

The housing careers of black middle-class residents in a South African metropolitan area

Abstract Under apartheid, black African households could not own land or homes in most major urban centres in South Africa. This limited residential mobility and locked many households into state rental accommodation in townships. Homeownership for all South Africans was restored in the mid-1980s and the Group Areas Act was repealed in 1991. Democracy opened up economic opportunities previously unavailable to black people. This paper investigates the effect on black middle-class South African households' residential mobility and housing careers. A retrospective cross-sectional survey of 244 such homeowners in the Mangaung Metropolitan Municipality determined their last five housing states. Changes in housing state indicated a steady improvement in housing quality, but tenure changes were not necessarily unidirectional – some had reverted to rental. More than 85% of the study participants had used mortgages to finance their housing career. Very few had financed their housing using own savings, an inheritance, or sale of a previous house, and not many had used the government subsidy. We found that housing careers are bridging the historical spatial racial divide in this municipality.

Keywords Black middle class □ Housing careers □ Housing quality □ Housing states □ South Africa

1 Introduction

Residential mobility and “housing careers” have been well researched in the Global North but to date have received little attention in the South, including South Africa. This is an unfortunate omission, as South Africa offers unique case study opportunities, given the role that apartheid legislation played in determining – solely on the basis of race – the housing options and consequently the housing careers of black African households (along with varying effects on other classified race groups).¹ The Group Areas Act of 1950 allocated urban residential zones according to race and determined the location of new settlements under the mass housing programme of the 1950s and 1960s. Along with other apartheid legislation, it was instrumental in locking households into urban “townships” designated for “non-whites”. Homeownership was denied to black people (Parnell 1991), forcing generations of households to become renters, unsure of their permanency in urban South Africa (Hendler 1991) and in many cases displaced from the core urban areas (Platzky and Walker 1985). Between 1948 and 1985, most black households’ urban housing careers were limited to renting state houses in outlying urban spaces. Those unable to access state houses lived (illegally) in backyard dwellings and, increasingly from the 1970s, in informal settlements. Most of the apartheid policies and programmes governing urban housing were repealed by the mid-1990s. A new black middle class emerged. Homeownership became available in 1986 (Marais and Cloete 2015) and new economic opportunities after 1994.²

Since the demise of apartheid, researchers have been investigating the nature of the new black middle class (Southall, 2016), the factors that influence middle-class households’ decisions to leave former black-designated suburbs (Donaldson et al. 2013), the importance of homeownership among the black middle class (Krige 2015; Southall, 2016), and issues pertaining to the housing market in former black townships (Shisaka Development Management Services 2004). However, the concept of “housing careers” has not been used in research on housing matters in South Africa. Much of the housing research in this country has

¹ The Population Registration Act of 1950 classified South Africans in terms of race (native – today referred to as black, coloured, and white; people of Indian descent were later added as a separate group). The Group Areas Act made provision for suburbs based on this racial classification (Lemon 1991). Both Acts were repealed in 1991. We recognize that more than two decades into democracy a substantial portion of households cannot be defined by these historical racial categories. We use the term “black” in this paper as used in the historical context.

² We acknowledge the difficulty of defining “middle class”. Democratic freedom in South Africa has brought economic and social freedom to black households, giving rise to a growing black middle class. We acknowledge that a definition of “middle class” should go beyond income to include access to good education and housing. Nevertheless, for convenience we use “middle-class” and “middle-income” synonymously in this paper.

focused on housing access for low-income households. Only a few researchers have investigated market-driven middle-class housing (Shisaka Development Management Services 2004; Tomlinson 2007; Marais and Cloete 2015, 2017; Lemanski 2017).

This paper describes an exploratory study of the housing careers of middle-class black homeowners in eight areas of Mangaung Metropolitan Municipality, South Africa.³ Our survey was confined to urban spaces occupied mainly by black households and focused mainly on lower middle-class households' access to ownership of "gap housing", a term commonly used to describe housing for those whose income is too high to qualify for state assistance but too low to secure private sector finance (Hoekstra and Marais 2016; Lemanski 2017)⁴. Households who had moved into former white suburbs or into the previous coloured suburb (Heidedal), thus contributing to desegregation, were not included in our study as these seldom fall into the gap housing group (see section below on study methods). Given the exploratory nature of this study and the limited sample size, we refrain from using statistical methods.

In using the concept of "housing career" in our study we do not intend a value judgement. We do not imply that there is a predetermined, externally defined, ideal model (for example an incremental progression from rental to ownership), but rather view careers from the perspective of the residents in our study area. Often the South African policy assumes such a universal model – one in which ownership is often seen as the ultimate form of progress (Royston, 2007).

2 The housing careers literature

2.1 The international literature

The concept of a "housing career", first formalized by Kendig (1984, 1990), is important in the literature on residential mobility. The term refers to a sequence of housing states, defined according to the types of dwellings that households occupy in parallel with their career in family status and the job market (Clark et al. 2003). A household's life course, economic position and strategies are important determinants of its housing career (Rossi 1955). Life stages such as family formation (cohabitation or marriage), and household expansion (birth of children), contraction (children moving out) and dissolution (divorce or death of a spouse)

³ Mangaung is the metropolitan municipality governing Bloemfontein and surrounding towns in the Free State province of South Africa.

⁴ Gap housing is typically defined as household earning between R3500 and R15 000 per month. But, this definition is problematic. In reality, household incomes for gap housing extend far beyond the R15 000 threshold.

change a household's size and composition. When a household expands, it may need a bigger house closer to schools and leisure facilities. The transition to a new stage may bring dissatisfaction with the dwelling or area, reaching a threshold that makes a household decide to move. Residential mobility may also have economic causes, such as the need or desire for a better job elsewhere, or the expectation of financial gain in buying a house at the right time and place (Hamnett 1999).

