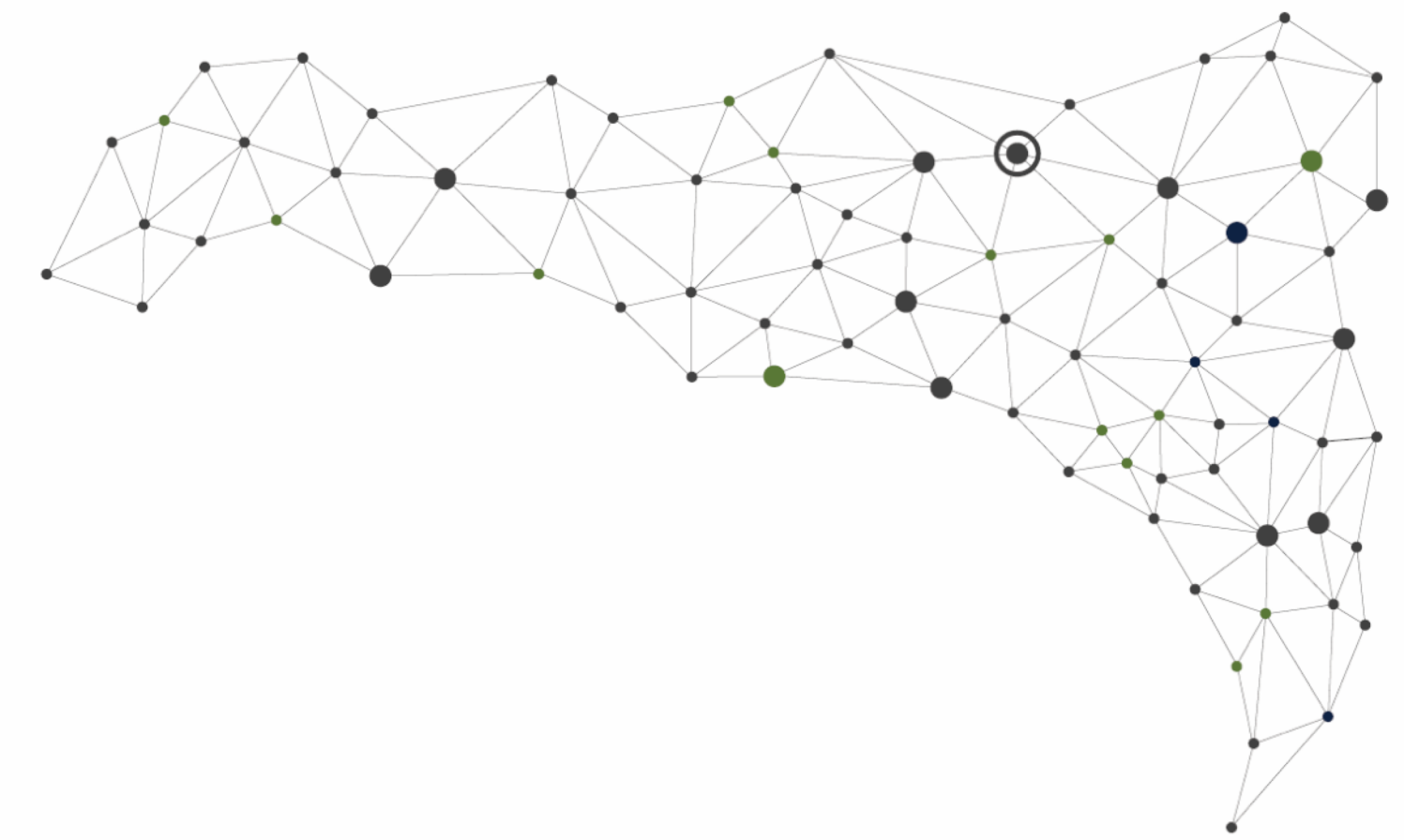


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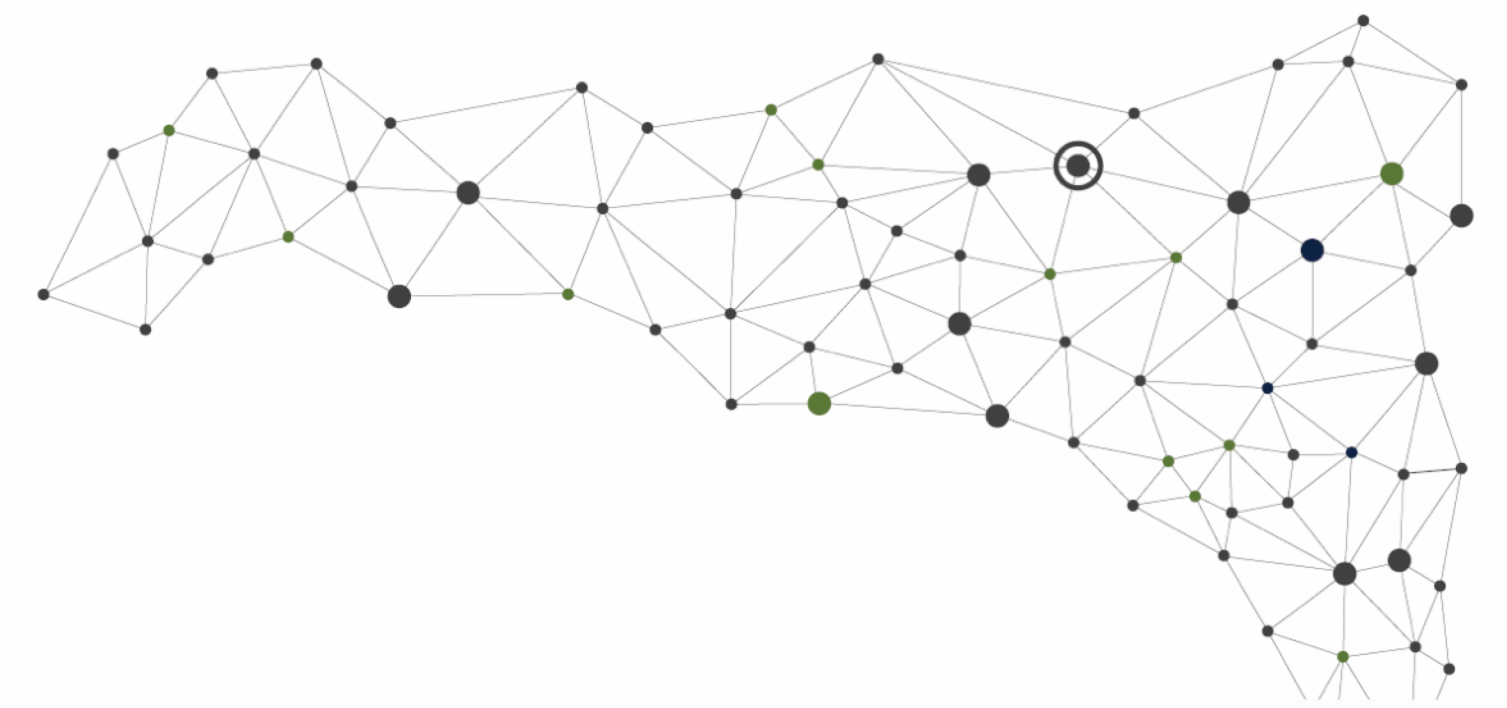
Municipal Response to **COVID-19**

**NOV - DEC**  
**23<sup>rd</sup> 3<sup>rd</sup>**



# Urban Poverty and Living Conditions: Limiting COVID-19 Impacts in Densely Populated Backyard Rental Areas Barcelona

- Jorge Rodriguez Nieto
- Partner at [DesignThinkersgroup Spain](#)
- Innovation Chef at [lainnovationkitchen.com](#)
- Director for the Masters in Research for Design and Innovation at Elisava UPF



# 1. Context:

1,666,530 residents as of January 1, 2020

Foreign nationality growing by 8.2%

The 1,666,530 Barcelonans registered in the city live in 664,476 homes.

