Global Shelter Cluster
ShelterCluster.org
Coordinating Humanitarian Shelter

Humanitarian Rental Market Interventions

A review of best practices

April 2020

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NOR CAP — NORWEGIAN CAPACITY | CASHCAP

NRC — NORWEGIAN REFUGEE COUNCIL

CRS — CATHOLIC RELIEF SERVICES

LIST OF ABBREVIATIONS

CFR, CfR	Cash-for-rent
CRS	Catholic Relief Services
CVA	Cash and Voucher Assistance
HLP	Housing, Land and Property
IDP	Internally Displaced Person(s)
IFRC	International Federation of Red Cross and Red Crescent Societies
INGO	International Non-governmental Organisation
IOM	International Organisation for Migration
IRC	International Rescue Committee
MEB	Minimum Expenditure Basket
MBP	Market-Based Programming
MPCA	Multi-Purpose Cash Assistance
NGO	Non-governmental Organisation
NRC	Norwegian Refugee Council
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
OFC	Occupancy Free of Charge
PDM	Post Distribution Monitoring
SHS	Society for Humanitarian Solidarity
UNHCR	United Nations High Commissioner for Refugees

ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

With the increased urbanisation of humanitarian responses, shelter actors are increasingly using rental market interventions to provide shelter to vulnerable households after both man-made and natural disasters. Recognising that vulnerable households face a variety of financial, social, legal and physical barriers to accessing rental housing in these circumstances, these programmes provide not only financial support – through cash transfers, negotiated rent reductions, rent freezes or rent-free periods – but also technical support to improve the quality and availability of rental housing, services and infrastructure; to improve tenure security; and to facilitate crisis-affected households' integration into local communities and their longer-term recovery. In their engagement with housing markets and links to the housing sector, their interaction with complex urban systems, and their dependence on various laws, policies and cultural norms, rental assistance programmes require a broader skillset than that which is usually found in the shelter sector, to include expertise in housing markets, legal counselling and social work, and highlight the need for cross-sectoral collaboration. Based on a desk review and key informant interviews, this report presents learning from those involved in the implementation, coordination and management of rental assistance programmes in a variety of natural disaster and conflict settings.

Key learnings

- Rental housing occupies a grey area on the continuum between emergency and durable housing solutions, and between the shelter and housing sectors. It is therefore important that the wider rights-based concept of adequate housing is considered the benchmark in humanitarian rental market interventions.

- Rental market interventions are a form of Market-based Programming (MBP) and should be designed, implemented and monitored following MBP best practices. This includes starting with a market analysis, and following the Minimum Standards for Market Analysis. In addition, an effective and appropriate rental market intervention is one that is founded on a context analysis and designed to address a range of barriers that displaced people face to access adequate housing.

- Prioritise approaches that maximise the displaced households' ability to make their choices independently (e.g. negotiating rent with landlords). Organisations should ensure that the criteria used to identify adequate rental housing are aligned with the target population's priorities including location, cultural adequacy and cost.

- The housing choices and preferences vary widely between men and women. It is important that the views of the different groups are captured in the decision-making process related to the selection of the properties. Attention should be given to the needs of persons with disability when identifying or upgrading properties. Integrated, multi-sectoral programmes which aim to make improvements to neighbourhoods have proven to be an effective way of addressing wider issues related to access to housing, when combined with household rental assistance.

- Organisations should balance the need for certainty about property ownership with the need to provide humanitarian assistance, adopting an incremental approach to tenure security where necessary. Targeted support will likely be necessary to ensure that women and other vulnerable groups are not at increased risk of tenure insecurity. Trust – and proximity – between landlord and tenant can be a key factor in improving the latter's tenure security. Written lease agreements usually help to improve tenure security. When used, a training for the two parties on the terms of the agreement is essential; including a third party in the rental contract is considered best practice.

1. INTRODUCTION

At least half of all internally displaced persons (IDPs) and 60% of all refugees now reside in urban areas[1], and are usually renting property throughout their time in displacement. The urbanisation of humanitarian responses has resulted in a fundamental shift in operational reality for the shelter sector[2] and as a result, shelter actors are increasingly considering rental assistance for the provision of housing in emergencies. However, this has thrown up several challenges for the sector, most notably, the need for new skills and capacities outside the engineering and construction industries, and the need to adapt shelter responses to the complexities of working in dense, urban envrionments. This requires actors to be well-versed in working with issues of chronic vulnerability as much as emergency response, and highlights the need to synchronise humanitarian efforts with the best development approaches in order to reduce risk and work towards sustainable systems and solutions[3].

Around the world, a significant amount of work has been undertaken on rental assitance programmes at the country level, but the results and lessons learnt from these contexts have not been consolidated at the global level in a manner that could benefit other responses[4]. This report aims to bridge that gap, presenting learning from rental assistance programmes in a wide variety of humanitarian contexts both post-conflict and natural disaster settings, and refugee and internal displacement contexts.

2. METHODOLOGY

The information presented in this report was collected from a desk review of secondary sources, as well as interviews with non-governmental organisations (NGOs), Red Cross/Red Crescent and UN staff working at global, regional, and national levels in programme operations and coordination. Key informants were identified by members of the Global Shelter Cluster Cash Working Group, National Cluster Coordinators, co-leads, and were self-selected through a request sent out to the Global Shelter Cluster mailing list and IFRC roster.

A total of 44 key informants were interviewed by telephone and in person. They represented staff from 17 different organisations, working at global, regional, national and sub-national level. This included 9 international and national NGOs, 3 UN agencies and 4 Red Cross/Red Crescent societies. Information was collected from 16 different responses, across Asia, Africa, the Middle East, Latin America and the Caribbean, North America and Europe.

The author recognises that the perspectives of national NGOs are underrepresented in this report. In addition, the examples provided here are heavily weighted towards conflict rather than natural disaster settings. The author was only able to collect information from natural disaster settings in Haiti, Afghanistan and the Philippines, despite evidence that they have also been used elsewhere.

➔   A full list of key informants, as well as a bibliography of source documents is presented in Annexes 1 and 2.

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[1] Global Alliance for Urban Crises (2015), *Forced Displacement In Urban Areas: What needs to be done*, p.1
[2] Adapted from Global Shelter Cluster (2018) *Global Shelter Cluster Strategy 2018 – 2022 Narrative*, p.5
[3] Ibid.
[4] Adapted from *Terms of Reference: CashCap Advisor to the Global Shelter Cluster*

3. THE RIGHT TO ADEQUATE 'RENTAL' HOUSING

The distinction between emergency shelter and longer-term housing is perhaps least clear-cut in the case of rental housing. The same rental housing market – and in some cases, the same rental property – may well provide both, and often to the same household(s). Recognising the link and overlap between the two is critical for organisations planning humanitarian rental market interventions. International human rights law recognises everyone's right to an adequate standard of living, including adequate housing. *The Right to Adequate Housing* notes that for housing to be considered adequate, it must meet the following criteria:

1. Security of tenure: housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.
2. Availability of services, materials, facilities and infrastructure: housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or waste disposal.
3. Affordability: housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights.
4. Habitability: housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
5. Accessibility: housing is not adequate if the specific needs of disadvantaged and marginalised groups are not taken into account.
6. Location: housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if located in polluted or dangerous areas.
7. Cultural adequacy: housing is not adequate if it does not respect and take into account the expression of cultural identity[5].

The Sphere Handbook picks up on this definition, noting that 'the Sphere Minimum Standards for Shelter and Settlement are a practical expression of the right to adequate housing in humanitarian contexts'[6], and that it applies not only to housing, but also to other forms of shelter.

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[5] UN-Habitat/OHCHR (2009) *The Right to Adequate Housing*. Factsheet 21 (Revision 1), p. 4
[6] Sphere Association (2018) *The Sphere Handbook: Humanitarian Charter and Minimum Standards in Humanitarian Response. Fourth edition. Geneva, Switzerland*, p.240

4. FRAMEWORK FOR RENTAL MARKET INTERVENTIONS

Rental housing interventions are *market-based programmes*[7] which aim to address demand and supply issues in the functionality of the rental housing market – both those caused by and which predate – the crisis, in order to ensure adequate shelter and housing for those in need of humanitarian support.

CaLP's Market-Based Programme (MBP) Framework can be a useful lens through which to understand market-based programming. There are three distinct levels of engagement identified in the framework (Figure 1): using; supporting; and developing or changing markets. The framework further links these levels with the phases of the response (as shown in Figure 1 below). Determining the appropriate response option(s) depends on several factors, including the functionality of the market system, the needs of targeted communities, the resources available and the phase of the response.

Markets in Crises, 2016
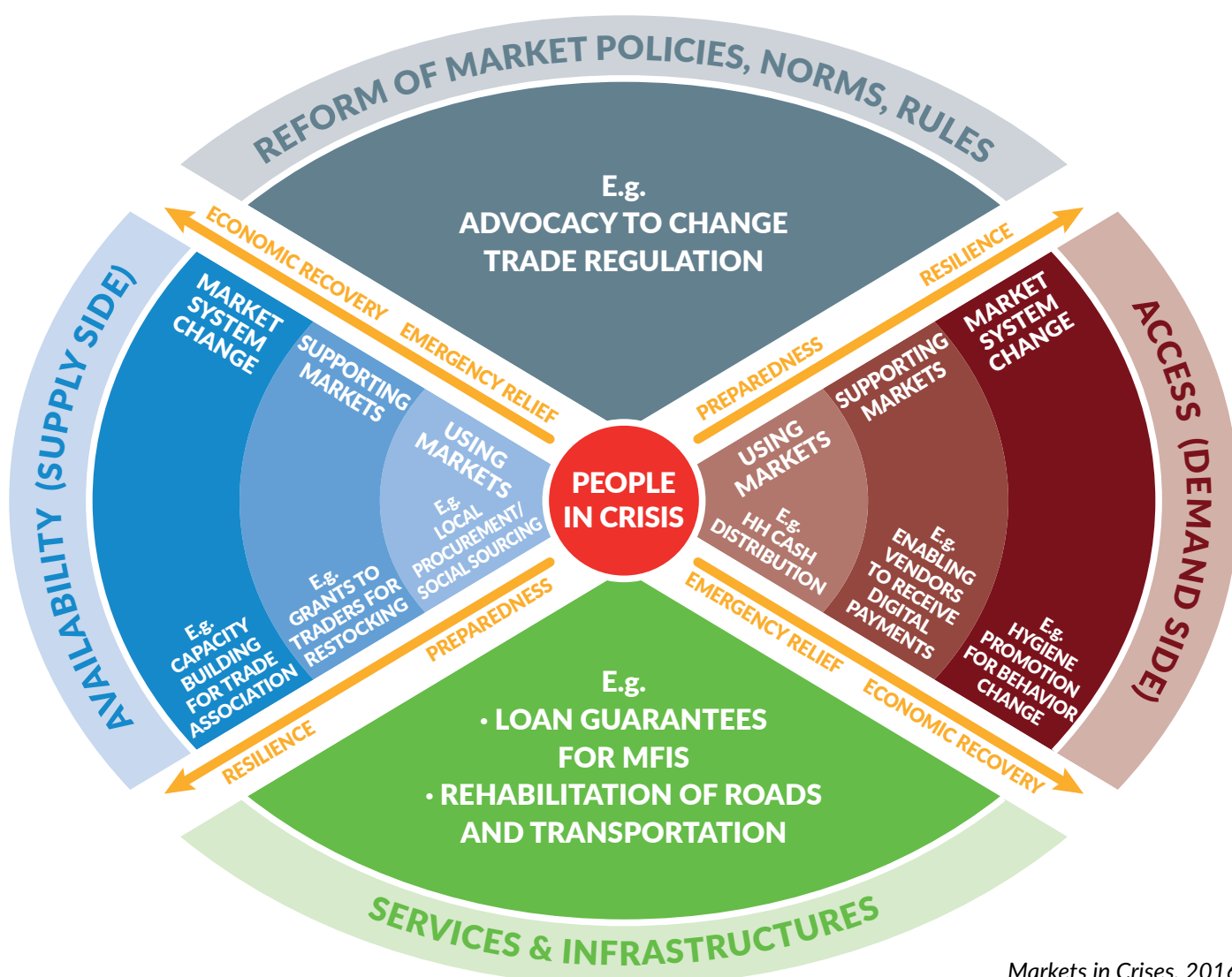
Figure 1: CaLP's Market-Based Programming Framework (updated). Source: CaLP 2017
A rental housing market system is functional when:

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[7] Market-based programmes are those which 'work through or support local markets. [They] cover all types of engagement with market systems, ranging from actions that deliver immediate relief to those that proactively strengthen and catalyze local market systems or market hubs.' CaLP (2018).

