ECONOMIC CONSEQUENCES OF RENT CONTROL IN KENYA: A CASE STUDY OF EASTLEIGH, NAIROBI

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ABSTRACT

The thesis begins by stating the obvious: that rent control has to be seen in the context of a severe housing shortage in Kenya, and spells out specific a priori hypotheses to be tested. It then reviews the theoretical literature on rent control, the nature of rent control experience elsewhere and the history and current legal status of the Rent Restriction Act in Kenya. All this is a prelude to the main thrust of the study: to analyse data obtained for a sample of plots that are subject to rent control in the Eastleigh area of Nairobi. An estimate is made of the scope and effectiveness of rent control in Kenya, the equitable and distributional aspects of rent control are analysed and various hypotheses about the economic consequences of rent control are tested. Arising from this, the study suggests ways in which the scope and effectiveness of rent control may be widened.

CHAPTER ONE

INTRODUCTION

1.1 STATEMENT OF PROBLEM

Rent control in Kenya has to be seen in the context of a severe housing shortage in Kenya in general and in Nairobi in particular in relation to both present and future need and housing demand.(a) Many studies have been made of housing shortage in relation to both housing need and housing demand.[1] Projecting housing needs for Nairobi to the year 2000, Mrs. Monson[2] estimates that the proportion of the city's G.D.P. annually invested in housing would have to be increased from 3.33% as at 1972 to 7.25% or would have to be more than doubled. The average annual increase in Nairobi's African population is 8%.[3] This means that there will be an annual average increase in Nairobi's population of about 56,000. If we assume that the average household size in Nairobi is 5(b), then about 11,000 new housing units need to be put up every year to house the increase in population. Let us assume a figure of 3,000 units per year of high and medium cost housing required. This means 8,000 units of low cost housing would be required annually costing on average K£1500.(c) Total Central Government

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(a) The distinction between housing need and demand is made under Definition of important terms. Chapter 1.3.

(b) This is the assumption made in Kenya's Development Plan 1970-74, Parag. 19.10.

(c) The average cost of National Housing Corporation (NHC) houses built in 1973 was K£1800.

budget for low-cost housing for all urban areas for the 5 years 1974-78 is approximatelly K£30m. of which half will be for Nairobi.[4] So, annual public expenditure earmarked for housing in Nairobi is about K£3m. The minimum cost, given present inflationary conditions of building a basic 2 room unit with facilities is K£1500.[5] This means at a maximum, 2000 low-cost housing units will be built in Nairobi annually. There is no question of private development in this cost range because all private construction is of high cost housing. In other words, given the limited funds made available for public housing development, we can foresee an annual increase in the shortage of low-cost housing of 6,000 units in Nairobi. This continuing shortfall will exacerbate the severe shortfall that already exists, estimated in 1974 to be between 25,000 and 30,000 units or approximately equal to 25% of the city's existing stock.[6] This housing shortage has led to the problem of shanty developments. F. Temple[7] found in December 1972 that in addition to the large number of people living in overcrowded conditions, one-third of Nairobi's population lives in uncontrolled and illegal housing. The Development Plan 1970-74[8] also comments on the extent of shanty settlements.

** "The shortfall of up to 7,500 urban dwelling units a year has been met by individual families themselves, who have squatted on public and private land and built whatever poor form of shelter was within their means, usually fashioned of mud, wattle, cardboard and tin. ...a partial survey in 1962 showed that in Nairobi some 100,000 persons were living in only 28,387 rooms and two households out of every three had an occupancy ratio

of four or more persons per room."

Clearly since 1962, the problem has become worse.

Rent control has to be seen in the context of such a housing situation. Given the housing shortage, there is a seller's market in housing which would be expected to lead to a substantial redistribution of income from tenants to landlords, a danger noted in government reports as early as 1966.

"However, even when a shortage exists, no enlightened administration can tolerate the exploitation of citizens through unjustified evictions and extortionate charges."[9] To prevent such a redistribution of income from landlords to tenants, rent control was introduced in Kenya. If the idea is that rent control is necessary because of the shortage, then since the low cost housing shortage will increase cumulatively at 6,000 units per year, rent control is presumably here to stay.

1.2 AIM OF THIS STUDY

The aim of this study is to find out the extent to which rent control has proven effective in Nairobi and if it is effective in any way, to find out what group of people benefit from it and to look into the equitable and distributional aspect of rent control. This study is also aimed at establishing the extent, causes and means of evasion of rent control. Furthermore, this study hopes to test the following specific hypotheses as to the economic consequences of rent control.

(i) Rent control has led to deterioration of housing quality. The hypothesis is that in houses that are effectively rent controlled, the landlord will have insufficient incentive to carry out repairs since at rents below market rents he would not realize an adequate return on additional investments in repairs. To test this hypothesis, I will look at the state of repair of houses effectively controlled, ineffectively controlled and non-controlled.

(ii) Rent control has led to a shift in the form rather than the amount of rent payment. The hypothesis is that there is no significant difference in the rent that is being paid in controlled and uncontrolled plots because those who live in controlled plots have to pay either more 'key-money' or more for light and water charges or they have to carry out repairs themselves. To test this hypothesis, I will look at extent and means of evasion of rent control.

(iii) Rent control has led to less intensive utilisation of housing stock. The hypothesis is that tenants who live in effectively rent controlled houses are insufficiently motivated to economise on space and therefore have a lower occupancy rate per room than tenants in uncontrolled houses who double up so that they can share the high market rents they have to pay. I shall test this hypothesis by studying the occupancy rates in houses effectively controlled, ineffectively controlled and non-controlled. In this context, I shall also try to ascertain the extent of provision of housing on bed-space basis[d] in each of these categories.

(d) For further explanation on this, see Definition of important terms Chapter 1.3.

(iv) Rent control has led to less owner-occupation. The hypothesis is that tenants in effectively rent controlled houses would have less incentive to become owner occupiers than tenants in uncontrolled houses because they pay rents artificially lower than those prevailing on the market and thus distort the economic choice between rental and ownership. To test this hypothesis, I shall try to look for evidence of disincentive to owner-occupation among tenants in effectively controlled houses, ineffectively controlled houses and uncontrolled houses.

How will this study be useful? A study on rent structure in private and public housing in Kenya was carried out in 1969 by Neils. O. Jorgensen.[10] Obviously, a lot of changes have taken place since then which need to be studied. This study will also be useful in that it suggests policy implications for the Kenya Government.

1.3 DEFINITIONS OF IMPORTANT TERMS

I shall use a number of everyday terms in rather specific senses. To avoid confusion, let me define them. It is these definitions, not ordinary meanings I intend throughout.

Housing need is the need for housing arising from the natural increase in population and the urbanisation process. Need in this sense exists independent of price and cost of or ability to pay for housing. Urban housing needs change continuously because of population movements and increases.

Demand for housing is the effective demand for housing services backed up by purchasing power. Housing demand changes because of changes in the following:

(i) prices at which housing services become available.

(ii) ability of families to pay for housing services.

(iii) the proportion of income families are willing to devote to shelter.

Market rent for a given size unit is the average rent prevailing in the market for each size of unit.

Standard rent for a given size unit means the rent as assessed by Rent Restriction Department (RRD). As laid down in the Rent (Restrictions) (Amendment) Act 1966[11], 'standard rent' is assessed at 15% per annum of the cost of construction of the building and the value of the land.

Bed-space basis of housing provision. The colonial policy was to provide public housing for African labourers on bed-space basis.(e) This meant that each worker was given enough space to put his bed on and no more. This policy was specifically adopted to discourage people other than the workers themselves from utilising public housing. The worker's immediate families were specifically not accommodated.

Subsidy from landlord to tenant is the difference between rent actually paid and market rent.

(e) Mr. Amalemba, Minister for Housing said in a speech in Nairobi in 1958,
"City Council provided accommodation for 24,000, though much of this is on a bed-space basis."[12]

Assessments filed and disposed. An assessment is filed at Rent Restriction Department (RRD) when an application is put forward at RRD either by landlord or tenant for assessment of his house for 'standard rent'. An assessment is disposed of when a house is assessed by the Assessment Officer of RRD.

Cases filed and disposed. A case is filed at RRD when a landlord or tenant brings to RRD a grievance or dispute which he wishes to be settled. A case is disposed of when it has been ruled upon by RRD.

CHAPTER TWO

REVIEW OF LITERATURE AND EXPERIENCE ON RENT CONTROL

2.1 CASE FOR AND AGAINST RENT CONTROL

If there ever was a consensus that rent controls are unambiguously good or bad, there is surely no such consensus today. There is a spectrum of views on this issue, ranging from outright denunciation to warm espousal. There are both serious and specious arguments that have been put forward in this debate which I wish to analyse in these few pages.

One of the most compelling arguments against rent control is that it has adverse long run effects on supply of housing. The argument is that if rent control is effectively enforced, it will act as a disincentive to housing production. This argument has been put forward by A.C. Pigou,[1] G.J. Stigler and Milton Friedman,[2] and E.J. Mishan.[3] Surprisingly, J.K. Galbraith,[4] the foremost proponent of price control and rent control debates this issue as if no such argument against rent control exists.

Some other convincing arguments against rent control in particular and price control in general are:

(i) Prices are the allocative machinery in the economy; they guide resources from less to more important uses. If prices are fixed, they can no longer perform these functions in response to changing conditions.

(ii) Price controls invite evasion since some people are prepared to pay a higher price to get the limited supply. Thus, some buyers and some sellers find it worthwhile to evade price control. This is the case of government without the consent of the governed.

J.K. Galbraith,[5] however, argues otherwise. He believes no great dislocations of productive factors take place under price control although he offers no evidence to support this. He also believes that since most sellers opt for a habitual rather than a profitable pattern of behaviour (i.e. under conditions of inertia), price control will work and will not be evaded. The great weakness in this argument is that it does not consider the limit where price control is set. There are real limitations within which price control can operate. If the control price is near the market clearing price, the control will be redundant and if it is set too much below the market clearing price, it will be unprofitable to supply the goods and there will be greater incentive to evasion.

A few other serious arguments against rent control need to be noted. E.J. Mishan[6] argues that there are rich tenants as well as poor landlords and even if all landlords were rich, rent control would mean a forced subsidy to the amount of the difference between market rent and controlled rent from the landlord to the tenant. This subsidy, he argues, should be paid by the government to only the poor tenants. Moreover, the burden of helping the poor should fall on the taxpayer as a whole and not a particular group of people e.g. the landlords.

Besides its adverse long run effect on supply of housing, rent control has other adverse economic consequences which have drawn comment from several economists.[7] Some of these adverse consequences are:

(i) Tenants in rent controlled houses stay put. This reduces labour mobility needed in a growing economy.

(ii) There is insufficient incentive for the landlord to keep rent controlled houses in a good state of repair. This reduces the quality of the existing stock of housing.

(iii) Tenants in rent-controlled houses are insufficiently motivated to economise on space.

(iv) Tenants in rent-controlled houses have less incentive to become owner-occupiers than tenants in uncontrolled houses.

Among arguments that have been put forward for rent control, the most convincing is the redistribution of income argument. The case for rent control is that it is needed when there is a sudden shortage (e.g. during wartime, due to restrictions on building activity so that resources may be diverted to other uses). In such a situation of an irrelievable housing shortage, rent control is needed to prevent monopoly rents accruing to landlords. In the absence of rent control, there could have been a redistribution of income from tenants to landlords. Rent control is a short-term strategy to prevent this happening. Sometimes this argument is wrongly worded to imply that rent control is needed to mobilise for a war economy because rent control as such does not mobilise anything.

One of the arguments for rent control is that it is needed to check inflationary tendencies. The argument is that when prices are rising, they need to be controlled, otherwise there could be serious dislocations arising from inflation. This argument has been put forward, among others, by J.K. Galbraith.[8] However, since price increases are the symptom of inflation, if we control prices, we are attacking the symptom, not the cause of inflation. The cause of inflation is excess of demand over supply or the shortages which exist.(a) Therefore, to avoid inflationary tendencies we need to reduce these shortages rather than control prices.

Another argument for rent control, put forward by L. Rodwin[9] is that rent control is needed because of the following imperfections in the housing market. The commodity is lumpy and not homogeneous, supply of rental housing is comparatively inelastic as high prices do not attract quickly new competitive resources because of the long period required to build an adequate supply of new housing and substantial monopoly elements are present. Moreover, during a shortage, relief in the form of new construction would come last to the lower income groups because builders serve the upper income market first. However, it is very much doubtful whether rent control can remove any of these imperfections in the housing market. We may pin our hopes of removing them, however, through appropriate subsidy and taxation policies.

(a) Artificially created or by nature.

One generalisation can be drawn from this review of the arguments for and against rent control: that rent control may be more readily justified as a short-term strategy than as a long-term policy. In the long run, the problem of the redistribution of income can be better tackled by monetary and fiscal policy.

2.2. RENT CONTROL EXPERIENCE IN OTHER COUNTRIES

A study of rent control experiences in other countries is illuminating and rewarding because it shows which of the theoretical predictions on the adverse effects of rent control have been thoroughly confirmed, which are in doubt and which have been disproved. Case studies of rent control experience in France, Sweden and Denmark thoroughly confirm most of the theoretical predictions whereas experience in U.K. and U.S.A. leaves some of these predictions in doubt.

Rent control was introduced in France[10] during World War I. After the war, legislators feared the consequences of sudden removal of rent control because retail prices had trebled since the war. Rent control was therefore continued into the Second World War and even afterwards for the same reason.

The first consequence of such a situation was that construction could not be undertaken because in 1948 if a builder were to put up appartments, they would have to rent for prices 10 to 13 times 1948 rent ceilings in order to break even. Second, vacancy rate fell to zero, no one was going to vacate, nor could the

owners expel anyone; the only opportunity to get an appartment was to watch for deaths. Third, the quality of housing stock went down and owners just consumed their capital. A very lenient officialdom estimated in 1948 that 16,000 buildings were in such disrepair that they needed to be pulled down. Finally, landlords did not care about provision of services. 82% of Parisians had no bath, more than half had to go out of their lodgings to find a lavatory and a fifth did not even have running water. Yet nothing was done because, it was argued, the right to dismiss tenants if restored could not be effectively exercised; the whole nation would go on strike.

Rent control experience in Sweden and Denmark reveals much the same. Assar Lindbeck[11] notes that after rent control was introduced in Sweden in 1942, total housing construction as a % of G.N.P. fell from 8.8% in 1946 to 6.7% in 1963 and total housing construction as a % of total gross investment fell from 30.9% to 21.4% during the same period. Lindbeck[12] is sceptical about the argument that if rent control is removed, there would be a redistribution of income from poor tenants to rich landlords. He puts forward the finding that in Sweden an increase in rents by 25% in private appartments would lead to a redistribution of income from tenants to landlords of about the same magnitude as a redistribution of ½% of national income from employers to employees.

P.F. Wendt[13] notes that rent control in Sweden has led to a decline in the attractiveness of real estate as an investment, deterioration of housing quality as a result of undermaintenance

during rent controls and he believes the long-run unfavourable effects of rent controls and the inequities and the maldistribution of the housing stock has prompted the government to relax controls.

Looking at the post-war position in the Danish housing market, J.H. Gelting[14] concludes it is evident that rent control has been a major factor intensifying the housing shortage as housing production has been less lucrative: due to rent control, there has occured a decline in rents relative to other prices of almost 40%.

Britain's experience with and without controls gives us an insight into what happens when rents are decontrolled. The 1957 Rent Act is the most significant recent Act which provided for decontrol in Britain. Studies that have been made of privately rented housing since the Rent Act of 1957 came into operation show the Act made remarkably little impact. J.B. Gullingworth[15] notes that there was no observable increase in the supply of rented accommodation, more repairs were done but they were minor and superficial and there was little evidence that the housing stock was being more intensively utilised. D.V. Donnison[16] notes that the Rent Act of 1957 hastened the process of transfer to owner-occupation but in the property that remained rented, the Act brought about an increasingly inefficient and unfair distribution of house room. He believes decontrol in 1957 did not have the beneficial results expected from it because rents in Britain had seldom been revised or raised previously for any smooth transition to take place. He therefore advocates removal of rent control in a

selective way. F.W. Paish[17] sums up the debate by saying repeal of the Rent Control Act would be a solution of the economic difficulties and in the long run likely to prove highly beneficial but would in the short run bring a sudden redistribution of income. He therefore advocates some immediate increase in rent for landlords who kept their premises in adequate state of repair and the release from control of any premises which fell vacant. It seems removal of rent control is a delicate exercise to be undertaken with care so that inequities brought about by rent control are not perpetuated when rent control is removed.

What does rent control experience in U.S.A. have to teach us? In this connection, studies by Leo Grebler,[18] and L. Rodwin[19] are pitted against that of P.F. Wendt.[20] Leo Grebler[21] maintains that rent controls had no direct and observable influence upon the construction of private rental units. So does L. Rodwin.[22] He argues that the relative volume of construction was about the same during the 1920's and after World War II, casting doubt on the easy assumption that rent controls specifically impede production. He concludes that given a severe housing shortage and increased income, Boston's experiences with and without controls do not bear out the simple view that rent controls force a much greater shift in the tenure of rental housing or a dampening of new construction or much more uneconomical and inefficient use of housing resources than would normally be the case.

P.F. Wendt[23] however believes federal rent controls in the U.S.A. during World War II had the following effects upon the

housing market.

(i) Discouraged the construction of private rental units.

(ii) Tended to reduce maintenance expenditure by landlords to a bare minimum and to reduce the quality of rental housing between 1940 and 1947.

(iii) Encouraged evasion of rent controls by many landlords through the 'black market.'

(iv) Encouraged small family units and single persons to occupy more space than they would have occupied in the absence of control.

(v) Encouraged the transfer of rental properties, on the part of landlords, to the status of owner-occupied units.

