# Summary of Steps to Approach a Rental Housing Market Assessment

## Factors to consider when deciding if a rental programme is appropriate

The following is not an exhaustive list but provides the main factors that should be considered when deciding if a rental programme is the most appropriate shelter option for the target group. Information in relation to these factors should be gathered as part of the rental assessment outlined below.

* Economic status of targeted households and impact of the crisis on their ability to cover basic expenditures (including all housing costs: rent, utility bills and furnishing, non-food items) – to help inform targeting and also determine the type/amount of rental assistance required.
* Housing status of the target group prior to the crisis and currently – is rental a common option being pursued to address short-term or medium term shelter needs, what are the preferences/willingness of the target group to rent as a short term solution
* Availability and quality of rental housing units in the market, including safety and adequacy and location in relation to other services (school, health) and livelihoods opportunities
* Market elasticity – is the rental market able to provide the additional units needed to meet demand
* Conflict sensitivity - is there one party to the conflict that controls most of the housing stock? Would rental assistance exacerbate or reduce conflict dynamics or the root cause of the conflict?
* Stability of rental prices
* Impact of the crisis on the functionality of the rental housing market (e.g. in terms of availability, quality, demand, accessibility, price)
* Potential impact of a rental assistance programme on the wider rental housing market
* Accessibility of rental housing to the affected population (e.g. geographic, finding rental priorities, discrimination based on displacement status, nationality (or other factors) etc.)
* Willingness of landlords to collaborate on a rental programme, including maintaining price consistency, security of tenure, ability of households or NGO to negotiate fair rates etc.
* Government support for rental programming as a modality to respond to short-term shelter needs
* Legal framework for assuring tenant’s and landlord’s rights and responsibilities, including contract law in the context
* Accessible and safe methods to transfer cash / financial support to beneficiaries and/or landlords
* Intended impact or objective of the rental assistance (short, medium or long term)

## Defining the Target Group for Shelter Support

Prior to assessing the appropriateness of a rental housing programme, it is essential that the team clearly defines the priority target group and intended impact (or objective) for which shelter solutions are needed. Identification of the target group will be informed by[[1]](#footnote-1):

* Which populations have been most impacted by the crisis / emergency and their current living conditions / circumstances
* Pre-existing vulnerabilities (e.g. groups considered vulnerable before the crisis)
* Income sources, wealth, social status and asset holdings of different groups affected by the crisis
* Gender, age, social, cultural and ethnic factors
* Profile and intention of the population (e.g. refugee population, IDP population, population in transit, etc and their plans to stay, move elsewhere, return and when)

When conducting a housing rental market assessment and determining if rental support is the most appropriate response option, it is essential to keep in mind the target group identified throughout the process.

## Step One: Conducting a rental housing needs and market assessment

In a humanitarian context, a rental housing market assessment is an evaluation of the availability and suitability of rental options, to respond to the needs of the affected population. To inform an immediate response, the assessment and level of analysis should reflect what is ‘good enough’ to make a decision on the most appropriate intervention. However, in order to inform medium or longer-term rental programmes a much more comprehensive assessment process would be needed. When conducting a rapid assessment of the housing rental market, the following steps should be considered:

### Context analysis: Review of available secondary information

Before beginning your assessment and any primary data collection, it is important to firstly gather contextual and secondary information and review what is already available in relation to 1) general shelter needs and living conditions of the affected population; and 2) functionality and operations of the housing rental market before the crisis and now. This might include assessments by other humanitarian organisations, price monitoring information (if available) for rental rates, talking with key informants on general trends, as well as online information (if available) from real estate websites, letting agents etc.

