

Access to land in poorer parts of towns and cities

This case study draws on research into some of the processes through which people access, trade and hold land in poorer areas of towns and cities. The research was undertaken by the Isandla Institute, Stephen Berrisford Consulting and Progressus Research and Development, commissioned by Urban LandMark. (See Sheet 5 for reference details.)

An introduction to the case study is given below. On the back of this sheet some learning and reflection activities based on the case study are provided. You can do these activities on your own or in groups, as appropriate for your learning session. Look carefully at these activities before you begin so you know what to look for while you are reading.

The next part of the document (Sheets 2, 3 and 4) presents examples of how some people (real names are not given) accessed, traded and held land in various parts of South Africa. The final component of this document (Sheet 5) includes a summary of the key issues that were covered in the case study and recommendations arising from it.

Learning outcomes:

By the end of this session participants will be able to:

- Identify the processes that people use to access land in poorer parts of towns and cities
- Identify some key features of such processes.

Background to this case study

The research study investigated the extra-legal ways in which poor people access, trade and hold urban land. It included in-depth interviews with 74 households in nine settlements in three South African metropolitan areas – Cape Town (Western Cape), Ekurhuleni (Gauteng) and eThekweni (KwaZulu-Natal). The types of settlements examined were:

- informal settlements
- recently allocated Reconstruction and Development Programme (RDP) housing projects (a government programme of subsidised housing for low-income households)
- backyard shacks
- an area of public rental housing
- an area under a traditional authority.

All these types of settlements are of concern for policy makers. For example: there is concern about the growth of informal settlements; there is the possibility of RDP houses being sold for less than the value of the initial state subsidies and the prevalence of backyard shacks can put a strain on existing services and make it difficult to anticipate future infrastructural demands. The findings of this research can help to inform policies that aim to address such concerns.

One of the aims of the research was to find out more about the transaction process that people engaged with. There are three main steps (they are broken down further in the research report) that are common in any transaction:

- 1) finding others to transact with
- 2) checking the trustworthiness of the other parties
- 3) making the agreement.

Photo: Kevin James



Rental accommodation in a poorer part of the city

Part of a series of case studies developed as a teaching and learning resource for studies in urban land markets. Urban LandMark Tel: 012 342 7636 Fax: 012 342 7639 email: info@urbanlandmark.org.za • www.urbanlandmark.org.za
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Learning Activities

Before you start

Before you read the case study, spend a couple of minutes noting what you consider to be key elements of a land transaction process.

After reading the examples

1. In small groups, discuss these questions:
 - (a) What does the case study tell you about the processes people followed to find a place to live? In particular, think about:
 - how they found the place
 - the types of things that gave them confidence to stay there, or that showed the place was theirs
 - the influence of different role players in the process, such as family or local government.
 - (b) What types of factors influenced people's decisions about where to stay?
2. What interventions would help to strengthen the processes through which people access land in poorer areas of towns and cities?

Reflection

- What new, or surprising, insights have you gained as a result of this activity?
- To what extent are you motivated to share these with your colleagues and/or to explore the issues further?

Photo: Kevin James



Renting shacks in yards is a common way of gaining access to land

Enkanini

Here is a story told by someone who moved to Enkanini informal settlement.

Photo: Kevin James



Nozipho's story

I grew up in Umtata, Eastern Cape. Then I went to Gauteng before moving to Cape Town. Before living in Enkanini, I was renting a backyard space in Makhaza. I was living there with my relative. As time went by I decided to look for a place of my own. It's difficult when you stay with other people, especially if you have children. Sometimes the landlord doesn't like you in his yard.

Moving to Enkanini

I just saw that people were building their shacks here, so I decided to come too. I knew some of the people who were living here.