(vi) Resulted in substantial inequities among tenants and landlords because of administrative procedures.

The study by P.F. Wendt[24] is relatively more persuasive from among studies made on the effects of rent control in U.S.A. In reviewing housing policies in Sweden, U.K., West Germany and U.S.A., he concludes that Sweden and U.K. were subject to a relatively high degree of government control through licensing, credit rationing and rent controls and were not outstandingly and comparatively successful from the view-point of the quality of housing produced or maintenance of quality of existing stock whereas West Germany and U.S.A. were relatively free from Central government control and relied primarily upon private housebuilding and achieved high levels of production of good quality housing, fostered a progressive and efficient private housebuilding industry and an improved quality of existing housing.

What generalisations emerge from this review of the diverse literature? First, that in a situation of a severe housing shortage, the long-term government policy should be to attack the cause of high rents, not high rents themselves. In other words, the long-term government policy should be to reduce the housing shortage, not control rents. Second, that while efforts are being made to remove the housing shortage, rent control may be instituted as a short-term strategy to prevent monopoly rents accruing to landlords. Third, to have rent control as a long-term policy would be disastrous as it has many adverse economic consequences borne out by historical evidence. Finally, that once rent control becomes institutionalised and entrenched, it becomes difficult to remove it and the dislocations from sudden removal are great. For this reason, controls should be more flexible as it would be easier to remove them when the housing shortage had been reduced. In other words, relatively efficient solutions to the problem of housing shortage are obtained with fewer and more flexible controls than with more rigid controls.

CHAPTER THREE

RENT CONTROL IN KENYA

3.1 RECENT KENYA GOVERNMENT POLICY ON RENT CONTROL

To what extent has this extended and diverse experience informed and shaped Kenyan policy?

The Development Plan 1970-74[1] says that the reason why the Rent Restriction Department (RRD) was established was

"To restrain the sharp rise in rentals during 1965/66, partly, occassioned by the slump in housing construction. A measure of control became necessary to curb speculative evictions by landlords and to protect lower income groups in particular, while also ensuring that capital invested in housing continued to yield returns."

Concerning rent control in Kenya, Neils O. Jorgensen[2] says,

"The effects of this programe are not precisely measurable, but it is believed that rents in some houses have been kept down."

The Development Plan 1970-74[3] borrows and modifies this statement as follows:

"The effects of this program are not precisely measurable, but it is believed that rent levels have been prevented from rising in a large proportion of the controlled premises."

Paragraph 19.37[4] on rent control ends.

"It is planned to remove rent controls when the housing shortage has been reduced to the point where market forces will yield reasonable rent levels."

As has been explained in Chapter One, this is likely to take a long time because given the limited funds allocated to housing by the Treasury, the housing shortage increases every year.

If we look at Sessional Paper No. 5 of 1966/67, Housing Policy for Kenya[5], we find similar views:

"The government recognises that an unsound rent policy can be harmful to investment in housing and that rent levels should be determined mainly by forces of supply and demand. In the final analysis, the answer to high charges lies in getting more houses built. However, even when a shortage of housing exists, no enlightened administration can tolerate the exploitation of citizens through unjustified evictions and extortionate charges. The policy is to keep rent levels in Kenya under review and to impose some measures of control to prevent these abuses whilst ensuring that capital invested in housing yields profitable returns."

Sessional Paper No. 10 of 1965, African Socialism and its application to planning in Kenya[6] says,

"Price, wage, rent and output controls, import duties, income taxes and subsidies can be used selectively and in combinations to direct the uses of private property, limit profits and influence the distribution of gains."

From among this welter of statements, three policy decisions can be inferred which are very reasonable.

(i) That rent control had to be introduced as of necessity because of the housing shortage and to avoid redistribution of income from tenants to landlords.

(ii) That control rent would not be set too much below the equilibrium rent because that would discourage investment in housing.

(iii) That rent control was regarded as temporary to be removed when the housing shortage had been reduced.

However, the current Development Plan 1974-78[7] reveals that rent control is not to be removed because the housing shortage has not been reduced. One of the specific housing policies and objectives is to enforce rent control measures and under Program Implementation, it says that the Ministry of Housing will set up the necessary machinery for the widening of the scope of the Rent Restriction Act and the improvement of the enforcement machinery.

It seems the current Development Plan is confusing symptoms with causes because it is more concerned with attacking high rents than the cause of high rents. Sessional Paper No. 5 of 1966/67 laid down meaningful policy in that it said the long-run policy will be to reduce the housing shortage and the short-run strategy, in the context of a severe housing shortage, will be to control rents. Over the year, mainly because of financial constraints, the housing shortage, as explained previously, has not been reduced; in fact it has increased. As a result, the scope of rent controls is being widened. Instead of rent control being a short run strategy, which it should be, it has become long run policy. One can sense a sort of defeatist attitude in

this change: it is impossible to reduce the housing shortage so we need rent control as a long-run policy. This is to ignore the experiences of other capitalist countries with and without rent control. If Kenya is to remain a relatively free-market economy, this contradiction in its housing policy needs to be sorted out for any meaningful solutions to the problem of the housing shortage to be obtained.

3.2 HISTORICAL DEVELOPMENT OF RENT CONTROL IN KENYA AND HOW IT OPERATES AT PRESENT

Rent control legislation was first applied in Kenya in 1918 as a short term measure to restrict increases in rent because of the expected post World War I housing scarcity. This legislation lapsed in 1923. Controls were not imposed again until 1940[8] to protect those tenants who served in the British army. After 1940, successive reenactments[9] and amendments[10] have perpetuated controls to the present day.

Ordinance 12 of 1940[11] brought all houses let at less than 333⅓shs. per month before 3rd September 1939 (which it called the prescribed date) under rent control. If the house was not let on that date, then 'standard rent' was calculated at 10% per year of market value of land and building. The landlord was permitted to increase rent up to 10% per year of the amount spent on improvements or structural alterations. The landlord was supposed to pay ground rent, insurance, original and additional rates and cost of repairs and redecorations. On a tenant's request,

the landlord had to provide a statement as to 'standard rent' within 14 days to the tenant failing which he was liable to a fine not exceeding £10. An order could be made for recovery of possession of any house or for ejectment of a tenant under any one of the following circumstances.

(i) any rent had not been paid.

(ii) the tenant was a nuisance or annoyed adjoining occupiers.

(iii) the tenant gave a notice to quite and in consequence the landlord contracted to sell or let the building.

(iv) the landlord or a person residing with him or employed by him required the dwelling for residence and provided alternative suitable reasonably equivalent accommodation to the tenant.

(v) the landlord became the landlord after joining military service and required the house for his own use.

(vi) the residence was required by a former tenant who had left to join military service.

The Supreme Court or Subordinate Court of First Class was empowered to enforce this legislation.

Ordinance 22 of 1949[12] besides introducing the Rent Control Boards i.e. Central Board for Nairobi and the Coast Board for Mombasa with powers to enforce the legislation did nothing new except for raising the limit to which control would apply from 333⅓ sh. per month to 833⅓ sh. per month.(a) Most of the main clauses remained as in 12 of 1940.[13]

(a) Price indices for Kenya's urban areas for 1940 and 1949 are not available but presumably the price increase within this period was not as much as 250%. In that case, the aim was to widen the net of rent control.

In 1958, a Committee of Inquiry was set up to examine the working of the Increase of Rent (Restriction) Oridinance of 1949. Its conclusions are interesting.

"There is one important conclusion, however, to which the evidence of both landlords and tenants pointed. It was proved to our satisfaction that the rent control legislation is largely disregarded and even held in contempt and that landlords are openly charging higher than the permitted rents. Tenants, we are told, do not report such cases for fear of reprisals. While this state of affairs is quite prevalent among Asian landlords and tenants, it is even more so among African landlords and tenants."[14] The Report[15] noted that if rents were fixed as a % of present market value of house, market values are rising exhorbitantly and so rents would rise and the poor tenant would not be protected. The Report[16] in conclusion said that although the housing situation had improved in all areas, a complete relaxation of controls was not desirable at that time and that the principles of the Ordinance should, with certain modifications, continue to operate. It recommended decontrol of the following dwellings.

(i) those let at above 600/= per month because those who can rent a house at more than 600/= per month can take care of themselves.

(ii) dwellings rented to public authorities and companies because they can renegotiate leases.

(iii) houses built on a plot of land more than one acre in area because presumably only rich people live there.

(iv) houses that require reconstruction so that reconstruction may be encouraged.

(v) houses required by landlord or his family for own use.

Most of the recommendations of the Working Party on Rent Control were adopted in the Ordinance 35 of 1959,[17] especially those on progressive decontrol. Only those houses that had 'standard rent' less than 600/= per month were subject to control. Rent Control Boards were abolished. Any complaints as to 'standard rent' of houses let at less than 70/= per month would not be brought before the courts but would be settled by an administrative officer. The rest of the clauses of Ordinance 22 of 1949 remained as they were.

The 1959 law had discontinued the cheap[(b)] and specialised Rent Control Boards and the poor tenants had to pay prohibitory assessment and lawyer's fees just to get a case to court and because the magistrates were busy with other work, tenants in rent eviction cases had to wait many months for a hearing. Following the 1965 United Nations Report on housing[18] which showed that the amount of housing needed was beyond the financial ability of the government, the government concluded that rent control must continue. A Working Party was again set up which noted the following arguments in favour of control.[19]

(i) In Kenya, the tenant-landlord relationship runs generally on racial lines with nearly all the landlords being Asian.

(ii) Landlords could and often did raise rents without necessary repairs.

(b) Cheap to use.

(iii) That tenants incurred substantial losses through evictions.

The main drawbacks to rent control that the Report[20] noted were:

(i) it would have an adverse effect on the building industry.

(ii) it would be impossible to administer it thoroughly and without abuse.

(iii) those Asians and Europeans who had invested in property would be penalised.

Following this Report, the Rent (Restriction) (Amendment) Act, 37 of 1966[21] was passed which continues to operate today. When this Act was put before the house, some M.P.'s advocated that all private houses with monthly rentals of 1400/= or less be brought under control. Other M.P.'s warned of the consequences this would have on building production. The Minister for Housing at that time, Mr. Paul Ngei, successfully moved an amendment reducing the rent limit to 800/= per month and under for unfurnished dwellings and 1100/= per month and under for furnished dwellings. The sentiments of the landlord class were aptly put forward by Dr. Fitz de Souza, M.P., who said the Minister had taken great care to ensure that the goose that lays the golden egg is not killed.

The Act[22] provided for the reestablishment of rent restriction tribunals at the discretion of the Minister. Rent Restriction . Departments were set up in February 1967 in Nairobi, Mombasa and Kisumu where the Rent Tribunal comprising of the Chairman and at least two members sits on a rotation basis every month to hear cases. The whole country's urban centres are

covered. Cases relating to towns near Nairobi e.g. Nyeri and Thika, are brought to Nairobi, Malindi cases are brought to Mombasa and Nyanza and Western provinces' cases to Kisumu. The reestablishment of the Tribunals has meant that cases can be disposed off quickly. The Act[23] froze rents as at 1st January, 1965, a period of business uncertainty when rents were relatively low. If a house has been built since that date, 'standard rent' would be assessed by an Assessment Officer at 15% of the cost of construction of building and 15% of market value of land on 1st January, 1965. The landlord is not obliged to have his house assessed, rather either the landlord or the tenant can get the house assessed at his discretion for a nominal fee of 24/=, which clearly is not prohibitory. If a landlord feels he is not getting a good economic return on his building on the rent of January 1965, he may have his house assessed and the Tribunal may, at its discretion, raise rents for him. Specific justifications include examples in which the landlord has incurred expenses in carrying out structural alterations or improvements or in paying additional rates to the City Council. An order for eviction may be obtained from the Rent Tribunal if the landlord wants the house for his own occupation or if the tenant has not paid all due rent or if the tenant is a nuisance to other neighbouring tenants. Cases of houses rented at less than 200/= per month may not be brought before the Tribunal but be settled by an Administrative Officer. The Act[24] applies to private dwelling houses whose standard rent is less than 800/= per month. But it is possible that a building may have, say, 10 tenaments each assessed at say 200/= per month. Then although the whole

building has a 'standard rent' of 2000/= per month, it would still be subject to control because each of the separate tenancies is subject to control. The Act[25] lays down fines or prison terms for forceful evictions and harassments and for collection of rent greater than 'standard rent'. In reality, no such fines have ever been imposed because in a case of forceful eviction of a tenant, the reinstatement of a tenant in the same house is considered adequate penalty for the landlord. The Act[26] being an amendment on 35 of 1959 retains most of the clauses of the latter Ordinance.

How important in fact is this rather formidable apparatus of rent control? Some preliminary indications can be had from Table 3.1. The table shows the number of 'cases' filed and disposed to settle grievances and disputes between landlords and tenants, the number of 'assessments' and 'personal inquiries' made annually. The table shows that not more than about 400 houses are assessed in an average year in the whole of urban Kenya. Kenya's Development Plan 1974-78[27] indicates that Nairobi's housing stock is 100,000 units. Let us assume a similar housing stock in the rest of urban Kenya. Further assume that only 20% of this total stock of 200,000 houses is assessable; The rest is either public or high cost and not subject to rent control. This implies that 40,000 units are assessable. Since of this, about 400 are assessed every year, roughly 1% of the assessable housing stock is assessed each year. Evidently, rent control is far from pervasive.

In the years 1968, 1969 and 1970, almost all the assessments that were filed were in fact ruled upon i.e. those who wished

to have their houses assessed had them assessed. 1967 and 1971 were exceptions in that in each of these years, about 100 assessment requests were filed but not disposed of. As far as 'cases' are concerned, only in 2 years out of 5, 1968 and 1970 were majority of 'cases' that were filed disposed of whereas each of the years 1967, 1969 and 1971 created a backlog of more than 200 cases not disposed of, though filed. Personal Inquiries have remained constant at about 13000 but there is no yardstick with which to assess performance of Rent Restriction Department on this score.

Table 3.1

Cases and assessments, R.R.D.

Year	Cases		Assessments		Personal Inquiries
	Filed	Disposed	Filed	Disposed	
1967	638	397	307	181	10,264
1968	850	856	352	369	11,485
1969	884	657	364	343	12,031
1970	1079	1011	427	422	13,236
1971	930	719	492	396	12,908

Source: Ministry of Housing Annual Report 1967-71, Government Printer, 1972.

CHAPTER FOUR

METHODOLOGY

My basic research has consisted of a survey of tenants in the Eastleigh area of Nairobi. The reasons for limiting research attention to tenants and to a single area are ones of time and resources. Obviously if successful the study can be regarded as a pilot for other work.

The reasons why I have chosen Eastleigh rather than any other area are as follows:

(i) It is an area where almost 100% of the houses if assessed, would come under control. Moreover, it is a relatively large area (with about 1300 houses). This means I would have a wide enough sample of each of the heterogeneous types of houses that have been assessed.

(ii) It is a relatively old area so that I have a chance to study rent control in a time dimension.

(iii) It has a majority of African low and middle income families...the group which rent control is intended to serve.

Eastleigh has seven sections. To the North, it is bounded by Mathare, to the south by Bahati, to the West by Pumwani and Pangani and to the East by the Eastleigh Aerodrome. This study covers sections I, II, III and VII of Eastleigh. Sections V and VI have been left out because they are on the side of Mathare Valley which is an illegal settlement and unauthorised

housing is not subject to assessment. Section IV is also not covered as most of it is taken up in sewage disposal work.

First, all the plot numbers in each of these four sections were listed with the help of maps Nairobi Topo (1:2500) SK 13. Then, data were obtained from the Rent Restriction Department (RRD) on assessed rent for each plot and the date when it was assessed. This information is presented in Tables 4.1, 4.2, 4.3 and 4.4[a]. I was not given information adequate to determine whether the assessed rent was for the whole plot, for a flat or for each room. This, I had to determine from the survey. Therefore, this information is given only for the assessed plots that were actually included in my survey.

Out of a total of 93 plots that have been assessed, a sample of ⅓rd (31 plots) was taken for the survey by a process of simple random sampling with the help of a table of random numbers. Similarly, 31 plots were selected from about 1,200 unassessed plots to form a sample of unassessed plots so that there could be a basis for comparison. In the sample of assessed plots, 10 plots were chosen out of 31 assessed plots from Section I, 7 out of 20 from Section II, 8 out of 26 from Section III and 6 out of 21 from Section VII, that is roughly ⅓rd of assessed plots from each section. The sample of unassessed plots for each section was taken in proportion to the number of unassessed plots in each section. This information is presented in Table 4.5.

(a) All the tables referred to in this Chapter except Table 4.5 are given in the Appendix. Table 4.5 is given at the end of this Chapter.

The total number of plots obtained from the maps is indicated in column 1 but some plots do not have a building on them. To make allowance for that, I have made a rough downward adjustment indicated in column 2. It should be noticed that Section III has a downward adjustment of 25% because my belief, arising from the survey is that 1 in 4 plots in Section III has no building on it or is waiting to be developed. It is interesting to note that the number of plots in the sample of unassessed plots for each section comes out exactly the same as the number of plots in the sample of assessed plots for each section. This is shown in columns 6 and 7. This indicates that in Eastleigh, plots have been assessed in proportion to the actual number of plots.

In designing the sample, I allowed for the fact that certain doors would surely be closed on my face and that certain plots would have no buildings on them and that there would be changes from rental to other uses in some buildings e.g. from residential to bar. Thus, I selected a panel of second-string plots as substitutes, again through simple random sampling. The descriptions of assessed plots surveyed are given in Tables 4.6, 4.7, 4.8 and 4.9 and of unassessed plots in Tables 4.10 to 4.13.

Three different sets of questionnaires were administered to heads of household. These questionnaires are in Appendix II. The larger questionnaire was administered to tenants who had lived in the property for more than 4 years in the expectation that they would be able to tell me most about the rent history in the plot. A somewhat shorter questionnaire was

administered to tenants who had lived between 6 months and 4 years. A much shorter questionnaire was given to tenants who had lived less than 6 months.

