Landlordism and Housing Production in Greater Accra Metropolitan Area

Paul W. K. Yankson

Introduction

Housing is known as one of the most important basic needs of mankind. Housing has profound effects on health, social attitudes and the productivity of individuals. The quality of one’s housing may be one of the best indicators of one’s standard of living and place in society (Seager 1995; Harpham and Turner 1995; Hardoy et al. 1990). Furthermore, expenditure on housing constitutes the largest single investment that most people make in their lifetime. Again, not only do income-generation opportunities emerge through rental income, but also houses are assets that often attract further investment (UNCHS 2001).

Investment in housing, however, is a function of demand. In most cases, where the housing market is poorly developed, demand exceeds supply, at least in the short run. As it has been indicated in Chapter 1, most urban residents in Ghana, especially in Accra, are tenants. Not much is known about both tenants and landlords. Indeed, globally, much of the literature is on low-income housing, particularly on tenancy.

The term landlord refers essentially to an exchange relationship where one household (the tenant) pays rent to another household or institution (the landlord). The term is used to refer only to housing, and not land. In Latin America, landlordism is very much a small-scale business undertaking. In this respect, rental accommodation is provided by owner-occupiers, who let out rooms in their own houses (Gilbert 1983; Edwards 1982). In West Africa, Aina (1990) has recorded similar features in Lagos, Nigeria while Amis (1984, 1988) has done the same in the case of Nairobi, Kenya. The key issues covered in the literature on low-income housing include the following: the role of low-income landlords in urban housing supply; the conditions under which low-income households make the transition from renting to ownership; inputs into and access to the resources for the housing production process, such as access to land, capital, labour and building materials; tenancy issues; as well as the impact of rent control as a source of disincentive or incentive to housing production.
and the question of the economics of small-scale landlordism and the impact of rent control (Kumar 1996).

This chapter examines the issue of landlordism and housing production in Greater Accra Metropolitan Area (GAMA). It is an issue that has received very little attention in housing studies in Ghana, a situation confirmed by the Ministry of Local Government:

One of the fundamental features of housing in Ghana is the dearth of information, and lack of accurate and reliable statistics. This is partly due to the absence of a workable framework for housing development demanding monitoring and evaluation. Data relating to such vital issues as the nature and number of the housing stock, tenurial arrangements, density levels and the quality of housing are either non-existent or their reliability is suspicious. Housing research has been inadequate and has had little impact on the data base (Government of Ghana/Ministry of Local Government/UNDP/UNCHS/TCPD/APDP 1990:18).

Most of the studies on urban housing focus on the two major cities in the country, namely, Accra and Kumasi. Urban housing issues were covered in urban social surveys carried out in the post World War II era. In the case of Accra, Ione Acquah’s survey is perhaps the best known (Acquah 1958). In that same year, the Ministry of Housing published, on behalf of the Government of Ghana, a document (Ghana Government 1958) in which projections for housing delivery, within the structure plan of Accra, were given. Others include the Quarcoo, Addo and Peil (1967) survey of Madina; and a survey on housing and household conditions in three suburbs of Accra – Labone, James Town and Nima – by Addo and Kpedekpo (1967). This was followed by Peil’s survey of Ashaiman (1972). In the same year, Richard Brand published a research paper on a study he had conducted into the residential circumstances of migrants in the city of Accra (Brand 1972). Two years later, Brand collaborated with Harvey on another paper on residential space allocation among migrants in Accra (Harvey and Brand 1974). A similar study was conducted by Bobo (1974) on urban land use and residential consumption in Accra. Bobo (1977) again examined the functional relationship between needs and housing demand and the effects of this relationship on the pattern and derivation of land values in the city of Accra. The 1986 national report on housing (Government of Ghana 1986) and the Accra housing needs assessment study (Government of Ghana 1990) examined the issue of housing within the context of urban and national development.

In addition, several specific issues in housing have been examined. These include the question of land and housing for low-income groups (Asiama 1984, 1985); space requirements for residential development (Edmundson 1986); estimation of housing stock (Boapeah and Tipple 1983); housing stock and and general housing conditions (Tipple 1980); the role of the culture and religion of indigenous people on housing delivery (Tipple 1984); the residential upgrading of slum areas of Kumasi, the impact on households and housing of government intervention in private rental market (Tipple and Wallis, 1989); and the role of the private sector on housing
delivery (Tipple and Wallis 1992; Tipple et al. 1999). Recent research in housing has focused on the poverty of the housing environment (Tipple and Korboe 1995; Peil 1994; Konadu-Agyemang 2001) and the issue of housing maintenance (Korboe 1992). It is important to know in detail the sources of housing in GAMA; but before expanding on that, it would be useful to present, in brief, the history of housing production by the state and the large-scale private sector.

