



RENTAL HOUSING BOYCOTTS ILLEGAL OCCUPATIONS GUIDE TO PREVENTING AND MITIGATING THE IMPACT

1 INTRODUCTION

The phenomenon of organised rent boycotts has been one of increasing concern to the social housing sector in South Africa. It has serious implications to the financial sustainability of SH businesses and to the sector as a whole.

To prevent and/or to ameliorate the impact of such boycotts requires a clear understanding of the reasons for such boycotts, both postulated and real, and for the sector stakeholders to co-operate in taking all possible actions.

In doing this is recognised that there are some mechanisms in place to help with this prevention and amelioration, while the sector also needs to develop further mechanisms to deal with these. This requires close co-operation and shared purpose by the key sector stakeholders.

While this is in process, it is important that Social Housing Landlords (SHLs – both SHI and ODAs)), and other sector stakeholders better understand and respond to this threat to the sustainability of the sector. This document is prepared to support sector workshops on this issue. While it gives some guidance on good practice, the intention is also to use the workshops as forums to explore further potential good practice to reduce the impact of rental boycotts on the SHLs businesses and on the sector.

Much of what forms the content of the Guide comes from a recently completed survey of NASHO members undertaken by NASHO and available in the Rental Boycott Virtual Filing Cabinet available on the NASHO website. (This research has helped to identify critical issues that require consideration in this Guide and in the workshops themselves.



2 THE NASHO SURVEY

This survey of 11 Social Housing Institutions (SHIs) found that occurrences of rental boycotts by tenants in social housing and invasions by non-tenant occupiers has, in recent years, threatened the viability of SHIs as business entities. By extension, the study concludes that boycotts and invasions may compromise the ability of the Social Housing Programme (SHP) to fulfil its mandate of facilitating affordable rental housing development and urban restructuring.

This study has also found that some SHIs have, in near-dire circumstances, addressed the challenges of boycotts and moved decisively to take back control and put practices in place to reduce the possibility of reoccurrence. However, it also shows that there are factors outside of the immediate control of SHIs that require interventions by other stakeholders both to prevent and/or mitigate the impact of the boycotts.

Organised rental boycotts, and to a lesser extent illegal occupations, are becoming more severe and regular on Social Housing projects. A recent survey by NASHO of its members showed that 10 had experienced such events in the past 5 years. These are having serious consequences for the sustainability of both individual projects but also for the delivery agents tasked with developing and managing the stock and linked tenancies. They are also beginning to have detrimental effects on the sector as a whole by creating instability, heightening investor risk and depleting the reserves required for re-investment in the sector.

These events, undermining the sector, take place against the backdrop of a SH sector that is a sanctioned government development programme with its own policy, legislation, regulatory framework and regulator.

In order to avoid the undermining of this government approved and financed programme, it is necessary to have strategies to tackle this issue both at a national and local levels. Strategies in which the various stakeholders act in co-operation to prevent, stop and mitigate the impact on sector viability.

The key challenge is what is to be done about this. It is clear that it must involve a strategic response that mobilises key stakeholders beyond the immediate delivery agents. To date the sector has experienced only ad hoc responses with very limited effect. There is still not a nationally agreed response to counter and end these actions. However, there is now enough knowledge about the reasons for such actions; the financial impact that



they have on the delivery agents and the sector and the combination of interventions that might be used ,to prevent or end such boycotts and occupations.

To get to such a strategy it is important to understand the reasons for these events, the modus operandi of those organizing and the range of possible interventions that can prevent, stop or mitigate.

This Guide attempts to provide the basis for understanding this phenomenon and to help various stakeholders to plan co-operative interventions.

3 INTENT OF THE GUIDE

The Guide is to help SHLs and other sector stakeholders to understand the context of rental boycotts on the sustainability of social housing. Through this understanding to contribute to the development of a shared understanding of the context and the actions that exist or need developing in order to tackle the problem of rental boycotts and their sector impact.

