

## SHACK SETTLEMENTS AS ENTRY TO THE LABOUR MARKET: TOWARD TESTING UPGRADING PARADIGMS

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To bring the population of the urban shack settlements into the national labour market, Cabinet has resolved to address unemployment in the shack settlements by delivering 400 000 new formal housing units in accessible areas. What has perhaps not yet been clear as yet is that the action of the metro land market may create a risk that replacing shacks with formal housing units will exclude the people being prioritised -- in-migrant youth and the rural-born unemployed in general. This risk emerges because (1) the functionality of the central shack areas as the rural gateway to the metro labour market has not been fully identified, and (2) delivering housing more valuable and more expensive to live in than shacks may tend to draw in the working poor and middle-income groups to replace the unemployed poor, through down-market processes. Should this happen, vital functionality is undermined or destroyed, so that the affected population can again be peripheralized and may be forced to start over in other shack areas, separating them from their allocated housing asset and undercutting the intent of the intervention. HSRC's component of DST's IPDM project is working to segment South Africa's poverty population by using demographic and housing-related profiling, so as to identify social technologies able to assist with better targeting of housing policy and delivery interventions. Results from the IPDM 2968-case survey shed light on the functionality of the different shack-settlements constitutencies, which differ in the inner shacks as against the peripheral and rural shack areas, and also raise questions about the assumed win-win nature of urban shacks upgrading.

### **1 INTRODUCTION: NEW POLICY DIRECTIONS**

Cabinet has recently approved a series of resolutions on new delivery targets, using the outcome-based approach which emphasises measurable results, careful targeting, and effective monitoring and evaluation. Outcome 8 addresses sustainable human settlements, and includes as its main target the delivery of the 400 000 new formal housing units in the metro cities, with the goal of reducing or eliminating the need for shack housing by soaking up work-seeking migration flows.

The intention is to use the fairly large amount of well-located land owned by government bodies to locate the 400 000 units in places where they will enable the unemployed to penetrate the metro urban labour market. In setting these goals, government is well aware of the transport cost factor and of the notorious risks of pushing the poor out to the metro periphery, and has called for work on segmenting the poverty population so as to allow more accurate targeting.

What has perhaps not been clear as yet is that replacing shacks with formal housing may exclude the people being prioritized – in-migrant rural youth and the unemployed. If so, it will be important to confront possible pitfalls and develop risk mitigation approaches. In that identifying social technologies aimed at assisting the unemployed rural migrant population to enter the labour market is one of the main objectives of HSRC’s IPDM research for DST (Cross 2008), some of these findings, and those from HSRC’s recent study for Oxfam (Ngandu et al 2010), may shed some light on possible conflict of planning objectives around formal housing for the shacks populations. A new segmentation of the poverty population, based on the demographic dynamics of location, is a central element of this recent work. This breakdown shows that not all shack areas are alike.

### **Problematizing informal housing and poverty**

The persistence of shacks and of informality stand out as the key problem facing the planning of housing delivery, and the key focus of the Outcome 8 targets. Why is it proving so difficult to replace shack settlements with formal subsidy housing? Issues needing to be unpacked include location factors, delivery speed and cost, and access to transport; and also, under these, the reasons why poor people choose different kinds of housing and location to move into.

Who will be the occupiers of the 400 000 units? If the spatial planning process is not highly sensitive to delivery implications and to how the target population is segmented, the future occupants may well not be the unemployed poor. Instead, the people who end up benefitting may well be the working poor and urban elites.

If so, the poverty problem will not be addressed. Overcoming poverty in South Africa means helping the unemployed to find work. With national formal unemployment still running at 25.5 percent (Ngandu et al, 2010) and spiking much higher in the rural areas and among youth, the contemporary economy does not offer effective alternatives. Although the working poor are undeniably deserving of help, it is arguable that their need is significantly less than that of the deeply poor and destitute who are closed out of the wage economy entirely, and who may never be able to enter it.

Using housing against poverty may mean going further into perceiving what kinds of housing are out there now: How many poverty-related types of settlement are there, and how can the different settlement constituencies be broken down?

## **2 SEGMENTING THE POVERTY POPULATION**

The metro central city zones offer the maximum access to employment for the poor, and attract in-migration from all across South Africa’s space economy. However, the impoverished population trying to gain access to the city core is not homogeneous – instead, it contains different social fractions, which in effect, and perhaps without being fully aware of conflicting interests and actions, are competing for available space in the core city. What do we know about these demographic constituencies?

