

Informal private providers of rental housing: Learnings from Odisha and Tamil Nadu

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Background

Rental housing is an affordable housing option for many, especially migrants and urban poor:

- About 1/3rd urban HHs opt for rental housing (Census 2011)
- About 70% rental arrangements are informal, especially among urban poor (NSS 76th Round, 2018-19)
- Lack of adequate access to basic services like water and sanitation in urban poor rentals; adverse impact during the pandemic

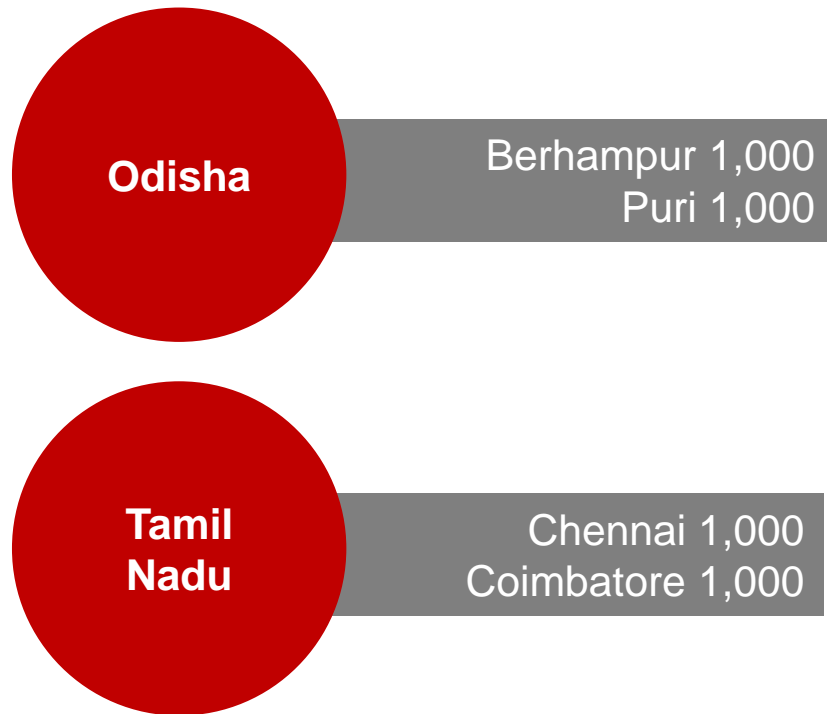
There exists a knowledge gap

- About the scale and its linkages with the local economy
- Its linkages with the public policies and spatial planning tools

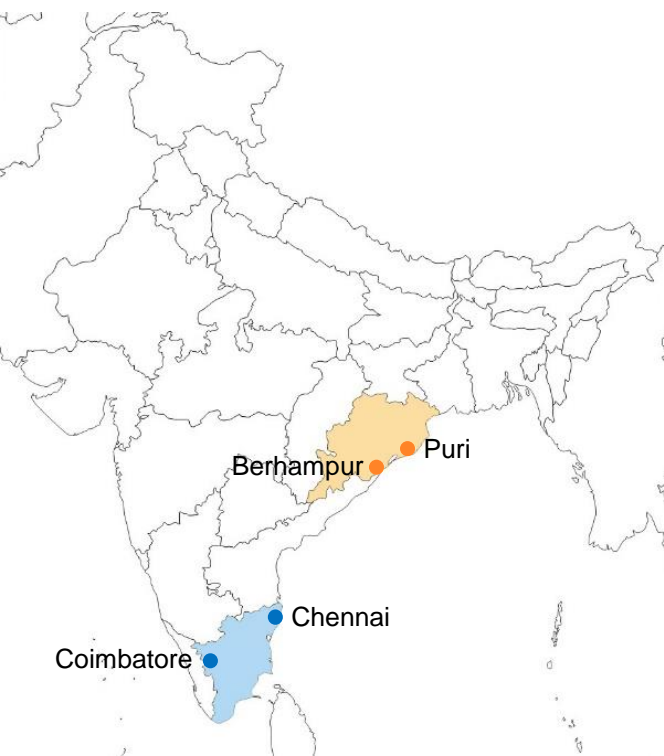


Scope and Methodology

- 4,000 rental HHs surveyed in 4 cities of India during 2017-18.
- Document the living conditions of urban poor renters in terms of **housing conditions, access to basic services, rental agreements and their spatial preferences** in the cities.
- Primary sample survey conforming to 95% confidence interval and a margin of error of $\pm 5\%$. A two-stage stratified purposive sampling technique was followed.