✔ The supply of adequate housing can meet the demands of both the target population and others.

✔ The market is accessible to the target population.

✔ The necessary services, infrastructure, laws and regulations which govern the market (such as tenancy laws, building codes etc.) are in place.

In practice, rental housing can provide accommodation to families after natural disasters, while waiting for their homes to be reconstructed, or can provide short and longer-term accommodation for those displaced by conflict. It can also provide a shelter solution to those facing specific protection risks, such as gender-based violence or exploitation.

A rental market intervention can be a standalone programme or part of a wider humanitarian response (e.g. integrating with complementary livelihoods activities). A well-known example is cash assistance (either specific cash-for-rent activities or multipurpose cash assistance programmes which include a component for rent), whereby humanitarian actors support households, i.e. demand side, with a grant or subsidy allowing them to use rental markets and temporarily secure housing. Nevertheless, it is important to recognise that access to adequate housing is not only a financial issue: underlying vulnerabilities, discrimination, tenure insecurity, physical housing conditions and imbalances in supply and demand in the rental housing market all limit access and need to be addressed in rental market interventions.

➔ Rental market interventions are a form of MBP.
➔ Rental housing markets have unique characteristics and functionality, yet like other markets they are also influenced by demand, supply, regulations, policies, services and the market infrastructure.

5. LEARNING FROM HUMANITARIAN RENTAL MARKET INTERVENTIONS

This section outlines key learning and recommendations from the rental market interventions implemented to date, collected from a desk review and interviews with key informants.

5.1 Programme Planning and Design

Start with a market analysis

KEY MESSAGE ....
Rental market analyses need to be prioritised before all rental interventions. The depth and scope of the analysis should be tailored to the specific context, include the segmentation of the market and may require innovative data collection techniques.
....

In section 4, we defined rental market interventions as market-based programmes. Current guidance and best practice in the design of MBP place market analysis as the foundation of programme design. Rental market interventions are no different: understanding the rental housing market is therefore an essential step (following the needs assessment) in designing rental assistance programmes. However, interviews with stakeholders reveal that, despite practitioners' increasing familiarity with other forms of market analyses, most key informants expressed uncertainty about how to assess and analyse the rental market. Nearly a third (29%) of key informants reported either that they had not conducted any form of market analysis before implementing their rental assistance programme, or that they were unsure as to whether one had been done. 46% had collected information on rental prices and/or rental housing quality only, and just 25% had done a more substantial analysis of the wider rental market system including the factors which influence its supply and demand.

Undoubtedly, a major barrier is the relative complexity of housing markets, as well as the lack of time, tools and resources to carry out such an analysis, particularly in humanitarian contexts. Of the key informants who reported conducting a market analysis, there was little correlation between the depth of market analysis and the stage of the response. As with market analyses for other commodities, the depth and scope of a rental market analysis is likely to be limited in the immediate aftermath of a crisis[8].

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[8] See for example, Juillard, H. (2018) *Minimum Standards for Market Analysis* (MISMA) and Austin, L and Chessex, S (2013) *Minimum Requirements for Market Analysis in Emergencies.*

Invest more in understanding the context

KEY MESSAGE ....

Contextual analysis needs to be more systematically included in rental market programme planning and design. Understanding the context of a given crisis is critical to ensuring that a programme is appropriate, achieves its objectives and avoids any unintended consequence.

....

Rental markets are highly context-specific and heavily affected by the legal, political, economic and social environment in which they operate. Understanding these factors is essential. This is particularly important in urban environments, which have multiple layers of governance, diversity of actors, interconnected services, infrastructure and livelihood systems, and fluid concepts of communities. These will impact the effectiveness and appropriateness of an intervention.

Yet, only two organisations interviewed for this report confirmed that they had undertaken any formal context analysis to inform their programme design. While a lot of contextual information may be informally known by individuals, the complexity of many of the environments in which rental housing markets function makes con-textual analysis on an organisational-level important. For example, in some contexts, the practice of renting itself is very unfamiliar; elsewhere, socio-cultural norms around privacy or gender may prevent homeowners from offering their properties for rent to strangers or female-headed households. In Syria, many families share a family compound, so it was important to them that, as refugees, they were still able to share the same build-ing. A context analysis will help understand the different stakeholders in the rental market and their influences, socio-cultural dynamics, socio-economic concerns, the relationship between statutory and customary laws, and how policies which govern issues such as tenancy, taxation, housing, land and property and construction impact the community's access to housing.

Box 1. Types and motivations of landlords

Landlords are not a homogeneous group and are motivated and influenced by different factors. 'Pet-ty-capitalist' landlords seek to profit from their properties and operate at largescale; 'petty-bourgeois' use rent to complement their existing income and improve their quality of life; and other 'subsistence' land-lords need the rental income to meet their own basic needs. In addition to the economic concerns, some landlords, as evidence has shown, are motivated by humanitarian or social/familial concerns.

In Lebanon, recognising these differences was important to the success of the Occupancy Free of Charge programme. In an inner-city area of Tripoli, landlords were themselves often poor and their rental income was essential to their household's well-being, so asking them to forego a year's rent would have left them in a vulnerable situation. Others recognised that refugees were often living in worse off conditions, understood that it would improve their own assets and were happy to be involved.

Design responsive and flexible programmes

KEY MESSAGE ....
Different response approaches will be necessary as the situation and context evolves and at different stages of a response; programming should remain flexible to respond to these changes.
....

Shelter and housing needs evolve between the immediate aftermath of a crisis and the recovery phase as people recover, as their intentions change, and as the situation evolves. Organisations and donors need to recognise that the response needs to evolve as the situation, the needs of the target group, and their under-standing of these, change. Programmes should aim to transition from a short-term rapid response which addresses immediate protection concerns, to more holistic shelter-specific support as the context changes, and as organisations can invest more time and resources in understanding it and designing appropriate con-text-specific shelter activities.

For example, Syrian refugees' preferences and choices in terms of housing conditions, who they would share a property with, and the coping strategies used, evolved as the crisis became more protracted.[9] A flexible approach is required to respond effectively to these changes and to ensure that the response remains appro-priate. This is sometimes at odds with the aim of shelter interventions to provide security of tenure and sta-bility. After Typhoon Haiyan, some organisations provided rental support to affected families with a two-year rental contract. However, most had moved out before the end of the first year because they did not provide enough flexibility. Those with contracts of between six and twelve months reported being more satisfied[10]. One example of an evolving response is CRS's 'stepping stone' approach in Greece. This provided emergency shelter support for refugees in CRS-leased apartments on arrival in the country, then supported them to move into individual apartments with intensive case management to access services, before finally helping them to navigate the rental market independently and to integrate into their communities. Financial support was also tailored so that families received less assistance as they became more self-sufficient.

Understanding household intentions can be challenging as they are often coloured by their hopes, rather than the reality on the ground. For example, Syrian refugees in Lebanon reported being in a state of limbo, of hoping to be able to return home but waiting to see how the situation would evolve. This can frame their willingness to invest in livelihoods and housing, and to integrate into a community[11]. This is particularly true when organisations are working in urban environments and with complex rental housing markets as it may not be possible to acquire an in-depth understanding of either in the short-term. In urban environments, populations tend to be more mobile: families may move to and from different communities for work, or between rural and urban areas.

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[9] NRC (2018) *impact Evaluation of the Occupancy Free of Charge Programme in Lebanon*
[10] Opdyke, A, Tabo, P and Javernick-Will, A (2017) *Urban Sheltering: Evidence on rental subsidies and hosting.* Humanitarian Practice Group.
[11] NRC (2018) *impact Evaluation of the Occupancy Free of Charge Programme in Lebanon* and Interview with NRC

Rental market interventions are not only about affordability

KEY MESSAGE ....
As adequate shelter is a multidimensional concept, a multidimensional response will likely be necessary to address the various barriers to accessing it.
....

Shelter and housing costs are usually a household's largest expenditure, and affordability is often their biggest barrier to accessing adequate housing. A study in Lebanon showed that a third (33.3%) of households were spending over 60% of their monthly income on shelter, with 22.5% of surveyed households spending more than 80%[12]. For more than three-quarters of households surveyed in the same study, their primary criterion for accommodation was its cost. Although affordability is one of the main barriers to accessing adequate rental housing, it is not the only one. The Right to Adequate Housing recognises that adequate housing is a multidimensional construct, encompassing affordability, accessibility, habitability, access to services, infrastructure, materials and facilities, cultural adequacy, and tenure security. Organisations need to recognise that households may face social, legal, physical or human/knowledge-related barriers to adequate rental housing, and design programmes that address these, as well as financial barriers.

➜ Tip sheet no.2 provides examples of some of the complementary activities which can help to reduce the various barriers faced by households.

Identify an exit strategy

KEY MESSAGE ....
Organisations should do more to identify viable exit strategies in the initial planning of an intervention, and regularly review them during implementation.
....

Identifying and realising a feasible exit strategy was cited as one of the greatest challenges for all key informants when designing and implementing rental market interventions. Interviews with practitioners showed that very few programmes had one. Several interviewees highlighted that they had started programmes, expecting that families would have become self-sufficient by the end of the rental support, having been able to find work opportunities and save enough from the assistance to continue making rental payments. However, there is little evidence to suggest that the financial benefits of rental support programmes are sustained beyond the programme end date, particularly when the assistance is predominantly financial. This means that households often plunge back into the same financial and tenure insecurity as they had at the start of the programme. This not only negates the impact of the programme but can expose households to serious risks, including exploitation or eviction if they cannot pay rent. Not only does this disrupt livelihoods, but also impacts the social networks that households may have established, a key source of work and key contributor to household resilience.

Several examples were cited during data collection whereby exit strategies were no longer viable because of unavoidable changes to the external situation. CRS's programme in Greece had been designed on the basis that refugees were using Greece as a six-month transition before resettling elsewhere. When the political context changed across Europe and many had to remain in Greece, the programme was forced to adapt to support their more holistic, longer-term housing needs and facilitate their integration into Greek communities. In the Philippines, families displaced by a landslide received rental assistance while the government constructed homes for them in safe areas nearby. However, delays to construction, combined with a lack of resources to continue the rental assistance meant that many households were forced to return to high-risk areas. This could have been avoided had the organisation worked with the local government to adapt their programme and exit strategy[13].

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[12] UN-Habitat/UNHCR (2018) *Housing, Land and Property Issues of Syrian Refugees in Lebanon from Homs City,* p. 29.
[13] Interview with CRS Philippines

Balance accuracy and transparency in targeting

KEY MESSAGE ....

Targeting approaches need to be adapted to urban environments, balance transparency with accuracy and include both local and displaced communities in the process.

....

