Infrastructures of Property and Debt:
making affordable housing, race and place in Johannesburg

A DISSERTATION
SUBMITTED TO THE FACULTY OF THE
UNIVERSITY OF MINNESOTA
BY

Siân Butcher

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

Advisors: Helga Leitner and Eric Sheppard
Department: Geography, Environment and Society

July 2016

## Acknowledgements

This dissertation is not only *about* debt, but has been made possible through many debts, but also gifts of various kinds.

I want to start by thanking the following for their material support of my graduate study at the University of Minnesota (UMN), my dissertation research and my writing time. Institutionally, my homes have been the department of Geography, Environment and Society (GES) and the Interdisciplinary Center for the Study of Global Change (ICGC). ICGC supported me for two years in partnership with the Center for Humanities Research (CHR) at the University of the Western Cape (UWC) through the generous ICGC-Mellon Scholar fellowship. Pre-dissertation fieldwork between 2010-2011 was supported by GES, ICGC, the York-Wits Global Suburbanisms project, and the Social Science Research Council's Dissertation Proposal Development Fellowship (SSRC DPDF). Dissertation fieldwork in Johannesburg was made possible by UMN's Global Spotlight Doctoral Dissertation International Research Grant (2012-2013) and the immeasurable support of friends and family. My two years of writing was enabled by a semester's residency at the CHR at UWC in Cape Town; a Doctoral Dissertation Fellowship from the University of Minnesota (2014-5), and a home provided by my partner Trey Smith and then my mother, Sue Butcher.

I want to thank a number of collectives and colleagues for their role in shaping my ideas and questions, and also for sharing many homes away from home. Those three years in situ at UMN were smoothed by the administrative prowess of Bonnie Williams, Jodi Larson, Glen Powell, Sara Braun and Laura Noppe. My fellow Geography graduate students from all over the country and world pushed me in new directions of thought and action. I was fortunate too to interlope in the African History department. I've so appreciated shared seminars, conversations and dance floors with Adam Blackler, Alicia Lazzarini, Asli Ikizoglu, Basil Mahayni, Ben McDaniel, Bill Lindeke, Catherine Chang, Cecilia Aldarando, Chris Strunk, Clement Masakure, Dave Morton, Dinesh Paudel, Dudley Bonsal, Elizabeth Williams, Elliot James, Gabriale Payne, Hillary Waters, Ilona Moore, Jake Barney, Jerry Shannon, Jessi Lehman, Jesus Estrada-Perez, Joe Getzoff, Joya John, Julia Corwin, Kai Bosworth, Katie McKeown, Kevin Dyke, Lalit Batra, Laura Cesafsky, Laura Matson, Meryl Lodge, Nathan Clough, Omar Tesdell, Paul Vig, Phuthego Molosiwa, Renata Blumberg, Sami Eria, Sara Nelson, Sinan Erensu, Sri Ananth, Srivanthi Kollu, Terence Mashingaidze, Ursula Lang, Valerie Were and Virgil Slade. In between, I was fortunate to be part of formative seminars and other learning spaces at the U with faculty Abby Neely, Abdi Samatar, Allen Isaacman, Arun Saldanha, Brenda Kayzar, Bruce Braun, Eric Sheppard, Helga Leitner, Helena Pohlandt-McCormick, John Archer, Kathy Klink, Lorena Muñoz, Ron Aminzade, Roger Miller, Simona Sawhney, Teresa Gowan, Tracy Deutsch, Valentine Cadieux, Vinay Gidwani. Karen Brown's proposal development seminar, and the feedback from my ICGC peers there, was critical to my PhD's development. The ICGC's Brown Bag seminar and its lounge with endless coffee and company, made even the longest winter bearable, as did Friday happy hours at the Nomad. Old friends on the East Coast did too: thank you for those annual breathers together, Joanne and Mike Mendoza, Lindsey and David Lagan. In the final months, the UMN Writing Centre's online writing consultants, especially Rose, helped me see the wood for the trees.

The SSRC's DPDF workshops on either side of the summer of 2011 were absolutely formative to my work. Convened by Helga Leitner and Ananya Roy, on the California coast and then the streets of Philly, I had my research proposal turned inside out in the most constructive way by a passionate and interdisciplinary set of peers and faculty. Asli Ikizoglu was my rock throughout.

Also formative were two intensive 'Winter Schools' organized back in South Africa by the ICGC, the CHR and the University of Fort Hare's Chair in Social Change. I had the opportunity to share my work in progress there; I am thankful for the productive pushes from Ciraj Rassool, Gary Minkley, Giorgio Miescher, Helena Pohlandt-McCormick, John Mowitt, Leslie Witz, Lorena Rizzo, Noëleen Murray, Patricia Hayes, Premesh Lalu, Ruchi Chaturvedi, Suren Pillay. And for the walks on the beach with Lameez Lalken, Phindi Mnyaka and other friends I would get to meet again during my writing residency at UWC in 2014. A residency where I was welcomed by Premesh Lalu and the CHR, and by the Geography Department under Dan Tevera, and by Noëleen Murray and Shirley Brooks.

Soon after arriving in Johannesburg for my fieldwork, I was part of the generative SA City Studies workshop at the University of the Witwatersrand (Wits) – I am grateful for the close engagement with my work there by Edgar Pieterse, and input from Alan Mabin, Chloé Buire, Elaine Salo, Gordon Pirie, Laura Wenz, Laura Drivdal, Melanie Samson, Ngaka Mosiane, Sylvia Croese, and Suzall Timm.

During my fieldwork, I was affiliated to the School of Architecture and Planning at Wits thanks to Marie Huchzermeyer and Alan Mabin, where I had the opportunity to interact with scholars with long rich histories of work on Johannesburg and the region. I was fortunate to overlap with three related research projects there, whose PIs generously included me or shared research in process: I participated in Alan Mabin's African chapter of York's Global Suburbanism's project, which organized reading groups and workshops for colleagues to share their work on new suburbs throughout the region; an architectural studio on Rosettenville in the 'Old South', through which Aly Karam and Jen Busch introduced me to a range of actors in the South; and met with Phil Harrison about his and Tanya Zack's research on Johannesburg South which also introduced me to local actors and dynamics. I then had the opportunity to write through some early material with a committed Wits writing group organized by Claire Benit-Gbaffou and Sarah Charlton from the second half of 2013. At Wits, I was also lucky to meet Alex Wafer, Alison Todes, Christine Bischoff, Francis Kintu, Graeme Gotz, Guy Trangoŝ, Kerry Bobbins, Li Pernegger, Matthew Wilhelm-Solomon, Margot Rubin, Max Bolt, Mucha Musemwa, Obvious Katsaura, Peter Kankonde, Potsiso Phasha, Robin Bloch, Sharad Chari, Thammy Jezile and Zoe Groves. And in other institutions around Gauteng and South Africa, thanks to Federica Duca, Melanie Samson, Patience Mususa and Vito Laterza, Richard Ballard, Sonja Narunsky-Laden, Sue Parnell, Tariq and Tahira Toffa for sharing their work and ideas. While affiliated to Wits, Nikhil Anand and Ananya Roy also visited and participated generously in writing workshops with young researchers: I am grateful for formative conversations through those. At the end of 2015, I was fortunate to have a supportive writing space offered by the GCRO.

Of course, without all the people in Johannesburg's property and debt infrastructure who shared their time, insights and experiences with me during our interviews or at events, this dissertation wouldn't be here. Thanks to all who participated, especially those anonymous folks living in Johannesburg South who shared their homes with me, and the others I talked to and interviewed who are not cited in this dissertation. All of you shaped a picture of a place and process for me. The interpretation, of course, is my own. To all the archivists, I am thankful for their assistance at Wits Historical Papers; City of Joburg Library's Harold Strange media clippings and their basement full of "dead" and living company reports; the photo archive at Museum Africa in Newtown (I am grateful for Laura Burroco telling me about them). Particularly, thanks to the welcoming archivists at Standard Bank Heritage Center in downtown Joburg who let me camp out for weeks, and the most helpful South African History Archive (SAHA) on Constitution Hill.

For guidance in shaping my own unwieldy archive, I am thankful for my eclectic and brilliant committee at the University of Minnesota (and in the end, UCLA too). Arun Saldanha was key in keeping race on my mind as I shaped this project. In the Geography department, he introduced us to the Foucault we needed to balance out the Marx, and always pushed for more creative approaches to geographic fieldwork and writing. Teresa Gowan, I'm so glad I found you in Sociology during your summer 'boot camp' on discourse analysis. Thank you for your energy and insight as my project has twisted and turned. Your constant challenge to work between theory and field stays with me. Helena Pohlandt-McCormick: thank you , most immediately, for your deep reading of the thesis for my defense. It has been an honor over the years to think again the question of the postapartheid with you and your African history students in your seminar rooms, in workshops on either side of the Atlantic that you generously invited me to participate in, and at your table. A table and home that you and Michael shared with all of us Southern Africanists so far from home.

To my advisors Helga Leitner and Eric Sheppard: from your initial geographical political economy seminar to the afterlife of the defense, I've had the privilege of having you grow, guide, push and support me. Building the thesis was a major part of that; a construction project stretched between UCLA and Johannesburg. Thank you for going 'long-distance' with me! The skype dates, the email and track changes epistles, the lovely visit to your new home in LA. This document, I hope, speaks to the soft and hard questions you posed. Your support has been imperative too in both a wider and more personal sense. Your ecumenical and passionate praxis makes academia look like a possible and ethical proposition. More personally, your care has given me a safety net from which to try. Thank you for mentoring me in what it means to be a Geographer and an academic citizen.

Another mentor inspired me to tread out on this journey in the first place: my Master's advisor at the University of Cape Town, Sophie Oldfield. Without her scholarship and activism, her mentoring, and her investment in reading early prospectuses, writing letters, couriering toothpaste (!) from my mom in Cape Town, and commiserating over long Minnesota winters, I wouldn't be writing this today. Thank you Soph for introducing me to Geography and the politics of housing, for prompting and routing for me all along, and for being there at the beginning and at the grisly end too.

In between, I wouldn't have made it without the sustenance and care of friends. In Joburg, Katie McKeown and Marcel du Toit; Robyn Leslie and Jono Gill; Jennie and Mpho ha wa Tsekwa; Janice Bleazard and Jerry Amour Itadi; Jill Hooper; Chloé Buire; Zoe Groves; Davina and Asa Jogi; Paul and Refiloe Vuntarde; Federica Duca; Katia Gottin; Guy Trangoŝ and Thomas Coggins all in turn housed, fed, or transported me; advised or welcomely distracted me; and always shared their homes, their tables and their city. In Cape Town, I am thankful for the warm hearths of Dominique Garde and Leslie Jogi. In between, Viki Elliot-Tayler in the UK was my halfway house in literal and metaphorical ways.

Those final months (years?!) of writing up were made bearable by the solidarity and support particularly from friends Alicia Lazzarini – who didn't let the miles or her own dissertation get in the way of daily check-ins, whatsapp voicemails and abundant care packages; Shari Daya and Stephan Jameson; Sophie Oldfield and David Maralack; Laura Wenz; Sylvia Croese; Noëleen Murray; Katie McKeown; Viki Elliot-Tayler and my godson James; Emily Fischer; Asa Jogi; and my cousin Bridget Lawrence.

That brings me to family. I'm lucky to have two. My partner's family, the Smiths of Spartanburg, South Carolina, were my holidays, my down-times and my high-times in between graduate semesters. After housing my belongings for two years while I was in Johannesburg, they shared their town and family with me during a year of writing. I can't tell you how much I needed those Sunday binge sessions watching How to Get Away with Murder. More seriously, thank you for supporting me and Trey's choices, and our comings and goings all these years.

And then there's my family. A reconstructed, stretched thing, we've lost some along the way, and been pulled between Zimbabwe, South Africa, the Netherlands and the US. But we abide, as has your unflagging support during these long uncertain years. I want to thank my grandparents Denzil and Janet for manifesting that support in many ways. Joshua – you've kept the homefires burning while the migrant siblings flit in and out; thank you. Clare – you've been part of this PhD journey since its pre-history waiting for student visas on Amsterdam couch-beds, to the final panicked game planning. Thank you for showing me what courage looks like, and exposing me to beautiful things, and coming to visit us that first stinking hot Minneapolis summer.

Mom: I couldn't have finished this without you, and the refuge you offered me those last three months of writing. Nor could I have gotten to my defense without the half acre you sold. The privilege of property strikes again. Of course, I couldn't have started the PhD without you either, and your support for travelling down this road that none of us had set out on before. The Johannesburg map book you gave me is a case in point: it's well-worn and precious. Thank you not only for teaching me to read maps, but to look for the 'grey', the ambiguous and the complex, and to listen. I'm still working on that.

And finally, Trey: – you haven't read a word of this, and yet you've been behind every one, materially, emotionally, if not physically as I've trundled back and forth between the US and SA all these years. Thank you for coming with me to the frozen tundra and all that has happened since. Thank you for waiting, and for your care and your love, and those hard reality checks you didn't shy away from when I needed them. Finally, *fin*.

## Table of Contents

## List of figures

## List of abbreviations

| | |
|---|---|
| AFHCO | Africa Housing Company |
| Al+hdc | Affordable Land and Housing Data Center |
| ANC | African National Congress |
| BASA | Banking Association of South Africa |
| BEE | Black Economic Empowerment (became BBBEE – Broad-Based Black Economic Empowerment) |
| BLA | Black Local Authorities |
| BNG | *Breaking New Ground* housing strategy |
| CAHF | Centre for Affordable Housing Finance in Africa |
| CDO | collateralized debt obligation |
| CFS | Cosmopolitan Financial Services |
| CoJ | City of Johannesburg (the local authority or municipality) |
| CR | Community Reinvestment (legislation) |
| CWMC | Central Witwatersrand Metropolitan Chamber |
| DFA | Development Facilitation Act |
| DfID | Department for International Development (UK) |
| DHS | Department of Human Settlements (formerly, DoH) |
| DoH | Department of Housing |
| FLISP | Finance-linked Individual Subsidy Program |
| FNB | First National Bank |
| FSC | Financial Sector Charter |
| GCR | Gauteng City Region |
| GEPF | Government Employees Pension Fund |
| GFC | global financial crisis |
| HAD | Housing Development Agency |
| HFRP | Housing Finance Research Program (USAID-funded) |
| HIFSA | Housing Impact Fund South Africa (Old Mutual) |
| HLGC | Home Loan Guarantee Company |
| HLMD | Home Loan Mortgage Disclosure Act or Office |
| HIS | International Housing Solutions |
| IRR | investor rate of return |

| | |
|---|---|
| ISA | instalment sales agreement |
| JSE | Johannesburg Stock Exchange |
| MD | Managing Director |
| MDI | Mortgage Default Insurance |
| MIS | Mortgage Insurance Scheme |
| NCA | National Credit Act |
| NCR | National Credit Regulator |
| NHFC | National Housing Finance Company |
| NHBRC | National Home Builders Registration Council |
| NINA | no income no asset (loan) |
| NURCHA | National Urban Reconstruction and Housing Agency |
| OMIGSA | Old Mutual Investment Group South Africa |
| OPIC | Overseas Private Investment Corporation (US) |
| PIC | Public Investment Corporation |
| RDP | Reconstruction and Development Program |
| REIT | Real Estate Investment Trust |
| RMBS | residential mortgage backed securities |
| ROE | return on equity |
| SAARDA | South African Affordable Residential Developers Association |
| SAHA | South African History Archive |
| SAHL | SA Home Loans |
| SAHRC | South African Human Rights Commission |
| SAIRR | South African Institute of Race Relations |
| SAMWU | South African Municipal Workers Union |
| SBSA | Standard Bank South Africa |
| STA | sociotechnical *agencement* |
| ZAR | Zuid-Afrikaansche Republiek (*trans.* South African Republic, one of the 19$^{th}$ century Boer Republics) |
| ZAR | South African Rands |

## INTRODUCTION

I left South Africa to start graduate school in September 2009, hot on the heels of the subprime crash in US and European housing markets, and the bank bailout in the US. There, we were barraged by analyses of the crisis in every form, from the popular to the radical. Central to many of these analyses was the role of housing in the global financial crisis. Scholars and activists interrogated the new ways housing finance was circulating in capital markets, particularly through securitization. They offered detailed explorations of how racialized predatory and subprime lending enabled the amassing of mortgages for securitization. The state's role in sanctioning and lubricating these processes was revealed. Geographical political economy coming out of my discipline Geography was at the forefront of this critical scholarship, calling for the rescue of housing economics from orthodox economics in the wake of the subprime crash.

Back home in South Africa, the speculative golden days of residential real estate had also peaked in 2009 after seven fat years of a massive increase in household credit supply. Household debt levels rose with interest rates. The housing price bubble burst, the "mortgage lending frenzy" ended (O'Neill 2012) just before the global financial crisis, followed by the fastest decline in housing prices in 25 years (Anderson 2011).

But it was in amongst this wreckage that one small bright star caught my attention: the so-called 'affordable housing market'. Its definition unstable, 'affordable housing' was often defined by the value of the property concerned (during my fieldwork, it was categorized, flexibly, as housing priced at below R500,000-600,000).[1] Or it was defined by the income of the households who could purchase such properties, roughly the 5-7% of South Africa's households earning R10,000 to R16,000 a month, or in some broader categorizations, the 30% earning between R3,500 and R16,000.[2] The 'affordable market' was also defined by what it was *not:* the 'traditional' housing market on the one hand, where mortgage finance and private housing supply for the affluent was readily available, and the government-subsidized low-income housing market on the other – where the postapartheid state has a constitutional mandate to

---

[1] USD$73,000 or less in 2011; less than $60,000 at 2013's exchange rate.

[2] The formula used by housing finance experts for figuring out affordability, "assuming they have no other debt", is when a 20 year mortgage approximates 25% or 30% of a household's monthly income, at the current interest rate. For example, in 2012, a household earning R15,000/month at an interest rate of 11% could afford a R500,000 house (Interview with Rust, 2012).

realize the housing rights of the 60% of South Africans who can't afford decent housing in the private market. Spatially, 'affordable' property was that which a local property investor described as "exist[ing] below the main road and the railway line", and in "new and emerging suburbs outside the established areas" (Lee 2005, 57). Here was a concept cutting across South Africa's historic divides of 'suburb' and 'township', 'white property' and 'black housing'.[3]

Pent-up demand in the 'affordable market' was estimated to be anywhere between 600,000 and 1 million housing units, yet apparently only 20-25,000 units were being built per year countrywide. The projected demand in the Gauteng city-region alone (the hub of Johannesburg and Pretoria) was sitting at 400,000units. And so, contrary to the deflating 'traditional' housing market, 'affordable' housing prices continued to rise, selling quickly predominantly to younger black South Africans. This was the subject of the 'affordable market': the first time, 'aspirant middle class' black buyer. At a time when there seemed little else to celebrate, I heard the 'affordable market' being celebrated for enabling new trends in 'black buying' and "deracializing the property market" (Sexwale 2013). In 2011, the property media announced that thanks to the 'affordable market', first-time black buyer mortgage approval rates had overtaken first-time white buyer mortgage approval rates for the first time (Mhlanga 2011a). Since 2011, mortgaged sales of 'affordable' property, priced between R300,000 and R600,000, increased faster than other segments of the housing market (Mahlaka 2015b). These dynamics were changing the 'face' of 'affordable' and middle-class neighborhoods or suburbs as they are called in South African cities (*iafrica.com* 2013).

New actors were assembling around what by 2013 was being called South Africa's "SA's best-kept investment secret" (Steyn 2013a), and I wanted to know more. An increased supply of new 'affordable' housing was particularly visible in Gauteng, where developers hoped to reap healthy returns from the high demand 'affordable market' (Hedley 2013). Banks slowly increased their 'affordable' mortgage exposure through these new developments and new 'affordable housing' divisions; celebrated, as one banker put it, as "the future of home loans" (Interview with Nkosi,

---

[3] To clarify: 'suburbs' in South Africa refer generally to neighbourhoods of any type, not necessarily low-density areas on the edge of the city, autonomously governed as in the US. In more popular discourse, 'suburbs' in South Africa connote those residential neighbourhoods defined by formal housing and services – historically white residential space. The suburb's discursive and material opposite is that of the 'township' – underserviced space on the edge of the city reserved for black labour and its containment under segregation and apartheid. After city unification in the late 1990s, neither suburbs nor townships refer to fiscally or politically autonomous municipalities – all of these are now under the jurisdiction of the uni-city and a single tax base, and all are categorized as 'suburbs'.

2013) and a credit to financial inclusion (Ndzamela 2013, 19). Transnational private equity groups channeled new flows of finance into (and out of) Johannesburg's 'affordable' housing, producing substantial new built environments to do so. The state showed its support through new subsidies and land provisioning. At the same, activists accused the state of "developer-led" housing programs and an absence of a real affordable housing policy (Majavu 2012; Sosibo 2011). As a student at a local university asked poignantly after my lunchtime presentation: "What is affordable about this affordable market, and to who? Who decides?" (UWC Geography seminar, February 2014).

Internationally, the 'affordable market's' appearance in South Africa seemed out of sync with property crises in the global north but securely on the right urban policy track. In 2014, global risk consultants McKinsey released a report called "A blueprint for addressing the global affordable housing challenge" (Woetzel et al. 2014); and *The Economist* declared that 'affordable' housing would be the next "'capitalist achievement'" (2015). In a similarly developmental vein, the leading private equity investors in South Africa's 'affordable housing market' declared the 'affordable' "the kind of infrastructure you need to have a successful society" (International Housing Solutions, 2011).

## Purpose of the research and organizing concepts

Infrastructures like these cannot be taken for granted – they attract many agents, produce politics, and offer productive sites for understanding the city in materially- and politically-attuned ways (Graham and Marvin 2001). My dissertation works to "think geographically" (Sheppard 2015) but also genealogically about the emergence of this 'affordable' infrastructure in the era of the subprime crisis. "Thinking geographically" means paying attention to how this 'affordable' property and debt infrastructure is constituted not just through social relations but in socio-spatial relation to processes at other scales, in other places and sectors, with what uneven and recursive socio-spatial effects in Johannesburg's housing markets and urban landscape. Thinking genealogically requires situating the 'affordable's' emergence within a history of South Africa's changing financial and organizational arrangements around property finance, home ownership and debt burdens – arrangements saturated with racial inequality, racialized risk and racialized senses of place, produced as they were through racialized dispossession, segregation and racial capitalism, and the work to undo those.

But a few more words on the organizing concept ‘infrastructures of property and debt’ in the dissertation’s title. By this I mean those structured and constructed arrangements of actors, instruments and flows that unevenly channel money, land, houses, building materials, mortgages, credit scores, etc. in material and discursive ways. In invoking ‘property’, rather than ‘housing’, I hope to better get at the social relations of ownership, rather than focusing on the thing – the house - itself. Property also reminds us of the land element embedded, but masked, in ‘housing’ – most specifically in the form of ‘landed property’. Suturing ‘debt’ to property confronts us with the social relations of borrowing and owing that underpin property and housing in contexts where land and housing are commodified. The two are always working together, social relations of ownership and of borrowing.

As for ‘infrastructure’, I draw that organizing concept from ‘the field’. As described above, it was mobilized discursively by a key ‘affordable’ investor. But it is also a word I heard a lot about in the housing production process. Johannesburg’s developers, construction firms and city planners refer to the house as the ‘top structure’; what connects it to the ground beneath and makes it a serviced, livable place is ‘infrastructure’. This dialectic been ‘top structure’ and ‘infrastructure’ requires a lot of work by many actants to produce a material thing, a commodity and a home.

‘Infrastructure’ places different demands on us than ‘market’, or even ‘regime’, ‘assemblage’ or ‘apparatus’ – organizing concepts that are also interested in the uneven arrangements of a variety of actors and the work these arrangements produce. I name two such demands. Infrastructure confronts us with the grounded material, technical and discursive underneaths that are constitutive and constituted in relation to surface objects or institutions such as ‘house’ or ‘markets’. This confrontation is what informs the wider infrastructural turn in urban studies. That scholarship begins analysis of the social or the urban from the pipes, cables, roads, servers and sewers that define ‘modern’ urban life but also mediate it in uneven and unequal ways, and at the same moment constitute new sites of gathering and politics (Graham and Marvin 2001; Anand 2011; Harvey and Knox 2012; Wafer 2012). So although this dissertation does not start from pipes and cables, it tries to pay attention to the grounded and mediating materialities and technical instruments that are often less visible but always political.

Furthermore, the ‘structure’ in ‘infrastructure’ also allows us to hang onto the ‘structuring structures’ that I miss in a concept like assemblage, while still offering less organized and deterministic possibilities than ‘regime’ or ‘apparatus’. Infrastructure is constructed, structured and obdurate, but also open to rupture, deconstruction and available for reconstruction. In this way, I hope infrastructure can allow for holding together obduracy and rupture, structure and agency.

## Research questions

My dissertation asks

a) How do we situate the ‘affordable housing market’ within South Africa’s property and debt infrastructure more broadly?
b) Why has the ‘affordable housing market’ come to feature in South African urban discourse and practice when it has and in the form it has? In relation to what processes and conjunctural events at other scales or elsewhere?
c) How is this ‘affordable’ property and debt infrastructure constituted, through what arrangements of actors, capital flows, expertise, political grievances, instruments, policy and land? With what uneven relations between them?
d) How is the ‘affordable’ property and debt infrastructure re-working the production of space in the post-apartheid city, in what kinds of new and old ways? How is it re-working the relations of racial capitalism in new and old ways?
e) What might Johannesburg’s ‘affordable’ property and debt infrastructure teach us about the relationship between capital and state; race, risk and place in the era of the subprime?

## Conceptual frames

In thinking through the question of why the ‘affordable housing market’ has come to feature in South African political economy in the way it has, at the moment it has, I consider here the limited explanations offered by mainstream economics and by a developmentalist reading. I then introduce the broader theory that frames the rest of the dissertation: geographical political economy, postcolonial theory and marketization studies, with reference to ‘South African studies’. These frames shape the chapters that follow, in which some of their conceptual tools will be taken up in greater detail, and in relation to others.

An orthodox economics argument would read the 'affordable housing market' as an organic product of a now free housing market, its color-blind forces of supply and demand distributing housing and its finance with fewer 'market distortions' under South Africa's non-racial capitalism. But as economic geographer Peck argues, "[m]arkets … are just too important to leave to the economists" (Peck 2012a, 122). More often than not, economists' models don't so much describe the world around us as act to create it (Callon 1998). Furthermore, this supply-demand argument is evacuated of politics, history, spatiality and materiality.

More popular in a 'developing' context would be the developmentalist argument that the 'affordable housing market' represents the success of financial inclusion or tenure formalization in making 'markets work for the poor'. A case, perhaps, of the "dead capital" held by the majority of Southern residents being unlocked in the ways Peruvian economist Hernando de Soto (2000) hoped for (Gunter and Scheepers 2011).[4] In South Africa, housing is often read through a range of developmental lenses: from mainstream policy analyses to institutionalist analyses to socio-economic rights approaches and critical development studies. This housing-as-development makes sense given that "housing is a highly visible dimension of poverty" (Gilbert and Gugler 1982, 81). In South Africa the majority of the population, some 60%, live in poorly serviced, 'informal' or illegal housing, with earnings too low to access better housing in the private market, eligible instead for housing assistance from the postapartheid state. Different to many post-structural adjustment and post-welfare states, the postapartheid state has a constitutional mandate and various programs and policies through which to realize South Africans' rights to access decent housing, rights that are realized in uneven and sometimes dispossessing ways despite the production of almost four million 'free' houses since 1994 (Huchzermeyer 2003; Charlton and Kihato 2006; Lemanski 2011; Bradlow, Bolnick, and Shearing 2011). Subsequently, housing constitutes an active site of social movement mobilization, litigation and other claims-making practices by the urban poor, practices that have been richly documented (Oldfield 2000; Pithouse 2006; Oldfield and Stokke 2007).

But this archive of low-income housing policy, programs and politics doesn't have much to say about the 'affordable housing market'. As a more affluent minority apparently outside the state's mandate, they are seldom objects of developmental study. Rather, they are part of the 'private' property market: a site which remains black-boxed in postapartheid South African social

[4] For critical analyses of this, see Royston 2006; Lemanski 2011.

scientific housing studies, relegated to ‘technical’ experts sitting in USAID research labs. As such, the ‘housing problem’ and its politics can become divorced from an analysis of broader political economies of housing and land markets, and their multivalent spatialities and connections to elsewhere.

### *Heterodox approaches to markets*

Heterodox approaches to “actually existing markets” (Peck 2012a, 122) are helpful in opening up such ‘black boxes’ empirically. As economic geography has only recently started paying attention to “’missing markets’” (Peck 2012b, 166), these approaches are more developed in heterodox economics, economic anthropology, institutional sociology and the sociology of networks, and science-and-technology-inspired ‘performativity of economics’ or marketization studies (Berndt and Boeckler 2009). Heterodox approaches to markets share an interest in how markets, and their dynamics of supply and demand, get produced, legitimated, and acted on – or “performed” to use the language of marketization scholars (Çalışkan and Callon 2010) – through what kinds of practices and instruments, or “market devices”. But they differ in their objects of study—institutions as opposed to *agencements* or assemblages of human-non-human actants; their ontology of agency—structured or emergent; and whether they’re interested in markets’ relationship to the dynamics of capitalist accumulation. My dissertation draws on these catholically as other economic geographers have done, paying attention to the institutional and material in ways that I hope can enrich geographical political economy (Jacobs and Smith 2008; Hall 2011; Peck 2013a; 2013b; Muellerleile 2013; Christophers 2014a). Particularly, my work pushes for a greater engagement with race and racialized formations than is taken up in much of this marketization scholarship.

### *Old and new geographical political economy of housing*

With these heterodox tools, my dissertation works to opening up market ‘black boxes’ in combination with geographical political economy. Although housing has received uneven attention from geographical political economy, and structuralist approaches have become less fashionable in South African studies since the 1990s, I propose a (re)turn in this dissertation to two threads within geographical political economy – the recent work on mortgage markets and older work on the secondary circuit of capital.

The first generation of Marxian urban geographers and sociologists were particularly interested in the role of housing and homeownership in sustaining and growing Anglo-American capitalism and as a site of class struggle (Harvey 1985; Walker 1981; Agnew 1981). As a site of investment within the built environment – part of the secondary circuit of capital – housing production offered a spatio-temporal fix to crises of overaccumulation in other spheres (Harvey 1978; 2006). Overall, housing production and its finance was increasingly entangled with the stability of the structure of capitalism as a whole (Stone 1975). With the deregulations of the 1980s and new financial technologies, Anglo-American housing and mortgage markets became increasingly entangled with other places and other markets, namely the financial and capital markets with crisis-prone results (Ball 1994 and the rest of the special issue of *Environment and Planning A* 1994).

In the build-up to the 2007/8 subprime crash, we see geographical political economy scholars increasingly returning to housing, but more its finance than its production (Wyly 2002; Gotham 2006). After the crash, geographical political economy turned to these questions *en masse* (Aalbers 2009; Harvey 2010). This burgeoning scholarship demonstrated how through the sanctioning de/re-regulations of the neoliberal state, Northern housing and mortgage markets offered new possibilities for accumulation through financializing technologies and practices like credit-scoring, risk-based pricing and mortgage securitization. These financial instruments made domestic housing and mortgage markets increasingly 'liquid' and able to connect to 'international' capital markets in new, profitable and devastating ways (Sassen 2008; Gotham 2009; Ashton 2011; Aalbers 2012; Rolnik 2013). Vast securitized mortgage pools were fed through new "cartographies" of predatory lending, that in the US 'green lined' historically red-lined lower income neighborhoods, and particularly minority borrowers, on subprime terms (Wyly et al. 2009; Dymski, Hernandez, and Mohanty 2013). Subsequent waves of homeowner default that disproportionately devastated racial minority households and neighborhoods was the result (Wyly et al. 2012; Chakravartty and Da Silva 2012).

And while after the crash, subprime mortgage lending was largely replaced by old fashioned redlining (Aalbers 2012, 16) or rental securitization (Fields 2015), new frontiers of mortgage capital have been sought in the undercapitalized residential property markets of the global south (Sassen 2008). However, little geographical political economy scholarship has followed this trajectory of "subprime housing goes South" (Soederberg 2015) – some exceptions include

Soederberg (2015) and Monkkonen (2012) in Mexico; Fernandes and Novy (2010), Klink and Denaldi (2014) and Sanfelici and Halbert (2015) in Brazil.

My dissertation participates in this move 'south', despite the fact that Africa does not even garner a mention in Sassen's (2008) cartography of the expanding terrain of liquid mortgage capital. This is not to claim the universal reach and logic of the subprime, securitized mortgage. Indeed American and European geographical political economy, rooted in historical materialism, would not claim this either, having attended to the particularities of place and politics that shape the mortgage markets they analyze (Aalbers 2012, 17; Dymski 2009; Wyly 2002, 24). Nor is it to say that 'subprime' originates in the North and 'heads south' intact. Finally, this move 'south' is not just to say that "place matters"; as Bhan puts it, and that economies of 'affordable' housing look different in different places. There is an "epistemological project at stake in thinking from the south" (Roy and Bhan 2013) – a project I have been interpolated as a student of the 'southern turn' in urban geography. What then is at stake in thinking about the construction of mortgage and property markets from a place like South Africa where the majority have no access to waged worked, where constructions of risk are routed through deep grooves of racial dispossession, and where there is no state guarantee on mortgages or protection from bankruptcy in its oversized and transnational financial markets?

### *Provincializing universalisms: the 'southern turn' in the social sciences*

For feminist and postcolonial scholars who have been challenging economic and urban theory to "see from the South" (Watson 2009), the epistemological project takes multiple forms (Nagar et al. 2002; Leitner and Sheppard 2003; Robinson 2006; Pollard et al. 2009; Roy and Ong 2011; Sheppard, Leitner, and Maringanti 2013; Parnell and Oldfield 2014; Derickson 2014). I count three: decentering sites; theorizing 'from below', and provincializing universalisms.

The first might seem more straight-forward. Rather than focusing on Anglo-American places, it asks that all places be considered "ordinary", "all dynamic and diverse, if conflicted", all "constituted and reproduced" through their relations to elsewhere (Robinson 2006, 1, 101). This is less a demand for relativism than it is for an egalitarian pluralism. Yet even this "task of simply expanding the repertoire of the site at which and through which we think about the urban political economy and global political economy continues to be a mission" (Roy in Roy and Bhan 2013). My focus in this dissertation on South Africa's 'affordable housing market' proposes one such expanded site from which to think about the political economy of housing and mortgage markets beyond the Global North.

Connected to expanding repertoires of site are calls for theorizing "'from below'", starting with everyday subaltern life worlds (Pollard et al. 2009) rather than the "the capital-centric (Gibson-Graham 1996) logic of Urbanization 1" (Derickson 2014, 648). This plays off of Chakrabarty's (2000) conceptualization of "History 1" – "the indispensable and universal narrative of capital" through which political modernity is promised - and "History 2" – "thought about diverse ways of being human", of living in the world "within our different senses of ontic belonging" which "in practice always modify and interrupt the totalizing thrusts of History 1" (Chakrabarty 2000, 254; cf. Sheppard, Leitner, and Maringanti 2013). There is a particularly strong South African archive within this vein, building on the social history school of the 1970s and 1980s, and the 1990s' cultural turn's summons to "rediscover the ordinary" (Ndebele 1994). For example, scholarship that attends to "Capital 2" in the ethnographies of the "human economy" (Hart and Sharp 2014) and "popular economies" projects (Krige 2012; Hull and James 2012; James 2014), and "Urbanization 2" in the phenomenology of "rogue urbanism" (Pieterse 2011) and a "situated urban political ecology" (Lawhon, Ernstson, and Silver 2014).

The third 'southern' epistemological project would follow a less phenomenological, and more deconstructionist line. Rather than surfacing the everyday practices of subaltern subjects, this Spivak-influenced postcolonial approach focuses on provincializing knowledge production (Roy 2011), locating universals in their parochial origins and as co-constituted in the uneven relations between North and South, metropole and colony, rather than transposed from 'here' to 'there' (Robinson 2006, 19–21; Pollard et al. 2009, 140). Scholars have exposed these universals' makings through racialized, gendered and epistemological violence under coloniality in such instances as 'the economy' (Mitchell 2002); the 'formal' versus the 'informal' (Sanyal 2007; Roy 2009a); 'private property' (Blomley 2000; Mitchell 2007; Seth 2010); 'value' and 'waste' (Baucom 2005; Gidwani 2008). Postcolonial scholars have also worked at finding *new* concepts with which to speak and create "new geographies of theory" (Roy 2009b). In urban scholarship, these include concepts such as "ordinary cities" (Robinson 2006), the necropolis (Mbembe and Nuttall 2008, 21), "informality, worlding, extra-territoriality, grey spaces, to name a few" (Bhan in Roy and Bhan 2013).

Although this deconstructionist track has been less popular than theorizing from ‘below’ in postcolonial and poststructural South African urban studies, it is in this track that my dissertation positions itself and its engagement with the political economy of housing and mortgage markets from the decentered site of South Africa’s ‘affordable housing market’. I would argue that South Africa has long constituted a place from which to ask hard questions of universalizing theories of political economy and urban theory, given that it cannot be so easily written off the circuits of capitalist urbanization. Historically, I am referring to the ‘colonialism of a special type’ debates, the ‘articulation of the modes of production’ debates, the ‘race-class’ debates and the ‘apartheid city’ thesis that fomented in academic and political circles during the 1970s and 1980s (see Hall 1980; Pillay 2009; Hart 2014 for reviews of these). Contemporary South African scholarship also puts pressure on universal theories, to name some examples, such as globalization and financialization and its novelty (Carmody 2002; Fine 2010b; Freund 2010; Marais 2011; Bond 2013a; Ashman and Fine 2013; Padayachee 2013), Marxian and Foucauldian critiques of neoliberalism and their inattention to gendered nationalism or the developmental state (Hart 2008; Parnell and Robinson 2012), questioning the end of the developmental state (Schensul 2008) and dichotomies between ‘mega’ and ‘World Class cities’ (Robinson 2006; Rubin 2014).

This partial recounting is not to exceptionalize South Africa’s provincializing possibilities, or to uncritically designate South African knowledge production as ‘southern’ and ‘postcolonial’ while its institutions grapple with their deeply racialized colonial heritage, and powerful position vis-à-vis the rest of the continent. But this is the inheritance I inhabit, and the ground I have to think from, in articulation with geographical political economy; heterodox approaches to markets and postcolonial theory.

### Sites and sources; methodological and representational tools

After some preliminary visits, I was based in Johannesburg for full-time fieldwork from September 2012 to November 2013. Johannesburg and its city region of Gauteng (Figs. 1 and 2) was a productive node to think from. As the country’s financial heart, I could track down the banks, property actors, developers and think tanks in situ. Johannesburg has also been a key staging ground for racial capitalism’s experiments since its debut as the gold producing capital of the world. It is a city thick with layers of real estate speculation and experiments in both segregation and suburbanization (Chipkin 1993; Mabin 2005, 2014).

Currently, Johannesburg holds the country's largest stock of 'affordable' properties and half the nation's credit, with the greatest demand for these properties from a large 'emerging black middle class', and the largest stockpiles of land and density of construction companies to develop it, particularly on its southern and eastern edges (Fig. 3). 'Affordable' properties sit in iconic townships like Soweto, as well as desegregating former white suburbs 'in transition' and new developments on the city's edges and in-betweens that are the focus of this dissertation.

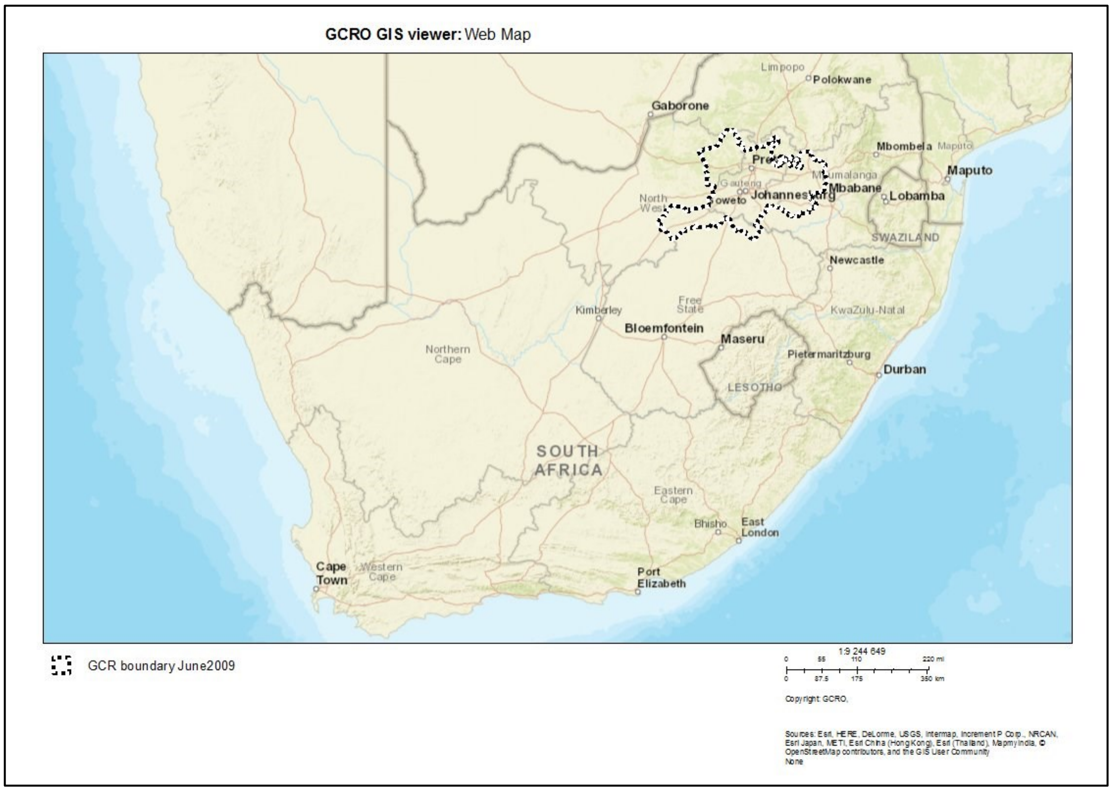


Figure 1: *Johannesburg within the Gauteng City Region boundary, South Africa (GCRO 2016)*


*Figure 2: Gauteng and surrounding municipalities, with insert (GCRO 2016)*
*Johannesburg municipality, or City of Joburg as it's called, sits in the middle in the pink hue, underneath the yellow of Pretoria/Tshwane*

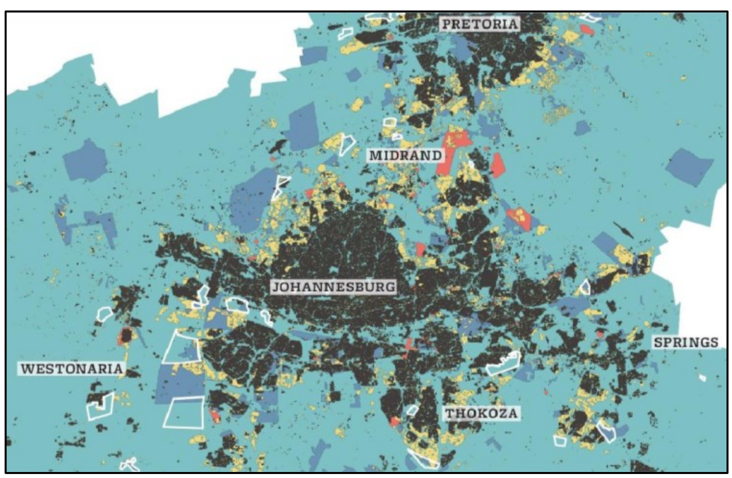


*Figure 3: Urban Spatial Change in Gauteng 1990-2013 (Bobbins and Ballard 2015)*
*Black areas denote all urban land uses as of 1990; yellow those added by 2013. Blue areas denote development applications for township establishment; red areas those approved for township establishment in 2015. White borders mark proposed government mega housing projects in 2015.*

In this Johannesburg node, where flows of money, land and people meet (all 12.3 million of them in the city region), I used what seems best captured by Yeung's notion of a situated "process-based methodological framework" (2003), shaped recursively by encounters and learnings in the 'field'. In building an ecology of actors to trace, I relied on what he calls "methodological opportunism" to create spaces of encounter. What follows is a description of one example of a formative space of encounter that grounds this process-based methodology in Johannesburg. I return to more of these spaces of encounter and methodological strategies in the appended methodological note at the end of the dissertation.

### *The neighborhood without a name in an apartheid buffer zone*

Just south of Johannesburg's 'super dumps' of mine waste and the World Cup soccer stadium sits a suburb with no name. My trusty map book, Johannesburg MapStudio™, offered no insight; nor did Google Earth. This suburb sat smack-dab in the middle of one of Johannesburg's most visible contours of segregation, the buffer zone between the historically white suburbs of Johannesburg South and the black townships of Soweto. This still visible 'gap on the map' had drawn me in during early visits to Johannesburg, seemingly full of possibility for materially knitting a divided city together. Instead I found great vacant stretches of veld (one zoned as a graveyard), mountains of mine waste, multi-lane highways, industrial parks, a mall, a stadium and ad-hoc suburbanization. The National Nuclear Regulator prohibits residential living within 100 meters of a mine dump to reduce exposure to dust-borne particulants (Kardas-Nelson 2013). And so, little more than 100 meters from Johannesburg's 'super dumps', its streets caked with yellow mine dust in a swirling spring wind, sat this 'ad hoc' suburb with no name (Fig. 4). It consists of a tight spiders' web of streets lined with generally single-story houses in small yards, or 'stands' as they are called in South Africa (Fig. 5). Some had home businesses attached – salons, day-cares, auto repair shops. Others had been turned into double-story mansions. On a less windy day, kids played in the street, and on the weekend, braais (or barbeques) spilled out from front yards and garages into the street.

Those concentric rings of streets were marked with sparkling new street-name signs, like 'Hurricane Avenue' and 'Mahogany Lane'. But despite their newness, the suburb appeared well-established: the age of the paint on the houses, the height of the trees and the extent of renovations and extensions. It had been there for a decade I later found out, long before the rise of the 'affordable' as a popular asset class. Its unmapped name: Ormonde View.

*Figure 4: entering Ormonde View, the dust from the 'super dumps' visible in the streets, September 2012*

Its origins had since been obscured. Developer billboards were long gone, the houses changed hands a few times, made their own through various phases of renovation. I discovered during my interviews with councilors, residents and landowners in the area that a provocatively-named developer, Cosmopolitan Projects, had built most of Ormonde View's 600 or so houses in the early 2000s. They had marketed it predominantly to black public sector workers and their families (nurses, teachers, police) from nearby Soweto. In its early days, one could purchase a two-bedroom, 50m² house for R147,000 (Interview with MT, 2013), a price it is impossible to imagine now.  The average property price of Ormonde View houses during my fieldwork was an only just 'affordable' R581,684 (al+hdc 2012).

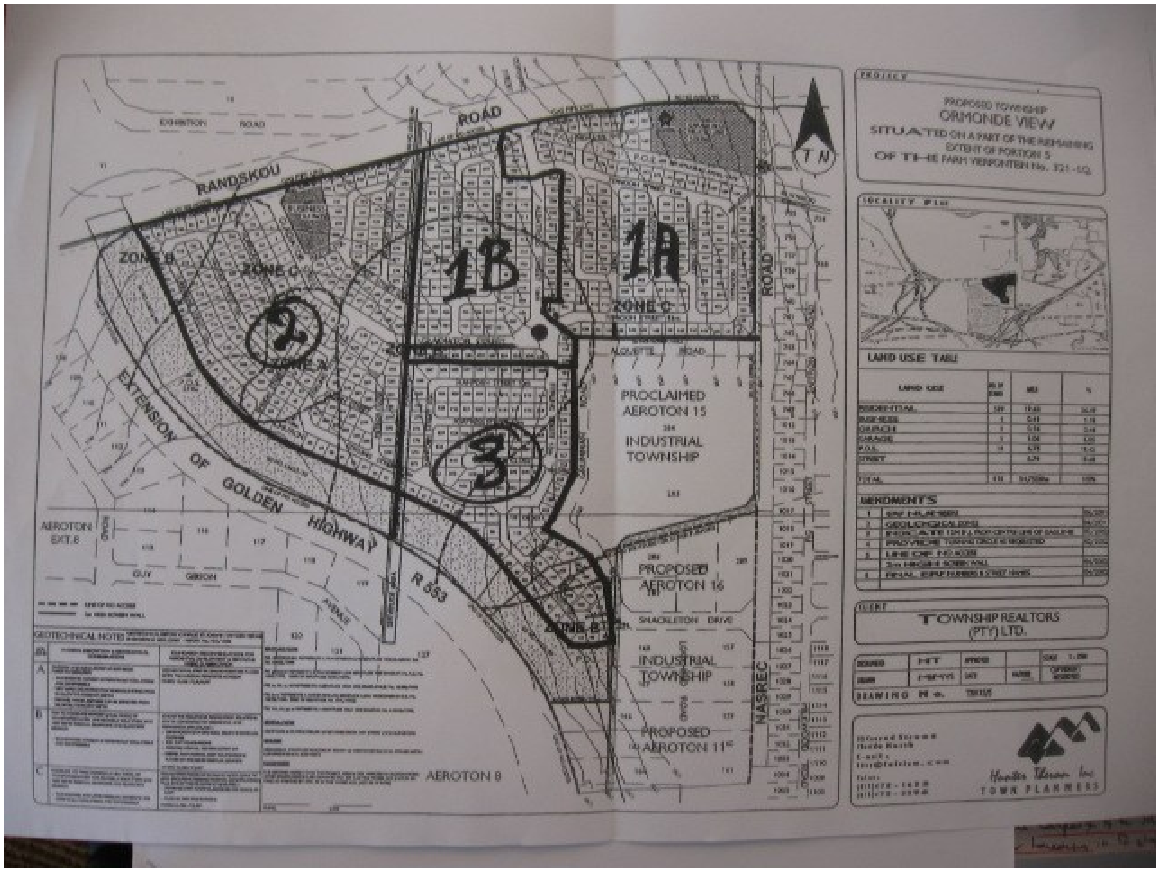


*Figure 5: Ormonde View's original layout plan, shared with me by the Director of Township Realtors*

Yet Cosmopolitan did not procure or service the land in Ormonde View – they just built the 'top structures', the houses, to varying quality as my conversations with a few residents showed. The rights to the land underneath had been owned by one of Johannesburg's largest and most profitable gold mining companies and landholders – Crown Mines - since the early 1900s. In the 1990s, Crown Mines' property development subsidiary Rand Mines Properties (RMP) sold those surface rights to a well-known township or land development company, Township Realtors Ltd. Township Realtors Ltd took the land through the township establishment process and serviced the land for some 600 stand-alone houses in the early 2000s. They then sold those serviced stands to developers like Cosmopolitan, who found buyers for the stands and built houses on them in phases. Ormonde View, it turned out, had been produced through cooperations between actors with a long history of land development in Johannesburg South.

Ormonde View was one 'space of encounter' that introduced me to key actors in the affordable property infrastructure. It was from here and elsewhere (see methodological note), that I traced actors, their networks and history via a range of sources and methods. My multiple methods of 'data collection' evolved through the process of fieldwork. They came to include archival research; documentary and media analysis; observation in 'affordable' places and events; interviewing key actors in, and attending events of, the main firms and institutions in the property sector; as well as spending time in and interviewing property actors and residents in the new 'affordable' suburbs of Johannesburg South, and attending local events while I lived in the 'Old South'.

My analysis of these sources worked through an iterative process of reading, annotation and writing during 2014 and 2015. In that process of confronting 'field' with research questions and conceptual framings, I curated these fieldwork archives, making decisions about what got left out, what and who got included and excluded, where emphasis would lie or not. There is much that remains on the cutting floor. Please refer to my methodological note at the end of the dissertation for a fuller discussion of my research experience, sites, sources, methods of data collection and data analysis, their limitations and ethico-political questions confronted.

### Chapter outline

The dissertation is divided into 3 sections, with an uneven distribution of six chapters between them. Each section responds to a prompt from the research questions, engaging a set of literature and fieldwork sources in a synthetic way, rather than as stand-alone 'theory', 'field', 'discussion' chapters.

<u>Section 1: Property and debt, race and risk in Johannesburg's long 20th century</u>

<u>Chapter 1:</u> This chapter situates Johannesburg's property and debt infrastructure in its constitutive setter-colonial origins. This is not only to catalogue the vast racial inequalities it produced in terms of property ownership and access to finance, but also to demonstrate how property and debt were themselves constitutive sites for debating and making racial difference and racialized space, legal capacity and financial acumen, citizenship and the city. The chapter draws out of the city's historiography the racialized discourses and enactments of property and debt through which white male homeownership was enabled and subsidized, and black dispossession wrought and prevented during 150 years on the Rand (Johannesburg's context). By the 1970s, suburban home ownership was the norm for approximately 80% of whites, while

the majority of the city, its ‘authorized’ and ‘unauthorized’ black urban residents, were confined to public rental housing on unsurveyed plots in townships or illegal shack farms. I point to four sites which produced this: racialized enclosure; racializing tenure and contractual capacity; racializing ‘standards of living’ and ‘standards of space’; and paternalistic policing of raced and gendered mortgageable subjects. Sutured into the production of Johannesburg space and the technics of debt and property themselves, these racialized discourses and enactments would be obdurate institutionally, materially and psychosocially long after the repeal of legal segregation and demands to universalize the ‘rule of property’.

Chapter 2: This chapter pushes South African urban geography about the late ‘apartheid city’ to confront these obdurate racializations in the moves to deracialize and deregulate the property and debt infrastructure during the long transition. It investigates the ways in which Johannesburg’s property and debt infrastructure was changing during the long transition through moves to deracialize and deregulate that infrastructure through ‘freeing markets’. I focus on work to ‘free’ ‘black housing’ from public provision as well as work to demutualize mortgage finance. My sources are the rich 1980s urban scholarship on the ‘apartheid city’, read alongside the media of the day and bank documents. I argue that rather than creating a color-blind or completely commodified debt and property infrastructure, as predicted by the free market lobby or critical urban scholarship respectively, these de- and re-regulations at the end of apartheid were stymied, or at other times deepened, by the obdurately racialized property and debt infrastructure, and the still-to-be-negotiated distributions of racialized risk therein. These negotiations shaped relations with the new democratic state, and the uneven landscape of financial and property inclusion in early democracy.

Section 2: ‘Post-racial’ infrastructures of property and debt – new money, new crises, new markets

Chapter 3: Vis-a-vis the critical geographic literature on mortgage markets and the subprime crisis in the global north, this chapter is inspired to follow the money during the global property and credit boom, which unfolds at the same time as the financial inclusion project in postapartheid South Africa. Do we see repetitions of the sea-change in American mortgage lending, where activism over racial discrimination and redlining in underserved communities was exploited to justify racialized predatory lending and the amassing of subprime mortgages that could be pooled for securitization and circulation in global financial markets? Piecing together scarce data at the national scale and some at the metropolitan scale, I reveal the uneven geographies of the 2000s property boom in South Africa: the privileging of richer, whiter suburbs and borrowers through increasingly securitized mortgages, with continued exclusion of 'black space' and black debtors from a wave of mortgage lending. But rather than protection from 'overinclusion' in potentially predatory mortgage lending, I show how lower-income households of color were overincluded during the boom through other, unsecured forms of subprime lending. I argue that not only was this because unsecured lending had been made more profitable through financial inclusion legislation ironically, but bank mortgage lending continued to be shaped by old and new metrics of racialized risk now mediated by electronic credit scores. New through the constructions of black bodies as higher risk during the AIDS crisis and old through continued red-lining of black township space as 'dysfunctional markets'. Combined with the skyrocketing price of land and the lack of a state mortgage safety net, mortgage lending remained exclusive.

<u>Chapter 4:</u> In the wreckage of the boom, we are confronted with a new potential savior for the property market – the 'affordable housing market'. Rather than taking this as a given effect of supply and demand, financial inclusion or capital accumulation strategies, this chapter seeks to locate that market's 'appearance' in the market-making activities that preceded it, the kinds of activities we miss when we just follow the money. I draw on heterodox approaches to markets and particularly socioinstitutional and techno-cultural marketization scholarship to examine the production of the 'affordable market' through the enrolling of new actors, discourses, market devices and policy to create a site not only of exchange, but of intervention and politics. Through analyzing my interviews, grey documents, housing policy and media, I show how the 'affordable market' is first bounded by the modelling work of financial inclusion experts to carve out a space of intervention between the government subsidy 'market' and the "normal suburban" market, and how those models articulate with experimental practices by the banks *and* growing middle class grievances about the 'gap' in mortgage finance and housing supply. Together these combine to frame this modelled affordable market as one of high risk and part of the historic housing backlog, rendering state support necessary. The affordable market comes to be embedded in new housing policy, and eligible for various forms of state support (land, subsidies, etc.). This gives banks, or really, some small units within them, the opportunity to experiment further in 'performing' the affordable market – through housing construction on state land, new mortgage instruments that outsource risk to the borrower, etc. They, together with the aggrieved emerging middle classes and the rising cost of urban land, continue to push the state's housing

assistances higher and higher up the income scale, redistributing racialized risk away from domestic capital.

Chapter 5: It would take conjunctural events for this newly stabilized 'affordable housing market' to become an object of investment. In trying to make analytical room for these conjunctural shifts, I bump up against the limits of the techno-cultural approach to markets – not all social action emerges through the market assemblage. Instead these conjunctural events require us to "make space for capital" in our analysis of market-making (Christophers 2015a). In making space for capital, we also need to make space for the spatialities of capital (Sheppard 2015). For it is crises in capitalism at home and abroad that open up new conditions of possibility – and accumulation – for quite differently positioned capitals via the stabilized and now state-supported 'affordable housing market'. In the spirit of combining political economy with techno-cultural approaches to market-making, I first show how the bursting of the housing price bubble in South Africa's "normal suburban" market prompts banks and certain developers to turn their sights to the bounded spaces and subjects of the 'affordable market'. The second and simultaneous crisis is in global financial markets, which has institutional investors searching the globe for alternative 'real' assets to invest in – South Africa's 'affordable housing market' being just such an asset. I mobilize my interviews, observations at public events and media analysis to draw out the enrollments of new and old actors that these conjunctural conditions of possibility attract, from flows of finance, knowledge production, strategies of accumulation to market devices (such as risk-based pricing, mortgage securitization, rent-to-buy models, unsecured home loans), shifting distributions of risk, and spatial relations between actors. What does all this mean for the reproduction of the 'affordable market', its boundaries, its framing, its stabilizing or overflowing? I argue that this diversifying 'affordable market' both consolidates boundaries while also contests some of its framings. I show how new "centers of calculation" debate the true identity of the 'affordable' subject as well as the risk involved in servicing them. Old metrics of racialized risk are both challenged and reiterated.

Section 3: Placing 'affordable' property and debt infrastructure in post-apartheid Johannesburg

Chapter 6: What does this diversifying 'affordable market' produce materially in a city like Johannesburg? In a city short on affordable housing for finance to circulate through, the market enrollments described in Chapter 5 also produce new built environments – components of the political economy of housing that can get lost in the recent turn to marketization or financialization and its instruments. This chapter takes up the challenge to put the material process of production and the transformations of landed property back into our analyses. Production requires confronting two spatialities: place, in all its unbounded materiality, and what Walker (1981) calls the 'property circuit', but that I prefer to call a power-riven network. I start by conceptualizing these two spatialities via geographical socio-spatial theory (Leitner, Sheppard, and Sziarto 2008). I then turn to two distinct 'affordable places' in Johannesburg that shape and are shaped by two 'affordable networks' of landowners, financiers, state agents, developers, contractors and sales teams. The one has its roots in the 1980s' commodification of 'black housing': low-density, ownership-based 'affordable suburbia' produced through long-standing relations between the banks and a few white Afrikaner landowners and developers with vast tracts of monopolized land rights. The other 'affordable place' is a post-boom creation: medium-density rental and ownership 'integrated' settlements on marginal land assembled and serviced by the state, financed and constructed through public-private partnerships between state agencies, private equity funds, banks and big listed developers. These affordable places are shaped by their networks' relationship to place (the material land they occupy) and their different rent-deriving strategies, the power relations within those networks, and their connections across and out of those networks. These different 'affordable' places also open up new inclusions and exclusions for life in the postapartheid city, with racial repetitions and racial ruptures in land ownership, accumulation and rights to the city.

## Section 1: Property and debt, race and risk in Johannesburg's long 20th century

# CHAPTER 1 Racing real estate and risk on the Rand

## Introduction

By the 1970s, suburban home ownership was the norm for approximately 80% of Johannesburg's white minority (or at least, their male head of household). The majority of the city—'authorized' and 'unauthorized' black residents—were confined to poorly serviced and heavily surveilled public rental housing in townships, substandard employers' housing, or illegal shack farms. This chapter seeks to bring the production of both 'black housing' and 'white homeownership' into the same frame via a genealogy of what I call Johannesburg's property and debt infrastructure—those legal, financial and institutional arrangements and practices that unevenly channel or block flows of money and land, building supplies and title deeds.

This was an infrastructure in the making, in which property and debt were constitutive sites for debating and making racial difference and racialized space, legal capacity and financial acumen, citizenship and the city. Its tools ranged from violence, discrimination, dispossession and exclusion to subsidization and protectionism. In these makings, settlers and their republican states contingently jostled with British Empire, mining executives, property speculators, an increasingly powerful white working class, 'New Africans', lawyers, anthropologists, building societies, squatter movements, urban planners and a modernist local government.

Four such (construction) sites structure the chapter and its cuts into the Johannesburg and South African historiography, sites at which property and debt, risk and race were sutured in discourse and practice in formative ways. First, the multiple rounds of violent enclosures that both created landed property and began the work of racialized dispossession from the early 19th century. These enclosures included settler expropriation of '*terra nullius';* property speculators; Republican property law; mining companies after diamonds and then gold. Second, I discuss the early 20th century work to racially differentiate tenure and hence, citizenship, through national law for the first time, enacted through forced removal. This worked at naturalizing private property, contract and freehold tenure as white, and communal property and leasehold as black. The third is a site of debate around racialized hierarchies of 'living standards' and 'standards of space' that devalorized black labor, housing and neighborhoods in discursive and material ways. At the same time, both state and capital subsidized white labor, housing and neighborhoods, making sure whites were rendered creditworthy through various subsidies and 'risk sharing'.

Finally, I show how paternalistic attitudes about racialized and gendered capacities to engage in contract and manage mortgage debt were deployed to justify further exclusions and dispossessions.

At each of these sites in Johannesburg's property and debt infrastructure, obdurate racializations were forged, in the material inequalities of racialized dispossession and accumulation that haunt the South African present, as well as in a racialized property 'common sense' and the metrics and technics of property and debt.

This chapter contributes to studies of the racialization of housing markets and credit markets that scholars have argued is critical to understanding present forms of racialized predatory lending and dispossession (Wyly et al. 2012; Hernandez 2009; Chakravartty and Da Silva 2012; Dymski, Hernandez, and Mohanty 2013). Markets in which risk is always socially constructed, with recourse to other constructed grids of difference, such as race, gender and class (Roy 2010, 218). The chapter also sits alongside older whiteness studies work, the 'materialist' camp or 'second wave' informed by critical legal theory, critical race studies and feminist scholarship interested in revealing "'the structures that reproduce racism and inequality from one generation to the next'" (Twine and Gallagher 2008,10 in Steyn and Conway 2010, 284). This "outing" of how whiteness gets made materially and institutionally (Fredrickson 1981; O'Meara 1983; Parnell 1993; Seekings 2007; Katznelson 2005) has become less popular in the more recent turn to "subjectivities of whiteness" (Nuttall 2001), its performance or intersectionalities (Steyn and Conway 2010, 284–5).

But this chapter also hopes to push beyond a materialist whiteness lens, by holding together the production of 'white homeownership' with 'black housing'. Here, a more deconstructionist set of postcolonial provocations is useful to think about how the borders between those categories are managed. Postcolonial scholars in this track would ask not only how markets become racialized, but how the very instantiation of 'free market', 'private property', 'race', 'value' and 'the economy' rely on the production and management of constitutive outsides, through violence and *then* philosophical and legal justification (Mitchell 2002; Blomley 2003; Gidwani 2008; Seth 2010). These borders between insiders and outsiders are the site of politics. And while the genealogies of such border-making and managing exercises has been less popular in contemporary South African geography, along with constitutive histories of racialization – as opposed to mapping the geography of race (Parnell and Mabin 1995; Elder 1998; Ramutsindela

2002) – this dissertation hopes to show why the work done in Chapter 1 matters in a more than path-determined way.

What follows is a genealogical reading of Johannesburg's and South African historiography and geography that focuses on the time period of roughly 1830 to 1975. It is not an exhaustive urban history, nor a chronological one. It is a *curated* reading of these secondary sources and a small archive of primary sources, particularly building society company histories and insider histories (Edginton 1951; Robertson 1983), given the lacuna of secondary sources on those. I organize this curated reading by the four analytical sites described above.

## I. Enclosing and monopolizing land: multiple rounds of racialized accumulation and dispossession

Since "[l]and underlies all real estate" (Aalbers 2012, 8), this chapter begins with land, and the multiple rounds of enclosure by which African land in South Africa's northern hinterlands was made settler landed property – by the acts of settlers, then the state and mining and property companies, and only later, law.

### *Enclosure 1: settlers seize African[1] land in the Northern "false emptiness"[2]*

Alienation of land as private property[3] in South Africa's hinterlands starts with the settler-farm and settler-led violence and enclosure, rather than Crown or corporate annexation. From the 1830s, Boer settlers warred and negotiated with chiefdoms to occupy land and seize livestock in the area around what would become Johannesburg, the SA Republic (ZAR) or Transvaal it would later be called.[4] These Boer settlers, the *voortrekkers,* were fleeing the Cape Colony's growing liberalism, tax and debt collectors, and other property problems. These included British

---

[1] A name used by the liberal, progressive and nationalist scholarship, which I mirror until section 2.
[2] (Etherington 2004)
[3] Or what will be called "landed property", where "[l]and is owned by a legal individual who possesses wide powers of use, inheritance, or sale and whose ownership is represented by a uniform deed of title enforced through the judicial and police institutions of the state." (Scott 1998, 36). In this "*absolute* conception of space" (Harvey 2006, 339), land becomes alienable from Nature and separated from its use value, such that it can be rented or sold as a "special sort of commodity" (347). In the process, living labor is also alienated from land as a means of production, and 'freed' to earn their living by selling their labor power instead (Harvey 2006, 332; 359–60).
[4] As late as the 1870s, the ZAR's militia was waging war with the African Pedi nation in the northern Transvaal, and suffered an embarrassing defeat (Carruthers 2003, 969).

regulation of property size and suppression of vigilante annexation of indigenous land on the Cape frontiers; the threat of losing slave ‘property’ after 1834’s Emancipation; and the loss of land to English banks foreclosing on bad mortgages and driving up land prices (Keegan 1996, 162; Worden 2012, 16). The hinterland to the north of the Cape, in contrast, represented a space free from British imperial government and merchant capital, *and* the potential to get to valuable land before others did.

Like the Cape before it, the north was represented as a *terra nullius,* absent of existing peoples and settlement, especially after Shaka’s Mfecane, in which white settlers had divinely-ordained ‘natural’ rights to possess and improve undeveloped lands (cf. Waldron 2012). The northern interior’s “false emptiness” (Etherington 2004, 68) was ripe for the enclosing, the owning, and, hopefully, the speculating (Etherington 1991 in Worden 2012, 16).

Boers staked out large farms by riding a horse one hour from a central point in various directions (Braun 2005, 151). Initially Boer settlers were entitled to claim *two* such enormous freehold farms and a lot for a house in a township (Braun 2005, 150). This was a right the *trekkers* self-determined until recognized by their nascent state (the Volksraad) in the 1840s. After 1852, when the Boer Republics of the South African Republic (ZAR) and the Orange Free State were formally recognized (Fig. 6), this was reduced to one farm and one lot, and finally terminated in 1868 (Braun 2005, 150).

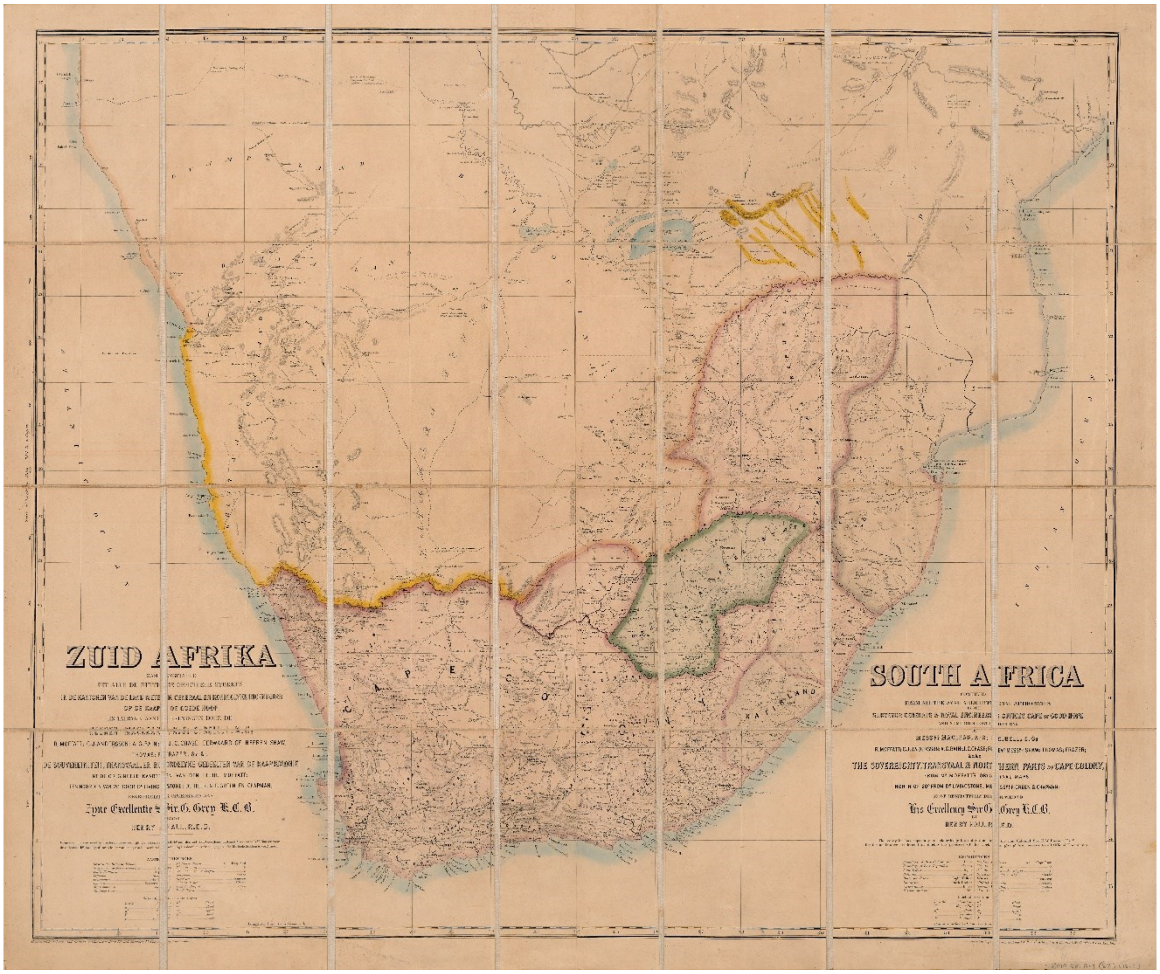


*Figure 6: Zuid Afrika (Hall 1858)*
*ZAR/Transvaal is the top outlined area in pink, above the green Orange Free State.*

Securing these spoils against African reprisal relied more on militias, force and negotiation rather than property law, cadastral surveys, title deeds or even wire fencing, which only arrived in the 1880s (van Sittert 2002). Many Boers were "wary" of technologies of surveying and land registration as suspect aids to British encroachment (Carruthers 2003, 959). With no formal surveying or central deeds register until 1859 (Carruthers 2003, 962),

> A man (and this is a deliberately gender-specific reference) merely found a piece of unoccupied land and registered his claim at the office of the local *landrost* (magistrate) by describing the points and boundary in terms of natural landmarks. (Beavon 2004, 18)

With rough land certificates in hand (Edginton 1951, 70), Boers exercised "a great deal of license as to land use" (Carruthers 2003, 958). Unregistered certificates swapped hands in a system prone to land reservation and monopolization, as well as border disputes, land cons and speculation (Braun 2005, 151–3).

This lack of cadastral visibility had other advantages. It delayed the penetration of metropolitan (usually English) mortgage capital that had been so onerous to *trekboere* on the Cape frontiers,[5] and allowed Africans to retain some access to land. Because not all land was settled immediately, many of the ZAR's farms remained "'notional'" (Delius in Braun 2005, 151), marked out on occupied African territory, but not enclosed until settlers and their guns arrived. Some Africans had formal tenancies with absentee landowners (Braun 2005, 150). These sustained critical niches in between 6,000 acre settler farms and illiberal Republican rule which refused to recognize either customary land rights in 'native reserves' or private property ownership by suitably monied men of color as in the Cape Colony[6].

> The early Boer republics were the most resistant to recognizing any sort of customary law. For to sanction native law was to underwrite native autonomy, and that would offend not only their Calvinist consciences but also their more urgent and practical demands for land, labor, and security … In the Boer republics, as in the early Cape, the accent of native control policy was on race, not tribe, and the reason was patently obvious: tribal autonomy had to be destroyed, both to flush land and labor into settler hands and settler-controlled markets and to destroy the capacity of tribal organs to act as vehicles of resistance. (Mamdani 1996, 91–2)

The ZAR Pass Laws of 1866 constituted the next attempt to close these niches of African land access, criminalizing black residence outside of allowed areas without a pass.

### *Enclosure 2: the gold rush augurs new segregationist laws, corporate monopoly, indebtedness and racist title deeds*

The mineral discoveries in South Africa's hinterlands brought another round of enclosures, this time by corporate and state interests, turning farms into mines and cities. The discovery of diamonds in Kimberley in 1867 and gold in Barberton brought a massive "influx of overseas capital" along with imperial banks (Bond 2013, 186). With the help of these banks in repossessing land from indebted Boers (Bond 2013, 191), transnational corporate monopolies began reserving vast tracts of ZAR territory in hopes of future mineral discoveries. The British army worked at territorial schemes of their own, invading and annexing remaining African territory, and briefly occupying the ZAR in an effort to create a free flow of labor and

---

[5] Mortgage capital that had its origins in the liquidation of property of another kind: slave compensations paid out by the British Crown to the Cape's slave owners following 1834's Emancipation (Keegan 1996, 115, 162). "Money in circulation doubled during 1837" and the first private commercial bank was formed (Keegan 1996, 115-6). Thanks to Leslie Witz for alerting me to this.

[6] Property ownership that secured them a qualified franchise for a limited time from the mid-1850s to the 1890s, when "(m)id-Victorian liberalism in Britain had combined with local interests to produce a non-racial qualified franchise in the [Cape] Colony" (Beinart 2001, 26).

commodities between the mineral fields and the British-held coast (Worden 2012, 27). As part of this geopolitical struggle, the ZAR invested in extensive cartographic work to stake out their state's borders and to better tax land (Carruthers 2003, 956, 962). They also passed the pernicious anti-Indian law of 1885 in a settler-pressured attempt to stop Indian 'encroachment' (and competition) in the burgeoning commercial centers around the mineral fields (Nightingale 2012, 234). Gandhi's autobiography (1957) described how this law stipulated that Indians be taxed to even enter the ZAR/Transvaal and that they "might not own land except in locations set apart for them, and in practice even that was not to be ownership. They had no franchise" (in Crais and McClendon 2014, 235). These anti-Indian measures would offer the template for wider segregationist laws against black South Africans soon thereafter (Plaatje 1982).

But it was the discovery of the world's most generous deposit of gold, the Witwatersrand reef - the 'Rand' – on Langlaagte farm in the middle of the Transvaal in 1886, the time of the gold standard, that would have the most radical effects on both South African racial capitalism *and* the property and debt infrastructure. New state and corporate enclosures ensued. The ZAR government requisitioned Langlaagte and adjacent farms from private owners (by quick legal amendments) and proclaimed as 'public diggings' and a township that would become Johannesburg (Beavon 2004, 22). Foreign capital and workers from around the world and country poured into the mining camps around these. Adjacent farmers sold off land to mining companies or property speculators (Van Onselen 1982, 364). The 1890s was a speculative frenzy: digging licenses, land title, mining rights, gold shares were all switching hands (Bond 2013, 188), a fever heightened by the uncertain "long term prospects of Witwatersrand gold deposits" (Parnell 1988, 308) as well as by crises in the countryside.

There, the rinderpest epidemic had laid waste to black property in cattle, increasing indebtedness to white local traders, which labor recruiters for the mines promised to solve with extortionate advances (Redding 1993, 521). Black men flocked to the mines to earn cash to pay back these debts (Jabavu 1920, 98), as well as to pay taxes, lobola and to deal with the costs of land dispossession. These usurious credit practices by labor recruiters and general dealers were so high as to pique local magistrates in the Transkei to appeal to the state to curb these "ruinous" interest rates. Both the Cape (1908) and Natal (1916) would introduce usury legislation that limited the size of loans and interest charged to 'Africans' (Chanock 2001, 175). The 20th century's long history of racialized predatory lending and its control had begun.

Back on the Rand, after the first boom in gold extraction, the population grew substantially, and property speculators – called "township companies" but often subsidiaries of the mining companies (Nightingale 2012, 278) - bought up almost all the land both within the city limits and beyond.[7] These township companies and mining companies (along with the government) became the original owners from whom everyone else rented under the Gold Laws[8] on proclaimed ground or in 'leasehold' townships on unproclaimed ground (Fig. 7 – orange is active mining land; beige is proclaimed; everything else is unproclaimed).

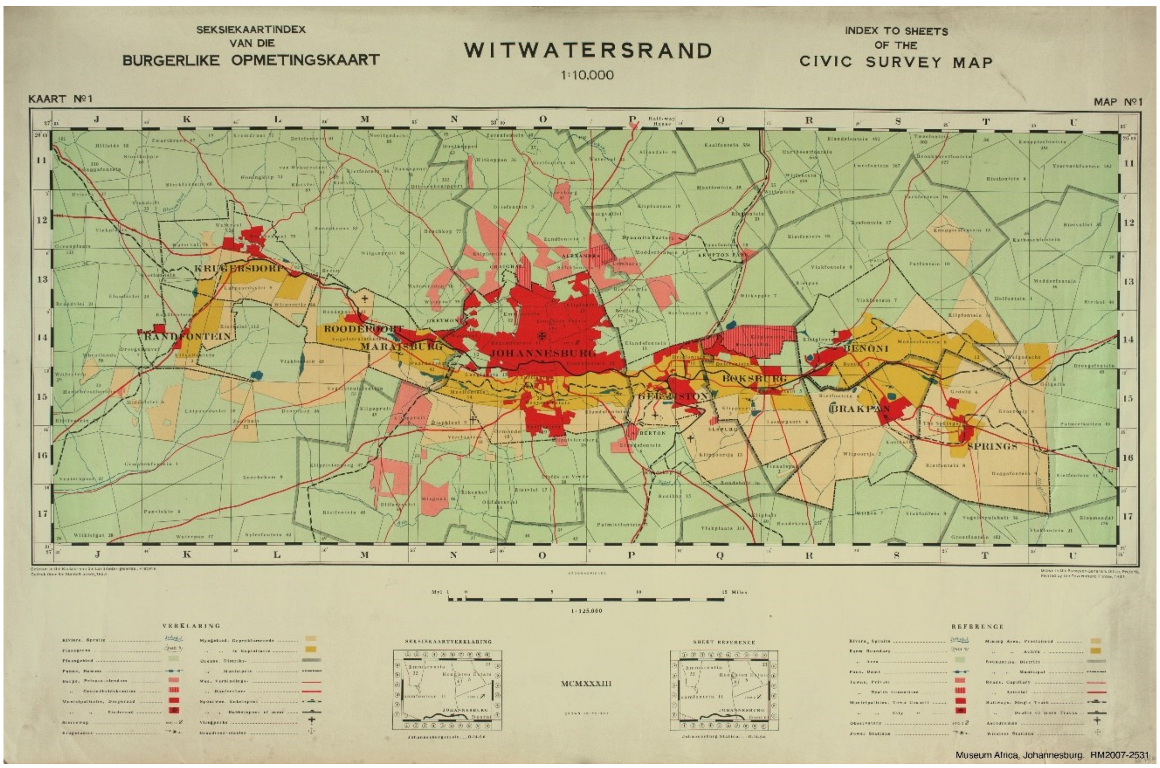


*Figure 7: Witwatersrand (Surveyor General 1933)*

[7] See Beavon (2004) and Chipkin (1993) for more on for how these township companies' developments and fully privatized infrastructure shaped the social geography of the city. Mining companies also controlled the production of machine-made bricks and cement, keeping their prices high and working class housing in short supply (Van Onselen 1982, 32).

[8] Under the Gold Laws of 1886, all proclaimed mining land could not be owned or purchased from the original owners (mining companies, their subsidiaries and government) but only leased, and for five years total and not for occupation by any 'non-Europeans' except laborers (Beavon 2004, 24; Parnell and Pirie 1991, 130).