Barcelona's GDP growth rate stood at 2.3% in 2019,

Barcelona is in the top10 smart cities in the world

The service Industry generates **89.3%** of Barcelona's GDP. 3%, the highest of all sectors.

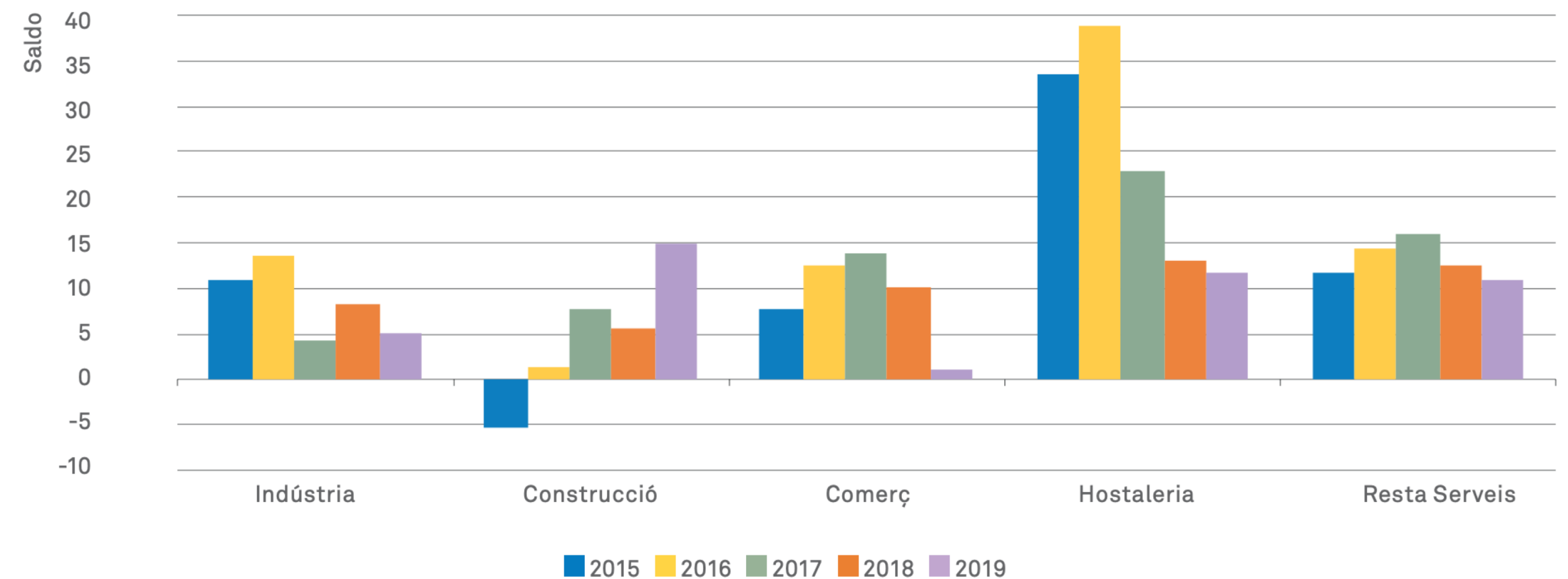
Financial and insurance activities **6.9%**  
professional Scientific and administrative activities (5.3%),  
Real estate activities **3.4%**

Anuari Estadístic de la  
Ciutat de Barcelona 2020

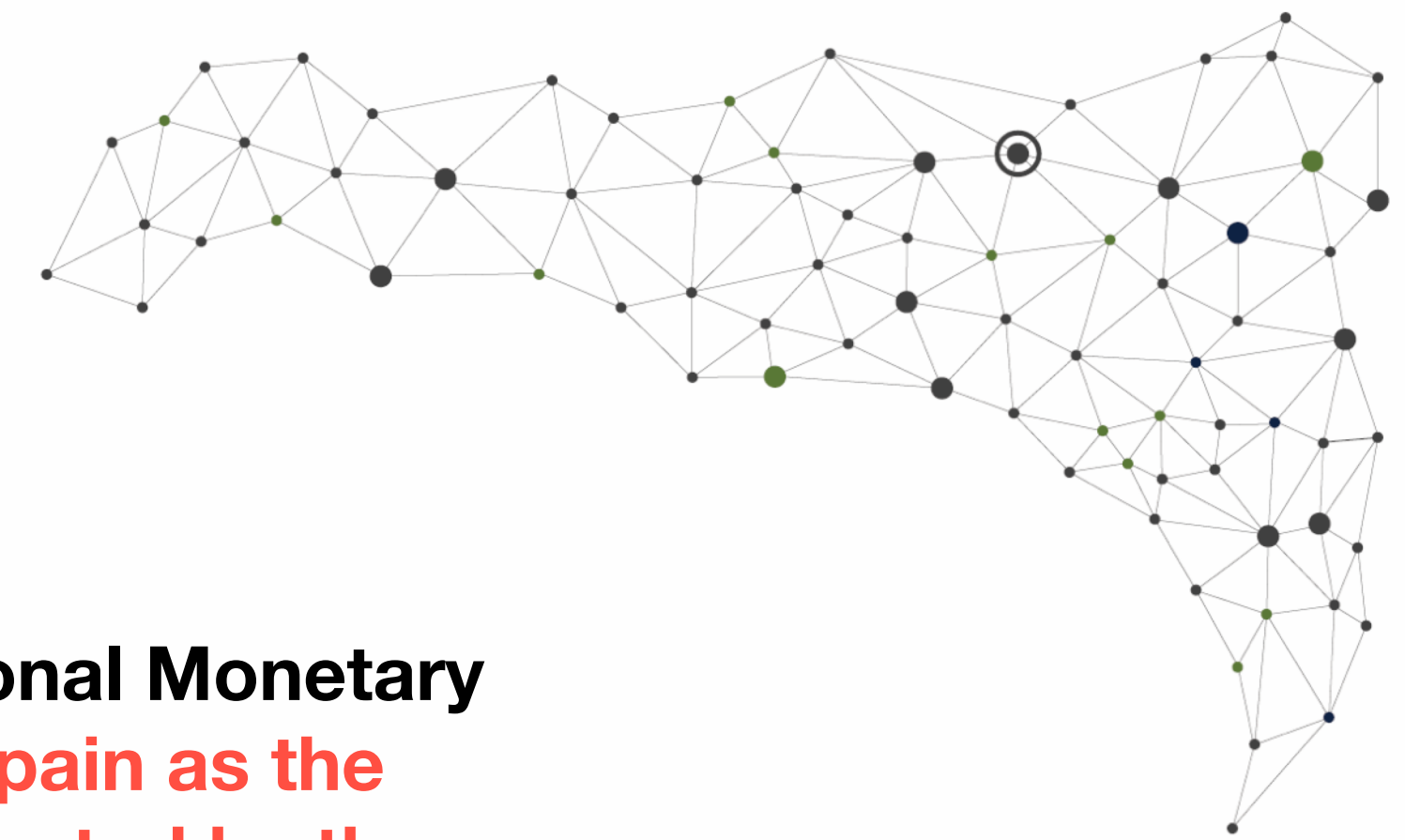
Ajuntament de Barcelona. OMD.  
Departament d'Estadística i Difusió de Dades

## Valoració de la situació de la marxa dels negocis | 2015–2019

Funcionamiento de los negocios. *Companies progress situation*



## 2. COVID Impact:



- Spain ranks **17th for the largest declines in GDP worldwide.**
- The **unemployment** rate in Spain will remain this year and next at **16.8%**, **almost two points above the data released by the Labor Force Population Survey** in the second quarter.
- **Activity will fall this year by 12.8%, more than in any other developed country**, and it is the only one that is left out of the improvement in the organism's forecasts.
- **Evictions** in Barcelona soared after the summer. In **September, they grew by 50%**. Up to 207 scheduled evictions were counted, a number that increase to 327 in the first week of October. That is, **in just three weeks, 50% more.**
- The IMF (International Monetary Fund) points out **Spain as the economy most affected by the coronavirus** within developed countries.
- Tourism and service industries fell for **65%** in 2020
- **Highest global rate of infection** twice during first semester of 2020

- Jorge Rodriguez Nieto [DesignThinkersgroup Spain](#)



### 3. Response:

GOV

- **ERTE** (Temporary Employment Regulation) File companies companies decide to temporarily suspend or reduce the contracts of their workers The employee receives 70% of the worker's contribution base for the duration of the benefit, up to more than 6 months
- New **extraordinary subsidy for the unemployed**. The amount will be 80% of the IPREM (multiple effects public income indicator), about 430 euros, they will charge for three months and could reach about 250,000 unemployed.
- **Rental aid, suspends evictions** and contracts are automatically renewed until January 31.

