

**THE EFFECTS OF OIL EXPLOITATION ON
RESIDENTIAL RENTAL HOUSING
A CASE OF SEKONDI-TAKORADI METROPOLIS**

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DECLARATION

I hereby declare that this submission is my own work towards the award of M.Sc. Development Planning and Management and to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

The resource curse theory has gained prominence in oil resource economies with emphasis on the macroeconomic, environmental and livelihood implications. Studies on its applicability to local urban and spatial development have been minimal. The study sought to join the discussion on the applicability of the theory to resource endowed areas and the implication it has for spatial development by adopting the Sekondi-Takoradi Metropolis as a case study. Recognizing the important role rental housing plays in the mobility of labour as well as an affordable housing choice for low and middle income earners, the study assessed the effects of oil exploitation on this important aspect of residential housing in the Sekondi-Takoradi Metropolis being the capital of the Western Region and the host city with the infrastructural and service capacity to support the oil exploitation.

The study adopted the mixed methods design to facilitate the collection and analysis of both quantitative and qualitative data. Multi-stage sampling procedure was used to select 361 tenants for the study. Non-probability sampling was used to select relevant stakeholders including the Town and Country Planning Department. Pretested questionnaires and interview schedules were used to collect data while Statistical Product and Service Solution (SPSS) (Version 20.0) software was used to analyze the household data. Content analysis was used for the institutional data. The major findings of the study were that the effects of the oil exploitation had not been simultaneous across the Metropolis with Takoradi sub metro recording the highest effects. Rents increased sharply particularly in Takoradi and Effia-Kwesimintsim sub metros from 2011 which resulted in increased relocation of tenants to cheaper rent areas in the Sekondi and Essikado-Ketan sub metros. The relocation of tenants would lead to the extension of social infrastructure to these areas which is a long term indirect effect. Unfortunately, no measure has been put in place by government or quasi-government institutions to increase residential rental housing in the Metropolis making the private sector exploitative.

It is recommended that the Rent Control Department be resourced to function effectively and efficiently. The private formal sector should be encouraged through tax incentives to extend its services to all income groups. This can be achieved through collaboration with the Social Security and National Insurance Trust as a mode of rejuvenating its residential rental housing provision.

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DEDICATION

To the JET Quarshie family

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List of Abbreviations

ACP	Assenta Property Consulting
CEPA	Centre of Economic and Policy Analysis
CHF	Christian Housing Foundation
GIPC	Ghana Investment Promotion Council
GIS	Geographical Information Systems
GNPC	Ghana National Petroleum Corporation
GREDA	Ghana Real Estate Developers Association
GSS	Ghana Statistical Service
HFC	Home Finance Company
MWRWH	Ministry of Water Resources Works and Housing
SAEMA	Shama Ahanta East Metropolitan Assembly
SHC	State Housing Company
SOPCL	Saltpond Offshore Production Company
SSNIT	Social Security and National Insurance Trust
STM	Sekondi-Takoradi Metropolitan
STMA	Sekondi-Takoradi Metropolitan Assembly
TCPD	Town and Country Planning Department
USA	United States of America
WAOFCO	West Africa Oil Fuel Company

CHAPTER ONE

HOUSING IN CITIES

1.1 Background to the Study

Housing is an essential part of the urban economy and a determinant of standard of living (Ong, 2013; Liew & Haron, 2013). In view of this, owning a house either by owner occupancy or renting is one of the key goals of life which every individual pursues. . Housing must therefore possess some basic qualities in order to function as an indicator of standard of living. Housing therefore entails more than just a roof over people's heads, it means also a secure and safe place where people can call home, as well as a basic fundamental of life. Housing includes all the social services such as security, sanitation and utility including water and electricity that make a community suitable for human habitation (Jiboye, 2011). These social services and utilities are important pull factors for labour and, invariably, investment since these thrive in areas that possess opportunities for improved livelihoods and return on investment. According to the Bank of Ghana (2007) a good housing market will provide a number of positive externalities as well as direct consumption benefit and the potential of becoming an engine of economic growth, because of its high yield on invested resources to the larger economy.

Poor housing is, however, associated with health challenges including increased risk of cardiovascular diseases, respiratory diseases, depression, anxiety and infectious diseases such as tuberculosis (World Health Organization, 2010). In spite of the threat that poor housing poses to human habitation, in advanced and developing economies alike, cities struggle with the dual challenge of housing their poorest citizens and providing housing at a reasonable cost for the low- and middle-income populations (UN-HABITAT, 2008).

In a quest to improve livelihoods, people locate to areas where access to social amenities and opportunities abounds resulting in the growth of cities. Urbanization is thus associated with economic growth since urban centres serve as growth poles and a pull factor for labour. However, accessing housing in cities is becoming increasingly difficult since supply cannot equal demand. Yinger (2005) argues that as more people move into the city, the population growth of the city exerts pressure on the available land, which is also fixed in supply and is a key

component in the housing construction. Plänitz & Kuzu (2015) further argues that this invariably makes land and housing expensive in cities. It is, therefore, not surprising that capital, namely land and finance has been identified as the major challenging factors influencing residential housing supply in cities worldwide including Ghana (Acquah, 2011). Amenyah & Fletcher (2013) therefore, concludes that renting, offers a more affordable way for many people to gain access to accommodation in cities today.

Residential rental housing supply plays an important role in government policies across countries and Ghana is no exception (Bangdome-Dery, Eghan & Afram, 2014; Kwofie, Adinyira & Botchway, 2011; Arku, 2009). Almost all government regimes in Ghana have undertaken some considerable residential rental housing projects to at least cater for public sector workers. For instance during the Busia regime, low cost houses were constructed across the country under the “*Rural Development (1969-72)*” plan with the aim of achieving a house occupancy rate of 10 persons per house (NDPC, 2015; Bangdome-Dery, Eghan & Afram, 2014). According to the Opoku-Boateng (2012), even though the infamous public-private partnership between the Government of Ghana and STX Engineering and Construction Company of Korea which was initiated by the ruling National Democratic Congress government never materialized, it was aimed at providing decent accommodation for more than 70 percent of Ghanaians who could not afford to buy or build their own houses. Thus, indicating government’s strong desire to improve urban residential rental housing, supply.

In spite of the direct contribution of the state to residential rental housing supply, quasi-government institutions such as the State Housing Company (SHC) and Social Security and National Insurance Trust (SSNIT) have also contributed to the supply through the construction of affordable residential rental housing units across the country, even though the latter have in recent times discontinued their residential rental housing provision. SSNIT constructed flat and apartment units for low income workers but, regrettably, it was the middle to upper income groups who even though were not the intended target group, benefited from the diversification of the project in 1999 owing to some operational and managerial challenges (Bangdome-Dery, Eghan & Afram, 2014). Kwofie, Adinyira & Botchway indicates that, State Housing Corporation on the other hand, employed the counterpart funding scheme for its residential housing provision. Under this scheme, prospective owners were required to make 20-25% down

payments on the cost of the house and the rest spread across an agreed period. This approach has also not yielded the expected results and similarly the upper class working urban populations have been the major beneficiaries. The poor outcome of this scheme was largely due to resource mobilization and inconsistency in the disbursement of funds for construction.

In view of the challenges in using both direct government investment and the quasi-government institutions to address the residential housing shortages in the country the private sector became the next best alternative. The sector has become more prominent and vibrant in urban housing provision nationwide. The private sector-led Ghana Real Estates Developers Association (GREDA) according to Habitat-U.N. (2011) provides high-quality dwellings, often in gated estates, but in relatively small quantities in Ghana. From 2000 to 2007 GREDA members had provided 2100 units in the three major cities of Ghana namely Accra, Kumasi and Sekondi-Takoradi. However, owing to the fact that these entities are profit oriented, concerns on the affordability and availability of their products have been raised.

Sekondi-Takoradi is the third largest city in Ghana and West Africa's newest Oil City with the discovery of oil in commercial quantities in 2007 (Sakyi et al, 2012; Obeng-Odoom, 2012; GSS, 2012). This new accolade has been accompanied by significant economic developments including the creation and provision of jobs in the oil and gas sector. The country's tertiary institutions have also taken the opportunity to introduce new courses and programs to attract prospective employees. The media and parliament have also played an important role with various discussions on the opportunities and effects of the sector on the economy in the long-run (Obeng-Odoom, 2012). The oil discovery and its associated activities are resulting in the upward surge in prices of residential housing and commercial facilities within the Metropolis. Sakyi et al, (2012) and Yalley & Ofori-Darko, (2012) cited in Obeng-Odoom, (2012) indicate that since the oil discovery in 2007, when the status of Sekondi-Takoradi's as an "oil city" was publicized, land and housing price within the Metropolis have risen by at least 200%.

Prospective tenants in Ghana are expected to pay for at least 24 months upfront as rent popularly referred to as "*rent advance*" before occupancy is granted (Plänitz & Kuzu, 2015; Obeng-Odoom 2009). Paying higher amounts of rent upfront (rent advance) usually implies that most tenants exhaust their savings or resort to the banks and other financial institutions for assistance.

CHF (2012) indicates that the Metropolis has a good representation of banks and financial institutions operating within the conventional formal finance system that provides credits for persons who seek housing finance in the country. Notable among them is the Housing Finance Company (now HFC Bank), which was set up ostensibly to serve ordinary Ghanaian households. Unfortunately these institutions only deal with the richest few and impose very high threshold for borrowing, high down-payment and high interest rates which discourages the lower and middle income majority (Habitat-U.N., 2011). This in itself is a huge impediment to these residents who may not have the saving or financial credibility to attract loans.

1.2 Statement of the Problem

The Western Region and, particularly, Sekondi-Takoradi being one of the transport and commercial hubs in Ghana have attracted scores of labour with a total migrant population of 44.44 percent of the 2010 population of 559,548 (Obeng-Odoom, 2012; GSS, 2012). Residents in the city comprise both natives and migrants who desire to have access to residential rental housing amidst the growing urban populations and economic diversification at large. GSS (2014) indicates that 20 percent of the Metropolis total population of 559,548 had lived in the Metropolis for less than five years compared to the 19 percent of 1,665,086 for the Accra Metropolis. The increase in the migrant population for the Metropolis has been attributed to the oil discovery and its related industry. Consequently, the influx of migrants has increased demand for residential housing leading to an increase in renting charges as well as the duration for advance payments since renting is the most affordable choice of residential accommodation for migrant workers (Amenyah & Fletcher, 2013).

Also the price of land in the region particularly in Sekondi-Takoradi has increased based on this oil-induced migration and its associated increased demand (Plänitz & Kuzu, 2015; Obeng-Odoom, 2009; Obeng-Odoom, 2012). This has made housing, both commercial and residential, very expensive within the Metropolis. According to Obeng-Odoom (2009) a two bedroom house on sale within the twin city is priced in the range of \$30,000 to \$40,000 depending, among other things, on location, type of building materials and finishing. Some existing residential facilities are also undergoing major forms of remodeling to improve their residential conditions while others are being converted into commercial properties such offices and stores. The rationale is that the location of these properties provides a higher value in terms of rent and attracts better

clientele who are willing to pay higher prices. Some landlords use “*market induced eviction*” to evict their old tenants and attract higher-paying ones. Thus, whatever is left of the tenants’ rent is refunded to them especially when the rental period has not been exhausted under various pretentious motives.

In the light of these reasons, residents would require substantial amount of money to offset such payments. Both old and new residents who may not have any substantial savings and also the financial credibility to attract loans are therefore left in a state of insecurity in their financial accessibility to housing. Banks and other financial institutions that offer loans tend to have high rejection applications particularly for middle and low income workers (Acquah, 2011; Habitat–U.N., 2011). The above discussion affirms impediments in accessing decent housing for both old and new residents within the Metropolis. For this reason, residents in accessing housing are found deficient in terms of meeting their housing demands due to the expansion and continuous growth which the local economy of Sekondi-Takoradi is experiencing.

In the light of the oil production studies have presented diverse views on the effects of oil production on housing as an applicability of the resource curse theory. Boxall, Chan, and McMillan (2005) concluded that natural gas development in Alberta, Canada decreased residential property values, potentially through the degradation of the local environmental amenities whilst in Eastern Montana escalating housing cost had forced low income families to relocate to communities where rent is relatively cheaper (BBC, 2013). Fleming and Measham (2013) observation provides a further explanation to the findings of BBC (2013). It indicates that as the population in the host region increases, demand equally increases and low income earners are eventually forced out of the market since their income cannot afford the prevailing rent. These studies argue that the resource theory is not limited to the macro-economy but also housing; a component of the local economy (Farren, 2013). In Pennsylvania, USA, the increased housing rents associated with the oil production resulted in the establishment of Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE), a need-based housing assistance (Higgins, 2009). This response in USA indicates the contribution of this research to housing policy. The study therefore sought to fill the gap between research and practice by assessing the effects of the oil exploitation on land and housing rents in the twin city as a perspective to the resource curse theory.

1.3 Research Questions

In view of the foregoing discussion, the following questions were formulated to address the main research problem:

1. What are the demographic and socio-economic characteristics of tenants within the Sekondi-Takoradi Metropolis?
2. What are the changes in rental housing within the Sekondi-Takoradi Metropolis?
3. What are the changes in housing developments within the Sekondi-Takoradi Metropolis?
4. What are the perceptions of stakeholders on the effects of oil exploitation on rental and housing developments within the Sekondi-Takoradi Metropolis?

1.4 Objectives of the Study

In view of the research questions in 1.3, the study has general objective of examining the effects of the oil exploitation on rental and housing development in Sekondi-Takoradi and explore the applicability of the resource curse theory to urban housing to inform housing policies. The specific objectives of the study are to:

1. Analyze the demographic and socio-economic characteristics of renters within the Sekondi-Takoradi Metropolis.
2. Examine the changes in rental housing within the Sekondi-Takoradi Metropolis.
3. Examine the changes in housing developments within the Sekondi-Takoradi Metropolis.
4. Explore the perceptions of stakeholders on the effects of oil exploitation on rental and housing developments within the Sekondi-Takoradi Metropolis.

1.5 Scope of the Study

Residential rental housing is usually the first choice of migrants since it offers the lowest cost to residential accommodation compared with owner occupancy of 32.8 percent and mortgage of 1.3 in STMA. The contextual scope of the study therefore centres on the changes in rental housing and land prices within the Sekondi-Takoradi Metropolis. The study geographically centres on Sekondi-Takoradi Metropolis which has a total population of 559,548 representing 23.5 percent of the Western Region's total population (GSS, 2014). The Sekondi-Takoradi Metropolis is located at the south-eastern part of the Western Region and is bordered to the west by the Ahanta West District, to the east by Shama District, the south by the Atlantic Ocean and the north by the

Mpohor-Wassa East District (refer to Plate 3.1). The Metropolis covers a land size of 191.7 km² and it is the administrative capital of the Western Region. The Metropolis has the smallest land size among the 22 districts of the Western Region. However, it is the most urbanized. In view of its status as the regional capital, it is the main recipient of most of the oil related services as well as an important transport hub for the economy of Ghana with its harbour, rail and road networks (CHF, 2012; Obeng-Odoom, 2014).

1.6 Significance of the Study

The discovery of oil in Ghana has triggered various discussions on its effect on the socio-economic livelihoods of Ghanaians. This study draws the attention of the state, urban planning authorities, public and private housing providers to the residential rental housing market in Sekondi-Takoradi due to the oil discovery as the Metropolis thrives to develop through both foreign and local investments. This study brings to light the resultant effect of migration associated with the exploitation of oil on the residential rental housing market. It also stimulates discussions among the various stakeholders and researchers on the possibilities of increasing residential rental units and enforcement of rent regulations in Ghana and Sekondi-Takoradi in particular. In the area of academia, the research seeks to contribute to the discussion on the applicability of the resource curse theory to rental housing and land values.

1.7 Overview of Methodology

This study adopted the mixed methods design. This design consists of two phases which were undertaken sequentially: either quantitative followed by qualitative or vice versa (Creswell et al, 2010). In this design, qualitative data was obtained through review of literature, discussions with the landlords as well as interviews with relevant institutions namely SHC, Real Estate Developers, Town and Country Planning Department of STMA and Rent Control Department. Subsequently quantitative data was collected through questionnaires from tenants from selected communities through cluster sampling. The rationale for this approach is that the qualitative data and its subsequent analysis took an in-depth approach in examining the effect of the oil exploitation on residential rental housing within the Metropolis. The quantitative data analysis further provided a general understanding of the effects of the oil exploitation on demand and supply of housing within the Metropolis through statistical analysis. The analysis of household data was done using the Statistical Product and Service Solutions (SPSS) (Version 20) software.

1.8 Organization of the Study

The study is organized into six chapters. The first chapter captures the background, problem statement, research questions, study objectives, scope of the research, and significance of the study, methodology, limitations and organization of the study. The second chapter centres on the review of literature on the resource curse theory, and the effects of oil exploitation on residential rental housing. The residential housing market in Ghana, rental housing and the regulations that protect tenants and landlords are also discussed. The chapter also discusses the measures taken by city planners in situations of oil exploitation to increase residential housing in host cities.

Chapter Three discusses the methodology and the profile of the study area. The methodology provides a detailed discussion on the process and stages used in the data collection. It gives details on data requirements and sources, data collection methods, sampling techniques, and instruments used in obtaining the data and allocations of instruments to households within the selected communities. The profile of the study highlights the history of the study area, physical, housing and economic characteristics. Chapter Four discusses the main findings from the study by focusing on the analysis and presentation of the data collected from the various stakeholders involved in the study. The data collected are presented in tables, charts and pictures. Chapter Five concludes the report with the summary of major findings and recommendations to affect the decision making policies and strategies of the Sekondi-Takoradi Metropolis in terms of residential renting housing.

CHAPTER TWO

RELATING OIL EXPLOITATION TO RESIDENTIAL RENTAL

HOUSING

2.1 Introduction

This chapter explores literature with regard to residential housing in cities as influenced by oil discovery and exploitation. It reviews studies and theories on effects of oil discovery on the host cities and the changes effected by the discovery on the urban environment. Housing delivery in Ghana and the models that influence consumer choice and preference are also highlighted to appreciate their relationship to demand and supply in the urban areas. This forms the theoretical background and provides a basis for the conceptual framework of the study. The chapter concludes with a summary of the theories and issues discussed and their relevance to the study.

This recent discovery of “black gold”, as christened in Ghana, in commercial quantities has been welcomed with great optimism due to the enormous financial resources that can accrue from the industry. J.A Kuffor (*President of Ghana 2000-2008*) noted with great optimism that revenue from the oil exploitation would facilitate the provision of social amenities which will accelerate the current pace of development (Darkwah, 2010; Obeng-Odoom, 2009). This optimism is shared by a lot more people especially the youth who have moved into the twin city of Sekondi-Takoradi; the capital of the Western region and home of the oil exploitation to be a part of this new industry. Others have taken the opportunity to enroll in various schools to undertake courses that would assure them jobs within the industry. Another view as described by Obeng-Odoom (2009) is that oil is inherently a curse; however, with transparent and corruption-free governance, the blessing will outweigh the curse. This position has been echoed in the documents of institutions and researchers (CEPA, 2010; Hobenu, 2010; Holden, 2013 Humpherys, Sachs & Stiglitz, 2007) and has become a part of the current political and public discuss. The next section discuss the history of oil exploitation in Ghana.

2.2 History of Oil Discovery and Exploitation in Ghana

Oil is considered an important commodity on the world market, since its price has a great influence on other commodities including gold. Its importance can be attributed to its significance as a factor of production. It is therefore undeniable that it fuels the global economy (Darkwah, 2010). Ghana's oil exploration is said to have begun two centuries ago around the nineteenth century during the colonial administration (Aratuo, 2012; Owusu & Nyantakyi, 2013). West Africa Oil and Fuel Company (WAOFCO) was the first to initiate petroleum exploration in Gold Coast (now Ghana) in 1896. The role of WAOFCO in the oil exploration was linked to five drilled wells between 1896 and 1903 in the onshore Tano fields of the Western region of Ghana (Owusu & Nyantakyi, 2013).

According to Aratuo (2010) other several companies got involved in the exploration after independence but it was not until the 1960's that successive governments began to seriously search for oil in commercial quantities. Between 1966 and 1967 the government of Ghana contracted a Romanian Company to drill a well in the Eastern part of Ghana. Owusu & Nyantakyi (2013) indicates that, Signal Amoco Oil Company made the first actual discovery of deposits in 1970, approximately 100 kilometres West of Accra even though the quantities were modest. This site was named the Saltpond Offshore Field, with an approximated 45 million barrels of oil. Operation in this site began eight years after discovery. Unfortunately, the quantity levels fell below economic levels leading to its closure in 1985. Further discoveries were made by Volta Petroleum and Zapata Oil Company in 1970 and 1973 respectively (Aratuo, 2010).

Based on these exploration results, the Ghana National Petroleum Corporation (GNPC) Act, 1983 was enacted in 1985 to establish the corporation. The mandate of the corporation was to promote the exploration and development of the petroleum resources of the country. However due to the non-availability of technical and financial capacity, GNPC's efforts were impeded resulting in its collaboration with international oil companies (Owusu & Nyantakyi, 2013). These collaborations aided in the drilling of wells as well as the acquisition of seismic data for further explorations. In 2000 GNPC entered into a joint partnership with Lushan Eternet to form the Saltpond Offshore Production Company Limited (SOPCL) which subsequently resumed operations on the offshore Saltpond field believed to be currently producing about 600 barrels per day (bpd) of crude oil. However, it was the collaboration between GNPC, Kosmos Energy

and Tullow Oil that yielded the biggest discovery in 2007 (Aratuo, 2010). In view of the above discussion the next section explores some theoretical perspective of the natural resource exploitation and its effects on the macro-economy of the host country.

2.3 Theoretical Perspectives on Natural Resource Exploitation

The exploitation of natural resources though has been seen as a key to development, has also ignited numerous debates geared towards assessing the real effects and impact of these exploitations on the development of the host economy. Studies assessing this effect have unearthed two common divergent arguments. The first considers the exploitation of natural resource as the key to development, because it causes massive changes which provide the impetus to economic growth. Whereas the second argument, not entirely in opposition, believes that natural resource exploitation does not always result in the positive economic growth and development of the host regions but rather results in a “*curse*” (Plänitz & Kuzu, 2015; Obeng-Odoom, 2009).

In order to appreciate these divergent and important views on how a resource could be a curse or a blessing there is the need to first define what natural resource is. Natural resource can be defined as any material that exists in nature independently of the human industry and that is utilized in some way by humans (Robinson, 2004).

2.3.1 The Effects of Natural Resource Exploitation on the Macro-economy

Natural resource unlike other sources of wealth does not need to be produced. It simply needs to be extracted and since it is not a result of a production process, its generation can occur quite independently of other economic processes that take place in a country. It is thus an “enclave” (Humpherys, Sachs & Stiglitz, 2007). Natural resources like oil and gas in particular are non-renewable and from an economic perspective they are less like a source of income and more like an asset. The potency of these resources is therefore highly dependent on their use and through exploitation their effects are felt on the larger environment.