The complexity of urban environments – where ideas of 'community' are often blurred and overlapping, and where displaced households are often living amid high levels of existing poverty and vulnerability – makes traditional targeting methods, which rely on status (i.e. refugee or displaced household) or a clearly delineated, homogeneous community redundant. Community leaders may be more difficult to identify, and the mobility of urban populations can increase the risk of exclusion.

Targeting both displaced and host communities is therefore critical to avoiding conflict. Experience has shown that asking communities and neighbourhoods to delineate their own neighbourhoods and setting up representative committees can be helpful. Targeting should be based on a mixture of criteria based on housing conditions, as well as socio-economic vulnerability, including their income, expenditure and debt levels, and the proportion of income spent on housing[14].

Organisations should also seek to balance accuracy in the targeting process with transparency. While some organisations used vulnerability frameworks or regression analysis to identify vulnerable households, such methods can be opaque, and the reasons for inclusion or exclusion can be difficult to explain. One organisation took a two-step approach: initially, vulnerability criteria and other considerations were applied, and those who were rejected were considered on a case-by-case basis by the committee, and their inclusion decided by vote[15].

Key takeaways for programme planning and design

➔ Organisations working with rental markets need to engage more rental market expertise in the analysis of the rental housing market and to support programme development.
➔ Tip sheets no. 1 and 2 provide an overview of the tools available to analyse rental markets.
➔ Follow the Minimum Standards for Market Analysis to identify the most appropriate level of market assessments for the phase of the response. As the situation changes and the response develops, organisations should collect more in-depth information to inform and adapt the on-going response and to minimise the risks to the market[16].
➔ An effective and appropriate rental market intervention is one that is founded on a context analysis. Further guidance and details on context analysis can be found in tip sheet no.1.
➔ The housing choices and preferences of the displaced can change with the context and phases of displacement. Programmes should be designed with the flexibility to accommodate these changes and reinforce positive coping strategies.
➔ Rental market interventions should be designed to address a range of barriers that displaced people face to access adequate housing. Where organisations do not have the capacity to do so themselves, effective referral mechanisms should be established.
➔ Tip sheet no.5 provides further details and guidance on the design of exit strategies.
➔ A balance should be sought between the accuracy of targeting methods and calculations, and the transparency of the process.
➔ Tip sheet no.2 provides greater detail on targeting approaches.

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[14] Figures of over 30% are generally considered to indicate that a family is rent 'overburdened' and will be unable to meet their other basic needs because of the high cost of housing.
[15] Interview with CRS Greece
[16] See CaLP's *Minimum Standards for Market Analysis* for more information on common approaches to market analysis.

5.2 Common Response Options

Rental market interventions include a wide variety of activities. This section presents the three Cash and Voucher Assistance (CVA) programmes that are most commonly used. These are usually – and should always be – accompanied by complementary activities which tackle other obstacles to accessing adequate housing, including social, legal and physical barriers.

Multi-Purpose Cash Assistance (MPCA)

KEY MESSAGE ....
MPCA is unlikely to improve living conditions but can prevent them from worsening and can reduce protection risks.
....

Although not specific to the shelter sector, multipurpose cash assistance (MPCA) programmes – usually unconditional cash transfers designed to meet basic needs – often include rental costs in the calculation of the minimum expenditure basket (MEB) and are often used by households for this purpose, helping them to reduce the financial barriers to adequate shelter.

One evaluation in Lebanon showed that 43% of households had spent part of their MPCA on rent, and on average, this equated to 30% of the transfer value[17]. Further evidence from various contexts has shown that households often use MPCA to prioritise other basic needs, such as food or healthcare, over shelter. As a result, it is unlikely to improve living conditions or prompt households to move into better quality or more secure housing, but it does help households to pay off their rent or reduce the levels of debt arising from rental costs[18]. This is particularly important as households often have significant debt and/or are rent overburdened so struggle to meet their other basic needs. As one ODI study on UNHCR's programme in Jordan noted, "the cash transfer is the only support that stands between them and living on the street, sending their sons to work, or returning to a refugee camp or to Syria"[19].

MPCA's ability – or lack thereof – to improve living conditions may also be linked to the transfer value. Some studies have shown that these are often below the value in the MEB and therefore, insufficient to make lasting improvements to households' living conditions. Findings from Lebanon showed that "the relatively small size of MPCA assistance as compared to the cost of living in Lebanon is likely minimizing any potential impact on shelter and negative coping strategies. This is especially true given the already severe vulnerability of the beneficiary population"[20]. It is also important to recognise that MPCA does not require sector-specific expertise. Organisations providing MPCA may not to have the necessary technical capacity to address shelter issues in the target population.

[17] *UNHCR (2018) Multipurpose Cash and Sectoral Outcomes: a review of evidence and learning.*
[18] For example, NRC(2019) NRC *Afghanistan Shelter Evaluation; UNHCR (2018) Multipurpose Cash and Sectoral Outcomes: a review of evidence and learning;* Tearfund (2019) *Multipurpose Cash Assistance Programme Post Distribution Monitoring, Jan/Feb 2019, Al-Yarmouk Area, Mosul;* UNHCR (2018) *Multipurpose Cash Assistance Programme Lebanon: Outcome Monitoring Report – Round 3;* Battistin, F. (2016) *Lebanese Cash Consortium: Impact Evaluation of the Multipurpose Cash Assistance Programme*
[19] ODI (2017) *Cash transfers for refugees: The economic and social effects of a programme in Jordan,* p.23.
[20] Foster (2015) *Impact of Multipurpose Cash Assistance On Outcomes For Children In Lebanon,* p. 7

Cash-for-Rent (CfR) Assistance and Rental Subsidies

KEY MESSAGE ....
Cash-for-Rent assistance can help to relieve pressure on both displaced and host family resources. Cash-for-Rent programmes can effectively remove barriers to adequate shelter; however, they need to be carefully tailored so that risks of wider negative impacts are reduced.
....

Cash-for-Rent programmes are designed as a short-term intervention to help the most vulnerable households pay their rent. Of those organisations who reported providing cash-for-rent assistance, some included only cash transfers, while others combined cash transfers with other activities. In most cases, these activities include Housing Land and Property (HLP) support (e.g. training for landlords and tenants on their rights and responsibilities with regards to tenancy) or activities to help displaced families integrate into their new communities (e.g. community support projects).

Key informants noted that the speed with which they were able to make these payments made it an effective shelter solution after an emergency. In the Philippines, CRS was able to pay households the first tranche within nine days. IRC in Afghanistan also reported that cash was chosen because of the speed with which it could be distributed. They can also help move families from camps and collective centres in order to decongest or close them, as in Haiti. In addition, cash-for-rent can help relieve pressure on a host family's resources. In Syria, the on-going crisis meant that many host families were in a precarious economic situation and were forced to start asking the IDPs living with them for rent[21]. Cash-for-rent assistance therefore also helped to prevent a deterioration in their own well-being. After the earthquake in Haiti, it was decided that all families would receive cash assistance whether they were intending to rent or to live with family, friends or other contacts. This was in recognition of the latter's vulnerability and because of concerns that otherwise families would rent property just to receive the cash transfer, and place undue pressure on the rental market[22]. By contrast, in some contexts, cash-for-rent programmes have had a negative impact on hosting arrangements by turning hosting – a common coping mechanism in times of crisis in many locations – into a financial transaction and creating a rental market where none previously existed. In Nigeria, CRS found that households who were staying in a house for free would claim that they were paying rent in order to receive assistance. Such concerns were also expressed by key informants from Turkey and Afghanistan. Organisations need to pay careful attention and undertake a do-no-harm analysis before the introduction of cash-for-rent assistance. When hosting for free is common practice in a given community, the introduction of cash-for-rent assistance may have a negative impact on those who are not part of the programme, and may be evicted in favour of those that are.

Cash-for-rent can also present significant risks. Rent inflation was reported by several key informants, including in Yemen, where rent has increased tenfold in some locations, as well as in Lebanon and Afghanistan. However, it is often difficult to separate the impact of an intervention from the impact of the crisis itself, which may have caused a population influx into an area, and a spike in demand for rental housing. The supply of rental housing is not very elastic, so increased demand is likely to push prices very high and reduce the supply for both the displaced and the local population. Cash-for-rent payments can distort the rental market in other critical ways too. In Lebanon and Jordan, the widespread provision of rental assistance to Syrian refugees meant that they were more desirable by landlords because they received valuable and reliable rental support, to the detriment of unregistered refugees and the local population. As a result, many refused to rent to households who were not registered with UNHCR[23]. In Yemen, authorities expressed concerns that cash-for-rent programmes in Sana'a would encourage IDPs to move out of their own governorate and travel to the city, adding to pressure on the market. By contrast, evaluations in Haiti found that the rental support grant programme had led more than three-quarters of landlords to upgrade and invest in their property in order to meet programme requirements.[24]

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[21] Interview with Qatari Red Crescent, Turkey.
[22] World Bank (2014) *Rental Support Cash Grants Program: Operational Manual*
[23] Interview with CARE
[24] The Wolf Group (2013) *External evaluation of the Rental Support Cash Grant Approach Applied to Return and Relocation Programs in Haiti*

Occupancy Free of Charge (OFC) Programmes

KEY MESSAGE ....
OFC programmes to date have demonstrated that they build social capital, improve access to shelter and tenure security for the duration of the programme; however evidence of the longer-term impact of OFC programmes on low-income housing stock is limited.
....

Recognising that one of the main barriers to accessing adequate shelter is a lack of housing stock availability, OFC programmes are designed with two main objectives: (1) to help displaced families to access quality housing through the provision of accommodation that is rent-free, rent-reduced or for which rent has been frozen; and (2) to upgrade or increase the quantity and availability of housing for displaced and other low-income households and to relieve pressure on the housing market, thereby reducing the risk of rent inflation.

OFC programmes aim to increase housing stock through the upgrading, completion or repair of existing buildings in order to meet defined minimum standards. This work is negotiated with the landlord and in return, they agree to host a family, rent-free (or with a rent reduction or freeze), for a fixed period. This aims to reduce the rent burden for the family, improves tenure security for the rent-free period and can provide secure housing for particularly vulnerable groups. There has been limited evidence of the longer-term impact of OFC on the housing supply. Evaluations have shown that the social benefits of the programme – the social networks that families had been able to establish with their landlords and the wider community as a result of living in one place for a length of time – had outlasted the programme[25]. It is equally important to recognise that such programmes offer potential benefits to the target and wider population, if local labour is used to complete any upgrading, repair or construction work.

OFC programmes can be resource heavy and limit the involvement of the tenants (displaced family) when the planned works and the rent-free period are negotiated between only the landlord and implementing agency[26]. This can be somewhat mitigated if terms of the rehabilitation work are negotiated in the presence of both landlord and tenant[27].

Landlords' motivations to join the programme and their intentions on the use of their property beyond the OFC period will have a significant influence over the relationship with the tenants and their ability to remain in the property beyond the OFC period. Some good practice here included limiting the number of properties supported per landlord and balancing the value of the agreed works with the housing unit's rental value. If the intention of the landlord is not to keep the upgraded housing unit in the rental market beyond the OFC period, it is important to make sure that is well communicated with the tenants. For example, in Lebanon, NRC estimated that only about 50% of houses were put back on the rental market after the end of the OFC period[28].

Depending on the scope of the works planned, there is a risk that in some rental markets, landlords will be able to increase the rent on their property after the end of the programme, to the extent that it could render the property unaffordable for the tenants. Best practice advice includes: ensuring OFC interventions are focused in areas where rental market prices are stable; negotiating a rent freeze for a period beyond the OFC duration; and agreeing on the rental prices after the OFC period as part of the contract.