### Determine the objective of your housing rental market assessment

As with any market assessment and analysis process[[2]](#footnote-2), it is essential that the objective of your assessment is clearly articulated before you start. This will help to determine the scope, methodology and depth of assessment required. Based on the secondary information already available, you should then determine the main objectives of your assessment. Possible objectives of a housing rental market assessment in an emergency context include:

1. Develop an understanding of the overall rental market and how this has been impacted by the emergency, e.g. types of available accommodation, prices, vacancy, supply and demand, challenges, payment methods, seasonal changes and trends over time.
2. Determine the availability and suitability of rental housing options to address the needs of the target group.
3. Understand the preferences, challenges and risks faced by the target group in accessing available/adequate rental housing options.
4. Understand issues relating to security of tenure, protection and social cohesion between displaced and host communities.
5. Determine the most appropriate response interventions to facilitate access to adequate rental housing for the target group.
6. Understand if it’s relevant, and if so how, to support capacity and functionality of the local rental market in order to better meet the needs of the target group.

### Set your Key Analytical Questions

In order to frame your assessment, and prevent endless data gathering (!), it’s important to identify the key questions you are trying to answer through the assessment. This may vary based on context, but might include:

1. Can Rental Assistance be considered as the most effective way to meet beneficiaries needs, including the need for safe and adequate shelter?
2. Can the housing market respond to an increase in demand as a result of a cash-based intervention for rental assistance?
3. What considerations need to be integrated into a rental assistance programme to reduce the risk of harming existing markets?

### Identify stakeholders, develop tools and collect quantitative and qualitive data

Prior to designing key questions and tools for the assessment, conduct a stakeholder mapping to identify who the main stakeholders are in the housing rental market, and where the information needed could be gathered. The below table suggests possible options, and it may be helpful for the team to develop a simple market map of the various actors in the market, the related inputs and services and also the various institutions and rules governing the rental market and how they interrelate[[3]](#footnote-3).

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| **POTENTIAL STAKEHOLDERS TO CONSULT FOR RENTAL HOUSING MARKET INFORMATION** |
| * Potential tenants: affected population * Current tenants: affected population and host communities * Owners / Landlords: public and private * Community Leaders * Housing or tenant’s associations * Real estate agents * Local Authority (e.g. council, municipality, department of housing, department of social affairs/services, informal authorities) * Public Services Body * Lawyers/legal firms working on housing rights/disputes * Civil Society Organisations (CSO) * Other actors providing social housing * Private contractors / property developers (e.g. involved in construction of rental properties, social housing etc.) |

Following this mapping of stakeholders, you should decide who to prioritise as respondents during the assessment and develop the appropriate tools/questions accordingly that would contribute to addressing the specific assessment objectives. Information could be gathered through a range of methods, e.g. key informant interviews, focus group discussions, survey/questionnaires. Likely your sampling will be snowball based as you consult more people and gather more information.

The following outlines possible questions and information that you may want to gather as part of your assessment. They may not all be appropriate depending on context, and there may be additional information that is required. These questions serve as a general guide – after prioritising what you want to know, specific tools/questions for each respondent type can then be developed based on your context. Specific tools will then need to be developed – some examples are available here.