Photo: Mark Napier



I like it here because I have my own place. Transport is not far from us, shops and banks are close. But we do not have things that we used to have in Makhaza. There we did not pay extra for water, electricity and toilets. Here I fetch water from a house and pay the owner. Every month we pay rent for toilets. If we want electricity we have to ask from those at the houses and then pay for it. But now we are used to living without electricity.

There are no documents to show this is my place. But that's OK. My relatives know that this is my place, and people around here know. They know because they see me living here. I don't have to do anything special to stay here, except to clean where I stay. If I move from here I can sell my shack.

Photo: Mark Napier



When I came here there was no committee and nobody to report to, you just placed your shack. It is not the same because now, we have a committee (an informal residents' committee) and they are the ones in charge now. You have to attend meetings.

There are no spaces around here any more for new people. They don't want people from other places to build shacks. But people do sell when they move out. They only sell material if it is still in good condition but not the site because we also didn't buy the sites.

The only way to live here now is to buy from someone who already has a place here and are selling or moving. The owner must introduce you to the committee. You must come with a letter from where you are coming from. That letter would say what kind of a person you are and why are you moving away from where you would be coming from. You give the letter to the committee, and show your ID book. The committee must give you permission to buy a shack from someone who is selling, or to use a space to build your own shack. I don't know anyone who rents a shack here.

People began to settle in Enkanini in October 2003. It is on the periphery of Cape Town, adjacent to Khayelitsha. It is on state-owned land that was earmarked for low-income housing development. Within a month there were 30 shacks in the area and the municipality threatened to demolish them. When they were not demolished a significant number of people moved onto the site in December 2003. Since then almost 16% of households have traded their shacks for an average price of R1350.

At first, you did not need permission; you just came and built your shack.

People here know this is my place.

New people can get a place here if someone moves out.

They have to get permission from the committee.

Photo: Urban LandMark



Shacks in Somalia informal settlement

Here is a story told by someone who moved to Somalia Park.

Thabiseng's story

When we first came to this place we were a few people, maybe eight people. We were afraid, but day-by-day people were entering, so the place looked like a location. Before we placed our shack we got the permission from the people who lived here – the people who are in control of the place, the community.

Moving to Somalia

Before we came here we were renting a place in Vosloorus. Then my husband lost his job, so we knew we would never pay the rent. We looked for another place. Sometimes we would both go around the location asking where they are selling stands.

Then my husband met people who told him about Somalia. He went to the community office. They explained to him that if he wants to live there he must bring his shack and everything. They warned that people do steal. They want people who are serious about the place and don't want people who are looking for a business place coming from the location. They want people who are poor.

We paid R50 to the committee to have a stand and placed our shack. They gave my husband a receipt to show the stand is ours. It took two days to get this place and move. Our neighbours lent us money for the transportation. It was R300.00 to hire a truck to transport our furniture and shack.

Life in Somalia

At first, people tried to break into our shack at night, but they didn't succeed. The farm that sold milk, chickens and eggs was near; when we had the money we could buy them. We even asked for some temporary jobs at the chicken farm. The place is near to Vosloorus, so our children can walk to their school.

To show this place is ours we also have the receipt for the R50, and the number from the receipt is on our door. This number is also on the paper from the housing department that shows we have applied for an RDP house.

People know this is my place because we meet at community meetings. You have to follow the instructions of this place. If you do not follow the instructions they will chase you out of the place.

If I move, I will sell my shack materials, but I won't sell this site. I will give it to a person and put that person under my name with the committee. I can take the individual to the community office where I got the receipt and write down their name.

Somalia Park (Ekurhuleni): The land is formally owned by a private individual and was part of a farm when people started moving on to the land in 1989. The original wave of people came from nearby Vosloorus and people working on farms. Others migrated from as far as the Transkei, Lesotho, Free State and Malawi. The combination of Somalia being both close to work opportunities and town has made it an attractive place to settle. In the five-year period from 2002 to 2007, 38% of households paid a R50 administration fee to the local committee.

We asked permission to stay here.

We paid for our site and got a receipt.

