

Resource Report 7:

Research into Successful Landlords

Annexure A: Research into Successful Landlords: 20 interview summaries

A research project sponsored by the National Department of Housing, the Social Housing Foundation, Nedbank and the FinMark Trust



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Reports produced as part of the Housing Entrepreneurs Research Project:

Final Reports:

Research Report: Consolidated analysis of research into Small Scale Landlords and Home Based Entrepreneurs (April 2006)

Small Scale Landlords: Research Findings and Recommendations (3 May 2006)

Home Based Entrepreneurs: Research Findings and Recommendations (to be released in July 2006)

Resource Reports

Literature Review

Resource Report 1: Literature review of Small Scale Landlords (6 February 2006)

Resource Report 2: Literature review on the financial needs and products available to Small Scale Landlords and Entrepreneurs from Commercial Banks. (6 February 2006)

Resource Report 3: Literature review on entrepreneurship, housing and housing finance (6 February 2006)

Resource Report 4: Literature review on Home Based Entrepreneurs (6 February 2006)

Small Scale Landlords

Resource Report 5: Research into Landlords in Inner Cities (6 February 2006)

Resource Report 6: Research into Landlords in Townships (6 February 2006)

Resource Report 7: Research into Successful Landlords (6 February 2006)

Resource Report 8: Research into Service Providers in respect of Small Scale Landlords (6 February 2006)

Resource Report 9: Research into Public Sector Stock (6 February 2006)

Home Based Entrepreneurs

Resource Report 10: Research into Home Based Entrepreneurs (6 February 2006)

Resource Report 11: Research into Successful Entrepreneurs (6 February 2006)

Resource Report 12: Research into Service Providers in respect of Entrepreneurs (6 February 2006)

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1 Introduction

This document forms part of the overall research study conducted for FinMark Trust et al. “*Research Into Mechanisms to Support the Emergence of Entrepreneurs and Small Scale Landlords.*” The study was managed by Shisaka and CSIR (Boutek).

As part of the primary research a survey was undertaken of landlords and tenants in 2 inner city areas as well as qualitative research in 2 township areas, studying the mechanisms and dynamics of small-scale landlordism. It was though appropriate to compliment this research with qualitative in-depth interviews of landlords that are perceived “successful Landlords” This would enable the study team to compare the primary research of landlords with the findings of established successful small-scale landlords. For the purpose of the study the Shisaka team defined a landlord as follows:

A Landlord is a person who has rights to a property and rents it to another person for regular payments, which may be in cash or kind [comprising either food or services].

A small-scale landlord is defined as one who rents out between 1 and 200 units or up to 3 buildings.

Furthermore Shisaka developed the following definition for a successful small-scale landlord:

- A successful small-scale landlord is an individual/enterprise that displays one or more of the following characteristics:
 - The scale of operation is large whereby more than 10 units or 1 building are being offered for rental.
 - The enterprise consistently shows high turnover and margins [over 5% profit increase pa]
 - The quality of the rental stock provided is within minimum standards and is maintained on an ongoing basis.
 - The relationship with tenants is generally good.
 - The landlord is recognized by his/her peers or tenants as being successful
 - The enterprise/landlord has the ability to adapt to changing demand or market conditions.
 - The enterprise/landlord is able to deal with external environmental factors.
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2 Methodology

An in-depth interview schedule was developed focusing on the motivation for becoming a landlord, management mechanisms, applying of sanction and key success factors. Landlords were identified through the survey, as well as references from agencies involved in some way in the landlord/rental industry like the banks and TUHF.

A trained facilitator from Progressus conducted the interview in the preferred language of the landlord. The principles of the Free Attitude Interview, developed by Dr. Ineke Meulenberg-Buskens were used. This technique allows for data to be obtained in an unbiased manner and assist respondents to discuss freely their knowledge, ideas, experiences and values related to the subject under discussion.

A summary of the data is provided for each interview, with regards to the themes set out in the objectives of the research. These themes were explored and links made with other themes. Each issue was exhausted in terms of the content of the interviews.

3 Interview Summaries

Table 1: Successful Landlord Interview 1:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 15 Residential Flats <input type="checkbox"/> 40 –50 tenants <input type="checkbox"/> West Rand Region
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> Wanted to investment in property. <input type="checkbox"/> Then went looking for a block of flats around Florida, because it is a place where banks can easily approve your bond.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought
	Financier	<input type="checkbox"/> Standard Bank
	Type of Finance	<input type="checkbox"/> Bond (commercial)
	Security provided?	<input type="checkbox"/> 30% equity.
	Was it easy to secure?	<input type="checkbox"/> Easy to secure although the application process is difficult and requires lots of paper work.
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> Delays in acquisition process: <ul style="list-style-type: none"> ▪ VAT clearance from previous owner – difficult to obtain. ▪ Municipal clearance certificate in respect of services difficult to obtain - Had to settle electricity bill from previous owner in order to move forward with process ▪ Difficult, non-cooperative seller.
	Perceptions of financial institutions?	<ul style="list-style-type: none"> <input type="checkbox"/> Helpful although lots of red tape. <input type="checkbox"/> Banks are very cautious in financing property and the area in which the property is located plays a major role in the bank’s decision.

Main Theme	Interview Probing Points	Summary of Responses
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Loan products from financial institutions are high risk for the Borrower.
Management Arrangements	Maintenance	<input type="checkbox"/> Maintenance done by landlord self (employ contractors on part – time basis)
	Collection of rental	<input type="checkbox"/> Rental paid directly to landlord’s Bank Account
Legal Arrangements	Agreements	<input type="checkbox"/> Written contract prepared by lawyer.
	House Rules	<input type="checkbox"/> Written house rules contained in contract.
Applying of sanction	Applying sanction	<input type="checkbox"/> Letter to tenant explaining problem <input type="checkbox"/> If no response a letter from a lawyer is send. <input type="checkbox"/> If no improvement then eviction.
	Key problem areas	<input type="checkbox"/> Neighbours in surrounding blocks of flats cause problems: <ul style="list-style-type: none"> ▪ Noise levels are causing a problem from neighboring buildings ▪ Do not keep premises clean which devalues whole area <input type="checkbox"/> Municipal bills are inconsistent. <input type="checkbox"/> Municipality takes long time to respond to queries.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Caring for tenants – having personal contact with tenants. <input type="checkbox"/> Choice in area I bought. <input type="checkbox"/> Do your homework before you buy about the area, the financing, the possible tenants etc.
	What were the factors that held you back	<input type="checkbox"/> Finding the “right” block.
Expansion:	Plans for the future?	<input type="checkbox"/> Will expand if cash is available.
	What problems do you face if you want to expand?	<input type="checkbox"/> Finding good Residential blocks and money to finance it.

Main Theme	Interview Probing Points	Summary of Responses
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> ❑ Used finance from their personal house - Bonded my personal property by obtaining a second bond.
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> ❑ Government should provide legal support to landlords especially when they need to evict tenants. At the moment the government supports only the tenants which makes sustainable rental business very difficult
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> ❑ They do support us already.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> ❑ Get the right block of flats (based on solid homework about the area). ❑ Be hands on – interact with tenants, do own renovations, be available. ❑ Provide personal financial support to your business i.e. use cash savings to do renovations.

Table 2: Successful Landlord Interview 2:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 4 residential units <input type="checkbox"/> Approximately 12 tenants <input type="checkbox"/> Situated in Hillbrow and Lorentzville
	Rationale for Rental Business	<input type="checkbox"/> Bought flats to supplement retirement income. <input type="checkbox"/> Main purpose of acquisition was focused on retirement supplement. <input type="checkbox"/> Was affordable to me at the time, and it worked out for me.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Bought.
	Financier	<input type="checkbox"/> ABSA financed 2 properties <input type="checkbox"/> Peoples Bank financed 2 properties
	Type of loan	<input type="checkbox"/> Bond – 80% loans for all properties
	Was it easy to secure?	<input type="checkbox"/> It was not difficult at the time because my salary income placed me in a position to qualify for Bond financing <input type="checkbox"/> The properties are in a good area, which also supported the bond application.
	What security provided?	<input type="checkbox"/> 20% cash provided by landlord. <input type="checkbox"/> Mortgage from flats.
	Problems experience in acquiring the property/unit	<input type="checkbox"/> No problems
	Perceptions of financial institutes?	<input type="checkbox"/> Banks discriminate against age – more difficult to obtain a loan if you are over 60. <input type="checkbox"/> Not a bad thing for one to have a loan <input type="checkbox"/> Financial Institutes require the following before granting a loan: <ul style="list-style-type: none"> ▪ Earn good salary ▪ To be in one job for a long time. ▪ Have a good credit records. ▪ Not be black listed.

Main Theme	Interview Probing Points	Summary of Responses
Management arrangements	Maintenance	<input type="checkbox"/> Managing Agent responsible for all maintenance.
	Collection of rental	<input type="checkbox"/> Through Managing Agent.
	Lease agreements	<input type="checkbox"/> Lease agreements prepared by Managing Agent, complying with legal requirements <input type="checkbox"/> It is kept with the managing agent. <input type="checkbox"/> Written lease agreements; means nothing to the landlord because tenants in most cases abscond.
	House Rules	<input type="checkbox"/> All tenants have house rules e.g. one person per studio. <input type="checkbox"/> Suggestion from landlord – a police unit that monitors that tenants stick to the house rules.
Applying of sanction	Applying sanction	<input type="checkbox"/> Suspend electricity services. <input type="checkbox"/> But basically there is nothing else you can do.
	Key Problem areas:	<input type="checkbox"/> Rent payments always problematic. <input type="checkbox"/> Tenants break windows with stones. <input type="checkbox"/> Tenants make a mess of the flats (Landlord had to pay R42,000 from own savings for repairs).
Success Factors	Key success factors	<input type="checkbox"/> Don't know
	What were the factors that held you back	<input type="checkbox"/> Don't Know
	What could have made things easier for you	<input type="checkbox"/> Don't know
Expansion	Future plans?	<input type="checkbox"/> Will not expand – because of own retirement, only need small manageable rental to support income.
	What problems do you face if you want to expand?	<input type="checkbox"/> Finding a suitable area.