City profiles

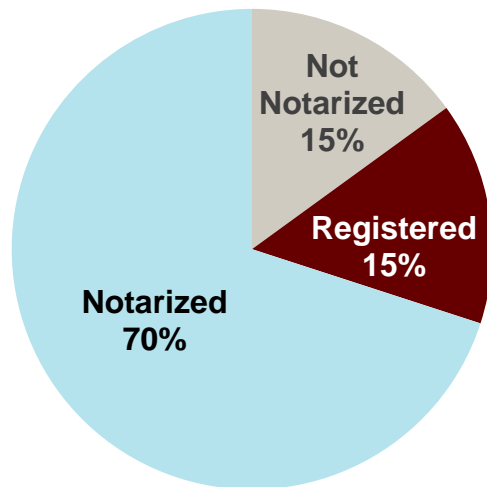


	Berhampur	Puri	Chennai	Coimbatore
Municipal area (sq.km)	79.8	16.3	174.0	106.0
Population (Census 2011)	356,598	200,564	4,646,732	1,050,721
Slum population	91,813 (26%)	70,457 (35%)	1,342,337 (30%)	129,181 (12%)
Decadal growth (2001-11)	15%	26%	7%	13%
Urban rental HHs	28,573 (42% of urban HHs)	11,016 (28%)	565,934 (51%)	150,622 (54%)
Slum rental HHs	6,628 (38% of slum HHs)	2,907 (19%)	142,522 (43%)	12,224 (35%)

