SMALL-SCALE LANDLORDISM IN MIDDLE INCOME SETTLEMENTS
- A study on piecemeal construction in urban housing in Bangladesh (Part 2) -

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This article is a continuation of the previous paper concerning research on self-help piecemeal housing construction in Dhaka city, Bangladesh. The aim of this paper is to develop a theoretical framework and to demonstrate different forms of small-scale (household) landlordism in middle income settlements. The survey testifies that there is a clear continuum in the scale of construction for rent which categories into different types of landlords who used to construct apartments adopting piecemeal construction technique and their landlordism nature is dynamic. Only 9% landlord households are providing housing for 91% households who are tenants. Of them, intermediate landlords are providing 73% rental accommodation and playing the greatest role in creating shelter for city’s tenants.

Keywords: Capitalist Landlord, Intermediate Landlord, Petty Landlord, Small-scale Landlordism, Rental Housing.

1. INTRODUCTION

This article presents research conducted in Dhaka city where ‘private landlordism’ has no historical dominance, but has become the present leading form of urban housing production through rental accommodation where there is a mix of owners; landlords and tenants. There are two facets in rental housing; it is ‘produced’ by landlords and ‘consumed’ by tenants. A limited number of studies have been undertaken with the aim of understanding rental housing markets in cities in developing countries. Although these studies have contributed to a better understanding of why low and middle income households consume rental accommodation, little attention has been paid to the production of rental accommodation and the role of the small-scale landlords. If little is known about the tenants, even less is known about the landlords in developing cities. The handful of studies that do exist are mainly descriptive and do not provide an adequate understanding of the development of middle income landlordism as a phenomenon in developing cities. This, if nothing else, is a handicap to policy making.

Dhaka’s multi-storey private rental housing has remained unnoticed and undocumented in housing and tenure literature on the developing world. In Dhaka, about 70% of the total housing stock is rented. This article discusses the emergence of private landlordism in Dhaka city (Bangladesh), and gives some indication to its development scale. Through an exploration of the evolution of Rupangar Residential Area (RRA), in the outskirts of Dhaka city, the article draws attention not only to the phenomenon of small-scale private landlordism, but that of piecemeal housing construction, a characteristic of ‘housing development’ in this region. The theoretical framework of small-scale private landlordism, presented in this article, is one essential component to understand the widespread private housing production activity. The qualitative data, primarily landlord interviews, is drawn upon to explain aspects of the evolution of the different forms of landlordism. The study explores small-scale landlordism and their housing production trend that shape self-help piecemeal housing environment in Dhaka today.

2. OBJECTIVE OF THE STUDY

There is no doubt that not all middle income households residing in developing cities are landlords. Therefore, while some middle income households may be forced to become tenants because of their inability to gain access to owner occupation, there is very little explanation of why middle income households produce accommodation for rent. Although middle income landlords may be few when compared to owner-occupiers and tenants in pure number terms, their importance lies in the fact that they are responsible for the provision of housing for a significant number of tenants. Thus the objectives of this study are –

- To formulate a theoretical framework for different forms of landlordism for middle income settlements;
- To understand the characteristic features of different landlords and their particular strategies to invest in rental housing;
- To evaluate different landlords role in producing shelter and economics of middle income landlordism.

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The significance of rental housing in providing shelter for urban households strands in stark contrast with the very limited research on the subject. Lack of information on characteristics and scale of landlordism makes it difficult to formulate appropriate policies and this paper attempts to uncover these facts.

