

A Perspective of Rental Housing through the Lens of Tenants and Landlords in Kathmandu Valley

Sangita Adhikari ^a, Jiba Raj Pokharel ^b

^{a, b} Department of Architecture & Urban Planning, Pulchowk Campus, IOE, Tribhuvan University, Nepal

Corresponding Email: ^a adhikarisangita049@gmail.com, ^b jibaraj@gmail.com@gmail.com

Abstract

Renting is a common form of urban tenure in many developing countries all around the world. Higher demand of housing in urban area has caused difficulty of entering the housing market as homeowner. Housing shortage in developing country have led to a situation where the vast majority of individuals in major cities have to look for accommodation in the rental housing. However, home ownership was preferred and promoted by many countries as it was thought to provide people and government with security and financial benefits. Due to lack of importance, condition of rental housing has not been properly explored. In addition to the state of affairs, migration has also influenced many urban homeowner into converting their place of residence into the rental market. This paper examines the rental situation of Kathmandu Valley by conducting mixed approach method to carry investigation focusing primarily on the experiences of landlords and tenants in two different study area located in Lalitpur Metropolitan city. Overall, there is an unbalanced relationship between the two players within rental housing, with the perception that landlords, who view their role as important in providing place to stay, impose arbitrary rental charges on tenants in a rental housing and both landlords and tenants compromising living space in order to gain benefits of rental housing.

Keywords

Rental Housing, Landlords, Renters, Tenancy

1. Introduction

The speed of urbanization in addition to natural increase in population has compounded globally the demand for housing. Across the world, approximately 1.2 billion people live in rented accommodation.[1] Owners account for only 34 percent of households in Switzerland and 42 percent in Germany. In the largest cities, very few own their own homes: in Berlin, 89 percent, Geneva, 84 percent and Zurich 77 percent (ibid). With centralized development concentrated mostly in Kathmandu valley, settling down in the capital is a necessity for most in terms of opportunities and exposure. Every year, there is massive migration of prospective valley dwellers, and perpetual struggle for a proper shelter to reside in.[2] As stated in National Shelter Policy (2012) within a period of 15 years HH in rental housing has increased from 2.2 percent to 7.8 percent [3].

The combination of soaring land prices and the increasing stream of migration are making it difficult for the migrants to afford housing. The physical

scenario of urban areas with haphazardly growing structures and buildings which lack proper maintenance, reveal the poor social conditions as well. People seem to fulfill the requirements of enclosed physical space but the desired standards of housing in relation to the environment seems to be neglected. The effects that is visible in term of physical conditions but major issue prevails is the relationship among the key players has not got enough attention. Although through media that includes newspaper, serials has tried to shade light on rental housing; very less research has been carried regarding the situation from landlords and tenants perspective in context of Kathmandu valley. As mentioned in the article by Kantipur News on 18th Feb, 2019 "Sometimes renters has to bear sour behavior of house owners for no reasons. The owners charges arbitrary fees on name of water, electricity and waste management. The rent owners increases the rent whenever they want and pressure the people to move out without giving them proper advance notice". There are no criteria regarding the facilities to be provided for those living

in the rent, no strict regulations and the increasing demand of rental housing makes landlord superior than renters. Rental housing an integral part of well-functioning housing markets thus, it becomes an important task for policymakers to understand the intricacies of rented housing scenario (both formal and informal) and formulate effective, flexible policies to regulate and promote such housing [4].

This paper seeks to address the situation being raised in case of rental housing in Kathmandu Valley by asking two questions, namely, what are the rental experiences of tenants and landlord in rental market? Secondly, what are the landlord/tenant relationship in rental housing market? The findings of this study hope to provide insight into the situation of this rental market as well as develop the debate on the role of the rental housing in developing economies and solving housing problems.

2. Overview of Residential Rental Housing:

“Rental housing” is defined here as property owned by someone other than the resident or by a legal entity for which the resident pays a periodic rent to the owner; simply a formal or informal agreement between a tenant and a landlord to rent a dwelling for a certain period of time at a predetermined price [5].