Urban Housing Production by the State and Large-scale Private Sector

Before the advent of the colonial administration in the Gold Coast, housing delivery in Ghana was basically on an individual and family basis. Private participation in housing on a commercial basis was non-existent, nor did housing feature prominently in the development plans of the colonial government. The best-known of such plans was Gordon Guggisberg’s Ten-Year Plan (1919–29), which focused on the building and construction of infrastructure projects. The government did not include housing programmes in the plan (Boapeah 1990). The importance of a living environment was not at all paramount in the development agenda, and the major effort government made in housing supply was in response to emergency situations such as the outbreak of bubonic plague in Kumasi in 1924 (Konadu-Agyemang 2001) and the earthquake in Accra in 1939. The only housing schemes initiated by government were limited to the provision of barracks for the army, single- and two-room units for the police, junior civil servants and miners, and bungalows for senior civil servants (Boapeah 1990).

The need for a comprehensive shelter strategy for Ghana in which housing development can take place in a coherent and sustainable manner has long been recognized. During the period 1982–86 the government’s stated objective on housing indicated broadly the need for the public sector to provide adequate housing during national development plan periods. No need assessments were made, and as a result, there were no indications of projected outputs. From the pre-independence years through to 1986, programmes emanating from such objectives by the various public housing agents were put in place. These bodies included the State Housing Corporation; Tema Development Corporation; Prefab Concrete Products; Department of Rural Housing and Cottage Industries; REDCO; Institutional Housing Corporations, etc. During this period also, other public schemes were introduced for improvement works on old dwellings that were fast deteriorating (Agyapong 1995:1). But these agencies and schemes failed to meet the mounting deficits in housing delivery, estimated to be about 250,000 units in 1985. The housing programmes that were instituted did not incorporate measurable input-output targets that could facilitate effective monitoring of performance.

The State Housing Corporation (SHC) and the Tema Development Corporation (TDC) were established and allocated money to engage in the direct production of houses. Since its formation, according to information available in 2001, the SHC had constructed 23,471 houses throughout the country, with 10,958 in Accra. Of these, only 774 were rented, 8779 purchased and 1359 on hire purchase (Ministry
The total housing delivery by the SHC, relative to urban housing needs, indicates that over the years the state body made little impact on the housing requirements of urban areas. The Tema Development Corporation by the same date, had built over 16,000 housing units, 6,355 of which are rental units. The TDC has catered mainly for middle- and upper-income groups (Ministry of Works and Housing 2001:40).

In the late 1980s, a Draft National Housing Policy and Action Plan 1987–90 was prepared. The public sector now adopted a facilitating role by providing relief to the private sector delivery constraints. It was during this period that the Ghana Real Estate Developers Association (GREDA), consisting of a number of private real estate companies, was formed. Despite the rapid expansion of housing units in Accra, the National Shelter Strategy indicates that about 85 per cent of the national housing stock is provided by numerous small builders and individual owners. Only 15 per cent is provided by quasi-public corporations, which operate somewhat like commercial developers, guided by the policy and programmes of the government, and the private real estate developers who operate under the umbrella of GREDA. Almost all the houses constructed by members of GREDA is found in the cities, particularly the Accra–Tema area. The housing units produced by private companies are targeted at middle- and upper-income earners while the state corporations focus largely on the middle-income category of consumers. In the past state housing agencies tried to serve low-income households but this attempt has not been very successful. Also much of the housing stocks provided by the state corporations are found in the cities and other large urban centres.

In this respect, the key research questions relating to landlords and housing production include: who is producing housing or who owns houses that poor households especially have or attempt to have access to? That is, who are the landlords and how do they acquire houses for rental purposes? What changes have occurred in the way they produce houses in the era of economic reforms in Ghana, and what are the factors responsible for this? What problems have been encountered by various categories of landlords in housing production, and how have landlords coped or adapted to the changed socio-economic situation in this respect? What is the nature of the relationship between tenants and landlords?

Objectives, Conceptual Framework and Field Methods

The objectives of this chapter are:

- Firstly, to examine the nature of landlordism and the housing production process in GAMA and the changes that have taken place in housing production within the metropolitan area since 1983, the year when the economic reform programmes were introduced;
- Secondly, to investigate the tenant/landlord relationship as it affects demand, and hence, investment in housing by landlords;
Thirdly, to examine the problems faced by various categories of landlords in the housing production process; and

Finally, to examine the implications of the above for policy, planning and urban housing development in Accra and in Ghana generally.

Systems theory was utilized as the conceptual framework for analyzing housing production in GAMA. Housing production is a complex process and the housing production system comprises many components. These include access and utilization of: land; finance; cost of labour; construction materials; and housing demand, which stimulates investment in housing by the various categories of landlords. These factors are interconnected and interdependent. Addressing the first objective involved examining housing demand, since the era of economic reforms began in the early 1980s and housing investment profiles, including land acquisition and organization of production by different types of landlords. The land issue involved analyzing land acquisition, the sources of the land, cost of plots for building purposes and changes in cost of plots over time, accessibility and means of acquisition and problems encountered.