But not all moves (or non-moves) can be explained from a life-course or economic perspective. A household might move for reasons of culture or social status. Or it might remain in an unsuitable dwelling or area simply from sentimental attachment (Seek, 1983, as cited by Winstanley et al. 2002). The traditional housing career literature (Kendig, 1984) pays little attention to reasons like these.

Households' housing careers are strongly influenced by government policy and the housing market, which determine the choices open to them. Choices may be constrained by restrictive housing policies that limit access to some parts of the housing market for specific households (Abramson 2012), or by pricing, tenure structure and available stock (Beer and Faulkner 2011). It has been shown that households move more in demographically and economically growing housing market regions with a relatively high level of new construction than in those with a more stable population and less new construction (Dieleman, et al. 2002; Van der Heijden et al. 2011). The relationship between incomes, the availability of finance and the affordability of new housing has been shown to influence the extent to which people are able to move in and out of formal housing stock (Rust 2004).

Housing careers tend to ascend a ladder of quality, price and tenure types. A typical first step is the move from the parental home to a cheap rented dwelling, sometimes shared with others. The next is to a bigger home and from renting to ownership. The step to acquiring one's own home usually goes hand in hand with a rising income and a larger household size as a result of the birth of children. The professional career, the family career and the housing career are often strongly related. But not all housing careers are progressive. Abramson (2012) speaks of "progressing", "descending" and "stagnating" housing careers, in other words, up or down the ladder, or stuck on one step.

The housing career approach has been criticized for paying too little attention to the complexity and diversity of today's post-industrial societies, and for its subjective perceptions (for example

of the meaning of “home”) and for assuming that households’ decisions will be rational (Beer and Faulkner, 2011). The “housing pathway” approach is partly a reaction to these criticisms (Clapham 2002, 2005; Mackie 2012; Clapham et al. 2014; Hochstenbach and Boterman 2015). A household’s “housing pathway” is defined as the “continually changing sets of relationships and interactions, which it experiences over time in its consumption of housing” (Clapham 2002, p. 64). The pathway approach contains the same elements as the housing career approach, but in addition seeks to capture the social meanings and relationships associated with housing. It is grounded in social constructivism and post-modernism and tends to use data from in-depth qualitative research. This can make the research costly to carry out and the findings difficult to generalize.

2.2 The South African context

The housing careers of black South Africans are unusual in having been influenced not only by economic and demographic factors but also by the apartheid system. They could thus differ considerably from the unidirectional models of progression described in the international literature. To date these differences have not been much explored as there is a dearth of housing-career studies in South Africa. This section describes the history of housing the black middle class in South Africa, referring to some sources that provide useful background for future studies.

Under apartheid, urban housing provision for black African households was characterized by exclusion and forced removal to peripheral locations. Land ownership by African people was largely confined to reserves, in accordance with the Natives Land Act of 1913. The Group Areas Act (1950) located low cost housing in peripheral townships (Christopher 1994). Ownership of urban land by black people before 1948 was discontinued under apartheid and most black (and also Indian and coloured) households were dispossessed. In some cases this coincided with the forced removal of people. The denial of homeownership was based on the apartheid principle that black people did not have a right to own property in the so-called “white South Africa” (Mabin 1991). Apartheid planning allowed black people legal ownership of property only in the “homelands”. Viewing black people as only temporary urban citizens, the government provided 500,000 state-owned rental houses in townships in the 1950s and 1960s (Mabin and Parnell 1983).

The Soweto riots of 1976 strengthened resistance to the apartheid regime and by the mid-1980s pressure against government policies was mounting. The apartheid government introduced three changes to the housing policies: a scheme to sell off state-owned houses (referred to as the “Big Sale”), the reintroduction of homeownership for black urban households, and the abolition of influx control.⁵ The Big Sale (1983) gave people who were renting state houses an opportunity to buy them at market-related prices. As initial uptake was slow, the Big Sale was replaced by the Discount Benefit Scheme in 1992, which transferred houses to the residents at little or no cost. Today, most of the historical township stock has been privatized by means of the Scheme, although there is still a backlog. In Gauteng, for example, in late 2016 there was a backlog of 3880 (Times Live 2016).

In 1985 influx control was replaced by a policy of “orderly urbanization” (Harrison 1992), which in practice meant that stands were made available for middle-income housing, their availability being further supported by the reintroduction of homeownership. In turn, the availability of stands and homeownership led banks to provide mortgage loans to people living in townships (Tomlinson 2007). Homeownership therefore became possible even with the Group Areas Act still intact. Yet in the late 1980s and early 1990s the growth in this sub-market was constrained by an orchestrated attempt not to repay mortgages, poor economic conditions and a volatile political environment (Tomlinson 2007).

The relationship between banks and government has been volatile over the past two decades. However, the number of mortgage loans has increased substantially since the mid-1990s (Marais and Cloete 2017). It is currently estimated that 1.8 million mortgage loans have been made to households in South Africa, considerably more than the estimated 500,000 in the mid-1990s (Marais and Cloete 2015). The repeal of the Group Areas Act in 1991 also meant that a much wider range of housing options became available to black households. It also led to the establishment of a new and growing black middle class, a group to which Southall (2016, p. Xiv) refers as “one of the most visible aspects of post-apartheid society”. Often, researchers and the media refer to this black middle class as black diamonds (Donaldson et al., 2013; Southall, 2016). Crankshaw (2012) also notes the importance of desegregation and homeownership linked to the upward occupational mobility of black people in Cape Town.

⁵ Influx control legislation aimed to reverse black urbanization. It required blacks to carry a pass book indicating permission to be in a particular place in “white South Africa”. The restoration of black homeownership resulted from the Abolition of Influx Control Act 68 of 1986 and the Abolition of Racially Based Land Measures Act of 1991).