2.3.1.1 Natural Resource Blessing

In spite of the pessimistic view that oil would be a curse rather than a blessing, several divergent views have emerged based on the economic growth of natural resource economies including Norway and Botswana (Sachs & Warner, 2001). Norway in 1962 had a GDP per capita of US

\$1,610 and was one of the poorest countries in Scandinavia, by 1990 its GDP per capita had increased to US \$26,010 indicating that the exploitation of a natural resource, in this case oil, can propel the growth of an economy (Darkwah, 2010). In the 1970s and 1980s, oil income resulted in the over-valuation of the Norwegian currency and a surge in domestic inflation. As part of the country's oil management strategy, the State Petroleum Fund was established in 1990. Its mandate was to manage most of the oil revenue in foreign assets. Norway invests heavily in its Government Pension Fund with about 80% of the oil revenue. By January 2009, a total asset under the management of this fund was about US\$ 301 billion (Hobenu, 2010). This indicates that the key variation across resource-abundant countries is the quality of the political institutions. In countries with producer friendly institutions, with good protection of property rights, reliable public bureaucracy and little corruption, natural resources are more likely to lead to economic growth. Norway already had these institutions in existence prior to the discovery of oil hence it was better resourced to manage emerging issues (Holden, 2013).

2.3.1.2 Resource Curse Theory and Dutch Disease Concept

The term resource curse was first proposed by Auty, 1993 (*The Resource Curse Thesis*) to describe how resource-rich countries generally develop more slowly as compared with the less or non-endowed countries, but it was Sachs and Warner who popularized the term (Fleming and Measham, 2013). According to Karl (2007), the theory refers to the negative growth and development outcomes associated with minerals and petroleum-led development. In its simplest sense, it is the inverse relationship between high levels of natural resource dependence and growth rates. Wang (2010) describes it as the Paradox of Plenty because countries and regions with an abundance of natural resources, specifically non-renewable resources like minerals and fuels, tend to have less economic growth and worse development outcomes than countries with fewer natural resources. The real issue with this irony is why some countries with such abundance still slack in the growth process since not all countries with resources experience slower growth as compared with countries without these resources.

The causes of this resource curse are still a matter of debate since the negative association between growth and oil and mineral wealth cannot be attributed to the mere existence of the natural resource itself, but a combination of factors within the host region or country. Four of these factors are discussed as follows:

First, oil windfalls can hurt other sectors of the economy by pushing up the real exchange rate of a country's currency, thus rendering other exports non-competitive. This phenomenon is known as the "Dutch Disease" (Karl, 2007). The Centre of Economic and Policy Analysis (CEPA, 2010) argues that as a result of the boom in a natural resource sector of an economy, the non-resource tradable sector shrinks and becomes unproductive. Thus the country's focus shifts to the resource sector which leads to a reduction in competitiveness of the agricultural and manufacturing exports sector. Eventually this *disease* "crowds out" other productive sectors and makes the diversification of the economy difficult, resulting in a permanent loss of competitiveness. This may also make the economy more vulnerable to the resource-specific shocks.

Second, oil economies tend to be susceptible to shocks on the international market basically because their prices are determined beyond the control of producers. In the long run, such economies encounter economic developmental challenges since the external price shocks affects budgetary discipline, public finance control as well as state planning. Volatility also exerts a negative influence on investment, income distribution and poverty alleviation (Karl, 2007).

Third, since the oil industry is an enclave as well as capital intensive, as compared with the other sectors of the economy, it tends to create fewer jobs. In most cases the jobs created do not fit the local profile of the unemployed especially in the short run. Ultimately, if the oil sector had a significant multiplier effect, the linkages between the other sectors of the economy would not have created any challenges, but this is usually not the case. Again, technology diffusion and infrastructure development opportunities accruing from the oil sector are limited and as a result when downstream processing industries eventually emerge in the long run they usually tend to be at a competitive disadvantage (Karl, 2007).

Fourth, petroleum dependent countries are susceptible to policy failure due to the utilization of oil resources. This can be attributed to the absence of pre-existing institutions to regulate or manage oil operations and resources. Eventually, the revenue from the sector transforms these countries into rentier states in which the economy becomes heavily dependent on the profits from the oil sector rather than the extraction of a surplus from its own population. Economic and political power in rentier states, is especially concentrated, hence the lines between public and

private are blurred, and rent-seeking as a wealth creation strategy becomes rampant. Rentier states are extremely inefficient because productive activity suffers and self-reinforcing vicious development cycles set in motion. The combination of these four mentioned factors slows the growth of the host country as well as raise powerful barriers to the diversification of the economy away from petroleum (Karl, 2007).

The Oil States such as Nigeria, Mexico and Venezuela, are often cited as typical examples of the category of countries that in spite of their continuous exploitation of natural resources have stagnant economies which did not grow at all and even experience periods of negative growth (Plänitz & Kuzu, 2015; Sachs & Warner, 2001). The next sections discuss the components of residential housing market and subsequently how the of oil exploitation affects this important aspect of the urban economy.

2.4 Components of Residential Housing

Residential Housing affects a significant part of urban and social behaviour, quality of life and access to amenities (Quayson, 2012). Its ramifications are more than mere shelter; access to decent affordable housing is fundamental to the health and well-being of people and the smooth functioning of economies, yet in cities the world over its price and availability contributions significantly to the formation of slums and informal settlements.

2.4.1 Land for Housing

According to Yinger (2005) land is an important component in any discussion on housing, because it is an essential input and provides its spatial dimension and argues that an understanding of land concepts also provides a simple and beneficial appreciation of the housing market concepts. Land is also considered an important factor of production, central to life and self-dignity of all humans due to its social and economic benefits. FTI (2012) argues that it is fixed in supply making it access difficult, expensive, competitive and usually disenfranchising the poor since the highest bidder gets the deed. Land is an input that goes directly into producing housing and by determining its price, two main concepts "*land rent*" and "*land values*" are employed. Land rent refers to the price a consumer is prepared to pay for using a unit of land whilst land value refers to the price a consumer pays for buying a unit of land.

These two concepts in addition to the location of the land provide an understanding of its pricing and demand in the urban housing market. However, the relationship between land and the price of housing is positively elastic in the sense that as the price of land increases housing price equally increases. Speculation also plays an important role in the pricing of land particularly with respect to oil-induced urbanization as the expectation of an influx of migrants and the obvious need for housing causes land prices to rise. This invariably affects the price of housing particularly in areas with fairly serviced electricity, water, roads, telecommunication and sanitation.

2.4.2 Demand and Price for Residential Housing

Residential housing demand in urban areas is driven by households' desire to live in cities due to increasing taste for urban living which is characterized by employment, social amenities, and consumption opportunities (Sinai, 2007). Demand in its simplest sense refers to the level of desire or need for particular commodity as well as the ability to pay for this commodity. With respect to housing it is the desire or need for a secure place that can protect one from the weather and intrusions of unwanted people as well as the ability to pay for this need. The main determinant of demand for housing is population size and growth. However, other demographic variables including family size, the age composition of the family, net migration, death rates and divorce rates also influence demand for housing. Other factors including household income, price of housing, cost and availability of credit, consumer preference, investor preference, price of substitutes, and price of complements; all play a role in determining the demand for housing.

It is important to note that in today's cities, housing is demanded by households and commercial consumers. Households demand residential housing whilst commercial consumers demand housing for business purposes including offices, stores and warehouses. Thus, these two groups of consumers compete for housing in the city. This competition has a great influence on the rent or price of housing. As the demand for residential housing increases existing residential facilities are expanded to offer more rooms while new ones are constructed. In some cases commercial housing such as offices and stores have their use changed to residential. Similarly in cases where the demand for commercial housing exceeds the demand for residential housing in particular locations the latter has its use changed to compensate for the surplus demand. Beside the excess demand and supply shortages, the location of these facilities also influences the housing

conversion or change of use. As such, residential facilities in the central business districts (CBD) have a great possibility of being converted for commercial purposes as compared to those in the peripheral as the demand for commercial housing increases (Acheampong & Anokye, 2013).

The ability of both households and commercial consumers to pay for housing depends on income. The role of income in the demand for housing is emphasized and exhibited by their positive income elasticity relationship. That is, as income increases, demand for housing equally increases. With respect to natural resource exploitation, as the population of the host region increases, demand for housing and land equally increases and since more often than not this class of workers (*oil and offshore services workers*) has a higher purchasing power greater than the local residents, it constrains the purchasing power of the latter, making it difficult for many to meet the costs of basic needs such as housing (Higgins, 2009). This also results in market induced evictions as most landlords or home owners take the opportunity to increase rents based on this increase in demand.

In addition to income, households and commercial consumers also consider other variables including location, accessibility and facilities. The price of a house within a given location rises with improved accessibility to public infrastructure like roads, markets, schools and transport services since these amenities act as pull factors that attract consumers. These factors also allow property owners or brokers to bid up the price of housing in such neighbourhoods' according to the market demand (Liew & Haron, 2013). This also explains why certain areas within the city have richer clientele than others creating the various residential classifications.

2.4.2.1 Understanding Consumer Behaviour in Housing

Acquiring a home is a huge financial commitment that holds a potential influence on the quality of life, access to opportunities and transportation patterns of families and individuals. It is, therefore, not surprising that residential location choices shape our cities in diverse ways since studying these decisions holds the potential of providing an understanding of the culture, aspirations and expectations of a country's residents (Montgomery & Curtis, 2006). Location plays an important role in the mobility of a household as an important decision factor. Locational choices as some of residential housing decisions are usually made in stages and influenced by a range of pull and push factors. According to Rossi (1955; cited in Curtis & Montgomery, 2006),

reasons for moving are divided into those which pertain to the decision to move out of the former home - “pushes” - and those reasons pertaining to the choice among places to move to - “pulls”.

Push factors may include an increase in externalities like pollution or crime, changes in housing affordability, dissatisfaction with the current dwelling or changes in household structure (as a result of a birth, death or divorce). Pull factors, on the other hand, include access to good quality public services (such as schools and health care facilities), employment, leisure and recreational opportunities or the fulfillment of housing aspirations (Montgomery & Curtis, 2006). Based on these determinants, models or theories have emerged offering an explanation to the behaviour of consumers in terms of their response to their housing needs. These include the socio-economic model of residential segregation and the hedonic model.

The socio-economic model of residential segregation proposed by Hawley (Steggell et al, 2003) provides an explanation to the clustering of families with similar socio-economic attributes in similar locations. The main influencing factor in the distribution and segregation of families into clusters associated with the model is income. Thus income becomes the paramount indicator of the locational needs of households. This model is similar to the sectoring model in residential location which also explains clustering in residential housing. The sectoring model explains that households with similar income levels tend to live in areas of the same characteristics (New Jersey Office State Planning, 1992). According to Montgomery & Curtis (2006), suburbanization is in part driven by a desire for segregation in which higher-class households will relocate to separate themselves from lower-class households. The sectoring model have been used to explain the quality of housing units demanded by households of larger sizes; thus the larger the household the lower the quality of housing units. Thus the prime focus of the household is space and not necessary the quality of the space in this case housing (Steggell et al, 2003). In essence the type of people living in a particular community can play a key role in people’s housing choices. This has been evident in housing research by Steggell et al (2003) and Curtis & Montgomery (2006) which has shown that social stratification and homogeneity is important to residential location choices.

The Hedonic model suggests that since location and prices are the major determinants for households to acquire a particular housing, the price they are willing to pay for housing is the

result of a rational economic decision intended to optimize a family's budgeted ability to pay. The price of the house will include the size of plot, construction cost and commuting costs as well as intangible costs such as low crime, better schools and an attractive neighbourhood setting all of which constitute the pull and push factors. This model is explained similarly by the '*Tiebout hypothesis*' (named after Charles Tiebout work of 1956). According to this theory the main factor influencing household location choice is quality and cost of municipal services (Montgomery & Curtis, 2006). The central idea of the model is that housing consumers '*vote with their feet*' by weighing up the value of local services against local taxes and then they make residential decisions that best reveal their preferences for those services. Services usually evaluated by households when choosing a residential location include public libraries, health services, education, refuse collection and street cleaning, leisure services (including parks and sports facilities), social services and law enforcement (Sinai, 2007). Residential mobility and choices based on this model are also a determining feature in residential segregation and sorting.

2.4.3 Supply of Housing

Supply refers to the quantity of a given good or service that is made available to consumers at a given price in a given period of time. Supply of housing is the total units of houses constructed and made available on the markets for consumers to buy or rent (Yirenkyi, 2014). The supply of housing is influenced by cost, price of existing stock of houses, the technology used in construction where the material cost tends to contribute the largest share of the construction cost (Yirenkyi, 2014). In the short run, supply tends to be price inelastic, thus an increase in cost will have very less effect on supply. However, over a longer period, it tends to be very price elastic that is an increase in cost will lower supply. The degree of elasticity depends on the elasticity of substitution and supply restrictions.

The supply of residential rental housing in cities is by three main providers namely the public, institutional and private developers. The public provider is the state which usually provides social housing that is designed for low and middle income earners. These housing projects are embarked on by its ministries and agencies such as the Ministry of Water Resources, Works and Housing and quasi-state institutions such as SHC as the case of Ghana. Institutional providers constitute companies and institutions both public and private that provide residential housing for its staff and students. Charities and housing associations which provide housing principally but

not entirely for the poor are also included in this category. Housing associations in many parts of Western Europe have increasingly taken over the task of providing cheap rental accommodation from governments. Private providers are the largest providers of residential housing and they are composed of the private formal and informal developers. The private formal providers are those that are formally registered under the law as real estate developers and provide services including luxurious and apartment units for middle and upper income earners. The private informal providers are the individual householders; their units cut across all income groups and are usually the largest suppliers (UN-HABITAT, 2011).

2.4.4 Rental Housing

Rental housing can be simply defined as a property owned by an individual other than the resident or by a legal entity, and for which the resident pays a monthly rent to the owner. Rental housing plays an important role in the housing market of countries worldwide whether developed or developing. According to Amenyah & Fletcher (2013) cities in developed countries such as Germany (Berlin), Switzerland (Geneva), have 90 and 85 percent respectively of residents living in rental apartments and over 50 percent of residents in Paris are renting residential accommodation. The United Nations Commission on Humanitarian Services (Gilbert, 2003) attests that about half of residents in urban areas in developing countries are renting residential housing units. In 1980 for instance, 80 percent of Abidjan residents were tenants; in 1984 Nigeria's port city of Port Harcourt had 88 percent of its households living in rental accommodation (Amenyah & Fletcher, 2013). The situation is no different from South Africa, one of Africa's economic giants, Watson and McCarthy (1998) indicates that 90 percent of migrants in Johannesburg either rent or share accommodation with family or friends upon arrival in the city. This goes to show the significant role residential rental housing plays in cities.

According to Tripple et al (1999) rental housing has little recognition of credibility as an alternative tenure option despite its dominance in the urban housing market of Ghana. This has reflected in the housing specific interventions of Government. Watson and McCarthy (1998) asserts that, the issue of renting has not received any prominent feature in policy discussion in most developing countries over the last two decades. This has been heightened by the myth that home-ownership offers a better life than renting influencing the decision of government of developing countries to concentrate on turning tenants into homeowners. Therefore, it is the

important that governments in developing countries review residential rental housing as part of their social responsible. The importance of residential housing is diverse; however five of these are discussed as follows:

First, Residential rental housing provides a natural outlet for households that cannot afford to buy a home, or to meet the down-payment requirements for mortgage, or access credit. This is usually the category within which the new entries into the labour market as well as the low income groups fall (Avery, Canner & Robert 2005). Tipple et al (1999) argues that cost in renting is low compare to the cost of building and this reduces the burden imposed on households in acquiring accommodation in urban areas. *Second*, renting of residential housing enhances the mobility of labour taking into consideration the geographically locations of employment. This is because transaction costs linked to purchase and mortgage loan as well as ownership entail higher fixed cost which amortized on a longer period is eliminated. It therefore allows labour to move from one location to another in search of better employment opportunities (Green & Hendershott, 2001).

Third, it serves as an asset or investment for landlords especially among low-middle income landlords/ladies. This according to Avery, Canner & Robert (2005) is because proceeds from rental housing as an investment generate income to complement other income sources of landlords. It is used to substitute for the insufficient pension system for informal sector workers, thus a critical element of welfare improvement for the elderly. According to the Public Legal Education renting provides the landlord to offset some expenses such as utilities with proceeds from tenant's rents. *Fourth*, renting also offers households the opportunity to manage their budgets by relocating into cheaper housing units or areas when there are changes in the housing market, household structure, incomes and vice versa when income increases. It also enables them to manage their expenditure on education, food and other essentials. Fleming and Measham (2013) argue that without the flexible of relocating to cheaper rent areas associated with renting low income earners would be homeless in periods of rent hikes. *Fifth*, it provides the opportunities for city planning authorities and government at large to reduce the housing deficits as these units cut across all in groups. The tendency for the development of slums and other informal settlement is reduced to its barest minimum invariably improving the functionality of the city (Green & Hendershott, 2001).

2.4.5 Housing Delivery in Ghana

The provision, affordability and accessibility of housing form an overwhelming challenge for most Sub-Saharan African countries regardless of their universal recognition and importance as playing a key role in the physical and social well-being of man (Kwofie, Adinyira & Botchway , 2011). It is therefore, not surprising that the full supply of proper decent housing for the low and average income earner is still an unresolved issue in many cities throughout the world. In the case of Ghana, the rate of housing delivery has been erratic and fallen short of the demand, which has culminated into several developmental problems such as high unaffordable rent, development of slums and ghettos and huge housing deficits which require heavy investments and sustained efforts over long periods to rectify (COHRE, 2007). According to Kwofie, Adinyira & Botchway (2011) the country's housing deficit as at 2010 was 1.2 million house-units as against an annual delivery of 199,000 house units which are dominated by individual self-house projects. In an attempt to rectify this housing challenge, diverse efforts have been expounded by key housing players including individuals, private developers and government before and after independence even though these results have been below expectations (COHRE, 2007). Until recently, housing provision was considered the sole responsibility of the government, and persons who could afford took steps to provide for themselves or on a commercial basis (Kwofie, Adinyira & Botchway , 2011).

During the pre-independence era, housing interventions concentrated primarily on the provision of staff bungalows for the senior public officers of the then colonial government across the country with an emphasis on the various regional capitals, towns and mining areas through direct funding by the colonial government (Kwofie, Adinyira & Botchway, 2011). These developments had a limited or no consideration for the average, poor and non-working class until the 1920s and after the 1939 earthquake in parts of capital Accra. Bangdome-Dery, Eghan & Afram (2014) asserts that the involvement of the state in the provision of housing for the average, poor and non-working class can be traced back to the 1900's when the then colonial governments could not ignore the impact of poor and unhealthy living conditions experienced by dwellers in Accra and Kumasi. As a result the 'Dispossessed Persons Housing Scheme' was initiated in 1923. The key goal of the scheme was to provide housing assistance in the form of building materials and loans for natives dispossessed as a result of government development programmes.

The focus of the state in public housing has not been towards renting but rather assisting households to become home owners. This is evident through the various housing policies from first republic to date. These interventions in the form of housing schemes, geared towards improving the needs of the low and average income earners, have yielded very minimal and almost insignificant results. Public housing constituted about 10% of the total housing stock of 70, 000 by 1982 as against over 80% from private individuals. This has dwindled to almost zero today as a result of the inability of successive governments to complete their numerous housing projects (Kwofie, Adinyira & Botchway, 2011). This may be attributed to the piecemeal and ad hoc and no continuity nature of development planning in Ghana coupled with financial constraints. The failure of the housing delivery system in the country to meet demand over the years is also a further indication of the need for long-term vision. A long-term National Housing Development Framework may possibly provide the needed road-map for housing provision which would also ensure strict adherence and implementation by all governments.

In spite of the direct contribution of the state in housing supply, quasi-government institutions such as the State Housing Company (SHC) and Social Security and National Insurance Trust (SSNIT) have also contributed to the urban residential rental housing delivery through the construction of affordable residential houses across the country, even though the latter have in recent times discontinued their residential rental housing provision. The main rationale for SSNIT contribution was to provide flats or apartment for low income workers as a means of investing the pension contribution or fund of public workers. Yet it was rather the average and upper income workers who purchased over 92% of the flats and became direct beneficiaries when the institution decided to sell its units in 1999 due to operational and managerial difficulties (Bangdome-Dery, Eghan & Afram, 2014).

The State Housing Corporation on the other hand used counterpart funding scheme for its housing provision. Under this scheme prospective owners were required to make 20-25% down payment of the cost of the house whilst the rest of the cost was spread across a scheduled period of time. This approach has also not yielded the expected results and similarly the upper class working urban populations have been the major beneficiaries. The main challenge with this scheme has been resource mobilization and disbursement in line with construction schedules (Bangdome-Dery, Eghan & Afram, 2014). It is interesting to note that these housing projects are

predominately urban biased and targeted for single family to the detriment of multi-habitation occupancy and rental housing.

In view of the limited contribution of both the direct government and quasi-government institutions in addressing the residential rental housing challenges of the country, the private sector became the next best alternative. The sector has become more prominent and vibrant in urban housing provision nationwide. The Ghana Real Estates Development Association (GREDA) is one of such organizations that have dominance in the housing supply market. The creation of this association was part of the reforms under the Structural Adjustment of the World Bank which Ghana adopted in 1980. According to COHRE (2007), this led to the design and implementation of the National Housing Policy as subsequent liberalization of the housing sector as well as the creation of the Home Finance Company (HFC).

For the fact that this association is profit oriented, the affordability of its products leaves much to be desired. Even though the private sector has been able to support the housing delivery system and has emerged as the major supplier of housing in Ghana, it has not been able to meet the needs of the majority of the populace. This can be attributed to the fact that only 8% of Ghanaians can afford to buy a house without a mortgage and 15% can access mortgages (Kwofie, Adinyira & Botchway, 2011). Again, being profit driven, the private housing sector has targeted the rich and prominent persons of the society to the neglect of the average income earner and the poor. This according to Plänitz & Kuzu (2015) is a contributing factor to the development of slums particularly in urban areas in the country.

2.4.6 Determinants of Rent

Economists usually rely solely on the interaction of demand and supply as an explanation to the determinants of rent, but this seems incomplete and sociologically naïve as rents within a particular area are determined by both economic factors (demand and supply) and a host of social factors including the motive of landlords (Amenyah & Fletcher, 2013). An understanding of the impact of certain characteristics on residential rental prices provides important information for rent regulations and policy making to guide the rental market of the urban economy. Population increase is an important factor in determining rental prices as it leads to excess demand for accommodation in the short run and eventually pushes up rent. In the short run supply is unable to meet demand and this automatically shoots prices up. The resultant

effect is the formation and emergence of slums in cities since most low income earners in particular cannot afford these new prices and so they resolve to sleep in unauthorized temporary structures such as kiosks, shops and containers in unauthorized locations. Another consequence is the sprawl of urban settlements involving poor residents who cannot afford increased rents and so move to the peripheral of the city where rents is relatively cheaper. This invariably adds to the cost of providing basic amenities like water and access to health facilities to these developing communities (Acheampong & Anokye, 2013).

