

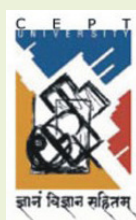
Rental Housing in Informal Settlements

A Case-Study of Rajkot



Darshini Mahadevia
Trishna Gogoi

September 2011



Centre for Urban Equity
(An NRC for Ministry of Housing and Urban Poverty Alleviation, Government of India)
CEPT University

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Disclaimer

The comments and opinions in this paper are of the authors and not of the Centre for Urban Equity or CEPT University.

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Abstract

The current government paradigm towards urban poor housing is to provide land titles to the poor and promote ownership housing. However looking at the current housing market, especially in large industrial and commercial cities, rental housing as an accessible housing option for the poor cannot be over-looked. Literature review has shown rental housing to be an integral part of the housing tenure systems in the city, as well as in the stages of a migrant's upward mobility from a squatter to ownership housing. Studies across the world have shown the presence of rental housing in almost all informal and slum settlements. This research is an attempt to understand rental housing within the informal housing and discerning its characteristics in comparison to the informal sector owner-occupied housing in the city of Rajkot in Gujarat.

Keywords: rental housing, ownership housing, rent policy, Rajkot

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Part I

1. Introduction

Rental housing provides the much needed ‘room for manoeuvre’ (Oakpala, 1981 in (Kumar, 2001) or flexibility of tenure arrangements during the lifetime of an urban poor household. Rental housing lessens the burden on a migrant to invest on shelter till one can manage to have disposal income for ownership housing. It is responsive to in an individual’s and a household’s life-cycle changes and is an asset for tenants as well as landlords. Rental housing is influenced by the local economic conditions and employment.

There is a long-drawn debate on the significance of ownership versus renting in housing. It is a popular belief that all households aspire to own housing. Many studies have proved this assumption to be true. However, the crucial question is not if ownership is desired by poor households, but if ownership housing is accessible to them (Kumar, 1996). Issues of accessibility have come up in housing policy discussions because the governments across the developing countries have tended to design their public housing programmes to cater to the demand for ownership housing. On the contrary, studies across the world have shown that rental housing is of particular importance to the migrants. It has been theorized as the first entry point for a migrant in a city. Until a migrant can manage to find a stable job and save to invest in ownership housing, rental housing provides him/ her with numerous options shelter. Yet, the housing policies do not pay attention to the rental housing needs.

In the quest to be ‘World Class City’, whatever that means in the cities of the developing countries, many city have launched demolition drives, with the backing of planning legislation, which consider slums and squatter settlements as encroachments. Infrastructure project implementation has also led to displacement of slums and squatters and in some instances they have been entitled to rehabilitation. Most of the rehabilitation projects are designed based on an understanding that the dwellers would desire ownership housing and hence invariably, the rehabilitation package is a dwelling unit given on ownership basis. At the same time, in the rehabilitation process, house owners are viewed as legitimate beneficiaries while missing out the tenants of the demolished slums and squatter settlement.

‘The struggle for housing is most often a struggle for land’ (Satterthwaite, 2009). Land ownership is a state-subject and in most cities government is the largest landowner. In the Indian context, land is under the eminent domain of the state and by this fact the state has the right to regulate the use and transfer of land. The state therefore defines the land use and transfer policies and regulations. In some instances, the state is actively engaged with deciding the prices of land

but in general, its policies determine the land prices. In situations of high economic growth rates and increasing inequality as a consequence of growth, which has been observed in India since economic reforms, the urban land in particular becomes a parking place for speculative investments resulting in rapid rise in land prices. Land becomes a commodity and of speculative kind. Housing struggles have therefore focussed on either non-availability of lands for low income housing or for evictions from lands for high value activities.

Marxism defines 'commodification' as the assigning of economic value to something, thereby making it part of the market. Due to the liberalisation of the market in the 1990s, the economy opened up to Foreign Direct Investments (FDI) and under-developed capital markets could not offer avenues for investments, other than land (Payne, 1989; Angel and others, 1983 in Kumar, 1994). Under the structural adjustments suggested by the World Bank and IMF, liberalized economies became eligible to receive investments, grants, loans, etc. from them as well as other large trans-national and multinational organizations. All these changes made investments into cities and urban lands of the developing countries very promising. Thus land has transformed into a tradable commodity in the market, and the land allocation process has become very competitive. Governments in developing countries are encouraged to make profits from available lands, rather than ensuring equitable distribution based on requirement. As part of the real estate market even informal lands are an expensive commodity and thus land grabbing, sub-divisions, informal sales, etc., have made squatting more and more difficult for the poor. The tendency of commercial penetration into informal sub-markets has resulted in the profusion of the rental housing. Thus the poor have to consider the option of renting and share holding as affordable form of housing in the cities (Amis, 1984 in Kumar, 1994).

Gilbert and Ward (in Kumar, 1994) have argued that, in terms of accessibility to land, 'an increase in the cost of land would eventually result in an increase in the proportion of tenants and sharers.' Informal settlers and urban poor households who originally acquired plots are motivated to develop rental housing, leading to the emergence of new sub-market of squatter tenants and multi-occupancy (Kumar, 1994). In such a situation, even households which would have expected to be able to acquire small plots, are unable to do so and have to continue living in rental accommodation.

2. Rental Housing in Theory

The Chicago School of Urban Ecology came up with a Concentric Zone Model (Burgess, 1924) of city structure, explaining the city in various concentric zone of land use in the early years of industrialisation and urbanisation processes in the American cities. The poorest communities migrating to the cities, found their first housing in the Central Business District (CBD) or innermost circle of the city, where the cost of living was the cheapest and quality of housing, the

poorest. The new migrants tended to live in rented housing. The outmost zone, called commuters zone, housed the suburban, high-end, single family residences, mainly of ownership type for households who could afford to spend on travelling daily to the CBD for work.

This model depicts the migrants to be the residents of the dilapidated inner-city zone, which provides the cheapest accommodations and is close to their area of employment (Kumar, 1994, p. 4). This kind of process in Chicago was a result of waves of immigrants from Europe settling in the cheapest housing, close to the heart of the city where low skill job market was located. They shared the high rents in the central areas by crowding into the tenements and avoiding transport fares for the journey to work. The pressure on the inner-most housing led to better established households leaving the area, once their real incomes improved to afford additional transport fares and settling in better neighbourhoods near the periphery where larger land areas were available. The model portrays a definite zonation corresponding to the occupational mobility, ability to save and stage in the immigrant household's life. More significant here is relationship between the socioeconomic status of the family and the distance at which it is located from the city centre. The relationship is stereotyped as a gradient, the socio economic status rising with the increase in distance from centre.

The pattern of segregation in American cities modelled by concentric zone theory of Burgess was first questioned by a land economist, Homer Hoyt. Using rent information, he found: "rent areas in American cities tend to confirm to a pattern of sectors rather than of concentric circles. The highest rent areas of a city tend to be located in one or more sectors of the city. There is a gradation of rentals downward from these high rental areas in all directions." (Hoyt: 1939, 76). On mapping the rent data he found a series of sectors emanating from the Central Business District (CBD). The high grade residential areas occupied the most desirable space and were responsible for the pattern of urban growth in the city. The other grades of residential areas were aligned around the high grade areas, with the lowest grade areas occupying the least desirable land. Hoyt explained that due to the dynamics of the property market, the obsolete (old) houses vacated by the higher income groups to occupy high grade areas were transferred to the middle income groups. Vacancies thus created were occupied by lower income groups. A filter-down process was observed when new housing was added to the edge of expanding city.

The third model along the same lines was that by Harris and Ullman (1945), which they termed as multiple nuclei model. It differed from other two by its abandonment of the CBD as a sole focal point to existence of number of discrete nuclei around which individual land uses were geared. The conditions for the location of these nuclei were observed to be varying from city to city and hence no generalised spatial form was suggested by them. All these models of the urban geographers indicate one phenomenon; the urban poor housing and renting in the worse off zones is evident across all.

The neo-classical economists have tried to explain the residential structure of the cities with the help of trade-off models. Although, these models are part of general theories of urban land use, these have exclusive concern for residential activities. These models "seek to deepen our understanding of how residential phenomena (densities rent and land values, the distribution of incomes and social class) are arranged within cities." (Badcock: 1984, 18). There are two kinds of models in urban economics; ones which treat urban activities in a general way and others which have residential activities as their primary concern. The latter ones are of importance for the present study.

Ratcliff (1949) developed the concept of bid-rent curves. Urban activities by 'bidding' at various rent levels - their bids determined by their need for centrality and their ability to pay - formed efficient land use pattern. His model too was concentric. The retailing functions, which paid the highest to have the best accessibility for maximising profits, located in the centre. This land use was most intensive and with vertical development. The next ring was of such industrial and commercial functions, which required centrality but could not pay high rents and hence settled for lower accessibility, for example, ware houses. Largest space was occupied by the residential activities and number of trade-offs between the land costs, transport costs and density were involved here. Closer to the centre were high valued lands, occupied at very high densities by groups who incurred low transport costs. Towards the periphery, lived those with private transport who can incur higher costs on transport but gave priority to low density residential areas.

2.1.Urban Mobility: From Renting to Ownership Housing

Turner presented the 'Bridgeheader-consolidator-status seeker' model (1968, in Kumar, 1994) of Intra-City Residential Mobility model in an attempt to explain why low-income households take up rental housing. According to him when the city is at the 'early stage' of transition, the migrants or bridgeheader's rent rooms in the inner-city in order to be located close to their area of work. This is the initial and temporary phase in the housing life-cycle of migrants. As the migrants establish themselves in the city and gain access to stable employments, they seek land in the urban fringe zone surrounding the inner city. This is the mid-transitional phase where the migrant becomes a consolidator. In the late transitional city's development, low rents in the inner city brought about by the rent control legislations, results in decrease in supply of cheap rental accommodation, as owners no longer can make profits from his rental units. Then the squatter settlements which develop at the periphery of the inner-city become the new reception area of migrants. Thus this move from mid-city squatters outward to higher end residential areas is called a move from being a consolidator to status seeker. The main contention of later researchers against his argument is that intra-urban residential mobility is 'as much a reaction to changing conditions in the housing market as a response to variations in household demand'

(Edward, 1983). As urbanization proceeds, peripheral settlements assume an intermediate location with new settlements developing around the former periphery. The importance of the inner city declines as intermediate and peripheral rented accommodations grow. Thus the critique to Turner's model perpetuates the existence of rental housing even as the city develops and transforms from early stage to late stage (Kumar, 1994)

John F.C. Turner in 1968 argued that self-help housing is the answer to housing issues for the poor. Households should be able to make their own housing decisions and suggested self-help housing, mutual aid and incremental development as measure to solve housing problems of the poor. The theme of the Self-Help Housing theory was that 'what matters in housing is what it does for people rather than what it is'. The governing principles are that: 'only when housing is determined by households and local institutions and the enterprises that they control, then the requisite variety in dwelling environments can be achieved; only then can supply and demand be properly matched and consequently satisfied; and only then will people invest their own relatively plentiful and generally renewable resources' (Turner 1968 in Hansen, 1988).

Turner's theory promoted incremental housing by the urban poor and supported the innovative approaches to housing demands adopted by communities. Following the core principles of Turner's Self-Help Housing theory, Hansen and William (1988) have forwarded the Progressive Development Model (PDM) describing the process by which low-income households make incremental investments in housing, moving from rental housing to ownership housing. This theory has expanded the framework of incremental self-help housing by explicitly recognizing the rental housing sector within the life-cycle of housing development. The PDM traces the mobility of low-income households as they move through four different stages of housing development:

- Stage Zero: Pre-ownership
- Stage One: Initial Settlement
- Stage Two: Self-motivated upgrading
- Stage Three: External shock motivated up-grading

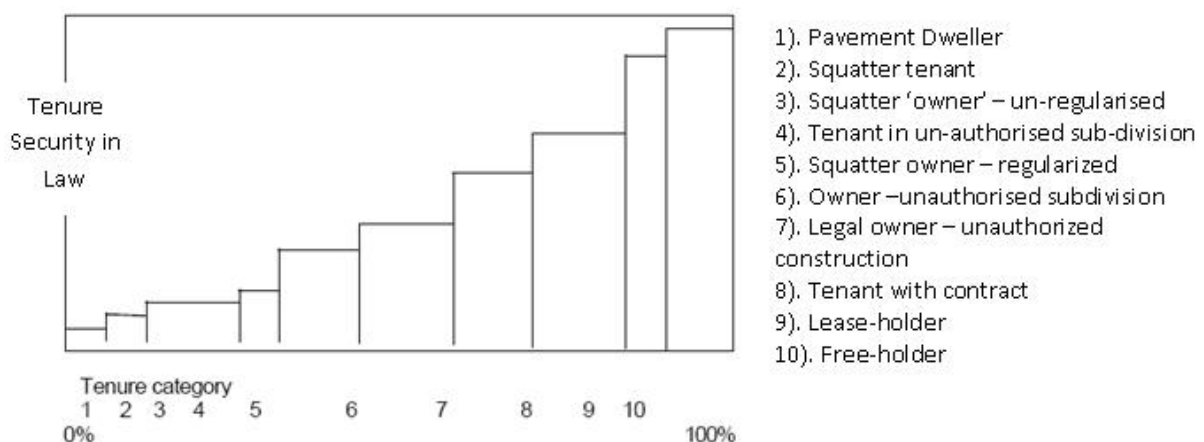
The pre-ownership stage explicitly recognizes the entry of newly formed households or migrants into the urban housing market. This can be seen through their renting of a room or house, as well as when they are guests or share space with another households. In the early stages of migration, households rented to be able to be close to their workplace and search for employment. Renting was seen to be an initial and temporary phase in the housing life-cycle of migrants with ownership as the ultimate choice. However, it is to be noted that not all households move through all the three stages towards home ownership. If these households have sufficient resources to buy land or they have a no-cost opportunity to occupy land (through invasion), the households enter stage one, by contributing 'sweat equity' in construction. Such housing may

have very poor tenure security, but the concern of the household is to mark a territory for them (Hansen, 1988).

The above are demand side explanations of housing access by the new low income migrants in the cities of the developing countries. Edwards (1983) challenges Turner's model by providing evidence of Bucaramanga, a city in Columbia, where the housing mobility is as much a function of housing supply as housing demand. He has argued that if low-income affordable shelter or land plots are available, which was the case in Bucaramanga when at a point in time the government decided to increase the supply of small lot plots, the new migrants directly went to become house owners than renters. Structuralists too have challenged the assumptions of the demand-based models by stressing the role of structure of housing market and low incomes play in restricting housing choices and residential decisions taken by the households. This is very important in Indian context as well. The new low income migrants could be spared the grind of going through renting in informal housing to directly renting in formal housing or accessing serviced lands to settle down as legal occupant.

Explaining the various tenure types existing in the cities of developing countries, Geoffrey Payne has put forth an explanation that tenure is a continuum with a mix of formal and informal tenure types.

Figure 1: Tenure Continuum as presented by Geoffrey Payne (2000)



Source: (Payne, Urban Land Tenure Policy Option: Titles or Rights?, 2000)

Payne has included tenants in his tenure continuum, showing that rental housing is a part and parcel of a migrant's housing need cycle. Focusing more on the security of tenure, Payne has depicted the rental alternatives to have lower tenure security than the owners at each stage. Squatter tenants are worse off than Squatter owner. Likewise, tenants in un-authorised

subdivisions are worse off than owner of un-authorised subdivision of land. Tenants with contract are at the higher end of the tenant tenure security continuum. However, empirical studies, as well as surveys across cities have showed the disregard to contracts and documentation in the case of urban poor tenants. A critical analysis by Payne states that providing titles to all the un-regularised tenure types would increase the tenure security and consequently, increase the cost of land so much that ‘elite capture’ or ‘downward raiding’ of land is bound to happen. Thus, Payne is of the opinion that the various tenure types be just upgraded to *de facto* tenure. This would imply that across tenures, the government should support in-situ upgradation and site and services programmes, etc., while letting the informality remain.

It is seen across cities that many seasonal as well as single migrants do not use their resources to occupy land and rather continue living in rental accommodation – saving expenses by sharing costs with other single migrants or migrant households. Rental housing also allows them the flexibility to shift to wherever they find employment. Turner emphasized the use-value of ownership housing but also enumerated the use of renting as an extension of income-generating opportunities for the owner (Kumar, 1994). Supplying rental housing also has its positives for poor landlords and house-owners. Such landlords use rent receipts in many ways: to supplement daily consumption, safety net against inflation and assistance in making housing improvements and also important during ‘poverty-risk periods’ (Pugh, 1995) like providing income security in times of employment transitions, forming a long-term source of income (Kumar, 2001).

