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HOUSING POLICY, PRODUCTION AND CONSUMPTION IN HARARE: A REVIEW PART II

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THIS IS THE second part of a two-part article the main aim of which is to review published and other secondary material on housing markets in Harare. For organizational purposes we have considered production, consumption and exchange separately, although these issues are clearly interrelated. In the previous issue of *Zambezia* (1990, 1–30), material on the production and supply of housing was reviewed, concluding with a summary of the constraints on housing supply. In this part we summarize the literature on the consumption of housing, include a brief section on the exchange of housing and, finally, draw general conclusions and outline directions for future research.

THE CONSUMPTION OF HOUSING IN HARARE

Estimates of housing need

Two indicators of housing need have been used in Zimbabwe, the official housing waiting lists and estimates of need based on population growth projections. In the past the housing waiting list for Harare (then Salisbury) was added to on a chronological basis. By 1977 the number of applications had reached 20 000 (Smout, 1977, 50) and 36 000 by 1984 (Taylor, 1985) or 63 000 if Chitungwiza were to be included (Mutizwa-Mangiza, 1985b, 85). Although this list was used as a guide to housing need, it was recognized to be out of date and that many households did not bother to apply as the chance of their being allocated a house or a plot was so remote. In 1984 the list was reformed in two stages. Firstly, all those who wished to be placed on the list had to reapply and a system of annual updating was adopted. In 1985 the list had dropped to 23 000 because of the non-renewal of applications but by August 1987 it had increased to 35 000 and

360 new applications were being received each month (*Financial Gazette*, 21 Aug. 1987). Secondly, a scoring scheme was introduced to replace the simple queueing system which had operated previously: this new scheme took into account length of urban residence, household size, income, etc. In order to be eligible for registration a household head has to be employed or in acceptable self-employment; be married or have parental responsibilities; not own or rent a house elsewhere; and have an income below Z$450 a month (this amount was increased in 1985 to Z$600 a month). Certain categories of household were thus ineligible, especially those with household heads who were not working in wage employment or in registered self-employment. These included many households headed by women, although widows were permitted to stay in houses already allocated to their families. The 1982 census registered 15 per cent of households in Harare as having women heads, but only 7 per cent were beneficiaries of public housing. Women's property rights have, however, been strengthened since 1980 and many women, although not all, are now eligible for public housing (Lee-Smith, 1987).

The second way in which housing needs have been estimated is by projections of new households, plus an estimate of the backlog or shortage and sometimes also replacement needs (Rhodesia, 1979; Zimbabwe, 1985, 33–4). The 1979 estimates were given for particular cities, the 1985 ones for the national urban population only. Not surprisingly, the estimates vary widely, given the scope for different assumptions and uncertainty with respect to future rates of urban growth. A pre-Independence estimate based on an arbitrary, but deliberately generous, national urban growth rate of 11,5 per cent per annum between 1977 and 1983 which allocated housing need between centres led to a prediction that 67 000 dwelling units would be needed for Harare, excluding Chitungwiza (Rhodesia, 1979). In the long-term plan (Zimbabwe, 1985) housing needs are estimated for all urban areas together, based on an anticipated population growth rate of 6 per cent per year up to the year 2000 and on an average household size of 6 people (Harare grew on average at 4,6 per cent per year between 1969 and 1982).

Alternatively, housing needs are based on an employment projection, in which it is assumed that employment in urban areas will grow at 3 per cent per year between 1985 and 2000 and that two people will be working per household. The figure realized from this projection is then added to an existing backlog of 244 000 which in turn is added to estimates of annual replacement, upgrading and new dwelling construction to ease over-crowding (Zimbabwe, 1985, 33, 36). In a further projection by the Ministry of Public Construction and National Housing, this time using an average household size of 4,7, it is estimated that 61 000 housing units will be needed per annum between 1985 and 2000 to eliminate the housing shortage in urban areas, excluding, it appears, estimates for replacement and upgrading (Zimbabwe, 1986a). The basis for these estimates of housing need is not always clearly spelt out and the assumptions made are, of necessity, arbitrary. They are not given for individual urban areas.

Effective demand for housing

To provide more realistic inputs into policy formulation, estimates of the ability of each group in the income distribution hierarchy to consume housing are needed. For this, accurate information is needed on household income, on the proportion of that income that is available for expenditure on housing and utilities, as well as on the ability of households to mobilize resources for housing from other sources, including the household itself, the extended family and credit. Thus information is required on the availability of conventional and unconventional housing finance, in terms of both volume and eligibility criteria. The availability of credit is of relevance to existing or potential owner-occupiers. In understanding urban housing markets, however, rented housing must also be analysed, including the extent and nature of the rented housing sector over time, the characteristics of tenant households and the nature and outcomes of government intervention. Government intervention to change the nature of demand may include the provision of credit, policies intended to influence income or household savings, and subsidies, the distributional impact of which needs to be assessed.