The issue of arrangement for production of housing involved describing the type of labour used by landlords; demand was measured using the number of rooms per house, percentage rented out, demand for and enquiries made for rental units on a monthly basis. The type of structures, value of structures provided for different segments of the housing market and the changes made to the physical structure of houses over time were also examined; tenant/landlord relations and how these have impacted on demand and investments in housing by landlords; and the challenges encountered by landlords in rental housing production and coping strategies adopted by landlords were recorded. The implications of results of the analysis for policy, planning and for urban housing development in Accra specifically, and in Ghana generally, were discussed.

In the study, changes that have occurred since 1983 were recorded. The fundamental objectives of economic reforms in sub-Saharan Africa were to implement a package of economic policy, institutional and management changes that would remove the structural constraints that made it impossible for the economy to extricate itself from stagnation and set it on a self-sustaining growth path. The lynchpin of the programme was a set of stabilization measures that would be agreed with the International Monetary Fund. The implementation of the Structural Adjustment Programme (SAP) has impacted on housing production and the housing market, particularly in GAMA and other metropolitan areas of Ghana (Grant and Yankson 2003). One of the effects of economic liberalization is a boom in the housing sector. Trade liberalization has permitted much easier access to many commodities, including building materials, which has led to residential development around the perimeters of the city of Accra, extending them further into Ga and Tema districts over time, particularly along major thoroughfares. The liberalization programme has indirectly contributed to the physical expansion of Accra (Grant and Yankson 2003). As a result of SAP, the housing market was so liberalized that
The rent control system enforced previously no longer applied. This, together with deepening poverty and the negative effects of the SAP, compelled low-income households and even some middle-income households to move out of inner city area to fringe communities in search of cheaper rental units. Kasanga et al. (1996), Møller-Jensen and Yankson (1994), Kufogbe (1996), Yankson and Gough (1999), Gough and Yankson (1997, 2000) and Maxwell et al. (1999) are among authors who have examined the impact of urbanization on the fringe zones of Accra and Kumasi.

Secondary and primary sources of data were used. Primary data was derived mainly from field surveys of small-, medium- and large-scale landlords, and interviews with officials of the Ministry of Works and Housing, Accra Metropolitan Assembly and members of GREDA. Small-scale landlords were considered to be those who resided in the same facility as their tenants, as indicated in the literature (Kumar 1996; Gilbert 1983, 1987; Edwards 1982). Medium-scale landlords were those who had two or more rental units, and large-scale ones were public housing agencies such as the Social Security and National Insurance Trust (SSNIT), Tema Development Corporation (TDC), State Housing Corporation (SHC) and private enterprises operating under GREDA.

A multi-stage sampling technique was employed to select landlords and their tenants for interview. In GAMA, there are residential communities that are predominantly migrant, others that are indigenous as well as those with a mixture of both migrants and indigenes. Additionally, there are communities that can be characterized as predominantly low-, medium- and high-income. Some communities had experienced rapid growth in population while others were either stagnant or slow-growing between 1984 and 2000. Residential communities were selected for this study on the basis of whether they were predominantly migrant or indigenous. The focus was on migrant communities where most of the residents were predominantly tenants, while most residents in the indigenous areas had rent-free accommodation. Based on these criteria, three communities, namely, Saharadansoman, Mamprobi and Kwashieman, were selected from the Accra Metropolitan Assembly Area (AMA); Gbawe and Taifa from the Ga District and Ashaiman and Adenta East from Tema Municipal Assembly Area (see Fig. 1.2). A little over one per cent (1.2%) of the population in each community was taken to ensure representativeness of each community selected in the sample. Altogether, 425 households were interviewed. In addition, 15 members of GREDA, SSNIT, TDC and SHC, representing large-scale landlords, were selected for interview on their role in the housing production process, the changes they had noted and the reasons for the changes; also 50 and 20 tenants renting from small-/medium- and large-scale landlords, respectively, were interviewed on their relationships with their landlords. Questionnaires were used to collect the information from the sampled landlords and tenants. Large-scale landlords as well as public sector agencies were provided with interview guides.

The focus on landlords and housing production in Ghana’s major metropolitan areas were justified on a number of grounds:
Firstly, urban housing plays a key role in economic and social development, and hence, has implications for the reduction of urban poverty;

Secondly, government efforts at providing housing have had little effect on the provision of adequate housing for low-income households. This has been worsened by the adoption of a liberalized economic policy and the subsequent withdrawal of the state in direct delivery of housing, which have served to give impetus to the private sector in the production of housing;

Thirdly, housing production is fraught with challenges and an understanding of these would assist in the adoption of appropriate measures to solve the accommodation problems of many urban households.