Main Theme	Interview Probing Points	Summary of Responses
Role of the house in Rental Business	Role of personal house	<ul style="list-style-type: none"> <input type="checkbox"/> Own house did not play any role.
Advice:	Advice to <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Get rid of negative influences on neighborhood (prostitutes, thieves and drug dealers). <input type="checkbox"/> Introduce a police unit to enforce law and order amongst tenants (Special Police Unit for Tenant Control & Monitoring). <input type="checkbox"/> Tenants to abide by the house rules and lease agreement.
	Advice to <u>Financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> <input type="checkbox"/> Don't know
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> Not to buy in areas like Hillbrow, Yeoville, Berea and Bellevue, because of neighborhood problems. <input type="checkbox"/> They should have a clear mission, let their stakeholders (i.e. Managing Agents) know what landlord expect from tenants

Table 3: Successful Landlord Interview 3

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 13 Brick-built Backyard Rental units <input type="checkbox"/> 26 tenants <input type="checkbox"/> Situated in Tladi (Soweto)
	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> I started in 1996, after my husband died. <input type="checkbox"/> We had a normal garage and I started with this structure, which I converted into proper rooms. <input type="checkbox"/> Thereafter I began to build more and more rooms <input type="checkbox"/> This was because I have a big yard that I used for my hardware shop. <input type="checkbox"/> As I collected money from tenants I build more rooms.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Build units myself because I own hardware so I took materials to build these rooms.
	Financier	<input type="checkbox"/> Own savings plus rental income from first 3 units
	Problems experience in acquiring the property/unit	<input type="checkbox"/> There was no electricity and it was difficult to get water.
	Main reason for not using Financial Institute	<input type="checkbox"/> The bank interest is too high and it is difficult to qualify for the loan.
	Perceptions of Financial institutes?	<input type="checkbox"/> Banks are very difficult to deal with – hostile, difficult to understand, not people friendly.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<ul style="list-style-type: none"> <input type="checkbox"/> Banks are hostile if no security can be provided. <input type="checkbox"/> Banks must trust borrowers to make repayments.
Management arrangements:	Maintenance	<input type="checkbox"/> Hire a handyman when needed to fix problems and do repairs
	Collection of rental	<ul style="list-style-type: none"> <input type="checkbox"/> They bring the rent to me. <input type="checkbox"/> Some give the rent to the caretaker at the premises.

Main Theme	Interview Probing Points	Summary of Responses
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Main Theme	Interview Probing Points	Summary of Responses
Legal Arrangements	Agreements	<ul style="list-style-type: none"> <input type="checkbox"/> Written contract prepared by lawyer.
	House Rules	<ul style="list-style-type: none"> <input type="checkbox"/> Written house rules contained in contract.
Applying of sanction	Applying sanction	<ul style="list-style-type: none"> <input type="checkbox"/> Letter to tenant explaining problem <input type="checkbox"/> If no response a letter from a lawyer is send. <input type="checkbox"/> If no improvement then eviction.
	Key problem areas	<ul style="list-style-type: none"> <input type="checkbox"/> Neighbours in surrounding blocks of flats cause problems: <ul style="list-style-type: none"> ▪ Noise levels are causing a problem from neighboring buildings ▪ Do not keep premises clean which devalues whole area <input type="checkbox"/> Municipal bills are inconsistent. <input type="checkbox"/> Municipality takes long time to respond to queries.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Caring for tenants – having personal contact with tenants. <input type="checkbox"/> Choice in area I bought. <input type="checkbox"/> Do your homework before you buy about the area, the financing, the possible tenants etc.
	What were the factors that held you back	<ul style="list-style-type: none"> <input type="checkbox"/> Finding the “right” block.
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> Will expand if cash is available.
	What problems do you face if you want to expand?	<ul style="list-style-type: none"> <input type="checkbox"/> Finding good Residential blocks and money to finance it.

Main Theme	Interview Probing Points	Summary of Responses
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> ❑ Used finance from their personal house - Bonded my personal property by obtaining a second bond.
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> ❑ Government should provide legal support to landlords especially when they need to evict tenants. At the moment the government supports only the tenants which makes sustainable rental business very difficult
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> ❑ They do support us already.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> ❑ Get the right block of flats (based on solid homework about the area). ❑ Be hands on – interact with tenants, do own renovations, be available. ❑ Provide personal financial support to your business i.e. use cash savings to do renovations.

Table 4: Successful Landlord Interview 4:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 7 Brick-built Backyard Rental units <input type="checkbox"/> 14 tenants <input type="checkbox"/> Situated in Tladi (Soweto)
	Rationale for Rental Business	<input type="checkbox"/> I bought a house that had back yard rooms, my kids were young then so I rented the space out to people.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Bought house with backyard units already developed.
	Financier	<input type="checkbox"/> My husband passed away so our bond was paid off with an Insurance policy we had on the bond (providing for Bond repayment in case of death), and I sold that house and bought this one.
	Problems experience in acquiring the property/unit	<input type="checkbox"/> No problems were experienced.
	Main reason for not using Financial Institute	<input type="checkbox"/> Landlord received Insurance payment on the death of her husband, which she used to pay for new house.
	Perceptions o Financial institutes	<ul style="list-style-type: none"> <input type="checkbox"/> The bank will not help people that are unemployed (like this landlord). <input type="checkbox"/> Banks only provide loans to formal employed people. <input type="checkbox"/> Banks charge high interest on loans which makes it very expensive to use
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> They must help poor people instead of concentrating on the rich.
Management arrangements:	Maintenance	<input type="checkbox"/> I do my own maintenance or hire someone once-off to do maintenance.
	Collection of rental	<input type="checkbox"/> I collect rent myself they bring it to my house.

Main Theme	Interview Probing Points	Summary of Responses
Legal arrangements:	Agreement with tenants	<input type="checkbox"/> Verbal agreement with tenants.
	House rules	<input type="checkbox"/> Have verbal house rules: <ul style="list-style-type: none"> ▪ They must lock the gates at night. ▪ Keep the toilets and yard clean.
	Applying of sanction	<input type="checkbox"/> I talk nicely to them about two three times.
	Key problem areas	<input type="checkbox"/> I do not have problems I am lucky to get people that like me.
Key success factors:	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> My positive attitude played a major role.
	What were the factors that held you back	<input type="checkbox"/> Lack of money to renovate the place.
	What could have made things easier for you	<input type="checkbox"/> If I had access to funds my life would be better in terms of this business.
Expansion:	Plans for the future	<input type="checkbox"/> Want to expand – obtain more rental units <input type="checkbox"/> Have a vision of hosting tourists in 2010 in this place.
	What problems do you face if you want to expand?	<input type="checkbox"/> There is no access to funds because of official ‘unemployment status’. This automatically disqualifies a person for a loan.
Role of Personal house	Role of house in rental business	<input type="checkbox"/> House played important role <input type="checkbox"/> It provided me the opportunity to become a landlord
Advice:	Advice to South African government in terms of supporting landlords	<input type="checkbox"/> The government must tell banks to help landlords.
	Advice to financial institutions in terms of supporting you as a landlord	<input type="checkbox"/> The financial institutions must help people who are self employed, currently they only consider people who are formally employed.
	What is your advice to other landlords like yourself?	<input type="checkbox"/> Try to have a good relationship with your tenants. <input type="checkbox"/> Keep the place clean and repair and maintain the place.

Table 5: Successful Landlord Interview 5:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 3 townhouse units <input type="checkbox"/> 6 tenants <input type="checkbox"/> Situated in Bloemfontein
	Rationale for Rental Business	<input type="checkbox"/> Had some extra cash and decided to invest in property. <input type="checkbox"/> Property investment is hassle free.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Bought in new development.
	Financier	<input type="checkbox"/> 20% from own money. <input type="checkbox"/> 80% from SA home loans.
	Type of loan	<input type="checkbox"/> Bond
	Was it easy to secure?	<input type="checkbox"/> Very easy if you've got enough cash and can proof that you will be able to repay the bond. <input type="checkbox"/> Can use expected Tenant Income as projected income to repay the bond.
	What security provided?	<input type="checkbox"/> The property itself (townhouse).
	Problems experience in acquiring the property/unit	<input type="checkbox"/> No serious problems. <input type="checkbox"/> Snag list with the development (but it was fixed).
	Perceptions of Financial institutes?	<input type="checkbox"/> Banks think that they are doing you a favour by giving you the loan. <input type="checkbox"/> They make lots of money out of people. <input type="checkbox"/> They take longer in processing applications. <input type="checkbox"/> They don't look after their clients.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Lower interest rates.