Estimates of housing need in Zimbabwe, arbitrary as they are, are generally accompanied by some recognition that the ability to pay is of relevance. Thus the pre-Independence estimates quoted above noted the relatively low incomes in Bulawayo and Harare (then Salisbury) in relation to public housing costs (Rhodesia, 1979, 11–12). As a result, it was recommended for 1978–83 that 20 per cent of the total of 128 700 new units required would be in transit areas with communal ablution facilities, 45 per cent would be serviced plots with individual ablution facilities, 30 per cent conventional 'low-cost' housing, and 5 per cent medium-cost houses on 2 000 m^2 stands (Rhodesia, 1979, 20–1).

In the long-term housing plan the estimated number of new households resulting from employment growth plus the backlog of those lodged or housed in the informal sector is divided into five income categories. These are based loosely on an income distribution obtained from surveys of high-density areas in 1982, and on an assumption that 25 per cent of income is available for housing and that each household is liable for payment of a Z$15 service charge and eligible for a housing loan on which repayment is Z$9 per month for each Z$1 000 borrowed. Rather than being used to illustrate what households can afford to pay for housing and thus what type of residential package would be feasible, the figures are used to estimate total capacity required for loans (Zimbabwe, 1985, 28–36). A somewhat different approach has been adopted by the Ministry of Public Construction and National Housing, in which it is assumed that 46 per cent of new households will be low income, 44 per cent medium income and 10 per cent high income. These proportions are then applied to estimates of anticipated new urban households, the total cost of the housing programme then being estimated and allocated to the public and private sectors (the public sector is responsible for 68 per cent of the cost of low-income-sector housing, 20 per cent of the cost of medium-income-sector housing and none of the cost of anticipated high-income-sector housing) (Zimbabwe, 1986a, 39, and 1986b, 14). Again, the purpose of the projections is not to analyse what urban households can actually afford to pay but to provide a guide to housing policy. This has resulted in the Ministry being alerted to the discrepancy between recent investment levels and the resources required if housing needs defined in this way are to be met.

A more systematic attempt to relate incomes to the housing options available has been made by Mutizwa-Mangiza (1985b) using the income figures available from a 1982 survey of households in Harare. Minimum-wage legislation was introduced immediately after Independence. Although the poverty datum line was over Z$100 per month in 1979 (Astrow, 1983) the recommendation of the Riddell Report that a minimum wage of Z$128 be phased in over three years was resisted by the business community and the mimimum wage was set at Z$70 for urban workers in July 1980 (the minimum wage for domestic workers was set at Z$30) and increased to Z$105 in January 1982 and Z$115 in January 1984 (Riddell, 1984, 467). However, the real value of these increases was eroded by inflation and reductions in food subsidies, and by January 1984 an income of Z$125 would have been needed to purchase the same quantity of goods that it was possible to purchase for Z$70 in 1980 (Riddell, 1984).

Although urban workers earning less than Z$150 benefit from free health care and all workers from free primary-school education and some categories of worker, especially domestic workers, have benefited from minimum-wage increases, for many industrial workers the minimum wage was less than their current wage. In fact, mimimum wages legislation provided an excuse to hold wage rates down (Astrow, 1983) and thus real standards of living in urban areas have deteriorated, while since 1983 the consumer price index for low-income families has increased more than that for higher-income urban families (326,6 net of tax, compared to 304,1 in December 1989, base 100 in 1980). Although a poverty line does not seem to have been defined recently, in 1982 the ceiling for the housing waiting list was about Z$400 and only 7 per cent of households had incomes above this (Mutizwa-Mangiza, 1985b, 89). Patel (1984) notes that an income of Z$480 is needed for a building society loan of Z$12 000 for a private sector house. Using the local rule of thumb (that not more than 27,5 per cent of income is available for housing), Mutizwa-Mangiza (1985b, 90) notes that while 16 per cent of households were unable to afford any of the available strategies (because their incomes were less than Z$80), 37,5 per cent could have afforded a serviced plot without wet core, 13 per cent a serviced plot with wet core, 17,5 per cent a core house of between one and three rooms, and only 16 per cent (those with incomes of Z$260 and above) the official four-roomed core house (see Fig. 2). However, he also notes that the 1976/7 Lower Income Expenditure Survey records households as spending an average of 17,6 per cent of their incomes on rent, water, fuel and light. Applying this alternative rule of thumb (see Fig. 3), the proportion of households resident in high-density areas who were unable to afford any of the available strategies rose to 42 per cent (those whose income was below Z$123), while 36 per cent were able to afford a serviced plot with no wet core, 7 per cent a serviced plot with a wet core and only 7 per cent (those with an income of Z$406 and above) a four-roomed house (Mutizwa-Mangiza, 1985b, 90).