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[25] NRC (2018) *Impact Evaluation of the Occupancy Free of Charge Programme in Lebanon*
[26] Interview with NRC Ukraine
[27] Presentation on CRS's Rental Subsidy Programme in Borno State, Nigeria, 30th January 2018
[28] Interview with NRC Lebanon

Key takeaways for common response options (further reading in tip sheet no.2)

➔ **MPCA** can contribute to achieving shelter outcomes, but the contribution is only likely to address barriers of affordability.

➔ MPCA can be effective as a short-term or emergency intervention to facilitate access to some form of rental accommodation.

➔ To effectively improve shelter outcomes, MPCA needs to be one part of a wider and targeted shelter-specific intervention.

➔ **CfR** has proved to be an efficient way to provide timely, shelter-specific assistance in emergencies.

➔ CfR should be undertaken with caution and be based on a sound contextual and market analysis to mitigate potential negative impacts and risks.

➔ CfR should be complemented with other forms of non-financial support to improve its effectiveness and contribute to longer-term recovery.

➔ **OFC** increases social capital, improves tenure security and improves housing quality.

➔ To date, there is no evidence of the positive impact of OFC on affordable housing stock.

➔ Landlords' motivations and intentions can have a significant impact on the appropriateness and effectiveness of OFC.

5.3 Implementation arrangements

Duration, frequency, value and recipient of CVA

Duration

Organisations currently provide rental assistance for durations varying from several weeks to over a year. In Afghanistan, Cluster guidelines propose that assistance lasts three months; in many other cases, a minimum of six months is recommended, but most lasts between six months and one year. In a few examples, such as CRS's rental subsidy programme in Nigeria or the Haiyan response in the Philippines, some households received two years of assistance. Support of less than six months is generally not recommended as it does not provide sufficient tenure security, allow sufficient time to improve housing conditions, or allow time to transition to more sustainable housing solutions[29].

Unfortunately, the duration of support available is often driven by funding cycles rather than need. With humanitarian funding rarely lasting more than a year and often much less, assistance for more than nine months can be difficult[30]. In Colombia and Venezuela, rental assistance is designed to support populations in transit while they arrange documentation to move elsewhere so can be for as little as two weeks; a community caregivers programme in Libya requires that hosts are available for a minimum of one month, and have flexibility to host for as long as they are able to do so. Programmes which aim to help families who will remain in rental accommodation to become self-sufficient will usually need to be much longer term. Other considerations, such as the timing of the school year, should also factor into decisions about the duration and timing of support. In the Philippines, CRS discovered that many households had moved to stay with relatives in other provinces before the end of the programme because waiting to move until afterwards would have interrupted their children's schooling[31].

Frequency

The frequency of rental payments should mirror local tenancy agreements. Usually, rental assistance is paid monthly, sometimes with a larger first payment to cover the deposit and other moving costs. This can be particularly challenging when landlords demand large up-front payments: in Afghanistan, this is often between six and nine months' rent and in Iraq this can be up to a year, which is often beyond the timeframe of the programme. However, large upfront payments increase the likelihood of eviction before the end of the lease, particularly in contexts where the legal framework is weak and there is limited recourse for tenants.

Cash Recipient

When provided as rental assistance, organisations may choose to distribute the cash to the household, who in turns pays their rent to their landlord, or directly to the landlord. In some countries, security issues, the tenant's legal status and other contextual factors mean that money has to be transferred to the landlord. Evidence collected during this research suggests that the benefits of paying money directly to the household often outweigh those of paying to the landlord, as Table 2 below demonstrates. Therefore, it is considered best practice to prioritise the tenants as the recipient of the assistance, and only resort to direct payments to the landlords when it is not possible for legal, political or security reasons. In contexts in which payments have to be made to the landlord, the process should be set up to be as inclusive of the tenant as possible. For example, one organisation pays the landlord in the presence of the displaced household. In Haiti, payments were only made to the landlord once the family had negotiated their own rent. Organisations should also consider the vulnerabilities of specific groups when deciding who to pay and how to pay them. Women in Yemen are unable to leave their children alone to collect their money and bringing them along increases their transport costs. Instead, they, older and less mobile people, are paid at home.[32]

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29 Interview with Yemen Shelter Cluster and NRC Iran (formerly working in Afghanistan)
30 Interview with IOM Ethiopia; NRC Regional Shelter Specialist; Shelter Cluster Yemen
31 Interview with CRS Philippines.
32 Interview with SHS Yemen

Tenant	Landlord
Allows the household more privacy, choice and independence to manage their own finances	Offers more security, in contexts where households are unable to open bank accounts
More closely mirrors normal tenancy arrangements, making for an easier transition at the end of the programme	More convenient for OFC programmes where landlords are responsible for undertaking the repair/upgrading.
Allows households to use any leftover to meet other basic needs	Provides a guarantee that all money is spent on rent.
Can help to limit rental market inflation: publicly sharing information about how much organisations provide can contribute to rent increases, and limits tenants' abilities to negotiate	
Can help to improve tenure security: in some cases, landlords have prematurely evicted tenants when they have known the end date of payments	

Table 2: Comparative advantages of distributing cash-for-rent to tenants v. landlords

Transfer Value

Most programmes reviewed aimed to cover between 50% and 100% of the rental costs, calculated from a recent market assessment; others included the cost of utilities as well. Often organisations peg the transfer value to agreed Cluster standards, which can be an effective way of avoiding competition between organisations and reducing the risks of rental market inflation. Fixing a sum which is slightly less than the average rental cost can also help to control inflation in the market.

To evaluate the value of assistance (i.e. rental subsidy), the following should be considered:

- The average cost of rent for a property in a given area/neighbourhood, which meets minimum quality standards. This usually serves as an agreed maximum threshold and needs to be adjusted, where appropriate, to the household/apartment size.
- Utility costs, when rent is not inclusive of these costs.
- Other upfront costs, such as security deposits, where appropriate.
- The socio-economic vulnerability of the target group, including the percentage of their monthly income spent on rent. This can serve to evaluate the percentage of rent to cover.
- The eligibility and access to governmental subsidies for utilities.
- Seasonal changes in household vulnerability and income
- Any other costs associated with finding, securing, and renting accommodation, including opportunity costs where necessary.

However, organisations should aim to pay an equal amount to all households, allowing them to use any remainder to meet other household needs. These should be adapted to provide a supplement for larger families, to recognise that they will need more space to prevent overcrowding. This can prevent inequality and discrepancies between households when compared with other approaches, such as paying a fixed percentage of each family's rental costs and makes programmes easier to deliver at scale. After the earthquake in Haiti – and in

various examples since – organisations provided households with a fixed sum and required them to negotiate their own rent but allowed them to keep any difference. This gives them an incentive to negotiate the rent down, and as a result, was found to have avoided both rental price inflation or attempts by the landlord and beneficiary to manipulate the prices and pocket the change.

However, organisations should be aware that uneven power dynamics and language barriers between land-lords and vulnerable households may mean that households are not in a position to effectively negotiate and asking them to do so may expose them to increased risk, particularly for vulnerable groups such as female-headed households.

Align minimum standards with household priorities

KEY MESSAGE ....
The focus of implementing organisations is often on the physical quality of rental property and its habitability but location and other criteria may be equally important.
....

Most organisations interviewed carried out a physical assessment of a family's existing or potential rental accommodation to ensure that it met the necessary standards for adequate housing. This assessment usually focuses primarily on the physical characteristics of a building (its habitability), and often – but not always – also includes its *access to services and infrastructure*, such as sanitation and transport links. Generally, less attention has been paid to *location* (having access to work opportunities, and proximity to family and friends), even though various studies and assessments have demonstrated that these are as important to households as cost[33]. For example, CARE's housing assessment in Tripoli found that cost was the primary consideration for 41% of households, followed by proximity to relatives (29%). Community, distance from conflict and work were also cited as important.[34] A study in Lebanon also showed that many households declined free-of-charge accommodation because of the lack of available employment; another 70% of households in the study chose accommodation primarily because of its of its proximity to family and friends[35]. Furthermore, CARE also found that some households were relatively well-off but remained in poor quality housing in the inner-city areas of Tripoli, having clearly identified other criteria as more important.

Undoubtedly, the physical characteristics of a building – whether structural safety or access to sanitation – must be given priority in areas where this will affect the health and safety of a household (for example after an earthquake, or in areas prone to them). For example, the risk of cholera after Hurricane Matthew in Haiti meant that CRS made appropriate sanitation facilities a minimum requirement, when identifying appropriate rental accommodation. However, where households' health and safety are not likely to be affected, organisations should ensure that the criteria used to identify adequate rental housing are aligned with the target population's priorities in terms of location and cultural adequacy, as well as cost. This will help to maximise the impact of the programme and help to ensure that families remain in the rental housing for the duration of, and after, the rental assistance.

Organisations should also seek to ensure that households understand why these minimum standards have been applied, and the risks of not adhering to them, so that they retain buy-in and agency in the identification process. This is in line with OCHA's *Guiding Principles on Internal Displacement* which recognise displaced persons rights to freely choose his or her residence.

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[33] Opdyke, A, Tabo, P and Javernick-Will, A (2017) *Urban Sheltering: Evidence on rental subsidies and hosting. Humanitarian Practice Group*
[34] CARE (2014) *Shelter Needs and the Most Vulnerable in Tripoli, Lebanon: Rapid Urban Assessment*
[35] UN-Habitat/UNHCR (2018) *Housing, Land and Property Issues of Syrian Refugees in Lebanon from Homs City*

Support, not lead, the search for properties

KEY MESSAGE ....
Identifying appropriate rental properties should be the responsibility of the household. The role of organisations is to support that effort and help remove barriers (gender, disability, status, information, cultural and financial).
....

Organisations responding to the Venezuelan crisis in Colombia have found that Venezuelan refugees have difficulty navigating the commercial rental market in Colombia as they are accustomed to the Venezuelan social welfare system. In Greece, CRS found that a high proportion of refugee households were single men who wanted their own apartment, but supply shortages meant that they were having difficulty finding properties that suited them. Meetings with them about what was available and realistic given their budget helped to manage expectations and resulted in men grouping together to rent in small groups[36]. Another example, in Haiti, childcare responsibilities made it difficult for single parent families to leave their children in the camp to look for properties. To address this, protection teams offered to do so on their behalf or rented a large vehicle so that they could bring their children with them[37]. In Greece, many landlords were reluctant to rent to refugees, so organisations established mechanisms and platforms to support their search for property. One worked with municipalities and published expressions of interest on social media and newspapers to identify landlords who would be willing to host refugees and whose properties met quality standards. NRC's Safe Night's Rest programme aims to take this further by using a digital platform to connect landlords and tenants and host a range of other services, information and support to help refugees trying to rent housing.

It is important to recognise that housing choices and preferences vary between men, women and other members of the family so it is vital that both male and female household members, as well as other groups, can proactively and safely input into this decision-making process. A rental market survey in Afghanistan highlighted that men and women's perceptions about the quality of their housing varied widely, particularly in relation to the safety and security of the property, the quality of WASH facilities and overcrowding. The analysis concluded that this was because of differences in how much time women and men spent at home, as well as their responsibilities within the home.

Furthermore, it is important that agencies identify individuals with specific physical or psychosocial needs and match them with properties that are appropriate for them, but there is little evidence that this practice is widespread. This can take additional time and resources and may require increased investment in upgrades – by the organisation and landlord. A community caregiver programme in Libya – through which individuals with specific protection concerns or psychosocial needs are matched with a host family – provided hosts with training on psychosocial first aid, communication skills and basic protection principles to make sure that they were prepared and ready to host. They also offered group support and monthly one-to-one sessions so that they can discuss issues and identify support needs. They also assess the family dynamics to make sure they do not negatively impact already vulnerable individuals.