3. Rental Housing Scenario in Developing Countries

Rental housing market is found to be functional in all cities, especially in developing countries. The initial UN studies on rental housing began on the note that cities in developing countries are dominated by tenants, evident in the cities of Latin American, India and South Africa (UNCHS, 1989). However, these studies failed to point out that renting does not depend on a household’s aspirations, but rather on the availability of land as well as demand from migrants (Kumar, 1994, p. 6). Contrary to the owner-occupation in the western countries, the need for rental housing has induced governments of Indonesia, South Africa and Colombia to initiate rental housing policies. In many developing countries the State distributes public lands for settlements. The governments thus feel that ownership housing would mean that they do not have to distribute free land; rather they should be making money on the sale of land. In most developing countries, invasion of land by poor increased the land ownership in cities, like, Lima (Peru), Caracas (Venezuela) and Indonesian (cities). This critical urban planning failure, however, is escalated by the fact that such informal settlements are a vote-gaining measure for politicians. Chile, India and South Africa are examples of such vote-politics (UNCHS, 1990, 2003). However, with growing urbanisation, cities also become the areas of wealth accumulation, such that, there is competition for everything, including land. Under such circumstances, invading land and owning dwelling

units become more and more difficult for the poor. With inadequate supply of land, other forms of tenure have risen.

3.1.Extent of Rental Housing

Rental housing covers a significant proportion of urban housing in the developing countries of Africa, Asia and South America. The Table 1 below depicts the housing tenure in selected countries and cities of developed and developing economies. Two very clear trends that appear in the tenure scenario: (i). Rental housing is higher at the city level, than at the overall country level (ii). Rental housing is higher in developed countries at both the country and city level. These trends explain that renting is an urban phenomenon. Within the developing countries, the expanding economies of cities like Cairo in Egypt and Bangalore in India, allow greater mobility of people from rural to urban areas. Both cities have more than 50 per cent tenants in their population. Secondly, the fact that the countries which are economically developed have much higher rate of renting again explains the link between renting and economic development and in turn urbanization. According to this data, Germany has 60 per cent population in the country as renters, while in its capital city Berlin, nearly 90 per cent population are in rental housing. The other mentioned cities, London (40 per cent), Rotterdam (49 per cent) and New York (55 per cent) have high percentage of tenant population.

Table 1: Housing Tenure for selected Countries and Cities (in %)

| Developing Countries | Owners | Renters | Others | Cities | Owners | Renters | Others |
|----------------------|--------|---------|--------|--------------|--------|---------|--------|
| Africa | | | | | | | |
| Egypt | 77 | 22 | 2 | Cairo | 37 | 63 | 0 |
| South Africa | 69 | 31 | - | Johannesburg | 55 | 42 | 3 |
| Asia | | | | | | | |
| India | 87 | 11 | 3 | Bangalore | 43 | 55 | 2 |
| Thailand | 87 | 13 | - | Bangkok | 54 | 41 | 5 |
| Latin America | | | | | | | |
| Bolivia | 60 | 18 | 22 | Santa Cruz | 48 | 27 | 25 |
| Brazil | 74 | 25 | 11 | Sao Paulo | 70 | 20 | 10 |
| Developed Countries | | | | | | | |
| Germany | 40 | 60 | - | Berlin | 11 | 89 | - |
| The Netherlands | 53 | 47 | - | Rotterdam | 26 | 49 | 25 |
| UK | 69 | 31 | - | London | 58 | 41 | - |
| USA | 66 | 34 | - | New York | 45 | 55 | - |

Source: Kumar, 2001 in UNESCAP/UN-Habitat, 'Quick Guide on Rental Housing'

Rental housing is found in large extent in China. The migrants in Chinese cities tend to live in urban villages in rental housing markets. Those who cannot afford share the room. For example, in Zhejiangcun area on the south periphery of Beijing, estimated 100,000 migrants lived in 1995

(Liu and Liang 1997 from Wang 2004: 70). The rents were high and were equal to monthly income of the migrant worker (Wang 2004: 70) and hence those who were in wage labour had to share a room whereas only those in business could afford to rent a room for themselves. Zhang (2001) describes the housing as rural lands subdivided by the farmers and siheyuan type housing constructed on them and each migrant, if able to afford, renting a tiny cubicle. The rental housing in urban villages not being affordable for large proportion of new migrants, they tend to live in employer housing, either on the construction site or in the industrial complex, wherein, they pay between 10 per cent to 20 per cent of their income as rent (Mahadevia et al 2010).

In spite of the popular phenomenon of self-help housing, the growing scarcity of free urban lands for building in cities has declined greatly. Thus, even though the proportion of owner-occupiers has increased, their further growth is greatly constrained and rental housing is burgeoning where the owner-occupiers have established self-help housing. This will only lead to further increase in rental housing (Gilbert, 1993 in Kumar, 1994). However, Kumar (1994) is keen to point out that the proportion of renting has decreased over the years. He attributes this fact to the diminishing returns on investments in rental properties, enhanced by the rent control laws. Even the housing policies are largely inclined towards ownership housing, for which greater subsidies, loans and security are provided.

3.2. Types of Rental Housing Sub-markets

Choices in housing for the urban poor in urban areas are very constrained. Within these constrained choices, the informal and formal markets together have come up with various types of submarkets based on the tenants' affordability and choice. General housing market can be sub-divided into both types of market: legal/illegal as well as owner/renters. Lim (1987) categorises the sub-markets as Regular, Invasion, Slum and Squatter (Table 2). Renters are present across all the markets.

Sub-markets identified in developing countries include, conversion of inner-city accommodation by individual households for letting, those built specifically by private sector employers for renting to their employees and the construction of rental housing by governments and government agencies for their employees as well as general public. Government provision dominated the rental housing stock in socialist countries. Kumar (1994) argues that government provided public housing has failed across all countries, with the exceptions of Hong Kong and Singapore (Kumar, 1994 p.17; Yeh and Laquian, 1979 in (Hansen, 1988). In China, the employer provided rental housing has been sold to the occupants with a housing policy change in 1997 (Mahadevia et al 2010). Within owner-occupied housing, existent rental housing types include, low income self help settlements, upgraded settlements and sites and services projects.

Table 2: Structure of sub-markets for housing

| Physical Characteristics of Land and Structure \ Occupancy of land | Legal | | Illegal | |
|--|-----------------------------|---------|------------------------------|---------|
| | A Regular Housing Market | | C Invasion Housing Market | |
| Legal | Owners | Renters | Owners | Renters |
| Illegal | B Slum Housing Market | | D Squatter Housing Market | |
| | Owners | Renters | Owners | Renters |

Source: Lim, 1987

Table 3: Features of Rental Housing in Philippines

| Type | Size | Ownership | Rent Contract | Rent | Profitability | Quality | Legality |
|--|---------------------------------------|-----------|---------------|-----------|---------------------------|----------------------------|------------------------------------|
| Single house in private subdivision/slum | Shared room | Social | Verbal | Free | Loss-making or subsidized | Condemned or uninhabitable | Illegal |
| Shacks on Rented plots | Room with access to shared facilities | Public | Written | Cheap | Low | Needs major repair | Legal contract in illegal dwelling |
| Rowhouses in private subdivisions depressed settlements | Small | Employer | None | Moderate | Medium | Needs minor repairs | No contract in a legal dwelling |
| Rooms/beds in multiunit bldgs. (tenements, medium-rise, high-rise) | Self contained (large) | Private | | Expensive | High | Well maintained | Fully legal |
| Rooms/beds in houses | | | | | | | |
| Rooms/beds in commercial/industrial establishments (e.g. warehouse, factory, dormitories, hospitals, camps, etc) | | | | | | | |

Source: (Ballesteros, 2004) and UN HABITAT 2003)

Ballesteros (2004) study of Philippine's brings forth two trends as a result of affordable housing shortage: increase of renting, especially in informal settlements and increase on the proportion of sharers. The incidence of renting was found to be higher in cities which had higher informal settlements, with cases of absentee landlords building rental housing for low income households.

In spite of such growing trends of renting, there is also a higher rise in sharers, which has come about due to the faster growth of rental housing, than supply.

Rental housing sub-markets in India can be categorised on the basis of location (city periphery, industrial unit, commercial areas, along important routes, etc), type of supplier (private individual/ household, trust, employer, government, etc), housing type (single room, dwelling unit, bed) and government policies (contractual, leasing, sub-letting, etc) (NIUA, Modelling a rental Housing Market: A Conceptual Framework, Research Study Series, No.36, 1989). In India, *chawls* represent the original low income rental housing. Historically, such rental housing was built by industrialists to attract cheap labour from different places. Mumbai in Maharashtra and Ahmedabad, Surat, Baroda, etc., in Gujarat have extensive *chawls* because of their booming cotton textile industry. However, post 1950s, these chawls came under the Rent Control Act, which froze their rents. This act introduced the 'Lease Agreement' which transfers the right of ownership to the tenant for an indefinite period of time, which can be problematic because it encourages the tenant to claim the right to permanent occupation. In numerous cases across India, tenants have refused to relocate and courts have supported tenants in case of any litigation.

Rental arrangements in India are discussed in details in Section 4. In the informal market where the transactions are semi-legal or illegal in status, other types of arrangements can be seen, which includes:

- a) **Sub-letting:** High market rents and high demand for affordable rental housing has given rise to sub-letting of rental housing, whereby a tenant rents out part of his rented space to another tenant to be able to share costs as well as earn some income. The rents charged for sub-letting are lower than market rents (NIUA, 1989).
- b) **Sharing:** This form of rental tenure is an evidence of the terms of demand for housing. Sharers may be of two types. One, of usually male migrants sharing a room together, thus, sharing the rent and cutting their cost of living in the city. Second type can be of families visiting for short durations or relatives shifting into the city. In such cases, tenant households put them up in their own rental accommodation till they can find their own. They do not pay rent.
- c) **Rent on land:** Other type of rental housing arrangement is when the land is rented but the structure belongs to the tenant. In Mumbai, another form of tenancy was seen when city authorities rented out 15x20 feet plots to settlers who were prepared to build their own chawls. However, this led to sub-division and sub-tenancy of the government land and was later discontinued (Kumar, 1994) (HABITAT, 2003))
- d) **Employer-provided housing:** Rental housing in India is provided by employers in few cases. In industrial areas, employer provided tenements for the poor are documented in the studies of Bangalore and Surat (Kumar, 2001). The *chawls* of Mumbai and

Ahmedabad are products of such employee housing. Such housing came about due the development of townships in remote areas, seen in cases like the Oil India Limited (OIL), Oil and Natural Gas Corporation (ONGC), Iron and Steel Townships like Jamshedpur and such other townships were built away from the established settlement centres and near the source of raw materials. However, this practice has been gradually discontinued by most employers.

3.3.Demand and Supply of Rental Housing

3.3.1. Tenant classification

It is argued that rental housing is a preferred alternative of housing for the following groups: new migrants, floating population within a city and the population segment which finds any other type of ownership unaffordable (NIUA, Modelling a rental Housing Market: A Conceptual Framework, Research Study Series, No.36, 1989). But, there are still some category of migrants who cannot even afford any rental housing. They then squat, wherever they can. For example, they squat along the roadside, near construction sites, etc. and live in open air for many years. Migrants maybe single male migrants or migrant households. New migrants come into the city looking for jobs and usually end up as unskilled labour, as it is increasingly difficult for the unskilled migrants to enter into the technologically upgraded urban sectors (Mahadevia Z. L., 2010). Migrants are the major component of the tenant population of a city and in India the following type of migrants can be observed (Mahadevia Z. L., 2010):

- a) Long-term or permanent migrants with the intention of settling down in the urban areas, many getting into regular employment, but keeping strong ties with the native village/town
- b) Seasonal migrants, defined as those who stay in the urban areas for more than 60 days in a year but returning back for some period, mainly returning back during the monsoon and going to the cities to tide over lean agricultural seasons
- c) Migrants tied to the employers, who move from one place of employment to other, and about who no estimates are available.

“The three types of migrants in urban India, discussed above, face different types of challenges in urban areas. The permanent migrants, those who eventually get integrated with the urban settings, tend to enter the urban labour market at the lower end as temporary workers, eventually working their way up into the system. Many a permanent migrants come to the urban areas as single male migrants, at young age, and then call their families, once they are reasonably financially, socially and shelter-wise secure. Migrants from some states, in particular from Uttar Pradesh and Bihar, do not settle down and would like to return back to their native villages and hence do not bring their spouse or family to the cities. In these communities, female spouses tend

not to work. Since female members do not work, it is sometimes not possible to support a family in urban area and hence they do not bring them to the city. The chances of most migrants returning back to their native villages are rare except under specific circumstances such as urban violence emanating from communal polity and regional chauvinism and also slum demolition” (Mahadevia and Narayanan 2008, pp.).

3.3.2. Determinants of Rental housing

The demand for rental housing determines the scale of rental housing in a city. Even though theory states that the commodification of land promotes rental housing, unless there is demand, the rental housing market will not thrive. Demand for rental housing is directly linked to the migration rate into the city. India has nearly 29 per cent migrant population, with nearly 59 per cent migrants migrating from rural areas to urban areas. It is these waves of migrants into cities who constitute the mass of tenants in cities. Nearly, 35 per cent migrate into urban areas with a motive of finding better job opportunities (NSS, 2007-08). Migration and urban mobility theories predict a gradual shift of migrants from rental to ownership housing, yet, there are distinctions between the actual mobility and desired mobility (Kumar 1994). Actual mobility is determined by the market conditions as well as the socio-economic situation of the household which include:

- a) **Opportunities of livelihood especially in terms of casual and unskilled labour:** Cities with high rate of industrialisation, but with greater demand for unskilled labour tend to attract single male migrants. Analysis shows that rural population do not migrate easily as they face low capability and inability to overcome institutional barriers in urban areas (Kundu and Sarangi, 2007 in Mahadevia, 2010). Thus along with greater opportunities of work, a demand for unskilled daily labour is essential for the proliferation of rental housing market for the poor. Construction industry has a direct link with migrants, as there is a huge requirement of manual, unskilled labour in this sector.
- b) **Affordability:** “The range of housing alternatives available to the individual households is determined by the income they have available for expenditure on housing. In other words, ‘choice’ in housing is a positive function of income” (Edwards, 1983 in Kumar 1994). Most tenants end up staying in rental housing because they cannot afford to buy a house or land for a house. Ironically, studies have shown that because the informal market is uncontrolled by any regulations, rents tend to be much higher than what is paid in the formal market. Nearly 26 per cent of the urban poor households are estimated to have an income of Rs.578 per capita per month which puts them below the poverty line. Even in smaller municipalities with an urbanising economy, a 25 to 30 sq.m. house is available for a monthly rent of Rs.1000 or more. When the daily wages of a migrant labourer is about Rs. 20 or less per day in the urban area (the bench-mark calculated by the Planning Commission, 2011 for people who are above poverty line), then he is paying much more than he can afford on paying rent. In such a situation, the worse the location

and amenities available, the lower will be the rent. Moreover, to share costs, the per capita consumption of rental housing is increased through the options of sharing, sub-letting, sharing bed (as found in the case of Kolkatta, (Gilbert, 2003, p. 26).

- c) **Stage in life-cycle of household:** The affinity to rental housing is linked to the age of the house-hold head, such that, younger couples, with younger/few children tend to rent and as households gradually becomes economically stable, they invest in ownership housing. This is an implication of Turner's Bridgeheader and Intra-urban mobility theories (1968). Staying in rental housing is a feature of single male migrants, who are yet to establish themselves in the city, and rental housing provide them a flexible option for the short term. The per capita consumption of rental space gradually increases as the migrant families shift to the urban areas. But the gradual shift of a migrant household from rental to ownership housing is not always visible. If a particular location is favourable, it may discourage a shift to ownership and so on (Gilbert and Varney, 1990 in Kumar, 1994). So rather than a simple age determinant, shift from rental to ownership is determined by a bundle of advantages, which many be different for different households.
- d) **Lack of access to ownership housing:** Ownership housing is not affordable for a large number of urban poor. Squatting is a direct way for the poor to claim ownership housing, even if illegally or informally. But there are many cities which do not allow squatting of land. Moreover, there is a big gap between the demand for affordable housing and the supply in the market, so much so that there is an eminent 'down-raiding' or 'elite-capture' of affordable housing by the non-poor households. There are rampant black-markets in affordable housing. Majority of the Delhi Development Authority flats are for LIG and EWS class housing, but is a blatant case of elite capture of affordable housing.