The recent analysis carried out for Department of Science and Technology's Integrated Planning, Development and Modelling (IPDM) exercise highlights the close connection between types of housing in the poverty category and the demographics of the households that occupy the housing (Cross 2008). Aimed at helping to promote community-level planning and delivery of housing and services, this demographic analysis of settlement types allows demand to be read off per community, well below the planning level reached by official statistics.

Each of these identified settlement types shows a characteristic demographic profile that determines scale and type of demand for housing and infrastructure: single mothers living in slum conditions at Diepsloot reflect different housing needs and affordability from an employed married couple with children in a well-off section of Mamelodi, and will differ again from the residents of a mining hostel or an extended family in a traditional rural settlement of thatched rondavels. These settlement types show their characteristic profile because residents of neighbourhood communities sort themselves by choice into residential areas occupied by people like themselves, depending on their access to the developed economy, their social identities and their age, education and gender characteristics. The underlying assumptions for this analysis are analogous to commercial market research demographics.

With specific average household sizes, age distributions and education levels, these demographically-defined constituencies reflect particular delivery and accommodation needs. Depending on their profiles, migrating households self-sort by locating in different kinds of shack areas, rental accommodations, formal housing types and government subsidy housing schemes, among other housing options. Consequently, demographic profiles for subsidy-band households and communities can be predicted from housing and spatial location.

Based on the project's questionnaire survey data for Gauteng, Mpumalanga and Sekhukhune (N=2968), IPDM's Phase 1a distribution of population across the largest settlement types breaks down as follows:

- **Traditional rural settlement areas:**
  - 12% – but *traditional settlement appears to be disappearing fast - families are turning to brick housing, signalling they have joined the developed economy*
- **The old townships:**
  - 27%, the largest single settlement type
- **Rural villages** with non-traditional housing :
  - 21% now – *village families are very poor but 70%+ now have decent-quality self-built dwellings*
- **Slum areas** of shack-type housing:
  - 21% only – not a lot compared to most other developing countries
- **Self-development areas** of owner-built decent-quality housing
  - 8 % – mostly RDP standard or better, growing fast in rural – *total decent owner-built housing across all settlement types = 35 %*

Depending on access to the developed economy, neighbourhood communities sort themselves in terms of their social identities as well as of household demographics. Metro, urban and peri-urban communities align with the developed economy: residents tend to be younger and better off the closer to the urban core they locate themselves. In outlying rural communities people are older and poorer.

Delivery-related indicators for some of the more important types of settlement are given in Table 1. Shares of women-headed households vary widely among settlement types, with the informal settlements recording the lowest share of female heads and the lowest household incomes.

Table 1: DELIVERY INDICATORS, SELECTED SETTLEMENT TYPES

Source: IPDM 2008, N = 2968

<b>SETTLEMENT TYPE</b>	<i>Female-head households</i>	<i>% Adult pop out of work</i>	<i>Average h/h income</i>	<i>% Quality owner-built</i>
<b>OLD TRADITIONAL</b>	52	49	R 1718	<b>87</b>
<b>P H P SUBSIDY</b>	40	45	R 2418	94
<b>RURAL VILLAGE (ALL ZONES)</b>	43	<b>53</b>	R 1779	51
<b>RURAL SELF-DEVELOPMENT</b>	37	<b>58</b>	<b>R 1341</b>	56
<b>OLD TOWNSHIPS</b>	40	44	<b>R 2852</b>	12
<b>R D P SUBSIDY</b>	42	46	R 1469	<1
<b>ALL INFORMAL SETTLEMENTS</b>	<b>33</b>	50	<b>R 1381</b>	3
<b>NEW TOWNSHIPS</b>	48	42	R 2424	0
<b>URBAN FORMAL RENTALS</b>	35	<b>39</b>	<b>R 2988</b>	2

The share of the population not working also varies significantly, as does good-quality self-build housing.

### **3 SHACKS FUNCTIONALITY IN THE CITIES?**

The key to housing process normally is location, and all the poverty settlements have specific location-determined functionality, which in turn decides the kind of demographic /economic/ social constituency they attract. For successful delivery, the right goal is to match *functionality* with *constituency*, and the informal areas split their functionality by where they are located. The closer in to the CBD, the more the shack areas function for job search primarily, over residential and other possible functions.