There are reasons for supply constraints in rental housing market as well as for the rental housing being of a low quality in general include, low rental yields and outdated tenant-friendly legislations.[6] In report on National Urban Policy 2007, National Shelter Policy, 2012 and National Urban Development Strategy, 2017, noted various levers used to develop of rental housing. These were regularization of rental market and the promotion of rental housing for poor/ low income families through private sector involvement, rules and regulations for management of rental housing, safeguarding the rights and interest of owners and tenants, making the collection of rental tax systematic and transparent 12-point agreement with witness on their behalf, no less than a 60-day notice -to vacate the house prior to the agreement and monthly rent on mutual consent. However, due to weak implementation and shortcoming in plans and regulations, the city grew haphazardly according to individual landowners rather than the proposed plan and in Name of tax, exorbitantly high rent on the rooms, no strict regulation and is not done for

residential rental housing.

3. Landlords and Tenants

The distribution of rental housing can be understood in terms of demand and supply i.e.owners, who provide the supply, and tenants, who provide the demand [4, 5]. According to Gilbert(2008) the supply side consists of generally five kinds of landlords, which operate in the formal sector and even more informally, following key participants namely, Small-scale landlords, Commercial landlord, Public sector landlords, Social, Employer landlords[4]. Like their landlords, it is difficult to generalize too much about tenants. However, there are few common characteristics, many linked to income, migration, life cycle, family structure and gender. They are Lower-income households, Migrants, Younger people, Single-parent households and, People with different priorities, Gender [4]. The types of landlords and renters also define the relationship and the perception towards rental housing.

4. Tenancy situation:

Tenancy in this market is equally informal, with payments often taking place in cash and oral agreements and do not give receipts or record tenancy agreements.[7] This lack of agreements places the tenant in a vulnerable situation where rents can be increased without notice and safety regulations and basic maintenance ignored. Due to the instability of the situation, different social issues also generated. As said by Kumar (2016) there are several social issues associated with rental housing some of these are: exclusion of the low-income population due to rising rent prices and their consequent settlement in slums and numerous problems especially in accessing basic amenities like clean drinking water, sanitation and hygiene.[6] While ownership has been encouraged, the rental sector has been neglected which encourage landlords to assume an upper hand, exploiting tenants through exorbitantly high rents for crowded and substandard housing.[6]

One of the major difficulties of rental housing is relations between landlords and tenants which are frequently been portrayed in many researches. As mentioned by UN-Habitat(1993) Landlords denounce the actions of tenants, tenants those of landlords; the frequency of confrontation is emphasized by both

sides, relations generally are not good and everywhere some examples of conflict can be found [8].

Relationships seem to operate best where landlords and tenants live in the same property because they get to know one another and sometimes develop a level of mutual dependence Green(1988) c.f. [8]. This is particularly true of those tenants who have lived on the same property for some time (ibid). On the other hand some of landlords live away from the houses and they have left for rental use, and hence, are only concerned with their monthly rent from the tenants which results, in case of any problem in the rented house that the tenants eventually face, is left to them to solve. [6]. There is a surprising number of such long-established tenants who still fear eviction, as are increases in rent UN-Habitat, (1993), Kumar(2016) The main causes of bad relations are fairly predictable like: landlords get upset when tenants do not pay the rent or neglect the property and tenants in return are upset when landlords do not repair the accommodation and fail to respond to their complaints (ibid). Relations get particularly tense when landlords want tenants to leave the accommodation, especially when they employ blatantly illegal methods to evict the tenants and of course, most landlords are not unreasonable Most of the problems cited were predictable; landlords complained about the non-payment of rent, misuse of the premises and unruly behavior; tenants criticized rent rises and threats of eviction. Wadhva, (1993: 85) c.f.[8].