3.3.3. Supply of Rental Housing

Rental housing plays a key role in housing supply in the housing market in a dynamic situation of ever increasing demand on account of urbanisation. An understanding of the current rental housing supply mechanisms suggests that, 'housing in urban areas is primarily the responsibility of individual residents, about 90 per cent of the investment and 70 per cent of the supply of housing being in the private sectors (USAID, 1989 in (Kundu, 1993). This is consequent of the fact that, 'starting in the 1980s, and in much of the Third World, the illegal sub-division of agricultural land seems to have become the largest source of informal urban development' (AlSayyad & Roy, 2003, p. 2).

In the urban areas of India, the dominant mode of house construction in the formal residential colonies is through small-scale private developers and self-help housing. Within the informal market also, in especially slums and squatter settlements, the housing supply is self-help, which is incremental housing by the households themselves through either putting in their own labour (sweat-equity) or lands provided by many small-scale private developers who have subdivided

the lands and sold them off through different informal instruments and by subversive practices on which the households build their own dwelling units. At some phases of industrialisation, there has been employer housing provided to the employees in the formal or informal sector. All the informal housing is called slums. The informal housing thus developed also have a rental component in it, as there is a demand of rental housing among the recent migrants. The owners of the self-built housing too are interested in renting out a part of their dwelling unit to earn extra income for the household and recover investment in housing.

As per a study by Kundu (1993), nearly one-third of the units added to the housing stock every year in India is within this category and together they account of 50 per cent of the dwelling units in urban areas. Within this market, the share of rental housing is nearly 30 per cent (as per NSSO figures, 64th Round). It is evident across all studies that owner-occupiers or private land lords are the most important agents of housing supply in general, which also includes rental housing. They provide a range of rental options (both in terms of quality and rent rates), according to the affordability of individuals and households (Kumar, 2001). The supply mechanism of rental housing can be described under two types:

- a) **Squatter settlements:** Lands on which squatter settlements come up are vacant either due its unsuitability for development or it being embroiled under some disputes. Such settlements are found near low-lying areas, river beds, marshy lands, etc. Communities or slumlords stake claim on such lands by squatting and building illegally. Such 'land-grabbing' are used as a political instrument, whereby the support of these squatters are used in return of a promise for non-eviction. Such informal or illegal settlements develop quickly to ensure security against quick evictions. With the passage of time, households who can manage to build more tenements than they need for their personal use, put up rooms for rent. Due to the low quality of housing and high risks of eviction, such locations have very low rents. Another characteristic of such settlement is that they come up near place of work.
- b) **Quasi-legal settlements:** These kinds of settlements are defined by Mehta and Mehta (1987) as those which consist of quasi-legal sub-divisions and tenement construction, observed in Ahmedabad. These sub-types are applicable in most places in India. Their study points out three types of such settlements:
 - *Community-based sub-divisions:* A community on the basis of their social or occupational groups buys or leases out land from a landlord often with the help of some middlemen. The requisite sub-divisions and allocations are carried out by the group leaders, who also determine the rents to be paid by the members.
 - *Landlord based subdivisions:* Lands which are seemingly on peripheral areas and are not likely to get any good returns, landlords tend to give out such lands for housing, directly himself or through other agents (through Power of Attorney).

Rents on these lands are found to be higher than the actual market, as low income groups rent such lands and build their own shelters. Such renting and selling of land was done to escape losing out land under the Urban Land Ceiling Act, 1976. The tenants overtime themselves become slum lords and make sub-divisions of their plots to rent out.

- *Owner-developed Rental Units*: A variant of the landlord based subdivisions is this model, whereby the owner undertakes both land-subdivisions as well as shelter construction. Such type of development is usually without the consent of the local authority. There is uniformity of construction and land subdivisions, and strict tenant-landlord relations. Evictions are common in such rentals housing. Overtime, as such settlements come to be served by the local authorities, and the landlord can increase the rents accordingly. Such settlements, as in the previous case, are situated in the peripheral lands or areas which are kept under green belts, etc.

The same study also takes a very pragmatic viewpoint of the supply of rental housing by the various land-holders. It is found that more than 80 per cent of the settlements are developed on private land, by petty landlords who have strong links to the local politicians. The moment they have any information of urban expansion and development programmes, slum-lords organise squatting on such lands. Public lands are more open to squatting as there is low supervision on such lands.

Sunil Kumar (2001, 1994, 1996) is of the opinion that in many cases, the landlord is no different from the tenants, in terms of socio-economic and financial conditions. He based his arguments on the fact that many of the slum dwellers, also many a times woman-headed households, tend to make small subdivisions on their lands, or upgrade their building and rent out portions to tenants.

Other less potent suppliers of rental housing are:

- Government supplied rental housing, whose instances are rare in Indian context as public housing itself is limited in the entire supply mechanism. The government rental housing is largely confined to its employees.
- Housing Co-operatives, which in fact are ownership housing wherein some owners would rent out part of the house or entire house.
- Industrial housing wherein the employers construct rental housing for the workers. Early industrial cities of India, such as Mumbai, Ahmedabad, etc. had large industrial housing provided in the beginning of the last century to attract the rural migrants to work in the industries. These housing remain neglected and dilapidated. In some housing estates, the original owner has divested the property offering the occupants to purchase the dwelling units.

- In the 1950s and 1960s, the national government had two schemes, Subsidised Industrial Housing Schemes (SIHS) and Integrated Subsidised Housing Scheme (ISHS), which were meant to create rental housing for the industrial workers. These schemes subsequently discontinued and there remained no scheme to create rental housing.
- In the 1980s or so, some cities took their own initiative to create Night Shelter (Rain baseras), which went into abuse on account of lack of their management. They were meant for the vagrants and homeless. There is still a demand for such rental housing. The Supreme Court ordered the Delhi Government to provide night shelters improve facilities of existing shelters, and provide additional facilities i.e., blankets and mobile toilets, to homeless people in the state. (High Court Order date 20 January 2010) and then by order of February 10, 2010 and then May 2010, mandated that the cities with more than 5 lakh population to provide one night shelter per lakh population equipped with basic facilities such as electricity, water arrangements, toilet facilities, sanitation arrangement, and beddings i.e., blankets, mattresses, and jute mats.³

3.4.Issues

The major problems embedded in rental housing emerge from the fact that government's approach to urban poor housing has been focused on providing them with ownership housing and land titles. This has led to neglect of the importance of rental housing, especially when the tenants are in a more vulnerable position than informal urban poor home owners. This neglect is evident in the housing policies of most developing countries where the provisions for rental housing are mostly left vague. While the rent control legislation was meant to protect the interests of vulnerable against the powerful owner lobby, this legislation's rigid application has itself caused supply restriction in the rental markets in all the cities. Tenants often do not get accounted as legitimate in the beneficiary listing, as the house owner projects him/herself as the legitimate owner of the house and thereby a beneficiary of any government programme. This is because there are rarely any agreements between the owner and the tenant about renting a dwelling unit or part of it to avoid application of the rent control act. Anecdotal information suggests that the such government exercises at many times bring about the expulsion of tenants.. There is therefore a special need to focus policy attention on the rental housing, in particular in the informal sector.

³ Source: <http://sccommissioners.org/Homelessness/homelessness.html> (accessed on October 8, 2011).

4. Policies and Legislations in Rental Housing in India

4.1. Legal Rent Agreements

The rental housing market in India works under two main types of rental agreements:

4.1.1. Lease (or Rental) Agreement

This agreement is covered by the restrictive rent control laws. The amount of rent that can be charged is based on a formula devised by the local executive, legislative or judicial government, as the case maybe. For Delhi, the maximum annual rent is 10% of the cost of construction and the market price of the land, but the cost of construction and the price of land are both based on historical values and not the current market valuation. So the older the property, the smaller is the rent. Rents can only be increased by a fraction of the actual cost the landlord has incurred in improving the property.

4.1.2. Lease and License Agreement:

This agreement only grants the tenant a license to occupy the property for a period of 11 months, with an option for periodic renewal. Because the rent control laws (which are largely in favour of tenants) only apply for lease agreements of at least 12 months, establishing an 11-month agreement serves as a pre-emptive measure. Such lease agreements are renewed every 11 months whereby, they are not registered under the Rental Agreement and do not give tenants power to partly own the property (globalpropertyguide, 2006).

4.2. Rent Control Act

The first Rent Control legislation In India was introduced in Bombay in 1918 immediately after the First World War, which raised the demand for housing suddenly as soldiers returned home from war fields. The next landmark in Rent Control legislation was the Delhi and Ajmer Rent Control Act of 1952. This act was amended in 1958 to protect the interests of the slum dwellers and enactment on rent control in Delhi was passed in 1958 (NIUA, 2006).

Rent control can be defined as the practice of imposing a legal maximum upon the rent in a particular housing market. Rent control aims to check uninhibited rent increases and tenant eviction, bringing the notion of social justice in the housing market. Under the Indian Constitution, housing is a state subject. Thus the enactment and enforcement of rent control laws are the responsibility of the states. Thus, most of the states have their own rent control legislations making it difficult to have a generalized understanding the influence of the rent control acts in Indian housing market. Dev (2006) have identified two common threads running through almost all the rent control acts and legislations in India.

- To protect the tenant from eviction from the houses where he is living except for defined reasons and on defined conditions, and
- To protect the tenant from having to pay more than a fair/standard rent.

Academicians and the policy researchers have made varied opinions on the relevance of rent control acts in neo-liberal India. Some of the major criticisms against rent control act are:

- Fixation of rent is perceived to be a major disincentive for those wanting to invest in rental housing as it has a very low rate of return compared to other sorts of investments, resulting into loss in available housing in the future for the tenants.
- Rent control distorts incentives and price signals, leading to inefficient allocation of resources (land and building).
- World over experiences including that of India tells that rent control legislations have led to the formation of black, uncontrolled rental housing markets, negatively affecting not only the tenants but also the owner of the building to be rented.
- It's difficult to resell a tenanted house from which it is difficult to evict tenants. This reduces liquidity in the market for ownership housing.

Though been criticized heavily, rent control acts and legislations still have their significance as it is based on the notion of justice and equity. In the present neo-liberal era, where the gap between the sections of the society is widening and the resources are getting accumulated in the hands of the bourgeois class, a rent control act with timely price rationing system can be a more feasible alternative to be adopted than just simply scrapping it only for the sake of providing enough flexibility to the housing market. (Dev, 2006)

4.3. National Housing Policy 2007

The NUHHP, 2007, has nothing specific for the migrant workers, except that there is discussion on increasing supply of rental housing, which could be for the recent migrants. There is mention of temporary rest accommodation with appropriate toilet facilities on the construction sites, to be provided by the construction companies and the public authorities. There is also mention of need for employer housing. For each of these suggestions some actionable agenda has been suggested. However, there is no mention of the transit accommodation or anything special for the recent migrants.

4.4. Rent Control Reforms under JNNURM

Amendment of rent control laws is one of the mandatory reforms suggested in the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). States are expected to implement the reform within the Mission period. The objective of the reform of rent control act is to bring out amendments in existing provisions for balancing the interests of landlords and tenants. It is envisaged that reforms in the rent control laws will go a long way in improving housing

situations in urban areas, lessen distortions in the market, and have beneficial impact on urban finances. Some of the major benefits that is perceived to be emanated from rent control reforms are:

- Increased investment in housing will have positive multiplier impact on State Domestic Product (SDP) and consequent increase in supply of rental housing will lead to reduced rent levels and a decline in number of slums.
- Improved and adequate housing situation will reduce the need to allocate government funds for housing and will enable them to release additional resources for financing other social objectives.
- Rent control reforms in the long term will ultimately result in increased accessibility and affordability of rental housing, improved security of tenure and reduction of black money deals on account of unlawful payments (e.g., key money) by landlords or tenants.

Reforms of rent control legislation have already been undertaken in the states of Karnataka, Maharashtra, Rajasthan and West Bengal. JNNURM is playing the role of a catalyst in this process of rent control reforms in other states also by making it mandatory to go ahead with rent control reforms for the cities and towns under this Mission.

5. Current Scenario of Rental Housing in India

Rental housing comprises of 30.4 per cent of all housing in urban India as per the National Sample Survey Organisation's (NSSO's) 65th Round of data of 2008-09 (NSSO, 2010) (See Table 4). There is a marginal increase in renting from 28.1 per cent in the 48th Round (1993) to 29.0 per cent in the 58th Round (2002). This means that in the last 20 years, which coincide with the two decades of reforms, there has not been any significant change in renting in urban India. In comparison, the proportions of households owning the dwellings have increased from 57.3 per cent in 1993 to 61.6 per cent in 2008-09. The shift to ownership has taken place from employer housing as well as other types of housing and not rental housing. Industrialisation shifting to the private sector has resulted in the share of employer housing declining over time.

Table 4: Tenure Status of Dwelling Units in Urban India over Time

| | Tenure status | 49 th Round | 58 th Round | 65 th Round |
|---|---------------------|------------------------|------------------------|------------------------|
| 1 | No dwelling | 0.3 | 0.1 | 0.0 |
| 2 | Own dwelling | 57.3 | 59.9 | 61.6 |
| 3 | Employer's quarters | 7.7 | 5.8 | 4.7 |
| 4 | Rented | 28.1 | 29.0 | 30.4 |
| 5 | Others | 6.6 | 5.3 | 3.3 |
| | Total | 100.0 | 100.0 | 100.0 |

Source: NSSO (2010: 35) *Others include all other types of possession of the dwelling unit such as encroached one.

State-wise comparison in Table 5 on tenure types puts Andhra Pradesh (47 per cent), Tamil Nadu (46.7 per cent), Karnataka (44.2 per cent) as the top three states in terms of rental households. Other than these, Delhi (36.4 per cent) and Himachal Pradesh (31.6 per cent) are the other two states which have rental housing above the national average, which is around 30 per cent. On the contrary, Bihar, Jammu & Kashmir, Uttar Pradesh (UP) and Madhya Pradesh (MP) have the least occurrence of rental housing, all below 20 per cent. Except Gujarat and Maharashtra, other states with higher than national average of urbanisation have large proportion of rental housing. In some special states such as Himachal Pradesh, Orissa, Chhattisgarh, Jharkhand and Chandigarh, employers' housing is quite significant in proportion, All these housing is likely to be government housing.

Table 5: Tenure Status of Dwelling Units in Urban India by States

| State/U.T./all-India | Owned | Employer's quarter | Rented | Others | All |
|----------------------|-------|--------------------|--------|--------|-------|
| Andhra Pradesh | 40.9 | 3.0 | 47.0 | 9.1 | 100.0 |
| Assam | 64.1 | 10.4 | 23.2 | 2.2 | 100.0 |
| Bihar | 78.5 | 3.4 | 13.0 | 5.1 | 100.0 |
| Chhattisgarh | 53.9 | 13.0 | 27.6 | 5.4 | 100.0 |
| Delhi | 51.7 | 6.5 | 36.4 | 5.3 | 100.0 |
| Gujarat | 69.1 | 3.4 | 23.5 | 4.0 | 100.0 |
| Haryana | 73.7 | 4.6 | 20.7 | 1.1 | 100.0 |
| Himachal Pradesh | 39.9 | 24.9 | 31.6 | 3.5 | 100.0 |
| Jammu & Kashmir | 79.1 | 4.8 | 14.4 | 1.8 | 100.0 |
| Jharkhand | 58.0 | 13.2 | 23.8 | 4.9 | 100.0 |
| Karnataka | 51.6 | 2.8 | 44.2 | 1.3 | 100.0 |
| Kerala | 74.8 | 5.6 | 16.9 | 2.6 | 100.0 |
| Madhya Pradesh | 71.3 | 7.2 | 18.9 | 2.6 | 100.0 |
| Maharashtra | 65.3 | 3.4 | 28.5 | 2.8 | 100.0 |
| Orissa | 60.7 | 14.1 | 23.0 | 2.2 | 100.0 |
| Punjab | 62.9 | 6.5 | 29.1 | 1.6 | 100.0 |
| Rajasthan | 72.9 | 2.8 | 21.2 | 3.1 | 100.0 |
| Tamil Nadu | 48.2 | 3.6 | 46.7 | 1.4 | 100.0 |
| Uttarakhand | 66.9 | 8.0 | 23.3 | 1.9 | 100.0 |
| Uttar Pradesh | 75.3 | 3.6 | 18.8 | 2.3 | 100.0 |
| West Bengal | 65.2 | 5.5 | 26.7 | 2.6 | 100.0 |
| Chandigarh | 42.7 | 15.7 | 30.0 | 11.6 | 100.0 |
| All-India | 61.5 | 4.7 | 30.4 | 3.3 | 100.0 |

Source: NSSO (2010: 58)

The tenure status by the Monthly Per Capita Expenditure (MPCE) (

Table 6) shows that the renting increases with increase in MPCE. In other words, the lower MPCE classes tend to live in self-owned housing as they cannot afford to even pay rent and

would instead prefer to squat. While only 18.3 percent households lived in rented housing in the lowest quintile, in the highest quintile, the proportion was nearly 38 per cent. Rental housing is not feasible for urban poor, as it does not allow them to save and spend on other aspects of their well-being such as health and education.