Although the term *black middle class* is a diverse concept, homeownership has become an important aspect within the definition. A large portion of black middle-class households has, however, since chosen to remain in former black townships, while mortgaged housing has also been developed in or adjacent to many of these townships (Donaldson et al. 2013). Affordability is not the only factor: social and cultural factors have also contributed to this reluctance to cross over into previously white-designated suburbs (Donaldson et al. 2013). Research has noted the role of homeownership in creating a black middle class (Parnell 1991; Crankshaw et al. 2000). In this connection Krige (2015, p. 114) cites a typical Sowetan for whom homeownership was “a decisive threshold ... in the process of ‘growing up’ and ‘moving up’; climbing a class ladder that is intimately linked to his social status in Sowetan society”.

More than 20 years into the democratic dispensation, a wide range of housing options is available to the black middle class. Black households can own or rent, and move in or out of former black or white suburbs as they see fit and as determined by affordability. But very little is known about these movements, current levels of mobility and how decisions are being made. This paper makes a start on filling this knowledge gap.

3 Study area

Our eight case study areas are in the Mangaung Metropolitan Municipality.⁶ They are located in or around the old Mangaung township,⁷ a former black group area of Bloemfontein,⁸ and remain peripheral to the Bloemfontein CBD (see Figure 1 and Table 1). We surveyed eight specific areas. Bloemanda Phase 1, located in the former black suburb of Mangaung, represented the first wave of black homeownership (1985–1989). Bloemanda Phase 2 is adjacent to Phase 1 and it has provided homeownership housing since 1990. Grassland, located adjacent to the historical black township, was developed in the early 1990s as a middle-income area. Informal land invasions have been responsible for occupying some of the land in the area. Lourier Park, though originally developed as a lower-income white suburb was desegregated rapidly after the government lifted the Group Areas Act in 1991. Pine Haven, Mandela View and Raceway Park are all private sector developments towards the east of the city that have

⁶ Mangaung Metropolitan Municipality includes the urban areas of Bloemfontein, Botshabelo and Thaba Nchu.

⁷ The old Mangaung township was the former black suburb of Bloemfontein as proclaimed by the Group Areas Act.

⁸ The name “Bloemfontein” refers to both the former white and black suburbs of the city. Where relevant we refer to the former white suburbs of Bloemfontein, meaning those reserved for whites under apartheid.

catered for the lower-middle-class housing market since 2000. Vista Park is a private infill development that has developed since 2010.

>> INSERT TABLE 1<<

The economic linkages in the Mangaung Metropolitan Municipality's economy are largely regional rather than international (Marais et al. 2014). The fact that Bloemfontein has been the provincial capital of the Free State (before, during and after the apartheid era) and the seat of South Africa's Supreme Court of Appeal for more than 100 years has led to public sector domination of the city's economy. For detailed discussion of apartheid planning in the Mangaung Metropolitan Municipal Area, see Krige (1991), Marais (2008), Marais et al. (2014) and Marais et al. (2016).

From the early 1950s the Group Areas Act imposed a rigid planning regime, ensuring segregation. The former black township of Mangaung was divided into ethnic zones and, as elsewhere in the country, consisted mostly of state rental housing. Approximately 6000 units had been constructed by the mid-1960s. In 1968 the apartheid government froze all further land expansion in the old Mangaung township. The urbanization process was then redirected to Thaba Nchu, 65 km east of Bloemfontein, and after 1979 to Botshabelo, 55 km east of Bloemfontein. Middle-class black households were housed either in Seloshesha (the black township of Thaba Nchu) or in the H-Section of Botshabelo. Krige (1991) aptly describes H-section as a middle-class suburb being used as a "curtain" behind which the apartheid government hid the poverty of low-income household in Botshabelo. The residents of Botshabelo and Thaba Nchu who worked in Bloemfontein had to commute daily.

From 1985 onwards, when property ownership was permitted and banking finance became more accessible, stands were made available to middle-income households in the old Mangaung township. Most of the new houses were constructed in Bloemanda (see Figure 1). This was the first expansion of the old Mangaung township since 1968. The land expansions of the mid-1980s were focused on middle-income groups and the policy of orderly urbanization prevented land development for low-income households. In the early 1990s this led to land invasions (Marais and Ntema 2013).

<< INSERT FIGURE 1 <<

4 Methods

Housing careers are usually charted using large-scale quantitative databases, either longitudinal (containing panel data from the same households followed over a long period) or retrospective (containing data on households' past housing states). To investigate the housing careers of black middle-class homeowners in the case study areas of Mangaung Metropolitan Municipality, in the absence of large longitudinal household databases we used a retrospective approach. We conducted a cross-sectional survey of 244 middle-income households who owned their houses in eight suburbs in and around the old Mangaung township (see Figure 1 and Table 1). Ownership of a house obtained in the market was the main criterion for inclusion. We deliberately excluded black households who had moved into the former white areas of Mangaung Metropolitan Municipality as their income was too high to fit our definition of gap housing. We used a systematic sampling frame to identify suburbs located in or near the old Mangaung township, occupied mainly by middle-income households, mainly black, who were likely to own rather than rent their properties and to have used mortgages to finance them. We justify our focus on homeowners in terms of the following three reasons: (1) the historical exclusion of black people from owning land and housing outside of the 'homeland' areas; (2) the importance of the notion of homeownership among the black middle class; and (3) the fact that the majority of the population in these eight settlements would be owners.