Nature of Landlordism in Accra

The results of the study showed that landlordism was essentially a small-scale business venture. In terms of the houses covered in the survey, 60 per cent were compound houses; 14 per cent were the bungalow type and 18 per cent were semi-detached units. About 56 per cent of the houses had between 6 and 10 rooms per house, most of which were compound houses. About 78 per cent of all landlords covered in the survey had only one rental unit each. Almost 97 per cent of the landlords surveyed were males. About 64 and 18 per cent of landlords covered in the survey were operators in the informal (i.e. unregistered and operating largely outside official employment and tax regulations) and formal sectors of the economy of GAMA, respectively. Of the 22 per cent of landlords who had more than one house, about 64 per cent were operators in the informal economy. Some 13 per cent of the landlords covered in the survey were pensioners, for whom renting served as a safety net for their state of unemployment. Many of them had built their rental units when they were in active formal sector employment. A little over 75 per cent of the landlords were non-indigenes of GAMA, especially landlords from the Akan language group. This is not surprising, considering the cosmopolitan nature of GAMA. This is in contrast with the situation recorded in Kumasi, where most of the rental units, covered by various studies, were built by the indigenous Akan people of Kumasi (Tipple 1984). A little over 24 per cent of the landlords had had post-secondary levels of education (post-secondary, polytechnic and university); 30 per cent secondary level; another 30 per cent basic education; while 16 per cent had had no formal education.

Majority of the landlords covered in the survey (65%) earned rental income of between 500,000 and 1,000,000 cedis (between US$56 and US$112 at an exchange rate, at the time of the survey, of 9,000 cedis to US$1) a month; 40 per cent of such landlords had compound houses. Another 19 per cent earned less than this. Almost 12 per cent of them earned between one million and three million cedis a month. Less than 2 per cent earned above three million cedis. These were mainly landlords who owned detached or bungalow-type housing units. It is interesting to note that 51 per cent of landlords who had only one rental unit earned between
No significant relationship was established by the study between monthly incomes of landlords and the number of rental units owned by them.

Though it was found that landlordism was generally on a small scale, at Ashaiman, a low-income township in Tema Municipal Assembly Area however, a few landlords were recorded to have acquired more than one rental unit, mainly because of the inexpensive building or temporary materials they used in construction.

The chief motivation for producing rental housing was to serve as a safety net (60% of landlords), and also for income generation (23%) and for consumption expenditure (10%). Tipple et al. (1999) have suggested that the chief reason for owning a house in Ghana is for future security. This was found to be the case, not only for the landlords themselves but also for the security of their children. The same authors found that rental income was not a great motivating factor in the decision to move from renting to owning. The results of this survey, however, demonstrated that rental income had become an important motivator in rental housing production (23% of respondents). Rental income supplemented the earnings of these landlords. For the female landlords covered in the study, their rental housing was first and foremost a form of safety net and second to support their consumption expenditure. Male landlords had similar motivations, but predominantly they considered renting as a form of business.

In the study, 67 per cent of the landlords had themselves built the houses they let. In other words, they acquired the materials and hired artisans to build their houses under their own supervision. About 20 per cent of all landlords in Ashaiman and 10 per cent of those covered in the survey in Kwashieman built their own houses. Then, 15 per cent bought their houses outright from medium- and large-scale real estate companies operating under GREDA or from other individuals; 18 per cent inherited the houses they were renting. About 50 per cent of the rental units had been built since the early 1990s, while another 30 per cent were built between 1981 and 1990. This indicates the relatively recent origin of most of the rental housing units in the areas covered in the survey.

**The Housing Production Process in GAMA**

The production process begins with the assemblage of inputs, the key once again being land and finance. This section describes how the different categories of landlords acquired land and finance to build their rental accommodation.

**Land**

The rapid increase of population, the changing structure of the economy and the process of urbanization and commercialization, all combine to exert severe pressure on available land resources in urban areas. A wide variety of factors affect the availability and use of land for housing. These factors have significant impact on the volume and location of housing investment and the growth of the housing stock (Agyapong 1995:3).
In Ghana, the problem of land and housing availability, particularly for the poor, is not only a lack of land but also a system of developing land that makes it legally accessible to the poor:

- the cheapest lot on the open market is too expensive for a large proportion of households;
- government is unable to undertake land acquisition and development at a cost affordable to the poor;
- land costs in suitable locations for low-income housing are high; and
- land use controls and regulations constrain large-scale, low-standard development.

