

Manual C

Urban Land Access: Options



Urban LandMark
making urban land markets work for the poor

Afesis-corplan
The Afesis-corplan logo features the text "Afesis-corplan" in a bold, sans-serif font. Below the text is a horizontal line with a yellow-to-blue gradient. To the right of the line are three small icons: a house, a person, and a document.

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Promoting local democracy and community-driven development

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ABOUT THIS MANUAL

The target group for this manual is the leadership of organised groups of homeless in need of land for housing development.

Manual s A and B gave you a good understanding of the different steps to get land for residential development. However, it is possible that following these steps could take longer than you would like and the land could be expensive.

Manual C aims to get you thinking about how you could follow the steps in a different order to find a way to access land quicker. It also starts to look at what other strategies you and your group could follow to make land more affordable. This manual ends with some general advice on the process of accessing land.

The **Urban Land Access Series** is produced by Afesis-corporan with the support of Urban LandMark.

The following titles are available in this series:

Manual A “Urban Land Access: An Overview” provides a short and simple introduction to the process.

Manual B “Urban Land Access: The Steps” offers more details on each of the steps involved in the process.

Manual C “Urban Land Access: Options” outlines the various options for how and when land can be accessed.

1. LAND PURCHASE OPTIONS

This section lists the implications of buying land at different stages of the land development process.

Organising

If you buy land after the organising stage:

- You will not be sure that it is the best land as you will not have compared it to other pieces of land yet
- You will have to own the land as a group as it will not yet be subdivided (unless you were 'lucky' enough to buy subdivided land)
- You will have to start paying rates for undeveloped land
- The land will not yet have services and houses built on it
- You will not get permission from the municipality to occupy the land as you will not have approvals to develop the land

Deciding

If you buy the land after the deciding stage:

- You will be fairly confident it is good land as you will have compared it to other pieces of land
- You will have to own the land as a group as it will not yet be subdivided
- You will have to start paying rates for undeveloped land
- The land will not have services and houses built on it
- You will not get permission from the municipality to occupy the land as you will not have approvals to develop the land

Planning

If you buy the land after the planning stage:

- You will have a general idea of how you want to develop the land
- You will have to own the land as a group as it will not yet be subdivided
- You will have to start paying rates for undeveloped land
- The land will not have services and houses built on it
- You will not get permission from the municipality to occupy the land as you will not have approvals to develop the land

Approvals

If you buy the land after the approvals stage:

- You will have permission and funds to develop the land
- You will still have to own the land as a group as it will not yet be subdivided
- You will have to start paying rates for undeveloped land
- The land will not have services and houses built on it, but you will be ready to start implementation
- You will be responsible for arranging the development of the land and the municipality may not be willing to help as much as you would like (this applies to all previous cases as well)

- You will still not get permission from the municipality to occupy the land as it will not yet be formally subdivided

Implementing

If you buy the land after the implementing stage:

- You can own the land as an individual as the land will be subdivided and you will know which piece of land you can occupy
- It is easy for the municipality to take over the responsibility of managing the roads and public facilities
- Your group can also decide to own the land collectively
- There will be services and houses on the land
- The municipality will be happy for you to occupy the land as it will have services and houses

A similar exercise can be undertaken to determine the implications of entering into a land availability agreement at different stages of the land development process. For example, one option would be for your group to enter into a land availability agreement with the present land owner after the deciding phase. You will then be confident that the land you have identified is good land and you will know that the present owner will not sell the land to someone else while you are planning the land development and getting approvals.

Under normal circumstances you would wait until the land is surveyed, services are installed and a house is built before you would pay for the land and house, transfer ownership and move into the house. However, you could consider transferring ownership once the land is surveyed and a township register is opened, and before services and houses are built. Occupation of the land can also take place once basic services, like communal standpipes and a basic sanitation system, have been put into place.

Annexure 1, “Land access options”, provides tables listing, in more detail, the options of buying or entering into land availability agreements and occupying land at various stages of the land development process.

2. LAND ACCESS SEQUENCING

There are three activities involved in land access:

- **Land purchase:** Transferring ownership from one landowner to another landowner after the payment of an agreed purchase price by the buyer to the seller.
- **Land development:** Planning what the services and houses will look like, getting approvals to develop the land and actually building these services and houses.
- **Land occupation:** The physical occupation of the land.

These three activities can be further broken down and summarised as follows:

Land purchase

- **Land availability agreement:** The potential buyer agrees with the seller to plan for and get approvals to develop the land with actual transfer of land only taking place at a later stage once the land is developed. In some instances this step is left out and you can go straight to land purchase.
- **Land purchase:** The transfer of an agreed amount of money from the buyer to the seller and changing the legal landowner in the official title deeds which is an official piece of paper that shows who owns the land.