3. LITERATURE REVIEW: LANDLORDISM IN CITIES IN DEVELOPING COUNTRIES

Observations on the nature of middle income landlordism indicate that landlords generally operate on small-scale and own few dwelling units (Kumar, 1992). As most of them are of middle class, rents provide an additional income for further investment in housing. Thus renting seems as essential part of the consolidation process (Coulomb 1989; Edwards 1982; Gilbert 1987, 1983). Upon surveying the literature on rental housing in the developing world; Kumar (1992) noted that while there is substantial information on the nature, needs, and patterns of tenants; there is little information on landlords. Private formal sector production of rental housing has typically been geared to provide a relatively limited number of high quality houses and apartments for middle and upper middle income households. Case studies classify residents as either owners or tenants, failing to specify in terms of the “owners” category, which rented property and which did not. As a result, there is little information on what motivates landlords in the developing world to engage in letting space. As landlords constitute a significant share of potential producers of rental housing, Kumar (1992) further argues that their role should be seriously considered by policy. This is supported by Edwards (1990), who distinguishes between housing that has been specifically built as rental property, and housing which is built for other purposes and is later used for renting. Formal, institutional landlords tend to build housing specifically as rental property. Household landlords, on the other hand, are more apt to use existing property for renting. The significance of this distinction is in the policy which is to develop to support the supply of rental housing. If policy seeks to support the major provider of rental housing, that is, the small-scale landlord, then such support should focus less on stimulating mass supply, and more on upgrading individual units.

4. THEORETICAL FRAMEWORK OF MIDDLE INCOME LANDLORDISM

Housing production often takes place either in the form of capitalist mode or non-capitalist mode. Housing produced by the capitalist mode of production is characterized by production aimed at the expanded reproduction of capital and is distinguished by the separation of the producer from the consumer. Diametrically opposite is the production of housing which non-capitalist in nature, the household responsible for its production being the same as the one which consumes it (Fig. 1). In between the non-capitalist and capitalist forms of production, the commodification of middle income housing takes in the form of limited commodity production due to the existence of exchange relationships. The limited commodity production of middle income housing could be the result of either the deliberate production for its exchange values or when housing produced initially for self-consumption is transformed into an object with a use value. The concept of different commodity forms of housing production is recapped in Fig. 1, which helps distinguish between non-capitalist production for self-consumption, non-capitalist production for exchange, and capitalist production for exchange. The phenomenon of small-scale middle income landlordism manifested in the production of rental housing is best viewed as a production and exchange continuum. At one end of the limited commodity production continuum (Fig. 2), the production of rental housing is the result of the conversion of use-value into exchange-value. The term petty landlordism has been coined here to describe the occurrence of this phenomenon. At the other end of the continuum, the production of rental housing is aimed specifically at producing exchange-values with the intention of expanding and reproducing capital in the form of landed property. The capitalist landlordism is used to describe the phenomenon. Between these two points of limited commodity production continuum, is the production of that rental housing which is spurred neither by petty nor the need to expand capital. This form of rental housing is described by the term intermediate landlordism. The case of absentee landlordism is characteristically similar to intermediate landlordism with some difference in property management and investment portfolio. Case studies from the settlements in RRA, illustrate the empirical manifestation of these four forms of small-scale private landlordism. Though the articulation of these four forms of housing production process has many implications and useful of this framework, it will be published as a separate article and generally beyond the scope of this paper.

4.1 Petty Landlordism

The theoretical formation of the petty form of landlordism in middle income housing is based on the premise that a large majority of lower-middle income households in developing world social formations undertake the production of housing to satisfy use-values. This production of housing for self-consumption cannot be financed solely from income derived earnings, and therefore, requires external finance based on borrowing. With access to institutionalized finance being severely limited, the production process is largely financed by a combination of savings, informal financial mechanisms and non-institutionalized sources of finance at very high rates of interest. All loans taken out are generally serviced from the income of the household. The production of rental housing is often the conversion of space produced for its use-value to space for the value of its exchange. Thus, a typical petty landlord would represent a lower-middle income household who
owns or is in possession of a single property, built few dwelling units from its value in use to a value in exchange (rent) in order to supplement the non-rental income of the household (see Fig. 2). The rental income is used either to repay loans taken out to complete the production of the dwellings, maintain it or to provide for items of essential consumption. Nature of petty landlordism is almost similar to Kumar’s (1992) subsistence landlordism. The research is based on the concept that most lower-middle income landlords start their housing venture as petty forms. A vast majority of lower-middle income landlords in developing countries are forced into creating space for its value in self-consumption to space for its value in exchange. This is made possible due to the massive housing demand and gentrification as explained by Phe and Wakely (2000) that do exist in developing as well as developed cities.