4 CONTENT OF THE GUIDE

- What are rental boycotts and occupations?
- The legal basis for rental payments and legal occupation
- What are the reasons for such boycotts:
 - Postulated
 - Real
- Tactics Used to start and Sustain Boycotts and who is involved
- Responses to prevent and or tackle boycotts
 - SHLs
 - Other sector stakeholders
- Impact of boycotts on SHL businesses and the sector
 - Finances
 - Stability
- Mechansims and Strategies to prevent rental boycotts
 - Existing
 - Potential

5 A DEFINITION OF RENTAL BOYCOTTS AND OCCUPATIONS

In order to proceed with the discussion of 'rental boycotts' and 'occupations' it is important to have an agreed understanding between participants of what is meant by each within the context of the Social Housing programme.



The following definitions are offered to guide this:

Rental Boycott:

'An organized campaign that encourages tenants to participate in withholding rentals and/or utility charges owed to the SHI in order to achieve an objective, and a number of tenants act on this encouragement and illegally withhold rentals or other charges.'

Occupation:

'An organized occupation by people of units developed for social housing, where such occupiers have not been accepted as tenants through an appropriate social housing screening process and have no leases from the SHI.'

It is important to emphasize that this guide focuses primarily on '**rental boycotts**' but recognizes that in most instances '**occupations**' are motivated by people occupying buildings illegally and also not paying rentals,

<p>REFLECTIONS BOX</p> <p>Are Board Members and staff in your SHI familiar with the concept of a 'rental boycott' or 'occupation'?</p> <p>Is consideration of these possibilities part of your company's risk management strategy?</p>
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6 WHAT IS THE IMPACT OF 'RENTAL BOYCOTTS'

While the major impact of rental boycotts is financial there are other factors that also require consideration. These impacts are felt most sharply by the SHL companies but also have impact on the Social Housing Sector as a whole. So under each of the 'impacts' considered it is necessary to highlight the effect on the SHIs as well as the sector.

6.1 SHLS

6.1.1 Financial impact

For SHLS the financial impact is often very severe. Not only does it include loss of rental income but also increased costs of dealing with the 'rental boycott' including security; legal and eviction costs; damage to property and even sometimes additional staff costs.

Since the major income stream for an SHL is 'rental payments', a substantial loss in payments by a group of tenants over a prolonged time



puts severe financial strain on the SHI which must still carry its usual range of costs for loan repayments, management and administration.

Within the social housing business model regulated by the SHRA, the premise is that the SH Project in the longer term is only sustainable if rental collections are maintained at 95% or higher and the vacancy rate does not exceed an average of 3%. So the regulated 8% of loss of potential must cover 'business as usual' and cannot cover prolonged 'rental boycotts'.

So where does the SHL obtain income to cover these losses and extra costs?

Reducing its overall input costs - For efficient and effective SHIs this is often very difficult without reducing the quality of its service to other tenants. There are however some instances where SHIs might have bloated salary bills, security costs or such like that could provide some buffer. The one mechanism to temporarily reduce input costs is agreement to defer 'loan repayments'. This is only a temporary solution as the SHL must still repay the debt at a future date. It also puts additional pressure on the lender.

Reserves - In most instances the SHL has only one place to go and that is its reserves. In many instances these reserves are very limited as the business model makes it difficult to accrue such reserves other than for long term maintenance. Also, where in those small number of cases in bigger more established SHIs, these reserves are larger they are targeted for re-investment in capital investment in the sector e.g. new stock. Any reduction in these reserves undermines the intent of reinvestment in the sector.

There are presently no other external financial sources directly available to assist SHIs to deal with this.

So what happens if these stop gaps are exhausted?

In such instances, as has already happened, an SHI is forced to go into Business Rescue or even worse under liquidation. In a few instances the only resort was for the SHL to dispose of the SH asset within the tightly regulated conditions of the programme and with the specific agreement of the SHRA.

6.1.2 OTHER FACTORS

In addition to the financial difficulties rental boycotts have effects on the ability of the SHL to effectively manage its stock and also places staff under greater pressures and in a situation where they are at times threatened. Such boycotts can also involve increased pressures on



those tenants who do not join the boycotts making their living environment one of day to day stress.

The boycotts can also result in increased vandalism and the inability of SHL to carry on some of the maintenance work that is important for the long term protection of the asset.