Land development

- **Layout planning and approval:** Planning where the roads will go and where the boundaries of all the plots will be. Getting approval from various government departments for this land to be developed as planned.
- **Land surveying:** Marking out on the land where the boundaries of the plots and roads will be. It also involves getting approval and keeping a record on paper of where these boundaries are.
- **Services construction:** Getting all services (roads, water, sewerage, electricity, etc.) to the plots of land and includes:
 - Bulk and connector services, which are the larger pipes and roads that bring services to and from the boundary of the project.
 - Internal services which are the smaller water and sewerage pipes and roads within the project.
- **House construction:** Includes a basic shelter (e.g. a shack) or an incremental starter house (e.g. a small house that can be expanded, a shell house where internal walls are left out to be built in future, or an elemental house where certain elements (e.g. foundations and roof) are built at the start to be upgraded over time.

Land occupation

- **Land occupation:** Physically moving onto the land to live in a temporary house/ shack, incremental house or formal house. Land occupation ranges from:

- occupation of formal house on serviced site with title deeds; to
- unapproved 'invasion' of land and occupation of shack with no services.

The activities and actions that form part of the land access process can be combined in different ways. Five examples are provided below.

Each land access project is unique and follows slightly different procedures and steps in slightly different orders depending on the local circumstances that characterise that particular project. For example, government prefers the occupation stage to occur after all the other stages have been completed. This is why it takes so long to be able to move into a government-subsidised house. Homeless people prefer it if they can occupy the land as soon as possible. This is why some landless people resort to land invasion and protest against the 'delays' in getting land.

EXAMPLE 1: Informal settlement upgrading procedure

1. *Land occupation:* Landless person moves onto the land without approvals.
2. *House construction:* Occupant constructs a temporary shelter without access to services.
3. *Land availability:* Occupant(s) negotiate with present land owner and municipality to allow them to stay on the land. If the parties do not reach agreement, the occupiers will have to move.
4. *Land surveying:* Conduct a land survey of existing layout.
5. *Land planning and approval:* Plan the roads and plots around the existing houses and try and reduce disruption of people's houses to minimal levels. Some people may have to move to make space for roads and other community facilities.
6. *Services construction:* Put in water, toilets and other services within the planned layout.
7. *Land purchase:* Transfer ownership of plots to occupants of the land.

EXAMPLE 2: Private developer procedure

1. *Land purchase (by developer):* Developer buys land they have identified as suitable for housing development.
2. *Land availability agreement:* This is not used in this approach. The developer has its own funds and is able to assume the risk and buy land upfront.
3. *Land planning and approvals:* The developer prepares the necessary layout and other plans and gets approval for the development.
4. *Land surveying:* The plots are surveyed as per the approved layout.
5. *Services construction:* The developer uses its own money to put in services and get the plots ready to sell.
6. *Land purchase (by end user):* End users buy the land from the developer. The developer recovers costs made in previous steps plus a profit margin.

7. *House construction:* The person who buys the serviced plot arranges for house plans to be developed and approved and for the house to be built.
8. *Occupation:* The individual household moves into the house.

EXAMPLE 3: RDP housing procedure

1. *Land availability agreement:* A developer (private or municipal) enters into a land availability agreement with existing landowner to buy the land at a latter date after the necessary approvals have been obtained and the houses are developed.
2. *Planning and approvals:* The developer arranges for the plans to be developed and approved.
3. *Land surveying:* The land is surveyed and pegged.
4. *Services construction:* The roads, water lines and other services are built by the developer.
5. *House construction:* The houses are built by the developer.
6. *Land purchase:* The land is paid for and ownership is transferred from present land owner to end user.
7. *Land occupation:* The end user moves into the completed house that they have taken ownership of.

EXAMPLE 4: Land first (individual approach) procedure

1. *Land availability agreement:* The group enters into a land availability agreement with the landowner agreeing to buy the land at a later stage after the land development has been planned, approved and surveyed.
2. *Planning and approvals:* The group arranges for the land development to be planned.
3. *Land surveying:* The group arranges for the plots to be surveyed.
4. *Land occupation:* People move onto land once they know which plots are theirs, and build an interim house.
5. *Land purchase:* Money is paid for the land and land ownership is transferred to new owner.
6. *Services construction:* Services are constructed by the developer.
7. *House construction:* Houses are constructed by the developer/ end user.

