

From bulb to mainline blockage

A housing success story

The Johannesburg Housing Company has a growing reputation for providing a high quality of rental accommodation and services to people of Johannesburg's inner city. *South African Labour Bulletin* investigates its innovative approach to managing inner city buildings.

The Johannesburg Housing Company (JHC) operates in the inner city. It was born into a South African landscape undergoing political, social and economic change. A cash-strapped inexperienced local government was struggling to manage this rapid change. Bad management and abandonment of buildings resulted in non-payment of municipal services and the council simply cut them off. This contributed to the further downgrading of buildings which became a haven for crime syndicates.

In 1995, into this complex web of inner city failures and opportunities came the Johannesburg Housing Company. It entered the inner city market of urban decay, crime, grime and residential and commercial flight as the population rapidly changed from a racial and income point of view. At the time social housing did not exist. But the new subsidy system levelled the playing fields and made it easier for social housing institutions like the JHC to play a role.

The JHC identified a need for affordable rental housing in the



inner city. Eric Molobi a JHC board member recalls how it was conceptualised, "The idea was to address two things. To provide housing at low cost and also to rejuvenate the city which was going into decay because people and business were leaving."

Ten years down the line the JHC owns and successfully manages 2 403 homes in 21 buildings housing 8 000 people in the inner city. Its success however is no accident. It has been innovative in many unique ways in the South African housing and accommodation landscape.

It continually engages in research in order to understand its

client base. It has entered a range of imaginative partnerships to ensure the financial viability of its plans. It has ensured service excellence through the design of its buildings and constantly evaluates its housing projects in order to learn from mistakes. It has put considerable effort into managing its accommodation and into creating communities in its buildings. And it has adopted empowerment policies at all levels of its operations whether of its staff, service providers or tenants.

In an article of this length it is impossible to explore all these aspects. Thus it will look at how JHC manages its buildings as this

has been an important part of its success. It is also an area that many commercial property companies neglect and why buildings accommodating less wealthy members of our society become grim and grimy over time.

RESPECT FOR TENANTS

The JHC defined its market as those who earned R3 500 or less, but the standard of their buildings has also had appeal for people earning above this. This was good news for the company. It saw mixed income developments as having a regenerative effect on surrounding precinct developments. A former Inner City manager, Graham Reid, sees this as one of JHC's strengths, "JHC has been able to do development that caters for the subsidised and non-subsidised. Look at Carr Gardens where they have a 50/50 split between those who fall in the subsidy bracket, and those who don't. They have been able to show that it is possible to integrate income groups and that's very important because you don't want to create pockets of people who are poor and pockets of people with wealth. Mixed class neighbourhoods are far more sustainable because there is also the possibility of cross subsidisation from one group to another."

Whatever the income level of their clients though, from the minute a new tenant walks in, JHC treats them with respect and provides them with the information they need. A tenant liaison officer deals with leasing administration and sits with tenants to go through landlord and tenant obligations. This is

important because many tenants have not lived in this kind of rental accommodation before. The officer explains to tenants how rent is calculated and that rental increases are inflation linked, and are based on such things as increases in council rates, in security or cleaning costs, and that JHC is not primarily profit-driven.

As an addendum to the lease, the liaison officer introduces tenants to the important 'House Rules' for their building. These rules stipulate such things as no hawking and shebeens and no subletting and overcrowding of units, keeping the entrance clean and neat, maintaining a quiet and peaceful building and respecting other people's privacy. A liaison officer believes this careful introduction has worked, "JHC's buildings are peaceful, much better than other buildings around where there are burglaries, loud parties. One of the things is that you must be responsible for your guests in your own building. Visitors must not destroy things; they must respect cleanliness and maintenance."

MANAGING BUILDINGS IS KEY

JHC's buildings are well constructed and attractive. But without good building management this means nothing. The company's approach draws from social housing experiences, traditional building management and from the experience of its CEO, Taffy Adler, in the democratic trade union movement in the 1980s. Consultation, report-backs, negotiation, clear structures of communication and consultation, and hands on education are all hallmarks of the trade union

movement.

Central to JHC's management is the role of the housing supervisor and tenant committees.

ROLE OF HOUSING SUPERVISORS

In the 1980s landlords in the inner city were faced with black people who moved into the city from townships. Their response was to replace the elderly white lady caretaker with an authoritarian black induna, or building manager, whose role was to provide security, and control over tenants. JHC replaced the induna with effective housing supervisors with a real interest in the tenants.

This was a difficult task because housing supervisors have to be a jack of all trades and JHC staff had no experience in property management. Initially caretakers referred tenant problems to head office to solve. This was not a good way of working as caretakers were more in touch with tenant concerns. The solution was to broaden the building managers' job to a housing supervisor with a wide range of responsibilities.