Although recent information on income distribution and amounts actually spent on housing and services is not available, the conclusions are clear. The great majority of low-income urban residents, including those below the income ceiling of Z$175 used in Kuwadzana, cannot afford a four-roomed house with a fully serviced 300 m^2 plot. The implications of this analysis for housing policies, while acknowledged in general terms in official publications (Zimbabwe, 1985), have not been faced and the contradiction between the aim of providing affordable housing and current provision practice remains.

Housing finance

To analyse effective demand, information is required on the resources available to individual households, including the structure of household income, the likely availability of savings, the income of household members other than the head, and inter-household transfers. No recent information of this sort is available for Harare. The cost of housing in relation to household income makes the availability of credit crucial, and this must be backed by an institutional system which can make capital available for large-scale public-sector investment as well as for individual house purchasers or builders. Information on the housing finance system in Zimbabwe refers solely to the conventional formal-sector system, but the absence of information should not lead us to assume the absence of informal mechanisms. We will examine, firstly, the system of financing the public-sector housing investment programme, secondly, the existing private-sector sources of housing finance and, lastly, recommendations which have been made to improve the system and the impact of initial reforms.

Figure 2: HOUSING AFFORDABILITY: 27,5 PER CENT OF INCOME DEVOTED TO HOUSING

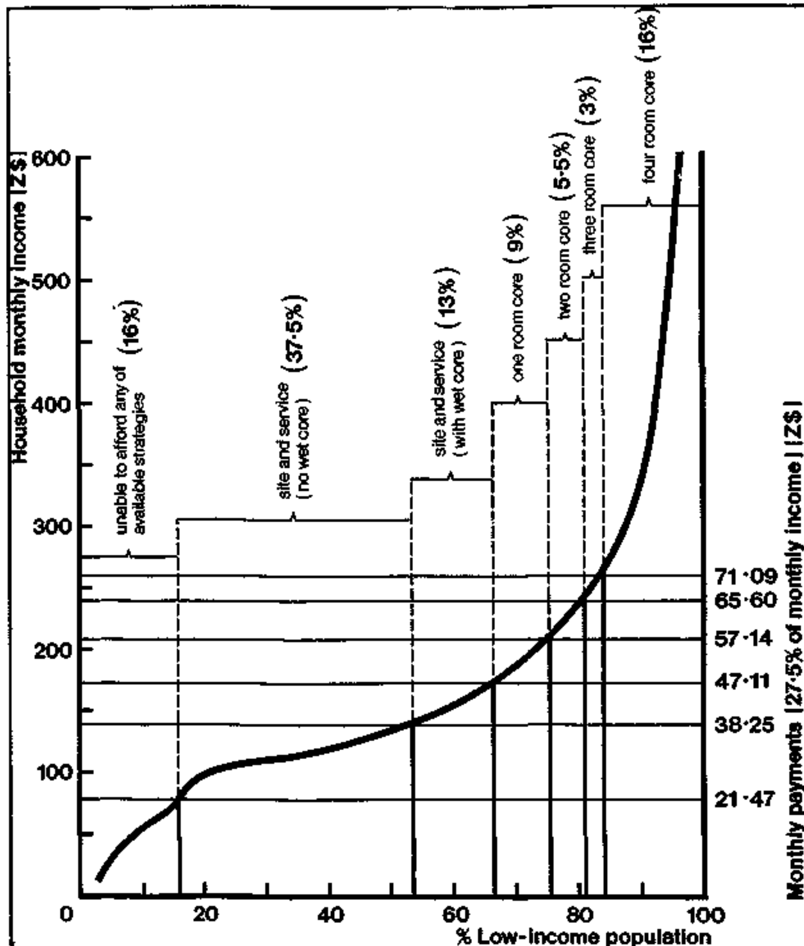
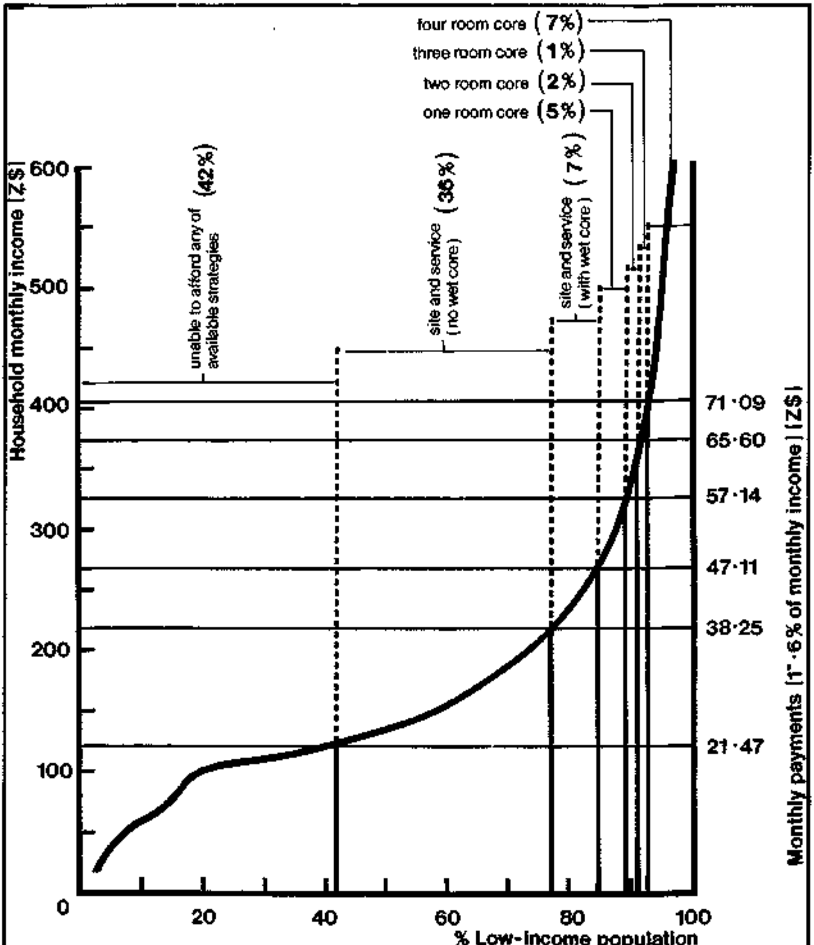