- Any unemployed before or during 2021 will have their benefit guaranteed. **Protection is increased from 180 to 196 days** and will last until January 1, 2022.
- **Curfew** (night confinement) that will be in force from 11:00 p.m. to 06:00 a.m. to limit mobility, except in justified cases. And in Barcelona from 10 pm.
- Flexibility and special hours for business and workers to open and develop economic activities **25% discount on the electricity bill**.

CIVIL

- Increase in **local product consumption**
- Initiatives like **CovidWarrios** developed new projects not only to fight infection but to avoid a collapse of businesses
- Increase in **Volunteer work** to help those in need, donating food, shelter and



## 4. Key Lessons:

- Barcelona Learnt that **it cannot rely only on tourism** and needs to diversify the economic activity **to more industries**
- Barcelona started an **Urbanistic transformation** to make the city more liveable for locals and balancing the use of space for tourism
- Barcelona **suspended all evictions early** and is building **more social housing projects** in order to lower speculation in real estate and manage the use of housing and commercial space
- Barcelona used all resources as a **smart city** to take control of COVID spread **reinforce digital literacy and fight digital divide**

- Barcelona understood the power of **civil initiatives in collaboration with the city council** developing participative programs



# THANK YOU



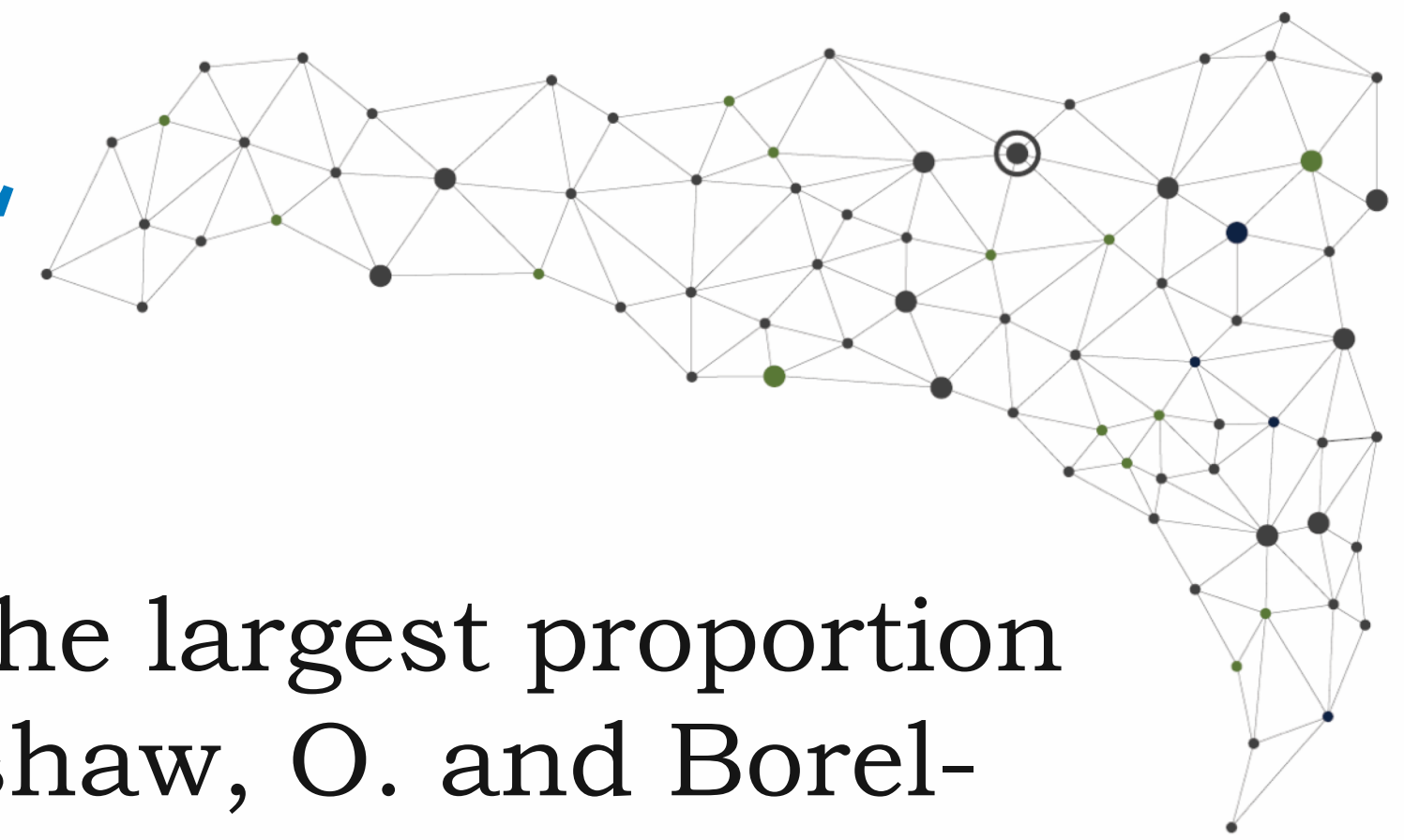
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Municipal Response to **COVID-19**

**NOV - DEC**  
**23<sup>rd</sup> 3<sup>rd</sup>**



# URBANISATION AND PROLIFERATION OF INFORMAL SETTLEMENTS IN LUSAKA



- ❖ Lusaka is the capital city of Zambia and it accounts for the largest proportion of the 85% urbanisation rate in Lusaka Province (Crankshaw, O. and Borel-Saladin, J.; 2019).
- ❖ City population has grown from about one million in 2000 to almost 3 million in 2020.
- ❖ Inadequate housing in planned and well serviced settlements resulted in 70% of the city population being in slums.
- ❖ The Lusaka City Council through the Department of Housing and Social Services undertakes participatory slum upgrading and the provision of security of tenure for slum dwellers.

## IMPACT COVID-19 ON DENSELY POPULATED AREAS

According to the 23<sup>rd</sup> November, 2020 Ministry of Health update, 53% of all the COVID-19 cases recorded in Zambia were in Lusaka.

