groups of renters and landlords. It then enumerates some of the primary challenges that renters face, including: weak contractual rights, perceptions of transience, substandard housing, frequent evictions, weak enforcement of protections, and limited mobilization. The brief aims to inform the ways in which policies can be tailored to better address the needs of this vulnerable group. The brief concludes with a series of guiding principles and organizational, procedural, legal, and physical strategies to protect and empower renters in the Global South.

### **INTRODUCTION**

#### **Why Renters in the Global South?**

Hundreds of millions of people in the Global South rent homes in urban areas. The high cost of homeownership often plays a role in perpetuating renting for many households. Other factors, such as the location of employment opportunities and the availability of transit options, also make rental housing attractive for many individuals and households. As UN-HABITAT has identified, rental housing is “an essential option for the urban poor in developing countries.”<sup>1</sup>

Renters are often among the most vulnerable populations in urban areas. Yet governments have done too little to develop renter-focused policies or to provide support for this large segment of the population. This is exacerbated by the increasing informality of renting. In many cities, rental housing in slums is growing rapidly, and governments are ill-prepared to navigate the complexity of the informal contracts this

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<sup>1</sup> UN-HABITAT. 2003. Rental Housing: An Essential Option for the Urban Poor in Developing Countries. Nairobi: United Nations.

entails.<sup>2</sup> The result is a significant number of urban renters with insufficient legal protection, tenure security, and services.

Renters and their challenges tend to be underrepresented in the academic literature. As Alan Gilbert notes: “Too much of the planning literature has ignored tenants, blithely assuming that every family both wished and was able to become self-help owners. As a result tenants became invisible.”<sup>3</sup> To complicate matters, there are immense institutional challenges to gathering information on renters, because they may be difficult to reach or are insufficiently empowered to partake in academic studies. The challenge of data collection becomes even more difficult in the developing world and in informal settlements, where formal property documentation and population data may not exist. This lack of attention in research directly contributes to the disempowerment of renters in policy-making arenas.

A significant percentage of the global population lives in rental housing, yet detailed consideration of the rental sector in national housing strategies has been the exception, not the rule. Increasing home ownership has been the object of much more attention. These ownership-oriented policies have often provided greatest support to the middle-class, ignoring the needs of poorer residents. Given the scale of renting in the Global South, and the severe challenges faced by renters in this context, it is important for governments, civil society, and the private sector to both acknowledge and address the complexity of this important mode of housing provision.

### **Who are Renters in the Global South?**

As is the case for renters around the world, people who occupy rental housing in the Global South may be renters either by choice or constraint. Individuals and households who choose to rent are sometimes those who want to remain mobile and flexible, including people who do not necessarily or immediately desire homeownership or who may not want to make the long-term financial commitment of home buying. However, the majority of renters in the Global South rent because they have no other choice. They cannot access homeownership due, for example, to insufficient income or employment that is considered too informal to qualify them for a mortgage.

Characteristics of those who rent vary with the nature of local housing markets and thus are difficult to generalize. In some cities, “tenants tend to be among the poorest families,” though that is not always the case, particularly if there is land available for squatting.<sup>4</sup> Additionally, renters are generally younger than homeowners and many are “single: students, simple wage-workers, factory workers, informal sector employees and

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<sup>2</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

<sup>3</sup> Gilbert, A. 1992. “Third World Cities: Housing, Infrastructure and Servicing.” *Urban Studies*, 29(3/4): 435-460.

<sup>4</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

micro entrepreneurs, or professionals.”<sup>5</sup> For non-single renters, households are usually smaller than for owners because their families are younger and large families have a hard time obtaining or affording rental housing. There are typically more female-headed renter households than female-headed owner households.

The percentage of renters varies between countries and also differs from place to place within countries. “In some cities, the majority of the population rents, while elsewhere it is a minority.”<sup>6</sup> For cities in the Global South, renters can make up a considerable proportion of residents. For example, renters account for 43% of Bogota residents, 42% of Johannesburg residents, 41% of Bangkok residents, and 21% of Santiago residents.<sup>7</sup> In general, renting is predominantly an urban phenomenon. For example, in 2001, 29% of those living in India’s urban areas rented, compared to just 4% among India’s rural residents.<sup>8</sup> Additionally, larger cities generally have higher levels of renting than smaller ones. In Brazil’s largest city, Sao Paulo, 30% of the population are renters, compared to 19% in the smaller city of Manaus.<sup>9</sup> While percentages of renters remain lower than those of homeowners in most countries and cities, the number of urban families living in rental housing is increasing and, considering the rate of urban growth in the Global South, will likely continue to grow.