Interviewees mentioned that, when provided with the tools and training,[38] non-technical staff and households were able to conduct quality checks on rental properties. However, it is essential that qualified technical staff are available to assess rental properties where there are safety concerns about the physical structure of buildings – for example, after a natural disaster or in areas prone to them. Another practice that has proven time efficient is grouping assessments by neighbourhood, rather than conducting them on an ad-hoc basis.

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[36] Interview with CRS Greece
[37] World Bank (2014) *Rental Support Cash Grants Program: Operational Manual*
[38] Examples of assessment checklists are available in the Rental Market Resources library at:
   https://www.sheltercluster.org/resources/library/rental-market-interventions

Mainstream environmental considerations

KEY MESSAGE ....
Tenant-led approaches to property upgrades can be more effective and more environmentally friendly than using contractors. Simple energy and water saving upgrades can help reduce utility bills and have a positive environmental impact.
....

To upgrade or repair rental housing, most organisations agree works with landlords, who either employ contractors themselves, or allow the organisation to do so. However, a more cost-effective solution may be to provide the cash directly to tenants, at least for certain non-technical repairs. One organisation has piloted this approach in Turkey, giving some families a conditional cash transfer to cover the costs of repairs and parts, such as doors or windows. This approach is not suitable for all households: some works, such as the installation of water heaters, require technical expertise, and families must have the capacity to carry out the work themselves or know someone who can do so. However, it has proved to be both cheaper and more environmentally friendly. In Turkey, it was estimated that the households were able to save around 20% of the value of the cash transfer, and they often chose to repair fixtures or buy second-hand versions, such as doors, where contractors previously bought cheap PVC versions.

While rent is the largest expenditure for many households, utilities – water, electricity, heating and fuel – form another significant shelter-related expense, particularly those who live in more extreme climates. While some programmes provide additional support to cover these costs, alternative approaches should also be considered. Simple cost saving measures such as LED bulbs, water saver fittings and solar panels can not only help to reduce these costs, but also have a positive environmental impact. These can be supported through conditional cash transfers, vouchers or as part of the upgrading work agreed with landlords.

Area-based approaches improve outcomes

KEY MESSAGE ....
Combined with rental assistance, area-based, or settlement-based, approaches can effectively improve service provision in low-income neighbourhoods and social cohesion.
....

Area-based approaches may be particularly appropriate in urban environments where the targeting of individual households can be very challenging. It can be difficult to separate housing and shelter from other sectors in neighbourhoods which have been heavily affected by displacement. Challenges around access to services, such as education, livelihoods, healthcare and sanitation, affect not only the target group but the wider population as well. These can lead to tensions, particularly if most assistance is directed towards the displaced population. Area-based approaches have helped combat these issues and reduce tension between the hosts and their guests, particularly when the communities are involved in identifying the priority response areas for their neighbourhood. Integrated, multi-sectoral programmes which aim to make improvements to neighbourhoods have proven to be an effective way of addressing wider issues related to access to adequate housing, when combined with rental assistance for individual households. Activities can range from solid waste programmes, to more comprehensive responses, looking at sanitation, energy provision, livelihoods and transport. Other good practices in urban responses such as working through existing institutional systems and community participation, are relevant as well for rental market interventions.

For example, CARE developed an area-based approach to improve inner city neighbourhoods in Tripoli, Lebanon, in which refugees had congregated. In addition to providing targeted shelter assistance to vulnerable households, they worked with devolved community structures to identify and make improvements in the neighbourhood. As the programme evolved, the committees were able to identify problems and solutions and independently develop their own proposals and budgets. The project also proved to have a very positive impact on social cohesion as refugee and local families were working together to solve issues in their own community, and the projects instilled a sense of community pride and togetherness.

Key takeaways on implementation arrangements (further reading in tip sheet no.2)

➜ The duration of rental assistance should be based on the objectives of the programme rather than just dictated by funding cycles.

➜ The frequency of rental payments should mirror local tenancy agreements while taking into considerations the risks that come with advance payments (e.g. eviction).

➜ Decisions about whether to distribute cash to the beneficiary or landlord should be based on a 'household first' approach.

➜ The value of the cash transfer should consider more than just the cost of rent. A common approach needs to be agreed across organisations.

➜ Prioritise approaches that maximise the displaced households' ability to make their choices independently (e.g. negotiating rent with landlords).

➜ Organisations should ensure that the criteria used to identify adequate rental housing are aligned with the target population's priorities including location, cultural adequacy and cost.

➜ Asking families to move from sub-standard rental housing should be a last resort unless their health and safety is at risk.

➜ The search for the property should be led by the displaced household. Organisations can support that effort by removing barriers (gender, disability, status, cultural and financial).

➜ The housing choices and preferences vary widely between men and women. It is important that the views of the different groups are captured in the decision-making process related to the selection of the properties. Attention should be given the needs of persons with disability when identifying or upgrading properties.

➜ Provided they access the needed training and tools, non-technical staff as well as households were able to conduct rental property assessments in most cases.

➜ Tenant-led approaches to property upgrades, can be more effective than using contractors. Simple energy and water saving upgrades can help reduce utility bills and have a positive environmental impact.

➜ Integrated, multi-sectoral programmes which aim to make improvements to neighbourhoods have proven to be an effective way of addressing wider issues related to access to adequate housing, when combined with rental assistance for individual households.

5.4 Security of tenure in rental market interventions

The tenure security challenge in urban areas

Conflict, natural disasters and political unrest impact tenure security as documentation is often lost or destroyed, households are displaced, communities dispersed, and customary tenure systems are undermined, while legal processes may be disrupted. Much of the land in Haiti is owned by the diaspora so trying to find and identify owners after the 2010 earthquake took a long time. In Libya, land redistribution policies caused the appropriation of private lands for individuals who often then sold them on, sometimes several times over; as a result, there are now several competing and valid claims for the same land or properties.

Understanding tenure arrangements in urban environments can be particularly challenging, as there exists a wide range of different agreements and arrangements in use, even within one building. Moreover, informal settlements are common in cities, which often have complex and unclear tenure arrangements. This can have knock-on impacts for tenants and rental market interventions, as identifying the rightful landlord is difficult, and cash programmes can increase the risk of land-grabbing, by people wanting to profit from the assistance.

Tenure security gives individuals or groups of people protection against forcible eviction and there is a close relationship between tenure insecurity and forced eviction. People who are tenure insecure are likely to have wider HLP-related needs, such as a limited knowledge of their rights, or a lack of personal identification and documentation. Tenure insecurity also affects the wider well-being of a family and may impact their ability to access work opportunities or send their children to school.

In the context of rental market interventions, understanding and addressing HLP issues helps:

- to prevent tenants from being forcibly evicted;
- to ensure that negotiations and agreements are made with the rightful owner and within the legal framework; and
- to ensure continuity and consistency between humanitarian shelter interventions and housing-related development programmes.

Examples of HLP-related activities in rental assistance programmes may include:

- Verifying the ownership of rental properties to avoid disputes;
- Strengthening the tenure agreement between tenants and landlords;
- Helping households to access the legal documentation required to sign a tenancy agreement;
- Referral to, or strengthening of, dispute resolution mechanisms;
- Provision of legal advice;
- Training for landlords and tenants on their rights and responsibilities;
- Advocating for women's names to appear on rental contracts;
- Monitoring visits to identify concerns and provide appropriate support; and
- Working with the housing sector to identify and advocate for longer-term, durable housing solutions for protracted contexts.

A good enough approach to tenure security

KEY MESSAGE

Organisations should balance the need for certainty about property ownership with the need to provide humanitarian assistance, adopting an incremental approach to tenure security where necessary.

Organisations should balance the need for certainty about property ownership with the need to provide humanitarian assistance, adopting an incremental approach to tenure security where necessary. For example, in Yemen one organisation found that it was difficult to identify the true owner of buildings as many people had displaced, and others were illegally occupying them and offering them out for rent. However, the organisation decided that they would accept this in the short-term as it meant they were able to provide emergency rental support to tenants, while looking for an alternative. In Iraq, it was decided to loosen requirements on proof of ownership because it was proving too difficult to get formal confirmation of this: instead of requiring a land certificate and confirmation from the authorities, IOM instead decided that a recently paid utility bill and confirmation of ownership from the community leader was sufficient[39].

This is particularly the case where formal documentation of property ownership is difficult to establish because land registries do not exist or are not recent, or where customary tenure arrangements prevail or overlap with statutory arrangements. In Afghanistan, even government-allocated land is under dispute as different ministries are sometimes unable to agree on who owns the same piece of land, making it particularly difficult for organisations to establish ownership of private land and property for a rental assistance programme.

'Good enough' tenure security will depend on the type of programme planned. Stronger proof of ownership should be sought for programmes that include the repair or upgrading of building or construction work. As a result, in contexts such as Afghanistan where ownership is very difficult to prove or where there are competing claims to ownership, activities such as OFC programmes may not feasible. Organisations should triangulate information about property ownership from a variety of sources, including official documentation, community leaders, local councils and neighbours.

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[39] Interview with SHS Yemen; Presentation on CRS's Rental Subsidy Programme in Borno State, Nigeria, 30th January 2018; Interview with IOM Iraq.

Women are more likely to be exposed to tenure insecurity

KEY MESSAGE ....
Targeted support will likely be necessary to ensure that women and other vulnerable groups are not at increased risk of tenure insecurity.
....

Women are often at greater risk of tenure insecurity and forced eviction because they lack property rights, are unable to inherit and are often not named on property deeds or rental agreements[40]. Often, it is men who agree rental agreements and sign contracts so female-headed households struggle to negotiate these systems. For example, despite a strong legal framework in Iraq to deal with housing, land and property issues and enforce tenure security, customary law dictates that women cannot access them[41]. This can also leave them at higher risk of exploitation and prevent them from finding and securing housing[42].

A study in Lebanon found that "female headed households seemed to be particularly vulnerable to landlords' abuse of power and arbitrary decisions, e.g., to increase the electricity bill or to deny access to water"[43]. Women may also be more isolated in communities for socio-cultural reasons and so less able to voice these issues and access the support they need. Regular, targeted monitoring and support is essential to ensure that women and other vulnerable groups are not placed at increased risk.

Landlord-tenant relationship is key

KEY MESSAGE ....
Trust – and proximity – between landlord and tenant can be a key factor in improving the latter's tenure security.
....

Tenure security may be based as much on a tenant's perception as formal, legally binding documentation, and this is likely to be strengthened when they have built some form of relationship with their landlord. How an individual perceives the threat of eviction can be a decisive factor in deciding how long they stay in a given property[44].

Relationships of trust can help to improve tenure security: one key informant noted that there was a correlation between the proximity of a landlord and the threat of eviction. Families living in the same apartment or building as their landlord were less likely to be evicted than those with an absentee landlord[45]. A landlord's motivations for renting his property out or hosting a displaced family will impact their tenure security. For example, a landlord is less likely to threaten a household with eviction when their rent is late if they recognise their humanitarian needs, or are motivated by a sense of kinship. As a result, NRC Lebanon decided to exclude landlords who were very focused on profits, after assessing them for their commitment, humanitarian values and willingness to collaborate with the NGO[46].