Accordingly, not all shacks are the same, and the different shack constituencies are inserted into the wage economy in different ways, with different delivery needs (Cross, 2008). Table 2 indicates that the dominant constituency in the few remaining central shack areas, nearest the metro CBD areas that draw migration, is that of younger unmarried male workseekers. Just under three-quarters of household heads in this sub-

sample were male, and unemployment was lowest in this category of all the shack samples.

Table 2: DELIVERY INDICATORS, COMPARING INFORMAL AREAS  
Source: IPDM 2008, N = 2968

Settlement type	% of survey area EAs, Gauteng	Average H/hold size	Women head, %	Unemp %, male head	Per capita income, male head
Informal central, shacks	4	4.2	27	39	R 470
Informal periphery, shacks	25	3.9	26	44	R 481
Informal rural, shacks	5	3.9	47	53	R 498
Rural self-developmt hsg	5	5.4	37	63	R 324
Urban formal rentals	1	2.3	35	17	<b>R 1360</b>

This population generally fits the profile for a shack settlement constituency, but was somewhat younger and better educated than the peripheries shacks population. However, this central inner shack population was very much poorer and more often unemployed than the elite formal rentals category, which was equally youthful. With migrants crowding in to the few surviving shack areas with central location advantage, household size was relatively large at 4.2. Of all settlement types identified, the central shacks represented only 4 percent of the stratified random-sample survey EAs as of 2008. In earlier studies, the equivalent percentage was higher.

Further from the urban core zone, the peripheral shack areas were less turbulent, with less residential churning, and accommodate a more residential constituency. In the outer zone, furthest from the cities, the rural shack settlements were significantly older, poorer and less educated, and tended to rely on social grants. Nearly half the heads of household in the rural shacks were women.

Migration and settlement are what the poor use for anti-poverty striving – how the excluded overcome exclusion. Different types of settlement then make up a broad grid of settlement opportunities across the urban and rural sectors, and people migrate across this grid searching for accommodation that will locate them in sustainable, livelihoods-

capable conditions. Why households have migrated to a given area tells what poor people are trying to do there: this is settlement functionality (Table 3).

Table 3: FUNCTIONALITY: ‘1<sup>st</sup> REASON FOR MOVING TO AREA’  
Source: IPDM 2008, N = 2968

<b>Settlement type</b>	<b><i>Jobs</i></b>	<b><i>Housing</i></b>	<b><i>Schools</i></b>	<b><i>Clinic/ health services</i></b>	<b><i>Water or electric</i></b>
Informal Central	<b>56%</b>	12%	15%	2%	11%
Informal Periphery	26%	<b>51%</b>	9%	7%	6%
Informal Rural	27%	28%	23%	11%	7%
Rural self-development	15%	<b>45%</b>	27%	5%	4%
Urban formal rentals	31%	30%	29%	-	-

Results underline the importance of *jobs access* as the key reason for moving to the central-zone shack areas. By comparison, *housing access* was the key reason given by respondents for migrating to the shack settlements of the metro periphery, and this was also the case for the rural self-development areas, new settlements based on relatively good-quality, modern-style owner-built housing on informal land without delivered services.

The metro shacks are not functionally part of the developed urban sector – instead, their identity is mainly rural. That is, the metro shacks represent the economically active inside window of the rural sector, and also act as the closest entry portal for rural migrants to enter the metro labour market. From the shacks, rural settlement extends back along the main migration corridors to the rural source areas. It would follow that no formal settlements can easily replicate or replace the functional value of the shack areas as the labour market interchange zone for the city and countryside economic sectors.

#### **4 GETTING ON THE LADDER**

Where formal and informal connect may turn out to be economically a couple of steps higher than many commentators have been assuming so far. The percentage of poor

South Africans in formal housing is rising, but so is the delivery backlog. Recent work from Finmark Trust (Rust 2007) shows that the formal housing market is starting to work, so that property values are rising for the African population. However, only a tiny share of transfers in poor communities actually go through the formal market, while most go through the informal market instead.

Below an implicit threshold of perhaps R 40-50 000, HSRC results suggest sales may tend to stay informal, as formality is hard to get and may provide little advantage. Bank finance is not usually needed in transactions worked out at this level between the parties, and the banks struggle to profit on small transactions that require relatively very large investments of time and paperwork (cf Hoosen & Mafukidze, 2008). If so, formalization in the housing market may never be able to reach this far down into the marginal poverty income bands.