## **Renter-Landlord Relations**

The types of landlord-renter relationships that exist in the Global South are often different from those in the developed world, a fact that has important implications. UN-Habitat recognizes five categories of landlords—small-scale, commercial, public sector, social, and employer. Commercial and public sector landlords may prefer middle- to upper-income renters because rent payments from these groups are generally more reliable and profits can be larger. Social landlords are typically non-profit organizations that provide housing for the poor. Employer landlords provide rental housing for employees as an aid to recruitment and as means of maintaining a workforce, especially when local housing is too expensive.

Small-scale landlords are by far the most common type of landlord globally, particularly within informal settlements. They either own one or a small number of units, or rent out a room or rooms within their own home. For these landlords, renting is often not their primary occupation but rent receipts are used to “supplement daily consumption, [as a] safety net against inflation, and [for] assistance in making housing improvements.”<sup>10</sup> Becoming a landlord is often appealing during “poverty-risk periods” because it can

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<sup>5</sup> UN-HABITAT. 2011. A Policy Guide to Rental Housing In Developing Countries. Nairobi: United Nations.

<sup>6</sup> Ibid.

<sup>7</sup> UN-HABITAT. 2003. Rental Housing: An Essential Option for the Urban Poor in Developing Countries. Nairobi: United Nations.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Mahadevia, D. and T. Gogoi. 2011. Rental Housing in Informal Settlements: A Case-Study of Rajkot. Working Paper No. 14. Ahmedabad: Centre for Environmental Planning and Technology.

provide income security, for instance during times of employment transition, and enable the formation of a long-term source of income.

Landlords may share some economic, social, and spatial characteristics with renters. In Cairo, 91% of landlords live in the same building as their renters. Similar percentages hold true for many low-income areas in South Africa and Latin America.<sup>11</sup> Landlords tend to be older than their renters and can be male or female, depending on local customs. Regions where women can inherit property tend to have more female landlords. In Gaborone, Botswana, more than three-quarters of landlords are women, but they receive less income from renting than do male-headed households.<sup>12</sup>

An important variety of landlord is the “shacklord” who claims some rights or authority over land and who extracts rent or protection money from households. Other varieties of landlords include slumlords, who take over abandoned inner city buildings and charge high rents,<sup>13</sup> and absentee landlords. In Nairobi, 86% of residents in informal settlements pay rent to absentee landlords through agents.<sup>14</sup> In these cases, the landlord’s goal is typically to optimize income and build as many rooms as possible, which often leads to poor housing conditions for renters.

## **CHALLENGES FACING RENTERS**

### **Navigating a Diverse Landscape of Renting**

Renters are often referred to as a single homogeneous group. However, as touched on in the previous section, renters are a diverse population that faces a wide range and complex set of challenges. These challenges can be hard to address at the local level due to difficulties that arise in mobilizing a broader coalition in support of renters and their needs.

The main challenge facing renters is navigating the diverse landscape of renting that exists as a result of the many types of contracts between renters and landlords. Where formal contracts are present, governance and institutional mechanisms may be in place that can settle disputes. However, in many low-income neighborhoods it is difficult to formalize rental relationships. In such situations, personal relationships often drive contracts and details are frequently kept secret to maintain discretion over the rent charged to renters. Secrecy can also help landlords avoid maintenance responsibilities and is a way to evade property and income taxes. Thus, the method through which a renter accesses housing plays a crucial role in defining the issues that he or she will

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<sup>11</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

<sup>12</sup> Rakodi, C. 1995. “Rental Tenure in the Cities of Developing Countries.” *Urban Studies*, 32 (4-50): 797-798.

<sup>13</sup> Watson, V. 2009. *Strategic Literature Assessment for Informal Rental Research Project*. Johannesburg: Social Housing Foundation.

<sup>14</sup> Omwoma, R. 2013. *Land Tenure Systems in the Slum Settlements of Nairobi: Implications for Slum Upgrading Programmes*. Nairobi: Department of Lands, Ministry of Lands and Settlement.

face. Access to housing through the formal market can be a relatively transparent process, based on availability of units and ability to pay. Yet, more often than not, rental housing is based on informal agreements.

## **Negative Perceptions of Renters and Renting**

There is an assumption that renters - especially those of low income – are transient, lack commitment to where they live, and do not make investments in housing or property improvements. Regardless of the wide diversity of renters, and the variety of income groups and tenure types described above, this stigma is very often attached to the entire renter community.