Apart from demand and supply other economic factors including income level also places a role in the determination of rent. There is a positive relationship between income and rental prices in the sense that as the income level of residents within the city increases it incentivizes landlords to take advantage of the increased purchasing power of tenants and increase rental prices. This may not however occur in all localities within a city (Amenyah & Fletcher, 2013). The location of a residential unit also has a significant impact on the level of rent that a household is likely to pay. In New York City for instance, rent is charged based on the location with Manhattan commanding the largest rent. The age of the building also influences its rent as old residential units attract a lower rent as compared to the new units. Housing characteristics such as type of house, access to water, toilet, electricity, number of rooms all influence the rent that a household is likely to pay. The determination of rent, therefore, involves the interaction of a number of factors including demand, supply, population increase, income level, location and access to social infrastructure. The next section discussion the legal regulation pertaining to rental housing in Ghana.

2.5 Legal Regulation on Rental Housing

The legal framework on rental housing in Ghana defines and regulates the relationship between landlords and tenants with regard to rented premises. This is anchored on the Rent Act of 1963 Act 220 which also establishes the Rent Control Department. This department is the principal authority responsible for resolving disputes between landlords, tenants, and other persons with interests in rented premises. The department has in recent times been criticized for its minimal protection particularly with regard to tenants. The department which is also under-staffed and under-resourced encounters difficulties in the performance of its function of educating tenants and landlords on rights, adjudication procedures as well as enforcement. A major constraining

factor to its enforcement mandate is the absence of a subpoena power by the department in the settling of disputes which most often undermines the authority of the department. The department has also been tagged as being corrupt for accepting bribes from both landlords and tenants to swing decisions in their favour in cases of eviction, remodeling and rent payment (COHRE, 2007).

The Rent system in Ghana has generally been described as “pro-landlord” and market driven, for being detrimental to the needs of low income earners, according to COHRE (2007). The Rent Act provides the avenue for the free negotiation of the cost of rent by allowing unrestricted price increases at the discretion of the landlord. This premise has raised concerns that these unrestricted price increases tend to disenfranchise tenants since they are prone to frequent price increases which may lead to increased cases of tenure insecurity and poverty. In spite of this premise, however, section 19 of the Rent Act of 1963 Act 220 also states that rents should not increase just because property rates have increased without prior notice to the tenant in writing and unless the increase has been approved by the appropriate Rent Officer (UN-HABITAT, 2011). This clause is grossly violated by landlords who take advantage of the market dynamics to increase the rent without any notice to tenants.

The Act specifically restrains landlords from demanding a rent advance payment of more than six months. The six month ceiling was essentially to protect landlords from unstable market. However, this provision has been grossly violated throughout the country with landlords demanding as high as five years’ rent advance before occupancy (Planitz and Kuzu 2015; COHRE, 2007). Rent also increases by 55 per cent to 75 per cent at the end of each advance rent contract without recourse to the Act (UN-HABITAT, 2011). In the light of this, the Department has collaborated with the Ghana Law Reform Commission to develop a draft rent law currently under review by the cabinet to raise the rent advance period to one year. This review however excludes the renting and management of public residential buildings.

With regard to evictions, the Rent Act explicitly states that landlords should provide tenants with at least three months’ notice prior to eviction. This notice must be accompanied by reasons for which the tenant is being evicted. The law equally provides some conditions under which landlords can evict tenants all of which the three months’ notice must be given. These include

the non-renewal of existing tenancy, use of premises for landlord's family requirements or employee of the landlord, and non-payment of rent. In practice, landlords use this premise as a disguise to offer their premises to the wealthier class of residents when demand increases. This has inevitably created a sub-culture of antagonism between tenants and owners in the low-income rental market (UN-HABITAT, 2011). The Rent Act however, does not apply to premises owned by the government (as a landlord) of which the tenant is a public officer and its occupancy is by virtue of his or her employment. Based on the discussion on the theoretical perspective of natural resource exploitation and the components of the Residential rental housing market the next section examines the effects of the former on the latter on resource endowed countries.

2.6 Empirical Perspectives of Natural Resource Exploitation on Residential Housing

In spite of the fact that the Resource Curse theory and Dutch Disease concept provide an explanation to the slow growth experienced by some resource endowed countries, it focuses more on economic indicators such as Gross Domestic Product (GDP) and Gross National Product (GNP) and does not account for spatial and urban effects (Plänitz & Kuzu, 2015; Obeng-Odoom, 2014). Fleming and Measham, (2013) examined the applicability of the resource curse theory by expanding it from the national consequences to a range of potential local socio-economic effects. The study concluded that a dynamic housing market will be able to absorb the increasing housing demand noting the boom in the construction industry with an emphasis on real estate. The boom in local construction industry (real estate) has been particularly evident in Angola, Venezuela and Nigeria. However, the increasing demand for housing tends to shoot up its prices. This raises the issue of affordability especially for residents who are renting (Obeng-Odoom, 2014).

An explanation to the above observation is that the discovery of a natural resource and its subsequent exploitation is associated with labour pull which translates into migration. The host region, therefore, must have the capacity to contain these new migrants, but in reality this is not the case. It may in the long run happen but in the short run, it may not have the capacity to absorb this new labour and as a result, enormous pressure is placed on the existing social infrastructure of which residential rental housing is paramount. According to Fleming and Measham, (2013) as the population close to resource extraction development increases, demand

for higher levels of consumption also increases. The demand for housing (both residential and commercial) and land in particular surges for two main reasons:

First, migration and crowding-out of local firms' would result in the Dutch Disease which will lead to an increase in the establishment of service companies for the oil industry. These new offshore service providers require offices for their operation. *Second*, migration patterns and new levels of income would increase the demand for local goods such as housing, consequently increasing its price in the host city. The income effects in these local areas translate to people with more disposable income, looking for real estate investments. In the short to medium run these changes can affect affordability for families who have not necessarily seen their income increase, particularly those who are not employed in the new sector which can cause outmigration, especially of women and elderly people (Fleming and Measham, 2013).

The above explanations have been witnessed in the Niger Delta which is the main area for oil exploitation in Nigeria. Since the mid 1980's, when oil exploitation began, the Niger Delta has witnessed an overtly massive growth in urbanization with negative implications on the resilience of the environment. The rise of oil cities and oil jobs in the region have generated mass migration, urban sprawl, slum housing, traffic congestion and increased human and industrial pressure on already weak situation. It has also led to the displacement of communities and the loss of livelihoods in the Niger Delta (Ereibi, 2011). The exploitation of natural resources can also decrease residential property values of the host region through the degradation of the local environment as the case of Alberta, Canada. Farren (2014), argues that the environmental pollution and degradation as a result of the exploitation has made the community unattractive and uninhabitable, leaving residents no option than to move. The consequence is that land prices in this community fall as no rational consumer would want to purchase any facility within a degraded environment.

Through the review four stages (Figure 2.1) were identified at which the effects of the oil industry on residential housing can be observed: First, the *Innovator Stage* which exhibits the least effect primarily because at that stage the oil exploitation industry is not established and many of its activity is primarily exploration. In this regard, increase in demand for residential housing is likely to be long-term because explorations are done over long periods and there is the need to accommodate migrating innovators, engineers, geologists for these explorations.

However, in regions where the oil and gas industry is already established, changes in residential housing will be insignificant since the required experts are available in the host region.

Second, the *Landmen Stage* which is associated with an increase in hotels and short term residential housing. This is because more workers move to the region to ensure that appropriate documentation has been done and given to facilitate the smooth operation of the industry. These workers do not require permanent housing since their operations have not yet been confirmed for commencement. Third, the *Roughneck stage* characterized by the influx of workers seeking long-term residential accommodation such as apartments and flats resulting in an increase in rent prices. This is because at this stage the operations of the industry have fully commenced with their associated service industry including freight, finance and insurance. This trend continues to the fourth stage, the *Asset Manager Stage*. At the fourth stage, demand for long-term residential housing continues due to the permanency of production and the availability of more jobs within the sector. At this stage, the population of the host region might fall in terms of migrant workers as the temporary workforce leave the host region.

Innovator Stage	<ul style="list-style-type: none"> • Migration of geologists, engineers and other innovators to explore oil prospects • Effect: Increased demand for long-term residential housing
Landmen Stage	<ul style="list-style-type: none"> • Influx of oil industry operators to acquire permits • Effect: Increase population and the demand for hotel and short-term residential housing
Roughneck Stage	<ul style="list-style-type: none"> • Large inflow of oil workers and associated oilfield service companies • Effect: Increase in population and the demand for hotel, short term and long-term residential housing
Asset Manager Stage	<ul style="list-style-type: none"> • Oil industry activities shift from drilling to management and maintenance • Effect: Population falls as temporary workforce leaves. Residential housing demand shifts to long-term leases and home construction

Figure 2. 1: Effects of Oil Exploitation on Residential Housing

Source: *Farren, 2013*

There is a good potential for these stages to overlap, meaning that the increased demands for hotel and short-term residential housing may be similar and may occur simultaneously with the demand for long-term residential housing. This may be attributed to the rush by people to take advantage of the current residential rental housing charges.

In a nutshell, the oil industry incentivizes migration that would inevitably require local residential rental housing units. However, it is important to note that the oil industry is capital-intensive. Therefore, it requires a smaller labour-force, but it also requires offshore services including freight forwarding and transportation of machines and equipment, financial and insurance services and these are the main pull agents of migration which results in an increase in demand and price of non-traded goods and services such as residential rental housing (Frankel, 2010). The need for residential rental housing thus necessitates additional supply which translates into a boom in the construction and real estate industry. Yet the construction and real estate sector is dominated by the private sector in most developing and oil economies including Venezuela, Angola, Nigeria and Ghana and as a result their products are geared towards high income earners (Obeng-Odoom, 2009). Oil exploitation, mining, or other non-renewable resource extraction industries can, therefore, bring housing benefits as well as costs to nations, regions and communities hosting the activity, adding to the perspectives on “*Resource Curse Theory*” (Fleming and Measham, 2013).

In Tarkwa, one of the major gold mining areas in Ghana; the sudden inflow of people into the township created a major residential rental housing problem. Rents rose so much that some non-mine residents could not afford available rooms in the township. As a result some of these residents were forced to live in severely overcrowded conditions. The railway and lorry parks within the Tarkwa Municipality were converted to living quarters for these tenants (Akabzaa & Darimani, 2001). The main factor attributed to this high cost of living in Tarkwa is the disparity in incomes in favour of mining company staff. For instance, the salaries of the Ghanaian staff in the mines are indexed to the US dollar, which raises their income far above their counterparts in the public sector and other non-mining related employment. In addition, the expatriate staffs of the mines are paid internationally competitive salaries, which further widen the income disparities in Tarkwa. These groups of high- income earners have thus influenced the pricing of

goods and services such as housing, food and other amenities. A situation of this nature also has the potential of generating other social problems.

The new oil sector may also lead to the itinerant worker population of drilling industry competing with each other and the local population for temporary residential housing, bidding up the price of rental properties in the process (Farren, 2014; Higgins, 2009). In Pennsylvania USA, media reports indicated that apartment rent prices doubled or tripled in the most intense drilling areas, leading to calls for state and federal governments to implement need-based housing assistance of which Pennsylvania's Housing Affordability and Rehabilitation Enhancement (PHARE) Fund is a cited legislative example. However, in areas where the oil and gas industry is already in existence the effect or impact will be different since the host region would already have the labourforce to support the sector and would not need to import workers from other regions and countries (Farren, 2014).

The activities of the oil industry translate to relocation and out migration by native tenants. In the Eastern Montana communities in the USA it was evident that the oil and gas industry and its associated urbanization through migration led to the escalating of housing costs forcing low-income families including the elderly to move to other communities where residential housing was relatively cheaper (BBC, 2013). Baker, another community, experienced a lack of affordable residential housing due to growing speculation, while Sidney experienced both affordability and availability issues with rental costs tripling over a 5-year period. Again due to the income disparities, some residents could not keep up with the rapid inflation in housing costs and other prices in the community and subsequently moved out.

In an effort to reduce the incidence of unplanned and uncontrolled new settlements, governments in oil resource countries collaborate with real estate companies or even the oil companies themselves to establish towns or cities within their operational area. In Gabon, for instance, Shell's operations have been the catalyst for the establishment and development of Gamba, a town of currently about 6,000-7,000 people, who work directly or indirectly for the oil industry, specifically Shell. Shell, however, does not have direct control over Gamba, as it is a town with its own governance taking cognizance with the laws of Gabon.

In essence, oil exploitation may put a serious stress on the residential rental housing sector due to the huge demand that it is associated with and this makes it an interesting phenomenon to study as the case of Ghana's Oil City.

2.7 Conceptual Framework

The conceptual framework of this study provides an overview of the entire study indicating how the research will be done. It is described as the abstract, logical structure that guides the development of the study. It is based on the identification of key concepts and the relationship among these concepts. The conceptual framework (Figure 2.1) was developed based on the review of literature pertaining to the resource curse theory and its usefulness to Ghana's oil development. The framework was developed under four components: Oil discovery and exploitation (first component), Residential Rental Housing (second component), Effects (third component) and Public Policy (Fourth component). The literature review identified the potential applicability of the resource curse theory to urban and spatial development using the residential rental housing market. The review traced the history of Ghana's oil discovery and exploitation and the importance of this industry to national development of host regions when properly managed. This is captured in the first component of the conceptual framework.

The review identified that even though housing has been a feature in all government policies, the focus on rental housing has been minimal amidst the challenges of the rent regulation. Considering the role residential rental housing plays in the operation of the oil sector and how the sector affects the residential rental market in the host city through oil induced migration, demand and supply of housing increase. The study identifies the stakeholders in residential rental housing and assessed the effects in the Sekondi-Takoradi Metropolis using residential communities as a case study. The analysis of the effects in these communities forms the second and third component of the conceptual framework. The recommendations and conclusions geared towards increasing residential rental housing were drawn from the analysis of the effects, constitute the fourth component of the conceptual framework.

As Ghana expands its oil prospects towards national development, there is the need to draw lessons from experiences of affected cities as a guide towards the development of the residential rental housing market, and hence adding to the "*Resource Curse Theory*" perspectives.

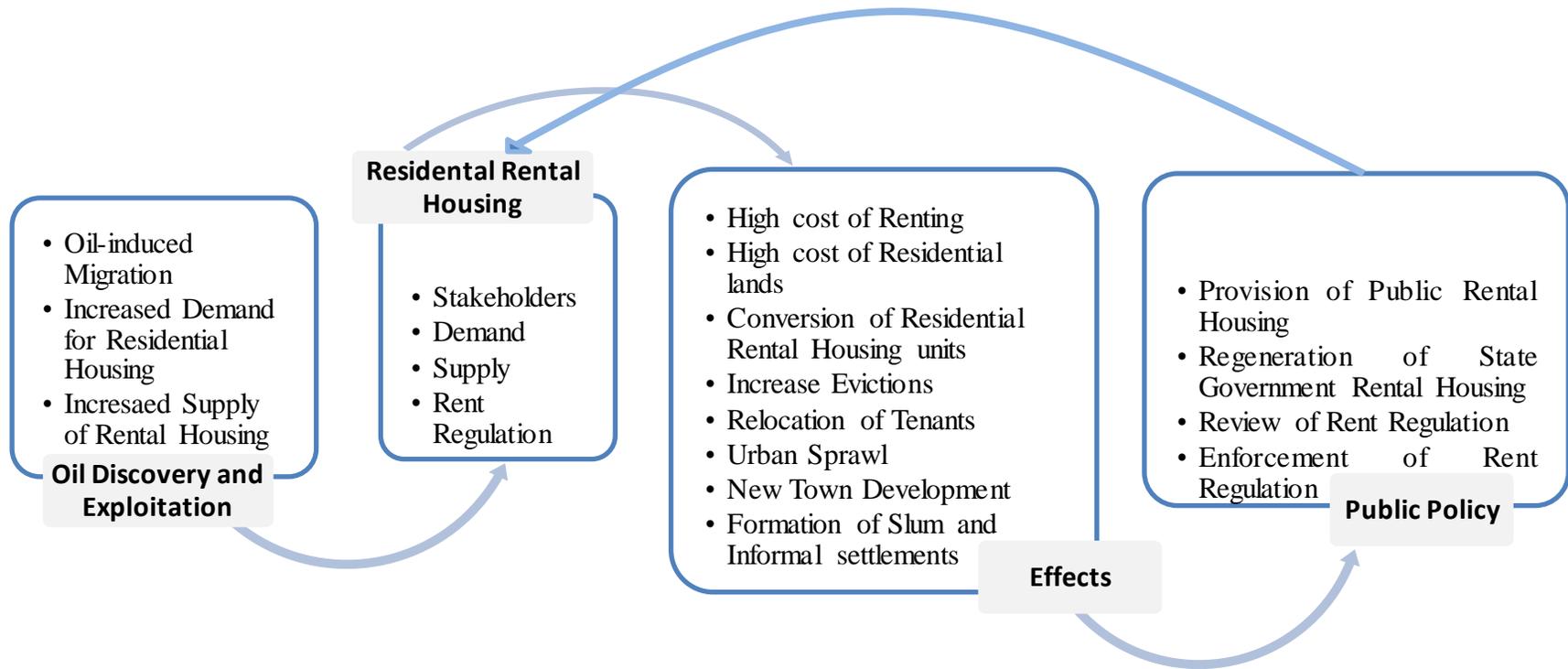


Figure 2. 2: Conceptual Framework for Oil Exploitation and Residential Rental Housing

Source: *Author's Construct, 2015*

CHAPTER THREE

METHODOLOGY AND PROFILE OF SEKONDI-TAKORADI

3.1 Introduction

This chapter describes the methodology adopted for the study as well as the profile of the study area. The methodology provides a detailed description of the design on which the study was conducted. This includes processes that were used in collecting and analyzing the data for the study as well as sample size determination, sampling procedure and techniques used to select respondents for the study.

The profile presents the history of the Metropolis and the changes in terms of both political and economic the Metropolis has gone through to date as well as the city's housing characteristics. This provides a basis an understanding of the effects of the oil exploitation on the Metropolis in light of the resource curse perspectives.

3.2 Research Design

Creswell (2010) defines Research Design as the procedures for collecting, analyzing, interpreting and reporting data in research studies. Its function is to ensure that the data obtained answers the research questions as unambiguously as possible. It also helps to minimize the chance of drawing incorrect causal inferences from the obtained data. It ultimately directs the researcher as to how the study should be conducted. The study adopted a mixed method design; this was because it provided the avenue for the collection of both quantitative and qualitative data on the effects of the oil exploitation on residential rental housing in Sekondi-Takoradi. Studying the entire Sekondi-Takoradi Metropolis could not be possible considering its size and time within which to complete the study, therefore a proportion of the population was selected to represent the entire Metropolis. Based on the selected sample, findings from the data collected were generalized for the entire Sekondi-Takoradi Metropolis. The quantitative data requirements include rental values, records on rental evictions, land values, permits issued for housing production, number of years of residency and age dynamics of tenants. Qualitative data required include reasons for remodeling of houses, reasons for change of use of houses, perception on resource curse or

blissing, evictions as well as enforcement of rent regulation. The choice of mixed methods was appropriate since both numeric data and textual information were required for the study.

3.3 Data Requirements and Sources

The study required two main sources of data; primary data from tenants, institutions or associations and individuals, whereas the secondary data was obtained from relevant institutions in the form of reports and records. The data requirements included information on the type of houses supplied by private developers and SHC; information on the major demand areas of clients of real estate developers, the number of housing permits issued by the Town and Country Planning Department as well as the change of use permits. Documented cases of evictions, land value and rent values. These data would be required in order to answer the research questions and, invariably, the research objectives based on which recommendations to address the effects of the oil exploitation on the residential housing market would be made. A detailed list of the data required, source and method of data collection are presented in Table 3.1.

Table 3. 1: Summary of Data Requirement, Sources and Method of Collection

Research Objective	Data Requirement	Data Sources	Data Collection Instruments
1. Analyze the demographic and socio-economic characteristics of tenants	<ul style="list-style-type: none"> • Age of tenants • Income of tenants • Types of houses demanded • Location choice 	Tenants Landlords/ladies Real Estate/Private Developers	Interview Guides Interview Schedules Questionnaires
2. Examine changes in rental housing	<ul style="list-style-type: none"> • Rents • Evictions • Relocation of tenants 	Tenants Rent Control Real Estate/Private Developers	Interview Guides Interview Schedules Questionnaires
3. Analyze changes in housing development	<ul style="list-style-type: none"> • Land prices • Change of use • Remodeling • Building permits 	TCPD Landowners Real Estate/Private Developers	Interview Guides Interview Schedules Questionnaires
4. Explore perceptions on the effects of oil exploitation on rental housing	<ul style="list-style-type: none"> • Applicability of resource curse theory 	SHC Tenants Landlords/ladies Real Estate/Private Developers	Interview Guides Interview Schedules Questionnaires

Source: *Author's Construct, 2015*

3.4 Sampling

Kumekpor (2002) describes sampling as the process of selecting a representative part of a population for the purpose of determining characteristics of the whole population. The goal of sampling is to obtain a representative of the larger population which contains essentially, the same variations that exist in the population. Sampling therefore aids in generalization based on the findings from the study to the population. The following sections describe how the process was carried out.

3.4.1 Sample Size Determination

In order to determine the proportion of the tenant household to interview the 2010 household population of 142,560 was projected to 2016 using the mathematical formula

$$P_{t+n} = P_o(1+r)^n \text{ (see Appendix 1 for calculation)}$$

Using the mathematical formula, the 2016 projected household of the Metropolis was 175,243. However, according to the 2010, 53.8 percent of household within the metropolis were tenants (GSS, 2014) and considering the fact that the study focused on rental units, 53.8 percent of the projected number of households would be 94,280. This constituted the tenant household sampling frame for the study. Using the sample size determination formula of

$$\frac{N}{1 + N(\alpha)^2} \text{ (see Appendix 2 for calculation)}$$

a sample size of 398 households was obtained. The sample for each four sub-metros is exhibited in Table 3.2.

3.4.2 Sampling Method

The multi-stage sampling approach was used to facilitate the combination including cluster sampling and simple random sampling in four stages. Cluster sampling was used at the first stage to group communities into residential classes to constitute the sampling frame. In the second stage the cluster of first and second class communities were purposively selected from each of the four sub metros to facilitate the comparison of issues. Simple random sampling was used in the third stage to selected communities within the first and second class clusters. Communities under each sub-metro were listed alphabetically with numbers assigned to them. This was to aid

in the use of the table of random numbers to select three communities from each of the four sub metros. Plate 3.1 depicts the selected communities from each sub metro. Convenience sampling technique was used to select tenants who were available and willing to participate in the survey from the selected communities. This constituted the fourth stage of multi-stage sampling approach.

Purposive sampling was used to select certain institutions and individuals who by virtue of their role in the residential rental housing market had relevant information pertaining to the study topic. These included SHC, Real Estate Developers and Private Developers responsible for providing residential rental housing units in STM; Land Valuers responsible for valuing land and property in STM; Town and Country Planning Department (TCPD) responsible for the physical and spatial planning of STM; and Rent Control Department responsible for regulating the relationship of landlords and tenants in STM. Landlords/ladies were conveniently sampled based on the availability and willingness to participate in the study whilst land owners were selected through snowball sampling.