Housing supervisors' responsibilities cover general maintenance which includes basic plumbing, carpentry and electrical work. They are trained to do basic maintenance and to only bring in contractors when they cannot do it themselves. This prevents unnecessary damage and keeps costs down.

Added to this is the role of dealing with rentals and rent problems, authorising evictions, and negotiating with difficult tenants. While final decisions about rental arrangements, legal procedures and evictions are made at head office, the housing



A view of Jeppe Oval one of JHC's early inner city developments

supervisor ensures that eviction is a last resort, done only after extensive discussion. Supervisors are trained to manage procedures around difficulties with rent collection.

Cleaning and security in the buildings is outsourced. Supervisors oversee the work of these providers to ensure quality service. Over time these supervisors have conveyed to the 24-hour security service, and cleaning service, that they require a high standard of work.

The company has also developed systems to ensure that supervisors deal with maintenance problems in a timely way. It has worked out ways to ensure that supervisors do not delay in dealing with problems. After a maintenance problem is reported, it must be dealt with in 24 hours. The supervisor records the complaint in a book with its date and nature. The tenant gets a copy, while a

second copy goes to head office who allocates the job and follows up with the supervisor.

The supervisors' role has also expanded into basic accountancy in order to manage building budgets. They have to ensure that buildings operate within budget. The principle of budgeting, the structure of a building budget, the different costs of services provided, the implications of high vacancies or high tenant turnover, arrears and high maintenance costs all have to be understood and managed.

An important task of the supervisor is tenant liaison and this means taking on the role of educator, informer, and communicator. This involves keeping in contact with tenants through ensuring regular tenant committee meetings, tenant general meetings, and through workshops and personal visits. The supervisor has to ensure that tenants know of

anything that is going to happen in the building and how it will affect them, such as if a contractor will be turning off the water or what rent increases will be. They explain to tenants that rental increases are not to create big profit margins – JHC aims for a 10% return over and above running costs – but are there to absorb the costs of increases in council utilities, or cleaning, landscaping, lift maintenance and so on.

When a tenant complains of a high electricity bill, the supervisors need to explain how electricity is billed. They need to ensure that all tenants understand their leases, and the house rules, as well as the issue of eviction. They also explain basic maintenance issues to tenants such as the consequences of overloaded lifts. Tenants also need to understand that they cannot use their deposits for rent and why a deposit is necessary.

Supervisors have to be proactive



Supervisors from the JHC, in the playground of Brickfields, Newtown, Johannesburg

so that if they see a tenant struggling to budget they should arrange a workshop to deal with good ways of budgeting.

All this communication has to happen respectfully bearing in mind tenants' privacy and rights. Even when tenants have been evicted their belongings and rights must be respected. As a supervisor explained, "If a tenant leaves or is evicted, we do not just pile their things on the pavement. They are put away or kept in the flat until they can collect them and we wait for tenants to make an inventory of things so there are no accusations of theft. We respect people's property."

The supervisor is the only building-based person employed by the JHC and is the frontline between JHC and tenants. All supervisors take part in weekly meetings with the head office tenant liaison officer where they discuss issues like maintenance, management and tenant relations, controlling costs, the quality of repair work, dealing with internal domestic conflict, and around improving facilities in the buildings such as parking, telephones, landscaping and child care. It is here too, that supervisors can raise problems and everyone will participate in a problem solving discussion.

Training of supervisors is an important part of JHC's work. On building maintenance, a two week

residential course aims to give supervisors basic plumbing and electrical skills which also allows them to assess what they can deal with, and when they need to bring in contractors. They are also trained in safety precautions, lift maintenance, how to run meetings, write minutes, deal with budgets, how to attract new tenants, how to handle rental problems, and finally training on JHC's various computer programmes.

The housing supervisor is one of JHC's major success stories. Over time the company has come to fully appreciate the importance of supervisors. The supervisor ensures customer satisfaction and thus also ensures regular rental income.

Housing supervisors have grown in skill and knowledge. A JHC housing manager told this story of Happy Mofokeng, a women supervisor, "I got a call from Happy saying, 'John, I've got a problem, my passages are dark.' So I went and I checked the board and saw that no lights had tripped. Then I realised she just needed to change the bulbs but she didn't know what kind of bulbs to get. I showed her it was a pin bulb and explained a '100 Watts' to her. Nowadays she can tell you whether it's a mainline or line blockage, she can tell you whether it's the main circuit breaker that is faulty or if it's the wall socket that is faulty. And she started not knowing what a bulb was."