Eastleigh was till early 1960's predominantly occupied by Asians and the housing type that predominates is what can be termed the Indian Delo. This type of housing was essentially for the large extended Asian families where the father would have one room, the married sons would have a room each, children having a separate room, separate dining and living rooms etc., with two to three toilets, two to three bathrooms and with the verandah in the middle. A sketch of a typical Indian Delo is presented in Diagram 4.1.

These Delos are now being put to more intensive use in that each room is being occupied by separate families or by a group of friends. One building might have as many as 18 heads of household (e.g. Plot No. 203/I). In such a situation, it would have been inefficient to interview all the heads of households as it would be duplicating information many times over. So, I have used a system of stratification as follows.

If in a plot there are

Less than or equal to 6 tenants	6 < Tenants ≤ 12	Tenants ≥ 13
Interview	Interview	Interview
1 long tenant	2 long tenants	2 long tenants
1 medium tenant	1 medium tenant	2 medium tenants
1 short tenant	1 short tenant	2 short tenants

The interviewees were selected in the following manner. If a plot had three or less tenants, attempt was made to interview all of them. If a plot had more than three tenants, any one tenant who was available was interviewed whatever his length of stay in the house and then he provided information in most cases as to the length of stay of other tenants who were selected for interview on the basis of the stratification outlined.

However, it has not been possible to stick rigidly to this system of stratification in all instances as in some plots, all the tenants may be new because the building itself is newly built or all the previous tenants had left...indeed perhaps had been evicted so that rents could be raised for the new tenants. In some instances, some tenants could not be contacted even after the third visit, so other tenants were

substituted. In all, 98 questionnaires were obtained for the sample of assessed plots and 101 questionnaires for the sample of unassessed plots. I had to limit myself to about 100 questionnaires each from samples of assessed and unassessed houses because of time and resources limitations and I consider about 100 questionnaires each from the two samples to be minimially adequate, for this pilot study at least, to carry out some statistical tests on the hypotheses put forward. The breakdown of these questionnaires is given in Tables 4.14 and 4.15.

Table 4.5

Sample of assessed and unassessed plots taken from each section

Section	Total Plots	Adjustment[a]	Actual Plots	Assessed Plots	Unassessed Plots	Sample of assessed Plots[b]	Sample of Unassessed Plots[c]
	1	2	3	4	5	6	7
I	469	10%	420	29	390	10	10
II	308	10%	280	21	260	7	7
III	438	25%	330	25	300	8	8
VII	297	10%	270	18	250	6	6
	1512		1300	93	1200	31	31

Notes: (a) Downward adjustment as some plots do not have buildings on them.

(b) (6) is taken to be $\frac{1}{3}$ of (4).

(c) Total to be 31 plots. The sample has been taken proportionally.

CHAPTER FIVE

PRESENTATION AND ANALYSIS OF DATA

In Chapter One, we posed a number of hypotheses. We now test these hypotheses with such data as we have obtained. It is convenient to organise these hypotheses around such substantial questions as:

(i) How pervasive is rent control?

(ii) How effective is rent control?

(iii) What are the equitable and distributional aspects of rent control?

(iv) Has rent control led to a deterioration in housing quality?

(v) Has rent control led to a shift in the form rather than the amount of rent payment?

(vi) Has rent control led to less intensive utilisation of housing stock?

(vii) Has rent control been a disincentive to tenants to become owner-occupiers?

First, we attempt to estimate the pervasiveness of rent control.

5.1 PERVASIVENESS OF RENT CONTROL

In order to estimate the pervasiveness of rent control, it is useful to find the percentage of plots that have been assessed so far, the percentage of unassessed plots assessed annually and the extent to which plots that have been assessed are effectively controlled.

5.1.1 % of plots that have been assessed

Table 5.1.1 shows that for each of the sections in Eastleigh and for Eastleigh as a whole, about 7% of the buildings have been assessed. Each appartment in these plots is let unfurnished and if assessed, would come under the ambit of rent control. i.e. would be assessed at less than 800/= per month. This means that only 7% of all assessable buildings in Eastleigh have been assessed or are rent controlled.

Table 5.1.1

% of plots that have been assessed

Section	Total Plots(a)	Number of assessed plots	3 as % of 2
1	2	3	4
I	420	29	7.00
II	280	21	7.50
III	330	25	7.58
VII	270	18	6.67
	1300	93	7.15

(a) These are plots on which buildings exist.

5.1.2 Yearly breakdown of plots assessed

The total number of buildings in Eastleigh is about 1300 of which about 1200 have not been assessed. Table 5.1.2 shows that between 10 and 13 plots are assessed annually. This implies that about 1% of the unassessed plots are assessed each year. 1972 is an exception when almost 2% of the plots were assessed. This shows that yearly assessment of plots is negligible.

Table 5.1.2

Yearly breakdown of plots assessed

Year	SECTION I	SECTION II	SECTION III	SECTION VII	TOTAL
1967	2	0	0	3	5
1968	4	2	2	2	10
1969	6	2	3	1	12
1970	3	0	4	2	9
1971	3	5	2	1	11
1972	6	7	6	1	20
1973	2	3	3	5	13
1974	3	2	5	3	13
TOTAL	29	21	25	18	93

5.1.3 Reasons why tenants don't get house assessed

The fact that only 7% of all assessable plots have been assessed and that annually about 1% of unassessed plots are assessed might imply that tenants are content paying the rent they are charged and landlords are content receiving

the rent they get and therefore, do not feel the need to get their houses assessed. However, the survey has revealed that this is not the case.

Table 5.1.3 gives a breakdown of reasons why tenants[b] don't get their houses assessed in both assessed and unassessed plots. 29 out of 112 or 26% of the tenants don't know about such thing as assessment. Out of 81 tenants who know about assessment, 23 or 28% do not feel the need for assessment. This is quite a low figure and indicates the great need that exists to have houses assessed. However, $\frac{37}{112}$ = 33% of the tenants fear reprisals from the landlord if they go to the Rent Restriction Department. Therefore, 59% of the tenants or about 3 in every 5 tenants don't get the house assessed either through fear or ignorance. If the aim is to make more of the tenant population benefit from rent control, efforts should be made to remove fear and ignorance of tenants.

(b) Those tenants who believe their house has not yet been assessed.

Table 5.1.3

Reasons why tenants don't get house assessed

		Don't know whether house has been assessed		
		Assessed Plots	Unassessed Plots	Total
Reason for not getting house assessed	Fear of reprisals from landlord	10	27	37
	Don't know about such thing as assessment	5	24	29
	Don't feel the need	11	12	23
	Other	9	14	23
	TOTAL	35	77	112

Table 5.1.3 shows that 11 out of 35 tenants in assessed plots and 12 out of 77 tenants in unassessed plots do not feel the need for assessment. We suspect a significantly smaller proportion of tenants in assessed plots do not feel the need for assessment than in unassessed plots. The proportion of tenants who fear reprisals or are ignorant about assessment in assessed plots is $\frac{15}{35}$ and in unassessed plots $\frac{51}{77}$. We again suspect that this proportion is significantly smaller in assessed than in unassessed plots.

Proportion who don't feel the need:

$$p_a = \frac{11}{35} \quad , \quad p_u = \frac{12}{77}$$

$$H_o: \Pi_a = \Pi_u$$

$$H_1: \Pi_a > \Pi_u$$

$$Z = \frac{\left| p_a - p_u \right|}{\sqrt{\bar{p}(1-\bar{p})\frac{(n_a+n_u)}{n_a n_u}}} = 2.29$$

where $\bar{p} = \frac{n_a p_a + n_u p_u}{n_a + n_u}$

Therefore, we reject the null hypothesis $\Pi_a = \Pi_u$ in favour of the alternative $\Pi_a > \Pi_u$ at 5% level of significance. This

test suggeststhat a greater proportion of tenants in assessed plots do not feel the need for assessment than in unassessed plots. The main reason for this is that in assessed plots, some tenants may be paying assessed rent unknowingly and so don't feel the need for assessment. That is they are unwitting beneficiaries of rent control.

Proportion who fear or are ignorant

$$p_a = \frac{15}{35} \quad , \quad p_u = \frac{51}{77}$$

$$H_o: \Pi_a = \Pi_u$$

$$H_1: \Pi_a < \Pi_u$$

$$Z = \frac{|p_a - p_u|}{\sqrt{\bar{p}(1-\bar{p})\frac{(n_a+n_u)}{n_a n_u}}} = 2.333$$

Therefore, we reject the null hypothesis $\Pi_a = \Pi_u$ in favour of the alternative $\Pi_a < \Pi_u$ at 1% level of significance.

In sum these tests strongly suggest that fear of landlord and ignorance about assessment is significantly less in assessed than in unassessed plots.

This suggests in part that the fear of tenants of reprisals from landlords if they get the house assessed is to a certain extent misplaced as the extent of fear in

assessed plots is less than in unassessed plots. It would appear tenants in assessed plots have undergone a learning process whereby their fear of landlords and ignorance about assessment have been reduced.

5.2 EFFECTIVENESS OF RENT CONTROL

5.2.1 To what extent is rent control effective?

We now address ourselves to the question: whereas only 7% of all assessable plots have been assessed, what is the extent to which these assessed plots are effectively controlled.

The plots surveyed are classified in Table 5.2.1 (a) according to whether assessed or not and if assessed, according to the extent to which they are effectively controlled. A plot is classified to be fully effectively controlled (category A), if it pays rent less than or equal to standard rent and to be completely ineffectively controlled (category C) if it pays rent equal to or greater than market rent. The middle category (category B) is of plots partly effectively controlled in that they pay rent greater than standard rent but less than market rent. They may be said to benefit from the spill-over effect

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(a) For detailed tables, refer to Appendix I.

of rent control. The information on assessed rent was obtained from the RRD and on actual rent paid, from the survey. Market rent is my estimate of the rent the building would fetch in a free market. The estimate for market rent was made taking into consideration, among other things, the state of finish and repair of the building, whether new or old and the facilities provided. On this basis, in the sample of assessed plots, there are 11 plots fully effectively controlled, 12 plots completely ineffectively controlled and 8 plots partly effectively controlled. This shows that for every assessed plot that is fully effectively controlled there is one assessed plot paying market rent and for every 3 assessed plots fully effectively controlled, there are 2 plots that benefit from the spill-over effect. If we give a weight of half to plots in category B, then about 50% of the assessed plots are effectively controlled in Eastleigh. This is quite a large figure and shows that the RRD is fairly effective in keeping rents down to the level of standard rent. However, since only 7% of all assessable plots in Eastleigh have been assessed, this means that only 3½% of plots (50% of 7%) have their rents kept at the level of standard rent because of the RRD. Thus, even though in the set of assessed plots, the RRD is significantly effective, its overall effect is negligible.

Table 5.2.1 shows that in the sample of 31 unassessed plots, 16 pay market rent. In the other 15 plots, actual rent

paid is less than market rent because some tenants who have stayed longer in the house have not had their rents raised to the level of market rent. In these 15 plots, actual rent paid as % of market rent is 86%. Overall, this produces a discrepancy between rent actually paid and market rent of only 7%. In assessed plots fully and partly effectively controlled, this index is 64% and 73% respectively. Therefore, rent levels in unassessed plots are nowhere near 'standard rent' nor are they any near to rent levels in plots that benefit partly from control. We conclude that once a plot is assessed, there are 50% chances that rents paid in these plots will be significantly less than in unassessed plots.

Table 5.2.1

Effectiveness of rent control

Category	Number of plots	Actual rent paid for plots per month	Market rent for plots per month	3 in % of 4
1	2	3	4	5
Assessed				
A	11	17,080/=	26,700/=	64%
B	8	13,320/=	18,200/=	73%
C	12	29,160/=	29,160/=	100%
Total Assessed	31	59,560/=	74,060/=	80%
Unassessed	15	27,280/=	31,750/=	86%
	16	31,610/=	31,610/=	100%
Total Unassessed	31	58,890/=	63,360/=	93%

5.2.2 What determines effectiveness of rent control?

This section is an attempt to look into the determinants of the effectiveness of rent control. Three determinants are considered: knowledge that plot is controlled, knowledge about Rent Restriction Department, and who gets the house assessed, landlord or tenant. The apriori hypotheses are:

(i) If tenants know the plot has been assessed, it would be more effectively controlled than if they didn't know.

(ii) If tenants in a plot know about the RRD, the plot would be more effectively controlled than if they didn't know.

(iii) If tenants know who had the plot assessed, it would be more effectively controlled than if they didn't know.

(iv) Effectiveness of control is independent of whether landlord or tenant had the plot assessed.

5.2.2a Does knowledge that plot is controlled determine effectiveness of rent control?

First, to test hypothesis (i)

Table 5.2.2a gives a breakdown of information about knowledge of control rent and payment of rent of 98 interviewees

in assessed plots. $\frac{40}{98}$ = 41% of tenants pay control rent, 59% don't. $\frac{31}{98}$ = 32% of tenants know their house is rent controlled, 68% don't. $\frac{7}{98}$ = 7% of tenants know their house is controlled but still pay rent > 'standard rent'. $\frac{16}{98}$ = 16% of tenants benefit unknowingly from rent control in that they pay 'standard rent' but don't know that they do so.

At a glance it is obvious that the proportion of those who pay control rent is clearly significantly greater in the sample of those who know plot is controlled $(\frac{24}{31})$ than in the sample of those who don't know it is controlled. $(\frac{16}{67})$.

Table 5.2.2 (a)

Knowledge about control rent and payment of rent in assessed plots

	Know it is controlled	Don't know it is controlled	Total
Pay control rent	24 (12.65)	16 (27.35)	40
Don't pay control rent	7 (18.35)	51 (39.65)	58
Total	31	67	98

We also carry out a χ^2 (Chi square) test. Hypothesis Ho: Whether a tenant pays or does not pay control rent is independent of his knowledge whether his plot is controlled or uncontrolled.

Alternative Hypothesis: H_1: Tenants who know plot is controlled would pay controlled rent.

Expected frequencies are given in brackets.

Degree of freedom = 1

χ^2 (Chi-square) = $\sum \frac{(O-e)^2}{e}$ = 25.16

$\chi^2_{.99}$ (Chi-square) = 6.63

Therefore, we reject the null Hypothesis in favour of the alternative hypothesis.

Since payment of control rent clearly depends on knowledge whether plot is controlled or not, and since 68% of tenants don't know whether their plot is controlled or not, the policy should be to inform the tenant population which of the plots have been assessed and what the standard rents for these assessed plots are, if the aim is to have an effective rent control program.

5.2.2(b) Does knowledge about RRD determine effectiveness of control?

What proportion of tenants know about the RRD? 52 out of 95 tenants in assessed plots or 55% know about the RRD whereas 33 out of 101 or only 33% of tenants in unassessed

plots know about the RRD indicating either that there are more chances that a plot will be assessed if more of the tenants in that plot know about the RRD or that once a plot is assessed, more tenants in that plot would come to know about RRD.

Table 5.2.3 gives a breakdown of information about knowledge of RRD and extent of benefit for the tenants from control in 31 assessed plots. If more than 50% of tenants know about the Tribunal in a particular plot, that plot is classified under the column 'majority know about the RRD'. The other columns are self explanatory. The table shows that in 6 of the assessed plots, none of the tenants interviewed knew about the RRD and 5 of these plots are completely ineffectively controlled. In 12 assessed plots, less than 50% of the tenants interviewed know about the RRD. This indicates a certain degree of lack of feedback among tenants on this issue. Some of the tenants explained this away by saying they would not like to be considered trouble-makers by the landlord by informing other tenants about RRD or about what the 'standard rent' for each appartment was for fear of reprisals. This job of informing all the tenants in a plot then has to be undertaken by the RRD. In some cases, if the RRD assesses one room, the rest of the rooms in that plot remain unassessed. e.g. Plot No. 203/I. This means that one tenant pays 'standard rent', the rest pay market rent, a glaring inequity within the same plot.

Table 5.2.2(b)

Extent of benefit from rent control and knowledge about RRD

	Majority know about RRD	Some know about RRD	No one knows about RRD	Total
Fully benefit	7	3	1	11
Partly benefit	5	3	0	8
Don't benefit at all	1	6	5	12
Total	13	12	6	31
Weighted Benefit	$\frac{9.5}{13} = 0.73$	$\frac{4.5}{12} = 0.38$	$\frac{1}{6} = 0.17$	

Let us arbitrarily give a weight of 1 to Fully Benefit, ½ to Partly Benefit and 0 to Don't Benefit at all.[b] Then, the weighted average on each of the three categories on knowledge about RRD is as shown in the last row of Table 5.2.2(b). We notice that the weighted benefit index progressively falls from 0.73 to 0.38 to 0.17 indicating that extent of benefit from rent control clearly depends on knowledge about RRD. If our policy is that more people benefit from rent control, then we need to educate the public about the RRD, how it functions and how people can make use of it.

5.2.2(c) Does effectiveness of control depend on who gets the plot assessed?

Table 5.2.2(c) shows that none of the tenants in 13 out of 31 assessed plots knows who had the plot assessed whereas one or more tenants in 18 plots know who had it assessed. Table 5.2.2(d) shows that of these 18 plots, 9 have been assessed on the initiative of the landlord and 9 on the initiative of the tenant indicating that as far as assessment is concerned, both the landlords and tenants make equal use of the Tribunal.

(b) These weights will be used throughout to find the weighted benefit index.