Table 3. 2: Sample Size for Selected Communities

Sub Metro	Communities	Sampling Frame	Sample Size
Effia-Kwesimintsim	Anaji Tanokrom Airport	39,598	168
Takoradi	Beach Road Chapel Hill Takoradi	16,028	68
Sekondi	Sekondi Ridge Fijai Kweikuma	12,256	52
Essikadu-Ketan	Ketan Estate Essikadu Butumagyebu	26,398	111
Total		94,280	398

Source: *Author's Construct, 2015*

Taking into consideration the time limit of the study, the researcher employed the help of Field Assistants (FAs) to cover the area of study. In this regard the FAs were trained on how to interpret and present the questions to the tenants as well as elicit accurate answers from them. Fanti or Twi was used when necessary particularly in situations where the understanding of the English language was a challenge. To ensure clarity and understanding of the questions a pretest was conducted in Fijai to ensure that the questions were unambiguous and well sequenced. This was envisaged to help detect possible errors and misconceptions in the phrasing of the questions. Pretesting also helped determine the duration for administering an instrument and project the entire duration for the field study

The instruments used for data collection were questionnaires, interview schedules and photographs. Questionnaires in the form of both structured and semi-structured questions were used for the tenant household survey. The rationale behind the close-ended questions was to restrict the tenant by providing a set of options from which to choose. The open-ended questions on the other hand were to provide tenants the opportunity to be as explicit as possible in their response. These questionnaires were administered with or without the aid of the researcher or FAs, the reason being that for household heads or spouses who could not read and understand the questions in the English language, assistance was not offered. However, for household heads that could read and understand the questions such assistance was provided.

Interview Schedules were used mainly for institutions and individuals who by virtue of the role in the housing market could provide information on the study subject. They were oral and face-to-face interviews based on questions which were both open and close ended. This was to facilitate the in-depth discussion on the relevant issues pertaining to the subject of study. In spite of the fact that the researcher sought for an in-depth explanation, the guide provided the avenue to restrict the respondents to the issues and also avoid unnecessary time consumption. The language for the interview was English, Fanti and Twi to accommodate both literate and illiterate.

Photographs were used as a technique in participant observation to capture excerpts from the physical environment during the field survey since housing includes the physical environment within which it is situated. This provided the opportunity for the researcher to appreciate physical changes in housing development in the Metropolis. Physical data captured included

change of use in residential facilities, types of residential and new residential facilities constructed. This provided a visual impression and understanding of the changes in residential rental units in the Metropolis.

3.6 Data Processing and Analysis

Before the data analysis, results from the field survey were edited and cleaned of any errors and inconsistencies. This was to ensure that the results were representative of respondents and unambiguous for data entry. Editing was done to ensure that the missing gaps within the instruments were appropriately corrected. The institutional instruments were analyzed through content analysis while SPSS version 20 was used for the household questions to facilitate the cross tabulation of variables. In addition to SPSS, Microsoft Excel software was used for quantitative analysis through the use of bar graphs and line charts to give a pictorial impression of the situation pertaining to the study area. Arc GIS computer software was used to produce the needed maps to illustrate the location of selected communities under the four sub metros. The next section describes the profile of the Sekondi-Takoradi Metropolis.

3.7 Demographic and Socio-economic Characteristics of Sekondi-Takoradi

The demographic characteristics of an area are very important components of the development process. Demographic characteristics primarily allows for the distribution of scarce resources across space and time to meet human needs. Demographic characteristics serve as a useful guide for planners to identify the resources that are required in a particular area or region. These also allow for effective evaluation and cost assessment in the provision of social amenities in an area. The population of Metropolis in 2010 was 559,548 with a growth rate of 3.2 percent which is higher than the national and regional growth rate of 2.5 and 2.0 respectively depicting the moderate growth of the Metropolis. It has an estimated floating population of 80,000 from adjoining districts like Shama, Ahanta West and Mpohor Wassa West who commute into the city daily for civic, trading and other purposes. The Metropolis has a population density of 2,918 persons per square kilometre with New Takoradi as the most densely populated area; 74,672 persons per square kilometre (CHF, 2012). According to the 2010 population census, 96.1 percent of the Metropolis residents live in the urban areas. The growth of the urban areas according the STMA (2010) has resulted to the rapid and massive developments in areas like

Asakae, Mpatado and Whindo which constitute a major part of the agricultural lands in the metropolis.

3.7.1 Housing Stock

The housing stock of the Sekondi-Takoradi Metropolis in 2010 was 60,705 representing 15.97 percent of the regional housing stock of 380,104. The housing stock in the Metropolis has more than double between 2000 and 2010 (refer to Table 3.3) which indicates the rapid housing development within the Metropolis. It is interesting to note that prior to 2007 the Shama District was part of the Metropolis therefore the housing stock for Sekondi-Takoradi may have tripled within the intercensal period. The Metropolis has an average household size of 3.7 which is lower than the regional and national average of 4.2 and 4.4 respectively (GSS, 2014).

Table 3.3: Population and Housing Stock in Census Years

Year	Population	Total Numbers of Houses
1948	44,130	3,996
1970	160,868	10,507
1984	178,257	12,099
2000	369,166	22,552
2010	559,548	60,705

Source: *Obeng-Odoom, 2014; GSS, 2012; STMA, 2009*

Compound houses dominate the housing stock in the Metropolis accounting for over 56.3% (GSS, 2014). These compound houses have up to 40 habitable rooms with shared sanitary facilities and host over 100 people (CHF, 2012). About 63.5 percent of the total number of household of 142, 560 occupy single room, however, 66.75 percent of household with sizes ranging from one to four occupy single rooms. This raises concerns of overcrowding, congestion and inadequacy of housing units within the Metropolis in view of the international standard which dictates that any room occupancy greater than 2 persons per room is overcrowding which has both social and health implications (GSS, 2014).

Housing in the Twin City is provided by state, quasi-government and private developers, however, only 9.1 percent of the total household population of 142,560 occupies public or government owned residential houses (GSS, 2014; Quayson, 2012). Residential houses are either

constructed by individuals, families or real estate developers including Regimanuel Gray Group and quasi-government institutions such as SSNIT and SHC. About 53.2 percent of the household population occupy in rental units indicating the importance role renting provides in the Metropolis. The entire Metropolis has good access to treated water but there are problems with waste management due to the Metropolitan Assembly's limited resources to manage waste collection. Waste collection has been sub contracted to private waste collection companies who often have limited resources in recycling solid and liquid waste.

There are three general residential zones delineated based on level of provision of urban services and income. With the pace of economic activity in the Metropolis, income levels are quite high but the spread is skewed. The highest earners are found in a few settlements including Chapel Hill, Beach Road and Anaji, while moderate income earners are in areas including Takoradi, Tanokrom, Sekondi, Kweikuma, Effiakuma, and Ntankanful. Low income earners reside mostly in the eastern part of the Metropolis including communities like Ketan, Kojokrom, and Essikado (CHF, 2012). These residential classifications are however heterogeneous with respect to the different income groups within the Metropolis even though specific income groups may constitute the majority in certain residential classes.

3.7.2 Economic Activities in the Twin City

Economic activities within cities today are anchored on transportation and Sekondi-Takoradi is no exception. The city was originally a fishing town, but with the construction of the railway in 1898 its status changed to a commercial hub (Obeng-Odoom, 2014). The construction of the Takoradi Harbour in 1928 also added to the importance of the city and boosted its economic status as well as its development. It attracted migrants especially from neighbouring coastal and Akan communities and this gradually changed the lingua franca from Ahanta to Fanti. The migrant population contributed to farming in the city and its environs with the railway line serving as a boost to cocoa production. The Private Informal sector dominates the employment sectors of the Metropolis employing representing 69.3 percent of the economically active population of 240,730. The main commercial activity of the city is largely from the ports and harbour with its ancillary businesses and previously from the railways (Quayson, 2012).

Apart from the large manufacturing companies including Ghana Cement Limited (GHACEM), and Takoradi Flour Mills, the manufacturing sector of the region is mostly driven by small and medium scale private companies (Quayson, 2012). These include local artisans engaged in furniture production, pottery and wood carvings. Due to oil drilling and exploratory activities off the western coast, some oil related companies including Kosmos Energy and MODEC have opened their operational offices in the Twin City. In addition, domestic commercial airline companies flying passengers to Accra and the oil rigs that were hitherto non-existent in Sekondi-Takoradi indicates the brisk business status of the Twin City (Obeng- Odoom, 2014).

3.8 Chapter Overview

The chapter has discussed the methodology for the study which used Sekondi-Takoradi as a case study. The mixed method design as well as the sampling techniques used in the selection of study communities was discussed. Residential communities were selected from each of the four sub metros of the Sekondi-Takoradi Metropolis to provide an understanding of the changes and allow for comparison.

The profile of the Metropolis was discussed centering on the demographic and socio-economic characteristics. The moderate population growth of the metropolis has been evident in the rapid development of agricultural lands as an indication of the gradual sprawl of urban areas and traffic congestion. This discussion sets the precedence for the next chapter for the presentation and analysis of the data obtained from the field study.

CHAPTER FOUR

RESIDENTIAL RENTAL HOUSING AND OIL EXPLOITATION IN STMA

4.1 Introduction

This chapter presents an analysis and interpretation of results based on the data obtained from the field survey which centred on tenants, home providers and regulatory institutions as stakeholders of the residential rental housing market in the Sekondi-Takoradi Metropolis. A total of 12 communities, three from each of the four sub-metros of the Sekondi-Takoradi Metropolis were surveyed.

The purpose of the survey was to appreciate the effects of the oil exploitation in the Jubilee Oil Field of the Western Region on residential rental housing and land prices in the Sekondi-Takoradi Metropolis in view of the fact that it is the administrative capital of the region with the infrastructural capacity to support the operation of the industry. To extend the applicability of the resource curse theory, stakeholders' opinion on the applicability of the theory on rental housing were analyzed. The analysis and interpretation of the study were done in line with the objectives and the conceptual framework that informed the study.

4.2 Demographic and Socio-economic Characteristics of Renters

The demographic and socio-economic characteristics of renters were to provide an understanding of residential rental demand choices of renters. This centres on sex, age, educational level, occupation, income, marital status and duration of stay in the Metropolis. This will inform how the effects of the oil exploitation would influence the housing choices of renters within the Metropolis.

4.2.1 Age and Sex of Tenants

Results from the study indicate that 65 percent of tenants were males whilst 35 percent were females. This was synonymous with the norm that men are usually the household heads and persons in the position to rent for the entire family. Out of the 127 women interviewed, 34.6 percent were spouses to the household head whilst 65.4 percent were household heads themselves. These female household heads were mainly single women and new entrants in the labour market confirming the findings of Amenyah and Fletcher (2013) that renting is usually the

first choice of young workers. The study enquired the ages of tenants to ascertain the age group within which renting was dominant and its implication on future housing demand. The ages of tenants from the household survey were grouped into four cohorts namely 21-30, 31-40, 41-50, and 61 and above as shown in Table 4.1.

Table 4. 1: Age and Sex Distribution of Tenants in Sekondi-Takoradi Metropolis

Age Cohort	Frequency within Sex		Total Percentage
	Male	Female	
21-30	74	40	31.6
31-40	98	40	38.2
41-50	39	28	18.6
51-60	14	18	8.9
61+	9	1	2.8
Total	234	127	100.0

n = 361

Source: *Field Survey, 2016*

Tenants cut across all ages of adult life with a mean age of 37 for both sexes. The minimum age for both males and females was 24 whilst the maximum age for male and female was 74 and 67 respectively, indicating that as people age, they are more likely to build their own houses and move out of the residential rental housing market. The age groups of clients of the real estate companies on the other were from 30 to 45 years. Renting was therefore higher within the age cohort of 31-40. This is synonymous with a typical Ghanaian home where children are most likely to move out of their parents' home when they have started working. It is also because at this age cohort most of them are within the economically active age group and employed. This age group includes young graduates both single and married who do not have any substantial saving for home homeownership and therefore resort to rental housing. Based on the finding it would be reasonable to argue that changes in the rental market would influence the demand and location choices of this cohort of renters. Furthermore considering the fact that 54.5 percent of the Metropolis populations are below the age of 20 and with the continuous rural-urban drift (GSS, 2014), demand for residential rental housing will rise. It is, therefore, imperative that the

rental housing market is captured in housing policies at both local and national levels of development.

4.2.2 Educational Attainment and Employment

The study took an interest in the educational attainment of tenants and their occupation because of the correlation between these two variables. The level of education determines the type of employment an individual is involved in, which further influences income. This also influences the type of housing structure and rooms demanded.

From Table 4.2, it was observed that 47.37 percent of tenants within the Metropolis had tertiary education, whilst 3 percent of renters had never attended school. It can be observed that the majority of tenants in the Metropolis had had some form of formal education with 82.05 percent having educational status higher than basic education. This implies that these households would attempt to optimize family's ability to pay as indicated by the Hedonic model in housing choices (Montgomery & Curtis, 2006). Montgomery & Curtis (2006) argue that optimization of family budget influences the location and number of rooms households would occupy all of which is a function of their employment status.

Table 4. 2: Education and Occupation of Tenants in Sekondi-Takoradi Metropolis

Educational Attainment	Sector of Occupation in Percentage						Total	
	Public	Private Formal	Private Informal	Students	Pensioner	Others	Frequency	%
Never attended	0	9.1	81.8	0	0	9.1	11	3.05
Primary	0	20.0	60.0	0	0	20.8	5	1.39
JHS	2.1	6.2	85.4	0	2.1	4.2	48	13.30
SHS	2.7	11.2	83.6	0	0	2.7	73	20.22
Vocational training	5.8	13.5	78.8	0	0	1.9	52	14.40
Tertiary	36.8	57.3	1.2	1.8	0.6	2.3	171	47.37
Others	0	100.0	0	0	0	0	1	0.28

n = 361

Source: *Field Survey, 2016*

4.2.3 Employment Status and Income of Tenants

The employment status of tenants provides an impression of their ability to pay as well as the type of facility demanded. Education is purported to be the key to a good job and higher income, and considering the fact that a majority of tenants within Metropolis had some form of education their prospects of finding a job were high. The private informal sector was the largest employer in the Metropolis employing 43.49 percent (refer to 4.3). Tenants within the informal private sector were mainly retail traders, mechanics, dress makers and caterers. For most of these workers income was not fixed but fluctuated depending on market conditions. Tenants within the public sector accounted for 19.11 percent of the total and were involved in education, health and other civil services. The private formal sector was the second largest employer with 32.96 percent of the total workforce who engaged in varied activities including education, health, finance, oil services, logistics and forwarding. In spite of the educational level of tenants, 3.05 percent, though within the economically active age group, were unemployed. The oil sector including it related services employed 13.4 percent of the total 350 sampled tenants who were in employment. Out of which 34 percent were foreign nationals. This finding affirms the argument of Karl (2007) that the industry employs skilled labourers that is not available in the local economy. However, the migration of skilled labour would enhance the transfer of knowledge and skills to the local workforce which would invariably increase the skilled labour capacity of the Metropolis. This is an indirect benefit from the effects of oil exploitation to the Metropolis.

Table 4. 3: Income and Sector of Employment of Tenants in Sekondi-Takoradi Metropolis

Income Range (GHC)	Sector of Employment in Percentage			Frequency	Percentage
	Oil Industry	Oil Related	Non-oil		
1,000 and below	0	2.8	97.2	215	61.42
1,001-2,000	2.8	14.0	83.2	107	30.57
2,001-3,000	22.2	22.2	55.6	9	2.57
3,001-4,000	73.7	26.3	0	19	5.43

n = 350

Source: *Field Survey, 2016*

The median monthly income for tenants in the Metropolis was GHC 800.00, with the highest income of GHC 4,000.00 and the lowest of GHC 330.00. From Table 4.5, it was observed that

majority of tenants earned a monthly income of a GHC 1,000.00 and below constituting 61.42 percent of the total. Analyzing the data along the sector that employs tenants it was seen that 97.2 percent of tenants who earned GHC 1000.00 and below were employed in the non-oil sector. The oil and it related sector employed 13.4 percent of tenants all of which earned more than GHC 2001.00. The high income of these tenants had become a determinant of rent prices in the Metropolis affirming the findings of Amenyah and Fletcher 2013 that the perceived high income of migrant tenants influences landlords to increase rents; a situation that had been described by Akabzaa and Darimini (2002) in Tarkwa. Akabzaa and Darimini (2002) argue that salaries of Ghanaian and expatriate workers are indexed to the US dollar which widens the income disparities and influences the pricing the goods and services. Considering the fact that income does not increase annually, the challenge of the rising cost of goods and services due to the perceived high income of oil sector workers is an impediment to tenants particularly in the informal sector.

4.2.4 Household Size of Tenants

The mean household size from the survey was three which is lower than the regional and average of 4.2 and 4.4 respectively (GSS, 2014). The maximum household size was seven and a minimum of one. The study observed that as the household size increased, more rooms were occupied. Single rooms were, however, the dominant choice for all household sizes, this constituted 37.4 percent of the total respondents. Households with a size of six occupying single rooms accounted for 34.6 percent of the total respondents. The study observed that as household income increased rooms occupied also increased. In all 47.4 percent of households with incomes of GHC 1000.00 and below occupied single room units while 24.4 percent of households with income of more than GHC 1000.00 occupied single rooms.

4.2.5 Tenancy Agreement, Rent Advance and Finance

It was observed from the study that 54.6 percent of tenants did not have any written tenancy agreement with landlords/ladies, majority of whom were in the private informal sector. Although tenants recognized the importance of tenancy agreement, they indicated that it was not a priority in their renting decision. Financing of rent payment is a huge financial commitment for tenants as it takes away a good part of their income. The total number of years for which upfront rent was paid by renters ranged from one to four years. This finding is consistent with Plänitz & Kuzu

(2015) and Obeng-Odoom (2009) assertion that tenants are required to pay at least two years upfront rent before occupancy is granted.

The study observed that 28.2 percent of tenants were willing to make such upfront payment because it assured them of tenure security for that duration even though raising the amount initially was a problem. Landlords/ladies on the other hand argued that they requested rent advance to relieve them from chasing tenants when rents were due. It also provided landlords/ladies the opportunity to undertake repairs and maintenance as well as expansion works on their properties. Thus the demand for upfront rent even though exceeded the legal six months duration, benefited both tenants and landlords/ladies. A flexible proposition for upfront rent can be included in the review of the Rent Act.

It was observed from the study that majority of tenants financed their upfront rent through personal savings which constituted 71.7 percent of the total. Financing upfront rent from financial institution accounted for 3.0 percent. Financing rent through financial institutions was used by public and private formal sector workers because they usually have the financial credibility to access such options. This finding affirms Habitat-U.N. (2011) assertion that even though credit is accessed by one quarter of Ghanaians, it is invested in some other business rather than housing. The finding indicates that tenants particularly in the informal sector were not aware of these services offered by banking and microfinance institutions.

4.2.6 Type of Housing Units Demanded

The residential rental housing market in Sekondi-Takoradi Metropolis is dominated by compound houses constituting 45.1 percent (refer to chart 4.1). Single-storey compound houses represent 23.7 percent while multi-storey compound houses represent 21.4 percent. The high proportion of tenants in compound houses is partly due to the differential cost of the other housing types. For instance in compound houses households share facilities like bath, toilet and kitchen which is relatively less costly and more affordable rental option to particularly, the low income earners who dominate urban population. It was observed from the study that most landlords/ladies of single-storey were pensioners who have converted part of their house for renting. These facilities are therefore not considered as an investment but as a means of supplementing income in old age since they lacked the capital needed to increase their rental holding. This finding is in line with Avery & Glenn (2005) argument that rental income serve as

a safety net against unstable employment as in the case of pensioner landlords/ladies or when moving from regular salaried work to self-employment.

Effia-Kwesimintsim sub metro had the largest number of single storey compound units constituting 29.6 percent of the total units. In the Takoradi sub metro multi-storey compound housing units dominate among the various housing units accounting for 34.5 percent of the total. These units, unlike the single-storey, are considered by their owners as an investment, even though repair and maintenance leaves much to be desired. Most of these multi-storey housing units are found, particularly, in the old communities of the Metropolis, such as Essikafoambantam, Kwesimintsim, Sekondi and Tanokrom. These are mostly family properties passed from generation to generation. Others have been constructed on incremental basis where the ground floor is first constructed to accommodate three household including the landlord/lady and proceeds from the rent are used to extend the other floors.

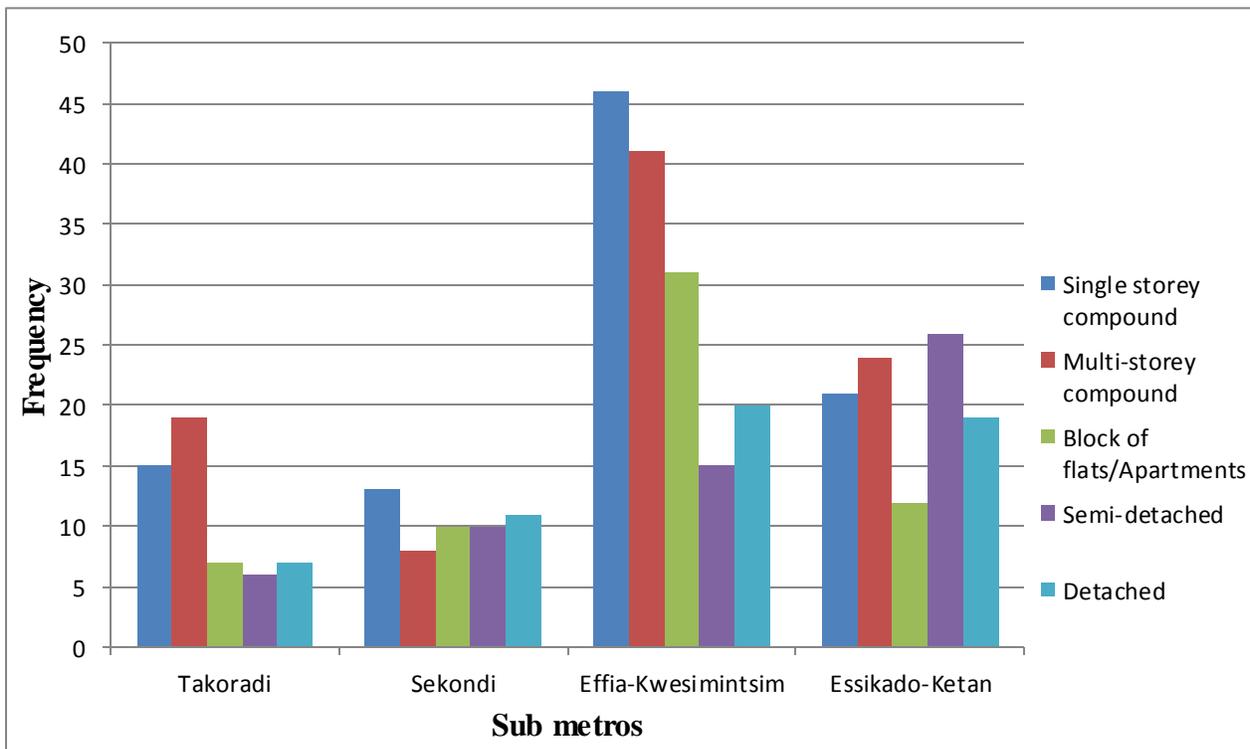


Chart 4. 1: Housing Types in Sub Metros

Source: *Field Survey, 2016*

4.2.7 Locational Preference of Tenants

This section explored the variables that informed the housing locational preference of tenants. It was observed that education was not an influence on the type of housing tenants demanded. However, income influenced the locational choice of tenants (refer to Chart 4.2). It was observed that Effia-Kwesimintsim sub metro, in addition to being the largest sub metro in the Metropolis was the preferred location of tenants based on income. This was attributed to the rapid development ongoing in the sub metro which is gradually improving availability and access to social services.