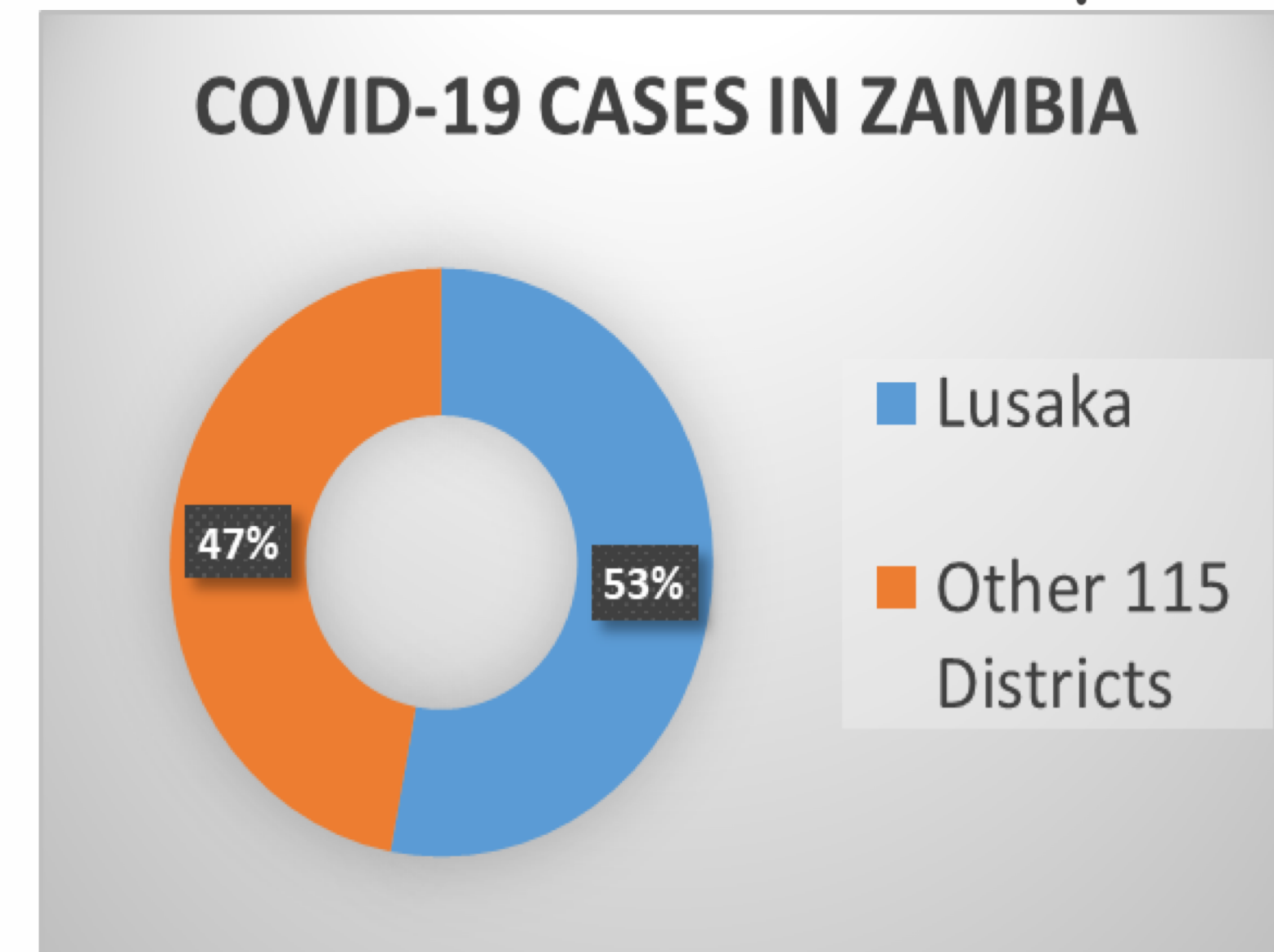
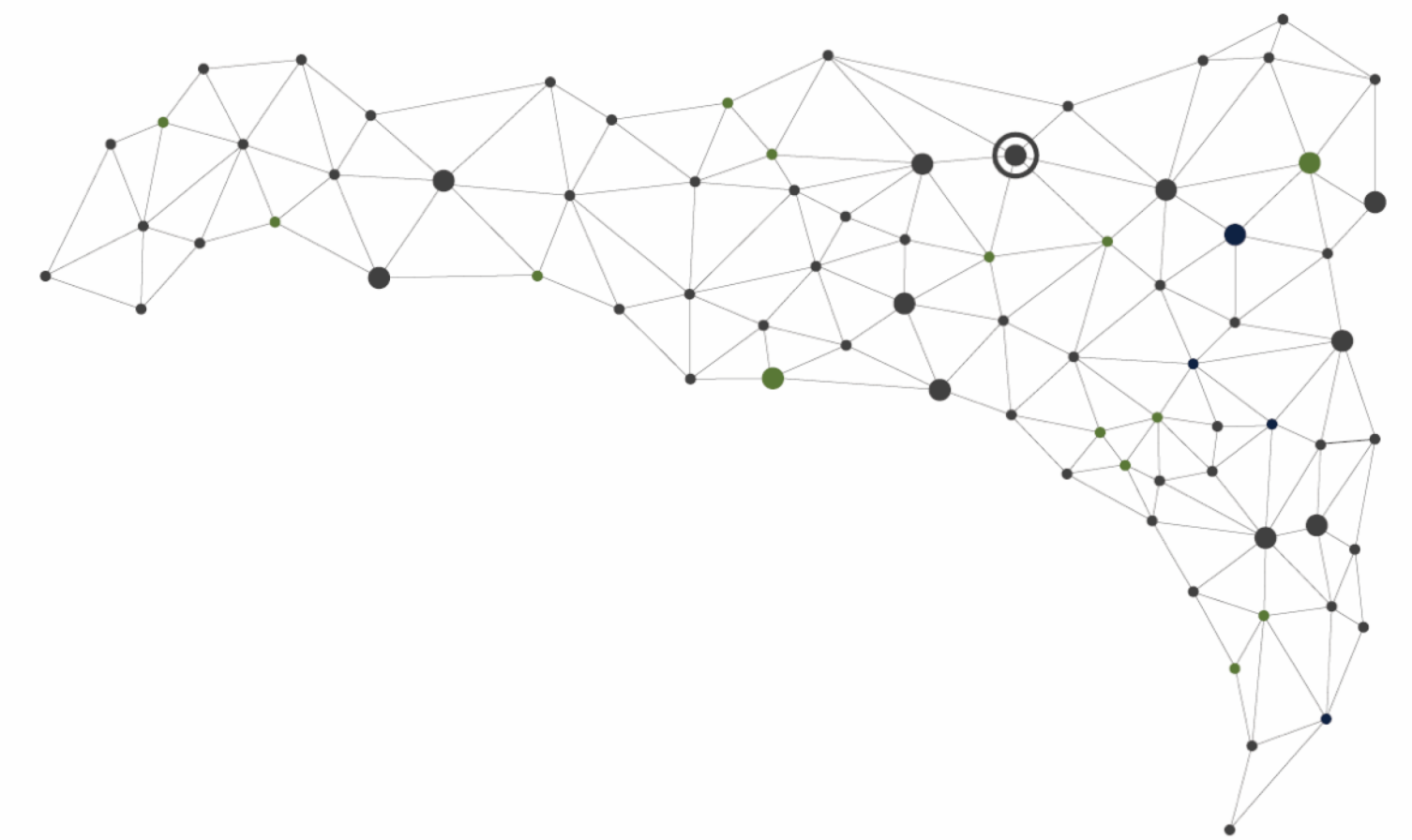
❖ Main impacts of COVID-19 on slum dwellers;

a. Loss of employment.