Figure 3: HOUSING AFFORDABILITY: 17,6 PER CENT OF INCOME DEVOTED TO HOUSING



Public-sector housing investment programme

This programme has been financed from four sources: the National Housing Fund, internal sources, borrowed private-sector funds, and aid programmes (Mutizwa-Mangiza, 1985a; National Council of Savings Institutions (NCSI, 1985).

(a) The National Housing Fund, an intermediary organization administered by the Ministry of Public Construction and National Housing as part of the Public Sector Investment Programme, allocates loans to local authorities at an interest rate of 9,75 per cent over 30 years for annual programmes and particular projects. Although in the past it has obtained some loans from private-sector sources, since 1980 it has been entirely dependent on the central government for funds, and during the period of the Transitional Development Plan (1982–5) was allocated only 25 per cent of the estimated amount needed (NCSI, 1985). Local authority repayment arrears have threatened its self-sufficiency in recent years and additional government funds have been required to cover the deficit. In addition, the number of units financed in the country as a whole has decreased each year since 1980, partly because of declining allocations in real terms and partly because of the increased unit cost (from Z$1 440 in 1980/1 to Z$6 940 in 1982/3, Z$7 580 in 1983/4 and an estimated Z$12 740 in 1984/5), only a small part of which can be attributed to inflation (NCSI, 1985, 39).

(b) Internal sources of funds include rents, service charges, and water and electricity charges. In addition, 50 per cent of the profits from the sale of beer in low-income areas was available for a Housing Revolving Fund which was used for loans for housing and infrastructure development. In addition funds raised from the sale of beer were used to provide facilities and amenities in these areas. Since 1980 an 80 per cent tax on profits on the sale of beer has benefited central government at the expense of local authority revenue. Although in Harare about Z$1 million per annum is obtained from the established Fund, inflation exceeds interest and so decapitalization is occurring. Between 1961 and 1976 employers were also taxed to subsidize transport and housing for Blacks (the Services Levy Fund) (Patel and Adams, 1981).

(c) The Harare City Council has in the past been able to borrow private-sector funds directly.