6.2 THE SECTOR

6.2.1 Loss of Business Confidence

An important rationale for the Social Housing programme is that, while providing subsidy to households, it also means that the household makes a contribution on the basis of 'fair' affordability. This rental payment covers part of the management and administration costs for the very low income households and these costs and a small part of the bond repayment in the rentals of those in the higher income bands.

The programme also relies on the ability to attract private investors either through equity contributions but most often loan finance. This loan/equity investment usually covers about 30% of the total capital cost of the housing development.

The occurrence of 'rental boycotts' undermines the ability of the SHL to afford to repay the loans. In turn this frightens off potential investors scared that their investment is not protected.

6.2.2 LOSS OF KEY BUSINESSES TO DELIVER THE SH PROGRAMME

It is recognised that there is presently a shortage of sufficient number of viable businesses to deliver the programme that government requires. Rental boycotts undermine the business viability of these delivery agencies. At best, dealing with these risks, reduces their ability to develop new projects. At worst it results in these company's going into business rescue or even liquidation. This then reduces the number of experienced delivery agents to deliver on the government's programme. In addition it scares off other potential SHLs who might otherwise enter the sector.

6.2.3 REDUCING THE SECTOR'S RESERVES

As described earlier, SHLs confronted with 'rental boycotts' must find ways of meeting the shortfall if they are to continue as businesses. Most often they have to resort to their reserves. Within the financial framework for the programme, the ability to develop reserves is limited and where



they are created it is expected that they will contribute to long term maintenance of the stock to ensure that the government capital investment works for as long as possible. Depleting these reserves means that the future investment in the sector is significantly undermined. It will mean that in the longer term it will be necessary to find additional capital to do long term maintenance. This is already evident in the sector with SHLs that have experienced boycotts.

6.2.4 LOSS OF STOCK

In extreme instances in order to make up the shortfall and tackle the functional breakdown of a project it can become necessary to close down projects and sell them to cover the losses. In such instances the sector losses much needed stock.

REFLECTIONS BOX

If you have had a 'rental boycott' or 'occupation' list in order of severity the negative impact factors on your business?

If you have not had such actions which are likely to most effect your business?

List in order of seriousness the factors impacting the Social Housing sector as a whole.

7 WHAT ARE THE REASONS FOR THE 'BOYCOTTS'

Boycotts are seldom if ever spontaneous reactions by tenants. There is in most instances a build up to an effective boycott that involves different players taking a range of action. The experience of boycotts in South Africa is that they are seldom organized only internally. Sometime the spark will come from a small group of tenants that then form alliances with outside groups. But boycotts often start with external groupings who come in and mobilise tenants.

Understanding the reasons for the boycott can give insight into how to address existing boycotts or prevent them from happening. However, understanding the cause or the driving motivation is not enough to ensure successful intervention. It is also very important to understand the 'organising' dynamics of the boycott and or occupation.

There are many factors that can contribute to the development and sustaining a 'rental boycott'. In understanding the 'causes' it is important



o understand both the 'stated' and 'actual' reasons Sometimes there is a strong alignment between these, but sometimes the expressed motivation can differ from the actual motivation. It is also important to note that different individuals and groups involved in a rental boycotts can have different motivations.

So what are the key factors 'stated' or 'actual' that drive rental boycotts?

Poor SH Service

This is manifest by the accusation by tenants that the quality of the landlord service is poor, whether it is the provision of security maintenance or other aspect of the service. The NASHO study showed that when this was articulated as a primary motivation by tenants it was sometimes used to rationalise other motivations e.g. wanting rentals reduced. However, such accusations have an objective measure since the quality of the management service is well stated and is an essential part of the SHRA quarterly reporting and regulation. As such, lapses in the quality of management should be identified and dealt with through this system.

In some instances while a SHL might meet the necessary management requirements of the SH programme it is possible that its **tenant engagement and communication** programme is poor. This can result in tenants not having sufficient information about what is expected of both landlord and tenant but also they have no way inputting of their concerns and issues to the SHL. In such circumstances grievances can grow that can lead to mobilising for rental boycotts.

