

The Management of Urban Vertical Housing in Indonesia: A Challenge for Creativity

Deva Fosterharoldas SWASTO

Lecturer and Researcher

Housing and Human Settlement Design and Planning Laboratory

Department of Architecture and Planning, Faculty of Engineering, Gadjah Mada University
INDONESIA

devafswasto@yahoo.com

ABSTRACT

In urban areas, land for housing is increasingly limited. As a solution to this situation, vertical housing is developed as alternative accommodation for city residents. The construction of apartment units for middle and higher income group becomes option to replace the low-rise houses, while there are also walk-up flats for low-income people.

However, the development of this housing type is not simple. This condition can be seen especially in low-income people segment. The flat building provision for this group cannot be released to market mechanism similar to apartment unit. The low-income people will not be able to access flat unit without government intervention, which is still considered as the main actor in providing public housing in Indonesia.

The above situation is interesting to be discussed since the development of flats housing is not as smooth as it is expected. This condition can be indicated from the cases that the target communities rejected the existence of flats in its early days of implementation. In addition, these flats are sometimes not fully occupied, while there are also cases of subletting. This paper intends to discuss the challenges in managerial aspect related to flats housing for low-income people. The issues are concerned to the objective of delivering walk-up flats to the target group and how it can continuously be dwelled.

The descriptive-qualitative approach was used and the observation was mainly based on several flat management cases for low-income people in Indonesian cities. Comparison to flat delivery in other countries was also conducted to explore alternative options for flat housing maintenance in Indonesia. The findings may not be fully relevant regarding the different context and setting in respective cases and countries. However, it is expected that the discussion will be useful for formulating better vertical housing management for low-income people in the future.

Keywords: *urban vertical housing, walk-up flat, management, creativity*

INTRODUCTION

Background

The number of population in the world has significantly increased. Since the 18th century, there was an exponential growth, in which in the end of 20th century, the population was 6.5 billion people, more than doubled from 2.5 billion in 1950 (Kuswartojo, 2005: 6). Parallel to that, people living in urban areas also increased rapidly. From an initial proportion of only around 20% in 1950s, the proportion of

people who lived in the city was indicated to increase to 50% or more in 2000s. Along with this fast urban population growth in cities areas, an increase of people working in the informal sector sometimes also followed. This situation can be seen in the developing countries, including Indonesia. Urban areas attract people to come and try their opportunity to work in a hope of gaining better life. These workers are usually non-skilled people, migrating from rural to urban area. Problems arise when people cannot cope with city standard. As a result, they usually live in a sub standard dwelling, including squatter area. In some places, low-income communities build houses adjacent to their workplace. This group of people, with limited capacity, usually do not have decent accommodation or cannot reach ownership. It can be argued that their homes are not viable. This situation gives birth to issues in many urban aspects, such as economic, physical-environmental and social.

In the housing situation, it can be explained that the issue emerge since land availability in urban areas is limited. On one hand, the space available to build residential units is getting smaller, while on the other hand the price is becoming more expensive. In addition, the number of housing units is inadequate compared to housing demand, while the affordability to access housing is also limited. As a result, many people do not have decent houses or even they do not have house at all. It can be indicated that there is a gap between housing demand and housing supply as well as a gap between accessibility to housing and availability of decent unit. Both gaps are growing considerably wider and this condition leads to the difficulty of housing provision, especially in urban situations.

As a solution to above situation, there is an effort to develop housing to the suburbs area, while vertical housing also becomes alternative accommodation for the city residents. The construction of medium to high-rise housing or apartment units for the middle and higher income becomes alternative to replace low-rise houses. On the other hand, there are also low to medium-rise housing or walk-up flats for low-income people. However, the development of vertical housing is not simple. This condition can be seen especially in flats housing provision for low-income people. If the middle and higher income group is considered do not to have difficulties to access apartment units in general, regarding their income, the same situation does not apply to low-income people. It is considered by the government that this group cannot afford to purchase flats housing. Therefore, walk-up flats housing are provided by the government as a part of public housing provision.