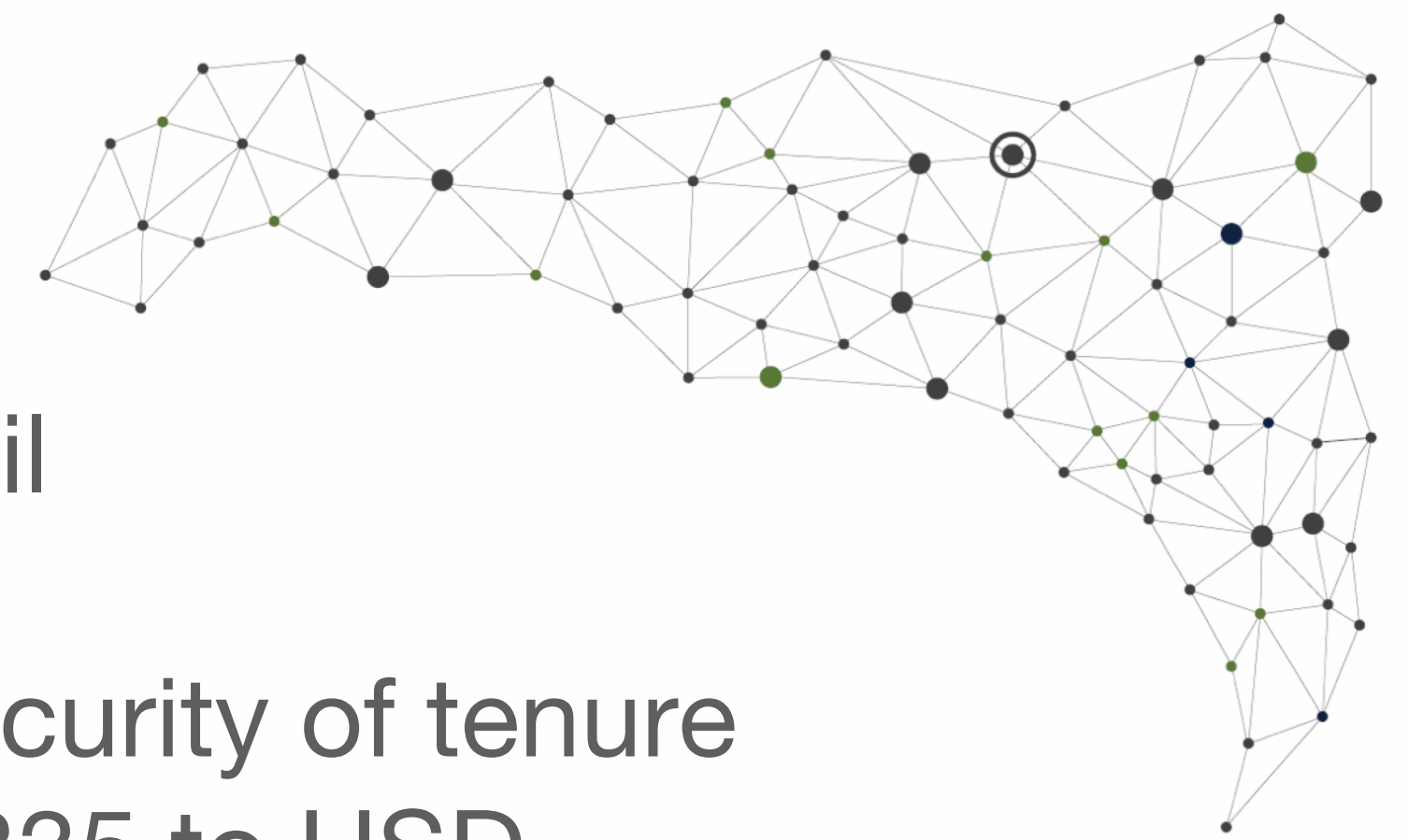
b. Food insecurity.

c. Eviction threats and a number of evictions from by landlords.

d. Failure to pay for services such as water – key to prevention of the spread of the disease – and fees such as ground rent to Lusaka City Council.



# RELIEF PROVIDED TO SLUM DWELLERS BY LUSAKA CITY COUNCIL AND OTHER ACTORS



- ❖ 50% reduction on all ground rent arrears owed to the council
- ❖ Reduction in regulation fees by the Council for accessing security of tenure documents for properties in informal settlements from USD 335 to USD 120.
- ❖ Suspension of all water disconnection for defaulting clients by water utility entities - the utilities are owned by the Council(s)
- ❖ Provision of social cash transfer targeting slum dwellers
- ❖ Provision of relief food and COVID-19 preventive materials
- ❖ Disinfection of public places such as markets and bus stations where most residents in slums trade to earn income.



## KEY LESSONS



- ❖ Working with community leaders was key in targeting support to the most needy
- ❖ Provision of relief in form of social cash transfer through mobile money and food enabled a number of people to avoid crowded places and that helped reduce the spread of COVID-19
- ❖ The reduction in ground rent and regulation fees by the council reduced pressure on landlords in slums and they passed on the benefit to tenants by not evicting them.
- ❖ Multi-sectoral approach and stakeholder involvement was essential for pooling resources together and avoiding duplicity of efforts



# THANK YOU



DAVID GARDNER

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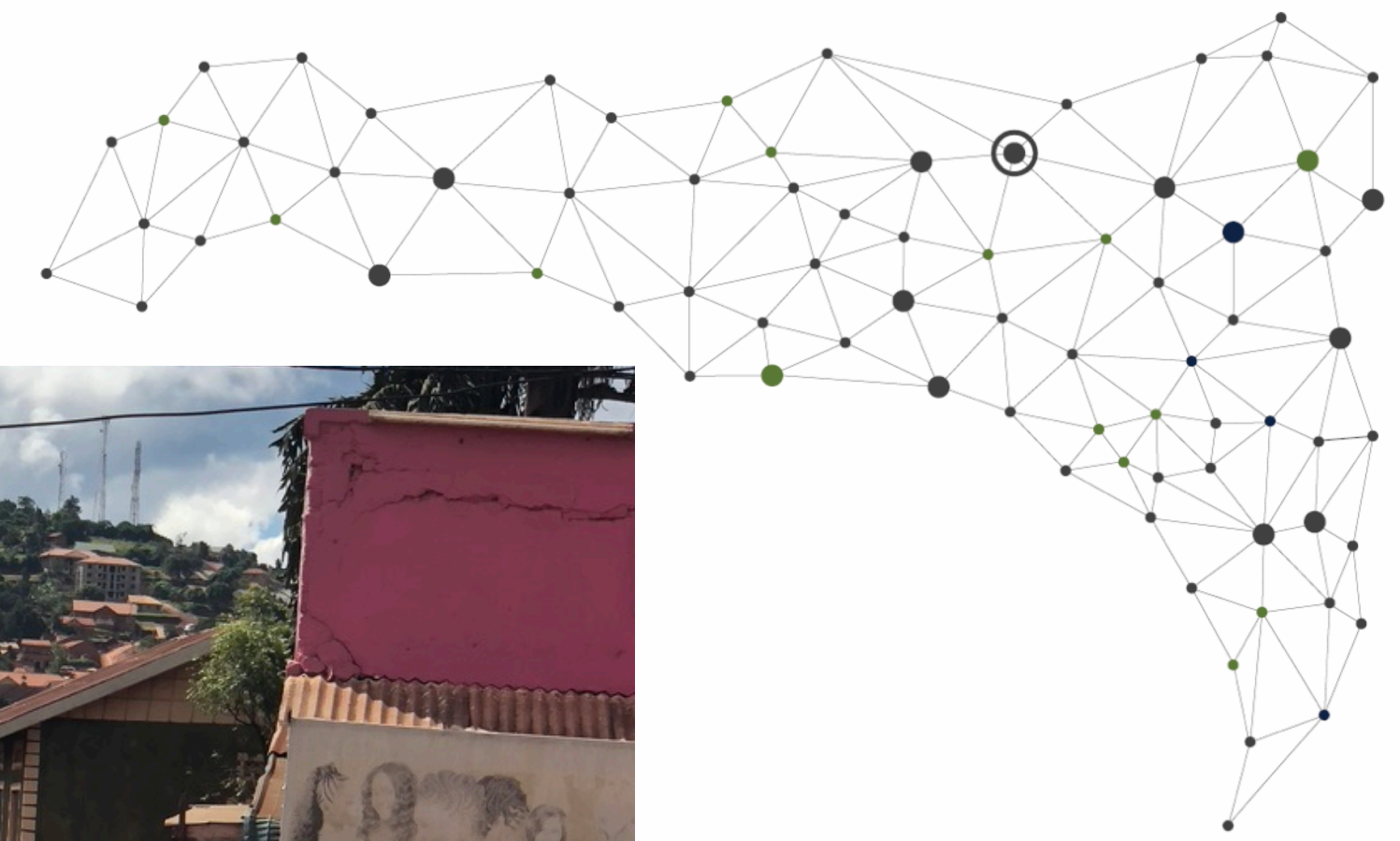
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**NOV - DEC**  
**23<sup>rd</sup> 3<sup>rd</sup>**