4.2 Intermediate Landlordism

Between the petty form of landlordism, which initially produced use-values which are then converted or upgraded into exchange-values, and the capitalist form of landlordism, where exchange-values are produced with the view to reproduce capital, there exists intermediate form of landlordism (see Fig. 2). The intermediate landlords like the petty landlords, also own or possess only the one landed property however, the rent generated through the production of rental housing is not absolutely essential to the maintenance of the basic use-value of the dwelling. The rent is essential, however, to repay loans, addition of rental units or to improve the household’s standard of living. In case of the intermediate landlord, renting accommodation is the result of the deliberate attempt to generate additional income. It is possible that the intermediate landlord started off as a petty landlord, but in time, decided to use renting as a way of financing improvements to the dwellings. It is also possible that a household who initially produced housing for its use-value, later decided to produce rental accommodation for its exchange-value to help in the upgrading process. Such a household would have assumed the position of intermediate landlord without going through the petty phase.

Figure 2 Theoretical Framework for the Different Forms of Landlordism in Middle Income Settlements

There are differences in type of labor force, speed of construction and building materials between a petty landlord and intermediate landlord. For an intermediate landlord, there is the possibility for a greater involvement of skilled waged-labor, the use of industrially produced building materials and the use of mechanically operated equipment (for example, concrete mixers). In the case of petty landlord, extent of hired skilled labor is reduced and utilization of low cost material (like used building materials) is more common. Speed of construction is remarkably slow in case of a petty landlord. Thus the nature of production is different from a petty landlord to an intermediate landlord.

4.3 Absentee Landlordism

An absentee landlord is a non-resident property owner who leaves the management of the rental property to the tenant who lives there. Characteristics of absentee landlords are close to intermediate landlords but not always a generalized phenomena. Absentee landlords invest in renting business as a safe investment strategy and for limited reproduction of capital. As the absentee landlords are non-resident, they provide capital and their kin manage the renting business and have control over the income and the incremental construction. Returns from letting are generally accumulated and enable the landlord to invest further to construct additional rental units. Rakodi (1995) argues that the extent of absentee landlords varies between cities, between areas and over time. Although the development properties of absentee landlords have similarities to other forms of small-scale landlords; its scale of operation, property management and capital for investment are different. Absentee landlords are included in the theoretical model (Fig. 2) in order to expose their role as they often exist in typical middle income settlements in developing cities.

4.4 Capitalist Landlordism

The production process undertaken by capitalist landlords is underpinned by the desire to expand and reproduce capital in the form of landed property. Capitalist landlords can be clearly differentiated from petty, intermediate and absentee landlords due to the fact that they own or possess more than one landed property. For the capitalist landlord, the use value of rental housing lies solely in its ability to command an exchange-value, the latter being primary reason for its production (Fig.
2). The capitalist landlords often have intimate connections with external financing sources that include commercial banks and insurance companies, for which residential property forms a part of a diversified investment portfolio.

5. CASE STUDY: RUPNAGAR RESIDENTIAL AREA

In order to illustrate the role of different landlords in producing shelter and to derive a theoretical framework, a field survey was conducted in Rupnagar Residential Area (RRA) in the outskirts of Dhaka city in late 2007. Government had developed about 1,200 housing plots in RRA and distributed among the public employees in early 1980s. A variety of housing has been development in RRA during the last 25 years. A large number of tenants and few owners are living in this newly developed area. The role of different landlords can easily be traced in the scale, nature and modes of shelter production in whole RRA and it motivates to select RRA as a typical area to conduct the study.

Almost all the original allottees in RRA are public servants who have median income. The plot owners are middle income inhabitants and the tenants are of lower-middle income. Thus the study area is a typical middle income settlement. The field survey indicates that there are 203 housing plots in part-1 area of RRA. Of them, 22 plots are occupied by owner occupiers who are not letting space and 21 plots are still remaining vacant and there has no housing structure. Among the 22 owner occupier plots, multi-storey apartments have already constructed in 18 plots by formal private developers where 432 households are residing and they are classified as owner-occupier as they are not letting space. Owner occupier plots cover 12% of existing housing plots (excluding the vacant plots). Owner with tenant households are living in 62 plots and tenant households are residing in 98 plots. Spatial distribution of households according to their tenure status within the study area is plotted in Fig. 3 and also presented in Table 1.

