

Urban Poverty and the Impact of COVID in densely populated areas of rental housing (Backyard Rental)

**Jorge Rodriguez Nieto: Barcelona, Spain**

500 000 people in the city itself.

Metro area holds >5,5 million. 36 municipalities.

Very diverse - smart city, node for international tourism, attractor for business and study.

- Service-based economy.
- Real estate sector growth
- Refugee destination city

Mayor (Ada Colau) driving complete city re-invention during COVID

COVID impact:

- Very high infection rate
- 16.8% unemployment
- 12.8% decline in economy (IMF lists Spain as most affected developed economy)
- 50% growth in evictions

Barcelona City Response:

1. Temporary Employment Regulation File (temporary suspension or reduction of employment)
2. Extraordinary Unemployment Subsidy
3. Rental Aid, Eviction Suspensions
4. Curfew
5. Special Business Hours
6. Electricity Subsidies
7. Increase in local product consumption (local industry rescue)
8. Voluntary assistance (food banks, etc)

Key Lessons:

- Cannot rely on tourism only, must diversify economy
- Urban Transformation focused on livability of citizens (but with focus on future tourism too)
- Eviction suspension
- Social Housing construction, reduced rentals
- Smart City and digital focus on citizens
- Civil initiatives driving participative programmes

**Danny Chibinda, Lusaka, Zambia**

- Capital City, highest growth rate in the country.
- Grown to nearly 3 million people.
- Urban growth has not been followed by urban investment.
- 70% live in slums (poor access to services and facilities)

- LCC undertakes participatory slum upgrading (declared legal, secure tenure and basic services)
- Encourage proper investment in housing

#### Impact of COVID:

- Lusaka is the epicentre (53% of all cases)
- Many employment losses (especially low-skilled slum dwellers)
- Food insecurity
- Eviction threats and actual evictions due to lost rental payments
- Service payment reductions and Ground Rent payments to local authority

#### Relief Measures from LCC

1. Reduced Ground Rent (50%)
2. Reduced regulation fees by LCC for securing tenure
3. No water disconnections
4. Social Cash Transfer for slum dwellers
5. Food Relief and COVID PPE
6. Public disinfection programmes

#### Key Lessons:

- Partnerships with Community Leaders to target most needy / vulnerable
- Provision of cash transfer and food support enabled social distancing.
- Reduction in statutory rents and fees enabled benefits to be passed on to tenants and reduced evictions
- Multi-sectoral approach limited duplication and focused resources

### **David Gardner**

#### **Defining the problem**

- densely populated "backyard rental" - linked to urban poverty.
- No title deeds - but awareness & knowledge on contractual agreement
- located close to economic activity - easy access to cities
- Landlords construct buildings to let out to tenants at an affordable rate - room in a backyard, outbuilding, block of rooms.
- can be formal housing - generally unregulated informal market
- Often better than slums - less than formal accommodation
- shared ablution, standpipe or borehole/well shared electricity
- Often women headed households; economically active; single people, newly urbanised migrants, students.
- low cost rental -hand to mouth - from \$5 per month
- Important income stream to landlord.

#### **Current Situation**

- 80 - 90 % of residential market in Sub-Saharan Africa falls into this category
- Vulnerability to COVID-19 high
- Rural out-migration reduces tenant demand - reduced income for landlords
- Once evicted or displaced, slums or homelessness only real options
- Backyard rental is one step up the ladder from slums

## **Direct Impact of COVID-19**

- Focus is on the tenants and not the landlord - in some instances earn less than tenants.
- Defaults from tenants
- Landlords - many lost most or all of their income.
- Increase in evictions
- Reduction in rates and electricity payments to local govt.
- Increased occupancy - households confined to small spaces.
- lack of social distancing .
- Potential for spread of virus
- Pressure on services from service availability and access
- Limited access to connectivity - digital divide. too many assumptions given that it is considered a basic human right.
- Macro-economic impact on investment. Total disruption - major implications upstream for construction, manufacturing and services sectors....
- Massive uptake in purchase of building materials in rural areas
- Macro-economic impact on Consumption - rental payments, service charges, utility bills.

## **Cities Experiences**

Varies from city to city - need to be considered in addressing the crisis

LA; Barcelona; New Zealand - freezing rental increases

Canada - partial rental payments

South Africa - freezing of evictions - enforcement of foreclosure through court orders

- General eviction moratoriums
- General financial support to renters - partial relief - in some cases to landlords as well.
- Commercial landlords more affected than residential landlords.
- Renegotiations of lease; use of deposit or rescheduling payments.
- Sufficient water and sanitation to maintain basic health and hygiene
- Emergency Housing Support - de-densification of high density areas by offering temporary accommodation. Nigeria - new housing developments.

## **Solutions: Aim and Objectives**

Aim - Identify short and medium term interventions - high density areas

Objectives

High impact; Low resource utilisation; high replicability; focussed - effective - more planning

## **Solution Framework**

Basic Human Rights interventions

- basic shelter
- eviction protocols - precedents
- sanitation - protective wear and cleaning/wash materials

Market Normalisation Interventions

- Raise awareness and communication
- Landlord - communication base/hub
- Access to financial relief - residential rental not only commercial rental
- livability interventions - invest in cities for the most vulnerable

Economic Stimulus Interventions

- role of informal rental in GDP
- reduce barriers to construction/real estate
- drive economic stimulus to sector
- problem identification & solution
- increase infrastructure spend

City Planning Improvements

- city design - re-working homes
- zoning land
- public spaces - livable
- multi-use tolerances - design
- compliance base vs development base.

## **Shortlist of Responses**

4 areas of focus

- central govt
- city governance

- NPO/Civil Society
- City Planning

Jorge: Barcelona has the potential for bottom-up redefinition of the city.  
Transformation is a constant dialogue between residents and city government.  
Superblock initiative.