Table 6: Monthly Per Capita Expenditure Quintile Class: Expenditure on Housing

| MPCE Quintile Class | Own | Employer | Rented | Others | All |
|---------------------|------|----------|--------|--------|-------|
| 0-20 | 71.6 | 1.5 | 18.3 | 8.4 | 100.0 |
| 20-40 | 69.7 | 2.6 | 23.7 | 4.0 | 100.0 |
| 40-60 | 62.0 | 3.7 | 31.6 | 2.7 | 100.0 |
| 60-80 | 57.7 | 6.2 | 33.8 | 2.3 | 100.0 |
| 80-100 | 53.6 | 7.3 | 37.9 | 1.2 | 100.0 |
| all | 61.5 | 4.6 | 30.4 | 3.3 | 100.0 |

Source: Calculated from NSSO (2010: A-66)

Table 7 depicts that of the house-types available for renting, nearly 31.5 per cent are *pucca* houses, and another 20 per cent are semi-*pucca* houses. It is also indicative of the fact that the house-owners who are economically better off invest in building tenements, usually single rooms, for rent whose housing is of *pucca* or semi-*pucca* type. In fact in informal settlements, comparatively prosperous households let single room tenements out or one part of the house on rent, while many a times commonly sharing bath room-toilet facilities as well as water and electricity. 71 per cent of the *katcha* housing is owned by the occupant when this proportion in the *pucca* is 60 per cent. This once again proves that the poor tend to live in *katcha* housing, which is of self-owned type and the non-poor tend to be living in *pucca* housing, which also has high proportion of rented housing.

Another observation is that ownership housing has greater average floor size area in housing, in comparison to hire or rental housing. Ownership housing is almost double the size of rental housing in terms of average floor area. Yet, when it come to the average per capita floor size area consumption, it is found that there is hardly much difference between the two tenure types. Rather it is in the employer provided housing units that has maximum per capita housing area. Rental housing studies across the world has proved the scarcity of affordable housing for the poor, which has brought the variation in renting like sub-letting and sharing. Thus, a single dwelling unit maybe sub-let to other families, or single migrant workers. While in many cases, tenant families put up with relatives, sharing their rented units, many a times without any monetary remuneration.

Table 7: Dwelling Unit Characteristics by Tenure Type (in %)

| Dwelling Unit Characteristics | Own | Employer | Rented | Others | All |
|---------------------------------------|-------|----------|--------|--------|-------|
| <i>Pucca</i> * | 60.4 | 5.0 | 31.5 | 3.1 | 100.0 |
| <i>Semi-pucca</i> * | 74.8 | 1.1 | 19.7 | 4.4 | 100.0 |
| <i>Katcha</i> * | 71.4 | 0.4 | 17.4 | 10.7 | 100.0 |
| Average floor area in sq m. | 48.03 | 36.71 | 27.23 | 24.24 | 39.94 |
| Average household size** | 4.9 | 3.5 | 3.3 | 2.4 | 4.2 |
| Average Per Capita floor area in sq m | 9.8 | 10.5 | 8.3 | 10.1 | 9.5 |

Source: * Calculated from NSSO (2010: A-66), ** Table 26 (NSSO: A 68)

Thus the overall rental housing scenario in India is indicative of the level of urbanisation across the country. Only 30 per cent over all tenure is in hired or rental housing, while, most of India still lives in owner-occupied dwelling units. In fact, UN studies of the 1990s show that the highest level of owner-occupation is actually to be found in developing countries (HABITAT, 2003), with percentage of home-owners in India hovering around 46 per cent in 1961 and 54 per cent in 1980s.

Part II

6. Study concerns

6.1.Aim

To analyse the dynamics of the rental housing markets pertaining to the urban poor in informal settlements of Rajkot city, Gujarat

6.2. Objectives

1. To understand the process followed by the poor in accessing rental housing in the city's informal settlements, taking supply mechanisms into account.
2. To study the housing conditions, space use patterns and tenure arrangements of the rental properties in an informal settlement.
3. To analyse various socio economic characteristics of owners and tenants and interrogate underlying differences in them in terms of factors like location, occupational structure, and demography.

6.3. Research Questions

1. What are the types of informal rental housing available in the city?
2. What is the extent and spatial concentration of informal rental housing in the city?
3. Who are the suppliers of rental housing and what is the supply mechanism in the informal market?
4. Who are the clients of the rental housing market and what is their affordability?
5. What are the options required to meet the rental housing market demand?

6.4. Study Methodology

From literature studies, an understanding of the dynamics of informal housing and, within it, rental housing dynamics were studied. A look into informal and rental housing across the developing countries of the world was undertaken. From such studies, the basic issues and household survey questionnaire was compiled. The socio-economic characteristics of ownership households and tenants were focused upon for the understanding of specific characteristics of both. Numerous previously conducted housing studies by UN, and other independent researchers were consulted to get an idea of the topic of discussion.

An inception visit to the city was undertaken by the CUE team, supported by the official of the Rajkot Municipal Corporation (RMC) to get an understanding of the city and its informal and slum settlement scenario. This visit ensured the assistance and support of the RMC during the study, as well as collection of secondary level data from the city. City Development Reports,

Slum Survey Reports, BSUP DPRs, etc., were mainly collected from the municipal office, while the Geographic Information System (GIS) maps and data were provided by the Chief-Executive officer on city boundary, ward boundaries, slum locations, infrastructure mapping, etc.

The secondary data collected helped in the planning for the survey sample size, as well as a tentative slum selection. A slum list was acquired from the RMC's City Development Plan (CDP). As per this list, there are 84 notified and about 110 non-notified slums in Rajkot. Wards 14 (inner city) and Ward 21 (periphery) were mapped in GIS by the RMC so they were kept as bases to select slums. From the on-going literature review, a set of questions were prepared for the survey keeping in mind the intention of enquiring into both rental and non-rental households.

Thereafter a second visit to Rajkot city was undertaken to test the questionnaire. A small sample survey was done to ensure the validity of the questions and whet the desired topics for the final survey. This was also a visit to ascertain the slum selection which was done by talking with the RMC officials and visiting the slums selected through our previous desk exercise. From this visit, seven slums were selected, namely, Khodiyarpara, Kubaliyapara, Lohanagar, Chhotunagar, Amarnagar, Shreenathji Society and Rukhadiyapara, which were spread across different wards. Each settlement was selected keeping in mind its specific location (city periphery, near industrial estate, near commercial/residential areas, etc.) and basic character (squatter, non-notified, *suchit*⁴ society, etc.). After slum selection, a sample size of 15 per cent households from each slum was decided upon keeping in mind the size of the smallest selected slum. It ensued that we surveyed more than 30 households in each slum.

Table 8: Sample for Rental Housing in Rajkot

| Name of slum | Ward No. | Area (in Ha) | Total Household* | Sample surveyed | % of sample size |
|---------------------|----------|--------------|------------------|-----------------|------------------|
| Khodiyar para | 16 | 3.34 | 274 | 43 | 16 |
| Amarnagar | 14 | 0.51 | 255 | 48 | 19 |
| Kubaliyapara | 17 | 4.46 | 401 | 61 | 15 |
| Lohanagar | 19 | 0.71 | 310 | 51 | 16 |
| Rukhadiyapara | 23 | 6.49 | 612 | 99 | 16 |
| Chhotunagar | 11 | 2.72 | 467 | 77 | 16 |
| Shreenathji Society | 21 | 1.35 | 778 | 123 | 16 |
| Total | | | 3,097 | 502 | 16 |

*HH numbers as provided in slum-list by RMC, 2011

Through stratified random sampling, households for survey were selected, wherein every sixth house in a lane was selected for survey. However, we faced much difficulty in maintaining this method for selecting samples as during the survey, many of the households turned out to be

⁴ *Suchit* means private, subdivided agricultural lands, sold out for residential and commercial purposes without registering its landuse activity with the municipal corporation

locked with its members out for work, or many times, households refused to answer our questions. People were antagonistic due to the fact that Rajkot has a history of large-scale and aggressive demolition drives for reclaiming of land reserved under the TP schemes to be used for government funded projects. To deal with this issue, it was decided on the spot that each surveyor would select a particular *sheri* and conduct surveys to ensure wider distribution of samples within the settlement.

6.5.The Research Locale: Rajkot

Rajkot is the fourth largest city in the state of Gujarat with a population of a little more than 10 lakhs as per Census 2001 with a strong rate of industrialization and resultant urbanisation. The Britishers established their camp at Rajkot in 1822 and started building their residences and industries on the western part of the Aji River, which divides Rajkot into two halves. Rajkot has British influence in the formation of the city's civil lines and city gardens, educational and administrative institutions in and around Race Course Road. Most of the old commercial area is also around this area.

Rajkot has numerous small-scale industrial units, specialising in foundry products, iron and steel products as well as other industrial material. Rajkot has about 3,000 small and medium scale industrial units within the city (RMC). The industrial development and the urban influence of the city started with the establishment of the first textile mill in the region towards the end of 1910. The establishment of cloth mills in the city led to the development of new residential areas like Millpara Harishchandra Plot, Gundawadi, Kevdawadi, etc. About 60 industrial units came into existence between 1900 and 1920, which induced greater industrial development in the city. Further, around the year 1940, new industrial estates, residential areas, schools, colleges, cinema houses came into existence.

Rajkot has nearly 20 per cent land use under industrial activities, where the five main industrial areas are:

- (i) Bhaktinagar Industrial Estate (GIDC)
- (ii) Aji Industrial Estate (GIDC)
- (iii) Industrial area around National Textile Mill
- (iv) Sorathiawadi Private Industrial Area
- (v) Industrial Estate by Saurashtra Small Scale Industries Board

Rajkot city has developed as an industrial city, which has resulted in its mixed land use pattern. With increasing industrial, trade and commercial activity, there has been tremendous growth in the population of the town. The city has grown in area from 150 hectares in 1901 to 10,404 hectares in 1998, i.e., it has grown approximately 70 times of its initial size (RMC, 2010). Over

the last decade from 1991-2001, the growth rate has been noted to be 79.12 per cent which can be attributed to the increase in the Rajkot Municipal Corporation limit (RMC, 2010).

Table 9: Population Growth Rate of Rajkot

| Year | Population | Growth rate |
|------|------------|-------------|
| 1981 | 4,45,076 | 48.3 |
| 1991 | 5,59,407 | 25.69 |
| 2001 | 10,02,000 | 79.12 |

Source: CDP Report, RMC 2010

The emergence of slums in the urban areas is the direct outcome of greater economic opportunities available in Rajkot and the subsequent failure to house the in-migrating workforce. The city has around 8,000 small and medium sized enterprises, which has attracted people from the nearby rural areas to migrate for the purpose of employment and business. Just like any other city, with the growth in economic activities and industries, Rajkot city has also faced an increase in the number of informal settlements.

Table 10: City-level Slum Information

| Year | No. of notified slum | No. of households in slum area | Population in slum area | % growth in slum population | Slum population as % of total population |
|------|----------------------|--------------------------------|-------------------------|-----------------------------|--|
| 1971 | 24 | 4927 | 43,210 | ---- | 14.39 |
| 2001 | 84 | 44,914 | 2,02,371 | 468.35 | 20.20 |

Source: Poverty Alleviation Plan, RMC, 2008

Figure 2: Location of slum-clusters in Rajkot (bold dots)



Source: Poverty Alleviation Programme Report, RMC 2010

From the Figure 3 it is evident that most of the slums are concentrated on the east side of the river, and these are all industrial areas. The slums on this side are established more than 30 years ago. For the study, two of the largest slums, Khodiyarpara and Kubaliyapara were chosen from the eastern side of the Aji River. The western side of the river has higher proportion of residential and institutional land-uses, and the slums formed on this side of the river are comparatively newer than those on the eastern side of Aji. The informal settlements selected for this study can be classified into three categories based on three distinguishing characteristics with respect to: (i) land ownership and tenure documents, (ii) housing conditions, and (iii) basic services. The categories formed to ease the study of the slums are as follows:

6.5.1. Public Informal Settlement

Most of the land is owned either by state or central government and dwellers have no documents for the right to use the land. There is low sense of security in such places, as the government may reclaim such lands at short notice. Among the surveyed settlements, Rukhadiyapara and Chhotunagar fall within this category.

(i). **Rukhadiyapara** is a notified slum, established on railway land, while the Aji river flows along one side. Established about 15 years ago, the settlement covers an area of 6.49 ha and has an estimated 550 households of which about 30 per cent are tenants. The dominant occupation of the households is selling vegetables, as a wholesale vegetable market is nearby. As the railway station is close to the area, many are into ancillary activities like wage labours (*hamaal, kooli*), tea stalls, food stalls at railway station. The community is comprised of Devi-pujaks, mixed with migrants from South India and Rajasthan. The RMC has provided this settlement with individual taps, common water points, concrete internal roads, open drainage and electricity. Subsidy has been provided for toilets. The perceived security of tenure due to service provision by RMC has encouraged the growth of this slum. Due to the undulating land, the low lying areas of the settlement have to suffer from flooding in the rainy season. Recently, a few households have been allotted houses under BSUP and asked to vacate their current structures. There is also a recent controversy that the land on which Rukhadiyapara is established has been sold to a private company. Due to this people are willing to move to any government approved housing or plot if provided to them.

(ii). **Chhotunagar** is a non-notified slum situated along the 150 feet main Mavdi *chawkri* in the proximity of the airport. It covers an area of 2.72 ha. The area is densely populated with a complex network of narrow internal alleys with unhygienic living conditions. RMC has not provided this settlement with any basic services or infrastructure. Over the years people have occupied government land for free and constructed houses. Many houses adjoining the main road

were demolished when the 150 feet main road was widened. There is an absence of basic municipal services specially water supply and electricity. People have to purchase water daily or go 4-5 kms long to get water from hand pump if they do not want to spend. There is an informal arrangement of water supply and electricity connections (on rent) within the area. There are also provisions of financial arrangements within the area by the informal money lenders. Majority of the people are construction labourers and vegetable sellers as the settlement is close to a wholesale vegetable market. Other occupations include country liquor production and scrap collection. Tenants pay about Rs.500 to Rs.1500 rent on their room(s). With the absence of any basic amenities, the tenants have to spend a lot out of their own pocket along with paying rents.

(iii). **Khodiyarpara** is a notified slum located near the Aji Industrial estate, on the east side of the Aji river, covering an area of 3.34 ha. It is connected to the 80 feet main road and Bhavnagar road. The industries manufacture automobile spare parts, oil engine, textiles, iron casting, etc., which requires both skilled and unskilled labour, resulting in large migrant influx. This informal settlement came up as a result of the demand for affordable housing by the migrants working in the industrial estate, lacking which they started squatting on the open, public lands along the Aji river, close to the industries. The settlement is informal as the houses are built on public land. However, not all the settlers here have squatted on public land. Many people claim to have brought land from land dealers. It is a typical case of illegal land sub-division and sale, where untitled land is sold on stamp paper documents or at most times without any papers. The residents who own houses here are aware of the fact that their land is illegal and the fact that they are buying such illegal lands indicate towards the presence of strong land mafia. Overtime, the land parcels were further sub divided and sold to people. Yet the settlement has grown to its current strength due to the perceived security derived from the provision of water connection and paved main roads by RMC since around 1985, thereby recognising the settlement and collecting taxes from the residents. The RMC had to provide these basic infrastructure facilities as Khodiyarpara has been established for more than 40 years and growing still. Khodiyarpara has almost a grid-pattern development, with well defined, numbered streets (known as *sheri*). The *sheris* are used for multiple purposes like cooking, socialising, sleeping, keeping live stocks and doing other household activities throughout the day, which indicates towards a well-settled community life.