These monopolies came with additional racialized enclosures. In districts where the Gold Laws held sway, 'non-European' "ownership, occupation and tenancy" (Edginton 1951, 92) was prohibited except as laborers and servants (Beavon 2004, 24; Parnell and Pirie 1991, 130). On the Rand, 'non-Europeans' could only "own and occupy land in areas set aside for them" – in 'locations' - or where the title deeds permitted it (Edginton 1951, 92).

Following Johannesburg's first land survey in 1886 (Smith 1971), the Surveyor-General "set aside" such 'locations' in central Johannesburg under the rhetoric of sanitation (Nightingale 2012, 241), but building squarely on the 1885 anti-Indian laws and much earlier forms of residential segregation that followed the abolition of slavery in the Cape (Christopher 1994, 35). First demarcated was a 'Coolie Location' for Indians in 1887, then a 'Malay Location' for 'coloreds', and a 'Kaffir Location' for black residents by 1893. Otherwise, employers (mining, industrial, commercial, municipal) provided stark compounds or hostels for their laborers. These were generally close to the mines, not on the cooler northern side of the ridge preferred by the Randlords.[9] These racialized north-south cartographies of ecological and property value would be deeply entrenched in Johannesburg (c.f. Mabin 2014).

In addition to demarcating locations, from the 1890s township companies and home builders "widely adopted" the practice of building racially restrictive covenants into title deeds and deeds of transfer to "exclude certain groups of purchasers, owners or occupiers" (Christopher 2002, 404). This practice had started in Natal to, again, prevent Indian (and many other residents of color) from suburban property purchase or occupation (Christopher 1994, 42). These covenants also included provisions that exempted black and colored servants from these occupation restrictions (Christopher 1994, 42). Entered into the deeds of 65 of Johannesburg's 88 suburbs by 1912 (Nightingale 2012, 280), there were a few explicit exceptions (1904 Sophiatown (recognized as a 'Colored' and 'African' township in 1911 (Lewsen in SAIRR 1953, 3)), Martindale (a 1905 'Colored' freehold township), Newclare and Alexandra (proclaimed as a non-racial freehold township in 1912, but never under the administration of Johannesburg City Council)).

However, abrogation of these covenants fell under civil, not criminal, law at this time, and so were difficult to enforce (Lemon 1991, 3–4) where other laws couldn't be brought to bear

[9] Except for the backyard dwellings to house domestic workers on suburban properties.

(Nightingale 2012, 280). Given the extreme shortage of working class housing in early Johannesburg's privatized townships, some whites took the profitable opportunity to sub-lease to multi-racial 'backyarders'.[10] A few farmer-developers used racially-neutral title deeds to subdivide and sell freehold plots to Johannesburgers of color, such as Sophiatown[11] and Alexandra. And so Johannesburgers of color found ways of participating in the racist but speculative land market as tenants and buyers, not just as laborers and servants.

## II. Unmaking property through racializing tenure, contractual capacity and citizenship

In constructing a 'modern', unified state after the South African war (1899-1902) (Ashforth 1990, 230), Johannesburg's property and debt infrastructure would increasingly operate not only through physical enclosure and exclusion but also law, and its codifications of racialized notions of property tenure and contractual capacity. These were laws that worked through, rather than replaced, other ways of 'doing' property, introducing new particularisms, forms of violence and coercion (Mitchell 2002, 56-8). Nor were they imported from the metropole to the colony, but were given content by a range of locally-embedded actors (increasingly, mining capital and the powerful white working class) and worked out differently at a range of scales. In this section, I draw attention to localized pressures to extend and whiten freehold in Johannesburg; the national scale bifurcations of property and debt through territorial and institutional segregationist law, and new discriminations *within* the law to prevent particularly the Indian 'encroachment' so loathed by white publics.

---

[10] Much more can be said on the actual-existing practices in the countryside, where Africans continued to rent farms from absent white landowners (Braun 2005, 150) or speculative property companies (who held perhaps 20% of the Transvaal's farms) for cash not labor (Beinart 2001, 54) and used private land markets to buy back land from heavily indebted Boere, sometimes after foreclosure, through white land agents and instalment contracts (James 2013).

[11] Sophiatown was opened as the first black freehold suburb in 1904 after farmer Tobiansky divided his farm into stands, established a private township, and started selling its freehold plots Lewsen in (SAIRR 1953, 3) as the "working man's" suburb (Smith 1971, 533–4). The original farm title deeds did not exclude Africans, although on certain stands, Colored occupation and ownership was prohibited. So, "Sophiatown became a predominantly Colored and African township" (Lewsen in SAIRR 1953, 3), although up to 88 white owners/households were also residing there, and making "repeated requests to the Municipal Council to have the Natives removed" despite these being legally 'Non-European' residential areas (SAIRR 1953, 32).

### *Whitening freehold*

Johannesburg's first neighborhoods (called townships) were "almost entirely on land held under some form of leasehold tenure'" rather than freehold tenure (Witwatersrand Land Titles Commission 1946 in Edginton 1951, 82). This was due to the "profound influence" of the gold mining industry on "land tenure conditions" on the Rand, who were anxious about the ownership rights attached to freehold and how they would access minerals underneath (Edginton 1951, 71). But granting freehold would be a site of settler and political pressure, increasingly reserved and encouraged for whites, while *un*done and prevented for black Johannesburgers.

Already not all leasehold tenures were equal. Black leaseholders in the 'locations' only had year-by-year leases with an annual rent charged (Nightingale 2012, 282). In contrast, white leaseholders generally held long, mortgageable leases of 99 years, despite complaining of weak title to land and monthly 'ground rent' payments to township companies (Nightingale 2012, 278).

Freehold remained unquestionably "'the most desirable form of tenure'" (Association of Building Societies in Edginton 1951, 85)) and white leaseholders "clamored for the outright or 'freehold' title to the land" (Nightingale 2012, 278). The post-war Transvaal's administration convened a series of enquiries and tried to "pressure[] the township companies to convert the leases" to freehold (Nightingale 2012, 278–9). It was to these owners – the "powerful Township Owners' Association, a body with exceptionally strong links to mining capital" (Van Onselen 1982) - that monthly ground rent were paid, and they worked to keep freehold conversion fees high. In response, the 1907 Township Act and 1908 Townships Amendment Act (Transvaal) "prohibited the formation of any *future* townships on a leasehold basis" except those by local authorities, "and provided the machinery for the conversion of existing individual leasehold lots to freehold tenure" (Edginton 1951, 82). It would take the next 50 years for white freehold to be consolidated (Parnell and Pirie 1991, 134),[12] with the state actively lobbying on their behalf with building societies to continue offering mortgages on leasehold properties and with the township companies trying to reduce the predatory costs for converting to freehold (Edginton 1951, 83, 35).

[12] As late as 1948, a third of leasehold properties in Johannesburg's old suburbs remained unconverted to freehold. Of 23,988 leasehold stands registered in 1909, 7,243 remained unconverted to freehold in 1948 (Edginton 1951, 84).

From the early 20th century though, white leaders were arguing that 'Natives' should have no access to either "'unnatural'" freehold or leasehold rights anywhere in the country let alone Johannesburg, "'[a] White Man's Town in a White Man's Country'" (Nightingale 2012, 275). Whites were at risk of being bought out of "'bought out of the country'" Johannesburg's future Mayor told a government commission in 1903 (Nightingale 2012, 275). A legal victory for a group of black ministers over their right to individual property in the Transvaal was seen as a case in point (Nightingale 2012, Dlamini 2013). Settlers on the Rand were longing for the retribalization of 'dangerous' detribalized 'natives' (Mamdani 1996, 93); the nascent state for a means of quashing growing black political organization (Beinart 2001, 112); and the mines for cheaper and cheaper labor.

### *Constructing "communal fictions"[13] and 'temporary urban sojourners'*

White ruling classes found a national solution for 'keeping the native where he belongs' in the British colonial model of indirect rule. This was a "bifurcated" form of rule implemented across the late British Empire based not on eradicating difference but redefining and *managing* it through territorial and institutional segregation (Mamdani 2012). The South African economy relied on not annihilating the 'native' – as the source of cheap labor and surplus value – but could not maintain white supremacy if he was assimilated. The legal and spatial dualism of indirect rule, piloted in the 19th century Cape Colony and Natal, could navigate this tightrope between annihilation and assimilation by constructing the 'native' as a category of irreducible difference.

With little input from black South Africans themselves (Chanock 2001, 34), the 'Native' under bifurcated rule was constructed as a homogenous tribal subject with his roots in the rural, where he had customary land rights to communal land[14] under the customary law of "singular,

---

[13] (Moore 2005)

[14] The state deliberately mistook the uncommodified nature of African land for an absence of individual rights to land, which was not the case (Chanock 2001). It was just that individual rights were not in contradiction with communal rights (Mamdani 1996, 139). In the 'native territories' and kingdoms of the 19th century, "rights to land … came from membership of a lineage, a family grouping, or a chiefdom" (Beinart 2001, 19). This membership could be granted by recognizing the local political authority, who would allocate plots to "married men who had the wives to work them" on a "relatively secure" basis, family disputes notwithstanding (19). But the "bulk of land in any African territory" was under a general pasturage that could be accessed by "all those who possessed stock, subject to local grazing regulations"

immutable ‘native authority’” (actually appointed by the colonial state) (Mamdani 2012). The ‘citizen’, in contrast, had recourse to civil society and the city, a world of private property, individual rights and parliamentary law. This included other racial minorities (like Indians), Mamdani reminds us, who faced different discriminations *within* the boundaries of civil society rather than being placed outside it. This distinction – between citizen and subject – in the bifurcated state was regulated through both race and tribe (Mamdani 1996). Movement between the worlds of the customary and the civil would be mediated by the labor needs of the economy and the contract.

To create this bifurcated form of rule, spatial control was central. The ‘native’, warehoused in the reserves (established in the mid-19th century already), ‘locations’ or laborers’ accommodation, would be a temporary sojourner as migrant-laborer in cities, mines and farms, protected from the dangers of ‘detribalization’. In reality, this kept the costs of labor extremely low and surplus value high, as social reproduction and care were externalized to the ‘native’ reserves (Wolpe 1995, 72). This bifurcated state structured the well-studied battery of segregationist legislation – territorial and institutional - from 1912 (when the independent Union of South Africa was born) into the 1980s under the Afrikaner nationalist project of ‘separate development’, apartheid and its ‘fully independent’ Bantustans (Fig. 8).

---

(20). Instead, indirect rule’s ‘native administration’ mobilized petrified and constructed notions of ‘Native’ property as ‘communal’, not *private,* with rights to occupation controlled by a despotic ‘chief’. Such notions had been entrenched in colonial legislation at the Cape Colony and Natal’s 19th century ‘Native’ reserves already, where “land could not be bought or sold, nor privately accumulated” (20).

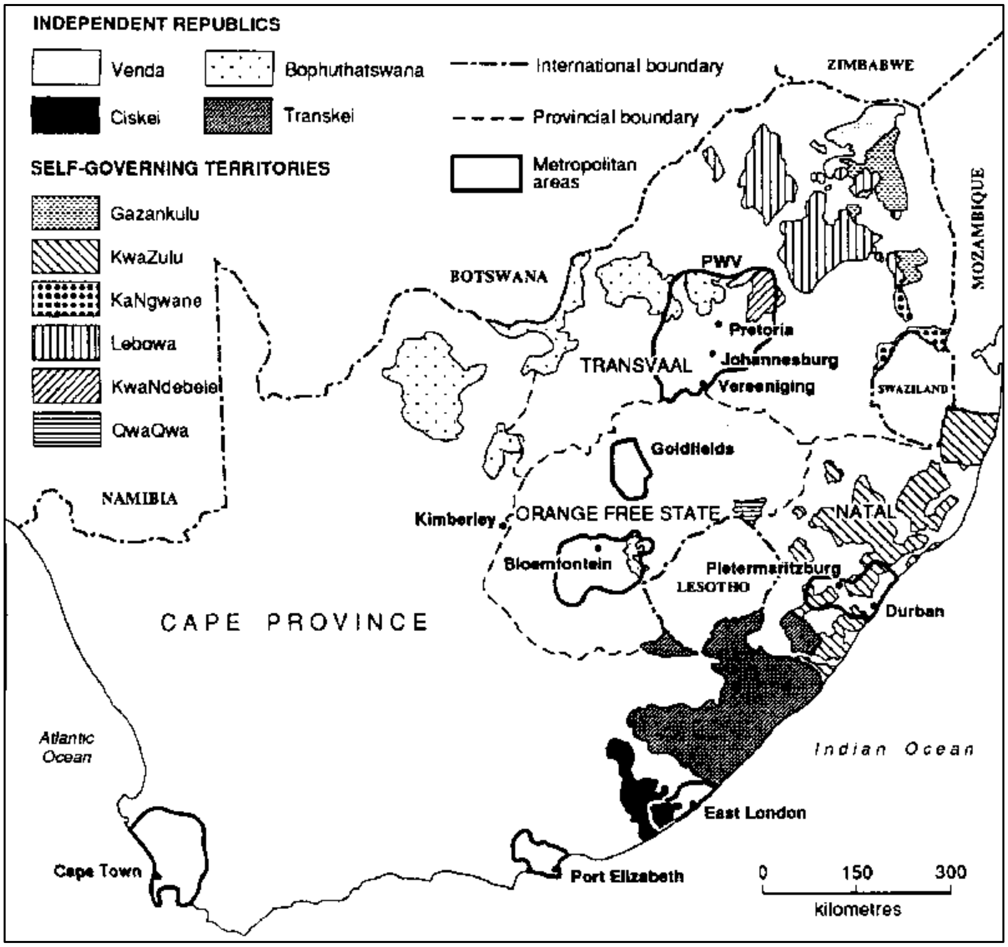


*Figure 8: Bantustans in South Africa end of apartheid (Smith 1994)*

The bifurcated state shaped South Africa's property and debt infrastructure in critical ways, and at the national scale for the first time. Within the legal fraternity of the bifurcated state, there was particularly hot debate around whether the 'native' was a legal person who could freely contract, it being commonly held in legal circles that African law did not adjudicate on contractual matters (Chanock 2001, 173).[15] This despite the two centuries of actually existing multi-racial contractual relations – coerced and voluntary – between men and even widowed women. In the bifurcated state, racialized notions of contractual capacity were implemented selectively: in some instances, black men were denied the capacity to contract; in others they were "treated as minors", but in labor contracts, they were "always deemed to have full capacity" (Ibid). The mines and farms both used contract extensively to create legally-binding, prosecutable

[15] These racialized notions of contractable subjects articulated with patriarchal ones about women as contractors and debtors – see Section IV.

documents that could be used to punish deserting laborers or to control the movement of labor through the attached pass (Fredrickson 1981). The mortgage agreement, which secures debt with immovable property, is also governed by the law of contract, and black mortgagees were not *legally* excluded from building society mortgages until property law changed. The building society savings account was also considered to be of a contractual nature (Edginton 1951, 166), but a form of contract that 'natives' were seen as perfectly capable of. 'Native' experts at the turn of the century were lamenting how few 'natives' kept their money there (SANRC 1901, 150-2). But as late as 1926, a famous structural-functionalist anthropologist Radcliffe-Brown informed a government commission that "'[t]he native does not know what a contract means. Debt is to the native one of the most sacred things. To the native a debt can never be abolished … but contract does not exist'" (in Chanock 2001, 172).

That said, how to manage debt under the bifurcated state was another matter. Whether to create universal usury and insolvency laws was a source of debate after Union (Chanock 2001, 177). In terms of personal debt collection, the racial differentiation of this was again discussed: 'natives' were agreed to be "outside the operation of the law altogether", their wages docked from their employer, not them personally (178).

In terms of property, the much-protested 1913 Land Act was the most notorious in "dispossess[ing] and reduc[ing] the native to a veritable bondsman" as Eastern Cape newspaper editor and farmer D.D.T Jabavu put it (1921, 5), instantly connecting property and debt. The Act sought to radically constrain the terms of black occupation on 'white' land generally, as well as forbid and criminalize future black purchase of land outside the 9% of the country's territory demarcated as 'native' reserves.[16] In the reserves, the majority of land was deemed to be held communally and therefore not for sale, except for in reserve towns (Beinart 2001, 57). Black tenant farmers expelled from 'white farms', in the devastating ways catalogued by Plaatje (1982), were pushed into towns and other farms as 'freed' labor, or warehoused in the "rural slums" of the reserves (Mbeki 1964 in Crais and McClendon 2014, 330–1).[17] The ability to indebt oneself through land as a security was radically reduced (James 2014). For the black bourgeoisie and African nationalists, the Land Act was another betrayal of the promises of

[16] Increased to a paltry 13% by 1936.

[17] It would take decades to unseat all black sharecroppers, especially in the Transvaal (James 2013) and where white farmers tried to keep their valuable tenants. Black tenants continued to live on white-owned land in contravention of the Act up into the 1950s (Beinart 2001, 58).

liberalism, and an attempt to not only dispossess but also disenfranchise the black man (Jabavu 1920, 5; Plaatje 1982), especially after reserves were placed under their own Native Administration in 1927. The Land Act prompted the establishment of the African National Congress (ANC) who sent a deputation to the Queen against this property expropriation.

In the cities, the Native Urban Areas Act (1923) sought to render 'Natives' 'temporary sojourners' in the urban, contingent on employers' passes, with greater municipal power to police those passes and segregate black housing from the white city, without being subsidized by white taxpayers (Evans 1997; Beinart 2001, 126).

But local dynamics would shape how this national segregationist legislation manifested. For most of the 1920s, the Johannesburg city council did not act on their power to create new segregated locations for black 'temporary sojourners' (Evans 1997, 56). Many remained in the old central 'locations' and 'slumyards' (Hellmann 1969) – to the benefit of city slumlords – or in the few non-racial freehold suburbs, municipal/mining compounds and servants quarters in white suburbs (Beinart 2001, 126). It was only during the 1930s that the Johannesburg city council applied the Native Urban Area Act to the whole city (Harrison, Todes and Watson 2008, 24) and, in combination with new will-to-improve legislation like the Slums Act, began to actively intervened to remove the old multiracial 'locations' and 'slumyards', but with little housing provision for anyone other than the white working class (see Section III) (Parnell 1998; Parnell 2003). It took radical changes to the (bio)political economy during the war and black mobilization (discussed shortly) to goad construction of massive segregated public housing estates (townships, in common parlance) for black male employees with families. But even here, freehold rights were not yet dead, as a short-lived experiment with an upmarket black homeownership scheme in Soweto's Dube by an opposition Johannesburg City Council demonstrated in the 1940s (Parnell 1990).

It was under the Afrikaner nationalist program of *apartheid* that Johannesburg's remaining black freeholders would be turned into leaseholders (other than the exception of Alexandra, outside the city limits). This was expressed violently in the demolition of Sophiatown - that multi-racial freehold suburb laid out by farmer Tobiansky in 1904. Around it had grown white working classes suburbs, who'd been lobbying for the removal of this 'black spot' since the 1930s (Cutten in SAIRR 1953), a removal that the Johannesburg City Council approved as early as 1944 (Maylam 1995, 28). But it was only in the 1950s, after the passing of the 1950 Group

Areas Act *and* more critically, the 1954 Native Resettlement Act, which "provided for the removal of those owners and tenants with legal rights in urban freehold areas" (Christopher 1994, 122), that the 'illegal' 'slum' of Sophiatown in amongst 'white group areas' was finally expropriated, emptied and demolished in 1955. Despite the protestations of its residents, political organizations and their liberal white allies on the grounds of moral and universal claims to private property and human rights (SAIRR 1953). 60,000 residents were forcibly removed to new 'model African townships' in Soweto. There, more affluent residents were allowed to build houses of their choice or lease houses from the state, all "subject to the basic principle of no ownership of ground", since according to the then-Minister of Native Affairs, Hendrik Verwoerd, the "private ownership of land is not customary in a tribal society" (Harris in SAIRR 1953, 30).[18] These leaseholds vacillated from 99-year to 30-year under Verwoerd to a monthly tenancy in the 1960s homelands push,[19] back to a 30-year lease in the 1970s for the longest urban residents (Beavon 2004, 137).

These dispossessions through "communal fictions" and leasehold would be referenced explicitly by Nelson Mandela during the 1964 Treason Trial. In his concluding statements from the dock, on the matter of land he said "Africans want to be allowed to own land in places where they work" and in the next breath, "and not to be obliged to live in rented houses which they can never call their own" (in Russell 2010, 60).[20]

### *Discriminating and expropriating "within and by the ordinary law"*[21]

Indians and 'Coloreds' "could not, like Africans, be relegated to a different legal regime, but had to be discriminated against within and by the ordinary law" (Chanock 2001, 17). As settler

[18] That same year, the African National Congress published its 1955 Freedom Charter which broadened demands for space beyond the narrower claims to property of the past. The Freedom Charter would inform the terrain of struggle for the next 50 years and into the post-apartheid reconstruction period.
[19] In 1964, the Bantu Laws Amendment Bill awarded all Africans 'citizenship' in their respective reserves or homelands now-called Bantustans instead of South Africa. ANC and Communist Party member and political prisoner Govan Mbeki described the homelands as "rural slums" with no infrastructure, resources, or opportunities, crowded through forced removals and influx control but absent of men. A starving "reserve[] of labor, with a population not even self-sustaining, supplying no more than a supplement to the low wages paid on the mines and farms" (in Crais and McClendon 2014, 330–1).
[20] He continued: "Africans want to be part of the general population, and not confined to living in their ghettos", and finally, "[a]bove all, we want equal political rights, because without them our disabilities will be permanent… It is a struggle for the right to live." (60-1)
[21] (Chanock 2001, 17)

pressure ebbed and pitched, upwardly mobile Indians in particular were subject to overt forms of property and debt discrimination and legal challenges to this (Christopher 1994, 39). For example, in the early debates after Union about whether to create universal usury laws, the legal fraternity decided "[i]t was Indians who were the problem", since they couldn't be governed by a separate law altogether. And since they could allegedly live on so very little, setting a universal standard of what amount of debt could be collected and what must remain would not work to discipline the Indian debtor (Chanock 2001, 178–9).

In Johannesburg, a series of 'Asiatic Land Tenure Acts' from 1932 meant that Indians could only live and work in 'Asiatic bazaars' (Parnell 1989, 262), and only own property in areas defined as "'Asiatic Exempted Areas'" – areas, ironically as Edginton points out, that had no stipulations to prevent white or white companies from owning a lot of the property there. This was nationalized in 1946, through popular pressure from white rates payers and shopkeepers against Indian 'encroachment', in the Asiatic Land Tenure and Indian Representation Act of 1946 - the 'Ghetto Act' to progressives. This Act legislated the demarcating of Indian areas "outside which an Indian could not acquire or occupy property". Even within those demarcated areas, Indians could not seek more than 50% mortgage finance without a special permit, and building societies radically reduced their Indian business (Robertson 1983, 156). Inter-racial property transfers were also prevented (Christopher 1994, 41). The Act ironically made leasehold tenure more secure than freehold: in Newtown, for example, Indians "could legally occupy certain parts of the township under leasehold tenure, but would lose their rights if the stand were converted to freehold" (Edginton 1951, 83). The Act's spatial demarcations were made by a powerful new centralized planning agency, the Land Tenure Advisory Board, and policed by its inspectors (Mabin 1992).

Despite the outcry and political mobilizations against this dispossession by both African and Indian organizations at home and abroad, the Ghetto Act was expanded and consolidated into the infamous Group Areas Act of 1950 (Mabin 1992). The Land Tenure Board was converted into the Group Areas Board in 1955, and its demarcated areas into Group Areas (Mabin 1992), now along with 'Group Areas' demarcated for all 'groups' (Fig. 9). Under the rule of Group Areas over the next 30 years, Indian and 'Colored' families particularly were forcibly removed from their homes and businesses in now-demarcated 'white' group areas, their property expropriated or demolished (Maharaj 1994; Mesthrie 1993). While still allowed to own property in urban areas, unlike black residents, evicted families had their communities fragmented and were warehoused in new bleak 'Group Areas' on the edge of the city, with low value properties and few amenities.

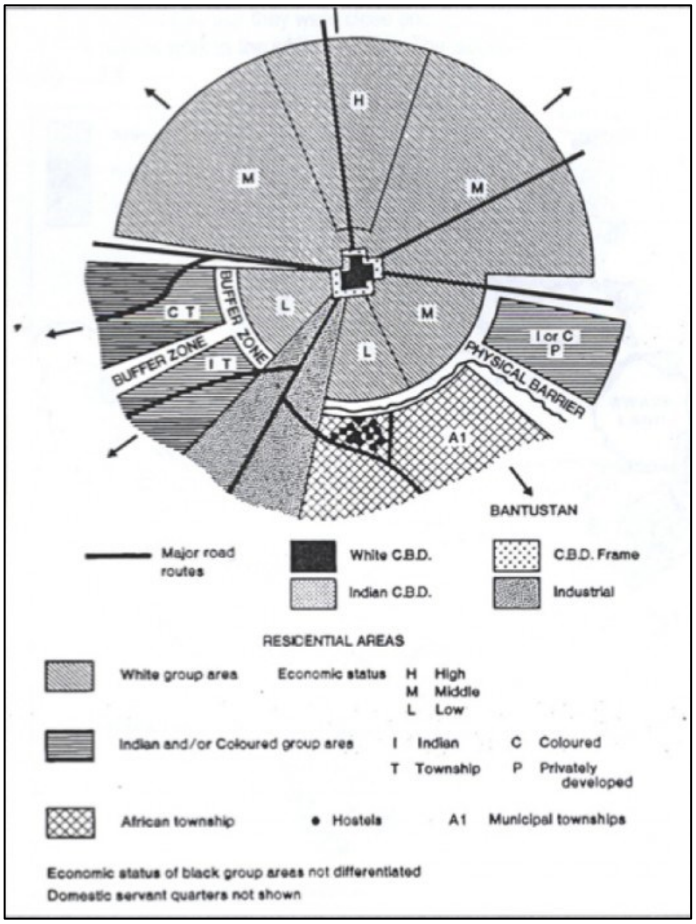


*Figure 9: Group Areas Zoning Schema (Lemon 1991)*

## III. Racializing 'standards of living', 'standards of space'

Johannesburg neighborhoods like Fietas and Sophiatown weren't just forcibly removed under Group Areas and the Native Resettlement Act; their properties were demolished. In Sophiatown, the logic was that despite its rezoning as a white suburb, whites would never buy the properties that Africans had found adequate (Cutten in SAIRR 1953, 18). So, on top of the rubble was built a low-density suburb for predominantly low-income Afrikaners. Its name: Triomf. Alongside the bigger politics at work, Sophiatown's demolition and Triomf's creation were informed too by racialized norms of consumption and space, norms that distinguished 'white standards of living' and 'European standards of space' from their negative other, "'non-European standard of space'" (cf. Minkley 1998). In the following section, I show how a racialized settler hierarchy of 'standards of living', hardened under mineral capitalism's regime of accumulation, was enacted in livelihoods and space through various forms of intervention to make sure whites 'lived like whites', and blacks were kept in 'their place'. Black labor, housing and neighborhoods were devalorized while both state and capital subsidized white labor, housing and neighborhoods in multiple ways.

### *Racialized norms of consumption, 'wages of blackness' and the color bar*

In Johannesburg's early days, racialized norms of consumption had bubbled and brewed in the debates and strategies around 'native' wages that consumed mining capital and the nascent state. As their primary source of surplus value, mining capital had to keep black wages low enough to extract high profits for their shareholders, while high enough to compete with the farms and draw black farmers out of subsistence agriculture and sharecropping (Van Onselen 1982, 14; Beinart 2001, 86). The Chamber of Mines and the state's labor commission deployed 'African standards of living' as justifications for super exploitative wages and poor living conditions in mine compounds, claiming that as black workers had fundamentally fewer and simpler needs and wants than white workers, "if Africans earned more, they would work less" (Beinart 2001, 70). To induce waged work in the first place, 'experts' advocated creating *new* needs and desires which required fulfillment (Burke 1996, 86) – land and livestock dispossession, taxes, urban passes, debt and alcohol consumption for example – but not too many so as to demand higher wages and higher skills (Jabavu 1920, 121). Too many needs and desires, with only a wage and no land, were viewed by a Commission on the Economy and Wages (1925) as dangerous: the 'detribalized' wage worker only had recourse to crime or revolution (in Houghton and Dagut 1972, 86; Ashforth 1990). Anthropologists with an evolutionary structural functionalism were key here to constructing the African as an economic subject out of place in the city and capitalist economy into the middle of the 20$^{th}$ century. As late as 1950, anthropologists working for the Johannesburg 'Native' Affairs Department were making statements about Soweto residents such as "the value of money and proper handling of it is as yet a thing not understood by most and one cannot but notice the casualness with which it is spent." (Eberheardt 1950, xxi). And so, within this multiply reinforced schema, black wages were kept extremely low through the compound-migrant labor system, but subsidized by the unpaid labor of family warehoused in the reserves both during and after work contracts (Wolpe 1995, 69).

Meanwhile, Johannesburg's white workers complained that they couldn't compete with black unskilled and semi-skilled labor at such low wages, since black workers could allegedly live on much less. By the 1920s, militant white trade unions and welfare organizations had elected and pressured a new Afrikaans nationalist-labor administration to adopt the so-called 'civilized' labor policy from 1924 (Van Onselen 1982). "'Civilized labor'" was defined tautologically as

> 'the labor rendered by persons whose standard of living conforms to the standard of living generally recognized as tolerable from the usual European standpoint. Uncivilized labor is to be regarded as the labor rendered by persons whose aim is restricted to the bare necessities of life as understood among barbarous and underdeveloped people'. (FN Circular no. 5, October 1924 in Feinstein 2005, 86)

Trucking these evolutionary racist notions of 'standards of living', and early settler divisions of labor between 'white' work and 'Kaffir' work, Master and Servant (*baaskap*), a stringent color bar was put in place. From the mid-1920s, all skilled work was reserved for whites, as well as certain categories of semi-skilled, while black workers were confined to unskilled occupations. White male wages were inflated across all skill categories to be 'family' wages, while black wages remained meagre. These job reservations and their high white 'family' wages were 'sold' to companies in return for tariff reductions, reduced bargaining rights for workers and generally increased state support for domestic industries and parastatals from the 1930s (Marais 2001, 21; Greenberg 1987; Crankshaw 1997; Seekings and Nattrass 2005; Barchiesi 2011). The income gains enabled by the color bar would increasingly facilitate white homeownership, but not without additional subsidies discussed below.

### *Enacting 'European standards of space' I: the "white public housing boom"*[22]

Hand-in-hand with these legislated assistances to produce and secure settler, capital and state visions of racialized 'standards of living' went new work to realize these in space.

The first was disproportionate and early investments in white public housing. State intervention in the field of housing was, like the civilized labor policy, an attempt to stabilize Johannesburg's increasingly volatile and organized white working class decrying chronic housing shortages, high rents and black 'invasion' (Parnell 1989). According to an Official Yearbook of 1917, rents were so high and accommodation so rare because of whites' "standard of living" and shortage of appropriate housing (Office of Census and Statistics 1917). In a city short on centrally located and affordable land, taken up as it was with mining activities and waste, Johannesburg's central

---

[22] (Parnell 1989, 267)

neighborhoods grew increasingly overcrowded and multi-racial (Parnell 1988, 307). After a deadly influenza epidemic swept through in 1918 (Parnell 1989, 263) and white race riots broke out in 1920 (Nightingale 2012, 289-90), the state intervened with the 1920 Housing Act. This was the "first state intervention into the arena of housing supply", one that "explicitly included whites" and left out "the poorly housed African community" – a product of white working class power (Parnell 1989, 264, 262, 263). Rather, the solution to the black housing shortage was one of forced removal to the urban periphery (Parnell 1989, 264).

Over the next 30 years, the Housing Act's implementing agent, the Central Housing Board, went on to lend three times more to white housing schemes as any other (Nightingale 2012, 363). This first took the form of direct loans to more affluent first-time home builder-owners – almost singularly to whites (Nightingale 2012, 263), and then from 1930, buoyed by the gold boom (Beinart 2001, 118), "cut-rate loans" to municipalities for white, 'Colored' and Indian "subeconomic housing" provision - public housing with subsidized rental units (Nightingale 2012, 363; Parnell 1989, 264-8).[23]

In Johannesburg, this public housing was built on well-located land for white slum dwellers removed from 'mixed' slums under the Native Urban Areas Act of 1923 and the Slums Act of 1934, while black slum dwellers were evicted to peripheral squatter camps (Parnell 1988; 1989, 265; Mabin 1992, 409). Slum clearance was not only about ending 'conflictual' and 'contaminating' racial mixing masked as a public health issued under the "sanitation syndrome" of urban reformers (Swanson 1978), or about removing them from multiracial working class struggles (Parnell 1988, 308). It was also about advancing 'slum' whites to a 'European standard of space'. Historical geographer Parnell (1989) puts it succinctly: it was not just about separate housing, but *better* housing for whites (262) on better land. "For whites, slum removal promised houses of better quality in a more advantageous location than any black slum-resident could hope for" (Parnell 1989, 267).

The "advantageous location" was facilitated by municipal expropriation of 'slum' land and the removal of its African residents to the periphery, opening up well-located, cheap land for white

---

[23] For Nightingale, the CHB is the "closest South African equivalent to the FHA". Unlike the US's FHA, the implementing agents were not real estate agents and land economists, but "sanitarians and public housing reformers" (2012, 361).

settlement in "low density suburban" form (Parnell 1988, 311).[24] As such, the displacement of black slum-residents to the city's edge 'created' land in a city short of it, while at the same time by-passing suburban white opposition to 'poor white' public housing schemes (Parnell 1988, 308-10). The Sophiatown removal in Johannesburg's western areas in the 1950s also 'created' land for white public housing, aided by extensive state purchase of land around it (Parnell 1988, 312).

As for the housing quality, the Johannesburg City Council put 'poor whites' removed from inner city slums "in homes explicitly designed to American and British standards" (Nightingale 2012, 364). This was not legislatively required (Parnell 1988), but reflected white working class power *and* the moral project of improving 'poor whites' (cf. Teppo 2004). "Subeconomic" 'standards of space' for white and black were poles apart. These well-located, high-quality white public housing schemes would offer privileged avenues into private property ownership, once they were put up for sale to council tenants from the early 1980s.

### *Enacting 'European standards of space' II: Suburban subsidies*

The ending of the CHB budget and the "white public housing boom" during the Second World War marked an important shift in public priorities: from funding public housing schemes for the white working class to encouraging white suburban home-ownership more broadly (the cheaper option says Parnell (1989, 270)) through other kinds of subsidies.

This wasn't the first such encouragement. In the booming 1930s, the state passed the first national 1934 Building Societies Act to better regulate and protect building societies (savings and loan societies) – the main form of 'private' housing finance – from boom-and-bust real estate cycles (Edginton 1951, 58-60) and ensure that they could meet their social obligation of enabling home ownership.[25] Various regulatory and tax concessions and exemptions, in recognition of building societies' "social value" (Edginton 1951, 48), allowed building societies

---

[24] The mixed inner city suburb of Bertrams is the earliest example of this. Although the whole suburb was 'slum cleared' in 1939, only displaced whites from Bertrams could access the new Council housing scheme constructed there (Parnell 1988, 311).

[25] Under the Act, borrowers of mortgage or building loans had to be under 50 years of age; in possession of a 25% or more down payment; and complete repayment within 20 years (Edginton 1951, 200, 201, 212). All bonded land had to be registered, all municipal rates and taxes up to date and all buildings insured.

to attract a lot of deposits *and* to offer lower-than-market interest rates on mortgages.[26] In return they invested in government bonds. These special concessions meant that "all borrowers are effectively subsidized by the lower rate of interest payable on tax-free investments" (Robertson 1983, 198).

Although 'non-Europeans' were not excluded legislatively by the Building Societies Act, employed white men disproportionately benefitted from this interest-rate subsidization, given the more general gendered and raced exclusions of property law, the labor market and law of contract. A few building societies catered to Indian borrowers in Natal and 'Colored' borrowers in Cape Town, while "urban natives", other than a few "exceptional" cases in the Transvaal, were not the concern of building societies but of the state, explained a mid-century history of building societies (Edginton 1951, 92-3). Even without the legal obstacles to African ownership of "'urban immoveable property'", black incomes remained too low to qualify for the monthly repayments or to build up the required 25% down payment (Edginton 1951, 35). Notably, these financial and legislative obstacles did not exclude black depositors: the Savings Departments of building societies were "available to all members of the public", male or female, over 16 years, married or single.[27] We will return to this discrepancy in the final section.

White men also disproportionately benefitted from direct homeownership subsidies funneled through building societies. The very successful 1937-1940 Building Societies Government Assisted Scheme, for example, offered "*any European"* (man) under a certain income lower mortgage down payments and interest rates subsidized by the central government (Edginton 1951, 107). The post-war Housing (Emergency Powers) Act of 1945 initiated another such finance-centered scheme to boost housing supply, this time for more upwardly mobile whites (Parnell 1989), with higher income thresholds and mortgage amounts, even lower interest rates and longer repayment periods *and* a government guarantee against losses (Edginton 1951, 109-110). This 1945 Housing Act's focus was "personified in the individual [white] war veteran who

---

[26] For example, building societies' exemption from stamp duty meant they could offer depositors and shareholders more attractive interest rates on their savings (to the detriment of other bank savings and fixed deposit accounts) (Edginton 1951, 164). Their exemption from income tax also helped keep borrowing interest rates low. Furthermore, building societies were exempt from certain parts of the 1926 Usury Act, allowing them to charge interest on owed interest (Edginton 1951, 136).

[27] Before 1934's Act, a woman married in community of property could not be a shareholder or depositor.

deserved ‘a home of his own’” (Parnell 1989, 269);[28] calls for black housing provision were booted (Parnell 1989, 267). Although the Act’s subsidies did not constitute the same level of housing support received by veterans in the US for example, some veterans were able to gear them against cheap suburban land in pro-veteran municipalities like Johannesburg, where it used the Housing Acts powers to expropriate land for a veteran land lottery (Roos 2009, 652–5).

Suburbs mushroomed across Johannesburg – and some in the more affordable south too for ex-servicemen (Mondeor, Robertsham) (Harrison and Zack 2014) - built by speculative builders, rather than the traditionally popular contract builder, anxious to take advantage of these new flows of home finance (Edginton 1951, 209) (Fig. 10). The level of suburban servicing was high thanks to the fact that “white neighborhoods received the lion’s share of revenue from rates and taxes paid by businesses”, as well as home-owners; black neighborhoods would get neither (Beall, Crankshaw, and Parnell 2002, 49).

[28] More than 250,000 white South African men volunteered for service in World War II; white women and black male volunteers from South Africa were not allowed to hold weapons so they generally didn’t go to the front.

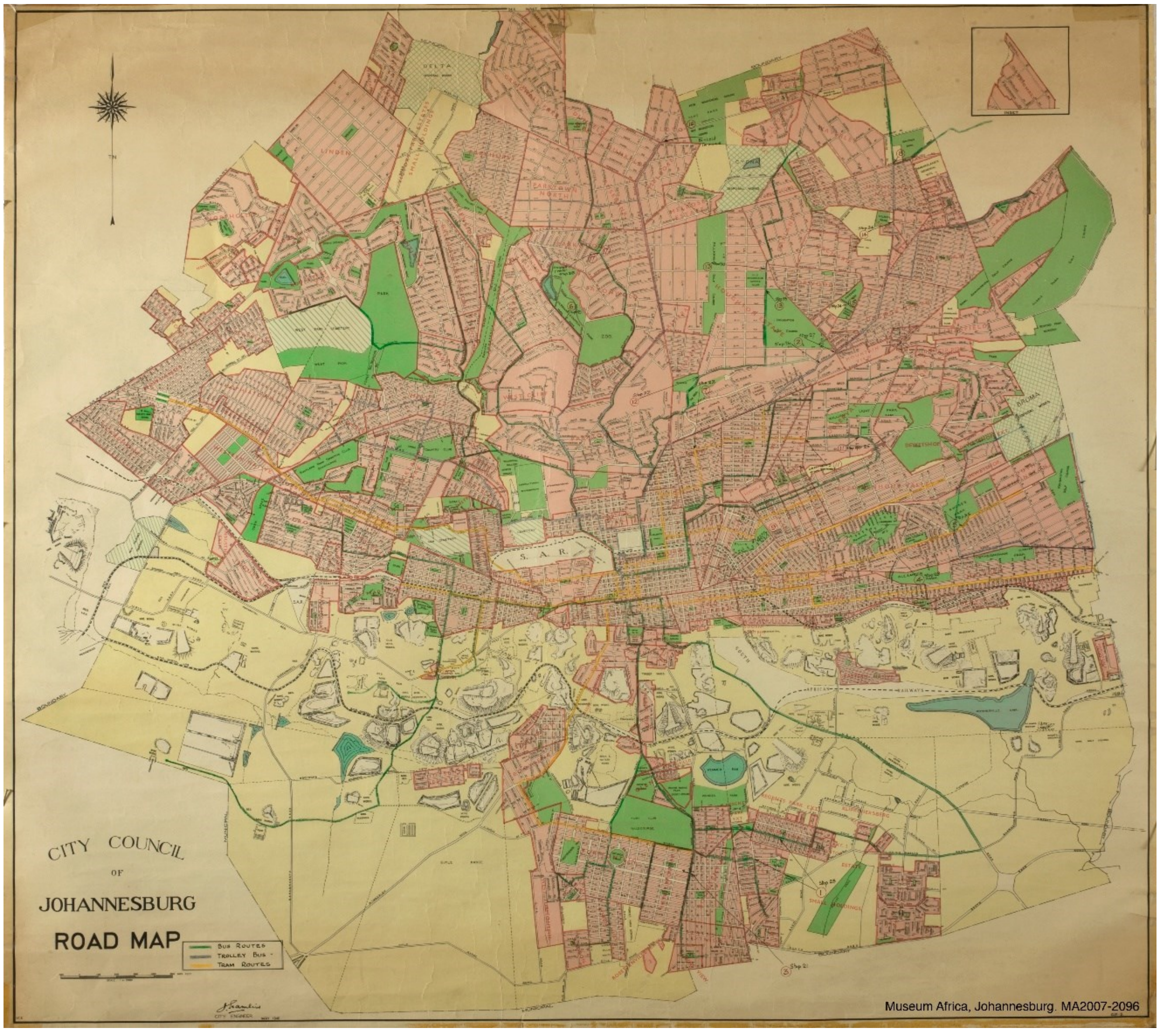


*Figure 10: City Council of Johannesburg Road Map (JCC 1946)*

### *Enacting 'Non-European standards of space' in 'model Native townships'*

Black public housing was provided at scale only long after white public housing in Johannesburg. The 1945 Housing (Emergency Powers) Act continued to frame Johannesburg's housing shortage as a white problem and a supply problem (Parnell 1989). The enormous crisis in African urban accommodation was glossed over (Parnell 1989, 269) until the Smuts government was forced to respond by 'squatter' movements, industrial strikes by increasing numbers of black manufacturing workers and their trade unions, the protests of 'New Africans' in popular discourse, and the growing reproduction crisis in the overcrowded reserves sent whole families into the city (Bonner 1995; Evans 1997). Manufacturers on the Rand were also keen to see a more settled labor force and new consumer market (Beinart 2001, 130).

After failed attempts to stabilize the squatter crisis through municipal-"controlled site and service camps" (Bonner 1995, 121), mining capital, the central state and urban planners stepped in to finance and construct vast tracts of modern "pseudo-suburban" family public housing from 1947 to the late 1950s (Freund 2007, 126). These so-called 'model Native townships' were to cater for "the existing urban population" who could prove their urban rootedness.[29] New urban migrants were kept out by bolstering influx control and its policing (Chipkin 1993, 211–2) especially after the Nationalists came to power in 1948. These controls and new apartheid legislation would be challenged time and again by organized mobilizations like the ANC's Defiance Campaign during the 1950s.

The biopolitical goals of 'model Native townships' were myriad: creating stable, depoliticized urban African families and communities (Minkley 1998; Posel 2005); removing 'black spots' from the furious 'white' city (Nightingale 2012); enabling better surveillance and spatial control of urban Africans (Chipkin 1993; Robinson 1996) under separate authoritarian administrations (Evans 1997); providing a testing ground for developing expertise in 'native' governance, scientific urban planning and modern architecture (Robinson 1996; Mabin and Smit 1997); class-levelling upwardly mobile Africans (Crankshaw 2005) while 'tribalizing' township residents by intra-township segregation by 'ethnicity' and language (Pirie 1984); and generating revenue for the state through rent and control of liquor. There were also new accumulation interests at work: building materials suppliers secured valuable contracts with the government building corps, controlling the cost of materials for township housing (Hendler 1987).[30]

Other scholars have tracked these goals; what I draw attention to here is how 'model Native townships' were constructed on inferior land and of inferior quality. While this was part of keeping "the financial burden" of such townships at a minimum (Calderwood 1953, 14), these

---

[29] The 1952 Native Laws Amendment Act granted additional rights to reside in the city - called 'section 10' rights – to a privileged minority of African urban workers and their families who could prove they were born in an urban area, or had continuous residence or employment there. It was these urban 'insiders' who could access family housing in "'model townships'", rather than the hostels of 'outsider' migrant laborers (Barchiesi 2011, 42–3; Beinart 2001, 158). Soon the apartheid regime's homeland strategy would attempt to remove all non-Section 10ers and those living in amongst 'white' farms 'back home'.
[30] From Everite bricks to fencing companies and steel windows and breeze blocks, "[p]rivate businesses made money through selling these building materials to the Johannesburg Council" (Hendler 1987, 77). It was estimated that some 80% of the cost of Soweto's dwellings went to building materials. Of the state's R37,35 million spent on developing Rand townships between 1949-1957, Hendler is curious to know how much ended up in private pockets (1987, 78).

devalorized township neighborhoods and houses were acceptable under the logic of racialized 'standards of living' and the notion of a "'non-European standard of space'" (Minkley 1998). This allowed state housing experts to make seemingly contradictory statements such as the following:

> In Native housing schemes, the first object is to supply shelter at minimum cost to the tenant, and the second to create an environment conducive to living a full and happy life, resulting in the development of good citizens for the community of tomorrow. (Calderwood 1953, 113)

The tension between the two "object[s]" was obliterated by the notion that very little was required for 'natives' to live a "full and happy life".

Johannesburg's greatest agglomeration of such 'model' townships, the South-Western Townships (Soweto), were built on cheap farm land or former mine-owned land, miles from the city. On the wrong side of the mining belts and the dust-bearing wind, on top of unstable dolomitic ground, no white suburbs had or would be built there (Beningfield 2006, 194–7). Township plots were not properly surveyed or deeded, as they were considered inalienable as private property: they were public property on increasingly short leases. There were no township property registers; township grounds were excluded from the cadaster of landed property; zones of exception where exceptional forms of government were permitted (little service provision and few amenities; no representation; states of emergency, curfews and military intervention).

On top of this unsurveyed ground, mass-produced houses, commonly referred to as 'matchboxes' for their uniformity and meagre dimensions, were built to lower and lower standards. The planning and architectural experts mobilized under the new 'native housing policy' (Chipkin 1993, 211) entrenched a 'non-European standard of space': the name given to the practice by which "the space standards for 'native' housing were radically reduced after 1949 to reflect the race of their occupants" (Beningfield 2006, 204). The minimum conditions of construction were lowered on everything from roofing, taps in the house, and flooring. The typical 'matchbox' house on the Rand (the '51/6' model[31]) was 40m² in floor size,

> compris[ing] two bedrooms, a kitchen and a living room and were often built as semi-detached units. The original houses were built to rudimentary standards, with only earthen or ash floors and without internal doors and ceilings. (Beall, Crankshaw, and Parnell 2002, 162)

[31] Named after the year and number of the prototype (1951, no. 6) (Beall, Crankshaw, and Parnell 2002, 162).

These alienating, but not alienated, ‘matchboxes’ in their pan-opticon layout were made home through the investments of their occupants, from structural extensions to smaller aesthetic additions (Beall, Crankshaw, and Parnell 2002, 163), despite the lack of ownership (Lee 2009; Dlamini 2010). These came with new forms of debt: home furnishings were often bought through hire purchase at exorbitant interest rates (Bonner 1995, 122; James 2014, 95, 99). Township homes and neighborhoods would also be sites of political mobilization and urban claims making. By 1968, the high apartheid state had placed a moratorium on the construction of family houses in urban areas and reprioritized bachelor hostels.

### IV. Paternalistic practices vis-à-vis mortgageable subjects

Why didn’t building societies put more pressure on the state to allow for private homeownership or alienable registered property in the ‘model Native township’ through which their capital could circulate and accrue interest? This after the Perm and the Standard Building Society had been lending to a minority of black property owners exclusively in the Transvaal for decades (Edginton 1951, 35). For example, in freehold Alexandra, “wealthy black sharecroppers” forced out of the countryside by the 1913 Land Act were granted “extortionate mortgages” to purchase large plots (Gevisser 2014, 301–2). In fact, these were so extortionate that the Minister of Native Affairs would later intervene to limit ‘African’ mortgage interest rates to a maximum of 6%.

But instead, for more than 30 years, building societies couldn’t access the city’s majority. One of the biggest building societies’ company histories presented themselves as helpless actors in the face of an all-powerful state. “Between 1950 and the 99-year lease scheme in 1981 no building society could help because there was no land ownership permitted” for Africans. Their housing “had to be” provided by a branch of the state (Robertson 1983, 194). “The building societies were not even able to help affluent blacks” (Robertson 1983, 193).

Despite this resigned acceptance in retrospective, Johannesburg’s building societies, together with property speculators, real estate agents and their political allies in the United Party *had* lobbied against the creation of public housing estates where they couldn’t accrue capital (Hendler 1987, 67). But Wilkinson (1981 in Hendler 1987, 67) argues they lost the battle to the more “productive” building materials supply faction. Perhaps they also tempered their lobby given building societies’ longstanding agreement with the state: tax benefits in return for investing in government bonds.

I would add two additional reasons for the lack of building society pressure. First, building societies already faced huge *popular* pressure – “a tremendous wave of prejudice” - against mortgage lending to Indians (Robertson 1983, 156). In Durban, white fury against Indian ‘encroachment’ not only inspired the 1946 Ghetto Act, but also informed some building societies’ refusal of Indian business (Robertson 1983, 156). With this credit abandonment, Indian businessmen established their own aptly-named Liberty Building Society in June 1947. It was only after the Group Areas board had finalized the demarcation of Indian ‘Group Areas’ in the 1960s that building societies began “actively seeking Indian business again” (Robertson 1983, 157). Perversely, Group Areas and its forced removals guaranteed Indian property rights for the first time in years (Mabin 1992, 407), but far outside the ‘white city’ in places like Lenasia on the farthest southern edge of Johannesburg where white NIMBYism had little power (cf. Beavon 2004, 193). Across the country, these vast new greenfield sites for Indian and ‘Colored’ residential development benefitted construction companies and building societies alike.

And yet, there was nothing like this available for ‘model Native township’ residents. Building society absence surely was also informed by paternalistic attitudes about black contractual and financial capacity with long histories. We see it in Edginton’s (1951) statements about how black mortgage holders were not only too poor “to sustain loan” but tended towards overcrowded subletting to make their payments (92) – without any reference to the possibly extortionate terms of their mortgages. This paternalistic discourse of ‘over-mortgaged’ black property owners and their tendency to ‘slumlord’ would be used to justify the expropriation and forced removals of tens of thousands of black residents from Sophiatown and Western Areas, some of Johannesburg’s few non-racial freehold suburbs in the 1950s.

In a Parliamentary debate about the possibility of demolishing cosmopolitan Sophiatown in Western Areas – something white rates payers in surrounding suburbs had been lobbying for for years – the Minister of Native Affairs (soon-to-be arch-apartheid prime minister Verwoerd) argued that since Sophiatown properties were “mortgaged to the hilt” and over-sublet to pay that mortgage, black ownership was “nominal” (Verwoerd in SAIRR 1953, 9). “What is the value of ownership when it is mortgaged in this way?” Forced sale or expropriation and resettlement would thus be best for both the ‘native’ tenant and property owner, who could then live “’rent free’” or mortgage free in a ‘model Native township’. In this way, he argued, “’The Western

Areas removal scheme is one which is not only in the interests of the European community of Johannesburg, it is also in the interests of the Natives who live there'" – in over indebted, overcrowded, slum conditions. "'We know the desires of these people'" (Verwoerd in SAIRR 1953, 12) – although he apparently hadn't consulted any (Xuma in SAIRR 1953, 24).

### *Patriarchal law of contract*

"Women mortgagors" continued to pose a different problem for building societies because of South African marriage law. The law recognized "spinsters", widows and divorcees as having "full contractual capacity" (Edginton 1951, 217) and allowed them to take out a mortgage (with the caveats below). But in marriage, all property control was vested in the husband, unless an additional prenuptial contract specified otherwise, and so the bond would be in his name (218) and staked on his income. This was despite the fact that married women could still be independent depositors in building societies since the 1934 Building Societies Act. *All* women, however, under Roman Dutch law had to have a man of some relation undertake suretyship or act as a guarantor for their debt, promising to assume responsibility for the debtor's unpaid debts in the case of default (Edginton 1951, 219). It was only in the 1980s, according to the press, that "most" buildings societies were

> now prepared to accept part of a wife's salary when deciding if an applicant can afford repayments on a bond. In some cases a young wife's full salary may be considered if her husband is a professional man whose earnings could rise sharply in a few years. (*Cape Argus* 1984)

This reflected changes in the labor market as white women made employment gains in growing tertiary industries (Grundlingh 2008, 151).[32]

## The white suburban high life during suppression of black resistance and Group Areas' dispossession

It was during the brutally repressive but economically booming 1950s and 1960s that white 'standards of living' and 'European standards of space' were consolidated. These were most manifest in sprawling modern ranch houses and latest model cars (Hyslop 2000; Beinart 2001, 182; Grundlingh 2008). White home-ownership was increasingly facilitated by the income gains of white workers and middle classes under apartheid's strengthened color bar, new credit

[32] Note that it was only in the 1970s that mortgage lenders in the US started counting a married woman's income towards the qualifications needed for credit (Shiller 2005, 36).

streams and uncontrolled suburban development through Group Areas white land reservation and the sinking of overaccumulated capital in the built environment (Chipkin 2008, 129, 131).

The old color bar was supplemented by a full-out "affirmative action programme" for the 20% of the population registered as whites (Marais 2001, 20), especially Afrikaners and white women, through shifting educational resources towards whites (Beinart 2001, 156, 180), industrial protectionism and expansion of the state bureaucracy (Marais 2001, 21, 29; Barchiesi 2011, 40).[33] This helped secure middle-class status for most Afrikaners for the first time (Grundlingh 2008, 145) while black Johannesburgers' wages fell throughout the 1950s (Marais 2001, 20). White to black per capita income rose from 10 to 1 in 1946 to 15 to 1 by 1970 (Dubow 2014, 101).

The "consumptive power" of whites and their suburban homeownership, was buoyed too by new and "easy" credit access (Marais 2001, 29). Changes in banking legislation allowed banks to reduce their cash reserves, releasing a lot of liquidity into circulation (Boreham 1971; De Kock 1981).[34] Afrikaner financial institutions forged out of the 1930s boom were helpful too (Falkena, Fourie, and Kok 1989, 159). White public sector workers had access to "soft loans, housing bonds" with no down payments and other benefits (Marais 2001, 20). White parastatal workers had housing provided in new company towns, like Johannesburg South's appropriately named Steeldale and Electron for workers in the state's steel industry and electricity provider. White private sector workers received 'fringe benefits': employer loans or subsidies to help with their housing costs.[35]

---

[33] A number of different interpretations surface in the historiography here: white affirmative action versus white welfare state (Seekings 2007) versus the non-welfarist, but white workerist state (Barchiesi 2011) versus racial Fordism (Gelb 1993) versus a "racially exclusive combination of a welfare and a developmental state" (Arrighi, Aschoff, and Scully 2010, 424).

[34] Historian Grundlingh (2008) sees this as a period of fundamental change in the meaning of money, particularly for Afrikaners (his object of study).While the early 1950s had been about "'sav[ing] for stability'", the 1960s were about "'spend[ing] for success'" and the "'pursuit of happiness'" (147). This credit-enabled consumer culture had political effects: Afrikaners become increasingly individuated, class-based and secular subjects rather than the 'volk' apartheid relied on for its hegemony (Grundlingh 2008, 148; Hyslop 2000).

[35] These ranged from a subsidy paid in cash directly to the employee or building society to pay off the employee's home loan (a fully taxable subsidy, unless in an "approved housing scheme", at least until the mid-1980s); an arrangement between an employer and a building society to charge the employee a lesser interest rate, in exchange for an employer's interest-free investment with the building society (with no tax

White credit access and protected wages were materialized in new suburban sprawl (Fig. 11). “Johannesburg in the post-Sharpeville boom of the 1960s was … witnessing a new scale of property development” (Chipkin 1993, 314). Extensive land reservation for whites under Group Areas (Christopher 1994, 108–9) fueled a “relatively uncontrolled release of land” in large plots at “moderate[]” prices (Beall, Crankshaw and Parnell 2002, 49), in both the north and the ‘new’ south. Public infrastructure investments in new highways connected these far-flung suburbs; while financial institutions poured their accumulated capital into sprouting shopping malls and decentralized office nodes in the North as well as apartment superblocks in the city (Goga 2003; Chipkin 2008, 252). Gold mining companies watching their profitability fall also turned to property development from the late 1960s, opening up new suburbs on their freehold ground (Harrison and Zack 2012).

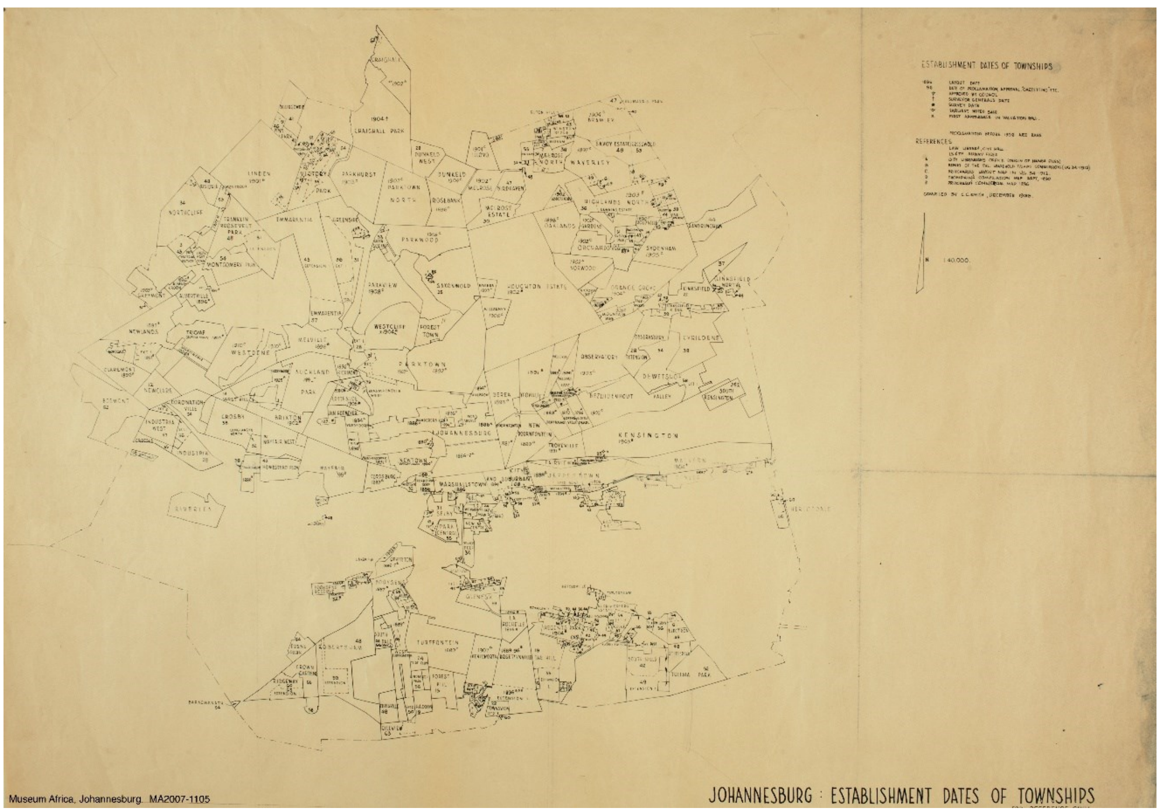


*Figure 11: Johannesburg establishment dates of townships (Smith 1966)*

---

implications for the employee); or a direct loan from the employer to the employee, on which either no or low interest is paid by the employee (with different tax implications) (*Finance Week* 1984c).

In this shifting milieu of credit and consumption, suburbanization and status, homeownership became the norm for white men and their households by the 1970s. As late as the mid-1980s, some 70% of white home-owners benefitted from some sort of public or private employer subsidization of their home finance (*Finance Week* 1984c). Across the mine dumps, township housing grew overcrowded with sub-letters, as less and less housing was built in black urban townships, and more in Bantustans from the 1970s (Mabin 1989, 7). Forced removals continued: some 3.5 million people were forcibly removed between 1960 and 1980 from any remaining 'black spots' on 'white' private property (farm or city) across the country (Marais 2001, 22).

## Conclusion

In the 1990s, South Africanist geographers were challenged to move beyond mapping the relationship between race and space, and proliferating racially-siloed studies, to work towards more co-constitutive histories of racialization and the racialization of space (Parnell and Mabin 1995; Elder 1998; Ramutsindela 2002). This chapter returns to that challenge vis-à-vis Johannesburg's property and debt infrastructure. I demonstrate how the city's vast racial inequalities in terms of property ownership and access to finance were produced both through dispossession and discrimination *and* subsidization and protectionism. The chapter draws out of the city's historiography and geographical scholarship four formative sites at which the relations between property and debt, race, space and risk were worked at discursively and in material practices. I named these as racialized enclosure; racializing tenure and contractual capacity; racializing 'standards of living' and 'standards of space'; and paternalistic policing of mortgageable subjects. Sutured into the production of Johannesburg space and the technics of property and debt themselves, these racialized discourses and enactments would be obdurate institutionally, materially and psychosocially long after the repeal of legal segregation, and less questioned in demands to universalize the 'rule of property' rather than undo it all together.

## CHAPTER 2 Freeing the markets: reconfiguring race and place, risk and reward in Johannesburg's property and debt infrastructure during the long transition

*A historical vignette*

In 1986, on the far southwestern edge of Soweto on a farm called Zuurbekom (Fig. 12), an enterprising white Afrikaans lawyer with political and farming connections "got hold of some land under option" – the rights to develop that land if he could raise the capital (Interview with Levin, 2013). Hedging their bets, the lawyer and some partners in the construction business bought another thousand options on the city's northwest boundary too. They could see that "the homeland and that whole system wasn't working" (Interview with Levin, 2013) – the state of emergency in most townships on the Rand was making that obvious. So here they were, staking their future on a gamble – that black urban private property was on its way - and would happen at scale on the most marginal land in the city. In places like Zuurbekom with its dolomitic ground, prone to sinkholes, but with no white NIMBYism to prevent it, unlike his northwestern options.

This land banking business was of a different order to the construction companies that had already gotten in on the new upmarket leasehold developments in Soweto's townships. On its top edge, a new suburb, Diepkloof had been built on publicly-owned township land between the old Crown Mines labor hostel and the mine dumps. This was thanks to the instating of mortgageable 99-year leasehold in black townships from 1979, after lobbying by construction firms, building societies, employers – especially the big conglomerates like AngloAmerican - and the Johannesburg City Council. The Council had been making the case for 99-year township leasehold for years, one city official wryly claiming such concessions wouldn't cause "'the heavens to fall'" or "endanger the White man's position" (*The Star* 1972).

In fact, they stood to do quite well off of housing the growing number of white-collar black employees trapped in their parents' overcrowded township houses with nowhere to go – other than expensive illegal sublets in the 'greying' inner city flatlands or new squatter camps far from town. Those white-collar jobs came with fringe benefits like reduced rate home loans that needed a home to be secured against. And with an income to be saved or spent. Standard Bank had even opened a Diepkloof branch, and the township's first shopping center was there too – Blackchain Shopping Centre – after wrangling with the conservative Township Administration Board who refused to grant leasehold for years.

That sort of problem was what the 1982 Viljoen committee had been about - finding ways of enabling 'private sector involvement' in 'black housing' in Soweto. Now that that committee had gotten township leasehold rights broadened to include developers themselves and employers, township new build was going to take off. They could all access "the housing market of the future" (*Natal Mercury* 1981), valued at an estimated R1 000 million. And it couldn't have come sooner, with the white housing market taking a dive and unemployment rising in the down-and-out construction industry.

But all this meant that townships were going to run out of land, and here's where this enterprising white lawyer was going to be ready. He'd already begun the political work. Involved in the Nationalist Party, he and some other 'young turks' had been part of the push for the Black Communities Development Act of 1984, which allowed "certain areas to be developed *outside* of the existing areas for black people" (Interview with Levin, 2013). That's why he was standing in Zuurbekom, ready to play the long game. As a local ward councilor put it to me 30 years later: "Whether scrupulous or not, it was a good investment" (Interview with Councilor Mogase, 2013).

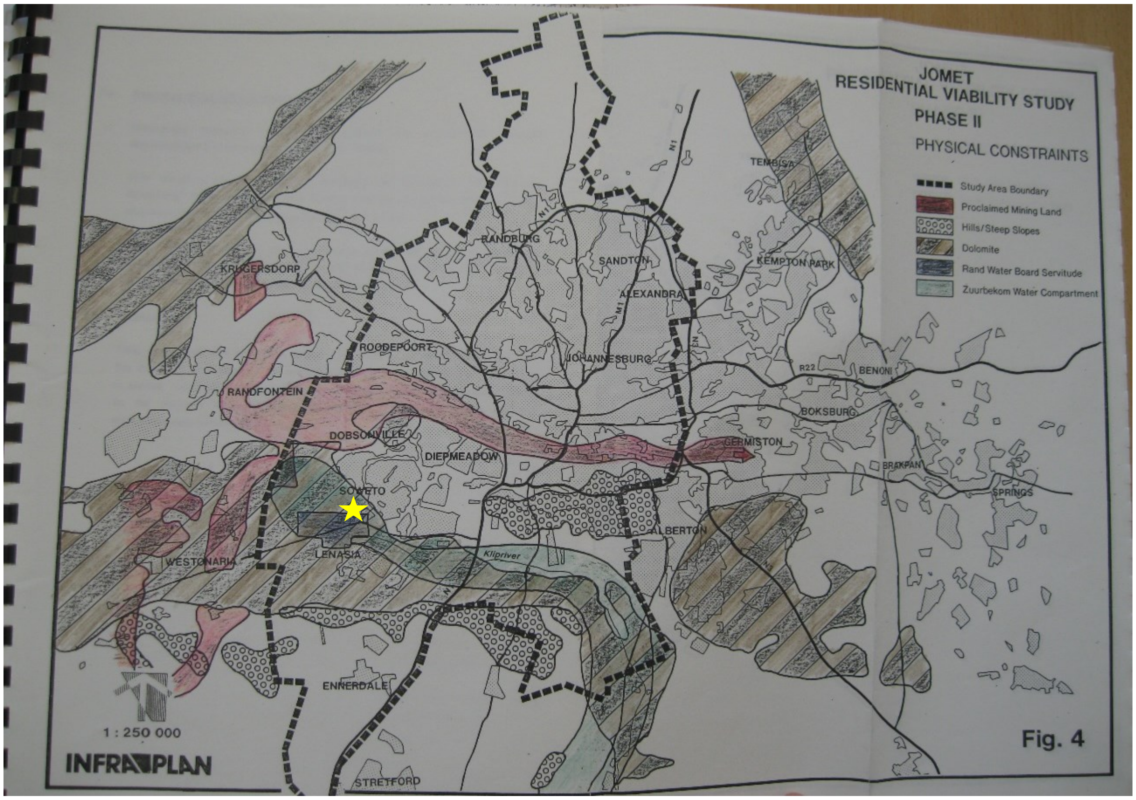


*Figure 12: Map of Johannesburg's physical constraints (JOMET 1991)*
*Star marks the position of Zuurbekom farm; the stripes indicate dolomite, the green, the Zuurbekom water compartment*

### Introduction

This vignette serves a few purposes. It introduces us to a land development company, rather unimaginatively named Township Realtors, that will continue to shape southern Johannesburg's residential landscape for the next 30 years. We will return to them. But more generally, the vignette gives a sense of how Johannesburg's property and debt infrastructure was being reconfigured during the 'long transition' – the crisis-filled late apartheid period and its attempts at both reform and repression, and the negotiated beginnings of democracy. These began long before the democratic elections in 1994, or even De Klerk's 1991 repeal of all racially-based land measures (scrapping the Land Act, the Group Areas Act, the Development of Black Communities Act) that promised a universal non-racial 'rule of property'. Overall, these reconfigurations worked at privatizing black township housing stock and its provision, reducing state housing construction, and creating forms of black homeownership in state-owned black townships, and finally, on other approved private land like Zuurbekom.

Those changes are thoroughly described by critical scholarship on the 'apartheid city' and captured in the many Commission reports the state convened around these matters from the late 1970s. By the early 1990s, the material effects of these shifts in Johannesburg's property and debt infrastructure were highly uneven. By the end of the 1990s even, most black Johannesburgers continued to 'escape' mortgage bondage. This chapter argues that those uneven effects were mediated by the obdurate material and discursive racializations of property, debt, risk and place described in Chapter 1. Progressive and radical analyses of the 'apartheid city' underestimated this, instead pointing to the limits placed on privatizing 'black housing' and liberalizing property rights by an economy in crisis or political stalemates.

To begin the conversation with that 'apartheid city' scholarship, the chapter first stakes out the different analyses of the changing property and debt infrastructure offered by progressive and radical scholarship at that time, vis-à-vis liberal interpretations. I then map out Johannesburg's uneven landscape of housing and finance at the end of the 1980s – pointing to old and new inclusions and exclusions. I go on to make my argument through three moves in as many sections, supplementing this scholarship as secondary source with primary sources from newspaper and institutional archives.[1] Once again, I work specifically to bring 'black housing' and 'white homeownership' and their different institutions into the same frame.

My first move is to argue that the 'communal fictions' and 'non-European standard of space' embedded *materially* in township construction continued to exclude township properties from privatizing or deracializing moves. Those devalorizations of black space in turn facilitated old and new white enclosures of land that once again set the terms of how *new* built environments would be produced. The second move is to show how *new* inclusions and exclusions were produced through the undoing of the racialized subsidies that allowed white male mortgage holders to access lower-than-market interest rates for 50 years, via the demutualization[2] - or privatization of member-owned building societies. South Africa's mortgage interest rates were now 'market rate', and mortgage lending subject to the vagaries of shareholder value. This contributed to further racialized financial exclusion from the mortgage instrument, and the rise

---

[1] Namely, Standard Bank's company reports and press clipping collection at their Heritage Centre; the SA Institute of Race Relations press clippings at Wits Historical Papers and Planact's collection at SAHA – see methodological note for more.

[2] "Demutualisation is the process through which any member-owned organization" – a mutual society or cooperative – "becomes a shareholder-owned company. This company could either be listed on a stock exchange or closely held by its shareholders." (*Economic Times* 2002)

of other more predatory lines of credit. The third move of the chapter: racialized and spatialized discourses of property and contractual capacity now cast in the language of 'a culture of non-payment' and 'abnormal risk' also reinforced the redlining of black townships and inner city neighborhoods throughout the 1990s. At the same time, black property purchase in former 'white' suburbs and *new* township extensions wasn't redlined, demonstrating the important relationship between racialized risk and space.

This is not to make a case for overdetermined continuity, in which contingency and conjuncture disappear. I end with the role of the new democratic state in negotiating with capital on both the finance and the land side, to redistribute risk therein. I also briefly map the changing configurations of race-class-property-debt-risk in Johannesburg. Rather, this chapter seeks to make the case for continuing to pay attention to the constitutive racialization of Johannesburg's property and debt infrastructure, and its *new* articulations with interest rates, civic mobilizations, accumulation strategies and governmental projects.

### Liberal, progressive and radical accounts of 1980s property and debt reforms

For liberals and their allies in conglomerates like AngloAmerican, building societies, property developers, black business associations, and opposition municipalities, these late apartheid reconfigurations of the property and debt infrastructure were responses to what forces of supply and demand were already producing 'on the ground' (Lemon 1991). They argued that the irrationality of apartheid's distorted, racialized markets was being undone by natural deracializing, privatizing forces. For example, supply and demand were pushing up the color bar as the economy faced militant strikes, massive skilled labor shortages especially in the growing tertiary sector and stagflation through under-consumption (Crankshaw 1997). The growing tertiary sector was hiring black employees with urbane expectations and a rising disposable income. This was a middle class perceived to be a "'bulwark against revolution'" (Beavon 2004, 226). Forces of supply and demand were also undoing the geographies of Group Areas and influx control. Johannesburg's inner city 'white' flatlands were already desegregating through illegal and profitable subletting, and its outskirts filling with shanties that white farmers got good rent for. For liberals then, the state just needed to catch up with what the market was already doing, if they were going to avoid revolution and save capitalism in the process.

With revolution on the doorstep after the 1976 Soweto Uprising, organized corporate lobbies like the Urban Foundation worked to speed up the state's acceptance of these 'natural' forces (Beavon 2004, 226). They worked hard at freeing markets - money, labor, housing and mortgage markets - from what was now framed as the costly meddling of a conservative, protectionist and violent state (Pallister 1988, 69) (Fig. 13). They saw the 'dynamizing of black housing' – discursive shorthand for the commodification, privatization and homeownership drive described in the opening of this chapter – as an important part of this lobby work (Boaden 1980; Morris 1981), and the state's acquiescence to this as proof of their success (*Financial Mail* 1979; Urban Foundation 1987, 13).

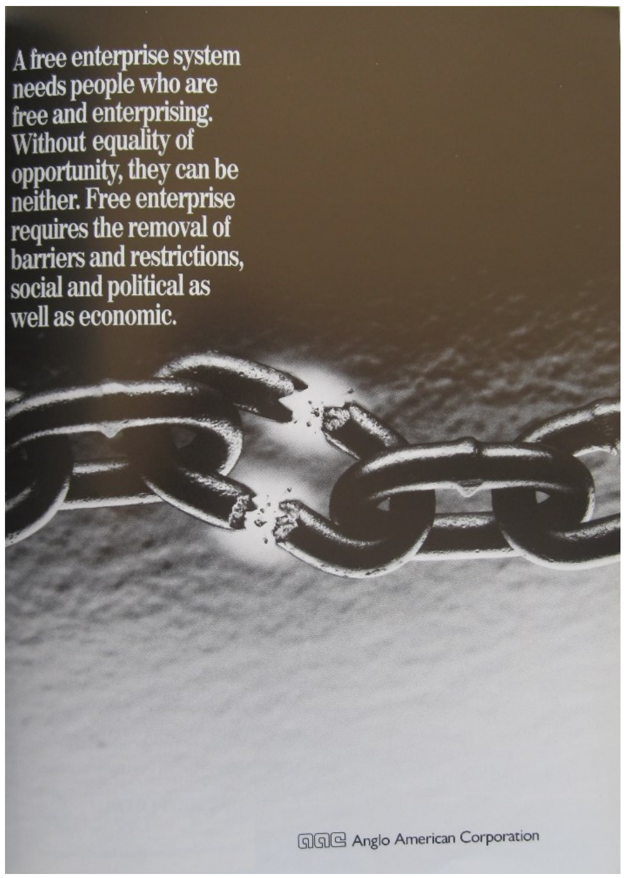


*Figure 13: Anglo-American advertorial in Leadership magazine (Urban Foundation 1987)*

In more critical analyses, "the Urban Foundation was, in many areas, pushing at an open door" (Pallister 1988, 75).[3] For progressive scholars writing on the 'apartheid city', there was little ideological tension between state and market around these 'dynamizing' moves (Mabin 1989, 18). Rather than reflecting any natural forces of supply and demand or simply the acceptance of a successful liberal lobby, these scholars argued that the late apartheid transformations of the property and debt infrastructure were strategies of an increasingly illegitimate state to deal with the growing urban crisis. Attempts at privatization and homeownership ranged from selling off half a million public houses at discounted prices in the 'Great Sale' (Mabin and Parnell 1983), encouraging self-build site-and-service schemes, and facilitating new privately-developed township housing through leasehold. Materially, these strategies tried to reduce state expenditures and responsibilities in 'black townships', leaving them to concentrate on their homeland strategy (Mabin 1989, 7). But they also had political purpose: the incremental deracialization of property rights were tactics to contain growing discontent and mobilization against the illegitimate state and the unlivable conditions of black life in townships and homelands (Mabin and Parnell 1983; Mabin 1989; Swilling, Humphries, and Shubane 1991). These tactics were part of Botha's "total strategy" – a winning-hearts-and-minds (WHAM) campaign for 'urban insiders', while soldiers locked down townships and homelands under the 1980s' state of emergency (Swilling 1990). This progressive argument mirrored township civic[4] campaigns against housing privatization as a divide-and-conquer gentrification strategy (Western Cape CAHAC 1984; Chaskalson, Jochelson, and Seekings 1987) (Fig. 14). Few bought into these state tactics, and mass mobilizations through rent and rate boycotts, mass stayaways, and street protests only increased from 1984, "prevent[ing] the state from imposing its privatization strategy on the townships" (Mabin 1989, 20). The state in practice continued to be actively involved in housing provision throughout the 1980s (Parnell 1992).

[3] Generally, for critical scholars, the UF was part of Prime Minister Botha's "total strategy": the militarization of foreign policy and everyday life under a state of emergency glazed with piecemeal WHAM reforms (Pallister et al 1987; Swilling 1990). At the very least, the UF was only "'beautifying the ghetto'" that South Africans "'want to get out of'" (Alexander 1987, 27). At the most, the UF was the "lead storm trooper for neoliberal social policy" (Bond 2005, 126), responsible for the commodification of township life.

[4] "[S]elf-organized township bodies whose purpose was to construct a popular form of grassroots democracy and oppose illegitimate state control" (Turok 1994 in Tomlinson et al. 2003, 8).

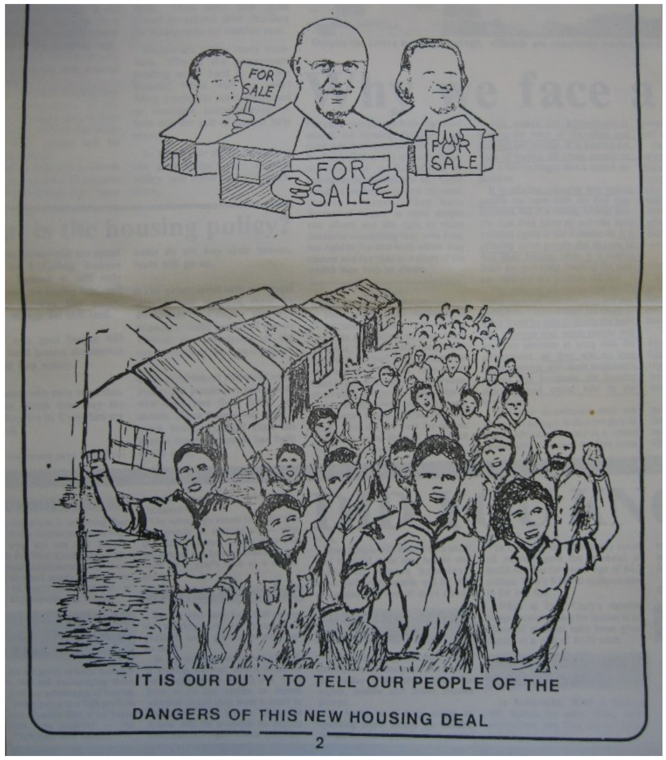


*Figure 14: Dangers of the new housing deal (Western Cape CAHAC 1984)*

In radical critiques, these late apartheid transformations of the property and debt infrastructure were not just political strategies by a desperate state renegotiating the distribution of the costs of the social production of labor power in the townships (Hendler 1987). These deracializing, privatizing moves were explicit accumulation strategies of various fractions of capital, and their active lobbying of the state to open those up through a "deracialized urbanization" policy framework (Swilling 1990). For example, the 'self-build' 'site-and-service' schemes the state used in demolished 'squatter camps' were actively lobbied for by building materials suppliers (Wilkinson 1983). It was construction companies and building societies anxious for new revenue streams who lobbied for allowing new privately-developed township housing for white-collar workers, aided by the legislative extension of leasehold rights to developers and employers through the 1982 Viljoen committee (Wilkinson 1983; Hendler 1987). It was no coincidence that there was an 80% increase in the cost of building materials between 1980 and 1985 (Hendler 1987, 69). After further financial deregulation by the late 1980s, privatized township housing and black homeownership offered spatial fixes not just for construction capital, but also finance capital looking for new sites of investment, especially under sanctions (Bond 1990; Swilling 1990). In South Africa's 1980s "financial explosion" (Bond 1990), the financial sector had burgeoned through corporate mergers and speculative investments in liquid assets and real estate while the primary and secondary sectors of the economy floundered (Marais 2001, 66; Bond 2000, 9; Goga 2003, 73). For radical scholars, township housing was the next "free market investment arena" frontier, the "rush of capital into township housing finance" (Bond 1990, 50) underwritten by innovative financial instruments outsourcing risk to the state and home buyer (Swilling 1990, 22; Bond 1990, 50).