EXAMPLE 5: Land first (superblock approach) procedure

1. *Land availability agreement:* The group enters into a land availability agreement with the landowner to buy land at a later date after the land development is planned and approved.
2. *Planning and approvals (by group of superblock):* The group plans the superblocks, with communal services per superblock. The group also plans how they would like the houses and services to be built inside the superblock.

3. *Land surveying (of superblocks):* The outer boundary of the superblocks is surveyed.
4. *Services construction (for basic services in superblock):* Basic services (e.g. communal toilets and water) are built per superblock.
5. *Land purchase (by group of superblock):* The group pays for the land in the superblocks and the land is transferred to the group.
6. *Occupation of land:* The members of the group occupy the superblocks and build their own starter houses.
7. *Services construction:* The services are upgraded within the superblock.
8. *House construction:* The houses are upgraded.

3. LAND ACCESS AND AFFORDABILITY

One of the ultimate aims of the land access process is to obtain land for residential (and other) purposes at a price that is affordable for the people using this land. To make land affordable, you need to look at three aspects:

- Keep development/ construction costs low.
- Keep running costs low.
- Keep resale costs low.

The following section provides some examples of what municipalities, organised groups representing the landless and others can do make land more affordable. This section does not go into detail but provides an overview of the type of strategies that can be considered to make and keep land affordable. Some of these strategies may not be possible without some changes to government policy.

3.1 Keep land development costs low

Issues:

- High costs of buying land.
- High costs to develop the land.

Possible strategies to keep land development costs low:

- Get government grants/ subsidies to buy and develop land.
- Arrange to get loans at lower interest rates to buy and develop the land.
- Buy cheaper land that is further away from town.
- Buy and develop smaller pieces of land that are cheaper.
- Negotiate for discounts with land owners when buying a large piece of land.
- Buy land cheaply now before the price goes up when the area you want to develop becomes popular in future. This is called land banking.
- Arrange to swap a piece of land you may already have for another piece of land you would like in a better area.
- Arrange to jointly develop the land with the landowner and once it is developed, let the original landowner keep a portion of the developed piece of land that is approximately equivalent to the value of the entire plot of land in its undeveloped state.
- Get government to expropriate the land from the landowner.
- Get the present landowner to pay a high land tax for any undeveloped land to discourage land holding for speculation purposes and encourage landowners who do not use the land to make it available for development sooner.
- Law reform requiring all new large developments for higher income households or businesses to also develop housing for lower income housing. This is called inclusionary housing.
- Work as a group and negotiate for bulk discounts of land, material, consultants, builders, etc.
- Accept a lower level of services for your development (e.g. communal standpipes and not water per site).

- Accept a smaller house.
- Accept a lower standard of finish to houses.

3.2 Keep the cost of maintaining land/ houses down

Issues:

- High rates and services charges.
- High property maintenance costs.
- High travel costs to get from the land to other opportunities.

Possible strategies to keep costs of maintaining land/ houses down:

- Locate land in well-located places, close to work so that the transport costs for occupants are lower.
- Provide government subsidies for public transport to lower transport costs.
- Provide on-site sanitation solutions so households do not have to pay the municipality for water and sewerage charges.
- Provide subsidised communal standpipes so households do not have to pay for water.
- Provide indigent discounts on rates and services to low income households.
- Design the house to reduce ongoing maintenance costs (e.g. use special bricks that do not have to be plastered and painted).
- Explore ways to reduce rates with the municipality by, for example:
 - value the land in certain areas at a lower level so that rates are then lower; and/or
 - change the formula for calculating rates in certain areas so that rates are lower.
- Organise bulk buying groups to arrange for things like painting, plumbing, gardening, etc.; organise groups to share some of the equipment used for gardening, home maintenance, etc.
- Encourage people to support each other (e.g. I will look after your child if you paint my house).

3.3 Keep land prices down for future incoming households

Issues:

- Well-located land becomes too expensive for the poor to buy/ rent.
- The poor are removed to poor locations as richer households buy up well-located land.

Possible strategies

- Get government subsidies to subsidise rental fees for affordable rental accommodation.
- Research the concept and implementation of pilot land trust legislation where a “community” or “trust” owns the land and individuals can own the buildings on the land. When buying and selling such property, the buyer only pays for the top structure, and the value of the land due, for example, to good location, is taken out of the selling price.
- Review and pilot restricted equity co-operative ownership models where a person owns a share in a co-operative that owns the land. When they leave they get back from the incoming person any value of improvements.
- Undertake further research to identify other strategies that have been used in other areas and could be considered to reduce land prices for future households.