As Peppercorn and Taffin (2013) mentioned assessing that supply and demand requires good data and also shade lights on that there may be some countries that appear to have very high home ownership rates, but the data might be biased, if much of the rental stock is informal; to avoid taxation or tenant-oriented legislation. This negligence not only make the market invisible it can directly effects on the exploitation of the tenants.[5] A broad neglect of rental housing market by the governments has left the tenants extremely vulnerable, most of whom face the brunt of the whims of the landlords. Naik (2015) c.f. [6] Ignoring rental housing in policy has simply deepened the inadequate quality of housing and basic services for urban poor tenants, making them more vulnerable. Desai et al (2012) c.f. [6] Any stimuli that fail to include supply incentives can lead to an increase in prices because the existing supply is a result of the operations carried out by small-scale owners and landlords, promoting rental housing can help many

families to complement their incomes [9].

The explanatory research method is an empirical inquiry that investigates a contemporary phenomenon within its real-life context and Interpretivist/constructivist paradigm have the intention of understanding "the world of human experience", suggesting that "reality is socially constructed". Mertens, (2005, p.12) c.f. [10] The choice of explanatory research approach for this study was influenced by the propose of the study; which is to seek a better understanding of the current state of landlords and tenants in rental housing in Kathmandu Valley. Due to the less expensive nature of the application as well as the ease of use in a research like this also contributed significantly in the choice of this approach.

5. Methodology

The choice of explanatory research approach for this study was influenced by the goal of the study; which is to seek a better understanding of the current situation of rental housing in Kathmandu Valley. From the framework of area in the city, two area- Bakhundol and Nakhudole were purposively selected.

For this study, formal and informal interviews and questionnaire were conducted with landlords ($n=11(B)$ and $15(N)$) and tenants ($n=20(B)$ and $30(N)$), the sample size was determined through theory of saturation. (B stands for Bakhundol and N stands for Nakhudole) The sample was selected through convenience sampling initially where the researcher identified willing landlord and tenant to participate in the study. In case of expats (tenants), they were contacted through rental agencies. Then the sampling continued through snowball sampling. Though, it is recognized that this sampling method will not create representative sample, this method is most useful when there is no pre-existing databases of the target population exist. This method is generally used when it is difficult to reach and identify the population.

However, landlords and tenants from the same household were interviewed, but interview was not done at same time and neither the landlord nor the tenants were aware of the information provided by each other. The individuals were then asked to identify another person who might be interest in participating in the research. They were to give name or contact number or show the house and the meeting

between the researchers and the new interviewees was arranged by the researcher. The questionnaire consisted of both open and closed-ended questions, based on the objectives of the research to accommodate all the views of the respondents. General observation regarding the situation was made.

A combination of both qualitative and quantitative methods (mixed methods) was used in Data Analysis. Quantitative data is utilized in a way, it supports upon qualitative data and effectively deepens the description. Direct quotes identified were used to unpack the relationship between landlords and tenants in the rental housing. Statistical methods are also used. The results are presented in percentages for easy understanding with the help of Microsoft Excel.

6. The Study Sample

There were more male household tenants (78 percent (N) and 80 percent (B)) and landlords (60 percent (N) and 73 percent (B)) than female households; this could reflect the demographic of inhabitants of rental housing and existence of less female households as seen in the NLSS 2010/11.

The Highest percent (46 percent) of 30-40 age group (N) and (44 percent) of 20-30 age group are tenants where 33.3 percent (N) and 44 percent of 60 and above age group are landlords. The Average longevity of tenants in community is 1-2yrs (N) and 2-3yrs (B) where of owner is 10-15 yrs.(N) and 20-25 yrs. (B). The most tenant interviewee are with in age group of 20-40 who are most economically active age cohort and most engaged group which includes young students, graduates and also young and or new families who had recently moved into the community while the most landlord interviewee were 60 years and above that had been in the community for a number of years. According to (UN-Habitat, 1993), (Gilbert, 2016) [8] [1]Tenant tend to be younger than those of owners which is similar in both study area.