Main Theme	Interview Probing Points	Summary of Responses
Management arrangements:	Maintenance	<input type="checkbox"/> INSIDE: I do it myself i.e. hire a handy man for a short term <input type="checkbox"/> OUTSIDE – the body corporate (of the complex) does that.
	Collection of rental	<input type="checkbox"/> Debit order to my Bank Account.
Legal arrangements:	Agreements with tenants	<input type="checkbox"/> Written legal lease contract – tenants needs to sign a one-year lease agreement or find a replacement in case they decide to leave earlier. <input type="checkbox"/> 1-month deposit. <input type="checkbox"/> Pay rent before the 7th. <input type="checkbox"/> Pay for any damage that they cause.
	House Rules	<input type="checkbox"/> Written house rules in lease agreements <ul style="list-style-type: none"> ▪ No pets. ▪ Not to use other tenants parking. ▪ (Don't have a list with her now, but the body Corporate enforces general house rules about things like parties, noise, etc.).
	Applying of sanction	<input type="checkbox"/> Extend due date to 15th then evict on the 20th. Evict out of property. <input type="checkbox"/> If they cause any damages I use their deposit to fix it.
	Key problem areas	<input type="checkbox"/> Nothing so far.
Key success factors:	Key factors that allowed you to become a successful landlords	<input type="checkbox"/> Being very conservative with money. <input type="checkbox"/> Started with fewer properties – easy to manage and maintain.
	What were the factors that held you back	<input type="checkbox"/> Money. <input type="checkbox"/> Rentals market flooded.
	What could have made things easier for you	<input type="checkbox"/> Money
Expansion	Plans for the future?	<input type="checkbox"/> No – Because rental market is flooded in Bloemfontein.
	What problems do you face if you want to expand?	<input type="checkbox"/> Finance.
Role of the house	Role of personal house in rental business	<input type="checkbox"/> Did not use house - had extra money to invest by then. <input type="checkbox"/> Except that it did provide a good credit rating background for me

Main Theme	Interview Probing Points	Summary of Responses
Advice:	Advice to South African government in terms of supporting landlords	<input type="checkbox"/> Don't know.
	Advice to Financial institutions in terms of supporting you as a landlord	<input type="checkbox"/> Lower interest rates. <input type="checkbox"/> Better deals (i.e. the more loans for properties they should lower their rates). <input type="checkbox"/> Cater for individual clients.
	Advice to other landlords like yourself?	<input type="checkbox"/> Not to be greedy. <input type="checkbox"/> Rent should be market related. <input type="checkbox"/> Do lots of market research. <input type="checkbox"/> If rents are higher than the market rate tenants will not stay for long.

Table 6: Successful Landlord Interview 6:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 7 Backyard Shacks <input type="checkbox"/> 14 tenants <input type="checkbox"/> Tladi in Soweto
	Rationale for Rental Business	<input type="checkbox"/> I saw a trend in the township of people renting out rooms. <input type="checkbox"/> My husband passed away and I needed someone to stay with me in my house because of security reasons. <input type="checkbox"/> I started mainly for security reasons but eventually I discovered that I could make money so I decided to build more rooms.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Build the house and build rooms that I am renting out.
	Financier	<input type="checkbox"/> Used own savings while being a schoolteacher at the time and had a fixed regular income. <input type="checkbox"/> Further received money from the insurance when my husband passed away.
	Problems experience in acquiring the property/unit	<input type="checkbox"/> Municipality allocated this property and I only renovated it.
	If they did not Finance through bank/financial institute, what is the reasons?	<input type="checkbox"/> She had money to build first three units. <input type="checkbox"/> The money from those units helped build more units.
	What are their perceptions of loans/banks/financial institutes?	<input type="checkbox"/> Did not use bank so does not know
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Banks should drop their interest and ease on qualifying criteria.
Management arrangements:	Maintenance	<input type="checkbox"/> Mainly it is a short-term method I get someone to fix a particular thing once off.
	Collection of rental	<input type="checkbox"/> Landlord collects rent herself from tenants.

Main Theme	Interview Probing Points	Summary of Responses
Legal arrangements:	Agreement with tenants	<input type="checkbox"/> Verbal agreement between tenant and landlord. <input type="checkbox"/> No written notices or leases. <input type="checkbox"/> Work on a system of trust and Ubuntu
	House Rules	<input type="checkbox"/> House rules discussed between landlord and tenants: <ul style="list-style-type: none"> ▪ The yard must be kept clean. ▪ The level of the noise must be kept in check.
	Applying of sanction	<input type="checkbox"/> I talk to them maybe twice in a civil manner.
	Key problem areas	<input type="checkbox"/> People ignoring rules of the yard. <input type="checkbox"/> Noise in the yard. <input type="checkbox"/> Late rent payment. <input type="checkbox"/> Sometimes they disappear when they must pay rent.
Key success factors	Key factors that allowed you to become a successful landlords	<input type="checkbox"/> I have been fortunate that most of my tenants are supportive.
	What were the factors that held you back ?	<input type="checkbox"/> The old laws did not allow lodger in a yard or even visitors. <input type="checkbox"/> No one could become a landlord because everybody needed permit.
	What could have made things easier for you?	<input type="checkbox"/> If there were no law prohibiting lodging in Soweto those years, it could have been easier.
Expansion:	Plans for the future? Do they want to expand? Why/Why not?	<input type="checkbox"/> I am old now I cannot expand.
	What problems do you face if you want to expand?	<input type="checkbox"/> Even if I wanted to expand it was not going to be possible because my yard is full.
Role of the house	Role of the house in landlord business	<input type="checkbox"/> The house helped in the sense that I used the space on the stand of my house with yard to build rooms.
Advice::	Advice to <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Reduce rates, electricity and rental for landlords. <input type="checkbox"/> The rates are too high and not monitored. <input type="checkbox"/> They should charge pensioners less rates.
	Advice to <u>Financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> If they could lend money to improve our places.
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> The relationship between tenant and landlord should be good. <input type="checkbox"/> The landlord should not be too oppressive.

Table 7: Successful Landlord Interview 7:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 8 Residential flats and 1 town house <input type="checkbox"/> 13 Tenants <input type="checkbox"/> Situated in Bryanstan, Sandton, Westdeen , Randburg, Bosbokruin, Windsor.
	Rationale for Rental Business	<input type="checkbox"/> Studied property management at university, so as a result they pursued property as a form of investment. <input type="checkbox"/> Wanted to invest in new places.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> Bought.
	Financier	<input type="checkbox"/> Bank – Mortgage bond. <input type="checkbox"/> 90% loan cover
	Problems experience in acquiring the property/unit	<input type="checkbox"/> House – Mortgage loans.
	Was it easy to secure?	<input type="checkbox"/> Very easy – because salaries were correct, and they did apply for bonds through property developers.
	What security provided?	<input type="checkbox"/> Only rental property itself. <input type="checkbox"/>
	Problems experience in acquiring the property/unit	<input type="checkbox"/> No problems.
	Perceptions of loans/banks/financial institutes?	<input type="checkbox"/> Helpful.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Do not believe in loans, only use it for big investments like houses, but if you can do without, then it is better.

Main Theme	Interview Probing Points	Summary of Responses
Management arrangements:	Maintenance	<input type="checkbox"/> Manage own maintenance – hire a handy man when necessary.
	Collection of rental	<input type="checkbox"/> Tenants deposit the money direct into landlord's bank account.
Legal arrangements:	Agreement with Tenants	<input type="checkbox"/> Written legal agreement (bought standard agreement one from Can) <input type="checkbox"/> It stipulates rent payment dates, deposit, and responsibilities.
	House rules	<input type="checkbox"/> Have house rules, set by Body Corporate. <input type="checkbox"/> Specific to each development but relates to general order amongst tenants like rules about noise, parties, pets, where children can play, when to put out rubbish etc.
	Applying of sanction	<input type="checkbox"/> Written notice (legal) <input type="checkbox"/> For any delay in rent payment, a fee of R50.00 is charged every day until the deposit is exhausted.
	What are their key problem areas	<input type="checkbox"/> No problems.
Key success factors:	Key success factors that allowed them to become successful landlords	<input type="checkbox"/> Manage their own units. <input type="checkbox"/> Units close to landlord's house. <input type="checkbox"/> Units in the right area – attracts good quality people. <input type="checkbox"/> Solve problems immediately. <input type="checkbox"/> Constant communication with tenants (direct interaction with tenants)
	What were the factors that held you back	<input type="checkbox"/> Finding properties in the right area.
	What could have made things easier for you	<input type="checkbox"/> Don't know
Expansion:	Plans for the future?	<input type="checkbox"/> Yes will expand if I can find the right investments.
	What problems do you face if you want to expand?	<input type="checkbox"/> Location. If property is not in the right area it makes it very difficult to manage.
Role of the house	Role of personal house in rental business	<input type="checkbox"/> Used house in developing rental business by drawing from own personal savings in their personal bond.

Main Theme	Interview Probing Points	Summary of Responses
Advice:	Advice to South African government in terms of supporting landlords	<input type="checkbox"/> Don't know.
	Advice to financial institutions in terms of supporting you as a landlord	<input type="checkbox"/> Don't know.
	Advice to other landlords like yourself?	<input type="checkbox"/> To be personally involved with their tenants. <input type="checkbox"/> Make sure that tenants sign and understand lease agreement.