Table 5.2.2(c)

Extent of benefit from rent control and knowledge as to who had it assessed

	Know who had it assessed	Don't know who had it assessed	Total
Fully Benefit	11	0	11
Partly Benefit	5	3	8
Don't Benefit at all	2	10	12
Total	18	13	31
Weighted Benefit	$\frac{13.5}{18} = 0.75$	$\frac{1.5}{13} = 0.12$	

The weighted benefit index for those who know who had it assessed is far greater (0.75)than for those who don't know who had it assessed (0.12). We conclude that if tenants know who had the plot assessed, it would be more effectively controlled than if they didn't know.

Finally, does extent of benefit depend on who gets the house assessed? Table 5.2.2(d) shows that the weighted index

of benefit is higher in plots assessed by landlords (.89) than in plots assessed by tenants (.61). We conclude that plots assessed on landlords' initiative would be more effectively controlled than plots assessed on tenant's initiative. This is perhaps surprising at first glance but there appears to be an explanation: those landlords who get their house assessed on their own initiative would presumably be more law abiding and would in all probability charge standard rent to their tenants as set by the RRD whereas if a plot has been assessed by a tenant, the landlord may try to evade control rent thus reducing the extent of benefit for the tenants.

Table 5.2.2(d)

Extent of benefit from rent control and who had the house assessed

	Who had it assessed		Total
	Landlord	Tenant	
Fully Benefit	7	4	11
Partly Benefit	2	3	5
Don't Benefit at all	0	2	2
Total	9	9	18
Weighted Benefit	$\frac{8}{9} = 0.89$	$\frac{5.5}{9} = 0.61$	

5.3 BENEFITS FROM RENT CONTROL

This section attempts to look at the equitable aspects of rent control. The real hypotheses to be tested are:

(i) Tenants stand to gain if they get the house assessed and landlords stand to gain if they get the house assessed.

(ii) Higher income tenants benefit more from assessment than lower income tenants. This is based on the belief that higher income tenants have the know-how about assessment regulations etc. and so would benefit more.

(iii) Those tenants who get full house allowances live in assessed houses. This is based on the widely held belief that house allowances are paid on condition house is assessed.

5.3.1 Who can benefit from assessment?

Table 5.3.1.

Benefit from assessment for Landlords and Tenants

		By whom assessed		Total
		Landlord	Tenant	
Rent	Increased	8	0	8
	Decreased	0	7	7
	Same	1	2	3
TOTAL		9	9	18

Table 5.3.1 shows whether rent is increased, decreased or remains the same after assessment in plots assessed by landlords and tenants. Tenants get plots assessed if they believe rent is too high and in majority of cases they have rents reduced. Landlords get plots assessed if they believe rent is too low and in majority of cases, they have rents increased. This implies that neither the landlords nor the tenants stand to lose from assessment but in all probability stand to gain. Then why don't all landlords get their plots assessed? Because when landlords get plots assessed, rents are raised to the level of 'standard rent' and not to the level of market rent. If landlords can charge market rents and get away with it, they would hardly be expected to get their plots assessed. Although tenants stand to gain from assessment, majority (46% from sample of assessed plots and 66% from sample of unassessed plots) of them indicate either fear of eviction if they do so or ignorance about RRD.

5.3.2 Mean income in assessed and unassessed plots

Table 5.3.2 gives the breakdown by income of 72 interviewees who reported on income in the sample of assessed plots and of 86 interviewees who reported on income in the sample of unassessed plots. In each of these samples, 3 were self-employed, the rest were salaried. In the sample of assessed plots, 36 out of 72 or 50% earn more than 1000/= per

month, 26 out of 72 or 36% earn between 400/= and 1000/= per month and 10 out of 72 or 14% earn less than 400/= per month. In the sample of unassessed plots, these percentages are 33%, 53%, and 14% respectively. The mean income in assessed plots is 1190/= with a standard deviation of 680/= and the mean income in unassessed plots is 870/= with a standard deviation of 455/=. We suspect that the mean incomes are significantly different in the two samples.

Table 5.3.2

Income of tenants in assessed and unassessed plots

	Income (Y) per month				
	$Y < 400$/=	$400 \leq Y \leq 1000$/=	$1000 < Y \leq 2000$/=	$Y > 2000$/=	Total
Assessed	10	26	27	9	72
Unassessed	12	46	27	1	86
Total	22	72	54	10	158

Ho: $U_A = U_u$

H1: $U_A > U_u$

$$Z = \frac{\left| \bar{x}_A - \bar{x}_u \right|}{\hat{\sigma}_{\Delta\bar{x}}} = \frac{320}{92.4} = 3.46$$

Where $$\sigma_{\Delta\bar{x}} = \sqrt{\frac{S^2_A}{nA} + \frac{S^2_u}{nu}}$$

and $$S^2_A = \frac{\sum(xi - \bar{x}_A)^2}{n_A}$$

Therefore, we reject the null hypothesis

$U_A = U_u$ in favour of the alternative

$U_A > U_u$ at 1% level of significance.

We conclude that the mean income of tenants in assessed plots is significantly greater than the mean income of tenants in unassessed plots. We have shown in Table 5.2.1 that average rents paid in assessed plots are 80% of market rents whereas in unassessed plots, they are 93% of market rents. Since mean income in assessed plots is significantly greater than in unassessed plots, we conclude that a greater proportion of higher income tenants live in assessed plots and benefit from paying rent on average 20% less than market rent. Assessment seems to have benefited the higher income tenants rather than the lower income tenants.

If that is the case, what about the distribution of benefits for tenants within the sample of assessed plots. What is the degree of inequity here in the sense of higher income tenants benefiting more than lower income tenants?

5.3.3 Do higher income tenants benefit more from assessment than lower income tenants?

Table 5.3.3. gives a breakdown of 72 tenants in assessed plots by income group and extent of benefit from rent control. The aim is to find out whether higher income tenants benefit more from assessment than lower income tenants. The number of tenants shown in the double-lined square in the table i.e. 3+5+3+8 = 19 out of 72 (=26%) are the ones to whom rent control brings the greatest relief because they earn less than 1000/= per month and benefit fully or partly from rent control.

Table 5.3.3.

Income of tenant and extent of benefit from rent control

	Income (Y) per month				
	$Y < 400/=$	$400 \leq Y \leq 1000/=$	$1000 < Y \leq 2000/=$	$Y > 2000/=$	Total
Fully Benefit	3	5	13	4	25
Partly Benefit	3	8	5	1	17
Don't Benefit at all	4	13	9	4	30
Total	10	26	27	9	72
Weighted Benefit	$\frac{4.5}{10} = .45$	$\frac{9}{26} = .35$	$\frac{15.5}{27} = .57$	$\frac{4.5}{9} = .5$	

The table shows that the weighted benefit index indicates no clear relationship with the income categories but seems to cluster around 0.5, confirming the earlier finding that rent control is 50% effective in assessed plots. We therefore reject the hypothesis that in assessed plots, higher income tenants benefit more than lower income tenants. The distribution of benefits in this respect is not demonstrated to be inequitable.

5.3.4 Relationship between house allowance received and assessment

Table 5.3.4. gives a breakdown by extent of house allowance received of 86 tenants who responded in assessed plots and 94 tenants who responded in unassessed plots. A tenant is considered to receive full house allowance if his house allowance equals the rent he pays. Table 5.3.4. shows that a greater proportion of tenants in assessed plots ($\frac{34}{86}$ = 40%) receive full house allowance than in unassessed plots ($\frac{17}{94}$ = 18%) whereas a greater proportion of tenants in unassessed plots ($\frac{53}{94}$ = 56%) do not receive house allowance compared to assessed plots ($\frac{33}{86}$ = 38%). We suspect there is a significant difference in house allowance received between assessed and unassessed plots.

Table 5.3.4

House allowance received in assessed and unassessed plots

	HOUSE ALLOWANCE			
	Full	Part	Nil	Total
Assessed	34	19	33	86
Unassessed	17	24	53	94
Total	51	43	86	180

Proportion who get full house allowance: $pa = \frac{34}{86}$ $pu = \frac{17}{94}$

Ho: $\Pi a = \Pi u$

Hl: $\Pi a > \Pi u$

$$Z = \frac{|pa - pu|}{\sqrt{\bar{p}(1-\bar{p})\left(\frac{na + nu}{nanu}\right)}} = 3.1$$

Therefore, we reject the null hypothesis

$\Pi a = \Pi u$ in favour of the alternative

$\Pi a > \Pi u$ at 1% level of significance.

We conclude that a significantly greater proportion of tenants in assessed plots receive full house allowance than in unassessed plots. This indicates that the requirement that house has to be assessed before a tenant can claim house allowance is evidently enforced in part.

5.3.5 To what extent do landlords as a class subsidize tenants as a class because of rent control?

The fact that only 7% of all assessable plots are assessed and these 7% plots are 50% effectively controlled suggests a need to look into the distributional aspects of rent control.

The fact that only 7% of the houses have been assessed leads us to the conclusion that the degree of benefit for the tenants as a group in terms of paying 'standard rent' less than market rent and the degree of loss for the landlords as a group in terms of receiving 'standard rent' less than market rent is in aggregate bound to be small. However, if we take only the sample of houses that have been assessed, then we come to a different conclusion because about half of the assessed plots are effectively controlled. In the sample of assessed plots, the distribution of benefits for the tenants in terms of paying rent less than market rent and the distribution of losses for the landlords in terms of receiving rent less than market rent is very uneven.

Subsidy from the landlord to the tenant was defined in Chapter One as the difference between market rent and actual rent paid. Table 5.3.5. shows the extent of this subsidy in unassessed plots and in assessed plots fully effectively controlled, partly effectively controlled and completely ineffectively controlled. Column 5 in the table gives an index of this subsidy. We notice that the distribution of this subsidy is very uneven. In 11 plots that are fully effectively controlled, the amount of subsidy is 9,600/= per month and this as a % of market rent per month for the 11 plots is 36%. In 8 plots that partly benefit from rent control, the amount of subsidy is 4,800/= per month and this as a % of market rent is 27%. The weighted average for 11 plots that fully benefit and 8 plots that partly benefit is 32%. In 12 plots that pay market rent, the element of subsidy by definition is 0%. The weighted average of all the three categories is 20%. At one end we have plot numbers 28/II and 261/VII with the greatest element of subsidy i.e. 55% and 53% respectively(a) whereas there are 12 plots with 0% subsidy. This shows that the distribution of subsidy is very uneven among assessed plots.

In the sample of unassessed plots, the index of subsidy for 15 plots is 14% whereas for 16 plots, this index is 0%, giving an overall index of subsidy of 7%. The 14% subsidy in the 15 unassessed plots can to a large extent be explained by

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(a) This information is contained in detailed Tables in Appendix I.

length of stay of tenants in the plots. Those tenants who have stayed longer pay rents less than market rents even though the plot has not been assessed. The more recent tenants in the plots pay market rents. This accounts for the element of subsidy in these 15 unassessed plots. In 16 plots that pay market rents, rents have been raised to the level of market rents for all tenants whatever their length of stay in the house. Overall, those tenants who have stayed longer in the house benefit as indicated by the subsidy index of 7%.

The indices of subsidy for fully effectively controlled and partly effectively controlled plots are 36% and 27% respectively. 7% out of this is therefore explained by length of stay of tenant in the house, the rest, 29% and 20%, respectively, as an effect of rent control. We conclude that $\frac{4}{5}$ of the index of subsidy in plots fully effectively controlled and $\frac{3}{4}$ of the index of subsidy in plots partly effectively controlled is explained by rent control, the rest of it by other reasons e.g. mainly by length of stay of tenants in the house. Plots that are said to benefit partly do really benefit because they have been assessed rather than because of any other reason.

Thus, if rent control became more widely used, it could have substantial scope as a redistributive device.

Extent of subsidy from landlords to tenants

Table 5.3.5.

	Number of Plots	Actual Rent paid for plots per month	Market Rent for plots per month	3-2	$\frac{3-2}{3}$
	1	2	3	4	5
Assessed Plots					
Category A	11	17,080/=	26,700/=	9,600/=	36%
Category B	8	13,320/=	18,200/=	4,800/=	27%
Categories A & B	19	30,400/=	44,900/=	14,500/=	32%
Category C	12	29,160/=	29,160/=	0/=	0%
Categories A + B + C	31	59,560/=	74,060/=	14,500/=	20%
Unassessed Plots	15	27,280/=	31,750/=	4,470/=	14%
	16	31,610/=	31,610/=	0/=	0%
Total Unassessed	31	58,890/=	63,360/=	4,470/=	7%

5.4 HAS RENT CONTROL LED TO A DETERIORATION IN HOUSING QUALITY?

The apriori hypotheses to be tested are:-

(i) Unassessed plots would be in a better state of repair than assessed plots.

(ii) Within the sample of assessed plots, plots ineffectively controlled would be in a better state of repair than plots effectively controlled. This is based on the belief that in plots that are effectively controlled, the landlord will have insufficient incentive to carry out repairs.

5.4.1 Does state of repair depend on whether a plot has been assessed?

Table 5.4.1 shows the state of repair of assessed and unassessed plots in the sample.

Table 5.4.1

State of repair in assessed and unassessed plots

		Assessed	Unassessed	Total
State of Repair	Good	16	7	23
	Fair	9	19	28
	Poor	6	5	11
	Total	31	31	62
	Weighted Index	$\frac{41}{31}$	$\frac{33}{31}$	

If we give a weight of 2, 1 and 0 to Good, Fair and Poor state of repair respectively, the weighted index for Assessed plots is $\frac{41}{31}$ and for unassessed plots $\frac{33}{31}$. The relationship, if anything, is in the 'opposite direction'. Assessed plots are in better state of repair than unassessed plots. Moreover, a greater proportion of plots in good state of repair are assessed plots $(\frac{16}{23})$ rather than unassessed plots $(\frac{7}{23})$. Therefore, we conclusively reject the hypothesis that

unassessed plots are in better state of repair than assessed plots.

5.4.2 Does state of repair depend on extent of control?

Table 5.4.2. gives a classification of 31 assessed plots by extent of control and state of repair.(a)

The weighted index of state of repair for plots fully effectively controlled is greater (1.7) than for plots partly effectively controlled (1.0) or completely ineffectively controlled (1.2). This suggests that effectively controlled plots are in better state of repair than ineffectively controlled plots rather than the other way round. We then need to test whether the state of repair in effectively controlled plots is significantly better than in ineffectively controlled plots.

(a) For detailed tables, please refer to Appendix I.

Table 5.4.2

Extent of control and state of repair in assessed plots

		Extent of control			
		Fully effective	Partly effective	Completely ineffective	Total
State of Repair	Good	9(5.68)	2 (4.13)	5(6.19)	16
	Fair	1(3.19)	4 (2.32)	4(3.48)	9
	Poor	1(2.13)	2 (1.55)	3 (2.32)	6
	Total	11	8	12	31
	Weighted Index	$\frac{19}{11} = 1.7$	$\frac{8}{8} = 1.0$	$\frac{14}{12} = 1.2$	

Hypothesis Ho: State of repair is independant of extent of rent control.

Alternative H1: State of repair in effectively controlled plots is better than in ineffectively controlled plots.

Expected frequencies are given in brackets.

Degrees of freedom = 4

χ^2 (Chi square) $= \sum \frac{(O-e)^2}{e} = 7.00$

$\chi^2_{.95}$ (Chi square) = 9.49

Therefore, we do not reject the null Hypothesis Ho.

We conclude that the effectiveness with which plots are controlled does not determine the state of repair of a house. We clearly reject the hypothesis that landlords of houses fully effectively controlled have less incentive to keep their houses in better state of repair than landlords of houses ineffectively controlled. Moreover, there was no significant difference in quality between plots assessed by landlords and by tenants. We conclude conclusively that rent control does not lead to a deterioration in housing quality.

5.4.3 Does state of repair depend on whether plot is let on one-room or more-room basis?

If state of repair does not depend on rent control, on what does it depend? A categorisation of plots surveyed by those let on one-room basis and those let on flat basis of 2 rooms or more leads one to suspect that the latter are in better state of repair than the former.

Table 5.4.3 shows the state of repair in the combined sample of 62 assessed and unassessed plots by those let on one-room basis and those let on more than one room basis. $\frac{38}{62}$ = 61% of the plots are let on one-room basis or 3 plots in every 5 are let on one room basis.

Table 5.4.3.

State of repair in plots let on one-room and more-rooms basis

		Basis on which plots let		
		One-room	more rooms	Total
State of Repair	Good	6 (14.10)	17 (8.90)	23
	Fair	21 (17.16)	7 (10.84)	28
	Poor	11 (6.74)	0 (4.26)	11
	Total	38	24	62
	Weighted Index	$\frac{33}{38}$ = .87	$\frac{41}{24}$ = 1.71	

The table shows that the weighted index of state of repair is much greater for plots let on flat basis than for those let on one-room basis.

Moreover, all the 11 plots that are in a poor state of repair are let on one -room basis. Among those plots that are in a good state of repair, a greater proportion are let on flat basis $(\frac{17}{23})$ and a smaller proportion let on one-room basis $(\frac{6}{23})$. We suspect that state of repair of plots let on flat basis of 2 rooms or more is significantly better than those let on one-room basis.

Hypothesis Ho: State of repair is independent of whether plot is let on one-room or more-room basis.

Alternative Hypothesis H1: State of repair of plots let on more room basis is better than those let on one-room basis.

Expected frequencies are given in brackets.

Degrees of freedom = 2

χ^2 (Chi square) = $\Sigma\frac{(O-e)^2}{e}$ = 21.19

$\chi^2_{.99}$ (Chi square) = 9.21

Therefore, we reject the null Hypothesis in favour of the alternative hypothesis.

We conclude that state of repair depends to a great extent on whether a plot is let on one room or more rooms basis. Plots let on one -room basis are in worse state of repair than plots let on more-rooms flat basis. This is to be expected. Chapter 5.6.3. shows that the number of

persons per room in plots let on one-room basis is higher than those let on more room basis. The former plots are more overcrowded and more intensively utilised than the latter. The survey revealed that whatever the basis on which a plot is let, repairs that are carried out are largely superficial e.g. repairing broken glasses in windows, repairing door handles etc. Given this fact and given that plots let on one-room basis are more intensively utilised, these plots would most probably deteriorate faster in quality than plots let on flat basis of 2 or more rooms.