The households receive the property tax bills from the municipal corporation which was reported to be paid by all recipients. Recently Municipal Corporation has provided them with the sanitary fittings and connected all the houses to the municipal gutter. Household level waste collection on daily basis is part of the future solid waste management proposal. The households are mainly employed in the surrounding industries, self employed with food stalls, shops, drivers, etc., as well as some households who are well established have also reported having government jobs.

(iv) **Lohanagar** is a notified slum and falls within the Mavdi industrial area in the Central zone. It lies between the industrial sheds and workshops along one side and railway tracks on the other, covering an area of 0.71 ha. The structures along the railway track are temporary (made up of bamboo and jute) in nature. It is largely deprived of basic services. Yet, long rows of houses for tenants mark the locality. Squatter households have established numerous rented rooms for seasonal industrial workers. Freely available public land, cheap rents, nearness to work areas and an existing social network of family and friends are the pull factors for migrants. Many households in the settlements are into *idol* making, hawking, and scrap collecting. Apart from the *idol* making season, the *idol* makers turn into daily wage labours for rest of the year. The residents wish to shift outside the area due to lack of basic services and unhygienic conditions.

6.5.2. Private Informal Settlement:

Most of the land is owned by a private person(s), whose name is in the land ownership document called 7/12 document, while the dwellers have '*Parchi*' right (stamp paper documents or sale deeds) given by the original owner to use the land. Such lands cannot be claimed by the government and the government has no power to move settlements off such lands. The surveyed settlements that fall within this category are Khodiyarpara, Kubaliyapara and Lohanagar.

(i). **Kubaliyapara**, a notified slum, is one of the oldest informal settlements in the city spread on an area of 4.46 ha. Royal land along the river was given out to a few families, which has today turned into one of the largest slums of Rajkot. The land is still classified under *rajashahi* or royal lands. Over the years, the area has been illegally sub-divided and sold. It lacks access to the basic amenities up to a higher extent and has degraded housing conditions. Very few houses are having individual toilets and there is lack of community toilets. Tenants do not have availability of facilities like access to water, electricity, toilet, etc. There is a variation within the area regarding receipt of property tax and its payment. It is a large slum in terms of area (4.46 ha) and population (612 hhs; second highest after Shreenethji Society, which is a *suchit* society), it was reported that activities like country liquor production, prostitution, thefts etc., are commonplace and well-established. The settlement is stratified in various clusters according to communities and occupation. All the scavengers mostly live together at Bhangar gali; all the idol makers are at one location, while the Occupations are caste-based and the various occupational activities including, mainly idol makers, wood suppliers, daily wage workers, fishermen, scrap-collectors, etc.

6.5.3. Suchit Society

Such societies have evolved out of the sale of private, agricultural lands by an individual – without formally converting the land use to 'non-agricultural' (NA). The settlements which have

come up on such subdivided agricultural lands are called *suchit* societies. They are characterised by the fact that such lands are subdivided and sold by the owner or persons with power of attorney (POA), unlike slums on private lands, where the land is squatted upon, without the owner's consent. The dwellers mostly do not even have any sale deeds on the purchase of the land. Housing units in such settlements are well-developed and mostly *pucca*, and provided with basic services such as water supply, drainage and toilets facilities at household level provided by the RMC. Amarnagar and Shreenathji Society are such informal *suchit* societies.

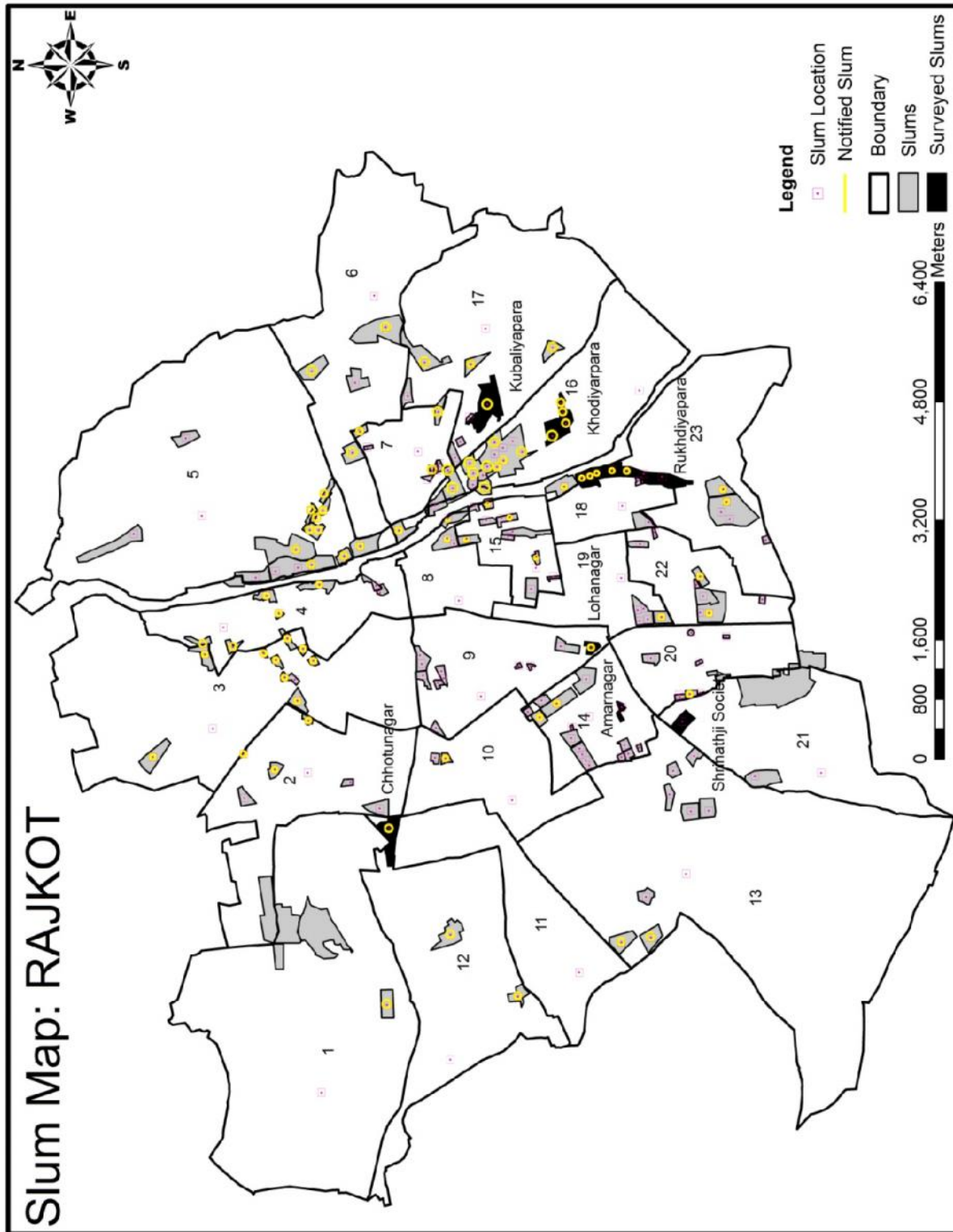
(i). **Amar nagar** is situated near Mavdi industrial area, covering an area of about 0.51 ha. It is a *Suchit* society where though the settlement is informal, it is recognized by the municipal corporation and provided with sufficient basic services like water, electricity, roads, etc. A long litigation was on-going on the status of the land with the Corporation, which has demanded that the people pay the charges for converting the land to NA. Residents have reported that many have paid out the Rs.29,000 (approx.) per household charge that was to be paid to the RMC and have thus become registered owners of their homes. RMC has provided them proper roads and street-lights along with other basic services and facilities.

The settlement is characterised by mixed landuse of both residential and industrial. However, the growing industrial activities in the locality have induced the sale of many of the residential plots for industrial activities. The residential units are being gradually taken over by the small scale industrial units which have found a very strong foothold in this locality and are seen as an extension of the Mavdi industrial area. There are numerous metal units manufacturing foundry products, automobile spare parts, machine bearings, machine tools, etc. The settlement is divided into two parts by the Mavdi main road, with the small scale industries on one side and the residential part on the other. People are employed majorly into industries and services. Some workers employed in the small scale industries within the area, are provided with rental units by the industry owner above their workshops. The market value of land/houses as well as the rents is higher within this area due to the greater tenure security as well as demand from commercial establishments. People have reported that certain 40-50 sq.mt. units have been sold at more than Rs.18 lakhs to Rs.20 lakhs.

(ii). **Shreenathji Society** is another *suchit* society in the city. The area was found to be well developed with houses ranging from single room tenements to large individual bungalows. It is well provided with all the basic services. Residents have converted their temporary houses into permanent ones over the years and gradually many households have become owners from renters by informally buying or constructing own houses. The area has better provisions of water supply and electricity and thus the house values and rents are higher in this area compared to the other areas. Due to its recognition by the RMC owners and tenants have a higher sense of tenure

security. Household heads are mostly employed in industries as salaried workers. Many own businesses like shops, food stalls, carpentry and furniture making workshops, etc. Many people are in government and private services. Rental housing is informal as no rent agreements or transactions are registered. Generally the rent is inclusive of the property tax and electricity bills.

Figure 3 : Surveyed Slum Location on Rajkot Municipal Boundary Map



7. Rental Housing in Rajkot: Types

7.1.Types of Rental Housing

There are mainly following types of rental housing found in the informal settlements of Rajkot. They are of the following types:

- i. **Single-room tenements:** This type of housing is the most common across all settlements. Single rooms are built in a row to be given out either to single male migrants (who prefer to share with other single-male migrants) or to migrant families. The size of such room was found to be around 10 sq.m., and generally without facilities of windows or ventilation. These rooms have a slab or a corner dedicated to cooking. Many tenements do not have any dedicated kitchen space and in such a case, cooking was seen to be at times carried out outside the room, or on the street. Such tenants have to share washing and bathroom space amongst themselves or with the owner. Many a times, when no sanitation facilities are provided, tenants use the community toilets or defecate in the open and bath at community taps. It was reported that such tenements are not meant for long time occupation as there is little or no scope to expand. Such tenements are best for single-male migrants who share single rooms while working at nearby places. The landlord is seen to reside with the tenants in a similar unit. Owner usually stays with family in a larger unit within the same compound. The owner and tenant may open out into the same compound, thus sharing common activity space (for cooking, cutting vegetables, washing, etc.) or sometimes the tenants are in row-houses opening out on the road, without a common space.

Figure 4: Single-room Tenements



- ii. **Part of house given on rent:** Many owners tend to give part of their house out on rent. The survey found many owners giving the upper or lower floor of the house out on rent.

In some cases, the room that can have a separate entry is given out on rent. In such cases the tenants are families rather than single male migrants, as it is perceived to be a safer option. Both families (owner and tenant) share washing space and bathroom.

Figure 5: Tenant sharing common space with owner



- iii. **Full house given on rent:** Many households whose affordability increase move out of the slum or informal settlements towards localities of greater security of housing tenure. In such cases, they rent out their houses in the slums and informal settlements. Many households use the rent from their informal house to support the monthly instalments on their new house. In most cases, the owner of the house stays in another house within the same locality. However, there are cases where tenants have become owners of their property on account of death of the owner.

Box 1: Renter becomes Owner through Owner's demise

Kiranbhai Batuk, 40, is a scrap-collector and has stayed in Kubaliyapara all his life. After his marriage he shifted into a rental house with his wife nearly 20 years ago. He started paying a rent of Rs. 200 per month which increased to Rs.500 nearly 8 years ago. However, since last 4 years no one has bothered to collect rent from him, because the owner has died and the relatives who were taking care of the property shifted out to Mumbai. It is a single-room house of 21 sq.mt., without separate kitchen. He has made extensions to the house on his own, spending nearly Rs. 12,000 on building toilets.

- iv. **Employer provided rental housing:** This was seen in small number of cases, one case being in Khodiyarnagar where in the owner of a small metal workshop built single room tenements above his workshop to house the workers. In spite of large industrial activity in

Rajkot, employer provided housing is missing in the Rajkot housing market, giving impetus to large-scale informal settlements and rental housing.

7.2.Extent of rental housing in informal settlements

As per the RMC records there are about 190 slum and informal settlements in Rajkot city, where the migrants are most concentrated. The migrant population form the core demand group for rental house. In that case it was found that on an average every settlement has about 30 per cent rental households. In our surveyed informal settlements, a similar picture was found.

Table 11: Household-level Tenure Arrangements (in %)

| Settlement name | Sample size (no.) | Owned (%) | Rented (%) |
|---------------------|-------------------|-----------|------------|
| Khodiyarpara | 43 | 74 | 26 |
| Amar-nagar | 48 | 79 | 21 |
| Kubaliyapara | 61 | 70 | 30 |
| Lohanagar | 51 | 71 | 29 |
| Rukhadiyapara | 99 | 77 | 23 |
| Chhotunagar | 77 | 68 | 32 |
| Shreenathji Society | 123 | 67 | 33 |
| Total | 502 | 72 | 28 |

There are nearly 28 per cent tenant households in the surveyed informal settlements in Rajkot. It is close to the national average of 30 per cent rental housing in India as shown by latest NSSO data. Amongst the surveyed settlements, Shreenathji Society has the highest incidence of renting, i.e., 33 per cent. This is a '*suchit*' society, which designates it as recognised by the RMC. This recognition has made it a popular location for the upwardly mobile low income working class, as well as long-staying migrant families who can afford to stay in better rental housing (if not own one) to shift to this location. Chhotunagar is the other surveyed settlement which has high rental households. It is a slum settlement located near the airport on the 150 feet Ring Road. Unlike the theory of intra-city Residential Mobility Model as discussed in Section 2.1, Chhotunagar provides evidence of migrants settling down on city peripheries on their arrival to the city. Theories have presented that migrants start their housing in the centre of the city where the housing is cheaper and gentrification is high, and then they move on to the periphery. However, in Indian cities, the prime development efforts continue to be in the central parts of the cities where the migrants are unable to find a foothold. Instead, the peripheries are open to squatting and the migrants attempt to find a foothold in the peripheries and consolidate their lives in the peripheries. They do not move into the city core unless, they have social networks like friends and family.

Amarnagar had the lowest presence of rental housing, as the very nature of the settlement is fast changing from residential to industrial. The Bhaktinagar industrial area extends to one side of the Amarnagar slum, and the settlement being a *suchit* society, made the selling of land easier for

industrial development. There are cases, of households selling their 25 sq.mt. households at nearly Rs.22 lakhs in the year 2011.

Figure 6: Residential units converted to Industrial in Amarnagar



7.3. Security of Rental tenures

Table 12 Flexibility of Rental Payments in terms of money and time

| Slum name | Sample household size (no.) | Flexible (%) | Non-Flexible (%) |
|---------------------|-----------------------------|--------------|------------------|
| Khodiyar nagar | 11 | 36 | 64 |
| Amar nagar | 10 | 50 | 50 |
| Kubaliya para | 18 | 83 | 17 |
| Loha nagar | 15 | 60 | 40 |
| Rukhadiya para | 23 | 78 | 22 |
| Chhotu nagar | 25 | 56 | 44 |
| Shreenathji Society | 39 | 75 | 25 |
| Total | 134 | 67 | 33 |

A most encouraging fact revealed through the survey data is that nearly 67 per cent households reported that their landlords are flexible in terms of timely payment of rent, as well as the amount of rent payments made. Kubaliyapara which is one of the oldest slum settlements in Rajkot has a very strong and well-established rental market for the low income industrial workers. Here nearly 83 per cent tenants reported that they will not be asked to vacate if they cannot pay the rent on time. For many tenants, paying a fixed amount is not possible and they tend to pay their rent in instalments as per their capacity. During discussions it was found that landlords who are mostly residents of the same slums understand that it is not convenient for tenants to pay regular rent. Thus, great flexibility exists in rent payments in terms of time and money. Of the total, about 33 per cent of the tenant households reported insecurity in terms of eviction due to non-timely rent payments. In Khodiyarnagar which is an industrial informal settlement, the fear of eviction is the highest. The reason for it could be a higher demand for rental housing by industrial workers due to which owners expect to find a tenant replacement quickly.