At the same time, rising formal prices can expose poorer house owners to displacement through what is usually described as down-market raiding, where better-off buyers approach poor housing beneficiaries and offer to buy their housing units: the higher the market price in relation to poverty income levels, the greater the displacing force the market can exert on poor homeowners. While results suggest that many of these transactions may actually represent poor beneficiaries selling off formal housing that they find unaffordable to live in (see also Charlton 2010 on running costs of formal housing for the poor), the effect is to promote market churning and to separate subsidy housing beneficiaries from their government-provided assets, which then go to benefit the middle-income grouping.

Although current housing policy attempts to address the market directly and take advantage of its asset-building capabilities, it remains the case that the normal function of the free market is to transfer assets to whoever can best afford them: that is, the free market rarely works in such a way as to support the unemployed.

### **Replacement risk in the shacks constituencies?**

Formalizing shack areas may then carry a risk that the resident population of the unemployed and the insecurely employed will be replaced by the better-off and the working poor as the value of the housing asset and the investment in servicing increases. In addition to running costs, formal housing also carries powerful social lifestyle and consumption expectations (cf Spiegel 1999) which help to raise the effective cost of living in a subsidy house. Though subsidized, service delivery also carries service charges that many of the poorest shack areas are not paying now, and which this population could not sustain; these households have migrated into the cheapest kind of shack area in order to avoid such charges, while still putting themselves into contact with the urban job market.

If value-adding housing delivery were to come before these very poor but upwardly mobile households have stabilized their unreliable wage incomes, then obtaining what



they aspire to in housing and services could be risky or unsustainable for marginal households already struggling to cover basic needs.

The risk of beneficiaries households being displaced from subsidy housing is known, but not yet well studied. In respect of social housing re-development initiatives, case material cited by Kitchin & Ovens (2008a,b) shows the working poor coming in to replace worse impoverished occupants who do not have a reliable wage income stream to sustain the costs of living in a formal housing situation. In these instances, the market mechanism works against the unemployed once re-development adds value to dilapidated urban properties.

This dilemma draws attention to the need to consider sequencing of delivery. It also highlights the risks of delivering permanent formal housing to households of the unemployed or the insecurely employed before they have succeeded in securing a reliable income stream from decent-quality employment.

In this light, poor urban communities may use informality to protect their small share of urban land against the action of the market. For the work-seeking rural in-migration stream, the first rung of the housing ladder is probably not entry-level formal housing; instead, it is likely to start with informality, grounded in the shack settlements. From here, households that secure their income stream can step up into formal housing when they can reliably afford it.

### **Shack community costs**

In HSRC's recent study for Oxfam (Ngandu et al 2010), 'Swedenville' is a relatively new unserviced shack area, bordering an established Gauteng township and located about 20 km from nearest metro CBD. The area is self-governed under an ANC-affiliated street committee, which informally sells residential stands cheaply to new residents. Living conditions are hard but not squalid, and it is possible to move in for less than R 1000, stay free of charge thereafter, and walk or catch the bus or train service to work:

- Young population – mean **age of household head** = 33
- Average **wage income** = R 2100/ m
- Average **education of head** = Grade 11
- **Cost of stand** to build house = R 300-600 from committee
- Mean replacement **cost of house** = R 2600
- **Cost of rent = 0, all housing is owned**
- **Cost of service charges = 0, area is unserviced**

Expressing what seems to be a common view, one married woman who had recently secured a low-quality and exploitative job told the interview team, 'I can budget now. I am relying on my own income to make ends meet, I manage to send money to my two children.'

She added, ‘We don't intend to move, because Swedenville is a good place for people with low-income jobs.’

In this light, the constituencies in the shacks stand in the rural sector but are actively engaged with metro economy, maneuvering for advantage, working the system, and trying to get onto the housing ladder and use housing assets to climb out of poverty.

From the standpoint of planning successful delivery, the planning process should probably entertain a healthy fear of replacement turnover when it follows from upgrading – this kind of population replacement is a sign of *failure that looks like success*. As Kitchin & Ovens (2008b) point out, for the city administration the appearance of well-supported working households in an upgraded area looks like a good planning outcome; in fact, it indicates exclusion taking place again, as more impoverished job seekers are pushed out of range of the labour market. This kind of induced market churning suggests bad matching and premature intervention, and is likely to imply a widespread failure to identify settlement functionality correctly.

In this light, it becomes important to fully understand functionality before undertaking delivery. However, it is also important to confront, and somehow resolve, the basic planning disjuncture underlying shack settlements upgrading.