The committee is an organised group of community leaders. As more and more people came to Somalia, community leaders found it necessary to develop a system to allocate plots. They have an office in one of the shacks in the settlement.

Our community has rules we must respect.

I can sell my shack to another person, but the site is not mine to sell. But the R50 I paid to the committee means it is mine to use.

Kingsway

Photo: Urban LandMark



New houses in Kingsway

Here is a story told by someone who moved to Kingsway.

Mamelo's story

Before I came here, I was living in Barcelona, an informal settlement. I had a crèche there.

Getting my house in Kingsway

My brother told me about the registration of sites in Kingsway. I went to the Actonville municipal offices to apply. The committee members in Barcelona said that I should take my ID and my children's birth certificates. I stated that I lived in a shack with no husband, I worked in a crèche with little money and I did not think I would ever get a house. Then I applied for a house, it was August 1999.

I registered for a house at the municipality.

I regularly went to check at the offices and on the 1st December I was told to fetch the keys. I did so, went to check the house and found everything in order. I lived there in an empty house but I was delighted since I had kids that needed a home.

I was very happy. In 2000 I relocated the crèche in Barcelona to my yard.

My arrival in Kingsway brought about an improvement in my life. The crèche went well, my first-born got a job, and then that is where I started a new life. I felt that I was now human and I exist in this life, all along, I never thought I was human because I was poor. I remember when it rained, I had to wake up and put my kids on the table because the house was flooded.

But it is expensive living here. There are no shops, butcheries, or libraries and no police station. So, you have to catch a taxi to go to all these places. I also pay for electricity R100 and water R100 at the municipal offices.

Our house is better than a shack. But living here is expensive.

The house was a one bedroom, so I have built extra two bedrooms because I needed the privacy as a mother. So each child has their own room and then we have a kitchen and dining room. There was no fence, so I tightened security, planted trees for shade. Now that I have my own place, I have self-confidence and am proud that I became a woman who fought and found her children a home.

I have proof that the house is mine, I have a title deed from the municipal offices at Benoni.

We went to get the title deeds ourselves, because we saw that others had them. I saw that it was important to have a title deed, because that is what confirmed that this is my house.

Because being told verbally that the house is mine does not definitely guarantee that the house is mine. So that is why it is important, because the house is written in my name in the title deed. Because it happens in some cases that you think the house is yours, only to find out that it is written in somebody else's name.

The title deed proves the house is mine.

We were told we could only sell after living here for eight years; people therefore have problems when they bought houses, as the ownership did not change. The first owner's name remains and the new owner is not registered. This is because, actually, the people sold their houses informally before the eight years were up.

Old Dunbar

Photo: Urban LandMark



New RDP developments in Old Dunbar

Here is a story told by someone who lives in an RDP house in Old Dunbar.

Bongani's story

Before moving here, I was renting a place in Mayville. This place is in Old Dunbar. When we arrived here they were building houses. I liked this place because there was no violence, there was safety. The people here formed themselves into a community. People also told me the place was peaceful and they lived well here. I'm near to schools, and the shopping malls.

Getting a house in Old Dunbar

Someone I met in the community forum, who later became a councillor, told me that I should register for one of the government houses they were building. I registered at a school with my ID and my child's birth certificate and my wife's ID.

Then there was the fire, and our shacks were burnt down. It was not yet the time for the houses to be built in that area. But the process was pushed because of the fire. It took only two, three months, to get a house.

When I went to register I used my child's and her mother's name, so if I die the house will belong to the child and her mother. The people here at home, the councillors and the neighbours know the house is mine. All the people that live here we knew each other when we went to register. Even when you get your house they announce that this is the owner do you know him? Then they give you the house keys and you sign, that is the handover.

They said the title deed would arrive sometime this year so I do not know; the evidence is a letter. I've forgotten what's written there but it's signed that you received the house from the municipality.