8. Supply of Rental Housing

8.1. Supply Scenario

Individual households are the major suppliers of rental housing in the informal settlements, which is also found to be the case in the formal housing market. The suppliers (or owners) are found to have lifestyles similar to that of their tenant, but they are marked by regular paid job or better self-employment. The Rajkot survey also found a couple of cases of woman owners, renting out rooms. Overall, the tenants in the informal settlements of Rajkot are not very different from the owners. Infact, in many cases, tenants have moved up the affordability ladder and become rental housing suppliers themselves. Box 1 gives an insight into one such household in Rajkot.

The rental housing supply works on a very informal mechanism. There were no cases reported of rent agreements or rent receipts between the owners and tenants in any of the surveyed settlements. There are no formal information sources for enquiring about available houses. The availability of houses in the market is gathered from friends and family. The owners at best indulge in word-of-mouth marketing. The tenants are aware of the market rates and most respondents of the survey reported that they were paying rents as per the rates on-going in their settlement. However, everyone faced periodic raise in rents, which did not seem to have any form of regularity either in timing or rate of increase.

Sub-letting of rental units was missing from the Rajkot rental housing market. It can be attributed to the fact that the rental housing market in the city is not as large and rental housing demand is not in short-supply as in other larger metropolitan cities. In most cases, the land-lords or owners tend to stay with the tenants within the same compound or same settlement, which makes it difficult for tenants to rent out to other tenants illegally. In larger cities, where rental housing is provided by employers and owners who do not stay in the same locality, renting out to other tenants by the original tenants is possible. Sub-letting in Rajkot is not widespread as yet.

8.2.Types of Suppliers

Supply of rental housing is seen under different circumstances:

- i) Rental housing was found to be supplied by households who can afford to build more than they require. Households who have settled at a location for long and have a steady flow of income (usually, self-employments or regular salaried) have constructed single-room tenements or put part of their extended house on rent. In such cases, construction is carried out specifically for renting purposes.

Figure 7: House extension given out on rent



Box 2: Evolution: Tenants to Owners to Rental House Suppliers

Karshanbhai is a *Chagda*-driver (auto driver), staying in Khodiyarpara for last 35 years. He originally was a farmer in Chotilla, on the outskirts of Rajkot, but shifted to Rajkot looking for better employment opportunities. He started staying on rent in a small single-room tenement near the current plot where he stays. Through the last 30 years he has built on the original plot of land (50sq.m) and house he had purchased for Rs.35,000 in 1980, constructing a 3 room-house with separate kitchen and bathroom. He and his family have now extended their house to include a small tenement within their plot to house single male migrants.

Currently, they have three male migrants from Uttar Pradesh staying with them since last 8 months, sharing a rent of Rs.1200. The migrants have a cooking space inside the room, while they have to resort to open defecation or use the community toilets. Karshanbhai looks after the maintenance of the room. He raises the rent annually, or if the electricity bill comes too high for him to bear alone. He prefers to give his room out on rent to people from other states because they do not stay on for too long and have fewer demands.

- ii) In some cases, households who have migrated out of the city and purchased own homes give out part of the house on rent to earn extra incomes.

Box 3: Renting out to Support Family Income

Niraliben is a migrant in Rajkot from Chotila, an urban centre, a few kilometres away from Rajkot city. Her two sons have been working in the city as industrial workers since last 10 years, staying as tenants in Chandreshwar with steady monthly incomes. After her husband's death in 2009, she sold their ancestral property in Chotila and purchased a house in Shreenathji Society at Rs. 80,000. Her sons spent another Rs.20,000 in renovating this house after contributing money with their mother to buy the house. They have rented the upper floor of the house to a family from their own community. The tenant-family women keep Niraliben company and she is also not a complete burden on her sons because of the monthly rent they earn.

iii). Free land is encroached upon to build not just self-help housing but also rental housing. In Rukhadiyapara, which is railway land, many employees of the railways encroached upon the open land next to the railway colony which was originally a crematorium ground, to build their own housing. Overtime as the settlement started growing the original encroachers whose perceived security increased, built rental housing on their plots and have become part of the informal suppliers.

iv). Certain communities have natural inclination to act in the informal market through organising encroachments or capturing of public lands. One such community in many cities in Gujarat, including in Rajkot is the *Bharwar* community. The modus operandi applied by this community in land capture is to cordon off large open, unused lands, mostly belonging to any government organisation, sub-divide them and sell the land to the buyers through stamp-paper sale deeds. Many of these buyers who built homes, over time become the suppliers of rental housing.

9. Clients for Rental Housing

The migrants are the main users of rental housing. Rajkot being an industrial and commercial city, a high proportion of the population constitutes of migrants. The migrants can be classified as: seasonal migrants and permanent migrants. Seasonal migrants come to the city for some time looking for employment during lean periods in their home villages and who return as and when opportunity arises. In Rajkot, such migrants were found to be single male migrants from outside Gujarat state. Permanent migrants were mostly the single-male migrants or households who had migrated from around Rajkot or within Gujarat, who migrate looking for better employment opportunities. Such migrants eventually become home-owners as their affordability increases.

Some major characteristics of the migrants as are detailed out from the survey analysis, comparing and contrasting them against home-owners.

9.1.Origin of migration

Rajkot has provided the employment opportunities and services which has increased the attractiveness of settling in the city. Owners have created the housing stock which now serves the tenants housing needs. Most of the owner households (93 per cent) who have settled in Rajkot are originally from surrounding areas of the city and mostly from within Gujarat itself. Even amongst the tenants nearly 70 per cent of the households are from in and around the city and from within Gujarat state. This indicates a strong rural-urban migration within the state. Overall, only about 30 per cent of the tenant households surveyed were from outside Gujarat – coming from places like Uttar Pradesh, Bihar, Maharashtra and the southern states of India. Labour from outside Gujarat has provided cheap, unskilled labour requirement in the industries. These 30 per cent out-of-state migrants also include most of the single male migrants. Khodiyarpara and Amarnagar which have attracted the highest inter-state migrants are industrial settlements which have developed around the Aji and Bhaktinagar Industrial areas.

Table 13: Origin of Migration

| Slum Name | Owners | | | Tenants | | |
|---------------------|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| | Total household (no) | Intra-State (%) | Inter-State (%) | Total Household (no) | Intra-State (%) | Inter-State (%) |
| Khodiyar nagar | 32 | 100 | 0 | 11 | 18 | 82 |
| Amar nagar | 38 | 94 | 6 | 10 | 22 | 78 |
| Kubaliya para | 43 | 95 | 5 | 18 | 64 | 36 |
| Loha nagar | 36 | 92 | 8 | 15 | 89 | 11 |
| Rukhadiya para | 76 | 80 | 20 | 23 | 100 | 0 |
| Chhotu nagar | 52 | 97 | 3 | 25 | 95 | 5 |
| Shreenathji Society | 83 | 97 | 3 | 39 | 66 | 34 |
| Total | 360 | 93 | 7 | 134 | 70 | 30 |

9.2.Duration of Stay in Rajkot

Taking a cue from the origin of migration, it was found that most of the current owners have migrated to Rajkot from within the state of Gujarat. From the analysis of the number of years of stay, more than 50 per cent of owners have settled in the city for more than 30 years. By cumulating the data, we found that nearly 86 per cent owners have been in Rajkot for more than 15 years and only 27 per cent tenant households have been in the city for more than 30 years. Nearly 20 per cent tenants fall in the less than 5 years category, while as expected only about 1 per cent of owner households are in the less than 5 years category.

Table 14: Comparison between Owner and Tenant Households of Duration of Stay in Rajkot

| Slum Name | Owners (%) | | | Tenants (%) | | |
|---------------------|------------|-----------|----------|-------------|-----------|----------|
| | <15 years | 15-30 yrs | > 30 yrs | <15 years | 15-30 yrs | > 30 yrs |
| Khodiyar nagar | 9 | 38 | 53 | 100 | 0 | 0 |
| Amar nagar | 13 | 37 | 50 | 40 | 40 | 20 |
| Kubaliya para | 2 | 16 | 81 | 28 | 17 | 56 |
| Loha nagar | 3 | 22 | 75 | 34 | 27 | 40 |
| Rukhadiya para | 14 | 25 | 62 | 39 | 43 | 17 |
| Chhotu nagar | 15 | 56 | 29 | 40 | 28 | 32 |
| Shreenathji Society | 25 | 49 | 25 | 53 | 25 | 23 |
| Total | 14 | 36 | 50 | 46 | 27 | 27 |

The above table contrasts the duration of stay of the tenants and the owners in the city. The survey found that more than 50 per cent of the owners have lived in Rajkot for more than 30 years, while 46 per cent tenants have been staying in Rajkot for less than 15 years. Only Kubaliyapara which is an old established slum has 56 per cent of the surveyed tenant households as residents for more than 30 years. Among those who have been in the city for less than 15 years, 56 per cent were in rental units.

9.3. Household Size and Sex Ratio

The surveyed data on sex-ratio presents a very poor picture of gender equality in the informal settlements. The Census 2011 put 940 women per 1000 males at the national level. Amongst the tenant households surveyed, the sex ratio was as low as 781 whereas the same in the owner-occupied housing was 875, both much lower than the national level.

Table 15: Comparison of Household size and Sex ratio

| Slum Name | Owners | | Tenants | |
|---------------------|-----------|---------|-----------|---------|
| | Sex ratio | HH size | Sex ratio | HH size |
| Khodiyar nagar | 758 | 5.2 | 462 | 3.5 |
| Amar nagar | 935 | 6.3 | 276 | 3.7 |
| Kubaliya para | 963 | 6.2 | 881 | 4.4 |
| Loha nagar | 957 | 6.4 | 1364 | 5.2 |
| Rukhadiya para | 883 | 5.1 | 911 | 4.7 |
| Chhotu nagar | 801 | 5.4 | 793 | 4.2 |
| Shreenathji Society | 840 | 5.4 | 691 | 4.0 |
| Total | 875 | 5.6 | 781 | 4.2 |

The average household (hh) size among the tenants households was far lower (4.2) as compared to the owner-occupiers (5.6). It was evident that most of the male migrants shift to the city alone for work which results in skewed sex ratio on the whole but more so amongst the tenants who are recent migrants and tend to come alone to the city. Amongst tenant households, Amarnagar and Khodiyarpara had the poorest sex-ratio. Being industrial settlements, there were higher instances of young couples and single male migrants which explained the low female presence. Lohanagar

was a unique case of high sex-ratio, where the sample included tenant households with multiple girl children. Over all it was observed that male migrants coming from outside Gujarat, from states like Uttar Pradesh (UP) and Bihar and the Southern States of Tamil Nadu (TN), Andhra Pradesh (AP), etc., come for short duration of 6 months to a year. Even if they come for longer terms, many do not bring their wives or family along. It was observed from discussions that migrants from Bihar were keen to permanently settle here in Rajkot, as they do not have sustainable income opportunities in Bihar. While the migrants from UP saw Rajkot as an area for alternative source of income during agriculturally lean period in their home state. Migrants who come from in and around Gujarat are more likely to bring in their wife, children and parents to the city over time, as do the inter-state migrants from the far-off Southern states, which do not plan to return back to their villages.

Box 4: Single Male Migrants contributing to Poor Sex-Ratio amongst Tenants

Babloo Gupta, 23, his father, 40, and two younger brothers 18 and 22, all stay and work in Rajkot's Kubaliyapara slum. They have been staying in Rajkot for last 12 years in rented apartments, but have never thought of completely shifting their whole family from Dabariya, Uttar Pradesh. They all work at a bakery as bakers as well as hawkers of the bakery's food items. The youngest brother is studying in a college in Rajkot. Each year, one or two of them go back to their village to till their land and work on their fields. They have been staying in Kubaliyapara since their father first came to the city and have been shifting around Kubaliyapara whenever they have to vacate their house. They have been living in the current house for last 6 months.

Another characteristic of rental housing that can be understood through Table 14 and Table 15 is that owners are the ones with longer duration of stay and have bigger household size than tenants, indicating towards the fact that the permanent migrants establish their roots in the city by expanding their household size and eventually become home-owners and rental home suppliers. Seasonal migrants on the other hand stay for shorted durations and also have smaller household sizes.

9.4. Workforce Participation Rate (WFPR)

Table 16: Comparison of WFPR between Owners and Tenants

| WFPR | Owners | | | Tenants | | |
|---------------------|--------|--------|---------|---------|--------|---------|
| Slum Name | Male | Female | persons | Male | Female | Persons |
| Khodiyar nagar | 54 | 7 | 34 | 85 | 8 | 61 |
| Amar nagar | 67 | 17 | 42 | 66 | 25 | 57 |
| Kubaliya para | 63 | 6 | 35 | 57 | 16 | 38 |
| Loha nagar | 56 | 15 | 36 | 58 | 9 | 29 |
| Rukhadiya para | 60 | 18 | 40 | 66 | 24 | 56 |
| Chhotu nagar | 53 | 7 | 33 | 52 | 15 | 36 |
| Shreenathji Society | 59 | 6 | 35 | 67 | 23 | 49 |
| Total | 59 | 11 | 37 | 63 | 18 | 43 |

The workforce participation rate (WFPR) reveals the total population actually employed, notwithstanding the factor of age of worker. Data from the survey shows that WFPR is higher amongst the tenants and this is explained by the fact that more women from the tenant households are working to increase family incomes. WFPR amongst tenant women is 18 as against 11 of women from owner households. The WFPR of men from owner households is 59 as against 63 of tenant households. The higher WFPR amongst tenant men in comparison to owner household men can be explained through the fact that there are senior citizens and children in owner households, who do not work. This may not be the case in tenant households where to maintain the family income most of the family members work.

Table 17: Employment categories of Tenant women

| Category of work | % of female workers |
|------------------|---------------------|
| Regular Salaried | 21 |
| Casual Workers | 40 |
| Self-employment | 38 |

The higher participation of tenant women in workforce can be explained from the details of the kind of work they are engaged in. It was found that nearly 40 per cent women are employed as casual labour like occasional housemaids, festival-time cooks, constructions wage workers, etc., while 38 per cent have taken up self-employment as vendors and self-enterprises like shops, tailors, etc. Only 21 per cent are regular salaried employees, where they are in industrial labourers and regular housemaids.

9.5. Employment, Income, Expenditure and Affordability Scenario

9.5.1. Employment

The industrial 9-fold classification⁵ can be taken as an indicator of the socio-economic status of the households. The table for the owner households shows highest employment in trade, hotels and restaurants, followed by manufacturing. Table 19 for tenants indicates that they are involved in the same sectors of employment.

⁵ The 9-fold classification depicted in table 18 illustrates only those classifications which reflected atleast 1 per cent households from the total sample. Similar is the case with *Table 19: Industrial Classification of Tenant Households*. Mining and Quarrying and Real estate and Business Services

Table 18: Industrial Classification of Owner Households

| Slum Name | Agriculture & Fishing | Manufacturing | Elec., gas & water supply | Construction & daily wage | Trade, hotels & restau. | Transport | Community, social & personnel services |
|---------------------|-----------------------|---------------|---------------------------|---------------------------|-------------------------|-----------|--|
| Khodiyar nagar | 5 | 34 | 0 | 13 | 20 | 14 | 14 |
| Amar nagar | 0 | 46 | 0 | 9 | 13 | 7 | 26 |
| Kubaliya para | 1 | 18 | 1 | 14 | 62 | 2 | 2 |
| Loha nagar | 0 | 23 | 0 | 24 | 39 | 5 | 9 |
| Rukhadiya para | 0 | 11 | 1 | 28 | 31 | 8 | 21 |
| Chhotu nagar | 0 | 8 | 0 | 3 | 82 | 2 | 5 |
| Shreenathji society | 3 | 33 | 2 | 10 | 26 | 12 | 14 |
| Total | 1 | 24 | 1 | 15 | 38 | 7 | 14 |

Amongst the owner-households, 38 per cent households are involved in the food business. Most of them own small eateries and mobile food units. Chhotunagar has highest households in this sector because the major vegetable market is near this settlement, which has led most of the residents to become vegetable sellers. In manufacturing, nearly 24 per cent of owner households are engaged in home-based manufacturing. Most eminent home-based manufacturing was small metal workshops and foundry units in the settlements. Many people were carpenters and scrap-collectors. During the survey we found cases of women manufacturing children's dresses, imitation jewellery, *aggarbatti*, handicrafts and *papad* at home. Nearly 33 per cent owner households own their hotel and restaurant trades. Nearly 42 per cent of the owner households are engaged in personal and 44 per cent in private service provision. These are mostly government employees and those engaged in private enterprises.