### Constrained commodification of 'black housing' by the end of apartheid

But despite the accumulation strategies of finance and construction capital, and the political tactics of the late apartheid state, the commodification of township housing remained partial by the end of apartheid. Here, I sketch the ways in which the material effects of the 1980s reforms to the property and debt infrastructure were highly uneven in place.

Between 1983 and 1988, only 15% of public houses in Soweto had been privatized (Mashabela 1988 in Parnell and Pirie 1991, 139). It was only through the later political work of the Soweto civics in the 1990 Civic Accord that these houses were transferred finally to their occupants.

Comparatively, it was new build 'black housing' for the "emergent African bourgeoisie" adjacent to the old townships that had been more prolific (Parnell and Pirie 1991, 139). This increased from 13% of building plans passed by local authorities in 1982 to 58% in 1988 (Swilling 1990, 31). Nationally, estimates ranged from 62,000 mortgages registered to black households (Adler et al. 1996, 131) to "nearly 200,000" township units "built and bonded by the private sector" by 1990 (Bond 2005, 142). By the early 1990s, banks and parastatal development financiers claimed to have lent R10 billion in mortgages to 'new' markets since the 1980s (Porteous and Hazelhurst 2004, 125). The manifestation of these were visible: "substantial areas of suburban-type housing now lie adjacent to almost every major formal township … with full services – tarred roads, electricity, water, sewage" (e.n. 15 Mabin 1989).

Around these suburban extensions, the majority of black Johannesburgers experienced "a worsening shortage of low-income housing" with growing 'shack farms', backyard dwellings, inner city 'squatting', and site-and-service "dumping grounds" for squatters evicted from elsewhere (Parnell and Pirie 1991, 143).

But by the late 1980s, even that private new build in townships had tailed off (Bond 1990, 49; Parnell and Pirie 1991, 142).[5] Multiple interest rate spikes didn't help,[6] nor did deepening economic depression, increasing levels of unemployment, "land speculation, and the building materials cartel" (Bond 2000, 17). By 1994, banks claimed that R2 billion of the "estimated" R10 billion they had lent to 'new' township housing was "non-performing" or in arrears (Porteous and Hazelhurst 2004, 125). A moratorium on mortgage lending in townships began, while more middle-class former 'whites only' suburbs began to desegregate after the repeal of Group Areas.

I want to posit that in combination with mass mobilizations and interest rate hikes, economic malaise and rising construction costs, these limits to a "private black housing market" (Bond 1990, 49) during the long transition have to be read in relation to the discourses and practices that racialized space, notions of property and risk in Chapter 1. In the three sections that follow, I first track how the devalorization of black labor, township housing standards and tenure militated against their privatization, as well as facilitated new racialized enclosures where those issues would be 'addressed'. I then consider how the demutualization of building societies and the revoking of their special exemptions undid a critical subsidy of white homeownership at the very time when black homeowners needed this. The mortgage instrument's ascension to the world of high finance and shareholder value through this 'bankification' of building societies made for deepening racialized financial exclusion combined with predatory inclusions. Finally, I argue that in the 1990s, we see the deep articulations of racialized and spatialized risk in redlining townships and Johannesburg's inner city, while mortgage lending to new black buyers in former white-only suburbs was possible.

## I. New rounds of exclusion and enclosure through old racialized spaces and practices

### *The wages of blackness and the end of fringe benefits*

The first constraint on dynamizing 'black housing' was the continued super-exploitation of black workers which rendered most too poor to take advantage of the sale of public housing or new developer-built private housing. In 1990, the South African Institute of Race Relations (SAIRR) reported that 70% or more of black households needed financial assistance to afford

---

[5] Only 11,000 houses in 'black areas' nationwide were built that year (Urban Foundation 1990).
[6] From 12 to 20% in 1989.

accommodation in the private market, due to incredibly low wages (SAIRR 1990). This meant that even the discounted prices of public housing during the Great Sale remained prohibitively expensive particularly for black and 'Colored' tenants (Parnell and Pirie 1991, 138). In contradistinction, many white public housing tenants, with their protected status in the labor market, could buy their well-located public housing units at these discounted prices. For most township residents during the 1980s, state rental housing remained the most affordable option (Wilkinson 1983, 273), or site-and-service shantytowns or 'squatting' in township backyards or, increasingly, inner city buildings.

It was a minority of black Johannesburgers who saw their incomes rise after the slow removal of the color bar since the Labor Commissions[7] responded to black industrial action and growing business complaints about manpower shortages in the 1970s (Crankshaw and Parnell 2004, 362). Through these, established black urbanites had increased access to skilled jobs and higher wages, the right to join recognized trade unions, and by 1979, greater tenure security through 99-year leasehold. In practice, racial pay gaps remained stark and racial hierarchies took new forms, often articulated with the changing gender dynamics of the workplace (*Cape Times* 1978; *The Star* 1979; Motanyane 1985; *SASBO* 1985).[8]

With those white-collar jobs, and new non-discriminatory 'codes of employment', came access to fringe employment benefits that included reduced-rate home loans or tax-free housing subsidies (Stanbic 1978, 8; Cohen 1984). For a short time, this offered an avenue to homeownership for a minority. By the mid-1980s, legislation was in place to introduce fringe benefit taxation – the so-called "perk tax" (*Finance Week* 1984c). With a huge number of mortgages subsidized by employers through these perks (some 60-70% of mortgages at the two biggest building societies), these benefits had come under scrutiny for pushing up housing prices and being used "as a tax dodge". Black employees found their newly-won fringe benefits taxed and reduced, losing out on a housing subsidy that white suburbanites had enjoyed for decades, under 'free market' maneuverings.

[7] See Mamdani 1996; Ashforth 1990; Greenberg 1987 for more on these labor commissions.
[8] Whites held onto their employment privileges through informal 'upgrades' of job descriptions and associated wages.

### *'Non-European standards of space' come home to roost*

Many township houses were ineligible for mortgage financing even if their occupants had been able to afford to purchase, or were not politically opposed to it. This was due to the devalorization of black space since the 1940s through the 'model Native township' and its 'non-European standard of space'.

This racialized devalorization surfaced, for one, in the form of low building standards. Despite the apparent willingness of building societies to finance the purchase of existing township housing, sometimes requiring only 10% (instead of the usual 25%) down payment (Menge 1984), they would not grant building loans towards extending or renovating the "typical 51/9" municipal township house because their building standards were not up to code (Jammine 1983, 8-9). This criteria effectively excluded most existing township houses built under the logic of the 'non-European standard of space', except those of the most affluent who had been able to bring their house up to code on their own savings. Some houses never even went up for sale, being too poorly constructed or subdivided (Mabin and Parnell 1983, 154).

The Urban Foundation lobbied for building societies to lower their building standard requirements – but with unfortunate results. Low building standards and poor workmanship would define new township development too (Thomas in Rode 1992), with developers using 'experimental' building technologies (Robertson 1983, 189), shortcuts, and outsourcing to small-time subcontractors – used to working at lower specs for the municipality - "to keep down costs" (*Rand Daily Mail* 1983). There was little quality control or regulatory oversight. The devalorization of black space through substandard building codes continued, again, under the rhetoric of efficiency.

### *'Communal fictions' continue*

The othering of township property also reared its head in the form of unsurveyed, unregistered township stands and unequal forms of leasehold and freehold. This was a product of the racialized enactments of the bifurcated state that rendered black property communal or public. Under this logic, black space did not have to be legible in the cadaster in the same way; alienability as private property was not necessary, and so the resources for surveying were not allocated. However, as building societies wouldn't lend any mortgages against unsurveyed, unregistered premises (BLA Legal Education Centre 1987), the majority of existing township stands were excluded from mortgage finance. There was not even a township property register until 1994.

To make township houses legible to the institutions of private property, tenants who bought their house from the municipality first had to pay for the private surveying of the site before they could convert it to the now-permitted 99-year leasehold and only then try to mortgage it—a very expensive process (Mabin and Parnell 1983, 153). One building society tried a workaround using 'deeds of sale' instead of a registered title as security – a slow trial-and-error process (Menge 1984) that still kept township property as 'other'.

New build township developments were also slowed by unsurveyed and unproclaimed state-owned township land. Township establishment and proclamation could take years, although developers tried to work around by lobbying for the interim registration of titles without full survey (BLA Legal Education Centre 1987), and by pressuring and bribing local councilors and Development Boards (Hendler 1987).

Then there was the fact that leasehold and later freehold rights remained qualified in patronizing and racially exclusive ways that continued to confine black property ownership to overcrowded 'black' areas (until the repeal of the Group Areas Act) and privileged land speculation by white private interests in formerly 'state-owned' townships. Freehold of course had been a terrain of struggle since the 1950s removed black freehold rights. Township civics, for example, refused the terms of the 'Great Sale' under leasehold instead of freehold: the Soweto Civic Association demanded home ownership "only on condition that freehold tenure over both land and 'improvements' be the basis of such schemes" (Mabin and Parnell 1983, 156). But when freehold was finally wrought from the state under its new regime of 'Orderly Urbanization' (1985),[9] it was only permitted in areas under the administration of illegitimate township authorities, or as established by the Minister of Community Development, or where private developers had been given permission for township development through the Black Communities Development Act (Tlhopane 1986). Leasehold could be converted to freehold, through application to the original freeholder and for a conversion fee (BLA Legal Education Centre 1987).

---

[9] By the end of 1986, influx control had been relaxed, the Pass Laws repealed, some petty apartheid rules revoked, non-racial trading areas opened, and freehold rights reintroduced in 'approved' black areas (Rogerson & Parnell 1989, 18).

The terms of conversion were patronizing and exclusionary in various ways. The applicant for freehold had to be "'a competent person'" who was a black citizen of either South Africa or the homelands, or other lawfully resident black immigrants from other parts of Africa (who had been allowed in since 1985), or a township developer, an association, or an employer. The freeholder could not be a black woman married under civil law without their husband's consent (BLA Legal Education Centre 1987). Black women married under customary law were allowed to engage in contract – whether property or loans – following the Cooperation and Development Amendment Act of May 1985. However, few black women were registered tenants of public township houses, historically reserved for black male workers and their families (Parnell 1991, 34).[10] With conversion costs and surveying costs unaffordable to many township residents, it meant that white developers like those in the opening vignette were much better positioned to bank up township land.

### *New racialized enclosures*

Even when more land for 'approved black areas' was opened up, the same trend persisted: white developers banking land for 'black housing'. "Between the end of 1988 and the end of 1989 the area of land proclaimed for the development of African townships [outside the homelands] increased by 65%" (SAIRR 1990). In the Transvaal alone, 22,856 hectares were released in 1988 and 44,997 in 1989. Much of this was snapped up by private developers (SAIRR 1990), to the detriment of self-builders and small black construction firms (Thomas in Rode Report 1989, 47). And with no other available land in 'approved' black areas (Stanbic 1988, 14), these developers monopolized the market, catering only to the highest bidders, keeping lower priced property scarce or just "holding vast amounts of overpriced land" waiting for higher-end buyers to develop at higher profit (Unknown 1990, 9).

Those prices were further increased by the cost of servicing greenfield land for new private 'black housing' developments, running at R4-5,000 a stand, a huge cost which the state had historically subsidized in white suburbs (Kentridge 1996, 171). Without that general infrastructural subsidy until much later under democracy, servicing and infrastructural costs

---

[10] Before the end of influx control in 1986, "[w]omen who were legally working and living in towns, but who were barred from official housing unless they lived with their husbands or fathers were then expected to live in hostels, or to become registered lodgers of other tenants." (Parnell 1991, 34).

were born by home buyers – excluding everyone but the more affluent. That "development gain" – the difference between the price of 'raw' agricultural land and its serviced form (Harris 2014) – was the core source of accumulation for developers like Township Realtors on the cheapest land in the city (see Chapter 6).

To get around this infrastructural cost for poorer households on worse land, the outgoing government, with the push of developers and mining companies looking to offload land around Soweto as gold prices dropped, passed the Less Formal Townships Act (1991). Rather than subsidizing infrastructure on these land holdings, the Act just allowed a "lower level of servicing than other townships". Indeed, they were so low in some instances as to be "barely distinguishable from shack settlements" that their residents were previously living in (Harrison and Harrison 2014, 299). Black property owners in developments established under such terms found themselves once again owning property that wasn't anywhere near the same cadastral or infrastructural quality as property in white suburbs.

### II. Ending subsidies through building society demutualization

During the 1980s, the primary institution of housing finance in South Africa – the building society – was itself transformed through 'demutualization' and the removal of state underwriting. Just a note on (de)mutualization: historically, building societies were mutual societies owned by their members, not external shareholders, and weren't listed on the stock exchange (Cranston 2008). But with demutualization, building societies became shareholder-owned and listed entities, like banks, and mortgage finance became caught up in new metrics of shareholder value. Of course, this demutualizing process was taking place simultaneously in other neoliberalizing places such as the UK (Martin and Turner 2000 in Aalbers 2015), but how it was achieved locally, through what debates, and with what effects are considered here.

Despite the silence on the transformations of building societies in the progressive or radical scholarship on the 'apartheid city' – given their more exclusive focus on 'township housing', rather than the changing conjunctures of property and debt more generally - I argue that demutualization was also a core part of the transformations to the property and debt infrastructure during the long transition. In the financial media of the early to mid-1980s, indeed, this appears as a very 'loud' conversation.

Furthermore, the 'death' of the mutual building society meant that black borrowers, once finally let back into the property market and a racially integrating world of banking, would not benefit from the same lending advantages as the generations of white home buyers before them. Demutualization contributed then, to deepening racialized exclusion and dispossession through the changing regime of subsidies and financialization of mortgage finance. This despite the fact that banks and building societies had formally integrated their services and premises for black and white customers since the late 1970s, opening black-managed branches in townships and homelands for the first time, while desegregating the staff and services at established 'white' branches (*Pretoria News* 1978; *Natal Mercury* 1978; Kennaugh 1978; De Vos 1980).[11]

What led to demutualization? Along with lobbies to 'free' labor markets and housing markets, economists and banks were lobbying from the late 1970s for the 'freeing' of the mortgage market from a building society cartel protected by the state (*Finance Week* 1981c). Those same banks were trying to enter the mortgage market and were struggling to compete with building societies' low, subsidized lending rates.[12] What followed was "mortgage war", according to a weekly financial magazine (*Finance Week* 1982).

The state established two commissions to investigate the matter. Historically, building societies had been "expected by the authorities to keep their mortgage rates below free-market levels, for the socially desirable purpose of assisting home-owners with relatively cheap finance" in return for tax-free savings facilities, lower capital reserves and liquid asset requirements, and investment in prescribed government securities (RSA 1982, 2-3). But the special commissions concurred that this protectionist arrangement needed to end (RSA 1982, 5). It was distorting the efficient flow of mortgage funds (Knowler 1981; *Financial Mail* 1982). Below-inflation interest rates were feeding inflation and consumer indebtedness as people took out bigger and bigger mortgages (Hogg 1981; *Finance Week* 1981a, 1981b; *Citizen* 1981). The government had already 'marketized' the 40-year-old Hire Purchase Act in 1981, in a bid to reduce indebtedness through increasing credit interest rates to "market rates" (Olckers 1981)[13] along with more

---

[11] After oscillating between providing "ethnic banking" and "integrated banking", the latter prevailed, mainly because "the black market response towards ethnic banks … is found to be a 'little disappointing'" (De Vos 1980).
[12] Barclays started offering retail home loans, not building loans, from 1982; Standard Bank from 1986.
[13] The new credit laws increased the maximum interest rates, the "'usury'" ceiling, allowed on loan, credit and hire purchases from 14% to "market" rates, such as 24%/annum on loans under R500 and 21%/annum on R500-1000, and 18% above that (Olckers 1981; Horler 1978).

consumer protections (Hudson 1981; Chandler 1981). In practice, these increased interest rates fell particularly hard on black borrowers and low income earners who used hire purchase more and took out smaller (and now more expensive) loans (Olckers 1981).

But in adding insult to injury, building societies were feeding inflation with the subsidies of the state, employers and other savers (Jeans 1981) and simultaneously using these advantages to encroach on bank activities (*Financial Mail* 1978). The verdict? Remove these privileges; demutualize building societies to become equity-funded institutions that compete with the banks for funding on the capital markets with "profit motive"; and subject them all to the same regulation (Fridjhon 1982; Hogg 1983; *Finance Week* 1984b).

Yet home finance's subsumption into the world of shareholder value was not a foregone conclusion. Monetary authorities, banks and building societies battled over the Building Society Bill from 1983 to 1986 (*Financial Mail* 1984a, 1984b, 1985a). When it finally passed, the Act was a compromise - not forcing building societies to demutualize, but biased towards demutualization (Jiya 1991, 17). But the government had already started phasing out building societies' tax concessions and with them, their lower-than-inflation interest rates. Instead of general subsidies, the Minister of Finance announced a new targeted "system of direct mortgage rate subsidies" for lower-income first-time home buyers from 1983 (Falkena, Fourie, and Kok 1989, 104). This repealed a critical subsidy of homeownership over the past 50 years at the very moment when black South Africans were finally beginning to access mortgageable property again.

Perversely, the new system once again subsidized thousands of white homebuyers. For while the new individual subsidies under the State Assisted Homeowner Scheme were not racially exclusive, they were economically accessible to only about 20% of black households, and even fewer when interest rates rose.[14] It was for this relatively affluent black minority that private developers built their "speculative housing projects" (Parnell and Pirie 1991, 143), especially since black households could only use their subsidy from 1987 on new housing, unlike whites who could use it against existing or new housing (Parnell 1991, 28). So, in the main, the new

[14] Also adding to this was not only that black households' incomes were too low for many to apply, but some black households earned too much to apply: black applicants couldn't earn more than R2,000/month, unlike white applicants who could earn up R3,500/month (Parnell 1991, 28), in keeping with older racialized discourses of standards of living and standards of space.

subsidies were taken up by "[f]inancially hamstrung whites", some of whom were fleeing Johannesburg's 'greying'[15] inner city neighborhoods to new housing "erupt[ing]" on cheaper land on the edge of the city, such as in Randburg and Edenvale (Parnell and Pirie 1991, 143). By the time the subsidy was depleted in 1990 (Parnell 1991, 60), black applicants had only accessed 14% of the subsidies distributed since 1985 (Urban Foundation 1990a, 8).[16] As historical geographer Sue Parnell put it succinctly at the time: "Housing finance in the declining years of apartheid generally continues to favour whites over blacks, rich over poor and men over women" (Parnell 1991, 21). For despite the fact that women could apply for the State Assisted Homeowner Scheme, only married applicants or women with dependents could apply; "[w]omen who are divorced or widowed may not use the scheme if their husbands ever owned property" (Parnell 1991, 31).[17]

As for demutualization, the first of the big building societies, United, listed on the stock exchange in 1986 with the "biggest share offer *ever* in SA" (*Financial Mail* 1985b; also Farley 1985).[18] The rest would soon follow, "effectively forced" down the road to demutualization (Tucker 1999), merging with, or being taken over by, other banks to meet the necessary capital reserve requirements (Jiya 1991). United Building Society, for example, merged with some other banks and building societies to create South Africa's largest banking group at the time, Amalgamated Banks of South Africa Limited (Absa). This would be representative of the highly concentrated financial architecture of the 'new' South Africa, in which four giant retail banks –

---

[15] The adjective used to describe 'white group areas' that were becoming more racially mixed.
[16] The Urban Foundation proposed that the State Assisted Homeowner subsidy be supplemented with an individual capital subsidy "aimed at black families" to use in self-building on serviced sites instead – the state was responding positively by year end (Urban Foundation 1990c, 6, 8) - a program that would be continued in modified form under the postapartheid housing program (Huchzermeyer 2003; Bond 2005).
[17] See Parnell (1991, 31-2) for more on the gendered and racialized inequalities of soft loans for civil servants too in the late apartheid period.
[18] In 1989, United went on to issue the country's first ever tranche of residential mortgage-backed securities (RMBS) thanks to the Financial Markets Control Act, which created futures, options and bond markets while scrapping "minimum requirements for financial institutions to invest in government securities", increasing "sophisticated lending and saving products" for wealthy clients and "new financial instruments – especially securitized mortgages" in investor portfolios (Bond 1990, 42) – see chapter 3 for more on securitization.

or “financial supermarkets” (*Citizen* 1983) - would offer a suite of financial services, of which mortgage lending was just one,[19] all subject to the regime of maximizing shareholder value.

Alongside the increased capital flight these institutional deregulations enabled (Mohamed 2006; Ashman, Fine, and Newman 2011), massive restructuring of building societies-cum-banks ensued in the 1990s. Automation, branch closures, credit centralization, etc. sought to cut costs while generating ‘non-interest income’ with the highest ROE through transactions and sales. All of which, as the former head of the Permanent Building Society would argue, would be “really bad news for the origination and maintenance of low income loans, since it is that staff and those branches which were crucial for actually engaging the clients, assisting them, assessing their credit worthiness, and recovering defaulted loans” but “there is no longer the network necessary to engage and get finance through to low-income communities” (Tucker 1999).

Researchers a decade later would track the increasing financial exclusion wrought through those restructurings for low income households (Ardington et al. 2004, 608). An estimated 17,6 million South African adults remained ‘unbanked’ in 2001 (Ardington et al. 2004, 610). Instead, lower income borrowers had recourse to small amounts of credit through ‘niche’ lenders.[20] From 1992, new microlenders appeared on the scene, attracted by changes to the Usury Laws that removed interest rate caps, and new technologies that allowed automatic payroll deduction (James 2014, 65–8). This had dire results on creating cheaper housing finance options for poorer South Africans (Porteous and Hazelhurst 2004, 136). When interest rates ballooned in 1998, the Usury law was amended, and the state ended automatic deduction from civil servants’ payroll (Rust 2003), many niche lenders went under. Through this bursting of the microlending bubble, lower income borrowers had their risk profile “fundamentally alter[ed]” - many would remain blacklisted into the 2000s (Rust 2003, 9–10; Porteous and Hazelhurst 2004, 11–12, 34).

### III. Racialized, spatialized metrics of risk and reward redline the township and inner city

But we are not yet at the end of the 1990s. Indeed, the start of the decade was already marked by a household debt crisis in a deepening economic and political crisis. In 1991, Standard Bank

[19] Quite different from the multitude of non-equity, locally-based Savings and Loan Associations in the US, for whom mortgage lending remained their sole business, and a protected one through securitization and Fannie Mae (Tucker 1999).
[20] See James (2014) for a discussion of these lenders across the gamut of ‘formal’ and ‘informal’.

reported a “marked increased in insolvencies and liquidations... repossessions of houses and cars were unduly high” (Stanbic 1992, 10). Banks and disappearing building societies pulled back on mortgage lending. But this de-financing was particularly biased against black borrowers (Urban Foundation 1990d, 11). In the coming years, townships and ‘Africanizing’ inner city neighborhoods were increasingly red-lined (Beavon 2004, 224). Even with additional financial innovations – like extra insurance and state guarantees - to pass that risk onto borrowers and the tax payer, the “anticipated result” of the township spatial fix was “not panning out” (Bond 2000, 14-5). Here, I argue we have to confront again the metrics of risk and reward always coursing through the construction of racialized spaces and subjects described so far in this dissertation.

Long before the 1990s mortgage moratorium, liberals, activists and nationalists alike deplored the struggle of black aspirant home buyers and businesses to access long-term credit from conservative financial institutions (Hart 1987, 11; ANC 1992). And while these institutions trotted out the amounts advanced to black borrowers, these were often paltry sums in comparison to what they were lending in general. In addition to the problems of building standards and unsurveyed ground already discussed, two other metrics constrained them – reward and risk.

As for the first, many banks and building societies wouldn’t lend out any mortgages less than R35,000 (Swilling 1990, 19), because of their “lack of profitability” (SAIRR 1990). This effectively excluded some 90% of those needing homes (Swilling 1990, 19). These metrics of profitability only became more important after the demutualization of housing finance.

But furthermore, financial institutions remained guarded in advancing township mortgage loans because of “the perception that small loans in African areas were high risk” (SAIRR 1990). And here’s where we get into the sticky articulations of racialized borrower risk and neighborhood risk, where I spend the rest of this section. Although treating black borrowers as “’poor credit risks’” was common practice (Human Awareness Program 1984, 65-7), this had not prevented some entrepreneurial real estate agents from selling flats and houses through white nominees, front companies or, from 1990, government-issued Group Areas exemption permits in ‘white’ suburbs (Urban Foundation 1990b, 9). Or the fact that credit cards were available from the 1970s allegedly irrespective of race or gender (Weaver 1982) – obviously helped by a high income, a good credit history, a stable address (preferably owned), and a husband to co-sign (Still 1979).

But there is something particular about how racialized risk interacts with the mortgage and its articulation with space. At the end of the 1990s, the South African Banking Council's CEO put it as follows: the mortgage loan is

> in many instances, significantly less than an ideal form of security. It is costly to originate and difficult to understand. Moreover, because it relates to property, any form of common protest around the issue of property, its condition, or discrimination in its allocation is easily reflected in a 'boycott' of bond payments. (Tucker 1999)

It was just such "common protest" that banks considered rife in townships. And so, financial institutions were particularly wary of mortgage credit to black borrowers in 'black areas'. This was linked to the longstanding construction of black space as spaces of exception to the rule of private property with different 'standards of space', whose residents had never been subjected to the law of property and contract; where evictions were perceived as impossible to orchestrate and illegal occupations rife. These characteristics were epitomized for banks in the civics' ungovernability campaigns from the mid-1980s, where rent and rate boycotts were used against illegitimate township authorities. Rather than naming this as short-term, "non-commercial" risk produced by exceptional "periods of political, civil or labor instability" (MIS 1994), financial institutions began to refer to this as the "culture of non-payment" endemic in black townships (Stanbic 1997, 7).

Some isolated 'bond boycotts' in the early 1990s – mortgage payment boycotts organized by civics to protest shoddy workmanship (Bond 2005, 140-2) – and instances of intimidation of bank representatives coming to repossess township houses (Parliamentary Monitoring Group 2000), were seen as dangerous hangovers from the anti-apartheid struggle and symptomatic of this "culture of non-payment".

And so, this discourse together with higher levels of default across banks' mortgage books saw an "almost universal exit" of housing finance from the township and inner city (Tomlinson 1997, 4). Ironically, this was during the negotiated transition to democracy (1990-4), with its repeal of segregationist and apartheid laws from the Land Acts to the Group Areas Act and Reservation of Separate Amenities Act, and the making of new law to create a de jure universal "rule of property" (for example, the 1991 Upgrading of Land Tenure Rights Act). This mortgage moratorium continued despite estimates by 1993 that some 40% of Johannesburg's black households *could* afford to take out a mortgage (CWMC 1993, 14-15), even under the deteriorating economic conditions.

In justifying their moratorium on mortgage lending in black space, financial institutions continued to raise the specter of 'bond boycotts', which never became a trend, along with the argument that the "culture of non-payment" meant they couldn't recoup what was owed them or foreclose on the house in the 'lawless' township. They argued that these abnormal risks had "forced [them] out" (Tomlinson 2002, 8) of mortgage lending in these spaces. The same discourse would be repeated throughout the 1990s in financial institutions' engagement with the new democratic state.

### Negotiating mortgage redlining in post-apartheid Johannesburg

New demands on housing finance were growing even before the democratic elections. Civic organizations proposed the creation of a National Housing Bank (Bond 2005, 137–8) while the incoming ANC made the delivery of housing for all a cornerstone of their election manifesto. They also called for the end to "discrimination in lending against blacks, women, and informal-sector or very small-scale producers" and for the private sector "to move into lower cost housing, revise its product mix and increase the level of community participation in its projects" (ANC 1992). In Standard Bank's records, we find direct responses to these, countering that they were reckless demands (Stanbic 1995, 7) unless the new state "entrenched the rule of law" (Stanbic 1995, 7) in townships in the face of a "persistent culture of non-payment for services" (Stanbic 1996, 5). This lengthy quote from the mid-1990s is illustrative of the discursive continuities:

> The culture of non-payment, while strongly rooted in the political instability of the previous decade, is inappropriate to our new circumstances because the delivery of necessary services, including housing in particular, cannot and will not take place in such a climate. Stringent measures are therefore now required to reaffirm the importance to a stable society of respect for national institutions and the law, and of the need for citizens to fulfill their reasonable financial obligations. Failure to lay this cornerstone of social order will have unfortunate consequences for our economy and for our standing in the world. (Chairman of Standard Bank in Stanbic 1997, 7)

This call to "normalize" the "abnormal" township property market (MIS 1994) set the parameters for the series of housing finance-related institution building in the early years of democracy (1995-7).[21] For example, 'risk-sharing' arrangements shaped the temporary Mortgage

[21] These were preceded by the National Housing Forum (NHF), an uneven corporatist dialogue convened by business and parastatals during the wider power-sharing negotiations of the early 1990s. The NHF's imagined division of labour was as follows: it was up to the new state to create an enabling environment and enforce 'law and order'– basically ensure "the sanctity of contract" (Rust 2002, 9); capital to lend and

Indemnity Scheme (where the state guaranteed mortgages in particular townships), as well as the 'normalizing' work of Servcon (tasked with regularizing non-performing township mortgages). The state also created new development finance institutions (the National Housing Finance Corporation, NURCHA and the Rural Housing Loan Fund) to channel wholesale funding to financial intermediaries or developers in lieu of the banks' participation, to fulfill their new constitutional mandate to progressively achieve the right to housing for all.

But despite these 'risk-sharing' and 'normalizing' attempts by the state, banks continued to redline old townships or inner cities (Moss 2009, 47). The loss of 1 million jobs between 1993-7 through deindustrialization and capital flight didn't help (Tomlinson et al. 2003, 15). Instead, banks used state-guaranteed or subsidized mechanisms to support mortgages for higher earners in new developer-built extensions around old townships (Tomlinson 1997, 7; Beall, Crankshaw, and Parnell 2002, 203). The pension-backed loan was also a popular instrument in these subdivisions (Interview with Barnard, 2013), as well as non-bank finance channeled straight to developers and contractors from the government's development finance institutions (Moss 2009, 47).

At the same time, a more affluent black middle class was slowly moving into former 'whites only' suburbs where banks were willing to lend (Crankshaw 2008; Kracker-Selzer and Heller 2010) or entirely new townhouse complexes on the urban edge (Tomlinson et al 2003, 13; Bremner 2004). The desegregation of older cheaper white suburbs was further accelerated by interest rate hikes in 1998 that foreclosed on lower income whites, especially on the eastern and southern edges of central Johannesburg. "A lot of people lost their houses", a white real estate agent in Rosettenville told me; he sold the banks' "huge stockpile of repossessed properties" to new gentrifying black buyers (Interview with MC, 2013).

The contingent articulations of racialized risk and racialized space are evident in these uneven distributions of housing finance to black homeowners across the city. During the 1990s, we see four different configurations of property-race-class-risk-space emerging: the bank redlining of townships and inner city Johannesburg; the slow channeling of mortgage finance to black home

---

build 'down market'; and communities to abandon their "culture of non-payment" and invest what they could afford in housing. See Rust and Rubenstein (1996) for an insider's history of the NHF; Bond (2005) for a scathing critique, Huchzermeyer (2003) for a somewhat milder one; and Charlton and Kihato (2006) for somewhere in between.

buyers moving into desegregating 'white' suburbs; a mix of niche loans supporting new developer-built 'black' suburbs on township edges – from small banks, pension funds, installment packages; and finally, from the mid-1990s, state subsidies producing thousands of developer-built housing on the cheapest peri-urban land for owner-occupation by the 60% of the population poor enough to qualify (Charlton and Kihato 2005, 254).[22] Despite the increase in building standards on these subsidized houses by the late 1990s, RDP[23] houses as they are known put little pressure on the geography of the apartheid city, financial and economic exclusion or existing patterns of accumulation (Charlton and Kihato 2006, 255; Bradlow, Bolnick, and Shearing 2011). The RDP capital subsidy would be another accumulation strategy for private developers like those described in the opening vignette. Township Realtors went on to build 5000 such state-subsidized units alongside their niche- and pension-funded housing for higher earners on Soweto's southern edge (Interview with Levin, 2013).

This is not to say that different approaches to the housing question weren't attempted at other scales. An innovative interim structure governing Johannesburg between 1992-1994 called the Central Witwatersrand Metropolitan Chamber (CWMC) had tried instead to focus on accessing good land: auditing and assembling central land and land in former 'white' areas, and compelling pro-poor housing development on that land (Swilling 1998; Todes 2014, 85). But these more radical land-based approaches to the housing question were progressively undercut by recourse to the rights of NIMBYist property owners – whose rights to private property were also upheld in the new Constitution – as well as undercut by the interests of local councilors and conflicting land use mandates across different spheres of the state (Todes 2014, 85).[24] The

---

[22] Funded through a once-off capital subsidy that the Urban Foundation was behind (Huchzermeyer 2003). Households below a certain income threshold applied to be on a waiting list to access this once-off capital subsidy, which could then be put to various uses such as "purchasing land, securing tenure, delivering infrastructure services and a basic house for qualifying households" against which private mortgage finance could theoretically be secured (Charlton & Kihato 2005, 254). By the late 1990s, it was used to deliver a more standardized product at higher norms and standards - what we now know as the 30sqm 'free' "'RDP house'" (Charlton & Kihato 2006, 254).

[23] Acronym for the ANC's election manifesto, the Reconstruction and Development Program.

[24] For example, the province's Development Facilitation Act from 1997 often passed development applications that were hostile to City Council township ordinances, town planning schemes and spatial development frameworks (interview with Johannesburg urban designer, 2013).

CWMC was disbanded when the new elected local government came to power in 1995,[25] and the RDP program began.

## Conclusion

This chapter has demonstrated how Johannesburg's property and debt infrastructure had been under (re)construction during the long transition through various privatizing and deracializing moves. Since the 1970s, these transformations had been pursued by an increasingly illegitimate state looking to contain a growing urban crisis and resistance to it, and lobbied for by various fractions of capital to open up new avenues of accumulation.

But this chapter has argued that despite those political and accumulation strategies, the historic devalorization of black labor, township housing and land militated against its very privatization in ways underestimated by liberals, *and* progressive and radical scholars of the 'apartheid city'. At the same time, white entrepreneurs with power to bank land offered ways out of these devalorized spaces by creating new enclosures on township edges for 'black housing', for those who could afford it.

I highlighted too how racialized financial exclusion was deepened during the privatizations of the 1980s through the demutualization of the building society, and the revoking of the lower-than-market interest rates that had subsidized white male homeownership for 50 years. Without that general subsidy, and a soon depleted first-time homebuyer's subsidy, newly-allowed black buyers now had to try and access mortgage finance through an increasingly consolidated, internationalized set of banks driven by the metrics of shareholder value.

Those metrics were also shaped by deeply racialized and spatialized notions of risk. When interest rates went up in the late 1980s, and economic growth went down in the early 1990s, default levels across the city rose, and mortgage lending decreased. But it was black borrowers in townships that were hardest hit, as banks redlined those spaces and the inner city under the rhetoric of a "culture of non-payment" and "abnormal risk".

---

[25] The process of local government restructuring that actually took place in Johannesburg was much more complex than I have space to discuss here (see Tomlinson et al. 2003).

So despite the repeal of segregationist legislation and the beginnings of a non-racial, universal ‘rule of property’, the work of undoing the deep racialization of risk and space remained. It was left up to the democratic state to take that risk on board and ‘normalize’ the township property market, through various institutions in the mid-1990s. This did little to change bank redlining, but did channel new funding lines through to the ‘black housing’ developers described in this chapter’s opening vignette. The state would intervene directly in housing production by the second half of the 1990s through the RDP program.

By the end of the 1990s, Johannesburg presents an uneven landscape of inclusion and exclusion in mortgage finance and property ownership– to say nothing of uneven *housing* inclusion – from redlined townships, to mortgage-financed desegregating suburbs for the minority, to niche-financed township extensions and publicly-subsidized RDP housing estates for the majority to wait for on extremely long waiting lists, finding any backyard or informal rental in the meantime through insecure work and predatory microloans.

There would be no “mortgage consensus” (Wyly 2002, 24) until new means of distributing this racialized and spatialized risk were found. In the meantime, the South African Communist Party (SACP) took to the streets in 2000, demanding an end to bank discrimination in disbursing credit.

## Section 2: ‘Post-racial’ infrastructures of property and debt – new money, new crises, new markets

## CHAPTER 3 Uneven inclusions during South Africa's "golden era" of credit[1] and financial inclusion: following the money

### Introduction

In a popular book called *Banking on Change* about financial inclusion after apartheid, the authors noted in 2004 that "the central dilemma – how to make housing finance accessible – remains as it was in 1994" (Porteous and Hazelhurst 2004, 121). Only 10% of South Africans in the early 2000s said they had bought their homes with mortgage finance (Porteous and Hazelhurst 2004, 123), and all within "the predominantly urban middle to upper income categories" (Ardington et al. 2004, 619–620).

If the 1990s had been a time of capital flight and continued 'credit apartheid' in South Africa, the 2000s' "golden era" of growth looked set to change that, awash with commodity boom surpluses and new forms of 'financial inclusion'. Household credit more than tripled from R289 billion in 2002 to almost R680 billion in 2006 to R1,1 trillion in 2008 (*Mail & Guardian* 2008). While only 46% of the adult population was banked in 2004, by 2014, 75% were banked (FinMark Trust 2014) and 81.6% of the adult population had credit records at credit bureaus, half of whom were "credit-active" (NCR 2012, 19). Questions of inclusion and exclusion vis-à-vis South Africa's property and debt infrastructure would be imminently more complex.

Taking up economic geographers' injunction to "follow the money" and more specifically, "follow the credit" and the "institutions, regulations and social relations" shaping its flow (Christophers 2011; Gilbert 2011), this chapter tracks the effects of the credit wave and financial inclusion on South Africa's property and debt infrastructure. Do we see repetitions of the sea-change in American mortgage lending, where activism over racial discrimination and redlining in "underserved" communities was exploited to justify racialized predatory lending and the amassing of subprime mortgages that could be pooled for securitization and circulation in global financial markets (Wyly, Atia, and Hammel 2004; Aalbers 2009)?

As the first section of the chapter describes, cheap funding during the commodity boom, low interest rates and new financial technologies produced a "mortgage-lending frenzy" across South Africa (O'Neill 2012). The number of residential mortgages increased by 125% between 2000

[1] (Standard Bank 2007, 14)

and 2005 (Freybote and Karoly 2008, 185). Housing prices increased rapidly until 2007 and speculative residential development was rampant. The securitization of residential mortgages (RMBS) took off "from virtually nothing", achieving in a few years what "took the US and countries in Europe many years to obtain" (van Vuuren 2004, 1, 2). At the same time, the postapartheid state passed various pieces of legislation to democratize and deracialize finance, in negotiation with the financial sector (James 2014). These were all trends that had me looking for a US-style subprime story in the making, where lower-income borrowers of color were dramatically green lined instead of redlined, with higher interest rates and their mortgages bundled into ever-hungry RMBS vehicle.

Yet I argue in the second section of the chapter that this "mortgage-lending frenzy" remained unevenly spread across race, class and space, privileging higher income households and higher value housing construction in more expensive suburbs. This is not easy to trace. Public data on mortgage trends before 2007 even at the national scale is limited; at the metropolitan or neighborhood scale, non-existent. So too are data sources that analyze mortgage information by racial categories, neighborhood type and income bands (before 2007), or by the *terms* of mortgage lending – the interest rates (prime or subprime), down payments, etc.[2] What follows is not a detailed, multi-scalar quantitative analysis in the mode of critical geographers of US mortgage markets (Wyly, Atia, and Hammel 2004; Wyly et al. 2009). Instead I map out this uneven boom by piecing together a heterodox range of sources: statistical analyses by non-profits and government researchers with my interviews and analysis of financial publications and media from the day.

Through that bricolage, I argue that the nexus between increased credit supply, financial inclusion legislation and securitization did not see a wave of mortgages –subprime or otherwise - extended to poorer black households at least at the aggregate scale (the only scale we have data for). Instead, analysts tracked a *decreasing* share of mortgage finance going to lower income households during the boom. The lower end of the market did not experience "crazy price increases" (Interview with Nkosi, 2013). It had been sheltered, one banker surmised, by the lack of housing stock: "the supply constrained the craziness" (Interview with Nkosi, 2013). Developers built relatively little housing for the lower end of the market during this time. Investors showed "little or no interest in exploiting the R68 billion low-cost housing market

[2] See methodological note for more on these data challenges.

through securitization" (Dube 2006, 3). There wasn't enough stock to finance and bundle into residential mortgage-backed securities (RMBS) anyway (Interview with Rust, 2012), nor was there the state support to back RMBS against default like there was in the US (Sassen 2008; Deloitte 2007, 4).

This may seem to be a positive outcome, that lower income borrowers of color and their neighborhoods were protected from the vagaries of securitized mortgage capital that hollowed out many minority neighborhoods in the United States. However, this chapter does not end there. The third section demonstrates how subprime lending in South Africa's "golden era" of growth and financial inclusion took other, increasingly unsecured forms.[3] Rather than paying more for the same product (the definition of subprime lending), most 'high risk' borrowers were offered a different product altogether. This increasingly took the form of an unsecured personal loan rather than the mortgage loan, even if they may have qualified for the latter. The profitability of these unsecured loans was radically increased under financial inclusions legislation ironically.

But I argue that we cannot read continued mortgage rationing as simply a question of greatest returns. The adjudications of 'high risk' that enabled unsecured loans were made through recourse not only to income and credit record, but also racialized metrics of risk. I discuss two: the continued construction of black space as higher risk – now mediated by electronic credit scores; as well as new constructions of black bodies as higher risk during the AIDS crisis that radically affected insurance practices. During the early 2000s, the epidemic was at its peak, and posing hard questions to long-term financial institutions and instruments. With no HIV insurance available until the mid-2000s, redlining black borrowers without the right income or address, or offering them only short-term loans was a preferred tactic to offering mortgages on subprime terms.

## I. An over-exuberant housing market and "mortgage-lending frenzy" in the time of financial inclusion

This section describes two concurrent mortgage-related processes during South Africa's "golden era" of growth. On the one hand, a wave of credit, low interest rates and new financial technologies fed a "mortgage lending frenzy" by the now-four national banks, a property price

[3] Definition of subprime loan: "High-cost loan meant for borrowers with credit imperfections or higher default risk, but also sold to borrowers with a good credit history" (Aalbers 2012, 323).

boom and speculative property development from 2002 to 2007. On the other, a negotiated process was taking place between state, capital and labor around deracializing and democratizing finance, and within that mortgage finance. We cannot think one without the other, but as this chapter will demonstrate, the relationship between the two processes is not straightforward.

### *Commodity surplus, new financial technologies and low interest rates buoy a mortgage and property boom*

There was a lot of cheap money floating around once the global commodity boom started in 2003. High gold and platinum prices, and speculation on those in South Africa's increasingly liberalized capital markets,[4] produced overaccumulated capital from both global investors and local commodity conglomerates looking for a home (Mohamed 2006, 23; Aron, Leape, and Thomas 2010, 5). These surpluses were routed into circuits that granted quick returns to shareholders: the roaring stock market, the credit market, and real estate (Marais 2011; Bond 2013), the latter two further lubricated by historically low interest rates. Household mortgages were a significant recipient (Fig. 15), increasing in number by 125% between 2000 and 2005 (Freybote and Karoly 2008, 185).

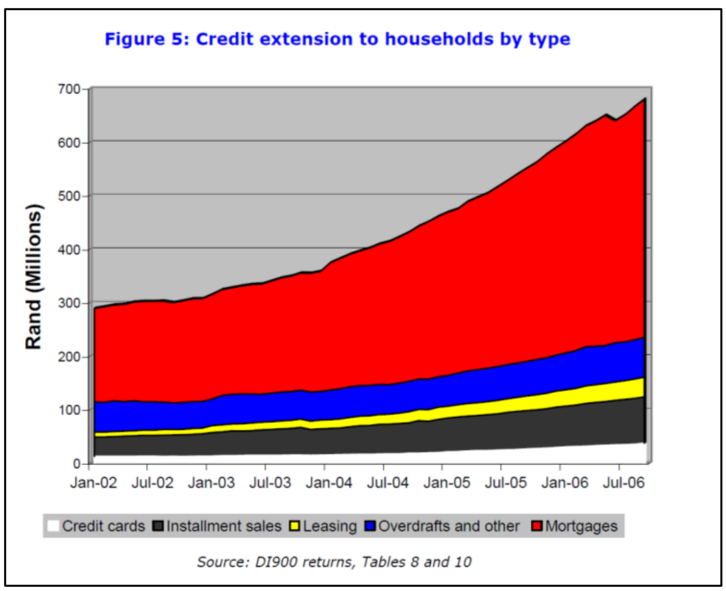


*Figure 15: Credit extension to households by type, 2002-2006 (FEASibility 2006, 11)*

---

[4] These had been further deregulated by the Minister of Finance in 2000, making South Africa's capital markets increasingly liquid and transnational (UNECA 2012, 48), unproductive (Fine 2009, 31-2) and unstable (Mohamed 2006), given that most inflows were hot portfolio flows rather than fixed direct investment. The IMF reports a subsequent "surge in [capital] inflows between 2004 and 2007" into South Africa (Aron, Leape, and Thomas 2010, 5). The country's financial sector more than tripled in size between 2000 and 2010, growing at an annual rate of 9% (National Treasury 2011, 3).

The cost of mortgage lending had dropped not only with the cheap capital supply, but also through new technologies and organizational practices under the 'bankification' of mortgage lending described in Chapter 2. Expensive, subjective and slow manual credit origination and management by local branch staff[5] was replaced by the 2000s with electronic behavioral credit scoring, IBM-installed credit control systems, centralized credit divisions and automated in-house credit collections systems. These devices enabled new "[r]isk profiling techniques" and credit modelling (Standard Bank 2004, 65) that improved "predictive capability", "rehabilitation of delinquent accounts" (Standard Bank 2005, 15), and allowed lenders to better price for risk. The "introduction of a risk-based approach to customer pricing" (Standard Bank 2004, 20) was part of a wider change in organizational risk culture – *managing* rather than avoiding or minimizing risk through credit rationing (Stanbic 1996, 31). Risk-based pricing could be used as compensation for perceived "high risk" and banks could become "less risk-averse" in recruiting new customers and cross-selling to existing ones (FEASibility 2006, 19, 25). The arrival of mortgage originators or mortgage brokers (often staffed by former bank staff let go during the 1990s restructurings (Interview with CJ, 2013)) and new real estate IT platforms also helped banks streamline their origination units and cut costs (Interview with Barnard, 2013).[6] At Standard Bank for example, only 38% of home loans were originated in-house in 2004 (Standard Bank 2005, 14).

Another "innovation" in South Africa's mortgage finance was securitization (Porteous and Hazelhurst 2004, 121). In 2001, the first non-deposit-taking, securitization-funded residential mortgage lender, SA Home Loans (SAHL), was established with JP Morgan equity – the same year the Reserve Bank allowed non-bank actors to carry out the business of a bank and allowed banks to play "multiple roles in a securitization transaction" (van Vuuren 2004). SAHL captured 5-10% of new mortgages over the coming decade, averaging higher-value loan sizes between R750,000 and 1.5 million (Interview with SA Home Loans managers, 2013). They offered reduced interest rates to clients who could afford large (20-30%) down payments in 'low-risk suburbs'. As the former head of securitization at Standard Bank explained: "SA Home Loans'

---

[5] Previously based on the "Five 'C's": "Character, Capacity, Capital, Collateral and Conditions" (Karley 2003, 30).

[6] Mortgage originators, like loan administrators of the past, were the ones "identifying clients, performing credit checks, helping clients to fill in their loan applications, liaising with developers" (Rust 2002, 17-8) and real estate agents. Banks paid them a fee to do this for them instead of paying their own staff.

timing was right. Because the market was taking off. And suddenly people did have 20% equity in their properties and they could access SA Home Loans" (Interview with Rothman, 2013). SAHL's first RMBS (R1.25 billion worth) was "very popular", "twice oversubscribed" in fact, sold to some 20 investors in South Africa (van Vuuren 2004, 1).

SAHL's arrival forced the rest of the banking cartel into competitive mortgage pricing and also to develop their securitizing apparatus, which they hadn't need to with so much cheap commodity-based funding around (Interview with Rothman, 2013).[7] Securitization had seen little activity since United Building Society's issue of a R250 million tranche in 1989 (UN-Habitat 2008, 40). South African banks and insurance firms started belatedly securitizing all sorts of assets – especially credit cards, autoloans and CDOs, but also residential and commercial mortgages.[8] They remained a mainly local affair (van Vuuren 2004, 2), until a Fitch Ratings RMBS model for "analyzing credit risk" and market risk made South African RMBS more investible (FitchRatings 2003, 7). Investors were given "additional comfort" by the unusual requirement that each RMBS be approved by the Reserve Bank and independent auditors (Deloitte 2007, 9; National Treasury 2011, 13-14).

RMBS realized "exponential" growth between 2004 and 2007 (Freybote and Karoly 2008, 179). "The amount of mortgages securitized as a percentage of total mortgage loans outstanding has risen from 0.6% in 2001 to 2% as of the end of 2006" (Gyamfi-Yeboah and Ziobrowski 2009, 342). At its RMBS peak in 2007, Standard Bank securitized 8% (R17 billion) of its 2007-issued residential mortgages (Standard Bank 2008, 215). Although still a relatively limited proportion, South African RMBS were very popular with local investors (fund managers and banks) and then slowly international investors through sophisticated offshore intermediary structures from

[7] In 2003, the "'Big Four' banks held 92.3% of mortgage loans" (Ashman and Fine 2013, 165). By the end of the boom, five institutions – including SAHL - held 90% of all residential mortgages, with some 9% held by international banks and the remainder by small local banks (Freybote and Karoly 2008, 185).
[8] Investec Private Bank issued R1 billion in RMBS in 2002 and again in 2003 (van Vuuren 2004, 2). One of the largest life insurance companies, Sanlam, announced it would provide home loans to its clients through a securitized funding model in partnership with one of the Big Four banks (van Vuuren 2004, 3) – it went on to issue R10 billion in various tranches of RMBS. In 2005, Standard Bank issued Blue Granite Investments no.1, R4.5 billion of their home loan book (Gumata and Mokoena 2005, 62). In 2006, they securitized twice that amount – almost 10 billion – although that constituted less than 6% of the value of mortgages it advanced that year (Standard Bank 2007, 139). This went up to 8% of their book in 2007, at some R17 billion – a peak for the industry (Standard Bank 2008, 215). Parastatal Eskom Finance Company issued their own R2 billion RMBS in 2006 (Webber Wentzel Bowens Date unknown, 1).

2006 (Deloitte 2007, 1). Geographically, RMBS were “heavily skewed” towards mortgage pools in Gauteng (49% between 2001 and 2006) (Freybote and Karoly 2008, 190).

Mortgage pools did well off of not only the increased *number* of mortgages circulating, but also their increased size. Lower interest rates during the commodity boom (Fig. 16) helped grow these. For example, monthly payments on a R500,000 mortgage bond issued in 1998 could now service close to a R900,000 mortgage (FEASibility 2006, 18). Households used this to take out bigger and bigger mortgages, more profitable for the banks than small mortgages, which cost the same amount to originate and administer, but with smaller returns (Interview with Rust, 2012). Some households’ credit-worthiness was helped not only by low interest rates but above-inflation wage increases and tax-breaks for middle-income households (FEASibility 2006, 18).

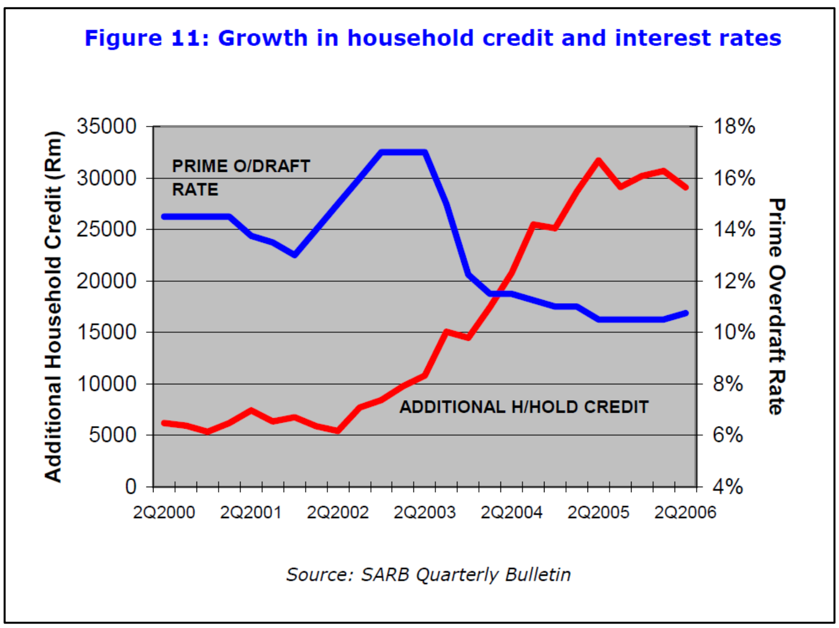


*Figure 16: Growth in household credit and interest rates (FEASibility 2006, 16)*

The increased flow of larger mortgages fed a “massive property price boom” (Loos 2015a) – or what heterodox economist Mohamed more bluntly calls a “housing price bubble” (2006, 22). The average house price of R500,000 in 2002 rose to over R1 million in 2006-7 (Loos 2015b), with the annual house price inflation rate peaking in 2005 at a high of 30.5% (adjusted for cost of living) (Fig. 17). These rising house prices also made property-owning households worthy of more credit (FEASibility 2006, 18) and “buoyed [consumer] sentiment” to spend (Standard Bank 2008, 25) – propping up the (un)virtuous circle of all speculative asset bubbles (Shiller

2005). A South African Banking Association representative admitted banks had bought into bubble-think: "Leading up to 2008, lenders lent aggressively to the housing market in the belief that house prices would continue to increase well ahead of inflation levels" (Venter 2012, 39). In our interview he added that banks also underpriced their loans for risk "during these good times" (Interview with Venter, 2012).

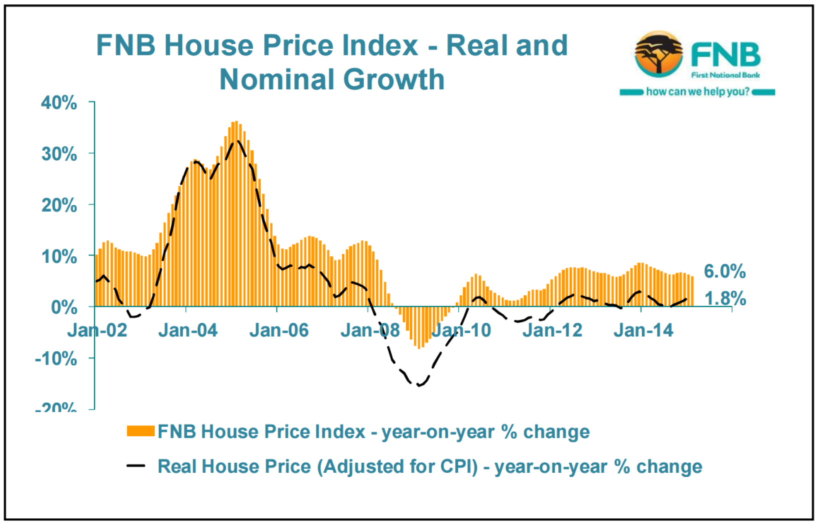


*Figure 17: Real and Nominal growth in house prices 2002-2014 (Loos 2015b)*

Banks didn't just hand out mortgages during the boom; they also gave out loans to developers.

> [T]here was funding available for raw land …banks were open for development funding to basically turn that raw land into serviced land. In fact, some of the banks felt that was going so slow they started their own development companies during that period! (Interview with Rothman, 2013)

Property developers and investors ran wild, with 2004/5 being the "speculative heyday" (Loos 2015a). The number of real estate agents trebled between 1998 and 2004 (Murray 2008). "[H]undreds of new commercial and residential property developers and investors … sprang up in the six-year boom", borrowing hundreds of millions from the banks (*Financial Mail* 2010). The construction industry grew 12% in 2005, compared to 1% for mining and 5.7% for FIRE (Finance, Insurance and Real Estate), peaking at 15% in 2007 (UNECA 2014, 323). Residential development construction doubled, from approximately 1 million square meters completed in 2002 to more than 2 million at the 2006 peak (Figs. 18 and 19) (Loos 2015b). In Johannesburg, this primarily took the form of new gated complexes on the city's northwestern edge (Klug et al 2014) –which opened up properties in former 'white' suburbs behind them ("upward filtering" (Genesis Analytics 2008)). With good, albeit aging, infrastructure, amenities and proximity to the city, middle-class black households moved into these lower middle class areas while interest rates were low and banks were throwing mortgage credit at suburban purchases where property prices were rising at 30%  a year, one real estate agent explained (Interview with MC, 2013).

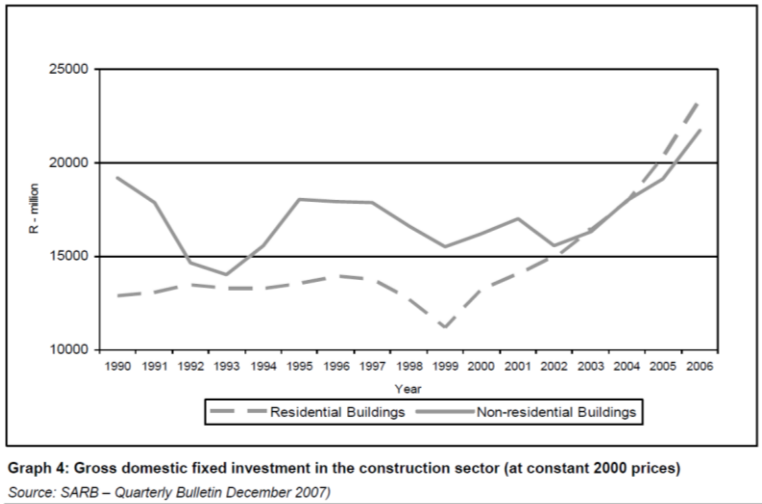


*Figure 18: Gross domestic fixed investment in the construction section 1990-2006 (Genesis Analytics 2008, 36)*

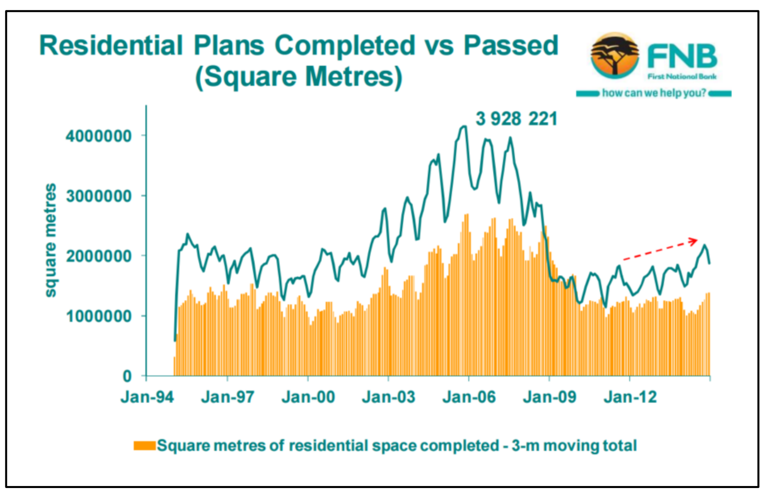


*Figure 19: Residential Plans completed vs. passed (m²) 1994-2012 (Loos 2015b)*

## *The promises of financial inclusion vis-a-vis mortgage finance*

South Africa's "golden era" of growth was also one of new negotiations around financial inclusion. Responding to popular pressure to democratize access to financial services, various government departments pursued legislation from the late 1990s to encourage capital into black townships, black bank accounts, black homes and black businesses, as a matter of redress, poverty reduction and 'black economic empowerment'(Mkhize 2004; James 2014).[9] In this section, I draw out those financial inclusion measures geared towards housing finance, which drew quite heavily on US policy, and the contestations around them.

The first measure was the US-inspired Home Loan and Mortgage Disclosure Act (HLMD), pushed through by the Department of Housing in 2000.[10] The HLMD Act sought to eliminate discrimination and redlining in mortgage lending under an enforcing Office (Parliamentary Monitoring Group 2000b). But with no Office appointed for the next decade, it proved to be the "toothless bulldog" a Member of Parliament had predicted (Parliamentary Monitoring Group 2000b). The HLMD mandate to analyze mortgage trends, penalize institutions for any apparent discrimination and inform policy was continually undercut by negotiations with, and accommodations made for, financial institutions, combined with a lack of political will. "If you don't wrestle your muscle, institutions will give you what they think you deserve" a government analyst explained (Interview with Moss, 2012).

In tandem with the HLMD Act, the Department of Housing tried to pass another more radical also US-inspired Community Reinvestment (CR) bill that would "compel financial institutions … to set aside a portion … of their home loan funding for lower- and middle-income households" (Tomlinson 2005; cf. Diamond 2002).[11] Unlike the promulgating of the HLMD Act, the financial sector wasn't going to let this legislation pass without a fight. They claimed the CR bill was trying to force banks with "sticks" rather than carrots (Rust 2003, 15) to provide expensive and potentially reckless loans (Tucker in O'Loughlin 1998) to "poor South Africans"

[9] E.g. Community Reinvestment (CR) legislation, Promotion of Equality and Prevention of Unfair Discrimination Act, Black Economic Empowerment (BEE) legislation and the Home Loans and Mortgage Disclosure Act (HLMDA), and later the National Credit Act (NCA).

[10] After field trips to the US (O'Loughlin 1998), the Department of Housing had signed an agreement with the US' HUD to collaborate in developing low-income lending legislation, implement HUD software to track housing interventions, and produce new research from a joint low-income lending study program (HUD 1999).

[11] Diamond (2002) notes that the Bill was not considerate enough of the highly consolidated nature of the South African banking system compared to the US (where 50% of mortgages come from locally-based non-deposit-taking institutions, and most banks require community-specific licenses unlike the national banks of South Africa, which means that lending could be geographically-targeted in the US) and the higher risk, high poverty context with its "non-payment" trends, or the federally-sponsored institutions in the US that both required and guaranteed down-market movement through the FHEHSSA.

(Whitfield 2002). This at the height of the HIV/AIDS epidemic and at the expense of shareholder value, the banks added.

Instead, the financial sector proposed to draft their own internal *voluntary* transformation 'Charter' (Whitfield 2002).[12] This Charter would commit the financial sector to increasing access to financial services *and* fulfilling the racial equity targets of the new Black Economic Empowerment (BEE) Act (Mokgola 2003), while maintaining the integrity of this "'national asset'" and preserving the old holy grail of investor confidence (Cooper in Whitfield 2002). State and labor representatives agreed to the Charter proposal (Rose 2002); Cabinet instructed the Department of Housing to suspend the CR process (Rust 2003, 15); and the financial industry's ten associations retreated behind closed doors to hammer out the Financial Sector Charter (FSC) (Rose 2003). After squashing attempts to make it a more democratic process (*Africa News Service* 2003a), the FSC was ratified by the industry (*Africa News Service* 2003b), and its final targets thrashed out in public-private working groups by the end of 2004 (working groups which many of my interviewees were involved in on one side or other of the table (Interview with Moss, 2012)). By this time, the mortgage boom was well underway.

In the end, housing finance was only a small part of the Charter's vast terrain of voluntary five year "transformation targets" (Ndzamela 2013, 14). The primary goals were changing the racial and gender demographics of the financial industry and banking the unbanked (*Business Day* 2005). But the Charter did commit banks to lending R42 billion (approximately US$7 billion at that time) in "low-income housing" finance over the next 5 years to those 60/70% of South Africa's households earning between R1,500 and 7,500/month (US$250-1,100) (Porteous 2005, 35). As we shall see, the Charter's (and financial sector lobby's) displacement of community reinvestment with the globally-popular 'financial inclusion' and politically-expedient 'black economic empowerment', without any institutional heft or pressure from the state, had ambiguous results for democratizing mortgage finance. At a 2012 Financial Inclusion Indaba for example, after the Charter period, I heard no mention made of housing finance; the metric of financial inclusion had been reduced to bank account access.

[12] See Hamann, Khagram, and Rohan (2008) for analysis of why transformation or Black Economic Empowerment through industry-led Charters was the path taken across various industries.

The Charter was followed soon thereafter by the real legislative game changer around credit: the National Credit Act (NCA) of 2005, pushed through by the Department of Trade and Industry (not Housing). The NCA had been in the making since 2003 and aimed to bring all credit agreements, from mortgages to pawning, and all credit-providing institutions under one regulatory umbrella, instead of different sets of microfinance regulations and bank regulations (cf. James 2014; Ssebagala 2015). It set about abolishing the "dual economy" of credit after apartheid (James 2014). The NCA sought an explicit financial inclusion outcome (Schraten 2014), to both increase access to formal credit *and* protect consumers from abuse (NCR 2011, 18). The NCA required the registration of all credit providers, more stringent affordability checks (through credit bureaus and borrower self-reporting), full disclosure of credit terms, and more detailed credit reporting by credit providers to their enforcing agency, the National Credit Regulator (NCR). From the end of 2007, the NCR started analyzing and publishing this credit data (the first state agency to do so); receiving consumer credit complaints for investigation and imposing penalties (these range from annulling credit agreements, revoking lending licenses, to raids and arrests of loan sharks, and litigating against the big banks) (NCR 2011). The NCR also undertakes consumer education, offers and regulates debt counselling and advises state policymakers. The National Treasury and other state actors lauded the NCA for pre-emptively 'popping' the credit bubble before more South Africans got burned (National Treasury 2011); a bubble that continued to grow and then burst with extreme results in other parts of the world. Indeed, the NCA offered inspiration to the US after their credit bubble burst (Chu 2009).

Although the NCA had little explicit to say about mortgage finance, it would have some profound effects down the track (discussed later). "It resulted mainly in a replacement of informal money lenders by institutionalized banks and in the substitution of personalized lending procedures by technical assessments of creditworthiness" (Schraten 2014, 7). Two effects would be related to mortgages: the NCA established tougher affordability criteria for long-term debt, but it also incentivized profitable short-term unsecured lending from formal institutions (as opposed to loan sharks).

## II. Uneven booms and bubbles: speculative housing and "mortgage lending frenzy" for the few

What was the effect of these dual processes – an over-exuberant property market and financial inclusion - across race, class and space? Did the "mortgage-lending frenzy" overturn geographies of racialized redlining and 'credit rationing'? Did the Financial Sector Charter result in poorer South African households of color experiencing a mortgage 'greenlining'? Is there evidence even of 'overinclusion', through predatory subprime mortgage lending, risk-based pricing and securitization?

Finding the data to answer these questions in general, let alone at a detailed metropolitan or neighborhood scale is not easy.[13] It is also challenging to distinguish between the effects of race and class and space, given the data limitations and the tight suturings of these through three centuries of racial capitalism. But within these constraints, I marshal aggregate evidence, with qualitative instances from Johannesburg, to show that in general, the "mortgage lending frenzy" and property boom during South Africa's "golden era" of growth and financial inclusion continued to be spread unevenly across race, class and space in familiar ways. The boom privileged higher income borrowers with permanent employment (rather than self-employed) in higher value properties and more expensive, historically white, neighborhoods.

The discussion below pieces together the evidence to make that case. First, lower income households saw their share of mortgage finance quantitatively *decreasing*, not increasing, during the boom. Lower value properties did not experience the same speculative building activity: developers disproportionately built leisure consumption spaces and more affluent residential enclaves. Many older township and inner city neighborhoods did not experience property price bubbling. Finally, little securitization of low-value mortgages to lower income households is evident during the boom. Altogether, there was no national trend of lower income mortgage greenlining and "mortgages granted to lower income borrowers in South Africa cannot be characterized as subprime" (Melzer 2015). As for how this articulated with race, analysts at the end of the boom pointed to the still low number of black property buyers in Johannesburg:

> although there has been a noticeable movement of historically excluded South Africans into formerly 'white' suburbs, in most sectors of the city the actual numbers and percentages of black buyers in the total pool of property transactions have remained low. It has been estimated that black households are the buyers in a quarter of sales in the Johannesburg property sector, although some suburbs are showing much higher percentages. (Genesis Analytics 2008, 76)

### *Decreasing share of mortgage lending for lower income households*

With no historic public data on mortgage lending by class, race or city given the failures of the HLMD Office and the still nascent National Credit Regulator, we are reliant for pre-2007 data

---

[13] See methodological note for a discussion of these challenges.

on bank-reported, unaudited statistics in the Financial Sector Charter reports. These statistics capture the aggregate number and rand value of housing loans issued to households earning between R1,500 and R7,500/month (up to R9,000 by 2008). Strictly capturing only those issued between 2004 and 2008, the reported statistics provide no historical comparison (e.g. from before 2004). Nor do they include comparative data with households in higher income categories. The final disclaimer: the data is categorized by product type (mortgage, unsecured, etc.) and not by smaller income categories (e.g. R1,500-3,000), racial category[14] or place.

In these reports, the banks and their representative body, the Banking Association of South Africa (BASA), claimed that banks had more than met their promised R42 billion in "loan origination for housing", disbursing somewhere in the region of R45-53 billion to Charter households between 2004 and 2008 (Ndzamela 2013, 19). R28 billion of that had been in the form of mortgages.

These impressive numbers did not square with the data of a nationally-representative, annual financial inclusion survey after the Charter period. A DFID-funded FinScope Consumer Survey had tracked significant progress in banking the unbanked, from 46% banked in 2004 to 63% in 2008. But their 2009 survey reported that only 2% of adults in their Charter income sample said they had a mortgage (Finscope in Melzer 2010, 10). It seemed the Charter had increased *general* financial access rather than radically increased access to mortgage lending.

To probe this further, DFID's financial inclusion think-tank, FinMark Trust, tasked a group of consultants, Eighty20, to triangulate Banking Association mortgage data with Deeds Office property purchase data. Their early analysis showed that the *proportion* of lower-income mortgage finance had not substantially increased between 2004 and 2008 (Melzer 2010, 10). A later analysis found that the Banking Association had been including households earning up to R10,000/month in their data collection, instead of the Charter's cap of R7,500. This further lowered the Banking Association's mortgage lending claims, from R28 billion to R15.7 billion, disbursed as 165,112 mortgages, not 235,000, to Charter or FSC households between 2004-2008 (Fig. 20) (CAHF 2013, 6).

[14] "Banks do not systematically track the race of applicants but rely instead on proxies such as the surname of the applicant" (Melzer 2010, 8).

Additional uneven distributions hid within these significantly lower totals. In their year-on-year analysis, Eighty20 found a steadily *decreasing* number of FSC mortgage loans between 2004 and 2006,[15] before an anomalous bump in 2007, and steep drop off in 2008 (in line with mortgage finance's drop in general that year) (Fig. 20). As for gendered distribution, men benefitted from FSC loans disproportionately: 60% of borrowers compared to 40% women; in the 'conventional' market, it was a more even 51/49% distribution.

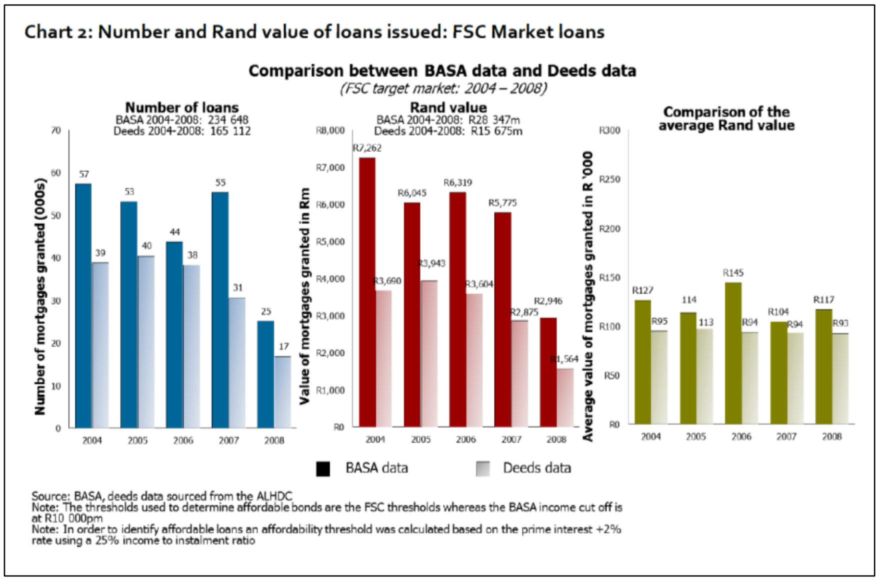


*Figure 20: Number and Rand value of loans issued to Charter market 2004-2008 (CAHF 2013, 6)*

In terms of property purchased, Eighty20's analysis of Deeds Office data showed that properties purchased with these mortgages cost on average between R100,000 and R140,000 per unit (CAHF 2011, 4). However, they found a dropping off of property purchase in this price range between 2004 and 2008. While 73% of FSC mortgages by number went to finance home purchase in 2004, only 38% did in 2007 and 2008 (CAHF 2013, 7) – the rest were regarded as "equity release" loans.  Eighty20 surmised that this lack of associated property purchase was most likely due to a lack of housing stock, either new or old. Whatever the reason, the alleged R28 billion in mortgage finance had been significantly inflated.

[15] Despite decreasing inflation levels until 2006: "Consumer inflation averaged 6.8% in 2003, 4.3% in 2004, 3.9% in 2005 and 4.6% in 2006" (Moss 2009, 48).

Other analysts, like government researcher Vuyisani Moss, argued that the decreasing number of mortgages pointed to a shift towards other credit products. Examining the gamut of loan origination that banks reported (Fig. 21), in "scant" and "shoddy" form he added, Moss argued that unsecured lending was a growing threat to lower value mortgage advances (Moss 2009, 49).

**Table 2 Number of loans originated (2004 to 2008 Q3)**

| Period | Mortgage | Fully Guaranteed | Unsecured | Residential Development | Wholesale | Total |
|---|---|---|---|---|---|---|
| 2004 | 57 324 | 56 106 | 40 660 | 2 | 35 124 | 189 216 |
| 2005 | 53 159 | 58 787 | 51 720 | 39 | 45 974 | 209 679 |
| 2006 | 43 721 | 59 635 | 30 736 | 166 | 53 677 | 187 935 |
| 2007 | 55 287 | 38 212 | 94 265 | 88 | 33 023 | 220 875 |
| 2008Q1 | 9 235 | 3 438 | 26 783 | 35 | 1 234 | 40 725 |
| 2008Q2 | 6 855 | 6 355 | 29 878 | 27 | 2 321 | 45 436 |
| 2008Q3 | 6 030 | 5 515 | 22 522 | 16 | 3 766 | 37 849 |
| **Total** | **231 611** | **228 048** | **296 564** | **373** | **175 118** | **931 714** |

*Source:* BASA

*Figure 21: BASA housing loan origination for Charter market by number 2004-2008 (Moss 2009, 50)*

Even in the Banking Association figures, this pattern could be seen. The number of unsecured 'housing' loans showed substantial growth, from approximately 41,000 in 2004 to 94,000 in 2007 (Fig. 21). Moss argued that the banks' aggregate statistics masked deeply unequal forms of credit access in and between Charter households. Borrowers with lower incomes, applying for mortgages on lower value properties, were increasingly offered more lucrative and predatory *un*secured loans. Banks were "cherry picking" the most profitable clients at the top of the Charter income range for their diminishing mortgage advances.[16]

### *Absent developers from lower value property construction*

The Banking Association responded strongly to Moss' accusations in the pages of *Housing Finance International*, arguing that their lower-income housing finance targets had not been

[16] He had further queries for the banks in our interview. Rather than pure numbers of loans, "What's the amount of the loan? Who has benefitted? … I wanted the breakdown… Tell me how many beneficiaries. Let's have the pie chart that shows income segments" (Interview with Moss, 2012).

rerouted into unsecured loans so much as stymied by the lack of housing stock, along with rising interest rates since 2006 and household debt levels (Venter 2009).

While not exhaustive, these were not untrue. Developers had churned out properties particularly for the middle and upper income markets in townhouse complexes and golf estates where prices rose dramatically during the property boom (Interview with Venter, 2012; Interview with Nkosi, 2013). Some 'low cost' developers had even reduced their participation in the lower end of the market to make the most of the boom's opportunities, churning out retirement villages and more luxurious condominiums (Interview with Cosmopolitan managers, 2013).

By examining approved and completed building plans, it was evident to analysts that little lower value stock had been built for private sale during the boom (Rust 2009, 1–2).[17] The high and rising price of urban land during the property price bubble kept lower cost development to a minimum (Porteous 2005, 37), or limited to 'low cost' RDP public housing provision by the state. Only 95,000 new units appropriate to the Charter target market were built by developers nationwide between 2003 and 2008, while demand was sitting at 800,000 units (Venter 2009, 7). The low level of 'churn' (property transactions) in township property markets – 10% versus 30% in similarly priced suburbs outside the township - was taken as further evidence of the lack of new housing to move to (Shisaka report in Porteous and Hazelhurst 2004, 124). Banks themselves were 'forced' into property development just to create stock to mortgage (Venter 2009, 7) – I discuss this more critically in Chapter 4.

### *Townships left out of the property price boom*

At the same time, banks weren't throwing finance after already-existing township houses. There, the property price bubble hadn't arrived. In Johannesburg, while prices in wealthier former white suburbs and new gated complexes were booming, property prices relative to inflation were decreasing in many townships (black, Indian and 'colored'), some 'decaying' inner city areas and some formerly white suburbs due to subdivision (Genesis Analytics 2008, 81-3). The Department of Housing lamented this dualism between the "first economy residential property boom and the second economy slump" (DOH 2004, 7). Finmark Trust's former CEO elaborated:

---

[17] Using house size as a proxy for price (house size being logged by building plans passed and completed), Rust (2009) stated that "The delivery of houses smaller than 80m² has never gone above 25 000 units per annum" – despite estimates that some 132,000 units per annum were needed to meet the 625 000 units required by the FSC target market (Banking Association 2005 in (Rust 2009, 2).

> In recent years, suburban home owners countrywide have enjoyed the fruits of house prices rising: since 1993, average home sale prices in real terms … have risen by over 25%, with most of the increase coming after 1999. This development has created much new wealth. However, in the absence of a secondary market, most of the population has not tasted the fruits of this. Old township stock, in particular, has been left behind, although there are signs of progress in other market segments, most notably the newer privately developed houses. (Porteous and Hazelhurst 2004, 136)

For those newer privately developed 'township' houses, prices would rise from 2006-7 (Genesis Analytics 2008, 35), pushing out lower income buyers. In 2004, a "new starter house" was going for R60,000-R100,000 (Porteous and Hazelhurst 2004, 122). By the end of 2008, the cheapest privately-developed, unsubsidized house in southern Johannesburg was priced at R230,000 for 40m² (Rust 2009, 1). This was affordable only to households earning R9,000/month or more (Rust 2009, 1).

### *Little lower income mortgage securitization*

The final evidence of the uneven mortgage and property boom that I examine is the securitization of lower income households' mortgage debt. During a time of exponential growth in RMBS in general, the securitization of such mortgages and their sale in the capital markets was a rarity.

The first attempt to securitize mortgages to lower income households failed. This was a pre-boom government scheme in the late 1990s, when "there was really no securitization market anywhere in South Africa" (Interview with Rothman, 2013). With interest rates sitting exceptionally high in 1998, the state's National Housing Finance Corporation and its then CEO David Porteous (later of Finmark Trust) looked to securitization as a way to fund lower income housing at less risk and at lower cost. In collaboration with Standard Bank, they launched Gateway Home Loans in 1999 – a securitizing subsidiary aimed at "broadening access to credit in the low-income housing market" in the R20-50,000 house price range (Tomlinson 2000). In a Fannie Mae-like plan, "banks and other intermediaries will originate loans in conjunction with employers … and then sell the loans to Gateway" (Tucker 1999). But it "never came off", Standard Bank's former Director of Securitization told me (Interview with Rothman, 2013). Gateway needed to amass a portfolio of 20,000 mortgages to issue an RMBS; by 2001, they had only amassed 2,000 mortgages (Porteous and Hazelhurst 2004, 147). Some argued this was because of the lack of housing stock to receive that funding (Interview with Rust, 2012). For the former Gateway team, this failure demonstrated that "structured funding and risk sharing" is more useful in the lower end of the market than securitization (Porteous and Hazelhurst 2004, 149).

That didn't prevent Standard Bank from trying lower income mortgage securitization again. At the end of 2007, Standard Bank launched the Siyakha ('We are Building') Fund, a R2.4 billion securitization of their "surplus low income housing loans", about 22% of them (*iafrica.com* 2007). The average mortgage size in Siyakha was a modest R145,000; the majority were lower income borrowers.[18] Although the timing was queried in the financial media – hot on the heels of the US subprime crisis (*Moneyweb* 2007) - their Head of Institutional and Corporate Banking at the time, Kennedy Bungane, celebrated this as a first in South African capital markets, and in pursuit of financial inclusion. Notably, the Fund did not seek investors on the open markets, which was helpful since they were about to close in the subprime crash. Rather, Siyakha was a private placement off-sold to South African insurance companies Liberty Life, Old Mutual and private bank Investec, to help them "meet their Charter obligations" (*iafrica.com* 2007).