The above situation is interesting to be explored. How the authority can cope with people's limitation and deal with flat's objective, in terms of creative management aspect, leads to the inquiry that needs to be discussed. The discourse of creativity in this management of vertical housing is expected can become the input for the improvement of management quality in the future.

Urban Vertical Housing

The term vertical housing is quite similar to multi-storey housing as argued by Towers (2000). Chandler et al. (2010, p. 67 and p. 95) categorized height limitation of 1 to 5 floors as low-rise housing, together with the type of row house, while 5 to 15 stories means it has already included in medium-rise. Moreover, it was stated that medium-rise housing is efficient, flexible and becomes liveable solution for families. It is also attractive to singles and empty nesters since it save expense for daily maintenance, compared to single or freestanding house. In addition, this type

may support good transition from less to more dense housing types in mixed-type housing communities since it is built tightly together, saves efficient land use, allows higher densities and preserves open space. Thus it is adaptable to urban, suburban and rural areas situation.

The multi-storey or vertical housing approach is generally related to the limited spaces which occurs mainly in urban situation or related to the development of cities, as discussed by Shin (2010: 293-294). It was explained that since a city becomes desirable location for employment or finding bigger economic opportunity, people are attracted to go there. This situation results in urban growth which demand housing as one of its aspects.

The basic concept of vertical housing is to place people (usually) from low-rise condition into vertical experience. In relation to clearance programme, the idle space being created after removing overcrowded buildings can be utilised as a green or open space. There are several assumed consequences upon the implementation of vertical housing approach, such as behaviour or habit change of the dwellers, impacts to surrounding environment, change to land value and others. These conditions are sometimes categorised into physical, social and economic impact.

In addition, living in a very different circumstance does also mean having different experience. This situation also occurs in vertical situation. People, who usually live in low-rise situation or landed house, now move to vertical housing with different standard, both physical and social. This new situation also encourages them to adapt with the new situation of occupancy. It can be said that there are advantages and disadvantages of living in the flats housing.



Figure 1. Flat housing in Malaysia
Source: author



Figure 2. Flat housing in Semarang, Indonesia
Source: author

Advantages and Disadvantages of Living in the Flats

The positive and negative effects of living in vertical situation have been argued by many experts. Yuen and Yeh (2011: 3) summarised from some authors that the spectacular view, privacy and quietness are the benefit aspects of living in vertical housing while quality of life, such as social and health impacts, and concerns of safety become the disadvantage issues. In addition, Komarudin (1997: 177) distinguished several of these benefits:

1. The good social atmosphere in the vertical housing such as easy to get along among residents, familiarity sense, a sense of common fate, and equality of socio-economic status
2. The relatively strategic location of vertical housing such as close to schools, offices and workplaces, and relatively easy to travel or access to public transport
3. Complete or standard conditions which are available at the vertical housing such as adequate electricity, piped water, and clean environment

However, although vertical housing has several positive sides, not all parts of the community do like or want to live in this housing unit. Most people still prefer to live in ordinary low-rise houses for various psychological and socio-cultural reasons. They still want to live in a circumstance that directly connect with the ground or garden to grow crops, nurture pets, and to play with kids. On the other hand, they do not like to be bounded too much by several rules that apply for living in flats (Yudohusodo et al, 1991: 352).

Besides advantages of living in vertical housing, there are some negative conditions that can inhibit the desire to live in these building. Those adversely conditions can be classified into four types, as mentioned also by Komarudin (1997: 176):

1. Social and psychological environment that includes the inadequate of social-education facility for children living in vertical housing
2. The atmosphere of living vertical such as walking up and down the stairs, a different sense of hygiene among residents, the stuffy air, the steps that are less safe for children, and the absence of children's playground
3. The narrowness and lack of space in vertical housing such as inflexible size of the units that can not be expanded
4. The quality of facilities that is often disrupted, such as electric jams, the less secure of gas channel, and piles of garbage or dirty gutter which disturb residents living in the lower ground

RESEARCH METHODS

In this paper, the descriptive-qualitative approach was used and the observation was mainly based on several flat management cases in Indonesian cities. For examples, the flat management by the respective occupiers or association (i.e. flats in Jakarta and Semarang), by the local government itself through Integrated Management Unit (i.e. flats in Sleman Regency), and by the local community or neighbourhood leaders (i.e. flats in Yogyakarta City). The comparison to flat managements in other countries, such as in Asia (Malaysia, Singapore, Hong Kong and Taiwan) and in Western Europe, was also conducted to explore alternative options for flat housing management in Indonesian.

