



# Urban LandMark

## 2011 learning materials

Urban LandMark provides a credible platform for intellectual debate in the urban land market sector through an active programme of knowledge sharing.

In this context, our **Professional Development** theme area aims to improve the knowledge of practising professionals and officials, as well as students training in the sector, on urban land issues.

The focus of this theme area is the development of learning material from selected Urban LandMark research reports and project activities. We also co-ordinate and support participation in external training activities to enhance co-operation and capacity-building at local, national and international level.

Through this second set of five case studies produced in our series of learning materials, we try to ensure that the relevant information from our recent key research outputs are available for inclusion in the teachings of academics, experts, facilitators and teachers.

Summaries of the content and features of the five case studies produced in 2011 are given below. Each about 10 pages in length, the case studies are available for download from our website at [www.urbanlandmark.org.za](http://www.urbanlandmark.org.za) and for high-quality printing purposes as electronic print-ready CD copies from our office.

### 1. Small-scale private rental in South Africa

This case study draws on research that aimed to provide greater understanding of the small-scale private rental market in South Africa. The case study describes this sub-sector as a housing delivery system that is based on contracts between landlords and tenants, and exists on privately held land. It presents a continuum from single room, affordable-for-low-income-group options to the 'granny flat' options more commonly found in the suburbs.

The case study also examines the various barriers to more effective delivery of housing by this sub-sector, for example, perceptions that it promotes 'slums', and various current policy and delivery failings or gaps.

The case study recommends that new policy is required that enables the small-scale private rental subsector to deliver housing as an integral part of the state's human settlements strategy and programmes.

### 2. Strategies to help poor people access urban land markets

City planners mostly agree that poor people need to be better located in cities to improve their access to social amenities and economic opportunities. Living, trading or producing goods on better located land also gives people access to markets, which improves the potential for sustainable poverty alleviation.

This vision has been at the heart of planning for cities in developing countries for decades. And yet it has not happened to any great extent, at least not in South Africa. The poor remain in poor locations and on low value land, disconnected from physical and market networks.

Urban land that would give poor people the means to create wealth is in high demand and thus sought after by the more powerful sectors of the economy. Given the 'logic' of the market, poorer communities, and state agents such as municipalities that act on their behalf, are often unable to bid competitively on valuable land.



State interventions can distort the market in favour of poor people, but they are still vulnerable unless they are also using the land in ways which extract sufficient value. Low-income housing and small-scale production and trade are rarely profitable or intense enough to compete for good locations in market terms within the current predominant South African urban form.

Therefore the development planning vision of equitable and integrated cities remains unrealised, not to mention the achievement of slum-free cities.

The case study looks at this conundrum in the South African context and suggests ways in which poor people can be spatially and economically integrated into cities by increasing their bidding power, including improving the intensity of land use.

### **3. Urban land markets in East Africa**

This case study looks at how urban land markets operate in the East African region, specifically the countries that make up the East African Community and the Horn of Africa.

Cities in East Africa are characterised by rapid urbanisation and uncontrolled spatial sprawl, with large informal settlements and inadequate service provision. This study investigates how urban land markets operate in such a context, and particularly, how effectively poor people can access, trade and hold land.

Whilst each country has its own characteristics, laws and regulations that influence land transactions, some common features do exist. The examples chosen for this case study illustrate this variety as well as some of the elements and challenges that are common to urban land markets in this region.

### **4. Urban land markets in Southern African cities**

The research that informs this case study drew on a wide range of studies related to how urban land markets operate in Botswana, Lesotho, Mozambique, Namibia, South Africa and Zambia, and to a lesser extent, Zimbabwe.

Cities in southern Africa reflect the rapid urbanisation characteristic of sub-Saharan Africa in general. Angola, Botswana and South Africa have the highest levels of urbanisation in the southern African region, with about 60% of their population living in cities in 2010 and this percentage expected to rise to about 80% by 2050.

The majority of urban residents are poor and live and work in insecure, overcrowded conditions that lack adequate services. In some southern African countries, for example Mozambique and Angola, over 80% of the urban population live in informal settlements on the edges of the cities. Such settlements indicate that the formal supply of urban land is not keeping up with the demand for land.

To make land markets work better for poor people in Southern Africa, this case study suggests that interventions in the land market need to focus on narrowing the divide between formal and informal markets by bringing poor urban households into the formal market, so increasing their security of tenure and prospects of investing in the property.



Features of informal markets that work well for poor people need to be identified and used to inform aspects of the formal market that create barriers for the poor. Individual, private land ownership or leasehold may not necessarily be the only or preferred option of land tenure in urban areas.

Given the limitations of market forces to protect the poor, it is also worth learning from communal landownership and refining such systems in certain areas, for example where access to shared resources such as rivers and grazing areas is important for households' livelihoods. Planning for healthier, more sustainable cities, for example with urban agriculture and more efficient public transport systems, may require more creative approaches to land tenure.

## 5. Formal residential markets in urban areas

This case study examines the formal urban land and property market in South Africa, its institutions, "rules of the game", and functioning. It shows that this market functions well for those who are able to participate in it, but that poorer people are excluded from participating because affordability is a critical requirement and thus represents a barrier.

The case study presents recent trends in the formal housing market, particularly in terms of what has been happening in the gap between the lower end of the market and the segment where the state is the major provider of housing. It shows how this 'gap market' represents a significant opportunity for the state to influence the market towards pro-poor housing outcomes and examines the ways in which government can intervene at this end of the housing market.

These involve policies, incentives and enabling mechanisms which improve affordability and expand supply at the entry level of the housing market by harnessing the energy of the market and encouraging market players to involve themselves in this 'gap' market, thereby acting in line with state policies to bring about the desired pro-poor housing solutions.

*For more information on these case studies or our Professional Development theme area, please contact **Abueng Matlapeng** via email: [matlapeng29@gmail.com](mailto:matlapeng29@gmail.com) or tel: +27 73 583 4053.*

*The Urban Land Markets Programme (Urban LandMark) is a non-profit organisation established in 2006 with funding from UKaid, the United Kingdom's Department for International Development.*

*Urban LandMark **aims to change policies and practice in Southern Africa to improve poor people's access to safe, well-located urban land within a context of urbanisation and growing cities.** Our initiatives focus on making urban land markets, planning and management systems work better for poor people, so as to give effect and meaning to the idea of people having a 'right to land'.*

***Urban LandMark operates as a change agent.** We use research and practical experience to inform policy, and foster a common understanding of and find effective solutions to prevailing obstacles in urban land markets. We promote dialogue between key stakeholders, including government, the private sector and civil society. Where opportunities exist, we actively engage with partners to effect change.*