## **5 THE BARGAIN WITH CITY PLANNING?**

The inner shack areas of the central city zone establish themselves mainly for job search – they serve the unemployed, and particularly the insecurely employed, the households and individuals supporting themselves precariously on casualized temporary employment contracts and piecework. Neither the unemployed nor the insecurely employed are yet in position to undertake the costs and social obligations attached to formal housing. While the informal poor continue to try to penetrate the central city zone, few in these unsecured income categories may be able to remain in such settlements once upgraded.

Upgrading does replace the inner shacks with decent housing and services; however, these areas may then become unaffordable or unfunctional for the unemployed and those on precarious incomes. If the working poor then move in, both the unemployed and the insecurely employed may be excluded.

However, since 1994 the implicit bargain with the metro cities for government housing delivery has been, *Help the poor by neatening the central city for investors*. That is, the assumption has been win-win: that upgrading shack areas with permanent formal housing will:

- (1) provide the shack constituencies with an unequivocal and sustainable asset benefit which will directly help them out of poverty, and
- (2) fulfill city planning goals of presenting a prosperous and well-maintained city appearance competitive in the international market.

Behind this assumption, the thinking has been that shack areas are permanent slums, poverty traps which represent a lifelong dead end for their residents. Based on this poverty trap assumption, this planning approach specifies upgrading all shacks, with priority to the CBD areas where shack presence is seen as an investment risk. This process pushes the inflow of rural-born work-seekers out to the periphery, where transport costs can make labour market access doubtfully economic. For the less-educated unemployed and marginally employed constituencies, being able to walk to work may be a requirement for sustaining work at all (for Cape Town, cf Cross et al, 1999).

It is now well known that poorly structured upgrading processes often peripheralize the previously resident population (for instance, Huchzermeyer 2006). To the cities, disposing of informal settlement tends to be a normal housekeeping process, like sweeping the stoep. However, it may be the case that even well-conceived and well-executed in situ upgrading, or even incremental securization, risks a displacing result due to unavoidable economic constraints in respect of formal housing cost factors, and to the force of the market as de facto prices rise in response to improvements. The market allocates valuable properties to those who can pay, and 'well located' areas try to upgrade automatically into higher-priced housing. Increasing the subjective ownership stake may slow this process without stopping it.

If so, the above planning assumptions may not be fully realistic, and the urban delivery bargain may have gone wrong. Although informal settlement flowed into the metro core zones as apartheid lost its grip in the early 1990s, in spite of its vital functionality only a very small share of present metro shack housing seems to have survived 16 years of determined upgrading (Table 2).

In contrast to the working urban poor, the in-migrant rural poor – who need expensive housing and services and may never find work so as to contribute to the host economy – are the perennial constituency that the cities do not want, and have persistently tried to exclude or marginalize (cf COJ, 2002). At the same time, this highly strategic poverty constituency continues trying to establish new footholds in the metro sector in the face of determined anti-shacks policing. Government's Outcome 8 planning is now moving to support their claim to the city in the interests of combatting unemployment. The question is how to accommodate this claim, without undermining the metro economies. Any solutions will need to take into account the dynamics of shacks functionality with respect to employment and livelihoods.

### **Promoting throughflow to the escalators?**

The IPDM results from 2008 suggest a picture of the inner central shack areas as temporary accommodation, on the short to medium term, for a work-seeking population that needs to be close to the central cities to reduce transport costs to a level that (1) will allow them to afford job search, and (2) then allow living as nearly as possible within walking distance of the low-paid jobs they usually access. While full results are not in

yet, there is reason to think that once shack households succeed in securing their income stream with reliable work, they move out and up to better quality housing or otherwise return to the rural source communities. If so, then most stays in the central metro shack areas are likely to be limited to a few years or months. For most aspiring work seekers, the central shacks would then better be seen as escalator areas leading upwards – that is, as areas that assist in-migrants to mobilize higher incomes before they move on (Robson et al, 2010) – rather than as dead-end traps.

If the shacks do not function as either permanent housing options or as poverty traps, the need from a strict poverty alleviation standpoint to entertain upgrading is limited; at the same time, any upgrading, formalization or service improvement that is undertaken could in principle raise housing values and therefore start a displacement process. Should this outcome be avoided, the introduction of permanent housing into settlements whose unforced functionality is middle-term temporary housing could still act to choke off the flow of aspiring work-seekers moving into and through the heavily pressurised central shacks, and up from there into permanent better-quality housing in more stable areas.