As real estate researchers saw it, South Africa's "RMBS deals backed by low-income, that is, subprime mortgages still have a long way to go" (Freybote and Karoly 2008, 196). Transnational accounting firm Deloitte categorically stated: "there are no [RMBS] deals in the South African market that fall into the subprime mortgage category" (2007, 5). The director of SA Home Loans securitization department echoed this, telling me, "We've never done subprime … negative amortizing loans, NINA loans: none of that! … We also don't sell on CDOs" – where multiple layers of securitization have taken place, and in which the underlying asset becomes "totally masked": "we've never bought home loans that were bought by other structures. It's got our brand on it, and so we've checked it!" (Interview with SA Home Loans managers, 2013). This has protected them: on their website, SA Home Loans states that "there have been no defaults by securitization structures in South Africa, unlike the international experience". Apparently South African RMBS in general had been protected by more careful securitization, which meant that "most of your originators just kept their book. Never sold it on" (Interview with Viruly, 2012). While bankers applauded their own "conservative risk management practices" (National Treasury 2011, 14) in this matter,[19] RMBS in South Africa didn't have the government

[18] 65% of borrowers contributed more than 16% (and up to 30% plus) of their monthly income towards mortgage repayments.

[19] This "conservative" nature was in raised in multiple interviews, as a point of honor by most; for some, a tendency to over comply with international best practices to keep credit ratings up (like Basel III).

guarantees to compensate investors "for the higher risk" (Freybote and Karoly 2008, 196). As a property economist put it, "we had no [Fannie] Mae, Freddie Macs who were playing the game to the degree it was being played" (interview with Viruly, 2012); investors retained a lot of "skin in the game", especially since there is full recourse lending in South Africa (Fitch 2003, 3).[20] The possibility of default is not inoculated in this setting so the *quality* of securitized mortgages still matters, unlike for investors in US subprime RMBS, even if there had been enough housing stock to mortgage in the first place.

### III. Sheltered from the storm? Redlining and predatory lending meet racialized, spatialized risk

Bankers stressed in our interviews that all their mortgage origination during the boom had been above board; it was not predatory and always calculated in relation to income and exposure. The National Credit Regulator concurred, finding that "home loan lenders have not been guilty of … aggressive lending to the same degree" as other credit providers – especially auto financiers and micro lenders - although they didn't always pay enough attention to overall levels of indebtedness (Davel in *Mail & Guardian* 2008).

Vis-à-vis racialized predatory overinclusion in Northern mortgage markets, this lack of subprime mortgages, securitization and speculative development appears to have protected lower income borrowers of color in South Africa when interest rates rose from 2006[21] and the property price bubble burst in 2008. People who'd made use of the years of rising property prices to take out larger mortgages were particularly hard hit (O'Neill 2012), as was "leisure property" - the golf estates, the second holiday houses where non-performing loans were highest (*Financial Mail* 2010). Although aggregate data on foreclosure in South Africa is notoriously hard to find (Melzer 2015), we know that from 2007 there was a "noticeable deterioration in performance of all mortgages" but higher-value mortgage performance deteriorated most (CAHF 2011, 2). And with the fastest decline in housing prices in 25 years (Anderson 2011), those homeowners were sitting with vastly overvalued mortgages.

---

[20] "In the US, you can walk away from your loan in very many states. Whereas in South Africa, you can't. … In South Africa, if I have a mortgage of R200,000 and my house is foreclosed, and it gets sold for R100,000, I am still liable for that other R100,000" (Interview with Rust, 2012). A socio-economic rights NGO (SERI) is currently taking legislative action to get courts to set a minimum auction price to protect indebted sellers, who still owe the bank the difference between the auction price and the original loan.

[21] From 10.5 to 12.5% in 2006 then to over 14% in 2007, peaking at 15.5% by 2008.

This third and final section asks whether lower income borrowers of color were in fact "sheltered", as one banker put it (Interview with Nkosi, 2013) from the "mortgage lending frenzy". I argue instead that these borrowers experienced a mix of mortgage rationing with greater access to *un*secured subprime credit. This operated through the articulation of racialized and spatialized metrics of risk with the new accumulation possibilities offered by loopholes in financial inclusion legislation (the National Credit Act). As interest rates increased, and repayment impairments grew, this combination worked iteratively to further render many households less mortgage-worthy.

### *Racialized risk of long-term debt to black borrowers in the age of HIV*

Racialized metrics of risk, working through old and new sites, contributed to mortgage rationing, rather than subprime mortgage lending, during the boom. One new site which heightened the perception of black borrowers as too risky for long-term debt even with risk-based pricing during the "golden era" was the HIV-AIDS pandemic. In the early 2000s, an estimated 19% of South African adults were HIV-positive and mortality projections by actuaries and demographers were horrific (Tomlinson 2001, 652).[22] Black bodies especially were categorized as 'high risk' in both international and local HIV discourse (Tsampiras 2015).

For bankers, "AIDS was a big risk factor in South Africa" (Interview with Rothman, 2013). All banks require mortgages to be covered by a

> mandatory insurance product or facilities like life cover. What happens in the event where the person that's been servicing the bond passes on? You don't want to throw the orphans out in the streets! Especially in this continent, whereby, you know, HIV-AIDS has been quite prevalent. (Interview with Ndlovu, 2012)

Life insurance was difficult enough for lower income households of color to get, already "under-serviced" by the formal insurance industry (Ardington et al. 2004, 630), let alone for HIV-positive borrowers. FinMark Trust's Porteous explained this impasse vis-à-vis mortgage lending:

> At the high level of infection experienced in SA, HIV-AIDS clearly has severe implications for housing in general … The effect is very pronounced on the risk

[22] In 2000 these included a case for negative population growth in South Africa by 2008; the loss of 40-50% of South Africa's current workforce and two million orphans by 2010; or the stabilization of the proportion of HIV infections by 2010 because "with over 800,000 persons having AIDS, new infections will be offset by people dying" (in Tomlinson 2001, 652). Actuaries put the peak of AIDs-related defaults at 2010 (Porteous and Hazelhurst 2004, 165). At that stage, government was refusing anti-retrovirals even to pregnant mothers: civil society pressure would soon change that and these projections (Mbali 2013).

> assumed by mortgage lenders and/or life insurers. Mortgage loans usually require credit life insurance to cover the life of the bond holder. *Increasingly, life insurance companies exclude cover for death as a result of HIV-AIDS.* This means that: (i) currently infected people are unable to obtain bonds; and (ii) among existing bond holders, a proportion is expected to fall ill in the terminal stages of the disease and be unable to work, and hence to service repayments on a bond. Therefore, the family would be likely to be foreclosed on at a very vulnerable juncture. (Porteous 2005, 8) (emphasis added)

Mortgage rationing for a predominantly black and poorer market like the Charter market couldn't *not* have been influenced by this lack of insurance or the perception of heightened risk of mortality in these populations. In refusing the terms of threatened Community Reinvestment legislation in the early 2000s, banks specifically mobilized the risk of AIDS as one of their reasons to pursue a voluntary transformation 'Charter' instead (Whitfield 2002). It would require state intervention vis-à-vis mortgage insurance to change this (Chapter 4).

### *Racialized risk of 'township' space embedded in credit application scores*

Another site where we see the consolidation of old racialized metrics of risk is more spatial. *Where* one was applying to purchase a home had deep implications on whether a mortgage was approved. This is always bound up with the racialization of space, risk and value. As mentioned earlier, the banks largely blamed their continued mortgage-rationing of lower income black borrowers on the lack of new housing being built by developers during the property boom (developers who in turn blamed the high price of land). And yet, existing older townships and inner city areas with properties in the same price bracket were not flooded with mortgage capital. In fact, one ethnographer of everyday financial practices in Soweto pointed out that even in township neighborhoods where prices *were* increasing, redlining by commercial banks continued in the mid-2000s (Krige 2011, 130).

In some cases, this was due to the continued lack of title deeds for old township houses and new RDP housing, which kept R68,3 billion in township property "unrealizable in value" (Tomlinson 2007, 18). But I want to look beyond this De Sotoan argument about 'dead capital' in "defective" secondary markets (Porteous and Hazelhurst 2004, 136)[23] (even if the lack of title deeds was rooted in the devalorization of black space). Given what we know about historical bank practice, I argue that a more implicit racio-spatial bias was built into the mortgage

---

[23] "[I]t is only through a secondary market that the value of a house, as security, can be easily established and, in the event of default, realized through sale. But the secondary market in township property is in its very early stages of development" (Porteous and Hazelhurst 2004, 123–4).

application scoring models used by the banks' centralized credit divisions since the early 2000s. These electronic behavioral scores automatically evaluate consumers according to affordability of the loan, their income, expenditures, risk futures, type of sector they work in, and its volatility, etc. (Interview with Standard Bank branch manager, 2013). Based on these individual assessments, borrowers are jettisoned, accepted, or penalized with certain risk premiums.

When first introduced in South Africa in 1984, after an auto financier contracted US firm Fair Isaacs Company of California to install electronic credit scoring, scorecards were only produced for white consumers (*Finance Week* 1984a; *Citizen* 1984).[24] Universal since the late 1990s and early 2000s, electronic credit assessment has been celebrated by the banks as "minimiz[ing] bias (Banking Council in Parliamentary Monitoring Group 2000a) compared to older manual adjudications by bank branch employees using the "Five C's" approach - "Character, Capacity, Capital, Collateral and Conditions" into the late 1990s (Karley 2003, 30).

But electronic credit and application scoring is not neutral; its variables are carefully chosen proxies by the banks' "risk guys" as one banker put it (Interview with Lawrence, 2012): proxies which mask all sorts of assumptions. For example, variables to measure neighborhood risk include proxies like telephone landlines and stand size: one banker explained that the bigger the stand, the better its applicant's score. These proxies work implicitly to render suburbs with bigger plots and access to telephones as low risk and townships with smaller plots as high risk. In turn, the township applicant is rendered high risk. I don't know if there were more overt variables built into application scoring models to 'flag' redlined neighborhoods, where the secondary market was considered 'dysfunctional'. These were the township areas banks had been avoiding since the early 1990s because of a handful of bond-boycotts, progressive anti-eviction legislation from 1998 and then anti-eviction movements in the 2000s (SAHRC 2008).[25]

---

[24] Responding to a suggestion at the time that banks work to create an integrated, not segregated, credit database, a bank director surmised that "it would not be fair to include blacks on the same list as whites: for example, until recently blacks could not purchase their own homes, had more limited earnings potential and could be uprooted in terms of Group Areas legislation. Credit scoring could therefore be prejudiced against them" (*Finance Week* 1984a).

[25] At a hearing on evictions from mortgaged township housing, the banks complained that evictions were so messy in these areas because the housing market had never been 'normalized' by Servcon. Instead, "uncooperative occupants" bandied together to prevent the legal process and intimidated sheriffs trying to implement court orders, or just re-occupied houses post-eviction (SAHRC 2008, 36-7). Since the provisions in the 1998 Prevention of Illegal Eviction Act (1998), which the banks perceive as highly

The racialized geography of risk remained intact, with the risk of borrowers and places deeply entwined in new technologies. These models worked on the assumption that "low risk people go to low risk suburbs and vice versa" a banker put it starkly (Interview with Lawrence, 2012).

### *Beyond the mortgage: predatory lending through the unsecured loan instead*

These embodied, spatial and technical metrics again marked certain racialized spaces and borrowers as 'high risk' – so high that mortgage subprime lending wasn't worth it (at least while the returns of the more affluent property market were so good). Mortgage redlining remained more common. But this redlining and its racialized underpinnings also began to articulate in unexpected ways with new developments under financial inclusion legislation. From 2006, the National Credit Act would be blamed for making it harder to qualify for mortgages given their tougher affordability criteria (Deloitte 2007), as well as incentivizing profitable short-term unsecured lending instead of mortgage finance. In its integration of credit regulatory systems, the NCA allowed all registered credit providers – not just microlenders under the Usury Act – to offer what were now called unsecured loans.[26] These were any kind of loan issued without collateral - "a loan that is issued and supported only by the borrower's creditworthiness", such as personal loans, store cards, credit cards, etc. (Schraten 2014, 3). In a further bid to encourage down-market credit from formal institutions as opposed to loan sharks, the NCA grew the size and duration permitted on these loans.

This opened up a whole new accumulation strategy for banks. Rather than charge 'high risk' borrowers more for mortgages (with risk-based pricing), borrowers could be offered a different credit product altogether, of similar size and with a much higher return on equity. These high returns came from lower capital reserves than was required for secured finance, much higher interest rates[27] and steep administrative fees, credit insurance and payment impairment charges that are the real source of profit for banks (Interview with Bauer, 2012). Furthermore, unsecured loans were cheaper to administer than mortgage loans, requiring less manpower for minimal

---

protective of the occupant and prone to lengthy court processes, they prefer to try debt-restructuring before foreclosure.

[26] Although banks had partnered with microlenders since the late 1990s, and begun experimenting with their own microloan products (Rust 2003, 14), and re-designing their scoring models for those (Feasibility 2006, 19) before then.

[27] For unsecured loans, credit providers are allowed to charge 2.2 times the Reserve Bank's repo rate plus up to 20% in risk premiums, versus prime interest rates on mortgages at 2.2 times the repo rate plus up to 5% in risk premiums (Schraten 2014, 12).

affordability checks, no need for property visits, etc. Under such conditions, why lend someone a R200,000 mortgage over 20 years at prime plus 2% when you can give them a R200,000 personal loan over 84 months at 20% interest or even higher? The Big Four banks actively exploited this "business growth opportunity" (Compliance and Risk Resources 2012, 11), alongside an old micro-lender (African Bank) and the newer Capitec bank. Over time, unsecured lending would be pushed *up*market (targeting bigger borrowers, and abandoning smaller ones[28] as the NCA allowed larger and larger loans on longer terms[29]) while simultaneously undermining the mortgage as a profitable credit product.

Although there are no statistics on how many consumers were granted unsecured loans when previously they would have been offered mortgages, the drop-off in lower-value mortgages tracked by FinMark Trust's consultants (Fig. 20) could indicate this replacement of smaller mortgages by bigger unsecured loans. The already-small proportion of the banks' mortgage books apportioned to borrowers earning less than R10,000/month dropped from 3.1% of total mortgage value in 2007 to 2.7% in 2008 and 1.8% by the middle of 2010 (Eighty20 2010, 6; National Treasury 2011, 71). This decline has to be read in the context of a general contraction in mortgage lending across all income groups during that time, with the increase in impairments under rising interest rates from 2006, the bottoming out of house prices after the property price burst in 2007, and the global recession ended cheap funding and augured mass retrenchments (Eighty20 2010, 5, 9) (Fig. 23). But although credit supply in general contracted (Fig. 22), unsecured lending would increase exponentially until 2012 (NCR 2015),[30] creating new devastations but also, beyond the scope of this chapter, new publics and politics around financial

[28] Despite lenders' claims that unsecured loans are "products more suited to those previously excluded" (FEASibility 2006, 20), all unsecured debt from these formal institutions requires a payslip, a wage, anthropologist Deborah James noted at a public presentation at the University of the Witwatersrand in Johannesburg in 2013. "The poor can't get anyone to lend them money!" If you don't have a regular source of income, you can't get a loan since South Africans have no other asset to leverage, unlike Indian peasants for example, because of the land dispossession and proletarianization in South Africa historically, she explained.

[29] In 2010, loan sizes up to R100,000 were permitted at a maximum loan-term of 72 months (NCR 2011, 21); by 2012, this had been increased to R230,000 over a maximum period of 84 months (Compliance and Risk Resources 2012, 6).

[30] From 4% (2007) to 8% (2012) of the total loans book (Parliamentary Monitoring Group 2012).

inclusion.[31] By the time I arrived for my fieldwork, the air would be thick with the critique of unsecured lending (Parliamentary Monitoring Group 2012).

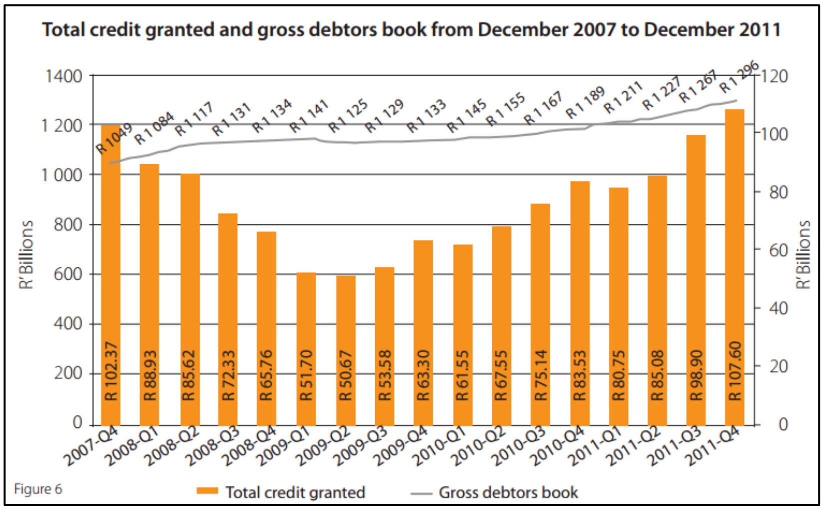


*Figure 22: Total credit granted and gross debtors book December 2007 to December 2011 (NCR 2012, 24)*

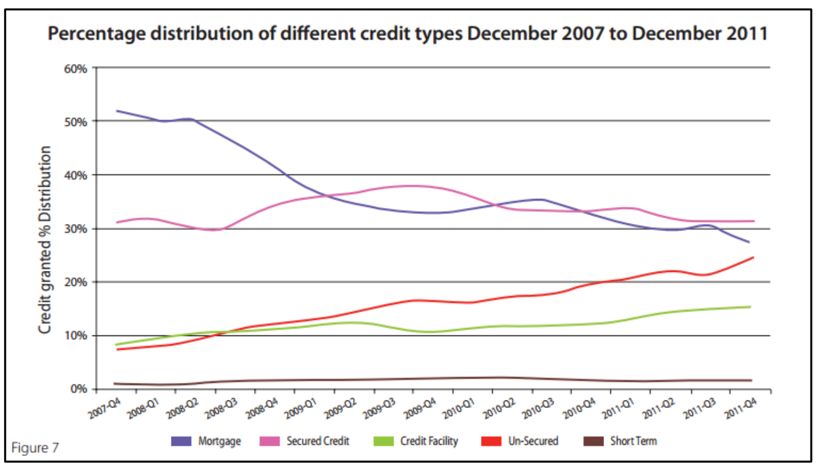


*Figure 23: Percentage distribution of different credit types December 2007 to December 2011 (NCR 2012, 24)*

Unsecured lending had other effects on mortgage lending: as household indebtedness rose through these new varieties of debt, future possibilities of mortgage access diminished.[32]

---

[31] See also work on lived experiences of credit by the anthropological Popular Economies project (James 2012; Krige 2012; Hull and James 2012)

[32] Household debt as a percentage of disposable income rose from 50% in 2002 to 66% by the end of 2005 (Standard Bank 2006) to 70% in 2006, apparently the highest since data started being collected in 1991 (FEASibility 2006, 1, 15).

Indebtedness, nor unsecured lending, was not confined to lower income borrowers, although already by 2006, researchers pointed to an increase particularly in working-class indebtedness (Luis and Ruiz 2007). This indebtedness only deepened as interest rates rose multiple times between 2006 and 2009, and a million jobs were lost during the global downturn. And in a vicious cycle, borrowers borrowed additional unsecured loans primarily to consolidate other debts (Schraten 2014, 14).

Lenders initially claimed these debt levels were just part of the natural credit cycle (Feasibility 2006, 23), or a function of interest-rate hikes, or a product of consumers' rampant consumerism, poor 'savings culture' and financial illiteracy.[33] With echoes of old racialized discourses of risky black debtors, the 'emerging black middle class' and 'Black Diamonds' were particularly chastized for their unsecured debt-fueled conspicuous consumption rather than investing their money or taking on 'good' debt (*Business Day* 2011a; c.f. Posel 2010; James 2014).

## Conclusion

The cheap credit supply during the commodity boom, combined with low interest rates and financial technologies like risk-based pricing, credit-scoring and securitization augured a flood of mortgage credit into South Africa's property markets during the 2000s. Property prices bolted, developers built gated communities, townhouse estates and malls for their residents. But despite the simultaneous unfolding of increased credit supply, increased disposable income and new financial inclusion regulations, the mortgage and property boom was experienced unevenly. Even with the "public mandate to lend", a property investor explained, this lending had happened "on the banks' terms" (Interview with Bauer, 2012). This meant finance flowed towards the highest returns – high value mortgages, suburban properties with rising prices, and high value development – and redlined old and new sites of racialized risk, namely the black 'township' and HIV borrowers, except where they could be more profitably served through 'high risk' unsecured loans. Without the state taking on board the risk of securitized mortgages, this was not an exploited avenue for lower income mortgages.

[33] This berating is despite the fact that traditional savings products have been historically underprovided and hardly incentivized (Ardington et al 2004); and that savings *do* exist – just not savings accounts. The most common savings "vehicle" in South Africa in 2010 were funeral policies, followed by pension funds (Old Mutual Savings Monitor in National Treasury 2011, 50). I heard industry commentators blame banks for not being innovative enough in channeling these already-existing savings in pensions, stokvels or 'under mattresses'.

Of course, this argument is made within the confines of the available data, with little comparative capacity between income groups or racial categories at different scales over time. But for South African households earning between R1,500 and R10,000 during 2004-2008, their share of mortgage finance diminished - financial exclusion of a degree – while they were simultaneously over-included in unsecured lending made more profitable through financial inclusion legislation. It would take state intervention, and some major capitalist crises, to change those metrics of risk and reward. As a representative of the Banking Association told a special Parliamentary hearing on unsecured lending: "If the markets worked, the banks would lend to them" (Coovadia in Parliamentary Monitoring Group 2012). Chapter 4 takes up this provocation to think about the work of making markets work.

I end by considering the limits of the chapter's method. 'Following the money' in this instance has been a journey fraught with quantitative challenges, incommensurate comparison, and potentially inaccurate causal arguments. It has meant travelling at a particular scale, in which other scales are obscured or ignored, the numbers floating above place. With different data, we might see something different altogether. For example, with comparative income categories, we might see that subprime mortgages were rife for households earning just over R10,000 – about whom we have no separate data. This opens up another debate: who is considered 'low income' in South Africa? The stats only capture those earning up to 7,500/month. With place-based data, we might find subprime mortgages rolling out across a neighborhood, or else one completely redlined. Making these interventions through conducting one's own quantitative surveys could be one way of nuancing this chapter's arguments (Migozzi 2016). Getting hold of banks' actual lending statistics, with comparative and historical extent, would be another.

But we also miss other things happening when we strictly 'follow the money'. The next chapter takes this as its point of departure. If the *quantitative* effects of the credit boom and financial inclusion on mortgage lending were uneven and underwhelming for lower income households of color, the *qualitative* effects of this "golden era" were more powerful. By qualitative, I mean the kinds of boundaries formed, the knowledge produced, the discourses circulating, the institutions born, the alliances formed. One of those qualitative effects, and the subject of Chapter 4, is the construction of the 'affordable market', that territory between the 'traditional' housing market and the government-subsidized housing market, around which negotiations about 'risk sharing' and ‘innovation’ would circle during the financial inclusion negotiations and the rising demands of the ‘emerging black middle class’ to no longer be redlined.

## CHAPTER 4 Making the market work: marketizing and subsidizing 'affordable housing'

### Introduction

The public sphere was electric with debt-related crises when I arrived for my first bout of pre-dissertation fieldwork in July 2011. In various media, financial experts, money psychologists and talk radio pundits berated South Africans for their poor savings record, high levels of indebtedness and spendthrift culture. 46% of South Africa's 18 million active credit users had fallen behind on their credit payments. The host of a new reality show called "In Debt" lamented: "Our country is in trouble: Why are we in this mess? What is wrong with our spending habits?" A leading financial newspaper blamed "credit-fueled lifestyles" as the "recipe for disaster" (*Business Day* 2011a; 2011b). A consumer credit group added that this was because South African credit was largely "consumptive in nature" - spent on consumables, or 'bad debt', rather than investments or 'good debt' (Heymans 2010). The 'emerging black middle class' and 'Black Diamonds' were particularly chastised for this (*Business Day* 2011a).

Others focused on the supply side, querying the effects of the National Credit Act and the loopholes it had created around unsecured lending, and how lenders were abusing those (Donnelly 2011). Still others blamed the global recession which had taken positive growth and 1 million jobs with it; no wonder people couldn't pay their debts. In the meantime, the state deployed legions of debt counsellors via the National Credit Regulator to advise consumers in arrears before repossession began.

The world of 'good debt' was in the throes of its own crisis. The speculative golden days of residential real estate had ended in 2008, but 'for sale' signs still crowded the entrances to Johannesburg's gated communities and sectional title (condominium) complexes (Fig. 24). The property price bubble had burst even before the global recession hit: after interest rates rose, households' debt burdens increased, and housing prices dropped faster than they had in 25 years (Anderson 2011; Mushongera 2012). Of those mortgages in circulation, almost one third was "distressed", or fallen behind on their repayments (Mhlanga 2011b). Already in 2008, banks had pulled back from mortgage and developer lending when prices dropped, arrears rose and cheap wholesale funding ended with the global markets crashing. Now only a third of all bank credit was going to mortgages (Heymans 2010). Bankrupt speculative developers owed the banks billions (*Financial Mail* 2010). The number of estate agents decreased by 60% after the peak in 2006/7 (iafrica.com 2012). The “mortgage lending frenzy” was over (O’Neill 2012).


*Figure 24: ‘For sale’ signs outside a gated community in Johannesburg’s northern suburbs, July 2011*

Yet, within the property and debt infrastructure’s general malaise, one small bright star caught my attention: something the media was calling ‘the affordable housing market’. While in the ‘traditional market’, properties were sitting on the market for months, within the ‘affordable market’ properties were moving much faster. Property media and ‘barometers’ alike claimed that while trophy homes were losing their luster (*Finweek* 2010), the ‘affordable market’ was going from strength to strength.

Its definition unstable, the ‘affordable market’ was sometimes defined by the sale value of the properties concerned (between R500-600,000[1]), or the monthly rental cost; other times, by the income of the potential homebuyers or tenants, roughly the 7% of South Africa’s households earning R10-15,000/month.[2] ‘Affordable property’ could apply to a wide variety of sites, loosely

---

[1] $73,000 at the ZAR to USD exchange rate in 2011; less than $60,000 in 2013’s exchange rate.

[2] A reminder: the formula used by housing finance experts for figuring out affordability, “assuming they have no other debt”, is when a 20 year mortgage approximates 25% or 30% of a household’s monthly income, at the current interest rate. For example, in 2012, a household earning R15,000/month at an

described by a local property investor as those opportunities "that exist[] below the main road and the railway line", and in "new and emerging suburbs outside the established areas" (Lee 2005, 57). It was a concept cutting across the historic divides of suburb and township, 'white property' and 'black housing'.

The subject of the 'affordable market' was clear: the first time 'aspirant middle class' black buyer. At a time when there seemed little else to celebrate, the 'affordable market' was celebrated for enabling new trends in 'black buying' and "deracializing the property market" (Sexwale 2013). A popular mortgage originator announced that in 2011, for the first time, black South Africans had applied for more home loans than whites (45% vs. 41% of total home loan applications), and accounted for the majority of approved first-time buyer loans (at 55%) (Mhlanga 2011a). Since this wasn't the direct effect of financial inclusion legislation (Chapter 3), the efficient workings of supply and demand in a free market must be responsible. It had just "take[n] a while for the new market to expose itself to the players. Or for the players to recognize what's happening in the market", one housing finance expert explained (Interview with Rust, 2012). Or, more patronizingly, for "more black middle-class consumers … to concentrate on acquiring real assets such as property rather than buying luxury cars and furniture or designer clothes" (Geffen in Williams 2014, 53).

Such "[m]arkets do not simply fall out of thin air" geographers of marketization remind us, "but are continually produced and constructed socially with the help of actors who are interlinked in dense and extensive webs of social relations" (Berndt and Boeckler 2009, 536). Inspired by heterodox approaches to "actually existing markets" (Peck 2012), this chapter seeks to "'provincialize'" (Peck 2012, 125) the 'affordable housing market' (often shorthanded from here as the 'affordable market'). The 'affordable market' didn't simply "expose itself" fully formed after the boom-and-bust of the 2000s, as a product of 'natural' supply-demand dynamics or more rational consumers. Nor was it only a structural effect of financial inclusion law, lower interest rates, or of surplus capital looking for high returns. A lot of political, technical and discursive work had preceded the 'affordable market's' appearance, despite its apparent absence from the quantitative, 'follow the money' story in Chapter 3. This chapter considers that pre-history.

---

interest rate of 11% could afford a R500,000 house. Those earning R9-10,000/month could afford "the cheapest newly built house today, which is about R250,000" (Interview with Rust, 2012)

Through a combination of techno-cultural and socioinstitutionalist approaches to markets, I argue that the initial construction of the 'affordable market' was not the work of an organized 'growth machine' so much as a contingent and conjunctural set of enrollments of housing finance knowledge, middle class grievances, financial inclusion politics, 'maverick' bankers and new socio-technical devices which together frame and perform the 'affordable market'. Over time however, the interests and investments of these enrolled actors start to more deliberately shape the 'affordable market's' framings and boundaries, and demand new enrollments – of public land, new 'risk-sharing' devices, changed housing policy, etc.

I will get to 'framing' and 'performing' shortly. But first a note about my sources. I analyze representations and narratives across a range of primary sources: media, institutional reports, public presentations, policy documents, parliamentary committee meetings. I draw on my interviews with housing finance experts, multiple 'affordable' bankers and mortgage lenders (although with a stronger focus on the first bank, FNB, to 'enter the market') and some developers.

After the literature review, the first substantive section of the chapter traces the tentative construction of the 'affordable housing market' from the early 2000s. I demonstrate how the boundary-placing work of housing finance models and experimental practices by bankers open up an expanded terrain of intervention between publicly-provided low-income housing and the 'traditional' mortgage market. This 'affordable housing market' was framed neoclassically as a space of high demand, low supply – and a private market design was pursued through the Financial Sector Charter.

But in failing to clear itself through the private market, the second section investigates how the expanded boundaries of the 'affordable market' articulate with the housing grievances of the 'emerging black middle class'. This political content allows for new framings and new enrollments – particularly of the state. Two framings, the 'affordable market' as 'high risk' and as part of the 'housing backlog' created by the 'market distortions' of housing policy, increasingly embed the 'affordable market' in state responsibilities.

With this embedding, the third section argues, market actors pilot new market devices or socio-technical mechanisms – from insurance, to housing policy and public land assembly. These experiments work to redistribute racialized risk onto borrowers and the state.

But market-making is never complete, and these market pilots soon reach their limits. The final section describes the more deliberate reconfiguring of the ‘affordable housing market’ boundaries in 2009 through a coordinated set of market actors. This boundary (re)placement doubles the terrain of the ‘affordable’, creating a larger ‘gap’ that can be filled, now with stabilized state support, tried-and-tested market devices and increased revenue potential.

### Scholarship on markets

Markets have been largely taken for granted in economic geography,[3] despite trenchant critiques of market fundamentalism and capitalist markets’ destructive effects (Peck 2012, 118, 126; Berndt and Boeckler 2009, 539). This reflects geographical political economy’s greater interest in the spheres of production, as the site where *real* surplus value is produced (Sheppard 2011; Christophers 2014b, 13–4). The analytical ‘black-boxing’ of markets can give them more power than they actually have (Berndt and Boeckler 2009, 542), but also oddly prop up the grandest assumption of orthodox economics itself: that markets are naturally-occurring, self-regulating entities (Peck 2012, 118). Instead, economic geographers have been challenged to approach markets in all their “sociospatially constitutive character and conjunctural historical specificity” (Peck 2012, 118). Starting with these “market realities” can enrich Marxian theories of accumulation too (Christophers 2014b, 16).

The study of “actually existing markets” has been underway for some time in heterodox economics (Peck 2012, 122) and other social sciences. Geographers Berndt and Boeckler (2009) identify two threads. The first is a social constructionist “socioeconomics” approach, which has been popular in economic or Polanyian anthropology and sociology. It emphasizes the socio-political work that goes into marketizing commodities and socially embedding those markets to make them work. This embedding is worked at by and through institutions like the law or the state (the focus of “*institutionalists*” such as Bourdieu (2005)) or relational networks between actors (the “*network theorists”*) (Berndt and Boeckler 2009, 536-7). The state is seen as entangled, rather than ‘outside’ setting a context for market exchange (Krippner and Alvarez 2007, 233).

[3] Some early exceptions include Sheppard (2005), Smith, Munro, and Christie (2006) and Aalbers (2009).

How are we to operationalize this socioeconomics approach? Peck (2012; 2013a; 2013b), who has championed this in economic geography, admits that Polanyi didn't leave much of a "methodological template" (Peck 2013b, 245). But he suggests laying bear the "specific conditions of production, reproduction and failure" of market-making (Peck 2012, 122), through what "social constructions and institutionalized patterns", "underlying logics and rationalities" (2013a, 1546, 1558), with what "constitutive connections" to other forms of socioeconomic organization *and* a globalizing neoliberalization (2012, 127–128). As socially instituted processes, markets are always political and unstable, subject to both contestation and manipulation (Peck 2013a, 1557).

The second approach to "actually existing markets" goes by various names: the 'cultural economy of markets', 'techno-cultural' approaches or marketization studies (Callon 1998; MacKenzie, Muniesa, and Siu 2007; Çalışkan and Callon 2010). Marketization studies start from a different ontology to the socioeconomics approach, one that does not privilege the social formation, institutions or *a priori* interests, but "begins inside the market" (Muellerleile 2013, 1630). Inspired by the science-and-technology-studies project, actor-network-theory and Callon's (1998) 'performativity of economics', this approach sees multiple actants at work: human/non-human market actors, technical and natural "market devices", models and knowledges. It is from the emergent, contingent gathering of these actants with "'unequally distributed'" "'calculative capacity'" (Callon 2007 in Christophers 2014b, 18) that "action springs" (MacKenzie, Muniesa, and Siu 2007, 5, 15). This never path-determined "sociotechnical *agencement*" (STA), or assemblage, performs and temporarily stabilizes what we know as 'the market' (Berndt and Boeckler 2011, 561).

How are we to study these market STAs? Çalışkan and Callon (2010) offer a dense guide. They insist on "inquiring into the role of knowledge and materialities in the elaboration of markets" (23). In terms of knowledge, they suggest investigating how "theoretical and practical, expert and lay knowledge, know-how and skills [are] developed and mobilized in the process of designing and managing market STAs" (Çalışkan and Callon 2010, 19). In this process, we meet a variety of market actors, such as academic economists, consultants, bank economists, NGOs, who "confront one another around different programs in the design and building of institutions and tools" of marketization (Çalışkan and Callon 2010, 23).[4] These material tools, such as credit scores, computer screens, supply chain management (Berndt and Boeckler 2011, 560), also do performative work of their own as "textual and material devices" (Çalışkan and Callon 2010, 7). "One of the first tasks of a marketization study is, therefore, to identify the forces participating in these networks and to understand how they interrelate" (Çalışkan and Callon 2010, 23) – a project not so very different from network sociology.

But then Çalışkan and Callon (2010) head down a different path. These "forces" all invest in what they call "framing" work, particularly of goods, agencies, encounters, and price (22). Framing is about constructing boundaries that "make selective inclusions and exclusions" (Çalışkan and Callon 2010, 8), disentangling goods and agencies from one set of relations into a market encounter where their price can be tussled over by a range of calculating agencies. This is particularly helpful if the good is not usually marketized – such as weather. Çalışkan and Callon (2010) want "an inventory and analysis of the investments" that go into these framings and boundary placements.

Finally, given that "all framings are incomplete and imperfect", they insist on marking "moments of overflow" that show "a frame's shortcomings, and in so doing make material, legal or other framing devices visible while inspiring debates on how these might be improved" (Çalışkan and Callon 2010, 8). This is where they try to make room for politics.

Framing and its overflowings reminds us of other work in postcolonial studies that is interested in boundary placing and constitutive outsides, such as Mitchell's (1988) *Colonising Egypt* and the colonizers' "enframing".[5] In geography, a few have put the postcolonial approach to work vis-a-vis markets (Sidaway and Bryson 2002). But this sticks closely to the representational and the construction of knowledge. Mitchell pushed his later work into the terrain of the non-representational and the more-than-human with the tools of science and technology (Mitchell 2002) and marketization studies (Mitchell 2007). But this has been to enrich, rather than replace,

---

[4] They broaden their approach from older work which centered on the role of economics and economists in performing markets (Callon 1998).

[5] These studies center the boundary placing work required to produce that which marks itself as the center: the West, modernity, the nation, the urban, the citizen, the city, whiteness. Categories that are always reliant on their constitutive outsides, or in marketization language, on "an exterior to itself" (Çalışkan and Callon 2010, 8), and the maintenance of those outsides by epistemic and physical violence. Much of this kind of postcolonial work concerns representations, discourse and knowledge.

his core interest in the production of categories like 'the economy' and the work of disciplines, law and violence, through notions such as "sociotechnical mechanisms", mechanisms "that reorganize how people live, the political claims they can make, and the assets they can control" (Mitchell 2007, 248).

Geographers have also experimented with these "sociotechnical" tools.[6] In response to some of the critiques of marketization studies – its lack of politics and generalizable theory, too locally focused and inattentive to power relations (Christophers 2014b, 18) – geographers have often adopted hybrid approaches, their different ontologies not withstanding (Smith, Munro, and Christie 2006; Ashton 2011; Lai 2011; Hall 2012; Ouma, Boeckler, and Lindner 2013; Muellerleile 2013; Christophers 2014a). Christophers (2014b) has been the most ardent advocate of a collaboration between Marxian political economy and what he calls "techno-cultural" approaches, arguing that attention to market devices and agencements can help us better examine the dynamics of capitalist accumulation working through them—dynamics he wants to see more of in Polanyian approaches (Christophers 2014b, 17).

This chapter attempts such a conceptual collaboration, but between marketization studies and the more social constructionist project outlined by Peck. Although I do not put their prescriptive schema of 'framing' to work nor the concept of "calculative capacities", Çalışkan and Callon's (2010) empirical guide helps me draw out the entangled investments and performances of knowledges, sociotechnical devices and framing mechanisms that give meat to the vague social constructionist categories of market 'production', 'legitimation', 'institutionalizing' and 'failure'. I try to pay attention to the work of different kinds of agents: from diagrams to insurance. Marketization studies also push us to take seriously the contingency of these market-makings, and the shifts that occur through emergent combinations of different agents and their calculative capacities, rather than a path-dependent conspiracy about how these formations arise. But I want to hold onto the social constructionist insistence on context (Peck 2012, 124), the importance of institutions, the sometimes pre-given and strong interests that shape contestation, the political nature of market-making, and, in the following chapter, the dynamics of capital (Christophers 2015a).

---

[6] Others have preferred to start elsewhere entirely, such as feminist approaches to "diverse economies" (Gibson-Graham 2008) that refuse 'the market' as their starting point and instead surface those embodied practices of life and livelihood that exceed the frame of the market.

## I. Under construction

I start with the knowledge, practices, market actors and market devices that through their representational work and practices tentatively bound an expanded space of exchange called the 'affordable housing market' between the government subsidy 'market' and the conventional or 'normal' market. The 'affordable market's' initially neoclassical framing, as a 'high demand, low supply' market that required more supply from the market, was stabilized in a pact between state and banks, the Financial Sector Charter.

### *Modelling South Africa's housing market: expanding the boundaries of the 'affordable'*

In the early 2000s, the 'affordable market' as a concept had little cache discursively, politically or economically. 'Affordable *housing'* had older roots in the discourse of trade unions and community organizations who had an early 1990s campaign called "Affordable Housing for All" (Bond 2005, 135). Suturings of 'affordable housing' to 'market' begin to surface in housing finance discourse and documents from the early 2000s, especially those produced through the USAID-funded Housing Finance Resource Program (HFRP). In one of their most widely-circulated working papers on blockages to housing finance, the 'affordable market' was described narrowly as:

> the term used by the housing finance sector for consumers who can afford the repayments on housing units costing between R80 000 and R100 000. They are regarded as affordable by households earning R3 500 – the maximum income limit for the state housing subsidy – or just less than this. Loans for buying these units are made available by small banks and non-bank lenders, most of which access NHFC wholesale finance.[7] (Rust 2002, 15)

With these borders, the 'affordable market' was a small 'country' in which no mortgages were available, its citizens earning just little enough to still qualify for a partial government housing subsidy and just enough to take out pension-backed housing loans or instalment sales packages from niche lenders and the few developers who had cornered this market (Rust 2002, 15).

However, in the narrowly-drawn pyramid diagram[8] of South Africa's housing market provided in the working paper (Fig. 25), the author didn't just accept this sliver-thin definition of the

---

[7] NHFC being the state development corporation that provided "wholesale finance to institutions offering housing loans to low-income buyers" that couldn't get finance from banks (Rust 2002, 11), until those institutions were wiped out by the small banks crash in 2002 (see Porteous and Hazelhurst 2004, 128-9 for a critique).

[8] Mainly to fit into the formatting of the working paper, I believe.

‘affordable market’. Rather she actively intervened in the diagram to ‘grow’ the terrain of the ‘affordable’.

But first, a brief description of the ‘affordable market’s’ exteriors. At the top of the pyramid diagram sat the small affluent pinnacle misleadingly named the “normal suburban”, where market forces of supply and demand were acting ‘normally’ (Rust 2002, 14). This 10-15% of the country’s population earned R6,000 or more per month and could access relatively expensive housing (R100,000 or more at that time) through personal savings, large down payments and mortgage credit from the big banks (Rust 2002, 14). At the bottom of the pyramid were layers of households categorized as “RDP”[9] – the 60-65% of South African households earning less than R2,500/month that qualify for larger public housing subsidies, topped up by other small loans and microfinance (Rust 2002, 15–6).

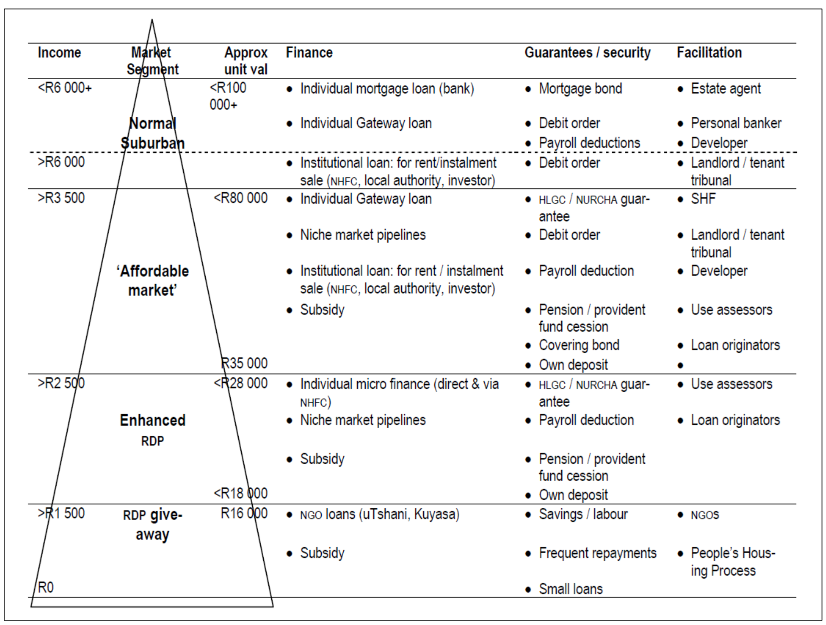


*Figure 25: Diagram of South Africa's housing market (Rust 2002, 14)*

In this diagram, author Rust argued that the ‘affordable market’ was too narrowly defined. Rather than only targeting those households earning R3,500/month, it “should also include

[9] RDP being the shorthand name for the Reconstruction and Development Program, government-subsidized housing program that was part of the 1990s’ policy interventions discussed at the end of Chapter 2. Households may be able to “enhance” their RDP house to a higher standard through the means described in the diagram.

households that can afford to buy housing units priced from R35 000 to R80 000" and above, earning anywhere between R2,500 and R6,000/month (Rust 2002, 15). The floating dotted line extending the "affordable" into the "normal suburban" in the diagram makes this case representationally (if not to scale). Households on either side of this dotted line – earning both below R3,500 and above it – fall into what the author called "a significant gap, variously referred to as a 'credit gap' or 'product gap'" (Rust 2002, 15). This is the credit *and* product "gap" which the activist diagram marks out as a critical space for housing finance intervention.

At the same time, one of the big banks (First National Bank (FNB)) was building their own model of the housing market, also finding that the 'affordable' gap extended higher up the income scale. This modelling project was undertaken by a banker who'd been part of the Servcon committee to 'normalize' township property markets in the 1990s – an unsuccessful program he said had both challenged and frustrated him. In the early 2000s, his team did some "pretty medieval" research and modelling that showed a "significant piece missing" around the R6-7,000 income range.

> And we just saw it in lots of numbers at the time; and depending on the way one would cut it … it didn't matter really, because the need was anything between 500,000 and a million units, as an estimate … So, it was very important then to find a sustainable financial model to actually get into this. (Interview with Marais, 2012)

The crash of small banks in 2002 offered the chance to put this model to work through new market devices. Until then, pension-backed lending had been the Big Banks' only involvement with the less-than "normal suburban" since the mortgage moratoriums of the early 1990s (Chapter 2) (Interview with Barnard, 2013). The 'pioneering' banker in the FNB home loan department (as some of his competitors called him) described how they bought up the 'affordable' mortgage book of a small bank (Saambou) gone into liquidation "to get operational capacity" (Interview with Marais, 2012). With that experience, FNB slowly started issuing their own loans on already existing 'affordable' housing in the R6-7,000/month income range, although

> [w]e didn't have a proper scorecard, we just did it judgmentally, individually, within a certain basic framework. We applied the classical things that one would do in a housing finance environment, like loan-to-value use, and repayment-to-income. So that's where we started. But very very low key… We were very naïve about it. (Interview with Marais, 2012).

These experimental practices were the tentative start of the first dedicated 'affordable market' sub-division within a Big Bank's home loans department.

The newly arrived DFID-funded think-tank FinMark Trust (charged with 'making financial markets work for the poor'), began to stabilize these 'affordable market' practices and models., FinMark Trust's well-known CEO stated in a popular book that "[t]he problem is how to provide appropriate finance for the more than 25% of households" earning between R1,500 (who can access the full capital subsidy) and R7,500 (where mortgage finance becomes available) in the R10-100,000 property value range. "Plugging this R10,000-R100,000 'credit gap'" – between the biggest microloan and the smallest mortgage – "is the central problem of SA housing finance today" he argued (Porteous and Hazelhurst 2004, 122). Of course, for all the South Africans who had been struggling to find housing they could afford, there was nothing new about the "credit gap" or "product gap" described by experts and think-tanks.

But in just two years, then, these new models and experimental practices were expanding the terrain of the 'affordable' from those earning R2,500-R3,500/month to include a much wider swath of households earning between R1,500 and R7,500/month (if not higher). This "frontier" (Porteous 2005, 37) of possibility went by various, sometimes interchangeable names. A rather obvious one was the 'gap market'; another, 'the affordable market'; sometimes a distinction is made between the two. A substantial new terrain for housing finance intervention, accumulation and politics was being mapped out by these housing finance experts (cf. Mitchell 2007, 247). But who would intervene and how – as a more privately-supported or publicly-supported market - was the subject of contestation or encounter as Çalışkan and Callon (2010) would put it.

### *Framing 1: 'high demand low supply' should naturally 'clear' with supply*

A privately supported market seemed obvious given that 'affordable' "demand was never in question"; it was a question of increasing supply for the market to 'clear' itself. This neoclassical assumption informed FNB's early experiments in the 'affordable market': "If there's this big need, then surely if there's this economic thing, then it would solve itself over time. And solve itself in 20 years. That's what I thought" (Interview with Marais, 2012). "[T]his economic thing" also informed state thinking in the early stages of financial inclusion negotiations: capital just needed to recognize that "'[t]he economic future of this country lies with blacks'" (Kuzwayo in Ndebele 2000, 49), as a leading advertising exec had put it, and thus the rational response would be private investment in this high demand market. The (failed) Community Reinvestment Bill, an "attempt to compel banks to lend" (Tomlinson 2005, 32), was an example of this approach.

The private-market approach to the problem of the 'affordable' informed processes at a much higher scale in the form of the Financial Sector Charter (FSC) being hammered out at that time (2002-4). The FSC, the financial industry transformation agenda described in Chapter 3, was the first to institutionalize the persuasive diagramming of housing finance experts, defining the Charter's target market widely as households earning between R1,500 and R7,500 per month in 2004 Rands. It was to these 5.1 million households who earned too much to qualify for government housing and too little for 'traditional' finance that the Charter promised R42 billion in housing finance between 2004 and 2008 (Melzer 2010). It even lent its official-sounding name to this newly expanded market, shorthanded as the 'FSC market' or 'Charter market'.

But stabilized market boundaries with high demand-low supply dynamics and institutionalized commitments did not make for a 'naturally-clearing' market. As we saw in Chapter 3, there wasn't a flood of housing finance or property development rushing to 'fill' the 'gap'. For one, the commodity and property boom described in Chapter 3 meant both finance capital and real estate capital weren't terribly interested in extracting revenue from housing outside of the booming "normal suburban". And second, the high risk perceived to be attached to this market had still not been redistributed. Making the 'affordable market' 'work' would the work of politics.

## II. 'Making the affordable market work': new politics, new framings

### *Growing black middle class grievances over housing 'gap'*

"'Communities … are required for markets'" (Gudeman, 2001 in Peck 2013a, 1559); or perhaps in a more iterative way, we can think about how communities and publics are both enrolled and conjured through market-making (cf. Mitchell 2007, 248). The 'affordable market's' expanding borders articulated with the housing grievances of the 'emerging black middle class', who might never have seen themselves as the 'affordable market', but who's grievances attached identities and market subjects to these market models.

According to market research, the 'black middle class' had grown by 3 million people just between 2001 and 2005 (Standard Bank 2007, 19) and would more than double in size between

2004 and 2012.[10] As wages increased during the “golden era”[11], and households fell *out* of the government housing subsidy bracket, there were “rising political pressures” from the growing black middle class for housing (Porteous and Hazelhurst 2004, 130). Public sector workers and trade union members particularly, who earned too much to qualify for public housing subsidies, wanted to know why “they can’t afford housing” still (Interview with Rust, 2012), when they were hardworking postapartheid citizens. They remained locked out of the booming property market that the ‘normal suburban’ was experiencing (Chapter 3), with access to more predatory forms of credit, while the state provided housing opportunities only for the poor.

These demands, from an increasingly powerful political constituency (James 2014, 3), added political content to the representational work of housing finance experts, and urgency to the failures of the Financial Sector Charter to ‘clear’ the market through supply. Black middle class grievances also offered developmental grounds through which the state would be enrolled into increasingly supporting the ‘affordable market’.

### *Framing 2: reducing ‘market distortions’ through risk sharing*

With the Financial Sector Charter failing to ‘clear’ their target market, banks blamed these on ‘market distortions’: the first, the ‘affordable market’s’ high risk. The Banking Association started lobbying to make ‘risk sharing’ a reality, presenting Parliament with a request for a “longtime partnership” with government vis-à-vis the Charter’s R42 billion housing commitment (Parliamentary Monitoring Group 2005). Specifically the banks’ proposal requested more extensive housing subsidies, fixed interest rates, the underwriting of mortgage finance through a “Central Loss Insurance Fund”, and investment in financial literacy (Parliamentary Monitoring Group 2005).

The banks’ proposal rested on the taken-for granted framing of the lower end of the market as high risk. “[T]he first thing capital providers say to you”, FNB’s Head of Housing Finance told me, was that “‘[the affordable market’s] sort of ok’, but the general perception was risk”

---

[10] According to the UCT Unilever Institute of Strategic Marketing, the “BMC had more than doubled over the last eight years to around 4,2-million in 2012, up from 1,7-million in 2004” (*iafrica.com* 2013)
[11] Contributing to the growth of the ‘black middle class’ and their wages include such factors as the end of the racial color bar in South Africa’s postapartheid job market; desegregation of education systems; stronger collective bargaining rights for trade unions; higher employment levels during the commodity boom; deracializing of the public sector workforce and wage increases therein; black economic empowerment, and tax cuts for the lower and middle class.

(Interview with Marais, 2012). Financial institutions and some housing finance experts perpetually represented this market as high risk, with a "higher than normal risk profile" (Tomlinson 2005, 32) or as a "traditionally … high-risk investment" (Standard Bank 2005, 16). This despite little data collection and risk analysis before the late 2000s (Melzer 2010, 4), and little experience in the 'market' to judge by. Rather, this high risk framing relied on the social, and racialized, constructions that had long structured banks' involvement with lower-income black housing, especially in townships (Chapter 2-3).

This framing of the 'affordable market' as high risk necessitated the enrollment of other 'risk-sharing' partners and instruments to 'make the market work'. One of the first 'risk-sharing' arrangements was organized around mortgage insurance. As discussed in Chapter 3, South Africa's AIDS epidemic was at its peak in the early 2000s, creating new risks for mortgage lenders as life insurers refused to cover death as a result of HIV-AIDS (Porteous 2005, 8). To reduce this form of discrimination, the Department of Trade and Industry passed new insurance regulations that enabled special insurance cover through a US-funded partner, the Home Loan Guarantee Company (HLGC) (Mantu 2004). The HLGC offered banks guarantees against "extraordinary" risk, including HIV, with certain provisos (OPIC 2003).[12] It also offered borrowers or their dependents "installment cover … to remain in the bonded house even when unable to pay" (Porteous 2005, 38). To do both, HLGC charged "high premiums because of the risk" (CEO Willemse in Mantu 2004), excluding less affluent borrowers while yielding good returns for shareholders (Shared Interest 2015). To this day, FNB uses this HLGC loan cover on all their 'affordable' mortgages in addition to their own life insurance cover for the first five years, HIV-positive borrower or not (Interview with Ndlovu, 2012). Constructed notions of 'high risk' would be long borne by affordable borrowers themselves.

### *Framing 3: reducing 'market distortions' through state support for 'an integrated property market'*

Not many of the Banking Association's 'risk-sharing' requests were immediately met, but here, I want to mark its astute naming: the request to Parliament had been named the "Low-Income Housing Finance Proposal". Its invocation of "low-income housing" immediately sutured the

---

[12] Borrowers had to be tested up front, "and if positive, enroll in anti-retro viral therapy and a wellness course to extend working life" (Porteous 2005, 38). Apparently this upfront testing is still practiced by some insurers.

expanded 'affordable market' to the developmental problem of the 'housing backlog'[13] and the Constitutional mandate of the postapartheid state to realize South Africans' right to decent housing. This is the second new framing I want to draw attention to: framing the 'affordable market' as part of the 'housing backlog' *and* part of the solution to the 'distorted', balkanized government housing market produced through postapartheid housing policy. This was not only a politically savvy move to lobby for greater state support upmarket. My interviews also showed that 'affordable' bankers and housing finance experts considered this part of their identity - helping to solve South Africa's 'housing backlog'.

These market actors had already been putting this framing to work "right in the engine room" of housing policy-making, as one banker put it, once a new, more private-sector-friendly Minister of Housing arrived (Interview with Marais, 2012). Housing experts and property economists argued that government's RDP housing program since the mid-1990s had distorted the housing market in "overemphasizing" the low-income 'housing backlog' to the neglect of the rest of the housing pyramid or ladder (Rust 2006 in Ruiter 2009). Part and parcel of the problem was that, unlike Framing 1, the Department of Housing treated housing as a social, rather than an economic, good (Interview with Rust, 2012; Interview with Viruly, 2012).

Here, the model of South Africa's housing market was put to work again. Without incentives for investment higher up the housing pyramid, where were socially mobile RDP residents supposed to upgrade to? Instead, these housing experts argued, RDP residents were stuck in the balkanized subsidy market, cut off from the wealth creation opportunities in the 'normal suburban' by the yawning gap that was the underserviced 'affordable'. A local property economist explained to me that "[y]ou want to get that <u>flow</u> in the housing market" by "influenc[ing] the market at a higher end": the argument was that the state would "have to fund those higher tiers of the market to get that <u>flow</u> of those people <u>moving</u> out of those RDP" (Interview with Viruly, 2012). As such, state support for the 'affordable market' could solve the housing backlog further down the pyramid, while also creating an integrated property market of assets that could be exchanged (very popular at the time under De Sotoan economics (Royston 2006)).

---

[13] Shorthand for South Africa's severe urban housing shortage, used by politicians, activists, policy makers and communities alike. It is this 'backlog' that the state's postapartheid housing program has sought most urgently to address since 1994 by delivering some 3 million new RDP houses for the poor through its capital subsidy mechanism.

### *Embedding 'affordable housing' in new housing policy*

Together the political demands of the growing middle class, in articulation with these 'risk-sharing' and 'housing backlog' framings, added urgency to the expanded categories of 'gap' and 'affordable'. These categories were progressively embedded in state practices of housing support[14] and in housing policy. For a housing finance expert who'd been enrolled in the framings above, this demonstrated a new "willingness" on the part of "government to both acknowledge and accept some of the risk of doing business in this market … a clear change in its mindset" (Tomlinson 2005, 36).

The widening of the state's housing responsibilities is most evident in the new housing vision of the time: the 2004 *Comprehensive Plan for the Development of Sustainable Human Settlements: Breaking New Ground* (BNG). Amongst a range of goals reflecting a variety of inputs and agendas,[15] BNG sought to move away from the singularly low-income focus of the previous RDP housing program towards mixed-income, mixed-density, mixed-tenure "integrated human settlements". Along with RDP housing and social rental housing, 'gap' and 'affordable' housing were articulated into the public housing mandate for the first time. This was in pursuit of creating an "integrated" property market in a denser, less fragmented city, where houses would not just meet basic needs but also become *assets* with the potential to alleviate poverty and create wealth (Charlton and Kihato 2006; Ruiter 2009, 30–1; SACN 2014, 8; DHS 2014, 43).

In turn, BNG envisioned an increased role for private sector investment in these publicly-driven "integrated human settlements". They pacted this in September 2005 in "a landmark deal" between the Department of Housing and "47 stakeholders in the housing delivery and development sector, including banks, developers, contractors and NGOs" (DHS 2014, 43). The state promised support for households earning up to 7,500 per month, through public grants for

---

[14] These expanding forms of housing support from the mid-2000s targeted developer finance in the main, but also end-user finance, and occurred at different scales of the state. Although there was no roll out of *federal* US-style tax credits for 'affordable' housing developers, some municipalities, like Johannesburg's Urban Development Zone, and institutions, like the Gauteng Partnership Fund, offered tax rebates and additional equity to developers refurbishing inner city buildings for affordable rental stock (City of Johannesburg 2007; Genesis Analytics 2008, 142; GPF 2012). At the national scale, the development finance institution, NURCHA, extended its support for developer finance from low-cost to 'affordable' housing too. There was also a subsequent abolition of stamp or transfer duty on the sale of houses under R500,000 (Freybote and Karoly 2008, 182).

[15] For example, informal settlement upgrading that others have written about (Huchzermeyer and Karam 2006) and urban integration more generally (Haferburg 2013).

infrastructure and the mobilization of public land, in return for "rapid housing delivery" from the private sector (DHS 2014, 43). In addition, the private sector was supposed to accommodate 20% 'affordable' housing in all developments *not* aimed at the RDP market – an addition conveniently ignored and unimplemented (Klug, Rubin, and Todes 2013).

## III. Performing the affordable

This partnership in BNG's "integrated human settlements" opened up specific sites for 'affordable market' experimentation. Underwritten now by public infrastructure and well-located state-assembled land, banks set about 'performing' the 'affordable market', to invoke Callon (1998), through new housing construction (since developers still weren't interested) and new market devices such as mortgage instruments, borrower education, scorecards, etc. I focus on FNB as the 'pioneering' bank in the 'affordable market' and in the BNG partnerships. But these partnerships with the state also jumpstarted Standard Bank's involvement in the 'affordable market'. The bulk of Standard Bank's self-declared "low income housing" finance was issued in 2006 – coincidently when the "gain in momentum" in publicly-funded infrastructure development in "integrated human settlements" occurred (Standard Bank 2007, 6). By the end of 2007, they'd amassed enough "low income" mortgages to securitize them for local investors (Siyakha Fund in Chapter 3).

### *Piloting 'affordable' new build*

FNB committed R2 billion to the first BNG pilots in Johannesburg and Cape Town (FBN 2006), and ABSA and Standard Bank partnered with the state on others in Gauteng (Interview with Marais, 2012).[16] In Johannesburg's first "integrated human settlement", Cosmo City, on the city's northwestern edge, state-assembled land only had to be paid for once the unit sold (a model celebrated by risk analysts McKinsey in their report on global 'affordable housing' challenges (Woetzel et al. 2014, 16)). In 2006, FNB launched 1000 houses,[17] houses which the Head of Housing Finance was celebrating six years later for their impressive "capital appreciation" (Interview with Marais, 2012).

---

[16] In Cape Town, the N2 Gateway pilot has been written about by others, as a particularly politically fraught projects (Millstein 2011; Jordhus-Lier 2015). It was built on public land, with FNB end-user finance for its mortgaged units.

[17] Just to give a sense of how this fits into the mixed-tenure imagination of Cosmo City: "provision has been made for 5000 RDP units, 3000 credit linked houses and 3300 bonded houses" and 1000 social housing rentals (Haferburg 2013). FNB held 30% of those bonded houses.

More critical analysis has since called Cosmo City "combined" rather than "integrated" housing, since banks worked to protect the value of their mortgaged assets there by segregating them from other housing types (Haferburg 2013). FNB admitted that as a pilot, Cosmo City was "not a perfect project; it had lots of quality issues afterwards" (Interview with Marais, 2012). But it was a valuable state-facilitated learning experience.

From there, FNB's growing affordable housing finance division went on to finance development on *private* agricultural land, in partnership with its property development division, township development companies (who managed the land re-zoning and servicing) and housing construction firms. These were the same actors who'd been banking land on Johannesburg's southern edge since the 1980s, and had been reliant on niche funding, their own equity or their client's finance (Chapter 2; also see Chapter 6). In a new suburb of Protea Glen, on Soweto's southwestern edge, FNB financed the building of 3,300 units (FBN 2006). It didn't hurt that Soweto was receiving the bulk of the city's capital expenditure on infrastructural improvements at that time (Harrison and Harrison 2014, 300), increasing the value of the area despite the distance from the city. FNB then got involved with one of the other big landowners doing 'affordable' development, this time on the East Rand – Windmill Park. "After that, it just opened up. Now … we've got a huge pipeline and lots of projects – not enough – but lots of them" (Interview with Marais, 2012).

### *Market devices for redistributing risk onto borrowers*

#### *The SmartBond®*

FNB experimented with a 100% 'affordable' mortgage instrument in both these new public and private developments. Not uncommon in the 'normal suburban' market, no down payment was heretical in the 'affordable':

> Everybody was saying, 'gee wiz! Are you completely nuts? I mean, have you lost it? [How] can you imagine that you go into this risky market - first assumption - with 100% product … *And* you're financing developments?! (Interview with Marais, 2012)

The CEO wasn't sure he could disprove these arguments, but went for it anyway, with a maverick "let's just get out and do it, try it" approach (Interview with Marais, 2012).

FNB named their 100% 'affordable' mortgage SmartBond®, a name still in use. The SmartBond pamphlet, adorned with the heteronormative black middle class family, "the Khumalos", caught my eye in bank branches (Fig. 26), clearly distinguished from the 'normal suburban' Home Loan pamphlet for the heteronormative white upper class family, "the Jouberts". This was a product differentiated in both name and form. The 'affordable' SmartBond was called 'bond' rather than 'home loan' because that was perceived to resonate better with the target market who'd grown up in the townships during the late 1980s building boom, the Head of Product Growth explained (Interview with Ndlovu, 2012).


*Figure 26: FNB pamphlets for Home Loans and Smart Bond, July 2011*

In form, SmartBond borrowers had to be first-time buyers with single or joint household incomes of R2,500-R10,000 in 2006 - a cut-off already substantially higher than the thresholds instituted under the FSC (and raised to R18,000 in 2011). Successful applicants received a 100% loan-to-value mortgage, so they don't have to take out predatory forms of credit to fund a down payment that would jeopardize their mortgage repayments later on (Interview with Marais, 2012). Instead of a down payment, the 100% product came with other 'risk-reducing' mechanisms. The ones I was told about included limiting mortgages to 20 years maximum; offering periods of fixed interest rates, especially in the riskier first years; and various forms of compulsory insurance, including the double HLGC cover mentioned earlier. One mechanism FNB has continued to "driv[e] very strongly" is automatic deductions of mortgage repayments from the borrower's payroll—a practice with a long and racialized history in South African credit practices (James 2014, 7). These automatic deductions could be automatically increased annually with assumed salary increases (a model other banks would follow). This also meant borrowers could take out bigger mortgages than what they would have qualified for otherwise (FBN 2006). Particularly popular clients for the banks were public sector workers, whose annual wage increases through collective bargaining the banks could count on.

*Borrower education*

All FNB first-time buyers also had to go through a "comprehensive home ownership program" (Interview with Ndlovu, 2012). These kinds of pedagogical investments, in 'consumer education' (the state's responsibility) and 'borrower education' (the lender's responsibility), have been pushed as critical to mitigating non-payment behaviors (Interview with Moss, 2012; see Moss, Dincer, and Hacioglu 2013). Borrower education too was described to me as a bridging of gaps, this time of financial "acumen" rather than a credit or finance gap. The homeownership program, FNB's head of Product Growth explained, is

> to bridge that gap, that lack of understanding … things that for the conventional market we think, we assume they know. But in our market space, because they've never owned a property; chances are, even their parents, maybe they rented, or maybe it was one house passed from one generation to the next, but really, they never grew up under a bond set-up for them to have the necessary acumen … So we do bridge that gap. (Interview with Ndlovu, 2012)

*Risk premiums and differentiated scorecards*

What was less spoken off in my interviews with FNB was attaching 'risk guarantees' or 'risk premiums' to monthly mortgage repayments. Certainly by the time I did my fieldwork, it was industry practice to attach 2-3% risk premiums on the prime rate for 'affordable' mortgages but not 'normal suburban' ones (see Chapter 5).

Another quintessential market device – the credit scorecard (or scorecard as it's called in South Africa) - was critical to adjudicating these risk premiums. We have met the scorecard in Chapter 3 already, as the electronic model which determines whose credit application is rejected outright, who is granted finance but penalized with risk premiums, and who gets concessions (cf. (Poon 2007; Interview with CJ, 2013). For Standard Bank, designing a scorecard specifically for the 'affordable market' was one of their first steps in setting up their own 'affordable' housing finance division. "[B]ecause this is a different animal altogether from what used to be done in

Home Loans before" Standard Bank's 'affordable' home loans Director told me (Interview with Nkosi, 2013).

*Limited securitization*

When I asked FNB's Head of Housing Finance if they had securitized their 'affordable' mortgage book to reduce risk, he told me their book wasn't big enough to be attractive on the capital markets: "there are bigger books than us to go and put into the capital markets, like the credit card book, … vehicle finance and then the bigger home loans book". He also thought securitization was too complicated for their simple approach: "it's tough to raise, to get it rated", and only then to sell. And "then the costs escalate, [and] you start to charge a lot more" (Interview with Marais, 2012). They preferred, along with the CEO of FinMark Trust, "structured funding and risk sharing" (Porteous and Hazelhurst 2004, 149). This didn't stop housing specialists from continuing to encourage securitization (for example, Genesis Analytics 2008, 153).

## IV. The 'affordable market' reaches its limits

The 'affordable market' *agencement* if we can use that techno-cultural language loosely, with its housing market models, 'emerging middle class' first-time buyers, public-private partnerships, publicly assembled and serviced land, bank-developed housing, new mortgage instruments and borrower education were just beginning to cohere in certain sites when the Financial Sector Charter period (2004-8) started coming to a close. But the 'affordable market' soon reached its limit, the market's mortgage finance dropping dramatically in 2008, even before mortgage finance in general was cut in half during 2009's property bust (Melzer 2015a). Housing finance experts lamented that by 2009, only 25% of South Africa's 'emerging middle class' – from mine workers to teachers and police officers - were homeowners and less than 50% were "adequately housed", given the shortage of formal rental housing (Rust 2009, 2–4).

As discussed in Chapter 3, some critics blamed the banks' continued credit rationing for this 'market failure'. Banks, with 'affordable' home loans divisions or not, were not lending very far down, creating gaps further down market, or simply offering those clients unsecured loans instead (Moss 2009). One banker blamed this upward drift on a "natural force" constantly pulling them higher up the income spectrum:

> That's the natural forces that we're always experiencing … we're almost being pushed out of it. I've always wondered about that. I'm sure one can find an economics

> discussion on that, to say why then is the natural gravity shifting away from it, when supply and demand should- Why's it not bringing it in? Clearing the market? (Interview with Marais, 2012)

More generally, banks and housing finance experts blamed the 'affordable' and Charter market's stagnation on rising interest rates, households' greater indebtedness and, fundamentally, the continued lack of housing stock to mortgage (Venter 2009; Rust 2009; Interview with Nkosi, 2013). Despite the 600,000-plus demand, "only 2 483 building plans for [affordable] houses and townhouses were passed" in 2009, FNB's unit told the press (Marais in Wessels 2010). Developers in turn blamed the banks for a lack of finance, as well as the rising cost of building materials[18] (a well-known cartel (Hendler 1987)) and land servicing, and blockages in the town planning and development machinery that had driven small developers out of business (Genesis Analytics 2008, 145).

A site of joint critique continued to be the RDP house. With government being the biggest housing developer in the country – estimated at 100,000 units per year (Interview with Rust, 2012) – its "free houses" or "RDP houses" were 'distorting' the housing market, experts argued (Interview with Venter, 2012; Interview with Rust, 2012).[19] No builder or bank would produce a 40 square meter house in the same price range as that government house (R135,000 to build in 2008) "for fear of the commercial risk this would create as buyers with a twenty-year loan obligation realized that others were receiving the same house for free" (Rust 2009, 4). Thus, the cheapest privately-developed house in the south of Johannesburg in 2009 was R230,000, affordable only to those earning R9,000 or more a month (Rust 2009).

The state's own employees continued to make demands on the state. The municipal workers' union, SAMWU, organized a strike in July 2009, demanding wage increases and a housing allowance. Being stuck in the housing 'gap' was one of their major grievances:

> Speaking on Radio 702, [SAMWU president] Petrus Mashisi made the point that pay levels among SAMWU were such that they earned too much to qualify for a housing

---

[18] The business media reported in 2011 that building costs had risen "from an average of R2 188 a square meter in 2004 to R4 736 a square metre" in 2010 (Cokayne 2011).

[19] National Treasury would agree and lead the charge *against* the housing subsidy (2011, 70). However, other state departments and ministers defend the RDP program as incredibly important politically (Charlton 2013). Activist scholarship meanwhile critiques RDP housing on other grounds: that the postapartheid "subsidy-based housing machine" (Bradlow, Bolnick, and Shearing 2011, 268) has replicated apartheid geographies of exclusion and benefited private developers, with little room for more empowering alternatives – like upgrading and people's-led housing processes (Huchzermeyer 2003; Bradlow, Bolnick, and Shearing 2011).

> subsidy but too little to afford housing available on the market … The issue was raised again, a few weeks later, during the strike by members of the SA National Defense Force. (Rust 2009, 4)

South Africa's President himself would respond explicitly to this "credit and product gap" in his next State of the Nation Address (Zuma 2010a).

## V. Reproducing and expanding 'the affordable market' from 2009

As heterodox studies of markets remind us, markets have to be constantly reproduced and legitimated, and boundary placement is a key part of that work. "Marketization is about establishing and severing linkages … about incorporating *and* expelling places, people and things" (Berndt and Boeckler 2011, 566). Market boundaries are sites of maintenance, competition, contestation and persuasion, moved not by 'natural' forces of supply and demand, inflation and interest rates; but by the entanglements of these in the maneuverings of market actors, knowledges, policies, new strategies of accumulation, and socio-technical market devices.

### *Stretching boundaries with housing prices*

In the political and economic downturn of 2009, the Banking Association radically reworked the boundaries of the housing market again, and by far more than a few hundred inflationary Rands. Upper thresholds for the monthly income of the 'affordable market' were raised overnight from R9,600 (the FSC's R7,500 plus inflation) to R15,142 in 2009 Rands (CAHF 2012). This "expanded threshold" (Fig. 27) would be annually readjusted with inflation, pushing ever upwards. By the end of 2012, when I began my fieldwork, the upper threshold of this market segment had been increased to R16,500. Below that, some made another distinction: the 'gap market' earning between R3,500 and R9,000, although it tended to overlap with the 'affordable' in discourse and practice.[20] Both the 'gap' and the 'affordable market' were defined by their lack: "too rich to qualify for a housing subsidy, but too poor to afford a newly built house available on the market" (Rust 2009, 1). This is a critical difference from the earlier bounding

---

[20] As an example of this overlap: "[a]rguably, the gap market could extend across all households earning between R3500 and R18 000 (affording a house of about R440 0002) – that is, about 27% of the population or about 3,5 million households. Some developers extend their definition of the gap market even further, to houses costing as much as R750 000, affordable to households earning about R26 0003 per month" (Rust 2009, 1–2).

and defining moments: the problem was not a credit gap (i.e. where mortgage finance was missing) so much as a housing gap. The 'housing backlog' was being pushed higher and higher.

A banker explained that the cost of housing had played a major role in the housing market boundary (re)placements. In 2009, the Banking Association looked at the average cost of an entry-level 45m² mortgaged home across the country (R250,000), adjusted this in relation to the consumer price and building cost indices, and looked at current interest rates to set new income thresholds (Interview with Ndlovu, 2012).[21] As we will see in Chapter 6, developers played a monopoly role in setting that house price. As one housing specialist put it, these new borders were means to create a gap that could actually be filled by the private sector (Interview with Rust, 2012).

That said, banks weren't working actively to reach lower down into the housing 'pyramid'. If bank practice was to 'skim the cream' off the top of the 'affordable', why not increase the cream? The Reserve Bank facilitated that by dropping interest rates dramatically (from 15.5% to 10.5%) in 2009 to try and stem the fallout from the global economic crisis. With the 'affordable market's' much higher income thresholds at lower interest rates, the price of the property they could qualify for doubled (from less than R200,000 in 2008 to over R400,000 by 2010 (Fig. 28)). 'Affordable' property prices were accordingly re-categorized to include any residential properties priced at less than R500,000 (CAHF 2013, 4). And immediately, fewer and bigger mortgage loans started flowing (CAHF 2012, 1) (Fig. 27, captured in the green columns). As I'll explore in Chapter 5, market-making work is also about "optimiz[ing]" market rules and boundaries for capital (Christophers 2015a, 1862).

---

[21] Reiterated by Melzer (2015a, 2): "the upper income threshold of the housing finance target market was increased in recognition of rising costs of housing".

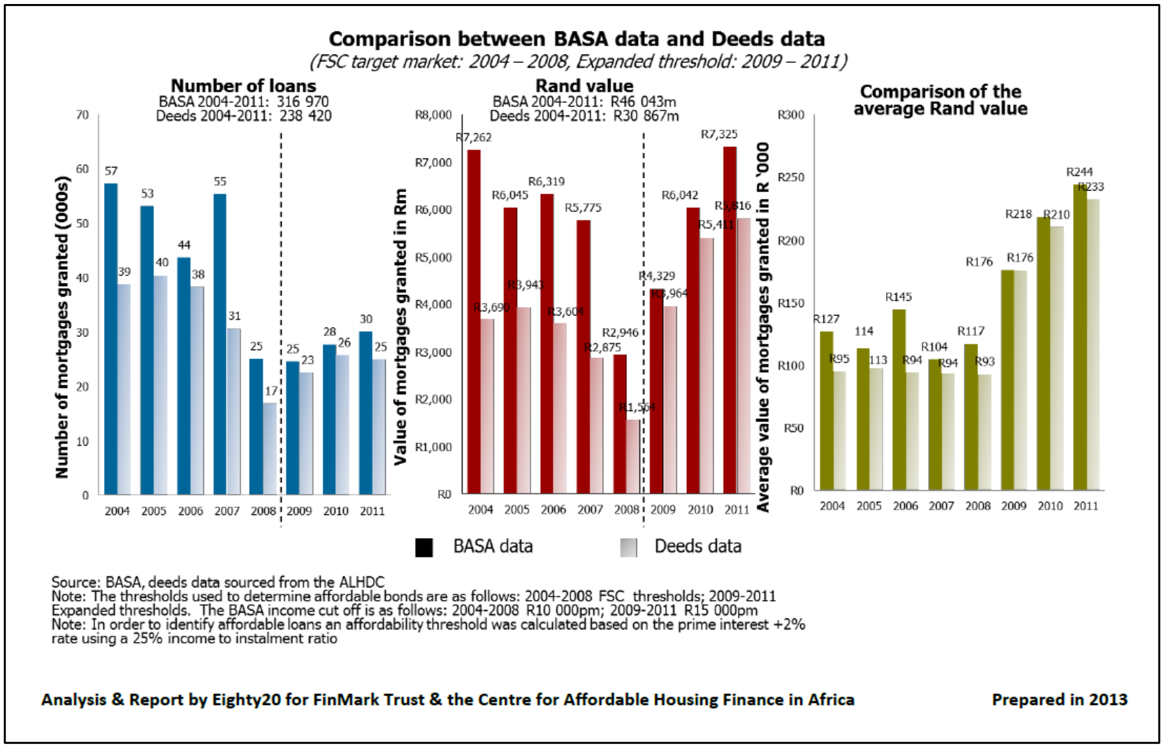


*Figure 27: Comparison between BASA and Deeds Office Data 2004-2011 (CAHF 2013, 19)*

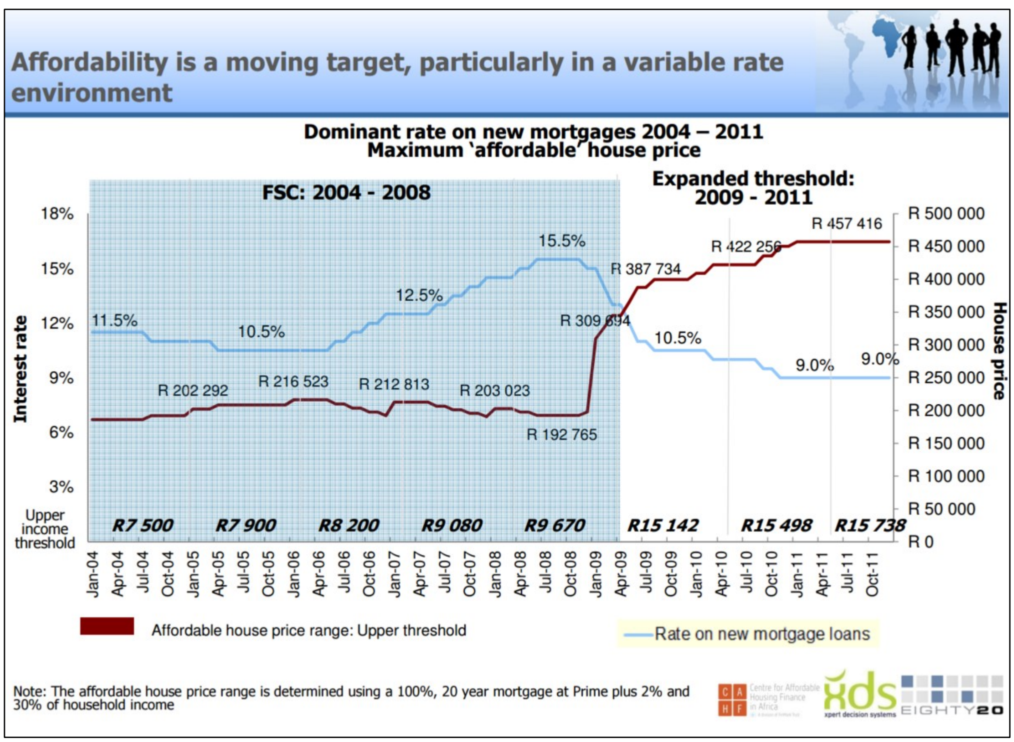


*Figure 28: Maximum affordable house price by changing interest rate on new mortgage loans 2004-2011 (CAHF 2012, 5)*

*Stretching state responsibilities*

Interest rates, average housing prices and profit motives are all useful explanations in understanding the rebounding of the 'affordable market' in 2009. But I want to continue to think through how market framings shape and are shaped by this boundary expansion. With the housing backlog pushed further and further upmarket, through both the re-modelling work of the Banking Association and the protests of public sector workers, the state could only become further enrolled in 'risk sharing' and housing provision for much higher earning households than a decade before. State discourse, policy and practices reveal the institutionalization of the ever-expanding 'missing middle' market as an object of public intervention. I briefly outline those below.