5.5 HAS RENT CONTROL LED TO A SHIFT IN THE FORM RATHER THAN THE AMOUNT OF RENT PAYMENT?

To answer this question, we have to look at means of evasion of rent control. What is the evidence that in assessed plots tenants pay standard rent less than market rent but make up for it by paying 'key-money', carrying out repairs themselves or paying more for light and water etc.

First, the survey uncovered no evidence of 'key-money' being paid to the landlords in either assessed or unassessed plots. Second, however bad the state of repair of a plot, tenants don't carry out repairs at their own expense in either assessed or unassessed plots, expecting the landlord to do so. We have already established that state of repair does not depend on extent of control. This means

tenants who live in effectively controlled houses are not penalised thereof in having to live in worse condition houses.

5 interviewees in each of the samples of assessed and unassessed plots indicated they had been instantly evicted or pressurised to leave previous houses. This is about 6% of those interviewed which is quite high and to a certain extent confirms the fears of tenants of doing anything that is unpleasant to the landlord. In 6 or about 1th assessed plots and 8 or about $\frac{1}{4}$th unassessed plots surveyed, majority of previous tenants had been pressurised to leave because the landlord wanted to increase rents and presumably believed the tenants would not be able or prepared to pay increased rents. These proportions are high indicating a high turnover of tenant population so that room could be made for tenants prepared to pay higher rents; however these proportions are not significantly different. We conclude that tenants in assessed plots suffer no more from having to foot bills arising out of eviction than tenants in unassessed plots.

If there is no shift in the form of rent payment through these means, there are other ways in which rent control is evaded. From the sample of 31 assessed plots, in 8 plots rent control is not evaded at all, in 13 plots tenants pay high rents arbitrarily set by the landlords and in 10 plots it is

evaded in other ways.[a] Thus, in 33% of the assessed plots landlords attempt to shift the form of rent payment, in 42% of the plots they charge market rents whereas in 25% of the plots, rent control has led to a shift in the amount of rent payment. Where landlords try to shift the form of rent payment e.g. by asking for more money for light and water from each of the tenants where tenants share a common water or light meter, the over-all extent of evasion[b] is less (112%) than when landlords just disregard the law and collect high rents. (174%). This shows that the really effective manner in which landlords can evade rent control is by charging arbitrarily high rents which equal the prevailing market rents. Surprisingly, these landlords are not brought to book even though they flagrantly flout the law.

Where market rents are charged in 13 assessed plots, actual rents as a % of assessed rent are about 75% higher. However, when we take a weighted average of all the 31 assessed plots in the sample, this figure is reduced to 33%. In otherwords, actual rent paid will be 75% higher than 'standard rent' whereas with rent control (which is 50% effective), actual rent paid will be only 33% higher than standard rent in

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(a) Some interesting examples of these other ways are:- in Plot No. 206/I, 6 rooms have been turned into lodging, in Plot Nos. 28/II and 46/II, more money is collected as light and water charges, in Plot No. 951/III, a separate sweeping charge is collected unnecessarily, in Plot No. 5/III, electricity has been disconnected because landlord does not pay the bill although rent paid includes payment for light and in Plot No. 1110/III, 5/70 is collected extra from each tenants to pay land rates.

(b) Measured in terms of actual rent paid as % of assessed rent.

plots that have been assessed. Therefore, rent control has led to quite a significant reduction in the amount of rent payment in assessed plots.

5.6 HAS RENT CONTROL LED TO LESS INTENSIVE UTILISATION OF HOUSING STOCK?

5.6.1 Does intensity of utilisation of housing depend on whether plot has been assessed?

The number of persons per room is taken as a measure of the intensity of utilisation of residential housing stock. Table 5.6.1. gives a breakdown of this information provided by 100% interviewees in assessed and unassessed plots and Table 5.6.2 by effectiveness of control in assessed plots. Only permanent residents are taken into consideration in this analysis. A child is counted as $\frac{1}{2}$ person. A kitchen or store, if let separately is counted as half a room.

The hypotheses put forward are:-

(i) The number of persons per room is significantly greater in unassessed plots than in assessed plots.

(ii) Within the sample of assessed plots, the number of persons per room is significantly greater in plots ineffectively controlled than in those effectively controlled.

These apriori hypotheses are based on the belief that tenants in assessed plots and within this sample, in those plots that are effectively controlled would be insufficiently motivated to economise on space since they would be paying rent less than market rent.

Table 5.6.1

Number of persons per room in assessed and unassessed plots

	Number of persons(n) per room			
	$n \leq 1$	$1 < n < 2.5$	$n \geq 2.5$	Total
Assessed	27	34	37	98
Unassessed	16	36	49	101
Total	43	70	86	199

In assessed plots, the mean number of persons per room is 2.24 with standard deviation 1.34. In unassessed, the mean is 2.66 and standard deviation 1.53.

$$H_0: \quad \bar{x}_a = \bar{x}_u$$

$$H_1: \quad \bar{x}_u > \bar{x}_a$$

$$Z = \frac{|\bar{x}_a - \bar{x}_u|}{\sqrt{\frac{S_a^2}{n_a} + \frac{S_u^2}{n_u}}} = 2.1$$

Therefore, we reject the null hypothesis $\bar{x}_a = \bar{x}_u$ in favour of the alternative hypothesis $\bar{x}_u > \bar{x}_a$ at 2% level of significance.

We conclude that the mean number of persons in unassessed plots is significantly greater than in assessed plots. Can this be explained by differences in rent levels between assessed and unassessed plots or by some other factors? The following sections of this Chapter illustrate.

5.6.2 Does intensity of utilisation of housing depend on extent of control?

Table 5.6.2

Number of persons per room and effectiveness of control

	Number of persons (n) per room			
	$n \leq 1$	$1 < n < 2.5$	$n \geq 2.5$	Total
Fully effective	11	15	9	35
Partly effective	3	5	11	19
Ineffective	13	14	17	44
Total	27	34	37	98
Weighted Index of effectiveness	$\frac{12\frac{1}{2}}{27} = 0.46$	$\frac{17\frac{1}{2}}{34} = 0.51$	$\frac{14\frac{1}{2}}{37} = 0.40$	

If we give a weight of 1 to plots fully effectively controlled, $\frac{1}{2}$ to plots partly effectively controlled and 0 to plots ineffectively controlled, then the weighted index of effectiveness is as shown in the last row of the table. We notice that there is no relationship between effectiveness of

control and number of persons per room. The mean number of persons per room in fully, partly and ineffectively controlled plots is 1.89, 2.72 and 2.30 respectively, again indicating lack of relationship between effectiveness of control and number of persons per room. Similarly, no relationship was established between effectiveness of control and number of persons per room in only those assessed plots let on one-room or less than one-room basis. We conclude that effectiveness of control does not determine intensity of utilisation of housing. Differences in rent levels within assessed plots do not determine motivation to economise on space.

If that is the case, why are unassessed plots more intensively utilised? The proportion of one-room apartments surveyed that are fully, partly and completely ineffectively controlled are $\frac{9}{35} = 0.26$, $\frac{14}{19} = 0.74$ and $\frac{27}{44} = 0.61$ respectively and the mean number of persons per room in all apartments fully effectively, partly effectively and completely ineffectively controlled are 1.89, 2.72 and 2.30. This indicates that in any one sample of plots, the mean number of persons will be higher, the greater the proportion of one room appartments. Moreover, the mean number of persons per room in unassessed plots is 2.66 and in assessed plots 2.24; the proportion of one-room or less than one room appartments surveyed in the sample of unassessed plots is $\frac{75}{101} = 0.75$ and in the sample of assessed plots is $\frac{50}{98} = 0.51$.

We conclude that the significant differences in means between assessed and unassessed plots cannot be explained by differences in rent levels but we suspect they can to a large extent be explained by the basis on which plot is let i.e. one-room or more-room.

5.6.3 Are plots let on one-room basis more intensively utilised than plots let on flat basis of 2 rooms or more?

Tables 5.6.3. A and 5.6.3. B classify one or less than one room appartments and more than one room appartments by number of persons per room in assessed and unassessed plots, respectively.

Table 5.6.3. A

Number of persons per room in assessed plots

		Number of persons (n) per room			
		$n \leq 1$	$1 < n < 2.5$	$n \geq 2.5$	Total
Number of rooms(r)	$r \leq 1$	8	12	30	50
	$r > 1$	19	22	7	48
	Total	27	34	37	98

In one or less than one-room appartments, the proportion of appartments with number of persons(n) more than or equal to 2.5 is significantly greater ($\frac{30}{37}$) than the proportion of appartments with n less than or equal to 1 ($\frac{8}{27}$). In more than one room appartments, the former proportion is significantly less ($\frac{7}{37}$) than the latter proportion ($\frac{19}{27}$). The mean number of persons per room in one or less than one room appartments is significantly greater ($\bar{x}_{r\leq 1} = 2.98$) than in more than one room appartments ($\bar{x}_{r>1} = 1.46$). We conclude that in assessed plots, appartments let on one or less than one room basis are more overcrowded and more intensively utilised than appartments let on more than one room basis.

Table 5.6.3 B

Number of persons per room in unassessed plots */

		Number of persons(n) per room			
		$n\leq 1$	$1<n<2.5$	$n\geq 2.5$	Total
Number of rooms(r)	$r\leq 1$	7	25	43	75
	$r>1$	9	11	6	26
	Total	16	36	49	101

In the sample of unassessed plots, the mean number of persons per room in one or less than one room appartments is significantly greater ($\bar{x}_{r\leq 1} = 3.0$) than in more than one room appartments ($\bar{x}_{r>1} = 1.70$). We draw similar conclusion to the one for assessed plots.

5.6.4. What is the evidence on bed-space basis of housing provision?

In studying the intensity of utilisation of housing stock my interest was drawn towards trying to find the proportion of plots and appartments let on bed-space basis. The same restrictions on tenants as applied during colonial days do not apply at present. All the same, tenants may be said to be housed on bed-space basis at present in the sense that they have enough space to put a bed on and no more. There are instances where two or more single or married friends with or without a child or children share a room or a kitchen or a store by putting a curtain or curtains across it. Appartments in which the average number of persons per room is 2.5 or more have been classified to be on 'bed-space' basis.

Table 5.6.4 indicates the extent of utilisation of housing on bed-space basis in unassessed plots and in assessed plots fully effectively controlled, partly effectively controlled and completely ineffectively controlled.(a) There

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(a) For detailed tables, please refer to Appendix I.

are 15 assessed plots and 23 unassessed plots let on one or less than one room basis. Culumn 6 shows the number of appartments that are on bed-space basis out of the number of appartments covered in the sample. There is little evidence of tenants housing themselves on bed space in plots let on flat basis of more than 1 room. However, majority of one or less than 1 room appartments are let on bed space basis. (59% in assessed plots and 56% in unassessed plots.).

Tenants in both assessed and unassessed plots let on 2 or more room basis have their own separate kitchen and toilet and bathroom facilities.(b) Tenants in assessed and unassessed plots let on one room basis share facilities.(c) Tenants housed on one-room basis in 5 out of 15 assessed plots and in 10 out of 23 unassessed plots are provided with a kitchen. Therefore, in 10 + 13 = 23 plots out of 62 =(37%), kitchens are let separately. This means that in about 1 out of every 3 plots, kitchens are let separately. In plots let on one-room basis, this percentage is $\frac{23}{38}$ = 61% i.e. in about 3 out of 5 plots let on one room basis, kitchens are let separately. This gives a clear indication of the extent to which tenants house themselves on bed-space basis.

(b) The exception is Plot No. 313/I.

(c) The exception is Plot No. 883/I.

Table 5.6.4.

HOUSING ON BED-SPACE IN ASSESSED AND UNASSESSED PLOTS

Category	Basis on which plot let	Number of plots	Total number of appartments in plot	Number of appartments covered in sample	Number of appartments on bed-space basis
1	2	3	4	5	6
Assessed Plots Category A	$\gamma > 1$	7	28	17	1
	$\gamma \leq 1$	4	35	12	7
		11	63	31	8
Category B	$\gamma > 1$	4	13	10	2
	$\gamma \leq 1$	4	44	15	10
		8	57	25	12
Category C	$\gamma > 1$	5	19	13	1
	$\gamma \leq 1$	7	72	29	16
		12	91	42	17
Total Assessed	$\gamma > 1$	16	60	42	4
	$\gamma \leq 1$	15	151	56	33
		31	211	98	37
Unassessed Plots	$\gamma > 1$	8	30	20	4
	$\gamma \leq 1$	23	196	81	45
		31	226	101	49

5.6.5 Is there less evidence of housing on bed-space basis in assessed than in unassessed plots?

Table 5.6.5 classifies appartments surveyed in assessed and unassessed plots by evidence of bed-space. 86 out of 199 or 46% of the appartments or slightly less than 1 in every 2 appartments is on bed-space basis.

Table 5.6.5

Evidence of bed-space in assessed and unassessed plots

	Appartments in		
	Assessed Plots	Unassessed Plots	Total
Bed-space	37	49	86
No bed-space	61	52	113
Total	98	101	199

Proportion of appartments on bed-space basis:

$$H_0: \quad \Pi_a = \Pi_u$$

$$H_1: \quad \Pi_u > \Pi_a$$

$$p_a = \frac{37}{98} = .38 \qquad p_u = \frac{49}{101} = 0.49$$

$$z = \frac{|p_a - p_u|}{\sqrt{\bar{p}(1-\bar{p})\left(\frac{n_a + n_u}{n_a n_u}\right)}} = 1.57$$

Therefore, we do not reject the null hypothesis.

We conclude that there is no significant difference in the evidence on bed-space between assessed and unassessed plots.

5.6.6. Is there more evidence of housing on bed-space basis in one or less than one room appartments than in more than one room appartments?

Tables 5.6.6.A and 5.6.6.B give a 2x2 classification of appartments surveyed in assessed and unassessed plots respectively by number of rooms in appartment and evidence on bed-space.

Table 5.6.6.A

Evidence of bed-space by number of rooms in appartment: assessed plots

	Number of rooms(r)		
	r ≤ 1	r > 1	Total
Bed-space	30	7	37
No bed-space	20	41	61
Total	50	48	98

In plots let on one or less than one room basis, the proportion of appartments on bed-space is clearly significantly greater than in plots let on more room basis i.e. 0.60 is significantly greater than 0.15. We conclude there is greater evidence of housing on bed-space basis in one or less than one-room appartments than in more than one-room appartments in assessed plots.

Table 5.6.6.B

Evidence of bed-space by number of rooms in appartment: unassessed plots

	Number of rooms (Υ)		
	$\Upsilon \leq 1$	$\Upsilon > 1$	Total
Bed-space	43	6	49
No bed-space	32	20	52
Total	75	26	101

Proportion of appartments on bed-space basis in unassessed plots:

$$H_0: \Pi_{\Upsilon \leq 1} = \Pi_{\Upsilon > 1}$$

$$H_1: \Pi_{\Upsilon \leq 1} > \Pi_{\Upsilon > 1}$$

$$p_{\Upsilon \leq 1} = 0.57 \quad , \quad p_{\Upsilon > 1} = 0.23$$

$$Z = \frac{\left| p_{\Upsilon \leq 1} - p_{\Upsilon > 1} \right|}{\sqrt{\bar{p}(1-\bar{p})\frac{(n_1+n_2)}{n_1 n_2}}} = 2.00$$

Therefore, we reject the null hypothesis in favour of the

alternative hypothesis at 5% level of significance and draw the same conclusion as for assessed plots.

5.7 HAS RENT CONTROL BEEN A DISINCENTIVE TO TENANTS TO BECOME OWNER-OCCUPIERS?

Table 5.7.

Reasons for wanting to become or for not becoming owner-occupiers

		Interviewees who responded in		
	Reasons	Assessed Plots	Unassessed Plots	Total
NO	1 Lack of adequate finance	37	67	104
	2 Pay low rent i.e. pay assessed rent < market rent	2	0	2
	3 No problem in the house	1	0	1
	Sub-total	40	67	107
YES	1 Security of tenure	5	3	8
	2 Need more space	3	0	3
	3 Other	13	6	19
	Sub-total	21	9	30
	Total	61	76	137

To the question, does he plan to be an owner-occupier within the next year, the above breakdown of interviewees was obtained. 104 out of 137 or 76% of the tenants or about 3 in every 4 tenants are not planning to be owner-occupiers because of lack of adequate finance.

In the sample of assessed plots, 21 are potential owner occupiers. 2 tenants would presumably become owner-occupiers but for the low rent they are paying. Therefore, 2 out of 23 or 8% of the potential owner-occupiers are discouraged from becoming owner-occupiers because they live in fully effectively controlled premises. Obviously, the disincentive to owner-occupation for tenants arising from rent control is not all that great.

CHAPTER SIX

MAIN FINDINGS AND RECOMMENDATIONS

In this final chapter, we review the major findings and conclusions of this study, offer suggestions for amendment of the 'Rent Restriction Act'[1] so that rent control might hopefully be more effectively enforced and comment on Kenya's policy on housing standards with a view to suggesting any changes that might be desirable.

This study reveals that rent control is far from pervasive. Only 1% of all assessable plots are assessed annually and so far, only 7% of all assessable plots have been assessed. The survey also revealed a real need felt on the part of the tenants to have houses assessed. However, 3 in every 5 tenants don't get house assessed either through fear of reprisals from the landlord or through ignorance about assessment. These fears are not without foundation since in 22% of the plots surveyed a majority of previous tenants had been pressurised to leave to make room for new tenants prepared to pay increased rent.