4. GENERAL ADVICE

This set of manuals (A, B and C) has provided you with a lot of information. In conclusion, here is some general advice to take with on your land access journey.

1. Make sure you organise your group well. This is one area where you have full control over the actions and consequences.
2. Change the mindset of everyone at the start of the land access process so that they realise that the process will probably be long and complicated.
3. Bring as many role-players as possible onto your side to help you. This includes your members so you all work together, good professionals, politicians (e.g. ward councillors), and departmental bureaucrats (e.g. department of water, environment).
4. Make sure you have good co-ordination structures in place to ensure that all the people helping you are working together.
5. Listen to the advice of professionals and others who have experience with land access. Still, ask a lot of questions and do not always accept standard responses. Challenge those helping you to find other ways of accessing land.
6. Identify and watch out for people/ groups that could cause problems for you and put in place strategies to minimise the potential disruption.
7. Try and identify potential problems before they occur so that you can plan upfront how to overcome these problems.
8. Recognise that many officials and others are trying to do their jobs in difficult circumstances (e.g. many government departments are short-staffed), and see what you can do to make their jobs easier.
9. Make sure you keep your members updated and informed of what is happening throughout the entire land access process.
10. Be patient and persevere through the long process. If you do not go through all the steps you cannot reap the rewards at the end. See how you can do different things at the same time so as to reduce the time it takes to complete the process.
11. Learn as much as you can about the process and ask questions so you can understand it better. Only by engaging positively in the process can you make it work to your advantage.

12. Be flexible in what your expectations are, as you may have to compromise in many instances. For example, you may have to accept smaller pieces of land to make it more affordable.
13. Encourage your members to save to demonstrate to yourselves and to others that you are serious about getting land.
14. Continually look for and see how you can get money to help you buy and develop land.
15. Make sure you have proper land allocation procedures in place that are clear to everyone and you have the paperwork properly done showing how you allocate people to the land.
16. Make sure you are clear about how the tenure option you have chosen works, especially if you are considering group ownership options which are not always familiar to households or government and other officials and specialists.
17. Make sure you are clear about the roles and responsibilities of the different role-players involved in your project, including who is going to be ultimately responsible for the development. Be careful of trying to do too much as a group without having the necessary knowledge and skills. Consider working with others who have experience.
18. Make sure you follow all the necessary procedures properly and get the necessary approvals. Processes can be extended if you have to go back and do things again if they were not done properly the first time.

5. ANNEXURE : LAND ACCESS OPTIONS

The group of tables on the following pages summarise the various purchase (buy land, enter into land availability, or not buy) and occupation (occupy or not occupy) options at various stages of the land development process. Recommendations are also made about which options are the most appropriate.

A. Organising Stage

	Occupy	Not occupy
Buy land / take ownership	This is not recommended. You will own the land but you will not yet have obtained approvals to develop the land. The land will not yet be surveyed and there will be no services.	This is not recommended. You will own the land and be responsible for paying for rates and services even though you are not yet occupying the land.
Land availability	It may be relevant if it is an in-situ upgrade situation.	This can be considered if you are confident that you will not find another better piece of land.
Not own	This is not recommended. It is effectively land invasion.	It is recommended that you do not buy or occupy the land. It is better to only purchase and occupy land once you have looked at different options and got approvals.

Table 1: Ownership and occupation options at end of organising stage

B. Deciding Stage

	Occupy	Not occupy
Ownership	This is not recommended. Even if you own the land, you will not yet have obtained approval to subdivide and develop the land.	This can be considered as an option. You will have to buy the land as a group as the land is not yet formally subdivided into individual plots. You will have to start paying rates and services even though you are not yet living on the land. If you find problems with the land you may have to sell the land.
Land Availability Agreement (LAA)	This is not recommended. It is land invasion in that the LAA will not give you permission to occupy the land.	It is recommended that the group should enter into the land availability agreement on behalf of its members. You will know which land you want to prioritise. You don't have to pay the purchase price immediately. You don't have to start paying rates and services. The land cannot be sold by the present landowner while you wait for approvals and implementation to take place.
Not own	This is not recommended as it is land invasion.	This can be considered, but means that all the studies you plan to do in the next section of getting approvals will be at your own risk. There is nothing stopping the existing landowner from selling the land to someone else while you are getting approval to develop the land.