Rental agreements

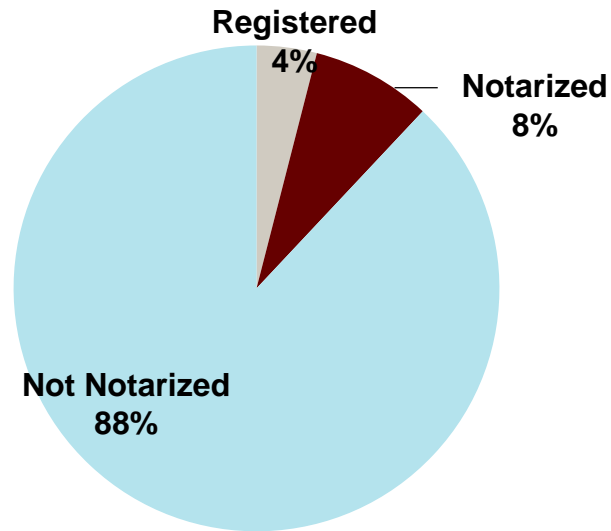
Renters without
written contracts

97% Berhampur and Puri



Renters with
written contracts

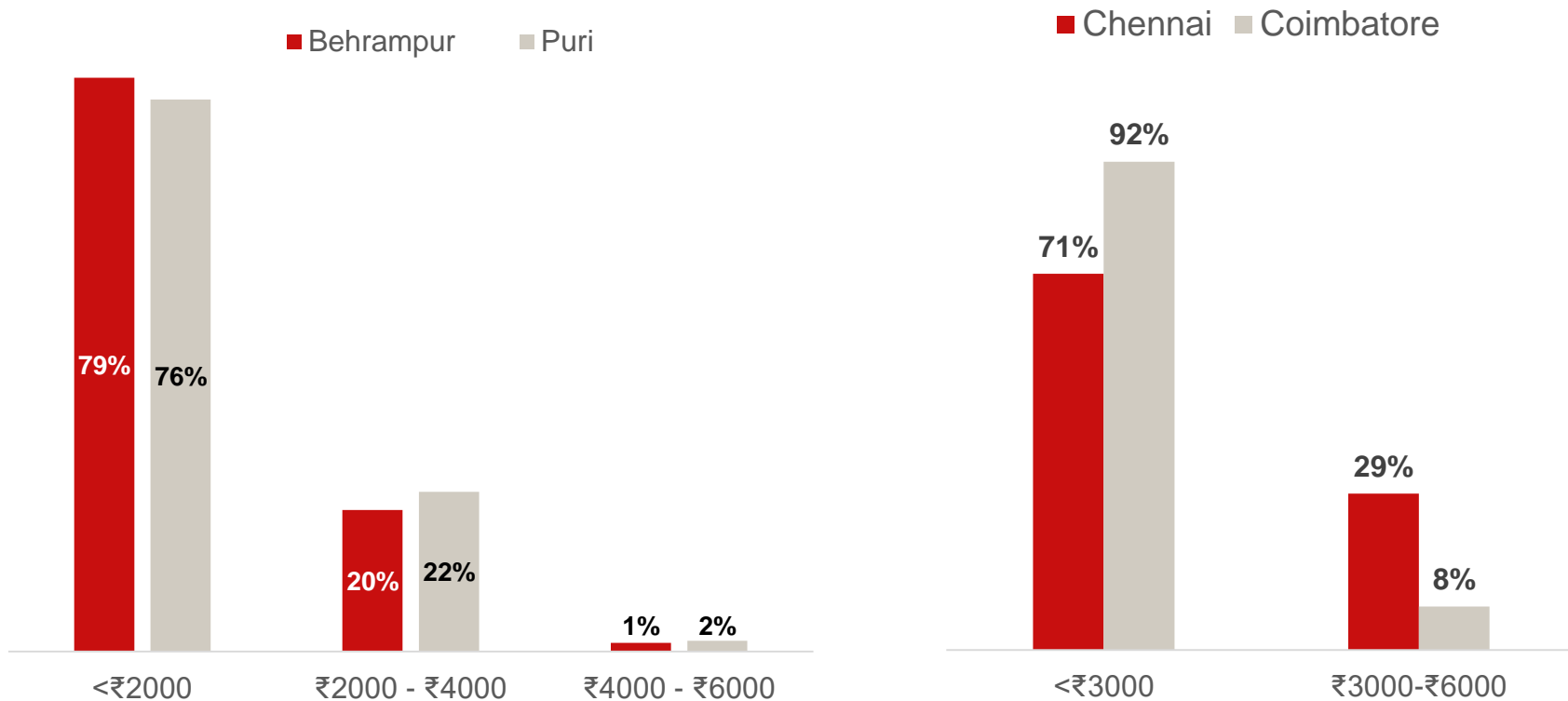
98% Chennai and Coimbatore



Access to Housing Information: Percentage of HHs accessing information through referrals