In the plots that are assessed, rent control is 50% effectively enforced which shows that the RRD is fairly effective in keeping rents down to the level of standard rent which, on average, is about 61% of market rent. However,

even though the RRD is significantly effective within the sample of assessed plots, its overall effect is negligible since only 7% of all assessable plots have been assessed.

The effectiveness with which a plot is controlled depends to a large extent on whether tenants in the plot know it has been assessed, know who has had it assessed and know about the RRD. This suggests that to increase the effectiveness of rent control, we need to educate the tenant population about the work of the RRD and how people can make use of it. In plots that have been assessed, about 68% of the tenants don't know whether their plot has been assessed. One of the reasons for this is that in a multiple appartment plot, one appartment may be assessed, the rest remain unassessed as there is little feedback among the tenants on this issue for fear of reprisals from the landlord. To increase the pervasiveness of rent control, all appartments within any one plot need to be assessed and all tenants provided with rent certificates.

As far as assessment is concerned, both the landlords and tenants make about equal use of the Tribunal. A plot will, however, be more effectively controlled if the landlord gets it assessed than if the tenant gets it assessed because in the latter case, the landlord may try to evade control. Even then, the sample of plots which tenants know for sure have been assessed on the initiative of tenants are about 60%

effectively controlled indicating that tenants stand to gain substantially from assessment on own initiative and should, to a certain extent remove doubts of tenants about the usefulness of assessment.

A major finding on the equitable aspects of rent control is that tenants stand to gain if they get the house assessed and landlords stand to gain if they get the house assessed which should remove doubts of some landlords that they would lose if they get their plot assessed. The survey revealed that mean income in assessed plots is significantly greater than in unassessed plots. Assessment seems to have benefited the higher income tenants rather than the lower income tenants. However, within the sample of assessed plots, the distribution of benefits from rent control is not demonstrated to be inequitable. Finally, a significantly greater proportion of tenants in assessed plots receive full house allowance than in unassessed plots indicating that the requirement that house has to be assessed before a tenant can claim house allowance is evidently enforced in part.

On the distributional aspect of rent control, the survey showed that if rent control became more widely used, it could have substantial scope as a redistributive device.

The study clearly leads to rejection of the hypothesis that rent control leads to a deterioration in housing quality and establishes that plots let on one room basis are in a

poorer state of repair than plots let on flat basis of 2 rooms or more.

On the question of whether rent control has led to a shift in the form rather than the amount of rent payment, the survey revealed that rent control has led to a shift in the form of rent payment in about 33% of the plots and to a shift in the amount of rent payment in about 25% of the plots. Within the sample of assessed plots, rent control has led to quite a significant reduction in the amount of rent payment. This suggests that if rent control became more widely enforced, it could lead to substantial savings for the tenant population.

Another major finding of this survey is that rent control has not been a disincentive to tenants to economise on space. As a corollary, the survey reveals that plots let on one-room basis are more intensively utilised than plots let on flat basis of 2 rooms or more. The study specifically shows that a majority of plots let on one-room basis are on 'bed-space' and in 3 out of every 5 such plots, kitchens are let as separate appartments.

Finally, the study revealed that rent control has not been a significant disincentive to tenants to become owner-occupiers.

To sum up, this study in major past rejects the classical theory on the negative economic consequences of rent control i.e. that rent control leads to

(i) a deterioration in housing quality.

(ii) a shift in the form rather than the amount of rent payment.

(iii) less intensive utilisation of housing stock.

(iv) less owner-occupation on the part of tenants.

So much for the major findings of this study. What implications does the study have in Kenya for rent control policy in particular and housing policy in general?

With the world economic crisis, the solution to the housing shortage in Kenya has become more distant and it appears this shortage is irrelievable within the near future. Sessional Paper No. 4, of 1975 on Economic Prospects and Policies[2] lays down policy guidelines to be followed by commercial banks. One of such policy guidelines is:

"The sectors to which commercial banks should give priority in granting credit are Government, export business, manufacturing, agriculture and tourism." Obviously, housing is not given much priority. Given this irrelievable housing shortage, it is useful to continue with rent control regulations to avoid substantial redistributions of income from tenants to landlords.

However, the Rent (Restriction)(Amendment) Act 1966[3] has become rather archaic and needs to be amended for rent control to be more meaningfully enforced. First, we need to do away with the "prescribed date 1st. January, 1965 since pegging rent levels now to those that prevailed at that

date is wholly anachronistic. This is illustrated in the case of Plot No. 263/VII. 2 tenants in that plot pay rent according to 1965 receipts and they pay 225/= and 275/= per month for 2 rooms each with facilities. One tenant has had his flat assessed recently and he pays 550/= for 3 rooms with facilities. The fourth tenant has not had his flat of 3 rooms assessed and he pays 800/= per month. To avoid these significant inequities within plots, it is useful to do away with the prescribed date altogether and to assess all appartments within a plot as suggested earlier.

Secondly, in order to reduce the extent of evasion of rent control, standard rent has to be set not very far below equilibrium rent. For the houses in Eastleigh that were built in 1965 or earlier,(a) equilibrium rent or market rent for one room appartments with communal facilities is about 260/= per month, for 2 room appartments with separate facilities 500/= per month and for 3 room appartments with separate facilities 650/= per month whereas standard rent for such appartments has, on average, been 150/=, 350/= and 550/= respectively. To reduce the extent of evasion of rent control and to distribute the benefits for tenants from rent control more evenly, standard rent needs to be raised in the first 2 categories(b) by at least 20%.

(a) Which form a substantial majority of houses in Eastleigh.

(b) In the third category, the discrepancy is not so great and there are very few 3 room appartments anyway.

Moreover, the Rent(Restriction)(Amendment) Act of 1966[4] is not sufficiently flexible on rent increases. Rent increases are only permitted by the Rent Tribunal if the landlord carries out structural alterations or improvements on the building or if he has to pay additional rates to the City or Municipal Council. A landlord might spend, say, about 5000/= in changing all the iron sheets on the roof yet not be permitted by law to increase rents because such expenses would not come under the category of structural improvements. The Rent Restriction Act needs to incorporate a system of incentives for the landlords to keep their houses in adequate state of repair and the Act needs to be more flexible on rent increases.

Furthermore, a concerted campaign should be set up to educate the people about the rent control law and to protect tenants from reprisals from the landlords. As an initial step branches of the RRD might be established in each of the major areas of each town e.g. for Nairobi in Kariobangi, Dagoretti, Eastlands, Kabete, Kibera etc. so that tenants would be able to get help from the RRD at their doorstep rather than having to come to a 'government office' in town. To help tenants in cases of eviction, a greater liaison needs to be established between officials of the RRD in each of these branches suggested and the nearest police station so that tenants in eviction cases get instant help. The implicit assumption underlying each of these suggestions is that the RRD is not going to

decide in the near future to have all assessable plots assessed on its own initiative[c] for, among other reasons, lack of enough assessment officers, fear of creating friction between landlords and tenants where none exists etc.

A comment is now in order on Kenya government policy on housing standards. The extent to which tenants house themselves on bed-space basis as shown by the survey is a measure of the severe housing shortage that exists. Chapter One explains how and why this housing shortage is expected to increase rather than decrease over the years. In the light of these findings, the government's specific policy and objective as laid down in the Development Plan 1974-78,[5] which says:

"To ensure that housing design and construction conform to Government standards and that each housing unit constructed in urban areas shall have at least two rooms, plus its own kitchen and toilet."

needs to be amended. Out of nostalgia, we may be against the provision of housing on one-room basis as provided by colonialists but given the present inflationary conditions, a majority of tenants can afford only one room. Policy implications are clear. The housing budget needs to be increased out of proportion to what it is at present by seeking more loans and grants from abroad. We also need to consider housing provision on one-room, kitchen, bathroom and toilet basis with common verandah which is what low and middle income people can afford anyway. This

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(c) Although this course of action has been suggested by some of the tenants interviewed.

will double the number of families that are housed and it will mean that public housing will go to people it is intended for. Tenants would still opt for public housing because of greater security of tenure and reasonable rents.

Finally, we come to recommendations for future research in this field. A fruitful line of inquiry would be to study differences in housing characteristics e.g. state of repair, intensity of utilisation, level of rent, mean incomes etc. between plots let on one-room basis and those let on flat basis of 2 rooms or more. Such a study would hopefully provide pointers for the formulation of a more realistic housing policy for Kenya.

APPENDIX I

SUMMARY TABLES AND DIAGRAM

DIAGRAM 4.1 SKETCH OF A TYPICAL 'INDIAN DELO'

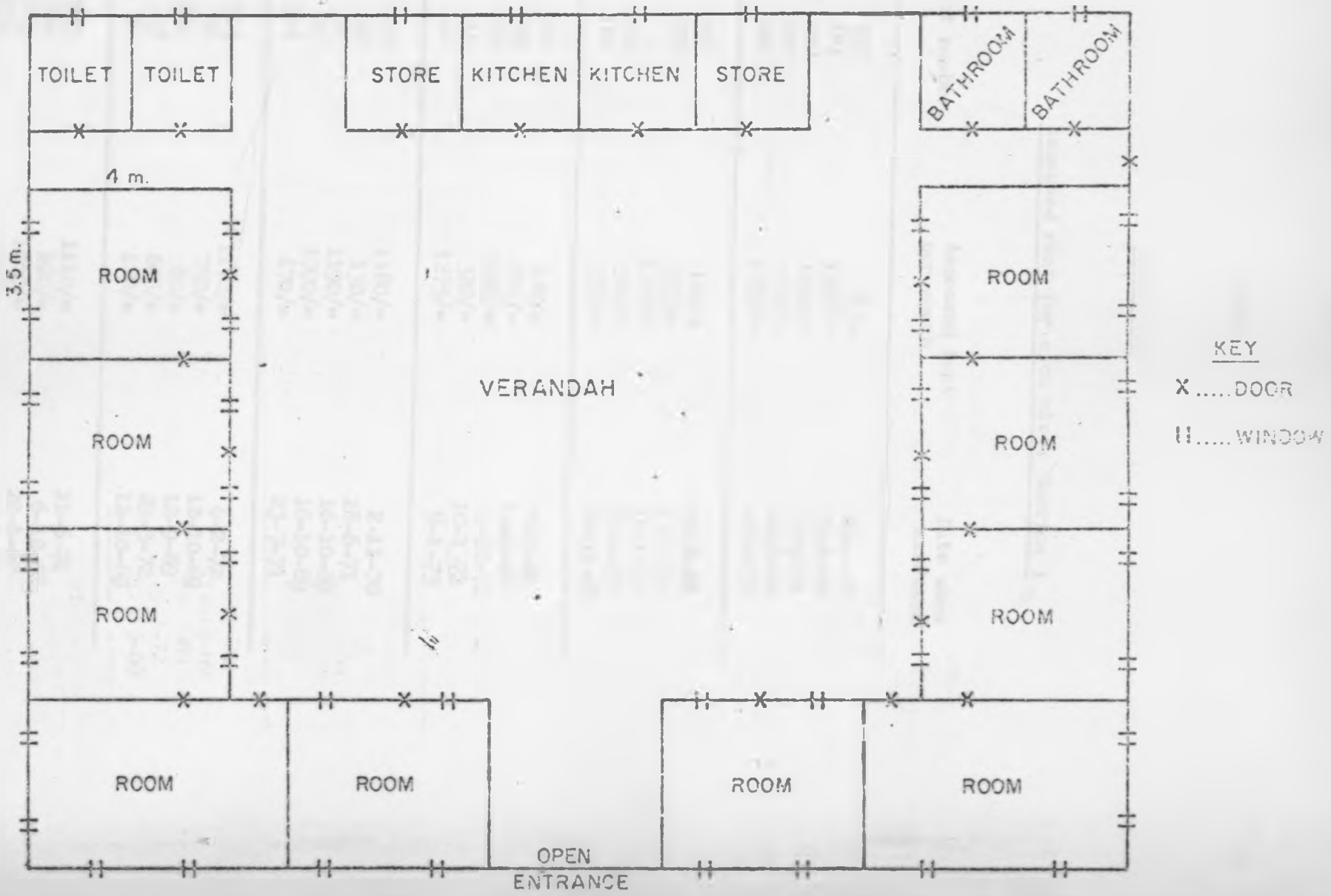

Table 4.1

Assessed rent for each plot: Section I

Plot number	Assessed Rent per month	Date when assessed
197	75/=	20-1-70
191	1200/=	29-1-69
199	1040/=	31-5-74
203	970/=	22-5-69
204	1650/=	28-9-70
206	120/=	15-7-68
321	575/=	17-5-74
3	1300/=	14-1-72
182	525/=	12-1-73
181	575/=	10-11-72
222	870/=	9-5-68
169	305/=	10-4-68
224	1265/=	4-10-72
414	320/=	10-1-72
141	1275/=	9-1-73
133	1180/=	2-11-70
13	130/=	28-6-71
87	1190/=	16-10-69
91	1700/=	16-10-69
514	470/=	23-7-71
513	1170/=	4-2-72
86	750/=	12-10-69
521	60/=	12-9-69
73	605/=	29-3-72
57	470/=	12-10-69
665	1110/=	21-6-74
766	260/=	6-12-68
873	1000/=	29-1-69
871	1075/=	20-8-71

29 Plots

Source: Rent Restriction Department

Table 4.2

Assessed rent for each plot: Section II

Plot Number	Assessed rent per month	Date when assessed
67	1175/=	19-7-71
254	1650/=	16-8-71
95	320/=	5-6-69
162	1450/=	3-12-73
322	675/=	16-8-71
354	450/=	6-6-69
285	1040/=	3-3-72
5	2000/=	28-6-71
28	1405/=	21-9-72
37	1300/=	16-9-68
261	1400/=	12-1-73
71	1850/=	8-4-74
57	65/=	29-3-72
217	450/=	4-7-73
23	915/=	5-11-68
234	200/=	10-11-72
247	850/=	29-3-72
14	1335/=	5-7-72
46	1435/=	10-11-72
48	130/=	19-7-71
240	1350/=	3-5-74

21 Plots

Source: Rent Restriction Department

Table 4.3

Assessed rent for each plot: Section III

Plot number	Assessed Rent per month	Date when assessed
3	1860/=	2-8-72
5	1130/=	4-9-70
40	1040/=	8-10-71
102	1135/=	12-5-72
89	800/=	10-4-68
86	1250/=	6-8-70
85	550/=	15-11-74
61	1825/=	11-10-73
149	1175/=	10-11-72
199	1350/=	19-7-71
407	830/=	15-5-69
925	1135/=	15-11-74
951	405/=	19-4-73
1011	450/=	19-4-74
993	560/=	16-1-70
986	880/=	16-1-70
1043)	3400/=	10-11-72
1044)		
1110	1375/=	5-4-74
1106	280/=	2-6-72
1123	1400/=	31-7-69
1129	500/=	29-6-73
1187	1050/=	31-7-69
1222	2500/=	15-11-74
1261	725/=	4-6-68

25 Plots

Source: Rent Restriction Department

Table 4.4.

Assessed rent for each plot: Section VII

Plot number	Assessed Rent per month	Date when assessed
226	820/=	6-10-69
350	600/=	29-5-73
351	575/=	10-12-73
169	1630/=	1-3-74
314	230/= per flat	28-6-73
104	1155/=	12-9-67
185	1920/=	31-1-73
187	1550/=	28-6-71
261	2110/=	18-7-74
263	550/= & 325/=	17-7-70
175	300/=	18-11-74
417	800/=	12-2-68
252	400/= & 300/=	19-9-72
236	310/=	19-10-67
429	795/=	9-11-67
123	165/=	29-6-73
124	1555/=	5-11-68
149	625/=	17-7-70

18 Plots

Source: Rent Restriction Department

Table 4.6

Description of assessed plots surveyed

Section 1

Plot Number	Assessed rent per month	Description	Comments
141	1275/=	3 self-contained flats of 2 rooms each, Ground floor only.	Therefore, assessed rent for each flat is 425/=
665	1110/=	8 rooms each let separately	1110/= is assessed rent for whole plot.
513	1170/=	6 self-contained flats of 3 rooms each. Multiple storey.	1170/= assumed to be assessed rent of 3 flats on ground floor.
521	60/=	10 rooms each let separately.	60/= is assessed rent for one room.
203	970/=	18 rooms each let separately.	One tenant gave information that assessed rent for each room was 150/=.
191	1200/=	7 rooms each let separately.	1200/= is assessed rent for whole plot.
197	75/=	4 rooms each let separately.	75/= is assessed rent for one room.
181	575/=	2 self-contained flats of 3 rooms each. 1 rented, 1 owner-occupied.	575/= is assessed rent of one flat.
206	120/=	12 rooms. 6 let separately. 6 turned into lodging.	120/= assessed rent for one room.
91	1700/=	4 self contained flats of 2 rooms each.	∴ assessed rent per flat is 425/=.

10 Plots.

Table 4.7.

Description of assessed plots surveyed: Section II

Plot Number	Assessed Rent per Month	Description	Comments
57	65/=	8 rooms each let separately	65/= is assessed rent for one room.
46	1435/=	11 rooms each let separately.	1435/= is assessed rent for whole plot.
285	1040/=	10 rooms each let separately.	1040/= is assessed rent for whole plot.
23	915/=	2 self contained flats of 3 rooms each. 1 rented, 1 owner-occupied.	915/= is assessed rent for both flats.
5	2000/=	5 self contained flats of 2 rooms each. Ground floor only.	Therefore, assessed rent for each flat is 400/=
28	1405/=	2 two-roomed flats plus 9 rooms each let separately.	1405/= is assessed rent for whole plot.
254	1650/=	1 3-roomed flat. 1 2-roomed flat. 1 room let separately. 1 flat owner-occupied.	1650/= is assessed rent for whole plot.