Table 19: Industrial Classification of Tenant Households (%)

| Slum Name | Agriculture & Fishing | Manufacturing | Construction & daily wage | Trade, hotels & restaurant | Transport | Community, social & personnel services |
|---------------------|-----------------------|---------------|---------------------------|----------------------------|-----------|--|
| Khodiyar nagar | 4 | 65 | 17 | 13 | 0 | 0 |
| Amar nagar | 0 | 43 | 33 | 10 | 10 | 5 |
| Kubaliya para | 3 | 17 | 10 | 63 | 0 | 7 |
| Loha nagar | 0 | 26 | 22 | 26 | 13 | 13 |
| Rukhadiya para | 0 | 14 | 12 | 47 | 4 | 22 |
| Chhotu nagar | 0 | 0 | 5 | 78 | 0 | 16 |
| Shreenathji Society | 1 | 54 | 14 | 12 | 3 | 17 |
| Total | 1 | 32 | 15 | 35 | 3 | 14 |

The tenants are similarly engaged in the same sectors of employment as the owners. Nearly 35 per cent of the tenant respondents are engaged in the trade, hotels and restaurant sector. This sector can be further classified as hawkers and vendors, scrap collectors, enterprise owners and employees in related enterprises. Most of the tenants are involved in street hawking and vending whereas the owners have small businesses in the same sectors. Being an industrial city by character, the industrial manufacturing is the next highest employment sector for tenants, with 32 per cent respondents in our survey being employed in this sector. Proportion employed in

manufacturing among the owner households was less at 24 per cent. Instead, the owner households were found to be more in petty trade and transport than the tenant households. In the services sector, more respondent tenants were employed in government enterprises than in private and personal services.

Table 20: Employment by Migrant type (in %)

| Employment category | Intra-state | Inter-state |
|---------------------|-------------|-------------|
| Regular salaried | 24 | 47 |
| Casual labour | 17 | 14 |
| Self-employment | 60 | 39 |
| Total | 100 | 100 |

The intra-state migrants are more engaged in self-employment while greater numbers of tenants are employed in regular salaried jobs.

Table 21: Nature of Employment (in %)⁶

| Slum Name | Owners | | | | Tenants | | | |
|----------------|---------------------|------------------|---------------|---------------|---------------------|------------------|---------------|---------------|
| | Total workers (nos) | Regular salaried | Casual labour | Self employed | Total workers (nos) | Regular Salaried | Casual labour | Self employed |
| Khodiyar nagar | 56 | 41 | 16 | 43 | 23 | 65 | 17 | 17 |
| Amar nagar | 101 | 46 | 18 | 36 | 21 | 48 | 29 | 24 |
| Kubaliya para | 94 | 14 | 15 | 71 | 30 | 20 | 10 | 70 |
| Loha nagar | 82 | 18 | 29 | 52 | 23 | 26 | 30 | 43 |
| Rukhadiya para | 157 | 26 | 34 | 39 | 49 | 35 | 22 | 43 |
| Chhotu nagar | 92 | 11 | 5 | 84 | 37 | 19 | 5 | 76 |
| Shreenathji | 156 | 39 | 13 | 48 | 78 | 53 | 21 | 27 |
| Total | 738 | 28 | 20 | 52 | 261 | 39 | 19 | 42 |

Contrary to the expectation, there is higher proportion of salaried workers among the tenants (39 per cent) than among the owners (28 per cent) (table 19). The proportion of self-employed is higher among the owners, as it is expected because the new migrants once consolidate their situation in the cities, tend to move into self-employment activities. The proportion of casual labour among the owners as well as tenants is the same. It seems that those captured in the regular employment are industrial workers, whose employment appears long term and they get salaries, but, the inter-state migrants among them may not want to settle down in the city. Women among the tenants take up regular salaried work as domestic help. Kubaliyapara and Lohanagar, have very large proportion of self employed among the owners, probably on account of long duration of stay in the two by their occupants. There is no other explanation for this phenomenon. Even Chhotunagar has very high proportion of self employed.

⁶ According to NSSO Recommendations

Table 22: Quality of Employment vs Years of Stay for Tenants and Owners

| Years of Stay | Owners | | | | Tenants | | | |
|---------------|----------------|----------------------|-------------------|-------------------|----------------|----------------------|------------------|-------------------|
| | Total (in no.) | Regular salaried (%) | Casual labour (%) | Self-employed (%) | Total (in no.) | Regular salaried (%) | Casual labour(%) | Self-employed (%) |
| <15 | 34 | 9 | 36 | 55 | 60 | 47 | 18 | 35 |
| 15-29 | 95 | 27 | 15 | 58 | 35 | 34 | 9 | 57 |
| >30 | 179 | 22 | 14 | 64 | 37 | 22 | 14 | 65 |

Owners across all the years of stay are predominantly self-employed, which is an established phenomenon. It is only the owners who can afford to invest in their own enterprises. Tenants in Rajkot are more into regular salaried jobs in their initial years of stay and gradually get into self-employment. It is interesting to note that engagement as casual labour which is expected in the case of the tenant workforce is not very high. Instead it is the owner households which are engaged as casual labour, at least in the first 15 years of their stay in the city. The shift of tenants from regular salaried workers to self-employed over time is probably shifting out of the industrial employment into their own small businesses.

9.5.2. Income

Table 23: Average Monthly Household and Per Capita Income

| Slum Name | Average household income in Rs. | | Ratio of tenant to owner | Ave. Monthly Per capita income | | Ratio of tenant to owner |
|---------------------|---------------------------------|---------|--------------------------|--------------------------------|---------|--------------------------|
| | Owners | Tenants | | Owners | Tenants | |
| Khodiyar nagar | 7,680 | 8,335 | 1.09 | 1477 | 2381 | 1.61 |
| Amar nagar | 11,965 | 7,915 | 0.66 | 1899 | 2139 | 1.13 |
| Kubaliya para | 7,850 | 5,300 | 0.68 | 1266 | 1205 | 0.95 |
| Loha nagar | 6,845 | 5,770 | 0.84 | 1070 | 1110 | 1.04 |
| Rukhadiyapara | 7,345 | 6,350 | 0.86 | 1440 | 1351 | 0.94 |
| Chhotu nagar | 6,035 | 4,800 | 0.80 | 1118 | 1143 | 1.02 |
| Shreenathji Society | 9,025 | 7,420 | 0.82 | 1671 | 1855 | 1.11 |
| Total | 8,110 | 6,555 | 0.81 | 1448 | 1561 | 1.08 |

The comparison of income of the owners and tenants shows that total household income of the owners is higher than of the tenants, the overall ratio of tenant to owner income is 0.81. In all the slum selected except Khodiyarnagar, it is the case. But, per capita income among the tenants is higher by about 8 per cent than among the owners, primarily on account of smaller household size among the tenants (refer Table 15). As explained earlier, many of the tenant households are not family and are comprising of single male migrants. These individual send remittances back home and hence the per capita incomes calculated here are not in any strict sense that of a family. This needs to be kept in mind while analysing the data in Table 21. The average income per month of owner households stands at Rs. 8,110, while that of tenant households is much lower at Rs. 6,555.

Amongst the owner households, Amarnagar, which is a '*suchit*' society, has reported the highest average household income of around Rs.11, 965, which is 34 per cent more than the average

tenant household income. Linking incomes to employment (refer Table 21) it is seen that Amarnagar has the highest owners in the category of regular salaried employment. Unlike other settlements where the regular salaried are in small industrial offices, the household heads in Amarnagar are employed in high ranking designations and well-paying government and private company jobs, which explains their highest average income. Likewise is the case of the next highest salary-grossing settlement, Shreenathji Society, which again is a '*suchit*' society, and has an average income per month of Rs. 9,025. The owner-households with the lowest average monthly salary are Chhotunagar. Looking at the kind of employment in which households are involved, we find them to be mostly self-employed, as vegetable vendors or scrap-collectors.

Amongst the tenant households, in Khodiyarnagar they have the highest average monthly incomes. This is an old, well-established industrial settlement and has the highest regular salaried tenant employees in the survey. The tenants here are in well paying regular salaried jobs, mostly in the nearby GIDC industries and private offices. Closely following are the tenants of Amarnagar and Shreenathji Society, where from the very nature of the settlements one can understand that only better off tenants can afford to live here. The tenants are mostly employed salaried jobs. The poorest tenants are in Chhotunagar, where again maximum are self-employed.

9.5.3. Expenditure

The expenditure pattern of tenants and owners is almost similar in terms of food, both spending about Rs. 860 per capita per month. But in non-food items the expenditure of tenants is more than 30 per cent higher than owners. On an average, tenants spend Rs. 1735 per capita per month on non-food expenses, while owners spend only Rs. 1185. Comparing this to incomes, tenants earn nearly 17 per cent more than owners, yet their expenses are such that they remain poorer than the owners.

Table 24: MPCE on Food and Non-Food items by Tenants and Owners

| Slum Name | Per capita food expenditure | | | Per capita non-food expenditure | | |
|---------------------|-----------------------------|---------|----------------|---------------------------------|---------|----------------|
| | Owners | Tenants | % differential | Owners | Tenants | % differential |
| Khodiyar nagar | 905 | 1205 | 24.9 | 1350 | 2925 | 53.8 |
| Amar nagar | 960 | 800 | -20.0 | 1485 | 3300 | 55.0 |
| Kubaliya para | 790 | 785 | -0.6 | 1095 | 1165 | 6.0 |
| Loha nagar | 730 | 785 | 7.0 | 955 | 1195 | 20.1 |
| Rukhadiya para | 870 | 780 | -11.5 | 1170 | 1140 | -2.6 |
| Chhotu nagar | 760 | 800 | 5.0 | 1030 | 1100 | 6.4 |
| Shreenathji Society | 950 | 860 | -10.5 | 1210 | 1310 | 7.6 |
| Average | 855 | 860 | 0.6 | 1185 | 1735 | 31.7 |

The above Table 24 presents that average per capita food expenditure of tenants is almost same as that of owners, but settlement-wise variation brings out a more accurate picture. The tenants in high rent locations like Amarnagar and Shreenathji Society shows significant gap between tenants and owners in food expenditure. The non-food expenditure is almost 30 per cent higher

in tenants due to the higher rents, money to be sent home and conveyance expenses. In Rukhadiyapara rent and conveyance takes a major chunk of the tenant expenses (refer Table 27).

Table 25: Average Monthly Household Expenditure (food and non-food)

| Settlements | Owners ME (in Rs) | Tenants ME (in Rs.) | % difference in expenditure |
|---------------------|-------------------|---------------------|-----------------------------|
| Khodiyar nagar | 6,495 | 6,165 | 5 |
| Amar nagar | 9,325 | 8,000 | 14 |
| Kubaliya para | 6,465 | 4,800 | 26 |
| Loha nagar | 5,780 | 5,665 | 2 |
| Rukhadiya para | 5,710 | 5,700 | 0 |
| Chhotu nagar | 5,205 | 4,540 | 13 |
| Shreenathji Society | 7,085 | 6,280 | 11 |
| Average | 6,580 | 5,865 | 11 |

The average monthly household expenditure (both food and non-food) of the surveyed owner households (Rs.6,580) is higher than that of the surveyed tenant households (Rs. 5,865). This is in contrast to the MPCE because the household size of owners is larger than that of tenants. Although there is a 19 per cent differential in the average income levels of the owners and tenants, the average expenditure they incur has only about 11 per cent difference. Amongst the owners, Amarnagar has the highest average expenditure per month at Rs. 9,325, while owners at Chhotunagar have reported the lowest expenditures (Rs. 5,205). Amongst the surveyed tenant households, the tenants at Amarnagar have reported the highest average monthly expenditures at Rs. 8000, while again Chhotunagar has reported the lowest at Rs. 4,540.

Table 26: Item-wise Average Monthly Expenditure to Total Average Monthly Expenditure for Owners (in %)

| | Food | Electricity | Education | Heath | Conveyance | Water | Phone | Total |
|---------------------|------|-------------|-----------|-------|------------|-------|-------|-------|
| Khodiyar nagar | 69 | 8 | 3 | 2 | 10 | 2 | 5 | 97 |
| Amar nagar | 66 | 7 | 3 | 4 | 14 | 2 | 3 | 99 |
| Kubaliya para | 72 | 7 | 2 | 3 | 11 | 1 | 3 | 99 |
| Loha nagar | 78 | 7 | 2 | 2 | 5 | 2 | 3 | 99 |
| Rukhadiya para | 74 | 7 | 2 | 3 | 11 | 1 | 3 | 99 |
| Chhotu nagar | 75 | 7 | 2 | 3 | 5 | 3 | 2 | 99 |
| Shreenathji Society | 70 | 8 | 4 | 3 | 9 | 2 | 4 | 99 |
| Average | 71 | 7 | 3 | 3 | 10 | 2 | 3 | 99 |

Amongst the owner households, the average share of food expenditure is 71 per cent of the total expenditure, followed by conveyance and electricity. Owners do not have to spend on housing like tenants, so they can afford to spend on conveyance charges to go to work. Settlement-wise, Lohanagar and Chhotunagar had the highest expenses on food, both spending more than 75 per cent. The next most important expenditure for owners is conveyance to work, for which Amarnagar reported the highest expenses amongst the surveyed settlements, as this is an industrial area with small workshops and foundry units, while the households here reported working in private and government offices in the city centre. Both Chhotunagar and Lohanagar had the lowest expenses in transportation. In Chhotunagar maximum households sold vegetables

from the surrounding vegetable market, while in Lohanagar, the industries surrounding the settlement employed most of the residents. The share of expenses to total expenses for health, education and telephone recharge came to be nearly the same at about 3 per cent for the average owner household.

Table 27: Item-wise Average Monthly Expenditure to Total Average Monthly Expenditure for Tenants (in %)

| Settlements | Food | Electricity | Rent | Education | Health | Money sent home | Conveyance | Water | Phone | Total |
|---------------------|------|-------------|------|-----------|--------|-----------------|------------|-------|-------|-------|
| Khodiyar nagar | 47 | 0 | 13 | 0 | 4 | 31 | 4 | 0 | 1 | 100 |
| Amar nagar | 33 | 2 | 19 | 1 | 3 | 31 | 6 | 0 | 5 | 100 |
| Kubaliya para | 67 | 2 | 14 | 2 | 2 | 2 | 8 | 0 | 2 | 100 |
| Loha nagar | 68 | 3 | 16 | 1 | 4 | 4 | 1 | 0 | 2 | 98 |
| Rukhadiya para | 64 | 6 | 17 | 1 | 2 | 0 | 8 | 0 | 2 | 100 |
| Chhotu nagar | 67 | 4 | 16 | 1 | 3 | 0 | 0 | 3 | 2 | 97 |
| Shreenathji Society | 53 | 3 | 22 | 1 | 3 | 5 | 9 | 0 | 4 | 99 |
| Average | 55 | 3 | 17 | 1 | 3 | 12 | 5 | 0 | 3 | 99 |

The share of food expenses in the average monthly expenditure of the tenant households came to only 55.16 per cent, compared to 71 per cent of the owner-households in this study, depicting that non-food expenses are eating into the food expenses of the tenants. An important item of the non-food expenditure is the rent. Both owner and tenant households are engaged in similar kind of work and require similar kind of food/calories. Yet two major expenses which do not allow greater expenditure on food are: rents and money to be sent back home. On the whole, an average of nearly 17 per cent of tenant expenses went on paying rents. Being *suchit* societies and having all basic services and amenities, Amarnagar and Shreenathji had the highest rents paid by the tenants. Lowest average rents are paid in Kubaliyapara and Khodiyarpara, where the share of rents to total average monthly expenditure stood at around 13 per cent. But again, tenants in Kubaliyapara, Rukhadiyapara and Sheenathji spent a significant share of expenses on transportation, staying away from the areas of work. Sending money back to their homes is another important very important expense for tenant households. On an average it constitutes 12.35 per cent of the total monthly expenses. For tenants, education consists of less than 1 per cent share of expenses whereas electricity, health and telephone expenses constitute about 3 per cent of their total monthly expenses each.