Table 8: Successful Landlord Interview 8:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 2 Residential flats <input type="checkbox"/> 5 Tenants <input type="checkbox"/> Situated in Hillbrow.
	Rationale for Rental Business	<input type="checkbox"/> Started because landlord wanted financial back- up. <input type="checkbox"/> Because landlord is business minded. <input type="checkbox"/> Landlord always wished to expand – he is also an entrepreneurs running a spaza shop and public phones business.
Acquisition of Property	Method of acquisition	<input type="checkbox"/> 1 st : Bought cash - rented it out after living in it for two years <input type="checkbox"/> 2 nd : Obtained government subsidy through the Department of Housing – rented it out for three years
	Financier	<input type="checkbox"/> 1 st : Informal loan from Family, and later obtained a bond from ABSA Bank <input type="checkbox"/> 2 nd Government subsidy
	Loan type	<input type="checkbox"/> Mortgage bond.
	Was it easy to secure?	<input type="checkbox"/> Very easy because of financial status I had at that time.
	What security provided?	<input type="checkbox"/> Pension fund provided the security.
	Problems experience in acquiring the property/unit	<input type="checkbox"/> First – was easy. <input type="checkbox"/> Second – not that easy because they wanted the first one bonded before I got the mortgage. It was then that I obtained an ABSA mortgage bond
	What are their perceptions of loans/banks/financial institutes?	<input type="checkbox"/> They do not help people who are not credit worthy, so they go for those who are credit worthy and by definition do not need loans as much as the rest. <input type="checkbox"/> Banks not people-orientated – want clients to be desperate, unsure, dependant.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Become more people orientated, learn who your clients are. <input type="checkbox"/> Find innovative ways in helping the poor to obtain reasonable, people friendly loans

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Have high concern for my property – want to maintain value. Therefore the landlord hire people on a regular basis to do maintenance work
	Collection of rental	<input type="checkbox"/> Initially landlord used Managing Agents but because they are not trustworthy the landlord now personally manage the properties. <input type="checkbox"/> Tenants deposit money into bank account, and they all pay in time they are very reliable.
Legal Arrangements	Agreements	<input type="checkbox"/> Informal written agreement, which does not involve the lawyers. <ul style="list-style-type: none"> ▪ Rent payable before the seventh of every month. ▪ Keep unit in good condition. ▪ Free to discuss any problem with me. We respect each other.
	House Rules	<input type="checkbox"/> Have house rules that are discussed when tenants move in <ul style="list-style-type: none"> ▪ Maximum of 2 people in one bedroom flat. ▪ No loud voice. ▪ No visitors that stay over.
Applying of sanction	Applying sanction	<input type="checkbox"/> Charge tenant money for overcrowding and they are also charged for over spending in terms of electricity (Monetary fines)
	Key problem areas	<input type="checkbox"/> Do not have control over common property like lifts in the building which create a big inconvenience for landlord.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Discipline <input type="checkbox"/> Setting clear goals and make sure he achieves them <input type="checkbox"/> Landlord is a perfectionist – makes sure everything work 100% <input type="checkbox"/> Landlord is open to tenants – follow open door policy.
	What were the factors that held you back	<input type="checkbox"/> Finance – cannot obtain financing for expansion, not enough money to grow like I want to
	What could have made things easier for you?	<input type="checkbox"/> Uplift financial barriers and I could be far
Expansion:	Plans for the future?	<input type="checkbox"/> Want to expand – high demand of accommodation in Johannesburg, so it is very good investment, it is the center of attraction of SA
	What problems do you face if you want to expand?	<input type="checkbox"/> Overcrowding, since Johannesburg is a source of attraction, this devalues the area, this place is becoming very dirty.
Role of the house	Description of the role of own	<input type="checkbox"/> No role

Main Theme	Interview Probing Points	Summary of Responses
Advice:	house in rental business Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Government to control influx of people into Johannesburg, especially illegal occupants should talk to landlords and share leases; we should work with the government.
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> Give loans to people with vision other than considering credit worthiness <input type="checkbox"/> Track down historical background before issuing the loan should know people not money. <input type="checkbox"/> Banks should not be concerned about how much money you have in bank before they give you loans. <input type="checkbox"/> They should consider the capability of the individual.
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Stay focused, have plans and problem should not affect their vision.

Table 9: Successful Landlord Interview 9:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 2 residential flats <input type="checkbox"/> 6 tenants <input type="checkbox"/> Situated in Hillbrow
Business commencement	Rationale for Rental Business	<input type="checkbox"/> Came here to High Hilton in 12.02.1987 as a worker. <input type="checkbox"/> Many White people trusted me and gave custody of their flats, I became in charge of rental collection when my boss went to Australia and I got payment for that. <input type="checkbox"/> In 2003 he suggested that I buy flats from him at R5000 each but in documents it indicated that I bought them for R100 within four to five months I got title deeds. <input type="checkbox"/> I never wanted to stay there but I took it as an investment for the future of my children. <input type="checkbox"/> Now I am staying in a company house/flat within the building.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought them for R5000.00 each and its paid up. <input type="checkbox"/> Officially it indicated I bought them for R100. 00 each.
	Financier	<input type="checkbox"/> Own money, my own savings and I worked of my debt to the previous owner.
	Type of Finance	<input type="checkbox"/> Own savings
	Security provided?	<input type="checkbox"/> No
	Was it easy to secure?	<input type="checkbox"/> N/A
	Problems experience in acquiring the property?	<input type="checkbox"/> No
	Perceptions of financial institutions?	<input type="checkbox"/> Never thought of using the Banks because the price of the units was low and affordable. <input type="checkbox"/> Did not want to get credit from the bank for fear of paying too much interest.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Never used a financial institution because landlord has never needed it. <input type="checkbox"/> Landlord does not like the way they charge interests and conditions they put to the loan for example that they could repossess the flat if you fall into arrears due to some situation outside your control.
Management Arrangements	Maintenance	<input type="checkbox"/> Landlord does maintenance and repairs self or at times he hires someone to do it. <input type="checkbox"/> Smaller jobs like painting, fixing floors, and other small things are done by landlord self. <input type="checkbox"/> Tenants forfeit deposit for any broken things due to the tenant's negligence.

Main Theme	Interview Probing Points	Summary of Responses
	Collection of rental	<input type="checkbox"/> At times tenants pay rent partly so I have to provide money to pay up the short fall for example for the levy. <input type="checkbox"/> Tenants pay in cash. Landlord personally goes to collect rent which should be paid by the fifth of every month.
Legal Arrangements	Agreements	<input type="checkbox"/> Yes have verbal agreement with tenants: <input type="checkbox"/> R1600.00 is payable upfront for rent each month <input type="checkbox"/> Tenants pay for any damage they cause. <input type="checkbox"/> The fifth of every month is rent dead line. <input type="checkbox"/> They pay a deposit of one-month's rent.
	House Rules	<input type="checkbox"/> Have house rules - follow the building house rules – sectional title rules. <input type="checkbox"/> Passage is common property they get charged for any damages to the common property.
Applying of sanction	Applying sanction	<input type="checkbox"/> Those who cannot pay are evicted within a month without notice. <input type="checkbox"/> Charges are laid for breaking house rules – these are mainly dealt with through the structures within the building.
	Key problem areas	<input type="checkbox"/> None
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Confidence, open to tenants, open to discuss any aspect with tenants. Good communication skills and ongoing regular communication with tenants.
	What were the factors that held you back	<input type="checkbox"/> Nothing.
Expansion:	Plans for the future?	<input type="checkbox"/> Yes I want to own more flats. <input type="checkbox"/> Do not have finance even though I want to invest more for my family.
	What problems do you face if you want to expand?	<input type="checkbox"/> Do not have financial means or credit worthiness to expand at this stage <input type="checkbox"/> Landlord does not have finance and feel that he cannot go to the banks because of the way they oppress people
Role of the house	Description of the role of own house in rental business	<input type="checkbox"/> N/A – did not use house for rental business <input type="checkbox"/> Landlord is staying in a company house not paying anything, but not owning the unit. <input type="checkbox"/> Had to save as much as he could in order to buy the two flats.

Main Theme	Interview Probing Points	Summary of Responses
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Government should give more than one subsidy to aspiring landlords. <input type="checkbox"/> If someone had title deeds before he is no longer allowed to use his subsidy. This should change to provide more subsidies to landlords who are doing well.
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> Lower their financial charges this corrodes our disposable income.
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Concentrating on the business and do not focus only on profit, put your self into the shoes of tenants. <input type="checkbox"/> Be good to tenants because we are here because of them.

Table 10: Successful Landlord Interview 10:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 1 flat in Hillbrow with 2 tenants <input type="checkbox"/> 2 Backyard rooms in Berea with 4 tenants
Business commencement	Rationale for Rental Business	<input type="checkbox"/> Bought the flat on a rent-to-buy basis from my friend who was leaving the country for Europe, it took me 2 years to pay up the money. <input type="checkbox"/> Reached the sale agreement in 1994; at first landlord stayed in the flat but then decided to move to Soweto so that the flat could generate income, while he stayed in very affordable accommodation in the township in 2000. <input type="checkbox"/> In 2001 landlord's boss at work moved out of his Berea house and left him in charge of the tenants there, in return he was to have full possession of the backyard shacks as payment for services he provided to him (i.e. collecting rent and finding tenants). Landlord put his own tenants in the backyard shacks
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> The flat in Hillbrow was bought but never paid in full but it belongs to the landlord. <input type="checkbox"/> Landlord's boss handed over the shacks in Berea to him as payment for looking after the house.
	Financier	<input type="checkbox"/> Savings (I am gainfully employed and my wife runs a hair salon in town, so we used our savings) <input type="checkbox"/>
	Type of Finance	<input type="checkbox"/> Own savings
	Security provided?	<input type="checkbox"/> N/A
	Main reason for not using Financial Institute	<input type="checkbox"/> The owner of the flat was not concerned about cash, so the landlord could take time to repay the previous owner when it was possible for him to do so.
	Problems experience in acquiring the property?	<input type="checkbox"/> No problems since he got the properties from long time friends.
	Perceptions of financial institutions?	<input type="checkbox"/> Banks are only focused on benefiting financially at the expense of desperate and poor people who want to uplift themselves economically. <input type="checkbox"/> Financial charges are so "repelling if you intend getting a loan from a bank they are made for the elite".
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Banks should relax the requirements for collateral/security <input type="checkbox"/> Extend the period of payment for the loan at an affordable low interest.