For example, a diagram from National Treasury aligned its model of the housing market with that of housing finance experts and the banks (Fig. 29). The small "affordable market" – their nomenclature in Fig. 29 - reached up to monthly incomes of R15,000 and was distinguished clearly from the "gap market", the much larger 23% of households earning between R3,500 and R10,000 per month (National Treasury 2011, 69). While it was the 'gap market' that qualified for explicit state support in the form of institutional subsidies for social rental housing[22] and in theory, individual subsidies to assist with mortgage down payments (FLISP), additional forms of state support would soon emerge for households in the 'affordable' too, earning up to R15,000/month. Indeed, President Zuma was already claiming in 2010 that the government was responsible for "facilitat[ing]" the provision of 600,000 units for people in the 'gap market', earning between R3,000 up to a very high threshold of R12,000/months (Zuma 2010b).

---

[22] Since the 1990s, there have been "institutional subsidies" for housing associations, social housing institutions and private companies to offer subsidized units for rent or rent-to-own to qualifying tenants (Rust 2002, 15; Porteous 2005, 34), without much uptake until the 2008 Social Housing Act.

**Table 6.4: South African housing market**

| Market segment | Monthly income | Households | | Average mortgage granted Q2 2010 R'000 |
|---|---|---|---|---|
| | | Number (million) | % of total | |
| Housing subsidy market[1] | < R3500 | 8.3 | 60% | R0[1] |
| Gap market[2] | R3500 to R10000 | 3.2 | 23% | R184.3 |
| Affordable market | R10001 to R15000 | 0.7 | 5% | R245.3 |
| Traditional market | > R15 000 | 1.6 | 12% | R687.5 |

[1]Households qualify for a fully subsidised house of R140 000
[2]Households earning between R3501 and R7000 qualify for a state subsidy in terms of the Finance Linked Individual Subsidy Programme (FLISP)

Source: National Credit Regulator, June 2010, Consumer Credit Market Report, FinMark Trust, 2010, Enhancing access to housing finance, unpublished report

*Figure 29: South African housing market (National Treasury 2011, 69)*

Public underwriting for this expanded terrain would be attempted in a number of forms over the coming years. Public infrastructure investment in historically marginalized neighborhoods – townships and inner city especially – continued apace through 2010 Soccer World Cup projects; through the Johannesburg Mayor's Soweto Campaign; and National Treasury's Neighborhood Development Partnership grants (for Soweto, see Harrison and Harrison 2014, 302). A public land assembling agency, the Housing Development Agency (HDA) was established in 2009 to realize Cabinets' commitment to mobilize "6 250 hectares of well-located public land for low-income and affordable housing with increased densities" (DHS 2014, 47).

The President promised to set up a R1 billion mortgage guarantee fund, for mortgage default insurance (MDI) "'to incentivize the private banking and housing sector, to develop new products to meet this housing demand'" (Melzer 2010, 3). This was shelved only in 2014 (Endsor 2014), after years of NHFC modelling with Canadian experts (Interview with Moss, 2012).

In 2012, the long-dormant "finance-linked individual subsidy program" (FLISP) was revived by the Department of Human Settlements. FLISP contributes actual equity (Interview with Lawrence, 2012), topping up down payments on bank-issued mortgages[23] for first-time buyers earning between R3,500 and R15,000/month (not the R7,500 in Fig. 29). Initially, applicants had

[23] On a sliding scale up to R83,000 in 2012.

to buy a *new* house worth less than R300,000 – to incentivize developers to produce, and bankers to finance, cheaper housing stock. However, this property price cap was soon removed to the pleasure of developers, bankers and borrowers alike, to prevent "downward raiding" (Interview with Rust, 2012) – the buying of cheap, subsidized properties by households who could afford much more. Soon thereafter, FLISP was extended to resale housing too, not just new build, which made sense given that "there are far many more resale market houses costing below R300 000 than there are newly built houses" (Rust 2013). The state's programs to title older township housing and new RDP stock were also set to contribute to this.

During my fieldwork, the Department of Human Settlements was heavily advertising FLISP at public events and roadshows. I end here with a vivid description of FLISP's subjects and objectives, as worded by Tokyo Sexwale, then-Minister of Human Settlements. It speaks directly to 'emerging middle class' grievances through the framing of a non-distorted 'integrated property market'. FLISP, the Minister declared, works to support

> housing for, amongst others, school teachers and principals, police and members of the armed forces, nurses, firemen, prison warders, and blue collar workers … black and white – empower[ing] them to become real estate owners; to become real participants in the capital markets as asset owners; real players in the property market as sellers or buyers; as well as in the financial markets where they can borrow against their assets to advance other economic interests. (Sexwale 2013)

He continued passionately:

> to all those people lost in the Gap Market, earning too much to qualify for an RDP house and too little to access bank finance we say: Rest assured. This government cares - we back you to get your bond! (Sexwale 2013)

By 2014, the Department of Human Settlements reported that some 600,000 loans with FLISP had been disbursed (DHS 2014, 51).

### *Pulling up the ladder at the bottom?*

These forms of inclusion through variously instituted public underwritings higher up the housing pyramid of course went hand in hand with other exclusions. As Tim Mitchell argues, markets and the management of their boundaries are always constituting new insides and outsides (Mitchell 2007, 248). On the one hand, the private sector's framing work had effectively eased pressure on them to cater to less affluent households' housing 'through the market'. By the time I arrived for my fieldwork, the bankers I spoke with admitted to having little to do with the housing finance of households earning less than R10,000/month. An 'affordable' housing finance expert revealed that this shift had been total: “there’s nothing being delivered” between R3,500 and R7,000 by the private market for purchase (Interview with Rust, 2012). That year, when the updated Financial Sector Charter (2012-2019) was gazetted, “no specific housing finance targets were defined” (Melzer 2015b, 2): incentivizing private housing finance through financial inclusion was dead.

On the other hand, the future of the RDP – that ‘distorting’ and perhaps blunt instrument for housing the poor - is a site of increasing contestation between the private sector and the state, between academics and the state, and most critically, *within* the state itself. I saw these debates in action at a set of public hearings on the sustainability of the RDP subsidy (Financial and Fiscal Commission 2012).

It was a long day of dry and technical proceedings in a hotel conference room in between Johannesburg and Pretoria. All the ‘who’s who’ of housing were there: from banks’ ‘affordable’ home loan divisions, housing and finance think tanks, the Banking Association, ‘affordable’ developers, some academics and various state representatives. During the proceedings, it became apparent that this was a space controlled by the powerful National Treasury technocrats and their technical knowledge, rather than the Department of Human Settlements’ politicians and their delivery programs. As I wrote in my field notes that day:

> *… taupe walls, taupe vibe … this is what it means to talk about housing in 2012: it is about finance, it is about models, it is about exhaustion.*

By 2014, the new Minister of Human Settlements threatened that only the elderly and the differently abled would receive RDP houses in future. Perhaps an empty threat given the enormous political capital the state derives from its RDP program (Charlton 2013), but the stretching upwards of public housing policy cannot *not* have effects for the poor. The increasing ‘marketization’ of housing through the market-making work described in this chapter cannot *not* have effects either, in consolidating housing as an economic, rather than a social, good.

## Conclusion

Drawing on marketization studies’ techno-cultural concepts such as ‘bounding’, ‘framing’ ‘market devices’, and ‘performing’ to supplement the broader fields of market construction, legitimation, reproduction and failure that a socioinstitutional approach offers, this chapter has worked to empirically engage South Africa's actually existing 'affordable housing market'.

The chapter began by arguing that we have to read the 'affordable market's' appearance as a product of all the market-making work that preceded it. I described how the 'affordable housing market' was given shape through the expanding boundary modelling work of housing finance experts and by the experimental practices of upstart units in banks' home loan departments in the early 2000s. These created – not just described – a wide terrain of intervention between the 'traditional' housing market and the government-subsidized housing market. And although these market boundaries were stabilized through events like the Financial Sector Charter, it took political content – black middle class housing demands – to enroll actors and devices to 'make this market work', despite the market's framing of 'high demand-low supply' and financial sector finance. Here we start to see more deliberate framings to embed the 'affordable market' in ways that made it eligible for greater state support ('high risk' and part of 'the housing backlog'). Through that incremental embedding in state policy and practices of subsidization, market actors, particularly some of the banks, had the opportunity to experiment in new sites with 'affordable' market devices. These included new housing construction, new mortgage products, scorecards, pedagogical tactics – devices which will continue to be refined in Chapter 5. Together these devices work to redistribute racialized risk away from banks and onto the state through various subsidies, and onto borrowers themselves.

But market-making is never complete: the 'affordable market' required rebounding again in 2009, in articulation with rising housing prices, dropping interest rates, and continued middle class grievances. Its boundaries doubled through new modelling work, creating a space that could be filled, and increasingly filled with state support, as the final section has demonstrated. This rebounding brings with it the potential abandonment of those 'down market', as technical and political work pushes the housing backlog 'upmarket'.

So, with public underwriting emerging in more varied forms, and the boundaries of the 'affordable' expanding ever higher to include households earning up to R15,000/month, the 'affordable market' starts to gain ground (and media attention) after 2009. But these market-makings and its embedding also rendered the 'affordable' eligible for new streams of transnational investment, as Chapter 5 investigates. The 'affordable market' was becoming both a developmental *and* profitable category open for intervention and investment.

## CHAPTER 5 Investing in the 'affordable housing market' during the crisis: "making space for capital"[1] and its spatialities

### Introduction

In reviewing the recent work of geographers using techno-cultural approaches to market-making, Brett Christophers lauds their attention to the diverse human-non human agents, devices and discourses enrolled in, and constitutive of, the marketization of everything from education to derivatives and carbon credits (2015a, 1859). But he notes that while this work reads market construction as irreducibly political, contestable and fragile, there is little attention to markets' durability and resilience - "how and why market deconstruction does not" happen (Christophers 2015a, 1861). Getting at the latter, he argues, requires "making space for capital" in our marketization analyses (Christophers 2015a, 1861). "[W]e clearly need to factor in the influence of the capitals that rely on—and arguably, to one degree or another, rule over— those markets" (Christophers 2015a, 1862), dependent as they are on them for "value realization" (p.1861). Altogether, Christophers wants to see more of the work that capital does in constructing, stabilizing, optimizing and defending markets.[2]

Marxian political economy is the obvious conceptual aid here, with its systematic analysis of "capital's value and accumulation imperatives". But Christophers suggests a "blend" with other traditions (2015a, 1864). Political economy needs its others, such as "'techno-cultural'" or 'performativity' of markets approaches, to open up the space of exchange and how value is produced in actually existing, "local, historically-specific instances of market construction and configuration", to "vivify Marxian theories of accumulation" (Christophers 2014b, 16–7). Performativity of markets in turn needs the systematic analysis, generalization and attention to power relations offered by other approaches (Christophers 2014b, 12–3), structuralist and post-.

In the spirit of Christophers (2015a) "both-and challenge" to combine political economy with techno-cultural approaches, this chapter works towards "making space for capital" in my analysis of the construction and performing of the 'affordable housing market'. Of course, capital has already shown its face in the market-making practices and devices of banks and

---

[1] From Christophers 2015a.
[2] Empirically, Christophers' proposed entry point is to investigate how capital works to "optimize" and defend markets against a range of threats (technological, competitive and social) (2015a, 1862).

bankers that were active in framing the 'affordable housing market' in ways that made it eligible for greater state underwriting and 'risk sharing'. But other capitals and the wider dynamics of capitalism, outside the market *agencement* if you will, are harder to see in Chapter 4.

We cannot ignore the fact that the 'take off' of South Africa's expanded 'affordable housing market' coincides with two crises of capitalism: the bursting of the housing price bubble in South Africa's 'normal suburban' market, and the major routing of capital markets during the global financial crisis (GFC). In a Marxian geographical political economy reading, South Africa's 'affordable market' offers a spatio-temporal fix to crises of overaccumulation in these other spheres and other places (Harvey 2006; 2010). Without these crises, all the market-making energy described in Chapter 4 would have had far more limited outcomes. But it still needed the market-making and risk-redistributing work described in Chapter 4 to render the 'affordable' a visible and appealing object of investment, especially to new flows of transnational institutional finance seeking 'real' assets for investment during the GFC. The two crises articulate with those marketizing maneuvers to open up new conditions of possibility for capital in financing, constructing and exchanging South Africa's now-socially embedded 'affordable' housing.

Furthermore, the chapter works to "think geographically" (Sheppard 2015) about the market enrollments engendered by these crises – namely, the spatial relations they rely on and produce (Leitner, Sheppard, and Sziarto 2008). The crises and their 'affordable' enrollments rely on the uneven socio-spatial positionalities of places and subjects (from South Africa as a country to neighborhoods 'on the other side of the tracks'), and reconfiguring those positionalities to produce investible spaces and subjects. This operates through new connections and disconnections to other places, mobile flows of ideas, people, money, policies and devices, which in turn creates new socio-spatial possibilities *and* inequalities, and reproduces old ones – as we shall see in Chapter 6.

The chapter is organized into two main sections. The first section discusses each capitalist crisis in turn – the bursting of the local property bubble and the global financial crisis - and how those open up new conditions of possibility for South Africa's 'affordable housing market'. I use my interviews, public events and documentary and media analysis to draw out the enrollments of new and old actors of capital, flows of finance, knowledge production, strategies of accumulation and market devices that these conjunctural conditions of possibility attract. I draw attention to both the spatialities of these crises, and the new spatial relations produced through the diversifying of the 'affordable market' *agencement.*

The second section interrogates what these diverse enrollments mean for market framings. I argue that these enrollments work through and stabilize framings of the 'affordable market' as a 'high demand-low supply' proposition, and as a key part of combatting the 'housing backlog'. These are institutionalized in new partnerships with the state. Where there is contestation is around framings of the market as 'high risk'. New socio-spatial knowledge is mobilized in these contestations. But it is also contradictory knowledge, working to challenge the framing of the 'affordable market' as high risk while at other moments consolidating it. These contradictions are as follows: that the 'affordable market' is lower risk than previously assumed and therefore a safe investment, or it is high risk, justifying additional state support, subprime lending rates and insurances that are the real source of profit. These contradictory risk stories reflect different market actors' mandates and goals, and generate debate over the most efficient and profitable market devices.

## I. Crises in capitalism at home and abroad open new conditions of possibility

### *South Africa's residential property boom and bust: the next 'affordable' property boom?*[3]

#### *The changing geography of housing prices*

The effects of overinvestment during the boom in the 'normal suburban' were soon evident; South Africa's national house price growth began to slow as early as January 2005. Property investors were already promoting investment in "the property market that exists below the main road and the railway line", and in "new and emerging suburbs outside the established areas" (Lee 2005, 57).

These spatial metaphors, and thinly-veiled racial ones, hinted at the changing geography of housing prices and affordability even before the boom went bust. At the national scale, housing market experts tracked a 'flattening' effect as growth in high value property prices decreased, "'transitional'" suburbs experienced negative growth through "decay" or subdivision, and "'affordable'" areas showed above inflation housing price growth from mid-2007 (Genesis

[3] In 2009, the first 'affordable' housing conference was provocatively titled: "Gap housing: the next property boom" (Rust 2009).

Analytics 2008, 76, 85). In Johannesburg, this meant higher than inflation price growth in some Soweto neighborhoods and apartments in some inner city suburbs; cheaper suburban housing in 'decaying' former white working class neighborhoods, and cheaper townhouses in former white suburbs which had been subdivided on the western edge of the city (Genesis Analytics 2008, 81).[4] This price flattening was changing the positionality of those above-inflation-growth neighborhoods from devalued to more valuable; and the others, if not more valuable, at least more affordable. The latter was good news for "historically excluded" buyers who'd been priced out of the housing market during the boom or not be able to "exit the 'township' market" (Genesis Analytics 2008, 82, 93). The price flattening was also seen as indicative "that the market has begun to work effectively and of its own accord to start overcoming the racially defined divisions of the past" (Genesis Analytics 2008, 84).

*House price bubble bursts; 'affordable' prices hold up*

These trends only strengthened when the housing price bubble burst soon after that 2008 Genesis report was written. High value property prices experienced a 15% decline in 2009 (Loos 2015b): in Johannesburg, house price growth sat at a very low -3.7% in 2009 (Mushongera 2012). But "[i]n the affordable market, there just wasn't that room for [housing prices] to plummet", a banker-turned-'affordable'-developer elaborated. Instead,

> equity values have held up. And the number of people that are in that market and looking to enter to that market is such that the supply and demand dynamics in the affordable space just continue to support higher values and being able to trade out of difficulty a lot more quickly and easily. (Interview with Rothman, 2013)

The math seemed simple: with anywhere from 670,000 to 3.5 million households seeking housing in the 'affordable market's' widened income spectrum (Rust 2009, 2), and less than 20,000 new units coming onto market each year (*Financial Mail* 2009), prices could only go up. Combined with lower interest rates from 2009, and expanded public underwriting, the 'affordable market' would be increasingly touted as the solution to the residential property market's woes.

Around Johannesburg, greenfield developers and banks were two 'local' actors of capital that used these conditions of possibility in the crisis of the 'traditional' property market to rework their operations in the 'affordable market'. At the same time, new 'affordable' knowledge

[4] Unfortunately this was based on comparing prices from 1996 with 2007, not at the beginning of the boom and at the end of the boom.

producers also appeared. All three actors would shape the trajectory, spatiality and materiality of the Gauteng ‘affordable housing market’ as we shall see in this chapter and the next.

*‘Affordable’ greenfield developers make use of dropping land prices*

Five years after the housing price crash, Standard Bank’s Head of Affordable Housing could say “there’s now a lot more developers who are playing in that space”. Some had moved out of the ‘traditional’ market after the housing price burst, others were entirely new players; both complimented the few developers who’d been operating in the ‘affordable’ space since the early 1990s (Interview with Nkosi, 2013). Others were the banks themselves after their experiments with BNG public-private housing development (Chapter 4).

As Chapter 6 will show, these ‘affordable’ greenfield developers were the few big ‘fish’ with the right networks connecting them to cheap land, finance or subsidies, who could manage the “holding costs” of large-scale mass production and slow planning processes (Genesis Analytics 2008, 145). With greenfield land prices near the urban edge dropping after the housing price bubble burst, and the scrapping of land transfer tax on houses priced under R500,000, these developers could make good returns by pricing ‘affordable’ houses higher on cheaper urban land, or with public subsidies in integrated human settlements.

A particularly successful example of the latter was the Gauteng-based listed developer Calgro M3, who celebrated a record ‘affordable’ year in 2009 at the same time as substantial losses in the ‘normal suburban’ market:

> Calgro’s affordable housing division, which builds houses for sale at below R340,000 - mostly in and around Soweto - recorded an operating profit of R21m for the year to February … This compared with a loss of R12,6m in its residential cluster division, mostly operating in Johannesburg’s northern suburbs. The company’s experience underscores the viability of the low end of the market. And, despite constraints they have placed on lending, the bankers agree. (*Financial Mail* 2009)

In 2010, albeit a generally low time in the construction industry, 80% of all new build across the country was in the ‘affordable market’ (al+hdc 2012).

*Big Four banks compete through their ‘affordable’ home loan business units*

Despite developers’ complaints about still “’risk averse’” banks during the credit crunch (*Financial Mail* 2009; *Property24* 2011), the banks would slowly open the taps of ‘affordable’ finance through their ‘affordable’ home loan units. We have met one of these already in Chapter 4 – FNB’s ‘pioneering’ Housing Finance unit. By the time I arrived for my fieldwork in 2012, three of the Big Four Banks had small, specialized ‘affordable housing’ units. These units were banks’ organizational responses to the market-making endeavors described in Chapter 4, but also to the crisis in the housing market that had banks seeking more diverse portfolios.[5]

Banks’ mortgages and developer loans took a beating when the house price bubble burst, with increasing levels of default on both (*Financial Mail* 2010). Mortgage return-on-equity (ROE) dropped to a low of 4% in 2008 (Venter 2012, 49-40). When the global financial crisis ended the commodity boom’s cheap wholesale funding, banks tightened the taps on new mortgage lending and 100% loans to developers (NCR 2015). It would take another few years after interest rates fell in 2009 for repayment trends to improve and mortgages to return to profitability (ROE of 22% by 2012) (Venter 2012, 40).

Meanwhile, banks’ ‘affordable’ lending slowly increased after the expanding of the ‘affordable market’s’ borders. And why not, when mortgage values were higher and there was greenfield housing up to R500,000 to be mortgaged? By 2013 “[r]oughly 30% of mortgages granted (by number) were for [properties] less than R350,000 with 11% of all mortgages (again, by number) going to individuals earning less than R15,000 per month” (Melzer 2015a). Altogether, since 2011, bonded sales of property between R300,000 and R600,000 were reported to have “risen more rapidly than other segments” (Mahlaka 2015b).

Increasing competition between the banks’ ‘affordable housing’ units spurred this on. Standard Bank grew their ‘affordable’ book very fast after they developed a new ‘affordable’ scorecard, and began “proactive” debt restructuring with a dedicated collections team for ‘affordable’ home loans (Standard Bank 2011, 68).[6] Beating FNB, they captured 30% market by 2012 to become

[5] This was not because they were required by financial inclusion legislation. After the Financial Sector Charter (FSC) ended in 2008, and the new Broad-Based Black Economic Empowerment (BBBEE) came into effect (Ndzamela 2013, 18), it was left up to financial institutions to pursue their own “internal targets” for things like “low-income housing” (SBSA 2010, 66) – this didn’t change once the new FSC was gazetted either (Melzer 2015b, 2).

[6] Standard Bank’s annual ‘affordable’ lending grew from R1.6 billion in 2009 (SBSA 2010, 63) up to R2.5 billion in 2010 (Standard Bank 2011, 68), then R3 billion in 2011 (Standard Bank 2012, 121) and R3,6 billion in 2012 – constituting more than 10% of the total mortgage book for the first time (SBSA 2013, 49).

the main 'affordable' lender during my fieldwork.[7] They had passed their R10 billion milestone by the time I met with Standard Bank's Head of Affordable Housing. He told me they had "an appetite to lend more" (Interview with Nkosi, 2013), planning to double their 'affordable' loan book to R20 billion by 2015. In fact, by 2014, they had already surpassed that at R22 billion (*Housing in Southern Africa* 2014).

Each banks' 'affordable' unit had their own 'affordable' mortgage product, like Chapter 4's SmartBond®, with names like Dream Start and My Home (Melzer 2011). The previously rogue argument that 100% loans "are less risky in this market than the alternative" had become standard theory, if not practice (Interview with Rothman, 2013). Key to their profitability was not just the rising price of 'affordable' housing. My interviews and observations at bank events showed that strategies included moving up the housing pyramid to serve the highest earning 'affordable' borrowers; an increased use of risk-based pricing,[8] and favoring mortgage lending for new build developments, rather than re-sale. 80% of Standard Bank's 'affordable' loan book was sitting in new, developer-led projects (Interview with Nkosi, 2013).

This was not just because of a low supply of 'affordable' re-sale properties. As the changing geography of house prices showed, these were increasingly available through 'upward filtering' or 'negative growth' in older cheaper suburbs, or subdivision of previously more expensive suburbs (Genesis Analytics 2008, 85). But for banks, new build offered the profitable possibilities of state-eased land or infrastructure; outsourcing costs of mortgage origination to the developer and less chance of devaluation on their assets than in older 'decaying' neighborhoods. However, rising house prices in townships, combined with public investment in places like Soweto and the FLISP subsidy for re-sale as well as new build, would gradually tempt banks further into township re-sale markets.

*New knowledge producers build cartographies of the 'affordable market'*

A new knowledge producer would build a much wider cartography of 'affordable' possibilities than the banks were exploring. In 2010, DFID-funded FinMark Trust and Urban LandMark

---

[7] Followed by FNB at 25%, ABSA at 25%, Nedbank at 10-15%, and SA Home Loans at 5-6% of the market (Interview with SA Home Loans managers, 2013).

[8] This became clear first at a bank-organized focus group for 'affordable' home owners that I observed one evening early on in my fieldwork.

launched an explicitly geographical knowledge project: the Affordable Land and Housing Data Centre (al+hdc).[9] The al+hdc's task was to map out "affordable areas" at the suburb or neighborhood scale across the country using the national deeds registry, census data and property market data provided by the private company Lightstone Property Services (al+hdc 2012; CAHF 2013, 4). "In keeping with the general discourse on affordable housing", al+hdc staff explained to me, "we defined an affordable area as one where the average [median] house price is less than R500,000" (al+hdc 2011; increased to R600,000 by 2014 (Eighty20 2015, 5)). Al+hdc identified just over half of the nation's suburbs as 'affordable' by this metric,[10] as well as just over half the nation's registered residential properties.

What kinds of places were these 'affordable' suburbs? They were *not,* according to al+hdc data, those neighborhoods filled with sectional title townhouse complexes. Rather, almost half (47%) of 'affordable' properties were located in "former-black townships" (al+hdc 2012). The rest were formerly white working class low density suburbs or high density inner city suburbs ('suburbs in transition'), as well as new greenfield suburbs built by developers on the edge of the city. For each of these 'affordable suburbs', al+hdc published data on "purchase price, type of buyer and seller, level of mortgage finance … trends, levels of churn in different areas and the average value of properties" from 2010 (CAHF 2015). This was knowledge production at a new scale and of a new sort. Al+hdc will be important in the second part of the chapter vis-à-vis new framings of 'affordable' risk.

### *"Patient capital"[11] looking for 'real' assets after the global financial crisis*

South Africa's housing price burst was not alone in creating new conditions of possibility for the 'affordable housing market'. Wider shifts - shorthanded here as the 'global financial crisis' (GFC) – articulated with the national property crisis. This section attends to the new financial actors—namely private equity and institutional investors like pension funds and insurance firms, but also securitized mortgage lenders—that enrolled in South Africa's 'affordable market' during and after the GFC. These actors would go on to powerfully shape the 'affordable market'

[9] It was the al+hdc that drew my attention as an early graduate student to this object it stabilized, the 'affordable market'.
[10] "Of about 6886 suburbs on the deeds registry, about 3500 have an average property value of less than R500 000"; "[o]f almost 6 million residential properties on the Deeds Registry, 3.5 million (58%) are valued at less than R500,000…" (al+hdc 2012).
[11] From Interview with Lamoreaux, 2012.

discursively, politically and spatially. I examine too why ‘affordable’ housing in *South Africa* was an appealing investment, and the socio-spatial relations that produced and were produced by these new enrollments.

Many have analyzed the systemic and provincial origins of the ‘global financial crisis’, whether through capitalism’s general tendencies (Harvey 2010); the influence of Chicago school neoliberalism (Mirowski 2013); Wall Street’s culture and risk-taking practices (Ho 2009); the merging of housing and capital markets through new financial instruments for off-selling risk (Ashton 2009; Aalbers 2012); state de/reregulation (Dymski 2009; Gotham 2009); and predatory subprime lending that disproportionately targeted racial minorities and their neighborhoods in the US (Wyly et al. 2012). In South Africa, critical analysis of the ‘local’ effects of the global financial crisis have focused on the deleterious effects for South Africa’s financialized and transnationally-connected ‘minerals-energy-complex’ (Ashman, Fine, and Newman 2011; Marais 2011; Bond 2013) and on household experiences of indebtedness (James 2014). Contrary to state and business’ claims to have been relatively insulated from the GFC by prudential regulation and a conservative, well managed financial sector (National Treasury 2011), South Africa’s economy reeled from the end of the commodity boom and the drying up of hot portfolio flows after the markets crashed. And while South Africa’s banks didn’t have to be bailed out, banks were bleeding from their exposure in other parts of the world. The state tried to stem capital outflows by keeping repo (and interest) rates high and credit ratings up (Marais 2011). Households suffered the most, with the loss of one million jobs during the crisis. Rising unemployment combined with rising interest rates hit households’ debt commitments hard. The state had to actively intervene to cushion households through cutting interest rates in 2009, launching an Expanded Public Works program and World Cup infrastructure projects and increasing wages for public sector workers (Bhorat, Naidoo, and Pillay 2016). Insulated South Africa was not.

But the crisis also had ‘productive’ effects. One German ‘affordable’ property investor revealed in our conversation that the problem was not one of scarcity: “there is so much money floating around you’ll be scared!” (Interview with Bauer, 2012). A local banker explained that during the GFC and quantitative easing, investors were trying “to find a home for some of that money”, somewhere other than a “suspect” stock market in the rubble of Euro-America (Interview with Venter, 2012). Somewhere with “certainty”. “Real” asset classes, rather than less tangible assets such as equities and securities, were appealing to investors, Ouma (2014) writes in relation to the global land rush, offering both "higher risk-adjusted and more stable returns". Around the world, cash-flush investors like private equity were busy buying up such 'real' assets at basement prices during the crisis.[12] But so too were pension funds and provident funds – different kinds of capital with longer-term horizons (Dixon and Monk 2014) – "patient capital" as an investor relations manager put it (Interview with Lamoreaux, 2012). Such "patient capital" was also looking for certainty, with low buy-in costs and high returns. 'Affordable housing' in 'emerging markets' offered just such an asset class: a 'real' asset, underexploited despite high demand, with developmental legitimacy and often state support to boot (in Mexico for example, see Soederberg 2015, 495).

*South Africa's first 'affordable' housing funds arrive*

It is in this milieu that we can locate the arrival of the first transnational private equity group explicitly investing in South Africa's 'affordable' housing. In 2008, a North American group with the grand name of International Housing Solutions (IHS) opened a R1.9 billion "South African Workforce Housing Fund". They were "the first people to figure out that you can use private equity for affordable housing – not just for sophisticated high-end products" in the South African market, their American investor relations manager explained (Interview with Lamoreaux, 2012). In 2009, the South African life insurance giant Old Mutual launched a much bigger R9 billion Housing Impact Fund South Africa (HIFSA) (OMIGSA 2009). HIFSA used a mix of debt and equity financing (Interview with Lamoreaux, 2012), drawing on the savings of South African "widows and orphans", one of their fund managers wryly told me (Interview with Old Mutual fund managers, 2013) (Fig. 30). But in IHS' view, there was still "a lot more room for funds like these; "[y]ou could have ten of these funds" and still have demand in the 'affordable' market (Interview with Lamoreaux, 2012).[13]

---

[12] In bottomed-out property markets like the US, apartment buildings and their rental income were snapped up by new private equity groups – what Fields calls new "vulture landlords" (Provisional University 2016).

[13] At a smaller scale, German investors had found the Cape Town 'affordable market' long before. As early as 2001, a German consortium IHFM launched a property development company to "develop, market, and manage" a few thousands units on the edge of the Cape Flats (Interview with Bauer, 2012).


*Figure 30: Advertorial for Old Mutual Housing Impact Fund South Africa (HIFSA) (CAHF 2014)*

But the demand for 'affordable' housing exists in many 'emerging markets'. Why would North American institutional investors be interested in the 'affordable market' in South Africa? The work of IHS to find and construct 'affordable' asset streams offers insight into the contingency of this. Through their story, shared with me through interviews with IHS staff and outside observers, and media representations, I trace how locality, networks and socio-spatial positionality at a range of scales matter in sinking finance in certain places and not others.

*Spatialities of 'affordable housing investment*

Despite IHS' international claims, the group has very parochial roots and contained geographies of influence. Their roots lie in affordable housing in Baltimore, as a company called MunnieMae who had been "very successful" in providing affordable rentals through tax credits (Interview with Lamoreaux, 2012). But MunnieMae's shareholders "could see the writing on the wall" for the US housing market, their investors relations manager explained in our interview. The looming crisis had them looking to expand elsewhere. This opportunity was provided by the US government's Overseas Private Investment Company (OPIC) – an agency tasked with investing in 'emerging markets' - who put out a 2006 Global Call for Proposals for Affordable Housing (OPIC 2015). OPIC was especially interested in housing investments in Jordan and South Africa, but they wanted a US company with practical experience to run the operations of such an intervention, with a 25% ownership stake (Interview with Lamoreaux, 2012).

OPIC's call for proposals did not come out of nowhere. Since the early 2000s, they had supported interventions in South Africa's low-income housing market in partnership with the Soros Foundation to guarantee developer finance through a local bank and development finance institution (NURCHA);[14] as well as through US bank Citibank (OPIC 2003a) and the Home Loan Guarantee Company for HIV-mortgage insurance (OPIC 2003b) (discussed in Chapter 4). These complimented grander visions of strategic investment in the wider African housing market from 2004 when the US-Africa Mortgage Market Initiative was launched, and the US government and its partners like Fannie Mae began advising various African government about housing finance (Subcommittee on African Affairs 2006).[15]

Now, however, OPIC sought new and bigger investments in 'emerging', not so much 'low-income', housing markets and hence the 'affordable' housing call for proposals. In MunnieMae's search for real estate beyond the US, their shareholders put in a bid to OPIC under the name International Housing Solutions (IHS). Surprisingly, IHS' investor relations manager admitted, they were awarded $80 million of debt at the US Treasury rate, despite having no private equity experience (Interview with Lamoreaux, 2012).

---

[14] In OPIC's own recounting: "In 2002 South Africa's housing minister visited OPIC seeking a way to bridge the gap between lenders and builders. Over the next year, OPIC together with the Open Society Institute (OSI), a U.S. nonprofit founded by the Soros Foundation, developed a solution. OPIC arranged a $15 million loan guarantee to a major South African lender, Rand Merchant Bank, so that it could 'on-lend' funds to homebuilders at more reasonable interest rates. The funds were provided to local contractors through NURCHA, South Africa's National Urban Reconstruction and Housing Agency. NURCHA reviews the viability of each proposed project, organizes the loans and provides support to see the construction through to completion. To date, OPIC's loan guarantee has supported 884 loans to builders throughout South Africa for the construction of 300,000 modest homes; more than 100 per day … The majority of loans provided under the program have gone to small, black-owned construction companies, many which had little lending experience and had previously been withdrawing from projects because of the high cost of financing. As a result, the program has created jobs for thousands of emerging contractors." (OPIC 2011).

[15] In a special meeting of the Subcommittee on African Affairs in the Senate, this initiative was seen as *the* response to the urban housing crisis in Africa. Since then, the US government has been involved in housing finance 'advising' in South Africa, Botswana, Ghana, Kenya, Nigeria, Tunisia, Egypt.

Their first job was to gear that debt and raise two times the equity. IHS met with many potential investors who were interested in either Jordan or South Africa, not both, since the "risks were so different" (Interview with Lamoreaux, 2012). But they soon realized investors were "more comfortable" with South Africa (Interview with Lamoreaux, 2012).[16] It helped too that IHS had a South African managing partner who I discovered had consulted for the Banking Association during the FSC 'risk-sharing' negotiations described in Chapter 4, as a consultant on their 'Low Income Housing Finance Proposal' to Parliament in 2005 (Parliamentary Monitoring Group 2005). The managing partner would have been intimately familiar with the dynamics at play in South African housing markets: the changing geography of affordability, the shortage of 'affordable' housing stock, increasing state support for further up the housing 'ladder' and public infrastructure investment, as well as the grievances of wealthier public sector workers and their enormous pension funds. With this South African knowledge and network, combined with North American investor contacts and 'affordable' housing experience, IHS geared OPIC's investment to raise $240 million from institutional investors like Canadian and US pension funds, the McArthur Foundation, the Development Bank of South Africa, and Citibank South Africa (Interview with Lamoreaux, 2012).

The most important investment I would argue, although not the biggest, was from the South African Public Investment Corporation (PIC), who manages the Government Employee Pension Fund (GEPF) and its R1 trillion ($145bn in 2011's average exchange rate) (Cranston 2011) – their holdings now sit at R1.8 trillion. With PIC's buy-in, it seemed transnational equity had finally galvanized local pension funds to invest in residential, rather than commercial, property. This was novel. A local property economist elaborated: since the imposition of rent control in the 1960s, "the exposure of large financial [institutions], the pension funds and the listed property sector to the residential property market is zero" (Interview with Viruly, 2012).[17] This had been the case even for postapartheid *government* pension funds: "That's the anomaly here. And the big one", the economist explained. "[I]f you look at the Government Employees Pension Fund (GEPF), it's only invested in shopping centers"; and this when they "have so

---

[16] IHS received only R60 million in investor commitments to Jordan as opposed to $240 million in South Africa (Interview with Lamoreaux, 2012).

[17] This has historically been because of yields: in 2010 for example, it was reported that "[t]he yield on a residential portfolio is typically much lower than that of its commercial counterpart. Listed property at present offers returns of between 8% and 10%, compared to around 6% for residential property." (Wessels 2010a)

much money they don't know what to do with it all" another investor-developer exclaimed (Interview with Bauer, 2012).[18] More ironic for the property economist was that the GEPF's own members were struggling to find housing in exactly the 'affordable market'. And here was IHS, a North American initiative, offering the solution, and in the process articulating thousands of pension fund members from both South Africa and North America into the fate of South Africa's 'affordable market'.

These institutional investments allowed IHS to launch their 10-year, R1.9 billion SA Workforce Housing Fund in 2008 (Wessels 2010b). Its name instantly connected the fund to a developmental project. As their website stated, the fund would "spur[] economic and housing development in South Africa", while also "leverag[ing] returns for fund investors" (IHS 2012). This dual mandate would be repeated time and again. Here's their Managing Partner making these connections more explicit in the media:

> 'There has been a great deal of interest in this historically under-focused asset class from both South African and international investors. Our investors are particularly attracted to this asset class, as they want to achieve superior returns and help to improve the social circumstances of the lives of thousands of people'. (in Greve 2014)

But despite their fund's broad name, IHS sought assets that accommodated the 'affordable' segment of the "SA workforce": defined as the 30% of the population (5 million households) earning between R3,500 and R15,000/month (approximately \$500 - \$2,142 at the time) (IHS 2013). This kept to the boundaries of the Banking Association's definition of the 'affordable market', and in practice excluded the working poor. But it still qualified IHS to access state support for the 'affordable market'.[19]

IHS worked to enroll themselves in the 'affordable market' *agencement* by actively organizing 'affordable housing conferences' for banks, developers and state agencies from 2009. As for their 'affordable' assets, IHS investments came to be heavily concentrated around Johannesburg, similarly to those of the Old Mutual Fund. This was because Johannesburg offered a mix of

[18] Relative to the size of the economy, "South Africa has one of the largest pension fund industries in the world, with nine million members and assets in excess of R2 trillion" (National Treasury 2011, 49). These funds are important institutional investors at home and abroad. At home, pension funds public and private have been major investors in government bonds (2011, 57). Since 2010, PIC has permission to invest 5% of GEPF's assets overseas – a hotly contested issue over whether this counted as capital flight or diversification – on top of 5% "for investment into the rest of Africa" for development and private equity (Cranston 2011).

[19] As management told me, 75% of their assets are "FSC compliant" (Interview with Lamoreaux, 2012).

brownfield and greenfield assets to be acquired or produced, at cheaper prices, with the greatest volume of demand, and a density of appropriate developers with whom IHS had good networks (Interview with Lamoreaux, 2012). By contrast, "in Cape Town, demand is too small for real economies of scale in development" and land too expensive. And so, IHS' Johannesburg assets, include inner city units which they purchased from other property management companies to rent out, or buildings they refurbished in partnership with brownfield developers[20] for tax-rebated residential rentals. Their other Johannesburg assets consist of medium-density new build in infill developments in suburbs and townships, and low-density and medium-density new build in greenfield developments on the urban edge, for both sale and rent. The latter were assets which IHS actively produced, not just acquired. By the time I arrived for my fieldwork in 2012, IHS had developed 25,000 new units. As we shall see more of in Chapter 6, this 'affordable' housing *production* would radically change the materiality of Johannesburg 'affordable market'.

*Embedding 'affordable' assets and exit strategies*

IHS' timing was perfect for acquiring and producing 'affordable' assets in South Africa, a Banking Association representative explained (Interview with Venter, 2012). If not their timing, then their strategies to optimize the conditions they found themselves in were certainly successful. Since South African banks had pulled back from developer finance after the property crash, this opened "a perfect play for equity" and "alternative financiers" to fund developers (Interview with Lamoreaux, 2012; *Financial Mail* 2009) (see Chapter 6).

As for accessing state support for new build, IHS had arrived just as the 'affordable market' was being re-bound and the state's responsibilities enlarged. Cultivating relationships with various state agencies, IHS plugged into 25 public-private partnerships by 2012. A fair number of their new build units were in "integrated settlements" where the state owns the land or subsidizes its servicing (see Chapter 6 for more). I was told that the state is "very behind this" IHS equity-funded approach. The then-Minister of Human Settlements had been "very vocal" in his support, saying "'this is the model that works'" – with the private sector "doing the heavy lifting" in a space of scarce finance *and* scarce stock. The Treasury too was "on board", with some hoped-for tax incentives in the works that IHS and others had been lobbying for (Interview with Lamoreaux, 2012).

---

[20] Such as AFHCO – inner city Johannesburg's Africa Housing Company.

The fund's cash-flow and exit strategies have also adapted to the South African conjuncture, shifting between sale and rental. Originally the IHS fund's exit strategy relied on selling off their new build assets to individual buyers. So too did Old Mutual's HIFSA: 99% of HIFSA's deals relied on individual buyers getting 100% mortgage funding. But with borrowers' indebtedness and banks not lending out as many mortgages as fast as these projects demanded – at least, that's what the fund managers said - fund managers decided that "mortgages can't be our only exit strategy" (Interview with Old Mutual fund managers, 2013). While they waited for "banks [to] get back in the game" (Interview with Lamoreaux, 2012), new build rent-to-buy[21] or rentals were popular alternatives, particularly in Gauteng.[22] IHS' technical specialist estimated that "when we started off, 70% were for sale, 30% for rental"; this soon changed to 50-50 (Interview with Odendaal, 2013). The investor relations manager had higher stats: between 2010 and 2012, 80% of IHS projects were rental.[23]

I question this singular narrative of mortgage 'lack' because of what I learnt about the "fine" returns offered by rentals. It was probably more of a mixture: not enough mortgages or mortgage-eligible buyers *and* high returns on rentals. IHS explained how they did the numbers, found that there was a "huge demand for affordable rentals", and "the strategy worked really well" (Interview with Lamoreaux, 2012). IHS' investor rate of return (IRR) sat at an impressive 26%. Old Mutual fund managers also admitted that it's "easier to evict tenants than recover a mortgage bond" and get a 'non-performing' asset performing again (Interview with Old Mutual fund managers, 2013).

So even since banks have increased their mortgage lending, many of IHS' medium-density units have not been sold to individual buyers but to other institutional investors who continue to rent them out (Interview with Odendaal, 2013). Such sales, the local property economist predicted in our interview, would increasingly go to American-style Real Estate Investment Trusts (REITS) (Interview with Viruly, 2012) that were introduced in South Africa from 2013 to 'modernize' and 'internationalize' property investment vehicles. REITs are companies who own and often

---

[21] This is when tenants who don't qualify for a mortgage can rent for a year, restore their credit record and then make an arrangement with the banks.
[22] Old Mutual's HIFSA also started offering their own end-user finance through joint ventures with government to offer salary-linked mortgages to first time 'affordable' home buyers especially in public sector and listed corporate employment (*Property24* 2013b).
[23] Although they have to sell off the unit within three years of construction to avoid paying additional tax.

manage ‘income-producing real estate’, with their shares traded on the stock exchange, open to big and small investors.[24] Having begun in commercial and retail property, South African REITS are moving into residential and ‘affordable’ residential (Muller 2013). This was evident by REITS’ notable presence at the IHS ‘affordable market’ conference in 2015 (*Africa Property News* 2015).

Altogether, IHS’ strategic rental investment points to potential shifts in the ‘affordable market’ *away* from an ownership model mediated by the mortgage instrument, a model that was central to earlier negotiations between state and capital over ‘risk sharing’ in Chapter 2, 3 and 4. As one banker-turned developer saw it: “what is emerging, I believe now, is some early signs of an institutional framework for providing lots of capital for residential property rentals” through listed property companies – “IHS has played a key role in helping establish that market” (Interview with Rothman, 2013).

*Expanding the terrain of ‘affordable’ funds*

With “’clear proof’” – 26% IRR – “that middle- and low-income housing was a sound investment and a strong base for ongoing flows into the sector” (Greve 2014), IHS launched SA Workforce Housing Fund II in 2014. IHS Fund II had R1.6 billion by the end of my fieldwork (Kolver 2013), but were aiming for R3 billion (OPIC 2015). Again, investors included OPIC, the World Bank’s International Finance Corporation, and now from a wider range of South African *public* sector investors. This included government’s own National Housing Finance Corporation, the GEPF and PIC again, and parastatal Eskom Pension and Provident Fund (Kolver 2014). The fund has 18 developer partners on a range of South African projects again, but also a new small tranche for “sub-Saharan” pilots (Ghana, Mauritius, Botswana, Namibia and Zambia). They are now self-described “leaders in affordable housing development *in Africa”* [emphasis added] (Fig. 31). The territory of the fund was being radically widened, but within similar framings to the past:

> In replicating the first fund’s SA successes in sub-Saharan Africa, Fund II will continue the legacy of providing countless African families their first step onto the property

[24] Arrowhead Properties which launched in October 2013 with 36 ‘affordable’ inner-city Johannesburg apartment buildings was offering investors “a guaranteed income yield of an attractive 10%” contra the listed property average of 7% (Muller 2013), thanks in part to their asset managers’ prior experience in social rental housing agencies.

> ladder, while notching up superior returns for the fund's global institutional investors. (IHS in CAHF (2014); Fig. 31)

South Africa, with its supportive state and 'advanced' capitalist land and housing markets, had been a place for IHS to "learn[] the ropes" (Interview with Lamoreaux, 2012). But South Africa also provides a launch pad into 'Africa' and its 'untapped' markets and real estate, which potentially offer much higher returns (UNECA 2014, 8). Perhaps this had been the true aim all along. These are markets that private equity *and* South African banks have been increasingly interested in since the global financial crisis and the stagnation of 'banking the unbanked'[25] in South Africa (Mhlanga 2013; Cranston 2015).[26] As one banker remarked to me: "if you want to expand your business model, you've got go and find new markets. All that we're doing now is we're robbing each other's customers, we're destroying value". 'Out there' in Africa, he said, there are "massive growth curves" and "all capital hungry"; "South Africa is slowly becoming less and less relevant for the flows going into Africa" (Interview with Barnard, 2013).

Knowing this, both institutional investors and local financial institutions have grand continental ambitions, in which building an 'affordable' housing consensus is a part (*Africa Property News* 2015). This will create ambiguous new connections: in the case of the SA Workforce Housing Fund II, South African public sector pension fund members will be invested not only in the fate of their own housing, but in 'affordable markets' across the continent too.

---

[25] Finmark Trust announced in 2014 that 'banking the unbanked' in South Africa had reached "its natural peak", "now stagnant" with 75% of adults banked up from 46% in 2004 (FinMark Trust 2014, 21, 23).

[26] A record $4bn was raised for private equity investment in Africa between 2014-15. 64% from North American and EU investors, but growing Middle East and Africa funds too, e.g. the "largest-ever" private equity fund focused on Africa, Abraaj, is based in Dubai (Cranston 2015). These are not just capitalizing off mineral resources as in the past, but moving into the growing urban consumer markets' required goods, services and infrastructure.


*Figure 31: Advertorial for IHS (CAHF 2014)*

*First securitized 'affordable' model*

At the same time, South Africa's one dedicated securitized mortgage lender, SA Home Loans (SAHL) (of which Standard Bank owned 45%), was looking to get into the 'affordable market' to lure some of these investors with "patient capital".

By the end of 2010, the South African securitization market was recovering after two years of near-shutdown during the crisis. Standard Bank began arranging RMBS for SAHL in the capital markets again, and SAHL went on to do the most securitization they'd ever done, doubling their portfolio in 2012. During my fieldwork, SAHL began targeting "areas of growth" such as the 'affordable market' (Interview with SA Home Loans managers, 2013). The new manager in charge of their 'affordable market' division explained that their 2012 market research had identified a lot of demand below where their target market had been historically, with high price appreciation and potential returns. There was also available housing stock at the right price in some "nice developments", especially in Gauteng (Interview with SA Home Loans managers, 2013). A funding line from Standard Bank also helped, allowing the bank to get some of their mortgage lending off balance sheet in a Basel III world without securitizing their own 'affordable book' with costly administration "which we would have to pass on then to the customers" (Interview with Nkosi, 2013).

So SAHL realigned its strategy to also offer mortgages between R200,000 and R550,000 (Hedley 2013). They hoped to catch first time buyers who would eventually upgrade to more expensive properties and more lucrative SAHL mortgages. They also hoped this diversification into the 'affordable market' would attract "social responsibility-type" shareholders and institutional investors to whom the politics of 'affordable' housing would appeal (Interview with SA Home Loans managers, 2013). By 2014, this wish had come true: JP Morgan's 50% of SAHL's shares had been bought by government pension funds (SA Home Loans 2014), heralding a shift in securitized risk back onto the state and its workers.

To market themselves, as a lesser-known non-bank, SAHL partnered with developers to distribute their new mortgage products (Interview with SA Home Loans managers, 2013). They also partnered with the main unsecured lender, Capitec Bank, to access their six million customers (Barry 2014). For the first time, 'affordable' mortgages were explicitly on the path to securitization – although as yet I don't know how many have been pooled and sold as RMBS.

### II. New enrollments consolidate and challenge framings of the 'affordable housing market'

Through the conjunctures of crisis described above, we have an empirically diversifying 'affordable market', enrolling new actors, spaces, devices and strategies into its financing and construction. Property developers, cheap land, securitized lenders, private equity and pension funds, institutionalized 'affordable' lending units at the banks, first-time buyers and public infrastructure circled around what one weekly newspaper called "SA's best-kept investment secret" (Steyn 2013a) (Fig. 32).

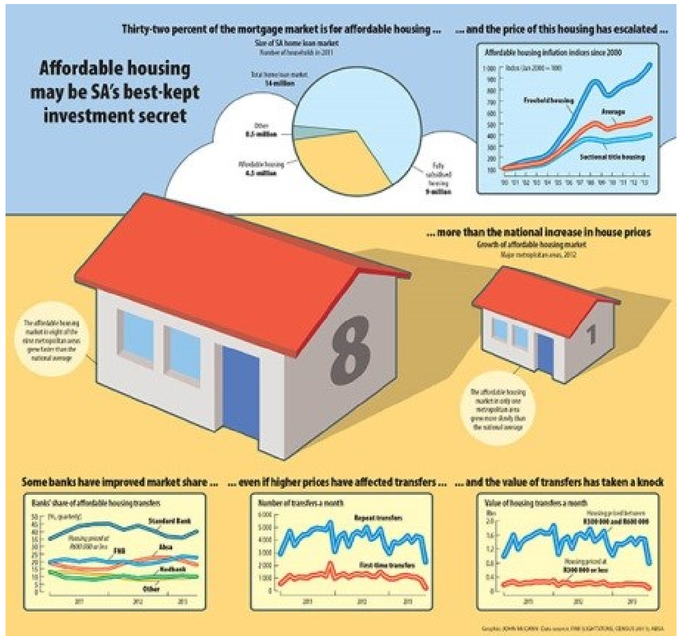


*Figure 32: "Affordable housing may be SA's best-kept investment secret" (Steyn 2013a)*

In the language of Chapter 4, what did all this mean for market-making? How were market boundaries (re)made and frames altered or invested in through these enrollments? Where were the points of consensus, contestation and competition? What did this mean for market practices? In this penultimate section, I show that there was consensus around the 'affordable market' model and its expanded boundaries, the 'high demand-low supply' framing, and the 'affordable's' role in solving 'the housing backlog'. These framings continued to receive considerable investment. Where there was contestation was around the identity of the true 'affordable' borrower and the framing of the 'affordable market' as 'high risk'. How to derive the most value from the 'affordable market' would become an increasing site of competition between these differentiated 'risk stories' and their attendant accumulation strategies and devices. There was no mortgage consensus here.

### *Investing in old boundaries; questioning market practices*

The new enrollments didn't argue over the general representations or models of the 'affordable market'. This general consensus was demonstrated diagrammatically during my fieldwork. On scraps of paper during interviews or in PowerPoints at public events, state officials, non-profit analysts, bankers and developers alike drew similar versions of a pyramid-shaped diagram to represent South Africa's contemporary housing market (Figs. 33 and 34). Reflecting changes in state policy, the ‘affordable market’ in these diagrams was differentiated from its cousin, the ‘gap’ market, and sometimes the ‘FLISP’ market too, but all sandwiched between the ‘conventional’ or ‘normal’ market and those in the RDP or ‘government’ market.

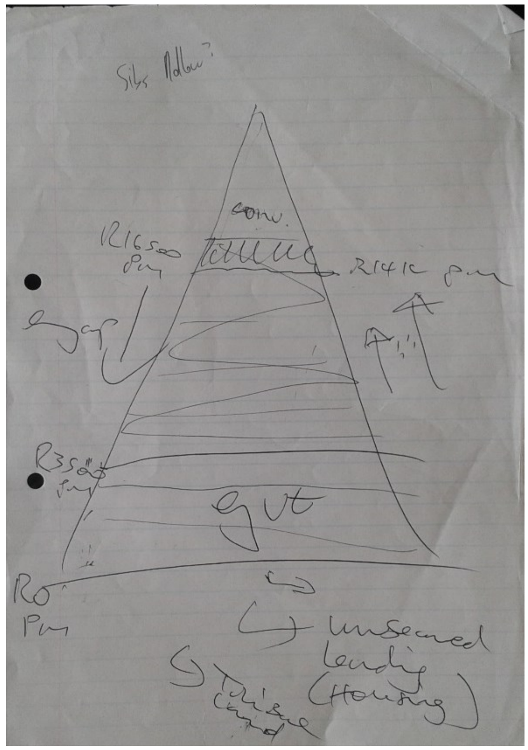


*Figure 33: South African housing market diagram drawn in interview (2012)*

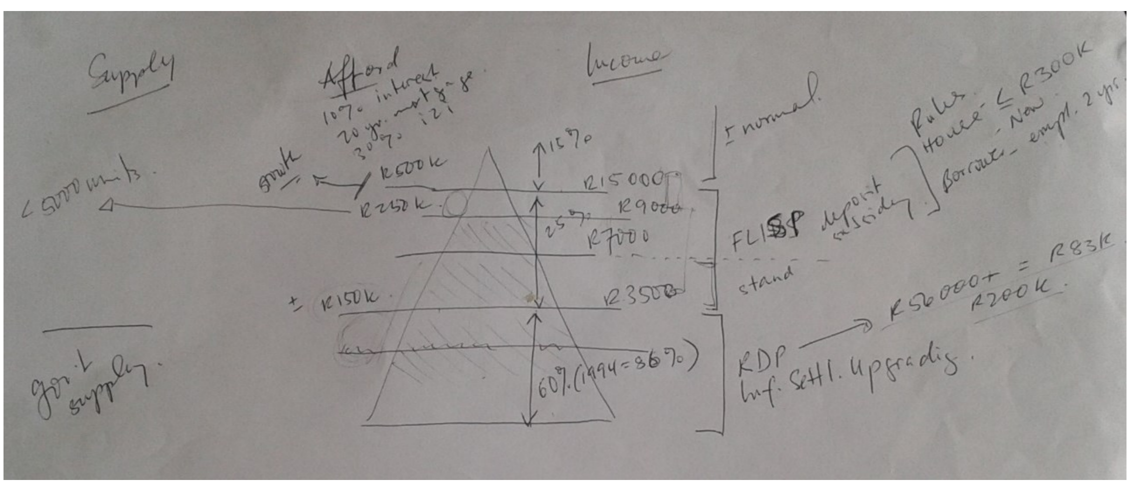


*Figure 34: South African housing market diagram drawn in interview (2012)*

Despite these more complex categories, I heard the 'affordable market' discursively simplified in investor and media discourse. 'Too rich, but too poor' formulations' about the "the missing middle" were picked up time and again (Goko 2013; IHS 2013).

The framing of the 'affordable' and 'gap' markets as 'high demand low supply', and therefore spaces of developmental intervention *and* profitable returns, continued.

> demand has never been an issue for us here in South Africa. We do get customers, they approach us on a daily basis, they want to apply. Yes, there are affordability constraints as expected and so on. But by and large, demand is there. The issue is more about the supply side of things. (Interview with Ndlovu, 2012)

In fact, the number never seemed to decrease in industry estimates. Demand was placed where it had been five years before: at around 600,000 units (*eProp* 2014). Financial institutions and financial media continued to argue that "demand dynamics in this under serviced market make it a very stable and attractive proposition" (*eProp* 2014), with demand keeping housing price growth strong (Mahlaka 2015b). This had a particular geography: house price growth in 'affordable' and former township areas in 2014 outstripped that in the metros as a whole (Mahlaka 2015a).

The 'affordable market's' extended boundaries from 2009 continued to hold; it included those households earning between R7,500 and R18,000/month by the time I finished my fieldwork in 2013. In practice, the terrain of the 'affordable' extended even higher, developers and lenders directing 'affordable' finance and housing to households earning as high as R25,000/month. This was where I heard discomfort aired by market actors: who was the "true affordable customer"? There was acknowledgement that 'affordable' products never reached those earning below R9,000/month,[27] and most likely only those earning R12,000 or more – "we're talking civil servants … professional people" (Interview with Ndlovu, 2012). The first time black buyer is by no means assured of access to either a mortgage loan or an 'affordable' property: at least 83% of the population was still classified as mortgage-ineligible during my fieldwork (*Business Day* 2012).

---

[27] Those earning R9-10,000/month could afford the "the cheapest newly built house today, which is about R250,000" (Interview with Rust, 2012).

An 'affordable' banker didn't hide the fact that they 'skimmed the cream' or 'cherry-picked' top earners and mortgage-rationed the rest:

> the reality is, a lot of people who are earning between R8-10,000 just get left behind. Because they can't afford, one; and two, there's not much stock available. If you're earning 15,000 it's different. (Interview with Nkosi, 2013)

He had other critiques for the top end:

> is somebody earning R18,000 really an affordable housing customer? … Or your up and [coming] young professionals, but they're not really your true affordable customer … A 21 year old, or a 20 year old who's buying their first house because they just got their first job is not affordable housing. (Interview with Nkosi, 2013)

The real challenge then, as the head of Product Growth at FNB Housing Finance put it, was to

> reduce the widening gap. Get closer to that 3,500 because … whether you are a general worker, a laborer, or the MD of the company, at the end of the day, you need shelter, you know? So we're of the view that unless we do something to address that widening gap in terms of housing within the country, it's a problem, it's a ticking bomb that we're all sitting with. We have to do something. (Interview with Ndlovu, 2012)

'Doing something' for some bankers and housing finance experts meant lobbying government for more intervention by mobilizing the 'housing backlog', disseminating knowledge production and building 'affordable' networks, or pressuring developers to produce a lower priced house (Interview with Rust, 2012; Interview with Ndlovu, 2012; Interview with Nkosi, 2013). For other actors, 'doing something' meant looking beyond the mortgage for devices that could travel better down market or deal with a lower earning or indebted borrower: rental instead of ownership; installment loans instead of mortgages (Chapter 6); unsecured loans to either supplement the mortgage[28] or replace it altogether. I discuss each in turn.

*'Doing something' through developmental interventions*

The bankers talking about "ticking bombs" and questioning the 'true affordable customer' saw themselves as part of a developmental project to reduce the 'housing backlog'. The following is illustrative of that subjectivity, and a modernization development trajectory:

> housing is key in South Africa. And for me, … I've been privileged to be given this opportunity to lead this portfolio. It's just one of those transformation imperatives for South Africa. We have to move as many people from the informal to the formal as possible. (Interview with Nkosi, 2013)

[28] Banks sometimes offered unsecured loans to borrowers for their down payments (*Property24* 2012) or on distressed properties, they might offer borrowers unsecured loans through which to settle any outstanding debt (*Financial Mail* 2010).

IHS has been particularly active in socially embedding the 'affordable market' and their work in the development agenda, for example through its annual 'Affordable Housing Conferences' since 2009 (*Financial Mail* 2009; *Engineering News* 2012; *eProp* 2014). They also conducted socio-economic audits of their assets and 1,200 residents therein (Viruly 2012). IHS described these as the first studies "to really quantify the effects of affordable housing" on access to education, security, jobs, etc. (Interview with Lamoreaux, 2012). They have shared these audits with investors, their state partners, university classes and the media (Mhlanga 2012; Cokayne 2013; *Property24* 2013a). Other 'affordable' knowledge producers like the al+hdc and others we will meet shortly created web-based platforms and interactive websites for sharing data with government, developers, financiers and borrowers (Mbogo 2013).

The banks continue to renegotiate their relationship with the state through participation in the critique of the RDP model (Financial and Fiscal Commission 2012) and holding their own round-table events on 'housing delivery'. They recently negotiated a new Social Contract with the Department of Human Settlements, in which 'affordable' housing constitutes a critical part (Moodley 2014).[29]

'Affordable' developers, as we shall see in Chapter 6, have formed new associations to more effectively lobby with state departments at the provincial and local levels. This is not to say this works out smoothly in practice (see Chapter 6), but 'affordable' housing continues to be more deeply embedded in housing policy, housing subsidies and social contracts with the state.

*'Doing something' through new market devices*

In 2014, the fast-growing unsecured lender and new bank Capitec announced that since banks weren't making enough finance available further down the housing 'pyramid', they were launching an unsecured loan explicitly for housing priced at under R500,000 (Barry 2014). Even with the recent legislative tightening on unsecured interest rates after popular pressure and a credit amnesty,[30] Capitec could still reap a steep 26.5% interest (Barry 2015). So while this

---

[29] In return, the Minister of Human Settlements promised to smooth public-private housing relations through "coordinated efforts to access funding, faster payments, and the establishment of an ombudsman for easier recourse" (Jones 2014).
[30] By 2012, the massive growth in unsecured lending would be the subject of special hearings in Treasury, new scrutiny of unsecured lenders (mainly African Bank and Capitec) and new regulations on garnishee

unsecured ‘innovation’ may include previously redlined borrowers, this housing finance would be, once again, on highly predatory terms that would keep borrowers locked into expensive unsecured debt rather than mortgage debt with equity in their home (Melzer 2014).

But even unsecured lending, after all its bad press in 2014 with the implosion of the poorly underwritten African Bank and its bail out by the South African Reserve Bank, could be framed as “address[ing] the housing need”, as Capitec’s CEO put it. Inclusion in the ‘affordable market’ through predatory means was argued to be inclusion nonetheless – as we shall see below with risk-based pricing, and again in Chapter 6 with the ‘affordable’ installment package.

### *‘Market intelligence’ consolidates and challenges risk framings of the ‘affordable’*

If the other framings of the ‘affordable market’ were being consolidated through a diversifying ‘affordable market’ *agencement*, it was in the framings around risk that I heard most disagreement. This section details the differentiated “risk stories”, as one informant called them, produced by ‘affordable market’ knowledge producers, namely a financial inclusion think-tank and the banks’ ‘affordable’ home loan units. I show how these “risk stories” both work through explicitly spatial claims. These different socio-spatial “risk stories” each seek to shape certain kinds of interventions and investments to the advantage of differently positioned market actors.

#### *A new Centre for Affordable Housing Finance in Africa builds a new “risk story”*

The first “risk story” emerges from an influential new knowledge producer, the Centre for Affordable Housing Finance in Africa, or CAHF. CAHF was established as a subsidiary of DFID-funded Finmark Trust in 2008, to better fulfill their mandate to ‘make financial markets work for the poor’. CAHF was launched to fill the “data gap” on ‘affordable’ housing and its finance in South Africa and increasingly Africa at large (CAHF 2015). This would, in their logic, “get more players and more products focusing on the affordable market … all the way to the ground,” and with “more competition and more activity … that would make the market work” at more affordable prices (Interview with Rust, 2012). There is much more that could be said about the assumption of that data, or ‘market intelligence’, solves market failure (cf. Ashman and Fine 2013). As some of CAHF’s own consultants noted, missing data had not

---

practices. Debt and unsecured lending was also seen as a trigger in the Marikana strike demands: a demand for a living wage that 34 miners paid for with their lives in August 2012 (Bond 2013).

stopped "risk-sharing proposals" in the past – Chapter 4 - despite the unknown quantum of "risk that is to be shared" (Melzer 2010, 4).

CAHF's first knowledge project was described earlier – the Affordable Land and Housing Data Centre (al+hdc). CAHF's next project was to assess how 'affordable' mortgages were performing vis-à-vis 'normal suburban' mortgages. This comparative data was not publicly available from either the banks or the state,[31] and for CAHF that meant there was no understanding of "the relative risk of different market segments" (CAHF 2015).To build this "shared understanding of the level of risk" (CAHF 2011, 3), CAHF set about triangulating al+hdc's spatial data with aggregate data from the Banking Association,[32] the National Credit Regulator, the Deeds Office and later credit bureau data. From 2010, they disseminated their comparative analyses in a series of "mortgage performance workbooks" – the first of its kind. The detail of these workbooks and their methodology aside, CAHF's Director summarized their main findings in our interview: "the big, general story coming out of this is that FSC or affordable market performs no worse" than the 'conventional' market (Interview with Rust, 2012). In fact the workbooks found that their risk of non-payment was marginally lower, with 'affordable' borrowers making up skipped repayments and always paying something (Eighty20 2015, 40), unlike volatile luxury properties (Interview with Rust, 2012).

CAHF's workbooks are self-admittedly vulnerable and limited. But despite their "rudimentary" quality (Interview with Rust, 2012), CAHF's workbooks have gained significant traction. CAHF has disseminated their findings to market actors and governments through spaces like the World Bank and International Finance Corporation's Global Housing Finance Conference and the African Union of Housing Finance conferences. They were constantly quoted in the media, and mentioned in multiple interviews I conducted, from pension fund managers to property economists to bankers and state housing officials. CAHF's general argument was repeated to me many times: that 'affordable' mortgages pose no greater credit risk than the 'conventional' or 'traditional' market. Now investors can invest in a low risk opportunity and FinMark Trust can fulfill their mandate to 'make financial markets work for the poor'.

[31] See methodological note for more on these data challenges.
[32] Not the individual banks, who weren't keen to share their internal 'market intelligence' (Melzer 2010, 19).

*Banks' 'affordable' home loan units offer "a kind of case study": new and old "risk stories"*

CAHF's 'no worse' risk story accords with what some banks are finding in their own experience, even if they're not sharing it with the state or institutions like CAHF. 'Affordable' home loan units have offered a "kind of case study" one banker explained, with their "own balance sheet and income statements and measures … call centers and everything" (Interview with Marais, 2012). "[Y]ou can actually measure it very definitively" against the performance of the 'conventional' home loans business unit (Interview with Marais, 2012). And yet despite this scientific method, banks told me contradictory risk stories. At times, 'affordable' bankers echoed CAHF and even deployed CAHF data to argue that there was no greater risk involved. At other time, some bankers described the 'affordable market' as a high risk business.

A good example of the 'no worse' risk story comes out of FNB's 'affordable' home loans unit. They were celebrating their unit's 10-year anniversary when I met with them at the end of 2012 and their balance sheets had an important story to tell.[33] When interest rates began rising from 2006, FNB was sitting with a R1.5 billion exposure to the 'affordable' market through their SmartBond mortgage. "[L]uckily", the Director told me with a chuckle,

> they've performed very well, and to the extent that they actually performed better than the higher end of the market. Just from our internal data … if you go and look at the annual financial statements of the 'Big Four', and their financial performance on the mortgage businesses, they were all going through tough times in the last couple of years. And we never saw that: we actually maintained our ROE all the time. (Interview with Marais, 2012)

This positive comparison was important for convincing banks' powerful and conservative credit committees to allocate more funding to these units, in competition with other business units (Interview with Ndlovu, 2012; Interview with Rust, 2012; Interview with Lawrence, 2012). Committees who apparently adhered to the "low profitability and high risk" dogma about the 'affordable market' (Interview with Lawrence, 2012). In comparison, these 'affordable' units saw themselves as scrappy underdogs, led by socially-responsible mavericks who had to fight for their share from conservative organizations.

---

[33] Since they began in 2002, they had lent R10 billion to the 'affordable' market (*MyProperty* 2012) which their Director proudly noted had gone to financing some 95,000 houses "mainly to black South Africans and mainly in township areas", also mostly first-time home buyers (Interview with Marais, 2012) – the true 'affordable' subjects and spaces.

At another bank, the head of Nedbank's 'affordable' home loans unit, described his unit's constant fight to change attitudes and risk metrics therein. His units' "analytics guys" had been busy persuading "the risk people" at the bank that after default, the 'affordable market' "cures better" (Interview with Lawrence, 2012). They're more responsive to rehabilitation – because, as another 'affordable' banker theorized,

> we're not financing somebody to finance their holiday home. This is their first home. They take a lot of pride and you know, and they keep it more than anything else. They keep it for longer, so we make more money out of it. An average 12 years versus 7 years. (Interview with Nkosi, 2013)

This, the Nedbank banker gloated, is "terrible news for the cynics" (Interview with Lawrence, 2012).

Yet sometimes banks' 'affordable' units promoted a contradictory high risk story, to justify high risk-based pricing, "prudential limits" (neighborhood hedging strategies), 'skimming the cream' off the top of the affordable market, and state subsidization. Geography plays an important role in this high risk story. Take Standard Bank's market-leading 'affordable' home loans unit, which received the Department of Human Settlements 2014 "Best Bank Award" for their 'affordable' lending (*eProp* 2014). At their opulent new Regional Headquarters their then-Director, who came from a risk management background, explained that risk-based pricing was necessary because of the innate riskiness of the market.

> What drives pricing is the risk. And unfortunately the reality is, this segment does tend to be riskier. If we look at the probability of default, and all those things they do. The risk profile is very different versus someone else. So, from a pricing point of view it would be different. So most banks are sitting around prime plus 1%. (Interview with Nkosi, 2013)

My fieldwork showed that prime plus 2 or 3% in "risk premiums" was more the norm, but up to 6% possible (*Property24* 2012). This prime plus practice has become more common in mortgage lending since the crash of the 'traditional' market in 2008, before which banks said they had "underprice[ed] for risk" assuming property prices would continue to rise and wholesale funding would remain cheap (Venter 2012, 40). But this pricing for risk has been normalized in the 'affordable market' for some time, as compensation for the lack of down payment or an assumed lower credit score.

As discussed in Chapter 3, risk premiums also vary depending on *where* the property is. As Nedbank's 'affordable' Director revealed: "a high risk consumer in a high risk suburb pays up to prime plus 5", while those in 'lower risk' 'normal suburban' areas would get concessions: prime minus 1 for example (Interview with Lawrence, 2012). What defines a high risk suburb is a socially and historically mediated process (Roy 2010, 218).

In line with this high risk story, banks continue to deploy other spatial strategies: neighborhood hedging or "prudential limits" they called it.[34] One of FNB's bankers explained how:

> We'll do our own area assessment: where is this [housing] project located, who are the big employers there. We also don't want to finance … where everyone that stays there works for Eskom [electricity parastatal] or Mine A and so on. Because obviously - you asked earlier on about risk - we want to diversify our risk. Have civil servants there, have other people employed by the private sector and so on. It's easy to start a bond boycott if you all work for one organization, or maybe that organization, like mines in South Africa currently, they're going through some siege of some sort. It's then easy for people there to say, 'Look, we're stopping bonds, we're not paying'. That's the risk you can mitigate up front by virtue of mixing your customers or diversifying this risk up front accordingly in terms of your exposure. (Interview with Ndlovu, 2012)

No bank wants to hold more than 30% of the mortgage debt in any one 'affordable' suburb, in case of some non-payment 'contagion', the historically-feared mortgage boycott, whole company retrenchments or interest rate hikes. And so banks 'share' the risk with other banks – or collude in the words of one developer (Interview with Bauer, 2012).

While there's been less overt criticism of neighborhood hedging, risk premiums and their underlying assumptions have been criticized. In a court case during my fieldwork, FNB stood accused by a class of mortgage holders of racially discriminatory subprime mortgage lending, charging higher interest rates in black neighborhoods than white neighborhoods (Dlamini 2012; Dennis Williams Realtors 2012; *Fin24* 2012). However, the judge ruled that the evidence did not support this claim because the white neighborhoods used for evidence were actually racially mixed. The pattern identified instead was one of risk-based pricing varied from individual to individual, independent of neighborhood demographics (Mabuza 2013; SAPA 2013). There was nothing illegal about individually adjudicated risk-based pricing.

The Centre for Affordable Housing Finance in Africa has challenged risk-based pricing itself, marshalling evidence from their mortgage performance workbooks to argue that risk premiums in the 'affordable market' are unnecessary and only increase the risk of default (CAHF 2014).

---

[34] To reduce credit concentration risk, "the risk of loss … as a result of excessive build-up of exposure to a specific counterparty [borrower] or counterparty group, an industry, market, product, financial instrument or type of security, or country or geography, or a maturity" (Risk report in Standard Bank 2012, 12).

While the latter claim to mitigate credit and market risk, these devices create new risks for borrowers, as well as new predatory practices to escape those devices. Real estate agents and developers have also been vocal in their critique of excessive risk premiums in this market. One developer I interviewed had told the media that first time buyers automatically got poor credit scores because they had no credit history (*Property24* 2012). The Rawson Property Group chairman made an impassioned plea at an estate agency conference: "'Never before in the history of South Africa have banks worked on such flagrantly exaggerated mark-ups. A 6% over prime interest rate equates to a 70% mark-up'" (Terrazas 2013).

But this mark-up is a core source of revenue generation for 'affordable' mortgage lenders. Thus we see continued use of old high risk stories despite the data, to assure the 'affordable's' eligibility for 'risk sharing' and risk-based pricing. Low risk stories would threaten the accumulative underpinnings of the former, and yet both continue to operate together in practice. Both are necessary to the accumulative possibilities of the 'affordable'.

## Conclusion

This chapter has worked to make space for capital in my marketization study, as well as the spatialities of those capitals. I have shown how two capitalist crises – in South Africa's 'traditional' housing market and the 'global' capital markets – opened up new conditions of possibility for the 'affordable market' *agencement* stabilized and expanded in Chapter 4. These changing conditions of possibility have grown investment in this market materially, and shaped its market framings in old and new ways.

I tracked the new and old enrollments of actors of capital during this period – from greenfield developers, banks' 'affordable' home loan units, securitized lenders, pension funds and private equity – and the spatialities shaping and being shaped by those enrollments. I then considered what those enrollments had meant for the framings of the 'affordable market'. My fieldwork found a deepening of its social embedding as an object of developmental intervention, but also increased disagreement and competition over the market devices and strategies used (from government subsidies to unsecured loans and risk-based pricing). These disagreements played out in new 'market intelligence' and its contradictory risk stories. Knowledge production about the 'affordable market' questions old framings of the 'affordable market' as high risk and promotes a 'no worse' story. Bank discourse and practices however consolidate old framings through risk-based pricing and credit-rationing down market. This credit-rationing continues to spur more predatory 'innovations' such as bigger unsecured loans and installment finance (see Chapter 6).

But before we leave the banks here holding all the blame, I end with a provocation from an 'affordable' banker which frames Chapter 6.

> Some of the challenges that developers have talked to you about, one of them is the banks not lending enough. They'll tell you that not all the banks are playing. But also the availability of well-priced land is becoming a challenge. Which has to be within transportation hubs and infrastructure, not in the middle of nowhere. (Interview with Nkosi, 2013)

There are factors beyond flows of finance and the instruments and devices mediating them that are shaping this market's reproduction – other kinds of materialities such as land that this dissertation has to return to.

## Section 3: Placing 'affordable' property and debt infrastructure in postapartheid Johannesburg

## CHAPTER 6 Producing 'affordable' places: repetitions and ruptures in Johannesburg South

### Introduction

Markets are not just contexts for exchange; material things – in this case, houses - also have to be produced and then exchanged (Christophers 2015a). This is a component of the political economy of housing that can get lost in marketization studies or the turn to financial instruments. Furthermore, unlike other commodities, housing is always already bound up with the ground beneath it – and the price on that. So in confronting the production of the house, we confront land and landed property. This is a thoroughly material and social process, involving the earth itself, landowners and developers, construction contractors and workers, technical experts and layout plans, sewerage lines and concrete, the local state and its planning departments, real estate agents and borrowers.

In taking this productive turn, the chapter asks after the ways in which the diverse enrollments in the 'affordable market' described in Chapter 5 are producing 'affordable' built environments. 'Affordable' finance – from banks to pension funds and private equity – relies on actually existing housing for their interest-bearing capital to circulate through, while property capital – from land owners to developers and real estate trusts – rely on housing for their appropriation of rent. Given the shortage of 'affordable' housing in Johannesburg (or at least, the 'right' kind of 'affordable' housing), these fractions of capital have relied on both greenfield 'affordable' development in urban buffer strips or urban edges and the brownfield conversion of inner city offices into 'affordable' rentals. I focus on greenfield or new build 'affordable' development because that is where banks' 'affordable' mortgage books are concentrated in owned (not just rented) stock,[1] and the forms through which Johannesburg's historically undervalued edges and buffers were being transformed after the glocal property crashes and re-framing of the 'affordable market'.

Greenfield development demands different conceptual tools than the lenses of gentrification, displacement and 'growth machines' deployed by other scholars vis-à-vis the brownfield

[1] For example, some 80% of Standard Bank's 'affordable' loan book sits in new developments – their division Head described them as "very much reliant on developers bringing stock to the market" (Interview with Nkosi, 2013).

conversions of inner city Johannesburg (Murray 2011). This chapter returns to an older Marxian "theory of suburbanization" (Walker 1981), where accumulation through suburbanization relies on deriving higher rents[2] from land through land banking, spatial segregation, and steering of public infrastructure. My fieldwork found each of these to be primary accumulation strategies in the production of Johannesburg's 'affordable' greenfield developments, rather than the construction of the house itself. But I also found that this theory of suburbanization needed supplementing: with a more materially attuned sense of place that could better engage the *land* in landed property; and a more finely grained optic on power, and its uneven distributions especially through race. In Johannesburg, deriving higher rents from landed property is one always coursing through the racial dispossessions and accumulations of settler colonialism. So I deploy two socio-spatial concepts - 'place' and 'network' - to better get at how grounded arrangements of land, racialized monopolies of ownership and networked connectivities to construction firms and finance articulate unevenly with a transforming state.

After building this conceptual framework, the chapter is divided into two parts, each starting from a distinct 'affordable' place in Johannesburg that introduces us to two different 'affordable' production networks – the actors interpolated in place, the kinds of power relations between them, their strategies of accumulation, and how these together recursively shape 'affordable' place. I trace these two networks via interviews, observations in 'affordable' places, head offices and marketing spaces, and documentary analysis of media coverage and company reports. Differently to an agent-focused approach, I organize network relations by practices of production, such as land assembly, land development and servicing, financing and building of the 'top structure' or house.

The first place I call 'affordable suburbia', visible on Johannesburg's southern and eastern edges, produced by a more *invisible* network of white Afrikaans land bankers and unlisted development firms with deep local ties and limited public profiles. They've been sharing business for 25 years producing sprawling tracts of low-density, owner-occupied housing on poor quality land with few amenities. There are strong racialized repetitions in the forms of white enclosure and accumulation, and the spatial aesthetic of peripheral 'black housing'. The

[2] The name for the price on land and a form of surplus value (Harvey 2006, 18, 73). Although Marx clarifies that what is actually "bought and sold is not the land, but title to the ground-rent fueled by it"; "the buyer acquires a claim upon anticipated future revenues, a claim upon the future fruits of labor. Title to the land becomes, in short a form of fictitious capital" (Harvey 2006, 367).

most powerful actors in the ‘affordable suburbia’ network derive their power and rents from monopolized land rights historically and after the recent property crash. Differential rents through mass-produced uniscapes are also important. But this network is vulnerable in their reliance on debt financing from the banks, and on recruiting black social capital *into* the network for their ‘local’ knowledge in marketing and even designing products. Negotiations with the democratic state to get planning approval are never pre-given either.

The second place I call ‘integrated affordable’, a newer formation appearing in denser infill and greenfield developments, produced by a recently configured network of listed developers, banks, transnational private equity financiers and, most critically, the postapartheid state. This well-publicized ‘integrated affordable’ is a rupture in Johannesburg’s residential built environment. It prefers a mix of densities, a mix of ownership and rental tenures, more amenities and often located on more central land that can challenge apartheid geographies. But that land can also be contested, ecologically and socially, its assembly enabled by the state’s central role in the network, and its servicing subsidized. The alternative sources and circulations of finance in ‘integrated affordable’ appear to spread accumulation more widely, across shareholders and pension fund members, but also in more financialized ways. The most powerful actors in the ‘integrated affordable’ derive their power and rents from public underwriting, and sometimes monopoly rents through land ownership. They are more vulnerable to residents’ refusals of certain tenures or wishes for greater segregation in mixed settlements.

I conclude by pointing to the entanglement between the two networks: their shared power base in white land enclosures; their pursuit of rents from an ‘emerging black middle class’ who struggle to find an affordable foothold in a city where land is *made* scarce, or in other suburbs that are considered safe and desirable; as well as a shared commitment to the mega development and a growing trend towards joint lobbying to steer public underwriting their way. But while we see fewer ruptures in terms of white accumulation in both networks, their built environments are placing very different demands on the divided city: the one with the potential to challenge segregationist planning, the other consigning black urbanites, again, to less valuable peripheries.