Rental Levels and Rental Increases

In some instances those mobilising rental boycotts will motivate that rentals are too high. Often these arguments are linked to the impression that since there is government subsidy in the provision that there is a right to very low rentals and little or no annual rental increases. Where this is sometimes a genuine grievance motivating rental boycotts it is often a result of poor tenant engagement either at the time the tenant takes up their tenancy, or through engagement during the tenancy particularly around that goes into a rental

Objectively the assessment of this is possible given the structured rental requirements required by the SHRA. An SHI adhering to these is acting within its agreed contract of the programme. There are however instances where the financing mechanism required by the programme creates a situation, over time, where SH rentals can equal or exceed the rentals in the surrounding areas. Dealing with this when it is used as a mobilising factor is more difficult.



Increase in Municipal and Utility Charges

The past five years has shown a dramatic increase in municipal and utility charges across the country. In many instances these increases are well above inflation. These costs are met generally by payments by tenants either as part of their rentals and/or as separate payments to the provider. Either way these increases are generally considered as part of the housing costs of a household. The rapid increases in these charges in the past 5 years have seriously impacted on housing affordability for lower income households especially. The SHL has little control over these charges but often tenants perceive these increases as the responsibility of the SHL. In some instances these increases have exacerbated affordability levels and caused tenants to organise not to pay these charges and sometimes they have extended this to total non-payment of rentals.

Loss of Income

In the way the financing social housing sector is structured there is no system to provide support to tenants who temporarily or permanently lose their income. Some SHL do provide temporary support over a few months until the tenant has found alternative accommodation, but no SHL can maintain this in the longer term. Thus some tenants in such a situation could be motivated to instigate and/or participate in a rental boycott in order to ensure that they can remain without having to pay rental.

Assumed Rights to Ownership

Historically this is the most used rationale for rental boycotts. Tenants or outside agents mobilise around the right of the tenant to have ownership of their unit. Often this is justified on the basis that the tenant has paid a rental which is the contribution to the capital cost of the unit without understanding or choosing to ignore that the capital element is heavily subsidised and much of the rental covers the overall management and administration costs. More significantly that SH Programme is explicitly a 'rental housing' programme and this is contained within tenant education and in the lease agreement. Thus the 'legitimacy' of such demands is undermined by these objective factors. Nonetheless this demand is often a strong motivator for 'rental boycotts'.

Political Advantage

In some instances there is a strong 'political' motivation for mobilising for rental boycotts. In such instances the instigators, whether tenants or outsiders, may wish to mobilise in this way to gain support for a political party or a political candidate. It is noted that in the run up to both local and national and provincial elections, there is often an increase in mobilisation of rental boycotts. Where 'political advantage' is a major factor in mobilising, it is never used as the 'rallying slogan' which is usually another call that disguises this as the primary motivator.



Evictions

Where a SHL takes legitimate action against tenants for breaches of their leases, either because of non-payment of rent or other breaches, these can also become the focus of mobilisation as affected tenants' attempt to thwart evictions. Again the legitimacy of such action must be weighed against the fact that the SHL has followed due legal process.

REFLECTIONS BOX

If you have experienced a 'rental boycott' or 'occupation' did you do a proper assessment of both the 'stated' and the 'real' reasons for the actions?

Did they differ? And if so why do you think they did?

If your business has not had a rental boycott. Considering these factors which of them could make you most susceptible to such action?

Has your company taken these into account in the development of its risk mitigation strategy?

If not, what do you think you should do to have it included and what response would you propose to mitigate these risks?

8 WHAT ROLE CAN SHLS PLAY IN PREVENTING AND OR MITIGATING THE IMPACT OF RENTAL BOYCOTTS?

For both SHLs and other key sector stakeholders it is important that they understand well the reasons for boycotts both generally and in specific instances. This can assist in developing the right systems and tactics to both prevent such boycotts but, where they do commence, to limit their impact.

The first line in doing this is the SHL themselves. While there are things that an SHL can and must do in this respect, it is also recognised that the best approach is the SHL acting in conjunction with other sector stakeholders. In this section consideration is given to the interventions of SHLs both in prevention and mitigation of impact.