According to tenants, Effia-Kwesimintsim was their preferred choice, because of tenure security representing 53.3 percent and its good neighbourhood features, taking into consideration access to transport, electricity, water and sanitation representing 21 percent. This finding collaborates the Tiebout hypothesis (Montgomery & Curtis, 2006). According to the theory, households base their location choices on the availability and quality of social services.

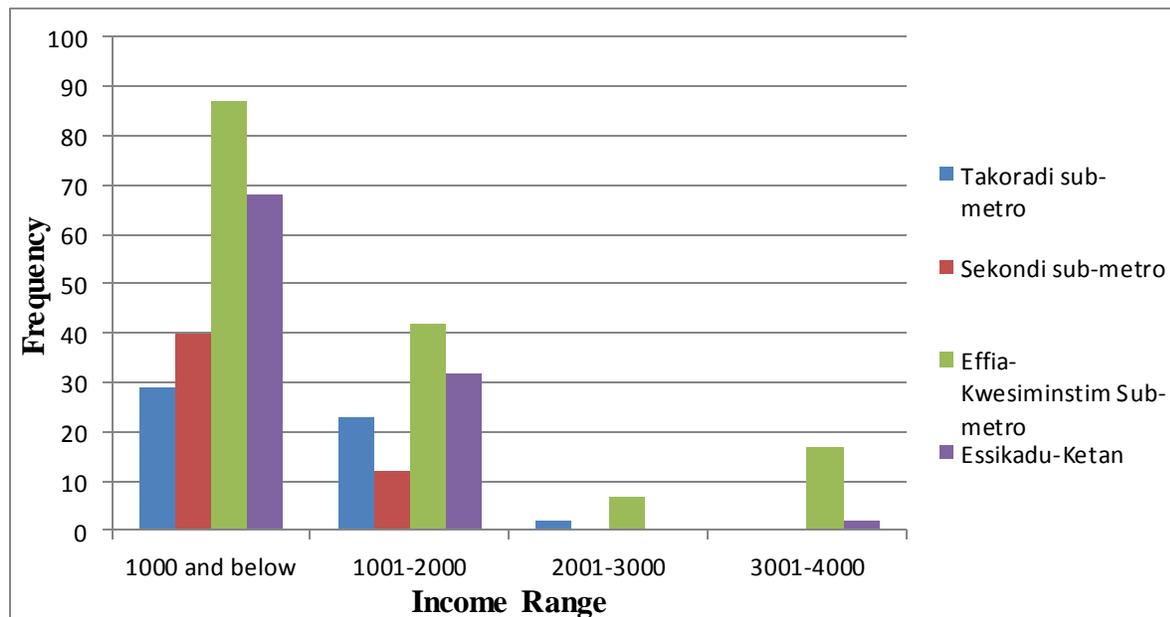


Chart 4. 2: Locational Choices of Tenants within Income Groups in Sub Metros

Source: *Field Survey, 2016*

The increase in demand for housing in the Effia-Kwesimintsim sub metro has the tendency of increasing urban sprawl as well as increasing pressure on existing social infrastructure. The Metropolitan Assembly would, therefore, have to spend more on improving and expanding the

existing facilities within the sub metro. This would bridge the gap in the service provision in the Metropolis in the long run. The increased development in the sub metro as a result of urban sprawl contributes greatly to the depletion of agricultural lands and raises food security concerns. The increased demand for residential rental facilities within the sub-metro has led to a gradual increase in rent. For this reason 31.37 percent of residents within the Effia-Kwesimintsim sub-metro would want to relocate in the next five years. This is because their income level cannot support the current spate of rent increases. This finding agree with the findings of BBC, 2013 which argues that relocation by tenants is made possible because renting offers low income households the opportunity to relocate when income cannot support rent expenditure.

In Takoradi sub metro 81.48 percent of tenants preferred to relocate in the next five years. Tenants attributed their decision to tenure insecurity resulting from housing conversion, high rents and noise from the numerous recreational facilities and commercial activities. This finding is consistent with the argument of Akabzaa and Darimani (2001) that low income households who cannot afford rent would resort to cheaper and unsafe option for shelter leading to the formation of slums as the case of Tarkwa. Tenants in Sekondi and Essikado-Ketan sub-metro representing 84.61 and 69.61 percent respectively preferred to stay in the sub-metros within the next five years for reasons such as the tenure security, affordability and good neighbourhood conditions including access to electricity, healthcare, water and sanitation. Provision of rental housing by quasi-government stakeholders should be eminent in such areas to meet the needs of the poor particularly tenants in the informal sector.

4.2.7.1 Access to housing services and improvement in housing conditions

The study as part of understanding the locational preference of tenants also inquired about tenant's access to electricity, water and sanitation as these are determinants of rent (Amenyah & Fletcher, 2013). From the sampled 361 tenants interviewed, 99.7 percent had access to water and sanitation within their present residence. Landlords/ladies interviewed indicated that a factor that influenced the changes in rents was improvement made in the housing facility. The study, therefore, sought to enquire if tenants had observed any improvement in their facilities since taking occupancy particularly during the last ten years. In all 46 percent had observed some form of change in their housing conditions. The prominent observation was the fixing of burglar proof accounting for 46 percent of the responses whilst the extension of water to the premises

accounted for 44.8 percent. The construction of additional toilet facilities recorded the lowest accounting for 19.2 percent of the total. This is an indication that landlords/ladies are paying attention to the needs and security of tenants not only to attract tenants but to improve the value of their properties. The next section discusses the changes in the residential rental housing with respect to the oil exploitation in the Metropolis.

4.3 Changes Residential Rental Housing

The effects of oil exploitation on rental housing can be observed under various forms. The study analyzed the effects of the exploitation based on four issues identified in the literature review and captured in the conceptual framework in Figure 2.2 as well as from the field survey. These effects namely; rent, evictions, in-migration, and relocation are discussion in detail.

4.3.1 Rent and Regulations

The Rent Control Department has the oversight of all residential rent regulations in the country. The department's mandate is to act as an intermediary between landlords/ladies and their tenants, to promote peace and reconcile parties on renting issues. The department is also responsible for the determination of rental prices for all residential rental units. The Department does this through an assessment of the facility which encompasses access to toilets, bathrooms, water, electricity, room dimensions, general living environments, roads, and the residential class within which the facility is located. According to the Department this has not been done over the years due to resource constraints.

... We do not have the personnel, vehicles, and financial resources to undertake the biannual review as expected of us. As a result landlords are at liberty to determine as much as they want as rent from tenants which is not the best. (Rent Control Department-Takoradi, January-2016)

This admittance affirms the position of Amenyah & Fletcher (2013) and COHRE (2007) that the inadequacy of staff and resources of the department is a hindrance to the effectiveness and efficiency of the department in the rental housing market.

4.3.1.1 Rent

The study sought to examine the changes in rent in the Metropolis over the last ten years. This was done through the rent records of tenants from 2006 to 2015 for each sub metro. The study examined the rent for all categories of rooms but emphasis was placed on two namely single

room with shared facilities and single room self-contained. The reason is that these were the most commonly occupied categories within the Metropolis and they formed the basis for the rent prices for the other rooms. The operation definitions used by the study for these two room categories are:

A single room with shared facilities refers to rooms in which the tenant had to share toilet, bathroom and kitchen with one or more households within the house.

A single room self-contained refers to rooms in which tenants had their own toilet, bathroom and kitchen and were not sharing with any other household or tenant.

Table 4. 4: Rents for Single Room with Shared Facilities in Sub Metros from 2006 to 2015

Year	CPI	Effia-Kwesimintsim			Takoradi			Sekondi			Essikado-Ketan		
		Price GHC		%Δ	Price GHC		%Δ	Price GHC		%Δ	Price GHC		%Δ
		N	R		N	R		N	R		N	R	
2006	1.9	27	14.5	0	27	14.5	0	23	12.4	0	22	11.8	0
2007	2.1	27	13.1	-9.8	27	13.1	-9.8	23	11.2	-9.8	22	10.7	-9.8
2008	2.3	33	14.2	8.3	35	15.1	14.9	29	12.5	11.8	25	9.5	-11.4
2009	2.7	33	11.8	-16.5	35	12.6	-16.5	29	10.4	-16.5	25	9.0	-5.2
2010	3.2	40	12.5	5.6	43	13.4	7.0	35	10.9	5.1	25	7.8	-12.9
2011	3.5	59	16.9	35.2	67	19.2	42.8	35	10.0	-8.3	25	7.2	-8.3
2012	3.8	66	17.4	3.0	75	19.8	2.9	38	10.0	-0.1	30	7.9	10.4
2013	4.1	75	18.2	4.5	86	20.8	5.4	42	10.2	1.6	34	8.2	4.2
2014	1.2	84	69.3	281.3	92	75.9	264.2	45	37.1	264.7	39	32.2	290.5
2015	1.4	90	63.8	-8.0	96	68.0	-10.4	50	35.4	-4.6	45	31.9	-0.9

Source: *Field Survey 2016; GSS, 2016*

**N=Nominal Rent; R=Real Rent; %Δ=Percentage Change

Findings indicate that rent within the first four years (2006-2009) had been inconsistent with no definite pattern within the Effia-Kwesimintsim and Takoradi sub metro. In 2006 for instance real rent was GHC 14.5, this dropped to GHC 13.1 representing -9.8 percentage change. However from 2010 to 2014 real rent increased with no definite pattern and recorded the highest percentage change of 281.3 and 264.2 percent for Effia-Kwesimintsim and Takoradi sub metro

respectively in 2014. Interesting the sub metros (Effia-Kwesimintsim and Takoradi sub metro) recorded its first sharp percent increase in 2011 of 35.2 and 42.8 percent which based on stakeholder discussions (Rent Control and Private Developers) was due to increase demand for housing emanating from in-migration of tenants into the Metropolis for oil jobs (see section 4.3.1). These rent changes were compared with the opinions of tenants in the sub metros and according to 32.9 and 30.9 percent of tenant Effia-Kwesimintsim and Takoradi sub metro respectively, the increase in rent was associated with increase in demand which incentivized landlords to increase rents. It is therefore reasonable to argue based on the finding that the sub metros experienced the effects of the oil exploitation on rental housing from 2011 when rent increased sharply as result of oil-induced migration and its associated demand for housing. Chart 4.3 depicts the rent trend for the various sub metro over the ten year period for single room with shared facilities.

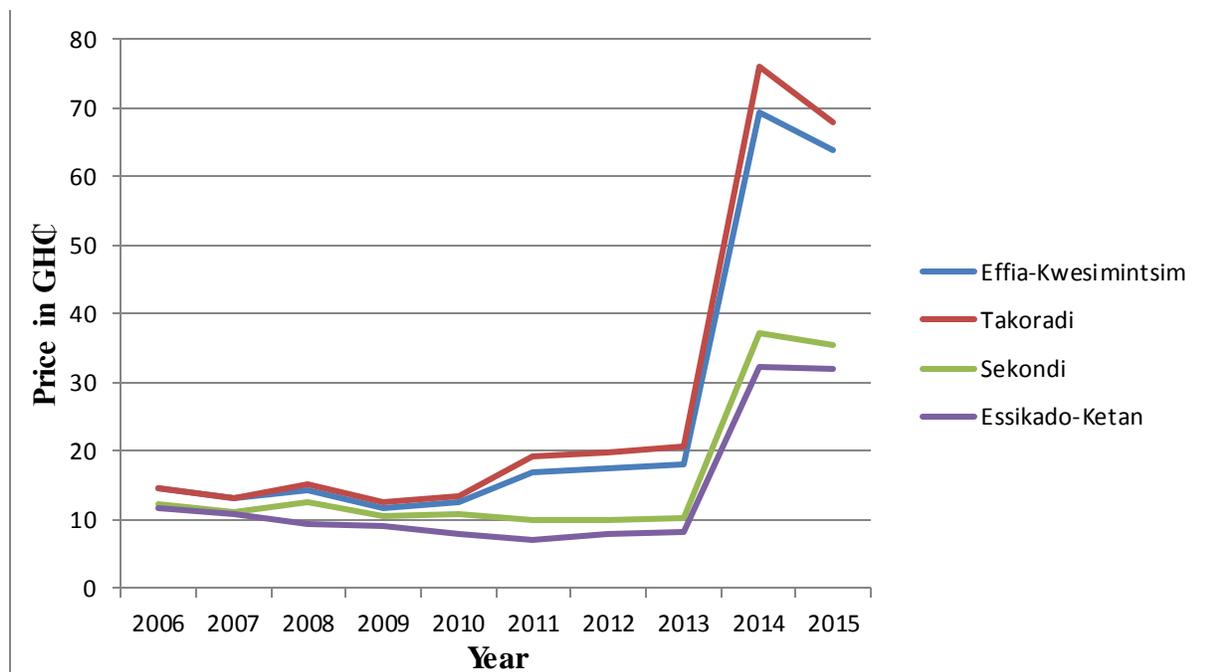


Chart 4. 3:Rents for Single Room with Shared Facilities in Sub Metros from 2006 to 2015

Source: *Field Survey, 2016.*

This pattern was however different in the Sekondi and Essikadu-Ketan sub metro. The inconsistency in rent changes prevailed until 2014 when a sharp percent increase of 264.7 and 290.5 percentage increase were recorded in Sekondi and Essikadu-Ketan sub metros

respectively. Stakeholders (Rent Control and Private Developers) argue that the relocation of tenants from Effia-Kwesimintsim and Takoradi sub metro (see section 4.3.1) contributed to these sharp increases as landlords in these areas took the opportunity to increase rent. Comparing this finding within the relocation of tenants within the metropolis, 48.4 and 60 percent of tenants who moved out of the Effia-Kwesimintsim and Takoradi sub metro respectively attributed the reason to affordability and tenure insecurity challenges buttressing the argument that the oil exploitation resulted in increased rent which lead to relocation of tenants particularly low income earners. The rent trend was similar for single room self-contained across sub metros as depicted in Table 4.5.

Table 4. 5: Rents for One Room Self-Contained in Sub Metros from 2006 to 2015

Year	CPI	Effia-Kwesimintsim			Takoradi			Sekondi			Essikado-Ketan		
		Price GHC		%Δ	Price GHC		%Δ	Price GHC		%Δ	Price GHC		%Δ
		N	R		N	R		N	R		N	R	
2006	1.9	60	32.3	0	61	32.8	0	53	28.5	0	47	25.3	0
2007	2.1	60	29.1	-9.8	67	32.5	-1.0	58	28.1	-1.3	47	22.8	-9.8
2008	2.3	67	28.8	-1.1	67	28.8	-11.4	58	24.9	-11.4	51	21.9	-3.8
2009	2.7	67	24.0	-16.5	75	26.9	-6.5	64	23.0	-7.9	51	18.3	-16.5
2010	3.2	78	24.4	1.4	75	23.4	-12.9	64	20.0	-12.9	56	17.5	-4.3
2011	3.5	78	22.4	-8.3	85	24.4	3.9	71	20.3	1.7	56	16.1	-8.1
2012	3.8	89	23.5	5.0	90	23.7	-2.6	71	18.7	-8.0	62	16.3	1.8
2013	4.1	99	24.0	2.3	102	24.7	4.2	80	19.4	3.6	62	15.0	-8.1
2014	1.2	119	98.2	309.2	122	100.7	307.2	88	72.6	274.5	71	58.6	289.8
2015	1.4	130	92.1	-6.2	136	96.4	-4.2	96	68.0	-6.3	78	55.3	-5.6

Source: *Field Survey, 2016; GSS, 2016*

**N=Nominal Rent; R=Real Rent; %Δ=Percentage Change

Rent for single rooms self-contained had been inconsistent within the first six years for Effia-Kwesimintsim and Sekondi sub metros. For instance the real rent in 32.3 and 25.3 percent respectively in Effia-Kwesimintsim and Sekondi sub metros and recorded a -9.8 and -1.3 percent change in 2007 respectively. However the sub metros recorded a sharp percentage change of 5.0 and 1.8 respectively in 2012 as compared to 2011 for single room with shared facilities. This is

because housing arrangement of single room with shared facilities is a more affordable choice as confirmed by tenants and landlords alike. Interesting the inconsistency in rents were recorded for the ten year period for both Takoradi and Essikado-Ketan sub metro even though Takoradi sub metro recorded a sharp percentage change in 2013 as compared to 2012 for Essikado-Ketan sub metro. This rent trend for single room self-contained is depicted in Chart 4.4. Based on these finding it is reasonably to argue that in view of the inconsistent in rent changes the effects have been of different magnitude in the four sub metros. For instance over the ten year period (2006-2015) Takoradi sub metro recorded the highest percentage change of 193.6 percent for single room self-contained as compared to 118.5 percent for Essikado-Ketan sub metro.

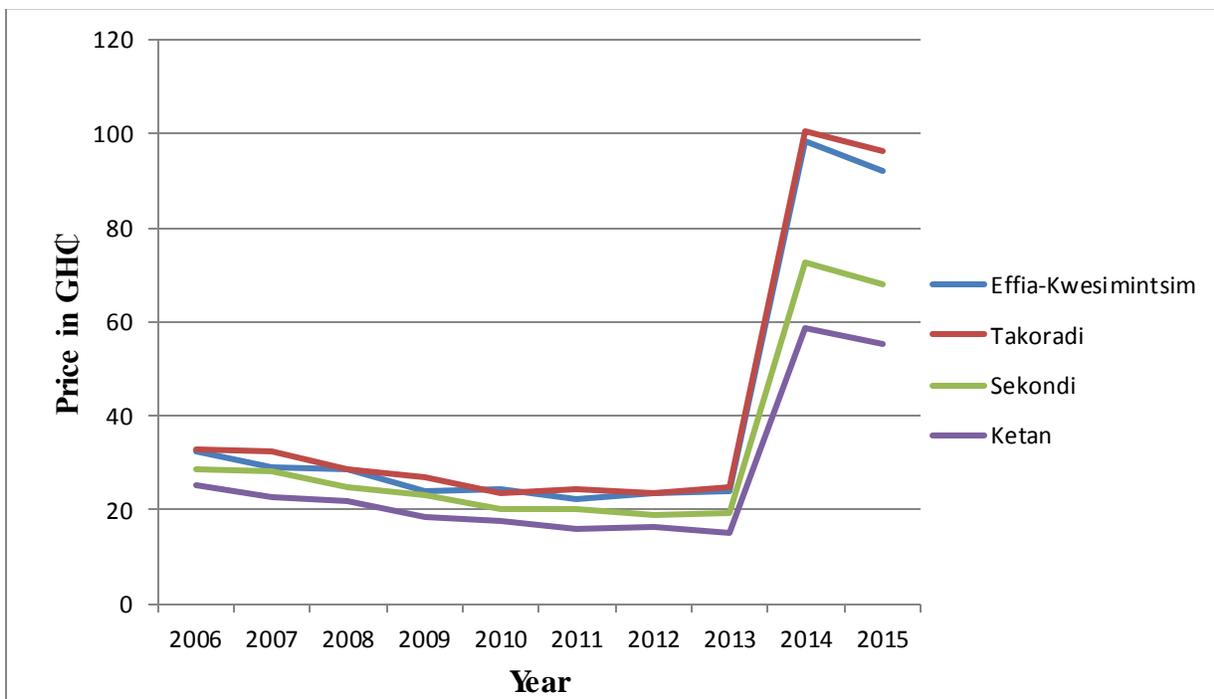


Chart 4. 4: Rent Trend for Single Room Self Contained in Sub Metros from 2006 to 2015

Source: *Field Survey, 2016*

This finding from the rent changes collaborates that of Farren (2014) depicted in Figure 2.1 and Higgins (2009) who argue that at the roughneck stage oil production has commenced therefore there is a large inflow of workers particularly in situations where the local workforce does not have the expertise the oil industry requires. Thus the perceived high income of these oil sector workers influences property owners to increase rents.

This increase rent was affirmed through the responses of real estate companies. These companies indicated that communities such as Beach Road, Chapel Hill and Airport Ridge were the preferred choices of their clientele due to racial and socio-economic reasons. Real estate companies interviewed started managing residential rental facilities in 2014 and, therefore, could not provide rent charges within these areas prior to the oil exploitation. According to these companies, a two bedroom apartment in Anaji is going for between GHC 250.00 to GHC 400.00 per month.

... This is a well sought after area for middle class income earners particularly Ghanaians in the oil and its related sectors, these days' even foreign workers have also requested for such locations. This area is quiet, safe in terms of security, and accessible and this has become appealing to expatriate clients. ACP January, 2016.

In West Tanokrom on the other hand, monthly rent ranged between GHC 200.00 to GHC 300.00 for a two bedroom apartment and is another preferred choice for middle income tenants both in the oil and non-oil related sectors. Rent in Tanokrom is cheaper compared to Anaji even though the former is in close proximity to the CBD and is well developed in terms of roads and access to water. This contradicts the assertion proposed by Von Thuenen in the Bid Rent Theory that the closer the location to the CBD the higher rent. Rental prices for a two bedroom apartment in Airport Ridge area according to real estate companies is within the range of GHC 1,500.00 and 2,000.00 per month. This is also a developed residential area and the clientele for this area is the upper class income earners, particularly, the expatriates whose choices are based on racial and socio-economic reasons. An interesting phenomenon reported in this area by real estate companies is that landlords prefer to rent cheaper housing units in other locations and rent out their houses to expatriate.

... Ghanaian home owners living in the community upon realizing the interest of expatriates to stay in the location have taken the opportunity to rent their facilities to these expatriates and use the proceeds to rent an apartment in other residential areas such as Fijar and Anaji. B&R, January, 2016.

Monthly rent for a two bedroom apartment in Chapel Hill ranges between GHC 1,000.00 to GHC 1,500.00. This area is also sought by both middle and upper class income earners. The

interesting feature is that in this locality property owners furnish these residential rental housing units before the units are put on the market for either of these two reasons that is some clients stay without their families or others spend less than a year. It does not make economic sense for them to purchase such home furnishes.