The main discussion is related to flats housing for low-income people or walk-up flat. There will be interchanged term of public and vertical housing. This paper limits itself and treats walk-up flat as public housing. Generally, this paper is developing the findings of managerial aspect taken from top-down perspective in one region (Swasto, 2012) and from both perspectives top-down and bottom-up (but mainly from the latter viewpoint) in one region (Swasto, 2013). The research was developed by exploring the managerial situation of walk-up flat cases in Indonesia and other countries.

CONCEPTUAL FRAMEWORK

Public Housing

Public housing can be described as ‘cheaper rental or owner-occupier housing provided by the government or developers involving public funding and public resources (e.g. land) not priced at market rates in the production process’ (Chiu, 2013: 3). The other term is council housing while the broader terms are social housing or subsidised housing, which explains the purpose of its provision. The type of this housing has advantages and disadvantages. One of the dilemmatic situations is the direct provision and management by the local authorities regarding the state subsidy (Ravetz, 2001: 4). It was further explained that public housing provision is various in many countries. Chiu (2013: 3-4) mentioned that in Asia ‘it ranges from absolute dominance (Singapore), through significant presence (Hong Kong) to marginal existence (Japan, South Korea and Taiwan)’. In addition, it is said that public housing provision is part of the general housing welfare policy.

Indonesia has limited tradition of providing public housing, in which this type of building is generally constructed by the central government (Kusno, 2012: 1-7). The form of tenement building is generally built by specific public department, ministry, or state university to house its employee. The role of local government in public housing provision is even more limited, since the effort is mainly handled by the central government. However, the central government did not continue this effort due to overwhelming situation regarding the issue of subsidy and management. The development of public housing requires a large amount of state subsidy, while the management will be difficult if it is conducted centrally by the government. There were cases that public housing is sublet to non relevant occupier or it was not managed properly which led to its deterioration. The examples are flats built by National Housing Enterprise and government houses. Only recently does the government rethink their effort of public housing provision to accommodate urban low-income people, mainly with the multi-storey housing approach. This duty is given to the local government with the enactment of law no 20/2011 regarding walk-up flat housing. In relation to vertical housing, the flats built by the central and local government can be categorised as public housing regarding its characteristic and objective. These current flats are designed to be occupied by the residents in short term tenancy.

Management of Public Housing

There are several ways to manage public housing. The types can be seen based on objective, existing housing system in respective country, or others. The management based on the objective means that the public housing is delivered for certain purpose, such as to give wider responsibility to local government, to give more participation to local community and others. The management based on housing system means that the administration will follow structural mechanism which is entitled in the existing institutional bureaucracy. The example is upper-lower level or hierarchy of the department.

In addition, there is also management approach by seeing the public housing as a product itself. First is to treat the building as a market commodity. The unit is released as a ‘free product’. Usually, the type of flat for moderate and higher

income uses this type of maintenance. Secondly, by assuming flats as a local authority assets. This kind of building is managed by appointed institution and supported by public or government subsidy. The other is by giving the responsibility to the occupier association as an end user of the product, although the builder still holds the ownership.

Based on above discussion, generally the management of public housing can be distinguished into three types, which are handled by the builder or provider, managed by other institution, and given to the occupier. There is also possible mixed in these three types, in which one institution may act as day to day manager while the other being the supervisor. There could be also a joint operational manager between the institutions. In many countries, the institutional manager of public housing may also change from time to time (Murie, 2013: 165-170; Stephens, 2013: 199-213) depends on the objective at that time and political situation era.