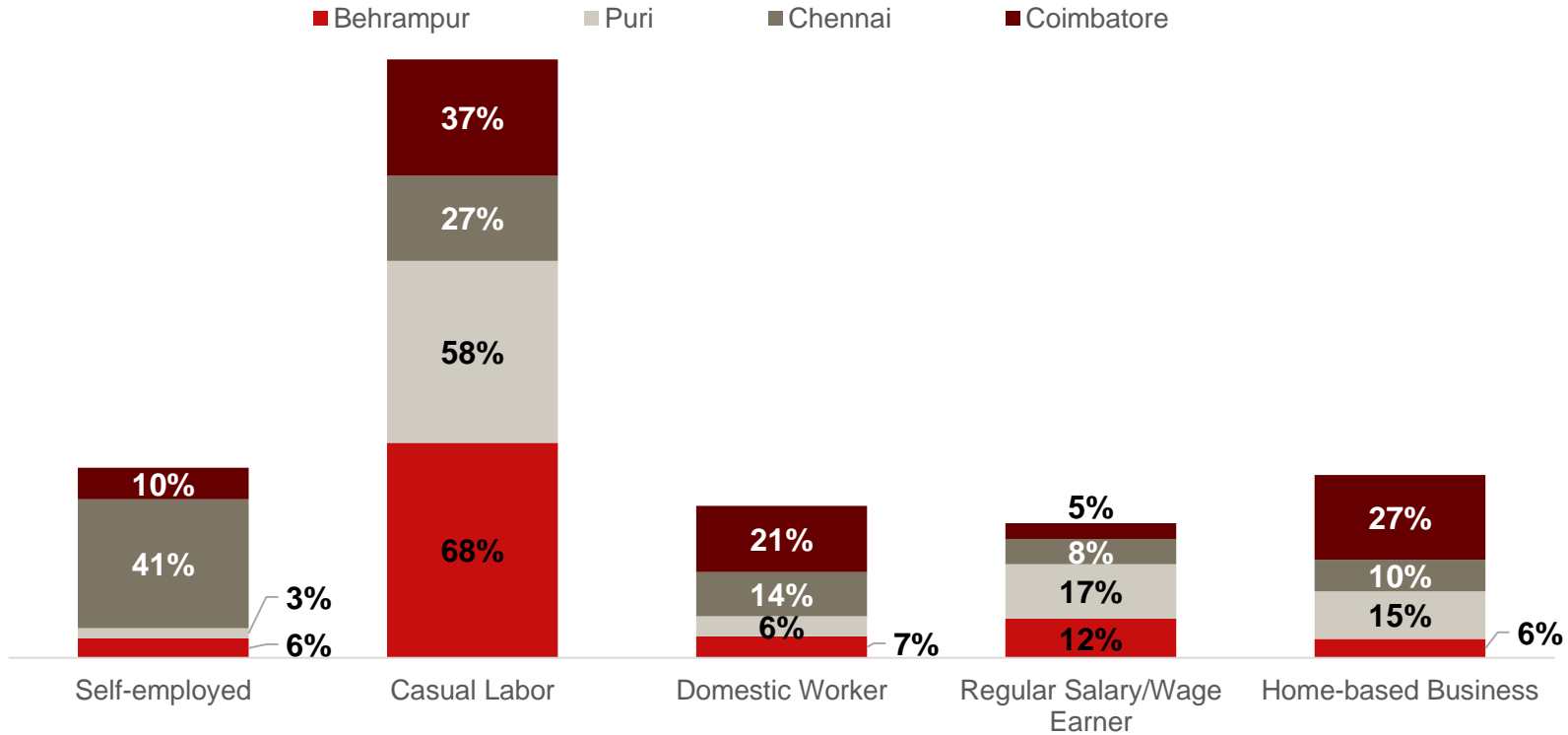
>90% in all 4 cities

Monthly rent paid



Employment profile of renters

Employment Profile of Renters



Housing condition among urban poor

Berhampur and Puri

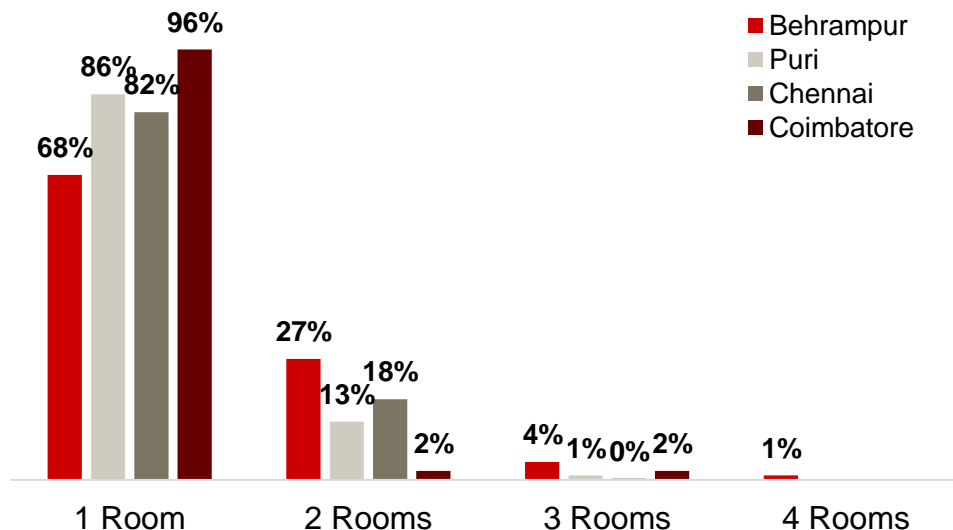
- More than 50 per cent of the rental HHs live in one room with or without toilet facility with carpet area up to 150 sq.ft.