We identified eight suburbs with a high percentage of black middle-class homeowners. In each of these suburbs we drew random samples of respondents. Initially we expected to complete 350 questionnaires but this proved difficult owing to a high refusal rate (nearly 18%), people not being at home, and suspicion of the fieldworkers. Much of this suspicion was security related, arising from wariness of providing personal information or fear of falling victim to a robbery. Table 1 shows the suburbs, their history and the number of questionnaires completed in each. Our survey targeted the eight suburbs evenly and the sampling method had no restriction in terms of race. The data in Table 1 show that less than 2% of the population in these eight suburbs was white, according to the 2011 census data. The questionnaires were supported by a structured interview schedule and were completed during the second half of 2015. As already mentioned, our 244 respondents all owned their houses. Our definition of black middle class as used in this paper, denote people who have become homeowners, own houses with an average price at large sale of R453,559 (2015 values) with 25% of household earning R7,500 or less, 50% earning R15,000 or less and 75% earning R24,000 or less. We use

this broad framework to inform our working definition, but we acknowledge its inherent limitations (for example, renters can also be middle-class people). As already noted, we also excluded homeowners who had moved to (formerly) white suburbs.

We interviewed an adult who was acquainted with the household finances of the specific household. Consequently, 60.9% of our respondents were female and 39.1% male. Just below 69% of the respondents were married or cohabiting. All households had at least one person with formal employment and 68.8% of these were employed in the public sector. The average monthly household income was R18,057 (the median was R15,000), which is higher than the official cut-off point of R15,000 for gap housing.

We distinguish between housing *states* and housing *careers*, the state being an individual's or household's housing situation at a particular period and the career the succession of states. Housing State 0 is the current housing state and States -1 to -4 are the states before that. Most of the respondents (237) only had two housing states (state 0 and state -1). There were 117 respondents who had experienced three housing states (until state -2), 35 respondents with four housing states (until state -3) and ten respondents with five housing states (until state -4, see also table 3). Five was the maximum number of housing states that could be registered in our survey. We did not count respondents' states before the age of 21.

Our respondents were all middle-class black households with current ownership (housing state 0). Just over 60% were female. Nearly 54% had bought their houses from 2008 onwards – a period associated with lower interest rates in South Africa. We analysed their housing states and careers from the following perspectives: duration of housing states, demographic changes, household income, housing quality changes, tenure changes, how careers were financed, how government policy affected careers, and finally how careers were affected by the apartheid spatial history of urban areas. The housing states before the current housing state (states -1 to -4) not only include people who are living independently but also people who are in a dependent living situation (that is, living rent free with parents, relatives or friends). This resonates the fact that housing careers always start from a dependent living situation.

5 Findings

5.1 Duration of housing states

The average duration of housing states did not vary much, from 10.4 years for State 0 to 7.1 years for State -4. These averages are considerably lower than the average of 11 years per state found by a 2004 study of private household developments in Gauteng townships (Shisaka Development Management Services 2004). In our research, housing state 0, the current housing state, had been the longest, lasting on average 10.4 years (see Figure 2). If we omit Bloemanda, where the average duration of state 0 was more than 21 years, this average drops to 7.4 years.

Mobility in South Africa is hampered by the low supply at the bottom end of the market (Shisaka Development Management Services 2004) and older households' disinclination to trade down. As community-based care of the aged has long been the norm in black communities, the older members of the household tend to keep their houses, staying there with their children who care for them. Apt (2002) describes how traditional customs in black communities affect housing careers.

<< INSERT FIGURE 2 <<

5.2 Demographic changes

We found that older age, better education, marriage or cohabitation and increase in household size all tended to promote homeownership (see Table 2). The average age of our respondents at State 0, at the time of the survey, was 44.5 years, which means that their average age at the start of State 0 was just over 34 years. Nearly 50% of our sample had a post-school qualification. The percentage either married or cohabiting increased consistently across the five housing states, from 30% in State -4 to nearly 70% in State 0. The average household size also increased over the five housing states – from an average of 2.3 members in State -4 to 3.7 in State 0.

<< INSERT TABLE 2 <<

5.3 The role of household income

In 2015 our sample's average monthly income was R18,057.⁹ Using 2015 values, we found an apparent increase across the five housing states, the average in State -4 having been only R12,556 (see Table 2) The average household income in 2015 of households in our sample who had bought a house during/after 2010 was R26,245, substantially more than the average of R18,057. By contrast, the average income of the sample from the two older suburbs (Bloemanda Phases 1 and 2), which included pensioners who represented the first phase of black middle-class homeownership in the mid-1980s, was just under R6000 a month in 2015.

This consistent increase in household income over the housing states in our sample shows that increased household income and affordability are key drivers of homeownership. More than two-thirds of our respondents were employed in the public sector and only 20.6% in the private sector, confirming that Mangaung Metropolitan Municipality depends heavily on people employed in government services (Marais et al. 2014).

5.4 Housing careers and changes in housing quality

For many households in our sample, moving between housing states had meant moving to a better house. Our survey revealed considerable upward mobility. The percentage of respondents living in informal settlements declined (from 4% in State -2 to 3% in State -1 to 0% in State 0) and the average number of rooms per house increased (from 2.3 in State -4 to 4.1 in State 0). Houses in State -4 had on average 1 room per person in the household, but in State 0 this had risen to 1.3 rooms per person. More than 12% of the respondents said that finding a bigger place had been central to their decision to move from State -1 to State 0 and from State -2 to State -1 (see Table 4). The quality of housing had improved substantially over the five housing states: in State 0 the houses were bigger, more formal and had more rooms per person than in any of the previous states.

⁹ The exchange rate on 31 August 2015 was 13.27 ZAR to 1 USD.

5.5 Housing careers and tenure changes

Our research design was directed at upward mobility through ownership (we only interviewed people who owned their house in State 0). However, not all the careers in our sample displayed a unidirectional trend towards ownership. Table 3 shows the tenure distribution across the housing states before State 0 (in which all households in our sample had ultimately become homeowners). The high percentages of respondents who had lived rent-free with their parents during States -1 (26.6%), -2 (29.9%), -3 (25.7%) and -4 (40%) show that many lived dependently in the earlier stages of their housing career. In each of the four housing states before State 0, between 50 and 60% had rented a house from a landlord.