## Literature

### *Back to the house, back to the land (rent)*

> It is unfortunate that the combination of housing and financial crises has induced radical geographers to shift focus away from the (re)construction of space as the built environment to the reconstruction of financial assets without reference to the corresponding material factors involved in housing supply. (Fine 2010, 106)

Although too generalized a critique, Fine provokes us to think about how the material supply of housing is in danger of being eclipsed in studies of marketization or its mortgages' financialization through risk-based pricing and securitization.[3]

Fine (2010) asks for a return to older questions such as the role of landed property and actors therein like the construction industry in the production of housing (106). These are questions that deeply interested the first generation of AngloAmerican Marxian urban geographers (Harvey 1985; Walker 1981; Agnew 1981). They theorized housing as a site of class struggle in its role in the reproduction of labor, *and* as a site of investment within the built environment – the secondary circuit of capital - offering a spatio-temporal fix to crises of overaccumulation in other spheres (Harvey 1978; 2006). In the US, state-guaranteed mortgage credit mediated the tensions between the two: low-paid labor could access mortgaged housing while simultaneously providing demand for the housing sector (Stone 1975, 22). New suburban housing production (in tandem with the redlining of and disinvestment from older areas) also offered grounds not just for preventing crises of overaccumulation, but for expanding the grounds for accumulation itself (Walker 1981, 384)). This worked both on the supply and demand side: through consumption and, in Walker's focus, through increasing land rents for the "property circuit" (Walker 1981).

The "property circuit" was geographer Dick Walker's (1981) scaffold for his "theory of suburbanization" in the US. The "property circuit of capital" includes those investments by property actors "motivated not only by profits from construction, but primarily by the opportunity to appropriate economic rent from new and old property" (Walker 1981, 384-5). This combination is particularly necessary when the profit from construction alone is small. As Marx (qua Harvey) notes, in such contexts "'the main profit comes from raising the ground-rent', so that it is the 'ground-rent, and not the house, which is the actual object of building speculation' (*Capital*, vol.3, pp.774-6; vol.2, p.234)" (Harvey 2006, 367-368).

---

[3] For more on the limits of financialization as a concept, see Christophers (2015b).

Actively working at pushing up these land values are “property investor[s]” “in various guises as housing developer, landowners, shopping center builder, transit line owner or industrialist – operating at the urban fringe, where the city is being most actively constructed” (Walker 1981, 402). A number of strategies for deriving higher future rents include

> the directing of users, infrastructure and buildings into one’s own property (for differential rents), the creation of artificial scarcity (for monopolistic/absolute rents), and the redistribution of state revenues and related phenomena (redistributional rents). (Walker 1981, 402)[4]

This powerfully reminds us how the price of land – and thus, the price of housing on top of it - is socially determined (Harvey 2006, 73). These rent-seeking activities produce contestation, competition and cooperation. Sometimes “’terrains of compromise’” are found to share higher rents in an alliance between landowner and capitalist as ‘developer’ (Harvey 2006, 363, 368). Creating scarcity through “land banking”[5] also requires cooperation between a “’cartel of landowners’” with “sufficient class power” (Walker 1981, 416) to refuse to release land below a certain price (Harvey 2006, 350). They also have to protect that monopoly pricing from “the threat of new entrants pricing competitively” through legal and illegal measures (Christophers 2015a, 1862).

Appropriating redistributional rents requires more activism and alliances on the part of property investors. For example, “steering” state investment their way via new infrastructure relies on lobbying (Walker 1981, 403). In Walker’s theory, US local government in the early 1980s worked seamlessly to smooth the suburban property circuit (1981, 404).

Relations with financial institutions are also key (Walker 1981, 403). These institutions shape prices by fixing interest rates, but also have an interest in “enhanced future ground-rents” (Harvey 2006, 368), so property investors work to convince these institutions to invest in one area and not another. One way is through a commitment to segregated land uses: “differential rents” can be achieved through “spatial differentiation”. This means “channel[ing] people and capital into segregated residential districts” to prevent “randomly mixing” land values and rent (Walker 1981). This is both to avoid risk to rents (‘property value’ as it is called) but also acts to lower costs – mass production of similar tracts of housing is cheaper.

---

[4] These four types of rent are the ones that concerned Marx (see Harvey 2006).

[5] “[C]orrectly ‘anticipating’ the market, buying cheap land beyond the fringe and waiting for the city to follow or fill in” (Walker 1981, 403).

Property investors also use spatial differentiation to attract those tenants paying the actual rent – or in the case of homeowners, a mortgage ("mortgage relations" are "equivalent to rent" (Harvey 2006, 365)). Making choices "within sharply circumscribed bounds", homeowners work to maximize the value of their asset by shoring up spatial differentiation through conservative and exclusionary neighborhood practices, or "political decentralization" – suburban government (Walker 1981, 394, 397). Here's where real estate agents are at work, selling the low risk to rents in these segregated residential districts while taking their cut off those rents through the process of exchange (Aalbers and Christophers 2014, 377).

### *A material sense of place*

While I think Walker's (1981) theory of suburbanization can stretch to accommodate a mobility of flows and actors from elsewhere, two other spatial concepts from socio-spatial theory could enrich it. The first is a territorial concept: a material sense of place. Massey's early 1990s "global sense of place", which recognizes that what happens within a locality is always shaped by its connections to elsewhere (Sheppard 2002, 312), has been deepened in the last decade through the 'material turn'. Leitner, Sheppard, and Sziarto (2008) note that places, while never bounded, also "have a distinct materiality, a material environment that is historically constructed ... This materiality regulates and mediates social relations and daily routines within a place, and is thus imbued with power" (161). Materiality is not just an artefact of the past mediating the present: "the materiality of places and spaces has real and concrete effects on future trajectories" (Sheppard 2002, 319).

Economic geographers of production have also had to confront materiality for, as Sheppard (2015) points out,

> [i]t is at the moment of commodity production when economic processes confront the materiality of the world. Production involves the metamorphosis of nonhuman entities, shaped by biophysical processes, into commodities for human consumption. … Thus, the moment of commodity production is simultaneously material and political. (p.1124)

In housing production, the central "nonhuman entit[y]" that is confronted is land. Land that in capitalist markets has first to be rendered 'landed property':[6] objectified, made "monopolizable

[6] A process which Elden (2010, 805) insists was more important to Marx than we realize. Harvey (2006) helps surface some of this in Marx' existing work.

and alienable" and so inserted into the space of exchange where it "can be rented or sold as a commodity" (Harvey 2006, 334). Once achieved, land can be treated as a "purely financial asset which is bought and sold according to the rent it yields" (Harvey 2006, 347). Under such conditions, "interest-bearing capital circulates through land markets perpetually in search of enhanced future ground-rents and fixes land prices accordingly" (Harvey 2006, 368).

But rendering land a "purely financial asset" is always a contingent project (Harvey 2006, 334, 347), because land is always both material and political to borrow from  Sheppard (2015, 1224). Anthropologist Tania Li puts words to the first instance: "its materiality … matters" (2014, 1). "[L]and stays in place" (Li 2014, 3); "[l]and is not like a mat. You cannot roll it up and take it away. It has presence and location. It has an especially rich and diverse array of 'affordances' – uses and values it affords to us, including the capacity to sustain human [and non-human] life" (2014, 1). For Li, land is always much more than landed property, being a "provisional assemblage of heterogeneous elements including material substances, technologies, discourses and practices" (2014, 1). Land acts on and is transformed through housing production not just as a purely financial asset, but in its very materiality.

In Johannesburg, with its gold reef and vast subterranean waterways, its dolomitic girdle and radon-producing granite, it is hard to forget the city's material "underneaths", as Mbembe and Nuttall (2008) put it, and those underneaths' dialectic with "surface" in the constitution of racial capitalism, segregation and its rebellions. It is because of Johannesburg's cheaper and compromised land that 'affordable' production at this volume and these rents is possible there in the first place (compared to Cape Town or Durban). This is particularly the case in the south where land is cheapest (Todes 2014, 95). Land's finitude and materiality, its level of toxicity and its geotechnical stability, will surface at various junctures in this chapter as sites of possibility, contestation and blockage.

As for its political nature, "land is also at the base of both power and wealth" (Aalbers 2012, 8), since it cannot be created but nor can it be removed (Li 2014, 3). And in Johannesburg, that power and wealth through landed property was forged through the multiple rounds of racialized dispossession described in Chapter 1 and 2. The white monopolies of land underpinning 'affordable' suburbanization require confronting again those racialized enclosures.

### *Networks and socio-spatial positionality*

This brings me to the issue of power, and what relational socio-spatial concept might offer greater attention to uneven power relations than "circuit" in Walker's (1981) property circuit. Although described as a contested and competitive arena, the concept "circuit" militates against a lumpy notion of power, in its circular or interconnected flatness. I deploy network instead.

A tremendous amount of work has gone under the name of 'social network analysis' and 'actor network theory', as well as 'global production network' work in economic geography (Coe and Hess 2012, 166). "[T]racing networks" has become common practice for "new economic geographers (Yeung 2003, 449), offering means to more ethnographically track relations between a host of human-non-human actors and the intermediaries that "keep[] actors together and materializ[e] their power" (450). Indeed, we may already be 'networked out'. But I want to hold onto this "'network ontology' of production" (Coe and Hess 2012, 166) for all the work that's gone into thinking power in and through networks. Economic and social geographers have made a strong case for centering power relations in how we investigate networks (Leitner and Sheppard 2002; Sheppard 2002; Yeung 2003; Leitner, Sheppard, and Sziarto 2008). In these networks, power is unequally distributed through differentiated subject positions in socially constructed grids of difference – socio-spatial positionality – but positions that are always practiced and performed (Leitner, Sheppard, and Sziarto 2008, 163). This notion of socio-spatial positionality and power makes room for both contestation *and* obduracy in networks, rather than overemphasizing their contingency and horizontal nature. In my research, I was struck more by the "considerable resilience and path dependence" of networks of 'affordable' housing production (Sheppard 2002, 318), than their contestation and contingency.

Yeung (2003) suggests some methodological strategies that I attempt in this chapter. First, to locate the *"key* actors" and intermediaries in the network, then "trace how the heterogeneous power relations in this network are spatially constituted and realized" (450) through "in situ" research that gets at subjectivities, positions, practices and nodes (451-2).

## I. Producing 'Affordable Suburbia'

### *'Affordable' place (1): the 'affordable' frontier in the far South*

"The biggest growth node in terms of the affordable housing space", the head of Affordable Housing at Standard Bank told me, was still Protea Glen, next to Soweto (Fig. 35). "It's still well-priced, it's not too far from town" (Interview with Nkosi, 2013). It felt pretty far from town. From the new extensions of Protea Glen in the deep south of Johannesburg, it can take two to three hours to get to work in the north of Johannesburg. During my first visit, with International Housing Solutions asset managers, we headed to the southwestern outskirts of Soweto. I was blown away by the row upon row of new 'cookie cutter' houses on Protea Glen's greenfield edge, before we headed into its older extensions, where more modest houses that had been extended into something transformed or remained much the same. With its sprawling tracts of 17,000 mass-produced low-density "Res 1" housing as it's called in industry-speak, this felt like the real 'affordable' suburban 'frontier'.


*Figure 35: Protea Glen extensions in relation to Soweto (GCRO 2016)*

From our air-conditioned Landrover, a technical manager gestured to the vast tracts of land we were driving through (Fig. 36): "everything west of the spruit" (stream) had been taken through the town planning process and serviced by Townships Realtors since the early 1990s. Township Realtors, introduced in Chapter 2, continues to open up more and more extensions. All the big and small 'top structure' developers[7] are active there (Figs. 36 and 37) along with the banks and public development financiers. They're all building versions of a 40-70m² house for between R300-450,000 on 300-400m² stands, the smallest allowed by banks there.[8] Properties had been going for only R50,000 in the early 2000s (Steyn 2013b).

---

[7] Those involved in house construction.

[8] In the 1990s, smaller 220-250m² stands were permitted by niche lenders.


*Figure 36: One developer's ubiquitous billboards on Protea Glen's undeveloped edge, October 2012*

Despite those rising prices, and the increasing distance of its new extensions from town, demand in Protea Glen continues apace. That is because there is no cheaper or similar product on the market any closer to town. It is impossible to get a stand-alone house under R300,000 or even R350,000 in the Johannesburg area: a price that some, like the Centre for Affordable Housing Finance in Africa, believe can be substantially lowered. But as the Director of Township Realtors exclaimed in our interview: "you cannot build a proper house on a proper serviced stand on tarred streets" for under R300,000. "It's impossible!" "Where in the world can you get that?" (Interview with Levin, 2013).

Protea Glen's R300,000 'starter properties' have been the only (mortgageable and desirable) options for buyers earning R10,000/month, like early career nurses, police, teachers, newlyweds. So even if people don't want to live as far out as Protea, they're forced to, a black-owned real estate agency explained (Interview with Blose, 2013). The hope is that when that work promotion comes along, the Protea Glen homeowner can trade up to a neighborhood closer to town like New Naturena, Alveda Park and Ormonde View where properties cost R500-700,000 and neighbors are middle managers, senior police officers and senior nurses (Interview with Blose, 2013).[9] Protea Glen has been entrenched as the first rung of the 'property ladder' with its own Johannesburg South cartography of social mobility.


*Figure 37: Another developer's billboard on Protea Glen's edge, October 2012*

Meantime, tens of thousands of households have made Protea Glen home. With at least two bedrooms and a tile roof to start (Figs. 38 and 39), owners customize with yard walls and gates, adding satellite dishes, home extensions, gardens, garages, home businesses.[10] Thanks to residents' investments and lobbying, Protea Glen is now full of churches, crèches, some parks, a

---

[9] More solemnly he added that if, after that promotion, home owners get retrenched, they can always go back to Protea Glen. Promotion and retrenchment were incredibly important factors in his experience of Johannesburg South real estate trends.

[10] For more detail on residents' lives in Protea Glen, see rare attention in Escusa's (2015) ethnography of first-time home owners and middle-class trajectories in Protea Glen and Moss's (2013) survey there of 100 households.

library, a community hall and home shops (Interview with Kalabatane, 2013). Commercial developers have just built a new mall – a sign of neighborhood success in South African metrics. A media article that came out during my fieldwork described Protea Glen as “a thriving mini-tropolis”, its “flourishing 2 500 ha” giving off a “vibrant buzz” (*Housing in Southern Africa* 2013).

*Figure 38: Protea Glen house, photo by Jodi Bieber (Bieber and Mhlongo 2010, 152)*


*Figure 39: Protea Glen Extension prototypes (Affordableproperty.co.za, 2016)*

*Overview of the network (1)*

Protea Glen is the quintessential example of, and the template for, ‘affordable suburbia’ in Johannesburg, or what Harrison and Harrison call “new aspirational middle-class townships” (2014, 310), extending existing townships on the urban edge. Protea Glen is also the material site from which a small, locally-entrenched, longstanding production network was forged. This includes landowners, land developers, housing developers, sales people, technical consultants, financiers and municipal planning departments, some of whom we already met in Chapter 2, who’ve honed their ‘black housing’ techniques, as Township Realtors’ Director  called them, over the last 30 years.

It is an increasingly concentrated network, biased towards fewer and larger players, all owned and operated by white, and mainly Afrikaans, men. Smaller players have struggled to survive or ‘enter the market’ – without land or equity of their own to survive credit crunches or the high cost of holding land during lengthy planning approval processes (Genesis Analytics 2008). This network has been producing versions on the Protea Glen theme for almost30 years: low-density, mass-produced, generally far flung “plot and plan” suburbia for an ‘emerging black middle class'. But the network's longevity has also required negotiating new relations with the Big Four banks after the small banks crash of 2002; diversifying its products within that oeuvre for a stratifying black middle class; recruiting black sales teams to share 'market' knowledge on these products and interface with clients, and negotiating relations with the new democratic state and its more sustainable, pro-poor planning policies.

The key actors in this production network are three 20-30 year old unlisted land investment and land developer firms; the banks' development finance divisions and home loan divisions; six to ten 'top structure' or housing developers,[11] their sales and marketing teams, which employ thousands of young black men and women, their construction teams and networks of subcontractors. All these firms have worked with each other, partnering in various combinations on shared mega-sites like Protea Glen in the South and Windmill Park in the East. This cooperation helps ease negotiations with the state over the servicing of mega-sites. It also gives "the market a comforting appearance of competition" a developer manager explained: "the market distrusts you if you're the only one … because it's the biggest investment in your life. So if you've got nothing to compare it to, it's also difficult to achieve sales" (Interview with Cosmopolitan managers, 2013). Finally, working together helps banks spread their exposure – banks with whom the developers liaise jointly through a special committee and informal social get-togethers, some of which are organized by the banks at luxurious gated golfing estates (Interview with Levin, 2013).

But this co-operation does not presage equality. The real nodes of power are the few firms who monopolize cheap 'raw' land, control the price of 'serviced' land and its release to 'top structure' developers, or better yet, deliver the house themselves, all in collaboration with the banks. It is the price of serviced land that really defines what an 'affordable' house costs, and that is the basis of these actors' monopoly rents and power. In Protea Glen, those rents were made possible through additional racialized land enclosures during late apartheid's opening up of 'township' land.

[11] The biggest being the unlisted owner-managed Cosmopolitan Projects (operating since 1992), the listed 'integrated developer' Calgro M3 (whom we will meet in the next section), and then the much smaller, also listed, RBA Housing (operating since 1997 but in dire straits during my fieldwork). A few smaller players remain like Trustgro and Safrich, or some with local monopolies like Kiron Homes on the East Rand and ValueMax in Pretoria (Interview with Nkosi, 2013). Smaller newcomers include Hlahlakmnandi and Old Mutual's construction partner Urban Space.

In what follows, I focus on the strategies and practices of one of those firms called Cosmopolitan Projects - the most powerful and visible producer of 'affordable suburbia' in Johannesburg during my fieldwork (Fig. 40). As I describe in the methodological note, I did not set out to find Cosmopolitan, but they kept finding me. Despite their invisibility on the Johannesburg Stock Exchange or in the media as an unlisted "owner-managed" development firm, I couldn't avoid their 20,000 houses that had stretched the edges of Gauteng over the last 20 years, or their 1000 employees camped out on street corners under colorful bunting, their leopard print branded cars zooming around town.


*Figure 40: Cosmopolitan billboard with logo and motto, Alveda Park, November 2013*

## Practices of production

### *Assembling land, finding finance and designing development*

If land access is the biggest challenge and advantage in 'affordable' suburbanization (Interview with Bauer, 2012), then the basis of power in the 'affordable suburbia' network has been two-fold: banking development rights (called 'options') on undeveloped, cheap land at opportune moments; and appropriating the 'development gain' off of developing that land. By this I mean the increased rents derived from re-zoning agricultural land with development rights attached – in South Africa, we call this turning land into 'stand'. For it is in the process of turning land (especially agricultural) into urban stand where enormous value can be accrued (Interview with Odendaal, 2013).[12] The land portion of the house-land nexus offers the flexible part of the 'affordable' residential development equation, since there is no great variety or extravagance possible in the housing construction (which is why critiques of the high price of 'affordable' property focused on the top structure are misplaced).

The value of an 'affordable' serviced stand in Johannesburg has seen significant inflation over time. A banker told me that "not so long ago", the stand price attributed 20-25% to the property price; when we spoke it was reaching 50% (Interview with Ndlovu, 2012). This was a process hidden in talk about scarce land or "the cost of land" as some abstract, uncontrollable thing shaped by the invisible hand of the market or the interventionist 'urban edge' defined by the municipality to prevent sprawl (cf. Genesis Analytics 2008).[13]

Township Realtors was one of three owners of land rights on Johannesburg's 'affordable' southern and eastern edge. As we saw in Chapter 2, Township Realtors banked rights to agricultural or previously mine-owned freehold ground via personal and professional connections with white farmers and mining companies under late apartheid's reforms, all set to take advantage of 'freed' black suburbanization. The land was cheap and available because of its material and social position in Johannesburg's geology and history: too close to the contaminated mining belt or to unstable dolomitic ground, or too close to 'black' Soweto and distant from the 'white' north in the racialized geography of the city. That proximity to overcrowded townships, from which the black middle class would be 'spilling', was part of its rent potential. Township Realtors has been developing and releasing that land slowly to top structure developers ever since the late 1980s, controlling the price of stands.

[12]For example, in the calculations shared with me by Cosmopolitan's managers, serviced land is vastly more expensive at approximately R150,000 per stand. Development rights on 'raw', normally agricultural, land can be bought at a fraction of the price: R30,000 per stand. The bulk infrastructure might cost R30,000 and internal services another R30,000, meaning that in total it costs R90,000 to produce a serviced stand. That means there's a substantial markup between the stand sale price of R150,000 and the original R90,000 invested (Interview with Cosmopolitan managers).

[13] E.g. "It's a challenge to actually get a product to under 300,000 because of the cost of the land" (Interview with Cosmopolitan Managers, 2013).

But two of its partners from Protea Glen's early days also started banking land rights, and with additional 'turnkey' services.[14] While Township Realtors is perceived to "own all the land in the South" (Interview with Councilor Mogase, 2013), Kiron Homes on the East Rand held some 22,000 zoned undeveloped stands. All around Gauteng, Cosmopolitan also started getting into the land banking business. This was to squeeze returns out of both the land portion *and* the housing product, two managers explained; the days of adding enough value through housing construction alone were over (Interview, 2013). One has to be "a turn-key developer to make any profit" now (Interview with Cosmopolitan Managers, 2013). Land procurement increased their profits *and* secured access to future monopoly rents by preventing others from developing that land.

Cosmopolitan's land procurement division runs up to five years ahead of production. That means "you can really pick and choose what is right for the current market conditions" (Interview with Cosmopolitan managers, 2013). Those "market conditions" changed dramatically after the 2008 property crash. Higher-end developers, hit by the property slump, stopped buying land on the urban edge, and this opened up new opportunities for other 'affordable' developers to procure land rights at an unprecedented scale, since there is no room in a slow market for risky peripheral developments at high prices, "only cheap prices", a development technical specialist explained during a site visit.[15] By 2013 Cosmopolitan had 40,000 development opportunities on their "books".

They amassed these land options through different routes: buying 'raw' land from farmers and getting it re-zoned; buying land already zoned for development and servicing it; buying serviced stands from land developers (like Township Realtors in Protea Glen), and most recently, from banks looking to offload the land procured by other distressed developers. Dolomite and clay soil add material challenges in the city's south, as do new health and safety regulations that prevent residential development within a certain distance of mine dumps and their dust range. Some of Cosmopolitan's earlier acquisitions hadn't had to worry about that (see the 'Ormonde View' story in the introduction). But another route for land acquisition that no managers

[14] The "turn-key" developer model in South Africa refers to keeping the entire development and construction cycle in house, everything from procuring land, to re-zoning it and getting the appropriate development rights and development finance, installing services, marketing the development, finding buyers to sell to, and handing over a completed house.

[15] This day-long site visit was with Willem Odendaal and the asset managers of International Housing Solutions to about eight of their asset sites across Johannesburg on October 9, 2012.

mentioned was through their black empowerment partner, Goli Phenduka Senze, a black-owned company that is financially backed by Cosmopolitan that can procure development opportunities from various state entities or on state land which lily-white-owned Cosmopolitan can't do under Black Economic Empowerment (BEE) regulations.

Also transformative after the housing price bust was that banks no longer wanted to fund land acquisitions for land development only or give developers 100% loans. It was too risky: they had been left sitting with too many developments that never came to fruition and paid back their money. Here's where 'turn-key' developers like Cosmopolitan leveraged their advantage in developing land *and* building houses to get "mother bonds" from the banks' property finance unit. It also helped that Cosmopolitan could top up bank development finance with their own substantial equity – "the main reason why we will probably never list" (Interview with Cosmopolitan managers, 2013).

Banks then are involved from the beginning of the process, shaping which land opportunities get finance to be developed where, when and how. There are three criteria banks and developers are looking for: land that can be developed at the price "the market" will pay, at the returns the developers want and where the banks will be willing to lend accordingly (Interview with Cosmopolitan managers, 2013). If banks don't pre-value their proposed properties at the price developers want to sell at, then it's not feasible to pursue. But if they can get the right valuations, Cosmopolitan proceeds with development.


*Figure 41: Cosmopolitan's launched affordable and charter housing projects, November 2013*

As per what "the market" will pay for a property, Cosmopolitan means anything above the 'affordable' baseline of R300,000. Through their "market intelligence" (see later section on marketing) and to make the most of a diverse set of land opportunities, Cosmopolitan has diversified into two 'sub-markets', each with their own geography and design to cater to a particular income range, property price, and profit margin (Fig. 41). Both markets are believed to prize affordability and proximity to where they grew up rather than proximity to the city.[16]

The first 'sub-market', the company's historic focus since the early 1990s, includes households earning up to R16,000/month who can afford properties priced between R300,000 and R500,000. The second 'sub-market', and new focus, includes households earning up to R25,000/month who are looking for properties priced between R500,000-700,000. In trying to articulate these sub-markets with the market-making work described in Chapter 4, Cosmopolitan calls the first sub-market the "Charter or Gap" market and the second sub-market the

[16] A Cosmopolitan regional manager told me that Sowetans want to stay close to Soweto and East Randers on the East Rand: "Sowetans are born in Soweto, they don't want to leave Soweto. That's the heart of Joburg" (Interview with Cosmopolitan regional manager, 2013).

“Affordable” market – despite the fact that their income ranges reached far higher than the R18,000 ‘affordable’ cap in 2013 bank discourse or National Treasury delineations.

For the “gap sub-market”, Cosmopolitan sources “big pockets of land” on township or urban edges, where they can squeeze out as many stands as possible. With returns per unit slimmer in the “gap sub-market”, it’s all about delivering at scale. Cosmopolitan’s Enthombeni Park (Fig. 42) gives a sense of this “optimum” stand layout, its 50m² houses going for under R350,000. I saw no experiments in higher density designs in ‘affordable suburbia’, apartment buildings for instance (other than an IHS development – see ‘integrated affordable’). The ‘stand-alone’ house is perceived to be market preference – at least, that’s how the developers framed it.

*Figure 42: Cosmopolitan's Enthombeni Park on the East Rand, October 2012*

Despite their relatively large stands compared to apartheid-era townships, the spatial and aesthetic repetitions between these “gap” areas and older townships are strong: peripheral locations combined with mass-produced techniques and limited access to amenities and services.

"It's a four-roomed house of another kind" one disgruntled owner of a Cosmopolitan house called it (Interview with M., 2013), referencing apartheid-era township construction. He added: except these ones "we have to pay for! It's worse!"

Differently to the "gap sub-market", the so-called "affordable sub-market" can support infill development on more expensive, better articulated land. Cosmopolitan can assemble less than 1,000 larger stands to get their preferred profits. Alveda Park being built during my fieldwork was a good example: on the edge of former white suburbia in Joburg South, just ten kilometers from downtown, on a site where another developer had gone bankrupt. A bank passed the opportunity onto Cosmopolitan. With no properties for sale under R500,000, and with additional 'Tuscan' finishes available, Alveda aimed at significantly higher income earners than Protea Glen or Enthombeni Park. This did not stop it being referred to as an "RDP" (public housing estate) by some of the white suburbanites next door.

*Township establishment and infrastructure installation*

But long before these layout designs for 'gap' or 'affordable submarkets' are realized, procured land, if it's still 'raw', has to be re-zoned, a township established with its various plots subdivided, and infrastructure and services installed. The process of extending services to the urban edge is expensive and risky for all involved despite the cheapness of land that developers chase on the edge of the city (Interview with Odendaal, 2013). And so this is a major site of negotiation between developers and state agencies.

The local state has been dramatically restructured during the time these firms have been in business. In Johannesburg in the 1990s, nine racialized municipalities were merged into four metro substructures, and in 2000, into one metropolitan government, finally realizing the civics' call in the late 1980s for "one city, one tax base" (Tomlinson et al. 2003). Johannesburg's ANC metropolitan government is committed to pro-poor policy and guided by new planning policies and frameworks to promote infrastructure investment in historically marginalized areas and densification (in policy at least) (Todes 2014, 87–9). Since 2010, local government has been further empowered to control all land use management under its jurisdiction, no longer in tension with provincial land use power.[17] For every development then, land developers and

[17] The developer-friendly DFA was scrapped in 2010.

various government bodies and departments negotiate what development the existing infrastructure can support and what needs new infrastructure, provided and paid for by whom; how the development aligns with state development frameworks and density plans; what environmental impact it will have (since 1998) and what the public response to it is (Interview with Odendaal, 2013). There can be multiple "process blockers" at each stage, IHS' technical specialist explained (Interview with Odendaal, 2013). It also takes a long time: In the "old" days, Township Realtors' director reminisced, "we could do a township … 3-4000 stands in six months" with the white Roodepoort municipality (Interview with Levin, 2013). Now it can take three to five years to get "'land to stand'", developers complain (Jones 2014).

Some newcomers to 'affordable' suburbanization - UrbanSpace developers financed by Old Mutual's 'affordable' housing fund for example – have struggled with township establishment. Old Mutual's large agricultural portions for 1-3,000 units outside Johannesburg have apparently been "hugely bogged down with regulatory approval issues" during their rezoning applications and in completing their bulk infrastructure (Interview with Old Mutual fund managers, 2013). They explained that because they are such a large and well-known corporation, they "can't backhand like small developers" to speed up the process, although they do "use investor contacts to get things moving".

"Backhand[ing]" or not, contacts and established relationships with state actors at the city and provincial scale are critical to easing these planning processes. And despite this being a now deracialized, democratic state apparatus, there are some surprising continuities in technical staff and practices. The technical support office at the City of Johannesburg for example still organizes meetings for Township Realtors to sit down with all the involved departments to get things "approved quickly. That's how it works" (Interview with Levin, 2013). "[W]e're fortunate because we've got nearly the same people that we dealt with" on the early phases of Protea Glen, "and we have got a very good relationship with them". As long as his technical contacts aren't redeployed, he added, or replaced under affirmative action.

With the right contacts, it has been common in Johannesburg for developers to be granted "certain concessions" to begin servicing and construction *before* the township has officially been established and proclaimed (Interview with Odendaal, 2013). But in return developers must now give the municipality cash-backed guarantees that they will contribute their share to infrastructure and servicing costs. These "bulk contributions" are returned to the developer once their portion of the promised services are installed. Some developers, like Cosmopolitan, who have the necessary resources, pay these guarantees as well as fully install their own infrastructure and services to ensure they have complete "control over the final transferability of our stands" (Interview with Cosmopolitan managers, 2013). With millions sunk in this process, this is why they develop in phases: they take the stands that they can sell in one year and service them, and then the next. These bulk contributions have been the site of recent lobbying.

But in general, I would argue 'affordable' developers have benefitted from the democratic state's commitment to large-scale infrastructure extensions that benefit households in historically marginalized areas. Even if it goes against anti-sprawl imperatives, the state may approve township establishment beyond the urban development boundary (UDB) if it "contribute[s] to the development agenda" (Ahmad and Pienaar 2014, 105). The state is also more likely to approve bulk infrastructure installation if it's opening up areas for thousands of lower-income households, for which the municipality can apply for central government infrastructure grants (Interview with Odendaal, 2013). A good example was Township Realtors' recent deal with the City of Johannesburg to build a new sewer to service a public-private housing project *and* additional extensions to Protea Glen: that sewer would support another 30,000 units (Interview with Levin, 2013).

*Marketing and selling the house*

With these concessions in hand, self-sufficient mega developers like Cosmopolitan can start installing infrastructure, laying out stands and selling those even before township proclamation. They sell their properties themselves, so they invest deeply in marketing and sales. That was how Cosmopolitan's Managing Director had broken into the business in the first place – through selling building packages for other construction companies to black civil servants in the homelands and black parastatal workers in the Johannesburg township extensions during the 1980s (Cosmopolitan Projects 2013).

Cosmopolitan develops their land holdings in phases abreast of this marketing "momentum" (see Figs. 43-9)). I saw these 'plot and plan' phases in action in 'affordable' (not gap) Alveda Park over the course of the year. Phase Four and Five opened in 2013 and teams were busy installing road infrastructure, streetlights and individual electricity outlets (Fig. 43). At the adjacent show house (Fig. 44), a Phase Four map was posted, and potential buyers could see what stands were left (Fig. 45). All those marked with a red dot had had their finance approved (Fig. 46). Young sales people would show them around the show house and to the site itself, if the phase was open (Fig. 50), and then help them submit an application. Once finance for each stand was approved, the foundation was laid, and the house went up within weeks (Figs. 47 and 48). It did not mean its neighbors did too though (Fig. 49). When that phase was fully sold off, the next Phase Five map was posted.

*Figure 43: breaking ground on Alveda Park Phase 4; long-completed Phase 2 in the background. May 2013*


*Figure 44: Cosmopolitan's affordable show house at Alveda Park, Phase 4. November 2013*

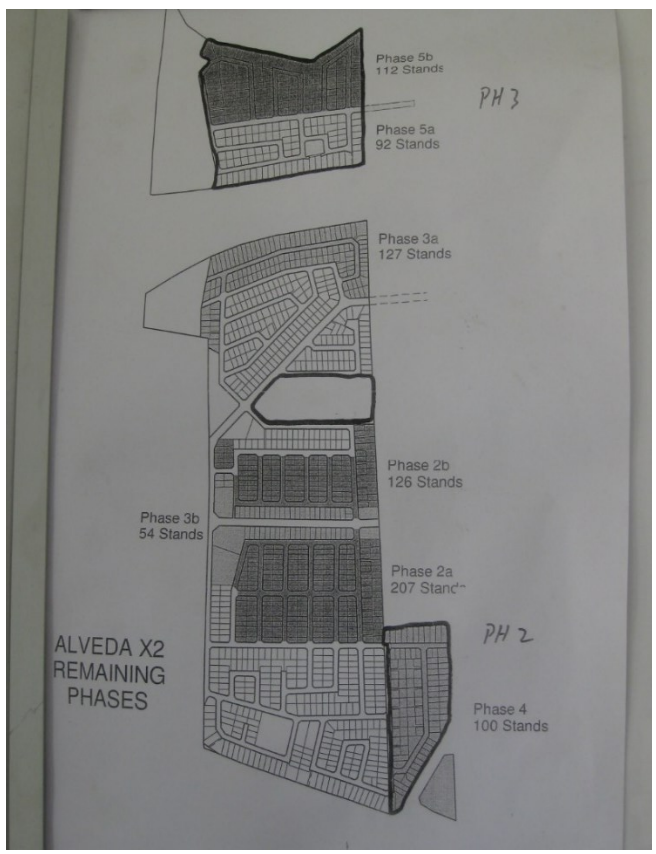


*Figure 45: Cosmopolitan's phase plan for Alveda Park, Joburg South*

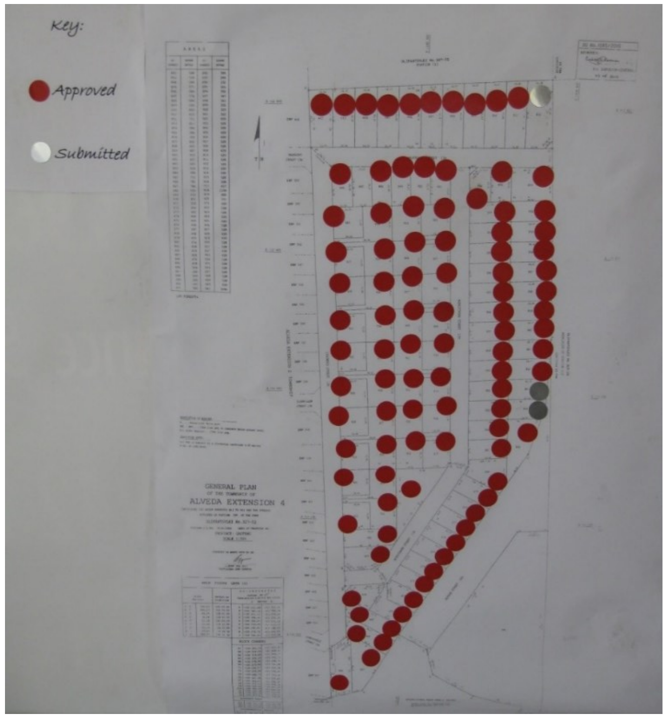


*Figure 46: phase 4 of Alveda Park showing which stands have had their finance approved, November 2013*

*Figure 47: Phase 4 house in Alveda Park reaches roof height*

*Figure 48: Phase 4 house in Alveda Park after roofing trusses laid (same house as Fig. 47)*

*Figure 49: One of the last stands to sell and be developed in Phase 4, Alveda Park*

Mediating this whole process are Cosmopolitan's sales teams: hundreds of young, predominantly black, men and women. They are split up into decentralized regional sales teams managed by powerful regional sales managers like the highly ambitious Johannesburg South regional manager. He had just been named one of the top sellers for the year when we met. These teams compete with one another for sales and incentives, building what the Johannesburg Director called in the company newspaper a "strong and effective sales force [that] is super competitive and supportive" (Cosmopolitan Projects 2013). He goes on: "Over the years we have developed a culture in which the entrepreneurial spirit thrives" (Cosmopolitan Projects 2013). The ticker-tape board flashing above the Johannesburg South Cosmopolitan office in Southgate mall, constantly tracking the number of monthly sales by which salesperson in which area, is one such cultural artefact.

Cosmopolitan relies on the local knowledge and social capital of its regional sales teams. These sales people provide the skills (especially language), local access and networks to market directly to people on the streets, in malls, and through flyers and social media. The Joburg South marketing teams focus mainly on interfacing with potential buyers coming out of Soweto, and public sector and parastatal workers therein (Interview with Cosmopolitan regional manager, 2013). Interestingly though, quite a few of the young sales people I met were from industrial townships very far from Johannesburg. Most of their days are spent camped out in malls, on sidewalks and roadsides with Cosmopolitan flyers and pennants, or waiting at the show houses for prospective buyers to show around (Fig. 50). Having access to a car is critical to their ability to move up the ranks (Interview with Cosmopolitan salesperson, 2013).

*Figure 50: Cosmopolitan sales person taking prospective clients into Phase 5, Alveda Park, November 2013*

But these regional offices play another 'market intelligence' role too for Cosmopolitan - input on product development.

> So it's not somebody in Pretoria that's deciding what's happening in Soweto … They know exactly what's going on, what their market wants, what's the opportunities, what's the problems, what's not working, why certain developments not working … And it's because we don't operate from one head office and try to call all the shots from here. (Interview with Cosmopolitan managers, 2013)

The production of 'affordable suburbia' thus relies on intermediaries with access to social capital and 'market' knowledge that the white owners and managers up "in Pretoria" don't: the 'township' networks, buyer preferences, language, etc. While these sales teams may not directly threaten the terms of affordable accumulation, they take their commissions and some envision their own property-based futures independent of Cosmopolitan.

Alongside their "entrepreneurial" sales force, Cosmopolitan works at "continually creating market confidence" through more surreptitious dissemination of their name and logo (Interview with Cosmopolitan managers, 2013). Their message is "you're buying a Cosmopolitan house", not just any house. The regional manager elaborated: "when you drive around, you always see Cosmopolitan. That says it all. You don't need me to tell you by mouth, but by what you are seeing" (Interview, 2013). Their prowling leopard – on everything from billboards to car decals - is one such signifier. Not only does the leopard represent physical power, he told me, but it also commands another kind of power. "[W]hen folks see the leopard, they would think Cosmopolitan. Like the zebra and Investec" – an investment bank with a zebra in all its advertisements. "You can just have the leopard, and you know it's Cosmopolitan and one of their mega projects - you don't need any text". The leopard is, in reality, often accompanied by text: their motto, "Real Houses for Real People". When I asked him about that motto, the regional manager said they'd had that motto for a long time, to distinguish themselves from all the "fly-by-nights" that were active in the 1990s. Cosmopolitan perceives these branding tactics to have succeeded in shaping consumer desire. The managers at HQ claimed that "in the market, they will say, 'I aspire to owning a Cosmopolitan house', not just owning *a* house. They know Cosmopolitan very, very well". The fact that they're developing about 2,000 units a year since the property bust is deemed proof.

Without in-depth research into how 'capital' works on the demand end through advertising and desire-creation (Walker 1981), it is at least apparent that 'affordable' buyers are making decisions within a tightly constrained universe of possibilities. The Cosmopolitan managers even admitted,

> A lot of times they are just after the land: because nowhere can they buy serviced land, because there's no land developers; no banks will bond it, so land developers can't sell it to individuals. And whatever land is available, gets bought up by top structure developers. (Interview, 2013)

In this analysis, black Johannesburgers may not be buying 'affordable' 'dream houses' so much as strategically accessing monopolized urban land. They buy into the cheapest land in town in a mass-produced suburb to access 400m$^2$ on which to extend and refashion as they can, in the form they desire.

When I asked why residents hadn't bought existing housing in the Old South, for example, where some properties were going for similar prices, closer to the city and with more amenities available, I was told two things: "you hear too many stories" about these old suburbs (Interview with MT, 2013); and in newly developed suburbs, one knows a lot of people from "the old neighborhood" (Interview with RL, 2013). The "too many stories" trope spoke to the perception that 'affordable' former white suburbs are in parts of the city marked as dangerous, crime-ridden and inhabited largely by 'foreigners'. It is only when people can upgrade to higher value properties that they want to move into older, more middle class former white suburbs.[18] The other statement, about knowing people from "the old neighborhood" like Soweto, spoke to the perception that old connections in newly developed suburbs eased suburban life and community-building in various ways. For one buyer, it meant you didn't have to fight with white real estate agents or white neighbors who didn't want you to move in the first place or didn't like how you lived your life (interview with MM, 2013). For others, knowing one's neighbors from the old neighborhood was perceived to make community ties stronger from the beginning, helping protect one another and one's property and possessions.

Buying into a new suburb could also be about preserving property values, although this wasn't mentioned to me by the relatively few residents I met with. That said, I didn't meet any speculative buyers other than at a distance at sheriffs' auctions where young men were paying cash for repossessed properties to either rent out or flip – but largely in adjacent former white suburbs. I did meet two white landlords who had bought into 'affordable' suburbs to rent out. But generally the banks' statistics show that 'affordable' buyers are owner-occupants who don't own other property and who hold onto their properties for longer than the 'traditional' market. Besides, if they sold, where would they find a similar place for a similar price in the city's monopolized land market?

*Mortgaging the house*

In Cosmopolitan's model of in-sourced sales, the individual or investor buyer deals directly from the developer's staff, rather than intermediary estate agents. A first-time home buyer in an older Cosmopolitan development explained to me how she had had nothing to do with a bank or a real estate agent during her purchase and mortgage application process: the developer had intermediated all of that (Interview with MT, 2013). Cosmopolitan saves on realtors' commission, a saving they claim to pass onto the buyer, and acts as intermediary between the

---

[18] This is something that Johannesburg South enabled in a way that other parts of the city didn't: a wide range of property prices to move up (or down) to within relative proximity. The top rung in our conversations was usually noted as Soweto's Diepkloof extension and the 'new' South's 1970s former 'whites only' suburbs like Mondeor, Glenvista, Ridgeway, Ormonde, which are now very racially diverse and perhaps even gentrifying in terms of class: "there you find middle class, diamonds, managers, business people, people who earn more than R50,000" per month (Interview with Blose, 2013).

prospective buyer and the mortgage lender - the banks. Reciprocally, the banks have used Cosmopolitan and other developers as the first site of credit assessment, outsourcing some of the costs of mortgage origination to them (Interview with SA Home Loans managers, 2013). It is only after initial credit checks by the developer are successful that the buyer can submit an offer to purchase and a full mortgage application to the banks. In return, some of the banks provide special clearing houses for mortgage applications routed through developers.

However, that doesn't mean home finance is guaranteed for Cosmopolitan's buyers. This uncertainty is a huge source of risk for Cosmopolitan; end-user finance is the "one thing we don't have control over!" a manager exclaimed (Interview, 2013). As early as the interest rate hike of 1998, Cosmopolitan started looking for alternative funding models. One of those was the rent-to-buy model. Another is government's recently-launched FLISP subsidy (Chapter 5). More radically though, Cosmopolitan had just "started our own bank" the regional manager grandly put it. "We don't want to be beggars anymore" (Interview with Cosmopolitan regional manager, 2013). Finance, like everything else, would be brought in-house.

That June (2013), they had financed the first few hundred home buyers in an extension of Protea Glen. This was a classic case of instalment finance, that "particularly predatory form of accumulation by dispossession" that Harvey exposed in the red-lined African-American neighborhoods of 1970s Baltimore (Harvey 2012, xiii). Yet Cosmopolitan celebrated it as:

> a first for South Africa and an initiative uniquely developed by Cosmopolitan Projects, whereby an Instalment Sales Agreement (ISA) is signed and instead of a bank lending a client the money to buy a house, the newly established Cosmopolitan Financial Services (CFS) lends the client the money … CFS is a registered credit provider which extends credit to clients to buy houses on an instalment sales basis – similar to buying a car. (Cosmopolitan Projects 2013)

Similarly, the "title deed of the house will only be transferred from CFS to the purchaser once the loan granted by CFS has been repaid in full" (Cosmopolitan Projects 2013). If the buyer falls behind on instalment payments, or any bills, "the house will be taken away" (Interview with Cosmopolitan instalment finance team member, 2013). Here 'ownership' is rendered most nominal (Wyly et al. 2009), with none of the same legal protections from certain interest rate caps, eviction or the additional affordances of debt restructuring that go along with a mortgage. Another arm of Cosmopolitan, their rental management team, does the instalment collections.

But where has the money come from? Cosmopolitan tapped into start-up funding from the state, the NHFC granting them a R100 million loan at prime plus 1% (9.5%) for 380 houses to start. In the longer term, borrowers will cross-subsidize each other at a variable interest rate of prime plus 3% - "to cover costs and make sure we [Cosmopolitan] break even" a member of the CFS team explained (Interview, 2013).

Cosmopolitan "plans to roll out this concept to all of its affordable housing projects" (Cosmopolitan Projects, 2013), although in our interview the manager in charge of this assured me it would never replace bank finance. CFS is "purely to mitigate our risk regarding end-user funding" should "the banks decide to turn off the tap and not lend." It's also, she added, "a way for us to understand our clients better, understand the housing market better, and get dirty and understand why the banks are not lending, if they're not lending" (Interview with Cosmopolitan managers, 2013). It's a pedagogical tool, as well as a survival strategy for Cosmopolitan; and a predatory strategy in my view.

*Constructing the house*

Building the actual house appears as the tip of the 'affordable' iceberg at this point. Building plans have to be approved by both the municipality and National Home Builders Registration Council (NHBRC), although that usually only takes 6-8 weeks (Interview with Bauer, 2012). The NHBRC was a critical intervention at the end of the 1990s to protect home buyers, especially first time black buyers, from 'fly by night' developers and the substandard construction that had compromised houses built in the late 1980s township building boom.

Cosmopolitan uses their own in-house construction teams for 60% and contractors for 40% of their development (who have their own sub-contractors they are responsible for). After the housing price bubble burst in 2008 and no one wanted any more sectional title units, Cosmopolitan redeployed "entire teams" from its higher end subsidiary, Central Developments, into 'affordable' marketing and construction (Interview with Cosmopolitan managers, 2013). These teams were building whole houses in just 4-6 weeks.

Different subcontractors do the windows, electrical installation, painting, etc. Whether their labor generally came from 'men on the side of the road' often from neighboring countries, or "from the community to support the economy of the area" requires more research (Interview with Cosmopolitan regional manager, 2013). Managers at HQ stressed that both outsourced and insourced construction processes, on 'affordable' and 'gap' projects, are managed and quality controlled equally, as per government-specified building codes and through multiple building inspections. Their brand is at stake: every Cosmopolitan house has got a Cosmopolitan sign and a number on it (Interview with Cosmopolitan managers, 2013).

Some residents and observers were less sure houses were being properly built and inspected. As one resident put it, "sometimes developers buy inspectors, so that their house can be passed" (Interview with MT, 2013). There had been complaints in her neighborhood about subcontractors watering down cement to sell on the side. A local school principal claimed that since there were only two white building inspectors left in the City, the rest could be assumed to not be doing their job correctly and getting paid under the table (Interview with MG, 2013). He'd been watching the laying of concrete foundations, and was convinced that they needed a "month to settle", yet he saw building commence long before that. Cosmopolitan's contractors pouring cement in Alveda said it took only a week to set. And then the next round of "guys" would come through to start construction. Only those contractors building from the foundation up have to be registered with the NHBRC (Lee 2005, 133).

Few green building technologies are used as yet, other than the basics required by the NHRBC. Cosmopolitan blamed the market:

> The market is very conservative. And that's where alternative building methods are also a problem. Because the market wants conventional. They don't want anything else. They've been living in alternative structures the past 100 years, they want brick and mortar. That's what they want … They like the conventional stock-standard; don't come to them with different stuff. They don't understand it, and they don't trust it. (Interview with Cosmopolitan managers, 2013)

That said, many people request to make changes to the "stock-standard" during construction, especially to replace the "cheap finishes" contractors used (Interview with MT, 2013). But a core source of value in mass-production lies in keeping the product fixed. For the 'gap', it's generally a 40-60m² "shell" with two or three bedrooms. For the 'affordable', finishes on a 60-80m² three bedroom, two bathroom range from the "conventional" to the "Tuscan". Other than choosing between these, the individual buyer has little input; they "can't chop and change, and move a wall here, and add a thingy here" – "You can choose a color scheme – that's it" (Interview with Cosmopolitan managers, 2013).

Any deviation from the plan means extra costs, if Cosmopolitan knows about it at least. One enterprising buyer I met, with experience in construction management himself, was customizing his Cosmopolitan house *during* construction, by getting to the subcontractors in time with his own bathroom tiles, roof insulation and paint (Interview with RL, 2013). Every week during construction he went out to the house to check things were going to plan, testing the taps and window frames.

Of course, "once that house is bonded and transferred to the client's name, he can do what he wants". "And they do", the manager added. "People are there to stay", the regional sales manager told me, adding everything from walls to second storeys (Fig. 51). Residents save up, or take out second mortgages if they can, or borrow unsecured loans to cover these renovations, as well as open accounts at building materials suppliers who have prominent locations nearby. The investments evident in many homes were significant.

Walls are the first critical addition: the construction-managing home buyer above was trying to source the best wall-builder in the area. No one wanted to be the first to move into the new phase, especially without any walls up, he explained (Interview with RL, 2014). This issue of protection was significant. Fear of crime and lived experience of it was part of everyday life in 'affordable' suburbs. Many residents don't have the means to secure themselves behind access-controlled gates, house alarms or inside cars as more affluent property owners do. Instead, they are perceived as the unarmed front lines of suburbia in the city's extreme geography of inequality. Another older neighborhood situated in the thoroughfare between Soweto and Southdale had been trying for years to raise the money from residents to fence and gate the area (interview with TT, 2013). Across the road in Ormonde View, proposals to gate had been a contested issue, as one community leader recounted:

> those young people … came with a proposal for a gated community. 'Close everything down.' They wanted a boom gate, like we have in the northern suburbs. And there was a big debate around that.

For him, this debate was critical – "in the context of our struggle, we struggled for open communities. We don't want to become a closed community" (Interview with HR, 2013). But these longings for enclavization across race and class require further investigation.

*Figure 51: Transformed house in Alveda Park, Phase 2*

Behind the walls, new owners extend and renovate as they can. On every second lamppost in Cosmopolitan's developments, there are advertisements for housing plan draughters who churn out plans for extensions. In richer areas like Alveda, some opt for an architect; a few black architects have found critical niches transforming developer-built 'cookie-cutter' houses (Interview with DN, 2013). More common are unregistered '*bakkie* builders' – contractors with trucks (*bakkies*) for picking up supplies and day laborers. These arrangements come with huge risks for the home owner. When roofs collapse, bakkie builders are nowhere to be found (Interview with MT, 2013). But they offer a flexible, incremental route to extending piece by piece.

*Building neighborhoods and communities*

As for public amenities in these areas, such as libraries, parks, shops, schools, transport links, etc., the developers see those as 'council' responsibility. If various government departments don't take up the stands allocated to them for schools or clinics, developers feel "fully entitled" to convert them to more housing stands, "because we're, again, providing more housing" argued one of Cosmopolitan's managers (Interview, 2013). Conversely, some urban planners and local leaders saw these amenity-less developments as irresponsible (Interview with Barker, 2013;

Interview with Councilor Mogase, 2013) and contributing to crime (Interview with HR, 2013). But the truth is developers can sell their product just as well without amenities and infrastructure. Instead, the provision of those are outsourced to residents and their lobbying of the state or other service providers. In lieu of local police stations, one of the first structures to be set up by residents is usually a Community Policing Forum, a state-recognized neighborhood watch. Transport also had to be arranged. Residents of one Cosmopolitan development had connected their isolated neighborhood into transport networks by negotiating with the taxi associations to change their routes (Interview with MT, 2013) and negotiated with the Education Department to help bus kids to schools, since there are none in the area. Using these 'outside' amenities has been a source of local conflict, as school parents complain about overcrowding and bussing, etc. (Interview with Barker, 2013; Interview with MG, 2013). At any community meetings I attended, often convened by Community Policing Forums, when new housing developments were mentioned, the next question was 'where are the schools going to be?' Often times this discussion was shot through with racialized language about historically white schools being 'swamped' with students from 'black burbs' and townships.

Community Policing Forums were some of the few visible signs of associational life in 'affordable suburbia'. Crime had been a galvanizing factor for community-building in places like Ormonde View (Interview with HR, 2013). The line between crime-fighting and property investment was a blurry one: in the CPF meetings I attended, it was hard to parse out where issues of 'shack' settlements, illegal dumping in vacant areas, loiterers and 'foreigner-run' businesses were more about protecting residents from crime or more about protecting property value.

### *Conclusion*

So, to quickly summarize, the network producing 'affordable suburbia' is a small, localized one of white, Afrikaans landowners, developers and construction companies who've been in the business of 'black housing' for almost three decades with deep power over the land on the city's edges. They banked land on Johannesburg's cheapest southern and eastern edges through the racialized enclosures of late apartheid land releases *and* the crash of land prices after the housing bubble burst. The power holders in this network are those who can derive rents from both land development and mass-produced top structure construction. Cosmopolitan is adding a third accumulation strategy to that: instalment lending. These land bankers, together with their banks, control the supply and set the price of 'affordable' housing. Land development, however, requires negotiations with the now democratic state, where developers have had to re-build connections, grease palms or deploy 'affordable' rhetoric to get infrastructure extended into greenfield sites. Their modus operandi and spatial form has continued to privilege low density, mass produced stand-alone houses, entrenching sprawl, and with few amenities provided, reinforcing a sense of 'dormitory townships'. Residents organize to have those amenities provided. That said, these developers believe they are not shaping, but responding to, demand, for segregated suburban sprawl on township and suburban edges. Cosmopolitan for example bases this on their access to 'local' knowledge through their enormous sales corps—a sales corps who is critical to keeping the whole process going through their social capital, and cutting costs for the banks in mortgage origination.

## II. Producing 'Integrated Affordable'

### *'Affordable' place (2): Fleurhof*

On a pre-dissertation fieldwork exploratory drive, I was surprised to discover an enormous residential construction site next to the now-derelict mine houses of Rand Leases Mine where I used to visit my surveyor uncle and aunt in the 1980s. There, 13 kilometers to the west of Johannesburg's downtown and just north of Soweto, sandwiched in between some old mine dumps, was a mega-project in the making (Fig. 52). A project literally knitting together 'white' Johannesburg and 'black' Soweto across the mining belt and apartheid's "no man's land" (Sexwale 2013) (Fig. 53).

*Figure 52: Fleurhof Integrated Human Settlement from the west bank, October 2012*


*Figure 53: Fleurhof site in relation to Johannesburg, Florida and Soweto (GCRO 2016)*

Called Fleurhof after an older adjacent neighborhood, the mega-project in the making welcomed me with boldly painted medium-density apartment blocks and billboards advertising the many public and private partners involved in its financing and construction. From the National Department of Human Settlements, to the City of Johannesburg and its social rental housing agencies; the Gauteng Partnership Fund, First National Bank and Standard Bank, listed developer Calgro M3 and most unexpectedly, International Housing Solutions (IHS).

Some of the apartment blocks contain social rental units, managed by various quasi-public housing agencies; others are ‘free market’ rentals and for-sale units (Figs. 54-7). You can tell the difference by the quality of the fencing and security around the latter. Sales agents handed me a brochure on the corner, advertising units from R289,500 up. “Raise your children here” the brochure declared; “Buy straight from the developer and cut out the middleman”. Behind the ‘free market’ blocks are streets of stand-alone houses. These are the ‘free market’ for-sale houses (Fig. 54). On the other far side of the development are more stand-alone houses, but of much more modest spec and plot-size. These are RDP/BNG houses (Fig. 55); complimented for the first time by medium-density RDP apartments for ownership (Fig. 56). I would get to go inside one of these buildings during construction on my next visit to Fleurhof, with asset managers visiting their key sites of investment. A “shack with a view” one of them scathingly called it. It wasn’t a shack, but it was certainly a hollow 40m² shell.


*Figure 54: IHS-funded stock for sale in Fleurhof, with their apartment blocks behind, October 2012*

The managers explained that there were to be 4000 RDP units together with 4,500 ‘free market’ rental and for-sale units, together with another few hundred social rental units for households earning up to R7,000 (Fig. 57). Approximately 9,000 units, 8 schools and 3 crèches later, Fleurhof would be an ‘integrated human settlement’ of another order, in the policy language of the day.

*Figure 55: RDP or BNG (low-density) in Fleurhof for households earning less than R3,500/month, October 2012*

*Figure 56: RDP or BNG (medium-density) in Fleurhof, September 2012*


*Figure 57: social rentals in Fleurhof for households earning between R3,500-R7,000/month, September 2012*

The government's housing policy direction since 2004's *Breaking New Ground* has been to create mixed-income, mixed-tenure, mixed-density housing estates—'integrated human settlements'— with shared amenities through public-private partnerships. Cosmo City had been Johannesburg's pilot on the northwestern edge, where banks got a chance to try their hand at 'affordable' housing construction on state-assembled land (Chapter 4). Unlike Cosmo, Fleurhof was not some "isolated township" miles from the city; IHS' investor relations manager described it as "breaking down apartheid barriers" by connecting Roodepoort and Soweto (Interview with Lamoreaux, 2012). She considered Fleurhof "the only truly integrated project probably in South Africa".

But it wasn't yet a 'settled' integrated settlement: Fleurhof was land under multiple claims. On the western bank where construction hadn't yet begun, the yellow earth was carved up into multiple tunnels by *zama zama*[19] miners scouring the city's old mine dumps and abandoned shafts for gold. There was a former mine hostel fully occupied, with an attached informal settlement. Contractors like "Down to Earth Civils" were steadily encroaching on the hostel with roads and streetlights. I was told that these hostel dwellers and informal settlement were being "managed", promised RDP housing elsewhere by the state (Interview with Lamoreaux, 2012). At the end of 2013, the old hostel had some new neighbors: still-empty 50m² houses enclosed by coils of barbed wire and fences, guards patrolling against illegal occupiers. Apparently residents of the hostel's attached informal settlement had tried to move into the new houses until they were kicked out by the notorious private anti-eviction squad, the Red Ants.

### *Overview of the network (2)*

It's the multiple claims, social and ecological, on the Fleurhof site and its vast scale of social engineering that makes it an arresting place to think from. It offers a vision of the future postapartheid city, made material not just through the technocratic 'public-private partnership', but through the enrolment of contested and potentially contaminated land, new policy, a multitude of state agencies, bank finance, new flows of institutional finance and their asset managers, medium-density architecture, big listed developers and many different kinds of residents. This is a differently networked set of 'glocal' agents to those discussed in the first section, producing different 'affordable' places, what I call here 'integrated affordable'.

[19] The name for illegal artisanal gold panners and underground miners.

In thinking about this as a production network, the key actors are the financiers, who range from the Big Four Banks to, more uniquely, the private equity funds bringing new forms of developer finance to the table. Then there are the developers: which include some of the actors we have already met in 'affordable suburbia', like Cosmopolitan, but more commonly it's the powerful listed 'super' developers like Basil Read[20] and Calgro M3 who, although they may not have the same mega-sales teams as Cosmopolitan, have the right black economic empowerment (BEE) credentials, pragmatic business models and wider range of building expertise to plug into these projects. They also sometimes have land that needs developing but requires state power to deal with its ecological or social contestations. The state, then, in its various entities, is more inside this network more than out, bringing its stocks of land and its bureaucratic power to bear in enabling the production of these 'integrated' places.

This production network's accumulation possibilities rest more heavily than 'affordable suburbia's' on redistributional rents – land value increased through public investment or subsidy. 'Integrated affordable', with its mixed tenures, relies less on creating differential rents through segregation of different land uses. Also different to the 'affordable suburbia' network is that some of those rents will be more widely distributed through pension fund structures, or to shareholders for publicly listed companies. But producing these rents requires finding land in the first place, and then convincing South African residents that medium-density living and mixed-tenure are desirable. It also requires, especially for transnational financiers, the socio-political and technical knowledge of local allies to negotiate between a large set of public and private partners, and channel political will and public budgets into the places with the best rent potential.

In what follows I use one actor, the IHS private equity group, to reveal the other actors in the network, their power relations and strategies, through the series of production practices used in Part 1. Why IHS? They have financed thousands of new units in places like Fleurhof, injecting infamously scarce 'affordable' stock into Johannesburg's housing market.[21] IHS has also worked hard at enabling these public-private partnerships, plugging into 25 public-private partnerships

---

[20] A giant construction company who also does significant amounts of RDP and 'affordable' construction alongside its other portfolios (especially important in Cosmo City) (Hedley 2013).

[21] By the time I arrived for my fieldwork in 2012, IHS had developed 25,000 new-build units countrywide – mainly in Gauteng. The much bigger, but slower, Old Mutual HIFSA Fund was aiming to deliver 67,000 "affordable homes" through development finance and individual housing loans (Old Mutual in CAHF 2014).

by 2012. Alongside these good relationships with the state, their equity gives them power to shape which developments do and don't get funded, even though they don't hold land. They also work closely with their developers to shape the terrain and produce 'affordable' assets in the most 'fundable' form – which is pushing 'integrated affordable' towards different tenures, different densities, different partners and different circulations of surplus value. How they 'exit' those assets also has great power for the lives of residents: whether as rental units or ownership. Overall, they are a game-changer in the 'affordable' market. More pragmatically, IHS gave me generous access to their staff and sites (Fig. 58). As their technical specialist told me after an eight-hour site visit together: "We have nothing to hide".

*Figure 58: Driving around the city region with IHS technical and asset managers, October 2012*

### *Practices of production*

*Assembling land and servicing it*

IHS got involved in the Fleurhof mega-project through a local developer, Calgro M3, who sold them a 30% stake (*Financial Mail* 2009). Calgro M3 is one of the hottest up-and-coming developers on the scene, with an AltX listing in 2007, and then a JSE Main Board listing in

2012. They had a booming share price during my fieldwork.[22] They had been operating since 1995 as a side project of property royalty from the north of Johannesburg (the Steyn family).[23] But it was in 2008-9 when the housing bubble burst that Calgro M3 restructured to focus on "the lower end of the market"– a restructuring that their CEO credits with their great success since (*Moneyweb* 2012). That charismatic CEO, another well-remunerated white Afrikaans man, was highly visible in the public sphere compared to the developers described earlier.

Calgro's role in the production network began, like all the powerful developers we have met so far, with land. They had sourced the Fleurhof site, which was not far from their very first "lower end of the market" development, Pennyville in 2008, but found it would cost a lot to re-zone, service and establish a township there. This was due to Fleurhof's location on former mine-owned land, requiring environmental impact assessments for undermining, radioactive mine dump dust, water contamination and radon levels (Interview with Lamoreaux, 2012). It was also occupied land, whose hostel and informal settlement residents would need to be removed. So they approached the state to develop the site as an 'integrated human settlement' (Interview with Lamoreaux, 2012), mobilizing its location between Soweto and Roodepoort in an apartheid buffer zone. And with that support, First National Bank provided finance for the land purchase (*Housing in Southern Africa* 2013). The land was declared to not need any rehabilitation prior to construction and ground was broken in 2009, with a R2.8 billion phased budget and a multitude of partners. Had the land been declared contaminated or significantly undermined, a civil engineer told me, the chances of 'integrated affordable's' rents covering it were unlikely. Land compromised to such an extent is more likely to be developed for higher value commercial warehouses, or most recently, China malls, or else, just left undeveloped until someone's willing to pay (Interview with Bennett, 2013).

---

[22] In 2013 Calgro "reported a 55% rise in full-year revenue in May as it built large-scale housing developments in partnership with the government and lenders**.** The share price has climbed 48% in the past year" (Brand and Cohen 2013)

[23] They started out as two companies, Calgro and M3, led by quantity surveyors. Calgro was run by the famous property-developing Steyn family who now have their very own satellite city in Northern Johannesburg for the "super wealthy" to boast of – Steyn City (*Businesstech* 2015) and for which whole informal settlements were removed (*Finweek* 2015). They joined forces with M3's Malherbe brothers to become Calgro M3 in 2001, developing for the mid-high income market until they listed in 2007 on the AltX (Calgro M3 Holdings 2015, 16). After the property price bubble, they restructured, repositioned and listed in 2012 on the JSE "main board" as South Africa's leading 'integrated' developer.

Calgro's approach is distinctively different to 'affordable suburbia' developers, although their capacities cover a similar gamut from land acquisition to township establishment and bulk infrastructure installation, as well as marketing, sales, and 'top structure' construction (Calgro M3 Holdings 2013a). Although also white Afrikaans-run, they are publicly listed, in possession of a black economic empowerment rating and proactively partner with the state and institutional investors like IHS. In these publicly-mandated 'integrated settlements' and other 'township regeneration' programs, the state eases access to land in various ways – negotiating any contestation on that land, pushing through town planning approvals faster, and subsidizing land servicing. For example, in a "township regeneration" project in the "heart" of Soweto, a neighborhood called Jabulani, Calgro and IHS had accessed central and well-connected City of Joburg land to develop 'affordable' housing in return for building a Community Theatre (Mhlanga 2012). In greenfield 'integrated developments', developers get discounts on the bulk infrastructure costs for any units they sell to households who earn less R15,000.[24]

All of this increases redistributional rent. Calgro figured out that "the biggest opportunity in the property market" lies in these integrated developments, and has repositioned their business accordingly (*Moneyweb* 2012). As the CEO of RBA Housing, another affordable developer that was in the doldrums during my fieldwork, explained: Calgro had been "very successful" in "accessing land through Council" as well as going "down the route where there funding was available" – and for this MD, that funding was "institutional funds to build for social rental and for rental … I don't think Calgro is as focused on the end consumer who's looking for ownership" (Interview with Rothman, 2013).

*Financing and designing development*

Calgro had certainly tapped into more varied tenure forms than those developers in 'affordable suburbia', doing development and construction for anything from "RDP/BNG fully subsidized housing" to "Social, GAP and rental housing" to "Affordable housing" to "Mid-to-high income housing" (Calgro M3 Holdings 2013a). Development finance for RDP and social rental housing comes from the state. On RDP units, developers receive a R125,000 subsidy per unit (for which they deliver the bare minimum, essentially 40m² of concrete shell). But for 'free market'

---

[24] It seems that government grants covered R20,000 of bulk servicing costs per stand at Fleurhof (Interview with Odendaal, 2013).

‘affordable’ units – which make up half of a site like Fleurhof – other sources of development finance are necessary.

That’s where IHS has stepped in. Their timing had been key. After the housing bubble burst, developers, who often had access to land that IHS didn’t, were searching for alternatives to scarce bank developer finance. “Alternative financiers” like IHS and Old Mutual’s HIFSA had filled that gap, funneling more expensive, but available, finance directly to developers to build ‘affordable’ stock for both ownership and rental (Interview with Lamoreaux, 2012). At Fleurhof, IHS sunk substantial equity into the ‘free market’ units, as stand-alone houses and in four apartment blocks for rental and ownership. In Jabulani, IHS had invested R114.6 million in a partnership with Calgro to deliver 4 141 medium-density “affordable homes” for rent and sale (Mhlanga 2012) (Fig. 59).

*Figure 59: IHS rental assets in Jabulani, Soweto, October 2012*

Ironically, some banks even brought developers to IHS for funding. Their technical specialist told me that this gave IHS the power to pick and choose their investments, on average 1 in 16 (Interview with Odendaal, 2013).[25] Unlike banks, IHS provides their developer funding on what's called "a part-ownership basis rather than interest based income" (*Financial Mail* 2009), so they become closely involved as part-owners in the development. "Developers thought we were nuts with all this reporting" exclaimed their investor relations manager (Interview with Lamoreaux, 2012).

Private equity finance, rather than bank debt, means different things for development design. These are not plot-by-plot projects like 'affordable suburbia': equity allows developers to build in batches and then find occupants. Scale is particularly important for institutional investors, a local property economist explained. Investors want big, dense "billion rand housing developments", even better if they're on well-located land that creates the kinds of values that can "compete against other uses" (Interview with Viruly, 2012). This kind of built environment is "more fundable, more bankable" (Interview with Viruly, 2012), and one that Johannesburg's segregated sprawl hasn't generally provided since the mega blocks of Hillbrow were built in the 1950s-60s. Equity finance's ability to fund much bigger greenfield developments, at 1-2,000 units, offered the possibility of those more 'fundable' built environments. But we also see IHS pushing a more diverse range of densities and tenures than bank finance in 'affordable suburbia'.

Equity financing also comes with an exit strategy. Each IHS' fund is 10 years long. In Chapter 5, I discussed how IHS had moved its exit strategy increasingly towards rentals – in part because of a lack of mortgage finance at that time, but I argued it was informed more by high returns in the short-term and then the possibility of selling those rental assets to newly established REITS as their exit strategy. What this means for managing the units afterwards, I will discuss shortly.

*Township establishment and building*

Since Fleurhof, International Housing Solutions (IHS), has chosen to limit their involvement with 'raw' land. They now only work with land *after* its re-zoning and servicing because of the delays and risks involved vis-à-vis their fund's tight exit dates and investor expectations. This

---

[25] Out of the 516 development projects they'd assessed by 2012, they did detailed assessment of 70 projects, and finally approved finance for 38. Some of the remaining applications were funded by Old Mutual's HIFSA fund.

means they go where the land developers are already at work, and that's also 'affordable suburbia' sometimes where they have financed apartment blocks in Protea Glen or on the East Rand. They don't just work in 'integrated' sites with Calgro and the state.

This access to the 'affordable suburbia' network as well as their negotiations with the state's planning apparatus are mediated heavily by the local knowledge and connections of IHS' technical specialist. An older Afrikaans civil engineer, he had a long history inside the state, on either side of democracy (from the Transvaal Provincial Authority to the Gauteng Department of Housing for a decade). He knows the big landowners from 'affordable suburbia' well. At the same time, getting council approval on IHS' developments is just "a phone call away" (Interview with Lamoreaux, 2012), although he felt that his job has gotten harder since "cadre deployment" in technical departments and planning offices from 2003 (Interview with Odendaal, 2013). "Cadre deployment" is both a racial inference to the increasingly black staff of the state, but also a political party inference – that ruling party insiders are being given promotions they may not qualify for. It's difficult to tell which he was meaning, but probably a combination of both.

*Marketing and selling the house*

Like the banks, IHS relies on developers to sell their 'for sale' units for them. In fact, they can't even control who they sell them to – the buyer might earn more than R15,000, and not be in the 'affordable' category at all (Interview with Lamoreaux, 2013). They don't struggle to sell their stand-alone houses – they have sold out whole low-density phases at a time in Fleurhof. The area's proximity to the mine dumps doesn't seem to have affected demand, as some researchers predicted from their survey on the trade-offs of living on riskier mining land vis-à-vis proximity to the city (Simons and Karam 2008).

But it's the apartments 'for sale' that sit. This proved to be a conundrum for various investors vis-à-vis their affordable assets: demand and density. In Fleurhof for example, IHS was only selling stand-alone houses at that time, since they couldn't sell apartments if there was still stock in the stand-alone housing. People refused to buy them, especially since their prices are very similar. So if they can, IHS staggers the sales of houses and apartments, renting out their apartments in the meantime. If they can't, they're "sentenced" to always rent their properties out, an asset manager explained, since buyers will find a stand-alone house nearby. Unless they can find a REIT or an institutional investor to take them off their hands, like in Jabulani, Soweto where they had sold whole blocks of walk-up apartments to institutional investors.

Their apartment rentals in the ever-expanding Protea Glen illustrated this conundrum. An unusual “Res 3” (medium-density) development surrounded by much older single-stand houses, this infill development of IHS had been struggling to sell its apartments for R350,000 for two years. “People still prefer stand-alone houses”, the asset manage said; apartments for sale (sectional title/condos) only works in “established areas”, not greenfields. IHS was hungry for more market research on sectional title interest in the “townships”. In a similar reading of ‘demand’, a German property investor explained that the challenge to ‘integrated affordable’ and planning imperatives that emphasize a mix of densities and tenures is that people still want their stand-alone house with more square footage (Interview with Bauer, 2013) .

So in the meantime, IHS rents their sectional title units to individuals and employers through property management companies, some of whom are operated by the developers too. The Protea Glen units were under the management of one of the city’s biggest property management companies, units going for R3,600/month for 2-3 bedrooms. 60% of the apartments were rented by Goldfields for their mine employees. These rental management contracts are lucrative and sought after. IHS discovered some of their developers were purposefully *not* selling units to individual buyers because they could make a lot more selling them to investor buyers who would then also pay them to manage the rental of that stock (Interview with Odendaal, 2013).

## Conclusion

So rather than summarize ‘integrated affordable’ on its own, I conclude here by way of brief comparison between these two ‘affordable’ production networks and what their ‘affordable’ places might mean for the repetitions and ruptures in post-apartheid spatialities but also post-apartheid capitalism.

Before we get to ‘affordable’ places, these networks are differentiated in terms of actors, finance and strategies of accumulation. These include the kinds of development firms (listed, unlisted; BEE, not BEE); the kinds of land and developer finance circulating (private equity versus bank debt versus firm equity); the tightness or looseness of relations with the state (public private partnerships or negotiations through the planning bureaucracy); the kinds of intermediaries they rely on (extensive marketing teams or not); which accumulation strategies are primary (redistributional rents versus monopoly and differential rents, as well as interest from interest-bearing-capital in the form of instalment finance) and the ways that those profits are shared and how (with a wider body of shareholders or investors, or the owner-managers and the unlisted firm; more financially mediated through the stock exchange or not).

Even *within* networks, these profit distributions are uneven. If my research is correct, Calgro M3's shareholders are mainly the company's executive and their family trusts,[26] while the investors behind IHS represent a much wider swath, including South African parastatal pension fund members. Here lies an opportunity for more popular and deracialized distributions of shareholder value, but with its own risks and ambiguities ('affordable' investors who may not themselves be housed 'affordably').

Power distributions *within* both networks are also uneven: Calgro M3 seems to have dominated the 'integrated affordable' on the development side, like Cosmopolitan in 'affordable suburbia'. Their socio-spatial positionalities are both rooted in their privileged connections to landed property and the racialized enclosures that produced it. And this is not just any landed property – it's those 'rawest', cheapest and perhaps materially-compromised forms around the city's edges and buffer zones, accessed either through other members of the network, 'community' contacts and equity. Taking advantage of conjunctural events – like the housing price bubble burst – have also been key to their power over others. Actors in both networks derive power and additional rents through successfully mobilizing the developmental nature of 'the affordable market' to steer public infrastructure their way (creating redistributional rents) and influence policy. 'Integrated affordable' has been more successful at this, but increasingly, both networks are doing this lobbying work together, through joint structures like the recently rejuvenated South African Affordable Residential Developers Association (SAARDA).[27] In 2014, SAARDA

---

[26] According to company records from 2013, 40% of shares were owned by Directors and associates; 60% public. Of these, there were 10 shareholders who control 73% of all shares (the largest of whom looks like the Directors' family trust – BPM Family Trust). Others I've never heard of, including an investment company (Snowball Wealth) (Calgro M3 Holdings 2013b).

[27] They have more than 50 members, including lawyers and supporting consultants. "All the top guys from the companies are involved, like Anton Crouse from Cosmopolitan, Barry Stegman from RBA, Basil Read … the other big company Calgro … We're just going from strength to strength: we've got regular meetings; we've got a committee; we've got regular golf days and social functions" (Interview with Levin, 2013). Levin specifically mentioned their current lobbying to increase the property price that can qualify for the new FLISP subsidy (Chapter 5), set at R300,000. In 2014, this cap was lifted altogether. They are

signed a pledge with the Department of Human Settlements to partner in their new mega-integrated human settlements.

Finally, these power nodes rely on and are shaped by their ability to tap into ‘local’ knowledge and social capital, whether through Cosmopolitan’s massive sales corps or IHS’ technical specialist. This works to ‘smooth’ the production process in various ways, but also shapes its spatial strategies in the first place – where ‘the market’ will pay the price the developers are after, in what form. And here’s where ‘affordable suburbia’ thinks they hold the upper hand: they perceive the desire for the new build suburban stand-alone house to be very strong. As one ‘affordable suburbia’ developer theorized it:

> South Africa’s fascinating, and it’s probably got long political, historic reasons for things being a certain way. The level of interest of consumers in alternative building technology is very low. And that’s because I think people expect the same kind of product to be delivered to them as historically was delivered into white communities. People want a house with a garden. At some point in their lives. People live in apartments and flats, but at some point they want something that’s suburbia … So do I think you can force everyone into high rises in and around transport nodes in a city? No. (Interview with Rothman, 2013)

‘Integrated affordable’ cannot respond to these demands. Although an “institutional framework for providing lots of capital for residential property rentals” through listed property companies is emerging (Interview with Rothman, 2013), pointing to potential shifts in the ‘affordable market’ *away* from an ownership model, residents may not accept these terms as easily as financiers like IHS imagine.

This brings us to the kinds of material places being produced by each network. Both networks subscribe to economies of scale thinking and mega-project sites. As one banker put it: scale was everything with ‘affordable’ housing’s low returns. “You have to create scale. Big volumes. Create large asset bases and make it profitable by sheer size and volume” (Interview with Barnard, 2013). “[W]e are entering a new era of mega projects”, 3,000 units at a time, Cosmopolitan’s Johannesburg Director announced in the staff newsletter that year (Cosmopolitan Projects 2013). This is very much in keeping with the recent policy turn by the Gauteng Government who in 2015 launched a provincial mega human settlements program. Who shaped who’s thinking on the matter is a question to be posed.

---

currently lobbying the Province of Gauteng for lower bulk contributions for ‘affordable’ projects and quicker development approval processes. The state is apparently considering various kinds of developer-targeted concessions, e.g. like in the US tax bonuses.

But as this chapter has shown, the spatial and material forms these mega projects take can be quite different in terms of density (low versus medium or mixed); their proximity to, and connection with, the city (peripheral or more central, often dependent on state land assembly); the kinds and amount of amenities provided (none or some); and the tenures supported (ownership versus rental or a mix). ‘Affordable suburbia’s’ form generally consolidates apartheid’s racial and spatial fragmentation, while ‘integrated affordable’ has the potential to build new connectivities and centralities. However, the increasing trend towards the ‘mega’ in ‘integrated human settlements’ policy may soon reverse that, as edge developments of massive proportion are pursued (Fig. 60). And while its feels like one type of ‘affordable’ place represents the past and the other, the integrated future, they might not end up being that distinct in the end, as land ‘scarcity’ pushes ‘integrated affordable’ further and further to the edge, and ‘affordable suburbia’ gets better at steering state infrastructure and amenities their way. But there is more room for contesting and shaping this with ‘integrated affordable’ than with ‘affordable suburbia’.

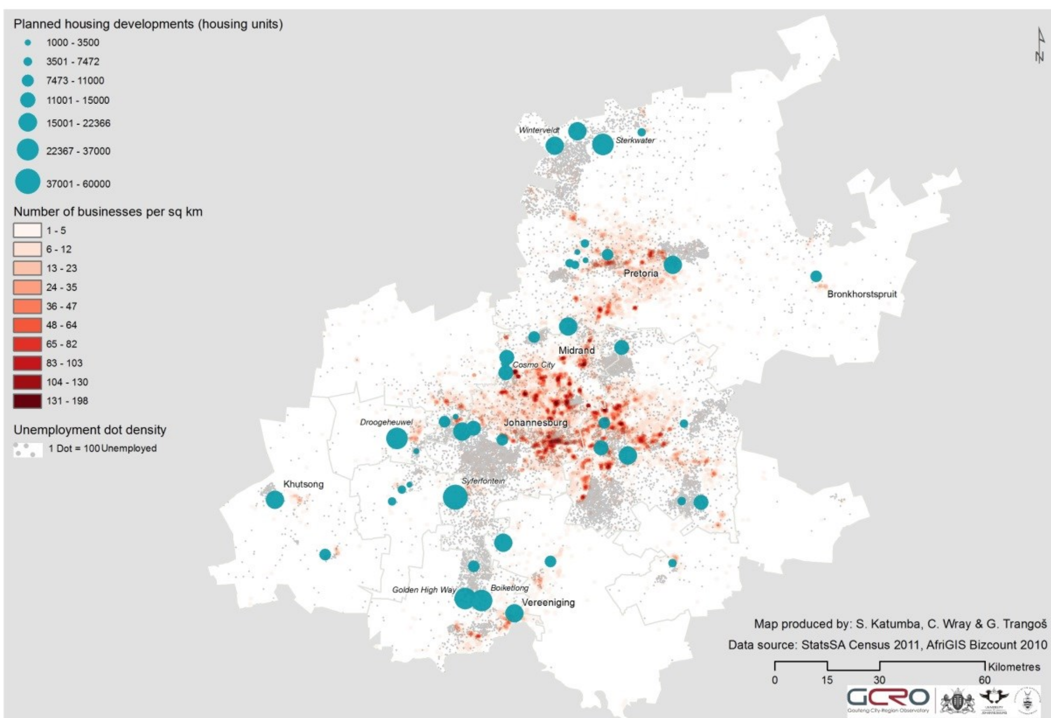


*Figure 60: Planned public housing developments in Gauteng (Katumba, Wray and Trangoŝ 2015). The bigger the teal bubble, the greater the number of units planned (mega-projects); distributed mainly on the urban periphery (far from economic opportunities marked in red).*

One final racio-spatial rupture, which I will only pose and not develop here, might be how ‘affordable suburbia’ ambiguously deconsolidates white monopoly landholdings to many black property owners, but on highly indebted terms. Is this the terms on which the unresolved urban land question will be ‘resolved’? Under vulnerable forms of ownership, more resembling tenancies under the landlord bank or developer, especially under instalment sales (cf. Wyly et al 2012)?