7 Plots

Table 4.6

Description of assessed plots surveyed: Section III

Plot Number	Assessed Rent per month	Description	Comments
1222	2500/=	4 self contained flats of 3 rooms each. Multiple storey.	Therefore, assessed rent for each flat is 625/=.
1129	500/=	5 self contained flats of 2 rooms each.	500/= is assessed rent for each flat.
61	1825/=	4 self contained flats of 2 rooms each. Ground floor only.	Therefore, assessed rent for each flat is 450/=.
1110	1375/=	11 rooms each let separately.	1375/= is assessed rent for whole plot.
149	1175/=	3 two roomed flats plus 8 rooms each let separately.	1175/= is assessed rent for whole plot.
85	550/=	5 self contained flats of 2 rooms each.	550/=/is assessed rent for each flat.
5	1130/=	1 two roomed flat plus 5 rooms each let separately.	1130/= is assessed rent for whole plot.
951	405/=	6 self contained flats of 2 rooms each. Multiple storey.	405/= is assessed rent for each flat.

8 plots.

Table 4.9

Description of assessed plots surveyed: Section VII

Plot Number	Assessed Rent per month	Description	Comments
350	600/=	2 self contained flats of 3 rooms each.	600/= is assessed rent for one flat.
263	550/= & 325/=	2 two roomed flats 2 three roomed flats	325/ is assessed rent for 2 roomed flats and 550/= for 3 roomed flats.
261	2110/=	2 two roomed flats. 2 three roomed flats. 2 four roomed flats.	2110/= is assessed rent for whole plot.
185	1920/=	4 small rooms plus 10 big rooms, each let separately.	1920/= is assessed rent for whole plot.
187	1550/=	11 rooms each let separately.	1550/= is assessed rent for whole plot.
417	800/=	2 self contained flats of 2 rooms each. 1 rented, 1 owner-occupied.	800/= is assessed rent for both flats.

Table 4.10

Description of unassessed plots surveyed: Section 1

Plot number	Description
59	7 rooms, each let separately.
671	9 rooms, each let separately.
883	8 rooms, each let separately.
510	Self contained flats of 3 rooms each.
193	10 rooms, each let separately.
188	10 rooms, each let separately.
313	Self contained flats of 2 and 3 rooms.
135	10 rooms, each let separately.
168	2 self contained flats of 3 rooms each. 1 rented, 1 owner-occupied.
255	6 rooms each let separately.

Table 4.11

Description of unassessed plots surveyed: Section II

Plot Number	Description
180	5 self contained flats of 2 rooms each.
62	Slum with 7 appartments, each let separately. Some have kitchen, some don't.
226	10 rooms, each let separately.
64	7 rooms each let separately plus 2 rooms owner-occupied.
213	10 rooms each let separately.
119	10 rooms each let separately.
244	Two 2 roomed flats plus 4 rooms, each let separately.

Table 4.12

Description of unassessed plots surveyed: Section III

Plot number	Description
152	5 rooms, each let separately.
1027	13 rooms, each let separately.
205	11 rooms, each let separately.
1259	3 self contained flats of 3 rooms each. Multiple storey.
1193	8 rooms, each let separately.
1138	5 small rooms, each let separately. No light or water. No tiolet or bathroom.
1140	5 small rooms, each let separately. No light. No water till August, 1974. No toilet or bathroom.
1108	Three 2 room flats in a slum. Ground floor only.

Table 4.13

Description of unassessed plots surveyed: Section VII

Plot number	Description
240	14 rooms, each let separately.
276	14 rooms each let separately.
239	2 self contained flats of 5 rooms each. Multiple storey.
242	8 rooms, each let separately. Double storey.
407	8 self contained flats of 2 rooms each.
210	3 self contained flats of 2 rooms each. Laundry infront.

Table 4.14

Breakdown of questionnaires obtained in sample of assessed plots

Plot number	<6 months	6 months–4 years	4 years or more	Total
Section I				
91	1	1	0	2
181	0	0	1	1
197	0	3	1	4
191	1	2	0	3
203	0	5	0	5
521	1	0	3	4
513	1	2	0	3
665	0	0	3	3
141	0	3	0	3
206	1	2	0	3
Sub-Total	5	18	8	31
Section II				
46	1	2	1	4
285	0	1	3	4
23	0	1	0	1
5	0	1	2	3
28	0	2	1	3
57	1	1	1	3
254	1	1	0	2
Sub-Total	3	9	8	20
Section III				
1222	3	0	0	3
1129	1	2	0	3
61	1	2	0	3
1110	0	1	2	3
149	1	3	0	4
85	2	2	0	4
5	0	2	1	3
951	0	3	0	3
Sub-Total	8	15	3	26
Section VII				
263	2	0	2	4
261	0	3	1	4
350	1	1	0	2
185	1	5	0	6

Table 4.14 cont.

Section VII cont.

Plot number	<6 months	6 months-4 years	4 years or more	Total
187	0	3	1	4
417	0	1	0	1
Sub-Total	4	13	4	21
GRAND TOTAL	20	55	23	98

Table 4.15

Breakdown of questionnaires obtained in sample of unassessed plots

Plot number	<6 months	6 months-4 years	4 years or more	Total
Section I				
59	2	1	0	3
671	0	1	2	3
883	0	2	1	3
510	0	1	3	4
193	0	2	2	4
188	1	2	1	4
313	0	2	0	2
135	2	2	0	4
168	0	0	1	1
255	0	1	2	3
Sub-Total	5	14	12	31
Section II				
180	0	2	1	3
62	0	1	3	4
226	0	1	2	3
[illegible]	0	3	0	3
213	0	0	4	4
119	1	3	0	4
244	0	2	1	3
Sub-Total	1	12	11	24

Table 4.15 cont.

Plot number	6 months	6 months–4 years	4 years or more	Total
Section III				
152	1	1	1	3
1027	0	6	0	6
205	1	2	1	4
1259	0	2	0	2
1193	0	2	1	3
1138	0	1	2	3
1140	1	1	1	3
1108	0	1	2	3
Sub-Total	3	16	8	27
Section VII				
240	1	2	0	3
276	1	3	0	4
239	0	2	0	2
242	0	2	2	4
407	0	3	1	4
210	0	2	0	2
Sub-Total	2	14	3	19
GRAND TOTAL	11	56	34	101

Table 5.2.1A

Plots fully effectively controlled (category A)

Plot Number	Assessed Rent for plot per month	Actual Rent paid for plot per month	Market Rent for plot per month	3 in % of 4
1	2	3	4	5
181/I	575/=	575/=	750/=	77
665/I	1110/=	1110/=	2000/=	56
91/I	1700/=	1700/=	2400/=	71
141/I	1275/=	1350/=(a)	1800/=	75
5/II	2000/=	2000/=	2750/=	73
28/II	1405/=	1405/=	3050/=	46
1222/III	2500/=	2500/=	2800/=	89
1110/III	1375/=	1375/=	2500/=	55
61/III	1825/=	1825/=	2400/=	76
261/VII	2110/=	2110/=	4500/=	47
5/III	1130/=	1130/=	1750/=	65
11 Plots		17080/=	26,700/=	64

(a) One tenant voluntarily pays high rent.

Table 5.2.15

Plots partly effectively controlled (Category B)

Plot Number	Assessed Rent for plot per month	Actual Rent paid for plot per month	Market Rent for plot per month	3 in % of 4
1	2	3	4	5
206/I	1440/=	2160/=	3000/=	72
285/II	1040/=	1500/=	2000/=	75
46/II	1435/=	1435/=(a)	2750/=	52
951/III	2425/=	2700/=	3300/=	82
263/VII	1600/=	1600/=	2400/=	75
350/VII	1200/=	1300/=	1400/=	93
187/VII	1550/=	1925/=	2750/=	70
417/VII	400/=	500/=	600/=	83
8 Plots		13320/=	18200/=	73

(a) 60/= collected per tenant extra for light and water. Average rent per room till December 1974 was 130/=. Landlord asking for 240/= per room from each tenant from January, 1975.

Table 5.2.1C

Plots not benefiting at all from assessment (Category C)

Plot number	Assessed Rent for plot per month	Actual Rent paid for plot per month	Market Rent for plot per month	3 in % of 4
1	2	3	4	5
197/I	300/=	1000/=	1000/=	100
191/1	1200/=	1750/=	1750/=	100
203/I	970/=	5000/=	5000/=	100
521/I	600/=	1500/=	1500/=	100
513/I	1170/=	4200/=	4200/=	100
23/II	460/=	750/=	750/=	100
57/II	520/=	1800/=	1800/=	100
254/II[a]	1650/=	1650/=	1650/=	100
1129/III	2500/=	3050/=	3050/=	100
149/III	1175/=	1960/=	1960/=	100
85/III	2750/=	3000/=	3000/=	100
185/VII	1920/=	3500/=	3500/=	100
12 Plots		29160/=	29160/=	100

(a) This plot is an exception in that assessed rent is as high as market rent.

Table 5.2.1D

Actual Rent paid and market Rent for Unassessed Plots

Plot number	Actual Rent for plot per month	Market Rent for plot	2 in % of 3
1	2	3	4
255/I	1200/=	1440/=	83
313/I	1130/=	1200/=	94
193/I	2400/=	2500/=	96
671/I	1800/=	2160/=	83
244/II	1420/=	1920/=	74
119/II	2260/=	2500/=	90
213/II	1600/=	2500/=	64
180/II	1750/=	2400/=	73
1138/III	690/=	750/=	92
1193/III	1680/=	1920/=	88
205/III	2400/=	2640/=	91
407/VII	2350/=	2400/=	98
242/VII	1880/=	1920/=	94
239/VII	1500/=	2000/=	75
240/VII	3220/=	3500/=	92
15 Plots	27280/=	31750/=	86

Table 5.2.1D cont.

168/I	800/=	800/=	100
135/I	2500/=	2500/=	100
188/I	2500/=	2500/=	100
510/I	4200/=	4200/=	100
883/I	2000/=	2000/=	100
59/I	1800/=	1800/=	100
64/II	1960/=	1960/=	100
226/II	2500/=	2500/=	100
62/II	900/=	900/=	100
1108/III	600/=	600/=	100
1140/III	750/=	750/=	100
1259/III	1950/=	1950/=	100
1027/III	3250/=	3250/=	100
152/III	750/=	750/=	100
210/VII	1650/=	1650/=	100
276/VII	3500/=	3500/=	100
31 Plots	58890/=	63360/=	93

Table 5.3.6A

Assessed plots fully effectively controlled giving element of subsidy from landlord to tenant

Plot number	Actual Rent paid for plot per month	Market Rent for plot per month	3 - 2	$\frac{3-2}{3}$
1	2	3	4	5
181/I	575/=	750/=	175/=	23%
665/I	1110/=	2000/=	890/=	45%
91/I	1750/=	2400/=	700/=	29%
141/I	1350/=	1800/=	450/=	25%
5/II	2000/=	2750/=	750/=	27%
28/II	1405/=	3050/=	1645/=	54%
1222/III	2500/=	2800/=	300/=	11%
1110/III	1375/=	2500/=	1125/=	45%
61/III	1825/=	2400/=	575/=	24%
5/III	1130/=	1750/=	620/=	35%
261/VII	2110/=	4500/=	2390/=	53%
11 Plots Category A	17080/=	26700/=	9600/=	36%

Table 5.3.63

Assessed plots partly effectively controlled, giving evidence of subsidy from landlord to tenant

Plot number	Actual Rent paid for plot per month	Market Rent for plot per month	3 -2	$\frac{3-2}{3}$
1	2	3	4	5
206/I	2160/=	3000/=	840/=	28%
285/II	1500/=	2000/=	500/=	25%
46/II	1435/=	2750/=	1315/=	48%
951/III	2700/=	3300/=	600/=	18%
263/VII	1800/=	2400/=	600/=	25%
350/VII	1300/=	1400/=	100/=	7%
187/VII	1925/=	2750/=	825/=	30%
417/VII	500/=	600/=	100/=	17%
8 Plots Category B	13320/=	18200/=	4800/=	27%
19 Plots Categories A + B	30400/=	44900/=	14500/=	32%

Table 5.3.60

Assessed plots completely ineffectively controlled i.e. index of subsidy from landlord to tenant is 0%

Plot number	Actual Rent paid for plot per month	Market Rent for plot per month	3-2	$\frac{3-2}{3}$
1	2	3	4	5
197/I	1000/=	1000/=	0/=	0%
191/I	1750/=	1750/=	0/=	0%
203/I	5000/=	5000/=	0/=	0%
521/I	1500/=	1500/=	0/=	0%
513/I	4200/=	4200/=	0/=	0%
23/II	750/=	750/=	0/=	0%
57/II	1800/=	1800/=	0/=	0%
254/II	1650/=	1650/=	0/=	0%
1129/III	3050/=	3050/=	0/=	0%
149/III	1960/=	1960/=	0/=	0%
85/III	3000/=	3000/=	0/=	0%
185/VII	3500/=	3500/=	0/=	0%
12 Plots Category C	29160/=	29160/=	0/=	0%
31 Plots Categories A + B + C	59560/=	74060/=	14500/=	20%

Table 5.3.6D

Element of subsidy from landlord to tenant in unassessed plots

Plot number	Actual Rent paid for plot per month	Market Rent for plot per month	3 -2	$\frac{3-2}{3}$
1	2	3	4	5
255/I	1200/=	1440/=	240/=	7%
313/I	1130/=	1200/=	70/=	6%
193/I	2400/=	2500/=	100/=	4%
671/I	1800/=	2160/=	360/=	11%
244/II	1420/=	1900/=	500/=	26%
119/II	2260/=	2500/=	240/=	10%
213/II	1600/=	2500/=	900/=	36%
180/II	1750/=	2400/=	650/=	27%
1138/III	690/=	750/=	60/=	8%
1193/III	1680/=	1920/=	240/=	13%
205/III	2400/=	2640/=	240/=	9%
407/VII	2350/=	2400/=	50/=	2%
242/VII	1880/=	1920/=	40/=	2%
239/VII	1500/=	2000/=	500/=	25%
240/VII	3220/=	3500/=	280/=	8%
15 Plots	27280/=	31750/=	4470/=	14%

Table 5.3.6D cont.

168/I	800/=	800/=	0/=	0%
135/I	2500/=	2500/=	0/=	0%
188/I	2500/=	2500/=	0/=	0%
510/I	4200/=	4200/=	0/=	0%
883/I	2000/=	2000/=	0/=	0%
59/I	1800/=	1800/=	0/=	0%
64/II	1960/=	1960/=	0/=	0%
226/II	2500/=	2500/=	0/=	0%
62/II	900/=	900/=	0/=	0%
1108/III	600/=	600/=	0/=	0%
1140/III	750/=	750/=	0/=	0%
1259/III	1950/=	1950/=	0/=	0%
1027/III	3250/=	3250/=	0/=	0%
152/III	750/=	750/=	0/=	0%
210/VII	1650/=	1650/=	0/=	0%
276/VII	3500/=	3500/=	0/=	0%
31 Plots	58890/=	63360/=	4470/=	7%

Table 5.4.2A

State of repair in assessed plots fully effectively controlled

Plot number	Number of rooms per appartment	State of repair	Who had it assessed
1	2	3	4
181/I	3	Good	Landlord
1222/III	3	Good	Landlord
261/VII	3	Good	Landlord
141/I	2	Good	Tenant
91/I	2	Good	Landlord
5/II	2	Fair	Landlord
61/III	2	Good	Tenant
665/I	1	Good	Landlord
28/II	1	Good	Tenant
1110/III	1	Good	Landlord
5/III	1	Poor	Tenant

Table 5.4.2B

State of repair in assessed plots partly effectively controlled

Plot number	Number of rooms per appartment	State of repair	Who had it assessed
1	2	3	4
350/VII	3	Fair	Tenant
263/VII	2 and 3	Fair	Landlord
951/III	2	Good	Tenant
417/VII	2	Good	-
206/I	1	Fair	-
285/II	1	Poor	Tenant
46/II	1	Poor	Landlord
187/VII	1	Fair	-

Table 5.4.2C

State of repair in assessed plots completely ineffectively controlled

Plot number	Number of rooms per appartment	State of repair	Who had it assessed
1	2	3	4
513/I	3	Good	-
23/II	3	Good	-
254/II	3	Good	-
1129/III	2	Good	Tenant
85/III	2	Good	-
197/I	1	Poor	-
191/I	1	Fair	-
203/I	1	Fair	Tenant
521/I	1	Poor	-
57/II	1	Fair	-
149/III	1	Poor	-
185/VII	1	Fair	-

Table 5.4.20

State of repair in unassessed plots

Plot number	Number of rooms per appartment	State of repair
1	2	3
510/I	3	Fair
313/I	2	Fair
168/I	3	Good
180/II	2	Fair
1259/III	3	Good
239/VII	5	Good
407/VII	2	Good
210/VII	2	Fair
59/I	1	Fair
671/I	1	Fair
883/I	1	Fair
193/I	1	Fair
188/I	1	Fair
135/I	1	Fair
255/I	1	Fair
62/II	1	Poor
226/II	1	Good
64/II	1	Good
213/II	1	Fair
119/II	1	Fair
244/II	1	Good
152/III	1	Fair
1027/III	1	Fair
205/III	1	Fair
1193/III	1	Fair
1138/III	1	Poor
1140/III	1	Poor
1108/III	1	Poor
240/VII	1	Fair
275/VII	1	Fair
242/VII	1	Poor

Table 5.6.4A

Housing on 'bed-space' in assessed plots fully effectively controlled

Plot Number	Number of rooms per appartment	Kitchen Yes/No	Facilities shared/ own	Total number of appartments in plot	Number of appartments covered in in sample	Number of appartments on bed-space basis
1	2	3	4	5	6	7
181/I	3	Yes	Own	1	1	0
1222/III	3	Yes	Own	4	3	0
261/VII	3	Yes	Own	6	4	0
141/I	2	Yes	Own	3	3	0
91/I	2	Yes	Own	4	2	0
5/II	2	Yes	Own	6	3	1
61/III	2	Yes	Own	4	3	0
665/I	1	No	Shared	8	3	1
28/II	1	No	Shared	11	3	3
1110/III	1	Yes	Shared	10	3	1
5/III	1	Yes	Shared	6	3	2
11 Plots				63	31	8