[40] For further discussion of gender issues as they relate to housing and tenure security, see NRC (2014) *Life Can Change: Securing Housing, Land and Property Rights for Displaced Women*, Habitat for Humanity (2016) Shelter Report 2016: *Level the Field: Ending Gender Inequality in Land Rights.* Larsson, A (2001) *Gender Perspectives in Housing and Planning*,
[41] Interview with Iraq Shelter Cluster
[42] Hajjar, R (2019) *Syrian Refugees in Lebanon: Gender and Accessibility to Housing.* NRC.
[43] NRC (2018) *Impact Evaluation of the Occupancy Free of Charge Programme in Lebanon*
[44] Global Shelter Cluster (2018) *Securing Tenure in Shelter Operations: Guidance for Humanitarian Response*, p.6
[45] Interview with NRC Iran (formerly consultant for NRC Afghanistan)
[46] Interview with NRC Lebanon

Written lease agreements

KEY MESSAGE ....
Written lease agreements usually help improve tenure security. When used, a training on the terms of the agreement for the two parties is essential, and including a third party in the rental contract is considered best practice.
....

Most organisations require there to be a signed written contract between landlord and tenant, between organisation and landlord, or a tripartite agreement between tenant, landlord and the organisation before they will pay any rental support. Written rental contracts usually improve tenure security, will help to formalise agreements, can provide protection for both landlords and tenants, and may be needed to meet an organisation's internal requirements. While a lease agreement can meet a number of essential requirements, formalising a lease agreement with local authorities should not be considered the default option in all contexts. As the Due Diligence Standard notes 'making land and property an issue can lead to evictions or increase land tenure insecurity for vulnerable people. Sometimes, after analysing the issues, it is better to do nothing.'[47] It is therefore important to understand these dynamics, consider the legal framework in a given context and understand the risks and advantages for each party of having, formalising and often registering, a written rental contract to decide if this is the most appropriate approach.

Where written rental contracts are used, organisations should aim to provide coaching and support to ensure that all parties fully understand the contents of the agreement before they sign and, where needed, consider the costs associated with putting it in place.

Beyond their impact on tenure security, there may be other reasons why written rental contracts are deemed necessary by organisations. These include internal organisational requirements which require a paper trail to support cash-for-rent payments. However, in contexts where written rental contracts between tenant and landlord are not appropriate, several alternatives are available to address these issues. In some cases, organisations have asked landlords to provide receipts as proof that rental payments have been made; in others, the organisation has signed a separate contract with tenant and used this to ensure that their assistance is spent on rental payments.

A tripartite agreement, signed between landlord, beneficiary and organisation – or with the organisation as a witness – have proved to be an effective way to ensure that all parties adhere to the terms of the rental contract and can help to minimise power differences between landlord and tenant. The presence of the third party also offers security to both parties that the terms of the contract will be enforced.

Finally, information sessions on the rights and responsibilities of landlords and tenants, the rental market and other HLP issues can help to promote tenure security. Efforts should be made to ensure that rental contracts are drafted in language(s) which can be understood by all parties, and time is taken to explain their contents. This is particularly true when the tenants are not familiar with local regulations, and where they may be subject to specific laws and policies, such as refugees. Equally, many landlords may be renting for the first time and may not understand what is expected of them. For example, it was found that Colombian landlords also needed support because they were often vulnerable themselves, and were not familiar with the rental market or their role as a landlord.

[47] Global Shelter Cluster (2013) *Land Rights and Shelter: The Due Diligence Standard*

Dispute resolution

KEY MESSAGE ....
Organisations have an important role to play in strengthening local dispute resolution mechanisms and ensuring that all parties can access them.
....

A key facet of improving tenure security is having a means through which to resolve disputes between landlords and tenants. There is limited value to a rental contract if there are no consequences or restitution if one party does not adhere to its terms. Depending on the legal framework and cultural context, this might vary from a formal mechanism, established through the courts and judiciary system, to a local community-based mechanism. It may be organised at a local, regional or national level. Elsewhere, there may be no functional mechanism, or limited capacity to enforce land and property laws, even when there is a strong legal framework in place.

Dispute resolution mechanisms can only be effective if they are known and trusted by both parties and both are aware of their own and the other parties' rights and responsibilities. In Colombia, widespread corruption has undermined trust in the legal system. In situations where there are no functional mechanisms in place, organisations with the necessary expertise may be able to organise trained mediators from the shelter sector, while also helping to establish or strengthen local mechanisms. For example, in Libya organisations are looking at establishing community-based dispute resolution mechanisms to resolve rental disputes because those established by the state are neither functional nor trusted by communities.

Key takeaways on tenure security in rental market interventions

➜ Organisations should balance the need for certainty about property ownership with the need to provide humanitarian assistance, adopting an incremental approach to tenure security where necessary.
➜ Targeted support will likely be necessary to ensure that women and other vulnerable groups are not at increased risk of tenure insecurity.
➜ Trust – and proximity – between landlord and tenant can be a key factor in improving the latter's tenure security
➜ Written lease agreements usually help improve tenure security. When used, a training on the terms of the agreement for the two parties is essential and including a third party in the rental contract is considered best practice.
➜ Organisations have an important role to play in strengthening local dispute resolution mechanisms and ensuring that all parties can access them.

5.5 Monitoring

KEY MESSAGE ....

Specific protection and social monitoring is essential to mitigate the heightened risk of serious protection issues in rental market interventions. Monitoring in dense urban environments with high population mobility is challenging but innovative solutions can make this easier.

....

Rental market intervention monitoring can be used to:

- Identify changes to the market as a result of the assistance, or detect changes to the external environment and adjust the programme accordingly;
- Assess impacts or changes as a result of the assistance;
- Verify that families are still living in the property and that any conditions have been met;
- Understand a household's plans or intentions and adapt their support as required;
- Track levels of household income, expenditure and debt and their progress towards self-sufficiency;
- Provide further follow-up support to households, or identify additional support needs; and
- Monitor protection concerns and link to broader social monitoring of households: power imbalances between landlords and tenants - particularly female-headed households - can result in serious protection concerns, including sexual exploitation and abuse.

Although this research demonstrated that organisations are familiar with, and often use, post-distribution monitoring (PDM) surveys to assess programme processes, outcome monitoring and market monitoring are less systematically conducted for rental market interventions. Where market monitoring is conducted, this is largely limited to collecting rental prices, but this does not allow for organisations to identify changes which could impact the intervention, or wider changes to the market as a result of it.

In dense urban environments, it can be difficult to identify the houses where beneficiaries are living for monitoring purposes. Linking GIS data, household information and photos, with GPS coordinates collected during the initial quality verification can help to resolve this problem. Photos of the house can also be used to measure progress of any housing upgrades or monitor changes in housing quality and living conditions over time, allowing organisations to address issues in a timely manner.

Combining household visits with telephone monitoring can also further reduce the resources needed to locate households and rental properties for monitoring purposes. This is particularly helpful in urban environments where households are likely to be more mobile, spend less time in their residential neighbourhood, and therefore make conducting monitoring by household visits more difficult. Telephone monitoring can be an effective way to address these concerns, but should be combined with some household visits, as the latter are the most effective way to monitor living conditions, housing quality and identify protection concerns.

5.6 Coordination

Effective rental market interventions require coordination and collaboration with a variety of stakeholders, including:

- The housing sector and development actors;
- Other relevant sectors: e.g. disaster response/disaster risk reduction, urban planning, infrastructure, sanitation;
- Local authorities, national governments and registry offices;
- Private sector landlords, housing initiatives and financial institutions;
- Community and religious leaders and other influential community members;
- Civil society organisations;
- Shelter and non-shelter humanitarian organisations; and
- Legal entities and those with knowledge of local tenure systems.

Effective coordination relies on understanding the interests and influences of different stakeholders, the relationships between them, how to most effectively engage them, and the local context. Coordination can be particularly difficult in an urban environment, where the number of actors is greater, the relationships between them more complicated and where different influences and interests may overlap or be in competition.

Humanitarian organisations

KEY MESSAGE ....
Coordination within the shelter sector, and with wider cash coordination mechanisms remains important to the success of rental market interventions.
....

This research demonstrated that rental market interventions are being effectively coordinated through existing mechanisms, including the Cluster system and Shelter Working Groups. Several countries have Cluster guidelines on rental market interventions to define transfer values, the duration and frequency of assistance and to standardise programme approaches.

Through the national-level sector coordination group, setting a maximum transfer value per location, family size and economic status can be an effective way to limit rental market inflation. However, these should not be made public to avoid distorting the market and reducing the negotiating power of households. It can also be useful to agree on minimum quality standards and the type of repairs that humanitarians will consider funding to avoid differences in the level of support that landlords receive, and competition amongst landlords to work with certain organisations. Coordination with wider cash coordination mechanisms such as Cash Working Groups (CWG) remains important to ensure that the transfer values and approaches used by shelter actors are complementary to those of other sectors.

Local authorities

KEY MESSAGE ....
Early and sustained coordination and collaboration with authorities at local and national level is also essential to the success of rental market interventions.
....

The role of national and local governments in the provision of housing is very context dependant, and engagement needs to be planned accordingly. This can be particularly challenging where there are multiple competing governance structures or where there is limited government capacity. Shelter, housing, emergency management and urban planning may be the responsibility of several different government departments. However, early and sustained coordination and collaboration with authorities at local and national level are essential to align interventions with local and national housing policies, response plans and housing or safety net programmes. It can also help transition to more durable housing solutions where they are likely to be beyond the budgets and timeframes of humanitarian actors. Opportunities to build the capacity of local authorities, for example, to map and profile neighbourhoods or develop urban planning initiatives– should be explored further.

Authorities may also be wary of humanitarian organisations and reluctant to support rental assistance programmes. In the Philippines and after Hurricane Matthew in Haiti, the government was wary of rental assistance, but early and sustained engagement led to increased trust, and restored their sense of control. The involvement of municipalities and other local authorities in Greece also helped to reduce the government's scepticism of the programme. At a local level, these relationships – and the success of humanitarian initiatives – can also support advocacy efforts and help to influence city planning decisions about service provision, as well as settlement planning and urban development. Humanitarian organisations are also well placed to use their position at local level to drive change and decision-making nationally, in relation to housing policy and investment. In Jordan, humanitarian organisations are working with UN-Habitat and the Ministry of Housing to review and revise the national housing policy.

Private sector

KEY MESSAGE ....
The private sector is a key player in rental housing markets and resources need to be allocated to ensure that they are appropriately and effectively engaged.
....

Coordination between the housing sector and shelter actors is inconsistent or non-existent in many contexts. In some, an absence of development actors has meant that humanitarian organisations are trying to fill both roles; elsewhere, engaging with development actors has proved challenging. However, a more systematic engagement is essential to link humanitarian programmes with more durable housing solutions, which are beyond the budget and timeframes of the shelter sector and as a means of influencing relevant national policy decisions and reform.

Financial institutions play a key role in rental markets, both as a mechanism through which to deliver cash assistance and more widely, as a provider of housing finance, including housing microfinance. Understanding their capacity, roles and interest will help to improve programme design and may be critical in a transition to durable housing solutions.

5.7 Beyond humanitarian interventions, towards recovery

Given the limited longer-term impact of humanitarian rental assistance, the question of how to support households to transition from these programmes to more durable housing solutions was cited as the most important and the most difficult to address by key informants. This is a particular challenge in areas of protracted crisis, where alternative housing solutions may be non-existent with households reliant on rental accommodation for the foreseeable future. In many cases, a lack of exit strategy meant that households had to return to the housing in which they were living before receiving rental support, even where this is unsafe or insecure[48].

Three main exit strategies have been deployed to date:

1. Improving household resilience and financial independence;
2. Referral to other forms of support, including government safety-net programmes; and
3. Alternative, more durable housing solutions

A significant proportion of organisations interviewed noted that they had been struggling precisely because they did not have a viable exit strategy, sometimes because the context had changed since the programme began and their planned strategy had become redundant. Where a viable exit strategy cannot be found, organisations should therefore consider carefully the potential longer-term impacts and risks of their programme and recognise that it may be better to do nothing, than to provide a few months of rental assistance (e.g. introducing cash-for-rent into a community where displaced families are hosted for free).