The current system of land supply in African cities is characterized by the co-existence of different modes of supply that have originated in different stages of their development (Rakodi 1997). In many African cities, the land market today consists of a combination of two or more systems of land supply (indigenous tenure, illegal modes and capitalist markets) with bureaucratic allocation procedures. In Ghana, there are four main categories of land holdings: first, state lands, which are acquired by government and are held in trust for the people of Ghana; second, vested lands, which are lands vested in the state in trust for the original owners under the Administration of Lands Act, 1962 (Act 123); third, stool/family lands, which are group-owned lands governed by customary tenure systems and held by stools/family heads in trust for all members of the group; finally, private lands held by individuals in varying degrees of quantum by individuals, corporate bodies, institutions, etc. The land market in Ghana is in effect two markets, traditional and modern, operating side by side. Stools have retained their customary rights to use and administer land and to allocate according to prevailing social customs. With increasing urbanization, customary lands in and around the cities have become the focal point of settlement and housing development. As a result access to land in both the modern and customary sectors has become increasingly difficult (Agyapong 1995). With increasing urbanization, much of the customary lands has passed on to the markets, though informally. Formal documentation is not an essential part at the process (Antwi and Adama 2003). In GAMA, much of this process is affecting physical development of the Ga District (Gough and Yankson 1997, 2000). A thriving land market has developed very rapidly there within a little over a decade (Kasanga et al. 1996). Access to land by the indigenous people in the villages in peri-urban Accra, both for farming and for housing, has been severely restricted owing to shortage of land within reach of the villages. Much of the land has been sold to new land acquirers on leasehold and mainly for residential development.

The major findings regarding land acquisition for housing by the landlords covered in the survey were:

- Most of the landlords interviewed (41%) had acquired plots for their rental units since 1990. Less than 20 per cent of them acquired their plots before 1990. Almost 27 per cent of the landlord had other plots within GAMA.
- Chiefs were the main source of land (32%); 27 per cent originated from individuals; 24 per cent from landowning families and 17 per cent from the
state. Respondents indicated that it was more reliable acquiring plots from chiefs than from the state (reliable in the sense that the land was not likely to be taken away from the buyer).

- Plots had become much more expensive at the time of the survey than was the case two decades ago, largely owing to the speculative investment in land. Access to land by the majority of the landlords (74%) had become problematic through its extremely high cost. In 1996, plot leaseholds were sold for around 2.5–3 million cedis in the peri-urban areas of Accra. This was taken as ‘drink money’. Most land purchasers had to pay a ‘knocking fee’, when they first contacted the chief as well as supply the customary drinks. They subsequently had to pay a demarcation fee to the surveyor who demarcated the plot. In addition, over half of the respondents reported having made other payments in cash or in kind, which were not compulsory but were made to facilitate the process (Gough and Yankson 2000). This situation puts poor households out of contention for plots. It was the upper- and middle-class individuals and households who could afford to acquire plots. Consequently, most real estate developers were building for the upper segment of the rental market. The rate of rental housing production by small-scale landlords had generally reduced.

In this study, it was found out that the cost of building plots varied according to location of the land and the facilities available there. The mean value of plots ranged from one million cedis to 7.2 million cedis. Plots in Gbawe had the least mean value, at a little over one million cedis, while plots in Ashaiman had the highest mean value of 7.2 million cedis. Plot prices have shot up since the 1980s. Before then, the average price for a standard plot (80ft x 100ft) sold leasehold was less than 5 million cedis. One of the respondents noted that prices of plots were being quoted in foreign exchange and also advertised on the Internet. Despite the high demand for land for housing purposes, there was still land available but out of the reach of the poor.

- The major features of the urban land management system that contribute to housing problems include the general lack of security of title and the titling process itself. The lack of adequate information about land, particularly urban land, creates problems, which constrict the urban land market and interfere with the delivery of shelter. Secondly, there are problems with land acquisition and disposal. Land transactions are hampered by unclear laws on ownership, use-rights, transfer formalities and so on. Acquisition of land for development can be very cumbersome and time-consuming, and the process can be an uncertain one, particularly in the traditional or the informal land delivery system. Thirdly, there are problems with land use controls and standards, which restrict the possibility of low-income families from obtaining land. Fourthly, there is lack of adequate information about land. There are problems associated with land supply mechanisms. Finally, there are other legal and institutional problems associated with land delivery.
Finance

Formal sector housing finance is poorly developed in Ghana, particularly for the small-scale private individual who wishes to build for rental purposes. The country is not served with a network of financial institutions that mobilize savings and which are channelled either directly or indirectly into the housing and mortgage markets. This has been due, in part, to the unstable economic environment of recent years, which has witnessed extreme instability in incomes and price levels (Ministry of Works and Housing 2001:65). It has been widely accepted in Ghana that lack of housing finance reduces the available supply of housing. Full and accurate information on the total flow of resources into housing is not readily available, particularly from the private sector.

The major thrust of government housing finance currently is the Home Finance Company (HFC). The lending portfolios of commercial banks and other public housing finance institutions (Bank for Housing and Construction and the First Building Society) are essentially negligible (Tipple et al. 1999). Through the HFC, government supported registered real estate developers in producing housing. Budgetary provision was made under various schemes at concessionary real interest rates. However, the registered private developers, in search of economic viability found it necessary to build for the upper sector of the market. Thus, their houses were only affordable to public corporations and individuals with very high incomes. The subsidized interest rates paid by public purse resulted in redistribution of income from the poor majority to the fortunate few (Tipple et al. 1999:263).