RESEARCH SETTING: URBAN VERTICAL HOUSING IN INDONESIA

History

The initiation of vertical housing in Indonesia dates back in the 1950s by building 4 floors flat in Jakarta (Yudohusodo et. al, 1991: 345). The form of this residential unit is a low-cost apartment or walk-up flat which is formerly known as flats. Nowadays, flat can be distinguished by its ownership into owned walk-up flat or walk-up flat for sale and rental walk-up flat or rental public housing. The target group of the flat for sale is the middle class society, while rental public housing is targeted for low-income people.

The development of flat was then recognized to be provided by National Housing Enterprise, appointed by Central Government, in the 1990s. The developments were located in many big cities in Indonesia. In the era of the 2000s, the walk-up flat development was constructed by Ministry of Public Works and Ministry of Public Housing, which then became the main actors of vertical public housing.

Characteristic of Flat for Low-Income People in Indonesia

The flat for low-income people or walk-up flat can be described as a multi-storey building, which consists of units that can be dwelled separately by respective resident and equipped with sharing social unit, land and infrastructure. The characteristic of walk-up flat can be distinguished from other typical multi-storey houses of not having vertical movement equipment except stairs or there is no lift. This is arranged to press the tight budget by having optimal outcome. The height of walk-up flat is four to five storeys which may up to 6 floors, considering humanity concern or easiness factor of walking up and down regularly as well as affordability issue for the potential occupants. The delivery of walk-up flat is quite advantageous regarding the reason of low maintenance, especially in avoiding energy cost for operating elevator.

The renting system is conducted as the current approach, while the amount of rent per month is various. Usually, the higher the floor, the cheaper the rent is. The

maximum period of occupation or renting is only short term, i.e. 3 years. Based on renting regulation, this period can only be extended to another 3 years. The renters or tenants are encouraged to improve their capacity in finding better accommodation or follow-on housing.

FINDINGS AND ANALYSIS

Based on conceptual framework and exploration in several flats in Indonesia and other countries, the management of public housing can be discussed as follows.

The Management is Handled by the Local Authority

Initially, the flats housing recently built or funded by the central government through Ministry of Public Works and Ministry of Public Housing are managed by the local authority after the hand-over. In the past, these buildings were built and usually also managed by National Housing Enterprise, except in the case that the flat was then given to the local authority for practical reason. The flat, usually constructed in local situation by Department of Public Works at provincial, regency or city level, was then usually also managed by this department. However, this institution may ask other department such as Department of Social Welfare and Manpower to give assistance in managing day to day flat activity. The reason of asking the latter department is because the duty of communicating to the occupier or the community is more relevant with this department's duty. In the case of flat management in Sleman Regency as example, the administration is more formalized, since it is conducted by forming certain body or institution called Integrated Management Unit under the authority of Sleman's local government. This effort is carried out to keep the continuity of the management, while also to anticipate the development of other flats in the following years. This situation is similar to public and social housing management in Europe by local or council government in its early decades, before it was much given to privatisation at current situation.

In this type of management, it can be seen that the role of the local authority is quite strong. The building is treated as a local asset that must be maintained and managed in order to be appropriately delivered for the target. The strength of this type is that the building can be preserved as expected in certain standard by the authority. However there is also weakness in which significant subsidy from the local government still exists to support the maintenance. In addition, the regulation is usually formed quite formal which may not easily accepted by the community.

The Management is Given to the Community

When the flat construction was finished, there is an option that the local authority decides to give the management to the occupiers or the dwellers themselves. The reason of doing this is related to the approach of training people's independency while also minimising government subsidy. By giving the management responsibility, the communities then learn how to run the flat by and for their own necessity. In this situation, the local authority does not completely abolish its responsibility. When there is a problem, such as technical difficulty, which cannot be solved by the people themselves, the local authority will then give assistance. In the case of flat management in Yogyakarta City as example, the management is handed-over to the community through the role of neighbourhood leader. This local

manager is responsible to the community as well as to the local authority. Usually, the regular wage is given to this manager and taken from the housing rent.