Table 2: Ownership and occupation options at end of deciding stage

C. Planning Stage

	Occupy	Not occupy
Ownership	This is not recommended. You will own the land but not have approvals to develop the land.	This is not recommended. You will own the land but not have approvals to develop it yet. If you find problems in developing the land and if you already own it you may have to sell the land. You would have to pay rates and services for undeveloped land.
Land availability Agreement (LAA)	This is not recommended. You would have a rough idea of your layout plan but this would not yet have been approved and neither would the land be formally pegged.	It is recommended that you do not occupy but enter into a LAA with present landowner. If you did not sign a LAA at the end of the deciding phase you should do it now before you spend lots of time and money getting various approvals.
Not own	This is land invasion and not recommended.	This is not recommended. You will be going into the approvals phase without any agreement with the present landowner that you are planning to buy the land. You could spend lots of money on getting approvals and the landowner could then sell the land to someone else.

Table 3: Ownership and occupation options at end of planning stage

D. Approvals Stage

	Occupy	Not occupy
Ownership	This is not recommended. Even if you own the land as a group, and have approvals to develop the land, you would not yet have subdivided and marked out the separate plots on the land yet.	This is not recommended although it can be considered as an option. The land will have to be purchased as a group as it would not yet have been subdivided. Your group will have to pay rates and services even though you are not yet occupying the land.
Land availability agreement (LAA)	This is not recommended. It is land invasion as the LAA will not give you permission to occupy the land.	It is recommended that your group continues with the LAA and you still do not yet occupy the land. The LAA that you should have entered into during the previous phase after choosing a preferred piece of land should still be in place at this stage.
Not own	This is not recommended. It is land invasion.	This is not recommended as you will be going into the implementation phase with no agreement with the present landowner to start to build or do any work on the land. The landowner can decide to sell the land to someone else. Any services and products built on the land will become the property of the existing landowner.

Table 4: Ownership and occupation options at end of approvals stage

E. Implementation Stage

The tables in the implementation stage assume that there is at least some form of land availability agreement in place to start doing work on the land or that your group already has ownership of the land.

If group ownership is to be considered there still needs to be some form of ‘agreement’ that will need to be signed between the group as the landowner and the members, as the occupiers of the land, which specifies which piece of land a person can occupy within the group. You can replace the rows “individual ownership” in the tables with “agreement to occupy” between the group landowner and the individual member of the group.

	Occupy	Not occupy
Individual ownership	This is not recommended as the township would not yet have been opened to allow individual title to be granted. Also, the plots would not yet have been marked out on the land so you may build your house in the wrong place.	This is not recommended as the township would not yet have been opened so you would not be able to transfer ownership to individuals.
Not own	This is not recommended as you most likely do not yet have permission from the group to occupy the land. You also do not know where the portion of land is as it has not yet been surveyed so you may build your house in the wrong place.	It is recommended that you do not own or occupy the land. The land is not yet surveyed so you cannot transfer the portion of land to an individual. You also do not know exactly where to place your house if you want to occupy the land.

Table 5: Ownership and occupation before survey

	Occupy	Not occupy
Individual ownership	This can be considered as an option if you are prepared to occupy the unserviced land. Actual transfer can take place as the township register would be open. You will at least be sure that you are occupying the right piece of land as it would have been surveyed.	This is not recommended. Even though actual transfer to individual ownership can take place at this stage, you will not be occupying the site so you do not need to start paying rates and services.
Not own	This is not recommended. The process of transferring ownership would need to take place soon after occupation so that there is no confusion as to who is responsible for paying rates and services.	It is recommended that you do not own or occupy the land. There are no services in place on the land.

Table 6: Ownership and occupation after survey but before services and house

	Occupy	Not occupy
Individual ownership	It is recommended that you take individual ownership and occupy the land. The township is registered so transfer can take place. You know that the land you are occupying is the right piece of land. You at least have services on your site, even though you may have to erect a temporary structure. You can also stop other people occupying the site allocated to you.	This can be considered. The process of building a house should not take too long so you will not be paying rates and services without occupation for long.
Not own	This can be considered. The process of transferring ownership should take place fairly soon after occupation so as to avoid any confusion as to who is responsible for rates and services.	This can also be considered. It will mean that occupation and transfer will only take place once the house is built.

Table 7: Ownership and occupation after survey and services but before house

	Occupy	Not occupy
Individual ownership	It is recommended that you take individual ownership and occupy the land. The house will be built on a serviced site that is properly surveyed and a township register will have been opened allowing for transfer to take place.	This is not recommended. If someone else moves into the house you will be responsible for trying to evict them from your house.
Not own	This is not recommended. If it does happen, the process of transferring the land should happen as soon as possible after occupation takes place.	This is not recommended. The house will be open and available for someone else to occupy and then it will be difficult for you and the group to remove that person from the house.

Table 8: Ownership and occupation after survey, services and house