Chennai and Coimbatore

- More than 95 per cent of one-room housing units are less than 300 sq. m. carpet area.
- About one-fourth of the rental HHs live in one with or without toilet facility with carpet area up to 150 sq.ft.

These one room dwellings do not comply with NBC norm of minimum 12.5 sq.m. (134 sq.ft.) carpet area for a single room house.

Rooms in Rented Accommodation



Access to Toilet facility

60% Behrampur

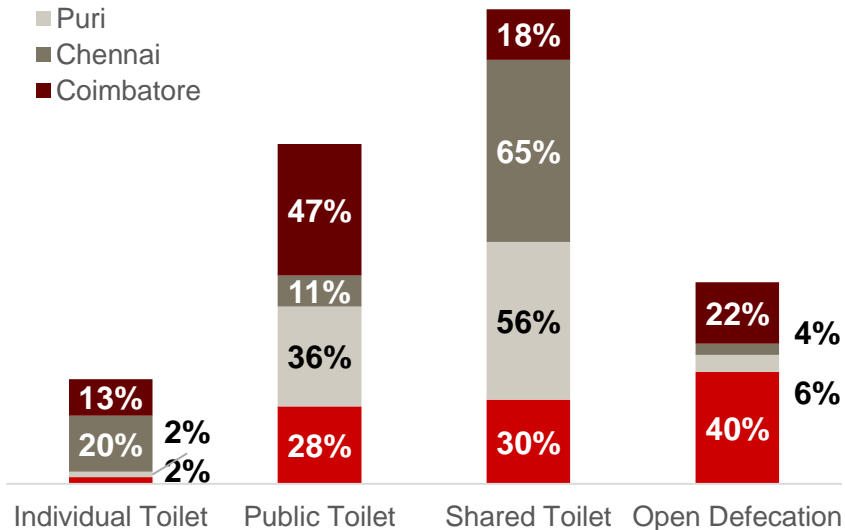
94% Puri

96% Chennai

78% Coimbatore

Categorising Type of Access to Toilet

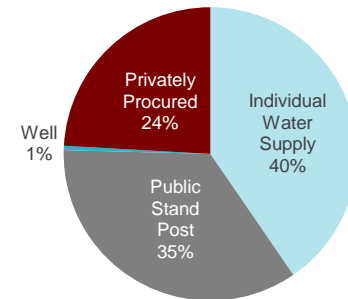
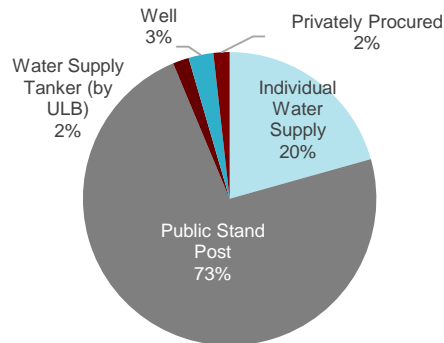
- Behrampur
- Puri
- Chennai
- Coimbatore



Access to Water supply

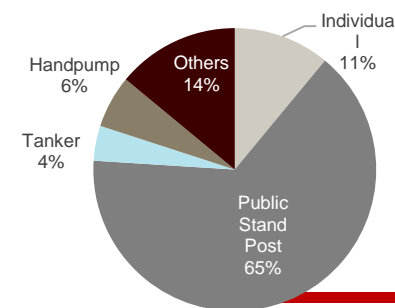
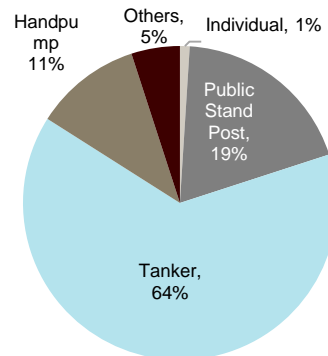
20% Behrampur