7. Research Area

Geographically the study covered Kathmandu Valley and contextually the research focuses on the current state of rental housing in urban areas of Lalitpur metropolitan. The study is focused on renters and landlords living within Kathmandu Valley and thus, it is limited to examining the conditions of the urban tenures. Kathmandu valley was chosen as renting is

primarily an urban phenomenon and it is the most urbanized region with the highest rental housing dwellers. For case area, town area and fringe area of Lalitpur metropolitan is chosen for detail study. Bakhundol is a residential area that lies near to city center and has close proximity to public services such as school, colleges, hospital, shopping malls, airport etc. Bakhundol is five minute walk from nearest bus stop and lies within Ringroad while Nakhudole is situated outside the Ringroad farther from the city center which is 15-30 min walk from nearest bus stop. Nakhudole has services farther than Bakhundol. However both the site are tentatively equidistance from the Ringroad. These areas are selected to see the outcome in different setting of environment of rental housing.

8. The Tenant Experience

The majority experience for the surveyed tenants was that rental housing market is difficult and unstable. The tenants expressed their concerns about security of tenure, the scarcity of 'decent' accommodation, high rental costs and the arbitrary charges and decisions made by the landlord. The percent of tenant that said they don't feel secure and thought would be send out in short notice are 43 percent. The most of sense of security was on the basis of their relationship with the landlords not on formal rental agreements. Renters claimed that the situation was worsened by the large demand for accommodation and if they left their current accommodation there was no guarantee that they would find an better or even similar alternative, one tenant went on to say:

"I came to Kathmandu just two months ago and was living in the hotels for almost 1.5 months because I couldn't find a room. Finally I found room from a broker but the rent for two rooms is Rs.21, 000 which too high but I had no choice so I agree to take room. It was very difficult for the bachelor especially boys like us to find the rooms." (Washim Ansari, 21yrs, Bakhundol)

There was a clear indication from tenant interviewees that there was not only lack of housing stock for rental but also discrimination on choosing renters. The demand for and supply of housing stock in the surveyed settlements points to a market structure that is demanding higher rents due to high demand of the area, one tenant stated. *"I tried to shift from this house as there was no proper services like water*

facility and we were not allowed to use terrace but there are too many people looking for a house. I cannot move because I have not found another place alike or better than this.” (Manju Rai, Bakhundol)

Though it is difficult finding the rental accommodation, renters make several considerations before settling for one form of accommodation or the other. A key factor that influences a choice of housing unit, according to the study, is the different in case of different location of site. Those living in town said that near to city center is dominant (38 percent) factor and those living in urban fringe said cost of rental units (38 percent) is a key influencing factor for a choice of housing unit. This factor near to city center and cost of rental unit often compels renters to compromise quality and privacy. The availability of services is another major factor that influences the choice of rental accommodation.

Other tenants also pointed to the inability to construct their own house and the high cost of renting when there are no alternatives: *“Due to high land value, I cannot afford to buy house in the city area so I have no other way but to stay on rent and also these rents take my money, and the remaining money goes on food and my children education”* (Anjali Chaudhary, Nakhudole) There is an obvious anxiety about the inability to build or buy house in city and stress about the cost of the rental units which indicates that demand is outstripping supply.

9. The landlord’s perspective

Many of the landlords saw their role as service provider in rental market. However it might be correct as the main or only providers of rental housing are private sector in the study area. There was a pride for the provision of this service and a sense of achievement that the landlord has found an alternative income source. Landlords were aware of the need to provide basic conditions to their tenants, but most of them (86 percent) think it’s not necessary to improve or give services to the renters as their room will go on rent anyhow. However, those giving rent to the expat consider the basic services as expats will give more money for same rental units than Nepali.

In Bakhundol, 40 percent landlords who choose their tenants through rental agencies demands the rent advance more than 3 months as they have to pay one month’s rent income to those agencies. There is no particular law regarding the rent advance both tenants and landlord give and take rent tax for the security

reasons. Majority of the landlords rented their property on a month to month payment basis and 73.3 percent (N) and 26.7 percent (B) of the landlords take advance of one month.