(d) Aid funds, notably from USAID, the World Bank and the Commonwealth Development Corporation, accounted for 58 per cent of the capital funds available to the Ministry of Public Construction and National Housing in 1985/6 and of which 59 per cent was channelled to

Harare for the provision of 6 500 plots. However, this clearly cannot be relied on in the long term.

The funds from central government and external agencies appear to represent the only subsidies to the low-income housing programme, which is otherwise, with the exception of some cross subsidies operated by a pool rental system, based on full cost recovery. Administrative costs of Z$3,85 per month per loan in Harare are added to funds otherwise re-lent to plot purchasers at the same interest rate (9,75 per cent) and over the same repayment period (30 years), as the funds are obtained from the National Housing Fund (NCSI, 1985, 51). In new aided self-help housing schemes, allottees qualify for local authority loans related to their incomes. Thus in Kuwadzana, following a 5 per cent down payment on the purchase price of the plot (Z$410–855) and repayment of the remainder over 30 years, allottees are eligible for a loan of between Z$294 and Z$3 230 (average Z$2 500) repayable in monthly instalments which do not exceed 27,5 per cent of their incomes (Gore *et al.*, 1985; Mafico, 1987). In view of the exclusion of lower-income people from the purchase of the plots currently being offered, the subsidy is not very effectively targeted at those who, it could be argued, have the greatest need of it.

Private-sector sources of housing finance

These include building societies, other private-sector financial institutions, employers and households. Three well-established building societies which have operated for over twenty years constitute the main source of funds for high-income households' house construction or purchase. Building societies are dependent on savings and have been adversely affected by post-Independence developments: including the increase in the tax rate (to 44 per cent on average) and the broadening of the tax base, which have reduced potential savings; the increase in deposit and lending rates in 1981 which increased the cost of interest above returns on outstanding mortgages; the increase in mortgage interest rates in the same year to 13,25 per cent, which increased arrears and thus collection and legal costs; the loss to the Reserve Bank in 1984 of Z$55 million worth of blocked funds belonging to emigrants; and the abolition of tax on the interest from Post Office Savings Bank (POSB) accounts which was instituted in order to increase POSB savings (they are a source of government securities). As a result, the tax-free return on a POSB account for a highest-rate taxpayer is potentially 26 per cent per annum. Between 1980 and 1984, while POSB deposits increased by 90 per cent, building society deposits increased by only 7 per cent (NSCI, 1985). Although 24 539 new loans were made between 1980 and 1984 (average amount Z$14 240) mostly from reflows and backed up in part by the Ministry of Public

Construction and National Housing's Housing Guarantee Fund (see below), these loans were confined to the higher-income groups (minimum loan Z$6 000) and may be insufficient to meet future demand.

Building societies rely on share capital (the interest rate is now 11,25 per cent or marginally above the POSB maximum interest rate of 10 per cent) and savings accounts (until 1981 the interest rate was 3,5 per cent but is now 7,75 per cent in comparison with the recently increased rate of 8,5 per cent for POSB accounts) (NCSI, 1985). Loans are made available over 25 years at between 12,5 per cent for residential loans of less than Z$12 000 and 14,75 per cent for commercial loans. This represents a reasonable return over the average cost of money (9,45 per cent), but hides the problem of high administrative costs of a large number of small savings accounts (those with a balance of less than Z$300) which, for example, made up 81 per cent of the Central African Building Society's (CABS) accounts in 1984 (NCSI, 1985, 31), and which accounted for only 12,9 per cent of savings but 79 per cent of withdrawals and cost an average of Z$1,13 per transaction. Although the building societies do not appear to wish to cease to handle such small accounts, it is noted that they do not break even and that overall profits in recent years have been modest. However, the recently introduced paid-up permanent shares (PUPS) with tax-free interest have significantly increased the flow of money into building societies.

A mortgage guarantee scheme is already operated by the government via the Housing Guarantee Fund (HGF). While building societies are normally willing to lend up to 70 per cent of the price of the house, the HGF 100 per cent scheme enables civil servants to obtain 100 per cent mortgages (ceiling Z$50 000 and payments deducted at source), while members of the public who can raise the 10 per cent deposit may qualify for the 90 per cent scheme (maximum price Z$17 000, thus allowing a maximum loan of Z$15 300 which at 22,5 per cent of income places an income ceiling of Z$475 per month on beneficiaries). These schemes are of roughly equal importance and just over 2 100 guarantees per year were issued on average between 1980 and 1984 (NCSI, 1985, 44–6). Between 1979 and 1984 there were 66 foreclosures under these schemes, the dwelling units being added to the HGF's housing stock (value Z$7,2 million in 1984) the rents from which, even when let at fair rents to civil servants, enable it to make a small annual surplus.