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| **General Environment**  *(urban, rural, peri-urban, access to services, markets and employment)* | * Which areas are the target group mostly residing in and why? What are the current dynamics of displacement – are people moving often and why? * Where are the safest neighbourhoods with the amenities and services most required by the target group? e.g. schools, health clinics, markets, parks, public transport, employment opportunities * Which areas would the target group prefer to live in and why (e.g. security, cost, relatives/family, proximity to work)? * Are required services located within an appropriate amount of travel time from preferred locations (e.g. walking distance/public transport) * Where are the majority of rental houses available located? How does this compare to the current and preferred locations of the target group? |
| **Needs and Capacities of Target Group[[4]](#footnote-4)** | * What type of housing are the target group currently residing in (e.g. building condition, rental/ownership, size, accommodation type, sharing with other households etc.) * What are the main livelihoods/income sources of the target group (before and now)? How were these impacted by the crisis? * What was the average monthly income of the target group before the crisis? What is the average monthly income of the target group? How is this expected to change over time? * What are the main expenditures of the target group (type and amount)? How has this changed since the emergency/shock? What % of current expenditures goes to rent/utilities and related costs? * How do the target group currently identify rental accommodation? How long does this take? What challenges do they face (if any)? * What protection considerations and risks exist in the context that might influence rental assistance programming? |
| **Types and Price of Rental Housing** | * What are the main categories of rental housing in the area? E.g. according to size, number of rooms, location, facilities/services, condition, repurposed commercial building, land, un/furnished, length of lease etc. * What were the average rental prices (and utilities) per main category of rental housing before the crisis (per month/room/m2)? What are the average rental prices (and utilities) now? What is the reason for any changes in price? * Which of these are currently accessible (or not) to the target group and why? * What would be the typical associated costs; (utilities/bills, ground rent, deposit, guarantees others.) – before the crisis and now? * What are the target group currently spending on rent/utilities? * What are the main factors that affect price of rental accommodation currently? Does this vary based on gender, age, religious or ethnic group, displacement status, nationality etc.? * How do average rental prices compare to current income/expenditures of the target group? |
| **Demand for Rental Housing** | * What is the total population of the area? Do most of the host community live in owned/rented accommodation? * What is the population/# of the target group currently in need of shelter solutions/rental accommodation? (e.g. approx. # of IDPs, refugees, returnees etc.) * What methods do local people normally use for finding rental accommodation e.g. online platforms, agencies, word of mouth, radio, newspaper, advertising in public notice boards? Has this changed since the crisis? * How has demand for different types of rental accommodation changed since the crisis? (e.g. increase, decrease, stayed the same for which categories of housing). How are tenants, landlords/owners and local authorities dealing with these changes in demand? * How is demand expected to change in the coming months? Why? |
| **Rental Housing Availability** | * Is there available information on the total number of available rental accommodations in the market? If yes, approximately how many houses/apartments etc. of the above categories are currently available? How has this changed since the crisis? * What is the current occupancy rate of rental housing (by type)? How has this changed since the crisis? * Is there a shortage of available housing units for rental currently? Was this the case before the crisis? What are the consequences of this shortage (e.g. increasing rent rates, decrease in quality of accommodation available, overcrowding etc.)? * What challenges are the target group currently facing in accessing rental accommodation? (e.g. not enough units, don’t know how to find units, location, security, cost, condition etc.) * Are the number of rental units available expected to increase/decrease in future? Why? * What challenges (if any) are owners/landlords facing in increasing the number of available rental spaces? |
| **Quality and Condition of Housing Stock** | * What standards are in place that govern rental housing accommodation? Are these usually complied with by landlords? (pre-crisis and now) * Standards for: # of occupants, room size, lighting, communal space, utilities, building condition, water, sanitation, solid waste management, electricity, ventilation, heating/cooling system, management of repairs, fire safety equipment, locking/alarm systems etc. *Understanding local standards and practice will help inform implementation requirements. If there are limited/no local regulations then Sphere can be considered as a minimum standard.* |
| **Tenancy Dynamics** | * What is the commonly used tenancy and contractual arrangement (formal, informal, written, verbal, legal, social)? How does this differ across the population? * What are the current sharing practices/dynamics (e.g. family size/sharing/multiple occupancy etc.)? How has this changed since the crisis? * What duration are contracts usually for? How has this changed since the crisis? * Is home rental or ownership the norm in the identified cities? Has this changed as a result of the crisis? * Are there any barriers to accessing formal/legal/written rental agreements such as: legal status, gender, race, age, handicap, displacement status, area of origin, nationality, ethnicity, religion, socio-economic background, employment status? * What is the usual method of payment (e.g. monthly/yearly, deposit, payment in advance, loans/credit, in exchange for work/services etc.)? How has this changed since before the crisis? * What deposit is normally required and under what conditions? * How long are homes usually rented for? Has this changed as a result of the crisis? * What notice period do tenants normally get before eviction? Has this changed as a result of the crisis? |
| **Regulatory Environment** | * How does intended duration of stay/contract affect the ability of tenants to find accommodation? * Are there different contracting processes for long and short-term contracts? * Are there associations or government bodies that define tenants and landlord rights and responsibilities? * What rules/laws govern tenant and landlord rights? Which government department oversees this? * Where can people can go to understand what rights they have under rental agreements? * Where can (and do) people go in the event of disputes or legal issues with tenants/landlords? |
| **Government Assistance** | * What government led social protection programmes are available in relation to housing support? * Are these accessible to the affected populations? * What is the application process, duration and qualification criteria? * What assistance is provided and through which modalities? * Has the crisis impacted government assistance programmes? If so, how? * How many people are currently assisted under the government programme? Is there capacity for expansion? * How many eligible people are currently not assisted by the programme? * What local government departments can be contacted to gain support for rental programming and potentially give local advice on tenancies? |