In this type of management, the role of community becomes the dominant aspect. Similar situation also applies in the form of co-operative housing (although this form is more related to ownership rather than public housing) in Northern Europe, in which the community has a quite strong role. The building is treated as a ‘process of dwelling’ in which community value influence the day to day life activity. The strength of this type is that the management is run by community for themselves. In this situation, decisions are based on their necessity. However there is also weakness in which local interest may not meet local authority expectance. For example, the need to raise flat rental price by the local authority as the building owner in order to cope with maintenance cost is sometimes rejected by the residents. This kind of situation is quite difficult to be solved in meeting both needs.

The Management is Given to Specific Institution

In this case, the local authority and the occupier may appoint certain person or institution to help them manage the flat. This ‘third party’ usually works under supervision of the building owner. This kind of management is not yet really common for the flat case in Indonesia. The additional budget for hiring other ‘actor’ in the management is one of the reasons. However, in the management of apartment building for moderate and higher income people, many locations have utilised the service of this professional. In the case of flat management, the existence of semi-professional community association within the flat may become similarity or initiation of this type. The case of flat management in Semarang City shows that the role of community association is relatively strong compared to those cases in Yogyakarta province. In bigger umbrella, the establishment of National Housing Association, which deals with specific duty to flat management in the cases of several Asian cities or countries, shows almost similar concept.

In the above management style, the day to day activity is treated in a professional way with formal regulation. The building is treated as a commodity product based on professional value or norm. The objective to meet certain standard in running the flat building becomes the major concern and being one of the strengths. However the additional budget becomes one of the weaknesses which are not suitable with the concept of minimising cost in walk-up flats housing.

Comparison

Table 1. Comparison of Management Form

| Issues | Management by Local authority | Management by Community | Management by Specific Institution |
|-----------------------|--|---|---|
| Paradigm | - Local assets - Builder’s standard | - Process of dwelling - Community participation | - Maintenance standard - Flat as a product |
| Characteristic | Formal regulation | Communal values and norms | Professional value |
| Strength | Certain management standard in a large scale | - Community values and participation are much respected - The residents are more independent | - Certain professional standard - May become ideal for most term-period of tenancy |

| | | | |
|---------------------------------|--|---|---|
| Weakness | <ul style="list-style-type: none"> - Rely on public subsidy - Community participation may not a concern | <ul style="list-style-type: none"> - Rely on local leadership - Local authority's expectation may not a concern - Short-term tenancy may not ideal situation | <ul style="list-style-type: none"> - Added maintenance cost - The profit purpose may overshadow or even be dominant |
| Challenge for creativity | <ul style="list-style-type: none"> - Treating as local assets without relying much on public subsidy - Formal regulation support (and supported by) community values | Standardised community values for flats maintenance | <ul style="list-style-type: none"> - Minimising additional cost for maintenance - Community association as a basis for management institution |

As can be seen from above table, each management form has its own characteristic, strength and weakness. There is no absolute excellence in which one 'model' is better than the others. The suitable type for one case may depend on the purpose of the management in the specific situation. However, it can be considered that in a large scale, the management by local authority is more preferred since it is more standard. If local participation and values become a concern, then management by community is more suitable. The management by specific institution can be used if additional cost for maintenance is not really a concern and professional standard become priority.

CONCLUSION AND RECOMMENDATION

Based on discussion, there are several conclusions related to the public housing management.

1. The situation of flat management is different from one case to another. There is no specific rule of thumbs or certain regulation that must be followed in conducting managerial aspect. The local government may do creativity in managing flats in its region based on local preferences. The main objective is to conduct good flat maintenance.
2. The type of flat management depends on decision by the owner and potential user. There is also consideration to the objective of the building development and maintenance cost. The owner may determine which implementation system is the best while on the other hand the users may be asked whether they can prepare themselves to manage the flat. The existence of the third party or professional actor such as specific institution will then become necessary if certain standard is needed to be achieved and both the owner and the occupier is not capable to manage the flat.

There are also several recommendations that can further be discussed in relation to flat management.