Social capital and community integration

KEY MESSAGE ....
Programmes should aim to build social capital and support community integration as this has been shown to contribute to a household's longer-term recovery and resilience.
....

Social capital and social networks – both pre-existing and those that develop after displacement – have been shown to be key in helping families to access housing, employment opportunities, and recover after a crisis. One of the key advantages of rental assistance programmes is that they allow families to stay in the same place for a prolonged period, establishing relationships with neighbours and their landlords, and building this social capital. Evidence also suggests that unlike rental assistance, this social capital is sustained after the end of an intervention[49].

Furthermore, the concept of adequate housing encompasses the wider neighbourhood; helping households to integrate into this should therefore be a key component of shelter and housing programmes. Examples of such activities include: rental payments being made conditional on attending language classes; meet-and-greet sessions; buddy systems where a displaced family is matched with a local family; and more extensive community projects, where local and displaced communities can work together to plan cultural events or activities. Information sessions to help households to assimilate and understand the sorts of behaviours that are considered locally appropriate have also been proved to be effective in some contexts[50].

Specific attention should be paid to vulnerable groups, such as female-headed households, who may be more isolated and may find it more difficult to foster and maintain these social networks than others.

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48 Examples include the Philippines, Lebanon, Iraq and Yemen, among others.
49 NRC (2018) *Impact Evaluation of the Occupancy Free of Charge Programme in Lebanon*
50 Interview with CRS Greece

Financial independence

KEY MESSAGE ....
In many contexts, improving household resilience and financial independence through livelihoods support is the only available exit strategy.
....

In many of the contexts in which humanitarians work, there is an absence of either social safety nets or alternative durable housing solutions. This means that integrated livelihood programming, or other support to improve household access to finance, remains one of the only viable options. A household's ability to make timely rental payments after the end of the assistance period requires a reliable and consistent income, something that many households find difficult to achieve. As a result, the original assumption of many organisations that households would be able to (re-)establish livelihoods during the rent-free period and become self-sufficient has proved often false. Programmes from Lebanon, Iraq and other countries have demonstrated that households have not been able to save money, or consolidate their livelihoods without other external support, even when the cash transfer amount was significantly higher than their rental payments.

Alongside rental assistance, this underlines the importance of providing targeted support – based where necessary on a local labour market analysis – to improve access to livelihood and employment opportunities. While shelter actors are likely not to be in a position to provide this directly, it is important to recognise that shelter programmes, particularly those which include construction or repair work, can create employment opportunities where labour is sourced locally. Furthermore, having access to secure shelter may open up opportunities for home-based work. This is particularly suitable for vulnerable groups such as women, who may not be able to participate fully in the labour force. For example, in Lebanon, Syrians are well recognised for their skills in food preparation, and local NGOs have found that there is a high demand for home-delivered food, so have successfully supported women to prepare this at home and deliver packaged food to households.

Partnerships

KEY MESSAGE ....
Humanitarian organisations must be realistic about their mandate and capacity to improve access to durable housing solutions, but more could be done to link up to those who have this capacity.
....

In light of their mandates, funding cycles and timeframes, humanitarian organisations must be realistic about their role in - and ability to support - a transition from humanitarian rental assistance to alternative durable housing solutions. There is a further disconnect between humanitarian priorities and their way of working and those of development actors and governments, with housing development policies and strategies often developed over decades[51]. This is clearly at odds with the need to find alternative durable housing solutions for displaced households at the end of a six- or twelve-month humanitarian intervention.
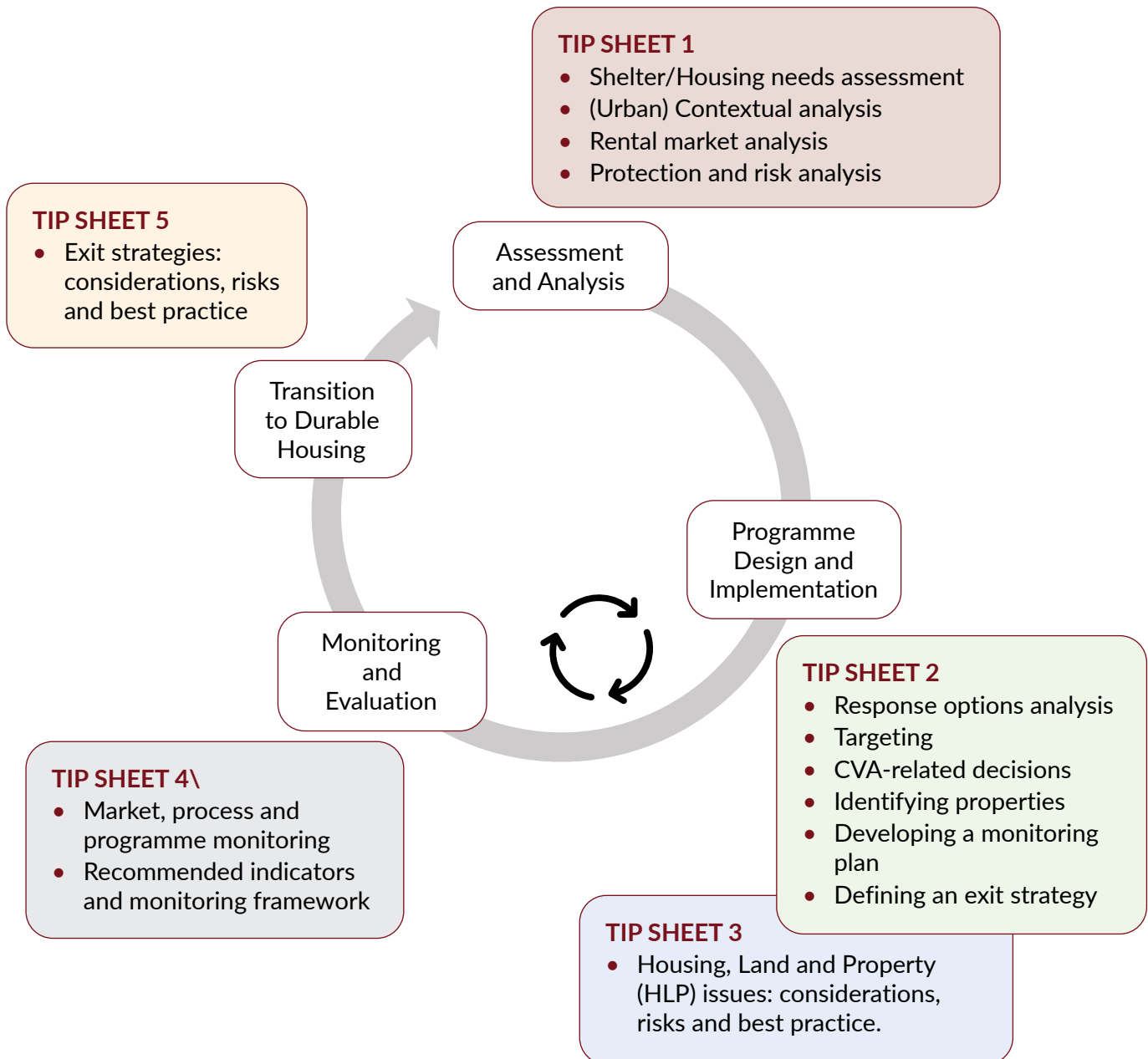
However, more could be done to bridge the gap between humanitarian and longer-term development actors and work more effectively together. Mapping these actors and strengthening collaboration with actors such as UN-Habitat at a global and national level is an important first step towards more effective collaboration. In many cases, the legal framework and current political priorities will play a significant role in what is possible. There may also be further opportunities to explore the role of the private sector, housing finance and microfinance, housing cooperatives or affordable housing complexes in meeting the demand for low income housing. In Jordan, Habitat for Humanity has piloted the provision of loans to vulnerable households, at a small-scale. In Ukraine, the Shelter Cluster and UNHCR have been looking at revolving funding approaches, to securing longer term housing for IDPs.

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[51] Interview with Shelter Cluster Ukraine

6. CONCLUSION

Providing shelter solutions through rental market interventions is far more than just cash assistance: it requires a multisectoral response to address the social, physical, legal and financial barriers faced by households. This is particularly challenging in complex urban environments and given the complexity of rental markets. This report serves to present some broad learning from humanitarian organisations with experience of these, to help others navigate some of these issues. Many of the examples are, however, highly context-specific, and should be viewed in this light, and applied elsewhere with caution. Equally, organisations considering using rental market approaches should ensure that programmes are informed by a full understanding of the context and markets in which they are working.

7. SUMMARY GUIDE OF THE TIP SHEETS

TIP SHEET 1
- Shelter/Housing needs assessment
- (Urban) Contextual analysis
- Rental market analysis
- Protection and risk analysis

TIP SHEET 5
- Exit strategies: considerations, risks and best practice

Assessment and Analysis

Transition to Durable Housing

Programme Design and Implementation

Monitoring and Evaluation

TIP SHEET 4
- Market, process and programme monitoring
- Recommended indicators and monitoring framework

TIP SHEET 2
- Response options analysis
- Targeting
- CVA-related decisions
- Identifying properties
- Developing a monitoring plan
- Defining an exit strategy

TIP SHEET 3
- Housing, Land and Property (HLP) issues: considerations, risks and best practice.

8. ANNEXES

Annex 1 List of Key Informants

Name	Title	Organisation	Country/Region
Mohammad Alamir	Emergency Response Programme Coordinator	Qatari Red Crescent	Turkey (Syria)
Monir Al-Sobari	Deputy National Cluster Coordinator – Shelter	UNHCR	Yemen
Arnaldo Arcadio	Emergency Team	CRS	Philippines
Yurii Arnatov	Shelter Cluster Information Management	UNHCR	Ukraine
Maha Ayyoubi	Programmes Development Manager – Shelter and Settlements	NRC	Lebanon
Troy Baker	Emergency Coordinator	DRC	Afghanistan
Kostyantyn Bazhenov	Monitoring and Evaluation Manager	NRC	Iran / Afghanistan
Khaldoun Bitar	Environmental Health Program Officer (ret.)	UNRWA	Syria
Augusto Bozzi	Grants Coordinator	IRC	Afghanistan
Antonia Cascone	Project Manager	CESVI	Libya
Igor Chantefort	Shelter Cluster Coordinator	UNHCR	Ukraine
Kristin Chase	Program Development and Quality Manager	ICMC	Jordan
Mauro Clerici	Cash Working Group Coordinator	UNHCR	Iraq
Francesca Coloni	Shelter Cluster Coordinator	UNHCR	Iraq
Brice Degla	Senior CCCM, Shelter and NFI Cluster CO	UNHCR	Nigeria
Caroline Dewast	Regional Shelter & Settlements Adviser	NRC	Asia, Europe and Latin America
Vincent Dupin	Senior Technical Officer	UNHCR	Jordan
Adriana Marcela Duran Gamba	Shelter, NFI and Energy Cluster Coordinator	UNHCR	Venezuela
Abbas Fadlallah	Cash/QIPS Project Manager	ACTED	Libya