Policy-makers often overlook renters because they believe that long-term policies may be irrelevant to transient groups. However, it is important to remember that renters are not a homogenous group: though some are transient, others have been renting for many years - decades even - and do not plan on moving. Research in Tanzania, which shows that slum residents had lived in their homes for an average of 13.6 years, challenges the assumption that urban renters in the Global South are transient.<sup>15</sup> In many cases, long term renters become attached to their neighborhoods and have a sense of pride of place.

Policy-makers sometimes believe that renters lack commitment to place and therefore do not invest in their property. However, many long-term renters invest in the places in which they live. Studies suggest that perceived tenure security may be a stronger driver of investment than tenure type.<sup>16</sup> Generally, residents will not invest in their homes if they are afraid of evictions or rent increases, both of which are a common threat facing renters in the Global South.

## **Variable Tenure Security**

Unfortunately, for many renters in the Global South, tenure is relatively insecure. As mentioned, renters occupy a variety of housing types and enter into a range of tenure agreements, varying widely within cities and across countries. These diverse modes of renting vary in security and stability. Since the most affordable rents are often available in the informal sector, the majority of rental agreements exist outside of formal government rules and regulations.

The production of spaces for informal renting gained momentum in the 1980s, with the illegal subdivision of agricultural land becoming the largest source of informal urban

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<sup>15</sup> Hooper, M. and L. Ortolano. 2012. "Motivations for Slum Dweller Social Movement Participation: A Study of Slum Dweller Mobilization in Kurasini, Dar es Salaam." *Environment and Urbanization*, 24(1): 99-114.

<sup>16</sup> Payne, G. 2001. "Urban Land Tenure Policy Options: Titles or Rights?" *Habitat International*, 25: 415-429.

development.<sup>17</sup> New rental accommodation in developing cities is primarily located within these “self-help suburbs”,<sup>18</sup> with a range of entrepreneurial development delivering the majority of urban residential growth. However, for reasons introduced above and explored in following sections, in many cases local governments and foreign entities are poorly positioned to support these populations of informal renters. This potentially leads to a lack of security of tenure and limited legal recourse,<sup>19</sup> both of which have particularly important ramifications for vulnerable populations of renters who have few resources and limited alternative housing options.

### **Vulnerability: Poor Housing, Weak Protections and Frequent Evictions**

The demographic attributes of the average renter in the Global South are indicative of the challenges they face: they are often younger, poorer, and more heavily composed of women and marginalized groups. The renting-specific challenges then faced by these groups add onto an already existing framework of vulnerability.

Renters are more likely than non-renters to live in substandard housing. Many countries in the Global South lack stringent building codes or have codes that go largely unenforced. As such, many homes— especially those of poor renters— can be dangerous places to live. The range of rental accommodation includes rooms in subdivided inner-city tenements, rooms in custom-built tenements, spaces rented by the day or hour in boarding houses, rooms in illegal settlements, structures on rented plots of land, rooms in houses in low- or middle-income areas, employee housing, public housing, and rented space in non-traditional locations such as at work or in public spaces.<sup>20</sup>

One might think that substandard housing is the result of low prices, but often the converse is true. Paradoxically, many studies have found that landlords charge low-income renters, particularly in informal settlements, exorbitantly high rents. Since these groups typically live at the margins of society, they are easy targets for price-gouging landlords, who take advantage of their renters’ vulnerable positions. These same vulnerabilities play out in the eviction process. With rapid urbanization taking place in many countries in the Global South, renters are often at risk of eviction. Since renters often have limited tenure security, they are easily displaced, either for economic or political reasons. For example, both of these factors have led to displacement of residents in Brazil’s favelas, as the government prepares for the upcoming World Cup and Olympics.

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<sup>17</sup> Al Sayyad, N. and A. Roy. 2003. *Urban Informality: Transnational Perspectives from the Middle East, Latin America and South Asia*. Boulder, CO: Lexington Books.

<sup>18</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

<sup>19</sup> Peppercorn, I. and C. Taffin. 2013. *Rental Housing: Lessons from International Experience and Policies*. Washington, DC: The World Bank.