# Contents

1. Defining the Problem
2. Current Situation: COVID Impact
3. COVID Impacts on Rental
4. Cities' Experiences (Survey Feedback)
5. Solutions: Aim and Objectives
6. Solution Framework
7. Shortlist of Responses (For Further Discussion)





# 1. Defining the Problem

- **What is it?** Densely populated ‘backyard rental’ zones (informal rental, tenement housing, small scale rental). Generally in middle-lower income formal neighborhoods but also in slums. Secure(ish) title, decent location, affordable rental.
- **How does it work?** Landlords with access to land/buildings construct and rent basic accommodation for private rental at affordable rates.
- **Is it Formal Housing?** It can be, but mostly it is an unregulated informal market that fulfills the need for better located, basic, affordable housing in urban areas.
- **What are the Living Conditions?** Generally small simple units or rooms of ~8m<sup>2</sup> to 16m<sup>2</sup> but can also be multi-room cottages/bungalows. Often better than slums, can be formally or informally constructed of permanent or temporary materials, often not as good as formal accommodation.
- **What Services do Tenants Access?** Some have access to outside communal space, and most have access to shared ablution (toilet / tap or basin or shower) or rely on services from main household (e.g. single ablution facility, standpipe or borehole / well, shared electricity with main household).
- **Who Lives There?** Mostly economically active - Single people, small households, newly urbanized, migrants / immigrants, students, single (often women-headed) households.
- **What does it cost?** Rentals vary depending on accommodation size, location and access to services. Can be from \$5 per month upwards.





## 2. Current Situation

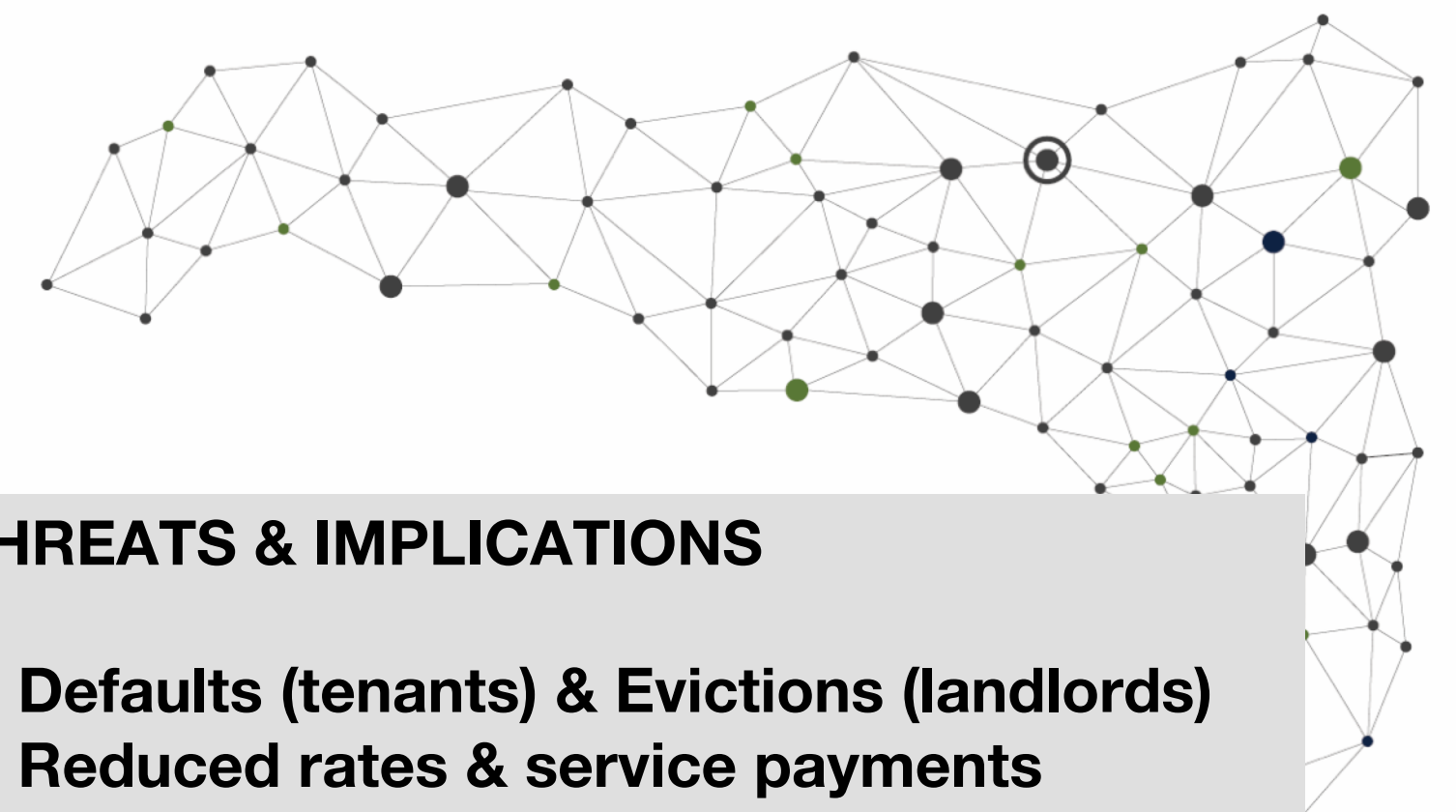
- **African Cities are Rental Cities:** Rental varies from city to city – e.g. according to CAHF in Côte d'Ivoire three-quarters of households living in Abidjan (78%) are renters; in Dakar, Senegal 50 percent rent; in Kampala, Uganda 71% of households are renters, and in Dar Es Salaam, Tanzania the rate is estimated at more than 55%.
- **Residential Rental is a Major Economic Sector:** While most residential rentals in developing cities are informal (no leases, often informally constructed units), the informal rental market is a major economic sector. Residential rental markets comprise an important part of GDP in developing countries.
- **COVID-19 Disrupts the Residential Rental Market:** Rural out-migration reduces tenant demand. Tenants lose informal incomes and landlords lose ability to sustain households and to pay for services.
- **Informal / Backyard Rental is Second Lowest Rung of the Housing Ladder:** Once evicted or displaced from informal rental market, slums or homelessness are the only real options.



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# 3. COVID Impacts on Rental