Other private sector financial institutions, such as commercial banks, pension funds and insurance companies, are relatively well developed in Zimbabwe, the last two controlling 15 per cent and 20 per cent of financial resources, respectively. Commercial banks were not involved in the housing market before 1980, but their contribution to mortgage lending increased during the early 1980s to compensate for a shortage of building society funds. Pension funds and insurance companies have in the past invested a proportion of their funds in the building societies. With the recent requirement that 60 per cent of their assets be held in government securities, this source of funds has become less available for housing finance.

Employers have in the past been able to adopt one or more housing-related policies. They have constructed housing for rent (at a partly or wholly subsidized rent), made loans to employees for house purchase or a down payment, provided guarantees to enable employees to get access to a building society loan, or given a monthly housing allowance. Although no information is available on employers' roles since Independence, and they may never have been very significant in Harare, they have probably been reduced because of the high standard and cost of construction, pressure to freeze or lower rents and the difficulty of evicting an employee if he leaves his current employment (NCSI, 1985).

Recent developments

Considerable attention has been given in recent analyses and policy statements to the structure and role of the formal-sector housing finance system (NCSI, 1985; Zimbabwe, 1985, 1986a, 1986b). These have referred both to capital supply to the sector and household access to credit. The shortage of public-sector capital funds to finance housing loans in addition to land acquisition and infrastructure installation, plus the well-developed but deteriorating position of the building societies, have led to a variety of recommendations and actions.

Firstly, it has been recommended that the advantage of the POSB over building societies in attracting savings be removed. It has been noted that, while at the end of 1984 there were, nationally, 842 375 non-term and 15 160 term accounts in the POSB, most were used as current accounts and 77 per cent had a month-end balance of Z$100 or less. These accounts, however, accounted for only 3,2 per cent of total savings, illustrating the attraction of tax-free interest to larger individual and corporate savers. It has been suggested that restoring tax on interest on POSB accounts would not affect the majority of savers and would give the building societies an improved chance of competing for the main volume of funds, which is held in relatively few accounts, while government tax revenue would, of course, increase. Instead, in 1987 building societies were (as has been pointed out earlier) permitted to issue 9 per cent tax-free paid-up permanent shares (ceiling on investment Z$75 000 for individuals and Z$35 000 for companies) (Zimbabwe, 1987b), which is expected to enable building societies to attract additional investment funds.

The suggestion that a secondary mortgage market be encouraged to develop by the redirection of a proportion of the assets of life insurance companies, and pension and provident funds, now invested in government securities, into the housing market under the auspices of established discount houses (NCSI, 1985) still appears to be under consideration (Zimbabwe, 1986b). However, it has also been recommended that local authorities once again be allowed to borrow from these institutions (Martin *et al.*, 1985), which, even if healthy, may not have the resources to support all these new demands. Under the catchphrase 'public- and private-sector partnership' (Zimbabwe, 1986a, 1986b), it has been suggested that the aim should be that for every Z$1 of public money invested, Z$1 of mortgage money from the private sector and Z$1 from household savings should be made available (Zimbabwe, 1985, 51). This recent intention to move towards public- and private-sector partnership appears to be a response to emerging policy among international aid agencies, including the United Nations Centre for Human Settlements, as reflected in *A New Agenda for Human Settlements* (United Nations Centre for Human Settlements, 1987). Minor additional changes recommended, but not yet implemented, include requirements that building society borrowers be savers with the societies and that civil servants be required to pay a deposit.

As we have noted, at present building society mortgages are available only for houses costing more than Z$6 000 and are thus only available to middle- and upper-income households. In an attempt to make housing finance available to lower-income households, it has been suggested that funds could be channelled to local authorities via a National Housing Corporation, which would develop appropriate solutions for every income group, ensure the availability of land, organize the design and construction of housing schemes, and ensure that finance was available for the purchase of units (Martin *et al.*, 1985). This report by Martin *et al.* (1985), sponsored by USAID and United Nations Centre for Human Settlements, implies that central government funds would still have to be made available for houses costing Z$6 000 or less and that some housing might need to be subsidized. The official attitude to subsidies, however, remains ambivalent. While emphasizing its objectives of minimizing subsidies and providing affordable shelter, the Ministry of Public Construction and National Housing also appears to acknowledge a need for shelter assistance programmes for workers earning below the minimum wage — 'informal-sector employees' and the unemployed (Zimbabwe, 1985, 37, 45).