<sup>20</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

Considering the vulnerabilities renters face, it might be expected that governments and aid organizations would play a more active role in supporting their needs. However, even though the rental sector is a vital component of the housing stock, government subsidies and other assistance are almost entirely geared towards the homeowner sector. Over the past two decades, governments and politicians in the Global South, including in Chile, Colombia, Costa Rica, Ecuador and South Africa, have provided discounts, subsidies and other special financing mechanisms to promote home-ownership. These efforts have often neglected the planning and development needs of the informal and rental communities, thus worsening the housing pressures in these areas.<sup>21</sup>

Further compounding matters is the reality that rental markets in the Global South tend to be shaped and managed by a hostile or obsolete local regulatory framework. Even when renters are ostensibly protected by legal mechanisms, these mechanisms are not necessarily enforced or enforced transparently. Local government officials may lack the capacity to enforce laws, or may be corrupt. In the case of organizations financing development projects, such as the World Bank, stipulations protecting renters often go ignored by those who implement them, especially when local actors are not held accountable to international protocols.

### **Limited Political Representation and Mobilization**

The above sections describe the various ways in which renters and their needs are marginalized. Problematically, it is often the case that there are few who mobilize and advocate on renters' behalf. Politicians are less inclined to engage a constituency that is not perceived as a stable base of support. Alan Gilbert argues that institutional figures have relegated rental housing to the sidelines because they no longer view landlords and renters as influential political actors with mobilizing power.<sup>22</sup> As Cadstedt notes, "the absence of collective action among the tenants contributes to keeping renting a matter within the private sphere rather than the public."<sup>23</sup> Furthermore, the heterogeneity of rental populations makes mobilization difficult, and their perceived transience often leaves them off the radar of community organizers and policy-makers. To make matters worse, the socio-economic status of many renter communities means that politicians frequently ignore them altogether, assuming they likely lack the resources to mobilize.

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<sup>21</sup> Gilbert, A. 2008. "Slums, Tenants and Home-Ownership: on Blindness to the Obvious." *International Development Planning Review*, 30(2): i-x.

<sup>22</sup> Ibid.

<sup>23</sup> Cadstedt, J. 2006. *Influence and Invisibility: Tenants in Housing Provision in Mwanza City, Tanzania*. Stockholm: Department of Human Geography, University of Stockholm.

## **GUIDING PRINCIPLES FOR CHANGE**

As described in the previous section, renters in the Global South are a diverse group who differ by socioeconomic status, tenure security, and housing quality, both among and within developing countries. With this in mind, it is important to not blindly implement a series of best practices across all contexts. Instead, any policies designed to address renters should first follow a few key principles to help guide implementation.

### **Understand Local Context**

Policies, practices, and physical interventions should be designed, tested, and adapted according to local needs. When working in Europe, for example, the IUT has had success in adapting their efforts to the specificity of local renting contexts. The approach in the Global South should be no different, although it is important to remember that common themes can and do exist across and between countries. Addressing issues specific to developing countries may require organizations to stretch their array of intervention tactics beyond what has previously been tried. For example, in the Global South, it is absolutely essential to understand the distinctions and linkages between the formal and informal rental markets. Many housing laws and policies target those in the formal market, but still have implications for informal markets as well. As a result, policies must be designed to facilitate, rather than hinder, the transition to formality and be careful not to negatively impact residents of informal settlements. Explicitly building provisions for the informal sector into policies will be invaluable virtually all contexts.

### **Take an Incremental Approach**

Issues facing renters in the Global South are wide-ranging and daunting. Therefore it is important to approach them incrementally. For example, taking effective action to improve conditions for renters will likely require significant investments of time and effort up front. A step-by-step approach will allow the time and attention needed to gain local actors' support, and to leverage their support for successful future action. Taking on a pilot project is perhaps the best way to gain the knowledge and experience necessary to take interventions to scale. In countries where few robust renter organizations exist, local partners may require serious and committed capacity building before broader scale action is possible. This is particularly true if drawing on models of renter protections and engagement already put in place in developed world contexts, where greater political support and financial resources may exist to advocate for and protect renters.

## Ground Policies and Projects in Data and Documentation

Data, documentation, and information are key to successful partnerships and successful projects. Investing in the acquisition, management, and updating of data and information on renters serves two purposes. First, it can improve the knowledge, capacity, and political leverage of local partners. Second, it can provide balanced and comprehensive information to external stakeholders. Good data can be a useful tool in garnering stakeholder support. Furthermore, information is necessary to push and drive the policy agenda. Governments, NGOs, and international organizations cannot effectively act without quantitative and qualitative information regarding populations at risk, their problems, and possible modes of intervention.