Name	Title	Organisation	Country/Region
Xavier Genot	Technical Advisor – Relief/Shelter	French Red Cross	Formerly Haiti
Younes Ghanem	Shelter Coordinator – San'aa	NRC	Yemen
Yodit Gutema	Shelter/NFI Cluster Coordinator	IOM	Ethiopia
Stefania Gyftopoulou	UIA Project Manager	CRS	Greece
Rayan Hajj	Shelter and WASH Technical Advisor	Save the Children	Lebanon
Kelly Hansen	Director, Recovery Operations	Canadian Red Cross	Canada
Elias Jourdi	Global Shelter and Settlements Advisor	NRC	Global
Nick Harcourt-Leftwich	Programmes Specialist	NRC	Ukraine
Karen Janes	Head of Programmes	CRS	Philippines
Rosemary Kabui	Civil Engineer and Site Planner	IOM	Iraq
Yadviga Kirdzik	Program Manager	ICMC	Jordan
Alexandre Koclejda	Senior Cluster Coordinator	UNHCR	Turkey X-Border
Josef Lozej	Cash-Based Intervention Officer	UNHCR	Jordan
Miriam Lopez-Villegas	Shelter and WASH Specialist	NRC	Iran / Afghanistan
Ascension Martinez	Head of Operations (former)	IFRC	Haiti
Rafael Mattar	Senior Shelter Officer	UNHCR	The Americas
Irene Mutevu	Shelter Cluster Coordinator	UNHCR	Afghanistan
Julien Peschmann	Shelter and NFI Sector Coordinator	UNHCR	Libya
Katerina Raftopoulou	Shelter Programme Manager	CRS	Greece
Maanasa Reddy	ICLA Programme Manager	NRC	Libya
Amelia Rule	Senior Emergency Shelter Advisor	CARE UK	Global
Giuseppe Simeon	Roving Senior CBI Officer	UNHCR	Global/Roving
Mireia Termes	CCD Coordinator	CashCap	Ecuador / Iraq
Aprilyn Villamar	Emergency Team	CRS	Philippines
Zakarya Yeslam	Shelter Projects Manager	SHS	Yemen

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Annex 3: Rental Housing Markets: A Primer

1. Introduction

Rental housing markets are a section of the housing sector which behave differently to other commodity markets, and to property markets. When planning a rental market intervention, it is important that humanitarian organisations understand these differences and can identify their key characteristics. This will impact how the market will respond to any intervention, and to what extent agencies can use the market to provide appropriate shelter for the affected population. This document provides an explanation of key characteristics of rental housing markets and highlights the implications for humanitarian programmes.

Key Characteristics of (Rental) Housing

Features which differentiate (rental) housing markets from other commodity markets include:

- **No two housing units are exactly alike** and therefore there are many variables that determine the rental cost of a property including: size, number of bedrooms, location, tenure type, access to services, property type, rental period, physical condition, furnishings, legality and ownership type.
- **Housing units are immobile**: they exist in a fixed location which impacts the inhabitant's access to services and employment. This impacts the unit's value and costs.
- **Convertibility:** housing can be modified to respond to demand. For example, rooms can be added, services can be connected and units can be partitioned and rented separately.
- **Rental units are often less capital intensive** than other housing solutions, with lower upfront payments, lower legal and contracting costs, less taxation, etc.
- **Transaction costs:** tenants are susceptible to high transactional costs such as: the cost of searching for a property, taxation, legal and contracting costs, the physical cost of moving, etc. These are both financial and opportunity costs.

Practitioners should distinguish between informal and formal rental housing markets as the former is a key source of housing for populations targeted for humanitarian assistance. Although informal housing markets are usually characterised as 'generally inferior in quality, of questionable tenure security, and in non-compliance with the regulatory system'[52], there is no clear-cut separation.

What distinguishes formal and informal rental housing will vary between countries, cities and neighbourhoods; they may even exist next door to each other in the same neighbourhood. For example, within a city or neighbourhood, there may be:

- informally rented units on illegally occupying private or government land;
- legal properties which are formally listed as owner-occupied but are housing tenants;
- owner-occupied properties, whose owners are also informally renting out a single room; and
- formally rented properties, in which tenants and owners are bound by contracts.

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[52] Tinsley, E (1997) *Mechanics of Informal Land and Housing Markets: A Theoretical Exposition.* Massachusetts Institute of Technology.

2. The Rental Market

Rental housing markets are governed by: building codes and standards; tenancy laws which control who can rent property and how they do so; taxation policies; tenure systems; urban planning decisions; public and social housing policies, labour markets and the availability of alternatives to rental housing; and socio-cultural norms which govern how people live.

The stringency of regulations and laws can act as serious barriers to entry for both landlords and tenants. Such barriers will encourage the growth of an informal rental market, which often operates outside of the regulatory environment and is therefore a means of circumventing the regulations, laws and costs imposed on the formal rental market. This can have advantages and disadvantages for both tenants and landlords, which are discussed in more detail below.

2.1 Supply

Rental housing markets are not supply responsive in the short-term. A sudden increase in demand is therefore likely to result in a decrease in supply and an increase in rental price, at least, until the market can respond. In the formal sector, the regulatory environment can impact if and how quickly the market can respond to such changes.

This is less true in informal markets: as they tend to be unregulated, they can often respond more quickly to changes in demand. In these cases, landlords are attracted by the perceived trade-offs between the risks and likely returns of renting out their property.

Quantifying supply is a needed but rather limited exercise because it often relies on imperfect information: there is no standardised way to advertise available properties particularly in less visible informal markets.

Supply-side actors[53]

1. Individuals or small-scale 'subsistence' landlords who are often poor and use rental income to supplement their income to enable them to meet their own basic needs. They will often rent out only part of their own property, while living in the rest of it.
2. Individuals or small-scale 'petty bourgeois' landlords who use rent to complement their existing income and improve their quality of life, often renting out a single property.
3. Petty-capitalist landlords and institutional investors profit from their rental property, of which they are likely to own more than one and which forms only part of their 'portfolio'.
4. Commercial landlords who own large numbers of properties and for whom property rental is their main business.
5. Non-profit or limited profit providers of social rental housing, including governments and other local bodies whose aim is to provide low-cost or subsidised housing to the poor and those who cannot afford to rent or buy through the private sector.
6. Middlemen who profit by facilitating access to properties owned by others. In formal rental markets, these are most likely to be registered estate agents. In informal markets, brokers, and other gatekeepers may control access to housing.

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[53] Adapted from Kumar, S. (1996) *Subsistence and Petty Capitalist Landlords: A Theoretical Framework for the Analysis of Landlordism in Third World Urban Low Income Settlements*. International Journal of Urban and Regional Research, Volume 2: 20 and Peppercorn, I. G. and Taffin, C, (2013) *Rental Housing: Lessons from International Experience and Policies for Emerging Markets*. Directions in Development. Washington, DC: World Bank.

2.2 Demand

Demand for rental property is impacted by population changes, migration and displacement, and urbanisation, as well as changes in income and macroeconomic conditions. This demand is further influenced by norms around renting and owning property, as well as socio-cultural practices which shape individual preferences and requirements. Each family looking for a property to rent will have a different set of preferences, and a different target budget.

Productivity – or net household income – is usually the main consideration for the poorest households[54]. For this reason, they are likely to prioritise living in cheaper, informal, makeshift housing or settlements closer to the centre of a city, where they may access more employment opportunities, over housing quality[55]. By contrast, wealthier households often choose to move away from the city centre, to where they have more space for the same price, but by doing so, live further from work and incur higher transport costs.

The larger the number of occupants in a rental unit, the more a household can minimise their individual, per capita costs, increasing the net income per household further and freeing up money to spend on other needs. However, this may increase overpopulating units rendering them inadequate or unhealthy.

Where mobility and flexibility are priorities, informal rental housing may also be more appropriate as they may not be constrained by legally binding tenancy agreements, reducing the transaction costs of moving and allowing for more flexibility.

While demand can be increased by population movement, access to rental housing for the displaced may be impacted by individual or social prejudices. For example, a household may be discriminated against for being a refugee or displaced, or because of a preconception that they are noisy or anti-social.

Demand-side actors
1. **Tenants** represent the demand and the main 'buyer' in a rental market. Tenants can be divided into those who are *renting by choice* (for example, they may prefer the flexibility of renting or the greater choice of where to live, or may only require a short-term residency), and those who do so because they have *no other option* (for example, they cannot afford a down payment; they do not have access to financing mechanisms or credit to purchase a property; or they are excluded from buying for other legal, administrative or regulatory reasons).
2. **Government and humanitarian agencies** who provide rental assistance to households can be also considered as a demand-side actor, particularly if they are renting properties on behalf of households.

2.3 Services and Infrastructure

Certain services and infrastructure exist within the rental market system, and their availability will also significantly influence the rental market. These include the following:

*   real estate agent services and brokers;
*   dispute resolution mechanisms;
*   housing financial services and loan schemes;
*   land registries;
*   property listings;
*   social media and other informal advertising;
*   planning services; and

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[54] Tinsley, E (1997) *Mechanics of Informal Land and Housing Markets: a Theoretical Exposition*. Massachusetts Institute of Technology.

[55] The results of several studies have borne this out. For example, a survey in informal settlements in Nairobi ranked housing as second priority between food and school fees for household expenditure, but improved housing was only listed as ninth. Housing is clearly a priority, but the housing quality is less important than other households needs (Peattie 1979). Only after these other needs have been met can households allocate resources to other goods or long term investments, including improved housing

- essential services such as water and electricity.

3. Rental Housing Markets in a Crisis Context

3.1 Barriers

Housing rental markets are complex and highly context-specific, and the existence of interconnected sub-markets further complicates the picture. Shelter actors must recognise that their target groups often face several barriers to accessing the desired rental solutions. These range from *financial* (e.g. they cannot afford the required deposit or keep up with regular rental payments), *legal* (e.g. they do not have the required paperwork) *social* (e.g. landlords refusing to rent to certain groups, ethnicities or nationalities) or *information-related* (e.g. they do not have access to information – because of language barriers, difficulties knowing how the market works, a lack of a social network or social isolation, or limited knowledge of property that is available or where to look for it).

Recognising these complexities, and understanding these barriers, is essential for humanitarian organisations who are planning rental market interventions to ensure that programmes are effective and appropriate to the context, and that they minimise harm.

For humanitarian organisations, trying to properly quantify supply and demand is a significant challenge as there are so many perceived variables for each individual landlord, tenant and even middlemen. For example, there will be limited publicly available information on vacant properties, and on whether or not their owners are interested in renting them out. Humanitarians should assess this to the best of their capacity, and in close consultation with the relevant actors to achieve the best possible results (see Tip Sheet 1: Assessment and Analysis).

3.2 Speculation

Rental housing markets are often subject to speculation and this means that actors can behave in ways which are contrary to what might be expected. For example, if demand for rental property is high, the expectation that rental prices will increase further can lead landlords to deliberately keep their properties empty in the short term, reducing supply further and pushing prices up. In an uncertain climate, landlords may often prefer to keep their properties empty out of concern that tenants will not be able to keep up with rental payments and they will be unable to evict them. Economic uncertainty can also have the opposite effect: a lack of regular income can push people to diversify it by renting their home, or part of it. Landlords are likely to take larger risks when the rate of return is expected to be higher, or where they are not motivated predominantly by economic factors. For example, they may have familial or social ties to their tenants or be motivated by humanitarian reasons.

3.3 Relationship management between landlords and tenants

In rental housing markets, the relationship between the landlord and tenant extends to the length of the contract and often beyond. The nature of the relationship will also affect a tenant's use of the property and their broader well-being. Bad relationships can pose risks to both parties. For landlords, the tenant may end up not paying rent on time, degradation and destruction of his/her property and even the tenant departing without notice. For tenants, they face risks of landlords not maintaining the property, exploitation, abuse or eviction, and arbitrary rent increases.

The informal market may exacerbate these risks, where the two parties are less likely to be bound to each other, and where there will be limited recourse to dispute resolution mechanisms or due legal process. In these cases, the threat of eviction or other abuse from an exploitative landlord, or the imposition of rules will affect household security and may result in them moving towards more insecurity. Humanitarian organisations, therefore, should address these concerns in accordance with local practices and stakeholders, to ensure there are procedures in place so that tenants and landlords are adequately protected.