8.1 PREVENTION

The first step is that of creating conditions within the control of the SHL that reduce the potential for rental boycotts. This rests on 4 key factors:



- The provision of an effective, efficient and responsive management service within the regulations of the programme
- The quality of communication particularly with tenants
- Proper control of rental increases
- Engagement with other key stakeholders

8.1.1 Quality of the SH Service

Tenants are paying for the provision of a social housing service. This involves the provision of well managed and good quality housing within in a safe and conducive environment. SHL are mandated to provide such a service within the standards set by the SH programme and regulated by the SHRA

A responsible SH must ensure that it is providing such a proactive and responsive service including maintenance, security and dealing with tenant enquiries. In addition some SHLs undertake Community Development services that give additional attention to the socio economic wellbeing of tenant households and sometimes the surrounding neighbourhood.

Where all this is done properly in strengthens the tenant – landlord relationship and reduces the potential for organising of boycotts.

DESCRIPTION BOX

WHAT IS AN EFFICIENT, EFFECTIVE AND RESPONSIVE SHL?

This is a landlord facilitating the development and undertaking the management of social housing stock in a way that provides a quality service that meets the objectives of the programme at the lowest possible costs in order to ensure that rentals remain affordable to the targeted tenant groups. In doing so that the service is responsive to the needs of the tenants within the constraints of the available resources.

8.1.2 Rental Levels and Rental Increases

Rental setting and rental increases are structured and constrained through the Social Housing regulations. However, there is scope for SHLs to control their costs so that they can limit rental levels. This is also very important in the SHL's engagement with its tenants on questions of rentals and rental increases. This is not always easy as there are many cost inputs outside the control of even the most 'efficient' and 'effective' SHL e.g. municipal charges. However, it is the responsibility of any SHL to ensure that in providing a qualitative and responsive service it is always seeking to find the lowest cost to achieve this whether in house



or outsourced. It should also have in place an effective system to monitor its input costs and ensure that these are efficient.

8.1.3 Quality of Tenant Landlord Communication

While a quality service is an important preventative condition an SHL must ensure that there is in place a responsive tenant engagement system that involves both education, information sharing and levels of consultation. It is important that such a system is both proactive and responsive and recognises that it functions within a tenant landlord relationship and within the constraints of the Social Housing programme as a whole.

Such a system must start from the very start of contact with a tenant and continue until the tenant finally moves out. It is critical that such a system is able to ensure as much clarity as possible about the respective roles and responsibilities of both the landlord and tenant as well as communicating how the landlord is fulfilling its responsibilities in terms of practical services. Then system must also provide the space for an SHL to listen to, and where appropriate respond to, issues raised by tenants.

Such a system not only provides the landlord with the ability to communicate around key service provision issues, but also to listen and respond to tenant issues. Thus the tenant engagement issue is a crucial instrument to reduce risk of boycotts.

8.1.4 ENGAGEMENT WITH OTHER STAKEHOLDERS

A SHL is not an island. The delivery of an efficient, effective and responsive service is dependent upon a strong relationship with a set of sector stakeholders. The nature and quality of these relationships can contribute to conditions that can assist in preventing rental boycotts. While these relationships are not 1 way and therefore require a willingness on the part of other stakeholders, it is incumbent upon the SHL to proactively build and consolidate such relationships as far as is possible. There are some key groupings with whom this is particularly important.

- Local Politicians
- Local and Provincial Officials
- Neighbourhood Leaders and Association
- The Press

For all of these it is necessary for them to know that they can approach and receive clear information from the SHL in relation to the terms and conditions of the SH programme and how these are implementing in local projects. It is particularly important to make sure that these stakeholders understand that the programme is a National programme



with its own regulations and funding conditions and which the relationship with tenants is contained in properly structured lease agreements.

It is important to emphasize the fact that there is an established government regulator responsible for ensuring that the SHL is adhering to the conditions set for the programme. It is also critical that such stakeholders understand that the programme, as defined in government legislation, is for 'rental only'; the reasons for this; how these are communicated to the tenant from before they sign their tenancy agreement; and how it is possible to link some of the tenants with the government's 'gap ownership' programmes that happen in separate spaces.