# CONCLUSION

## Three post-fieldwork moments consolidate the ‘affordable’

After I left ‘the field’, 2014 clocked a significant increase in the amount of ‘affordable’ housing finance distributed in South Africa. Having averaged around R7.5 billion per year between 2011 and 2013, 2014 saw this rise to over R10 billion (CAHF 2015, 3). The National Credit Regulator “commended” banks for increasing their mortgage lending (NCR 2014) – a sign, they hoped, that the unsecured lending bubble had ended.

That same year, statistics from the Department of Human Settlement showed that South Africa’s public housing provision had halved since 2006/7 (Africa Check 2015).  The Minister of Human Settlements announced that the age of state-provided ‘free housing’ and its “syndrome of dependency” was over (Endsor 2014). Except “‘for elderly and indigent’” (Sisulu in Phakathi 2014), everyone else would have what she called ‘affordable’ “housing opportunities”, mainly in the form of public-private rental housing.

Some of those “opportunities” were going up behind the house where I’d rented a cottage in the Old South. On a large stretch of vacant land, ground was broken in 2015 on the city’s latest mega ‘integrated human settlement’. After years of middle class (and increasingly multi-racial) NIMBYism, the South Hills project of 6,000 mixed-tenure units was going ahead on city-owned land only five kilometers from the city center and next to lots of existing infrastructure provided for former white working class and middle class suburbs around it. Standard Bank and Calgro M3 have been awarded the plus R2 billion tender for South Hills. This impressive socio-spatial intervention – a form of ‘integrated affordable’ - will transform former white suburbia, but also reclaim treacherous and rocky veld known better for crime, murders and a place for bodies to disappear in. Its ‘illegal’ occupants – the homeless and informal recyclers who use it as a sorting depot – will be removed. And they would not be the first – there was a land invasion here in 1996 that was summarily removed. Meanwhile, neighboring property owners have been selling up before the development broke ground, and no one wanted to buy. Calgro M3’s share price continues to rise.

### Thinking geographically and genealogically from the aporia of the 'affordable'

There is a way in which I should only be starting this project now, as the 'affordable' property and debt infrastructure comes into its own. But the aporia of 'affordable' housing remains the same. We can't *not* do 'affordable' housing. South Africa needs more of it. In the most unequal society in the world, its capitalist space economy structured by and reliant on deeply racialized inequalities, 80% of the population remains mortgage ineligible. Although the democratic state with its constitutional and political mandate has built approximately four million houses for the poor since 1994, we still need more 'affordable' housing. A recent campaign launched in Cape Town called #ReclaimtheCity is making those demands explicit: we need 'affordable' housing in the city, not the periphery, to challenge apartheid spatial planning and work towards spatio-racial justice. International Housing Solutions' 28,000 actually existing 'affordable' housing units are surely more helpful than more pension-funded shopping malls.

But the question posed to me by that student at the University of the Western Cape two years ago continues to haunt: who decides what is affordable for who? Sometimes, as a longstanding land and housing researcher noted, 'affordable' has to mean free (Royston 2014). This jars with industry definitions which push the categories of 'affordable' ever higher with strategic benefits. 'Affordable' as free also jars with the state's increasing focus on 'deserving' beneficiaries (Phakathi 2014), especially its own workers and the new subject of development – the growing middle class (Ballard 2012).

This dissertation has shown how the diverse, multivalent concept 'affordable' is put to use. It can serve many purposes and agendas, from the radical to the predatory. Its borders contract and expand, to include and exclude new sites and subjects, in relation to conjunctural events elsewhere. New forms of accumulation, subsidization and precarity are produced through these shifting enrollments in the 'affordable' property and debt infrastructure. But so too are new built environments, new employment for the construction industry, new tax revenues for a theoretically redistributionist state, and potentially in ways that challenge apartheid geographies.

It is this aporia of 'affordable' housing that offered my dissertation a productive site to think from, both geographically and genealogically. Geographically, the dissertation enriches our understanding of the role of housing in contemporary capitalist political economy (Aalbers and Christophers 2014) through a decentering move to the South, and by a focus on mid-range actors and institutions that draw out new socio-spatial relations that are not visible in systemic scale of ‘financialization’. In relation to South African economic and urban geography, the dissertation opens new sites and spatialities of investigation via the black-boxed ‘private’ market and ‘supply side’ actors (rather than another study of nationally-bounded housing policy and practice) and in between the overrepresented ‘slum’ and ‘citadel’ in the “city of extremes” (Murray 2011), in the understudied in-between of the suburban (Mabin, Butcher and Bloch 2013).

The dissertation’s genealogical approach also confronts geographical political economy and South African urban geography in key ways. Rather than looking for repetitions of the subprime in the south, the dissertation has worked to situate the ‘affordable’ within a long genealogy of Johannesburg’s property and debt infrastructure. We learn that what is marked subprime – higher risk – is always constituted through longstanding discourses and practices of racialized dispossession, segregated ‘rules of property’ and racialized metrics of ‘good’ borrowers and ‘valuable’ spaces made contingently in place. We have to read the contemporary market-making work under the name of the ‘affordable’ as connected to those embedded discourses and practices, not just the circulation of new financial instruments. These market-making moves work to redistribute risk and open up new avenues of accumulation at conjunctural moments. These moves socially embed the ‘affordable market’ in ways that redistribute racialized risk in South Africa’s property and debt infrastructure away from domestic corporate capital: through new forms of state subsidization, ‘market devices’ that make borrowers responsible for their own risk, and that attract new streams of private investment who’s pension fund members provide the equity.

Like many other urban geographers before me, this project has been part of the wider project of thinking about continuities and change in the postapartheid city. I have tried to articulate that project too with an investigation of the continuities and change in racial capitalism. It is in housing’s connections to land that we bump up against one of the most obdurate and entrenched forms of racial power in Johannesburg’s property and debt infrastructure. The final section of the dissertation illuminates how racialized enclosures constitute the basis for accumulation in the production of Johannesburg’s ‘affordable’ places. Rather than the “highly diverse, fluid and unstable landscapes” (Coutard and Rutherford 2015) that are preferred sites of study in new African urbanism (although not necessarily South African urbanism), ‘affordable’ suburbanization confronts us again with material and obdurate power formations.

The dissertation's political contribution lies here. The dissertation has illustrated how market, supply, demand and price are all constructed categories. Rather than taking for granted 'the market's' natural or "financial logic" (Genesis Analytics 2008), what are the ways for intervening in these constructions? Perhaps refusing the too malleable adjective 'affordable' would be one. But another would be to intervene more effectively and equitably in the urban land market. For the state and its agencies, this would mean spending less time and energy on engineering financial subsidies which are at the vagary of interest rates, shareholder ROE and transnational capital flows, and more investment in assembling land from its own stockpiles or through the constitutional powers it already has to expropriate in the public good. As a developer himself told me at a public event: the state should be snapping up land around all peripheral developments, instead of allowing it to rise in value, having the private sector buy it up, and then the state paying them rent to service and develop it. The state is finally turning this way it seems after little intervention in land markets (Harrison and Todes 2015), or at least of the constructive kind.[1] The City of Johannesburg has a new land use database (Ahmad and Pienaar 2014, 103); the state has a relatively new Housing Development Agency (HDA) (2009) to assemble public and some private land for human settlement projects (Interview with Rakgoale, 2013). There have been recent discussions in the Department of Human Settlements about better tools for land acquisition (Parliamentary Monitoring Group, 2015). How justly those assemblings and acquisitions will be meted out is the work of politics.

In addition to these state interventions, 'community' activism in Johannesburg's urban land market has a much longer history, via land occupations particularly. But this tool, at least as a political one, is seen as the preserve of the urban poor. What might we middle class subjects learn from these different models of property and land economics? I am thinking here about community land trusts for example, and other means to remove the speculative element from ownership models. A constitutive part of this would be re-shaping the forms of our postapartheid property desires. What would it take for us to aspire to denser living in multi-use spaces, homes that are actually 'affordable' as well as more autonomous from speculative flows and supportive of more sustainable ecologies? Perhaps the limits of our suburban dreams are already making

---

[1] During my fieldwork, the Department of Human Settlements was busy bulldozing illegally constructed houses on public land next to the former Indian 'group area' Lenasia, on plots that people had been 'sold' by enterprising department officials – and these were middle class houses to boot! The longer practices of shack demolition have had to be tempered somewhat after new informal settlement upgrading – rather than removal – became policy – and since the courts made some important anti-eviction rulings.

themselves apparent. Despite their rising share price, ‘affordable’ developer Calgro M3 recently entered the private cemetery business (Cokayne 2016).

## METHODOLOGICAL NOTE

### Placing the 'affordable market': Why Johannesburg?

In approaching South Africa's residential property and mortgage markets, and how those were manifesting under the name of 'affordable' property, Johannesburg was the place from which to think these questions. It sits at the heart of the country's economic "engine" – the province of Gauteng (Everatt 2014, 71). Gauteng is the node where these flows of money, land, people (all 12.3 million of them) meet. Within Gauteng, Johannesburg is the financial hub, where I could locate the big banks and think tanks, visit their archives, and attend their events. Johannesburg is also home to many real estate firms and a density of appropriate developers. It holds the country's largest stock of 'affordable' properties, as well as being home to half the nation's credit. These 'affordable' properties sit in iconic townships like Soweto, desegregating former 'white' suburbs, as well as the myriad new developments on the city's edges and in-betweens that offer "entry points for many into middle South Africa" (Bremner 2004, 42). Gauteng is also where there is greatest volume in demand – from the large 'emerging black middle class'. And so it is in Gauteng that the process of desegregating *property ownership* (if not the city) appears to be much further along that in the Western Cape for example. A private data company reported in 2014 that "in the Western Cape for example, only 2% of "mid-value" (below R700,000 in this instance) residential property was black-owned by 2013, as compared to 20% in Gauteng". That had risen from 10% in 2003 (Williams 2014). This is also because Gauteng offers cheaper land to buy and service compared to the Western Cape.

Institutionally, Johannesburg represents one of the most extreme cases of local government restructuring after apartheid, its 9 former racialized municipalities amalgamated in four in the 1990s, and finally one metropolitan unicity in 2000, run by a strong ANC Mayor since (Tomlinson et al 2003). This has been a unicity with a strong developmental agenda, in which service delivery has improved (the debate is how much and where and for who).

Historically, Johannesburg is South Africa's experiment in modernism and industrial racial capitalism. It materially embodies the shift from a mining-centred (primary) economy to a deindustrialized financial (tertiary) one. It is thick with layers of real estate speculation, and suburban expansion (Mabin 2014). As such, the dissertation uses Johannesburg to teach us again about the relationship between capitalism, race and space; their reproductions and their re-workings.

For it is a city in "transition" (Chipkin 2008): a growing, "emerging", "divided", "elusive", "changing", "disorderly", "city of extremes" her writers call it (Beall, Crankshaw and Parnell 2002; Tomlinson et al 2003; Nuttall and Mbembe 2008; Murray 2008; 2011; Harrison et al. 2014). Whether undoing or creating new forms of fragmentation or segregation or inequality, this city is on the move (Asmal and Trangoŝ 2015). As such, Johannesburg is also a city of writing (Bremner 2010). There is a large scholarship on the various dimensions of urban and social change in that metropolis especially after apartheid. A scholarship which it is both a privilege to rely and build on; but also daunting in its breadth and simultaneous intimacy.

That does not mean Johannesburg is a city of statistics. At the municipal scale or lower, official statistics are hard to access (Gotz and Todes 2014, 118), especially without paying very expensive subscription fees to private data collection companies. GIS data is changing that. I discuss some of the quantitative challenges later.

### *Johannesburg South*

The city south of the mining belt drew me in statistically as well as historically and materially. Although the 'southernness' of this dissertation might not be very apparent in its final form, it was from here that I was thinking and circulating.

Johannesburg's former 'white' southern suburbs offered the most desegregated parts of Johannesburg, after the inner city (Harrison and Todes 2015), and the highest levels of black property ownership (*not* necessarily current black home purchase levels though – East and West Rand offer those). The 2001 census revealed the formerly white, working and lower-middle class south as a "transitional band" (Kracker-Selzer and Heller 2010) for upwardly mobile black residents between Johannesburg's expensive, historically white northern suburbs and black townships in the Southwest.

> This transitional band is the site of many of the city's apartheid-era working class white neighborhoods and provides affordable housing outside the townships for the upwardly mobile black middle and lower middle class. For those residents of Soweto who make their way into the lower middle class and chose to leave, this transitional band is much more economically accessible than the northern suburbs where housing prices tend to be significantly higher. (Kracker-Selzer and Heller 2010).

By the 2011 Census – whose data was released while I was writing up – these desegregating trends had strengthened in Johannesburg's south (the bottom right-hand corner of Fig. 61 gives a sense of this multi-racial population).

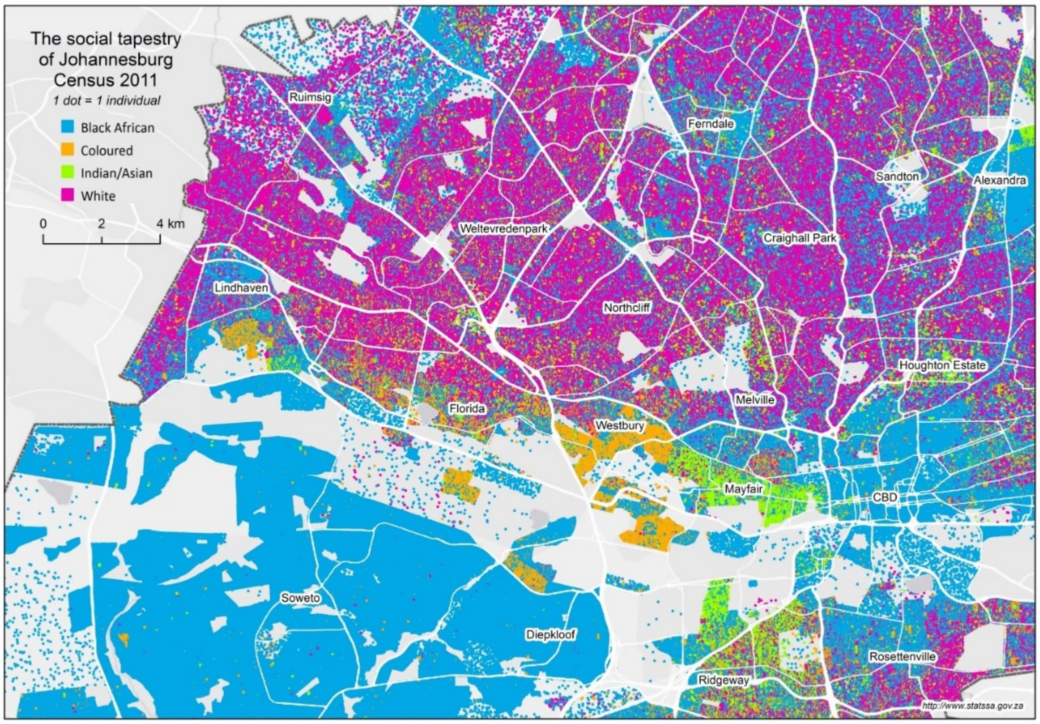


*Figure 61: Racial segregation in Johannesburg with Census 2011 data (StatsSA 2016)*

Furthermore, even though we don't see the same kind of suburban proliferation happening rampantly to the west of the city (with its hundreds of more affluent gated and middle-income townhouse estates) (Chipkin 2013), the south contains more 'affordable' property by bank definitions. It also has the cheapest and most available land (Todes 2014, 95). I would learn over time that there are much finer gradations within the 'affordable', in which the south of Johannesburg offers a particular cartography of value and aspiration (and downgrade). Residents would move from one neighborhood to another in close proximity, as tenants or owners as their property prospects expanded or shrunk.  These dynamics of property price, black ownership and racial desegregation were all related, produced by desegregation "through the market" – on "a class basis" – rather than some deliberate desegregation policy (Harrison and Todes 2015).

Institutionally, Johannesburg South offered newly demarcated wards that combined Soweto neighborhoods with former white suburbs – one councilor described his new ward as “the rainbow nation” in microcosm (Interview with Councilor Mogase, 2013). The south can teach us about these particular deracializations of space, institutions and suburban property better than other parts of Johannesburg.

But the south also materially provoked me, with its still visible ‘gap on the map’ between ‘black’ Soweto and historically ‘white’ southern suburbs. Deep contours laid by a mining past, and consolidated by segregationist planning in vacant buffer zones. Vacant except for towering mine dumps, and the odd stadium, highway and mall.  This ‘gap on the map’ seemed full of possibility for literally knitting a divided city together. I wanted to know what residential developments had been ‘filling it in’? How were they challenging the geography of the apartheid city? It was one such development in the middle of that ‘gap on the map’ that introduced me to the actors making ‘affordable suburbia’ (see the Ormonde View story in the introduction), the overlaps in Joburg South’s mining-land-property community, and the same small network of landowners and developers cropping up time and again. This ‘affordable’ world I discovered was more active in the south and on the East Rand (in a different municipality, Ekurhuleni) because this was where the land was cheapest, compromised by mine waste, wind direction, and dolomite. You couldn’t forget that when the wind was blowing mine dust into every pore on an August day.

Other material provocations of southern Johannesburg were the changing infrastructural and commercial inequalities and entanglements between Soweto as ‘township’ and Joburg South as ‘suburban’. The older former white suburbs of the ‘Old South’ were visibly struggling to upgrade infrastructure such as roads and streetlights and parks. The ‘New South’ on the other side of the ridge was patchier: infrastructure laid by private developers, patched up as and when suburbanites organized to ‘get Council on it’. Across the buffer zone in certain parts of Soweto and its new extensions, the state had been pouring money into new bus rapid transit, new roads, new parks. New malls had opened. But Soweto parents were still sending their children to school in the southern suburbs, the minibus taxis of students threading new and thickening connectivities between these places across the shrinking buffer zone. The distinctions between ‘township’ and suburb’ were becoming blurry. As one newspaper headline put it punchily: “Soweto beats suburbia at its own game” (Steyn 2013c).

Here was the place to think about, or think out of, the relationship between race, space, property and debt in historical and contemporary iterations, and in ways that challenged the neat story of the neo-apartheid city. Despite its provocations, Johannesburg's south – other than central Soweto – are an absent presence in the city's writings (Harrison and Zack 2014, 269). They are the mundane 'betweens' the 'slum' and the 'gated community' that have been more popular research foci. Northern Johannesburgers still view the southern suburbs as an underdeveloped backwater or don't know about them at all, or at best, know them as home to the best Portuguese food in the city (on that I also concur). But these north-south hierarchies reflect a century-old class division; crassly put, between the southern artisans of the white working class living too close to the mines and the factories under fewer trees, and the northern professionals living up on the ridge away from industrial toil under an arboreal umbrella.

But in following the actors I needed to, my work took me far farther south than I intended to go, or from where I was living in the Old South, to where the city becomes farm, and developers churn out endless tracts of 'little boxes' and some medium-density mixed-income projects with public support (Chapter 6). However, since I finished my fieldwork, some of these same developers are re-appearing in the southern suburbs closer to town, projects long in the pipeline now breaking ground.

### Sites and projects

This is a dissertation both of and about Johannesburg and its south, but also not about Johannesburg and its south. The dissertation tries to find a place to think from, but in unbounded ways. Here it was helpful too to think about 'sites' of research – a more than geographical concept - rather than places. Property and debt infrastructure offers such sites, as does 'making the 'affordable' market'. Sites are brought into view through either an analytical framing or through a project by an ecology of actors. I was challenged in a proposal development workshop organized by Helga Leitner and Ananya Roy to think about these process-constituted sites instead of bounded categories like 'the black middle class' or the 'suburb'. What were the projects going into constituting them as categories? Deregulating the mortgage market; deracializing property ownership; financializing debt; democratizing credit; suburbanization; the 'mortgage lending frenzy' are some sub-projects that I follow.

Some of these followings are direct responses to questions I was asked during the course of my dissertation research. A few that ring in my mind are: “What’s the history of these mortgage and property markets?” “Where’s the money coming from and going?” “So what if markets are constructed? What then?” “Is there a subprime crisis in the making? How much toxic mortgage debt is out there?”

In trying to answer these important questions, the ‘supply side’ of these sites and projects ended up being my focus. I had not set out with that plan, hoping to follow *both* the supply and the demand side, but it became unwieldy trying to shape that into dissertation form. Unfortunately it means that a sense of place appears and then quite quickly disappears in the dissertation, especially at the neighborhood scale. The same for many of the residents interpolated in these projects and living in these places, and their practices and agency.  But I wanted to make sure that I continued to prioritize ‘studying up’.

Others are doing the ‘demand side’ work, such as Chipkin’s (2013) ‘emerging communities’ project on the townhouse complexes of the West Rand. This project is less interested in the material construction of these spaces, and more in the forms of living together and ambivalent political regimes emerging therein. In ‘affordable suburbia’ particularly, French anthropologist Elodie Escusa (2015) has ethnographically tracked ‘lower middle class’ trajectories and strategies through property and education. Planning researcher Vuyisani Moss (2013) conducted his own survey of 100 mortgage-holders in Protea Glen about their mortgages and their relationship with their banks.

### *A “process-based methodological framework” with attention to positionality*

In approaching economic institutions like ‘market’ and ‘firm’ as deeply embedded, socially constituted and political entities, economic geographer Henry Yeung (2003) argued for what he called an iterative, dynamic “process-based methodological framework” (456). Such a framework triangulates both quantitative *and* qualitative data; traces actor networks; employs in situ research, abstraction and deconstruction *and* theoretical reconstruction to produce valid, reliable and especially reflexive knowledge (Fig. 62).

For Yeung (2003), these methods can help get at the “constellations of social relations among individual actors” whose actions are contingently shaped by their context, their embeddedness in networks (444), their positionality in power relations, and their "social discourses and practices" (445).

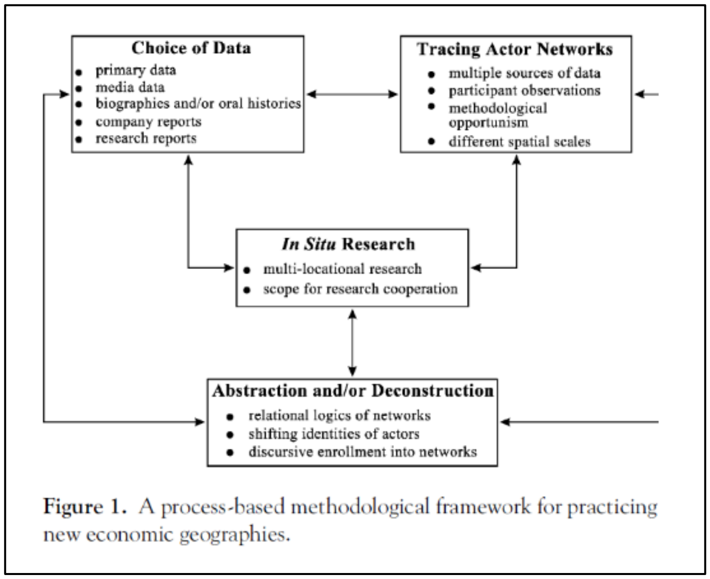


*Figure 62: A process-based methodological framework for practicing new economic geographies (Yeung 2003, 454)*

Feminist approaches would agree with this reflexive, recursive approach, but would add that as the researcher, one would also need to position oneself within this web of social relations and power relations (Rose 1997). Positioning oneself gives a sense of how the uneven power relations within the research process shape the knowledge produced in its representations (the dissertation, etc.) I hope that some of the discussions in this methodological note can work at the positioning.

Yeung also asks after the ethics of tracing actor networks and revealing those, even if they do "involve[] a significant degree of greed and corruption" (2003, 457). While this comes with different stakes when 'studying up', interviewing elites and corporate actors, one still wonder about how much can be disclosed? How much anonymity, when anonymity in the corporate world, or in this small 'affordable' world, is slim to none.

With this methodological framework, I conducted fieldwork in situ in Johannesburg from September 2012 to November 2013. To build the ecology of actors that are central to this framework, I relied on "methodological opportunism" to create spaces of encounter in which to meet actors. From there, I followed and met actors through multiple methods: archival, documentary and media analysis; observation in 'affordable' places and events; interviewing key informants in and attending events of the main firms and institutions involved, as well as spending time and interviewing property actors and residents in the 'affordable' suburbs of Johannesburg's south and on the border of Soweto, near to where I lived for the final portion of my fieldwork. My own positionality in the field shifted between 'foreign student' with race and class privilege, local resident, perceived insider, and possible consumer or competitor.

### *The logistics, ethics and politics of demand versus supply side research*

One of my project's logistical tensions - the tension between 'demand' versus 'supply side' research - turned into an ethical-political quandary too. I had decided through the proposal refining process that this was not going to be a study of the 'black middle class' as some reified object or even a study of the definitional debates about the 'black middle class' that have taken up a lot of ink. This was an analytical choice – to follow instead projects that stabilize sites like the 'black middle class', or in this case, the 'affordable housing market' that that class formation project gets interpolated in. But it also became, during the course of my fieldwork, perhaps a more political choice. As I realized how racially homogenous many 'affordable' neighborhoods are – i.e. largely black residents – it became clear that to focus on the demand side would require confronting a set of different representational questions. As a white Southern African woman knowledge producer with both race and class privilege, located in a US university and speaking no indigenous languages, what would it mean to 'study' ostensibly 'black burbs'? Of course focusing on 'supply' and structures of power has created other representational and political pitfalls: the 'home owner' or resident appears as a shadow, only produced by the light cast against it by actors in the 'supply side'; their agency muted, simply born along by forceful tides or steeped in false consciousness. I don't resolve that in this dissertation; perhaps my future work can offer ways of nuancing this relationship between 'supply' and 'demand', and how we study the socio-spatial relations between them, and thicken the social worlds of each.

Assumptions about my study's focus also provoked some ethical dilemmas. In my fieldwork, it was generally assumed that if I was studying the 'affordable market', I was looking at the consumers circulating within that market, the 'demand side'. Perhaps that also had to do with my framing of the project, but I think that was generally a safe assumption no matter the framing. Given that, some estate agents thought I was out to steal their 'market intelligence', keeping the demand trends close to their chest during abbreviated interviews. Others thought I would have valuable data to share on consumer desires; I was asked by multiple bankers and real estate agents and even a City official if I could share my 'findings' on the 'affordable market' with them. The same kinds of pressures have been put on anthropologists of the 'black middle class' by car companies and consumer products.

## Building an ecology of actors

But I have gotten ahead of myself here. First I need to describe the ecology of actors that I was tracing through these methods.

I tried to draw something like this actor map (Fig. 63) early on in my fieldwork, to identify those actors circling around the object of the 'affordable market'. It was a map that grew tendrils weekly, as I discovered conveyancers, or building inspectors, or pension funds I didn't know about.

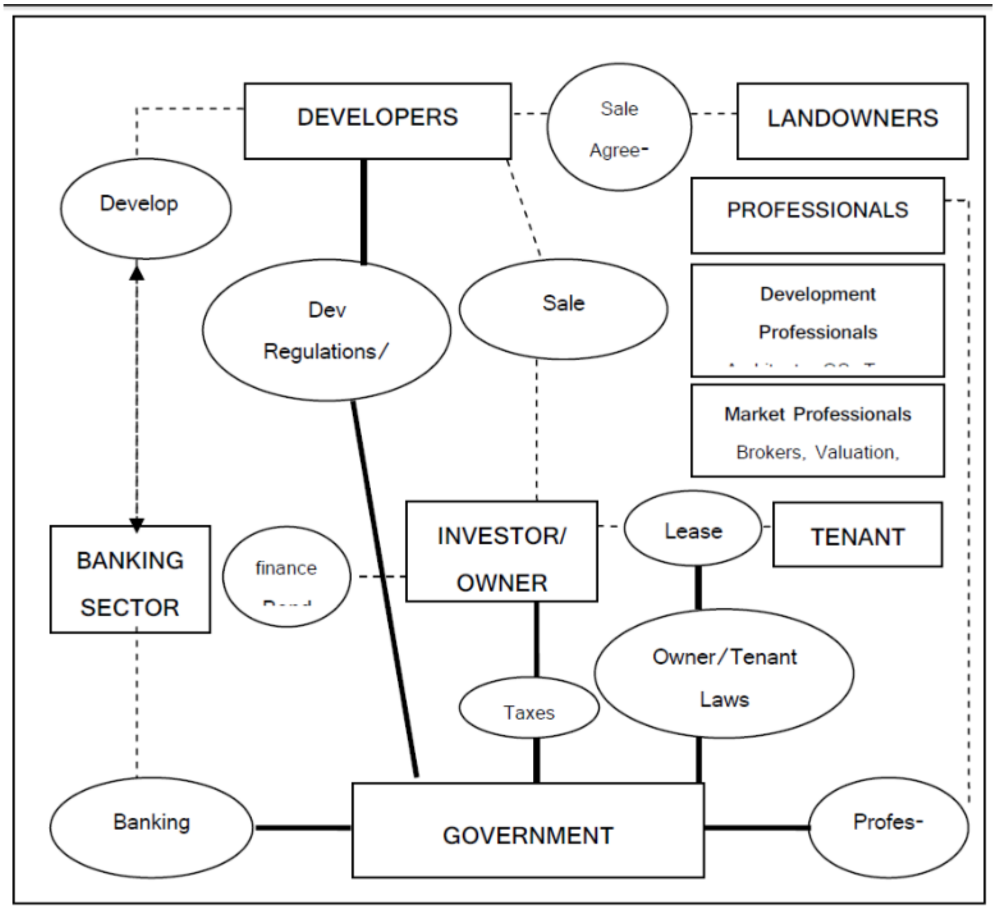


**Figure 10: The players in the property sector**
*Source: Viruly Consulting*

*Figure* 63*: The players in the property sector (Genesis Analytics 2008, 51)*

*(Truncated image in the original)*

I began piecing this ecology of actors together in situ, through snippets of names and relations to place mentioned in archival sources or newspaper articles, at a trade expo, in a conversation with a real estate agent, or seeing a billboard on the highway. And once finding the actor concerned (if I could), I would follow them to another and another. Of course, some of these were dead-ends or disconnected, and would require a backtracking or a tracing of new connections. But all this in turn iteratively shaped how I was working with other sources – the media I was collecting, the archives I was visiting, the events I was attending. At the same time, there seemed to be a high degree of both chance and serendipity in building this ecology of actors.

### *Methodological opportunism*

I mentioned seeing billboards on highways: exploratory driving was one of my main "methodologically opportunis[tic]" tactics. Yeung (2003) highlights "methodological opportunism" as a key strategy in how one traces actor-networks. I take "methodological opportunism" to mean taking those chance openings, encounters or connections that arise in situ fieldwork, and seeing where they lead when you follow them.

Exploratory driving was a way of creating those chance openings, especially early in my fieldwork. Johannesburg, as a sprawling, generally low density city, is a driving city – whether in public transit or private. I was fortunate to have borrowed a car from a family member: an absolutely critical tool in opening up chance encounters in far flung suburban places, and then following actors back to their headquarters in the plush north or the fortified inner city. The car gave me the opportunity to get lost in a city where getting lost does not always end well. 'Flaneur-ing' in Johannesburg can be a dangerous business, especially in bodies alone and marked as female. It was through these exploratory drives that I stumbled on the mega-project in the making, Fleurhof, in Chapter 6. Or that Cosmopolitan's leopard confronted me along highways and byways; and how I came across their sales tents on roadsides where their sales teams would stake out for the day. It was also how I found real estate agents in general, their signs fluttering on curbsides. During these drives, audio notes were used instead of field notes, as pulling over on the roadside in Johannesburg comes with its own hazards. One must always be seen to be moving.

A less mobile activity was voraciously consuming all related news at a range of scales. Property media gave me actors and names to look for that I didn't even know were out there. That was how I first heard of the al+hdc sitting in graduate school in Minnesota. Or that there was a German property consortium focused explicitly on 'affordable' housing investment in Cape Town (Interview with Bauer, 2012). I was able to interview one of *Property24*'s most prolific property journalists early on in my research who shared good contacts (Interview with Mhlanga, 2012), as well as a financial journalist who even shared her rolodex (Interview with Wessels, 2012).

But coming out from behind the pages of the newspaper or the car's windscreen, in a city of walls and gates, it can be hard to find 'public spaces' in which to create encounters. I find it amusing now to look back at my early research proposal where I had imagined 'hanging out' in public spaces to meet residents and other actors like real estate agents. I think I imagined neighborhood parks. Even when there were parks to be found, which is not the case in many 'affordable' and 'unaffordable' suburbs in Johannesburg, the plots committed to parks often remain pieces of vacant ground given over to tall grass, wattle scrub, illegal dumping and crime. Open ground in much of Johannesburg is a terrifying place, and one which is crossed as quickly as possible, rather than enjoyed for its 'chance encounters'.

### *Encountering and following actors in place and time*

That said, five spaces emerged as productive for generating encounters and following actors in both place and time: the shopping center, the Sunday 'open house' or show house, the 'indaba' (industry, community, or government-organized workshops or expos), the 'affordable' neighborhood *and* the archive. Only the last two are technically public spaces, but with the right class and sometimes racial positionalities, accessing these five were largely possible for me.

1. The shopping center

First, the shopping center – from the more modest commercial strip to the enclosed shopping mall – is one of Johannesburg's most well used spaces, and one where we have to come out of our residential enclaves to share space together while shopping, consuming, or just being. That doesn't mean malls can't also be segregated: in Johannesburg South for example, there are suburban malls perceived as 'black', like Southgate mall, versus the more 'white' Glen mall. But despite the critique of how malls' popularity in postapartheid South Africa is a sign of our rampant capitulation to neoliberal capitalism and the privatization and fortification of space, malls offer spaces too for just 'being' – window shopping, people watching, loitering. They are also the places where Johannesburg's businesses cluster in most of its neighborhoods. 'Main street' is not necessarily where one goes to find one's bank or grocery store, or even your clinic; that's what malls are increasingly for. And through meandering in shopping centers close to those neighborhoods marked as 'affordable', I met the regional sales teams of Cosmopolitan (whose office is in Southgate mall); local real estate agencies I didn't know existed; bridging financiers; building materials suppliers; and architects extending 'affordable' houses. The appearance of *new* businesses during my fieldwork in these southern shopping centers were also indicative of wider processes in the 'affordable housing market': i.e. the fact that a new franchise for a national real estate agency had opened up in the small Ormonde China Shopping Center, focused explicitly on the rising house prices in this market. Or that SA Home Loans, the country's only non-bank mortgage lender operating on a securitized model, had opened a branch in Comaro Crossing in the 'New South', determined to tap into this growing market.

2. The show house

Real estate agents – or realtors as they are called in the US - have ended up playing only a small role in this dissertation. I had very different ideas when I began, thinking they offered the most localized actors of the property and debt infrastructure to connect with. I eventually realized that many real estate agents only ever saw 'affordable' housing in its re-sale form; the developers had cornered the marketing of new 'affordable' housing. So I had instead to engage the sales staff of the developer. These sales staff were most visible on the roadside stands I have mentioned earlier. But they also spent a lot of time at the 'show house' that developers include at their construction sites. These were easy places to try and find someone to chat to. Someone who could introduce you to aspirant home owners as well as their hard-to-reach bosses. You could then follow the chain of command up.

That said, real estate agents should feature in Chapter 5 as another fraction of capital who had made good off of the housing crash, but in different ways and neighborhoods than during the boom. I met a number of real estate agents who'd done well off of buying foreclosed or repossessed properties from the banks during the crash and then selling them to new 'affordable' buyers for a bit more than they'd bought them for. James' (2014) ethnography of debt and credit in Gauteng's townships has a chapter on this practice.

Open houses – those houses for re-sale – were less easy to navigate without duplicity. Real estate agents only allow viewers with appointments, to protect themselves and the sellers' home. I ended up going far too far down a tunnel of lies as a 'prospective buyer' to pursue this often.

Auction houses were another place that crossed my path unexpectedly for meeting real estate agents and potentially buyers too. These are a contrast to the impersonal sheriff auctions organized regularly in community halls that I attended a few of.

But generally, real estate agents in situ – camped out on busy corners or at construction sites – were always more amenable to talk than those whose office I pitched up at or cold called. At the office or on the other side of the phone, there always seemed to be misunderstandings about what I was really looking for. "Are you buying or selling?" was the first question. Also time was money in a way that I hadn't experienced in lower income neighborhoods and with state officials in other research projects. There was too a wariness of sharing market 'trends' with me in case I happened to be a competitor.

A final challenge was finding real estate agents for follow up conversations: some had disappeared during my fieldwork, switching firms, or even getting their licenses revoked.

3. The indaba

South Africa loves to host workshops or roundtables. These go by various names: *indaba, imbizo,* summit. One can attend multiple such events each week it seems. Any time public 'stakeholders' are involved – another favorite word – these indabas are open to the public; it just requires getting on the guest list through a contact or administrator, or pitching up and seeing what happens, usually at some hotel or conference complex in an edge city somewhere.

I attended indabas organized by the banks on 'financial inclusion' and the 'national development plan', as well as summits hosted by the state's Department of Human Settlements on the real estate industry and by the Financial and Fiscal Commission on the housing subsidy; workshops at the Johannesburg Stock Exchange for first-time investors; general meetings of the South

Joburg business forum SOJO and a community safety expo in Kibler Park and planning consultations in Turffontein. These roundtable events were all great places for seeing who was on the program talking about what, networking, getting business cards, setting up initial contact to be followed by a call or email and then an interview. Cold calling was not always so successful: most challenging was even knowing the right person to get in touch with inside a huge organization like the national banks. Indabas helped me identify actors particularly in the banks, state, local leaders and knowledge producers that I should be in contact with. I will talk about each of these actors in turn.

a) The banks

The banks and financial institutions offered an easy place to cut in, I thought, being a highly concentrated sector. There were only four Big Banks and one securitized lender in the mortgage lending business during my fieldwork, along with two big unsecured lenders and two funds (private equity and pension) operating in the 'affordable' market. The lenders are all national entities, but headquartered in Gauteng in a dizzying array of office parks and fortified premises, along with their representative body, the Banking Association of South Africa.

But I made the mistake of starting at quite the wrong scale: the local bank branch. I would go into a branch in a neighborhood in Johannesburg South and ask to speak to the bank manager about mortgage borrowing in the area. I would immediately be put on a phone to the central credit office, which is where all mortgage applications are processed. The branch hadn't worked with these applications for a decade or more (Interview with Standard Bank branch manager, 2013). But yet I kept trying, sure that branch managers had intimate snapshots of the world of mortgage lending at a more everyday scale. I probably had one satisfying interview with a branch manager and far too many goose chases.

I had to move higher up the bank food chain. Here, events like the first Financial Inclusion Indaba I went to in September 2012 were key. Organized at the Johannesburg Stock Exchange (JSE), this combination of conference and expo meant that all the bankers were in one space. In amongst discovering institutions I'd never heard of – like the state's attempt at a bank through the Post Office - it was here that I met two 'affordable' bankers (or their staff) and then snowballed from there. Each of the four affordable home loan divisions all know each other. Other such events included the Banking Association's National Summits and the Johannesburg Stock Exchange's investment workshops.

b) The state

The regulatory board of the estate agent industry was in crisis when I arrived. Rocked by fraud and corruption scandals, the Department of Trade and Industry handed the regulatory board – the EAAB – over to the Department of Human Settlements. That surely was where 'real estate' should sit, they argued. So, early on in my fieldwork, the Minister of Human Settlements convened an emergency summit on the state of that EAAB, and I had the opportunity to see who was interested in real estate inside the state (like the Property Transformation Charter I'd never heard of), as well as have informal conversations with a range of real estate agents about the 'transformation' of the sector (or more specifically, its lack thereof).

Soon thereafter, a Chapter 9 institution, the Fiscal and Financial Commission, also convened a set of public hearings on the housing subsidy and its sustainability. An interviewee had told me about this and sent me the program. At this hearing all the who's who of the housing finance world were there – a key space to find out who to introduce myself to.

That said, not all state actors were so visible. The Home Loan and Mortgage Disclosure Office within the Department of Human Settlements, for example, went under my radar for way too long. When I did track them down, I realized why: they had fulfilled little of their mandate so far (see data challenges discussion).

4. The affordable neighborhood

Landowners are the most secretive of the ecology's actors. Land doesn't walk around with a label on it (well, sometimes it does). Public information on these owners can be scarce, especially if their companies aren't listed and their website non-existent. But here's where questions raised by 'affordable' places themselves prompted new lines of inquiry, introductions to actors and unexpected connectivities. I shared a formative site for that in the introduction: the 'affordable' Ormonde View.

One of the most unavoidable actors in 'affordable' place was Cosmopolitan, who continued to crisscross my wandering fieldwork path at turn after turn. Cosmopolitan billboards jumped through my windshield along the highway, declaring "Real Houses for Real People", with their trademark leopard prowling in the background. They turned up endless tracts of cookie cutter houses on the outer periphery of Soweto's Protea Glen where I went on fieldtrips with private equity investors. Their young sales people were camped out day after day under shade-giving awnings along roadsides, colorful bunting fluttering in summer storms and winter dust, handing out brochures and business cards hoping to make a sale to eligible passersby. Real estate agents giving me a tour of their turf on the borders of Johannesburg South would take me to a building site – one where Cosmopolitan had taken over the failure of one development company to build Alveda Park, their contractors building whole houses in just 4-6 weeks. Visiting a new 'affordable' rental complex set into amongst the hills of the south, it turned out Cosmopolitan's rental subdivision was also behind it. Cosmopolitan was everywhere, but invisible at the same time. Despite being one of the most prolific and well-known developers in affordable housing in Gauteng, they are not listed on the Johannesburg Stock Exchange, their website is outdated, the media about them scarce.

Cosmopolitan was out to get me; but no one at head office would talk to me for a year, almost to the day. But head office in Midrand is a long way away from the nameless suburbs of Johannesburg South, where I could meet with other actors in their vast machinery. When I was finally able to visit the Cosmopolitan headquarters, I was surprised to be met for our interview by two women managers, unusual in the male-dominated construction industry. The managing director of Cosmopolitan, Anton Crouse – the "major energy behind the business" - was nowhere to be seen. I was also surprised by the austere office and boardroom furnishings, and the modest apparel of the staff after the opulence of the banks. I wondered how good the margins were after all. They in turn were surprised and relieved to find out I was "local". Now they wouldn't "have to explain things" as much, they said, because "I know how things are". I wasn't sure if this meant I was read as an ally or if they could just get the interview over with faster.

5. The archive: taking on the documentary as site

Early on, I'd set about document collecting. By this I didn't mean familiarizing myself with the secondary literature and academic scholarship produced on Johannesburg or housing in South Africa – of which there is an incredible amount, and an important task too. But I found early on that contrary to my Masters' work in neighborhoods that were underrepresented in the public sphere, interviews in this project were never going to be enough. They had to be supplemented, triangulated, read against the many representations of these actors like bank's 'affordable' housing units and private equity funds already circulating in the media and other grey documents, public and otherwise. I couldn't just talk to people. I had to read that against what was being written about them and what they were writing about themselves, and how these might triangulate, and where the discourse shifted, etc.

So before attending an interview, I would scour the media, websites, press releases, annual reports and consultancy reports  to have other 'texts' to read our transcript against, as well as productive specificities to ask questions from. I didn't always get those right – especially on the follow up probe - but this broad documentary archive was key.

*Physical archives in Johannesburg*

There are plenty of physical archives based in Johannesburg that also feature centrally in this dissertation: for example, the City of Joburg Library's Harold Strange media clippings on Johannesburg-related media, their bounded copies of neighborhood newspapers, as well as their basement full of "dead" and living company reports where I was allowed to roam loose. Then the South African Historical Association's rich collections on Johannesburg metropolitan politics in the early 1990s, who's archivists trotted out boxes and boxes for me on cold winter mornings on Constitutional Hill. At the Wits Historical Papers, I had access to the South African Institute for Race Relations' press clippings from the 1960s, and the papers of critical geographers from the 1980s. Another surprise was the photo archive at Museum Africa in Newtown – all the images in Chapter 1 are care of them and their digitization program there. I am grateful for Laura Burroco telling me about them, as well as to all the archivists and their assistance at these places, especially as historical media digitization is still underway in South Africa.

But the most surprising was the Standard Bank Heritage Center at the Standard Bank fortress in downtown Johannesburg. A fortress built on top of one of the city's first gold diggings – Ferreira's Shaft. You can take an elevator now to the preserved mouth of those diggings in the bank's basement. Adjacent, the bank's Heritage Centre is open to the public unlike any other bank archives. They have a vast repository of well-organized, bank-related (not just Standard Bank) financial media clippings, as well as their own company reports, advertising materials, and then unembargoed internal material from before 1970.

Their media clippings were wondrous: actual physical photocopies of newspaper articles cut out and pasted in blue books each month by the Marketing and Public Relations Department, and later Group Public Affairs Department who stopped photocopying and just cut out actual newsprint. These books are organized by month and then year, all bound in books, and arranged by subsidiaries.

I spent far too long in this archive, not only because of the quantum of materials – materials particularly useful to Chapter 2, but also because of the warm welcome of its archivists Leticia and Estranelle, their generosity with their tea supplies, and their insights on how banking had changed so dramatically in the time they had been working there. They also pointed me to what would be a key primary source in Chapter 1: the only history on South Africa's building societies it seems. Compiled in 1951 by a past chairman of the Building Societies Institute of South Africa, Edginton, it is an insider's history, written on the cusp of the Group Areas legislation and the edge of the Cold War.

*Statistical sources*

Finally, a key set of documentary materials for analysis in this dissertation have been those produced by 'affordable' knowledge producers in grey form. From USAID reports from the early 2000s, to the mortgage performance workbooks of CAHF, Chapter 3 and 4 would not have been possible without these sources, since I discovered that the state entity tasked with tracking mortgage lending trends since 2000 wasn't doing that. This data 'deficit' – the deficit of *published, publicly-available* material given that the banks hold a lot of data they're just not sharing (Eighty20 2010, 19) - and responses to that deficit would be an interesting story to tell more critically. I was piqued by statements such as these during my fieldwork:

> no one in the country had analyzed mortgage default and risk of default by market segment! All the data that you're used to, that you get from the Mortgage Bankers' Association, and from everybody else in the US, all that data we don't have. … we have a Home Loan Mortgage and Disclosure [Office] that doesn't print any data, doesn't present any data, and when it does, it makes a) no sense, and b) is wrong! (Interview with Rust, 2012)

Indeed, the Home Loan and Mortgage Disclosure (HLMD) Office only published their first report in 2010, and it provided little illumination of bank-reported aggregate data and relied on some questionable methods. For example, they analyzed mortgage applicant decline rates by race despite the fact that "[b]anks do not systematically track the race of applicants but rely instead on proxies such as the surname of the applicant" (Melzer 2010, 8). Furthermore, they didn't cross-tabulate those racial statistics with any income variables for a meaningful analysis of how race and class interact. Neither does the Office "require banks to disclose information about foreclosed loans" (SAHRC 2008, 20). When I visited the HLMD Office at the Department of Human Settlement's Pretoria headquarters, the data they had collected from the banks contained no income information about mortgage applicants; no geographical specificity, below the level of the province; no information about the terms and conditions of the mortgage, such as its duration and pricing; and their database contained lots of duplicates (from when one applicant applies to many banks for a mortgage). They admitted these shortcomings in their first report back to Parliament, which was only in 2014 (Office of Disclosure 2014).

Chapter 3 speaks to the limitations of the bank-reported, unaudited statistics in the Financial Sector Charter reports. FSC statistics only capture loans issued to households earning between R1,500 and R7,500/month (or R9,000 in 2008 Rands). We do not have income differentiated data for mortgages issued to households earning more than this until the NCR's data collection begins in 2007, and then with incomparable categories. The FSC statistics also only capture loans extended between 2004-2008 (the Charter period); we know nothing of differentiations within loan origination by income *before* the FSC period, for comparative analysis.

The much more productive National Credit Regulator (NCR), established under the National Credit Act of 2005, has started tracking and analyzing credit data from 2007 on. But its variables do not allow for analysis of the interactions of race and space with their income or lending data. Nor did they or Banking Association data capture what mortgages were being used for: to purchase a home, or to raise equity (Melzer 2010, 6). Their data has to be supplemented with Deeds Office data to corroborate this (Melzer 2015b). But in a further frustrating twist, the NCR's income categories are not commensurate with those of the Banking Association *or* FinScope, making for hellish comparisons (Melzer 2010, 6, 10) – comparisons already stymied by the changing borders of the 'affordable' after 2009. As for *other* kinds of housing finance, like pension-backed loans and unsecured housing loans, no discrete data was/is published (CAHF 2011, 1). Now, CAHF and many other analysts rely on Lightstone, a powerful platform about property data offered by a private company for the real estate industry – it's very expensive to access, so I could only access it via CAHF and others.

### *Interviewing Actors*

Through these sites of encounter, I was able to build an ecology of actors, and make first contact with some of them. From there, I angled for interviews – unstructured, qualitative interviews with many of the actors I have pointed to above (see the list of interviews conducted in the bibliography for more specifics).

I generally interviewed people at their places of work which took me to the far ends of Gauteng, but sometimes in their homes or public spaces as they preferred. A few took me 'on site' with them, or arranged for me to, after the interview, join them another day for a site visit. Some of those happened; others didn't, despite my haranguing.

Interviews ranged from half an hour with busy real estate agents to day-long field trips with people working for developers. Most of my interviews were between 1.5-2 hours; I was generally amazed at the time people gave to this. However, follow-up interviews were scarce, and generally unnecessary given the length of the first, although I did bump into some interviewees at other public events afterwards.

I audio recorded interviews when conditions were amenable (surrounding sound especially), or where I felt comfortable asking. Interviews were all in English. I transcribed recorded interviews; for unrecorded, fleshed out my interview notes. For all the actors who represent a firm or occupy a position in a listed company or public institution (who can easily be found quoted in the media or on a company's website or in an annual report), I have used their real names, in line with their confidentiality agreements. For interviews with local residents, local community leaders and local property actors in Johannesburg South, I have generally used a re-arranged acronym, to protect their anonymity.

As for the socio-positionality of my interviewees, these reflect the raced, classed and gendered nature of the property and finance industries as well as of 'affordable' places themselves. Staff from the banks were more likely to be multi-racial men than in the unlisted construction and developer industry, which was dominated by white men for all the reasons described in Chapter 6. State offices were the most transformed in terms of racial demographics. The cross-section of real estate agents I met showed a more balanced gender ratio than the other sectors I interacted with, as did 'affordable' knowledge producers and residents of 'affordable' suburbia, where there is a higher proportion of women owners than in other segments of the property market.

## Limitations of the research

I have already highlighted the data challenges I faced in making strong arguments in Chapter 3 about the relationship between mortgages lent, property bought, racial categories of buyers and the location of the property. This is a significant challenge to taking the heterodox study of mortgage and housing markets 'on the road', although I tried to supplement these statistical challenges with other kinds of data – interview, documentary, etc.

This is related to another limitation of the research: the issue of scale. With little public data on these questions available at the metropolitan or sub-metropolitan scale, Johannesburg and its neighborhoods tend to drift out of focus at times. So too does spatiality in general. Future work out of this dissertation will work harder at making those spatialities explicit, in demonstrating what a geographical approach has to offer. For example, it might require more dialectical work between the creative destruction of the inner city, these suburban developments and new forms of inner city regeneration that don't receive any much mention here.

Instead of a variety of co-constituted spatialities, the reader is subject to a rather militant chronology, the structuring device of the dissertation. Genealogy has probably been too narrowly sutured to 'chronology' in this project.

In terms of research 'subjects', market consumers or home-owners have the tendency in this dissertation to become specters, animated only by the work of agents with power – the suppliers of money and housing – or in this racialized infrastructure, reduced to the pawns of white capital. That is not the argument I want to make, and I hope I point to the work of other scholars who nuance this.

Conceptually, the absence of feminist thought from my dissertation has weakened the reading of race in relation to wider grids of difference – gender being the most obvious silence; class rearing its head every now and again. The fact that there are more 'women buyers' in the 'affordable' market than the 'traditional' is something that should be investigated. The fact that I was surprised to interview two white women in senior management at the Cosmopolitan headquarters could also tell a story about *gendered* racial capitalism. In the more multi-racial world of banking and state agencies, it was all men I met with; in the construction and landowning nodes of the infrastructure, all white men. Other than these Cosmopolitan managers and those of the private equity group, the women I met occupied the knowledge-producing nodes of the affordable property and debt infrastructure, or sites of disciplinary expertise such as architects and planners, or the space of exchange as real estate agents and sales staff.

## Bibliography


Aalbers, Manuel. 2012. "Subprime Cities and the Twin Crises." In *Subprime Cities: The Political Economy of Mortgage Markets*, edited by Manuel Aalbers, 2–22. Chichester: Wiley-Blackwell.

Aalbers, Manuel. 2009. "The Sociology and Geography of Mortgage Markets: Reflections on the Financial Crisis." *International Journal of Urban and Regional Research* 33 (2): 281–90. doi:10.1111/j.1468-2427.2009.00875.x.

Aalbers, Manuel. 2015. "Financial Geography: Introduction to the Virtual Issue." *Transactions of the Institute of British Geographers* 40 (2): 300–305. doi:10.1111/tran.12081.

Aalbers, Manuel, and Brett Christophers. 2014. "Centring Housing in Political Economy." *Housing, Theory and Society* 31 (4): 373–94. doi:10.1080/14036096.2014.947082.

Adler, T. and M. Oelofse. 1996. "The Housing Subsidy Scheme." In *A Mandate to Build: Developing Consensus around a National Housing Policy in South Africa*, edited by Kecia Rust, and Sue Rubenstein. Johannesburg: Ravan Press.

Africa Check. 2015. "Minister Sisulu Is Right - SA's Housing Delivery Has Almost Halved since 2006/07." *Africa Check*. September 7. https://africacheck.org/reports/minister-sisulu-is-right-sas-housing-delivery-has-almost-halved-since-200607/.

*Africa News Service*. 2003a. "Financial Sector Holds Its Breath Ahead of Charter," October 15. *Opposing Viewpoints in Context*.

———. 2003b. "SA's Financial Charter Wins Wide Backing," October 24. *Opposing Viewpoints in Context*.

*Africa Property News*. 2015. "Affordable Housing Comes to Sub-Saharan Africa." September 23. http://www.africapropertynews.com/investing/3158-affordable-housing-comes-to-sub-saharan-africa.html.

Agnew, John A. 1981. "Home-Ownership and the Capitalist Social Order." In *Urbanization and Urban Planning in Capitalist Society*, edited by Michael Dear and Allen J. Scott, 457–80. London: Methuen.

Ahmad, Peter, and Herman Pienaar. 2014. "Tracking Changes in the Urban Built Environment: An Emerging Perspective from the City of Johannesburg." In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 101-116. Johannesburg: Wits University Press.

al+hdc, (Affordable Land and Housing Data Centre). 2011. Email communications with author. October 28.

———. 2012. "Affordable Land and Housing Data Centre." Website. http://www.alhdc.org.za/.

Anand, Nikhil. 2011. "Pressure: The PoliTechnics of Water Supply in Mumbai." *Cultural Anthropology* 26 (4): 542–64.

Anderson, Alistair. 2011. "Price Drops Worst in 25 Years." *Business Day*, November 7. http://business.iafrica.com/property/news/761677.html.

Ardington, Cally, David Lam, Murray Leibbrandt, and James Levinsohn. 2004. "Savings, Insurance and Debt Over the Post-Apartheid Period: A Review of Recent Research." *South African Journal of Economics* 72 (3): 604–40. doi:10.1111/j.1813-6982.2004.tb00128.x.

Aron, Janine, Jonathan Leape, and Lynne Thomas. 2010. “Foreign Portfolio Investment and Capital Markets in South Africa.” Paper presented at Economic Development in Africa conference, 21-23 March, Centre for the Study of African Economies, Oxford. http://www.csae.ox.ac.uk/conferences/2010-edia/papers/350-aron.pdf.

Arrighi, Giovanni, Nicole Aschoff, and Ben Scully. 2010. “Accumulation by Dispossession and Its Limits: The Southern Africa Paradigm Revisited.” *Studies in Comparative International Development* 45 (4): 410–38. doi:10.1007/s12116-010-9075-7.

Ashforth, Adam. 1990. *The Politics of Official Discourse in Twentieth-Century South Africa*. Oxford England; New York: Clarendon Press.

Ashman, Sam, and Ben Fine. 2013. “Neo-Liberalism, Varieties of Capitalism, and the Shifting Contours of South Africa’s Financial System.” *Transformation: Critical Perspectives on Southern Africa* 81 (1): 144–78. doi:10.1353/trn.2013.0013.

Ashman, Sam, Ben Fine, and Susan Newman. 2011a. “The Crisis in South Africa: Neoliberalism, Financialization and Uneven and Combined Development.” *Socialist Register*. Vol. 47.

———. 2011b. “Amnesty International? The Nature, Scale and Impact of Capital Flight from South Africa.” *Journal of Southern African Studies* 37 (1): 7–25. doi:10.1080/03057070.2011.555155.

Ashton, Philip. 2009. “An Appetite for Yield: The Anatomy of the Subprime Mortgage Crisis.” *Environment and Planning A* 41 (6): 1420–41. doi:10.1068/a40328.

———. 2011. “The Financial Exception and the Reconfiguration of Credit Risk in US Mortgage Markets.” *Environment and Planning A* 43 (8): 1796–1812. doi:10.1068/a443.

Asmal, Zahira and Guy Trangoŝ, eds. 2015. *Movement Johannesburg.* Cape Town: The City.

Ballard, Richard. 2012. “Geographies of Development Without the Poor.” *Progress in Human Geography* 36 (5): 563–72. doi:10.1177/0309132511431933.

Ball, M. 1994. “The 1980s Property Boom.” *Environment and Planning A* 26 (5): 671–95. doi:10.1068/a260671.

Barchiesi, Franco. 2011. *Precarious Liberation : Workers, the State, and Contested Social Citizenship in Postapartheid South Africa*. SUNY Series in Global Modernity. Albany: State University of New York Press ; Scottsville, South Africa.

Barry, Hanna. 2014. “‘The Wall Street Journal Is Wrong’ - Capitec.” *Moneyweb*. http://today.moneyweb.co.za/article?id=779985#.V3O_LLt96Hs

———. 2015. “Capitec Comes under Selling Pressure.” *Moneyweb*, July 8. http://www.moneyweb.co.za/news/companies-and-deals/capitec-comes-selling-pressure/

Baucom, Ian. 2005. *Specters of the Atlantic: Finance Capital, Slavery, and the Philosophy of History*. Durham, NC: Duke University Press.

Beall, Jo, Owen Crankshaw, and Sue Parnell. 2002. *Uniting a Divided City: Governance and Social Exclusion in Johannesburg*. London; Sterling, VA: Earthscan Publications.

Beavon, Keith. 2004. *Johannesburg: The Making and Shaping of the City*. 1st ed.. Pretoria: University of South Africa Press.

Beinart, William. 2001. *Twentieth-Century South Africa*. 2nd ed.. Oxford: Oxford University Press.

Beningfield, Jennifer. 2006. *The Frightened Land: Land, Landscape and Politics in South Africa in the Twentieth Century*. London ; New York: Routledge.

Berndt, Christian, and Marc Boeckler. 2009. "Geographies of Circulation and Exchange: Constructions of Markets." *Progress in Human Geography* 33 (4): 535–51. doi:10.1177/0309132509104805.

———. 2011. "Geographies of Markets: Materials, Morals and Monsters in Motion." *Progress in Human Geography* 35 (4): 559–67. doi:10.1177/0309132510384498.

Bhorat, Haroon, Karmen Naidoo, and Kavisha Pillay. 2016. "South Africa's Civil Servants Are the Country's New Labour Elite." *The Conversation*. Accessed February 21. http://theconversation.com/south-africas-civil-servants-are-the-countrys-new-labour-elite-54269.

Bieber, Jodi and Niq Mhlongo. 2010. *Soweto*. Auckland Park: Jacana Media.

BLA Legal Education Centre. 1987. "Housing Brief." SAHA. AL2566: The PLANACT Collection. Box 1260874; Box (File) 458. 41.2 Urban Foundation; 41.2.8 Urban Foundation.

Blomley, Nicholas. 2000. "'Acts,' 'Deeds,' and the Violences of Property." *Historical Geography* 28: 86–107.

———. 2003. "Law, Property, and the Geography of Violence: The Frontier, the Survey, and the Grid." *Annals of the Association of American Geographers* 93 (1): 121–41. doi:10.1111/1467-8306.93109.

Boaden, B. G. 1980. "A Laissez-Faire Approach to the Housing of Urban Blacks." *South African Journal of Economics* 48 (1): 17–26. doi:10.1111/j.1813-6982.1980.tb00639.x.

Bobbins, Kerry and Richard Ballard. 2015. "Urban spatial change in Gauteng (1990-2013) and possible future development." GCRO Map of the Month, November. Gauteng City Region Observatory.

Bond, Patrick. 1990. "Township Housing and South Africa's 'financial Explosion.'" *Urban Forum* 1 (2): 39–67. doi:10.1007/BF03036573.

———. 2000. *Cities of Gold, Townships of Coal: Essays on South Africa's New Urban Crisis*. Africa World Press.

———. 2005. *Elite Transition: From Apartheid to Neoliberalism in South Africa*. 2nd ed. Durban: University of Kwazulu-Natal Press.

———. 2013a. "Historical Varieties of Space, Scale and Speculation in South Africa: The Uneven and Combined Geographical Development of Financialised Capitalism." *Transformation: Critical Perspectives on Southern Africa* 81 (1): 179–207. doi:10.1353/trn.2013.0016.

———. 2013b. "Debt, Uneven Development and Capitalist Crisis in South Africa: From Moody's Macroeconomic Monitoring to Marikana Microfinance Mashonisas." *Third World Quarterly* 34 (4): 569–92. doi:10.1080/01436597.2013.786283.

Bonner, Phillip. 1995. "African Urbanisation on the Rand between the 1930s and 1960s: Its Social Character and Political Consequences." *Journal of Southern African Studies* 21 (1): 115–29. doi:10.1080/03057079508708436.

Boreham, Gordon F. 1971. “An Outsider’s View of the Public Inquiry Into the Financial System of South Africa.” *South African Journal of Economics* 39 (4): 289–97. doi:10.1111/j.1813-6982.1971.tb00302.x.

Bourdieu, Pierre. 2005. *The Social Structures of the Economy*. Cambridge, UK; Malden, MA: Polity Press.

Bradlow, Benjamin, Joel Bolnick, and Clifford Shearing. 2011. “Housing, Institutions, Money: The Failures and Promise of Human Settlements Policy and Practice in South Africa.” *Environment and Urbanization* 23 (1): 267-275.

Brand, Robert, and Mike Cohen. 2013. “Where the Heart Is: South Africa’s Post-Apartheid Housing Failure.” *Mail & Guardian*, August 2. http://mg.co.za/article/2013-08-02-where-the-heart-is-south-africas-post-apartheid-housing-failure.

Braun, Lindsay Frederick. 2005. “Spatial Institutionalisation and the Settler State: Survey and Mapping in the Eastern Transvaal, 1852–1905.” *South African Historical Journal* 53 (1): 146–78. doi:10.1080/02582470509464893.

Bremner, Lindsey. 2004. *Johannesburg: One city, colliding worlds*. Johannesburg: STE Publishers.

———. 2010. *Writing the City into Being: Essays on Johannesburg 1998-2008*. Johannesburg: Fourthwall Books.

Burke, Timothy. 1996. *Lifebuoy Men, Lux Women : Commodification, Consumption, and Cleanliness in Modern Zimbabwe*. Durham: Duke University Press.

*Business Day*. 2005. “Mzansi Fever.” November 30.

———. 2011a. “Credit-Fuelled Lifestyles a Recipe for Disaster.” July 15. http://www.businessday.co.za/articles/Content.aspx?id=148488.

———. 2011b. “Spending out of Control.” July 14. http://www.businessday.co.za/articles/Content.aspx?id=148425.

*Business Live.* 2012. “Mortgages not viable for most households: SAIRR.” February 2. http://www.businesslive.co.za/personalfinance/property/2012/02/02/mortgages-not-viable- for-most-households-sairr.

*Businesstech*. 2015. “Five Multi-Billion-Rand Cities Being Built in Gauteng.” November 18. http://businesstech.co.za/news/general/104473/five-multi-billion-rand-cities-being-built-in-gauteng/.

CAHF, (Centre for Affordable Housing Finance in Africa). 2011. “FSC Mortgage Loan Performance.” Analysis prepared by Eighty20 Consulting. Johannesburg: Centre for Affordable Housing Finance in Africa.

———. 2012. “Mortgage Loan Performance in South Africa.” Analysis prepared by Eighty20 Consulting. Johannesburg: Centre for Affordable Housing Finance in Africa.

———. 2013. “Mortgage Loan Performance Study.” Prepared by Eighty20 Consulting with the support of FinMark Trust. Johannesburg: Centre for Affordable Housing Finance in Africa.

———. 2014. “Housing Finance in Africa Yearbook 2014.” 5th edition. Johannesburg: Centre for Affordable Housing Finance in Africa.

———. 2015. “Monitoring Sector Performance.” http://www.housingfinanceafrica.org/themes/monitoring-sector-performance/.

Calderwood, D.M. 1953. *Native Housing in South Africa*. Johannesburg: University of the Witwatersrand.

Calgro M3 Holdings. 2013a. “Welcome to Calgro M3.” Company profile. http://www.calgrom3.com/.

———. 2013b. “Integrated Annual Report 2013.” Johannesburg: Calgro M3.

———. 2015. “Company Profile.” http://www.calgrom3.com/images/pdfs/Company_Profile/Company_Profile_2015.pdf.

Çalışkan, Koray, and Michel Callon. 2010. “Economization, Part 2: A Research Programme for the Study of Markets.” *Economy and Society* 39 (1): 1–32. doi:10.1080/03085140903424519.

Callon, Michel. 1998. “An Essay on Framing and Overflowing: Economic Externalities Revisited by Sociology.” In *The Laws of the Markets*, edited by Michel Callon, 244–69. Oxford: Blackwell.

*Cape Argus*. 1984. “Building Societies Relax Rules for Lending,” August 14. SBSA Press cuttings. Standard Bank Heritage Center.

*Cape Times*. 1978. Title unknown. July 5. SBSA Press cuttings. Standard Bank Heritage Center.

Carmody, Pádraig. 2002. “Between Globalisation and (Post) Apartheid: The Political Economy of Restructuring in South Africa.” *Journal of Southern African Studies* 28 (2): 255–75. doi:10.1080/03057070220140694.

Carruthers, Jane. 2003. “Friedrich Jeppe: Mapping the Transvaal C. 1850–1899.” *Journal of Southern African Studies* 29 (4): 955–76. doi:10.1080/0305707032000135914.

Chakrabarty, Dipesh. 2000. *Provincializing Europe: Postcolonial Thought and Historical Difference*. Princeton: Princeton University Press.

Chakravartty, Paula, and Denise Ferreira Da Silva. 2012. “Accumulation, Dispossession, and Debt: The Racial Logic of Global Capitalism - an Introduction.” *American Quarterly*, Race, empire, and the crisis of the subprime, 64 (3): 361-385.

Chandler, Norman. 1981. “Chaos Feared over Credit Act.” *Sunday Times*, March 1. SBSA Press cuttings. Standard Bank Heritage Center.

Chanock, Martin. 2001. *The Making of South African Legal Culture, 1902-1936 : Fear, Favour, and Prejudice*. Cambridge, UK ; New York: Cambridge University Press.

Charlton, Sarah. 2013. “State Ambitions and Peoples’ Practices: An Exploration of RDP Housing in Johannesburg.” Unpublished PhD dissertation, Department of Town and Regional Planning: University of Sheffield.

Charlton, Sarah, and Caroline Kihato. 2006. “Reaching the Poor? An Analysis of the Influences on the Evolution of South Africa’s Housing Programme.” In *Democracy and Delivery: Urban Policy in South Africa*, edited by Udesh Pillay, Richard Tomlinson, and Jacques Du Toit, 252–82. Cape Town: HSRC Press.

Chaskalson, Matthew, Karen Jochelson, and Jeremy Seekings. 1987. “Rent Boycotts, the State, and the Transformation of the Urban Political Economy in South Africa.” *Review of African Political Economy*, no. 40 (December): 47–64.

Chipkin, Clive. 1993. *Johannesburg Style: Architecture & Society, 1880s-1960s*. Cape Town: David Philip Publishers.

———. 2008. *Johannesburg Transition: Architecture & Society from 1950*. Johannesburg: STE Publishers.

Chipkin, Ivan. 2013. "Capitalism, city, apartheid in the twenty-first century." *Social Dynamics* 39(2): 228-247.

Christopher, A.J. 1994. *The Atlas of Apartheid*. New York ; London: Routledge.

Christopher, A. J. 2002. "'To Define the Indefinable': Population Classification and the Census in South Africa." *Area* 34 (4): 401–8. doi:10.1111/1475-4762.00097.

Christophers, Brett. 2011. "Follow the Thing: Money." *Environment and Planning D: Society and Space* 29 (6): 1068–84. doi:10.1068/d8410.

———. 2014a. "Wild Dragons in the City: Urban Political Economy, Affordable Housing Development and the Performative World-Making of Economic Models." *International Journal of Urban and Regional Research* 38 (1): 79–97. doi:10.1111/1468-2427.12037.

———. 2014b. "From Marx to Market and Back Again: Performing the Economy." *Geoforum* 57 (November): 12–20. doi:10.1016/j.geoforum.2014.08.007.

———. 2015a. "Constructing and Deconstructing Markets: Making Space for Capital." *Environment and Planning A* 47 (9): 1859–65. doi:10.1177/0308518X15604971.

———. 2015b. "The Limits to Financialization." *Dialogues in Human Geography* 5 (2): 183–200. doi:10.1177/2043820615588153.

Chu, Kathy. 2009. "South Africa Credit Law Could Guide USA." *USA Today*. December 31. http://usatoday30.usatoday.com/money/perfi/credit/2009-12-31-south-africa-credit-law_N.htm.

*Citizen*. 1981. "High Rise in Consumer Expenditure," March 18. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1983. "SA Banks Are Turning into Financial Supermarkets," May 24. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984. "Credit-Scoring," May 15. SBSA Press cuttings. Standard Bank Heritage Center.

City of Johannesburg. 2007. "Inner City Charter: Residential Development." http://www.joburg.org.za/index.php?option=com_content&task=view&id=2131&Itemid=49.

Coe, Neil M., and Martin Hess. 2012. "The Geographies of Production." In *The Wiley-Blackwell Companion to Economic Geography*, edited by Trevor J. Barnes, Jamie Peck, and Eric Sheppard, 157–69. John Wiley & Sons.

Cohen, Marilyn. 1984. "95 Pc Bond for Black Housing." *Citizen*, April 17. SBSA Press cuttings. Standard Bank Heritage Center.

Cokayne, Roy. 2011. "Signs of life in home building." *Business Report*, August 1.

———. 2013. "Affordable Housing Gap Is Key to Wealth Creation, Says Study." *Iol.co.za*, April 12. http://www.iol.co.za/business/business-news/affordable-housing-gap-is-key-to-wealth-creation-says-study-1.1499147.

———. 2016. “Calgro expects memorial park to pay off in long term”. *Iol.co.za*, May 12. http://www.iol.co.za/business/companies/calgro-expects-memorial-park-to-pay-off-in-long-term-2020615

Compliance and Risk Resources. 2012. “Research on the increase of unsecured personal loans in South Africa’s credit market.” Final Report: Executive Summary. Prepared for the National Credit Regulator (NCR). August 6. http://www.ncr.org.za/documents/pages/research-reports/aug12/UPL%20Report%2047%20Exec%20Sum.pdf

Cosmopolitan Projects. 2013. *Cosmopolitan Projects Company Newsletter*. Vol. 1.

Coutard, Olivier, and Jonathan Rutherford. 2015. *Beyond the Networked City: Infrastructure Reconfigurations and Urban Change in the North and South*. Routledge.

Crais, Clifton C, and Thomas V. McClendon, eds. 2014. *The South Africa Reader : History, Culture, Politics*. Durham: Duke University Press.

Crankshaw, Owen. 1997. *Race, Class, and the Changing Division of Labour Under Apartheid*. London: Routledge.

———. 2005. “Class, Race and Residence in Black Johannesburg, 1923–1970.” *Journal of Historical Sociology* 18 (4): 353–93. doi:10.1111/j.1467-6443.2005.00261.x.

Cranston, Stephen. 2008. “What Is Demutualisation?” *Financial Mail*, August 22.

———. 2011. “South Africa’s Public Investment Corp Looks beyond the Waterfront.” *Financial Times*, July 18.

———. 2015. “Private Equity: Bitten by the Africa Bug.” *Financial Mail,* April 30. http://www.financialmail.co.za/moneyinvesting/2015/04/30/private-equity-bitten-by-the-africa-bug.

De Kock, Gerhard. 1981. “New Developments in Monetary Policy in South Africa.” *South African Journal of Economics* 49 (4): 212–29. doi:10.1111/j.1813-6982.1981.tb00721.x.

Dennis Williams Realtors. 2012. “Home Loan Overcharging Court Case Postponed.” http://www.dwrealtors.co.za/news/home-loan-overcharging-court-case-postponed/.

Derickson, Kate Driscoll. 2014. “Urban Geography I: Locating Urban Theory in the ‘urban Age.’” *Progress in Human Geography*, December 5 (online). doi:10.1177/0309132514560961.

De Soto, Hernando. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.

De Vos, Pieter. 1980. “Banks Agree – No Separate Ways.” *The Star*, January 2. SBSA Press cuttings. Standard Bank Heritage Center.

DHS, (Department of Human Settlements). 2014. “Celebrating 20 Years of Human Settlements: Bringing the Freedom Charter to Life.” Pretoria: National Department of Human Settlements. http://www.dhs.gov.za/sites/default/files/documents/20%20YR%20BOOK-PARTS%201-5/DHS%2020%20YR%20BOOK%20WEB%20PART%201.pdf.

Dixon, Adam D., and Ashby H. B. Monk. 2014. “Frontier Finance.” *Annals of the Association of American Geographers* 104 (4): 852–68. doi:10.1080/00045608.2014.912543.

Dlamini, Jacob. 2010. *Native Nostalgia*. Auckland Park, South Africa: Jacana Media.

Dlamini, Penwell. 2012. “Hawks Probe FNB.” *Sowetan LIVE*, March 30. http://www.sowetanlive.co.za/news/business-news/2012/03/30/hawks-probe-fnb.

Donnelly, Lynley. 2011. “Unsecured Credit Spike Raises Alarm.” *Mail & Guardian*, July 8. http://mg.co.za/article/2011-07-08-unsecured-credit-spike-raises-alarm.

Dube, Lloyd. 2006. “An Investigation into the Effectiveness of Using Securitization as a Means of Financing Low-Cost Housing.” Unpublished Masters Thesis, University of the Witwatersrand. http://wiredspace.wits.ac.za/handle/10539/4857.

Dubow, Saul. 2014. *Apartheid, 1948-1994*. Oxford: Oxford University Press.

Dymski, Gary A. 2009. “Afterword: Mortgage Markets and the Urban Problematic in the Global Transition.” *International Journal of Urban and Regional Research* 33 (2): 427–42. doi:10.1111/j.1468-2427.2009.00869.x.

Dymski, Gary, Jesus Hernandez, and Lisa Mohanty. 2013. “Race, Gender, Power, and the US Subprime Mortgage and Foreclosure Crisis: A Meso Analysis.” *Feminist Economics* 19 (3): 124–51. doi:10.1080/13545701.2013.791401.

*Economic Times*. 2002. “What exactly is demutualisation?” Accessed April 25, 2016. http://articles.economictimes.indiatimes.com/2002-01-21/news/27334241_1_demutualisation-trading-rights-brokers

*Economist*. 1983. “Tinker, Tailor, Never Tycoon,” June 25. SBSA Press cuttings. Standard Bank Heritage Center.

Edginton, P.J. 1951. *The History, Development and Practice of Building Societies in South Africa*. Johannesburg: Durand & Bowden.

Eighty20. 2015. “Mortgage Performance Initial Findings for Comments.” Prepared for CAHF and the NHFC with the support of FinMark Trust. Johannesburg: Centre for Affordable Housing Finance in Africa.

Elden, Stuart. 2010. “Land, Terrain, Territory.” *Progress in Human Geography* 34 (6): 799–817. doi:10.1177/0309132510362603.

Elder, Glen S. 1998. “The South African body politic: space, race and heterosexuality.” In *Places through the Body*, edited by Heidi Nast and Steve Pile, 114-122. London and New York: Routledge.

Endsor, Linda. 2014a. “Doubts about Mortgage Default Scheme.” *Business Day Live*, March 13. http://www.bdlive.co.za/business/financial/2014/03/13/doubts-about-mortgage-default-scheme.

———. 2014b. “Government Sets 1.5-Million Target for Homes — and Then Aims to Exit.” *Business Day Live*, July 28. http://www.bdlive.co.za/national/2014/07/28/government-sets-1.5-million-target-for-homes--and-then-aims-to-exit.

*Engineering News*. 2012. “Adequate and Appropriately Positioned Housing Key to SA Development.” October 3. http://www.engineeringnews.co.za/article/adequate-and-appropriately-positioned-housing-key-to-sa-development-2012-10-03.

*eProp*. 2014. “Standard Bank Remains Committed to Funding Affordable Housing Developments.” *eProp Commercial Property News*, September 4. http://www.eprop.co.za/commercial-property-news/item/16560-standard-bank-remains-committed-to-funding-affordable-housing-developments.html.

Escusa, Elodie. 2015. “A La Recherche D’une Identit´e Sociale Post-Apartheid : l’Afrique Du Sud Du Milieu, Espace Social Strat´egique de La Transformation.” Unpublished PhD dissertation, Science politique: Universit´e de Bordeaux.

Etherington, Norman. 2004. “A False Emptiness: How Historians May Have Been Misled by Early Nineteenth Century Maps of South-eastern Africa.” *Imago Mundi* 56 (1): 67–86. doi:10.1080/0308569032000172969.

Evans, Ivan. 1997. *Bureaucracy and Race: Native Administration in South Africa*. Berkeley: University of California Press.

Everatt, David. 2014. “Poverty and Inequality in the Gauteng City Region.” In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 63-82. Johannesburg: Wits University Press.

Falkena, H. B, L. J Fourie, and W. J Kok. 1989. *The Mechanics of the South African Financial System: Financial Institutions, Instruments, and Markets*. Houndmills, Basingstoke, Hampshire: Macmillan Press.

Farley, Peter. 1985. “United Set to Become Listed Company in ’86.” *The Star*, March 27. SBSA Press cuttings. Standard Bank Heritage Center.

FNB, (First National Bank). 2006. “Press Release: FNB ‘Steps-up’ Its Affordable Housing Finance Offering.” *FNB News*, September 13. https://www.fnb.co.za/news/archive/2006/20060913housing.html.

FEASibility. 2006. “Credit Extension to Households. Report Mandated by the National Credit Regulator.” http://www.ncr.org.za/documents/pages/research-reports/march07/Public%20Report.pdf.

Feinstein, Charles H. 2005. *An Economic History of South Africa: Conquest, Discrimination and Development*. Cambridge: Cambridge University Press.

Fernandes, A.C., and A. Novy. 2010. “Reflections on the Unique Response of Brazil to the Financial Crisis and Its Urban Impact.” *International Journal of Urban and Regional Research* 34 (4): 952–66.

Fields, Desiree. 2015. “Contesting the Financialization of Urban Space: Community Organizations and the Struggle to Preserve Affordable Rental Housing in New York City.” *Journal of Urban Affairs* 37 (2): 144–65. doi:10.1111/juaf.12098.

*Fin24*. 2012. “FNB Denies Inflated Bond Rates for Blacks.” March 19. http://www.fin24.com/Companies/Financial-Services/FNB-denies-inflated-bond-rates-for-blacks-20120319.