I've lived in this place for a while and am used to it. I won't be able to live in another place. I plan to stay here, with my family. I'm happy I have my own place. The plot is big and I can extend the house one day.

I registered for a house in my child's name and her mother's.

A letter proves it is our place as the title deed has not yet come.

Photo: Kevin James



Wattville

Photo: Kevin James



Wattville is an older, established area

Here is a story told by someone who moved to Wattville.

Siphamandla's story

I was born at Inkandla, KwaZulu-Natal and finished my schooling there. Then after I went to stay with my brother at Stanger and went for a training course. Then I went to stay with my aunt in Gauteng. I had a job in Boksburg. The thing which made me to leave my aunt's place was that I wanted to be independent so that I can learn about life on my own. This place is also near my new job in Benoni.

Being a tenant in Wattville

I knew this place was available for rent because my brother used to stay here. Before I came here his advice was to take care of myself and respect both the owners of this place and I should not destroy anything.

The things which I like about this yard is that when you come from work you just close your room and do your own things in your room. If you want to go anywhere they give you the room and gate keys. When you come back you just open and relax as there is no person who could disturb you.

I pay rent every month. I don't get a receipt for the rent. Perhaps the landlord can say I didn't pay. But I don't think so, we have an understanding.

My brother told me about this place.

There are no documents, the landlord and I just have an understanding.

Photo: Kevin James



The space between houses lends itself to backyard shacks

This page summarises data from the study relating to two key elements in a transaction process: a) finding people to transact with; b) checking that the transaction is valid, i.e. the trustworthiness of the other parties. Tables 1 and 2 show the range of responses from people living in informal settlements and RDP housing settlements from all three municipalities included in the study.

Table 1 Finding others to transact with

Before you moved here, from whom did you hear about this place?

Source of information/assistance	Percentage of respondents	
	Informal settlement	RDP housing project
Family member	30.6	15.5
Friend	31.9	12.1
Neighbour	8.5	1.3
Work colleague	3.8	1.1
Employer	0.3	0.1
Radio	0.8	0.4
Newspaper	0	0.2
Community meeting	2.9	16.8
Committee member	2.5	10
Councillor	0.2	20.1
Municipal official	0	23.1
Taxi commuters	1	0
Traditional healer	0.5	0
Door to door knocking	0.2	0.2
People living around	16.3	0.1
Agents	0	0
Landowner	0	0.9
Knew the place	0.8	0

Table 2 Means of assuring the transaction is valid (establishing trustworthiness)

How do you know this place is yours? Who else knows that this is your place?

	Percentage of respondents	
	Informal settlement	RDP housing project
Family and friends	20	12.6
Committee system	31.6	10.9
Municipal instruction	2	21.6
House had a municipal registration number	5.3	10.3
The land was empty and I took a chance	42.1	1.8
They would give me a receipt	11.5	3.6
Other people were doing it	8.8	0.1
Signed official papers	1.8	45.7
I made a police affidavit	0	2.1
Used a lawyer	0	0.4
Inherited it	0.7	0
Used official documents to prove identity	0	0.8
Paid money in advance	1	0
Landlord gave me receipt	0	0
Have a title deed	0	1.1
Verbal agreement	0.2	0.4

Summary sheet

Land markets exist in poorer parts of towns and cities

Some key findings

The stories in the case study show that as people move from one area to another, there is a type of informal trading that takes place as they exchange their dwellings or dwelling spaces. Informal trading refers to transactions that take place outside the officially recognised system of land management and property ownership. For example, after the settlement in Enkanini reached a certain density the only way new people could come to the area was to pay a administration fee for the use of a site, and, if needed, buy a shack that someone else was moving out of. In other words, informal urban land markets operate in such areas.

The role of social relationships in the transaction process

The stories also show that even in informal settlements there are processes that need to be followed to access land. Such processes seem to rely more on relationships with other people living in the community, rather than the exchange of money. Relationships with others are an important factor in how people find out about new places to live, decide who to trust and make agreements.