The use of data and documentation is critical to addressing renter issues. Information equates to power across the globe, but has greater implications in the context of the Global South, where data is typically lacking or difficult to access. Information derived from the measurement, monitoring, and evaluation of successful projects can be shared among partners or within networks, allowing organizations to iteratively improve their capacity to implement the strategies necessary to protect vulnerable renters. The example of the Ghana Federation of the Urban Poor (Case 1), shows the important role that data and information can play in improving conditions for marginalized groups such as renters.<sup>24</sup>

### Case 1: Community-Driven Enumerations and Evictions in Accra, Ghana

In 2003, Accra residents formed the Ghana Federation of the Urban Poor (GFUP) after meeting with members of slum-dweller federations from other nations. In 2004, in conjunction with People's Dialogue on Human Settlements, GFUP initiated a community-driven enumeration in Old Fadama, the largest informal settlement in Accra. The initiative countered an eviction threat by providing accurate information on the population and economic activity in the settlement. The findings revealed important, local economic activity and insights regarding how the settlement incorporates migrants from all over the country. The enumeration process increased residents' confidence and empowered them to engage with city officials, which changed the government's perspective on informal settlements. This further influenced government policy to focus on participatory relocation instead of eviction. Additional iterations of the enumeration process showed rapid housing change in the city, and became a strong information base for the residents when engaging with city officials. These findings helped city officials and others to see informal areas in a new light, which has shifted the power balance between informal settlement residents and government officials. The example of the GFUP demonstrates how grassroots data collection and management can enhance the political position and organizational effectiveness of marginalized groups.

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<sup>24</sup> Farouk, B., and O. Mensah. 2012. "If in Doubt, Count': The Role of Community-Driven Enumerations in Blocking Eviction in Old Fadama, Accra." *Environment and Urbanization*, 24(1): 47-57.

## STRATEGIES FOR ACTION

### Building Local Partnerships

Improving conditions for renters will not be possible without the help of strong and capable local organizations. Taking time to find these groups, and their leaders, is an important early step of any engagement process. The role of local renters will be essential in gaining the proper knowledge and resident buy-in for enacting real change, as local stakeholders are more likely to be able to leverage this support. Additionally, renters themselves are most likely to understand the contexts, constraints, and norms that shape their lives, livelihoods, and built environment.

A key to the process of local partnership building is empowering local people. There are countless examples of international organizations engaging, and often failing, in local interventions. One reason for failure is the absence of a stable local partner (Case 2).<sup>25</sup> A second reason is that local groups can find they have little agency in devising and implementing solutions once national and global organizations become involved. Partnerships are not easy to forge and carry through. Part of the challenge of any partnership is building an efficient common action plan and strengthening the capacity of local partners, without removing their agency.

#### **Case 2:** The Role of Organized Grassroots Groups in Improving Women's Access to Public Services

When HIV/AIDS emerged as a serious health problem in 1990s Kenya, many women's organizations were established to address the issue. However, many of these grassroots organizations were small-scale and isolated. As a result, it was difficult to channel donor resources to effective grassroots groups directly. To overcome these obstacles, Grassroots Organizations Operating Together in Sisterhood (GROOTS) launched the Kenyan Home-Based Care Alliance in 2005. GROOTS, a global network of organizations led by women, addresses social issues by partnering with local governments and building local organizations' capacities. First, the Alliance initiated a mapping process to collect information on existing caregivers. Through this procedure, 17 new groups (1812 caregivers) were mobilized to join the Alliance, and they were able to articulate their challenges with HIV/AIDS to local authorities and other stakeholders. Through the Alliance's intervention, groups became increasingly aware of available funds and mechanisms to acquire resources, allowing grassroots organizations to directly receive funding without an intermediary. Organized caregivers can now also directly connect to local authorities to educate them on community needs. The Alliance and its member organizations have mobilized to work with local authorities, engage communities, build partnerships, and disseminate information regarding women's inheritance rights and other legal issues. The success of the Alliance shows how capacity building and network development can build a robust community of connected actors who can negotiate for and achieve important policy changes.

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<sup>25</sup> Purushothaman, S. 2010. Grassroots Women and Decentralised Governance Change Through Partnership. Brooklyn, NY: Huairou commission.