An alternative approach has been adopted by USAID under its policy emphasis on public- and private-sector partnerships in housing and urban development (Zimbabwe, 1986b) and the World Bank (1987), which aims to tap the existing expertise of the building societies to provide construction loans for low-income housing. In an experimental project in Kwekwe, a medium-sized town, and Gutu, a rural growth-centre, which was partly funded by USAID and UNDP and implemented by local agencies with United Nations Centre for Human Settlements' assistance, only the Beverley Building Society could be persuaded to participate by making loans for houses which on average cost Z$2 655 to construct (sufficient in Kwekwe for a four-roomed core house). The vast majority of participants in this experiment had incomes of Z$150 or less (Zimbabwe, 1986c). The housing finance component of the project had a number of teething problems, as mechanisms were devised to satisfy the building society's administrative and collateral requirements. A similar approach has been adopted by the World Bank, in which the three building societies are being coaxed to move into lending finance for low-income housing and serviced plots, with assistance of Z$9,6 million seed money from the Commonwealth Development Corporation to add to their own funds (World Bank, 1986). Since then, all three building societies have lent a proportion of their funds for low-income housing.

THE EXCHANGE OF HOUSING

People exchange dwellings to meet changing family needs, as a result of a change of job or of altering economic circumstances, as a hedge against inflation, or simply because of personal preference. Systems of exchange may be either formal or informal and may be subject to a greater or lesser degree of government regulation. The various means of exchange available in a particular city should be analysed in order to assess whether appropriate services are provided to those who wish to exchange dwellings, to see who benefits from the systems and to assess the impact of government intervention on the various actors involved. Nothing has been written so far on the process of exchange of land and housing and its effects on the housing sector in Harare. What is known, however, is that the high-income private-sector housing component has a well-organized system of estate agents and conveyancers, all of whom are properly registered. Here the public sector has virtually no role except in the registration of deeds.

With respect to the exchange of properties within public-sector housing schemes, beneficiaries of sites and services projects are prohibited from selling a plot before any developments have been implemented. However, where a beneficiary whose plot is partially or fully developed wishes to sell his/her rights, interests and obligations in that property at a time when he/she has not yet finished paying back the Municipality, a fairly elaborate procedure (cession procedure) has to be followed. Here, both the cedant (person selling) and the cessionary (person buying) have to approach their District Housing Office. The cedent, if married, is required to bring his/her spouse, who must consent to the sale of the property — the reason being to prevent irresponsible spouses from selling their houses behind their partners' backs. The District Housing Office will refer both parties to the Head Office of the Department of Housing and Community Services. The Head Office will then look at the reasons why the cedent wishes to sell, whether the cessionary/buyer owns another property in Harare or Chitungwiza, whether the cessionary is a Harare resident and whether he/she is on the Council's housing waiting list, and, finally, whether the proposed price is commensurate with Council's prices rather than based on prevailing market forces.

The procedure outlined above is meant to prevent the infiltration of higher-income people and property speculators into public-sector low-income areas, and also to prevent the development of a fully fledged low-income housing market which would push prices beyond the reach of the intended beneficiaries. However, an increasing number of low-income properties are appearing on the market. For example, in one newly developed housing scheme, Warren Park, 78 cessions were completed in a period of 17 months (October 1987 – February 1989). This figure does not include properties sold after title deeds had been transferred to beneficiaries upon completion of purchase from the Municipality. A common practice used to avoid the Municipality's cession procedure is first of all for the seller and buyer to agree on a price privately (usually well above what the Municipality would have set). After the buyer has paid this amount, the seller then uses part of it to pay off the outstanding loan in order that the title deeds may be transferred to him. Thereafter, the property is transferred to the purchaser through private-sector conveyancers, without any hindrances from the Municipality. In this way, low-income properties are slowly but steadily creeping into the open market, their use value is turned into exchange value, and former owner-occupiers are turned into tenants and lodgers. The extent of this process has, however, yet to be quantified.

CONCLUSION

The public sector has had a major role to play in the housing market in Harare. The political decision-making process and the administrative structure for policy-making and implementation are, therefore, important influences on the approaches formulated and their outcomes. Most of the available sources which discuss the operation of particular institutions, such as the main government ministry involved, the building societies and the local authorities, describe and, in some cases, assess their operation, although in fairly superficial terms. The precise political and organizational dynamics of these organizations have not been discussed, nor has the interface between them and the national interests which are used in explanation by other authors.