The only residential area within the Metropolis where rent is quoted in dollars is Beach Road. The study was unable to interview household tenants within this locality because majority of the residents are home owners with a few residing in government bungalows. These include namely the police service, military service, public hospital and the ports. The other category of tenants are expatriates who could not provide information on the rental prices because their companies acquire the facility on their behaviour and therefore are not privy to such information. Rent for a two bedroom apartment within the locality according real estate companies ranges from US \$1,000.00 to US \$1,500.00 per month for a two bedroom apartment and this area is sought after by upper income earners particularly expatriates for racial and socio-economic reasons which affirms the arguments of Montgomery & Curtis (2006) on residential locational choices.

The SHC on the other hand had different rents for its housing units based on their location and these are lower than the average rent in the Metropolis. For instance in North and South Effiakuma, rent ranged from GHC 9.00 and GHC 15.00 per month whilst in Adiembra it was pegged at GHC 15.00. From 2006 to 2012 rent for both locations was pegged at GHC 3.00, and had not been revised over the period, because the company needed approval from government. This non-revision is also in line with its mandate of providing social housing for low income earners. In 2013, however, due to the change in economic conditions generally in Ghana rent was increased to the range of GHC 6.00 to GHC 10.00 for North and South Effiakuma and GHC 8.00 for Adiembra. Rent was increased again in 2014 to the range of GHC 9.00 to GHC 15.00 for North and South Effiakuma and GHC 12.00 for Adiembra.

Prices for quasi-government institution were relatively cheaper compared to the average rent, and considering the demand within the Metropolis there is a great potential for this category of providers. Housing conditions within these units, if expanded, would offer an alternative to meeting the varied needs of tenants and attract more clients.

4.4.2.2 Rent Review

The Rent Control Department is also obliged by its regulations to review residential rent prices every two years. However, due to staff and resource constraints, it has equally not been able to perform this function. The implication of this challenge is that tenants are compelled to pay whatever amount home providers quote. This has reflected in the general residential rent price changes in the Metropolis due to the oil exploitation as home providers fix their prices based on the assumed high income of the oil sector workers. Amenyah & Fletcher (2013) argues that the income of the migrant population becomes the basis for the determination of rent in the Metropolis at the expense of native residents who have not seen any changes in this income level as a result of the oil exploitation similar to the case of Tarkwa. An opinion shared by Akabzaa & Darimani (2001) in the description of the effect of gold mining in Tarkwa.

In the case of real estate companies operating in the Metropolis, rent has not been revised by the company, because their operations are recent beginning in 2014, and during this period the rental market has been slow.

.. The slow market dynamics is due to the energy and economic crisis in the country. This has compelled some of our clients within the oil sector to relocate to neighbouring La Cote D'Ivoire which is purported to have stable economic conditions. Expat Solution Ghana, January, 2016.

This finding was affirmed by private informal landlords/ladies who rent their properties directly to expatriate workers of the oil related companies.

4.4.3 Evictions

Eviction refers to the ejecting of a tenant from a building. Eviction under the Rent Act of 1963, Act 220 is permissible in situations where tenants are unable to pay rent charges, or when the landlords or members of the family and employers of the landlord require the use of the said room. This law is flouted by landlords under various disguised reasons. From the study as shown in Chart 4.5, it was observed that 10.25 percent of tenants have been evicted from their previous residence within the Metropolis of which 67.57 percent were from the Takoradi sub metro. The main reasons for their eviction, according to tenants, were their inability to pay rent which constituted 80 percent of the total. The remaining 20 percent attributed their eviction to confrontation within their landlord on utility bills and household duties representing 4.6 percent

and change of use of their housing units into offices and other commercial uses which represented 15.4 percent. Even though the Rent Act of 1963, Act 220 prohibits landlords from evicting tenants until the agreed tenancy duration has expired in situations of a change of use this is flouted based on the responses of tenants.

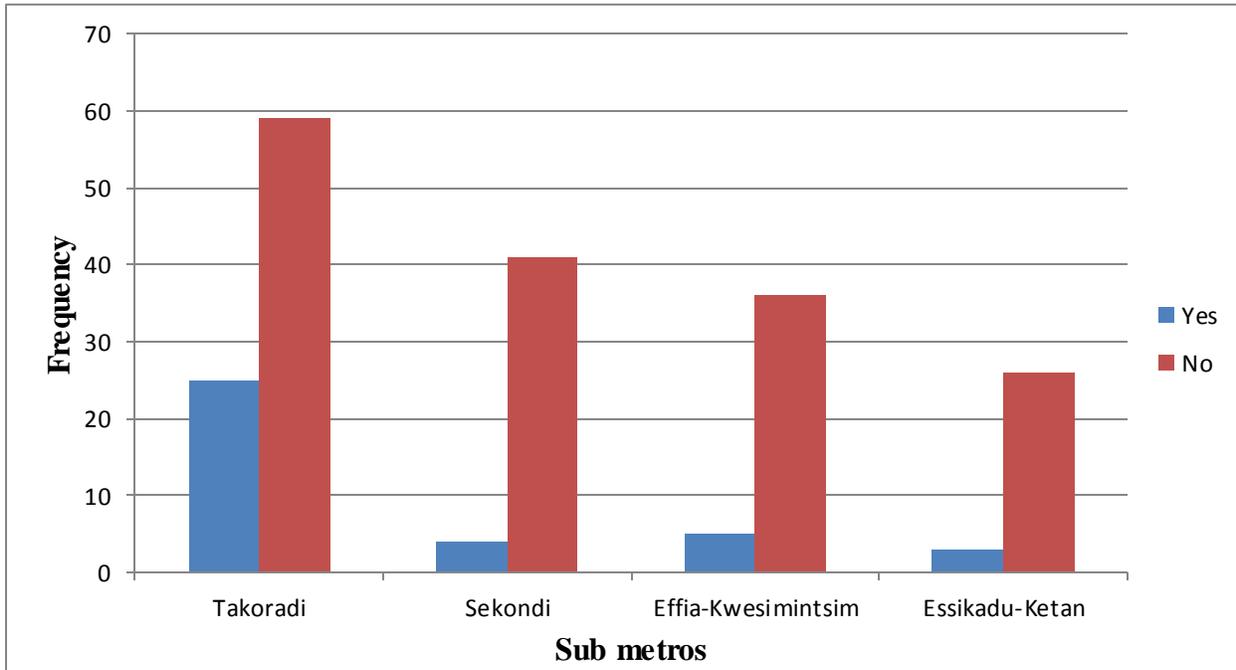


Chart 4. 5: Evictions among Tenants across Sub Metro from 2006 to 2015

Source: *Field Survey, 2016*

According to tenants in Effia-Kwesimintsim, Sekondi and Essikado-Ketan sub metros representing 13.51, 10.81 and 8.1 respectively, the reason for their eviction was their inability to pay for the rent increment. Takoradi sub metro recorded the highest eviction cases due partly to its function as the main commercial hub of the Metropolis and the preferred location of most commercial and service sector activities. Evicted tenants did not petition the Rent Control Department upon their eviction because they did not see how the department could assist. This raises questions about the penetration of the department’s reported educational radio broadcast programmes undertaken monthly to sensitize tenants on rent regulations within the Metropolis and Ghana at large.

Due to the non-availability of records at the Rent Control Department, the study could not provide the actual number of reported and approved eviction cases from 2006 to 2015 to help establish the trend of eviction within the Metropolis. According to the department however from

2006 to 2011, 70% of all the reported evictions were from the Takoradi zone which is comprised of Takoradi and Effia/Kwesimintsim sub metros. This was due to the high demand for both commercial and industrial space in the Takoradi zone. This trend was affirmed by evicted tenants within the sub metros.

The department acknowledged that from 2012 to 2015 it had received 1979 cases of evictions from both landlords/ladies and tenants. Cases reported by landlord/ladies alone within the period constituted 67% of the total indicating a strong desire of landlord/ladies to evict old tenants to attract new tenants who can pay higher rents. However, from 2014 to 2015, the number of reported cases had fallen (refer to Chart 4.6) which was as result of a decline in eviction disputes across sub metros. It is important to note the cases reported by tenants increased from 2012 to 2015 indicating tenants’ recognition of the Rent Control Department in resolving eviction disputes. This was, however, not confirmed from the household survey as tenants expressed the ineffectiveness of the department in resolving eviction deputes. This implies that the activities of the department has not imparted on its target groups heightening their inefficiency.

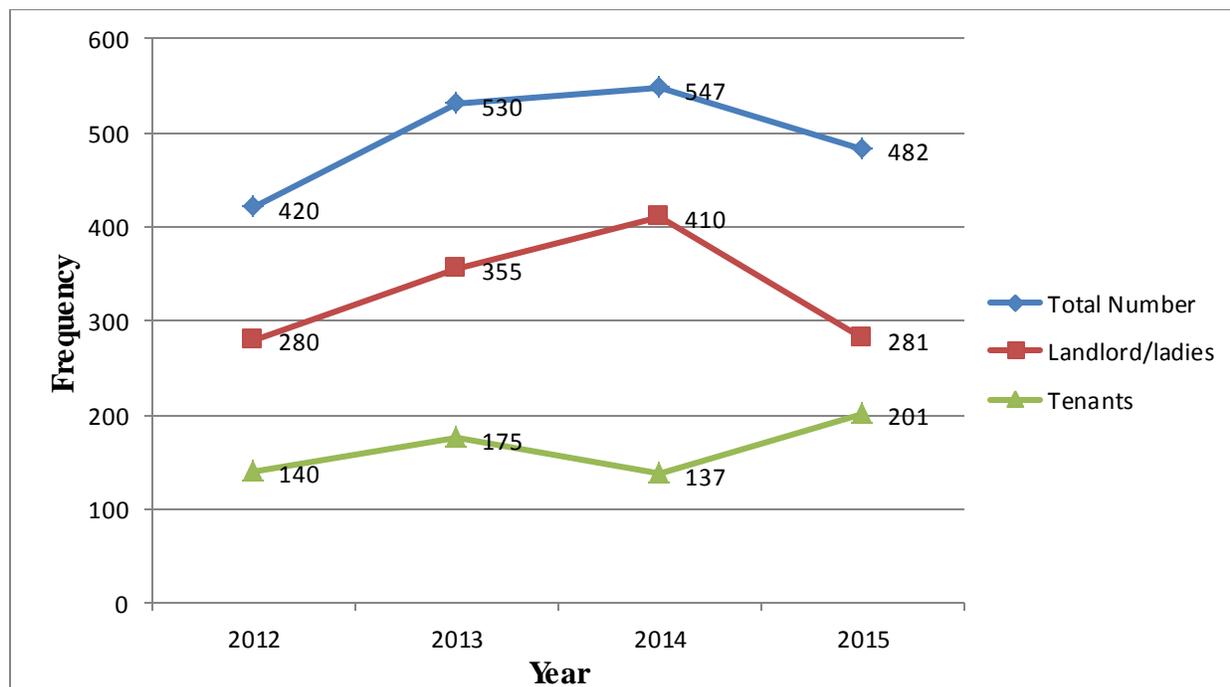


Chart 4. 6: Reported Cases of Evictions across Sub Metros from 2012 to 2015

Source: *Field Survey, 2016*

The department indicates that 65% of the reported cases from 2012 to 2015 were from the Sekondi zone, comprising the Sekondi and Essikado-Ketan sub metros. The reason for this is that more people were relocating to the zone due to the comparatively high rent being charged in communities within the Takoradi zone. This finding is in consonance with the case of Eastern Montana USA as described by BBC (2013) where tenants relocated from high rent areas to low rent areas. As a result of the relocation of tenants into the Sekondi and Essikado-Ketan sub metros rent observed a sharp percentage increase from 2012 (refer to Table 4.4 and 4.5) to the disadvantage of already existing tenants.

4.3.1 In-migration and Relocation among Tenants

This section analyzed the in-migration and relocation of tenants within the four sub metros of the Metropolis. Findings from survey indicate that 44.59 percent of the tenant households (361) in the Metropolis are tenant who have moved into the Metropolis for diverse reasons. However 48.44 of these migrant tenants moved into the Metropolis because of the oil exploitation in anticipation of a job in this new sector of the local economy. About 80.12 percent of these migrants are skilled with a minimum of secondary/technical education, however the oil and its related services employs 13.66 percent of these migrants' tenants, all of which have a minimum of tertiary education. This finding collaborate Frankel (2010) arguments that oil exploitation is a labour pull factor in host regions since the new sector require skilled labour which are usually unavailable in the local economy.

It was observed that among the four sub metros as depicted in Table 4.6 that Takoradi sub metro had the highest number of relocating tenants. Takoradi sub metro had 30.9 percent of its tenants maintaining their residence whilst 21.2, 19.1, 27.5 percent moved to the Sekondi Effia-Kwesimintsim and Essikado-Ketan sub metro respectively. According to tenants who moved out of the Effia-Kwesimintsim sub metro their reason was based on the affordability of housing in the area (refer to Table 4.4 and 4.5) which accounted for 48.4 percent of responses whilst the quality of public services constituted 11.9 percent. Tenants who had moved from the Takoradi sub metro cited affordability of housing and tenure insecurity which accounted for 40 and 20 percent respectively. The quality of public services was the main reason why tenants from the Sekondi and Essikado-Ketan sub metro had to relocate to other parts of the Metropolis. This accounted for 32.7 and 29.4 percent of the respectively.

Table 4. 6: Relocation and In-migration among Tenants in Sub Metros

Location	Effia-Kwesimintsim sub metro		Takoradi sub metro		Sekondi sub metro		Essikado-Ketan sub metro		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Takoradi sub metro	29	19.1	17	30.9	11	21.2	28	27.5	85	23.5
Sekondi sub metro	8	5.3	6	10.9	13	25	18	17.6	45	12.5
Effia-Kwesimintsim sub metro	24	15.8	5	9.1	5	9.6	7	6.9	41	11.4
Essikado-Ketan sub metro	0	0	3	5.5	11	21.2	15	14.7	29	8.0
Within Region Western Region	23	15.1	6	10.9	3	5.8	17	16.7	49	13.6
Outside Western Region	64	42.1	16	29.1	9	17.3	17	16.7	106	29.4
Outside Ghana	4	2.6	2	3.6	0	0	0	0	6	1.7
Total	152	100	55	100	52	100	102	100	361	100

n=361

Source: *Field Survey, 2016*

This findings is collaborates the assertion by Curtis & Montgomery (2009) who argued that tenants move out of a particular location by weighing the value of public services against their preference. Fleming & Meashan (2013) argues that for low income earners price hikes and affordability becomes the motive for relocation. This is because they have not seen any increases in the income to compete with the migrating high and middle income households.

4.4. Changes Housing Development

Land is an important but a fixed component in the production of residential units. It especially influences the price of housing. The study examined the changes in the price of residential land in the Metropolis to appreciate the trend in view of the oil exploitation. The Land Valuation Department of the Lands Commission relies on open market transactions as well as land owners for its land valuation preparation. The price of land, however, is dependent on the location, type of use, size of the land and the speculative development projects by government and other investors. Through interview with land owners and real estate companies, the major demand areas for residential lands are within three sub metros namely Effia-Kwesimintsim, Sekondi and Essikado-Ketan as depicted in Table 4.7. Records on Takoradi sub metro were not available because residential lands within the sub metro are exhausted.

Residential land values in Kwesimintsim recorded a 900 percentage change from 2006 to 2015. Land prices in the area prior to 2009 recorded a zero percentage change because the area was not well developed hence the low demand. In 2009, land prices recorded a 50 percent increase from its previous price of GHC 2,000.00 because of the spill over in demand from other prime residential areas. From 2010 to 2012 prices shot up recording about 233.33 percent increase due to the increased demand associated with the oil exploitation. In 2013, however, the price increased by 20 percent and increased by 25 percent and 33.33 percent in 2014 and 2015 respectively. This percentage change had been minimal from 2014 to 2015 according to industry players because the market had been slow.

Table 4. 7: Residential Land Prices within Sub Metros from 2006 to 2015

Year	Effia-Kwesimintsim sub metro				Sekondi sub metro		Essikado-Ketan sub metro	
	Kwesimintsim		Anaji		West Fijai		Kojokrom	
	Acre	Price GHC	Acre	Price GHC	Acre	Price GHC	Acre	Price GHC
2006	0.18-0.20	1,500-2,000	0.18	7,000-10,000	0.20	1,500-2,000	0.20	1,000-1,500
2007	0.18-0.20	1,500-2,000	0.18	7,000-10,000	0.20	1,500-2,000	0.20	1,000-1,500
2008	0.18-0.20	1,500-2,000	0.18	7,000-10,000	0.20	1,500-2,000	0.20	1,000-1,500
2009	0.18-0.20	2,000-3,000	0.18	10,000-20,000	0.20	2,000-3,000	0.20	2,000-3,000
2010	0.18-0.20	3,500-10,000	0.18	10,000-20,000	0.20	3,500-7,000	0.20	2,000-3,000
2011	0.18-0.20	3,500-10,000	0.18	20,000-40,000	0.20	3,500-7,000	0.20	2,000-3,000
2012	0.18-0.20	3,500-10,000	0.18	20,000-40,000	0.20	7,500-10,000	0.20	3,000-5,000
2013	0.18-0.20	10,000-12,000	0.18	40,000-45,000	0.20	7,500-10,000	0.20	3,000-5,000
2014	0.18-0.20	12,000-15,000	0.18	40,000-45,000	0.20	10,000-12,000	0.20	5,000-6,000
2015	0.18-0.20	15,000-20,000	0.18	45,000-50,000	0.20	12,000-15,000	0.20	6,000-10,000

Source: *Field Survey, 2016*

Residential lands in Anaji, according landowners, were high even before the oil boom, because it was a prime residential area. Increased demand kept the percentage change at a 100 percent for 2009 and 2011. However, in 2013 the price increased by 12.5 percent and 11.11 percent in 2015. These changes are as a result of continuous increase in price due to increased demand. The area has recorded a 400 percent increase from 2006 to 2010. West Fijai has also recorded a 650 percent increase from 2006 to 2015 because the area from 2006 had gradually developed and by 2012 had become the preferred choice of developers who could not afford lands in the Takoradi and Effia-Kwesimintsim sub metros.

Kojokrom on other hand recorded very low demand from 2006 to 2008 because the area was not developed. However from 2009, demand starting picking up resulting in increase in price as it offered a relatively cheaper option. The area has recorded a 566.67 percent increase from 2006 to 2015. The rate of increase in land prices continues to increase the cost of production of land and this has influenced the clientele choice of the private formal sector. This is because the focus is on recouping their investment cost as well as making returns on their investment. Increase in land prices in these communities has indirectly increased the property value of houses within these communities as a result of the oil exploitation.

4.4.1 Housing Development in Sekondi-Takoradi Metropolis

The Town and Country Planning Department receives development permit applications from prospective home owner or developers, does the necessary scrutiny before approval is given for the commencement of construction. The study examined the trend in terms of issued permits for residential housing development from 2006 to 2015. This was to help examine the relationship between oil exploitation and residential housing development in view of the fact that the residential rental housing forms part of this component. From the study it was observed that the department issued 4,733 residential building permits from 2006 to 2015 as shown in Chart 4.7. It was observed that the peak period for the issuance of residential building permits was from 2009 to 2011 where a total of 2080 permits were issued. This can be attributed to the speculative demand that developers anticipated prior to the full operation of the oil industry.

The peak periods of 2009 to 2011 (refer to Chart 4.7) are due to the fact that as the population close resource extraction areas increase their demand for housing. This finding affirms the assertion of Fleming and Measham (2013) that argues that increase in demand for housing results

in the boom in the construction sector. Interestingly, even though these permits were issued across Metropolis the major areas included West Mpatado, Kansawurado, Diabene, North Arhinkofi, Assakai, North Whindo, Ngyiresia, North Kwesimintsim, Mpintsim, Essipong, Ketan, BU and Upper Inchaban (now part of the Shama District). These areas are mainly in the North Eastern side of the Metropolis and also constitute part of the prime agricultural farmlands of the Metropolis.

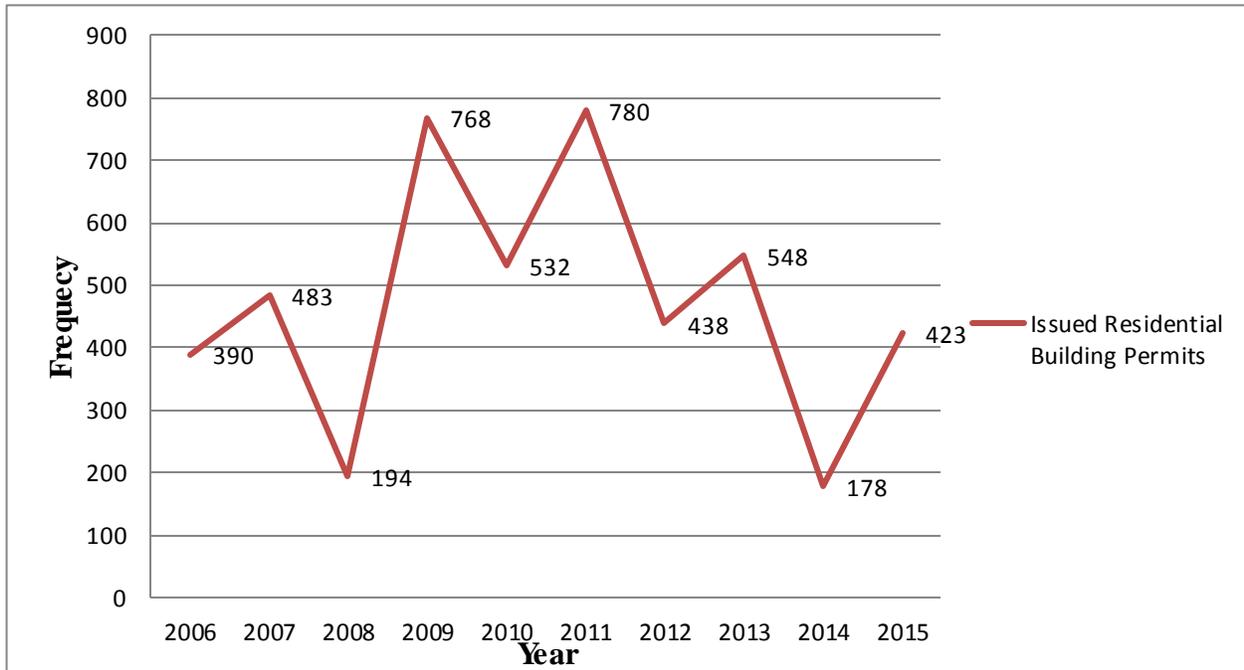


Chart 4. 7: Issued Residential Permits in Sekondi-Takoradi Metropolis from 2006 to 2015

Source: *Field Survey, 2016*

This is an indication of the gradual sprawl of residential development into farmlands in the Metropolis raising food security concerns. This sprawl development invariably affects the cost of providing essential social infrastructure such as water, electricity, sanitation and roads but also help bridge the gap in social service provision. For residents in these new developing areas as an indirect effect of the oil exploitation would have social service extended to their communities that were hitherto nonexistent. The other areas include Fijai, Takoradi, Adiembra, Kweikuma, Anaji, and Chapel Hill. These areas, however, had less application, because they are well developed and the lands are exhausted.