Special mention needs to be made of Chhotunagar, where tenants have nearly 3 per cent of their total monthly expenses on buying water. Compared to the other settlements, they also have to spend one of the highest shares on electricity, spending more than 4 per cent paying bills.

10. Rental Housing Condition

10.1. Area Usage

As per the NSSO and Census definition of permanent (*pucca*), semi permanent (*semi-pucca*) and non-permanent (*kuccha*) housing unit structures, it was observed that more than 90 per cent of all housing units of both owners and tenants were built of permanent materials – with brick or stone walls and Mangalore tiled, asbestos sheets or RCC roofs.

Table 28: Average Built up and Plot Area Area Usage

| Housing Condition | Average built-up area (sq.mt.) | | | Average Plot area (sq.mt.) | | | Average no. of rooms per house | | |
|---------------------|--------------------------------|--------|----------------------------|----------------------------|--------|----------------------------|--------------------------------|--------|----------------------------|
| Slum Name | Owner | Tenant | ratio of tenants to owners | Owner | Tenant | ratio of tenants to owners | Owner | Tenant | ratio of tenants to owners |
| Khodiyar nagar | 38.0 | 14.0 | 0.37 | 64.0 | 14.0 | 0.22 | 2.3 | 1.0 | 0.43 |
| Amar nagar | 47.0 | 19.0 | 0.40 | 68.0 | 22.0 | 0.32 | 2.9 | 1.2 | 0.41 |
| Kubaliya para | 37.0 | 22.0 | 0.59 | 47.0 | 23.0 | 0.49 | 2.3 | 1.1 | 0.48 |
| Loha nagar | 29.0 | 14.0 | 0.48 | 33.0 | 16.0 | 0.48 | 1.7 | 1.2 | 0.71 |
| Rukhadiya para | 25.0 | 20.0 | 0.80 | 35.0 | 27.0 | 0.77 | 1.8 | 1.3 | 0.72 |
| Chhotu nagar | 28.0 | 15.0 | 0.54 | 36.0 | 19.0 | 0.53 | 1.8 | 1.2 | 0.67 |
| Shreenathji Society | 43.0 | 19.0 | 0.44 | 59.0 | 23.0 | 0.39 | 2.5 | 1.3 | 0.52 |
| Average | 35.3 | 17.6 | 0.50 | 48.9 | 20.6 | 0.42 | 2.2 | 1.2 | 0.55 |

There is no differentiation among the rental and owned housing in the settlements we have studied in terms of quality of housing. However, we find significant difference between the two groups in terms of size of housing (Table 26). The owners, on an average have double the built-up area and more than double the plot area of the tenant. For example, the owners live in a house with average built-up area of 35 sq m. whereas that of the tenants' house is 18 sq m. Hence, tenants live in smaller housing and overcrowded housing. The per capita built up for the owners is 6.3 sq m. whereas that for the tenants is 4.2 sq m. (Table 27), both very less, but, the tenants experiencing a higher level of crowdedness as compared to the owners. In fact, in Khodiyar nagar, the built up area of a dwelling unit of the tenants is, on an average, just 37 per cent of that of the owners. The inequality between the tenants and the owners is further larger with regards to the plot area. Dwelling units rented by single-male migrants and poorer migrants families are single rooms, with a platform in the room acting as kitchen. In many cases, the kitchen slab is non-existent and cooking is done outside the house.

Table 29: Per Capita usage of Area

| Slum Name | Unit area/person (sq mt) | | |
|---------------------|--------------------------|---------|----------------------------|
| | Owners | Tenants | ratio of tenants to owners |
| Khodiyar nagar | 7.3 | 4.0 | 0.55 |
| Amar nagar | 7.5 | 5.1 | 0.69 |
| Kubaliya para | 6.0 | 5.0 | 0.84 |
| Loha nagar | 4.5 | 2.7 | 0.59 |
| Rukhadiya para | 4.9 | 4.3 | 0.87 |
| Chhotu nagar | 5.2 | 3.6 | 0.69 |
| Shreenathji Scoiety | 8.0 | 4.8 | 0.60 |
| Average | 6.3 | 4.2 | 0.66 |

Owners have added additional rooms to their houses and the average number of rooms per dwelling unit is 2.2 for them. In case of tenants, the average rooms per household is just 1.2, which means that some of the tenants have an extra room, whereas most of them live in one room unit, as already mentioned above.

10.2. Availability of Facilities and Rent

Table 30: Availability of Services as per Years of Stay

| Years of Stay | Total HH (no.) | | Individual Water connection (%) | | HH toilet (%) | | HH electricity connection (%) | |
|---------------|----------------|---------|---------------------------------|---------|---------------|---------|-------------------------------|---------|
| | Owners | Tenants | Owners | Tenants | Owners | Tenants | Owners | Tenants |
| < 15 | 39 | 65 | 64 | 42 | 67 | 34 | 92 | 97 |
| 15-29 | 104 | 38 | 62 | 29 | 66 | 29 | 96 | 95 |
| 30 and above | 217 | 39 | 61 | 46 | 57 | 31 | 94 | 97 |
| Total | 360 | 142 | 61 | 39 | 61 | 32 | 94 | 96 |

The availability of basic services at the household level for the tenants is lower in comparison to owners and the former's length of stay in the city does not improve its access to household level services. Electricity is available to nearly all households in Gujarat because of low connection charges offered by the private electricity companies to the slum households. In case of Ahmedabad, a few NGOs had collectively advocated for the private company to lower connection charges, which it did resulting in increased coverage of the slum areas with regards to electricity (Joshi, et al, 2010). Except electricity, in case of all other services, access is lower for the tenant households than the owner households. For example, 39 per cent households had access to individual water supply and 32 per cent access to individual toilet among the tenants whereas among the owners the proportion was 61 per cent for both the services (Table 28).

Table 31: Rent rate and Availability of Household-level Facilities

| Name | Rent per sq. mt (Rs.) | HH level water connections (%) | HH Toilet (%) | HH electricity connection (%) |
|---------------------|-----------------------|--------------------------------|---------------|-------------------------------|
| Khodiyar nagar | 59 | 27 | 36 | 9 |
| Amar nagar | 78 | 60 | 60 | 50 |
| Kubaliya para | 30 | 44 | 39 | 53 |
| Loha nagar | 64 | 20 | 0 | 40 |
| Rukhadiya para | 48 | 26 | 22 | 62 |
| Chhotu nagar | 49 | 4 | 4 | 44 |
| Shreenathji Society | 72 | 73 | 55 | 70 |
| Average | 56 | 39 | 32 | 53 |

Availability (or non-availability) of individual services was to some extent linked to the rate of rent, as depicted by per sq. m. of area. For example, in Amarnagar, the rent rate was Rs. 78 per sq m, and had the largest proportion of households with individual water supply and toilet connection (both figures are 60 per cent). Same was true for Shreenathji Society. But Kubaliyappara which had the lowest rate of rent did not have lowest level of access to individual services. The relationship is also not statistically established, when we carried out a correlation test. Thus, other than the level of services in a dwelling unit, the location of settlements closer to places of work and nodal areas has determined the rent rates. We presume, the rates are more strongly related to location than anything else..

The average carpet area per household has been reported to be the largest in Kubaliyapara, while its rent per sq.mt is the lowest. From the above Table 31, it is evident that the facilities available in Kubaliyapara is better than that of other surveyed settlements which have higher rents but lower levels of facilities, like Rukhadiyapara, Khodiyarpara and Chhotunagar. Chhotunagar is the worst case in point, because they have the poorest availability of water and toilets at the household level, while the average rent that is paid is higher than the rents paid in Kubaliyapara and Rukhadiyapara. In Lohanagar, the location of the settlement very close to the industrial area and area of employment, households may not mind paying higher rents as it cuts down on their travelling expenses. So in this case, the rent does not give a true picture of the availability of basic services and amenity.

10.2.1. Availability of Water Connection

Table 32: Availability of household level Water connections

| Slum Name | Owners | | | | Tenants | | | |
|---------------------|----------|------------------|------------------|---------------|----------|------------------|------------------|---------------|
| | Total HH | HH connection(%) | Community tap(%) | Purchased (%) | Total HH | HH connection(%) | Community tap(%) | Purchased (%) |
| Khodiyar nagar | 32 | 97 | 3 | 0 | 11 | 27 | 73 | 0 |
| Amar nagar | 38 | 89 | 11 | 0 | 10 | 60 | 40 | 0 |
| Kubaliya para | 43 | 63 | 37 | 0 | 18 | 44 | 56 | 0 |
| Loha nagar | 36 | 64 | 36 | 0 | 15 | 20 | 80 | 0 |
| Rukhadiya para | 76 | 30 | 70 | 0 | 23 | 26 | 74 | 0 |
| Chhotu nagar | 52 | 6 | 50 | 44 | 25 | 4 | 48 | 48 |
| Shreenathji Society | 83 | 96 | 4 | 0 | 39 | 73 | 28 | 0 |
| Total | 360 | 61 | 32 | 6 | 134 | 39 | 52 | 8 |

Water connection available at the household-level for tenants was reported only by 39 per cent of the surveyed tenant households, as against 61 per cent of owner-occupiers. Nearly, 52 per cent of the tenants used the community taps, in comparison to 32 per cent of owners. Amarnagar and Shreenathji Society again fare better amongst the tenants in our survey, due to their recognition and service provision by RMC. Worse off was Chhotunagar, where 44 per cent of owners and 48 per cent of tenants purchased water every week, as the RMC has not provided this settlement with any basic services. Hence, the owners of the rental units are not able to charge high rent in Chhotunagar. Because of lack of services in this settlement, the tenants have to spend on buying water along with incurring expenditures on house rent and fixed electricity charges. This proves that the formal recognition, in other words notification of a settlement by the local authority is important even in the low income informal settlements for the owners to realise high rents and tenants to obtain affordable shelter. Once the settlement is notified, the local authority, here the RMC, extends basic facilities, which improves the living conditions. .

10.2.2. Availability of toilets

Provision for sanitation was very poor in the informal settlements of Rajkot. Overall, 14 per cent owners and 18 per cent tenants reported defecating in the open. In Lohanagar, none of the tenants had household sanitation facilities, while Chhotunagar only 4 per cent households had individual toilets' access. Amongst the tenant households Kubaliyapara reported the highest case of open defecation (22 per cent). This can be explained by the fact that it was located adjoining Aji River, and is not notified by the RMC and hence the settlement does not have sanitation services. Most people tended to go to the river for their needs. Tenants in Amarnagar and Shreenathji Society reported the maximum household level toilets, as these were *suchit* societies.

Table 33: Availability of Sanitation Facilities

| Slum Name | Owners | | | | Tenants | | | |
|---------------------|----------|--------------|---------------------|--------------------|----------|--------------|---------------------|--------------------|
| | Total HH | HH Toilet(%) | Community toilet(%) | Open defecation(%) | Total HH | HH Toilet(%) | Community toilet(%) | Open defecation(%) |
| Khodiyar nagar | 32 | 100 | 0 | 0 | 11 | 36 | 45 | 18 |
| Amar nagar | 38 | 95 | 5 | 0 | 10 | 60 | 40 | 0 |
| Kubaliya para | 43 | 56 | 33 | 12 | 18 | 39 | 39 | 22 |
| Loha nagar | 36 | 28 | 69 | 3 | 15 | 0 | 87 | 13 |
| Rukhadiya para | 76 | 32 | 13 | 55 | 23 | 22 | 4 | 74 |
| Chhotu nagar | 52 | 19 | 77 | 4 | 25 | 4 | 96 | 0 |
| Shreenathji Society | 83 | 100 | 0 | 0 | 39 | 55 | 45 | 0 |
| Total | 360 | 61 | 25 | 14 | 134 | 32 | 51 | 18 |

Provision of toilets is an important determining factor of rent rates. In the Rajkot survey, many tenant households reported sharing toilet and bath facilities with their owners. This was especially true for tenant families where women have the safety of using sanitation facilities within their home premises, instead of going out to community toilets or the open to defecate and bathe. It is empirically proved that community toilets are difficult to maintain than shared toilets (where individual toilets are not available) and hygiene in them is poorer than individual toilets.

10.2.3. Availability of Electricity connection

Table 34: Comparison of Availability of Household level Electricity Connection

| Slum Name | Owners | | | | Tenants | | | |
|---------------------|--------|-------|----------|---------|---------|-------|----------|---------|
| | Total | Owned | Borrowed | Illegal | Total | Owned | Borrowed | Illegal |
| Khodiyar nagar | 32 | 100 | 0 | 0 | 11 | 9 | 82 | 9 |
| Amar nagar | 38 | 100 | 0 | 0 | 10 | 50 | 50 | 0 |
| Kubaliya para | 43 | 85 | 8 | 8 | 18 | 53 | 40 | 7 |
| Loha nagar | 36 | 82 | 18 | 0 | 15 | 40 | 60 | 0 |
| Rukhadiya para | 76 | 79 | 9 | 12 | 23 | 62 | 38 | 0 |
| Chhotu nagar | 52 | 83 | 17 | 0 | 25 | 44 | 52 | 4 |
| Shreenathji Society | 83 | 99 | 1 | 0 | 39 | 70 | 30 | 0 |
| Total | 360 | 90 | 7 | 3 | 134 | 53 | 45 | 2 |

Amongst tenants as in owners, majority of the households own individual electricity connections. Nearly 45 per cent of the surveyed tenant households reported borrowing electricity from the owners, as compared to only 7 per cent of owners borrowing from their neighbours. In Shreenathji Society, 70 per cent tenants reported having individual electricity connection which was the maximum, while Lohanagar reported the lowest individual connections (only 40 per cent) among tenant households. Khodiyarnagar tenants reported the highest borrowing of electricity (82 per cent households), followed by 60 per cent tenant households of Lohanagar.

In case of borrowed electricity, tenants either pay their share of electricity bill to the owner or their rent includes component of electricity bill. It was reported in Chhotunagar that fixed electricity charge was taken from the tenants by the owners for electricity. The fixed rate was Rs. 200 per month, irrespective of the actual usage.

11. Conclusion

The study has covered 7 settlements housing 3,097 households of which 502 were surveyed. The settlements were selected from wards with different characteristics. The survey is not of rental households alone but of all households from which extent of renting has been estimated.

Renting extent is about 28 per cent in these settlements. Renting is the highest in the settlements which have some level of tenure security and is high in the *suchit* society, which are notified low income settlements in the city. In fact, access to informal lands for housing purposes has made renting easier than it would have been if no informal lands were available. The owners of the rental units accept a situation of flexible payment of rent, which made the rental housing viable in the city. Flexibility shown by the owners is with respect to rental amount as well time of rent payment. Nearly two-thirds of the households did not feel insecurity in the form of threat of eviction on account of non-payment of rents.

Rental housing supply in Rajkot is mainly by the households themselves. This is also true for the informal settlements as well. The suppliers (or owners) are found to have lifestyles similar to that of their tenant, but they are marked by regular paid job or better self-employment. There are no cases found of any agreement between the owner and the tenant. The rents were as per ongoing market rates. The rental housing comes in the market through the same process as the informal ownership housing. It is very difficult to identify settlements in the city which are only rental housing.

The migrants are the main users of rental housing. The study shows that nearly half the tenants were staying in the city for less than 15 years whereas nearly half the owners were staying in the city for more than 30 years. On the whole, those who had migrated to the city in the last 15 years, 56 per cent stayed as renters. Thus, rental housing is a stepping stone for the migrants to the city and if the migrant wishes to settle down in the city with the family then he/ she moves into ownership housing. Affordable rental housing made available through public housing programme could save the new migrant from going through the route of informal rental housing to informal ownership housing and can move into formal rental housing but at affordable costs.

The tenants are largely single male migrants and hence have low sex ratio as well as small household size. It must be understood that these are not normal households. They are of single male migrants and not a family. The tenants, being recent migrants, wanting to find a foothold in the urban economy, work hard and all of them work hard, including the women, resulting in having higher WPRs as compared to the WPRs of the owner households.

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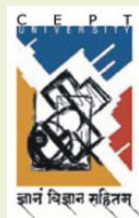
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