In 1980 the new government had no plans to reorganize urban local government; instead it aimed to de-racialize the representative bodies in stages. Although Dewar (1987) has outlined the administrative history of Harare, the strength of his analysis lies in the description of settler assumptions and values: there is no discussion either of the interests represented by the Black membership of Township Boards after 1971 or of the City Council after 1980, or of the influence of these councillors on decision-making and the operation of local government services. Such an explanation has been attempted for Marondera (then Marandellas) by Hodder-Williams (1982). Dewar also describes the organizational structure adopted by ZANU(PF) in its attempts to consolidate and extend its power base, but he does not analyse the interests represented by Party leaders or their influence on decision-making in the city, other than to suggest that Party membership may be an essential credential in obtaining access to the right to vote, to housing and to jobs in the bureaucracy — an assertion which itself is highly suspect and is not demonstrated empirically (Dewar, 1987, 47).

Similarly, at the national level, the impact of these administrative changes, the effect of inter-ministerial rivalry and the relationship between ministries and the locations of decision-making power have not been analysed, although Patel (1984) describes the splitting up, in 1982, of the Ministry of Local Government and Housing into the Ministry of Local Government and Town Planning (now the Ministry of Local Government, Rural and Urban Development) and the Ministry of Housing, the latter being merged in 1984 with the Ministry of Construction to form the Ministry of Public Construction and National Housing.

The disjunction between ideology and practice identified by writers on housing such as Schlyter (1985), Teedon and Drakakis-Smith (1986) and Drakakis-Smith (1987) is attributed to the petty-bourgeois class base of ZANU(PF) leadership (see also Astrow, 1983) and the peasant base of its popular support. The stated objectives of the government are to provide adequate and affordable housing and related services for all and to eliminate the urban backlog by the end of the 1980s. That achievements fall far short of these aims has become only too clear in this analysis, but to attribute the absence of socialist housing policies and the failure to redistribute housing resources to a state which represents the interests only of capital, the bourgeosie and peasants is to advance only a partial explanation, and in particular is to ignore the limited room to manœuvre open to the present government (Libby, 1984; Riddell, 1984).

A more realistic assessment of effective demand and of the costs of adopting high infrastructure and construction standards in new low-income housing development from the outset, together with a realization of the adverse effects of measures to constrain supply, would have made a significant difference to the availability of land and housing in the city. Some tentative explanations of government's failure to adopt such policy changes have been advanced, but too little evidence is available to reach firm conclusions on why these inappropriate policies have been continued.

A variety of areas for future research have been identified and may be summarized as follows:

(a) A survey of the characteristics of the middle- and high-income housing stock — including its price trends and present ownership, the volume and location of sources of initiative, capital and purchasers for new construction now taking place, and attitudes of residents to service levels and densification — needs to be made.

(b) An investigation of land available for housing, including private subdivision and serviced-plot schemes, the potential for locating high-density schemes in or near low-density areas, constraints which include the attitudes of current residents, physical and social infrastructure, the location of employment centres and the provision of public transport needs to be undertaken.

(c) The organization of the construction sector, both large- and small-scale, should be reviewed. This review should include the current activities of firms, their capital sources and ownership, preferred work, and constraints on other ways of organizing construction, such as direct labour forces, building brigades and co-operatives.

(d) The rented housing market, including the effects of rent regulation in high- and middle-income areas, and the registered and unregistered rented housing market in high-density areas and up-graded areas should be studied.

(e) A follow-up to Butcher's (1986) study investigating the impact of upgrading on Epworth should be made.

(f) Both formal and informal housing exchange systems should be reviewed, including the mechanisms of exchange, constraints on exchange, government regulations governing exchange and the long-term effect on occupancy.

(g) A survey of the building societies, including the results of the 1987 measure to increase their share capital, and their reaction to the Kwekwe–Gutu pilot scheme and the schemes funded by the World Bank and the Commonwealth Development Corporation intended to encourage their participation in the low-income housing market, should be undertaken.

(h) Household incomes, especially those of low-income households, should be researched and should include the following topics: sources of income; availability of income for housing; availability of other resources for housing, including savings; inter-household transfers; and the reactions of members of low-income households to the loan programmes available. This research should lead to a realistic assessment of the resources available for housing and form a guide for policy-making.

(l) Realistic estimates aimed at matching supply to demand, while not neglecting needs, should be formulated to provide a basis for financial estimates and bids for government and other funds.

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