The first factor each landlords gave priority is financial consideration of the renters who have ability to pay rent and utilities. Landlords also felt that the tenants were quite mobile and if they secured alternative accommodation, closer to work or in a more desirable location, they would not give notice but just move out. In Bakhundol, 33.3 percent of give priority to the nationality, one landlords said: *“Foreign people have clear frame in case of giving rent and duration of stay. I personally like to rent the house to foreigner than Nepali people. I will rather let my room vacant and I have done that in past years also.”* Roj Shrestha (Bakhundol)

In total, 97 percent of the owners has other primary source of income while 3 percent of landlords relied fully on rental income for their living and felt that the threat of non-payment was a significant issue. 73.3 percent and 60 percent of landlords in Nakhudole and Bakhundol consider renter as Extra source of income so some of them are compromise living space. One landlord explained:

“I sold my old property and agricultural lands to build the house. But now regret my own decision. The payback period of rental housing is less and it is not profitable business. I don’t like to keep room vacant so whoever comes searching I’ll give them room. I am very much disappointed as the business doesn’t turn out how I have expected”. PB. Maharjan, (Bakhundol)

While on contrast one of landlords said “..our son is abroad with his family. So we decided to give rent for security and support. We have given ground floor to a family. We don’t charge rent from them but they have to pay for the water, electricity bill and solid waste disposal charge. They take care of us, bring the things we need from the market, take us to hospitals. Our relationship has created mutually dependencies among us. I am happy as we got family members to take care of us in old age.” 74 years old Muna Ghimire

When the study tries to look upon the factors by how the rent charges are influenced by certain factors. It was found out that there is monopoly on determining the rent. Landlords rather prefer to let the room vacant rather than lending in less rent. However, the landlords of Bakhundol takes the advantage of its nearness to public services as 87 percent of the landlords considers

the location as the major factor on determining the rent. While landlords of Nakhudole consider the room size (60 percent) as a major factor for determining the rent. Landlord show sorrow about raising rents but were very clear that it needed to be done, as stated by landlord:

“Although the rent is not only source of income it provide essential support to run family, so if the price of living goes up the price of rent has to go up as well. I don’t increase the rent for one year, but I cannot wait two years to raise the rent, if they are not happy renting here then they can go find another place.” Mr. Khatri, (Nakhudole)

However, none of the landlords felt that they were doing abusing their positions in response to “do they thought the ability to raise rents indiscriminately is abusing tenants?” But the answers was sharp contrast to the tenant’s view that indiscriminate raising of rent was a direct abuse by the landlord. Landlords held themselves as providers of what they saw as a much needed sector and did not feel that they were in any way exploiting a vulnerable market.

All landlords said they pay property tax although from further discussion, it was found that only 43.35 per cent on average (from both study area) pay tax on the rent they charge. On their defense, they say that government does not provide services on behalf of the tax they impose and added the rented room are not permanently rented. If they has to change the function there is long procedure to change its function.

10. Tenancy Situation

The issue of rental agreement was lacking in the rental housing. As much as 86.7 per cent of renters had no contract with their landlords. Landlords said they did not think it’s necessary to have an agreement. Almost all landlord doesn’t carry out the maintenance work periodically, as they say it’s not necessary their property goes on rent anyhow. However, 8 percent of owners of Bakhundol maintain property before letting it on rent. Those mostly consist of owners who would provide their property to the expats. In some cases, tenants are charge more for maintenance work done on the housing unit which can be a potential source of conflict.

The absence of rental agreement often leads to insecurity tenants since there is nothing that binds the behavior. Tenant Raj Bhandari said on this trend:

“If landlords wants the room we have to leave the room I was moved from my last house because the landlord wanted room for their relative and I was given a week to move out. It was difficult to find a room in so short span and I am now sharing room with my friends.”