In our study, 75 per cent of small-scale landlords covered used their own savings and loans from friends and relatives (8.5%) as the main sources of finance for producing rental housing units. Only about 7 per cent used loans from banks, a result of the high interest charges on bank loans (48%), lack of acceptable collateral security (19%) and undue bureaucracy in accessing loans (21%). Nearly half (47%) indicated that advance rental payments were a major source of funds for further investment in rental housing. This finding is supported by similar evidence from Tipple et al. (1999). Most landlords charged rental advances of between one and three years. Co-financing of rental housing with tenants was another feature. It was noted that 20 per cent of landlords covered in the survey co-financed projects with their tenants. All the large-scale real estate agents borrowed from banks to finance their housing projects. In addition, customers paid about 10 per cent of the total cost of buildings upfront before their houses were built.

Housing Demand in GAMA

It has been noted that the demand for housing is far in excess of supply. Housing production is a function of housing demand. The kind of houses produced by landlords and the quality of services available within the house and its surroundings impinge on demand for housing. In the study, the number of rooms available in a house, number of rooms available for renting and enquiries made about rental accommodation and the frequencies of the enquiries were used as proxy indicators.
for housing demand. The results of the survey showed that the predominant house types covered were: 58.5 per cent compound, 14 per cent bungalow-type; 18 per cent semi-detached, etc. Between one and five rooms were rented in about 57 per cent of all houses covered in the survey, while between six and ten rooms were rented in 34 per cent of the houses. About 42 per cent of the landlords said that enquiries were made about rental accommodation very often, on a daily basis. Landlords at Ashaiman, especially, experienced this situation. Enquiries made a couple of times a week (46%) or occasionally (9%) were also recorded throughout all the study sites.

Only 21 per cent of the landlords used agents to advertise vacancies in their houses. This was perhaps a consequence of the high commission taken by agents from both the landlords and prospective tenants. Tenants most often did the search themselves (41% of landlords) or used other means such as through tenants’ friends/relatives (33%), or tenants found landlords through housing agents (23%). The housing agent phenomenon has emerged since the mid-1980s. Housing agents operate at all levels but more among the lower- and middle-income groups. A prospective tenant would register with an agent and pay a registration fee. The agent then sets out to look for the type of house within the rent level prescribed by the prospective tenant. Once the agent succeeds in the search, the tenant and the landlord each pay a fee to the value of 10 per cent of the rental advance. The use of information technology has also assisted both tenants and housing agents to reach landlords.

Tenants with up to secondary education were more likely to reach landlords through their own efforts or through friends and relatives, while those with post-secondary education were more likely to use housing agents.

**House-building Process and Housing Conditions in GAMA**

A significant difference exists between the process of house-building between the formal large- and medium-scale real estate housing developers and that of the small-scale producers. The large-scale producers engage the services of highly qualified professionals who build fine-grade housing units. Their houses are usually not for rental purposes although some individuals who buy them later let them out on rental basis.

A large proportion (40%) of small-scale landlords used mainly artisans to build their rental units; 19 per cent used professional contractors while another 25 per cent bought their units from the State Housing Company (SHC) and companies under GREDA. It has been noted above that compound houses are the dominant house type in the study sites. This is a multiple-family housing with shared facilities. There was, however, a tendency for landlords to construct bungalows and flats. Over the years, some of the landlords had made several modifications to their houses. Some had added living rooms (7%), particularly in compound houses. Also, some landlords had added garages to their bungalow-type houses, water closets and some had converted the frontage of their houses to shops. This was in response to the changing market conditions in such communities that landlords took advantage of. Most of the landlords interviewed (58%) targeted low-income tenants while 35
per cent indicated that they targeted middle-income households and 7 per cent the high-income groups.

But house-building is fraught with difficulties. Land disputes (other claimants, boundary disputes and encroachments) were the most pressing issue militating against smooth delivery of land for housing. There were thousands of land cases in the courts in the country. The second issue was the high cost of land referred to above. This was partly due to land speculation and delays in securing documents on land and building permits. Consequently, some landlords went ahead and built without first securing the necessary permits. The high costs of building materials and labour in constructing and in maintaining the structures were equally constraining in the house production sector of the urban economy. The landlords also complained about high property rates and low rentals, which adversely affected the extension to and renovation of their houses.

State housing policy has virtually ignored the individuals producing rental housing in the country. Most government housing initiatives directed a more than proportionate amount of the national housing budget to the SHC and other public housing agencies such as the Low-Cost Housing Committee and the TMC. No serious efforts were made to resource individuals to erect rental units and maintain them adequately. Policies have rather been pursued that encouraged individual ownership.

The conditions of the houses covered in the survey varied from one study site to another. In terms of materials used, the walls of about 83 per cent of the houses in the survey were built with sandcrete blocks, about 6 per cent wood and 9 per cent bricks for the walls. Wood was used mainly for walls in Ashaiman. About 69 and 11 per cent of the surveyed houses were roofed with aluminium roofing sheets and tiles, respectively. Cement was used by 62 per cent of the landlords while about 15 per cent used terrazzo, 10 per cent tiles and the rest wood and other materials. Almost all the landlords (94.8%) had provided electricity in their houses but only about 14 per cent had connected their houses to mains water. Purchasing water from water vendors was the norm in almost all the study sites. Apart from only about 10 per cent of the landlords who provided toilet facilities in their houses, all other landlords and their tenants depended on public toilets and defecating in the open.