Only 12.7% of the respondents in State -1 (and even lower percentages in States -2, -3, -4) said they had previously owned a house (with a title deed). A further 2.5% (State 0) said they had owned a house, but without a title deed (see table 3).

Although most of the moves between housing states had been from rental to ownership, we also noted variations. For example, six respondents (3% of the sample) who were renting in State 0 had owned a house in State -2. And two of the 30 respondents who owned a house in State --1 had rented in State -2 but owned a house in State -3. These exceptions show that housing careers are not always unidirectional and remind us not to overlook those that deviate from the norm.

A small number of respondents noted problems with the landlord as a reason for moving between housing states (see Table 4). In some cases “the need to own a place” was used as an excuse to avoid having to deal with a landlord (see Table 4).

>> INSERT TABLES 3 AND 4 >>

5.6 Financing housing careers

A mortgage loan had been used by 83.6% of the respondents to finance their current residence (see Table 5). This is substantially above the average of between 30 and 35% for South Africa (BusinessTech 2015). The average size of the sample’s mortgage loans at the point of our survey – expressed in 2015 values – was approximately R430,000. This was about R60,000 less than the average size of the mortgage at the start of State 0, showing that on average

R60,000 per mortgage had been repaid. This is also a substantially higher average loan than the nearly R300,000 for State -1 or R220,000 for State -3 (all amounts being in 2015 values, with no amount having been available for State -2). Most of our sample had rented in their previous housing states, so there were fewer mortgage loans in the earlier housing states (4.6% in State -1, 0.9% in State -2, 5.7% in State -3 and 0% in State -4). Other finance mechanisms in State 0 were other loans (unsecured) (3%) or own savings (4%).

It was interesting to find that only 30% of those who had owned a house in State -1 had used mortgage finance. Own savings (30%) and another unsecured bank loan (27%) were fairly common financing mechanisms during State -1 but less so in State 0. This might be because respondents saved to buy their first house, and also because house prices were relatively low and the houses were smaller at the time that the respondents invested in State -1.

Only 2.9% of the respondents had inherited the house they owned in State 0. The respective figure for state -1 to -4 are 2.6%, 1.7%, 0% and 8.7% (see Table 5). Most of the sample had not inherited a house but were first generation homeowners with mortgages.

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5.7 Government policy and housing careers

The post-apartheid government has made available nearly three million houses for homeownership at the lower end of the market and its Finance Linked Individual Subsidy Programme (FLISP) provides a capital subsidy to assist households in the “gap housing” group described earlier. We assessed the contribution of these two policy instruments in the housing careers of our sample by asking respondents whether a specific house in any of their States had been a government subsidized housing unit or a unit financed via FLISP. Although the FLISP has been heavily criticized (see for example FFC 2013), we found that nearly 7% of our respondents had used it.

Our study took particular note of respondents who had lived in government-subsidized housing (known as RDP housing)¹⁰ and in former state housing. Between States -1 and 0, only two respondents had owned their RDP house and only one had sold it before buying the current house (the other one still owns it). The pattern was similar for former state housing that had been privatized: of the four respondents who had owned such houses, two had sold them and two still owned them. It was clear that for our sample neither the mass production of government-subsidized houses nor the privatization of half a million state-owned houses had contributed much to their housing careers. But the restriction on selling government-subsidized houses within the first eight years of ownership may have inhibited the current market and it will possibly only be the next generation of owners who will sell these houses. Creating a property market was not the original policy goal of government subsidy houses, but by 2013 this had been explicitly noted in the Department of Human Settlements' "programme theory" document as an important consideration (Department of Human Settlements 2013).

5.8 Housing careers and the apartheid spatial history of urban areas

Our study provided some evidence of how housing states have crossed the historical divide between black and white suburbs, and of locational changes in black housing in the old Mangaung township and the larger Mangaung Metropolitan Municipality (for example movement between Botshabelo and Bloemfontein).

In all, we counted 401 housing states. Figure 3 shows their locations and housing types. About 75% were in former black townships, if we take "black township" to mean areas where houses have been defined as old township stock,¹¹ old state housing,¹² middle-income houses in former black townships,¹³ informal settlement housing¹⁴ and RDP housing.¹⁵

The 15% housing states that were located in former white suburbs mostly concerned inner-city flats that had been desegregated rapidly after the early 1990s (Jurgens et al. 2003).

¹⁰ The Reconstruction and Development Programme (RDP) was a socio-economic policy implemented by the African National Congress (ANC) government of Nelson Mandela in 1994.

¹¹ Usually housing constructed before 1950.

¹² Houses constructed by the apartheid state between 1950 and 1970.

¹³ Houses constructed since the reintroduction of homeownership in 1985 and usually by means of mortgage finance.

¹⁴ Houses on unproclaimed land and usually made of corrugated iron.

¹⁵ Houses delivered under the State Subsidy Programme for low-income households since the early 1990s (excluding FLISP houses).

<< INSERT FIGURE 3 <<

Affordability is an important consideration when buying a house, but the low levels of movement across the historical racial divide in our sample suggest that more than just financial considerations were involved. Nine respondents who had lived in former white suburbs in State -1 had relocated to their current home. We asked them why they had made the move. Three said they had not liked the “white suburbs”, but most gave reasons similar to those of respondents who had not lived in former white suburbs (see Table 4 for some of these reasons). Of the nine, only two had owned their State -1 houses.

We considered what our survey could tell us about the role of middle-income housing in the larger space economy of the Mangaung Metropolitan Municipality. Between 1968 and 1990, urbanization of black people was channelled away from Bloemfontein. We looked at the extent to which the erstwhile residents of the far-flung townships of Botshabelo and Thaba Nchu had been able to integrate into Bloemfontein, in the process described as “spatial infilling”. Just over 9% of the respondents in State 0 had moved from Botshabelo or Thaba Nchu, 6.9% in State -1, 1.2% in State -2 and 0.4% in State -3. This is lower than the percentage found by Marais and Ntema (2013) for low-income suburbs (mostly upgraded informal settlements) where between 20 and 25% of people originate from Botshabelo or Thaba Nchu. This spatial infilling is bad for the origin districts: Botshabelo and Thaba Nchu now suffer from low population growth and economic deterioration (Marais et al. 2016).