There are about 2,106 households residing in 182 plots (excluding vacant plots). Owner-occupier households are about 20.5% of all households which include apartment unit owners and other owner-occupier households. Tenant with owner (landlord) households are residing in 62 plots, about 980 households, forming 46.5% of all households. Rest 694 households are tenant households, about 33% of all households, are residing in 98 plots. These estimates of tenant households are deemed to be higher in part-2, 3 and 4 area of RRA. On average, each landlord houses between ten to twelve tenant households. Only 4 landlord households own two plots and one own three plots, indicating capitalist landlords are only 3.3% of landlord households. The role of landlords in the provision of housing at the settlement level can not be overlooked.

5.1 Petty Landlord

Mr. Mannan (65) is a four member household, who has resided in RRA since 2002. He was a mid-level civil servant and started living in RRA after his retirement from service in 2001. Earlier, he was dwelling in Dhaka city in public rental house for 36 years. His monthly salary was Tk* 15,000 before retirement. He need to spend a large portion of his income for livelihood expenditure including educational expenses for his son and daughter. He was the sole member in his family to earn and virtually he had little savings.

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He was one of the successful allottee of RRA project. He completed the land registration process in 1988 and built a boundary wall to his plot in 1990. Afterwards in 1992, he constructed a semi-permanent house in his plot and provided rental accommodation for low-income inhabitants. Thus, he earned some rental income which he accumulated for further investment in building apartment. Until his retirement in 2001, he saved the rental income. After his retirement, he decided to build apartment in his plot and stay there. His only source to foot the construction cost was pension and gratuity that he was supposed to earn from his service after retirement. In order to avoid the brutal interest system*10) of Bangladesh House Building Finance Corporation (BHBFC), he withdrew whole pension and gratuity money and invested in construction. He started construction in late 2001 and completed a two storied building where he made two rental units plus his own unit (Fig. 4 a, b, c). The total construction cost was about Tk. 4,000,000. His daughter, staying aboard at that time, gave him loan (Tk. 1,500,000) to fulfill the cost of construction. Two rental units generate total monthly rental income of Tk. 16,800. Mr. Mannan is currently a jobless man and would need to depend completely on the monthly rental income in order to support living cost. The surplus amount is accumulated to repay the loan that he took from his daughter. Thus he is a typical example of petty landlord who can not enjoy the rental income as he has to repay construction loan. It is assumed that Mr. Mannan would need 12-15 years to recover the loan. Until that period he will remain as a petty landlord and after that period he may be an intermediate landlord by constructing more units in his apartment.

5.2 Intermediate Landlord

Mr. Mohsin Ali is (62) an original allottee of Rupnagar project. He is professionally a civil engineer and had served as a government officer. He won a corner plot at RRA in 1984. It cost Tk. 225,000 which he paid in four installments. At that time his annual salary was about Tk. 66,000 and the land value was equivalent to 3.41 years annual income at that period. He met land cost from personal savings and selling some jewelry items of his wife. He completed the land registration process and finally got land title (ownership) in 1991. Initially, he allowed some slum dwellers to erect temporary houses and to stay there on free hold basis, with an intention to hold the possession of the land. In 1995, he planned to build an apartment. Accordingly, he designed his house and submitted the floor plan for approval of the concerned city authority. Soon after the approval of plan, he started foundation works and it cost about Tk. 200,000. As a government employee, he used to deposit some money in government’s provident fund every month. He withdrew Tk. 200,000 from the provident fund to meet the cost of foundation construction. He then applied for housing loan from publicly operated financing body, BHBFC and they sanctioned an amount of Tk. 1,000,000 in favor of him. He first completed first floor having four rental units and left construction of ground floor (Fig. 5 b). The amount he received as housing loan from BHBFC was severely insufficient to complete the construction cost of first floor. He made personal loan from relatives and friends about Tk. 250,000 to supplement the cost of finishing works at first floor and one unit of ground floor (Fig. 5 a). These informal loans were amortized in an informal way in an irregular interval of time and in different amounts. After completion, he invited tenants to move in his apartment in late 1997.