94 per cent (Nakhudole) and 84 percent (Bakhundol) of renters said they have access to drinking water provided by government. But the frequency once in six days for one or two hours and they have to pay additional charges per month (Rs.100) for using water. Water doesn’t run on most of the tap which has compelled them to depend upon the water provided by tankers and jars. In Nakhudole, almost all of renters said that they has to pay extra for electricity and solid waste. And around 84 percent of renters in Bakhundol are paying extra charge for electricity and solid waste. Those 16 percent of renters who are not paying electric and solid waste charge has high rental costs as the added services may have added the rent charge. Per unit electric bill cost Rs.15 and if they uses 10 unit per month the price of rental units is added up to Rs.150. Government charge on electricity is Rs.3 per unit and Rs.30 service charge up to 20 units and the rate increases by Rs.1 in per unit and Rs.25 after 51 units as mentioned in NEA tariff. For the collection of solid waste charges ranges Rs.100-Rs200 per house but the landlords are collecting Rs.100 per households in their rental units. Which means that owners are indirectly charging extra rent in form of additional services.

Tenants were dissatisfied with the arbitrarily charges on the rent and one of them said:

“I wish I had my own house here, then the landlord won’t bother me and I wouldn’t have to spend so much money on rent.” Reshma Jain(Nakhudole)

One of tenant of Bakhundol continues on this trend:

“I contacted the owner through the rental agencies and have rental agreement. Rent, I am paying is too high but this place is near to my work area so I have to compromise on rent. In this area housing cost is too high ,due to presence of expats but the cost of renting does not reflect the quality of housing provided”. Ferya Perry,Expat, (Bakhundol)

Despite of exploitation from landlords 74 percent (N) and 76 percent (B) said they have reasonably okay relationship with their landlords 18 percent (N) and 16 percent (B) saying that they had not very good relations with their landlords.

11. Discussion of Findings

The challenges of the rental housing market are enraged by the lack of housing stock. In the Kathmandu Valley, government could only cater less than 10 percent of the demand of the housing stock, but these are far from adequate. (Hada and Ganapathy, 2012) This forces more and more urban population into the rental housing sector and impact the landlord/tenant relationship, where the landlord has power to increase rent due to the high demand for housing. The only private provider dominates the supply of rental housing means that, supply will always lag behind demand which is a recipe for price acceleration in the rental market. In a classical economic model, when demand outstrips supply of any commodity, price will increase and quality can suffer (Yates and Wulff, 2000) [11].

The high demand for rental housing and the economic power of the landlord leads many tenants to view the relationship as exploitative. It is clear that that tenants are in a risky situation, but the dependence of landlords on the income from rental units also leaves landlords exposed to risks as well, the challenges of collecting rent from renters and destroying to their property, not cleaning and maintaining the property.

From both study area, the findings of this study points that most of rental housing market runs on informal basis as most of landlord and tenants don't have rental agreements among themselves. The tenants feel extremely vulnerable about the verbal tenant agreement between landlords and go to maintain their tenancy, by developing good social relations with the landlord. The lack of agreements has increased the sense of insecurity for tenants and also often leads to conflicts and the inability or difficulty in finding another rental accommodation has also influenced the mobility of renters. This weak state of renters creates an environment that is apt for abuse. And if a renter goes through the rental agencies and rental agreement; they need bulk sum of money before they can access rental accommodation this is why many tenants doesn't go through the rental agencies.

Rental income is an important source of income for landlords and for some it is also a means of security. In some cases it is seen that the idea that the provision of housing for rent is a noble occupation; the raising of rents indiscriminately and arbitrarily charging for the services is justifiable by the landlord. The justification being that if costs are to increase, then this needs to be

passed on to the tenant as they are fortunate to have a house to rent. Landlords don't even carry out the maintenance work periodically, as they say it's not necessary their property goes on rent anyhow. While, most of the landlords felt that their rental properties were priced reasonably for the level of quality of the dwelling and as per the location of the housing units.

There is no particular law regarding the rent advance both tenants and landlord give and take rent tax for the security reasons. It brings the sense of security among them. However, Landlords arbitrarily charges the rent charges which has no legal basis. All of the tenants in the study agreed that renting has given the ability to landlord to extort rent increases as well as charging more money in the name of services. They described this with degrees of displeasure such as, 'exploitation', 'monopoly'. Some of them felt that landlords could push them out or simply doesn't provide services if they refuse to pay the additional money. The weak nature of this tenure lead the participants to express that they 'constantly' worried about the threat of being evicted.