6 Conclusion

Housing career studies have become prominent globally as longitudinal surveys have begun to provide data spanning decades. To our knowledge, our exploratory study is the first attempt at a housing career study in South Africa. It has some shortcomings, particularly the fact that, contrary to our initial expectations when designing the study, very few respondents had had four or five housing states. Since we could not find large-scale longitudinal household data that we could use in South Africa, we settled for a retrospective methodology. We focused specifically on the housing careers of black middle-class residents who owned the house in which they were living in Mangaung Metropolitan Municipality, South Africa, at the time of our survey. This focus was important because in urban areas under apartheid rule black African people could not own properties but could only rent, and only in designated areas. Their

housing career development now that these constraints have disappeared is an important research topic.

Our research supports much of the existing housing career literature. We found, for example, that income, affordability and the household's life cycle, including for example marriage and family size increase, are crucial factors. Our finding that 26.6% of respondents had lived rent-free with their parents in State -1 (i.e. before buying their current house) matches international life-cycle patterns. We found that housing careers were not necessarily unidirectional (moving steadily towards ownership) but could move from ownership to rental, as had happened in a small percentage of our sample. We found that for the older households in the sample the house might play an important social role and was often seen as an asset that the children would inherit. A large percentage of our sample had financed their housing by means of mortgage bonds, but very few by means of inheritance, gifts or selling a previous house to pay for a new one. In other words, very few households currently living in these neighbourhoods were able to trade up using the value of the assets accumulated in previous housing states. In the main, this was a direct result of the previous generation not having had access to homeownership, which effectively curtailed intergenerational transfers. Another important reason, we believe, is that our sample largely comprised first-generation homeowners. We also found that the government policies that have led to mass housing supply only had a limited influence on the housing states of the households in our sample.

Our data revealed little mobility once ownership had been achieved. Three possible reasons for this are supply-side problems, households being locked into specific locations once they owned a property, and the social tradition of remaining in the same house in old age. The peripheral locations of the surveyed neighbourhoods show that price is an important factor in locking people into specific locations. The aspiration to find an own place and the desire to have a bigger dwelling was a reason given by more than 50% of our respondents for moving from their previous to their current state (State -1 to State 0). This confirms the importance of ownership for the new black middle class's sense of identity. Obtaining ownership was also cited by several as a way of ridding oneself of a landlord. In many cases, the relationship between renter and landlord goes unregulated in South Africa. Existing research in this country shows that relationships of this kind are largely cordial (for example Shisaka Development and Management Services 2006), but our study revealed a fair percentage of moves being made to escape conflict with landlords.

In spatial terms, the movement between former black townships and white suburbs was small and only 15% of the housing states were in the former white suburbs of the Mangaung Metropolitan Municipality. At the same time, the role played in the spatial infilling of Mangaung Metropolitan Municipality by the houses newly owned by households relocating from either Botshabelo or Thaba Nchu should not be underestimated.

We took into consideration the structure of Mangaung Metropolitan Municipality's economy. About 40% of this municipality's residents are employed in government services (Marais et al. 2014). Nearly 70% of our sample comprised households employed by government. This shows that the middle-income home ownership depends heavily on public officials, people with relatively stable and secure jobs. However, the current financial pressures on government make it unlikely that there will be large-scale growth in the public sector in Mangaung municipality.

At the policy level, our research reveals that nearly 7% of our respondents secured support from FLISP. While this percentage was higher than we had expected, the average monthly income of our respondents (in excess of R18,000) also happens to be more than the top income level of R15,000 required to qualify for the subsidy.

We emphasize that this was an exploratory study that covered only a very small percentage of households in a very specific population. More research is decidedly called for. Comparisons with black first-time homeowners in the former white suburbs are sure to prove interesting. There is also room for more qualitative research and for linking up with more recent methodological and conceptual developments, for example by investigating housing pathways.

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Fig. 1 Location of case study areas in the Mangaung Metropolitan Municipality