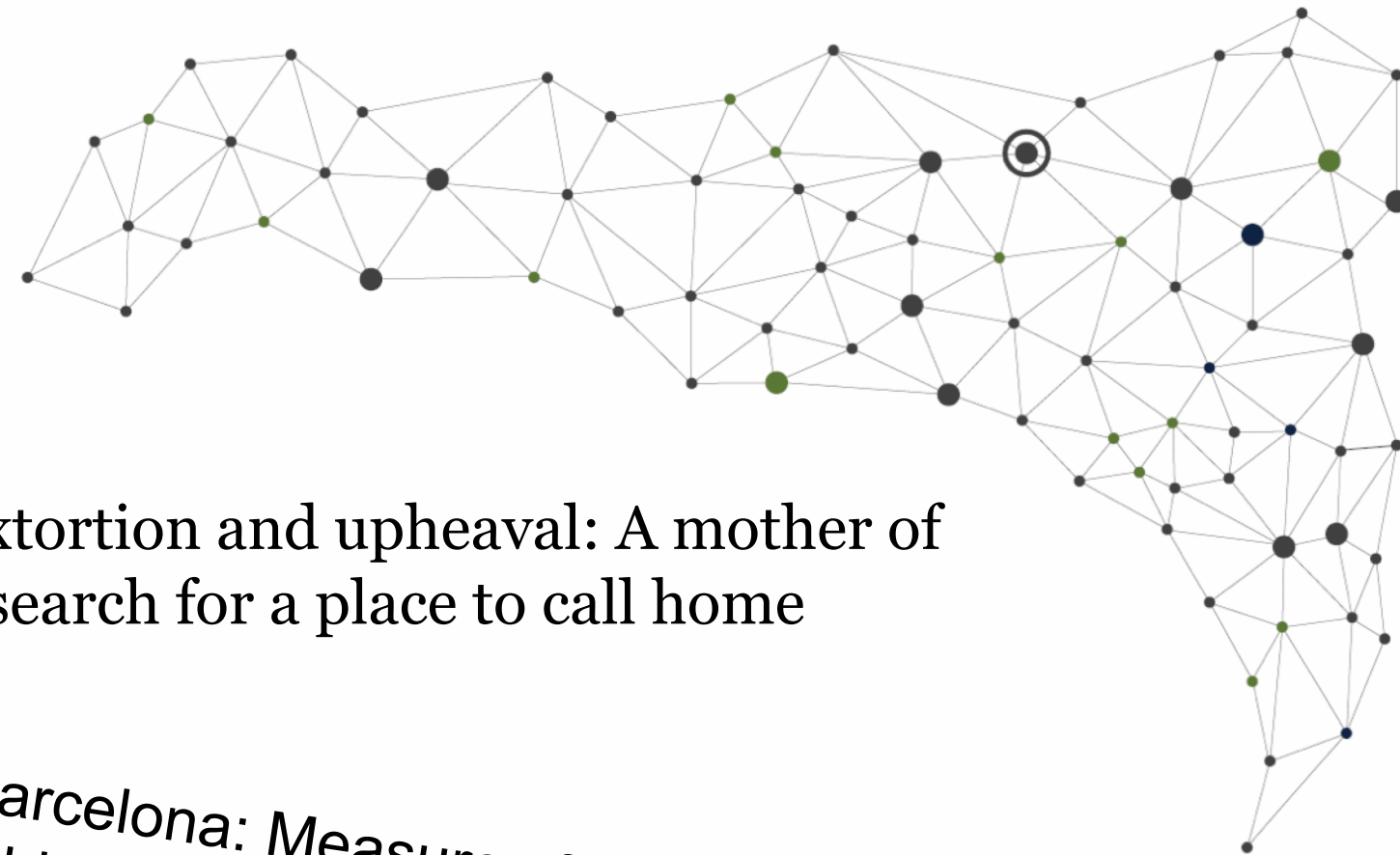
**COVID has worsened many aspects of this important housing sub-market:**

- **Loss of Income by Tenants and Landlords:** Most occupants pay rent, and therefore rely on income to sustain rental payments. Many are informally employed and have lost all or most of their income.
- **Increased Occupancy:** Both quantity and length of occupancy puts pressure on households being confined within very small living spaces.
- **Site Overcrowding:** Higher occupancy creates site level pressure, especially where high-density accommodation exists
- **Loss of Service Access:** Pressure on services from service availability and access. Extreme difficulties in managing social distancing and hygiene requirements in densely occupied sites.
- **Access to Connectivity:** Access to internet is now recognized as a basic human right. Critical to have access to internet continue work and study but informal incomes and lost earnings make this difficult (*Digital Divide*)
- **Macroeconomic Impacts – Investment:** - total disruption of normal investments in what is in most countries the most important housing sub-market by volume and value.
- **Macroeconomic Impacts – Consumption:** Payment of rents, service charges, other housing related services as well as cessation.

## THREATS & IMPLICATIONS

- **Defaults (tenants) & Evictions (landlords)**
- **Reduced rates & service payments (landlords)**
- **Social stress and lack of social distancing**
- **Lack of social distancing & ‘Superspreading’ potential**
- **Breakdown in service payments (landlord) and access to shared services (tenant)**
- **Systemic disadvantage: limited digital access to economy and education**
- **Largest housing market shut down, including demand for intermediate inputs**
- **Pressure on service delivery to residential areas with lower service payment levels**





# 4. Cities' Experiences



Khayelitsha residents 'evicted twice' during lockdown



Brutal evictions worsen South Africa's urban crisis



Eviction, extortion and upheaval: A mother of five's search for a place to call home

Barcelona: Measures for tackling the impact of Covid-19 addressed to people living in rented housing

COVID-19 and Performance of Contracts in Zambia: Key Considerations

Eviction spike as the lockdown relaxes

Rental payment problems caused by COVID-19 – Landlords and tenants need to consider how best to decrease their risks