40% Puri



1% Chennai

11% Coimbatore



State of services: Access to both individual toilet facility and water supply



Tamil Nadu

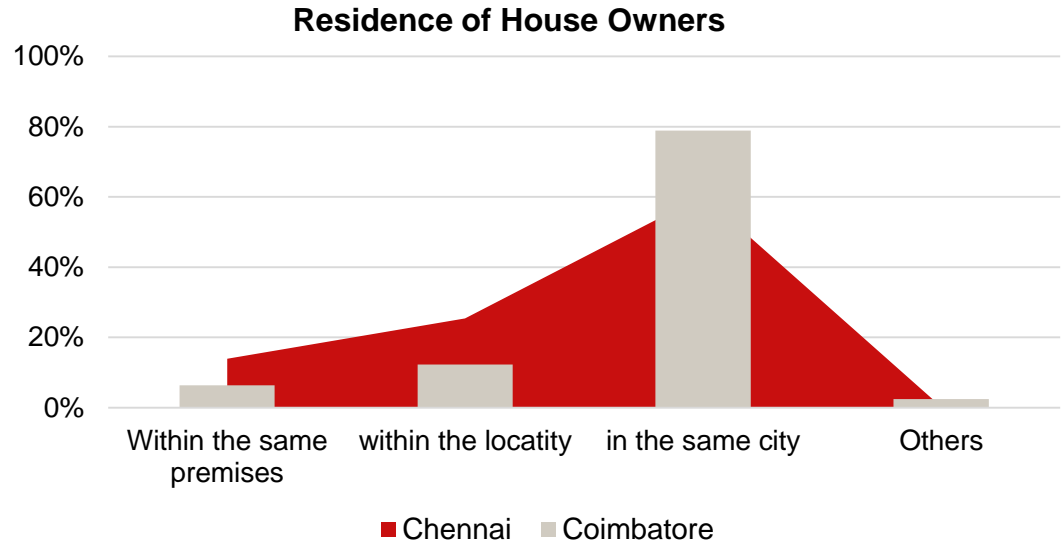
- One in every five HHs do not have access to water supply and toilet facilities even after paying a rental up to INR 6000 (USD 92) per month in Chennai and Coimbatore.

Odisha

- One in every four HHs do not have access to water supply and toilet facilities even after paying a rental up to INR 4000 (USD 61) per month in Behrampur and Puri.

Who are providing these houses?

- Subsistence landlords serve the urban poor segment.
- Higher proportion of landlords lives in the same premises in Chennai than in Coimbatore.
- Owner-occupied houses has a carpet area of less than 150 sq. ft.
 - **Chennai: 25%**
 - **Coimbatore 75%**
- More common in Coimbatore to have more than one rental premises than in Chennai
- Primary occupation of landlords (ordered): Business, casual labourer and salaried



Conclusions

- The current models of ARHC does not address privately provided rentals by subsistence landlords
- Non-reporting of rental occupiers as separate households keep them unaccounted for in case of service improvement/augmentation.
- Limited access to basic services among the renters are a great concern from public health perspective.
- Information flow for availability of rental housing are driven by referrals; this restricts the homeowners to offer their houses, and the renters from accessing better habitable houses with basic services in the areas of their choice.
- There is a dearth of database pertaining to informal rentals, which could inform policy-making.



Take-aways

Encourage rental housing supply through policy and regulatory prescriptions

- Recognise subsistence landlords as private providers of RH in ARHC
- Create enabling environment to encourage private rental housing supply, especially among the urban poor within the ARHC framework
- Encourage in-situ improvement of basic services
- Focus on need-based rental housing provision for young professionals, students, industry workers, etc.

Recognise informality associated with rental housing

- Introduce para legal structures for conflict management
- Establish a continuum of intermediate solutions to achieve absolute formality in the rental market.

Promote ICT based options to bring in transparency in transactions

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