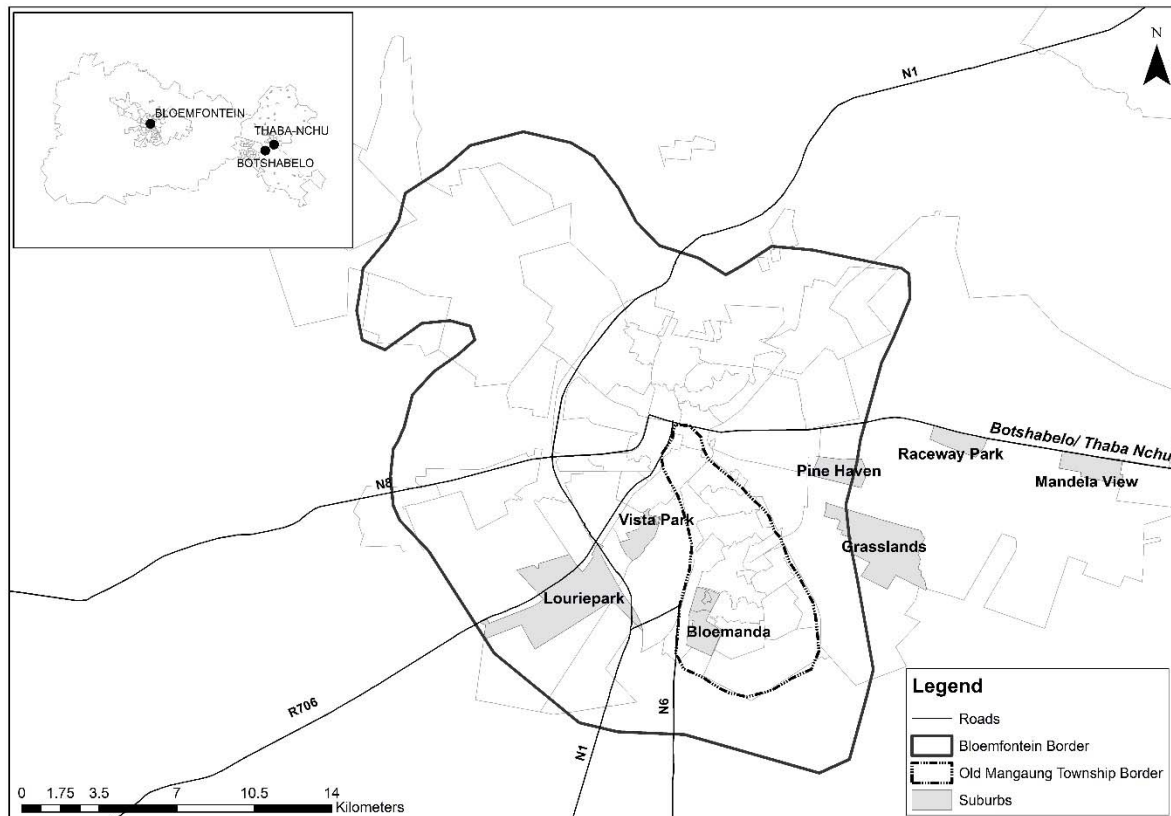


Fig. 2 Average duration of housing states (in years)

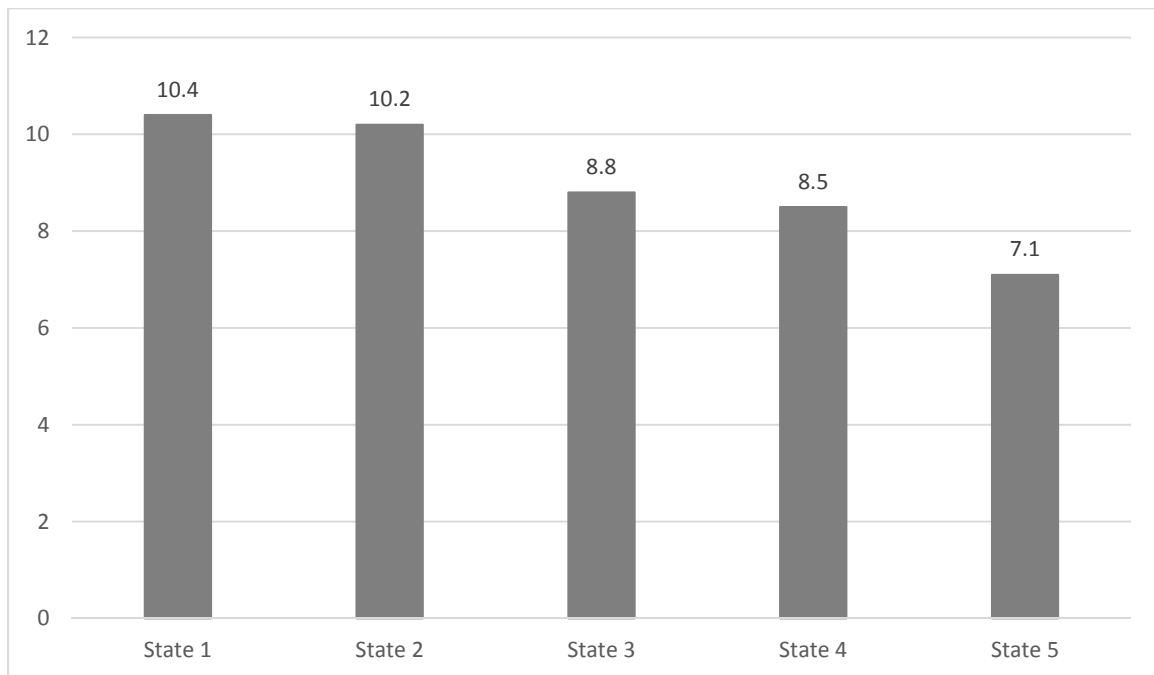


Fig. 3 Distribution of housing states (%)