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Due to escalating costs of fittings and costs of repairs the landlord has not been able to renovate or do major maintenance on the properties properly. <input type="checkbox"/> Small things are repaired by the landlord himself.
	Collection of rental	<input type="checkbox"/> Landlord used to collect rent personally but now tenants pay the rent directly into the bank account. <input type="checkbox"/> Landlord does have a problem with tenants sometimes paying late or not at all
Legal Arrangements	Agreements	<input type="checkbox"/> Verbal Agreement with tenants <input type="checkbox"/> Agreement concerns rent payment, overcrowding and cleanliness.
	House Rules	<input type="checkbox"/> Landlord does not enforce house rules
Applying of sanction	Applying sanction	<input type="checkbox"/> Accommodation is in great demand in Johannesburg those who cannot pay move out, failure to pay for a month results in eviction without notice, the landlord then take the deposit tenants paid (1-month's rent)
Main Theme	Interview Probing Points	Summary of Responses
Key success factors	Key problem areas	<input type="checkbox"/> Crime in the neighborhood and litter has led to the decline in the property values, which means that we cannot invest properly and we cannot attract executive tenants in the area.
	What were the factors that held you back	<input type="checkbox"/> Devaluation of the area, lack of funds to purchase houses in other places outside Hillbrow and Berea, it is no longer a good place to live in and therefore good quality tenants are not attracted to the area.
	What could have made things easier for you	<input type="checkbox"/> If the community and relevant authorities could come together and revamp the area, clean up and paint buildings. This will improve the value of accommodation and motivate landlords to spend money on renovating and upgrading their rental accommodation.
Expansion:	Plans for the future?	<input type="checkbox"/> Landlord wishes to acquire bigger and better properties but as long as the situation remains so critical (Poor area and lack of finances) he cannot expand at this stage. <input type="checkbox"/> I can say for now I am content with what I have.
	What problems do you face if you want to expand?	<input type="checkbox"/> Obvious lack of finance and good properties to acquire in an area of your choice like town houses.

Main Theme	Interview Probing Points	Summary of Responses
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> Personal house used to be family house so I inherited it. The family house cannot be bonded for reason of not loosing it <input type="checkbox"/> Generally I have been a lucky person.
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Government should take the initiative to build houses and hand them over to prospective landlords to manage them, or issue construction finance to those who want to expand their properties.
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> <input type="checkbox"/> They failed to support the poor and upcoming landlord <input type="checkbox"/> They should lower interest rates and extend period of repayments <input type="checkbox"/> Should buy properties in town and hand them to landlords at some terms for payment.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> Being a landlord is like an entrepreneur so we are creating employment for ourselves at the same time. <input type="checkbox"/> People should take care of their properties so that they can generate more income we should help government solve accommodation crisis.
Other interesting info		<ul style="list-style-type: none"> <input type="checkbox"/> Johannesburg is suffering from urban decay. <input type="checkbox"/> This brings down the value of the town a lot of meaningful investment in accommodation is lost to the outskirts- something should be done soon to save the city and our investments there.

Table 11: Successful Landlord Interview 11:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 6 backyard rooms (Brick built structures) <input type="checkbox"/> 12 Tenants <input type="checkbox"/> Situated in Orlando East (Soweto)
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> Inherited rooms. <input type="checkbox"/> Landlord’s father was a businessman who started the backyard rental business that he manages now.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Inherited first rooms, then build more.
	Financier	<input type="checkbox"/> Own savings
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> Difficult to acquire. <input type="checkbox"/> 20 years ago it was impossible for a Black person to get a formal loan, because Black people were financially marginalized. <input type="checkbox"/> Preferred to use own savings
	Perceptions of financial institutions?	<ul style="list-style-type: none"> <input type="checkbox"/> People have good idea but bank won’t help. Instead of help with your idea, they will rather take your idea for themselves. They steal the idea. <input type="checkbox"/> Banks still marginalize Black people when it comes to loans
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Removal from Credit Bureau for small debts.

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<ul style="list-style-type: none"> <input type="checkbox"/> Landlord does own maintenance. <input type="checkbox"/> Fix everything self but few maintenance problems are experienced. <input type="checkbox"/> Main problem relate to drain/toilet blockages.
	Collection of rental	<input type="checkbox"/> Physical collection. The tenants pay landlord cash directly.

Main Theme	Interview Probing Points	Summary of Responses
Legal Arrangements	Agreements	<ul style="list-style-type: none"> <input type="checkbox"/> Verbal agreement creates problems - a tenant leaves without notice. <input type="checkbox"/> It is important to have a lease agreement in writing <input type="checkbox"/> Started implementing written legal Lease Agreements now.
	House Rules	<ul style="list-style-type: none"> <input type="checkbox"/> Have rules. <ul style="list-style-type: none"> <input type="checkbox"/> Yard and toilet cleaning. <input type="checkbox"/> Gate close at 21h00.
Applying of sanction	Applying sanction	<ul style="list-style-type: none"> <input type="checkbox"/> Call tenant in and give verbal warning. <input type="checkbox"/> If problem continues, issue a warning with a fine. <input type="checkbox"/> Expel if not working – this happens very seldom.
	Key problem areas	<ul style="list-style-type: none"> <input type="checkbox"/> Tenants coming in late - cause noise in the yard and create a disturbance to all.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Element of luck and focused hard work. Focus is the main one.
	What were the factors that held you back	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of money. It is difficult to acquire starting capital. <input type="checkbox"/> Especially because when you start you do not have a track record
	What could have made things easier for you	<ul style="list-style-type: none"> <input type="checkbox"/> If money was available this business could have been a big Corporate Rental Business.
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> Acquire bigger land. <input type="checkbox"/> Bigger structure similar to current structures. <input type="checkbox"/> Opportunities are there but there are no funds available.
	What problems do you face if you want to expand?	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of finances - to expand you needs a lot of cash up front.

Main Theme	Interview Probing Points	Summary of Responses
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> Owning land played a big role. <input type="checkbox"/> Used land on which personal house is built to start rental business and built rooms.
Advice	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> <input type="checkbox"/> They should provide financial support to landlords. <input type="checkbox"/> Find innovative ways in helping businesses that want to grow
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> <input type="checkbox"/> Also provide financial help in an innovative way, where people can actually benefit and grow, and not go under because of the help.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> Should approach bank to improve backyard rooms.
Other interesting info		<ul style="list-style-type: none"> <input type="checkbox"/> Approach 2010 for the soccer bid. If the bank can help renovate our place to cater for visitors from abroad that would be a help.

Table 12: Successful Landlord Interview 12:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 2 backyard rooms <input type="checkbox"/> 2 tenants <input type="checkbox"/> Situated in Katlehong
Business commencement	Rationale for Rental Business	<input type="checkbox"/> People were coming in asking for a place to stay. So I was feeling pity for them and I gave them accommodation.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> We bought the house with backyard rooms.
	Financier	<input type="checkbox"/> Own money
	Type of Finance	<input type="checkbox"/> Own money
	Main reason for not using Financial Institute?	<input type="checkbox"/> Landlord was retrenched then used Retrenchment package to buy house with backyard rooms. <input type="checkbox"/> Follow philosophy of using cash, because it is cheaper than loans
	Problems experience in acquiring the property?	<input type="checkbox"/> No problems.
	Perceptions of financial institutions?	<input type="checkbox"/> Banking products are not well known in the township community. Need to reach out more to the township and educate about what is available
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> We don't have any idea about financial institutions and loans. <input type="checkbox"/> Teach us, educate us, show us options with risk and benefit for each

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Landlord fixes mainly keys and doors. <input type="checkbox"/> Painting the rooms when they are dirty.
	Collection of rental	<input type="checkbox"/> Tenants pay every first day of the month (Cash).
Legal Arrangements	Agreements	<input type="checkbox"/> No written contracts. Tenants only pay a deposit before they move in. (Deposit defined in this interview as upfront rent payment) <input type="checkbox"/> They must give us two weeks notice before they move out. (But it's not written down).
	House Rules	<input type="checkbox"/> Have house rules. <ul style="list-style-type: none"> ▪ No nails for pictures on the wall. ▪ Don't leave windows open because the wind will break the roof. ▪ No drinking in the yard or bring in drinking friends. ▪ No fight.
Applying of sanction	Applying sanction	<input type="checkbox"/> We never had any problems, so we don't know. <input type="checkbox"/> Good relationship with tenants and being clear about the rules prevents problems before they start
	Key problem areas	<input type="checkbox"/> No problems.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Pure luck, combined with good management <input type="checkbox"/> Being in the right place at the right time
	What were the factors that held you back	<input type="checkbox"/> Sometimes two weeks pass with an empty room, when tenants move out and before new tenants move in – loss of income.
	What could have made things easier for you	<input type="checkbox"/> Better management of turnover of tenants
	What problems do you face if you want to expand?	<input type="checkbox"/> Restriction on number of units allowed in this area

Main Theme	Interview Probing Points	Summary of Responses
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> Pensioners: We are old. <input type="checkbox"/> Don't want to expand, comfortable with business – not too much effort, but still provide steady income. <input type="checkbox"/> We are helping people, while helping ourselves.
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> Owning a house helped the landlord because they bought a house with backyard rooms. This provided them with an income in old age while they do not have to go out to work
Advice	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> They treat tenants with respect. <input type="checkbox"/> They must also follow their own rules, set an example. <input type="checkbox"/> Be consistent in your management of tenants

Table 13: Successful Landlord Interview 13:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 2 Backyard rooms <input type="checkbox"/> 2 Tenants <input type="checkbox"/> Situated in Katlehong
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> The Government removed the landlord's sister from her shack, so he was forced to build a backyard room for his sister to stay. <input type="checkbox"/> When things improved she moved on and he was left with a room. <input type="checkbox"/> People came looking for a place to stay, so he gave them the place because he did not work, and needed money. <input type="checkbox"/> Gave me an example of how to earn money – built more rooms.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Build.
	Financier	<input type="checkbox"/> Own money.
	Type of Finance	<input type="checkbox"/> Own money.
	Main reason for not using Financial Institute?	<input type="checkbox"/> Landlord was employed at the time, but unsure about his job security. Did not want to commit to repayments, which he might not be able to honor, and end up losing my house.
	Problems experience in acquiring the property?	<input type="checkbox"/> Problems with the builders. The quality of their work was not good.
	Perceptions of financial institutions?	<ul style="list-style-type: none"> <input type="checkbox"/> Expensive to use banking products <input type="checkbox"/> Not sensible to pay back more than you received
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> It is difficult to introduce financial products into a community where job security is low – maybe even unethical, especially if security is required for loans.