![Figure 5 House of an Intermediate Landlord](1. Entrance 2. Living 3. Bedroom 4. Kitchen 5. Toilet)

While he was in service, he resided in a public building with his son, daughter and wife. Thus, he had a monthly rental income about Tk. 15,000 from his own apartment which he solely used to repay the BHBFC (Tk. 8,000) loan and informal (Tk. 7,000) housing loans. By 2001, his informal loan was recovered from rental income. It took about 4 years to repay his personal/informal loan and theoretically his status during this time was a petty landlord who cannot enjoy the rental income rather he used the money to recover the financial lacks. Late 2001, after repaying all personal loans taken to meet the construction cost of first floor, Mr. Ali
took the decision to complete the remaining three units in ground floor. He arranged some loans from his office and accumulated some rental income and invested further for ground floor construction. It cost him about Tk. 300,000 to complete the remaining three units. There were some financial laggings to complete the units and was again met from personal loans raised from relatives and friends. At the end of construction, a total of 8 rental units (see Fig. 5 e) were in function which generated monthly rent of about Tk. 24,000. Within one and half year he was able to minimize all personal debts which he made to complete ground floor finishing works. It was at this stage when he was in transition between petty and intermediate landlord. In 2004, Mr. Ali retired from his service and left public building to his own building in the first floor. He broke the partition wall between two adjacent units in first floor and occupied for own living (see Fig. 5 d). Meanwhile, he received an amount of Tk. 1,090,000 from his service as pension and gratuity. With this amount, he cleared loan from BHBFC and now he is free from debts. He has already added two units in the second floor (Fig. 5 e, f) and need less to say that his current status is an intermediate landlord.

5.3 Absentee Landlord

Mr. Amzad Hossain (45) purchased a plot in RRA from an original allottee. He lives in a foreign country with his wife and two kids since 1992. He engaged in service abroad and decided to purchase a land in RRA in 1996. His brother helped him during the formalities of land purchase and it costs about Tk. 1,850,000. He used his 4 years savings to pay the land cost. Boundary wall on his plot was erected by the original allottee. The half portion of the ground floor was incrementally constructed by the landlord’s brother (Fig. 6 a). He started the construction in 1999 and completed by 2000. The construction cost of the half portion of ground floor was about Tk. 1,700,000 and Mr. Amzad used his 5 years savings at that time to meet the construction cost. There were two units at the ground floor. One unit was occupied by the landlord’s brother and other was given for rent (Fig. 6 a). Besides he constructed two shops in the vacant portion of his plot at the roadside which also add rental income. In 2007, he started construction of the first floor which is still under construction (Fig. 6 b, c). He claimed, he had already spent Tk. 2,400,000 for the construction of first floor. It is deemed that the first floor can accommodate four families and also it will generate a monthly rent of about Tk. 24,000. His brother remains in supervision during the construction as well as the property management. At the later stage, Mr. Amzad will return to his country and dwell in his apartment and represents an example of absentee landlord.

5.4 Capitalist Landlord

Mr. Kamal (53) is not an original allottee of RRA who bought a plot in 1985 at a cost Tk. 800,000 from an original allottee. He was employed in a national bank as a mid level officer and later he resigned from his service and decided to start business in 1986. He started living in RRA from 1989 when ground floor construction at his purchased plot was completed. His wife did not work and his two children, aged 12 and 4 were at school at that time. He puts his primary income at Tk. 60,000 per month from his business. In addition he is currently generating rent of Tk. 75,000 per month from his twelve apartment units that he lets. From 1989 to 1994, he constructed additional four floors at this plot and he completed 6-storey building in 1995 (Fig. 7 a, b; Plot No. 10, House 10). In this building he provided eight rental units with a gross rental income of about Tk. 50,000. He accumulated this rental income till 2001 and further invested the accumulated amount in land property. In 2002, he bought a second plot (335 sq. m) at a cost of Tk. 2,500,000. In 2003, he started construction on his second plot. As usual, he adopted piecemeal construction and was able to finish first floor by 2005 (Fig 7 e, f). He housed four families in his second building and the total rental income is about Tk. 25,000 per month. He purchased a third plot in 2007 (Fig. 7 c, d) and started new project construction in late 2007 which is under construction. In all three plots (Fig 7 g), he claims to have spent Tk. 5,000,000. He got loan from bank at an interest rate of 11% per annum and the recovery rate is about 13%. Capitalist landlords such as Mr. Kamal find it beneficial to invest in landed property, which apart from generating rents, has a high incremental value.