### Compilation and Analysis of Information

The compilation of data will largely depend on what tools have been used, the range of stakeholders consulted, and the sample size of respondents. It is recommended that whoever is leading the assessment compiles a summary of findings against the main categories outlined above and then conducts a short workshop to validate findings with team members and relevant stakeholders. This should be organised around the key questions outlined at the start of the assessment, for example:

1. How does rental assistance (e.g. cash for rent) meet beneficiary needs and what are the limitations of this approach?

2. Can the housing market respond to an increase in demand as a result of a cash intervention for rent?

3. In what way could interventions risk harming existing markets?

4. What additional interventions could be implemented to address these risks?

5. What impact would upgrade investments in existing properties have on the current rental market?

6. How would the upgrade of shelters effect the current rental market availability and price?

7. What is the optimal time period for a cash for rent intervention?

## Step Two: Response Analysis: Is housing rental assistance the most appropriate response option?

After compiling the information available, the team should then review the feasibility of different response options and decide on a recommended response in relation to providing a rental assistance programme. Some of the factors to consider are outlined below:

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| **Residents’ capacity to contribute** | * Consider what capacity residents have to contribute towards costs from their own resources and income sources. * Assistance amounts should be calculated based on a good understanding of residents’ capacity to contribute * Consider affordability of the accommodation/rental payments for the residents beyond the end of the programme   *Note: Questions on contributions and income can be sensitive and difficult to ask so it’s important to triangulate information with peers and representatives, and use proxy questions.* |
| **Conditionality and Restrictions** | * Decide if assistance will be **restricted** **or unrestricted.** For example, if rental assistance can only be spent on rent by the beneficiary it is restricted (e.g. the beneficiary is required to spend the assistance on rent (and/or utilities) with potential to suspend assistance if the beneficiary does not comply with the terms of the programme). If rental assistance is unrestricted, it might be provided to the beneficiary directly where they would be technically able to spend the assistance on anything, and ‘keep the change’ (though the agency could monitor receipts and proof of payment as part of monitoring activities). * Decide if assistance will be **conditional or unconditional**. If conditional, beneficiaries are required to do something in order to be eligible (such as attend a training, attain some legal documentation, or reside in a property meeting minimum standards). If unconditional, inclusion is based only on need and people are not required to do anything further. |
| **Nature of assistance** | * Value of rental assistance that will be covered (e.g. contribution or full amount), and whether this will be standard across households, varied based on household size or based on actual rental costs for each household. * Duration of rental assistance support (e.g. one month or multiple months, if so how many months) * Will assistance cover rental costs only, or also utilities, furniture, guarantee/deposit or other needs.   *Note: When deciding this, try to consult other agencies that might be planning or implementing rental assistance programmes in the same areas to harmonise approaches, and also consider value/nature of housing support government programmes offer.* |
| **Delivery mechanism** | * How will assistance be transferred to the beneficiary or landlord? What payment mechanism will be used (e.g. cheque, bank account transfer, direct cash, pre-paid card etc.)?   *Note: There is considerable guidance available elsewhere on selection of appropriate cash transfer mechanisms, for example in the* [*CaLP Programme Quality Toolbox*](http://pqtoolbox.cashlearning.org/Selection-of-delivery-mechanism) *and the* [*Red Cross Cash in Emergency Toolkit*](http://rcmcash.org/toolkit/)*.* |