4.4.2 Remodeling

Remodeling for the purpose of the study referred to changes that had been made to the original structure of the building. These changes include extension of floors, construction of additional rooms, and construction of additional toilets. These expansion works do not alter the original use of the facility. The study enquired of remodeling taking place in a tenant's current place of residence; this was to appreciate the current changes in the residential rental housing market. It was observed from the survey that out of the total number of tenants within the Metropolis, 16.4 percent were experiencing some form of remodeling which was mainly the expansion of present units to either add more units or an additional floor. Effia Kwesimintsim accounted for 40.68 percent of the remodeling cases whilst Takoradi, Sekondi and Essikado-Ketan recorded 22.03, 10.17 and 10.17 respectively.

Landlords/ladies were mainly undertaking modeling to increase the household capacity of their properties to attract more income and to provide privacy for tenants in terms of sharing facilities. This trend was confirmed by the TCPD from the applications it receives as well as its field inspections. The researcher also observed these remodeling features during the household survey. As more housing units are remodeled the implication is that their rent prices would also increase to conform to the changes within these structures. An indirect effect of remodeling as a result of the oil exploitation was an improvement in the housing conditions of existing housing units.

4.4.2 Change of Use

Change of use refers to the change in the original use of a building from one purpose to another. For the purpose of the study, change of use was restricted to residential facilities. TCPD is the institution that approves the change of use of structures within a particular zoned area. Before a facility can have its use changed, it must be permissible within the zone regulation for that area. Therefore before a building is approved for change of use, the department must equally scrutinize this request to ensure that it does not flout any of the approval purposes within the zoned area. From the study it was observed that 27.7 percent of tenants had observed change of use in the communities. Out of the total, Takoradi sub metro recorded 74.07 percent whilst Effia-Kwesimintsim and Sekondi recorded 32.69 and 13.46 percent respectively. Essikado-Ketan recorded 2.94 percent of the total. From the household survey, 0.28 percent representing 1.85

percent of tenants from Takoradi sub metro indicated a proposed change of use in the present residence.

... We have been notified that our tenancy would not be extended when the rent expires. A tenant in Takoradi sub metro, January, 2016.

Table 4. 8: Issued Change of Use Permits in STM from 2011 to 2015

Approved Change of Use	Number Approved Per Year				
	2011	2012	2013	2014	2015
Residential to Commercial	4	15	4	0	0
Residential to Industrial	2	0	0	1	1
Residential to Civic and Culture	1	6	2	0	1
Residential to Educational	1	1	0	0	0
Open Space to Residential	0	1	1	0	0
Civic and Culture to Residential	0	2	0	0	0
Commercial to Residential	0	0	1	0	0
Educational to Residential	0	1	1	0	0
Total	6	26	9	1	2

Source: *Field Survey, 2016*

TCPD was unable to provide information on the approved change of use permits issued prior to 2011. The available data as shown in Table 4.8 indicates that the department issued approval for 39 residential facilities to be changed to commercial, industrial, civic and culture, or educational facilities from 2011 to 2015 out of the total 44 approved change of use permits issued. The highest number of 22 was recorded in 2012 whilst 2014 recorded the least number, that is one. Out of the 39 approved application for change of use of residential facilities for the period, 60.52% were for commercial purposes, 26.3% , 10.5%, 5.3 % were for civic and culture, industrial and educational purposes respectively. In 2012 alone, 15 residential facilities had their use changed for commercial purposes, indicating an increase in demand for commercial space within the Metropolis with an emphasis on areas such as Airport Ridge, Takoradi Central area, and Windy Ridge. This finding agrees with the assertion of Acheampong and Anokye (2013) that residential facilities close to the CBD are more likely to be converted for commercial

purposes as demand for commercial housing exceeds residential housing. This finding collaborate the response of tenants across the sub metros. An example of a residential rental housing that have had it use change to commercial depicted in Plate 4.1.



Plate 4. 1: A Change of Use Unit in Takoradi

Source: *Field Survey, 2016*

Landlords/ladies indicated that due to the cost involved in maintenance, they preferred to change their properties to offices since it reduced the cost and human pressure on the facility. An indirect effect of the oil exploitation in terms of change of use is that the property value of these change of use facilities would increase since their location and available facilities within the facility would improve. This finding is synonymous with the Roughneck stage as described by Farren in Figure 2.1. Farren (2014) argues that a large inflow of oil workers and its associated oilfield service companies increase the demand for long term housing to facilitate their operation. The implication of this change of use is that tenants within these facilities had to relocate particularly to the less prime areas. The finding is similar to the findings of BBC (2013) in the case of Eastern Montana communities in USA where tenants, particularly, the poor and elderly relocated to low rent areas.

... Tenants moving to the interior parts of the Metropolis would have changed their life style because of the kind of facilities that are available in these new areas. TCP, January 2016.

SHC as main social housing provided in the Metropolis, was also not embarking on any residential housing projects in the Metropolis because its lands are exhausted. The Company, however, hinted of a proposed regeneration of its existing facilities in the form of lateral construction to make use of the available lands on which its facilities are currently located. This according to the company would provide the opportunity to improve the housing condition in its properties. In spite of the oil frenzy which has attracted real estate developers into the Metropolis Regimanuel Gray Limited, one of the oldest developers has not undertaken any development within the Metropolis due to land litigation issues on its plots in Essipon. The Developer, however, hopes to commence operation once its land issues have been resolved. Real Estate companies were remodeling some existing residential rental properties to provide both short and long stay options to clients' particularly expatriate since they have the income to afford such services (refer to Plate 4.2).



Plate 4. 2: A New Residential Rental Facility provided by a Private Developer in Takoradi

Source: *Field Survey, 2016*

Drawing from the experiences of oil economies such as Gabon, TCPD initiated the New Town Development concept in the wake of the oil exploitation as has been done by the Ahanta West District. This concept has been used in the development of cities such as Dubai, Abuja, Yamoussoukro and has been recognized globally as a new model for city development. The concept is, however, capital intensive and usually involves a consortium of investors to undertake the development since the government cannot on its own embark on such projects. The initiative dubbed “*The Kings City Project*” is located in the Effia-Kwesimintsim sub metro

and covers 1231 hectares. The aim of the project is to create a new development node within the Sekondi-Takoradi Metropolis to complement and supplement the two existing nodes, namely Sekondi and Takoradi. The project will also be environmentally, socially and economically sustainable and serve as an attractive, safe, pleasant and convenient place for people to live, work and play.

The design was based on principles not limited to the following:

- Protection of the environment and capitalizing on the environmental assets such as rivers, wetlands, ridges, flora and fauna;
- Creation of a mixed-use of urban environment that embodies the notion of “live, work and play”; and
- A design which is supportive of public transport and considerate of pedestrians and cyclists;

The project was put on hold, initially due to some financial constraints. Unfortunately, prior to its final commencement, it was discovered that the Ghana Gas Project had its pipeline running through the project site. This, therefore, required a change of design and structural plans to ensure a minimal interference with the pipe lines. The project, once implemented, would increase residential rental housing, since it would provide additional units for prospective tenants of different income groups as part of its social integration principle. However, due to the cost involved, the project seeks to target the upper income class, since most of the residential units would be on mortgage and this income group has the financial ability to afford. Designers of the facility nevertheless, have included blocks of apartments within the settlement which would be on rent amidst affordability concerns.

In essence apart from this initiative, the Metropolis has not seen any government initiated projects aimed at increasing the residential rental housing in spite of the increase in demand associated with the oil exploitation. This was manifested in the results from the household survey where it was observed that 77.3 percent had no information on housing development geared towards increasing residential rental housing in the Metropolis. Among the 22.7 percent who were aware of ongoing project only 12.12 made reference to *The King City Project* whilst the rest referred to the *Twin City Project* which is located in the Ahanta West District.

4.5 Perceptions on the Effects of Oil Exploitation on Residential Rental Housing

Tenants in the Metropolis had diverse views on the effect of oil exploitation on the residential rental housing. Tenants in Effia-Kwesimintsim sub metro representing 23.7 percent were of the opinion that even though there were available rental houses on the market, these were designed for the oil sector workers therefore rents are expensive (see Plate 4.3). This opinion was shared by 23.6, 29.5 and 34.6 percent of tenants in Takoradi, Essikado-Ketan and Sekondi. Other tenants were of the opinion that there had been an increase in demand which had resulted in the shortage of rental housing. This opinion was shared by 43.4, 45.5, 36.8 and 1.9 percent of tenants in Effia-Kwesimintsim, Takoradi, Essikado-Ketan and Sekondi respectively. According to 32.9, 30.9, 33.7 and 63.5 percent of tenants in Effia-Kwesimintsim, Takoradi, Essikado-Ketan and Sekondi respectively oil exploitation has resulted in an increase in rent prices. The shortage of rental housing units scored the highest among tenants indicating that the housing market might not be able to contain the demand should the increase in demand persist.



Plate 4.3: Apartments Designed for Oil Sector Workers in Takoradi

Source: *Field Survey, 2016*

4.5.1 Perception of Oil Exploitation on Residential Rental Housing - Curse or Blessing

The study sought the opinion of tenants based on the general residential rental housing situation within the Metropolis whether the oil exploitation has been a blessing or a curse. In total 9.7 percent of the tenants were indifferent of the effect of the oil exploitation on residential rental housing. According to about 7.4, 19.2, 16.3 and 9.8 of the tenants in Takoradi, Effia-Kwesimintsim, Sekondi and Essikado-Ketan respectively the oil exploitation was a blessing

because more houses have been built within the Metropolis whilst 5.6, 11.5 3.9, and 6.9 percent also considered it as a blessing because it had helped improve the housing conditions in the Metropolis. These constituted 19.7 percent of tenants in the Metropolis. Majority of tenants representing 70.6 percent of tenants however considered it to be a curse because it had resulted in an increase in rent and eviction across the Metropolis.

Private home providers within the Metropolis considered the oil exploitation as a blessing because it offered them the opportunity to undertake a long-awaited remodeling and face lift on their properties which was geared towards meeting the requirement of tenants as well as increase the value of their properties. Even though the private formal expert admits that it contributed to the curse of restricting clientele to middle and upper income groups the reason was the high cost of production in the country. Providing affordable housing therefore becomes an impossible venture for business. Whilst others were appreciative because the increase in demand shot up the price and enabled them to make money within the period. For real estate managers even though it brought them more business, the lack of regulation within the rental market offered landlords and land owners the opportunity to quote outrageous prices for their facilities.

... We paid \$90,000 for a plot in 2014, in fact we realize we were being exploited but we really wanted that plot. If it was today we would not have bought it. Expat Solution Ghana, January 2016.

In the view of the Metropolitan Physical Planning Officer, even though the operation of the industry and its associated service sector had led to an increase in rental charges, evictions and the dollarization of housing rent transactions in the Metropolis, it had also helped retain the actual use of the CBD. This is primarily because through the change of residential facilities for commercial purpose within the CBD, it has helped retain its role as a business district and not a dormitory settlement. According to the Metropolitan Planning Officer, relocating residents interviewed expressed satisfaction with relocation as it has spared them the nuisance of living in an area associated with excessive noise, congestion in terms of access to water and sanitation. The challenge of the department, however, was the control of traffic. This was explained by the fact that, as more people relocate to the interior part of the Metropolis the traffic flow will be centred towards the CBD during the rush hours, since majority of the employment centres are located in the CBD. This will require the redevelopment of the brown fields within the

Metropolis to attract investors as a mode of distributing traffic, an indirect effect of the oil exploitation.

4.5.2 Demand Patterns

According to real estate companies, demand for rental facilities by their clients increased in 2010 to 2014 because majority of the company's clients demanded residential properties as opposed to offices. This was accompanied by a drastic increase in rent from home owners as indicated by Farren 2013 as the Roughneck stage in Figure 2.1. Farren argues that at this stage the operation of the industry is in full operation and oil workers have gradually moved into the operational areas. Most property owners therefore modified their facilities in order to meet the requirement of the tenants and increase the rent since these new tenants were perceived to have higher income. This affirms the assertion by Amenyah and Fletcher, (2013) that the income of the migrating population becomes the basis for rent prices.

In the case of SHC, there were demand request from tenants, particularly those from the Takoradi sub metro. However, in view of the fact that its existing units are all occupied, the company could not assist such tenants. Its focus on the Metropolis now is the regenerating of existing units to accommodate more residents. The rationale for this initiative is that speculative demand for housing within the Metropolis and its resultant effect has had increased rental prices.

... Demand for commercial housing in the CBD has increased; it has forced low income earners to relocate to the interior parts of the Metropolis therefore if we had more units we could have provided housing options for relocating tenants. SHC, January, 2016

4.6 Overview of Findings

The study explored the effect of the oil exploitation on residential rental housing market by considering the following areas of interest, eviction, rent prices, relocation, change of use, land prices, remodeling and in migration across the four sub metros of the Metropolis from 2006 to 2015. This was to extend the applicability of the resource case theory particularly in urban and spatial planning. Table 4.9 provides a summary of the results as recorded from both household and institutional survey.

It can be observed from Table 4.9 that Takoradi sub metro recorded the highest effects among the identified effects from literature and field survey except for remodeling of residential units

and in-migration by tenants. The high record in this sub metro is associated with the fact that it is the CBD of the Metropolis with most of the infrastructural capacity such harbour and airport for the industry. Sekondi recorded the highest for relocation among tenants because its tenants had their employment location aside the sub metro. Emphasizing the fact that aside being the administrative capital Metropolis with majority of the state institutions, the sub metro does not have any employment options. There is the need for the redevelopment of brown field sites within the sub metro to attract investors. Effia-Kwesimintsim recorded the second highest effects indicating that the sub metro is gradually gaining prominence in the Metropolis, therefore, the planning authority needs to pay attention to the pace of development to ensure it conforms to its spatial plans. There is also the need to focus attention on improving and increasing the existing infrastructure as more people relocate to the sub metro.

Table 4. 9: Summary of Effects across Sub Metros from 2006 to 2015

Effects	Effia-Kwesimintsim	Takoradi	Sekondi	Essikado-Ketan
Evictions of Tenants	13.51 %	67.57%	10.81%	8.1%
Rent Prices (Percentage Change for Single room with shared facilities)	338.93%	368.19	186.26%	169.34%
Rent Prices (Percentage Change for Single room self-contained rooms)	185.31%	193.58%	138.51%	118.53%
Relocation of Tenants	41.46%	80%	71.11%	48.28
Change of use of Residential units	32.69%	74.07%	13.46%	2.94%
Land Prices (Percentage Change)	900%	-	650%	566.67%
Remodeling of Residential Units	40.68%	22.03%	10.17%	10.17%
In-Migration of tenants	56.5	14.9	14.29	21.12

Source: *Field Survey, 2016*

CHAPTER FIVE

SUMMARY OF FINDINGS RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter presents the summary of the major findings of the study with respect to the objectives and the conceptual framework of the study. Based on the findings recommendations are made to the residential rental housing market. The chapter concludes by highlighting the key issues of development concern as well as areas of further study.

5.2 Summary of Findings

The overall objective of the study was to assess the effects of the oil exploitation on residential rental housing in Ghana using STMA as a case study. The study analyzed the demographic and socio-economic characteristics of tenants, examined the changes in residential rental housing, analyzes changes in housing development and explored the perceptions of stakeholders on the effects of oil exploitation on rental housing in the Sekondi-Takoradi Metropolis. Based on the data collected and analysis, the findings of the study are presented as follows;

5.2.1 Socio-economic and Demographic Characteristics of Tenants

Residential housing is a product on the urban market that is demanded by all categories of households irrespective of age. However, the dominant age of tenants was within the age cohort of 31-40 which accounted for 38.2 percent of the total. The male population constitutes a majority among tenants at all age groups accounting for 65 percent which was synonymous with the Ghanaian household structure in which males are the heads. Majority of tenants in the Metropolis representing 96.95 percent of tenants have had some form of formal education which offers them a greater chance of finding jobs. The average income of tenants in the Metropolis is GHC 800 with the informal sector as the largest employer employing 43.39 percent of the tenants. The oil and its associated sector employed 13.4 percent of tenant population all of which earned higher than the average income. The average household size for tenants was three with 37.12 percent of tenants occupying single rooms. Migrant tenants from outside the Metropolis constitute 44.60 percent of total sampled size of 361.

The payment of rent advance was mainly done with personal savings which accounted for 71.7 percent. This was an affirmation of the Habitat-U.N. (2011) assertion that even though majority of Ghanaians have access to finance, however, preference is given to other investment, rather than housing. The mean rent advance paid was two years with a minimum of one year and a maximum of four. Interestingly 28.2 percent of tenants were comfortable with the payment of rent advance because it assured them of tenure security for that duration, even though raising the initial amount was a problem. Landlords/ladies charged rent advance because they did not want to chase their tenants for rent when payment was due. Rent advance also provided the opportunity to undertake repairs and maintenance as well as expansion works on their property. Thus upfront rent benefited both tenants and landlords/ladies. Single storey units accounted for 26.32 percent of all housing types with Effia-Kwesimintsim recording the highest of 48.42 percent among the four sub metros. In Takoradi multi-storey units were dominant constituting 34.5 percent of the total within the sub metro.

5.2.2 Changes in Residential Rental Housing

Takoradi sub metro recorded the highest location dissatisfaction among its tenants, 84.61 percent of its tenants cited increasing and high rent prices as well as tenure insecurity associated with housing conversion as their motivation to relocate. The Rent Control Department has not been able to perform its function of assessing rent prices for properties in the Metropolis due to inadequate resources and financial constraints. As a result, home providers had the opportunity of charging any price they preferred for their facilities. Rents increased unevenly throughout the Metropolis with Takoradi and Effia Kwesimintsim sub metros recording the highest percentage changes of 193.58 percent and 185.31 percent respectively for single room self-contained rooms.

Evictions were recorded across the Metropolis with Takoradi and Effia-Kwesimintsim sub metros recording the highest of 67.57 percent. According to tenants was the inability to pay rent increment which was associated with speculative demand from oil tenants. The increased residential housing development towards the agricultural lands would lead to the gradual increase the in cost of providing basic infrastructure and depletion of agricultural lands. In the long-run however these areas would have access to social services that were hitherto nonexistent as an indirect effect of the oil exploitation. Relocation towards the interior areas of the metropolis was as a result of the comparatively higher rents in the core areas of the Metropolis.

5.2.3 Changes in Housing Development

Land prices in the Metropolis have risen drastically particularly from 2011 to 2013 when oil production began. Developers' interests in new sites across the Metropolis influence these price hikes. Effia-Kwesimintsim recorded the highest price changes of 900 percent from 2006 to 2015. Housing development increased in the Metropolis with 2011 to 2013 as the peak periods which was in consonance with Farren (2014) Roughneck Stage attributed to increased demand for short and long term residential housing. Remodeling was recorded across all sub metros with Effia-Kwesimintsim recording the highest observation of 48.68 percent among the tenants. This was associated with the desire of landlords/ladies to attract migrant workers who had a specific requirement and choice. Change of use of residential units was recorded across the Metropolis, but Takoradi recorded the highest of 74.07 percent among tenant observations. The effects from the oil exploitation have thus been varied within the Metropolis with direct and indirect externalities.

Government and quasi-government institutions have not initiated any residential rental housing projects in spite of the knowledge of the effect the oil exploitation on the Metropolis indicating an absence of planning, both proactive and reactive. An initiative, taken by the Metropolitan Assembly, dubbed: *Kings City Project* was not directly geared towards increasing residential rental housing but rather creating a new development node to complement Takoradi and Sekondi. Nevertheless, its focus was on the upper and middle income groups due to the high cost associated with the project, raising affordability concerns.

5.2.3 Perceptions on the Effects of Oil Exploitation on Rental Housing

Tenants in the Metropolis were of the opinion that the oil exploitation have influenced the construction of additional rental houses however these units were designed for the oil sector workers therefore the rents for these facilities are expensive. The increase in demand for the housing as a result of the in-migration of tenants (21.6 percent who moved because of the oil exploitation) has resulted in increase in rents. This is view the oil exploitation has been a blessing because of increased construction of rental properties and a curse because increased in rent. For the Metropolitan Physical Planning Department in spite of the curse of increased rent and relocation of tenants, the oil exploitation had been a blessing since the prime use of the CBD

had been retained. This is in view of relocation of tenants due to the change of use of residential units to as a result of the increased demand for commercial space.

5.3 Recommendations

Based on the analysis and findings from the study, the following recommendations were made for the residential rental housing market in the light of the ongoing oil exploitation in Ghana.

Strengthening Rent Control Department

- The Rent Control Department plays an important role in the rental housing market, therefore, the Ministry of Water Resources Work and Housing (MWRWH) as a matter of urgency should provide the needed personal, vehicles and finances to enable the Department conduct its biannual rent assessment on properties. The Department should improve tenant confidence through educational outreach programmes. The Department must broaden its communication mediums from radio broadcast to include community durbars, church and mosque functions as well as other social functions including *monthly keep fit walks*. Non-governmental organizations such as Global Communities and its affiliates can be partnered by the Department to use its community based programme and projects such as the WASH-UP as avenues to reach out to tenants and landlords. These educational programmes should emphasize the essence of written contractual agreement as a form of security for investment for both tenants and landlords.

Rent Increase Guideline

- The Rent Control Department through the MWRWH and by Act of Parliament should provide a rent increase guideline; this is the maximum amount or percentage by which landlords can increase rent during a period. This should be done with caution in order not to introduce *Real Rent Control*. The guideline can stipulate the conditions under which rent can be revised such as inflation rates and improvement in housing conditions. Landlords would be required to use the stipulated guidelines when revising rent by providing tenants with prior notice for the increase. This would reduce the exploitation of tenants because they would be made aware of the range for rent increase. The duration for revising rent price should be considered as part of the review of rent regulations to prevent landlords from exploiting tenants during periods of speculative demands. The Department must ensure adherence to this guideline by all landlords through

unannounced periodic inspection of rental facilities and interaction with tenants and landlords.

Provision of Affordable Housing

- Residential rental housing has a great investment potential of supplementing the income of the country through rent proceeds. The MWRWH in collaboration with Metropolitan Assembly, SSNIT, Traditional leaders and private developers should provide rental housing not only for public sector workers but all categories of workers particularly the informal sector workers. This collaboration will help each partner complement the effort of the other. Traditional leaders would provide the land while MWRWH and the Metropolitan Assembly provides the required documentation and permits for the project. SSNIT and private developers with their experience and funds would construct the facilities. To ensure that the management of the project is well managed, representatives from each partner would be involved in the monitoring and maintenance of the project to ensure that the facilities are in good condition and partners have value for money.

Incentivize the Private Sector

- The private formal sector can be encouraged through tax reliefs from the Ministry of Finance to provide residential rental housing for low income earners especially since the interest of the sector in the Metropolis is evident. Real estate companies providing affordable units to meet the needs of the low income groups particularly the informal sector, would have their income tax reduced by an approved percentage. The Ghana Investment Promotion Council (GIPC) with its regional offices can provide the Ministry with housing developers with good performance records and compliance to the law as candidates for this initiative. GIPC would subsequently report to the Ministry on the progress of work as check to ensure that these incentives are not being abused. The housing project would not only increase the supply of affordable rental units, but would help government reduce its housing deficit. These projects would supplement IGF generation of the Metropolitan Assembly in the form of property rates.