While it has become common to call for increased local participation in development activities, few international NGOs have engaged and mobilized communities as effectively as Slum Dwellers International (SDI). Successful organizations, such as SDI, serve as excellent case studies for understanding the process of selecting, supporting and partnering with local communities.<sup>26</sup> Although SDI has a global reach, it also works to connect existing community groups through a culturally appropriate support and knowledge-sharing system. This approach does not seek to change local organizations' procedures, practices, or policies, but instead gives local NGOs the flexibility necessary to continuously re-evaluate the needs of the community and to effectively interact peer groups, professionals, and government.<sup>27</sup>

With respect to renting, the first step in locating and enhancing the role of potential local partners will include identifying individuals and organizations with experience or significant interest in renter rights.<sup>28</sup> Upon identification, a dialogue must begin to better understand the goals and culture of these actors. This preliminary relationship building requires substantive attention and time to cultivate a mutually beneficial and trusting partnership. These partnerships will vary drastically between countries and communities and can therefore not be summarized as having an ideal structure or typology. Such "demand-driven" involvement may mean that an organization or individual takes on the role of facilitator, mediator, financial supporter, or technical partner. This flexibility will allow external stakeholders to maximize their capabilities and to better leverage their expertise in the most helpful ways. Again, the example of SDI, and its efforts to build a network of national partner organizations, provides a useful example for how renter mobilization might develop in the Global South.

### **Advocating for Renters' Rights**

In the absence of adequate renters' rights policies, an important first approach to enhancing protections for renters is to form grassroots organizations that voice concerns and negotiate with landlords, housing developers, and the government. As UN-HABITAT has pointed out, "before tenure-neutral housing policies can be introduced, something must be done to generate a tenure-neutral housing debate."<sup>29</sup> Advocacy groups can help move the debate in a tenure-neutral direction. They can also help educate renters about their rights and potential avenues of recourse.

Precedents for successful renter advocacy organizations exist in many countries in the developed world and are frequently supported by renter protection laws. For example,

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<sup>26</sup> Patel, S., C. D'Cruz and S. Burra. 2002. "Beyond Evictions in a Global City: People-Managed Resettlement in Mumbai." *Environment and Urbanization*, 14(1): 159-172.

<sup>27</sup> Satterthwaite. 2001. "From Professionally Driven to People-Driven Poverty Reduction: Reflections on the Role of Shack/Slum Dwellers International." *Environment and Urbanization*, 13(2): 135-138.

<sup>28</sup> Huairou Commission Website. "Grassroots Profiles". [Accessed at: <http://huairou.org/grassroots-profiles>]

<sup>29</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

Boston, Massachusetts has strong laws regarding renting and renter rights.<sup>30</sup> These legal protections incentivize the formation of renter associations, which are effective forms of organizing for greater rights. Denmark presents a different model for renter advocacy. Danish policy builds a “renters democracy” into the governance structure of its rental housing, creating a decentralized ownership and accountability framework.<sup>31</sup> This is different from the model of renter advocacy practiced in North America, the United Kingdom, and much of Western Europe. However, both forms have proven to be effective in different contexts.

In general, renter associations can help address some of the issues described earlier, specifically weak legal and contractual protections, substandard housing and the exploitation of vulnerable populations. Effective renter associations can also help solve the perception that renters are transient or not committed to the place they live and can increase renters’ political capital and representation. This model of grassroots organization could be applicable in a wide variety of settings and serve to build bridges to broader, national or global-level advocacy organizations.

## **Enhancing Positive Perceptions**

A core challenge to improving renters’ situations in the cities of the Global South is that many people believe owners are more stable and engaged citizens than renters.<sup>32</sup> There are a number of unjustified prejudices regarding renters that cloud and undermine the potentially productive debate surrounding tenure-neutral housing policies and renter rights. Only once these preconceived biases are addressed can everyone - from aid organizations to government officials to renters themselves – begin to view renters in a neutral light and begin to take effective action.

Removal of prejudices and debunking of “renter myths” is the first step in enhancing positive perceptions of renters. The best way to do this is to educate both sides of the tenure equation - renters and owners - using data to better demonstrate who renters actually are and what challenges they face. Alan Gilbert has documented the complexity of renters’ lives, showing that income alone is not what separates them from owners. Gilbert’s data for Bogota, Colombia, for example, shows that the reason owner families tend to have higher median incomes is because their families have, on average, older children who can contribute to family earnings.<sup>33</sup> This data, and other data from similar cities in the Global South, are critical to changing the discussion around renters.

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<sup>30</sup> Peppercorn, I. and C. Taffin. 2013. *Rental Housing: Lessons from International Experience and Policies*. Washington, DC: The World Bank.

<sup>31</sup> Engberg, L., H. Pawson, J. Bright and G. van Bortel. 2012. *Resident Involvement in Social Housing in the UK and Europe*. Report by the Hyde Group and Heriot Watt University.

<sup>32</sup> UN-HABITAT. 2003. *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*. Nairobi: United Nations.

<sup>33</sup> Gilbert, A. 1983. “The Tenants of Self-Help Housing: Choice and Constraint in the Housing Markets of Less Developed Countries.” *Development and Change*, 14(3): 449-477.