| **Identifying Appropriate Accommodation** | * Who will be responsible for finding the rental accommodation (the beneficiary, the agency, local partner, civil society organizations etc.)? * Consider who the most vulnerable people are and what specific support systems might they need e.g. homes with universal access * What minimum quality standards will be required from the rental accommodation selected? This should be based on the general conditions in the context, Sphere guidance and the regulations of the authorities. |
| **Legal / contractual arrangements** | * Who will be responsible for drafting an agreement and ensuring necessary protections are in place? * Who will review the rental agreements with landlords to ensure that they are legally robust to protect the new tenants and donor funds? Is local legal support required for this task? * Who will be responsible for signing the contract (e.g. agency and landlord; beneficiary and landlord; tripartite agreement; agency and beneficiary etc.)? * Who will negotiate the rent if required? Consider that in some contexts the involvement of an NGO might lead to increased rental rates (perceptions that they can pay more), and in other contexts beneficiaries may have low negotiating power with landlords. * Will short term contracts be looked upon negatively compared to people who can commit to longer agreements? Will this make finding accommodation more difficult? * What will be the duration of the contract/agreement, and what conditions/responsibilities will be in place for all relevant parties? * How will potential conflicts between landlords and tenants be managed? |
| **Market Support** | * Are any complementary interventions required (e.g. legal advice services for tenants; referral or information system to match tenants with available properties; assistance for landlords to improve property conditions, rehabilitate facilities or increase housing stock available that meets quality standards etc.)? |
| **Risks and protection** | * Will additional families renting property contribute to cumulative demand and increased prices across the market? * Is there a risk of tensions or targeting of beneficiaries (e.g. between host and displaced populations) if there are perceptions that beneficiaries are obtaining more support than vulnerable host communities? * Is there a risk that landlords receiving support to improve/rehabilitate living conditions to meet minimum standards might evict beneficiaries to attract higher paying tenants? * Will language be a barrier for the newly arrived people e.g. in daily communication, rental negotiations, legal agreements? * What checks will be put in place to ensure there is no over-crowding potentially leading to protection issues? * Are the areas that target beneficiaries will likely choose to reside in considered safe or do they present risks for particular groups? Can these be mitigated/isare there alternative locations available? |
| **Exit strategy** | * What will the exit strategy of the programme be? * Are there referral pathways to link beneficiaries to more sustainable support? * Are there social welfare programmes that beneficiaries could be integrated in to? * Can beneficiary livelihoods be supported to enable them to be able to cover their own housing costs and how long would this take? * Do people intend to stay in the area or leave? When? * Could assistance be gradually reduced to enable beneficiaries to plan and manage their own contributions to housing costs? * Are there better alternatives for durable solutions? * Can beneficiaries be supported to access financing to find more durable shelter solutions? * How will beneficiaries be informed of the duration of the programme and the exit strategy from the start? |

Finally, based on the above considerations you should outline your recommendations for the programme. The findings of the assessment and subsequent recommendations should be documented in a short report to share with the S/NFI cluster and relevant partners.

1. Taken from preparation guidance in the EMMA Toolkit [↑](#footnote-ref-1)
2. See <http://www.cashlearning.org/downloads/calp-misma-en-web.pdf> [↑](#footnote-ref-2)
3. See the [EMMA Toolkit, Step 6: Mapping the Market](https://www.emma-toolkit.org/toolkit), for guidance on visualising a market system through market mapping. [↑](#footnote-ref-3)
4. Note: in order to understand the economic situation of the household and their capacity to cover rental/accommodation costs over time, it might be relevant to review available food security and livelihoods assessments or to conduct one. The Cash Working Group or Basic Assistance Sector may also have useful information on general vulnerability profiles and income/expenditure patterns of households. Information on the needs of the target group may have already been collected as part of a specific needs assessment. [↑](#footnote-ref-4)