*Finance Week*. 1981a. “Interest Rate Question: Government’s Monetary Policy Is the Key,” April 22. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1981b. “Shadows across Suburbia,” April 23. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1981c. “Cartel Busting: Interest Rates Signal Free for All,” September 10. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1982. “Mortgage War,” September 30. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984a. “Credit Risks: Banks Try to Improve Screening,” May 17. CHECK. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984b. "Building Societies Coy," August 23. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984c. "Housing Cracks," October 11. SBSA Press cuttings. Standard Bank Heritage Center.

Financial and Fiscal Commission. 2012. *Public Hearings: Housing Finance*. November 7-8. Centurion, Gauteng.

*Financial Mail*. 1978. "Building Societies: Beyond Housing," December 22. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1979. "De Kock: Unshackling the Market.," January 26. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1982. "Building Societies … Theirs to Reason Why," December 3. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984a. "Building Societies: Reform in Trouble," November 23. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1984b. "Building Societies: Vested Interests Stall," December 7. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1985a. "Building Societies: Fighting for Freedom," April 5. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1985b. "The JSE Waits for Clarity," November 1. SBSA Press cuttings. Standard Bank Heritage Center.

———. 2009. "Hurdles Remain: Housing." September 25. http://www.fm.co.za/fm/2009/09/25/housing.

———. 2010. "Painful Purge: Property." February 5. http://www.financialmail.co.za/fm/2010/02/05/property.

Fine, Ben. 2010a. "Engaging the MEC: Or a Few of My Views on a Few Things." *Transformation*, no. 71: 26–49.

———. 2010b. "Locating Financialisation." *Historical Materialism* 18 (2): 97–116.

FinMark Trust. 2014. "FinScope South Africa 2014 Consumer Survey.".http://www.finmark.org.za/wp-content/uploads/2016/02/Pres_Finscope2014_FNL.pdf.

*Finweek*. 2010. "Trophy Homes Lose Their Lustre: Convenience Is in." December 23.

———. 2015. "Property: Steyn City: A Lifestyle Benchmark." March 13.

FitchRatings. 2003. "South African Residential Mortgage Default Model 2003." RMBS/South Africa Special Report. New York.

Fredrickson, George. 1981. *White Supremacy : A Comparative Study in American and South African History*. New York: Oxford University Press.

Freund, Bill. 2007. *The African City: A History*. Cambridge England ; New York: Cambridge University Press.

———. 2010. "The Significance of the Minerals-Energy Complex in the Light of South African Economic Historiography." *Transformation*, no. 71: 3–25.

Freybote, Julia, and Viola Karoly. 2008. “The Secondary Mortgage Markets in South Africa.” In *Mortgage Markets Worldwide*, edited by Danny Ben-Shahar, Charles Ka Yui Leung, and Seow Eng Ong, 179–214. Oxford: Blackwell Publishing Ltd.

Fridjhon, Harold. 1982. “Two-Tier Mortgage System Recommended by Du Plessis.” *Rand Daily Mail*, December 8. SBSA Press cuttings. Standard Bank Heritage Center.

GCRO, (Gauteng City Region Observatory). 2016. Maps & Data.www.gcro.ac.za

Genesis Analytics. 2008. “The Dynamics of the Formal Urban Land Market in South Africa.” A report prepared for Urban LandMark by Genesis Analytics. Johannesburg, South Africa.

Gevisser, Mark. 2014. *Lost and Found in Johannesburg: A Memoir*. New York: Farrar, Straus and Giroux.

Gibson-Graham, J. K. 2008. “Diverse Economies: Performative Practices for `other Worlds’.” *Progress in Human Geography* 32 (5): 613–32. doi:10.1177/0309132508090821.

Gidwani, Vinay K. 2008. *Capital, Interrupted: Agrarian Development and the Politics of Work in India*. Minneapolis: University of Minnesota Press.

Gilbert, Alan, and Josef Gugler. 1982. *Cities, Poverty, and Development: Urbanization in the Third World*. Oxford: Oxford University Press.

Gilbert, Emily. 2011. “Follow the Thing: Credit. Response to ‘Follow the Thing: Money.’” *Environment and Planning D: Society and Space* 29 (6): 1085–88. doi:10.1068/d8410r1.

Goga, Soraya. 2003. “Property Investors and Decentralization: A Case of False Competition?” In *Emerging Johannesburg: Perspectives on the Postapartheid City*, edited by Richard Tomlinson, Robert A. Beauregard, Lindsay Bremner, and Xolela Mangcu, 71–83. New York ; London: Routledge.

Goko, Colleen. 2013. “IFC Invests $63m in Affordable Housing in Africa.” *Business Day Live*, September 11. http://www.bdlive.co.za/national/2013/09/11/ifc-invests-63m-in-affordable-housing-in-africa.

Gotham, Kevin Fox. 2006. “The Secondary Circuit of Capital Reconsidered: Globalization and the US Real Estate Sector.” *American Journal of Sociology* 112 (1): 231–75.

———. 2009. “Creating Liquidity out of Spatial Fixity: The Secondary Circuit of Capital and the Subprime Mortgage Crisis.” *International Journal of Urban and Regional Research* 33 (2): 355–71. doi:10.1111/j.1468-2427.2009.00874.x.

Gotz, Graeme and Alison Todes. 2014. “Johannesburg's urban space economy.” In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 117-136. Johannesburg: Wits University Press.

GPF, (Gauteng Partnership Fund). 2012. “Press Release: The 2012 Affordable Housing Indaba-Celebrating Visible Strides and Remarkable in GPFs Progress.” http://www.gpf.org.za/Communications/Media/Publications/The2012AffordableHousingIndabaCelebrating/tabid/193/Default.aspx.

Graham, Stephen, and Simon Marvin. 2001. *Splintering Urbanism: Networked Infrastructures, Technological Mobilities and the Urban Condition*. London; New York: Routledge.

Greenberg, Stanley B. 1987. *Legitimating the Illegitimate: State, Markets, and Resistance in South Africa*. Berkeley: University of California Press.

Greve, Natalie. 2014. "Africa-Focused Affordable Housing Fund Banks R1.5bn in Investments." *Engineering News*, September 10. http://www.engineeringnews.co.za/article/africa-focused-affordable-housing-fund-banks-r15bn-in-investments-2014-09-10.

Grundlingh, Albert. 2008. "'Are We Afrikaners Getting Too Rich?' Cornucopia and Change in Afrikanerdom in the 1960s." *Journal of Historical Sociology* 21 (2-3): 143–65. doi:10.1111/j.1467-6443.2008.00333.x.

Gumata, N, and J Mokoena. 2005. "Note on the Impact of Securitisation Transactions on Credit Extension by Banks." Quarterly Bulletin. South African Reserve Bank. https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/4374/Note%20on%20the%20impact%20of%20securitisation%20transactions%20on%20credit%20extension%20by%20banks.pdf.

Gunter, Ashley, and Lukas Scheepers. 2011. "'Chrisylida Capital': Hatching Informal Township Property Markets to Benefit Low-Income Residents in Johannesburg, South Africa." *Urban Forum* 23 (2): 165–80. doi:10.1007/s12132-011-9136-7.

Gyamfi-Yeboah, Frank, and Alan J. Ziobrowski. 2009. "The Integration of Mortgage and Capital Markets in Emerging Economies—Evidence from South Africa." *The Journal of Real Estate Finance and Economics* 41 (3): 339–53. doi:10.1007/s11146-009-9166-2.

Haferburg, Christoph. 2013. "Townships of To-Morrow? Cosmo City and Inclusive Visions for Post-Apartheid Urban Futures." *Habitat International* 39 (July): 261–68. doi:10.1016/j.habitatint.2012.10.014.

Hall, Henry. 1858. Zuid Afrika (map). Islandora Repository, William and Yvonne Jacobson Digital Africana Program at UCT. African Historical Maps: University of Cape Town Libraries.

Hall, Sarah. 2011. "Geographies of Money and Finance I: Cultural Economy, Politics and Place." *Progress in Human Geography* 35 (2): 234–45. doi:10.1177/0309132510370277.

———. 2012. "Making Space for Markets in Economic Geography." *Dialogues in Human Geography* 2 (2): 142–45. doi:10.1177/2043820612449311.

Hall, Stuart. 1980. "Race, Articulation and Societies Structured in Dominance." In *Sociological Theories: Race and Colonialism*, edited by UNESCO, 305–45. Paris: Unesco Publishing.

Hamann, Ralph, Sanjeev Khagram, and Shannon Rohan. 2008. "South Africa's Charter Approach to Post-Apartheid Economic Transformation: Collaborative Governance or Hardball Bargaining?" *Journal of Southern African Studies* 34 (1): 21–37. doi:10.1080/03057070701832866.

Harrison, Philip, Graeme Gotz, Alison Todes, and Chris Wray, eds. 2014. *Changing Space, Changing City: Johannesburg after Apartheid*. Johannesburg: Wits University Press.

Harrison, Philip, and Kirsten Harrison. 2014. "Soweto: A Study in Socio-Spatial Differentiation." In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 293–318. Johannesburg: Wits University Press.

Harrison, Philip, and Alison Todes. 2015. "Spatial Transformations in a 'loosening State': South Africa in a Comparative Perspective." *Geoforum* 61 (May): 148–62. doi:10.1016/j.geoforum.2015.03.003.

Harrison, Philip, Alison Todes and Vanessa Watson. 2008. *Planning and Transformation: Learning from the Post-Apartheid Experience.* Abingdon & New York: Routledge.

Harrison, Philip, and Tanya Zack. 2012. "The Power of Mining: The Fall of Gold and Rise of Johannesburg." *Journal of Contemporary African Studies* 30 (4): 551–70. doi:10.1080/02589001.2012.724869.

———. 2014. "The wrong side of the mining belt? Spatial transformations and identities in Johannesburg's southern suburbs." In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 269-292. Johannesburg: Wits University Press.

Harris, Richard. 2014. "Urban Land Markets: A Southern Exposure." In *The Routledge Handbook on Cities of the Global South*, edited by Susan Parnell and Sophie Oldfield, 109–21. London and New York: Routledge.

Hart, Gillian. 2008. "The Provocations of Neoliberalism: Contesting the Nation and Liberation after Apartheid." *Antipode* 40 (4): 678–705. doi:10.1111/j.1467-8330.2008.00629.x.

———. 2014. *Rethinking the South African Crisis: Nationalism, Populism, Hegemony*. Athens, GA: University of Georgia Press.

Hart, Keith, and John Sharp, eds. 2014. *People, Money and Power in the Economic Crisis: Perspectives from the Global South*. New York; Oxford: Berghahn Books.

Harvey, David. 1978. "Urbanization under Capitalism: A Framework for Analysis." *International Journal of Urban and Regional Research* 2: 101–31.

———. 1985. *The Urbanization of Capital : Studies in the History and Theory of Capitalist Urbanization*. Baltimore: Johns Hopkins University Press.

———. 2006. *The Limits to Capital*. London; New York: Verso.

———. 2010. *The Enigma of Capital : And the Crises of Capitalism*. Oxford, England; New York: Oxford University Press.

———. 2012. "Foreword: The Urban Roots of the Financial Crisis." In *Subprime Cities: The Political Economy of Mortgage Markets*, edited by Manuel Aalbers, xiii – xix. Chichester: Wiley-Blackwell.

Harvey, Penny, and Hannah Knox. 2012. "The Enchantments of Infrastructure." *Mobilities* 7 (4): 521–36. doi:10.1080/17450101.2012.718935.

Hedley, Nick. 2013. "Supply of Affordable Housing Grows." *Business Day*, April 16. http://www.bdlive.co.za/business/property/2013/04/16/supply-of-affordable-housing-grows.

Hellmann, Ellen. 1969. *Rooiyard: A Sociological Survey of an Urban Native Slum Yard*. [Manchester]: Published on behalf of the Institute for Social Research, University of Zambia by Manchester University Press.

Hendler, Paul. 1987. "Capital Accumulation and Conurbation: Rethinking The Social Geography of The 'Black' Townships." *South African Geographical Journal* 69 (1): 60–85. doi:10.1080/03736245.1987.10559740.

Hernandez, Jesus. 2009. "Redlining Revisited: Mortgage Lending Patterns in Sacramento 1930–2004." *International Journal of Urban and Regional Research* 33 (2): 291–313. doi:10.1111/j.1468-2427.2009.00873.x.

Heymans, M. 2010. “Overview of Consumer Credit Data in South Africa Including Data on the Development of Regulated Debt Counseling.” Presentation at the Popular Economies, Local Economies 3rd workshop, Johannesburg, September 14.

Hogg, Alec. 1981. “Money Still Too Cheap.” *Rand Daily Mail*, March 24. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1983. “Banks, Societies Come in Line.” *Sunday Times*, November 20. SBSA Press cuttings. Standard Bank Heritage Center.

Ho, Karen. 2009. *Liquidated: An Ethnography of Wall Street*. Durham: Duke University Press Books.

Horler, Viv. 1978. “Where to Find Cash to Give House New Lease of Life.” *Cape Argus*, January 14. SBSA Press cuttings. Standard Bank Heritage Center.

Houghton, D. Hobart, and Jenifer Dagut. 1972. *Source Material on the South African Economy: 1860-1970*. Cape Town; New York: Oxford University Press.

*Housing in Southern Africa*. 2014. “R22bn Affordable Housing Book”. October.

*Housing in Southern Africa.* 2013. “Protea Glen - a thriving minitropolis.” July.

Huchzermeyer, Marie. 2003. “A Legacy of Control? The Capital Subsidy for Housing, and Informal Settlement Intervention in South Africa.” *International Journal of Urban and Regional Research* 27 (3): 591–612. doi:10.1111/1468-2427.00468.

Huchzermeyer, Marie, and Aly Karam, eds. 2006. *Informal Settlements: A Perpetual Challenge?* Cape Town: UCT Press.

HUD, (Housing and Urban Development). 1999. “Cuomo and Mthembi-Mahanyele Announce U.S.-South African Cooperation on Housing and Community Development Activities,” April 13, no. 99-62 edition, sec. News Releases. HUD Archive. http://archives.hud.gov/news/1999/pr99-62.html.

Hudson, Tony. 1981. “Banks ‘most Unhappy’ about New Credit Laws.” *Sunday Times*, March 1. SBSA Press cuttings. Standard Bank Heritage Center.

Hull, Elizabeth, and Deborah James. 2012. “Introduction: Popular Economies in South Africa.” *Africa* 82 (1): 1–19. doi:10.1017/S0001972011000696.

Hyslop, Jonathan. 2000. “Why Did Apartheid’s Supporters Capitulate? ‘Whiteness’, Class and Consumption in Urban South Africa, 1985-1995.” *Society in Transition* 31 (1): 36.

iafrica.com. 2007. “Siyakha! We Are Building!” *Iafrica.com*, December 27,. http://personalfinance.iafrica.com/homefront/105407.html.

———. 2012. “Death of the Estate Agent?” *Iafrica.com*, January 24. http://business.iafrica.com/news/774525.html.

———. 2013. “Changing Face of SA Suburbs.” *Iafrica.com*, August 8. http://business.iafrica.com/property/874080.html.

IHS, (International Housing Solutions). 2011. “International Housing Solutions”. Website. http://www.ihsinvestments.co.za.

———. 2012. “International Housing Solutions - About Us.” *International Housing Solutions*. http://www.ihsinvestments.co.za.

———. 2013. “International Housing Solutions - Developer Partners.” *International Housing Solutions*. http://www.ihsinvestments.co.za/developerpartners.aspx.

Jabavu, D.D.T. 1920. *The Black Problem: Papers and Addresses on Various Native Problems*. Lovedale: The Book Department.

Jacobs, Jane M., and Susan Smith. 2008. “Living Room: Rematerialising Home.” *Environment and Planning A* 40 (3): 515–19.

James, Deborah. 2012. “Money-Go-Round: Personal Economies of Wealth, Aspiration and Indebtedness.” *Africa* 82 (Special Issue 01): 20–40. doi:10.1017/S0001972011000714.

———. 2014. *Money from Nothing: Indebtedness and Aspiration in South Africa*. Stanford: Stanford University Press.

JCC, (Johannesburg City Council). 1946. City Council of Johannesburg Road Map. Museum Africa Photo Archive. MA2007-2096.

Jeans, Frank. 1981. “Homeowners Being Subsidised.” *The Star*, July 15. SBSA Press cuttings. Standard Bank Heritage Center.

JOMET, (Johannesburg Metropolitan Transport). 1991. JOMET Residential Viability Study: Phase II. Prepared by Infraplan for Johannesburg Metropolitan Planning Department. December. Parklands. SAHA, AL2566: The PLANACT Collection. 41: Urban Development; Urban Foundation. 41.1: Urban Development. Box 1260861. Box File 421, 41.1.18. General.

Jones, Gillian. 2014. “Banking Body to Discuss a New Role in Provision of Housing.” *Business Day Live*, October 29. http://www.bdlive.co.za/national/2014/10/29/banking-body-to-discuss-a-new-role-in-provision-of-housing.

Jordhus-Lier, David. 2015. “Community Resistance to Megaprojects: The Case of the N2 Gateway Project in Joe Slovo Informal Settlement, Cape Town.” *Habitat International*, 45 (3): 169–76. doi:10.1016/j.habitatint.2014.02.006.

Kardas-Nelson, Mara. 2013. After the Mines. In *After the Mines*, edited by Jason Larkin, Johannesburg: Fourthwall Books.

Karley, Noah Kofi. 2003. “Challenges in Mortgage Lending for the under Served in South Africa.” *Housing Finance International*, September: 27–33.

Katumba, Samy, Chris Wray and Guy Trangoŝ. 2015. Planned public housing developments in Gauteng . GCRO Map of the Month, May. Gauteng City Region Observatory.

Katznelson, Ira. 2005. *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America*. New York: W. W. Norton & Company.

Keegan, Timothy J. 1996. *Colonial South Africa and the Origins of the Racial Order*. London: Leicester University Press.

Kennaugh, Bob. 1978. “A Career for You in Building Societies.” *Citizen*, September 27. SBSA Press cuttings. Standard Bank Heritage Center.

Klink, Jeroen, and Rosana Denaldi. 2014. “On Financialization and State Spatial Fixes in Brazil. A Geographical and Historical Interpretation of the Housing Program My House My Life.” *Habitat International* 44 (October): 220–26. doi:10.1016/j.habitatint.2014.06.001.

Klug, Neil, Margot Rubin, and Alison Todes. 2013. “Inclusionary Housing Policy: A Tool for Re-Shaping South Africa’s Spatial Legacy?” *Journal of Housing and the Built Environment* 28 (4): 667–78. doi:10.1007/s10901-013-9351-8.

Knowler, George. 1981. “Mortgage Money Has Become Critically Short.” *Citizen*, February 3. SBSA Press cuttings. Standard Bank Heritage Center.

Kolver, Leandi. 2013. “NHFC, IFC Commit $63m to Affordable Housing Fund.” *Engineering News*, September 10. http://www.engineeringnews.co.za/article/nhfc-ifc-commit-63bn-to-affordable-housing-fund-2013-09-10.

———. 2014. “R100m Invested in IHS Affordable Housing Development by Eskom Fund.” *Engineering News*, April 8. http://www.engineeringnews.co.za/article/r100m-invested-in-ihs-affordable-housing-development-by-eskom-fund-2014-04-08.

Kracker-Selzer, Amy and Patrick Heller. 2010. “The Spatial Dynamics of Middle Class Formation in Postapartheid South Africa: Enclavization and Fragmentation in Johannesburg.” *Political Power and Social Theory* 21: 171-208.

Krige, Detlev. 2011. “Power, Identity and Agency at Work in the Popular Economies of Soweto and Black Johannesburg.” Unpublished PhD dissertation, Anthropology, University of the Witwatersrand. http://wiredspace.wits.ac.za/handle/10539/10143.

———. 2012. “Fields of dreams, fields of schemes: Ponzi finance and multi-level marketing in South Africa.” *Africa* 82 (1): 69–92. doi:10.1017/S0001972011000738.

Krippner, Greta R., and Anthony S. Alvarez. 2007. “Embeddedness and the Intellectual Projects of Economic Sociology.” *Annual Review of Sociology* 33 (1): 219–40. doi:10.1146/annurev.soc.33.040406.131647.

Lai, Karen P. Y. 2011. “Marketization through Contestation: Reconfiguring China’s Financial Markets through Knowledge Networks.” *Journal of Economic Geography* 11 (1): 87–117. doi:10.1093/jeg/lbq005.

Lawhon, Mary, Henrik Ernstson, and Jonathan Silver. 2014. “Provincializing Urban Political Ecology: Towards a Situated UPE Through African Urbanism.” *Antipode* 46 (2): 497–516. doi:10.1111/anti.12051.

Lee, Jason. 2005. *Making Money out of Property in South Africa*. Cape Town: Zebra Press.

Lee, Rebekah. 2009. *African Women and Apartheid: Migration and Settlement in Urban South Africa*. London ; New York : New York: I.B.Tauris.

Leitner, Helga, and Eric Sheppard. 2002. “‘The City Is Dead, Long Live the Net’: Harnessing European Interurban Networks for a Neoliberal Agenda.” *Antipode* 34 (3): 495–518. doi:10.1111/1467-8330.00252.

———. 2003. “Unbounding Critical Geographic Research on Cities: The 1990S and beyond.” *Urban Geography* 24 (6): 510–28. doi:10.2747/0272-3638.24.6.510.

Leitner, Helga, Eric Sheppard, and Kristin M. Sziarto. 2008. “The Spatialities of Contentious Politics.” *Transactions of the Institute of British Geographers* 33 (2): 157–72. doi:10.1111/j.1475-5661.2008.00293.x.

Lemanski, Charlotte. 2011. “Moving up the Ladder or Stuck on the Bottom Rung? Homeownership as a Solution to Poverty in Urban South Africa.” *International Journal of Urban and Regional Research* 35 (1): 57–77.

Lemon, Anthony, ed. 1991. *Homes Apart : South Africa's Segregated Cities*. London, UK; Bloomington: PChapman.

Li, Tania Murray. 2014. "What Is Land? Assembling a Resource for Global Investment." *Transactions of the Institute of British Geographers* 39 (4): 589–602. doi:10.1111/tran.12065.

Loos, John. 2015a. "FNB Property Barometer -Rand Area Residential Market". May 11. https://blog.fnb.co.za/wp-content/uploads/2015/05/FNB-Property-Barometer_Rand_Area_Review_May_2015.pdf.

———. 2015b. "FNB Property Barometer February 2015 House Price Index." March 2. https://blog.fnb.co.za/2015/03/fnb-property-barometer-february-2015-house-price-index/.

Mabin, Alan. 1989. "Struggle for the City: Urbanisation and Political Strategies of the South African State." *Social Dynamics* 15 (1): 1–28. doi:10.1080/02533958908458458.

———. 1992. "Comprehensive Segregation: The Origins of the Group Areas Act and Its Planning Apparatuses." *Journal of Southern African Studies* 18 (2): 405–29. doi:10.1080/03057079208708320.

———. 2005. "Suburbanisation, segregation, and government of territorial transformations." *Transformation: Critical Perspectives on Southern Africa* 57(1): 41-63.

———. 2014. "In the forest of transformation: Johannesburg's northern suburbs." In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 395-417. Johannesburg: Wits University Press.

Mabin, Alan, Siân Butcher and Robin Bloch. 2013. "Peripheries, suburbanisms and change in sub-Saharan African cities." *Social Dynamics* 39(2): 167-190.

Mabin, Alan, and Sue Parnell. 1983. "Recommodification and Working-Class Home Ownership." *South African Geographical Journal* 65 (2): 148–66. doi:10.1080/03736245.1983.10559681.

Mabin, Alan, and Dan Smit. 1997. "Reconstructing South Africa's Cities? The Making of Urban Planning 1900–2000." *Planning Perspectives* 12 (2): 193–223. doi:10.1080/026654397364726.

Mabuza, Ernest. 2013. "First National Bank Prevails in 'racist practices' Case." *Business Day Live*, May 29. http://www.bdlive.co.za/business/financial/2013/05/29/first-national-bank-prevails-in-racist-practices-case.

MacKenzie, D, F Muniesa, and L Siu, eds. 2007. *Do Economists Make Markets? On the Performativity of Economics*. Princeton & Oxford: Princeton University Press.

Maharaj, Brij. 1994. "The Group Areas Act and Community Destruction in South Africa." *Urban Forum* 5 (2): 1–25. doi:10.1007/BF03036683.

Mahlaka, Ray. 2015a. "Affordable Property Market: Rental Units on the Rise." *Moneyweb*, April 13.

———. 2015b. "Affordable Housing Market Sparkles." *Moneyweb*, August 12. http://www.moneyweb.co.za/investing/property/affordable-housing-market-still-sparkles/.

*Mail & Guardian*. 2008. "Debtors Get a Helping Hand." May 30.

Majavu, Anna. 2012. “South Africa’s Non-Existent Affordable Housing Programme.” *SACSIS*. December 13. http://sacsis.org.za/site/article/1522?frommailing=1.

Mamdani, Mahmood. 1996. *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism*. Princeton, NJ: Princeton University Press.

———. 2012. *Define and Rule : Native as Political Identity*. 1st ed.. Cambridge, Mass: Harvard University Press (ebook).

Mantu, Richard. 2004. “Bonds for People with HIV/Aids.” *Southafrica.info*, January 27. http://www.southafrica.info/services/rights/housingfinance-230104.htm#.VVzENvlViko.

Marais, Hein. 2001. *South Africa: Limits To Change: The Political Economy of Transition*. Revised edition. London: Zed Books.

———. 2011. *South Africa Pushed to the Limit: The Political Economy of Change*. London ; New York: Zed Books.

Maylam, Paul. 1995. “Explaining the Apartheid City: 20 Years of South African Urban Historiography.” *Journal of Southern African Studies* 21 (1): 19–38.

Mbali, Mandisa. 2013. *South African AIDS Activism and Global Health Politics*. Basingstoke: Palgrave Macmillan.

Mbembe, Achille, and Sarah Nuttall. 2008. “Introduction: Afropolis.” In *Johannesburg: The Elusive Metropolis*, edited by Sarah Nuttall and Achille Mbembe, 1–36. Durham, NC: Duke University Press.

Mbogo, Steve. 2013. “Innovators Develop Apps for Africa.” *HispanicBusiness.com*. November 2. http://www.hispanicbusiness.com/2013/11/2/innovators_develop_apps_for_africa.htm.

Melzer, Illana. 2010. “Assessing Access to and Performance of FSC Housing Loans.” Prepared for FinMark Trust by Eighty20. FinMark Trust.

———. 2011. “Access to Housing Finance in South Africa: A Review of the Past Five Years. Prepared for the Finmark Trust and the Centre for Affordable Housing Finance in Africa by Eighty20 Consulting.” Presentation at the African Union Housing Finance conference, September 7. http://www.auhf.co.za/09-2011/Day%202%20Access%20to%20Housing%20Finance%20in%20SA%20Illana%20Melzer.pd.

———. 2014. “Availability of Entry-Level Housing Mortgages Deserves Attention.” *Business Day Live*, October 16.

———. 2015a. “Tracking Mortgage Loan Performance by Market Segment in South Africa: 2004-2014.” *Centre for Affordable Housing Finance in Africa*. April. http://www.housingfinanceafrica.org/document/8699/.

———. 2015b. “Time for an Open Data Revolution in Affordable Housing in South Africa.” Prepared for the Centre for Affordable Housing Finance in Africa with support from the National Housing Finance Corporation.

Menge, Lin. 1984. “UBS Men Warn and Advise Soweto Builders.” *Rand Daily Mail*, February 17. SBSA Press cuttings. Standard Bank Heritage Center.

Mesthrie, Uma Shashikant. 1993. “Tinkering and Tampering: A Decade of the Group Areas Act (1950–1960).” *South African Historical Journal* 28 (1): 177–202. doi:10.1080/02582479308671972.

Mhlanga, Denise. 2011a. “More Blacks Buying Property in SA.” *Property24.com*, October 4. http://www.property24.com/articles/more-blacks-buying-property-in-sa/14154.

———. 2011b. “Would You Buy a Distressed Property?” *Property24.com*, October 5. http://www.property24.com/articles/would-you-buy-a-distressed-property/14157.

———. 2012a. “Soweto’s New Trendy Affordable Homes.” *Property24.com*, March 26. http://www.property24.com/articles/sowetos-new-trendy-affordable-homes/14990.

———. 2012b. “Good Housing Improves Occupants’ Lives.” *Property24.com*, May 2. http://www.property24.com/articles/good-housing-improves-occupants-lives/15217.

———. 2013. “Why Investors Love Africa Real Estate.” *Property24.com*, March 14. http://www.property24.com/articles/why-investors-love-africa-real-estate/17314.

Migozzi, Julien. 2016. “Real estate market and social change in Cape Town: places, faces and values of the South African middle-class”. Paper presented at the annual meeting of the Association of American Geographers, San Francisco, California. March 28-May 1.

Millstein, Marianne. 2011. “Urban Governance Transformations and the First Two Years of the N2 Gateway Project in Cape Town.” *Transformation: Critical Perspectives on Southern Africa* 76 (1): 22–43. doi:10.1353/trn.2011.0025.

Minkley, Gary. 1998. “‘Corpses behind Screens’: Native Space in the City.” In *Blank_: Architecture, Apartheid and After*, edited by Hilton Judin and Ivan Vladislavic, 203–19. Rotterdam: NAi Publishers.

Mirowski, Philip. 2013. *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. London & New York: Verso Books.

Mitchell, Timothy. 1988. *Colonising Egypt.* Cambridge: Cambridge University Press.

———. 2002. *Rule of Experts : Egypt, Techno-Politics, Modernity*. Berkeley: University of California Press.

———. 2007. “The Properties of Markets.” In *Do Economists Make Markets? On the Performativity of Economics*, edited by Donald MacKenzie, Fabian Muniesa, and Lucia Siu, 244–75. Princeton & Oxford: Princeton University Press.

Mkhize, H. 2004. “Update on the Financial Sector Summit Agreements. Briefing to the Parliamentary Portfolio Committee on Finance.” Appendix to “Financial Sector Summit and Charter: inputs from NEDLAC constituencies” meeting, Finance Portfolio and Select Committees. 17 September 2004. http://pmg-assets.s3-website-eu-west-1.amazonaws.com/docs/2004/appendices/040917update.htm.

Mohamed, Seeraj. 2006. “The Impact of International Capital Flows on the South Africa Economy since the End of Apartheid.” Working Paper, CSID, University of the Witwatersrand.

Mokgola, ?. 2003. “Community Reinvestment Bill to Await Outcomes of BEE Discussion.” *Africa News Service*, August 7, sec. Opposing Viewpoints in Context.

Molotch, Harvey. 1976. “The City as Growth Machine: Toward a Political Economy of Place.” *American Journal of Sociology* 82 (2): 309–32.

*Moneyweb*. 2007. "Kennedy Bungane: Institutional and Corporate Banking, Standard Bank." December 11. http://www.moneyweb.co.za/archive/kennedy-bungane-institutional-and-corporate-bankin/.

———. 2012. "Cheaper Housing Option." October 14. http://www.moneyweb.co.za/moneyweb-south-africa/cheaper-housing-option?sn=2009%20Detail.

Monkkonen, P. 2012. "Housing Finance Reform and Increasing Socioeconomic Segregation in Mexico." *International Journal of Urban and Regional Research* 36 (4): 757-772. doi:10.1111/j.1468-2427.2011.01085.x.

Moodley, Sashnee. 2014. "Govt, Banks Renew Commitment to Tackle Housing Challenges." *Engineering News*, February 21. http://www.engineeringnews.co.za/article/partnership-to-address-housing-challenges-2014-02-21.

Moore, Donald S. 2005. *Suffering for Territory: Race, Place, and Power in Zimbabwe*. Durham: Duke University Press.

Morris, Pauline. 1981. *A History of Black Housing in South Africa*. Johannesburg: South Africa Foundation.

Moss, Vuyisani. 2009. "Measuring the Impact of the Financial Sector Charter (FSC) with Respect to Low-Income Housing in South Africa." *Housing Finance International*, March, 47–52.

———. 2013. "Borrower Education and Non-Payment Behaviour in Low Income Homeowners: A Case Study of Protea Glen, Johannesburg in South Africa." Unpublished PhD dissertation, University of the Witwatersrand. http://wiredspace.wits.ac.za/handle/10539/13067

Moss, Vuyisani, Hasan Dincer, and Umit Hacioglu. 2013. "The Nature of the Creditor-Debtor Relationship in South Africa." *International Journal of Research in Business and Social Science IJRBS* 2 (2): 47–57.

Motanyane, Maud. 1985. "Blacks Believe Companies Want to Preserve Apartheid." *The Star*, July 19. SBSA Press cuttings. Standard Bank Heritage Center.

Muellerleile, Chris. 2013. "Turning Financial Markets inside Out: Polanyi, Performativity and Disembeddedness." *Environment and Planning A* 45 (7): 1625–42. doi:10.1068/a45610.

Muller, Joan. 2013. "Arrowhead Properties Surges Ahead." *Financial Mail*, October 24. http://www.financialmail.co.za/business/fox/2013/07/25/arrowhead-properties-surges-ahead.

Murray, Martin J. 2008. *Taming the Disorderly City: The Spatial Landscape of Johannesburg after Apartheid*. Ithaca: Cornell University Press.

———. 2011. *City of Extremes : The Spatial Politics of Johannesburg*. Durham: Duke University Press.

Mushongera, Darlington. 2012. "House Prices, GDP and Civil Cases for Debt, 2007 - 2011." *Gauteng City Region Observatory*. April 5. http://www.gcro.ac.za/data-gallery/interactive-visualisations/detail/house-prices-gdp-and-civil-cases-for-debt-2007-2011-1/.

*MyProperty*. 2012. "FNB Reaches Milestone." April 2. http://www.myproperty.co.za/property_news/4914/fnb-reaches-milestone.aspx.

Nagar, Richa, Victoria Lawson, Linda McDowell, and Susan Hanson. 2002. "Locating Globalization: Feminist (Re)readings of the Subjects and Spaces of Globalization." *Economic Geography* 78 (3): 257–84. doi:10.1111/j.1944-8287.2002.tb00187.x.

*Natal Mercury*. 1978. "Big Bank Breakthrough," November 29. SBSA Press cuttings. Standard Bank Heritage Center.

———. 1981. "How Will Building Societies Cope?," July 28. SBSA Press cuttings. Standard Bank Heritage Center.

National Treasury. 2011. "A Safe Financial Sector to Serve South Africa Better." National Treasury Policy Document.

NCR, (National Credit Regulator). 2011. "National Credit Regulator Annual Report 2010-11." Annual Report. National Credit Regulator.

———. 2012. "National Credit Regulator Annual Report 2011/2012." Annual Report. National Credit Regulator. http://www.ncr.org.za/documents/pages/Financial%20Statement/NCR%20Annual%20Report%202011-12.pdf.

———. 2015. "Web-Dataset 2007 - Q4 to 2014-Q4." National Credit Regulator. http://www.ncr.org.za/ccmr-2014-archive.

Ndebele, Njabulo S. 1994. *South African Literature and Culture: Rediscovery of the Ordinary*. Manchester; New York: Manchester University Press.

———. 2000. "'Iph' Indlela? Finding Our Way into the Future' - the First Steve Biko Memorial Lecture." *Social Dynamics* 26 (1): 43–55.

Ndzamela, Phakamisa. 2013. "From Charter to Code." *Banker SA* 6:14-9.

Nightingale, Carl Husemoller. 2012. *Segregation : A Global History of Divided Cities*. Chicago ; London: The University of Chicago Press.

Nuttall, Sarah. 2001. "Subjectivities of Whiteness." *African Studies Review* 44 (02): 115–40. doi:10.2307/525577.

Nuttall, Sarah, and Achille Mbembe, eds. 2008. *Johannesburg: The Elusive Metropolis*. Durham: Duke University Press.

Office of Census and Statistics. 1917. "Official Year Book of the Union and of Basutoland, Bechuanaland Protectorate and Swaziland." Published under Authority of the Minister of the Interior.

Office of Disclosure. 2014. "Progress on the Implementation of the Home Loan and Mortgage Disclosure Act 2000 (Act No. 63 of 2000 (HLAMDA) to the Portfolio Committee." Presentation at the Implementation of Home Loan and Mortgage Disclosure Act 63, 2000: Departmental briefing; Rental Housing Amendment Bill: deliberations continued, Parliament, Cape Town, February 4. http://www.pmg.org.za/report/20140204-implementation-home-loan-and-mortgage-disclosure-act-63-2000-departmental-briefing-rental-housing-amendment-bill.

Olckers, Chris. 1981. "Credit Rates Will Hit Blacks." *Port Elizabeth Evening Post*, February 18. SBSA Press cuttings. Standard Bank Heritage Center.

Oldfield, Sophie. 2000. "The centrality of community capacity in state low-income housing provision in Cape Town, South Africa." *International Journal of Urban and Regional Research*. 24(4): 858-872.

Oldfield, Sophie, and Kristian Stokke. 2007. "Political Polemics and Local Practices of Community Organizing and Neoliberal Politics in South Africa." In *Contesting Neoliberalism: Urban Frontiers*, edited by Helga Leitner, Jamie Peck, and Eric Sheppard, 139–56. New York ; London: Guilford Press.

O'Loughlin, Ed. 1998. "South Africa Asks Banks to Aid Equality US-Style." *Christian Science Monitor*, August 3.

O'Meara, Dan. 1983. *Volkskapitalisme : Class, Capital, and Ideology in the Development of Afrikaner Nationalism, 1934-1948*. African Studies Series ; 34. Cambridge Cambridgeshire: New York.

OMIGSA. 2009. "Old Mutual Investment Group Helps Fill Gap in Affordable Housing." *FAnews*, September 21. http://www.fanews.co.za/article.asp?Company_News_Results~1,Old_Mutual~1049,Old_Mutual_Investment_Group_helps_fill_gap_in_affordable_housing~6891.

O'Neill, Dominic. 2012. "South Africa Unsecures Its Banks." *Euromoney*, September, 42 (521).

OPIC, (Overseas Private Investment Corporation). 2003a. "Africa in Focus: Board Approves $125 Million Citibank Facility; Housing Project in South Africa Underway." *OPIC News*, February.

———. 2003b. "OPIC Project Will Enable HIV+ Home Owners to Keep Homes." *OPIC News*, February.

———. 2011. "Opening a door to home ownership in South Africa: NURCHA." Profiled in 2011. https://www.opic.gov/opic-action/featured-projects/sub-saharan-africa/opening-door-home-ownership-south-africa-nurcha

———. 2015. "IHS Fund II SA PVE: Section I: non-confidential project information." https://www.opic.gov/sites/default/files/files/International%20Housing%20Solutions%20Fund%20II%20Project%20Summary.pdf

Ouma, Stefan. 2014. "Situating Global Finance in the Land Rush Debate: A Critical Review." *Geoforum* 57 (November): 162–66. doi:10.1016/j.geoforum.2014.09.006.

Ouma, Stefan, Marc Boeckler, and Peter Lindner. 2013. "Extending the Margins of Marketization: Frontier Regions and the Making of Agro-Export Markets in Northern Ghana." *Geoforum* 48 (August): 225–35. doi:10.1016/j.geoforum.2012.01.011.

Padayachee, Vishnu. 2013. "Introducing Varieties of Capitalism into the South African Debate: Uses and Limits." *Transformation: Critical Perspectives on Southern Africa* 81 (1): 5–32.

Pallister, David. 1988. *South Africa, Inc.: The Oppenheimer Empire*. New Haven: Yale University Press.

Parliamentary Monitoring Group. 2000a. *Home Loan & Mortgage Disclosure Bill: Hearings*. September 25. Parliament, Cape Town. http://www.pmg.org.za/minutes/20000925-home-loan-mortgage-disclosure-bill-hearings.

———. 2000b. *Home Loan & Mortgage Disclosure Bill: Briefing*. September 26. Parliament Cape Town. http://www.pmg.org.za/minutes/20000926-home-loan-mortgage-disclosure-bill-briefing.

———. 2005. *Low-Income Housing Finance Proposal: Banking Association Briefing*. August 23. Parliament, Cape Town. http://www.pmg.org.za/minutes/20050823-low-income-housing-finance-proposal-banking-association-briefing-0.

———. 2012. *Unsecured Loans: Minister of Trade & Industry; National Credit Regulator; Banking Association of SA & SA Reserve Bank Input*. Parliament, Cape Town. http://www.pmg.org.za/report/20120502-unsecured-loans-minister-trade-industry-national-credit-regulator-ban.

———. 2015. *Provincial and municipal land identification and acquisition plan for human settlements; National Upgrading Support Programme (NUSP) progress reports*. Human Settlements Committee meeting. August 14. https://pmg.org.za/committee-meeting/21228/?utm_medium=emailandutm_source=transactionalandutm_campaign=minute-alert

Parnell, Susan. 1988. "Land Acquisition and the Changing Residential Face of Johannesburg, 1930-1955." *Area* 20 (4): 307–14.

———. 1989. "Shaping a Racially Divided Society: State Housing Policy in South Africa, 1920 - 50." *Environment and Planning C: Government and Policy* 7 (3): 261–72.

———. 1990. *The ideology of African home-ownership: the establishment of Dube, Soweto, 1946 - 1955.* http://hdl.handle.net/10539/8036.

———. 1991. "Race, Class, Gender and Home Ownership Subsidies in Contemporary South Africa." *Urban Forum* 2 (1). doi:10.1007/BF03036668.

———. 1992. "State Intervention in Housing Provision in the 1980s." In *The Apartheid City and Beyond: Urbanization and Social Change in South Africa*, edited by David M. Smith, 54–65. London: Routledge.

———. 1993. "Creating Racial Privilege: The Origins of South African Public Health and Town Planning Legislation." *Journal of Southern African Studies* 19 (3): 471–88.

———. 1998. "Negotiating Segregation: Pre-parliamentary Debate over the Natives (urban Areas) Act of 1923." *African Studies* 57 (2): 147–66. doi:10.1080/00020189808707893.

———. 2003. "Race, Power and Urban Control: Johannesburg's Inner City Slum-Yards, 1910–1923." *Journal of Southern African Studies* 29 (3). doi:10.1080/0305707032000094947.

Parnell, Susan, and Alan Mabin. 1995. "Rethinking Urban South Africa." *Journal of Southern African Studies* 21 (1): 39–61.

Parnell, Susan and Sophie Oldfield, eds. 2014. *The Routledge Handbook on Cities of the Global South*. New York: Routledge.

Parnell, Susan, and Gordon Pirie. 1991. "Johannesburg." In *Homes Apart: South Africa's Segregated Cities*, edited by Anthony Lemon, 129–45. London: Paul Chapman.

Parnell, Susan, and Jennifer Robinson. 2012. "(Re)theorizing Cities from the Global South: Looking Beyond Neoliberalism." *Urban Geography* 33 (4): 593–617. doi:10.2747/0272-3638.33.4.593.

Peck, Jamie. 2012a. "Economic Geography: Island Life." *Dialogues in Human Geography* 2 (2): 113–33. doi:10.1177/2043820612443779.

———. 2012b. "On the Waterfront." *Dialogues in Human Geography* 2 (2): 165–70. doi:10.1177/2043820612443783.

———. 2013a. “For Polanyian Economic Geographies.” *Environment and Planning A* 45 (7): 1545–68. doi:10.1068/a45236.

———. 2013b. “Polanyi in the Pilbara.” *Australian Geographer* 44 (3): 243–64. doi:10.1080/00049182.2013.817037.

Phakathi, Bekezela. 2014. “Free Housing for Elderly and Indigent Only, Says Minister.” *Business Day Live*, October 28. http://www.bdlive.co.za/national/2014/10/28/free-housing-for-elderly-and-indigent-only-says-minister.

Pieterse, Edgar. 2011. “Introduction: Rogue Urbanisms.” *Social Dynamics* 37 (1): 1–4. doi:10.1080/02533952.2011.573955.

Pillay, Suren. 2009. “'Transforming South Africa': Race, Colonialism and Challenges of Critical Thought after Apartheid.” In *Re-Imagining the Social in South Africa: Critique, Theory and Post-Apartheid Society*, edited by Heather Jacklin and Peter Vale, 235-68. Scottsville: University of KwaZulu-Natal Press.

Pirie, G. H. 1984. “Ethno-Linguistic Zoning in South African Black Townships.” *Area* 16 (4): 291–98.

Pithouse, Richard. 2006. “Struggle Is a School: The Rise of a Shack Dweller’s Movement in Durban, South Africa.” *Monthly Review* 57 (9): 30–51.

Plaatje, Solomon Tshekisho. 1982. *Native Life in South Africa : Before and since the European War and the Boer Rebellion*. Johannesburg: Ravan Press.

Pollard, Jane, Cheryl McEwan, Nina Laurie, and Alison Stenning. 2009. “Economic Geography under Postcolonial Scrutiny.” *Transactions of the Institute of British Geographers* 34 (2): 137–42. doi:10.1111/j.1475-5661.2009.00336.x.

Poon, Martha. 2007. “Scorecards as Devices for Consumer Credit: The Case of Fair, Isaac & Company Incorporated.” In *Market Devices*, edited by Michel Callon, Fabian Muniesa, and Yuval Millo. Malden, MA; Oxford, UK & Victoria, Australia: Blackwell Publishing Ltd.

Porteous, David. 2005. “Setting the Context: South Africa.” *Housing Finance International* xx (3): 34–39.

Porteous, David, and Ethel Hazelhurst. 2004. *Banking on Change: Democratising Finance in South Africa 1994-2004*. Cape Town: Juta and Company Ltd..

Posel, Deborah. 2005. “The Case for a Welfare State.” In *South Africa’s 1940s: Worlds of Possibilities*, edited by Saul Dubow and Alan Jeeves, 64–86. Cape Town: Juta and Company Ltd.

———. 2010. “Races to Consume: Revisiting South Africa’s History of Race, Consumption and the Struggle for Freedom.” *Ethnic and Racial Studies* 33 (2): 157–75. doi:10.1080/01419870903428505.

*Pretoria News*. 1978. “Segregation Is Dying out in City’s Banks,” February. SBSA Press cuttings. Standard Bank Heritage Center.

*Property24*. 2011. “Bank Lending Practices Criticised.” *Property24.com*, May 30. http://www.property24.com/articles/bank-lending-practices-criticised/13589.

———. 2012. “If You Borrow Money, Be Responsible.” *Property24.com*, October 18. http://www.property24.com/articles/if-you-borrow-money-be-responsible/16456.

———. 2013a. "Gap Housing Enhances Wealth Creation." *Property24.com*, April 18. http://www.property24.com/articles/gap-housing-enhances-wealth-creation/17518.

———. 2013b. "Home Loans for Affordable Housing." *Property24.com*, July 30. http://www.property24.com/articles/home-loans-for-affordable-housing/18156.

Provisional University. 2016. "Vulture Landlords: An in Depth Interview with Desiree Fields." *Provisional University*. February 1. https://provisionaluniversity.wordpress.com/2016/02/01/vulture-landlords-an-in-depth-interview-with-desiree-fields/.

Ramutsindela, Maano. 2002. "The Philosophy of Progress and South African Geography." *South African Geographical Journal* 84 (1): 4–11. doi:10.1080/03736245.2002.9713750.

*Rand Daily Mail*. 1983. "Standard Fly the Flag," January 26, sec. Homefront. SBSA Press cuttings. Standard Bank Heritage Center.

Redding, Sean. 1993. "Peasants and the Creation of an African Middle Class in Umtata, 1880-1950." *The International Journal of African Historical Studies* 26 (3): 513–39. doi:10.2307/220477.

Robertson, Marian. 1983. *Building for Permanence: The Story of a Building Society in the Lives of South Africans, 1883-1983*. Cape Town: C. Struik Publishers on behalf of the South African Permanent Building Society.

Robinson, Jennifer. 1996. *The Power of Apartheid: State, Power, and Space in South African Cities*. Oxford: Butterworth-Heinemann.

———. 2006. *Ordinary Cities: Between Modernity and Development*. London; New York: Routledge.

Rolnik, Raquel. 2013. "Late Neoliberalism: The Financialization of Homeownership and Housing Rights." *International Journal of Urban and Regional Research* 37 (3): 1058–66. doi:10.1111/1468-2427.12062.

Roos, Neil. 2009. "The Springbok and the Skunk: War Veterans and the Politics of Whiteness in South Africa during the 1940s and 1950s." *Journal of Southern African Studies* 35 (3): 643–61. doi:10.1080/03057070903101870.

Rose, Gillian. 1997. "Situating knowledges: positionality, reflexivities and other tactics." *Progress in Human Geography* 21(3): 305-320.

Rose, Rob. 2002. "Financial Sector to Get Empowerment Charter." *Africa News Service*, August 20, sec. Opposing Viewpoints in Context.

———. 2003. "Financial Sector Wants Charter That Is Built On Consensus." *Africa News Service*, March 26, sec. Opposing Viewpoints in Context.

Roy, Ananya. 2009a. "Why India Cannot Plan Its Cities: Informality, Insurgence and the Idiom of Urbanization." *Planning Theory* 8 (1): 76–87. doi:10.1177/1473095208099299.

———. 2009b. "The 21st-Century Metropolis: New Geographies of Theory." *Regional Studies* 43 (6): 819–30. doi:10.1080/00343400701809665.

———. 2010. *Poverty Capital : Microfinance and the Making of Development*. New York: Routledge.

———. 2011. "Slumdog Cities: Rethinking Subaltern Urbanism." *International Journal of Urban and Regional Research* 35 (2): 223–38. doi:10.1111/j.1468-2427.2011.01051.x.

Roy, Ananya, and Gautam Bhan. 2013. “Lessons from Somewhere.” *Cityscapes* Issue 4, Conversations and Interviews. http://www.cityscapesdigital.net/2013/11/18/lessons-somewhere/.

Roy, Ananya, and Aihwa Ong, eds. 2011. *Worlding Cities: Asian Experiments and the Art of Being Global*. Chichester, West Sussex ; Malden, MA: Wiley-Blackwell.

Royston, Lauren. 2006. “Barking Dogs and Building Bridges: A Contribution to Making Sense of Hernando de Soto’s Ideas in the South African Context.” In *Informal Settlements: A Perpetual Challenge?*, edited by Marie Huchzermeyer and Aly Karam. Cape Town: UCT Press.

———. 2014. “Housing: The Need for More Realistic Debate.” *Daily Maverick*, July 21. http://www.dailymaverick.co.za/opinionista/2014-07-21-housing-the-need-for-more-realistic-debate/#.U80d_vldVz4.

Rubin, Margot. 2014. “Johannesburg’s Bad Buildings Programme: The World Class City Hegemony at Work?.” In *Urban Governance in Post-Apartheid Cities: Modes of Engagement in South Africa’s Metropoles*, edited by Christoph Haferburg and Marie Huchzermeyer, 211–30. Durban: University of Kwa-Zulu Natal Press.

Ruiter, Sandra Lynne. 2009. “Integrated Housing Developments Have the Potential to Assist in Bridging the ‘Gap’ between ‘Breaking New Ground’ (BNG) Housing and Affordable Housing: Cosmo City as a Case Study.” Unpublished Masters’ thesis, Property Development & Management, University of the Witwatersrand. http://wiredspace.wits.ac.za/handle/10539/7038.

Russell, Henry. 2010. *Let Freedom Reign: The Words of Nelson Mandela*. London: New Holland Publishers.

Rust, Kecia. 2002. “We’re All Here- Now Where’s the Party? Understanding Perceptions on Logjams in Housing Finance.” Housing Finance Research Program (HFRP) Occasional Paper 1.

———. 2003. “Sink or Swim: Progress Made in the Relationship between Banks and Alternative Lenders in South Africa S Low-Income Housing Finance Sector.” Housing Finance Research Program (HFRP) Occasional Paper 9.

———. 2009. “What Is the Gap Market?” Presentation at the IHS Conference. Gap housing: the next property boom. A conference on innovative funding and delivery, September 16.

———. 2013. “FLISP housing subsidy extends to resale market!”. Blog post for Centre for Affordable Housing Finance in Africa, May 16. http://www.housingfinanceafrica.org/blog/flisp-housing-subsidy-extends-to-resale-market/

Rust, Kecia and Sue Rubenstein, eds. 1996. *A Mandate to Build: Developing Consensus around a National Housing Policy in South Africa*. Johannesburg: Ravan Press.

SACN, (South African Cities Network). 2014. “From Housing to Human Settlements: Evolving Perspectives.” South African Cities Network. http://sacitiesnetwork.co.za/wp-content/uploads/2014/09/1968_SACN_From_Housing_to_Human_Settlements_Web.pdf.

SA Home Loans. 2014. “SA Home Loans - About Us.” *SA Home Loans* website. http://www.sahomeloans.com/.

SAHRC, (South African Human Rights Commission). 2008. "Report on the Public Hearing on Housing, Evictions and Repossessions." Public Hearings 7-8 November 2007. Johannesburg: South African Human Rights Commission. http://www.sahrc.org.za/home/21/files/Reports/Housing%20Inquiry%20Report_2008%20web.pdf.

SAIRR, (South African Institute of Race Relations). 1953. *The "Western Areas" Removal Scheme. Facts and Viewpoints Presented at a Conference Convened By the S.A. Institute of Race Relations at the University of the Witwatersrand 22nd August 1953.* Johannesburg: The South African Institute of Race Relations.

———. 1990. "Race Relations Survey 1989/90." Johannesburg: South African Institute of Race Relations.

Sanfelici, Daniel, and Ludovic Halbert. 2015. "Financial Markets, Developers and the Geographies of Housing in Brazil: A Supply-Side Account." *Urban Studies*, June 19, online. doi:10.1177/0042098015590981.

Sanyal, Kalyan K. 2007. *Rethinking Capitalist Development: Primitive Accumulation, Governmentality and Post-Colonial Capitalism*. London; New York: Routledge.

SAPA. 2013. "Court Dismisses Racism Claims against FNB." *Mail & Guardian*, May 29. http://mg.co.za/article/2013-05-29-court-dismisses-racism-claims-against-fnb.

*SASBO*. 1985. "Women Members Laugh When Told There's No Discrimination," January. SBSA Press cuttings. Standard Bank Heritage Center.

Sassen, Saskia. 2008. "Mortgage Capital and Its Particularities: A New Frontier for Global Finance." *Journal of International Affairs* 62 (1): 187+.

SBSA, (Standard Bank of South Africa). 2010. "The Standard Bank of South Africa Annual Report 2009." Annual Report to Shareholders. Standard Bank Heritage Center.

———. 2013. "Standard Bank of South Africa Annual Report 2012." Annual Report to Shareholders. Standard Bank Heritage Center.

Schensul, Daniel. 2008. "From Resources to Power: The State and Spatial Change in Post-Apartheid Durban, South Africa." *Studies in Comparative International Development* 43 (3-4): 290–313. doi:10.1007/s12116-008-9029-5.

Schraten, Jürgen. 2014. "The Transformation of the South African Credit Market." *Transformation: Critical Perspectives on Southern Africa* 85 (1): 1–20. doi:10.1353/trn.2014.0017.

Scott, James C. 1998. *Seeing like a State : How Certain Schemes to Improve the Human Condition Have Failed*. New Haven: Yale University Press.

Seekings, Jeremy. 2007. "'Not a Single White Person Should Be Allowed to Go under': Swaartgevaar and the Origins of South Africa's Welfare State, 1924-1929." *The Journal of African History* 48 (03): 375–94. doi:10.1017/S0021853707002836.

Seekings, Jeremy, and Nicoli Nattrass. 2005. *Class, Race, and Inequality in South Africa*. New Haven: Yale University Press.

Seth, Vanita. 2010. *Europe's Indians : Producing Racial Difference, 1500-1900*. Durham NC: Duke University Press.

Sexwale, Tokyo. 2013. "Gigantic Effort Needed to de-Racialise Residential Space." Presentation at the Department of Human Settlements budget speech, National Assembly, Parliament, May 23. http://www.eaab.org.za/article/budget_vote_speech_gigantic_effort_needed_to_de_racialise_residential_spaces_tokyo_sexwale_23_may_2013_.

Shared Interest. 2015. “Collaborations.” *Shared Interest: Investing in Southern Africa’s Future*. https://sharedinterest.org/component/content/article/8-impact/19-collaborations.

Sheppard, Eric. 2002. “The Spaces and Times of Globalization: Place, Scale, Networks, and Positionality.” *Economic Geography* 78 (3): 307–30. doi:10.1111/j.1944-8287.2002.tb00189.x.

———. 2005. “Constructing Free Trade: From Manchester Boosterism to Global Management.” *Transactions of the Institute of British Geographers* 30 (2): 151–72. doi:10.1111/j.1475-5661.2005.00158.x.

———. 2011. “Geographical Political Economy.” *Journal of Economic Geography* 11 (2): 319–31. doi:10.1093/jeg/lbq049.

———. 2015. “Thinking Geographically: Globalizing Capitalism and Beyond.” *Annals of the Association of American Geographers* 105 (6): 1113–34. doi:10.1080/00045608.2015.1064513.

Sheppard, Eric, Helga Leitner, and Anant Maringanti. 2013. “Provincializing Global Urbanism: A Manifesto.” *Urban Geography* 34 (7): 893–900. doi:10.1080/02723638.2013.807977.

Shiller, Robert J. 2005. *Irrational Exuberance: (Second Edition)*. Princeton: Princeton University Press.

Sidaway, James D., and John R. Bryson. 2002. “Constructing Knowledges of ‘Emerging Markets’: UK-Based Investment Managers and Their Overseas Connections.” *Environment and Planning A* 34 (3): 401–16. doi:10.1068/a34163.

Simons, Robert, and Aly Karam. 2008. “Affordable and Middle-Class Housing on Johannesburg’s Mining Sites: A Cost–benefit Analysis.” *Development Southern Africa* 25 (1): 3–20. doi:10.1080/03768350701836145.

Smith, ?. 1966. Johannesburg establishment dates of townships. Museum Africa Photo Archive. MA2007-1105.

Smith, Anna H. 1971. *Johannesburg Street Names; a Dictionary of Street, Suburb and Other Place-Names*. Cape Town: Juta.

Smith, David. 1994. *Geography and Social Justice*. Blackwell.

Smith, Susan J., Moira Munro, and Hazel Christie. 2006. “Performing (housing) Markets.” *Urban Studies* 43 (1): 81–98. doi:10.1080/00420980500409276.

Soederberg, Susanne. 2015. “Subprime Housing Goes South: Constructing Securitized Mortgages for the Poor in Mexico.” *Antipode* 47 (2): 481–99. doi:10.1111/anti.12110.

Sosibo, Kwanele. 2011. “Developer-Driven Housing Leaves City’s Poorest in the Cold.” *Mail & Guardian*, April 11. http://mg.co.za/article/2011-04-11-developerdriven-housing-leaves-citys-poorest-in-the-cold.

Ssebagala, Ralph. 2015. “The Dynamics of Consumer Credit and Household Indebtedness in South Africa.” Unpublished PhD dissertation, Sociology, University of Cape Town.

Stanbic. 1978. “1977 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Standard Bank Heritage Center.

———. 1988. “1987 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Box 1: 1987-1990. Standard Bank Heritage Center.

———. 1992. “1991 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Box 2: 1991-1994. Standard Bank Heritage Center.

———. 1995. “1994 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Box 2: 1991-1994. Standard Bank Heritage Center.

———. 1996. “1995 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Box 3: 1995-1998. Standard Bank Heritage Center.

———. 1997. “1996 Annual Report of Standard Bank Investment Corporation Limited.” Annual Report to Shareholders. Box 3: 1995-1998. Standard Bank Heritage Center.

Standard Bank. 2004. “Standard Bank Group Annual Report 2003.” Standard Bank Heritage Center.

———. 2005. “Standard Bank Group Annual Report 2004.” Standard Bank Heritage Center.

———. 2006. “Standard Bank Group Annual Report 2005.” Standard Bank Heritage Center.

———. 2007. “Standard Bank Group Annual Report 2006.” Annual Report to Shareholders. Standard Bank Heritage Center.

———. 2008. “Standard Bank Group Annual Report 2007.” Annual Report to Shareholders. Standard Bank Heritage Center.

———. 2011. “Standard Bank Group Annual Integrated Report 2010.” Annual Report to Shareholders. Standard Bank Heritage Center.

———. 2012. “Standard Bank Group Annual Integrated Report 2011.” Annual Report to Shareholders. Standard Bank Heritage Center.

StatsSA. 2016. The social tapestry of Johannesburg Census 2011. http://www.statssa.gov.za/?p=7678

Steyn, Lisa. 2012. “Africa Still Scares Fund Managers.” *Mail & Guardian*, October 26. http://mg.co.za/article/2012-10-26-00-africa-still-scares-fund-managers.

———. 2013a. “Homeowners Unlock New Wealth in Affordable Housing.” *Mail & Guardian*, November 15. http://mg.co.za/article/2013-11-15-00-homeowners-unlock-new-wealth-in-affordable-housing.

———. 2013b. “Protea Glen: Boom and Bust in the Suburbs.” *Mail & Guardian*, March 15. http://mg.co.za/article/2013-03-15-00-boom-and-bust-in-the-suburbs.

———. 2013c. “Soweto beats suburbia at its own game.” *Mail & Guardian*, April 13. http://mg.co.za/article/2013-04-19-00-soweto-beats-suburbia-at-its-own-game.

Steyn, Melissa, and Daniel Conway. 2010. “Introduction: Intersecting Whiteness, Interdisciplinary Debates.” *Ethnicities* 10 (3): 283–91. doi:10.1177/1468796810372309.

Still, Jenny. 1979. “Credit Is Easy – If You Meet Requirements’.” *Rand Daily Mail*, January 3. SBSA Press cuttings. Standard Bank Heritage Center.

Stone, Michael E. 1975. “The Housing Crisis, Mortgage Lending, and Class Struggle.” *Antipode* 7 (2): 22–37. doi:10.1111/j.1467-8330.1975.tb00617.x.

Subcommittee on African Affairs. 2006. *Hearing on Housing and Urbanization Issues in Africa*. Congress, Washington DC. http://www.gpoaccess.gov/congress/index.html.

Surveyor General. 1933. Civic Survey of the Witwatersrand. Museum Africa Photo Archive. RM2007-2531.

Swilling, Mark. 1990. “Deracialised Urbanisation.” *Urban Forum* 1 (2): 15–38. doi:10.1007/BF03036572.

———. 1998. “Rival Futures: Struggle Visions, Post-Apartheid Choices.” In *Blank_: Architecture, Apartheid and after*, edited by Hilton Judin and Ivan Vladislavic, 285–99. Rotterdam: NAi Publishers.

Swilling, Mark, Richard Humphries, and Khehla Shubane. 1991. *Apartheid City in Transition*. Contemporary South African Debates. Cape Town ; New York: Oxford University Press.

Teppo, Annika Björnsdotter. 2004. *The Making of a Good White a Historical Ethnography of the Rehabilitation of Poor Whites in a Suburb of Cape Town*. Helsinki: Helsinki University Printing House.

Terrazas, Monique. 2013. “Break the shackles: free yourself from financial slavery”. *SA Real Estate Investor Magazine*, July. 12-16.

*The Economist*. 2015. “Providing Better and More Affordable Housing Could Be the next ‘Capitalist Achievement.’” January 10. http://www.economist.com/news/business/21638110-providing-better-and-more-affordable-housing-could-be-next-capitalist-achievement-capitalism.

*The Star*. 1972. “City Will Fight for Black Rights,” August 23. Wits Historical Papers.

———. 1979. “Two Big Banks Agree to Equal Pay for Women,” January 16. SBSA Press cuttings. Standard Bank Heritage Center.

Tlhopane, S.E.N. 1986. “The Black Man’s Perspective.” In *The Future of Residential Group Areas*, edited by M. Rajah. UNISA School of Business Leadership’s Seminar Series 10. Pretoria: UNISA.

Todes, Alison. 2014. “The Impact of Policy and Strategic Spatial Planning.” In *Changing Space, Changing City: Johannesburg after Apartheid*, edited by Philip Harrison, Graeme Gotz, Alison Todes, and Chris Wray, 83-100. Johannesburg: Wits University Press.

Tomlinson, Mary. 1997. “Mortgage Bondage?: Financial Institutions and Low-Cost Housing Delivery.” Research Report no. 56. Social Policy Series. Johannesburg: Centre for Policy Studies, University of Witwatersrand.

———. 2002. “Efforts and errors: South Africa's search to extend housing finance to low-income households”. *Housing Finance International* 17(2): 8-14.

———.2005. “South Africa’s Financial Sector Charter: Where From, Where To?” *Housing Finance International*, no. December: 32–36.

———. 2007. “A literature review on housing finance development in Sub-Saharan Africa.” Commissioned by Finmark Trust. May. http://www.housingfinanceafrica.org/wp-content/uploads/2007/05/Litreview_HFAfrica.pdf

Tomlinson, Richard. 2001. “Housing Policy in a Context of HIV/AIDS and Globalization.” *International Journal of Urban and Regional Research* 25 (3): 649–57. doi:10.1111/1468-2427.00334.

Tomlinson, Richard, Robert A. Beauregard, Lindsay Bremner, and Xolela Mangcu. 2003. “The Postapartheid Struggle for an Integrated Johannesburg.” In *Emerging Johannesburg:*

*Perspectives on the Postapartheid City*, edited by Richard Tomlinson, Robert A. Beauregard, Lindsay Bremner, and Xolela Mangcu, 3-20. New York ; London: Routledge.

Tsampiras, Carla. 2015. "From 'Dark Country' to 'Dark Continent': AIDS, 'Race', and Medical Research in the South African Medical Journal, 1980–1995." *Journal of Southern African Studies* 0 (0): 1–24. doi:10.1080/03057070.2015.1051334.

Tucker, Robert (Bob). 1999. "The Retail Dimension: Rethinking the Provision of Retail Banking Services to Low-Income Communities." Address to the 23rd World Congress of the International Union of Housing Finance, October. Johannesburg: the Banking Council, Johannesburg.

UNECA, (United Nations Economic Commission for Africa). 2014a. "African Statistical Yearbook." http://www.uneca.org/sites/default/files/PublicationFiles/african_statistical_yearbook_2014.pdf.

———. 2014b. "Frontier Markets in Africa: Misperceptions in a Sea of Opportunities." A Note prepared by the United Nations Economic Commission for Africa for the US-Africa Leaders Summit 2014, Washington D.C. August 4-6, in collaboration with the African Union Commission and the African Development Bank. United Nations Economic Commission for Africa. http://www.uneca.org/sites/default/files/PublicationFiles/africa_frontier_paper.pdf.

UN-Habitat. 2008. "Housing Finance Systems In South Africa." Human Settlement Finance Systems Series. Nairobi: UN-Habitat. http://unhabitat.org/books/housing-finance-systems-in-south-africa/.

Unknown. 1990. "A Scenario for the Urban Residential Property Market during the Political and Social Transition in South Africa (+ - Years), Issued by the Housing Division: November 1990." SAHA. AL2566: The PLANACT Collection. 41: Urban Development; Urban Foundation. 41.1: Urban Development. Box 1260870. Box (File) 446. 41.1.39 Urban Finance.

Urban Foundation. 1987. *Leadership*, June. SAHA. AL2566: The PLANACT Collection. 41: Urban development; Urban Foundation. 41.2: Urban Foundation. Box 1260874; Box (File) 458. 41.2.4 Leadership Publication Docs.

———. 1990a. "Urban Focus," April. SAHA. AL2566: The PLANACT Collection. 41: Urban development; Urban Foundation. 41.2: Urban Foundation. Box 1260874; Box (File) 458. 41.2.3.1 Urban Focus Newsletters.

———. 1990b. "Urban Focus," May. SAHA. AL2566: The PLANACT Collection. 41: Urban development; Urban Foundation. 41.2: Urban Foundation. Box 1260874; Box (File) 458. 41.2.3.1 Urban Focus Newsletters.

———. 1990c. "Urban Focus," September. SAHA. AL2566: The PLANACT Collection. 41: Urban development; Urban Foundation. 41.2: Urban Foundation. Box 1260874; Box (File) 458. 41.2.3.1 Urban Focus Newsletters.

———. 1990d. "Urban Focus," October. SAHA. AL2566: The PLANACT Collection. 41: Urban development; Urban Foundation. 41.2: Urban Foundation. Box 1260874; Box (File) 458. 41.2.3.1 Urban Focus Newsletters.

van Onselen, Charles. 1982. *Studies in the Social and Economic History of the Witwatersrand, 1886-1914*. Harlow, Essex ; New York: Longman.

van Sittert, Lance. 2002. “Holding the Line: The Rural Enclosure Movement in the Cape Colony, C. 1865-1910.” *The Journal of African History* 43 (1): 95–118.

van Vuuren, Neil. 2004. “The Awakening of Securitisation in South Africa.” http://www.sasf.co.za/aboutsecuritisation/The%20awakening%20of%20securitisation%20in%20South%20Africa.pdf.

Venter, Pierre. 2009. “Housing Finance in South Africa.” *Housing Finance International*, September, 5–10.

Viruly, Francois. 2012. “A Social Audit Conducted on IHS Residential Units: What Are the Derived Social Benefits of Occupying Affordable Housing in South Africa?” International Housing Solutions.

Wafer, Alex. 2012. “Discourses of Infrastructure and Citizenship in Post-Apartheid Soweto.” *Urban Forum* 23 (2): 233–43. doi:10.1007/s12132-012-9146-0.

Waldron, Jeremy. 2012. “Property and Ownership.” In *The Stanford Encyclopedia of Philosophy*, edited by Edward N. Zalta, Spring. http://plato.stanford.edu/archives/spr2012/entries/property/.

Walker, Richard A. 1981. “A Theory of Suburbanization: Capitalism and the Construction of Urban Space in the United States.” In *Urbanization and Urban Planning in Capitalist Society*, edited by Michael Dear and Allen J. Scott, 382–429. New York: Methuen.

Watson, Vanessa. 2009. “Seeing from the South: Refocusing Urban Planning on the Globe’s Central Urban Issues.” *Urban Studies* 46 (11): 2259–75. doi:10.1177/0042098009342598.

Weaver, Tony. 1982. “Colour-Blind Credit: ‘Race Is Not a Card Factor.’” *Sunday Times*, August 1. SBSA Press cuttings. Standard Bank Heritage Center.

Webber Wentzel Bowens. Date unknown. “Securitisation Transactions.” http://pages.stern.nyu.edu/~igiddy/articles/sa_securitisations.pdf.

Wessels, Leani. 2010a. “Residential Fund on the Cards.” *Fin24*, March 26. http://www.fin24.com/Money/Property/Residential-fund-on-the-cards-20100326.

———. 2010b. “Boom Time for Affordable Housing.” *Fin24*, October 1. http://www.fin24.com/Money/Property/Boom-time-for-affordable-housing-20101001.

Western Cape CAHAC. 1984. “New Housing Deal. Subcommittee Factsheet 2.” SAHA. AL3156: The Urban Research Services Collection. B: Housing. B1: General Records. B1.6: Newspapers, clippings, pamphlets and articles: 1972-1987. Box 1719950; Box (File) 10.

Whitfield, Bruce. 2002. “Financial Sector Poised for Shake-Up.” *Africa News Service*, August 21, sec. Opposing Viewpoints in Context.

Wilkinson, Peter. 1983. “Housing.” In *South African Review*, edited by Southern African Research Service, 1:270–77. Johannesburg: Ravan Press.

Williams, Glenda. 2014. “Up the property ladder: black property ownership.” *Finweek Magazine,* February 27. 52-53.

Woetzel, Jonathan, Sangeeth Ram, Jan Mischke, Nicklas Garemo, and Shirish Sankhe. 2014. “A Blueprint for Addressing the Global Affordable Housing Challenge.” McKinsey Global Institute.

http://www.mckinsey.com/insights/urbanization/tackling_the_worlds_affordable_housing_challenge.

Wolpe, Harold. 1995. “Capitalism and Cheap Labour-Power in South Africa: From Segregation to Apartheid.” In *Segregation and Apartheid in Twentieth-Century South Africa*, edited by William Beinart and Saul Dubow, Routledge, 60–90. London ; New York.

Worden, Nigel. 2012. *The Making of Modern South Africa: Conquest, Apartheid, Democracy*. John Wiley & Sons.

Wyly, Elvin. 2002. “Mortgaged Metropolis: Evolving Urban Geographies of Residential Lending.” *Urban Geography* 23 (1): 3–30. doi:10.2747/0272-3638.23.1.3.

Wyly, Elvin, Mona Atia, and Daniel Hammel. 2004. “Has Mortgage Capital Found an Inner-city Spatial Fix?” *Housing Policy Debate* 15 (3): 623–85. doi:10.1080/10511482.2004.9521516.

Wyly, Elvin, Markus Moos, Daniel Hammel, and Emanuel Kabahizi. 2009. “Cartographies of Race and Class: Mapping the Class-Monopoly Rents of American Subprime Mortgage Capital.” *International Journal of Urban and Regional Research* 33 (2): 332–54. doi:10.1111/j.1468-2427.2009.00870.x.

Wyly, Elvin, C. S. Ponder, Pierson Nettling, Bosco Ho, Sophie Ellen Fung, Zachary Liebowitz, and Dan Hammel. 2012. “New Racial Meanings of Housing in America.” *American Quarterly*, Race, empire, and the crisis of the subprime, 64 (3): 571-604.

Yeung, Henry Wai-chung. 2003. “Practicing New Economic Geographies: A Methodological Examination.” *Annals of the Association of American Geographers* 93 (2): 442–62. doi:10.1111/1467-8306.9302011.

Zuma, Jacob. 2010a. “State of the Nation Address by His Excellency JG Zuma, President of the Republic of South Africa.” Joint Sitting of Parliament, Cape Town, February 11. http://www.thepresidency.gov.za/pebble.asp?relid=211.

———. 2010b. “Address by President Jacob Zuma to the Special President’s Coordinating Council on Human Settlements.” Presidential Guest House, Pretoria, May 18. http://www.thepresidency.gov.za/pebble.asp?relid=294.

## List of interviews

*Cited interviews with business, state and organizational representatives*

Interview with Barker, Andrew. 2013. Town planner, neighborhood organizer and resident in Johannesburg South. Interviewed in person at Wits University, Braamfontein. March 25. [Audio-recorded]

Interview with Barnard, Leon. 2013. Former head of Inclusive Banking at Standard Bank South Africa. Interviewed in person at offices in Rosebank, Johannesburg. October 16. [Audio-recorded]

Interview with Bauer, Michael. 2012. 'Affordable' property developer and investor of German equity consortium in Cape Town. Interviewed in person at office in Strand Street, Cape Town. November 23. [Not audio-recorded]

Interview with Blose, Sipho. 2013. Head of Blose Properties. Interviewed in person at shop in Southgate mall, Johannesburg South. September 2. [Audio-recorded]

Interview with Cosmopolitan managers. 2013. Interviewed in person at Cosmopolitan headquarters in Midrand. November 25. [Audio-recorded]

Interview with Cosmopolitan instalment finance team member, 2013. Interviewed in person at Cosmopolitan headquarters in Midrand. November 18. [Not audio-recorded]

Interview with Cosmopolitan regional manager. 2013. Interviewed in person at Cosmopolitan Johannesburg South offices in Southgate mall, Johannesburg South. October 30. [Not audio-recorded]

Interview with Cosmopolitan salesperson, 2013. Interviewed in person at Alveda Park showhouse, Johannesburg South. November 24. [Not audio-recorded]

Interview with Councilor Mogase, Solly. 2013. Ward Councilor in Johannesburg South and long-term resident. Interviewed in person at office in the City of Joburg, Braamfontein. March 27. [Not audio-recorded]

Interview with Bennett, Richard. 2013. Iprop Managing Director and head of SoJo (Johannesburg South business forum). Interviewed in person at Iprop offices, Ormonde. March 13. [Not audio-recorded]

Interview with HLMD Office of Disclosure. 2013. Two representatives of the Office. Interviewed in person at Department of Human Settlements, Sunnyside, Pretoria. February 27. [Audio-recorded]

Interview with Johannesburg urban designer. 2013. Participant in Gauteng spatial development framework plans since the early 1990s. Interviewed in person at office in Melville, Johannesburg. November 13. [Audio-recorded]

Interview with Kalabatane, Peter. 2013. Project manager at Township Realtors. Interviewed in person during site visit around Protea Glen, Johannesburg South. November 26. [Audio-recorded].

Interview with Lawrence, Jeff. 2012. Head of Affordable Housing mortgages at Nedbank. Interviewed in person at shopping mall in Fourways, Johannesburg. October 8.[Not audio-recorded]

Interview with Lamoreaux, Pamela. 2012. Investor relations manager at private equity group International Housing Solutions. Interviewed in person at coffee shop in Camps Bay, Cape Town. September 25. [Not audio-recorded]

Interview with Levin, Alf. 2013. Director of Township Realtors. Interviewed in person at office in Florida Park, Johannesburg. November 15. [Audio-recorded]

Interview with Marais, Marius. 2012. Head of Affordable Housing Finance at FNB. Interviewed in person at offices in Centurion, Midrand. December 5. [Audio-recorded]

Interview with Mhlanga, Denise. 2012. Property journalist for *Property24.com.* Interviewed in person at Property24's office in Woodmead, Johannesburg. October 2. [Not audio-recorded]

Interview with Moss, Vuyisani. 2012. Researcher at the National Housing Finance Corporation. Interviewed in person at office in Parktown, Johannesburg. November 12. [Audio-recorded]

Interview with Ndlovu, Sibusiso. 2012. Head of Affordable Housing Finance Product Growth at FNB. Interviewed in person at offices in Johannesburg CBD. December 12. [Audio-recorded]

Interview with Nkosi, Nicholas. 2013. Head of Affordable Home Finance at Standard Bank. Interviewed in person at office in Rosebank, Johannesburg. August 23. [Audio-recorded]

Interview with Odendaal, Willem. 2013. Technical specialist at private equity group International Housing Solutions. Interviewed in person at office in Illovo, Johannesburg. March 5. [Not audio-recorded]

Interview with Old Mutual fund managers. 2013. Fund managers of OMIGSA's HIFSA (Housing Impact Fund of South Africa). Interviewed in person at offices in Pinelands, Cape Town. January 15. [Not audio-recorded]

Interview with Rakgoale, Lucien. 2013. Land acquisitions and holding manager for the Housing Development Agency. Interviewed in person at office in Killarney, Johannesburg. November 15. [Audio-recorded]

Interview with Rothman, A.J. 2013. CEO of 'affordable' developer RBA Housing. Interviewed in person at office in Braamfontein, Johannesburg. October 8. [Audio-recorded]

Interview with Rust, Kecia. 2012. Director of Centre for Affordable Housing Finance in Africa. Interviewed in person at office in Parkview, Johannesburg. November 6. [Audio-recorded]

Interview with SA Home Loans' managers. 2013. Securitization manager and new 'affordable housing' manager. Interviewed by skype from their head office in Durban. May 23. [Not audio-recorded]

Interview with Standard Bank branch manager. 2013. Interviewed in person at bank branch in Southgate mall, Johannesburg South. October 30. [Not audio-recorded].

Interview with Venter, Pierre. 2012. General Manager for Human Settlements, Banking Association of South Africa. Interviewed in person at office in Parktown, Johannesburg. October 8. [Not audio-recorded]

Interview with Viruly, Francois. 2012. Property Economist. Interviewed in person at the University of Cape Town, Cape Town. November 26. [Audio-recorded]

Interview with Wessels, Leani. 2012. Former financial journalist for *Financial Mail*. Interviewed in person at restaurant in Melville, Johannesburg. December 4. [Not audio-recorded]

*Cited interviews with anonymous residents and local experts*

Interview with CJ. 2013. Mortgage originator at a real estate agency in Johannesburg South; formerly employed in one of the banks' home finance credit centers. Interviewed in person at office in Glenvista, Johannesburg South. August 20. [Not audio-recorded]

Interview with DN. 2013. Architect with own firm. Interviewed in person at office in Ormonde, Johannesburg South. October 30. [Not audio-recorded]

Interview with HR. 2013. Owner-occupant in Ormonde View and member of the Community Policing Forum. Interviewed in person at restaurant near his office in Johannesburg. October 16 [Audio-recorded].

Interview with M. 2013. Owner-occupant in Alveda Park. Interviewed in person during neighborhood tour of Alveda Park, Johannesburg South. June 1. [Audio-recorded].

Interview with MC. 2013. Real estate agent and property developer in Johannesburg South. Interviewed in person at office in Rosettenville, Johannesburg South. September 18. [Audio-recorded]

Interview with MG. 2013. Local principal, Johannesburg South. Interviewed in person at school in Johannesburg South. May 22. [Not audio-recorded]

Interview with MM. 2013. Owner-occupant in Xavier Reefs and property conveyancer. Interviewed at office in Ormonde, Johannesburg South. Date [Not audio-recorded]

Interview with MT. 2013. Owner-occupant in Ormonde View. Interviewed in person at home in Ormonde View, Johannesburg. November 3. [Not audio-recorded]

Interview with RL. 2013. New buyer in Alveda Park. Interviewed in person at restaurant in Southgate mall, Johannesburg South. November 22. [Not audio-recorded]

Interview with RL (follow up). 2014. New buyer in Alveda Park. Interviewed in person at house site in Alveda Park, Johannesburg South. June 12. [Not audio-recorded]

Interview with TT. 2013. Resident and neighborhood organizer. Interviewed in person during neighborhood tour of Xavier Reefs, Johannesburg South. March 10. [Not audio-recorded]