6. HOUSING PROVIDED BY DIFFERENT LANDLORDS IN RRA

The study in RRA shows that it is only a small portion of landlords who are responsible for providing rental accommodation for large number tenants. While tenant households are about 71.9%, landlord households are only 7.3% of all households (Table 1). It is evident from Table 1 that 9% landlord households (excluding owner occupier households) are accommodating 91% tenant households in whole RRA. The survey included the spatial distribution of different types of landlords in the study area and presented in Fig. 8. The empirical classification of different forms of landlords was based on the concept that households providing maximum 6 rental units are petty landlords; between 7 and 12 rental units are intermediate landlords and over 12 units are capitalist landlords.
Within the study area, petty landlords are proving 152 rental units, intermediate landlords providing 1,102 rental units, capitalist landlord providing 259 rental units and absentee landlord providing 3 rental units. The petty landlords own 20% properties and providing 10% housing; intermediate landlords own 72.5% properties and providing 72.7% housing while capitalist landlords own 6.9% properties and providing 17.1% of all rental units (Table 2).

Intermediate landlords are about 75.3% among all landlords and they are providing the highest number of rental units in the study area. Petty landlords are in second (21%) and capitalist landlords are in third position (3.3%). As a whole the dominance of intermediate landlordism is evident throughout the survey area. It is also assumed that due to the dynamic nature of landlordism, petty landlord may soon turn into intermediate landlords and the absolute figure of intermediate landlords will increase further.

7. TRANSFORMATION IN LANDLORDISM AND PIECEMEAL INVESTMENT

On the questions of the transformation of one form of middle income landlordism to another, it is possible for a petty landlord to be transformed into intermediate landlord and an intermediate landlord into a capitalist landlord. The transformation from petty to intermediate form of landlordism is effected at a point in time when rental income is not essential to repay loan or the basic living cost but becomes helpful to the process of upgradation. One factor in determining the scale, trends and transformation from one state to another state of landlordism is the rate of return. Investment flows into the sector are related to the rate of return compared to alternatives, including other forms of property
and non-property investment. It seems to vary greatly from household to household, over time and the type of rental property (i.e. no. of floors, no. of units etc).

There are examples of high return, which have encouraged further investment and often occur by addition of floors incrementally or in piecemeal style. Even moderate rates of return make renting an attractive investment in comparison to other alternatives. The survey results affirm that investment cost for a semi-permanent house is recovered within 6-8 months from rental income. The annual rate of return and capital recovery period of the studied four landlord households are demarcated in Fig. 9. It is evident from Fig. 9 that annual return rates vary from 8 percent to 14 percent per annum. A gradual increased rate of return is observed through addition of floors and maximum return rate is about 18 percent per annum. Changing rates of return give rising motivation for rental investment and to shift from one form of landlordism to the next. Increased demand for middle class housing has also led the landlords to invest further either to new construction or addition of rental units.

High rents also did not keep pace with construction cost and thus it motivates the landlords to invest in housing. Figure 10 is a representation of statistical record on rising propensity of house rent and construction cost in Dhaka city. According to BBS (2006), house rent increased 38.9% from 1994 to 2005, while construction cost increased by 25.4% at the same time (Fig. 10). Thus rental investment is a lucrative option for investment for the middle income households due to the rising propensity of house rents. As discussed in by Kamruzzaman (2008), all construction or its investment appears in the form of piecemeal process and thus landlords decide to invest when the external and internal influencing factors match suitably. Addition of rental units can be traced as an identity to the changing form of landlordism status. While this transformation is almost always upward (petty to intermediate) a downward transition cannot be ruled out. It is possible, however, for the intermediate landlord to withdraw rental housing from the market and revert to the status of an owner-occupier. The transformation from an intermediate to a capitalist landlord is conditioned by the intention to expand the value of capital in the form of landed property.

8. CONCLUSION

In developing countries, the role of the small-scale (household) landlord as a producer of rental accommodation has been overlooked. As a result, the critical role these landlords play in the supply of rental housing has not been exposed as well as maximized. While the act of generating rent is common to all landlords, the reasons underpinning the need to generate rent vary. Thus a theoretical framework is essential, for a better understanding of the phenomenon of small-scale landlordism and as a basis of particularly identify them. There is clearly a continuum in the scale of construction for rent which varies landlord to landlord. Recognition of this production system has led to this study.