The development of such awareness can provide these stakeholders with enough understanding to at least stay neutral in any developing 'rental boycott' actions or more positively to act to defuse such situations.

8.2 MITIGATING THE 'IMPACT' OF A RENTAL BOYCOTT

While an SHL can take the above steps to reduce the conditions for 'rental boycotts' this does not necessarily mean that rental boycott will not start. If this does happen it is important that the SHL have properly developed strategy and action plan to deal with it. In implementing this that the SHL is constantly monitoring the effect of the interventions and can quickly adapt. The following are some of the key steps that an SHL can follow:

- Understanding the implicit and explicit reasons for Boycott
- Profile of who is involved
- Communication and Engagement
 - Internal
 - External
- Provision of Security
- Legal Action

8.2.1 UNDERSTANDING THE REASONS FOR THE BOYCOTT

If the SHL has an effective communication system in place it should early on understand the reasons for the boycott both the 'implicit' and the 'stated' reasons. They should also have assessed whether or not the issues have any 'validity' even though these might not merit a 'boycott'. This should inform their communication and broader response.



8.2.2 PROFILE OF WHO IS INVOLVED

It is critical to link the understanding of reasons to those who are involved in actions in a rental boycott. In doing this it is necessary to look at both 'internal' and 'external' and to 'activators' and 'participants'.

Internal:

Which tenants are involved in 'activating' the 'boycotts' and what is their motivation. Which tenants are joining and why? This helps with targeting communication and also legal action. Also what are the linkage between 'activators' and external players.

External:

Usually external players are primarily involved in 'activating'. It is important to understand their motivation and their linkage to internal 'activators'. But it also important to engage with external stakeholders that could assist in helping to reduce the impact of the 'boycott' e.g. local councillors, municipal and provincial officials, SHRA. In the interaction with these it is important to engage them in what action they can or should take to tackle the boycott.

8.2.3 COMMUNICATION AND ENGAGEMENT

Just as this is very important in preventing boycott it is a very important instrument to help reduce the impact of 'rental boycotts' that do proceed. The key purpose is to communicate with both 'internal' and 'external' players to reduce the 'fuel' that can keep the boycott progressing.

8.2.4 TAKING LEGAL ACTION

It is important for the SHL to take rapid legal action where it is apparent that the boycott is taking off. It is important though to tactically deal with the targeting of such legal action to avoid excessive expenditure and as a way to undermine the 'fueling' of a growing boycott. Sometimes such rapid targeted legal action can reduce enthusiasm on part of tenants to join in. In other occasions, where the group instigating have resources, they can counter with legal action as a way of prolonging and further stoking the boycott. Part of this can involve legal representatives that use whatever means they can to delay any hearings. It is important that the SHL has good quality legal advice and support from a competent legal team that understand well the sector and the linked tactics of some boycott initiators.

Where legal action results in eviction orders the SHL needs to consider carefully its tactics in implementing these orders in order to reduce the potential for sparking further actions. They need also to ensure the engagement both with the Sheriff and in some instances with law



enforcement where there is active 'external' involvement and also 'security' support internally.

In addition to legal action for 'non-payment' SHL might also have to consider legal action to prevent damage to property as well as a way of tackling external interference on projects.

Taking legal action is one important prong in the response. However throughout it is critical to ensure that there is a strong communication strategy directed both at the non-participants and those involved in the boycott.

8.2.5 APPROPRIATE SECURITY

Depending upon the nature and tone of the boycott it might require the provision of additional security. This can be to ensure the protection of non-participating tenants and staff, as well as protecting the property itself. It is generally required within any development but where there is external groupings actively participating it might require additional security to prevent such external participants gaining access to the project.

Like the legal action this can result in substantial additional costs for the SHL.

8.2.6 IMPORTANCE OF STRATEGIC RESPONSE

Any SHL dealing with a rental boycott needs to ensure that it develops a coherent strategy and responsive set of tactics to counter the boycott actions. This requires that there is clear organisation and communication between staff and management; management and board; and SHL with its tenants. It involves keeping well in touch with all the actors both on the boycott side as well as with the range of other stakeholders to ensure that you are abreast with their responses and are able to inform them of developments.