There are not very clear prospects for introducing formal rentals as an alternative to permanent owned housing in the surviving central shack areas. The unemployed need instant dirt cheap access at point of need, preferably on a handshake basis without bureaucracy; formal housing cannot come close to matching either the access speed or the cheap pricing of informal systems that deliver a low-quality housing product to poor work-seeking households whose first priority is location advantage in the short to medium term. The very high incomes that the IPDM survey data recorded for households in formal rentals may be indicative here (Table 2, above).

## **6 TOWARD CONCLUSIONS: TO ADDRESS CONFLICTING PRIORITIES?**

To the extent that there is a genuine conflict in planning priorities between the optimal result for the cities and the best feasible result for the shacks constituents impatient for work access, it is important not to paper over these cracks. Unemployment is a huge national problem, and the inner metro shacks are the indigenous rural-designed response. In view of the imminent implementation of the Outcome 8 delivery process and the massive resources being mobilised, the real priority is to confront the need for tradeoffs, and the possibility that in a coldly realistic light there may not be a complete win-win solution.

What is clear is that neither government nor the cities can support any measures that would result in institutionalizing squalor and unhealthy conditions. But at the same time, well-meant improvements may prove to have unintended consequences to de facto housing values that are serious for the national goal of reducing unemployment, and especially for reducing the truly deadly burden of youth unemployment coming from the exhausted rural sector. Tenure recognition may give shack areas some protection, but the cities are waiting to sweep the stoep. Is it possible to tolerate and/or assist shack settlements without triggering a rise in prices, so as to maintain the shack areas functionality as the rural doorway into the labour market?

The first concern is to review the sequencing of upgrading: to consider when and where to upgrade, when to wait for precarious incomes to stabilise, and how to deal with the unintended consequences in terms of exclusion and demographic churning.

It may be safe to say that the more residential shack settlements on the metro periphery are better able to tolerate upgrading without displacement than the turbulent central shacks with their high turnover rates. However, it is essential to correctly identify the permanent housing point, when permanent housing becomes sustainable for young and poor households on insecure incomes. Premature formal housing delivery can drop young households out of the subsidy housing net, and may characteristically force them to start over again in a new shack area.

Transport delivery is one potential way to square the circle, resolving location-times-access constraints. And transport infrastructure draws settlement: to achieve greater control over where shack settlements develop, transport is the best planning lever. Where transport delivery comes in cheap, people will come and settle. To assist with these planning questions, in coordination with the IPDM settlement typology work HSRC and University of Pretoria are developing a transport access stress test for new housing developments. This social technology is aimed at allowing planners to judge whether housing planned for specific constituencies at specific locations will or will not provide adequate access to work and livelihoods, in terms of transport needs, costs and available delivery.

Two important elements to square the circle for access to the labour market may therefore be (1) to intervene to reduce the pressure on the few surviving central shack settlements, and (2) to give support to ultra-low-cost self-build housing for the unemployed. IPDM results (Table 3) suggest that the performance of the more residential metro-periphery shack areas in respect of employment lags perhaps 13 percent behind that of the central shacks, though this functionality is not as strong as a migration priority, and may not reach equally poor individuals. Based on the 2008 survey sample, the peripheries shack areas presently house five times the population of the central shacks. If these peripheral settlements are more able to withstand the destabilizing effects of formal housing delivery, then adding to the package new transport delivery, and a re-prioritisation of transport subsidies to include the unemployed, may open up significant new areas for self-build low-income housing with greatly improved labour market access. If so, more impoverished rural-born work seekers will be enabled and empowered to approach the metro labour market from settlement areas located in the peripheries shack settlements.

Much the same could apply to using some of the Outcome 8 well-located state land for ultra-low-cost access, so long as the average value of the self-build housing is not encouraged to rise past the R 600-2500 level, and local servicing is kept at a very basic level that will not push de facto housing values upward. Whether these restrictive conditions would be acceptable to planning bodies involved with Outcome 8 implementation will remain to be seen.

Options therefore may include:

- 1 **Instant ultra-cheap job market access:** delimit inner areas for *near-instant site & service*, with stands available for less than R 500 and vouchers for materials and haulage, to promote very cheap owner-built housing for work-seeking in-migrants
- 2 **Instant ultra-cheap rental market:** delimit areas to promote *instant rental options* based on ‘cottages’ – encouraging self-build clusters of rental rooms that can rent out on handshake terms
- 3 **Upgrading on the peripheries:** re-prioritize and *re-sequence upgrading* to settlements ready for permanent housing and full services, holding the inner shack settlements as escalator areas for high-turnover job search.

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