Call for moratorium on evictions amid Covid-19 outbreak

Alert Level 1 evictions granted as long as they are just and equitable

COVID-19: RELIEF PACKAGE FOR RETAIL TENANTS, SOUTH AFRICA

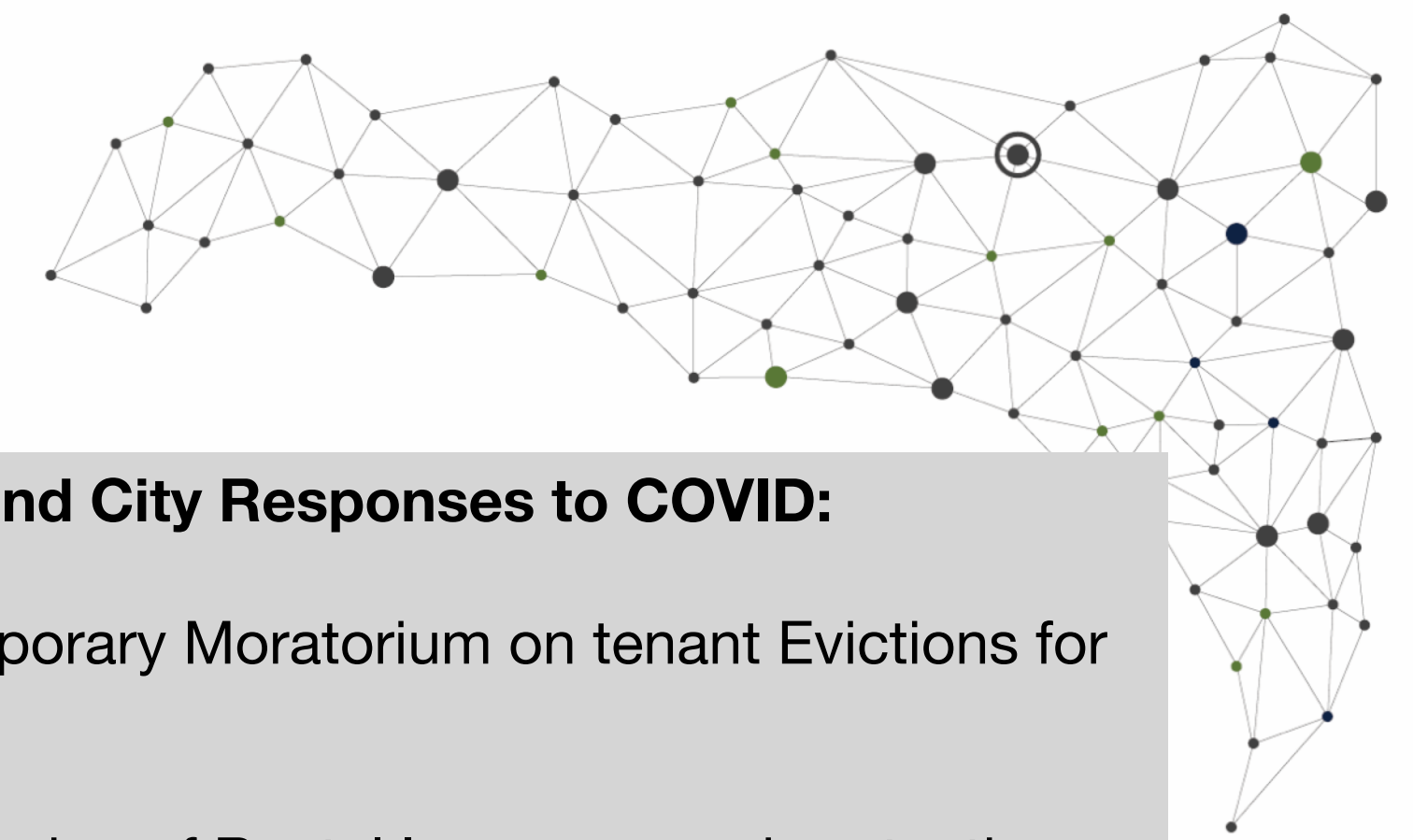


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# 4. Cities' Experiences



## Approaches to Supporting Informal Rental Markets:

- **Eviction Moratorium:** Temporarily protect rights and access to shelter.
- **Financial Support to Renters:** Short-term income or partial rental relief packages.
- **Financial Support to Landlords:** Reductions or halts to service payments
- **Landlord-Tenant Renegotiations:** Lease renegotiations based on loss of income, use of deposit, or rescheduling of repayments.
- **Service Access Support:** Support to high-density areas through provision of emergency WASH support.
- **Emergency Housing Support:** De-densification of high-density areas and provision of temporary accommodation.

## Some Country, State and City Responses to COVID:

- **Los Angeles:** Temporary Moratorium on tenant Evictions for nonpayment
- **New Zealand:** Freezing of Rental Increases and protection against unilateral lease cancellations. Non-discrimination against COVID carriers.
- **Canada:** Various supports including partial rental payments for low and middle-income tenants. Prohibition of evictions.
- **Spain:** Catalonia and Barcelona provide short-term financial relief to renters along with other protections.
- **South Africa:** Freezing of evictions and enforcement of foreclosure; Economic / salary stimulus. Industry moves to provide cover from deposits or reallocation of rentals. Income declaration Agreement; Caution Use Agreement; Rent Deferral Agreement
- **Cote d'Ivoire:** Prohibition of rent increases; Suspension of evictions (except court-ordered); Rent reduction or deferral; Tax payment deferrals for lessors who accept rent deferrals; Housing Solidarity Fund.

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# 5. Solutions: Aim & Objectives

**AIM:** Identify short and medium-term interventions to ease impacts of COVID-19 in areas of high-density rental.

## OBJECTIVES:

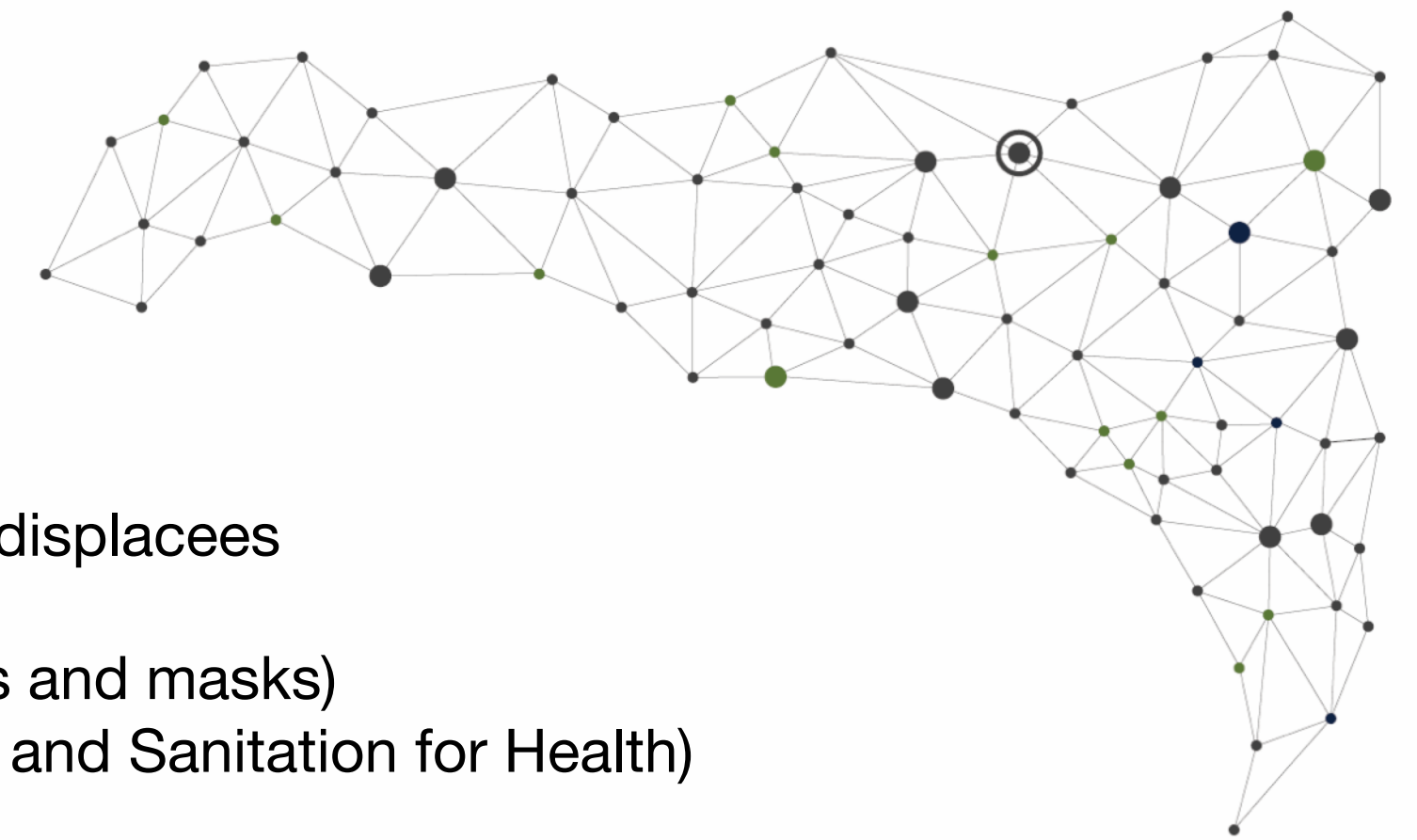
- High impact interventions (rollout to multiple areas)
- Low resource utilisation (limited investments)
- High replicability potential
- Focused and effective

## MOTIVATION:

- High proportions of disadvantaged population
- Loss of revenue leaves little capital budget
- Main aspects of rental market are similar worldwide
- Less planning, more implementation is required



# 6. Solution Framework



- **Basic Human Rights Interventions**
  - Access to Basic Shelter for evictees / displacees
  - Eviction Protocols and Precedents
  - Sanitation Access (e.g. hand sanitisers and masks)
  - Emergency WASH intervention (Water and Sanitation for Health)
- **Market Normalisation Interventions**
  - Communication & Awareness Raising
  - The Landlord as communications hub
  - Access to financial relief ... or advice and precedent
  - Livability Interventions
- **Economic Stimulus Interventions**
  - Recognize role of informal rental in GDP & Recovery Packages
  - Reduce barriers to construction and real estate
  - Focus economic stimulus towards this sector
  - Identify and resolve key problems
  - Infrastructure spend (precinct approach)
- **City Planning Improvements**
  - City Design (Work from home)
  - Zoning Land use Management
  - Livable Space (public spaces)
  - Multi-use tolerance (or support)
  - Compliance based vs Developmental based



# 7. Shortlist of Responses

## Four Main Responses:

- **Central Government Role & Response:** Ensure adequate emergency service delivery response to areas of dense rental.
- **City Governance Role & Response:** Targeted WASH and COVID Support Response in dense rental areas & ICT interventions.
- **NPO / Civil Society Response:** Landlord / Tenant Lease Renegotiations / rescheduling
- **City Planning Response:** Proactive use of city space to reduce impacts of COVID on densely populated areas.



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