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<ul style="list-style-type: none"> <input type="checkbox"/> Maintenance reliant on cash availability.
	Collection of rental	<ul style="list-style-type: none"> <input type="checkbox"/> Tenants pay cash monthly
Legal Arrangements	Agreements	<ul style="list-style-type: none"> <input type="checkbox"/> Verbal agreement – pay monthly, or be evicted. <input type="checkbox"/> If tenant can't pay in time, he must tell me – will consider each request on merit
	House Rules	<ul style="list-style-type: none"> <input type="checkbox"/> No house rules
	Applying sanction	<ul style="list-style-type: none"> <input type="checkbox"/> Eviction for non payment
	Key problem areas	<ul style="list-style-type: none"> <input type="checkbox"/> Difficult to manage and live with tenants so closely – tenants want you to get involved and take sides in their domestic disputes
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Not sure I am successful in broad terms <input type="checkbox"/> Successful in my own right – started something from nothing, and collect income on that <input type="checkbox"/> Created sustainable income.
	What were the factors that held you back	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of sufficient funds.
	What could have made things easier for you	<ul style="list-style-type: none"> <input type="checkbox"/> Difficulties of maintaining rooms and keeping up to a high level of service when all operations are cash. <input type="checkbox"/> At the same time not prepared to obtain loan.
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> I want to renovate my place. <input type="checkbox"/> Maintain good standards
	What problems do you face if you want to expand?	<ul style="list-style-type: none"> <input type="checkbox"/> Financial constraints

Main Theme	Interview Probing Points	Summary of Responses
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> Used the yard of my house to build rooms in, but did not use money from the house to build <input type="checkbox"/> I used my income to build the rooms. <input type="checkbox"/> I did not use the house – did not want to risk loosing it.
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Don't know
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> Don't know
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Strict management of tenants while still being sympathetic and understanding

Table 14: Successful Landlord Interview 14:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 4 backyard rooms (Brick-built structures) <input type="checkbox"/> 6 tenants <input type="checkbox"/> Situated in Orlando East
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> Used retirement package from work - retirement money. <input type="checkbox"/> Combined this with own savings. <input type="checkbox"/> Example of other landlords earning a living motivated and proved that it is a good investment for the retirement money
Acquisition of Property	Method of Acquisition	<ul style="list-style-type: none"> <input type="checkbox"/> Built it self using local builders.
	Financier	<ul style="list-style-type: none"> <input type="checkbox"/> Own retirement money. <input type="checkbox"/> Own savings.
	Type of Finance	<ul style="list-style-type: none"> <input type="checkbox"/> Own money.
	Main reason for not using Financial Institute?	<ul style="list-style-type: none"> <input type="checkbox"/> Had money available.
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> Difficulties in building processes, not serious, overcame them
	Perceptions of financial institutions?	<ul style="list-style-type: none"> <input type="checkbox"/> Interest too high from banks. <input type="checkbox"/> Did not have security required (township house was not considered as security).
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<ul style="list-style-type: none"> <input type="checkbox"/> Pensioners should get interest discount.

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Self-maintenance. <input type="checkbox"/> Important to maintain rooms on regular basis to keep the standard up and ensure sustainability of business
	Collection of rental	<input type="checkbox"/> Pay cash with landlord.
Legal Arrangements	Agreements	<input type="checkbox"/> Verbal agreement. <input type="checkbox"/> Verbal agreement can be too personal. Will be moving towards written lease agreements with new tenants.
	House Rules	<input type="checkbox"/> Have house rules (Verbal). <ul style="list-style-type: none"> ▪ Cleaning ▪ Drinking ▪ Visitors ▪ Rent payment ▪ Notice period
Applying of sanction	Applying sanction	<input type="checkbox"/> Obtain help from Police station, get paper from police, police evict tenants on behalf of the landlord. <input type="checkbox"/> Being strict sets example for other tenants
	Key problem areas	<input type="checkbox"/> No problems.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Being consistent in behaviour towards tenants <input type="checkbox"/> Clear rules <input type="checkbox"/> Clear action when rules are broken
	What were the factors that held you back	<input type="checkbox"/> Money - Still had children at school. Had to build business without risking welfare of family

Main Theme	Interview Probing Points	Summary of Responses
	What could have made things easier for you	<ul style="list-style-type: none"> <input type="checkbox"/> Security-free loan
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> Children planning to take over business – show and equip them with skills to build business further.
	What problems do you face if you want to expand?	<ul style="list-style-type: none"> <input type="checkbox"/> Financial problems
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> House played major role. <input type="checkbox"/> The stand offered enough space in the yard to utilize for rooms
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Government must subsidize Landlords so that they can make more money. <input type="checkbox"/> Important to keep rentals low, but difficult to maintain quality and standard – subsidies will help
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> <input type="checkbox"/> Do not like financial institutions.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> Selection of tenants must be strict. <input type="checkbox"/> Check attitude of tenant. <input type="checkbox"/> Strict management <input type="checkbox"/> Be careful of loan <input type="checkbox"/> Respect between Landlord and tenant is important. <input type="checkbox"/> Tenants can be disrespectful at times. <input type="checkbox"/> They exercise their rights wrongfully

Table 15: Successful Landlord Interview 15:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 8 Houses <input type="checkbox"/> Approximately 20 tenants <input type="checkbox"/> Situated in Johannesburg, Berea, Klein Soweto
Business commencement	Rationale for Rental Business	<input type="checkbox"/> Saw opportunity in rental business <input type="checkbox"/> Bought 1 house through bank. <input type="checkbox"/> Sold and bought another with profit. <input type="checkbox"/> Continued Buying.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought through auction.
	Financier	<input type="checkbox"/> Loan for 1 st house <input type="checkbox"/> Own money for most part for other houses. <input type="checkbox"/> Used profit from sales
	Type of Finance	<input type="checkbox"/> Loan for the first house only.
	Type of security provided?	<input type="checkbox"/> Insurance policies and property itself.
	Was it easy to secure?	<input type="checkbox"/> Very difficult.
	Problems experience in acquiring the property/unit	<input type="checkbox"/> No, once loan was secured no other difficulty.
	Perceptions of financial institutions?	<input type="checkbox"/> Difficult to use Financial Institutes, because they always decline loan application <input type="checkbox"/> Despite this landlord proved that he can be successful –“ I believed in this, they (Banks) did not. I was right!”
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Banks should ease their requirements. “You give them everything but they don’t give anything back”. <input type="checkbox"/> Speak our language (Understand the growing entrepreneur) <input type="checkbox"/> Provide small loans. <input type="checkbox"/> “Show a little more believe in us”.

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Landlord maintains properties on his own.
	Collection of rental	<input type="checkbox"/> Tenants pay at the bank and fax deposit slip.
Legal Arrangements	Agreements	<input type="checkbox"/> Legal written lease agreement. <input type="checkbox"/> Contains all requirements to satisfy legal requirements like rent payable, eviction, notice period.
	House Rules	<input type="checkbox"/> Rules are in place. <input type="checkbox"/> Relates mostly to rent payment, deposit, maintenance responsibilities and general cleaning and upkeep of property
Applying of sanction	Applying sanction	<input type="checkbox"/> Landlord give them notice to vacate. Obtain court order.
	Key problem areas	<input type="checkbox"/> Government laws not supportive of landlords. <input type="checkbox"/> PIE law to find them alternative accommodation. <input type="checkbox"/> People take advantage and the law against you.
Key success factors for being landlord	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> We learnt the game. <input type="checkbox"/> Begin small, learn from your mistakes <input type="checkbox"/> Never give up <input type="checkbox"/> Look out for new and good opportunities
	What were the factors that held you back	<input type="checkbox"/> Law affecting us. A tenant owed landlord for five months without anyone to stand up for the landlord.
	What could have made things easier for you	<input type="checkbox"/> As soon as tenants don't pay they should leave or furniture be confiscated

Main Theme	Interview Probing Points	Summary of Responses
Expansion:	Plans for the future?	<ul style="list-style-type: none"> <input type="checkbox"/> Want to grow bigger – looking for big residential and commercial spaces.
	What problems do you face if you want to expand?	<ul style="list-style-type: none"> <input type="checkbox"/> Finance is still difficult.
Role of the house	Description of the role of own house in rental business	<ul style="list-style-type: none"> <input type="checkbox"/> Used own house to start. <input type="checkbox"/> Still using own house if more finance is needed – borrow money from Bond Account from personal house.
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Encourage the institution to give landlords loans. <input type="checkbox"/> If good track record, Bank should finance <input type="checkbox"/> Ease the laws a bit to be more landlord orientated.
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<ul style="list-style-type: none"> <input type="checkbox"/> Support landlords without looking at our colour.
	What is your advice to <u>other landlords</u> like yourself?	<ul style="list-style-type: none"> <input type="checkbox"/> Should be smart. <input type="checkbox"/> Good relationship with tenant. <input type="checkbox"/> Tenant takes advantage. <input type="checkbox"/> Most tenants are very learned. <input type="checkbox"/> Partnerships between big companies and small landlord companies - Big companies must assist small business. Big business c can go in partnership and act as guarantor.