Governments and multilateral international institutions, such as the UN-HABITAT and their Global Campaign for Secure Tenure, can play a key role in promoting positive perceptions of renters as they have the resources to source and disseminate data that can dispel myths surrounding renters and renting. Governments and international development agencies can also help to change perceptions of renting by bolstering protections for renters in urban development plans and better considering them in national housing policy and strategies. At the moment, renters generally receive much less attention than owners in national housing discussions and urban plans and this only serves to enhance the marginality and vulnerability of renters.

## **Enhancing Legal and Procedural Protections**

Enhancing legal protections for renters is necessarily a context-specific effort. In improving the legal frameworks in which renting is embedded, efforts must be made to consider local housing and property dynamics, the diversity of landlords and rental agreement types, as well as the capacity of legal and enforcement institutions.

The first step towards enhancing legal protections is the codification of different kinds of rental agreements and the responsibilities of the state, renters, and landlords in each. This could include provisions for the protection of renters and landlords in informal rental agreements. Recognizing that informal rental arrangements often reflect locally specific needs, it is important that legal provisions are flexible enough to accommodate different kinds of rental arrangements (shared spaces, short and long term leases, rent-to-own arrangements etc.). Developing standard rental contracts for different kinds of arrangements can make it easier to establish formal written agreements.

Legal protections must balance the interests of both renters and landlords in order to facilitate a healthy rental property market. Landlords face a number of important risks that, when not considered in policy, can worsen conditions for renters. These risks include: renter failure to pay rent, unrecovered costs of property damage by renters, and unexpected termination of leases. Where there are inadequate legal protections and systems to provide meaningful recourse, landlords develop their own informal methods to decrease their risks, including high deposits, pre-screening of renters and summary evictions. As a result, renters with informal or irregular income, low incomes, and poor background documentation suffer most. Renters face the risk of poor building quality, failure to maintain premises over time, displacement, and rent increases. With this in mind, mediation between renters and landlords is crucial. Legal recourse is too costly and time-consuming in most developing countries to be a reasonable option for either of these parties. Mediation using a formal third party or arbitration through a panel or tribunal offers an alternative form of dispute resolution that the state should recognize and support.<sup>34</sup>

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<sup>34</sup> Peppercorn, I. and C. Taffin. 2013. Rental Housing: Lessons from International Experience and Policies. Washington, DC: The World Bank.

It is also vital to hold large international organizations, such as the World Bank, more accountable for the protection of renters. The contracts and project documents of these international organizations frequently contain stipulations for the protections of renters against forced evictions, displacement, or other adverse actions. Yet on the ground, these protocols are often ignored or weakly enforced by the local actors who implement these programs. Since such organizations often play a large and integral role in the development of cities in the Global South, it is vitally important that they be held accountable for the potentially negative ramifications of their interventions, even if they are not the implementing actors.

It is important to note that while protections are important, they can have perverse effects on the rental property market. If regulations are too onerous or raise the cost of renting property too much, they may disincentivize the provision of formal rental property, reducing the supply and pushing up prices, or they may push more rental activity into the informal sector. Protections must also consider renter preferences, which may be different from those the laws seek to impose. If there is significant demand for low cost, centrally located, and flexible rental housing, as is often the case in cities in the Global South, imposing laws that require rental housing to fulfill high quality standards (e.g., in terms of floor space or building materials) may well push rental activity into the informal, unreported, or unregulated sectors.

### **Improving Building Quality**

International agencies and NGOs must act as advocates for— and vigilant defenders of— quality building standards for renter populations. Building standards and codes as well as maintenance requirements are established in most developed countries. In poorer countries with weaker legal and enforcement mechanisms, very high standards are hard to enforce, raise the costs of housing to exclude low income populations, are circumvented through corruption, and can discourage the transition from tenure informality. Basic construction standards that take into account local conditions may be phased in for different kinds of rental property over time. To hold developers to task, governments could condition financing for housing construction on repair of units or on meeting established building standards. In some cases, rather than using the law, it may be easier for the state to directly take responsibility for construction of low cost housing that gives people a formal and affordable alternative.

Revising building codes and controls will improve the safety of certain rental properties by limiting the inappropriate or haphazard use of materials. A successful example in this case can be found in the Lehae relocation project, in Region G of Johannesburg, South Africa. This project carefully considered and controlled the types of materials that could

be used in buildings, particularly those used for backyard renting, to eliminate flammable building materials.<sup>35</sup>

In many developing countries, rental housing is typically of relatively low quality, especially in informal settlements and illegal housing markets. Rakodi has documented the low quality “thika” rental dwellings that accommodate a large proportion of Calcutta’s poor.<sup>36</sup> This and similar types of rental housing systems target vulnerable groups of renters. Therefore, comprehensive upgrading of such rental projects, and better consideration of renters in community upgrading strategies, is an essential element in protecting renters.