TENANT PARTICIPATION

A former chair of the JHC board, Bishop Dandala commented that, "There are many buildings in this city where residents take no responsibility for the ruin. They just shrug their shoulders and say, 'It's not my block.' Changing the way people relate to their environment is part of the challenge for us." A central part of JHC's approach has been to change tenant's attitudes to their buildings and environment. To achieve this JHC believes tenant participation is critical.

In line with social housing approaches, JHC assists tenants to set up formal structures through which they can talk and be heard by the company. Tenants elect a building committee which meets at least once a month to deal with complaints and concerns. Tenants also have general meetings once every three months with a JHC representative and their housing supervisor. If there are issues that JHC needs to address, then a report back meeting is arranged two weeks later. Such tenant participation is different from the mainstream property rental sector where tenants' views are seldom solicited. Tenant meetings address a range of issues from electricity costs, to a leaking pipe or damp wall, security and cleaning issues, to rude neighbours and rent increases.

When tenants are elected to committees or take part in a general meeting, they learn about their right to articulate their views and gain confidence to do this.

Some tenants are starting to concern themselves with problems in their wider community. They have raised issues around neighbourhood crime, pavement

cleanliness, the need for traffic lights, and children in the neighbourhood having nowhere to play.

For tenants to take a meaningful part in the life of their buildings, JHC realises that they must be fully informed about the landlord's rights and responsibilities. If tenants do not understand the difference, insoluble conflict can arise. Thus the company engages in a long process of education and provision of information. From the moment the tenant walks into the company, they enter a learning environment. A pamphlet at reception tells them, "Why should you be a tenant? We provide secure, well-maintained and well-managed buildings at a reasonable rent. Tenants know their rights and responsibilities through training sessions where they learn about the lease, the subsidy scheme and the house rules. Tenant committees are encouraged and trained so that communication takes place between landlord and tenants, and so tenants can positively influence the management of their buildings."

The new tenant is then ushered through to the tenant liaison officer where they hear more about how JHC works. Tenant education occurs through a range of different people from the tenant liaison officer, to the housing manager, and the housing supervisor. Training occurs on a one-to-one basis, in general meetings, at tenant workshops and in tenant committees. It covers areas such as how to keep to the lease, the role of the deposit, the right of the landlord to evict and procedures around this, the house rules and the importance of respecting them, the subsidy

scheme, payment of water and electricity, general maintenance issues and the use of public spaces.

JHC found no suitable courses were available, so it has designed its own building maintenance and supervisor courses. It has also developed a tenant training pack and publishes a regular newsletter *On Track* which informs tenants of developments in the company and also educates carrying such articles as, 'What electricity REALLY costs'.

Education also happens on an informal level in the interaction between the housing supervisor and tenant. A supervisor at Tower Hill, recalls a tenant who came to complain, "I paid R200 electricity last month now this month it's R500." I explained that it was because the tenant had brought more people in to stay in the flat and so they are consuming more electricity. I had to refer them back to the lease and explain their commitment to this lease."

Another supervisor told of this interaction with a tenant, "The tenant said his door was broken and he had told the security guard. So it was explained to him that in future he must go to the housing supervisor and that was why it had not been fixed. My instinct would have been to go and fix it myself but I saw that there was a procedure and that the way to communicate with the company about problems was important." Another housing supervisor believes he has an important role in educating tenants to care for their environment, "Tenants are not careful with cleaning. 'Why should I clean when I'm paying rent, aren't I' is their attitude. We have to educate them on the value of

keeping their environment clean."

Tenant training is not only about rights and responsibilities. What is important, is that this information strengthens their ability to take part in the upkeep and community life of their building.

Tenant participation is of course complex because JHC owns the buildings and so it is not an equal relationship. How far can JHC meet tenant demands, when ultimately it must deal with the cost implications? JHC believes it is possible to create some kind of balance, "With tenant participation, tenants need to know what their roles, rights and responsibilities are versus that of the landlord, and how the two interact, because definitely they would never meet, they would run in parallel. But it shouldn't be a conflictual parallel but that you are working towards the same goal in parallel lines."

CONCLUSION

JHC's focus on developing a service culture contrary to the style of the old stick-wielding induna, has clearly worked. It comprehends that tenant satisfaction is the basis of its financial and social aims. Its decentralised system of overseeing buildings has worked. It deals with few difficult tenants and few evictions. Tenants pay their rent and the 95% payment rate, unheard of in many parts of the world, is testimony to this.

Tenants from buildings surrounding JHC's properties are also starting to notice the way its buildings are run. They are starting to ask their landlords to improve security and cleaning services as a result of interaction with JHC tenants or building supervisors. ■