Table 16: Successful Landlord Interview 16:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 1 Building with 56 units and 4 shops on ground floor <input type="checkbox"/> Situated in Hillbrow
Business commencement	Rationale for Rental Business	<input type="checkbox"/> Landlord lost employment, very depressed (1994) <input type="checkbox"/> Partner saw opportunity and convince him to buy building in Hillbrow - in partnership <input type="checkbox"/> Hillbrow ' <i>down and out</i> ' at the time – but looked ahead - believed that it was to become important place for low cost housing with big influx of tenants
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought
	Financier	<input type="checkbox"/> Nedbank
	Type of Finance	<input type="checkbox"/> Mortgage loan
	Security provided?	<input type="checkbox"/> Building <input type="checkbox"/> Policies <input type="checkbox"/>
	Problems experience in acquiring the property?	<input type="checkbox"/> Difficult – Hillbrow red line area which banks did not want to finance at the time <input type="checkbox"/> Due to good track record of previous landlord and financial projections they obtained a loan
	Perceptions of financial institutions?	<input type="checkbox"/> Helpful, Loans must be managed well

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Regular maintenance important of units as well as building, lifts, corridors, etc. <input type="checkbox"/> Good condition of building and units ensure that they have waiting list for tenants
	Collection of rental	<input type="checkbox"/> Paid into bank account <input type="checkbox"/> Or as an exception at the office in the building
Legal Arrangements	Agreements	<input type="checkbox"/> Written lease <ul style="list-style-type: none"> <input type="checkbox"/> Rent <input type="checkbox"/> Notice period <input type="checkbox"/> Maintenance responsibilities <input type="checkbox"/> General house rules
	House Rules	<input type="checkbox"/> House rules contained in Lease Agreement <input type="checkbox"/> General conduct in building <input type="checkbox"/> No business operated from building
Applying of sanction	Applying sanction	<input type="checkbox"/> Be firm <input type="checkbox"/> Terminate electricity services <input type="checkbox"/> Eviction if no reply <input type="checkbox"/> (Seldom experiencing problems – have good relation with tenants)
	Key problem areas	<input type="checkbox"/> Environment – local council is not doing anything to improve surrounding area <input type="checkbox"/> Street children sleeping behind building (litter) <input type="checkbox"/> Streets dirty <input type="checkbox"/> Waste removal not good enough
Key Success Factors	Key factors in becoming a successful landlord?	<input type="checkbox"/> Being strict but fair – compassionate but strict <input type="checkbox"/> Very clear rules <input type="checkbox"/> Strong presence on property

Main Theme	Interview Probing Points	Summary of Responses
	What were the factors that held you back	<input type="checkbox"/> Local Council not developing area
	What could have made things easier for you	<input type="checkbox"/> General improvement of area
Expansion:	Plans for the future?	<input type="checkbox"/> Satisfied with situation
	What problems do you face if you want to expand?	<input type="checkbox"/> N/A
Role of the house	Description of the role of own house in rental business	<input type="checkbox"/> House not directly used, but helped to the extent that it provided good track record
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Develop neighborhoods <input type="checkbox"/> Look at labour law – difficult to employ good people if you cant’ get rid of bad ones
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> Assess each situation on its own (have good relationship with bank)
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Be strict <input type="checkbox"/> Be compassionate <input type="checkbox"/> Be visible <input type="checkbox"/> Be good in what you provide to tenants <input type="checkbox"/> Be fair

Table 17: Successful Landlord Interview 17:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 136 residential flats <input type="checkbox"/> Flats situated in Hillbrow <input type="checkbox"/> 50 commercial units (workshops and offices) <input type="checkbox"/> Commercial units situated in Waterfall
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> Started as a Agent selling houses <input type="checkbox"/> Saw opportunity to buy a block of flats <input type="checkbox"/> Business grew from there, bought and sold when opportunity came along <input type="checkbox"/> Also bought a farm and built some houses on the farm
Acquisition of Property	Method of Acquisition	<ul style="list-style-type: none"> <input type="checkbox"/> Bought land and built houses <input type="checkbox"/> Bought hotel and converted into flats <input type="checkbox"/>
	Financier	<ul style="list-style-type: none"> <input type="checkbox"/> Bank <input type="checkbox"/> Used R15m from Provident Fund in company, because we are trustees of a Provident Fund)
	Type of Finance	<ul style="list-style-type: none"> <input type="checkbox"/> Bank loan <input type="checkbox"/> Government subsidy <input type="checkbox"/> Used R15m from Provident Fund in company, because we are trustees of a Provident Fund)
	Security provided?	<ul style="list-style-type: none"> <input type="checkbox"/> 30% equity <input type="checkbox"/> Secured against buildings/land

Main Theme	Interview Probing Points	Summary of Responses
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> They had problems with the local council obtaining all necessary clearances and permissions – caused delays <input type="checkbox"/> Transfer costs was high <input type="checkbox"/> The timing was a problem because of the political situations <input type="checkbox"/> 30% deposit had to be provided by landlord group
	Perceptions of financial institutions?	<ul style="list-style-type: none"> <input type="checkbox"/> They are looking at the interest rates at the moment they wouldn't consider to take loan from the bank.
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<ul style="list-style-type: none"> <input type="checkbox"/> Not interested in Banks at the moment because of their interest rates and technical processes they have
Management Arrangements	Maintenance	<ul style="list-style-type: none"> <input type="checkbox"/> In-house: Maintenance is done by their employee maintenance team
	Collection of rental	<ul style="list-style-type: none"> <input type="checkbox"/> Paid into bank account
Legal Arrangements	Agreements	<ul style="list-style-type: none"> <input type="checkbox"/> Their tenants have written legal lease agreement <input type="checkbox"/> Their legal matters are done by their lawyer - outsourced
	House Rules	<ul style="list-style-type: none"> <input type="checkbox"/> Have house rules as contained in lease agreement <input type="checkbox"/> General rules to keep order amongst tenants
Applying of sanction	Applying sanction	<ul style="list-style-type: none"> <input type="checkbox"/> This is done by their lawyers
	Key problem areas	<ul style="list-style-type: none"> <input type="checkbox"/> Rental income can be problematic – tenants experience personal difficulties like unemployment which directly impact on their rentals – but as landlord needs to manage the income. This is not always easy <input type="checkbox"/> Experience tenant resistance when making follow-ups with the final demand for rental payment <input type="checkbox"/> Tenant resistance about rules and regulation

Main Theme	Interview Probing Points	Summary of Responses
Key Success Factors	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> They stick to the agreement they had with their tenants <input type="checkbox"/> Transparency – they hold meetings and are open to their tenants <input type="checkbox"/> Loyalty
	What were the factors that held you back	<input type="checkbox"/> Tenants wanting to purchase, not rent <input type="checkbox"/> Registration by the council, they were charged per house and it was highly expensive
	What could have made things easier for you	<input type="checkbox"/> If they received the Government subsidy in time
Expansion:	Plans for the future?	<input type="checkbox"/> They want to expand as a social housing company
	What problems do you face if you want to expand?	<input type="checkbox"/> They say there are big players in the market <input type="checkbox"/> Registration of houses is still a problem
Role of the house	Description of the role of own house in rental business	<input type="checkbox"/> No role
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Advice:
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> The government should provide more land for development <input type="checkbox"/> Speed up subsidy process <input type="checkbox"/> Costs of clearance certificate to register to be consistent
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> They should let their stakeholders be involved and participate <input type="checkbox"/> They should have a clear mission, let their stakeholders know what they are about

Table 18: Successful Landlord Interview 18:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<input type="checkbox"/> 40 residential flats <input type="checkbox"/> Situated in different buildings in Johannesburg CBD
Business commencement	Rationale for Rental Business	<input type="checkbox"/> Interested in rental market <input type="checkbox"/> Looked out for opportunities <input type="checkbox"/> Bought single flats on auctions together with partners
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Mainly BOUGHT <input type="checkbox"/> Busy constructing some others
	Financier	<input type="checkbox"/> Bank
	Type of Finance	<input type="checkbox"/> Mortgage loan
	Security provided	<input type="checkbox"/> Unit self as well as other units previously bought <input type="checkbox"/> Also provided 30% in cash (Savings)
	Was it easy to secure	<input type="checkbox"/> Yes
	Problems experience in acquiring the property?	<input type="checkbox"/> If you want to buy properties in bulk (I.e. at an auction) and not single flats at a time it is difficult – because the bank perceive the risk to be higher
	Perceptions of financial institutions?	<input type="checkbox"/> Fair to allow 70% bond, otherwise payback would not be considered thoroughly
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<input type="checkbox"/> Nothing