There are four points on the continuum in a theoretical model of small-scale landlordism. Petty landlords rent out dwelling units to sustain or augment the household’s income, either for amortize the construction loan or for everyday subsistence needs. Intermediate landlords can use the rental income for further investment for upgradation or for improvement of their quality of life. Absentee landlords accumulate the rental income for further investment only. They do not
need the rent derived income for livelihood expenditure. Capitalist landlord own more than one property and produce dwelling for rent in order to expand and reproduce capital in the form of landed property. These forms of landlordism are not fixed either for individuals, who may progress or regress from one to another, or in housing sub-markets, where external conditions may influence the opportunities for and constraints on landlords.

Landlords let property as a means of improving their own tenure status. Only small portion of landlords (9%) are responsible for providing rental accommodation for large number (91%) of tenants. Intermediate landlords play the greatest role in housing the tenants. About 73% of all rental units are being supplied by them. Forms of small-scale middle income landlordism in developing cities social formations are dynamic. Their reproduction, conversion, and/or dissolution are closely linked to the varying influencing parameters. The capital recover rate varies between 7% and 18% per annum. Construction cost cannot keep pace with high rent. Demand for middle income housing always lags from supply. Besides, residential properties have a high incremental value and good rate of return and thus landlords are motivated to invest. They invest incrementally, construct in piecemeal style and often oscillate between one form to other form of landlordism. The role that the small-scale landlords play and the strategy they undertake in providing housing for a large proportion of households in developing cities need attention to boost the production as well as to straighten the policy.

Notes


2) In the literature on rental housing in third world cities, the term owners and owner-occupiers have been interchangeably to refer to both those households who are landlords and those who are not (see, for instance Gilbert and Varley, 1990). As this research is about landlords and since landlords are also owners, the term owner is used specifically to refer to those households who are not landlords (Kumar, 1996a).

3) The term ‘landlord’ is used generically in this article with reference to the activity of women and men who let accommodation and does not to those who only own land (Kumar, 1996b and UN-Habitat, 2003).

4) Tenant consumes housing by entering into an exchange relationship with the landlord in exchange for a payment in the form of rent.

5) Individual or household landlords are treated as small-scale landlords in this study.

6) Middle income households often provide rental accommodation for low and lower middle-income households. A first class Government employee in Bangladesh is a typical example of middle income household, who has standard and median income. They are often benefited with subsidized public rental housing, formal housing finance and subsidized serviced housing plots. In many cases they do utilize these resources to build their own dwelling as well as to provide rental accommodation. They fall within 20th to 40th percentile range according to household income and categorized detail in Kamruzzaman and Ogura (2008).

7) Lower-middle income households face disadvantaged condition to house within the city. A minute part of lower-middle income households own a parcel of land and many are tenants. Due to meager fiscal capacity, they can hardly bear the construction cost to build own dwelling and fail to produce additional dwellings units for renting. They represent households in the 40th to 65th percentile range (Kamruzzaman and Ogura, 2008 p. 949).

8) In addition to references already cited in the main text of the paper, this model has been developed for middle income settlements through modification, extension and a more detailed review of literature which includes Kumar (1992), Rakodi (1995) and Berry (2000).

9) 1 USS = (approx.) 68 BD Tk. (2008 Value)

10) The interest rate of BHBFC in above 12 percent per annum and of compound form.

References


和文要約

前稿で論述したバングラデシュの首都ダッカにおける次次建設方式によって建設された都市住宅について、本論では、さらに家主の経営形態を含む、住居の所有・使用形態を分析する。本論では主に、生計主体の寄与家主から中小規模家主までを四つの段階（寄与型家主、中間型家主、不在型家主、資本型家主）に分け、それぞれの特徴を考察している。その結果、家主の各段階への移行は資本調達の度合いに応じてダイナミックに展開しており、中でも自宅と貸し出す形態に関する考察を行う。自助建設住宅の典型事例の一とされる次次建設方式は、家主の様々な経済状況とそれに応じた経営形態を形成し、家が同じ住棟にある中間型家主の割合が調査対象地域では凡そ7割を占め、小規模経営による次次建設方式の都市住宅が都市化の著しいダッカにおける中産層向け住宅供給の主要な担い手の一つとなっている実態が明らかにされた。

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