REFLECTIONS BOX

If you have had a 'rent boycott' or 'occupation' how did you organize your internal response?

Who was involved?

What worked and what did not and why?

How will this experience inform your response if there is another such event?

If you have not had such events do you have in place a preliminary approach to how you will address it?

What key actions would you take?



9 WHAT ROLE CAN OTHER SECTOR STAKEHOLDERS PLAY?

In both prevention and in mitigating the impact of boycotts there are a number of contributions that various stakeholders can make. Their contributions sometimes make the situation worse, but in other situations can make a positive contribution. As outlined in the previous section it is important that the SHL engages with key stakeholders proactively to ensure that they understand the SH programme the circumstances of the boycotts, the implication to the project and the sector in their area; and also what they can do to de-risk the situation. It is important that this is part of the SHL's communication strategy. However, it is also important that key stakeholders themselves proactively assess the role they can play in preventing and assisting with the resolution of boycotts.

As discussed earlier there are a number of key stakeholders that can have different influence in different circumstances. Of particular relevance are the roles of the NHS, the SHRA, Provincial Govt; municipal officials and politicians; financiers; local community groupings; political parties and the press, particularly local press.

What follows are some of the issues that require consideration by the different stakeholders and the possible responses.

9.1 THE PURPOSE OF THE SH PROGRAMME

The programme is a national programme with its own legislation and regulations with the stated purpose of providing good quality well managed rental housing opportunities. So while the government invests in the housing it is not 'free housing' and tenants cannot have ownership of these units. In addition, while receiving a subsidised rental, tenants must make a contribution to cover some of the costs. These rentals are regulated and controlled by the SHRA as is the quality of the social housing landlord service.

It is crucial that all key stakeholders understand this and that they are able to communicate this in their engagement with any other relevant parties. They must also know that there are established formal channels for queries and dealing with disputes that tenants might have about the quality or cost of the service.

Stakeholders need to understand these issues and use this as a basis for responding to those instigating and perpetuating rental boycotts. They need to avoid a response that re-enforces messages that distort the



purpose and approach of the programme. Rather they should encourage the use of proper channels to help resolve any disputes between the SHL and tenants.

9.2 PRO ACTIVE SUPPORT FOR SH LANDLORDS

Where an SHI is following the rules of the programme the stakeholders have a responsibility to stand with the SHL in clarifying the basis of the programme, whether this is in written or verbal statements directly to tenants and others involved as well as indirectly through press statements etc.

This applies to intervention by the SHRA, spheres of govt both politicians and officials and other key stakeholders. Such stakeholders should avoid taking the side of the boycotting group without having a thorough understanding of the issues in the context of the programme. Also where the boycott action is perceived as a result of poor service of the SHL the stakeholder should deal with this through the SHRA.

9.3 JOINT RESPONSE STRATEGY

As early as possible in the development of a rental boycott the SHL should ensure that the SHRA, provincial department and the local municipality are informed and engaged in working together to end its development. Preferably they should have a shared perspective of the strategy. The first step in this is to ensure that the SHL is compliant with overall intent and regulations of the programme. If not they have a plan to rectify this.

While recognising that they have different roles to play they need to share and overall agreed approach to messaging and interventions.

9.4 FINANCIAL SUPPORT

In an earlier section the cost to the SHI and the sector of a 'boycott' is highlighted. Where a compliant SHI is having to deal with a 'boycott' the stakeholders should give consideration of possible financial support to the SHI both to help to end the boycott but also to protect the SHL from default and possible bankruptcy.

Unfortunately there are presently no established mechanism to provide such support (see next section) Rather the stakeholders must together look at ad hoc ways of doing this including 'loan holidays', grants for increased security costs or towards legal costs.

This combined strategic approach and how different stakeholders work together on this is presently very ad hoc and under developed. The next section considers some approaches and mechanisms that need development order to support and broader sector wide strategy for



preventing and/or mitigating the impact of 'boycotts' on the SHLs and the sector.

REFLECTIONS BOX

For SHLs that have experienced such events:

In your view how prepared are stakeholders associated with your business ready to respond to you?