The complexity of rental housing and the on-going relationship between landlords and tenants clearly point out to the need for policy intervention. There is clear need for strict regulation and control of this rental market. The tenants felt that as long as government doesn't give clear attention to the rental market, they would not be able to access the rights of decent housing. Further, there is a need for a stock of rental social housing by government. The creation of a rental housing stock would not only provide a well facilitate rental housing for urban population but also provide revenue stream, through rentals, for the development of more housing. The government doesn't have proper data regarding the number and condition of tenants in Kathmandu Valley, so in absence of concrete data it is difficult to implement the tax collection effectively. The owners don't pay rental tax, unless it is commercial rent or rental accommodation to expats, making rental sector as informal sector. Because of which the nation is losing revenue from the neglected sector of vital option of housing provision which could bring significant domestic revenue to the state for development.

12. Conclusion

Rental housing is a classical neoliberal market, where supply is weak and demand constantly high. This

places undue stress on tenants in society as they function with little legal protection and support. Despite the exploitation of renters in the housing, many landlords see their role as essential and the function of providing shelter for migrants and rental housing as a way to assist them in income generation. This is used to justify the often arbitrary charges taken in name of services and lack of maintenance of the rental stock. The increasing demand for rental housing has made difficulty in assessing the market. Due to the high demand for rental units, many tenants do not have the choice of either to move out or compromising the services and facilities. However, not only tenants but the landlords are compromising the living space they live in. This is because for some it is major source of income of household. Though the study area has different setting, the experience of landlords and tenants are similar in both cases however in case of Bakhundol the rental housing market is on the way to becoming formal, it is because this place has been attracting expats, who enter rental housing through formal market. Though market is formal, the rent charges taken has no legal basis and criteria. This paper points to the rental housing market as another instance of the importance of the housing sector as well as the exploitation that is taking place without the necessary intervention of government. The study area are not culturally rich area nor urban core area so the perception may have been different in such case. The further research can be carried out through cultural and architectural perspective.

References

- [1] Alan Gilbert. Rental housing: The international experience. 54:173–181, 2016.
- [2] S Koirala. Rental property still a hassle. 2011.
- [3] Department of Urban Development. *National Shelter Policy*. Government of Nepal, 2012.
- [4] Alan Gilbert. *A policy guide to rental housing in developing countries*, volume 1. United Nations Human Settlements Programme, 2008.
- [5] Ira Gary Peppercorn and Claude Taffin. *Support Measures to Promote Rental Housing for Low-Income Groups*. World Bank, 2013.
- [6] Arjun Kumar. Estimating rural housing shortage. *Economic and Political Weekly*, 49(26-27):74–70, 2014.
- [7] Michael Hooper and Jenny Cadstedt. Moving beyond ‘community’ participation: Perceptions of renting and the dynamics of participation around urban development in dar es salaam, tanzania. *International Planning Studies*, 19:25–44, 2014.
- [8] UN-HABITAT. *Support Measures to Promote Rental Housing for Low-Income Groups*. UN-HABITAT, 1993.
- [9] Andrés Blanco Blanco, Vicente Fretes Cibils, Andrés Muñoz Miranda, Alan Gilbert, Steven Webb, Eduardo Reese, Florencia Almansi, Julieta del Valle, Suzana Pasternak, Isabel Brain, et al. *Rental Housing Wanted: Options for Expanding Housing Policy*. Inter-American Development Bank, 2014.
- [10] Noella Mackenzie and Sally Knipe. Research dilemmas: Paradigms, methods and methodology. *Issues in Educational Research*, 16:193–205, 01 2006.
- [11] Judith Yates and Maryann Wulff. W(h)ither low cost private rental housing? *Urban Policy and Research*, 18(1):45–64, 2000.