

Study 2

Peri-urban private renting housing market in Luanda

It's magnitude, characteristics and implications for poverty reduction strategies and programs

1. Research Problem and justification

Previous DW research has documented the dramatic wartime expansion of informal peri-urban settlement in Angola's major cities (Luanda, Huambo, Benguela, Namibe) and has focused in particular on documenting the growing need for urban land management policies and on outlining how different policy options are likely to affect the peri-urban poor. This research provided the most extensive documentation to date of the ways in which peri-land tenure is informally (if not legally) secured. However currently there is a need to extend that work to understand how the urban housing market is evolving in Angola's rapidly growing cities, how this evolution is shaping urban development, and how that urban development is reconfiguring opportunity-structures within the informal economy. Casting new research against the analysis of previously collected data this study will document the evolution of the housing rental market in different peri-urban neighbourhoods of Luanda and Huambo.

There are many factors that influence the preferences the character of the housing market and tenure forms in a particular place, including government policies, legislation, land market, housing finances, household income, the market for building materials and the labour market. Many of these aspects will be investigated through this research, with a specific focus on household income, tenure forms in particular places, government policy and legislation.

Drawing on international research on private rental housing sector especially in Latin America and Africa, this research will further do a comparative analysis of the Angolan experience and discuss implications for the case of Angola.

Based on previous research, the research assumes that private renting tenants are among the poorest of peri-urban dwellers. Taking this sector of the population into account in urban policy, legislation and upgrading programs therefore has significant implications in terms of urban poverty alleviation.

2. Objectives

Research questions:

1. What is the magnitude of the rental housing market in Luanda in relation to other forms of housing occupancy?
 - What average percentage of urban dwellers in Luanda under private renting tenure?
 - What are locational differences in the percentage of renting in relation to other forms of housing occupancy
 - How are patterns of renting and other forms of occupancy related to local poverty indicators?

2. To what extent does renting of housing contribute to the livelihoods of the landlords?
 - What are renting prices in peri-urban Luanda and how are the prices related to location?
 - What is the average contribution of renting income for the livelihood of the landlord?

3. What is the profile of rented housing tenants in peri-urban areas?
 - Why do people opt for private renting?
 - What is the average percentage of renting costs in regard of the overall expenditure of tenants?
 - Can renting of housing be used as a poverty indicator?

4. What is the relationship between poverty indicators and form of tenure?
 - What level of Access to basic water and sanitation infrastructure do tenants of private renting tenure have?
 - What criteria are used to set prices?
 - Availability of toilets and washing space?
 - Number of rooms? ;
 - Access to water and electricity?

5. How does current urban land legislation consider private renting tenure in terms of tenure security?
 - Is private renting tenure explicitly considered in the new land law and its recently approved framework of regulations?
 - What form of tenure security does current legislation provide?
 - Based on international good practice, what additional legal provisions should be adopted to strengthen private renting tenure rights?

3. Methodology

This study will use pilot probes and a comparative desk-study of both the influence of growing population density on urban housing and rental markets in developing countries in Africa and Latin America, to design and collect new survey and retrospective case-studies in strategically selected peri-urban neighbourhoods. These instruments will: document temporal changes in population density and urban housing and rental prices; establish rental/ownership ratios and socio-demographic profiles (gender, age, provenience...etc); explore the role of the rental market in the broader livelihood and economic strategies of both owner and renters; document the norms that govern rental arrangements in the informal housing sector; and examine how renting affects the capital-accumulation capacity of owners and renters, structuring socio-economic opportunity, risks, and vulnerabilities over time.

Following specific research methods will be used during the study:

- Desk study of relevant research and other documentation on the housing market in Luanda
- Revision of international experience of private renting tenure in peri-urban areas in Africa and Latin America

- Identification of rented housing within a specific sample of several neighbourhoods in Luanda
- Training of field researchers
- Field research with questionnaire for landlords
- Field research with questionnaire for tenants
- Participative data analysis with the research team
- Production of research outcomes (e.g. reports and presentations)

4. Results and dissemination

By focusing on the rental market this study will significantly expand the understanding that practitioners and policy-makers have of the housing market and of how a broader range of tenure rights underwrite and inform the possibilities for participation in economic and entrepreneurial activity. Research that focuses on the rental market will allow DW to significantly expand upon its prior efforts to expand the stakeholder base accounted for in transitional urban land management, policy planning, and legislation.

The research will be in a position to feed the results in the contemporary debate of the Housing Policy that the Government of Angola is developing. DW through its membership in the Luanda Urban Poverty Programme has assisted the Ministry of Urbanism and Environment establish the National Urban Forum which aims to be a venue for research dissemination and policy debate. DW will use these frameworks and linkages with government to influence policy through the dissemination of the research findings.

5. Institution and personnel

The research is lead by a research coordinator, assisted by a technical advisor.

During the initial desk study, the coordinator will be further assisted by DW’s Documentation Centre which will search for and provide the necessary information needed. DW will draw on the experience of the Centre for Human Settlements & Environment’s experience from Mozambique in designing research tools.

10 University students will be hired for the two month field research period, plus two additional students for data entry. Database cleaning will be done by the project coordinator.

GIS assistance will be required on several instances, totalling to a period of two months.

6. Timetable and budget

	Year 1				Year 2			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Peri-urban Private Renting Housing Market in Luanda								

7. Evaluation

The whole informal sector research programme will be evaluated through an external evaluation for which purpose a local or international evaluator will be contracted. The evaluation will examine whether the research objectives were met, whether the knowledge produced reached decision-makers and how they used it.