What particular support did they give?

In what way did the support help?

Who else did you approach but did not help and what was their reason?

If you are another stakeholder:

If you were ever involved with an SHL with such events?

If so, what support did the SHL request from you?

What was your response, and do you know how it contributed to supporting the SHL through the event(s)?

Can you think what response you would provide if approached for support?

10 APPROACHES AND MECHANISMS TO ASSIST A STRATEGIC RESPONSE

The NASHO research and other discussions have identified a number of actions and mechanisms that could help with a more coherent and strategic approach. These still require more co-ordinated sector consideration and preparation.

Most of the following recommendations are NOT specific to any one stakeholder but will require inputs from different stakeholders in different degrees.

10.1 ENSURING COMPLIANCE BY SHL

That part of the provision of support requires that the SHL is compliant in terms of the regulations. Where they are not that they are supported through the SHRA's compliance monitoring activities to ensure that they become compliant.

Without such compliance it is difficult to counter some of the complaints that underpin boycotts.

10.2 PROPERLY DEVELOPED TENANT ENGAGEMENT SYSTEMS

That the SHRA should support the development of a comprehensive set of best practice approaches to tenant engagement by SHL and that training is



provided to SHIs to implement this which also is part of the compliance monitoring.

10.3 RAPID RESPONSE BY SHI

An SHI should use its tenant engagement programme both formal and informal to ensure that it was well informed and rapidly responded to any indication of a possible boycott. That it uses the developed systems proposed to engage other key stakeholders and has in place a strategy to responded quickly with ameliorating action and where necessary legal action.

10.4 FORMAL COMPLAINTS ADJUDICATION SYSTEM

Linked to this should be an adjudication system that allows assessment of tenant complaints against the regulatory framework of the SH Programme. Where a SHL is in breach the SHRA could order remedial action and if not issue a notice that the SHI is compliant.

10.5 SUPPORT FROM FINANCIERS

That there is an agreed and structured mechanisms that permits SHLs to receive 'loan holidays' or 'loan guarantee' arrangements in instances where the SHI has a rental boycott but is compliant with the SH regulations and has done as much as possible to prevent the boycott.

10.6 PROACTIVE JOINT STAKEHOLDER STRATEGY

The development of a protocol that ensures that Province, municipality, SHRA and financier come together jointly with SHL to develop a common strategy to responding to the boycott involving all these key stakeholders in their respective defined capacities within the programme.

10.7 ENGAGEMENT WITH LAW ENFORCEMENT

Establish protocols for the engagement with police and law enforcement officers and agents to ensure that they understand the nature of the programme and the regulations and ensure appropriate interventions when an SHI is compliant.

10.8 RAPID RESPONSE TOOLKIT

That the SHRA facilitate the development of a rapid response toolkit that can be used to educate and prepare officials and politicians to play their part in preventing and/or mitigating the impact of rental boycotts.

10.9 SPECIALIST LEGAL TEAM TO SUPPORT LEGAL ACTION

The setting up of a panel of legal expertise with the relevant experience and success in dealing with such boycotts to support the legal actions of SHLs faced with boycotts. That this is done through the SHRA and is part funded by the SHRA.



10.10 FINANCIAL MECHANISMS TO SUPPORT COMPLIANT SHIS

Structuring financial mechanisms that can assist the compliant SHL in tackling potential or actual boycotts. This could involve a number of different stakeholders and could take different forms, including agreed 'loan holidays', financed specialist legal team, covering some of the extra security costs necessitated in response. If such mechanisms are put in place an important condition is that the SHL should be compliant and demonstrate that they are doing everything in their power to end the boycott.

REFLECTIONS BOX

Does the present compliance monitoring support properly assess the tenant engagement and service delivery in a way that forewarn of potential 'rental boycotts'? If so is there a process in place to take action?

What are the key elements in a best practice tenant engagement strategy in an SHL?

Are there presently legal mechanisms available in government to support a 'compliant' SHL subjected to prolonged boycotts?

Would a specialist legal team available to assist an SHL experiencing such events? How would this help, relative to the existing access to legal services? Who should coordinate? Who should finance this?