Regenerating Existing Rental Units

- SHC should speed up its regenerating initiatives not only to improve the quality of its services, but also expand its services to the larger market. Tenants occupying their units

should be involved in the regenerating plan of the Company. This could avert any form of resistance and obstruction from tenants. Artisan tenants could form a group and be employed in the construction process to boost tenant confidence in the regenerating process.

Improve Planning Responses

- MRWWH and Metropolitan Assembly should be proactive in planning to minimise the effects of the oil exploitation as Ghana continues to explore other sites for oil. TCPD should critically examine the growth of residential developments towards the agricultural lands since it does not only encouraged urban sprawl and the cost of providing social services but also poses a threat to the agricultural sector which provides food and revenue for the economy. This can be done by rezoning these agricultural lands as a means of restricting housing and other developments. Rezoning guidelines must be adhered to; therefore, the Department must put in place stiffer sanctions to deter its own staff and developers from violating the norm.

5.4 Conclusion

The study explored the effects of oil exploitation on residential rental housing and housing developments by using Sekondi-Takoradi as its case study, thereby, joining the discussion on the resource curse theory by examining the applicability of the concept to urban and spatial development through the residential rental housing market. The focus of the theory has been concentrated on the macro-economic, environmental and livelihood implications on the host nation. The study therefore adds to the perspectives on the *Resource Curse Theory*. The study observed that the oil exploitation had indeed influenced the influx of workers into the Metropolis even though the sector employs 13.4 percent of the tenants. However, the spillover of their activities has affected all tenants irrespective of their income and location. The effects, even though not simultaneous and of the same magnitude across the Metropolis have been observed in each sub metro. Takoradi sub metro was the hardest hit owing to the vigorous change of use and price hikes in residential rental properties.

STMA has been of major interest to private formal housing developers after the discovery of oil in 2007 recognizing the important role residential rental housing plays in the local economy of the host city. These investors, however, channeled their services towards the oil sector workers,

primarily, within the upper income class due to the high cost of production and the fact that their workers can afford their products. This has further broadens the inequality in the residential rental housing market. Private informal residential rental housing providers already in operation have taken advantage of the growing speculative demand to increase the rents of their properties at the expense of old tenants who either comply or relocate. These price hikes prevailed partly because of the limited supply of affordable housing as well as the inadequate supervision and enforcement of rent regulations. In view of these changes in the residential rental market, low income earners were forced to pay the same rent prices as their counterparts in the middle and upper income groups for the same units or face evictions.

The state through its local authorities had not put in place any measure to increase the residential rental housing in the Metropolis knowing the labour pull that is associated with the new industry. The initiative taken by the MWRWH through the Metropolitan Assembly on a new town development concept dubbed the *Kings City Project* has not been successful due to external interference and financial constraints. This project, to a large extent, is targeted at the upper income class to the neglect of the lower income groups who constitute a majority of the natives of the city. The city is thus gradually being planned for the rich, which may foreseeably generate a feeling of disaffection among native residents. The residential rental housing market, particularly affordable housing, has a potential in the Metropolis considering the continuous migration and relocation trends. The study recommends that public housing in the Metropolis should be reconsidered particularly by SSNIT which has the experience and resources as one of the investment managers of pension funds in the country. Public affordable housing will not only reduce the inequality in the rental housing market but would also provide job opportunities for local work force that are yet to benefit from oil exploitation. This would assist the Metropolis and the country at large to meet the growing housing demand.

As a student planner, the oil exploitation with its curse to the residential housing market in terms of high rent prices, evictions and relocation among others has exposed the ineffectiveness and inefficiency of the Rent Control Department. It has also exposed the lack of planning on the part of both MWRWH and Metropolitan Assembly in using the experiences of other natural resource economies to avert the negative effects on tenants, for that matter the attention of policy makers is drawn to the need for reforms in the housing sector.

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APPENDICES

Appendix 1: Population Projection

$$P_{n+1} = P_o (1+r)^n$$

where:

$$P_{n+1} = 2016 \text{ total number household}$$

$$P_o = \text{housing stock of base year (142,560)}$$

$$r = \text{Growth Rate (3.2 percent)}$$

$$n = \text{Time Frame (6 years)}$$

Substituting into the formula

$$P_{t+1} = 142,560 (1 + 0.032)^6$$

$$P_{t+1} = 175,243$$

The projected total household for 2016 was 175,243.

Appendix 2: Sample Size Determination

$$n = \frac{N}{1 + N(\alpha)^2}$$

where:

n = Sample Size

N = Total Population

α = Error of Margin (0.05)

Substituting into the formula

$$n = \frac{94281}{1 + 94281(0.05)^2}$$

n = 398

DEPARTMENT OF PLANNING
COLLEGE OF ART AND BUILT ENVIRONMENT
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI
TOPIC: *The Effect of Oil Exploitation on Residential Rental Housing. A case of Sekondi-Takoradi*

Appendix 3: Household Survey Questionnaire

This study is purely academic, meant to partially fulfill an award of MSc Degree in Development Planning and Management at the aforementioned institution. You are therefore assured of total confidentiality of the information you will provide for the success of the study. It is an assurance that all gathered information will be used solely for an academic purpose and nothing more. Thank you.

SECTION 1: Questionnaire Identification

No.	Variable	Response	Code
1.1	Name of Community		
1.2	Name & Contact of Interviewer		
1.3	Name of Respondent		
1.4	Contact & House No. of Respondent		
1.5	Date of Interview		
1.6	Interview Duration (Start Time to End Time)		

SECTION 2: Basic Socioeconomic and Demographic Information

No	Variable	Response	Code
2.1	Sex	1. Male 2. Female	
2.2	Age		
2.3	Nationality		
2.4	Educational Attainment	1. Tertiary 2. Secondary/Technical 3. Junior High 4. Primary 5. Never Attended 6. Others (specify)	

2.5	Marital Status	<ol style="list-style-type: none"> 1. Single 2. Married 3. Divorced 4. Separated 5. Widowed 6. Others (specify) 	
2.6	Household size		
2.7	Religious Denomination	<ol style="list-style-type: none"> 1. Christian 2. Muslim 3. Traditionalist 4. Other (specify) 	
2.8	What is your status of occupation	<ol style="list-style-type: none"> 1. Employed 2. Unemployed 3. Others (specify) 	
2.9	What is your sector of employment and occupation?	<ol style="list-style-type: none"> 1. Public 2. Private Formal 3. Private Informal 	
2.9	How long have you lived in the Metropolis (<i>Indicate reason(s) for stay</i>)?		
2.10	Where do you live within the Metropolis?		
2.11	How long have you lived in this community?		
2.12	What is your reason for staying here?	<ol style="list-style-type: none"> a) Tenure Security b) Accessibility/quality of services c) Employment opportunities/proximity d) Leisure and recreational opportunities e) Availability of housing f) Affordability g) Social Grouping h) Others (specify) 	
2.13	Where were you residing before 2006?		
2.14	What was your reason for moving?	<ol style="list-style-type: none"> a) Tenure insecurity b) Accessibility/quality of services c) Social vices d) Affordability challenges e) Changes in household structure f) Employment opportunities/proximity g) Social Grouping h) Others (specify) 	
2.15	How much do you earn in a month?		

2.16	How much of your income do you spend on the following?	a) Food b) Water c) Energy d) Education e) Rent f) Communication g) Transport h) Clothing i) Remittances j) Funeral Expenses k) Others (specify)	
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SECTION 3: Housing and Rental Conditions

3.1 What are the rental charges for your current residence?

Rent Charge	Number of room(s)	Rent Advance (Duration)

3.2 How was the rent advance financed? Tick where appropriate.

- a) Personal Saving
- b) Family and Friends
- c) Employer
- d) Loan from Financial institution
- e) Others (specify)

3.3 What is your opinion on the payment of rent advance?

.....

.....

3.4 Do you have a written tenancy agreement with your landlord?

- a) Yes
- b) No

3.5 Elaborate your choice of answer?

.....

.....

3.6 What are the rental characteristics of your present residence? Tick where appropriate.

Ownership	Housing structure	Service Accessibility
a) Public <input type="checkbox"/>	a) Single Storey Compound <input type="checkbox"/>	a) Water <input type="checkbox"/>
b) Quasi State Institution <input type="checkbox"/>	b) Multi-storey Compound <input type="checkbox"/>	b) Electricity <input type="checkbox"/>
c) Private Formal <input type="checkbox"/>	c) Block of flats/apartment <input type="checkbox"/>	c) Sanitation <input type="checkbox"/>
d) Private Informal <input type="checkbox"/>	d) Semi Detached <input type="checkbox"/>	d) Others (specify)
e) Institutional <input type="checkbox"/>	e) Detached <input type="checkbox"/>	
f) Others (specify)	f) Others (specify)

3.7 Comments about the pricing, quality and accessibility of the above housing conditions.

.....
.....
.....
.....

3.8 How do you find the general housing conditions here as compared to where you lived previously?

.....
.....
.....

3.9 Have you observed any improvement in your present residential facility?

- a) Yes [] (if Yes continue from 3.7)
- b) No [] (if No skip to 3.8)

3.10 Elaborate your choice of answer in 3.6

.....
.....

3.11 Comment on your previous residence based on the table below.

Location	Housing Structure	Ownership	Rent with room(s) occupied	Service Accessibility

3.12 Do you see yourself living present residence in the next five (5) years?

- a) Yes []
- b) No []

3.13 Elaborate your answer above?

.....
.....

3.14 Have you observed any changes in residents within your neighborhood since 2006

- a) Yes []
- b) No []

3.15 Elaborate these changes

.....

.....

3.16 Were you evicted from your previous residence?

- a) Yes
- b) No (if No skip to 3.16)

3.17 What was the reason for your eviction?

.....

3.18 Were the following procedures were met during your eviction? Tick where appropriate

- a) Eviction notice
- b) Your presence during evictions
- c) Presence of rent control officers
- d) Others (specify)

3.19 Have you experienced a possible eviction in your present residence?

- a) Yes (if Yes complete the table below)
- b) No (if No skip to 3.18)

3.20 Please provide information on the table below

Reason(s) for Eviction	Authorities Notified (Yes or No) Provide reason(s)	Directives Issued	Compliance Yes or No with reason(s)

3.21 Has your present residence undergone/undergoing change of use?

- a) Yes (if Yes continue from 3.19)
- b) No (if No skip to 3.20)

3.22 What is/are the change of use

3.23 Has your present residence undergone/undergoing remodeling?

- c) Yes
- d) No (if No skip to 3.22)

3.24 What is/are the remodeling

3.25 Has your tenancy agreement been affected by the remodeling or change of use?

a) Yes [] (if Yes, complete the table below)

b) No [] (if No skip to 3.23)

Please provide information on the table below

Effects on Tenancy	How it was resolved	Authorities involved

3.26 How much have you been paying as rent during the last ten years?

Year	Rent Charge	Room(s) Occupied	Location	Reason for Change
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				

3.27 Has any member(s) in your neighbourhood been evicted since 2006?

a) Yes [] (if Yes complete the table below)

b) No [] (if No skip to 3.23)

Please provide information on the table below

Year: Reason for eviction	Authorities notified	Reasons for notifying authorities

3.28 Have you observed any change of use with the residential housing units within your neighbourhood?

- a) Yes [] *(if Yes continue from 3.36)*
- b) No [] *(if No skip to 3.27)*

3.29 What is/are the change of use

3.30 Have you observed any remodeling with the residential housing units within your neighbourhood?

- e) Yes []
- f) No [] *(if No skip to Section 4)*

3.21 What is/are the remodeling

SECTION 4: New Residential Rental Housing Projects/Development

4.1 Are you aware of any on-going residential rental housing projects within the Metropolis by the government or quasi-state institution or private formal developers or all these mentioned entities?

- a) Yes [] *(If yes, complete the table 4.2)*
- b) No [] *(if No skip to section 5)*

4.2 Please provide information on the table below

Location of Project	Owners	Tenancy Agreement	Access (open/restricted)	Reason(s) for restriction or otherwise in occupancy

4.3 In your view will these projects support the residential rental housing within the Metropolis?

- a) Yes []
- b) No []

4.4 Provide reasons for your choice of answer in 4.3?

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SECTION 5: Perception on the Role of Oil Exploitation in Rental Residential Housing

5.1 Has the oil exploitation influenced residential rental prices in the Metropolis

- a) Yes []
- b) No [] (if No skip to 5.3)

5.2 Elaborate your choice of answer in 5.1?

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5.3 In your view as a resident has the oil exploitation been a “*curse or blessing*” to the residential rental housing market in the Metropolis?

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5.4 In your view what can be done to increase residential rental housing in the light of the oil and gas exploitation in the Metropolis?

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Thank you

**DEPARTMENT OF PLANNING
COLLEGE OF ART AND BUILT ENVIRONMENT
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI**

Appendix 4: Interview Guide for Town and Country Planning Department

This interview is part of the research “*The Effect of Oil Exploitation inn Residential Rental Housing in Sekondi-Takoradi Metropolis*” for the award of a Master’s Programme in Development Planning and Management of the KNUST. You are assured of absolute confidentiality for your support and cooperation. Thank you.

1. What is the core mandate of this institution?

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2. What type of permit(s) does the department provide in the Metropolis

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3. What has been the number of building/housing permits issued during the last ten years?

Year	No. of permits	Location (major areas)	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

4. What major locations have been issued with residential housing permits in the Metropolis during the last five years?

Year	Residential permits	Location Major areas	Reason(s)
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

5. Does the department issued permits for change of use in residential units in the Metropolis?

- a) Yes (If Yes continue from Question 6),
 b) No (if No skip to Question 7)

6. What major communities have been issued with change of use permits during the last ten years?

Year	Community	Change of use
2006		
2007		
2008		
2009		
2010		

Year	Community	Change of use
2011		
2012		
2013		
2014		
2015		

7. Has the emergence of the oil and gas industry affected residential housing development in the Metropolis?

a) Yes []

b) No []

8 Please provide reasons for your choice of answer in (Question7).....

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9. Has the department undertaken any measures to increase residential housing development with the emergence of the oil and gas industry?

a) Yes []

b) No []

10. Elaborate your choice of answer in question 9.

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11. In your view, as a department, has the oil exploitation been a “*curse or blessing*” to the residential rental housing market in the Metropolis?

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12. What measures can be adopted to increase residential housing development in the Metropolis in the light of the oil exploitation?

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Thank you

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Appendix 5: Interview Guide for State Housing Company

This interview is part of the research “*The Effect of Oil Exploitation in Residential Rental Housing in Sekondi-Takoradi Metropolis*” for the award of a Master’s Programme in Development Planning and Management of the KNUST. You are assured of absolute confidentiality for your support and cooperation. Thank you.

Rental Characteristics

1. What is the core mandate of this institution?

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2. Are there any existing residential rental housing units being managed by the institution?

a) Yes []

b) No []

3. Please provide information on the table below

Location	Beneficiaries	Type of Structure	Rent per room

4. Has the rent been revised during the last ten years?

a) Yes []

b) No []

5. Please provide information on the table below

Year	Rent per room	Increase/Decrease	Reason for Revision
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

6. Are there any residential projects being embarked by the institution in the Metropolis?

a) Yes

b) No

7. Please complete the table below: project location; targeted group; current state; reason(s)

Project Location	Targeted Group	Current State	Reasons

8. Has the emergence of the oil and gas industry influenced housing demand in the Metropolis?

a) Yes

b) No

9 Please provide reasons for your choice of answer.

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10 How have these reasons applied to the company's residential rental housing development in the Metropolis'

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Collaborations

11 Does this institution collaborate with the private sector in the provision of residential rental housing units?

a) Yes (If Yes skip to Question 12)

b) No , (If No Skip to Question 13)

12 Please provide information on the table below

Type of collaboration	Status	Project Location	Target Beneficiaries	Reason(s)

13 Why are there no collaborations?

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Housing Projects

14 What plans are being put in place to increase residential rental housing units in the Metropolis in the light of the growing oil and gas industry?

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15 In your view as a company, has the oil exploitation been a “*curse or blessing*” to the residential rental housing market in the Metropolis?

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16 What can be done to increase residential rental housing development in the light of the oil exploitation.

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Thank you.

DEPARTMENT OF PLANNING
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Appendix 6: Interview Schedule for Real Estate Developers, Landlords and Land Owners

This interview is part of the research “*The Effect of Oil Exploitation on Residential Rental Housing in Sekondi-Takoradi Metropolis*” for the award of a Master’s Programme in Development Planning and Management of the KNUST. You are assured of absolute confidentiality for your support and cooperation. Thank you.

SECTION 1: Housing Stock

1.1 When was the company established and what is its core business?

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1.2 How many residential housing units has the company provided in the Metropolis during the last ten years?

Year	Number constructed	Community	Type of structure	Mortgage Units	Rental Units
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					

1.3 What are the major demand areas and why?

Community	Type of structure	Nationality of clientele	Age of Clientele	Occupation of Clientele	Reason

SECTION 2: Rental Characteristics

2.1 Are there any existing residential rental housing units being managed by the company?

a) Yes [] *(If Yes, complete the table below)*

b) No [] *(if No skip to 2.6)*

2.2 Please provide information on the table below?

Location	Type of Structure	Beneficiaries	Rent per unit/room

2.3 Is the rent the same across the various communities?

a) Yes [] *(If Yes, indicate in the table below)*

b) No [] *(if No, complete the table below)*

2.4 Please provide information on the table below

Community	Rent per unit/room	Reason

2.5 Do you charge rent advance and for how many months?

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2.6 What are the reasons?

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2.7 Has the rent been revised during the last ten years?

a) Yes [] (If Yes, complete the table below)

b) No [] (if No skip to Question 2.7)

Year	Rent per room	Increase/Decrease	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

2.8 What is the reason for the revision or for the non-revision?

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.....

2.9 Are there any residential projects being embarked on by the company in the Metropolis?

a) Yes [] (*If Yes, complete the table below*)

b) No [] (*if No skip to 2.8*)

2.8 Please provide information on the table below

Location	Target Group	Current Condition	Reason

2.8 Has the emergence of the oil and gas industry influenced residential rental housing demand in the Metropolis?

a) Yes []

b) No []

2.9 Please provide reasons for your choice of answer in 2.8

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2.10 How have these reasons applied to the Metropolis' urban residential rental housing development?.....

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SECTION 3: Collaboration

3.1 Does the company collaborate with government or other private developers in the provision of residential rental housing units?

a) Yes [] (If Yes, complete the table below)

b) No [] (if No Skip to 3.3)

3.2 Please provide information on the table below?

Type of collaboration	Progress of work	Location	Target Beneficiaries	Reason for location and target beneficiaries

3.3 Why are there no collaborations?

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SECTION 4: Housing Projects/Development

4.1 What plans are being put in place in terms of residential rental housing units in the Metropolis in the light of growing oil and gas industry?

Please provide information on the table below

Plan/ project	Progress/Take-off	Location	Target Beneficiaries	Reason

4.2 What can be done to increase the residential rental housing in the Metropolis in the light of the oil exploitation?

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SECTION 5: Land Values

5.1 Does the company undertake the sale of residential plots in the Metropolis?

a) Yes [] (*If Yes continue from Question 5.2*)

b) No []

5.2 What is the average price of land (specify dimensions)?

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5.3 What was the price of land over the last ten years in major demand areas? (*Please complete the table below*)

Effia/Kwesimintsim Sub-metro

Year	Price per plot	Increase/Decrease	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

Takoradi Sub-metro

Year	Price per plot	Increase/Decrease	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

Sekondi Sub-metro

Year	Price per plot	Increase/Decrease	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

Ketan/Essikadu Sub-metro

Year	Price per plot	Increase/Decrease	Reason
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

5.4 In your view as company has the oil exploitation been a “*curse or blessing*” to the residential rental housing market in the Metropolis?

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5.5 What can be done to regulate the changes in the rental housing market in the light of the oil exploitation in the Metropolis?

.....

Thank you

DEPARTMENT OF PLANNING
COLLEGE OF ART AND BUILT ENVIRONMENT
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Appendix 7: Interview Guide for Rent Control Department

This interview is part of the research “*The Effects of Oil Exploitation in Residential Rental Housing in Sekondi-Takoradi Metropolis*” for the award of a Master’s Programme in Development Planning and Management of the KNUST. You are assured of absolute confidentiality for your support and cooperation. Thank you.

SECTION 1: Rent Characteristics

1.1 What is the core mandate of this department?

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1.2 What role does department plays in the setting or determination of rent for residential units?

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1.3 How much is the average residential rent per unit per sub metro (specify number of rooms)?

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1.4 How often are rents revised within the Metropolis?

- a) Monthly []
- b) Quarterly []
- c) Semi-annually []
- d) Annually []
- e) Every two years []
- f) None []
- g) Others specify

1.5 What is the reason(s) for your answer in 1.4?

.....

1.6 What have been the residential rent values in the Metropolis during the last ten years?

Year	Rent per room	Increase/Decrease	Reason
2006		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2007		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2008		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2009		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2010		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2011		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2012		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2013		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2014		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	
2015		Effia/Kwesimintsim Takoradi Sekondi Essikadu/Ketan	

SECTION 2: Evictions

2.1 Does the department keep records on evictions in the Metropolis?

a) YES [] *(If Yes, complete table below)* b) NO [], *(if No skip to 3.1)*

Year	No of Report Cases	Community/Affected groups/persons	Reason for Eviction
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			

2.2 How are these eviction cases resolved in the Metropolis?

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SECTION 3: Education and Collaboration

3.1 Does department collaboration with home providers/landlords/ladies association on the education of its members on rent regulation in Ghana?

a) Yes []

b) No []

3.2 What kind of education does the department provide for these institutions/associations?

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3.3 How often is this education done?

- a) Monthly
- b) Quarterly
- c) Semi-annually
- d) Annually
- e) Biannually
- f) Others specify

3.4 In your view how has this education influenced rent charges and evictions in the Metropolis?

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3.5 Does the department provide education for tenants in the Metropolis on their rights and rent/eviction regulations of Ghana?

- a) Yes
- b) No

3.6 What are the reasons for your choice of answer in 3.5?

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3.7 How often is the education for tenants done?

- a) Monthly
- b) Quarterly
- c) Semi-annually
- d) Annually
- e) Every two years
- f) Others specify

3.8 In your view how has this education influenced rent charges and evictions in the Metropolis?

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SECTION 4: Oil Exploitation and Rental Values

4.1 Has the emergence of the oil and gas industry influenced rental values and evictions in the Metropolis?

a) Yes []

b) No []

4.2 What is/are the reasons for your choice of answer in 2.3?

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4.3 What measures can be put in place to control the rent prices within the Metropolis in the light of the oil exploitation?

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4.4 What measures have been put in place to prevent these evictions within the Metropolis in the light of the oil exploitation?

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Thank you