1. The flat management can be arranged at national basis or decided to be given to respective local authority. The generalisation may become the guidelines rather than being inflexible policy. The paradigm is to standardise the good quality of managing the flat without ignoring local preferences.
2. There is no exact formula of conducting the flat management by the local authority or by giving it to the community. The main umbrella is to deliver the

flat or public housing at its best possible managerial aspect to the right target. When dealing with the flat management, the question whether the specific institution is needed may arise. The decision can be given back to the objective and the readiness of respective actor in managing the flat. Similar to above discussion, there are concerns that may be taken into consideration.

BIBLIOGRAPHY

- CHANDLER, Robert, John Clancy, et al. (2010). *Building Type Basics for Housing*. John Wiley & Sons, Inc.
- CHEN, J., M. Stephens, et al., Eds. (2013). *The Future of Public Housing: Ongoing Trends in the East and the West*. Berlin, Springer-Verlag
- CHIU, R. L. H. (2013). "The Transferability of Public Housing Policy within Asia: Reflections from the Hong Kong-Mainland China Case Study". *The Future of Public Housing: Ongoing Trends in the East and the West*. J. Chen, M. Stephens and Y. Man. Berlin: Springer-Verlag.
- CLAPHAM, D. and J. English (1987). *Public Housing: Current Trends and Future Developments*, Croom Helm
- KEMENY, J. (1995). *From Public Housing to the Social Market: Rental policy strategies in comparative perspective*. London, Routledge
- KING, P. (2006). *Choice and the End of Social Housing*. London, the Institute of Economic Affairs
- KOMARUDIN (1997) *Menelusuri Pembangunan Perumahan dan Permukiman*. Jakarta: PT. Rakasindo
- KUSNO, A. (2012). *Politics and Economy of Public Housing and Jakarta City Utopia (Politik Ekonomi Perumahan Rakyat dan Utopia Kota Jakarta)*. Jakarta: Ombak
- KUSWARTOJO, T., D. Rosnarti, et al. (2005). *Housing and Settlement in Indonesia (Perumahan dan Permukiman Indonesia)*. Bandung: Penerbit ITB
- MURIE, A. (2013). "Public Housing in Europe and North America". *The Future of Public Housing: Ongoing Trends in the East and the West*. J. Chen, M. Stephens and Y. Man. Berlin: Springer-Verlag.
- RAVETZ, A. (2001). *Council Housing and Culture: The History of a Social Experiment*. Routledge
- SCANLON, K. and C. Whitehead, Eds. (2008). *Social Housing in Europe II: A review of policies and outcomes*. London, LSE London
- SHIN, S. W. (2010). *Sustainable Compact Cities and High-Rise Buildings. Designing High-Density Cities*. E. Ng, Earthscan Publications Ltd.
- STEPHENS, M. (2013). "Social Housing in the United Kingdom". *The Future of Public Housing: Ongoing Trends in the East and the West*. J. Chen, M. Stephens and Y. Man. Berlin: Springer-Verlag
- SWASTO, Deva Fosterharoldas (2012). *Towards Sustainability: The Creativity of Managing Rental Walk-Up Flats in Yogyakarta, Indonesia*. Proceeding of International Seminar "Artepolis 4". Bandung Institute of Technology (ITB), Bandung, July 5-7, 2012
- SWASTO, Deva Fosterharoldas (2013). *Housing Urban Low-Income People: Lessons Learned from the Management of Walk-up Flat Dwelling in Yogyakarta, Indonesia*. Proceeding of HABITechno International Seminar. Bandung Institute of Technology (ITB), Bandung, November 11, 2013
- TOWERS, Graham (2000). *Shelter Is Not Enough: Transforming Multi-Storey Housing*. The Policy Press
- WHITEHEAD, C. and K. Scanlon, Eds. (2007). *Social Housing in Europe*. London, LSE London
- YUDOHUSODO, Siswono et.al. (1991) *Housing for All (Rumah untuk Seluruh Rakyat)*. INKOPPOL
- YUEN, B. and A. G. O. Yeh, Eds. (2011). *High-Rise Living in Asian Cities*. Springer