The Landlord–Tenant Relationship

The relationship between the landlord and his tenant may facilitate or frustrate the production of rental housing or cause the withdrawal of rental housing units from the rental market. The key findings from the study on this issue were as follows: about 92 per cent of the landlords interviewed claimed that their relationship with their tenants was cordial. This finding is similar to those of studies elsewhere (Kumar 1996; Gilbert and Varley 1991). On the other hand, tenants indicated that this description might not be entirely realistic. The tenants asserted that once the period for down payments or advance payment was approaching, landlords tried as much as possible to pick a fight or quarrel with tenants to make it impossible for them to
continue to stay in their houses. When a tenant left a house, it was given to another tenant with a new rent advance payment. Landlords also used all manner of excuses to evict tenants.

It was found that some landlords (50%) let accommodation to prospective tenants on the basis of the tenants’ occupational status, as this was seen to give an indication of the tenants’ ability to pay rent. Next to occupational status was marital status (26%). A majority (90%) of such landlords stated that cleaning in and around the house was the reason for their preference of married couples. It was also to guard against letting accommodation to prostitutes. A very small proportion of landlords (5%) considered ethnicity as a criterion for accepting tenants. Some landlords preferred tenants who were from the same ethnic background as themselves. Some claimed that certain tribes were identified with particular attitudes and behaviour, so they were less inclined to offer accommodation to people from such tribes. The same was true for religion. Landlords also related to their tenants in legal terms. About 84 per cent of landlords said they had written agreements with their tenants; 65 per cent claimed their agreements with their tenants had a legal basis in the documents signed with them. Only 16 per cent had verbal agreements based on the trust reposed in their relationship.

Payment of utility bills was another area that caused strained relationships between landlords and tenants. About 62 per cent of the landlords maintained that utility bills were shared with their tenants at a rate agreeable to both parties. About 16 per cent of the landlords used separate meters to avert any misunderstanding. Some landlords (20%) shared the bill with the tenants while just 2 per cent of the landlords paid the utility bills and factored them into the rent the tenant household paid to them.

Landlordism, Housing Production and Urban Development

Increasing population growth in GAMA will continue to put pressure on the available housing stock. Adding to the housing stock through delivery of new housing units as well as rehabilitation of old stock is the way forward to efficient and effective urban development. It has been shown that the bulk of rental housing in the Greater Accra Metropolitan Area was produced by small- and medium-scale landlords. This category caters for the urban poor. Unfortunately, this segment of the producers of rental housing has not been supported by public policy while the large and medium real estate companies, which cater for the upper section of the rental market, have had some support from the government by way of financial subsidy from the public sector. Land is critical in the housing production process but small-scale landlords are being edged out of the land market as a result of the increasing cost of plots and increasing inaccessibility to the land market. Finance is another major challenge to housing production by the small- and medium-scale landlords. In terms of house type, the study has confirmed the pre-eminence of compound houses. The trend towards the production of single-family detached and semi-detached housing units as well as multi-family housing units in terms of flats is also noted, but these generally tend to be out of reach of the poor.
Addressing these challenges confronting the production of housing will benefit the poor. Asked what policies ought to be pursued to aid production of rental housing, the landlords’ responses seemed to place the government in the forefront of the solution to the problem. At least 10 per cent of the respondents pointed to the need to confront the challenges posed by the land question. They suggested that government should land-bank so as to facilitate the delivery of land for residential purposes. This, they claimed, would regulate the land market and reduce land disputes. Currently, there is an enormous backlog of such cases pending in the courts, which have virtually locked up vast stretches of land. The security of land titles in the traditional sector is very poor, owing to the large number of owners operating in the market. The delivery of land in the open market is one of the factors contributing to land speculation and hoarding, which has in turn increased the price of land, making it less affordable to the low-income households. In the past, government acquired so much land, ostensibly for the public good. One-third of the land in metropolitan Accra is held by the state and about half of all Ga lands have been compulsorily acquired (Kasanga et al. 1996). The government has failed, though, to pay out much of the requisite compensation, hence many stools have disputes with the government over non-payment of compensation for land acquired (Gough and Yankson 1997:20). The state now lacks the human and logistic resources to undertake further land acquisition to sustain the land-banking concept within GAMA.