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<input type="checkbox"/> Strong presence - on property on a daily basis <input type="checkbox"/> Maintenance should be done regularly <input type="checkbox"/> Do maintenance self or outsource but manage it self
	Collection of rental	<input type="checkbox"/> Pay at agency cash / or in Bank account
Legal Arrangements	Agreements	<input type="checkbox"/> With Managing Agent <input type="checkbox"/> Lease agreements 6 months – 2 months notice <input type="checkbox"/> Written contracts important
	House Rules	<input type="checkbox"/> Written house rules <ul style="list-style-type: none"> ▪ Keep unit Clean ▪ Payment date ▪ Consequences of non-payment / late payment
Applying of sanction	Applying sanction	<input type="checkbox"/> Pay before 5th of every month <input type="checkbox"/> Written notice if not paid by the 5th <input type="checkbox"/> Lock out if not paid by the 7 th <input type="checkbox"/> Lock-out also if not within house rules and ignore warning
	Key problem areas	<input type="checkbox"/> Maintenance of unit by tenant – important to keep an eye on the unit and ensure as far as possible that unit are not destroyed. Had suffer from this in past.
	What were the key factors that allowed you to become a successful landlords	<input type="checkbox"/> Remember that property is not passive – dynamic environment that needs to be managed every day <input type="checkbox"/> Presence on property every day <input type="checkbox"/> Maintaining property, fix leaking pipes immediately <input type="checkbox"/> Invest further income in that property again
Key Success Factors	What were the factors that held you back	<input type="checkbox"/> Availability of properties at certain price <input type="checkbox"/> Price too high at the moment

Main Theme	Interview Probing Points	Summary of Responses
	What could have made things easier for you	<input type="checkbox"/> More stock at Lower prices
Expansion:	Plans for the future?	<input type="checkbox"/> Yes, want to expand <input type="checkbox"/> Income from properties profitable
	What problems do you face if you want to expand?	<input type="checkbox"/> Property prices too high at moment
Role of the house	Description of the role of own house in rental business	
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Give ownership to landlords as long as owner have good management approach (hands-on)
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> None
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Managing property and tenants with hands-on approach <input type="checkbox"/> Maintaining property

Table 19: Successful Landlord Interview 19:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 32 residential units <input type="checkbox"/> Located in JHB CBD, and Pretoria
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> He started by buying Town houses and moved on to flats in Pretoria and JHB. <input type="checkbox"/> They are buying properties, residential units as an investment opportunity.
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought
	Financier	<input type="checkbox"/> TUHF
	Type of Finance	<input type="checkbox"/> Loan from TUHF
	Main reason for not using Financial Institute?	<input type="checkbox"/> Yes
	Security provided?	<input type="checkbox"/> 20% of total value paid by landlord
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> Municipality – the transfer process <input type="checkbox"/> Difficult to get clearance certificate <input type="checkbox"/> The transfer costs were too high

Main Theme	Interview Probing Points	Summary of Responses
Management Arrangements	Maintenance	<ul style="list-style-type: none"> <input type="checkbox"/> Landlord has a maintenance team, it consist of electricians and plumbers
	Collection of rental	<ul style="list-style-type: none"> <input type="checkbox"/> Management Agent does the collection and earn 10% of rent from the rent price
Legal Arrangements	Agreements	<ul style="list-style-type: none"> <input type="checkbox"/> Landlord prepared written legal agreements himself <input type="checkbox"/> Contains information on rent, notice period, eviction, house rules – aspects relevant for orderly living
	House Rules	<ul style="list-style-type: none"> <input type="checkbox"/> Have written house rules <input type="checkbox"/> Aspects related to orderly living <input type="checkbox"/> Noise rules <input type="checkbox"/> Car parking
Applying of sanction	Applying sanction	<ul style="list-style-type: none"> <input type="checkbox"/> The reception writes a letter to the tenant stating the problem <input type="checkbox"/> If they don't respond they notify the agency with PC software called TP (Tenant Profile). <input type="checkbox"/> Tenant is profiled and the agency is able to stop the person from renting another place.
	Key problem areas	<ul style="list-style-type: none"> <input type="checkbox"/> Overcrowding: It affects the level of resources and management processes
Key Success Factors	Key factors that allowed you to become a successful landlords	<ul style="list-style-type: none"> <input type="checkbox"/> Commitment
	What were the factors that held you back	<ul style="list-style-type: none"> <input type="checkbox"/> Management problems <input type="checkbox"/> Lack of experience
	What could have made things easier for you	<ul style="list-style-type: none"> <input type="checkbox"/> Strict Management

Main Theme	Interview Probing Points	Summary of Responses
Expansion:	Plans for the future?	<input type="checkbox"/> Want to expand – buying more residential accommodation
	What problems do you face if you want to expand?	<input type="checkbox"/> Management & Financial problems – the more you grow the more security you need
Role of the house	Description of the role of own house in rental business	
Advice:	Advice to the <u>South African government</u> in terms of supporting landlords	<input type="checkbox"/> Rental Act – If they could change it to be more fair towards the landlord and not favoring the tenant only. <input type="checkbox"/> It limits the land lord in terms of how to go about dealing with tenants who doesn't pay rent
	Advice to the <u>financial institutions</u> in terms of supporting you as a landlord	<input type="checkbox"/> Be more lenient about ITC <input type="checkbox"/> Should take of the risk on the application process
	What is your advice to <u>other landlords</u> like yourself?	<input type="checkbox"/> Good management structure <input type="checkbox"/> Good maintenance team

Table 20: Successful Landlord Interview 20:

Main Theme	Interview Probing Points	Summary of Responses
Overview of the landlords business	Type and number of Rental Units	<ul style="list-style-type: none"> <input type="checkbox"/> 150 residential units <input type="checkbox"/> Situated in Johannesburg CBD
Business commencement	Rationale for Rental Business	<ul style="list-style-type: none"> <input type="checkbox"/> 3 years back converted printing factory into 21 residential units <input type="checkbox"/> Converted it again into 18 residential and 3 rental units <input type="checkbox"/> Bought building with 63 units and few units on the roof and 8 shops at the bottom <input type="checkbox"/> Bought 11 semi detached buildings, converted it into 55 residential units <input type="checkbox"/> Total 150 units
Acquisition of Property	Method of Acquisition	<input type="checkbox"/> Bought, convert building into residential units
	Financier	<ul style="list-style-type: none"> <input type="checkbox"/> Owned building for printing business – Obtained with Loan – then converted to residential units - Conversion – Funded Privately <input type="checkbox"/> Second building funding – Trust for Urban Housing Finance
	Type of Finance	<input type="checkbox"/> Loan
	What security provided?	<ul style="list-style-type: none"> <input type="checkbox"/> Personal Security <input type="checkbox"/> Building security <input type="checkbox"/> Personal balance sheet
	Problems experience in acquiring the property?	<ul style="list-style-type: none"> <input type="checkbox"/> Plenty <input type="checkbox"/> No transfer problems – bought company not building, which eased transfer procedures
	Perceptions of financial institutions?	<input type="checkbox"/> Conventional Banks do not provide Loans (I.e. ABSA) for what we wanted to do (did not consider innovative idea)
	What needs to change to motivate people like themselves to use loan products from financial institutes/banks?	<ul style="list-style-type: none"> <input type="checkbox"/> Make finance more available <input type="checkbox"/> New people that enters market find it difficult to obtain finance

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Management Arrangements	Maintenance	<input type="checkbox"/> Maintenance important – do it self or outsource to specialists when necessary, but manage maintenance process
	Collection of rental	<input type="checkbox"/> Rent collected by a private company owned by landlord
Legal Arrangements	Agreements	<input type="checkbox"/> In-house prepared written contract <input type="checkbox"/> 1 year lease and 3 months renewal period <input type="checkbox"/> 30 days notice if tenant defaults on rent <input type="checkbox"/> Full maintenance programme <input type="checkbox"/> Must be legal citizen with permit
	House Rules	<input type="checkbox"/> House rules contained in contract – have rules about rent payment, general order and notice periods
Applying of sanction	Applying sanction	<input type="checkbox"/> Written notice if payment is not received on time <input type="checkbox"/> Will make some arrangement with tenant before a final notice is served <input type="checkbox"/> If not effective - Give 30 days notice to vacate unit
	Key problem areas	<input type="checkbox"/> Overcrowding major problem <input type="checkbox"/> Access control important <input type="checkbox"/> 3 monthly inspections <input type="checkbox"/> Assess electricity used <input type="checkbox"/> Security not reliable (due to bribes)
Key Success Factors	Key factors that allowed you to become a successful landlords	<input type="checkbox"/> Enforcing good governance <input type="checkbox"/> Sticking to lease agreement
	What were the factors that held you back	<input type="checkbox"/> Finance <input type="checkbox"/> Registration fees costly <input type="checkbox"/> Transfer fees costly

Main Theme	Interview Probing Points	Summary of Responses
	<p>What could have made things easier for you</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Educating people that services must be paid for (not for free) <input type="checkbox"/> When take on new lease ensure tenant knows s/he must pay for services
<p>Expansion:</p>	<p>Plans for the future?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Definitely want to expand <input type="checkbox"/> Prospects in city exiting <input type="checkbox"/> Management/Landlord must be close to business
	<p>What problems do you face if you want to expand?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Availability of finance
<p>Advice:</p>	<p>What would your advice be to the <u>South African government</u> in terms of supporting landlords</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Education: <input type="checkbox"/> Property developer about their business <input type="checkbox"/> Tenants about lease agreements <input type="checkbox"/> Landlord about buying properties <input type="checkbox"/> Have to sustain infrastructure <input type="checkbox"/> Finance public works – upgrade parks / robots / lights / clean pavements
	<p>What would your advice be to the <u>financial institutions</u> in terms of supporting you as a landlord</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Creative packages for prospective landlords <input type="checkbox"/> Study market product
	<p>What is your advice to <u>other landlords</u> like yourself?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Hands on business <input type="checkbox"/> Must have support for rules – enable to enforce rules