International organizations and governments will often need to play the role of facilitators who provide financial, technical, and social support while at the same time allowing renters and landlords to voice their needs and implement changes on their own terms. One example of such a context-sensitive approach is found in self-improvement programs in Latin America. In certain communities, strong social ties among residents have facilitated a community “self design-build” approach. In many of these cases, this approach has proven quite effective, with renters bringing their own materials to landlords to help improve the existing structures on the property that they are going to rent. Building on these examples, in cases of more organized informal sectors, self-improvement needs to be encouraged and supported by the public sector and international organizations with policies that favor and build on the social bonds among residents and landlords.

### **Increasing Tenure Security**

While the notion that renters lack a strong attachment to their communities is not necessarily true, many studies have revealed that people who perceive their tenure to be insecure do indeed have a more tenuous attachment to place. Renters are disproportionately subject to such tenure uncertainty and, like others who lack legal protections and live in fear of displacement, may be less likely to consider their residence a permanent home. For these reasons, it is crucial that renters are provided with stronger tenure security - whether de jure or de facto - through a variety of methods.

One approach to increasing tenure security is through rent control, which is a sometimes controversial legal and policy approach to limiting housing costs. Rather than using the law to protect renters from rent increases, other options including addressing supply side constraints. This can be achieved by creating more “regulated affordable” rental housing options. Additional interventions to create more affordable

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<sup>35</sup> Watson, V. 2009. Strategic Literature Assessment for Informal Rental Research Project. Johannesburg: Social Housing Foundation.

<sup>36</sup> Rakodi, C. 1995. “Rental Tenure in the Cities of Developing Countries.” *Urban Studies*, 32 (4-50): 797-798.

rental housing include allowing higher than traditionally allowable density development if projects cater to or include low income renters.

Informal rental housing where renters rent from landlords who do not have legal title to the property are risky for both parties, since renters are particularly vulnerable to high rents and poor conditions and landlords likewise have few protections. While encouraging the transition from informal to formal rental arrangements should be an important component of a country's long term housing strategy, the transition must be gradual, flexible, and not excessively punitive. The first legal step to protecting renters would be to provide legal recognition to informal settlements, as this encourages transactions to become formalized and written.<sup>37</sup> Initial tax exemptions for landlords declaring rental property and amnesties for past transgressions conditioned on future compliance with formal contracts and legal provisions can also facilitate the move to a better regulated and more secure housing system for renters.

More robust protections against evictions by private and public landlords is also critical. As mentioned, legal protections for renters are either non-existent, weak or unenforced in many national contexts. This becomes even more important in the context of the rapid urbanization that is transforming cities across the Global South. International organizations – in the form of development lenders, bilateral aid agencies and global civil society – can play an important role in pressuring governments to adopt better legal and procedural protections for renters and in ensuring that evictions of renters taking place in the context of development projects strictly adhere to international norms and standards.

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<sup>37</sup> Watson, V. 2009. Strategic Literature Assessment for Informal Rental Research Project. Johannesburg: Social Housing Foundation.

## **CONCLUSIONS**

The diverse populations that constitute the renters of the Global South are simultaneously rapidly growing and extremely vulnerable. Governments, civil society and researchers have generally ignored or struggled to address the needs of this important group of urban residents. One of the contributing factors to this lack of attention to renters and their needs is the contextual nuance and variety of rental populations in different urban areas. Some of the core issues urban renters face include: lack of legal and procedural protections, perceptions of transience, substandard housing, looming evictions, and limited mobilization and advocacy.

Precedents from around the globe show that, in working to better protect renters from their multiple vulnerabilities, it is important to adopt strategies that are flexible, incremental, and build on existing grassroots organizations. As this brief argues, it will also be vital to include renters in efforts to build their own better future. Additional strategies for change include improving the built environment for renters by revising building codes, promoting infrastructure upgrades, and facilitating self-improvement projects. Complex issues such as halting evictions, limiting rent increases, and dealing with informal settlements have yet to find broadly applicable solutions. However, locally appropriate policy changes and physical interventions, which leverage and build upon mobilized communities, can culminate in contextually-specific strategies that improve the lives of the hundreds of millions of renters of the Global South.

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