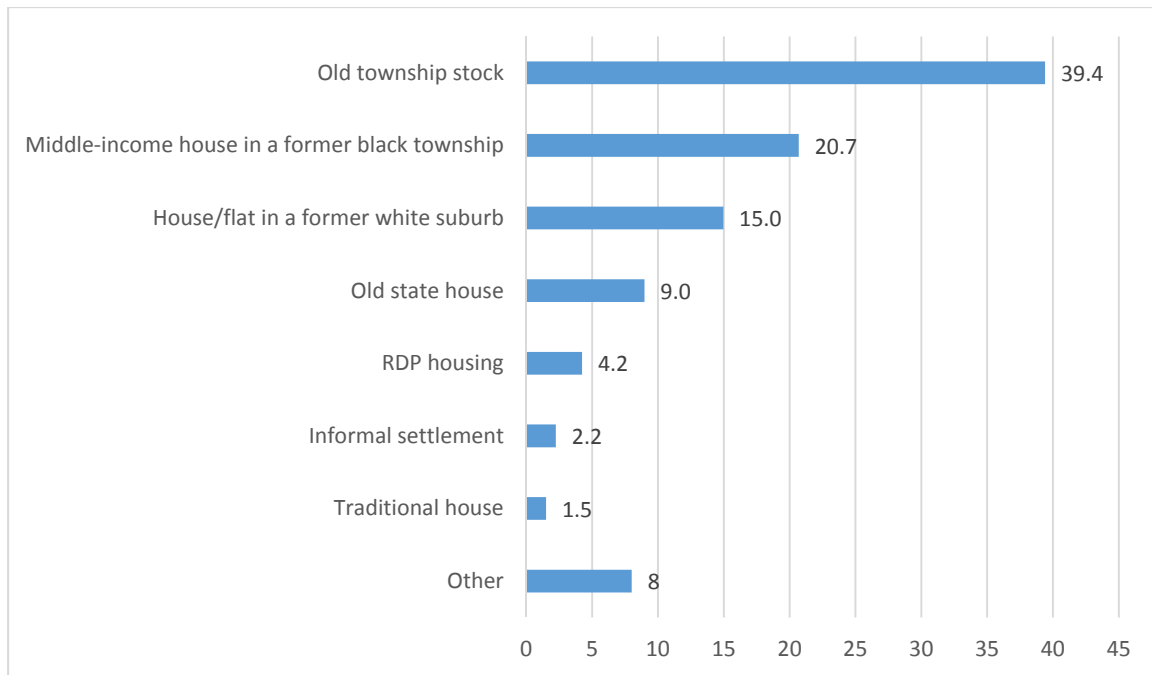


Table 1 Overview of suburbs and sample sizes

Suburb	Description	In the historically black township	Estimated no. of houses	Questionnaires completed		% of pop. white (2011 census)
				n	%	
Bloemanda Phase 1	Developed after 1985 when black homeownership and private sector housing finance became available in former black townships	Yes	5,594	40	16.4	0.3
Bloemanda Phase 2	Second-phase development of Bloemanda in early 1990s	Yes		28	11.5	0.1
Grasslands	Developed in early 1990s as middle-income suburb but since then invaded by informal settlers. Located next to historically black township	No	10,399	46	18.9	0.1
Lourier Park	Originally developed for lower-income white residents in late 1980s. One of the first white suburbs to be desegregated	No	876	38	15.6	0.7
Mandela View	Developed in early 2000s on land originally earmarked for industrial park half way between Botshabelo and Bloemfontein	No	281	24	9.8	1.7
Pine Haven	Developed in past five years	No	500	25	10.2	Unable to determine
Raceway Park	Developed after 2010 on site of former horse-racing track in Bloemfontein	No	250	22	9.0	Unable to determine
Vista Park	Developed on land between the historically black township and Bloemfontein's former white suburbs	No	305	21	8.6	Unable to determine
Total			18,205	244	100.0	

Table 2 Demographic attributes per housing state

Attribute	State 0	State -1	State -2	State -3	State -4
Av. household size	3.7	3.6	3.5	2.7	2.3
Av. house size	4.1	3.1	3.1	2.5	2.3
Av number of people per room	0.9	1.2	1.1	1.1	1.0
% in informal housing	0	3 (1.3%)	3 (2.5%)	0	0
Av. HH income (2015 ZAR values)	18,057	15,230	15,066	12,258	12,556
% with post-school qualification	46.5	Not asked			
% employed in public sector	67.5				
% employed in private sector	20.6				
% married/cohabiting at time of fieldwork	68.8	61.2	51.3	34.3	30.0
% with children under two years	Not asked	31.4	20.1	8.8	10.0
% homeowners	100.0	12.3	0.8	0.4	0.0
Aged below 25 (full sample)	1%	Not asked			
Below 25 (Bloemanda)	0%				
25–34 (full sample)	20%				
25–34 (Bloemanda)	8%				
35–44 (full sample)	37%				
35–44 (Bloemanda)	13%				
45–54 (full sample)	18%				
45–54 (Bloemanda)	15%				
55–64 (full sample)	18%				
55–64 (Bloemanda)	49%				
Above 64 (full sample)	6%				
Above 64 (Bloemanda)	15%				
Average age	44.5				

Note: Figures for Bloemanda include Phases 1 and 2. 1 USD = 13.27 ZAR in 2015.

Table 3 Nature of housing tenure for housing states prior to current housing state

Nature of tenure	State -1		State -2		State -3		State -4	
	n	%	n	%	n	%	n	%
Rented from landlord	120	50.6	66	56.4	20	57.1	6	60.0
Lived rent-free with parents	63	26.6	35	29.9	9	25.7	4	40.0
Owned with title deed	30	12.7	6	5.1	2	5.7	0	0.0
Lived rent-free with other relatives	9	3.8	6	5.1	3	8.6	0	0.0
Owned without title deed	6	2.5	2	1.7	1	2.9	0	0.0
Rented from parents	2	0.8	1	0.9	0	0.0	0	0.0
Lived rent-free with friends/alone	2	0.8	1	0.9	0	0.0	0	0.0
Rented from friends	1	0.4	0	0.0	0	0.0	0	0.0
Other	4	1.7	2	1.7	0	0.0	0	0.0
Total	237	100.0	117	100.0	35	100.0	10	100.0

Note: A house could be owned without a title deed if it was bought on the informal market and the deeds registration never took place or if the old township housing stock was not yet in the process of being privatized

Table 4 Reasons for leaving the housing in States -1, -2 and -3*

State -1		State -2		State -3	
Needed own place	39.5%	Work related	27.1%	Work related	51.1%
Work related	14%	Needed own place	20.3%	Disliked previous area	9.1%
Wanted bigger place	12.2%	Wanted bigger place	12.7%	Family reasons	9.1%
Marriage/divorce	8.1%	Marriage/divorce	11.8%	Needed own place	6.1%
Problems with landlord	7.5%				

* Not applicable to State 0 and too few respondents in State -4

Table 5 Housing finance methods (%)

Methods	State 0	State -1	State -2	State -3	State -4
Mortgage loan (%)	83.6	4.6	0.9	5.7	0
Average size of the mortgage loan (2015 values) (ZAR)	430 000	300 000	220 000	n.a	n.a
Inheritance (%)	2.9	2.6	1.7	0	8.7