Table 5.6.4B

Housing or bed-space in assessed plots partly effectively controlled

Plot Number	Number of rooms per appartment	Kitchen Yes/No	Facilities shared/ Own	Total number of appartments in plot	Number of appartments covered in sample	Number of appartments on bed-space basis
1	2	3	4	5	6	7
350/VII	3	Yes	Own	2	2	1
263/VII	2&3	Yes	Own	4	4	1
951/III	2	Yes	Own	6	3	1
417/VII	2	Yes	Own	1	1	0
206/I	1	No	Shared	12	3	2
285/II	1	No	Shared	10	4	4
46/II	1	Yes	Shared	11	4	2
167/VII	1	Yes	Shared	11	4	2
8 plots				57	25	12

Table 5.6.4C

Housing on bed-space in assessed plots completely ineffectively controlled

Plot Number	Number of rooms per appartment	Kitchen Yes/No	Facilities shared/ own	Total Number of appartments in plot	Number of appartments covered in sample	Number of appartments on bed-space basis
1	2	3	4	5	6	7
513/I	3	Yes	Own	6	3	0
23/II	3	Yes	Own	1	1	0
254/II	3	Yes	Own	2	2	0
1129/III	2	Yes	Own	5	3	0
85/III	2	Yes	Own	5	4	1
197/I	1	No	Shared	4	4	3
191/I	1	No	Shared	7	3	1
203/I	1	No	Shared	18	5	3
521/I	1	No	Shared	10	4	3
57/II	1	Yes	shared	8	3	2
149/III	1	No	Shared	11	4	3
185/VII	1	Yes	Shared	14	6	1
12 Plots				91	42	17

Table 5.6.4D

Housing on bed - space in unassessed plots

Plot Number	Number of rooms per appartment	Kitchen Yes/No	Facilities shared/ Own	Total Number of appartments in plot	Number of appartments covered in sample	Number of appartments on bed-space basis
1	2	3	4	5	6	7
510/I	3	Yes	Own	6	4	0
168/I	3	Yes	Own	1	1	0
1259/III	3	Yes	Own	3	2	0
239/VII	5	Yes	Own	2	2	0
313/I	2	Yes	Shared	2	2	0
180/II	2	Yes	Own	5	3	3
407/VII	2	Yes	Own	8	4	0
210/VII	2	Yes	Own	3	2	1
59/I	1	Yes	Shared	7	3	1
671/I	1	No	Shared	9	3	2
883/I	1	Yes	Own	8	3	2
193/I	1	Yes	Shared	10	4	4
188/I	1	No	Shared	10	4	3
135/I	1	Yes	Shared	10	4	0
255/I	1	No	Shared	6	3	1
62/II	1	No	Shared	7	4	1
226/II	1	Yes	Shared	10	3	2
64/II	1	Yes	Shared	7	3	2
213/II	1	Yes	Shared	10	4	4
119/II	1	No	Shared	10	4	0
244/II	1	Yes	Shared	6	3	0
152/III	1	No	Shared	5	3	2
1027/III	1	No	Shared	13	6	5
205/III	1	No	Shared	11	4	2
1193/III	1	No	Shared	8	3	2
1138/III	1	Yes	None	5	3	2
1140/III	1	No	Shared	5	3	2
1108/III	1	Yes	Shared	3	3	3
240/VII	1	No	Shared	14	3	0
276/VII	1	No	Shared	14	4	1
242/VII	1	No	Shared	8	4	4
31 Plots				226	101	49

APPENDIX II

QUESTIONNAIRES

FINAL DRAFT QUESTIONNAIRE

TENANTS -- (4 years. or more)

1. For how long have you lived in this house? _____

2. Are you an owner occuper _____

   a tenant _____

3. Rent paid per month _____

4. When did you rent this house? _____

5. What was the rent at the time? _____

6. Indicate how the rents have increase since then?

   Rent_____ Rent_____ Rent_____ Rent_____

   Year_____ Year_____ Year_____ Year_____

7. Do you know the rent the previous tenant paid? Yes _____

   No _____

   If yes, how much? _____

8. Who pays for light? Myself _____

   Landlord _____

   If landlord, how much? _____

   Who pays for water? Myself _____

   Landlord _____

   If landlord, how much? _____

9. Has there been any change in this system of rent water, light payments? Yes _____

   No _____

   If yes, what changes took place and when _____

   _____

   _____

10 Who carries out repairs? Myself _____

Landlord ____

Both ____

11 Has any major repair been carried out since you rented

Yes ____

No ____

12 What repairs have you carried out so far and what repairs has the landlord carried out?

	Major/Minor	Type of repair	When?
Yourself			
Landlord			

13 Has any structural improvement been carried out? e.g. drainage

Yes ____

No ____

14 Would you say the landlord has relied more on you to carry out repairs in the last couple of years then in the previous two and so on?

Yes ____

No ____

15 Would you say less repair has been carried out in the last couple of years than in the previous two and so on?

Yes ____

No ____

16 When you rented this house, did you have to pay key money?

Yes ____

No ____

If yes, how much? ____

17 Did you have to pay a deposit? Yes ____

No ____

If yes, how much? ____

18 Is this house private ____

public ____

19 Is this house let furnished ____

unfurnished ____

20 Describe house (i) slum ____

(ii) good state of repair ____

(iii) poor state of repair ____

(iv) new ____

(a) detached ____

(b) flats, ground floor ____

(c) flats, multiple floor ____

(d) each room let separately ____

21 Comment on state of repair now, when first rented and in the intervening years ____ %

22 Have tenants been changing very often in this plot?

Yes ____

No ____

23 (a) How many rooms in this house? ____

(b) Do you have a kitchen? Yes ____

No ____

(c) Do you share facilities? Yes ____

e.g. toilet, bathroom No ____

(d) Did you share facilities when you first rented

Yes ____

No ____

23 (e) If yes to (c) and no to (d), when did you start sharing facilities? _____

24 (a) Do you live Alone _____

with friends/relatives _____

with family _____

24 (b) How many people live/lived in this house?

(i)	(ii)	(iii)
Adults _____	Adults _____	Adults _____
Children _____	Children _____	Children _____
Total _____	Total _____	Total _____
Year _____	Year _____	Year _____
Number of persons per room		
_____	_____	_____

(when first rented) (in the intervening years) (now) _____

_____

25 If rents have increased at any time, did you resist any of these rent increases? Yes _____

No _____

If yes, which ones did you resist? _____

_____

with what result? _____

If no, why not? _____

26 (a) Has this house been assessed? Yes _____

No _____

Don't know _____

(b) If yes, for how much? _____

(c) . When: _____

26 (d) by whom?_____

(e) If no or don't know, why have you not had it assessed?

_____

_____

27 (a) Do you know that there is a law in Kenya about rent control and rent assessment? Yes ✓ Y

No _____

(b) Do you know that this law has established a separate law court to deal with tenant/landlord problems? Yes _____

No _____

28 (a) If yes, do you know what it is called? Yes _____

_____ No _____

(b) If yes, do you know where this court is situated? Yes _____

No _____

_____ ?

29 If you want to have your house assessed, what would you do? _____

_____

30 Have you been issued with a rent book by the landlord?

(i) Yes _____

(ii) Get receipt _____

(iii) get none _____

31 If (i), when were you issued one?_____

32 If (ii) or (iii) have you requested him to provide you with one? Yes _____

No _____

33 Have you ever been evicted forcefully? Yes ____

No ____

If yes, when?_____

34 When you were evicted, did you approach the Rent Tribunal? Yes ____

No ____

If no, why not?

Reason_____

_____

If yes, with what result?_____

_____

35 Have you ever been given a notice to vacate any of the houses you have rented? Yes ____

No ____

If yes, in which house? This house ____

Previous house ____

When?_____

How many month's notice?_____

36 When you were given a notice, did you approach the Rent Tribunal? Yes ____

No ____

If no, why not?_____

What did you do?_____

If yes, with what result?_____

_____

37 Have you ever been subjected to any harassment by the landlord (e.g. threat of forceful eviction, breaking of door)

Yes ____

No ____

If yes, in which house? This house ____

Previous House ____

When?_____

Describe_____

38 When you were harassed, did you approach the Rent Tribunal?

Yes ____

No ____

If no, why not?_____

What did you do?_____

If yes, with what result?_____

_____

39 (a) Have you rented any other house in Nairobi before

Yes ____

No ____

(b) If yes, how many?_____

40 For how long have you lived in Nairobi as head of household?

_____

41 How long do you expect to remain in this house?_____

Reason?_____

42 (a) Do you plan to buy a house within the next year?

Yes ____

No ____

(b) If yes, would you rather (i) buy existing building ____

(ii) build new ____

Reason_____

42 (c) If yes, would you rather buy a house and

(i) live in it _____

(ii) let it _____

Reason _____

43 Do you think the Rent Tribunal is helpful to tenants? Yes _____

No _____

If yes, in what way? _____

_____

44 If no, what do you think should be done to make it more effective? _____

_____

45 Your own general attitude towards the question of rent control _____

_____

46 Name and location of landlord

_____

Now I wish to ask you some questions about yourself.

47 What is your age? _____

48 What is the highest educational status you have reached?

_____

49 What is your income? _____ per month.

If hesitant, More than 1000/= _____

400/= -- 1000/= _____

400/= _____

Other sources of income in the family _____

50 Who pays rent?_____

51 Do you get house allowance? Yes ____

No ____

52 If no, is there anyone in your family who gets house allowance? Yes ____

No ____

53 If yes to either 5 or 6 how is house allowance calculated?

(i) Fixed sum_____ If (i) how much?_____

(ii) Fraction of rent paid_____ (If (ii), what fraction? _____

COMMENT

Plot No. _____ Street _____

How he was sampled _____

_____

Does he know about Rent Restriction Dept.?

Definitely Yes ____

Definitely No ____

Can't say ____

Their general comment_____

_____

FINAL DRAFT QUESTIONNAIRE

TENANTS: (6 months - 4 years)

1 For how long have you lived in this house: _____

2. Are you an owner-occuper ____

a tenant ____

3 Rent paid per month _____

4 When did you rent this house? _____

5 What was the rent at that time _____

6 Indicate how the rents have increased since then?

Rent _____ Rent _____ Rent _____

Year _____ Year _____ Year _____

7 Do you know the rent the previous tenant paid? Yes ____

No ____

If yes, how much? _____

8 Who pays for light? _____

Myself ____

Landlord ____

If landlord, how much? _____

Who pays for water? Myself ____

Landlord ____

If landlord, how much? _____

10 Who carries out repairs Myself ____

Landlord ____

Both ____

10 Has any major repair been carried out since you rented?

Yes ____

No ____

11 What repairs have you carried out so far and what repairs has the landlord carried out?

	Major/Minor	Type of repairs	When
Yourself			
Landlord			

13 Has any structural improvement been carried out?

e.g. drainage

Yes ____

No ____

16 When you rented this house, did you have to pay key money?

Yes ____

No ____

If yes, how much? ____

17 Did you have to pay a deposit?

Yes ____

No ____

18 Is this house

private ____

public ____

19 Is this house let

furnished ____

unfurnished ____

20 Describe house

(i) slum ____

(ii) good state of repair ____

(iii) poor state of repair ____

(iv) new ____

(a) detached ____

(b) flats ground floor ____

(c) flats, multiple storey ____

(d) each room let separately ____

23 (a) How many rooms in this house? ____

(b) Do you have a kitchen? Yes ____

No ____

(c) Do you share facilities? Yes ____

No ____

24 (a) Do you live Alone ____

with friends/relatives ____

with family ____

24 (b) How many people live/lived in this house?

(i)	(ii)	(III)
Adults ____	Adults ____	Adults ____
Children ____	Children ____	Children ____
Total ____	Total ____	Total ____
Year ____	Year ____	Year ____

Number of persons per room

____	____	____
(when first rented)	(in the intervening years)	(now) ____

25 If rents have increased at any time, did you resist any of these rent increases? Yes ____

No ____

If yes, which ones did you resist? ____

____

With what result? ____

If no, why not? ____

26 (a) Has this house been assessed? Yes ____

No ____

Don't know ____

(b) If yes, for how much? _____

(c) When? _____

(d) by whom? _____

(e) If no or don't know, why have you not had it assessed?

_____

_____

27 (a) Do you know that there is a law in Kenya about rent control and . rent assessment? Yes ____

No ____

(b) Do you know that this law has established a separate law court to deal with tenant/landlord problems.

Yes ____

_____ No ____

28 (a) If yes, do you know what it is called? Yes ____

No ____

(b) If yes, do you know where this court is situated: Yes ____

No ____

_____

29 If you want to have your house assessed, what would you do ? _____

_____

30 Have you been issued with a rent book by the landlord?

(i) Yes ____

(ii) Get receipt ____

(iii) Get none ____

31 If (i), when were you issued one? ____

32 If (ii) or (III), have you requested him to provide you with one? Yes ____

No ____

33 Have you ever been evicted forcefully? Yes ____

No ____

34 When you were evicted, did you approach the Rent Tribunal? Yes ____

No ____

If no, why not?

Reason _____

_____

If yes, with what result? _____

_____

35 Have you ever been given a notice to vacate any of the houses you have rented? Yes ____

No ____

If yes, in which house? This house ____

Previous house ____

When? _____

How many months's notice? _____

36 When you were given a notice, did you approach the Rent Tribunal? Yes ____

No ____

If no, why not? _____

What did you do?_____

If yes, with what result?_____

_____

37 Have you ever been subjected to any harassment by the landlord (e.g. threat of forceful eviction, breaking of door)

Yes ____

No ____

If yes, in which house? This house ____

Previous House ____

When? _____

Describe_____

38 When you were harassed, did you approach the Rent Tribunal?

Yes ____

No ____

If no, why not?_____

What did you do? _____

If yes, with what result?_____

39 (a) Have you rented any other house in Nairobi before Yes ____ No ____

(b) If yes, how many? _____

40 For how long have you lived in Nairobi as head of household?_____

41 How long do you expect to remain in this house?_____

Reason?_____

42 (a) Do you plan to buy a house within the next year?

Yes ____

No ____

(b) If yes, would you rather (i) buy existing building _____

(ii) build new _____

Reason _____

(c) If yes, would you rather buy a house and

(i) live in it _____

(ii) let it _____

Reason _____

43 Do you think the Rent Tribunal is helpful to tenants?

Yes _____

No _____

If yes, in what way? _____

_____

44 If no, what do you think should be done to make it more effective? _____

_____

45 Your own general attitude towards the question of rent control _____

_____

46 Name and location of landlord

_____

Now I wish to ask you some questions about yourself

47 What is your age? _____

48 What is the highest educational status you have reached?

_____

49 What is your income? _____ per month

If hesitant, More than 1000/= _____

400/= - 1000/= _____

400/= _____

Other sources of income in the family _____

50 Who pays rent? _____

51 Do you get house allowance? Yes ____

No ____

52 If no, is there anyone in your family who gets house allowance? Yes ____

No ____

53 If yes to either 51 or 52 how is house allowance calculated?

(i) Fixed sum _____ If (i) how much? _____

(ii) Fraction of rent paid ____ If (ii) what fraction? ____

COMMENT

Plot No. _____ Street _____

How he was sampled _____

_____

Does he know about Rent Restriction Dept? Definitely Yes ____

Definitely No ____

Can't say ____

General comment _____

_____

FINAL DRAFT QUESTIONNAIRE

ECONOMICS OF RENT CONTROL

TENANTS (LESS THAN 6 MONTHS)

1 For how long have you lived in this house? _____

2 Are you an owner - occuper ____

tenant ____

3 Rent paid per month

Exclusive of light, water ____

Inclusive of light, water ____

5 What was the rent when you first rented? _____ _____

7 Do you know the rent the previous tenant paid? Yes ____

No ____

If yes, how much? ____

18 Is this house private ____

public ____

23 (a) How many rooms in this house? _____

(b) Do you have a kitchen? _____ Yes ____

No ____

(c) Do you share facilities Yes ____

e.g. toilet, bathroom No ____

24 (a) Do you live alone ____

with friends/relatives ____

with family ____

26 (a) Has this house been assessed? Yes ____

No ____

Don't know ____

(b) If yes, for how much? _____

(c) When? _____

(d) by whom? _____

(e) If no or don't know, why have you not had it assessed?

_____

_____

27 (a) Do you know that there is a law in Kenya about rent control and rent assessment? Yes ____

No ____

(b) Do you know that this law has established a separate law court to deal with tenant/landlord problems? Yes ____

No ____

28 (a) If yes, do you know what it is called? Yes ____

No ____

_____

(b) If yes, do you know where this court is situated?

Yes ____

No ____

29 If you want to have your house assessed, what would you do?

_____

_____

Now I wish to ask you some questions about yourself

47 What is your age? _____

48 What is the highest educational status you have reached?

_____

49 What is your income? _____ per month

If hesitant, More than 1000/= _____

400/= - 1000/= _____

400/= _____

Other sources of income in the family _____

50 Who pays rent? _____

51 Do you get house allowance? Yes _____

No _____

52 If no, is there anyone in your family who gets house allowance? Yes _____

No _____

53 If yes to either 51 or 52 how is house allowance calculated?

(i) Fixed sum _____ If (i), how much? _____

(ii) Fraction of rent paid _____ If (ii), what fraction? _____

COMMENT

Plot No. _____ Street _____

How he was sampled _____

_____

Does he know about Rent Trestriction Dept?

Definitely Yes _____

Definitely No _____

Can't say _____

General comment _____

_____

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