The question is how far individual small-scale producers of rental housing have access to land from the public sector, considering the bureaucratic culture of the public sector in Ghana. One of the major problems of land management in the country stems from the poor coordination between government agencies directly concerned with land management. In addition, there is lack of coordination between the development agencies such as the Lands Commission Secretariat, City Engineer’s and Planning Departments, Electricity and Water Companies, etc. There is also little coordination between local government agencies. The Metropolitan, Municipal and District Assemblies have been the focal point of a decentralized administration and planning approach to development in Ghana since 1988. But the Assemblies, especially the Ga District Assembly, are not sufficiently well resourced to be able to provide effective land management and land-use planning services in their areas of jurisdiction. In view of the weaknesses of the land management system, the government has taken some initiatives aimed at addressing the land constraint and integrating land issues into the broader development agenda by adopting a Land Policy Document (Ministry of Lands and Forestry 1999) and implementing a Land Administration Project (LAP) as the main tool for implementing the National Land Policy. LAP is a medium- to long-term (5–15 years) project supported by the World Bank and other donors. It aims to reduce poverty and enhance social growth through improving security of tenure, accelerating access to land by the populace and fostering efficient land management by developing systems of land titling and administration based on clear, coherent and consistent policies and laws supported by appropriate institutional structures (Kasanga 2002). The project has just commenced and its impact is yet to be felt.
The government has outlined its strategy for easing the land issue in the National Shelter Strategy (Ministry of Works and Housing 2001:9–23). This is, essentially, to improve the supply of serviced land available for housing, particularly for the target groups. The major strategies supporting this policy initiative are to:

- encourage greater access to and more efficient use of land;
- improve the title process and security of tenure;
- institute legislative and institutional reforms aimed at revising the legal framework to make it more flexible and improving the system for land administration and management;
- create a dynamic land market through (computerized) information technology, to promote positive land management in urban and rural areas; and
- reduce land litigation.

These are some of the major issues that LAP is supposed to address. It remains to be seen what the impact will be on the small- and medium-scale producers of housing.

Housing finance is another crucial issue. About 12 per cent of the landlords suggested that government should provide low-interest loans. Looking to governments, at all levels, to provide or guarantee low-interest loans is not a viable approach to provision of finance for investment in housing. Unfortunately, financial intermediaries with the ability to channel funds to the households most in need of assistance are absent. There has also been very little development of loan and service schemes adapted to the needs and financial capabilities of moderate- to low-income groups. Moreover, rent control has acted as a disincentive to the expansion of rental housing in the major urban centres of Accra and Kumasi (Ministry of Works and Housing 2001:78–9). The strategy that has been proposed by the government and as contained in the National Shelter Strategy document (Ministry of Works and Housing 2001) is to provide greater access to credit, particularly for the target groups. The main strategies supporting this policy initiative are:

- developing a viable and accessible institutional system for the provision of housing finance;
- promoting savings and investment in housing by developing suitable saving instruments and providing appropriate fiscal incentives;
- targeting more funds to low- and moderate-income households;
- supporting programmes and initiatives that expand the availability of home improvement financing for target group households.

The question is to what extent these strategies might help provide the necessary financial resources to support the house-building activities of small-scale landlords. It is not an easy issue to resolve.

About 3 per cent of the respondents mentioned reduction in the cost of building materials as a step that may greatly relieve the burden of increased costs on would-be small- and medium-scale landlords. To address the issue of cost of building materials and the technology of construction, the government is, as a matter of
policy, to develop and promote the availability of building materials of acceptable
good quality at affordable prices to respond effectively to the shelter construction needs
of the majority of the country’s population. The main strategies to achieve this
policy initiative are:

- promotion of local production of building materials;
- promotion of small-scale building material industries and indigenous techno-
  logies;
- decentralization of production; and
- rationalization of the importation and use of building materials.

It would help small- and medium-scale landlords if these policies and strategies were
operationalized and an effective education campaign waged to educate current and
would-be landlords as to how they can take advantage of them. Achieving one
hundred per cent home ownership even for poor households is not achievable, not
even in economically advanced nations. Tenancy will continue to be a dominant
feature of housing in GAMA and in urban Ghana generally. Those who deliver
rental housing should therefore be supported in the context of the shelter strategy
for Ghana.

References

Addo, N.O. and Kpedekpo, G.M.K., 1967, Survey into Housing and Household Conditions in
Labone, James Town and Nima, Accra, Ghana Medical School, Community Health Survey
Report, Project No. 1.
Agyepong, T., 1995, Increasing Access to Land and Shelter, National Preparatory Process for
Habitat II, Draft Report.
Aina, T.A., 1990, ‘Petty Landlords and Poor Tenants in Low-Income Settlements in
Metropolitan Lagos, Nigeria’, in P. Amis and P. Lloyd (eds.), Housing Africa’s Urban Poor,
Manchester: Manchester University Press.
Amis, P., 1984, ‘Squatters or Tenants? The Commercialisation of Unauthorised Housing in
Antwi, A.Y. and Adams, J., 2003, ‘Rent-Seeking Behaviour and Its Economic Costs in
seminar paper, Department of Planning, University of Science and Technology,
Kumasi.
The Mobile City of Accra