For example, people in the stories found out about their next place through word of mouth. Most respondents found places in informal settlements through their networks of family and friends.

When it comes to proving that a place is yours, social relationships play an important part. For example, for Nozipho (in Enkanini informal settlement) it was enough that her relatives and neighbours knew it was her place, she did not need any written proof. In Wattville, Siphamandla relied on the verbal agreement between himself and the landlord; there were no receipts or other documents. Social networks also played a role in the process of getting an RDP house in Old Dunbar, although signing official documents were more often cited as important.

Factors influencing people's decisions

People move from place to place according to their different needs or the stages in their life history. The study showed that there is an economic logic to the way in which people make decisions about where to stay. People assess the advantages and disadvantages of their available options – a process which involves making some trade-offs. For example, for Mamelolo the move from a shack to a house in Kingsway came with the benefit of more comfortable living conditions, but the disadvantage of having to spend more money on transport to get to town. For Thabiseng, finding a place in Somalia informal settlement helped her family recover from the economic shock of her husband losing his job.

Key features of informal urban land markets

The findings from the study illustrate the following features of informal land markets that operate in poorer metropolitan areas:

- People access, hold and trade land in an organised way that is influenced primarily by social relationships. For example, in informal settlements, such organisation is reflected in the role of committees in developing and administering a system for site allocation.
- Government policies and interventions also influence the markets. For example, the registration of shacks in informal settlements and provision of services encourage people to move to those areas in order to improve their chances of getting onto a waiting list for an RDP house. In addition, many respondents found out about RDP housing through a councillor or municipal official.
- In the short-term, socially dominated land markets (in which social relationships play a greater role than price) work for poor people because they allow them access to the city and jobs. This access is relatively easy and cheap even though the access is to areas that are often peripheral or marginal. Forces of the financially dominated land market (where price drives supply and demand), such as rental prices and the high cost of property in suburbs, are major factors that determine the areas that the poor can access.

The value of socially dominated land markets

In low-income communities, socially dominated land markets are important because they allow people to:

- access the city cheaply and quickly
- find jobs
- achieve independence – especially when young people first move away from home
- remain in the city whilst they recover from ‘shocks’ such as sudden job losses.

Recommendations

Some of the recommendations arising from the research:

- Recognise and acknowledge the existence of socially dominated land markets. This would require changes to legislation as well as to the way things are done at municipal level, as well as awareness raising. Policies that can make land markets work better for the poor are needed, for example, creating a basis for planning and allocating land based on a city perspective rather than a local neighbourhood perspective. Another policy intervention could be to de-link poor people being in an informal settlement from their position in the queue for state land and housing benefits.
- Support the role that informal settlements play in the urban land market. Informal settlements contribute flexibility and elasticity in supply of land, which the state and private sector cannot easily achieve. Eradication of informal settlements interrupts an important way that people access land, so effective alternatives need to be introduced where feasible, such as the gradual upgrading of a settlement that is not on a flood plain or in a hazardous location. Other examples of useful interventions would be to grant security of tenure to residents in informal settlements and to set minimum standards in informal settlements and manage these through social negotiations with residents’ committees and the like.
- Develop social interventions that support poor people’s access to land. Such interventions need to work in socially dominated land markets and reflect the growing policy consensus that a one-size-fits-all approach is inappropriate. One such intervention, for example, could be to strengthen social networks in order to increase stability and reduce division and unpredictability.

Photo: Urban LandMark



Land markets exist in poorer parts of towns and cities

Reading list

Source documents for this case study:

Marx C (2007), *Do informal land markets work for poor people? An assessment of three metropolitan cities in South Africa: Synthesis Report*, Isandla Institute and Stephen Berrisford Consulting, with Progressus Research and Development, Urban LandMark, Pretoria, May 2007.

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